

Compagnie des Alpes
Reference Document 2009

AMF | Autorité des Marchés Financiers

The French version of this reference document was filed with the Autorité des Marchés Financiers (AMF) on January 29, 2010, in conformity with Article 212-13 of the General Regulation of the AMF. It may be used as a supporting document for a financial operation if read in conjunction with a prospectus approved by the Autorité des Marchés Financiers.

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Incorporation by reference

In accordance with Article 28 of the Commission Regulation (EC) No. 809/2004 of April 29, 2004, the reader is referred to previous reference documents for the following information:

- FY 2007-2008: the management report and the consolidated and parent company financial statements (including the Statutory Auditors report), found in pages 10 to 43 and 44 to 87, 88 to 107, and 126 to 127 respectively, of the reference document filed on January 30, 2009, with the Autorité des Marchés Financiers under number D.09-0043.
- FY 2006-2007: the management report and the consolidated and parent company financial statements (including the Statutory Auditors report), found in pages 10 to 39 and 40 to 77, and 97 respectively, of the reference document filed on January 30, 2008, with the Autorité des Marchés Financiers under number D.08-0037.

Table of contents

I. INTRODUCTION TO THE GROUP	2
1. Chairman's message	3
2. Key figures	4
3. Group history	7
4. Activities, market and competition	8
II. Management Report On financial year ended September 30, 2009	18
1. Analysis of Group results	19
2. Key events after the close of the financial year	24
3. Strategy and outlook for FY 2009/2010	24
4. Group workforce information	27
5. Environmental report	34
6. Group risks	40
7. Activity and results of Compagnie des Alpes SA	47
III. CONSOLIDATED FINANCIAL STATEMENTS, NOTES	50
1. Consolidated balance sheet, income statement, and statement of cash flows as of September 30, 2009	51
2. Notes to the consolidated financial statements	55
3. Report of the statutory auditors on the consolidated financial statements	94
IV. FINANCIAL STATEMENTS OF THE PARENT COMPANY	96
1. Notes to the financial statements of the parent company of the Compagnie des Alpes at September 30, 2009	99
2. Earnings and other information over the last five financial years	113
3. Report of the statutory auditor on the financial statements of the parent company	114
V. CORPORATE GOVERNANCE	116
1. Change in corporate governance and new organizational structure of the Group	117
2. Composition of administrative and management bodies	118
3. Remuneration of corporate officers during the financial year	130
4. Management and employee interest in the share capital of Compagnie des Alpes	139
5. Special report of the statutory auditors concerning regulated agreements	143
6. Internal control (Article 225-37 par. 6 of the Commercial Code)	145
7. Report of the statutory auditors, drawn up in accordance with Article L. 225-235 of the Commercial Code, on the report of the Chairman of the Management Board	163
VI. GENERAL INFORMATION	164
1. Information on Compagnie Des Alpes	165
2. Shareholders' agreements	166
3. Change in the company's share capital over the last five years	168
4. Related party transactions	171
5. The Compagnie des Alpes share on the market	172
6. Information policy	173
7. Persons responsible for the reference document and the annual financial report	175
8. Statutory auditors	176
9. Fees paid to the statutory auditors and the members of their networks	176
10. Reference table	177
11. Reference table of the annual financial report	181

Chapter I

Introduction to the Group

1. Chairman's Message	3
2. Key figures	4
3. Group history	7
4. Activities, market and competition	8
4.1. Ski Areas (57% of Group sales in 2009)	8
4.2. Leisure Parks (43% of Group consolidated sales in 2009)	12
4.3. Investments	16

1. Chairman's Message

In the 2008-2009 financial year, Compagnie des Alpes demonstrated its solidity and performance in a depressed economic climate. Our sales grew, we maintained high margins, and net income rose by more than 10%. Above all, the Group generated a record level of free cash flow. This is the result of both the strategic choices CDA has made over the past 20 years and the realization of the strategic reorientation initiated a year ago.

Ski areas once again proved—as if it were necessary—their resilience in the face of a challenging economic and climatic environment. Leisure parks saw record performances in a context that favored local leisure activities. CDA was able to make the best of the situation by employing a policy of innovative events and a highly responsive pricing strategy.

This year, Compagnie des Alpes also implemented an aggressive strategy for asset arbitrage. In particular, disposals included the Swiss resorts Téléverbier and Saas Fee as well as SMVP (Le Bioscope). These sales were carried out under optimal conditions and had a significant impact on reducing Group debt by €100 million.

Compagnie des Alpes also modified its corporate governance during the course of the year. In March 2009, to encourage unity in the decision-making process and corporate responsiveness, CDA opted for governance by a board of directors with a CEO, replacing its former supervisory and management boards. The exit of Compagnie Européenne des Loisirs in September (which held 12.5% of shares) created a larger free float and resulted in the nomination of two additional independent directors who will take on important roles in specialized committees.

On October 1, 2009, CDA adopted a new internal structure for a more integrated, tightly-managed Group with reduced structural costs. No longer governed along business lines, the Group is steered according to its two vital value-creators: the stimulation of organic growth and development, and the consolidation of industrial and operational excellence. A Marketing, Development, and Products Department and an Industrial Department have thus been created. In addition, an Operations Department for each business line will work to optimize operational performance. Finally, the desire to enhance financial and strategic diligence led CDA to regroup its support functions into an enlarged department: the Finance, Strategy, and Support Services Department has been put under the leadership of Franck Silvent, its Deputy Managing Director.

CDA is now poised to implement an ambitious and value-creating industrial strategy.

Its position as leader in the ski market is a guarantee of recurring revenues and cash flows. We will continue to develop the "network effect" to maximize commercial and operating synergies for the benefit of all stakeholders: customers, employees, shareholders, municipalities, granting authorities, etc. Furthermore, we intend to adapt the economic model of our Ski Areas to a mature market context, to ensure continued value creation. This will be made possible through increased efforts to control costs and capital expenditures.

In leisure parks, CDA now has sufficient size and leadership in three countries (France, Belgium, and the Netherlands) for it to deploy an industrial strategy and to maximize the value of our most promising sites and brands over the medium-term. Our strategy will combine ambitious, highly-selective investments with an innovative and reactive commercial policy. CDA will also exploit this potential for growth by replicating the Group's most profitable models and brands—for example Walibi—through franchises, for example.

In addition, aiming to lower debt and to clarify and optimize the uses of Group capital, the Group's asset disposals of 2008-2009 signify a strategic reorientation that will open doors to new avenues for growth.

Compagnie des Alpes is committed to following this path in 2010. We will increase our strategic mobility by more actively managing our portfolio of assets. We will swiftly implement policies to strengthen Group operational performance, such as optimizing support functions, defining a purchasing policy, and pursuing innovative and responsive commercial and distribution strategies. We will hone our industrial investment to focus on strategic projects that create value. Lastly, we will initiate innovative development projects that capitalize on Group expertise that will ensure tomorrow's growth. More than ever, Compagnie des Alpes is committed to harnessing its financial and human capital to fully become a dynamic and competitive leading leisure provider.

Dominique Marcel
Chairman and CEO

2. Key figures (a)

(in millions of euros)

	2004/2005	2005/2006	2006/2007	2007/2008	2007/2008	2008/2009
Operating						
Consolidated sales (Chapter III - Note 6.1)	374.2	455.6	505.7	579.3	561.3	576.0
EBITDA (1) (Chapter III - Note 6.2)	107.8	138.4	142.2	173.1	165.9	166.6
Operating income (2) (Chapter III - Note 6.2)	60.8	80.0	68.6	85.1	83.3	83.0
Total net income (3)	34.8	44.7	31.8	39.7	39.7	43.1
Net attributable income (4)	30.7	41.1	28.1	36.2	36.2	40.2
Capex and cash flow						
Operating cash flow (5) (Chapter III - Note 7.1)	79.7	98.5	108.3	128.1	121.4	131.1
Net capital expenditures (6)	84.8	78.6	83.2	103.2	100.8	74.0
Free cash flow (7)	-5.1	19.9	25.1	24.9	20.6	57.1

Balance sheet	09/30/2005	09/30/2006	09/30/2007	09/30/2008	09/30/2008	09/30/2009
Total shareholders' equity	349.6	459.0	487.3	564.3	564.3	591.9
Net liabilities (8)	272.8	476.0	484.2	563.3	563.3	461.9
Total equity and liabilities	791.1	1 163.1	1 211.7	1 391.1	1 391.1	1 349.7
ROE (9)	10.5%	10.5%	6.7%	7.4%	7.4%	7.8%
ROCE (10)	7.1%	6.1%	5.0%	5.3%	5.5%	5.7%

(1) EBITDA = earnings before interest, taxes, depreciation, and amortization.

(2) Data given correspond to operating income calculated following IFRS.

(3) Net total earnings include all Group earnings and expenses before minority interest.

(4) Net attributable income includes all Group earnings and expenses after minority interest.

(5) Data given correspond to operating cash flow after net financial debt and income taxes calculated following IFRS.

(6) Net industrial investments (capex) correspond to spending for new property, plant, and equipment and intangible assets net of disposals of like assets.

(7) Free cash flow corresponds to cash flow less investments in intangible assets and property, plant, and equipment.

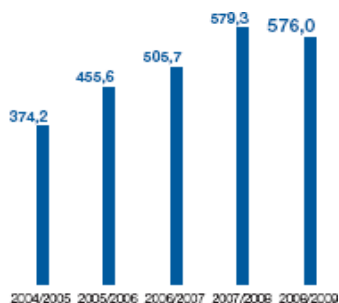
(8) Net debt corresponds to total financial debt less available cash and cash equivalents.

(9) ROE = Net attributable income / (Net Group equity - Net attributable income).

(10) ROCE = Operating income after income tax / net fixed assets (incl. goodwill) + WCR + deferred tax assets - deferred tax liabilities - current and noncurrent provisions.

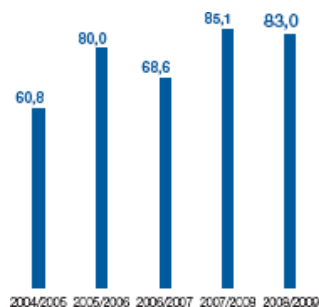
(a) In 2009, Swiss ski-area activity (Saas Fee Bergbahnen and Téléverbier) was reclassified as a separate line item, "discontinued operations," in compliance with IFRS 5. Reported earnings for 2008 have been adjusted for comparability with 2009 financial statements.

Change in consolidated sales (1) (in millions of euros)



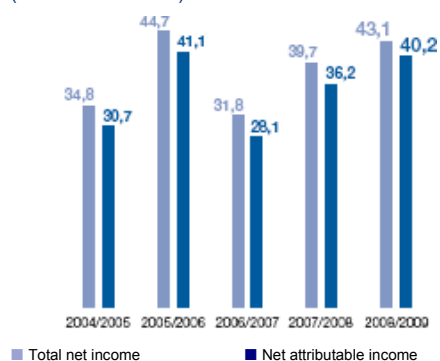
Since 2004/2005, Group consolidated sales have grown at an annual average of 9.4% (b) of which 3.4% from organic growth and 6% from acquisitions. With sales of €576 million including €328 million in Ski Areas and €248 million in Leisure Parks, Compagnie des Alpes is a European leader in leisure activities.

Operating income (1) (in millions of euros)



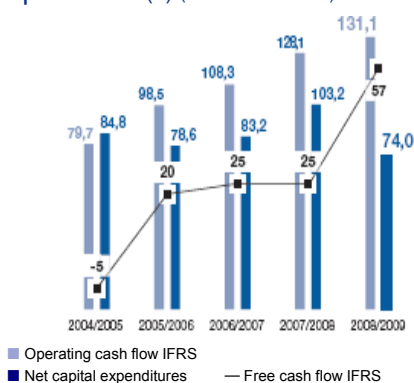
With an average operating margin of 15.3%, the Group boasts solid operating profit in capital-intensive business segments.

Change in net income (in millions of euros)



CDA Group's net attributable income has increased at an annual average of 9.6% since FY 2004-2005. In FY 2005-2006, net attributable income was boosted by an extraordinary gain of €15 million, owing to the acquisition date of the StarParks leisure parks at the beginning of the season. Net attributable income rose by nearly 11% in FY 2008-2009.

CAPEX and cash flow from operations (1) (in millions of euros)



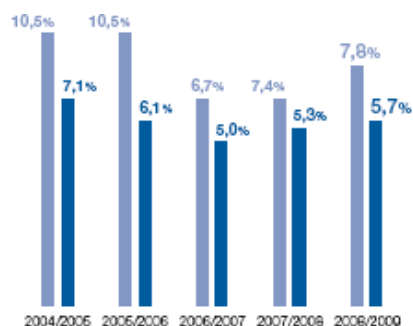
Net capital expenditures (CAPEX) went to new lifts, trail works, grooming machines, and snowmaking for Ski Areas, and to new rides and facilities for Leisure Parks, in addition to other equipment and software. Over the last five financial years, capital expenditures represented approximately 17.4% of consolidated sales, and free cash flow came to €122 million.

(b) Five-year averages are calculated from the annual change of each of the last five financial years.

(1) For purposes of presentation and of consistency with previous reference documents, reported figures have not been adjusted. Any divergences in presentation from the management report are due to the reclassification of Swiss ski areas under discontinued operations, in accordance with IFRS 5.

CDA Group profitability (1)

(in %)

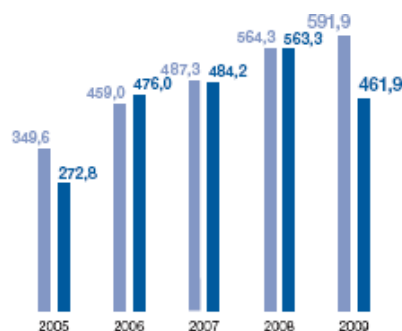


■ ROE = Net attributable income / (Shareholders' equity – net attributable income)
 ■ ROCE = EBIT / Net assets (including goodwill) + WCR + Deferred tax assets - Deferred tax liabilities – Current and non-current provisions

CDA Group profitability, which suffered short-term deterioration because of acquisitions made in 2006 and 2007, has begun to rise again over the last two financial years. As a five-year average, ROE is 8.6% and ROCE comes to 5.9%, (7.8% excluding goodwill).

Capital structure

(in millions of euros)



■ Total shareholders' equity ■ Net liabilities

Over the period 2005-2009, average gearing came to 92%. Recent significant acquisitions (StarParks in May 2006 and STVI in October 2007) were partly financed by capital increases. Net debt was reduced by 18% through significant efforts to control capital expenditures, and through a program of disposals of non-strategic shareholdings. At September 30, 2009, gearing was 78%, a level not seen since the end of 2005.

(1) For purposes of presentation and of consistency with previous reference documents, reported figures have not been adjusted. Any divergences in presentation from the management report are due to the reclassification of Swiss ski areas under discontinued operations, in accordance with IFRS 5.

Change in the stock price over five years

Between November 1, 2004, and October 31, 2007—before the financial crisis—the CDA stock price rose 7% per year on average. Since the end of 2007, when the financial crisis began, the stock price has fallen 30%, while the CAC 40 and SBF 250 indices have each declined 37%.

3. Group history

1989/1990

Creation of Compagnie des Alpes by C3D (*Caisse des Dépôts Développement*).

Acquisition of STGM in Tignes. Creation of STAG in Peisey-Nancroix.

1991/1994

SAP (La Plagne), STAR (Les Arcs), and SATAL (Chamonix-Les Grands Montets) join the Group. The €100 million mark for consolidated sales is passed in 1994.

1994/1995

Acquisition of a majority stake in SEVABEL in Les Menuires.

November 18, 1994: introduction of Compagnie des Alpes into the *Second Marché* of the Paris stock exchange.

December 1994: the Group takes a 36% stake in Méribel Alpina, which joins CDA on the *Second Marché* of the Paris stock exchange one year later.

1995/1998

Acquisition of SMA, a development company in Les Arcs, which becomes the concessionary company of the Les Arcs ski area through the integration of STAR.

December 1996: first operation outside of France, with the acquisition of the Courmayeur ski area of in Val d'Aoste, Italy

December 1997: Méribel Alpina and CDA acquire the ski areas of Flaine, Samoëns, Morillon, and Sixt.

2000/2002

Successful takeover bid for Méribel Alpina, followed by public buy-back offer.

First stakes acquired in Switzerland: Verbier in 2000 and Saas Fee in 2001.

2002/2005

June 2002: takeover bid for Grévin & Cie (group of 10 parks including Parc Astérix and the Musée Grévin), followed by a public buy-back offer. Compagnie des Alpes achieves major diversification in the leisure-parks sector.

Continued pursuit of acquisitions in the Parks division: Aquaparc du Bouveret in Switzerland in 2003, Panorama Park in Germany, Pleasurewood Hills in the United Kingdom in 2004, and Planète Sauvage, in France's Loire Atlantique *département*, and Mer de Sable, in the Oise *département* in 2005.

May 8, 2004: privatization of Compagnie des Alpes.

Entry into Serre-Chevalier in the Hautes Alpes *département* through the acquisition of a 30-year operating concession for the Saint-Chaffrey ski area (Serre Chevalier 1350), and acquisition of a stake in Serre-Chevalier Ski Développement. Third stake (20%) acquired in Aletsch Riederalp, a Swiss resort.

2005-2006

Takeover of Serre-Chevalier Ski Développement.

Acquisition of five new leisure parks from the StarParks Group, including four operated under the Walibi brand. Compagnie des Alpes achieves its goal of a balance between its two business segments and becomes a major player in European leisure parks.

Opening of a new park: Le Bioscope (June 1, 2006).

2007-2008

Compagnie des Alpes acquires 60% of STVI (Val d'Isère) and 20% of three other companies (Avoriaz, Valmorel, and La Rosière). The acquisition is financed in part by an increase in capital reserved to the seller, Sofival, which becomes the third shareholder, with 8.7% of the capital.

Sale of Panorama Park in Germany in January 2008 and of the stake in Aletsch Riederalp in April 2008.

2008-2009

Disposal of stake in SMVP (Le Bioscope), TéléVerbier, and Saas Fee Bergbahnen (SFB). Acquisition of a majority stake in Deux Alpes Loisirs after close of the FY.

4. Activities, market and competition

With 26.6 million visitors to its 36 sites (after the disposal of several Swiss ski areas) in 2008-2009, Compagnie des Alpes is a major player in the European active-leisure sector. It is the world leader in ski-area management (c), operating 14 sites in France and Italy. It is also one of Europe's major players in leisure parks, operating 21 sites in France, Belgium, the Netherlands, Germany, Switzerland, and the United Kingdom.

4.1. Ski Areas (57% of Group sales in 2009)

Group companies equip, maintain, and operate ski areas. Their revenues are drawn from entrance fees for ski lifts and slopes. Their expenses are related to the financing of facilities, personnel costs, taxes and local fees, and normal operating costs (maintenance, energy, insurance, etc.). In France, this activity is carried out under concession contracts, whose characteristics and duration are outlined in 1.8.1 of the Notes to the Consolidated Financial Statements.

As of September 30, 2009, the average remaining duration of the principal contracts was 14.8 years.

As a secondary activity, the Group sells land to real-estate developers. At present, this activity has not exceeded 5% of total ski area sales and has been limited to four ski areas—Les Arcs, Flaine, Les Menuires, and La Plagne. This activity is exercised under the development concessions described in 1.8.1 of the Notes to the Consolidated Financial Statements. Resulting sales and income are incorporated into the information for ski areas, and the contribution figures in the annual Management Report. As the land is intended for sale, its net value is booked under inventories on the balance sheet (5.8, Notes to the Consolidated Financial Statements).

4.1.1. Market and competition in Europe

The relevant market for CDA ski business is Europe. In fact, very few customers cross an ocean to go skiing: they amount to tens of thousands, as compared with the more than 25 million skiers in Europe. The European market, which CDA estimates at about 220 million days, or 4 billion euros, is dominated at around 80% by four countries.

(c) In terms of number of skier-days, no company or group that operates lifts is comparable to or surpasses Compagnie des Alpes.

The four main skiing countries in Europe (1)

Country	Ski-area surface area (km ²)	Number of ski lifts	Number of resorts	Number of very large ski areas (2)
France	1 180	4 242	360	14
Austria	790	3 313	260	12
Switzerland	840	2 284	240	7
Italy	450	2 583	260	5

(1) Source www.vanat.ch.

(2) Stations with over 1 million skier-days.

Total Visitor numbers for the four main skiing countries in Europe (1)

(in millions of days)

Country	2006-2007	2007-2008	2008-2009
France	48.0	54.6	58.6
Austria	48.0	56.8	56.9
Switzerland	24.0	28.7	31.7
Italy	24.8	26.8	29.0

(1) Sources: www.sntf.org, www.vanat.ch.

The leading position of France (tied with Austria, depending on the year) is largely due to strength in the domestic market, which represents 75% of business. Meanwhile, foreign visitors (mostly German) account for half of business for Austrian stations.

In Europe, the market's dominant business model is one company operating one site. Compagnie des Alpes is thus almost unique as a group with multiple sites. (The other exception is Swedish group Skistar, which is listed on the Stockholm Stock Exchange and present only in the Scandinavian market.) CDA is therefore unchallenged as Europe's market leader, with about 8% of sales and 6% of skier days. If we add sales by non fully-consolidated companies (Chamonix, Courmayeur, Verbier, Avoriaz, Valmorel, and La Rosière), Compagnie des Alpes accounts for about 11% of the European ski market in value and 8% in volume.

(d) Source: SNTF 2009 Indicators.

The French ski market

France has 350 ski resorts or centers with at least one ski lift and 230 ski-area operators with a membership in the Syndicat National des Téléphériques de France (French national union of ski-lift operators). Of those, 100 (or 40%) are private companies, 100 are public entities, of which 30 are semi-public companies. The top 14 resorts account for more than 51% of all sales. The top seven French companies present on at least two ski area (40 resorts in all) account for about 50% of all sales in France.

In France, as of September 30, 2009, the market share for CDA's consolidated companies is 30% in value and 24% in volume. S3V, operating the ski areas of Courchevel, La Tania, and Mottaret, is number two in the sector, with a market share of 4,7% and Sofival (Avoriaz, Valmorel, and La Rosière) is number three, with 4,4%.

4.1.2. Group competitive advantages

The number of visitors at a winter-sports resort is linked to several factors:

- The ski area's intrinsic qualities (altitude, slope variety, snowmaking capacity, links with other ski areas) and potential for tourism, especially in terms of professional accommodations. A ski area's altitude guarantees quality snow cover and a season that lasts over 20 weeks. A large proportion of professional accommodations allows for active marketing, especially to international customers.
- Snow conditions and winter temperatures: abundant snow cover and cold temperatures favor skiing in all areas, including at mid- and low-altitude. In the case of more temperate conditions, high-altitude ski areas are favored as customers move up from lower areas.
- The overall economic environment: winter sports vacations are leisure expenses. They are therefore vulnerable to decreases in households' disposable income. Conversely, they are also nearby vacation destinations, which, as the 2008-2009 season shows, tend to be favored in times of crisis.
- Customers from growing European markets (the United Kingdom, Benelux, Eastern Europe) value altitude, ski area size, and ease of access. France is well-situated in terms of these criteria. It boasts a significant number of large, high-altitude stations capable of welcoming over 1 million skier days a year; most are also accessible by highways or railroads connected to locations supplying the largest sources of skiers.

CDA's competitive advantages are due mainly to resort location. CDA has chosen to operate exclusively in resorts with vast, high-altitude ski areas that are well known in Europe and provide a wide variety of professional accommodations. Vacationers (those who stay at the resort for several nights) make up the majority of visitors to Group sites. They are therefore less susceptible to short-term meteorological variations, and visitors are better spread out over the course of the week and the season.

The portion of foreign customers presents a high potential for growth. Foreign skiers represent approximately 40% of visitors to Group stations (according to CDA and Comète investigations); half of them come from the United Kingdom. France is the number-one destination of skiers from the UK, substantially ahead of Austria. Other foreign skiers come mostly from Continental Europe, with the Netherlands placing second, ahead of Belgium and Germany.

4.1.3. Visitor numbers

In thousands of skier-days at CDA Group sites	2006-2007	2007-2008	2008-2009
Paradiski (La Plagne - Les Arcs - Peisey)	4 519	4 823	4 768
Espace Killy (Tignes - Val d'Isère, acquired in 2008)	1 527	3 071	2 770
Les Trois Vallées (Les Menuires - Méribel)	2 428	2 644	2 599
Grand Massif (Flaine, Giffre)	1 142	1 281	1 309
Serre Chevalier	1 312	1 392	1 438
Subtotal for Compagnie des Alpes-Domains skiabiles	10 928	13 211	12 884
French ski areas consolidated by the equity method (1)	1 275	3 436	3 452
Italy (Courmayeur)	331	382	373
Switzerland (Verbier & Saas Fee en 2007 et 2008, Riederalp en 2007)	1 587	1 541	-
Total visitor numbers for CDA Ski Areas	14 121	18 570	16 709
Visitor numbers in fully consolidated ski areas	11 356	13 668	12 884

(1) Chamonix in 2007, 2008 and 2009; Avoriaz, Valmorel, La Rosière in 2008 and 2009.

Compagnie des Alpes sold its stake in Téléverbier (20.3%, accounted for using the equity method) and Saas Fee Bergbahnen (SFB) (41.6%, fully consolidated) in July and October 2009 respectively. The contributions of these two companies to total visitor numbers and sales are not included in 2008-2009 figures. In application of IFRS, the contribution of SFB is booked separately under "Income from discontinued operations."

The 2008-2009 season saw extremely favorable weather conditions and snowfall across all French resorts. These conditions benefited medium and low altitude resorts, notably those outside the Alps, which enjoyed record visitor numbers. Despite the most serious economic crisis in over 50 years, total visitor numbers in French ski areas rose by 6.6% compared with the previous season, for a historical record of 58.6 million skier days (Source: SNTF 2009 indicators, www.sntf.org).

In this overall context, visitor numbers to Group sites were affected by four principal factors:

- The sale of investments in the two Swiss companies that managed the ski areas Saas Fee and Verbier respectively, one of which (SFB) was fully consolidated;
- Increased visits to medium and low altitude and smaller-- therefore less expensive--resorts, as a result of the economic crisis;
- A significant drop in the number of UK clients, down between 9% and 14% according to different sources (the British Ski Association or tour operator Crystal Holidays). The British market accounts on average for 20% of total Group ski area customers, though the figure can be as high as 40% at certain stations,
- The Alpine World Ski Championship held at Val d'Isère in February 2009, which weighed on the visitor numbers to the Ski Areas of Espace Killy.

The quality of the Group's ski areas and marketing drive helped limit the decline in visitor numbers to 2.5% for the Group's second-best record of all time.

The trend seen over the past three ski seasons clearly demonstrates the strong resistance of the Ski Areas business to changing external factors: the characteristics of the Group's sites—high altitude, large surface area and international clientèle—have allowed the Group to absorb external shocks and to thus deliver a consistently strong performance over time.

Because of the changes in scope of consolidation this year, the number of CDA Group ski areas decreased from 17 to 15, including 10 that are fully consolidated (12.9 million skier days) and 5 that are consolidated by the equity method (3.8 million skier days).

4.1.4. Sales

Sales (€ millions) of CDA Group sites	2006-2007	2007-2008	2008-2009
Paradiski (La Plagne - Les Arcs - Peisey)	111.9	120.1	125.4
Espace Killy (Tignes - Val d'Isère en 2008 et 2009)	40.2	81.7	77.4
Les Trois Vallées (Les Menuires - Méribel)	56.2	63.0	63.4
Grand Massif (Flaine, Giffre)	33.0	32.4	30.7
Serre Chevalier	25.5	28.9	31.2
Subtotal for Compagnie des Alpes - Ski Areas	266.8	326.1	328.1
French ski areas consolidated by the equity method	57.0	106.5	105.9
Italy (Courmayeur)	8.4	10.6	10.8
Switzerland (Verbier & Saas Fee in 2007 and 2008, Riederalp in 2007)	51.9	52.8	0.0
Total ski area sales	384.1	496.0	444.8
Consolidated sales	283.5	344.3	328
Portion real estate sales	12.2	10.3	4.9

(1) Definitive Statistics. 2008 Information for equivalent companies in the 2008 Reference Document were provisional.

CDA Group consolidated sales for ski areas grew 0.6% like-for-like to €328 million. This represents 57% of Compagnie des Alpes consolidated sales. In real terms, the disposal of Saas Fee Bergbahnen (SFB) generated a 4.7% decline in consolidated sales.

Lift sales grew 2.5% like-for-like to €313.5 million, while real estate sales were €4.9 million during the course of the year (as opposed to €12.2 million and €10.3 million respectively during the previous two years).

Skier-day receipts rose 4.6%, boosted by the resumed operation of the Paradiski ski area following the reopening of the Vanoise Express cable car. Average spending per capita continues to grow, demonstrating ski consumption's resilience to a challenging economy.

4.1.5. Activities of the principal companies

Paradiski ski area:

SAP (La Plagne) - SMA (Les Arcs) STAG (Peisey-Vallandry)

These three areas have been linked by the Vanoise Express since the 2004/2005 season to form the Paradiski ski area.

With 96,500 tourist beds, of which over 62% are actively marketed by accommodation professionals, Paradiski is one of the largest ski areas in the world. Alone it represents 38% of the Group's consolidated sales for ski areas. After being closed for an entire season for technical reasons, reopening the Vanoise Express cable car for the 2008-2009 season once again allowed the marketing and operation of this large ski area. Sales grew 4.4% to €125.4 million, a progression that combines a slight decrease in volume (-1.1%) with a sharp rise in daily receipts (+5.5%).

The Espace Killy ski area: STGM (Tignes) and STVI (Val d'Isère)

STGM and STVI together operate the entire Espace Killy ski area, for a total of over 58,000 tourist beds, 50% of which are professional accommodations. The area welcomed world champion Alpine skiers in February 2009—at the peak of its high season. As a result, racers, coaches, and the press occupied tourist beds but did not consume skier-days. Visitor numbers dropped nearly 10% and sales were down by over 5% to €77.4 million, or approximately 24% of CDA Group's total ski area sales.

Les Trois Vallées stations: SEVABEL (Les Menuires) and Meribel Alpina (Méribel)

Sevabel and Méribel Alpina in Les Trois Vallées, share with S3V (Courchevel) and SETAM (Val Thorens) the management of the world's largest ski area. The ski area set the record for visitor numbers in 2007-2008, with 2.6 million skier-days. Boasting nearly 55,000 tourist beds, of which 54% are professional accommodations, Les Trois Vallées largely succeeded in maintaining this performance in 2008-2009, with visitor numbers slipping by only 1.7%. Sound management of sales promotions and better distribution of payouts made to other operators of revenue from Les Trois Vallées ski-passes compared to 2007-2008 allowed these two companies to report sales growth of 0.6% in to €63.4 million.

Grand Massif: DSF-DSG (Flaine, SamoEns, Morillon, Sixt)

DSF and its subsidiary DSG operate four of the five stations that form Grand Massif in Haute Savoie. With the exception of Flaine, the average altitude of their sites is lower than those of the Group's other stations. They therefore fully benefitted from the 2008-2009 season's excellent snow cover and saw visitor numbers rise 2.2% from the previous record 2007-2008 year. Of CDA Group's sites, Grand Massif is the most reliant on local customers, with professional accommodations accounting for only 33% of a total of 17,000 tourist beds. Lift sales grew 3% after a rise of over 16% in 2007-2008. However, this growth was offset by this year's lack of land-sale transactions, which represented considerable amounts during the two preceding financial years.

Serre Chevalier (SCV)

Following the merger of SC 1350 and SCSD in December 2008, Serre Chevalier Valley (SCV) operated the entire Serre Chevalier ski area. During the 2008-2009 financial year, sales rose 7.7% to a total of €31.2 million. This growth can be attributed to a 3.3% rise in visitor numbers (1.4 million skier-days) and an approximately 4.4% increase in yields per skier-day. The company is now working to close the gap with other large French resorts in the field; to this end, a significant five-year investment program to reposition Serre Chevalier among leaders in France was launched in the summer of 2005. The development of new rental beds should also contribute to growth, as only 30% of Serre Chevalier's 51,700 tourist beds have been marketed by professional operators as opposed to an average of nearly 45% for Group resorts.

4.2. Leisure Parks (43% of Group consolidated sales in 2009)

The CDA Group has been operating leisure parks since its acquisition in 2002 of Groupe Grévin & Cie., whose principal assets were Parc Astérix and the Musée Grévin. In May 2006, it made a large new acquisition of five leisure parks, including four operated under the Walibi brand. At September 30, 2009, CDA operated 21 parks, with 9.9 million visitors per year, half of them in France. The Group is present in France, the Netherlands, Belgium, Germany, Switzerland, and the United Kingdom.

Leisure Park revenues are generated through entry-ticket sales (about 65% of all sales) and customer spending on park grounds: essentially food and beverages and shopping. Expenses comprise costs related to personnel, installation financing, purchases, marketing, and normal operations (maintenance, energy, insurance, etc.).

Group Parks focus on single-day visitors living within a hour and half's driving distance. Visitor numbers are contingent on park attractiveness, which itself depends on service quality and periodic renewal of attractions.

4.2.1. Market and competition in Europe

The European leisure-parks market, estimated at 300 million visits, is divided among theme parks (50% of the market), tourist attractions (24%), and nature and animal parks (26%). The CDA Group operates primarily in theme parks (81% of sales), nature and animal parks (including aquariums) (11%), and tourist attractions (8%).

This market, which was still very fragmented in 2002, underwent rapid consolidation in 2004-2005, led by US and UK private-equity investment groups. Consolidation has continued in recent years, especially outside Europe. The merger in 2007 of Tussaud and Merlin, the second- and third-largest players in the sector, created Merlin Entertainments (controlled by Blackstone Group), the second-largest group worldwide in leisure parks and the largest in Europe in visitor numbers. Pargues Reunidos, a Spanish subsidiary of the Candover private equity group, took on a global dimension when it bought out a large American operator of leisure parks in 2008. The same year, Aspro Ocio, a subsidiary of the UK group My Travel, acquired a group of four aquariums and a leisure park in England. In October 2009, the owner of Merlin Entertainments, the Blackstone private-equity fund, announced the acquisition of Bush Entertainment Corporation (renamed Seaworld Parks & Entertainment), which operates 10 parks in the United States.

Compagnie des Alpes, which operates only European parks, should be compared to the European components of these global groups, whose figures are not always published.

Main industry players in Europe (2008 figures)

Rank	Group	Number of parks in Europe	Visitor numbers (millions of visits)	Annual sales (M€)
1	TUSSAUD / MERLIN 2008 (1)	57	35	730
2	PARQUES REUNIDOS 2008 (1)	68	25	509
3	EURO DISNEY 2009	2	15	1 231
4	Compagnie des Alpes 2009	21	10	248
5	ASPRO OCIO 2008	40	9	na

(1) Global data (European data are not broken out).

In France, according to a study by ODIT France on tourist-site visitor numbers for 2006, and updated in 2007, the sector includes more than 2,000 tourist sites with more than 160 million visitors. About 1,500 of those sites, with almost 100 million visits, are cultural (châteaux, museums, religious buildings). About 700, with 60 million visits, focus on leisure activities, and about 140 receive more than 100,000 visits per year. Segments in which Compagnie des Alpes is present (theme parks, animal parks, water parks, and tourist attractions) account for some 200 establishments in France, with 45 million visitors. There is considerable concentration, as the top five account for 46% of all visits.

4.2.2. Competitive advantages of Group parks

Visitor numbers of leisure parks are linked to several factors:

- the quality of services available to visitors, not only in terms of rides but also of activities, the general atmosphere (thematic), and related services (restaurants and boutiques). New rides and shows are the real key to success.
- weather conditions at parks whose activities take place outdoors. The successful openings outside the summer months (Toussaint, Christmas) reduce this seasonal dependency.
- the general economic environment. Just as for winter sports, a visit to a leisure park is an expense that can compete easily with other leisure expenses, and is also subject to last-minute decision making. On the other hand, leisure parks constitute nearby leisure destinations, and as such may benefit from economic downturns.
- for parks with a regional dimension, an easily reached location and local roots are important advantages.

In comparison with its main competitors, the CDA Group enjoys a combination of specific strategic assets:

- Market leadership in an area that extends from the Paris region up to northern Holland, with 11 parks entertaining about 7.5 million visitors;
- Powerful brands (Walibi, Astérix, Grévin), whose marketing activities are boosted by pan-European recognition;
- An extensive knowledge of market subsegments — theme parks, tourist sites, animal parks and aquariums — which opens up numerous opportunities for future expansion;
- Finally, Group creation of its own rides and shows; for each project, international, multidisciplinary artistic teams are set up to create innovative, modern products.

4.2.3. Visitor numbers

Visitor numbers of CDA Group parks (thousands of visits)	2006-2007	2007-2008	2008-2009
PARC ASTERIX	1 622	1 800	1 821
MUSEE GREVIN	763	752	776
Other French parks (1)	2 337	2 330	2 558
Total France	4 722	4 882	5 155
Total Netherlands	1 919	1 957	1 885
Total Belgium	1 988	2 075	2 125
Total other countries	933	776	781
Total visitor numbers at leisure parks	9 562	9 690	9 946
Share of foreign parks in visitor numbers	51%	50%	48%

(1) Including the Ecomusée d'Alsace, which does not figure in the 2008 reference document.

CDA Group leisure parks had record visitor numbers in 2009, up 2.6%.

This performance was obtained despite an economic downturn that, in part, brought business to local leisure activities, as represented by Group parks that are solidly established in their regional markets and that appeal to families in search of nearby leisure pursuits. The public's enthusiasm for acquisitions such as the Planète Sauvage Dolphinarium also illustrates the dynamic energy of Group parks, which won over their customer base through innovative events and prices adapted to different visitor profiles. All major Group parks progressed in terms of visitor numbers and sales, except for parks in the Netherlands, one of the European countries hardest hit by the economic crisis.

Since the acquisition of the Starparks parks in May 2006, Compagnie des Alpes has attracted half of its visitor numbers outside France, mainly in the Netherlands, where it is number two in its sector; and in Belgium, where it is the leader.

4.2.4. Sales

Sales of CDA Group parks (€ millions)	2006-2007	2007-2008	2008-2009
PARC ASTERIX	63.1	68.5	74.3
MUSEE GREVIN	10.4	10.9	11.4
Other French parks	41.5	42.6	49.1
Total France	115.0	122.0	134.8
Total Netherlands	47.6	50.0	50.0
Total Belgium	44.2	45.5	46.8
Total other countries	18.9	16.1	15.9
Total sales at leisure parks	225.7	233.6	247.5
Share of sales abroad	49%	48%	46%

Leisure-park sales grew 6%, to €247.5 million, constituting 43% of Compagnie des Alpes consolidated sales.

Growth of revenues per visitor rose nearly 3.2%, mainly because of a marketing policy that was better focused than the previous year's policy. Even with fewer promotional campaigns, visitor numbers were not reduced. Sales of entry tickets rose overall by 7%, and represent 62% of revenues. Restaurants showed steady growth of 3.4% (19% of sales), which was a stellar performance given the economic crisis that weighed on household spending. Spending in boutiques (7% of sales) is the third-biggest item, with growth of 5% thanks to improved quality and to the opening of new sales points.

4.2.5. Activity of principal companies (regrouped by geographical area)

PARC ASTÉRIX

With 1.8 million visits in 2008-2009, an increase of 1.2%, Parc Astérix confirmed its role as leader of Group parks. The second-biggest park in France, Parc Astérix accounts for 30% of Group sales, nearly 13% of CDA consolidated sales, and is the biggest site in all the sectors. It is now open 200 days a year, and for the third consecutive year it was open during the Christmas season, which in 2009 was successful in special events, particularly private ones. The experience will be repeated and improved upon, with the aim of making this an essential Christmas product.

MUSEE GREVIN

In 2008-2009, maintaining its stride from previous years, Musée Grévin again beat its all-time records for both visitor numbers and sales, thanks to a dynamic policy for creating new characters. Visitor numbers grew 3.2%, to over 776,000. Revenues per visitor rose slightly because of the contribution of a new boutique, which continued to benefit from the total renovation it underwent in 2007. Sales improved 4.5% overall, with private parties slowed by the economic downturn.

Other French sites (Mer de Sable, Bagatelle, Grand Aquarium de Saint-Malo, Planète Sauvage, Aquarium de Touraine et Parc des Châteaux Miniature, Walibi Rhône Alpes, Walibi Aquitaine, France Miniature, Bioscope)

These parks are for the most part medium-sized, regional attractions. Sales were €49.1 million in 2008-2009, up 15% from the previous year. Visitor numbers rose 9.5%, largely because of the favorable response by the public to new acquisitions (such as the Planète Sauvage dolphinarium) and because of ticket prices that certain parks (such as Walibi Aquitaine) adapted to their competitive environment. The weather, which was better in 2009 than in the two previous years, also had a positive impact on visitor numbers.

Dutch parks (Dolfinarium Harderwijk, Hellendoorn, and Walibi World)

With nearly 1.9 million visitors (down 3.7%) and stable sales of €50 million, Dutch parks constitute the Group's second-largest geographical area. The three parks are run by a single team, which increased successfully the number of commercial operations. The Group was thus able to maintain its no. 2 status in the Netherlands, a country hard hit by the economic crisis and by consumer behavior that is extremely sensitive to the economy.

Belgian parks (Walibi Belgium, Aqualibi, and Bellewaerde)

Home turf for the Walibi brand, Belgium is a new country for the Group, which is already no. 1 in the sector. This zone had 2.4% growth in visitor numbers and 2.8% growth in sales, led again this year by Aqualibi, whose visitor numbers grew over 11%, to nearly 400,000. Growth was due to the area's aggressive marketing policy, which contributed to revenues per visitor, especially at Aqualibi, which will be closed for at least 18 months (as of January 2010) for total renovation.

Other foreign sites (Germany, Switzerland, England)

In this geographical area, the Group operates a leisure park in Germany (Fort Fun), a water park in Switzerland (Aquaparc), and a leisure park in England (Pleasurewood Hills). These parks are smaller than average Group parks, with fewer than 300,000 visitors per year. Except for Aquaparc, which is open year round, these sites have shorter seasons of four to five months.

Visitor numbers at these parks was up slightly (0.6%), and sales showed a modest decline of 1.5% from the previous year.

4.3. Investments

The assets required for the Group's two operating segments—Ski Areas and Leisure Parks—have the following principal characteristics:

- both business lines are very capital intensive: around three euros are invested for each euro of sales
- assets have long useful lives and depreciation, usually over 20 years
- the investment margin required to maintain and renovate equipment is high. Over the last five years, it was around 17.4% of sales (including acquisitions), with 20% for Ski Areas and 13% for Leisure Parks.

The Compagnie des Alpes Group property, plant, and equipment that is accounted for in the consolidated balance sheet consist primarily of lifts, ski trails, snowmaking facilities, and grooming machines for Ski Areas; and rides, animal cages and tanks, and parks and gardens for Leisure Parks. In both sectors, the Group either owns or leases space for industrial activities, public reception, and offices, for a total surface area of 400,000 m².

The total gross value of PPE at September 30, 2009, came to €1.488 billion, with a net value of €741 million, or 55% of the total consolidated balance sheet (see note 5.3 in the notes to the consolidated financial statements). PPE is divided between Ski Areas (65%) and Leisure Parks (35%).

Environmental questions are addressed in Chapter 5 of the management report.

Ski Areas	Number of lifts	Kilometers of ski trails	Number of snow-making machines	Number of grooming machines
PARADISKI (LA PLAGNE - LES ARCS - PEISEY)	159	405	632	51
ESPACE KILLY (TIGNES - VAL D'ISERE)	94	300	493	33
LES TROIS VALLEES (LES MENUIRES - MERIBEL)	66	222	821	24
GRAND MASSIF (FLAINE, GIFFRE)	56	265	122	27
SERRE CHEVALIER	63	250	559	24
Total consolidated Ski Areas	438	1 442	2 627	159

Mis en forme : Français (France)

Mis en forme : Français (France)

Leisure Parks	Number of rides	Surface area (ha)
France	144	547
The Netherlands	80	140
Belgium	84	96
Other countries	50	105
Total consolidated Leisure Parks	358	888

Chapter II

Management Report

On financial year ended September 30, 2009

1. Analysis of Group results	19
1.1. Changes in scope and consolidation methods	19
1.2. Activity and earnings for the period	20
1.3. Sales	20
1.4. EBITDA	21
1.5. Operating income	22
1.6. Net income	22
1.7. Liquidity and capital resources	23
2. Key events after the close of the financial year	24
3. Strategy and outlook	24
3.1. Strategy of Compagnie des Alpes	24
3.2. Outlook for FY 2009-2010	25
4. Group workforce information	27
4.1. Chief indicators	27
4.2. Workforce	28
4.3. Employment policy	30
4.4. Labor relations	30
4.5. Collective bargaining agreements	30
4.6. Health and safety	31
4.7. Training	31
4.8. Subcontracting	31
4.9. The CDA Group's economic impact	31
4.10. Relations with non-profit organizations and educational institutions	31
4.11. Workforce data in France – Summary	32
5. Environmental report	34
5.1. Key events	34
5.2. Energy	34
5.3. Water management	36
5.4. Waste	38
5.5. Protection of fauna and flora	38
5.6. Noise and odor nuisances	39
5.7. Certifications and measures taken to ensure compliance with legislation and regulations	39
6. Group risks	40
6.1. Risk factors	40
6.2. Insurance – Risk coverage	46
7. Activity and results of Compagnie des Alpes SA	47
7.1. Role of the Compagnie des Alpes SA within the Group	47
7.2. Activity and results	48
7.3. Dividend policy	48
7.4. Key figures of the company	49
7.5. Information on remuneration and any benefits received by corporate officers during the financial year	49
7.6. Identity of the consolidating company	49
7.7. Other information	49

1. Analysis of Group Results

Although FY 2008-2009 was distinguished by an overall economic deterioration, Compagnie des Alpes managed to improve its financial performance, thereby confirming the appeal of its products and the adaptability of its economic model.

Group sales continued to rise, reaching €576 million (+2.6%), compared with restated 2007-2008 sales (1) of €561 million.

Although abundant snow was more favorable for mid- and low-altitude sites, and the poor economy affected part of the foreign clientele, ski-area sales were up 0.6% to €328 million like for like (1). Excluding building rights transactions, sales rose 2.5% from FY 2007-2008.

Leisure park activity increased sharply over the year. This performance resulted partly from capex for growth, but was due especially to the Group's ability to focus on site appeal (events, shows, etc.), while remaining flexible in terms of pricing policy. Leisure-park sales came to €247 million, an annual rise of 6%, allowing the Group to stabilize its like-for-like operating income (1), despite €3 million of exceptional provisions for the year.

These performances were achieved largely through a disciplined control of operating costs.

Borrowing costs fell a significant €6.5 million from the previous year (1).

This positive change is due to the Group's debt-reduction policy and to lower interest rates.

Net attributable income rose 11.0% to €40.2 million.

The combination of improved operating cash flow (+8%) and lower gross capital expenditures (-17%) significantly improved free cash flow to €57 million, its highest level in 10 years.

This performance, combined with the effects of an asset-arbitrage policy carried out over the year (disposal of shareholdings in Téléverbier and SMVP, and sale of Saas Fee Bergbahnen after the close of the financial year), significantly reduced net debt to €462 million from €563 million in the previous financial year. Consequently the Group's balance-sheet ratios showed clear improvement.

(1) Activities of Swiss ski areas (Saas Fee Bergbahnen and Téléverbier) were reclassified as a separate line item, "discontinued operations." In accordance with IFRS 5, results published in 2008 have been restated for easier comparison with the 2009 financial statements.

1.1. Changes in scope and consolidation methods

In 2009, CDA Group decided to discontinue its ski-area operations in Switzerland. At end-July it sold its shareholding of 20.3% in Téléverbier, which was accounted for by the equity method in Group consolidated financial statements.

In addition, the Group sold its 41.64% stake in Saas Fee Bergbahnen after the close of the financial year.

Activities related to ski areas held in Switzerland are therefore classified as a separate line item, "discontinued operations," as are gains from the disposal of Téléverbier (1).

In addition, Compagnie des Alpes sold its stake in SMVP (the asset-holding company of Bioscope in Alsace) to the Caisse des Dépôts at end-September 2009. The Group will continue to manage the site through the operating company EcoBioGestion (EBG), which has an operating contract with SMVP.

(1) The capital gain from Saas Fee Bergbahnen will be booked in FY 2009-2010 because of the transaction date.

1.2. Activity and earnings for the period

Comparative data (after restatement of 2008 data, in compliance with IFRS 5) are as follows:

(in € millions)	9/30/2009	9/30/2008	Change in %
Sales	576.0	561.3	+2.6
EBITDA	166.6	165.9	+0.4
EBITDA/sales	28.9	29.5	
Operating income	83.0	83.3	-0.4
Cost of borrowing and other	-19.0	-25.5	-25.5
Income tax	-23.8	-22.2	+7.2
Affiliates	0.3	2.3	NA
Discontinued operations	2.6	1.8	+44.4
Net income	43.1	39.7	+8.6
Net attributable income	40.2	36.2	+11.0

Contributions of Saas Fee Bergbahnen and Téléverbier, which were in the FY 2007-2008 income statement, have been reclassified under "discontinued operations."

1.3. Sales

Sales came to €576 million, a rise of 2.6% on an annual basis.

They break down as follows:

(in € millions)	9/30/2009	9/30/2008 (restated)	Change in %
Ski Areas	328.3	326.3	+0.6
Leisure Parks	247.5	233.6	+6.0
Other	0.2	1.4	NA
Sales	576.0	561.3	+2.6

1.3.1. Ski Areas

Ski Area sales came to €328.3 million (57% of Group sales), a rise of 0.6% from the previous year. This change combines sales growth of 2.5% in lifts, which was diluted by the expected decline in land-sales transactions over FY 2008-2009 (€4.9 million, down from €10.3 million in the previous financial year).

Ski-area visitor numbers came to 12.9 million skier days—a slight decline of 2% compared with the exceptional 2007-2008 season—despite competition from low- and mid-altitude resorts that had the advantage of abundant snowfall, and despite the overall deterioration of the economy.

Daily revenue rose 4.6%, boosted by the resumption of operations at the Paradiski ski area following the reopening of the Vanoise Express.

1.3.2. Leisure Parks

Leisure park sales were €247.5 million, (43% of Group sales), a rise of 6.0% on an annual basis.

Visitor numbers grew 2.6%, to 9.9 million. The economic downturn, in part, boosted business for local leisure activities, as represented by most Group parks that are solidly established in their regional markets and that do not rely heavily on an international clientele. A flexible sales policy, the sites' innovative capacity, and strategic decisions for media spending also explain this performance.

Visitor spending rose 3.3%, despite the depressed economic climate. This performance is the result of a significant rise in spending in boutiques, particularly following expenditures for renovation, and of careful management of distribution channels and sales policies.

1.4. EBITDA

EBITDA came to €166.6 million, an increase of 0.4%. The EBITDA/sales ratio was 28.9%, compared with 29.5% in 2007-2008.

EBITDA may be broken down by business segment as follows:

(in € millions)	9/30/2009		9/30/2009 (like for like)	
	Amount	% of sales	Amount	% of sales
Ski Areas	117.2	35.7	121.3	37.2
Leisure Parks	54.3	22.0	48.1	20.5
Other	-4.9	NA	-3.5	NA
EBITDA	166.6	28.9	165.9	29.5

1.4.1. Ski Areas

EBITDA from ski areas came to €117.2 million, a decline of 3.3% attributable to a markedly lower contribution from land-sales transactions (€3.2 million compared with €7.7 million in FY 2007-2008).

Extraordinary income added €1.5 million to EBITDA.

Adjusted for these factors, EBITDA from lifts is up €2 million (+1.6%) from the record year 2007-2008. This result was made possible by rigorous cost management, and despite a slight decline in visitor numbers.

1.4.2. Leisure Parks

Leisure-park EBITDA was up sharply (+12.9%) to €54.3 million. This strong growth was due to solidly consistent business performance and to controlled operating costs (expenses for merchandise and seasonal workers), which rose only because of increased activity.

Last year's earnings were impacted by exceptional items associated with legal expenses (€1.5 million) and the closing of Panorama Park (€1 million).

1.4.3. Other

The negative contribution to EBITDA from corporate headquarters declined by €1.4 million because of exceptional provisions for personnel-departure costs as part of Group restructuring (€2 million).

Excluding these special items, this negative contribution was improved by 17%. Operating costs were contained, and basically flat (+1%).

1.5. Operating income

Operating income came to €83 million, stable year on year, despite exceptional provisions taken for €3 million.

It breaks down as follows:

(in € millions)	9/30/2009		9/30/2009 (like for like)		Change in %
	Amount	% of sales	Amount	% of sales	
EBITDA	166.6	28.9	165.9	29.5	0.4
Depreciation, amortization, and provisions	-82.5	14.3	-81.1	14.4	1.7
Other operating income	-1.1	0.2	-1.5	0.3	-26.6
Operating income	83.0	14.4	83.3	14.8	-0.4

The breakdown by business line is as follows:

(in € millions)	9/30/2009	9/30/2008 (like for like)	Change in %
	Ski Areas	67.4	
Leisure Parks	21.8	13.4	62.7
Other	-6.2	-4.2	47.6
Operating income	83.0	83.3	-0.4

Operating income from ski areas declined by 9.0%. This change was due to lower EBITDA and slightly higher depreciation.

Leisure-park operating income rose very sharply (+62.7%) because of operating performances. However, goodwill provisions for Pleasurewood Hills and Bagatelle had a negative impact. FY 2007-2008 operating income for leisure parks had been hurt by an impairment-loss provision for shareholdings and by the accelerated depreciation of certain operating assets for €2 million.

If adjusted for restructuring costs provisioned for the financial year (cf. § 1.4.3), corporate operating income was flat.

1.6. Net income

Lower interest rates and aggressive debt reduction carried out by the Group during the financial year allowed for a strong reduction in the cost of debt, which improved by €6.5 million (-25.5% from the previous year).

The deteriorated earnings of affiliates resulted from provisions of €1.9 million taken by the Group for shareholdings in Courmayeur and Valmorel.

Tax expenses remained in line with earnings. The nominal tax rate improved (36%, down from 38% last year) because of nontaxable earnings stemming from Group tax consolidation.

Discontinued operations for FY 2008-2009 (+€2.6 million) included the contribution of Téléverbier (share of pre-disposal earnings of €0.8 million and capital gain of €1.7 million) and earnings of Saas Fee Bergbahnen (€0.1 million), which was sold after the close of the financial year. Adjusted earnings for FY 2007-2008 for these companies represents €1.8 million.

Net attributable income for the 2008-2009 financial year came to €40.2 million, a rise of 11% from the previous year, which itself rose sharply (28%) from FY 2006-2007.

1.7. Liquidity and capital resources

(in € millions)	09/30/2009	09/30/2008 (restated)
Operating cash flow after interest and taxes	131.1	121.4
Net capital expenditures (CAPEX)	-81.1	-88.9
Change in amounts receivable (payable) for fixed assets	7.0	-11.9
Free cash flow	57.0	20.6
Net financial investments	1.9	-176.5
Change in capital	0.0	58.5
Change in borrowings	-21.6	65.2
Dividends	-6.6 (1)	-15.2
Impact of discontinued operations	13.0	2.1
Change in WCR and other	7.5	23.3
Change cash position	51.2	-22.0

(1) In 2009, dividends of Compagnie des Alpes (€17 million) were paid partially in shares (€13.1 million).

1.7.1. Cash flow

Operating cash flow improved dramatically to €131 million (+8%) from €121 million in 2007-2008.

At the same time, gross capital expenditures were reduced significantly (-17% year on year), to €83 million.

Gross capital expenditures for ski areas were €61 million, down from €67 million a year earlier. Investment efforts continue to slow down, at 18.6% of lift sales vs. 19.5% in 2008 and 20.7% in 2007.

CAPEX came to €21 million for leisure parks, (8.5% of sales), compared with €30 million the previous year. This breaks down to €12 million for maintenance expenditures and €9 million for development costs.

Disposals of PPE came to €1.8 million (vs. €10.6 million in FY 2007-2008, which included the disposal of Vertigo for €4 million).

Excluding changes in amounts receivable and payable for fixed assets, the Group's economic free cash flow has improved noticeably, rising from €32.5 million to €50 million. This constitutes a remarkable performance, and meets targets previously announced by the Group.

The change in amounts receivable and payable for fixed assets in FY 2008-2009 provides a positive contribution to Group operating cash flow of €7 million. Group cash flow in the previous financial year was impacted by payment of the balance of significant capital expenditures made by the Group over a period of several years, especially the opening of Parc Astérix at Christmas and the Arcs hilltop reservoir.

Financial investments in FY 2007-2008 corresponded mainly to the acquisitions of STVI and of the three minority stakes bought from Sofival. These transactions were financed partly by a capital increase of €45 million and partly by debt. In 2009, this item included the impact on the SMVP disposal.

The change in dividends is the consequence of the option put forward to shareholders that the FY 2007-2008 dividend be paid in shares. The majority of shareholders (representing 77% of total shares) elected to take this option, i.e., €13.1 million out of a total dividend of €17 million.

1.7.2. Financial structure ratios

The debt-to-equity ratio (total debt / shareholders' equity) stood at 0.78, compared with 1.0 on September 30, 2008. Total debt / EBITDA was 2.77, a significant improvement from 3.25 the previous financial year.

All banking covenant requirements were met.

As a matter of priority, asset disposals and free cash flow were allocated to lowering Group debt, which was reduced from €563 million at September 30, 2008, to €462 million in 2009 (after the reclassification of Saas Fee under "discontinued operations").

2. Key events after the close of the financial year

As of October 1, 2009, the Group launched a new structure whose aim is for management to be more flexible, more tightly organized, and more integrated in the Company so that it is more efficient and can implement an ambitious, value-creating industrial strategy.

In mid-October 2009, the Group finalized the disposal of its shareholding in Saas Fee Bergbahnen, realizing a net consolidated capital gain of €1.5 million, which will be recognized in FY 2009-2010.

On December 8, 2009, the Compagnie des Alpes Group, in association with financial partners, acquired nearly 90% of the shares in Deux Alpes Loisirs (DAL), the operator of Deux Alpes (Isère). The Deux Alpes resort has the size and quality that fit Group CDA's model perfectly.

In FY 2008-2009, Deux Alpes Loisirs had over 1.3 million skier-days, with consolidated sales of €40.6 million (incl. €32.5 million for lifts).

The investment was carried out through the Deux Alpes Invest (DAI) holding, of which CDA holds 60%, CDC 19%, BPA 12.6%, and CERA 8.4%, for a total of €46 million.

A syndicated memorandum of understanding has been signed, which gives control of the operating and financial management of DAL to the CDA Group. It includes provisions that would allow partners to take part in certain decisions concerning DAL, particularly decisions aiming to protect their assets. Additionally, specific provisions allow CDA Group to acquire additional shares in DAL (with its consent) over the medium term, mainly through stock options, while securing the investment of its partners.

Compagnie des Alpes financed this acquisition using its own funds as well as existing lines of credit.

3. Strategy and outlook

3.1. Strategy of Compagnie des Alpes

The Group CDA development model has always been based on a tripartite strategy:

- the constitution through acquisitions of a group of local operating companies of ski areas, as protected as possible from climate risk, in large resorts with international reputations
- implementation in the acquired companies of the CDA Group management model
- all companies and management teams are part of a network, which allows their performance to be constantly improved

This strategy has allowed Compagnie des Alpes to become the leading operator worldwide of ski areas. Over the last ten years, sales have doubled, and operating margins have improved.

The ski-area activity is heavily concentrated in the northern Alps. This activity has a short operating period—95% of sales occur over a five-month period—and is subject to unpredictable weather that, while somewhat mollified by high-altitude positions and expenditures (man-made snow, trail works), can never be totally dispelled.

Diversification in the leisure parks sector, which began in 2002 with the takeover of Grévin & Cie., was a strategy for reducing the risk associated with these factors. CDA Group business is now spread over ten months. Climate risk has been decorrelated between winter and summer, and visitor numbers are cushioned by the geographic positioning of parks all over Europe.

Between 2002 and 2009, CDA focused much of its strategy on growth in its leisure-parks business line: sales in leisure parks grew over 14% p.a., compared with an annual average of 5.4% for ski areas. 45% of this growth came from acquisitions: leisure parks, which now account for 40% of Group business, have fulfilled their role as growth factors for the traditional CDA business line, in accordance with the diversification targets established in 2002.

CDA has exceptional strategic capital in its two business segments, both of which benefit from strong barriers to entry.

Its leadership in the ski market is a guarantee of recurring revenues and cash flows. The Group aims to continue using the "network effect" in order to maximize commercial and operating synergies that benefit all stakeholders (customers, employees, shareholders, municipalities, granting authorities, etc.). CDA also aims to adapt the ski-area economic model to the segment's market maturity, in order to ensure its capacity for long-term value creation. This will be carried out largely through ongoing and accumulated efforts to better control costs and expenditures.

Concerning leisure parks, CDA now has sufficient size and leadership in three countries (France, Belgium, and the Netherlands) for it to focus on implementing the industrial development strategy of sales and margins from the Group's most promising sites and brands.

An ambitious but highly selective investment policy enhances this strategy. This investment policy will be combined with a sales policy inspired by innovation and flexibility.

This growth potential will be supported by a strategic offensive of replicating the Group's most profitable economic models, and by expanding brands, such as Walibi, Grévin, etc., as franchises.

Since October 1, 2009, the Group has implemented a new structure that aims to encourage Group management that is more flexible and tightly organized, to reduce structural costs, to optimize operating performance, and to pilot the Group using its two vital value-creation levers: the development of all growth factors, and industrial and operating excellence.

In addition, the asset arbitrage that the Group carried out in 2008-2009—to lower debt, simplify structure, and optimize capital employed—is a sign of strategic reorientation that paves the way for a new approach to Group development.

3.2. Outlook for FY 2009-2010

The 2009-2010 financial year will unfold in an economic downturn, making it difficult to estimate the impact on CDA's two business segments. Given the context, CDA will react as necessary, on the basis of business volume, by adapting sales policies, cost management, investments, etc.

3.2.1. Ski Areas

The consolidation of Deux Alpes Loisirs will contribute positively to Group business growth.

Visitor numbers for the season are not easy to forecast because of changes in how reservations for accommodations are carried out (last-minute reservations and erratic trends). Nevertheless, the trend is now away from the last-minute reservations observed at the beginning of the season.

Early-season snow conditions have been very satisfactory.

3.2.2. Leisure parks

Visitor numbers at parks open for All Saint's/Halloween vacation periods were very satisfactory.

CDA will continue to actively innovate in both marketing and events throughout the high season.

It will also continue to optimize distribution channels and to manage them in minute detail.

On the other hand, the closing for renovation of the Aqualibi site (sales of around €4 million in 2008-2009) will have a negative impact on sales.

3.2.3. Q1 FY 2009-2010 sales flat (+0.4%), slightly down (-1.8%) like for like

Consolidated sales from October 1, 2009 to December 31, 2009

(in € millions)	FY 2009/2010	FY 2008/2009	Change	FY 2008/2009 like for like	Change
Ski Areas	59.7	58.2	2.56%	60.0	-0.77%
Leisure Parks	29.2	30.4	-3.78%	30.0	-3.78%
Other	0.06	0.06	NA	0.06	NA
Total sales	89.0	89.0	0.39%	91.0	-1.78%

The like-for-like scope (of consolidation) for 2008-2009 has been adjusted for the quarterly sales of Saas Fee Bergbahnen (SFB), a shareholding divested by CDA in October 2009. It consolidates sales from Deux Alpes Loisirs, of which the CDA Group took control in December 2009, for the period from October 1 to December 31, 2008.

Consolidated sales of Compagnie des Alpes were €89 million in the first quarter of 2009-2010, a rise of 0.4% and a decline of 1.8% like for like (information not audited).

The first quarter is the Group's weakest period of the year—less than 15% of annual sales—with sales activity mainly from ski areas.

Ski areas

Sales from ski areas rose 2.6%, with a decline limited to 0.8% like for like.

Business in the first quarter, ended December 31, 2009, suffered from poor weather conditions. After two exceptionally good years, this season's first snowfalls came later. In addition, constant rain and snowfall at high altitude during the Christmas season did not enhance ski conditions, despite occupancy rates that were better than expected.

As of January 15, 2010 (25% of the season), the number of skier-days was down by around 5%.

This decline is largely due to the exceptional weather conditions described above. The number of skier days, on the other hand, was stable in the first two weeks of January.

Leisure parks

Sales from leisure parks were down 3.8%, a decline explained mainly by fewer visitors to Belgian parks.

The poor performance of these parks is the result of several external factors: the Halloween/Toussaint school-holiday schedule, public transportation strikes, and particularly challenging weather conditions.

Excluding Belgium, leisure parks had sales growth of over 3% for the period.

The Christmas season was satisfactory for Parc Astérix. Slower B2B business (Christmas party bookings) was largely compensated by the excellent performance of the park's opening to the public. With over 20,000 visitors, this third edition confirmed that this product has taken root. Parc Astérix had nearly flat sales over the quarter, compared with last year's figures.

Musée Grévin turned in a very good performance, with sales growth of around 10% for the quarter.

The overall picture for visitor spending in all parks was stable over the quarter.

3.2.4 Outlook for second quarter

Business in the second quarter (January 1 to March 31) is concentrated mainly in ski areas.

Accommodations professionals have noticed changes in reservations trends, particularly a strong increase in last-minute reservations, which reduces the visibility of visitor numbers at ski areas for the remainder of the season.

Consistent occupancy rates during the Christmas season are an encouraging signal of strength.

In leisure parks, Aqualibi closed last January 4. This site had €4 million in sales in 2008-2009, and around 400,000 visitors.

4. Group workforce information

4.1. Chief indicators

	France	EU excl. France	Total 2009 (1)	Total 2008 (2)	Total 2007
Ski Areas	1 790	0	1 790	1 965	1 717
Leisure Parks	1 220	1 228	2 448	2 734	2 707
Others (CDA + LES PRODUCTIONS DU PARC)	99	0	99	96	92
Total average personnel	3 109	1 228	4 337	4 795	4 516

HR indicators by geographical area at September 30, 2009

Personnel at end of September, 2009	2 147	2 498	4 645	4 649	5 149
% women	36%	47%	42%	43%	46%
% men	64%	53%	58%	57%	54%

Management

% managers	17%	3%	9%	10%	8%
% female managers	42%	34%	41%	36%	36%
% male managers	58%	66%	59%	63%	64%
Average personnel	3 109	1 228	4 337	4 795	4 516
% permanent	38%	32%	36%	36%	38%
% seasonal	62%	68%	64%	64%	62%

Training

number of training days	6 605	2 829	9 434	9 026	8 069
number of employees in at least one training program	7 171	1 024	8 195	4 674	3 214

Occupational accidents

Accident rate (3)	55	14.7	42.3	62	56
Number of accidents causing an employee's death	0	0	0	0	0
Number of transportation accidents causing an employee's death	0	0	0	0	0

(1) Change in scope in 2009 for ski areas outside of France: CMBF and Saas Fee Bergbanhen are no longer included.

(2) Change in scope in 2008 for French ski areas: STVI, Valbus, and Montaval included; change in scope for leisure parks outside France: Panorama Park no longer included.

(3) Accident rate = number of accidents with leave exceeding 24h x 1 000 000 / number of hours worked.

4.2. Workforce

The Group's two business lines, Leisure Parks and Ski Areas, are markedly seasonal.

Average monthly workforce fluctuates widely. Leisure Park personnel increases fourfold from February to August. Ski Areas experience the same variation from June to February.

Personnel arrivals are usually non-permanent (seasonal workers for both business lines, performers, and personnel employed through short-term work contracts for Leisure Parks).

Given each business line's particularities, the CDA Group has decentralized its recruitment. As a result, subsidiaries set their own recruitment policies.

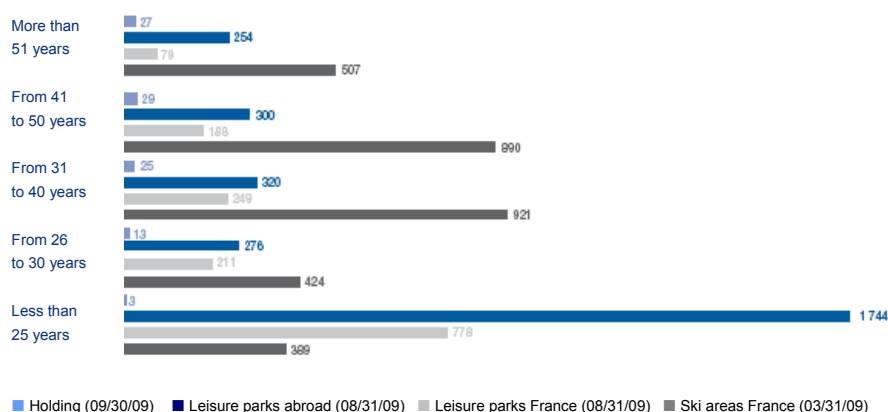
In ski areas, returning seasonal workers are given priority in the rehiring process, in compliance with Article 16 of the French National Collective Bargaining Agreement for Lift Operators (*Convention collective nationale des exploitants de téléphériques et engins de remontées mécaniques*). Nearly 90% of employees return from year to year.

In French leisure parks, Article 4 of Title VII of the National Collective Bargaining Agreement for Leisure Areas, Theme Parks, and Cultural Spaces (*Convention collective nationale sur les espaces de loisirs, d'attraction et culturels*) requires that indemnities be paid to seasonal employees whose work contracts are not renewed for a fourth consecutive season. Overall, around 45% of seasonal employees return the following season in France and the rest of Europe.

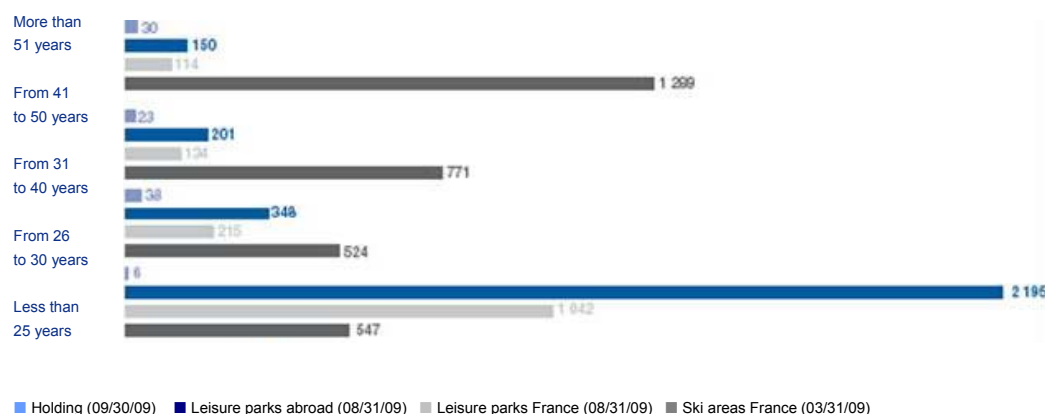
Ski Areas thus have a significantly higher loyalty rate than Leisure Parks, where seasonal workers tend to be students working on the weekend or during school vacations. The latter therefore do not usually return for more than three or four seasons.

Age and seniority rankings are considered differently for the two business lines:

Group CDA personnel age by business segment Personnel at peak of season



**Group CDA personnel seniority by business segment
Personnel at peak of season**



The ratio of women to men also varied by business line: Leisure Parks have more women (46% at September 30, 2009) than Ski Areas (23%).

Women represented 45% of all managers and 41% of all permanent employees at Leisure Parks, compared with 29% and 23% respectively at Ski Areas.

Finally, at the height of the season, 53% of temporary workers were women at Leisure Parks (at August 31, 2009); 36% at Ski Areas (at March 31, 2009).

Average monthly salaries for year-round employees in French sites show a modest gap between women and men, except for ski area management, where the gap is significant.

Average gross monthly salaries in €	Managers		Supervisors		Workers employed	
	Men	Women	Men	Women	Men	Women
Permanent personnel						
Leisure Parks	3 700	3 400	2 250	2 050	1 650	1 550
Ski Areas	5 000	3 950	2 850	2 800	2 350	2 300

4.3. Employment policy

Baseline salaries are renegotiated each year by management and labor representatives designated in the collective bargaining agreements relevant to each site: for ski areas, the French National Collective Bargaining Agreement for Lift Operators; for leisure parks, the French National Collective Bargaining Agreement for Leisure Areas, Themes Parks, and Cultural Spaces; for zoos, the French National Collective Bargaining Agreement for Private Gardens and Zoological Parks Open to the Public. (Respectively: *Convention collective nationale des téléphériques et engins de remontées mécaniques*, *Convention collective nationale des espaces de loisirs*, *Convention collective nationale des parcs et jardins zoologiques privés ouverts au public*)

Management and labor hold obligatory annual salary negotiations.

Average salaries in each of the Group's job categories are significantly higher than the baseline salaries stipulated in the relevant national collective bargaining agreements.

In addition to their regular salary, employees receive bonuses, most of which are stipulated in the collective bargaining agreements that regulate the conditions of employment.

All employees are covered by an incentive agreement and a profit-sharing agreement; these agreements are negotiated for each site. In 2008/2009, bonuses were paid out in accordance with these agreements.

The Group has also set up a company savings plan (PEG CDA) open to all of its French employees. Management sets the Group's contribution to this savings plan each year. Additionally, subsidiaries may also decide to make their own contribution to the plan.

The PEG CDA savings plan comprises five funds, including one invested in Compagnie des Alpes shares.

Employees on all CDA sites have access to social and cultural activities offered by their Works Council.

4.4. Labor relations

In France, employee representation is handled entirely by 241 representatives and 28 union delegates.

For consolidated sites abroad, Park employees are represented by 39 representatives and 5 union delegates.

By collective agreement, Compagnie des Alpes set up a France-wide works committee to on June 29, 2009.

This committee is responsible for disseminating information on the Group's business activities, its financial situation, and its evolution, as well as forecasts regarding employment, which may be published annually or several times a year. The committee also receives the consolidated financial statements and the corresponding report by the statutory auditors.

CDA's Board of Directors, chaired by the Group's CEO, includes an employee delegation composed of seven delegates and seven alternates which the unions name from among union delegates from the Group's French Leisure Parks and Ski Areas.

The role of union working group coordinator has also been created. These coordinators are in charge of negotiating and passing Group-wide agreements with Management.

Because employees are now represented at the highest administrative level of the CDA Group, unions representing the Leisure Parks have come to an agreement with CDA Group Management to phase out Leisure Parks' three Economic and Social Units (*Unités Economiques et Sociales*) at the end of 2009.

Ski Area employees began the process of electing new members of their representative bodies during the 2008/2009 financial year. This process should continue through the coming years.

Elections began on December 4, 2009 in all Leisure Parks.

Finally, negotiations are underway to set up a Europe-wide works committee.

4.5. Collective bargaining agreements

Dialogue between labor and management within CDA continues to expand, as evidenced by the 54 collective agreements signed in FY 2008/2009, compared with 34 the year before. These agreements for the most part concerned obligatory annual negotiations and company-sponsored employee savings plans.

All employees in French Ski Areas and Leisure Parks are eligible for two forms of profit-sharing (*accords d'intéressement et de participation*). To this end, profit-sharing agreements were renegotiated in French Leisure Parks in spring 2009 so that employees, who previously had access only to one form of profit-sharing (*intéressement*) now have access to both.

To meet legal requirements and to ensure that the issue of age is dealt with appropriately, negotiations have begun to create collective agreements or action plans to provide support for older employees. A number of companies within the group have already implemented such measures, for example Compagnie des Alpes SA and several subsidiaries in the Ski Areas division.

Measures were also pursued in 2008/2009 to meet legal requirements concerning the employment of people with disabilities. In cases where the legal minimum of 6% disabled employees could not be met, Group companies have sought to take alternative actions, such as subcontracting to companies specialized in the employment of

disabled persons (known in France as *entreprises du secteur adapté*) or specialized establishments with workplaces designed for people with severe disabilities (known in France as *entreprises du secteur protégé*).

4.6. Health and safety

In compliance with law no. 9114 of December 31, 1991 and decree no. 2001-1016 of November 5, 2001, professional risk-evaluation documents (personnel health and safety) are compiled and updated regularly on French sites. They include risk identification by line of work and position as well as action plans. Each company must create a single document for this purpose and is responsible for updating it regularly. This applies to all sectors, all levels, and all employees, regardless of rank.

Steps have been taken to ensure that similar evaluation documents are distributed in all sites outside of France.

For Ski Areas, the main risks identified are falls and skiing accidents. For Leisure Parks, the main risks are accidents that involve heights, movement within parks, or catering services.

Finally, all Group sites have set up a business continuity plan to ensure continued operations in case of an AH1N1 pandemic.

4.7. Training

CDA is committed to investing in personnel training.

Each site draws up an individual training plan that lists all training to be organized over the year for all staff categories.

Training policy for Ski Areas is based on management-defined objectives, individual goals, and regulatory obligations. Training covers technical issues and, increasingly, marketing and management.

Seasonal employees receive specific training before the season's start.

Certain Leisure Parks offer park-specific training programs for non-permanent employees: Astérix University at Parc Astérix, Bioscope University, etc. The goal of these training programs is to teach the park's values and best practices to ensure visitor safety and well-being.

Leisure Parks and Ski Areas also have a sectoral agreement regarding the personal right to continuing education (*Droit Individuel de Formation*, or DIF).

4.8. Subcontracting

Group companies must always ensure that their subcontractors abide by the provisions of the fundamental conventions of the International Labor Organization and all applicable national labor laws.

4.9. The CDA Group's economic impact

Through various levies and taxes (business taxes of €11 million, Ski Areas concession fees of €16 million, "Mountain law" tax of €14 million), Compagnie des Alpes is a major contributor of resources used by local governments for site development and social solidarity.

In all, those contributions represent 8.8% of all sales generated in France. This figure has not changed since last year.

4.10. Relations with non-profit organizations and educational institutions

Relations with non-profit organizations in Europe

The budget allocated to non-profit organizations is estimated at €0.8 million for FY 2008/2009.

For Ski Areas, this essentially concerns sports-club and ski-club sponsorships, participation in shows organized by external partners, and chair-lift access for school groups. In addition, the Serre Chevalier ski resorts are made available for ski-team training (FFS, Comité Alpes Provence). Such actions help promote growth in ski resorts.

Relations with European educational institutions

Group entities participate in youth training, receiving many secondary-school (*lycée*) and university students as interns or apprentices. Internship, apprenticeship, and skills contracts cover 752 members of the CDA staff across Europe, for a 9% increase over the 2007–2008 financial year's 687.

4.11. Workforce data in France – Summary

Scope: France

09/30/2009

Personnel	Value
Total personnel in France (1)	2 147
Percentage of women	36%
Percentage of men	64%
Personnel by age	
Less than 25	561
25 to 30	261
30 to 40	488
40 to 50	491
Over 50	346
Personnel by seniority	
Less than 1 year	731
1 to 4 years	387
4 to 10 years	312
More than 10 years	717
Average personnel (2)	3 109
Number of permanent personnel (permanent contract, or CDI)	1 188
Number of non-permanent personnel (temporary contract, or CDD)	1 921
Arrivals	
Number of hires with permanent contract	110
Number of hires with temporary contract	6 623
Departures	
Number of terminations	76
Number of resignations	196
Number of contract expirations	5 817
Number of departures for other reasons	158
Hours worked, overtime	
Work week (full time)	35 h
Number of hours worked (in thousands)	5 056
Number of overtime hours (in thousands)	73
Absenteeism	
Number of absentee days	34 775
Sick-leave days	16 043
Leave for occupational accident	6 379
Other reasons	12 353

(1) All employees at September 30, regardless of employment contract.

(2) Sum of monthly personnel divided by 12 months.

NB: average monthly personnel: no. hours worked monthly / 151,67.

Remuneration

Total gross salaries (in € millions)	95
Payroll taxes (in € millions)	42

2008 profit-sharing (*intéressement*) paid in 2009

Gross amount (in € millions)	4.5
Average amount per employee (in euros)	1 440

2008 profit-sharing (*participation*) paid in 2009 (in € millions)

Gross amount (in € millions)	3.8
Average amount per employee (in euros)	1 220

Labor relations

Number of personnel representatives	241
Number of union delegates	28
Collective-bargaining agreements signed during the FY	54

Hygiene and safety conditions

Number of accidents with leave of more than 24h	276
Rate of seriousness (3)	1 176.28
Frequency (4)	54.6

Training

Number of persons in a training program	8 195
Training days by employee (5)	3.0

Employment of handicapped workers

Number of handicapped workers during FY	55
Number of handicapped workers hired during FY	9

Labor-relations activities

Budget of the Labor-Relations Committee (in € millions)	0.5
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Subcontracting

Amount paid for subcontracting (in € millions)	23
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(3) Number of days of leave after occupational accident x 1 000 / number of hours worked.

(4) Number of accidents with leave x 1000 000 / number of hours worked.

(5) Total days of training for total personnel.

5. Environmental report

Most of the CDA Group's business activities take place outdoors, in surroundings where the quality of the environment greatly influences customer pleasure and satisfaction. All Group companies have the same concerns and values when it comes to respecting the environment, preserving plant and animal life, managing natural resources, and sustainable development.

The areas in which Group activities have their greatest impact on the environment are energy (principally electric power), water, and natural scenery. While this impact is created by facilities that are open to the public, visitor numbers affect it quite marginally: only waste, drinking water, and wastewater are affected directly by visitor numbers. The total number of ski lifts, rides, and attractions changes little from year to year; as a result, energy use remains quite stable, varying in function of how long a specific facility or installation remains open (number of days and number of hours per day). Water is used mainly for snowmaking, and thus depends on climatic conditions and snow volume, as well as changes in the productivity of snowmaking equipment.

The environmental information below is based on the real scope of consolidation at the close of FY 2008–2009. As a result, CMB (Chamonix), CMBF (Courmayeur), Téléverbier, and minority shares in Sofival Group companies (Avoriaz, Valmorel, and La Rosière) are not included in this study. Headquarters was not part of the sample as its environmental impact was deemed negligible.

Data is collected annually from all companies' site operations services. Headquarters then consolidates the data and checks it for consistency.

All data is calculated from September 30 of each financial year.

5.1. Key events

The financial year's key events that affected or might have affected data on the environment are the following:

- A colder winter than in 2007/2008, particularly in Northern Europe, which affected heat-use in leisure park operations facilities and offices.
- A snowier winter in 2008/2009 required less snowmaking, meaning water consumption decreased by 6% and energy use dropped 16% year-on-year.
- A more stable season compared to last year, which was marked by an often significant increase in open days in certain leisure parks.

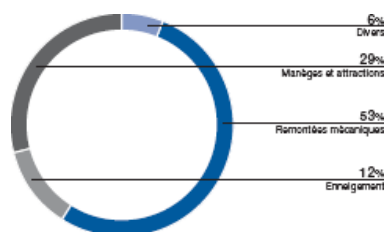
5.2. Energy

5.2.1. Electricity consumption

(En GWh)	2006/2007	2007/2008	2008/2009	Change
Total	134	154	154	0%
Ski areas	87	105	102	-2.8%
Leisure parks	48	49	52	+6.1%

Electricity is the Group's main source of energy. Site operations over a full year on all wholly owned sites increased consumption to a total of 154 GWh in 2008/2009, meaning consumption remained stable year-on-year. About 65% was consumed in Ski Area operations, chiefly in winter (vs. 68% in 2007), and 35% at Leisure Parks, chiefly in summer.

Distribution of electricity consumption in 2008/2009



Electricity use in Ski Areas edged down 2.8% year-on-year.

Because of good snow conditions, snowmaking equipment was used less, and the volume of man-made snow declined by 14% despite a larger snow cover (2,300 acres, or a 7% increase) and more snowmaking machines (9.2% more for a total of 2,627 snowmaking machines).

Energy consumption by ski lifts did not change despite the reopening of the Vanoise Express cable car, which was closed during the 2007/2008 winter season. The total number of Group ski lifts remained the same, numbering 436 at the end of the financial year. Though the Group expects more energy-efficient electric motors to be developed in the future – studies are underway among key ski-lift manufacturers – in the meantime it has implemented energy saving techniques for lift management. These techniques optimize the time lifts remain open and organize operations to avoid all unnecessary stoppage, as the power required to start lift motors drives up energy consumption considerably.

Change in electricity consumption from 2008 to 2009

Ski lifts	-0.6%
Snowmaking	-13.9%
Leisure parks	7.0%

Electricity consumption in Leisure Parks rose by 7% year-on-year. This increase is due mainly to a cold winter in Northern Europe. Heating needs for both buildings and animal tanks drove up electricity consumption by more than 10% in Park Astérix and at the Dolfinarium in the Netherlands. The reopening of the dolphinarium at the Planète Sauvage Park in France's Loire Atlantique *département* also contributed to the rise in electricity consumption, as dolphin tanks are heated by electricity.

Most parks are continuing to expand their energy conservation policies by installing new equipment and making thrifter use of energy: e.g., by systematically shutting down the heat in unoccupied buildings, shortening facility operating times during fallow periods, and installing energy-efficient lights.

The Harderwijk Dolphinarium in the Netherlands supplies 25% of its own energy through cogeneration equipment.

A study is underway to develop the use of this technique in other Group sites.

5.2.2. Natural gas consumption

Total	2006/2007	2007/2008	2008/2009	Change
in m ³	3 542	3 914	3 496	-10.7%
in GWh	35	39	35	-10.7%

Group-wide, natural gas is used to heat some aquariums, tanks, and swimming pools. The majority of natural gas is consumed for heating dolphin tanks in the Dolphinarium in the Netherlands (48% of total natural gas consumption). The cold winter in 2008 drove up natural gas consumption by 11%. Despite the cold weather in 2008, total consumption in 2009 declined significantly through optimized use of heat exchanger networks in the Dolphinarium in the Netherlands, which helped the site slash gas consumption by 20% year-on-year.

5.2.3. Fuel consumption (in thousands of liters)

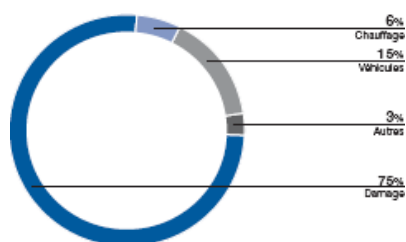
2006/2007	5.293
2007/2008	6.514
2008/2009	6.453
Change	-0.9%

97% of the fuel used to run Group facilities is heating oil and diesel. Gasoline accounts for only 3% of total consumption. 92% of fuels were consumed at Ski Areas and 8% at Leisure Parks. Fuels were used chiefly for grooming machines, which accounted for three-fourths of the total (a total of 159 grooming machines were used in FY 2008/2009, compared with 157 in the previous year); followed by vehicles (15%) and heat (6%).

Fuel consumption by grooming machines remained stable in FY 2008/2009. Snow conditions were nearly identical to those in the previous season, and as a result the number of hours required for snow grooming remained high. Grooming machine drivers have all been trained in fuel-saving driving techniques. More and more snow grooming machines are being equipped with GPS devices, which should help optimize grooming routes and therefore decrease fuel consumption.

The Group's vehicle fleet (a total of 631 vehicles, excluding headquarters) was used more efficiently than in 2007/2008, thanks to a policy implemented across several sites that limits the use of fleet vehicles.

Distribution of fuel 2008-2009 consumption by use



Change in fuel consumption by use

Grooming	0.3%
Heating	11.1%
Vehicles	-5.4%
Other	-21.6%
Total	0.9%

5.2.4. Carbon footprint

Electricity accounts for most of the Group's energy consumption. Electricity consumption totaled 154 GWh, compared with 35 GWh for natural gas.

86% of the Group's electricity (more than 130 GWh) is consumed by sites in France, where electricity is supplied by EDF. EDF's energy is supplied mainly by nuclear plants, allowing it to maintain a low carbon footprint.

Using conversion tables available on the internet (www.rac-f.org), the Group has estimated that its overall carbon emissions total 50,000 metric tons. 40% of these emissions are from grooming machines used on ski slopes. Currently, no other technology is available to replace these machines, and the improvement of their energy efficiency requires research by the manufacturers of motors used in truck transport and agricultural machinery.

In light of this fact, more detailed investigations into CDA's carbon footprint were not deemed urgent.

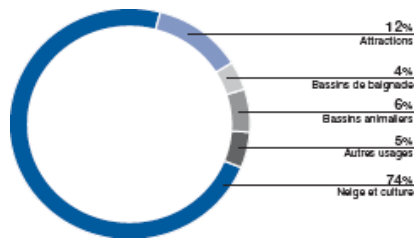
5.3. Water management

5.3.1. Water use in millions of m³)

2006/2007	4.0
2007/2008	4.8
2008/2009	4.6
Change	-4%

In the two business lines, the Group used 4.3 million cubic meters of water in 2008/2009. Water was mainly used for snow production (73%), aquariums and dolphin tanks, and public bathing areas.

Distribution of water use



Group water consumption has dropped by 4%.

After decreases in water consumption in 2006–2007, when a warm winter limited snow production, Group companies adopted policies to better manage their use of water, which may be abundant in the mountains but is rare as a global resource. They were thus able to maintain the same level of water use as in 2006–2007 and even decrease it at certain resorts, such as Serre Chevalier. Because of excellent snow conditions in 2008/2009, snow production was kept to a minimum, pushing down water use for snow making by 7% (205,000 m³ less than the year before)

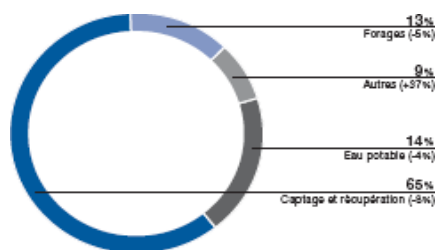
Man-made snow is used to protect the Group from the impact of a shortage of natural snow on the ski business, especially at the beginning and end of a season. Man-made snow is simply water that has crystallized at low temperatures. No chemicals or additives are necessary to transform water into snow, and no Group company uses any of these. Water taken from the natural environment for the purpose is thus restored when the snow melts (with an evaporation rate of 10% to 30%).

For several years, the Group has employed slope preparation and grooming techniques that limit the amount of snow necessary for skiing while maintaining high service standards.

For snow production, Group companies employ surface water and overflow recovery systems to limit their use of drinking water. As water is most needed when water levels in streams and rivers are at their lowest, CDA ski areas have made a particular effort to build hillside water catchment systems.

These stock autumn rainwater and, more and more often, water from snow melts, thereby limiting pressure on streamflows during the winter. Group companies are equipped with 19 hilltop reservoirs, for a total capacity of almost 1.2 million m³ since the the Adret des Tuffes reservoir in Arcs 2000 began operating in autumn 2008.

Distribution of and change in water use in 2009/2009



In France, the taking of water from the natural environment is subject to the Environmental Code. Depending on the volume removed, a declaration or an authorization from the *préfecture* is required, in conformity with the I.O.T.A.⁰ procedure. The Water Law requires payment of a user fee to the Water Bureau.

Water consumption by Leisure Parks stabilized in 2009, after declining for two years in a row. Consumption remained steady despite increased visitor numbers and the reopening of the Planète Sauvage marine life area. Water consumption had dipped during its closure for renovations in 2008.

Water for aquariums and dolphinariums is mainly supplied by well drilling. A water-conservation policy has been implemented to monitor water levels in tanks and centralize technical management of irrigation for plants and green areas. In addition, more and more parks are installing other water-saving devices such as tank and toilet water-level monitors.

⁰ IOTA: Installations, Works, Construction, and Activities (*Installations, Ouvrages, Travaux et Activités*)

The Dolfinarium at Harderwijk has driven down water consumption by more than 20% thanks to a new high-performing filter system.

5.3.2. Wastewater

Wastewater volumes totaled 668,000 m3 in 2008/2009, remaining stable compared with 2007/2008 despite the reopening of tanks at Planète Sauvage. Leisure Parks produce 97% of the Group's wastewater, while Ski Areas accounted for less than 3% of total volume. Around 38% of the Group's wastewater, mainly from aquariums and animal tanks, is treated by the companies that produce it. The remainder is similar in composition to household wastewater and is sent directly to the public sewage system. Sites that operate aquariums and dolphinariums have set up systems to treat wastewater before it is drained into municipal wastewater systems. Water used for snowmaking, which represents 73% of all water used by the Group, returns directly to the natural environment with the snow melt. Accordingly, its volume does not appear in wastewater totals. The same applies to water used for irrigation and water that remains relatively pure after use, since it flows directly into rainwater drainage systems.

5.4. Waste

(in tons)	Solid municipal waste, paper, etc.	Plant waste	Scrap iron	Non-toxic industrial waste (DIB)	Special industrial waste (DIS)	Total
2006/2007	1 980	898	430	1 268	308	4 884
2007/2008	2 097	1 018	666	1 191	227	5 199
2008/2009	1 944	768	665	1 063	292	4 732
Change	-7.3%	-24.6%	-0.2%	-10.7%	28.6%	-9.0%

Group companies essentially generate two kinds of waste: solid municipal waste and non-toxic industrial waste. They represented 64% of all Group waste in 2008–2009. 80% of waste was produced by Leisure Parks and 20% by Ski Areas. Two-thirds of the latter was made up of scrap iron from dismantled ski lifts, all of which is recycled (this is required for a site to receive QSE certification). For non-toxic industrial waste, all Group companies practice systematic waste sorting.

Waste tonnage has dropped by 9%, mostly thanks to better management of ordinary waste across Group Leisure Parks, all of which have been making a concerted effort to sort and recycle. Organic waste volume has also diminished, as more and more Group parks are composting.

5.5. Protection of fauna and flora

The surface used by the public at the ski areas measures about 3,500 hectares (9,390 acres), of which around 90% (3,000 ha, or 7,413 acres) is in the northern French Alps, where CDA resorts account for about one-fourth of total ski-slope area. Groomed slopes cover about 15% of the available surface area for Group Ski Areas. Slopes with man-made snow account for about 26% of the groomed slopes. The Group is gradually implementing a policy to reduce the number of lifts and better integrate new lifts into the countryside. In 2009, 74 pylons and 28 km of cable were removed from the landscape.

When new ski trails are built or existing trails improved, channels for water from melted snow are built and grass is replanted at the construction sites. During FY 2008-2009, Group resorts invested almost €500,000 on new grass and reforestation for 160 hectares (395 acres) on their ski areas. So-called "clean mountainside" (*Montagne Propre*) operations are now underway at several sites, often in partnership with environmental-protection organizations, to get rid of residual waste from the winter season or even older waste. Mobilizing sometimes up to several dozen participants, these operations collected several tons of waste in 2009, on the same scale as in 2008.

In the Leisure Parks division, Parc Astérix signed an agreement in 1998 with the Natural Sites Protection Office in the Picardie region to protect the Morrière forest. This zone is officially classified as of special interest for its ecology, flora, and fauna (*Zone Naturelle d'Intérêt Ecologique, Floristique et Faunistique*, or ZNIEF). The park will be included in the future "Oise-Pays de France" regional park, which includes the Halatte, Ermenonville, and Chantilly forests. Sites with protected species – Parc Astérix, the Saint-Malo and Val de Loire aquariums – respect the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The Dolfinarium in the Netherlands is one of the very few centers on Europe's Atlantic coast for the care of sea mammals. It has high-performance research facilities and participates in dolphin-protection programs in the North Sea. It also attends to all sea mammals stranded on North Sea beaches and has a veterinarian on its permanent staff. Since 2005, this activity has been carried out within the Dolfinarium by SOS Dolfin, an independent organization. In all, the Dolfinarium, Parc Astérix and Planète Sauvage are leading marine-life protection sites in Europe.

Planète Sauvage is active in numerous European programs for the care and breeding of endangered species and maintains a close relationship with the Nantes veterinary school for research and animal care. The park is among the top European centers for the reproduction of wild animals, registering almost 250 births per year. Following a public inquiry, Planète Sauvage was granted permission to keep dolphins. Five arrived in November 2008 from Parc Astérix and the Dolfinarium in the Netherlands and were placed in completely refurbished facilities. A program set up with the CNRS and UMR 6554 ("mixed research unit" for the coastal zone, the environment, remote sensing, and geomatics) at the University of Rennes will be studying the dolphins' vocal communications. The site's prefectural permit to keep dolphins was annulled by the Nantes Administrative Court in November 2009 due to a procedural technicality, and a new request is currently being put together in cooperation with the Loire Atlantique Prefecture.

The Grand Aquarium de Saint-Malo has for years endeavored to raise public awareness of the harm done by humans to the ocean and its denizens. In partnership with the Ministry of National Education, its teams have developed eight educational workshops attended by thousands of students every year. It also helped found an organization called Mer Fragile (Fragile Sea), which regularly organizes cleanup and awareness efforts.

5.6. Noise and odor nuisances

CDA Leisure Parks in France comply with all applicable legal restrictions concerning noise pollution. At Parc Astérix, for instance, the equivalent continuous sound level at the property border is less than 40 dB. The loudest impulse emissions were measured at 42 dB (A), for very short times only.

The Walibi Belgium Park is operated under an environmental permit that expires in 2011. Measures are taken in concert with a residents' committee and are for the most part aimed at building noise-protection barriers around certain rides.

Noise at Ski Areas is low and comes mostly from lift stations and snow guns operating near urban areas. Ski-lift motors, located at the top of lines, far from any habitations, are not usually changed during renovations. The new generation of snowmaking equipment places snow guns on high towers, thereby limiting noise pollution.

No odor nuisances have been noted at either Ski Areas or Leisure Parks.

5.7. Certifications and measures taken to ensure compliance with legislation and regulations

All fully owned CDA Group subsidiaries Ski Areas, as well as CMBF (Courmayeur) and CMB (Chamonix) obtained QSE (Quality, ISO 9001; Security, OHSAS 18001; and Environment, ISO 14001) certification in 2008. It was Europe's first such large-scale certification and resulted from considerable investment of both funds and human resources. Management and field crews worked at it for 18 months, or 45,000 hours. This is equivalent to a year's full-time work for a 20-member team.

ISO 14001 certification recognizes company efforts to incorporate the environment into management processes and involves strict, evolving norms. There are three basic requirements: compliance with regulations, prevention of pollution, and a constant effort to seek ways to improve environmental performance. The procedure will allow the Group to better manage its use of the natural resources needed for its activity.

Companies applying for certification first compile an inventory of the environmental impacts of its business. They then put together an environmental-protection plan to limit those impacts as much as possible. The plan is regularly brought up to date. Each stage of the certification is overseen by a qualified, independent auditing agency.

Most CDA companies do not have a specific department to handle environmental issues, but all regularly distribute information about environmental protection to their personnel. For the most part, environmental issues are addressed by departments handling quality/safety and slope maintenance. These departments come together at the Group level in a QSE Committee, which is charged with pooling knowledge and steering experimental programs, initiating them at one or two resorts and, if they prove successful, generalizing them throughout the Group's Ski Areas.

No Group Leisure Park has yet obtained ISO certification. However, in March 1999, Parc Astérix adopted a voluntary sustainable-development policy and with it a business-environment plan (*Plan Environnement Entreprise*), or PEEA. The plan was prepared by the French government's environment and energy conservation agency (*Agence Gouvernementale de l'Environnement et de la Maîtrise de l'Énergie*, or ADEME) and subsequently adjusted to ISO 14001.

The PEEA environmental policy has three priorities: resource management, management of the environmental impacts of business activity, and management of communications and training. At Parc Astérix, an "energy and environment" department is in charge of monitoring regulatory issues, collecting and sorting waste, and implementing PEEA.

6. Group risks

6.1. Risk factors

The Compagnie des Alpes relies largely on the work of its Group-wide Risk Committee to identify and evaluate risks.

The major risks linked to CDA's business activity and structure are described below. These have been grouped together in three sub-units: market risk (liquidity, interest rate, foreign exchange, etc.), legal risk, and business-specific risk.

The goal of describing risks is to call investors' attention to the possible consequences should major risks transpire for the share price or for operations, and at the same time to comply with regulatory requirements.

Depending on the risk, major preventive measures and potential situations to be taken into account are also detailed.

The Company has reviewed risks that might have a significant negative effect on its business, its financial situation, or its financial results, and has concluded that there are no significant risks other than those presented below.

6.1.1. Market risk

Group companies are exposed mainly to liquidity and interest-rate risks. Foreign-exchange risk, on the other hand, is very limited.

Risk management is largely centralized in the Group Finance Division, which is directly attached to the Management Board through CDA-Financement, a wholly owned subsidiary of Compagnie des Alpes. It has signed agreements on financing and interest-rate risk management with each fully consolidated Group company.

In May 2006, in the framework of the acquisition of five leisure parks, CDA-Financement entered into a syndicated loan agreement for acquisitions and refinancing of part of its existing debt. In May 2007, a new acquisition tranche was negotiated to prepare for the implementation of financing necessary for the acquisition of STVI and other stakes of the Sofival Group. Most of this debt (70%) matures in May 2011.

Liquidity risk

As of September 2009, the company carried net borrowings of €461.9 million (cf. note 1.27), or €456.1 million if non-current financial assets are included. Group financial debt (see chapter III, note 5.15) came to €494.0 million, broken down by maturity as follows:

(in millions of euros)	Total	- 1 year	1 to 5 years	+ 5 years
Financial Liabilities	494.0	67.0	423.7	3.3
Financial assets and cash	32.1	32.1		
Net position	461.9	34.9	423.7	3.3

Some financing agreements contain call provisions in case requirements for certain financial ratios are not respected. The total amount of debt subject to these covenants stands at €373 M of which €356.5 million in syndicated loans and €16.5 million in loans taken out by the Compagnie des Alpes with the Cr dit Agricole des Savoie (whose covenants are identical to those of the syndicated loans). Ratios used are detailed in the notes to the consolidated financial statements in note 5.15.4, chapter III. They are brought up to date twice a year, on March 31 and September 30. Among the call provisions, a retention of title clause for the Caisse des D pots is detailed in Chapter III - Note 5.15.4. As of September 30, 2009, no covenant was likely to trigger prepayment.

Moreover, some Group companies generally have unused medium- and long-term lines of credit at their immediate disposal. These credit lines enable the companies to deal with any unforeseen developments that might affect operations (e.g., late arrival of the season's first snowfall), and to secure financing in terms of both volume and cost.

As of September 30, 2009, the Group had €102 million in unused committed lines of credit.

In addition, Group companies have strictly short-term bank-overdraft facilities for meeting liquidity risks. These are renewed annually. These short term-overdraft facilities are not subject to any specific covenants. As of September 30, 2009, the Group had €172 million in unused bank-overdraft lines of credit.

The Group currently has recourse to lines of credit (both syndicated credit and overdraft facilities) sufficient to meet its needs both for investments and for financing its needs in terms of working capital.

To fund major projects for growth or acquisition that outstrip its current financing capabilities, the Group may, if necessary, set up new types of financing (e.g. equity, partnership, new lines of credit, etc.).

Interest-rate and foreign-exchange risks

Compagnie des Alpes used financial instruments to manage interest-rate risk in the scope of the Group's business. The Group does not intend to manage market risk through speculation, but to guarantee a maximum of resources at the lowest cost.

Interest-rate hedging

The policy focuses on guaranteeing interest expense through short- and medium-term interest-rate caps.

As of September 30, 2009, floating-rate debt represented 87% of Group debt, or €432 million. Of this amount, €305 million was hedged by financial instruments. These instruments are covered in detail in the notes appended to the consolidated accounts (Chapter III - Note 5-15-2).

With current hedged positions taken into account, the exposure to interest-rate risk as of September 30, 2009, and forecasts for FY 2009–2010 may be summarized as follows:

	09/30/2009	2009/2010
Unhedged debt	26%	57%
Hedged debt	74%	43%
	100%	100%

Hedged debt includes fixed-rate borrowings and the hedged portion of floating-rate debt. As of September 30, 2008, hedged debt represented 29% of Group debt, compared with 40% on September 30, 2007).

Should benchmark rates (3-month and 12-month Euribor, Eonia) increase or decrease by 100 bp over the entire FY 2008–2009, the impact on interest expense would be :

-1%	+1%
-€2.3 M	+€2.7 M

Currency-risk hedging

The Group does not make significant use of currency hedges, for the following reasons:

- intragroup forex flows are limited
- sales revenues are in the same currency as operating expenses

Expenditures in subsidiaries abroad are made in local currencies. This position is not hedged insofar as these are very long-term operations. The portion of balance-sheet assets sensitive to variations in foreign-exchange rates is 0.4% — 0.1% exposed to EUR/CHF changes and 0.3% exposed to EUR/GBP fluctuations.

Equity price risk

Equity price risk is cannot be defined a Group-wide phenomenon.

Within the framework of its liquidity agreement, CDA Group holds €1.1 million in treasury shares (see Chapter III - Note 5.13.1).

For listed subsidiaries (Musée Grévin and Compagnie du Mont Blanc), list prices are not representative of going-concern value taken into consideration by the Group because of the low liquidity of these assets and the length of time the Group will hold them.

Financial assets available for sale (see Note 5.6) include a certain number of real estate holdings linked to business activity in Ski Areas. These holdings are relatively small in scale and do not pose any significant risk for the Group.

Customer-credit risks

Given its sales structure of mainly ski-lift passes and entry tickets to leisure sites, the Group has little exposure to customer-credit risks. In terms of current activity, one specific risk lies in real estate receivables, which are partly covered by specific guarantees (privileges, etc.).

6.1.2. Legal risks

The regulations governing the Group's activities vary with the activities themselves and the countries in which CDA is operating.

In France, ski-resort operations are carried out under the terms of the Mountains Act (loi Montagne) of January 9, 1985, which deals with "the provision of ski-lift and ski-trail services." The features of the concession contracts, by which the Group operates in application of these regulations, are set out in the notes to the consolidated financial statements (note 1.8, chapter VI). These are all long-term contracts (over 20 years). They can be terminated only by court order, in the event that the court deems the concession-holder to have committed a serious infraction, for reasons considered to be in the general interest, or in case of *force majeure* that would make it impossible to meet the terms of the contract. If a contract is breached or terminated, the concession-holder has the right to compensation corresponding at least to the book value of non-amortized investments. In cases where the contract is terminated for reasons in the general interest, the concession-holder also has the right to be compensated for loss of revenue, once damages have been assessed.

The sale or transfer of a concession contract requires the consent of the party granting the concession. In the case of STGM (Tignes) and Sevabel (Les Menuires), changes in the management of the concession-holding company also require the consent of the public authority granting the concession.

In Italy, there are no legal structures for public-service concession contracts. Ski-lift operators own the facilities they operate under a system of authorizations, which, in general, are issued for equipment on an item-by-item basis for the prescribed life of each item.

There is no specific legal framework for the operation of leisure parks. Certain countries may require specific authorization for operating a leisure park. Note that the operation of the Bioscope is run under a concession contract concluded with a local municipality.

As of September 30, 2009, the CDA Group was confronted with three significant legal proceedings:

Legal proceedings concerning the Dolfinarium

Legal proceedings against Grévin & Cie and Harderwijk Hellendoorn Holding B.V. (a former subsidiary of Grévin & Cie, now owned by Compagnie des Alpes) were initiated in the Dutch courts by Leisureplan B.V., the company that sold Grévin & Cie, the Dolfinarium Harderwijk and Avonturenpark Hellendoorn. At this point no monetary figure has been attributed to the claim, as no damages have been proven by Leisureplan B.V. The maximum amount at stake, excluding any claims against third parties by Grévin & Cie and Harderwijk Hellendoorn Holding B.V., can be estimated at around €5 million.

A first court decision against Grévin & Cie was handed down in December 2004. It was overturned on appeal in June 2007. In September 2007, exercising its only legal recourse, Leisureplan B.V. made an appeal based on a legal technicality.

On October 9, 2009, the Supreme Court announced its overall agreement with the decision handed down by the Court of Appeals in June 2007; nevertheless, the Supreme Court considered that the Court of Appeals' decision lacked sufficient motive, requiring a retrial by the same Court of Appeals. Currently, CDA Group is waiting to find out whether Leisureplan B.V. will re-file the suit as required by procedure, or choose to abandon it. As before, Grévin & Cie considers Leisureplan B.V.'s claims to be unfounded. In light of the above elements, events since early 2008 offer no reason for the Group to change its position regarding this dispute.

Legal proceedings concerning the Vanoise Express cable car

Facts

SELALP is the operator of the Vanoise Express cable car, which connects the ski resorts of La Plagne and Les Arcs.

SELALP entrusted the manufacture of the cable car to Pomagalski, with which a turnkey contract was entered into in May 2002. This agreement included a contractual guarantee of the cables for five years. Pomagalski subcontracted the supply and installation of the cables to ArcelorMittal Wire France.

The cable car was delivered in December 2003.

In November 2007, SELALP noticed a break in the Z fiber of the cable coating on both tracks, ceased operation of the cable car, and filed a claim with its insurer, Zurich.

Given the circumstances, the Savoie department of transportation (DDE) notified in December 2007 SELALP of the closing of the Vanoise Express cable car on tracks 1 and 2, stating that the situation would not change unless new evidence was presented showing that the cable car could be re-opened safely.

In April 2008, SELALP ordered new cables from Pomagalski in order to prepare the cable car for the opening of the 2008–2009 season. Pomagalski subcontracted the order to ArcelorMittal Wire France.

These new orders were carried out by the various parties without their recognizing any form of responsibility.

The Vanoise Express cable car, which was shut for the entire 2007/2008 season, resumed normal operations in December 2008.

Case and position of the parties

It was in this context that on February 15, 2008, the magistrate, at the request of ArcelorMittal Wire France and SELALP, ordered that a legal expert be named and assigned the task of determining the origin of and responsibility for the damage.

In addition, in February 2008, Zurich, the insurer of SELALP, notified SELALP that insurance-policy coverage for property damage/operating losses could not be applied, because the evidence produced did not prove that the damage to the cables was sudden and accidental. Needless to say, this position is being challenged by SELALP.

Pomagalski has been reluctant to implement the relevant contractual guarantees accorded SELALP.

It was in this context that in July 2008 SELALP brought a lawsuit against Pomagalski and its insurer, XL Insurance Company Limited, demanding that the total, full, and entire liability of Pomagalski be recognized for the reported damage. CDA Group is currently awaiting the report by the legal expert named in the February 15 2008 court order, subject to review by both parties.

It should be specified that since October 1, 2008, by the terms of an agreement for a partial transfer of assets and liabilities, all stakes in SAP are now held by SELALP. Cooperative meetings were held in order to find a mutually acceptable position for all parties.

The CDA Group has the following at stake:

Incidental damages : 2.7 €M,

Consequential damages : > €10 M.

Legal proceedings concerning the Safari Africain de Port Saint Père

The Safari Africain de Port Saint Père, a fully owned subsidiary of the Compagnie des Alpes, owns and operates a zoological park called Planète Sauvage, which includes a “safari” area and a marine life area known as the *cit  marine*. On December 21, 2005, the company filed a request for a permit to house dolphins in its marine life area. Following a public inquiry, the public examiner issued a favorable opinion for the opening of a dolphinarium, in line with the positive responses on file from all local administrative and government bodies consulted in the course of the public inquiry. The Prefect then authorized the dolphinarium to begin operations through a prefectural decree dated April 30, 2007. On June 6, 2007, a number of associations filed a petition with the Nantes Administrative Court requesting that the abovementioned prefectural decree be annulled. In a separate filing, the same associations requested that the execution of this decree be suspended. In a judicial ruling handed down on June 28, 2007, the court refused the petitioners’ request.

Based on these court rulings, the company undertook major renovations to the marine life area at an approximate cost of €3 million. In February 2009, the company opened the Dolphinarium, began its scientific research program, and opened the dolphin pools to the public. However, on November 3, 2009, the Nantes Administrative Court annulled the prefectural decree of April 30, 2007 based on a formal detail (information insufficient to evaluate the operator’s financial capacities) and a procedural technicality (an irregularity in the public inquiry, as the court considered that “the public was not provided with the clearest and most complete information possible”).

The company has appealed this decision. If the decree is ruled illegal, the ruling would imply an error on the part of the French state, (which is the author of the decree); this would call for damages to be awarded to all parties affected by the State's error.

In any event, the company will be filing a new request for an operating permit, this time working in close cooperation with the services at the Prefecture.

As the Administrative Court's decision does not in any way challenge the underlying considerations of the prefectural decree granting the permit, the company remains optimistic for the outcome of this litigation.

Other legal proceedings

In the course of CDA's day-to-day management of its activities, the Group is subject to a number of legal disputes and litigations. Compagnie des Alpes does not believe these will entail any significant cost or have any notable impact on its financial situation, business, profits, or property.

Provisions for legal disputes and litigation are described in detail in Chapter III - Note 5.14. These provisions are divided between ongoing risks, which correspond to short-term legal proceedings directly linked to the core activities of the Group's companies, and non-current risks, which correspond to mid-term and non-current operations, notably those risks linked to acquisitions, which constitute the majority of these risks. None of the risks mentioned above directly regards Compagnie des Alpes SA, nor represents a significant provision, with the exception of the legal dispute concerning the Dolfinarium.

Other than the three lawsuits described above, there exist no other governmental suit, litigation, or arbitration (including any suits of which the issuer is aware, any suspended suits, and any suits with which it is threatened), and no litigation or arbitration regarding the validity or execution of concession or operating contracts held by the Group that might have or have recently had a significant impact on the company and/or Group's financial situation or profitability.

6.1.3. Business-specific risks

The risk spectrum specific to Compagnie des Alpes includes clusters of risks related to the Group's environment (external risks) and clusters of risk related to the Group's operations (internal risks).

External risks

The main external risks are:

Poor weather conditions

Ski-area operators deem a continuous lack of snow their most significant risk. Compagnie des Alpes has acknowledged this risk through its choice of sites, which are always located at altitudes high enough to enjoy favorable long-term snow conditions. Snowmaking and snow-quality programs are a vital part of this strategy. Though it has not occurred for many years, the risk of a serious shortage of snow can never be completely excluded.

Visitor numbers at open-air leisure parks can be hurt by rainfall, the risk of which increases as opening periods grow longer. The Group lowers its exposure to this risk through a commercial policy (dated pre-sales, for example) and by increasing the number of sheltered rides, such as *Le Défi de César*, opened at Parc Astérix in 2007–2008. Continuous rains significant enough to affect visitor numbers during high season in key parks are rare, but their possibility in years to come cannot be ignored.

Among other natural phenomena that might have significant impact on Group properties, flood risk in the Netherlands in the case of broken dikes should be mentioned. This risk mainly affects Walibi World, and the Group's insurance policies take this specific risk into account.

The Group's diverse range of activity, both in terms of its business lines and in terms of their geographic locations reduces the significance of weather-related risk.

Overall economic climate

The Group considers itself less exposed to drops in customer numbers linked to economic crises than other tourism operators, particularly those specialized in the sale of travel packages that include air travel.

However, ski area customers come from many different countries, some of which, particularly the UK and Spain, are more affected by the current economic crisis than others. The Group therefore estimates that 2009–2010 may bring lower visitor numbers from these countries in comparison with the previous year. Nevertheless, as customers tend to reserve their vacations later and later, visitor number predictions are not always fully reliable.

Visitor spending in leisure parks, where customers are primarily from the immediate region, is less on average than visitor spending in ski areas. Leisure parks can find substitutes for more expensive leisure activities in times of economic crisis. In this respect the results since the beginning of the financial year have been encouraging. However, the Group does not exclude the possibility that a worsening economic crisis could have repercussions both on visitor numbers at leisure parks and on visitor spending.

The Group's commercial policies take this context into consideration.

To face the possible risk of reduced sales due to changes in the economic climate, the Group has adopted an even more rigorous policy for controlling costs and investment commitments.

[The current real estate market](#)

The Group foresaw the weakening of the real estate market, and as a result had already made use of the majority of the land rights in which it had invested.

Generally speaking, possibilities for real estate growth in winter sports resorts are now quite limited, as the number of construction permits has diminished considerably. The Group anticipated this in its strategy.

In terms of available capacity, the Group has observed no significant delays in the production of new commercial lodgings. Indeed, fiscal incentives undertaken to spur investment in this sector seem to be having their intended effect. In this context, the Group will continue to encourage real estate operations that spur development projects with positive impact on the outlook of ski areas it operates.

If real estate programs planned for ski resorts are delayed, the Group will adapt its investments in ski lifts accordingly.

Group projects encouraging real estate development near certain leisure parks could be affected by a long-term crisis in real estate investment for hotels. To be ready to seize any opportunity, the Group will continue seeking partners for such projects.

[The bankruptcy of certain key suppliers](#)

Certain resources critical to Group activities, for instance ski lifts and ticketing systems for ski areas, are available from a limited number of suppliers. No bankruptcy risk for these suppliers has been identified. However, the Group has taken action to prevent this risk by reducing its technical reliance and diversifying its supply sources.

Other identified external risks mainly involve intentional actions against Group interests (fraud, terrorism, money laundering, etc.) and health (pandemics, epizootic disease, etc.). The Group has begun programs designed to avert and limit these risks by degree of priority.

In the specific case of pandemic risk, Group companies all have business continuity plans that are adaptable to any eventual health situation.

Internal risks

The main internal risks are:

[Operating risks](#)

By the nature of its activities, the Group is exposed to the risk that customers or staff members may be victims of accidents during the use, operation, or maintenance of ski lifts or rides and leisure-park facilities.

The safety of staff and visitors is a major concern for all managers and employees of the Group. The Group is careful in checking that all materials are designed, manufactured, installed, operated, and maintained in strict application of current standards, so that under normal conditions, or conditions reasonably predictable by a professional, normal safety conditions are respected and no person's safety is put in jeopardy. Emergency plans have been devised in case of serious accident in order to limit the consequences as much as possible.

Similarly, the Group is aware of fire risks that could have serious consequences, both in public buildings and in technical facilities. Prevention programs based on technical systems, awareness, and training are systematically offered.

Operating risks include the risk of insufficient availability of facilities open to the public, leading to dissatisfied customers and even lost business. The Group gives priority to safety and to the expenditures necessary to maintain facilities in perfect operating condition.

In addition, operating risks include risks related to the compliance of products made available to customers (sales in boutiques, products for advertising or promotional events) in terms of standards and regulations, as well as health risks related to restaurants and livestock. These risks are given ongoing attention in the framework of day-to-day operations.

Human resources risks

Group performance depends on its teams and management. The departure of key staff members may have repercussions for business or earnings.

The Group's Human Resources policy aims to reduce this type of risk, notably through its recruitment, compensation, training, and skills-development policies.

In light of a deteriorated global economy, labor-dispute risks cannot be excluded. The Group has developed a proactive policy for managing labor relations through the governing bodies that represent employees.

These points are further developed in section 4 (Group Workforce Information) of this chapter.

Environmental risks

Most Group companies conduct their business on sites in the mountains, in non-urbanized zones, or on the outskirts of urban zones, which creates a specific vulnerability. These zones may be subject to strict environmental regulations designed to preserve them.

Environmental risks from Group activities as well as the policies for reducing these risks are set out in section 5 (Environmental Report 2009) in this chapter.

The other identified internal risks concern mainly the risks of noncompliance to laws and regulations in the legal areas of concessions and competition, the risks of inefficiency in internal-management systems, and security risks of IT systems. Risk management depends mainly on organizational efficiency, particularly internal audit systems.

In particular, the Group has undertaken an approach tailored to strengthen internal audit procedures related to IT systems management in line with the ISO 27001 standard, and has named a head of information systems security with the authority necessary to exercise his mandate.

6.2. Insurance – Risk coverage

6.2.1. The Group insurance program

The Group has implemented the centralization of civil-liability insurance programs, civil-liability programs for de facto and de jure managers and property-damage insurance, including insurance for machine breakage complemented by coverage for corresponding operating losses.

These programs give rise to multi-year contracts that are based on the principle of a master policy, complemented by local policies abroad should the country's regulations require them.

The contracts were concluded with renowned insurance companies. A balance was achieved among the coverage levels, premiums, exclusions, and deductibles.

Currently all Group companies, French and foreign, that are currently held at more than 50% and fully integrated are covered.

The estimated premiums for Group policies represent less than 0.7% of consolidated sales.

6.2.2. Civil-liability contract

The civil-liability contract was renewed during the financial year for three years, to 2010. This contract, which includes categories of operating, post-delivery, and professional civil liability, covers damages to persons, property, or rights of third parties by the Group's business activities.

Apart from risks of bodily injury subject to Act 63-708, for which the Group has unlimited coverage with no deductible, the contract provides for maximum coverage of €100 million per accident, with a deductible of €2,500.

The principal sub-limits are for criminal negligence, accidental pollution, project-manager civil liability, safety costs, collateral guarantee civil liability (goods provided under agreements), and retirement costs undertaken by the insured.

6.2.3. Insurance contract covering property losses and operating losses

The insurance contract covering property losses in place during FY 2008-2009, had been renewed on October 1, 2007, for three years, to September 30, 2010. This insurance policy worked on the principle of "all risks except": i.e., it was subject to named exclusions. It covered principally risks of fire, natural disasters, theft and breakdown of machinery, and operating losses consequent to these accidents.

The maximum coverage was €100 million per accident, with a €15,000 deductible. The principle sub-limits were for natural disasters, machinery breakdown, electrical damage, IT damage, supplier negligence, theft, and inaccessibility. A yearly retention of €250,000 is in place for Parc Astérix for damage insurance.

Elements occurring following the closing of the financial year

The Group renegotiated its property loss insurance contract effective December 1, 2009, extending the end-date of the contract to September 30, 2011. The all-risk policy (subject to certain named exclusions) covers the same risks as the contract it replaces. Maximum coverage remained at €100 million per accident, and the main deductible rose to €30,000. Principally, it covers natural disasters, machine breakage, electrical damage, damage to information systems, shortcomings by suppliers, theft, and blocked access. A retention for operating losses has been added to the existing retention, which guarantees against loss and damage. This retention amounted to €1 million per year, with a maximum of €250,000 per accident.

The property loss insurance contract has been extended to cover all construction-related risks for all companies covered by the insurance contract, starting on December 1, 2009.

The inventory of capital insured by the contract was updated upon renewal of the contract. Total capital insured (building, materials, ski lifts, rides, and amusement park installations) now totals more than €3.2 billion.

6.2.4. Insurance contracts other than for losses and civil liability

In addition to the insurance described above, Group companies have individually taken out mandatory insurance policies, such as civil liability for vehicle fleets, as well as the occasional specific policy, also negotiated individually.

All managers, de facto and de jure, of CDA Group companies are covered by the CDA Group insurance scheme for senior management.

7. Activity and results of Compagnie des Alpes SA

7.1. Role of the Compagnie des Alpes SA within the Group

The vocation of the La Compagnie des Alpes are as follows: to hold investments; to monitor, direct, and control Group activity and development; to manage the senior management staff; to place resources and services at the disposal of subsidiaries, especially for better management, optimized financial resources, and specific projects undertaken to develop business and synergies between the segments.

Monitoring and directing business

In this area, CDA assumes responsibility for certain missions for the entire Group: help in managing energy suppliers, insurance, and Group financing. CDA also assumes the following support responsibilities: legal, IT, technical, human resources management, centralized daily cash management, operating orientation and strategic marketing.

Organization and human resources

Starting March 19, 2009, the Compagnie des Alpes modified its corporate governance structure. Formerly, CDA was a joint-stock company with a Management Board and a Supervisory Board; it has now returned to its former corporate structure as a joint-stock company with a 12-member Board of Directors.

This change in governance is part of a larger plan to reorganize the Group, which was inaugurated on October 1, 2009. The plan is detailed in Chapter V below.

Since March 19, 2009, the Group's CEO, Dominique Marcel, has chaired an Executive Committee, which, until October 1, was made up of associate managing directors. Since October 1, 2009, the Committee has included deputy managing directors, associate managing directors, and directors of operations.

The number of employees varied little over the course of the financial year, increasing from 88 to 91 people employed in full-time equivalent positions, essentially from transfers within the Group.

Investment and financing transactions

Compagnie des Alpes, as either sole or majority shareholder, recapitalized some of its subsidiaries to aid in their financing and development:

- France Miniature: €1.0 million
- Les Productions du Parc: €1.0 million
- Grévin Deutschland: €1.0 million
- EcoBioGestion: €5.0 million
- Pleasurewood Hills: €200,000

A write-off of €2.3 million was recognized for the Pleasurewood Hills subsidiary.

An additional payment of €276,000 was made in application of the memorandum of understanding for the acquisition of the Safari Africain de Port Saint-Père company.

As part of the restructuring and simplification of their roles in Bioscope, Compagnie des Alpes sold its entire SVMP shareholding (51%) to CDC (Caisse des Dépôts) for €1.55 million, and acquired CDC's shareholding (3%) in the EcoBioGestion subsidiary for €1.

Compagnie des Alpes reduced its financial debt by €34.525 million last year, mainly through dividends received from shareholdings.

A new combined plan (stock options and performance shares) was implemented on March 19, 2009. This plan no. 12, which is the fourth combined plan, includes 46,400 stock options and 47,100 performance shares to be granted under the conditions set forth in Chapter V – 4.

For stock option plan no. 7 (2004), which expired in April 2009, all outstanding options were annulled. Similarly, for combined plan no. 10, all performance shares were annulled as at April 1, 2009, because the economic conditions for the full vesting of performance shares were not fulfilled.

The share-repurchase program authorized by the Combined Ordinary and Extraordinary Shareholders' Meeting of February 21, 2008, expired after market close on March 19, 2009. It was succeeded by a new share-repurchase program approved by the Ordinary Shareholders' Meeting of March 19, 2009. This 18-month program began on March 20, 2009.

The outstanding cash and cash equivalents, earmarked mainly for market making of CDA stock through a liquidity contract with SG Securities, remained at €1.5 million. At September 30, 2009, CDA held 45,179 treasury shares, representing a book value of €1.18 million, or 0.26% of CDA share capital at December 31, 2009.

7.2. Activity and results

Operating income was -€6.323 million, compared with -€2.502 million in FY 2007-2008. This change resulted from the recognition of nonrecurring expenses related to the transition procedures for the chairmanship (€1.4 million) and the constitution of a provision to cover Group restructuring costs (€2.3 million) assumed at the end of the financial year.

Net financial income came to €16.192 million, compared with €5.541 million in FY 2007-2008. Interest expense of €7.191 million was significantly down from €11.344 million a year earlier because of less outstanding debt and lower interest rates.

In addition, new impairments of €8.9 million for affiliates were recognized for EcoBioGestion and Pleasurewood Hills. CDA also recognized a write-off of €2.3 million for the Pleasurewood Hills subsidiary.

In contrast, provision reversals of €2.498 million were recognized mainly for France Miniature, whereas dividends received from subsidiaries reached €32.036 million, compared with €23.354 million a year earlier.

Extraordinary income came to €1.23 million, including a loss of €4.049 million from the disposal of SMVP shares, which was covered by a provision reversal of €5.599 million; a sale of treasury stock for €233,000; and exceptional amortization of €46,000 for acquisition costs of shareholdings.

Tax consolidation yielded tax revenue of €9.831 million.

Reported net income amounted to €20.930 million.

7.3. Dividend policy

The dividend is determined each year by the Board of Directors at its December meeting (the Compagnie des Alpes financial year ends each September 30).

The dividend policy of Compagnie des Alpes is to pay out approximately 35% of net attributable income.

In March 2009, for earnings of FY 2007-2008, the Company paid out a total dividend representing 47.1% of net attributable income, with 77% of the dividend paid in CDA shares, as elected by a large majority of shareholders.

Compagnie des Alpes dividends paid out for the last three financial years, which allow individual shareholders domiciled in France to take a tax deduction as compensation for loss of a tax credit:

Financial Year	DPS	Eligible dividend payout	After 2:1 split (May 2007)
2005-2006 (1)	€1.90	€1.90	€0.95
2006-2007 (2)	€0.85	€0.85	€0.85
2007-2008 (3)	€1.00	€1.00	€1.00

(1) Partial dividend of €1.00 per share paid out on December 20, 2006, with the balance of €0.90 per share paid on March 1, 2007.

(2) Partial dividend of €0.40 per share paid out on December 28, 2007, with the balance of €0.45 per share paid on February 28, 2008.

(3) Payment made in cash or CDA shares (optional) on April 27, 2009.

For FY 2008-2009, the Board of Directors has decided to propose to the Shareholders' Meeting a dividend of €1.00 per share, which represents 44% of net attributable income.

7.4. Key figures of the company

Key figures of the company:

(in € millions)	9/30/2004	9/30/2005	9/30/2006	9/30/2007	9/30/2008	9/30/2009
Net financial assets	360.6	380.7	704.8	703.6	713.7	708.0
Shareholders' equity	268.1	291.0	392.3	407.1	463.	3 480.3
Net debt (1)	86.1	89.5	319.4	297.5	252.9	218.2
Net income	11.8	14.8	35.9	25.7	14.3	20.9
Net dividend	10.5	10.7	14.5	13.1(2)	16.2(3)	17.7(4)

(1) Financial debt less cash and cash equivalents in the balance sheet. (2) The net dividend per share for FY 2006-2007 came to €0.85.

(3) The net dividend per share for FY 2007-2008 came to €1.00. (4) See 7.3. above: offer of stock dividend for FY 2008-2009.

7.5. Information on remuneration and any benefits received by corporate officers during the financial year

In accordance with provisions of Article L. 225-102-1 of the Commercial Code, the total compensation and benefits received by corporate officers during FY 2008–2009 must be reported.

This information may be found in "Corporate Governance" below.

7.6. Identity of the consolidating company

The financial statements of the CDA Group are fully consolidated by the Caisse des Dépôts.

7.7. Other information

The amount of nondeductible expenses as referred to in Article 39.4 of the General Tax Code came to €52,770 during the financial year.

Chapter III

Consolidated financial statements, Notes

<u>1. Consolidated balance sheet, income statement, and statement of cash flows as of September 30, 2009</u>	<u>51</u>
<u>2. Notes to the consolidated financial statements</u>	<u>55</u>
1. Accounting methods and principles	55
2. Risk management and accounting estimates and assumptions	67
3. Organizational chart of the Compagnie des Alpes Group	68
4. Scope of consolidation	69
5. Information on the consolidated balance sheet	71
6. Information on the consolidated income statement	85
7. Information on the cash flow statement	89
8. Other Information	90
9. Discontinued operations	92
<u>3. Report of the statutory auditors on the consolidated financial statements</u>	<u>94</u>

1. Consolidated balance sheet, income statement, and statement of cash flows as of September 30, 2009

Balance sheet

Assets (in thousands of euros)	Notes	09/30/2009	09/30/2008
Goodwill	5.1	298 224	299 316
Intangible fixed assets	5.2	81 656	85 804
Property, plant, and equipment (PPE)	5.3	294 057	354 867
Concession assets	5.3	447 305	447 658
Interests in affiliate companies	5.5	57 852	70 267
Financial assets available for sale	5.6	2 135	2 119
Non-current financial assets	5.6	5 746	7 098
Deferred tax assets	5.7	4 925	8 874
Non-current assets		1 191 900	1 276 003
Inventories	5.8	16 732	15 741
Accounts receivable	5.9	47 626	53 052
Other receivables	5.10	11 229	18 925
Current taxes		1 678	4 062
Current financial assets	5.11	351	5 894
Cash and cash equivalents	5.12	31 791	17 432
Current assets		109 407	115 106
Assets of discontinued operations	9	48 435	
Total assets		1 349 742	1 391 109
Liabilities (in thousands of euros)	Notes	09/30/2009	09/30/2008
Shareholders' equity			
Share capital	5.13	134 658	130 162
Additional paid-in capital	5.13	195 518	186 939
Reserves	5.13	225 628	210 054
Total shareholders' equity		555 804	527 155
Minority interests	5.13	36 102	37 139
Total shareholders' equity		591 906	564 294
Non-current provisions	5.14	26 521	22 234
Non-current financial liabilities	5.15	422 033	484 658
Deferred tax liabilities	5.16	27 683	28 721
Non-current liabilities		476 237	535 613
Current provisions	5.14	16 425	18 103
Current financial assets	5.15	71 991	102 013
Operating liabilities	5.17	116 859	125 527
Current taxes		3 823	7 144
Other liabilities	5.17	44 563	38 415
Current liabilities		253 661	291 202
Liabilities of discontinued operations	9	27 938	
Total liabilities		1 349 742	1 391 109

Income statement

(in thousands of euros)

	Notes	09/30/2009	09/30/2008 restated
Sales	6.1	575 976	561 298
Other operating revenues		1 349	271
Inventories and work in progress		5 447	5 680
Purchases		-63 048	-64 891
External services		-99 556	-97 406
Taxes, duties, and similar payments		-30 578	-29 447
Personnel expense and profit-sharing		-191 589	-179 256
Other operating costs		-31 451	-30 299
Gross operating income (EBITDA)	6.2	166 550	165 950
Amortization, depreciation, and operating provisions		-82 428	-81 080
Other operating revenue and expenses		-1 088	-1 514
Operating income	6.2	83 034	83 356
Gross cost of debt		-17 312	-26 244
Income from cash and cash equivalents		-690	108
Net cost of debt	6.3	-18 002	-26 136
Other interest income and expenses	6.3	-955	667
Tax charge	6.4	-23 762	-22 240
Share in equity affiliates	6.5	277	2 312
Results of continuing operations		40 592	37 959
Results of discontinued operations	9	2 555	1 790
Net income		43 147	39 749
Accruing to company shareholders		40 155	36 169
Minority interest in income		2 992	3 580
Net Income (group share), per share (1)		2.27	2.12
Net Income (group share), per share, diluted		2.24	2.08

(1) Including discontinued operations (€0.14).

Statement of cash flows

(in thousands of euros)	Notes	09/30/2009	09/30/2008 restated
Operating cash flow	7.1	148 582	170 990
Acquisition of PPE and intangible assets		-80 386	-107 568
Sales or transfers of tangible and intangible assets		6 351	6 742
Net capital expenditure	7.2	-74 035 (1)	-100 827
Acquisition of long-term financial assets		-1 135	-176 462
Sales or transfers of long-term financial assets		3 029	434
Net change in financial long-term assets		1 888	-176 028
Investment cash flow		-72 147	-276 855
Capital increase of CDA		0	54 916
Minority interest in subsidiaries' capital increase		-	3 625
Change in equity		0 (2)	58 541
Dividends paid to CDA shareholders		-3 951 (2)	-13 075
Dividends paid to minority interests in subsidiaries		-2 666	-2 145
Dividendes à payer		23	35
Variation in financial debt		-	-
Reimbursement of borrowings		-21 592	-
New borrowings	7.3	-	65 248
Gross costs of debt		-17 636	-26 200
Variation in miscellaneous receivables and payables		7 606	-790
Cash flow of financing		-38 216	81 614
Impact of other movements		0	-30
Impact of discontinued operations	9	13 039	2 168
Change in cash and cash equivalents during the financial year		51 258	-22 113
Net cash at year opening		-52 193	-30 081
Net cash at year closing	7.4	-936	-52 193
(1) incl.: capital expenditures (net of disposals)		-81 067	-88 886
changes in fixed asset receivables and liabilities		7 032	-11 942
		-74 035	-100 828

(2) In 2009, dividends of Compagnie des Alpes (€17 million) were paid partly in shares (€13.1 million).

Consolidated statement of recognized income and expense

(in thousands of euros)	30/09/2009	30/09/2008
Other items of aggregate profit or loss (net fair value)		
Financial assets available for sale	-42	-70
Cash flow hedges	-10 518	-489
Translation adjustments	322	1 114
Actuarial gains (losses) on employee benefits	-941	1 360
Tax on items allocated directly to equity	4 112	127
Net profit recognized directly in equity	-7 067	2 042
Net income for the period	43 147	39 747
Total income recognized during the period	36 080	41 789
Accruing to company shareholders	32 731	37 655
Accruing to minority interests	3 349	4 134

Shareholders' equity

(in € thousands)	Capital	Additional Paid In capital	Consolidated reserves	Net attributable income	Fair value reserves	Goodwill	Total shareholders' equity
Position at September 30, 2007	117 480	144 606	157 505	28 143	3 152	-1 336	449 550
CDA capital increase	12 682	42 333	-98	-	-	-	54 917
Appropriation of earnings of the previous financial year	-	-	28 143	-28 143	-	-	0
Dividend payout	-	-	-13 075	-	-	-	-13 075
Net attributable income for the period	-	-	-	36 167	-	-	36 167
Other changes	0	-	-571	-	-375	542	-404
Position at September 30, 2008	130 162	186 939	171 904	36 167	2 777	-794	527 155
CDA capital increase	4 496	8 579	-	-	-	-	13 075
Appropriation of earnings of the previous financial year	-	-	36 167	-36 167	-	-	0
Dividend payout	-	-	-17 026	-	-	-	-17 026
Net attributable income for the period	-	-	-	40 155	-	-	40 155
Other changes	-	-	-366	-	-6 974	-215	-7 555
Position at September 30, 2009	134 658	195 518	190 679	40 155	-4 197	-1 009	555 804

On September 30, 2009, the share capital was made up of 17,665,593 shares (compared with 17,075,869 shares a year earlier).

In 2009, Compagnie des Alpes offered shareholders the option of a stock dividend. Nearly 77% of shareholders accepted the offer. Consequently, 589,724 new shares were issued on April 28, 2009, at a price of €22.17 per share.

Shareholders' equity (minority interests)

(in € thousands)	Consolidated reserves	Results for the period	Total shareholders' equity
Position at September 30, 2007	34 067	3 657	37 724
Appropriation of earnings of the previous financial year	3 657	-3 657	0
Dividend payout to minorities of subsidiaries	-2 145	-	-2 145
Minorities' share of earnings	-	3 580	3 580
Other changes	-2 020	-	-2 020
Position at September 30, 2008	33 559	3 580	37 139
Appropriation of earnings of the previous financial year	3 580	-3 580	0
Dividend payout to minorities of subsidiaries	-2 666	-	-2 666
Minorities' share of earnings	-	2 992	2 992
Other changes	-1 363	-	-1 363
Position at September 30, 2009	33 110	2 992	36 102

2. Notes to the consolidated financial statements

Presentation of the Group

The CDA Group's principal business activity is the operation of leisure facilities. Its principal operating segments are Ski Areas and Leisure Parks. The parent company of the Group is Compagnies des Alpes SA, whose registered address is 89, rue Escudier, 92100 Boulogne.

These FY 2008–2009 consolidated financial statements were approved by the Management Board on December 15, 2009, which authorized their publication. Figures are in thousands of euros, unless otherwise indicated.

1. Accounting methods and principles

The principal accounting methods applied in the preparation of the financial statements are outlined below. Unless otherwise indicated, they are applied on a permanent basis to all the periods for which figures are given.

In 2009, the CDA Group decided to discontinue its Ski Areas operations in Switzerland. In accordance with IFRS 5, the financial statements for these operations were reclassified separately under "discontinued operations" in the notes to the financial statements. For comparative purposes, the presentations of the income statement and the cash flow statement for the preceding year were also restated in exactly the same way.

In application of EU regulation 1606/2002 of July 19, 2002, on international accounting standards, the annual financial accounting standards of the Compagnie des Alpes Group for the period ending September 30, 2009, were drawn up in conformity with the international standards for financial reporting (IAS/IFRS) as adopted by the European Union on September 30, 2009.

The Compagnie des Alpes Group prepared the annual financial statements of September 30, 2009, on the basis of the IAS/IFRS principles of presentation, recognition, and measurement, as well as the IFRIC interpretations applicable on the date of the preparation of the statements. For comparative purposes, these include data relative to the financial year ended September 30, 2008, restated in accordance with the same principles.

Management did not choose early application either of the standards and interpretations not yet adopted by the European Union on September 30, 2009, or of the standards applicable to financial years beginning on or after January 1, 2009. For the accounting treatment of service concession arrangements, the CDA Group has retained the accounting methods previously applied under French GAAP (cf. § 1.8).

The financial statements have been prepared using the cost method except for the remeasurement of assets and liabilities (including derivatives), which were measured at fair value.

New standards, interpretations, and amendments to existing standards applicable to accounting periods beginning on or after January 1, 2009, which the Group did not choose for early application, are the following:

- IFRIC 15, Agreements for the Construction of Real Estate.

This interpretation is not applicable to the Group.

- IAS 23 amended, Borrowing Costs: Group accounting principles are in compliance with this standard.
- IAS 24 revised, Related Party Disclosures: standard undergoing approval by the European Union.
- IAS 1 and IAS 32 amendment, Financial instruments settled at the decision of the holder: not applicable to the Group.
- IFRS 1 and IAS 27 amended, cost of a subsidiary investment, an entity controlled jointly with an associated company: no impact on Group financial statements.
- IFRS 2 amended, Share-based Payment: not applicable to the Group.
- IFRS 8, Operating Segments: no impact on the Group.
- IFRIC 12 (cf. note 1.8.)
- IFRIC 13 *Customer Loyalty Programs*: no impact on the Group.

1.1. Consolidation methods

Subsidiaries

Subsidiaries include all entities (including ad hoc entities) in which the Group has the power to decide on financial and operating policies, a power usually combined with holding more than half of the voting rights. Potential voting rights are taken into account in measuring the level of control of the Group over another entity when these derive from financial instruments that may be exercised or converted at the time of said measurement. Subsidiaries are

fully consolidated beginning on the date control is transferred to the Group. They are deconsolidated beginning on the date the Group ceases to exercise control.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition corresponds to the fair value of the assets transferred, the equity instruments issued, and the liabilities incurred or assumed on the transaction date, increased by the costs directly imputable to the acquisition. Identifiable assets acquired and identifiable liabilities or contingent liabilities assumed in a business combination are initially measured at fair value on the date of acquisition, regardless of the degree of minority interest. Goodwill (cf. note 1.5) represents the excess of the purchase price over the fair value of net assets acquired in the target company acquired by the Group. When the price of an acquisition is less than the fair value of the net assets acquired by the Group, the difference is recognized directly in profit or loss.

Intra-group transactions, balances, and unrealized profits on transactions between Group companies are eliminated. Unrealized losses on asset disposals are also eliminated, and these are considered evidence of impairment loss. The accounting methods of subsidiaries are aligned with those of the Group.

Transactions with minority shareholders

Group policy is to treat transactions with minority shareholders in the same way as transactions with third parties outside the Group. Disposals benefiting minority interests give rise to profits or losses recognized in profit or loss.

The acquisition of shares from minority shareholders creates goodwill, which represents the excess of the purchase price over the fair value of net assets acquired (depending on changes in IFRSs, the net assets may be recognized directly in equity).

Joint ventures

Joint ventures are consolidated proportionately. In its financial statements, the Group recognizes its share of the jointly controlled assets, its share of liabilities for which it is jointly responsible, and its share of the revenues and expenses of the joint venture.

Affiliated Companies

Affiliated companies are all entities that the Group does not control but over which it exercises significant influence, usually with ownership levels of 20% to 50%. Shareholdings in affiliated companies are accounted for by the equity method, initially at cost. The Group's share in affiliated companies includes goodwill, net of accumulated impairment, as identified at the time of acquisition (cf. note 1.5).

The Group share in post-combination net income of affiliated companies is recognized in consolidated profit or loss, and its share in post-combination changes in shareholders' equity is recognized (without affecting earnings) directly in equity. The carrying amount of the shareholding is adjusted for cumulative changes after the acquisition. When the Group's share in the losses of an affiliated company is equal to or higher than the value of its stake in the company, including all non-guaranteed receivables, the Group does not recognize the additional losses, except if it incurs an obligation or makes payments in the name of the affiliated company.

Unrealized profits on transactions between the Group and affiliated companies are eliminated in proportion to the Group's stake in said companies. Unrealized losses are likewise eliminated, unless disposal of an asset produces an impairment loss. The accounting methods of affiliated companies have been modified when necessary to make them compatible with Group practice.

The list of consolidated companies is found in note 4.2.

1.2. Financial statements of consolidated companies

The consolidated financial statements cover the twelve-month period from October 1, 2008, to September 30, 2009, for all Group companies except:

- the Swiss company Téléverbier, consolidated over the period from August 1, 2008, to July 2009 (disposal date);
- the Compagnie du Mont-Blanc Group, consolidated over the period from September 1, 2008, to August 31, 2009;

The financial statements of any subsidiary whose closing date is not September 30 were adjusted for events or significant transactions occurring between the subsidiary's closing date and that of the Group.

1.3. Translation of financial statements expressed in foreign currencies

The financial statements of all Group entities (none operate in hyperinflationary economies) whose functional currency is different from the reporting currency (euro) are translated into the latter as follows:

- assets and liabilities are translated at current rates;
- revenues and expenses in each income statement are translated at the average exchange rate for the accounting period, unless this average is not representative of the cumulative effect of the rates applying on the transaction dates, in which case the revenues and expenses are translated at historical rates;
- all translation differences are recognized in a separate component of shareholders' equity.

Translation differences resulting from the translation of net investments in businesses abroad and loans and other currency instruments designated as hedges on said investments are recognized in shareholders' equity at the time of consolidation.

When a business abroad is sold, the translation differences initially recognized in equity are recognized in profit or loss as capital gains or losses.

Goodwill and fair value adjustments derived from the acquisition of a business abroad are treated as assets and liabilities of this business and translated at the current rate.

Transactions denominated in foreign currencies are translated into the functional currency at historical rates. Gains and losses on foreign exchange resulting from the winding down of said transactions, those resulting from translation at current rates, and monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss except when they are imputed directly to equity as hedges either on cash flows or on net investments in foreign entities.

1.4. Business combinations

For business combinations beginning on or after October 1, 2004, the Group has applied the acquisition method of accounting as described in IFRS 3.

In applying this method the Group recognizes fair value for assets, liabilities, and contingent liabilities at the acquisition date.

The acquisition cost corresponds to the fair value on the purchase date of assets acquired, liabilities incurred, and/or equity instruments issued by the acquirer in exchange for control of the acquiree, and any other costs directly attributable to the business combination.

Any adjustment to the cost of a business combination that is contingent on future events is included in the cost of the combination at the acquisition date, if the adjustment is probable and can be reliably measured.

For business combinations of companies with service-concession arrangements, an analysis and fair-value measurement of these service-concession contracts is performed on the basis of the profit margin forecast for the end of the service-concession contract.

The Group is allowed 12 months from the acquisition date to finalize accounting for the business combination concerned.

1.5. Goodwill

Goodwill is the excess of the cost of an acquisition over the fair value of the Group's share in the identifiable net assets of the subsidiary or affiliate on the date of acquisition. Goodwill arising from the acquisition of subsidiaries is presented as a separate line item. Goodwill on affiliated companies is included under "investments in affiliated companies." Goodwill recognized separately is subject to an annual impairment test and is recognized at cost less accumulated impairment loss. Goodwill impairment losses are irreversible. The capital gain realized on disposal of any entity takes into account the carrying value of goodwill on the entity sold.

Goodwill is allocated to cash-generating units for purposes of impairment tests (cf. note 1.10).

1.6. Intangible assets

In accordance with IAS 38 *Intangible Assets*, acquired intangible assets are recognized in the balance sheet at cost less any accumulated amortization and any accumulated impairment loss.

When the Group measures the value of trademarks or firm names, these are considered as having indefinite useful lives. Therefore, they are not amortized and are subject to tests for impairment (cf. note 1.10). They are recognized after valuation by independent experts using sector-specific criteria. In general, multiple criteria, including name recognition and profitability, determine valuation, which permits follow-up monitoring.

Intangible assets and use rights to assets, whose duration is directly linked to a concession contract or lease, are amortized until the date of expiration of such contracts.

This applies to:

- the rights to the operation of lifts of SMA (Les Arcs), SEVABEL (Les Menuires), SC 1350, SCSD (Serre Chevalier), DSG (Flaine), and STVI (Val d'Isère);
- the concession for the use of the highway toll plaza giving access to Parc Asrérrix .

These assets are generally amortized on a straight-line basis.

Other intangible assets are amortized on a straight-line basis over the periods of their expected useful lives.

1.7. Property, plant, and equipment

In accordance with IAS 16 *Property, Plant, and Equipment*, PPE are recognized in the balance sheet at cost less any accumulated depreciation and any accumulated impairment loss. Cost includes all costs directly attributable to the acquisition of the assets concerned.

PPE in progress are recognized at cost. Depreciation of these assets begins when they are placed in service. PPE are depreciated on a straight-line basis, broken down by components on the basis of their estimated useful lives as follows:

Period of depreciation

Buildings	20 to 30 years
Facilities	10 to 20 years
Lifts	15 to 30 years
Trail maintenance	40 years
Rides	10 to 40 years
Equipment (other than lifts and rides)	5 to 40 years

Other PPE

(including theme decor and
effigies of personalities at Musée Grévin) 3 to 10 years

The ranges of depreciable lives result from the diversity of assets concerned. The shortest lives are for more rapidly replaced equipment (e.g., scenery for different types of rides), while the longest lives apply to infrastructure.

Residual values and useful lives of assets are reviewed and, if necessary, adjusted at each closing. Useful lives (for comparable equipment) are harmonized throughout the Group.

In accordance with IAS 36, when events, market conditions, or internal elements indicate asset-impairment risk, the asset concerned is subject to an impairment test. Investment subsidies are deducted from the gross asset value at which they were acquired.

The Group uses assets made available through leases. These contracts are analyzed (in application of IAS 17) to determine whether they should be classified as operating leases or finance leases.

All goods under finance lease that are considered significant are restated as PPE (cf. note 1.9) with a contra entry under borrowings.

1.8. Concessions

Compagnie des Alpes is active in the leisure sector in Europe, particularly in the operation of ski areas. The operation of ski areas in France is organized within the legal framework of the *loi montagne* ("Mountain Act") of January 9, 1985, concerning the development and protection of mountainous regions. These ski areas are for the most part subject to concession contracts between CDA subsidiaries and local municipalities.

The operator holds a concession contract from a municipality or group of municipalities. These contracts set out the relations between the granting authority and the operator for all operating options of a ski area (capital expenditures, commercial and price policies, legal risks, etc.). On this basis, the operator is responsible for making capital expenditures over the life of the concession for the purpose of keeping the facilities in good operating condition.

IFRIC 12 addresses service concession arrangements under which the operator builds or improves an infrastructure to be used for a public service, and operates and maintains that infrastructure for a fixed period.

This interpretation is being applied for the first time by the Compagnie des Alpes Group as from the financial year beginning October 1, 2009. As for the details of these contracts and the nature of the services supplied, the Compagnie des Alpes Group considers that IFRIC 12 does not apply to its activity in ski areas, and therefore expects no impact from the application of IFRIC 12 as of October 1, 2009.

The servicing of customers of ski areas in the framework of sport or leisure activities, even when carried out in France in legal accordance with the *Délégation Services Publics* (DSP, Public Service Commission), which is governed by the Mountain Act (*loi Montagne*), does not constitute a public service as defined by the specific framework of IFRIC 12 adopted by the European Union. This is in contrast to, for example, a standard transportation network that is managed for the general public and that in most cases receives public funding. In

countries other than France, ski lifts are usually managed outside concession contracts under contracts that are strictly private.

The CDA Group therefore recognizes assets related to ski-life concessions as a separate component of property, plant, and equipment. These assets are recognized and depreciated in accordance with IAS 16.

In specific cases where the Group pays a municipality for rights related to an acquired ski area, the asset is recognized as an intangible asset and is amortized over the life of the concession.

Ski Areas

French ski areas are operated as concession contracts. Fixed assets are divided into two categories: assets held in concession and directly-held assets (cf. note 5.3).

Assets classified as held in concession are:

- assets supplied by the granting authority which are to be returned at the end of the concession
- assets supplied by the operator which are to be placed at the granting authority's disposal at the end of the concession (in exchange for payment to the operator)

Free contributions from the authority granting the concession and goods under lease from the authority are not recognized in the Group balance sheet. A provision is entered under liabilities (major-repair provisions) for periodic renovation of facilities. Assets that do not meet these criteria are classified by the operator as directly-held assets.

Leisure parks

The fixed assets of the companies operating leisure parks are directly-held assets.

1.81.1 Ski Areas

French companies

The principal concession contracts of consolidated Group companies are the following:

- **STGM:** concession granted by the municipality of Tignes, initially for the period from September 5, 1988, to September 30, 2016 (28 years), and later (in 1998–99) extended for an additional ten years to May 31, 2026
- **SAP:** concession granted by the Syndicat Intercommunal de la Grande Plagne (SIGP, a joint grouping of several towns), initially for the period from December 15, 1987, to June 10, 2017 (30 years), and later (in 1998–99) extended for an additional ten years to June 10, 2027
- **SMA:**
 - concession granted by the municipality of Bourg-Saint-Maurice for the period from June 1, 1990, to May 31, 2020 (30 years)
 - concession granted by the municipality of Villaroger for the period from June 1, 1998, to May 31, 2020
 - concession granted by the municipality of Peisey-Nancroix for the period from January 1, 1997, to May 31, 2020
- **STAG:** concession granted by the Syndicat Intercommunal à Vocation Multiple (SIVOM, a joint grouping of several towns) of Landry, Peisey, and Nancroix for the period from October 18, 1989, to October 30, 2019 (30 years)
- **SEVABEL:**
 - concession for the operation of the Saint-Martin-de-Belleville ski area, granted by the municipality of Saint-Martin-de-Belleville initially for the period from December 1, 1990, to October 1, 2017 (27 years), and on May 16, 2001, extended for four years to May 31, 2021
 - concession for the operation of the Saint-Martin de Belleville ski area, granted by the municipality of Saint-Martin de Belleville initially for the period from December 1, 1990, to October 1, 2017 (27 years), and on May 11, 2000, extended for four years to May 31, 2021
- **MERIBEL-ALPINA:** two concessions, one granted by the municipality of Les Allues for the period from December 18, 1989, to December 17, 2019 (30 years), and the other by the municipality of Brides-les-Bains for the period from June 30, 1992, to December 17, 2019 (27 years)
- **DSF:**
 - concession granted by the *département* of Haute-Savoie for the period from January 9, 1989, to January 8, 2019 (30 years), for capital expenditures realized through April 28, 1999
 - concession for the operation of new ski lifts and trails granted by the municipality of Magland, for the period from July 4, 2000, to April 30, 2025 (25 years)
 - concession for the operation of new ski lifts and trails granted by the municipality of Arâches-la-Frasse, in the part of its territory that is included in the Flaine ski area, for the period from July 8, 2004, to April 30, 2029 (25 years)

- **DSG:**
 - management contract with the municipality of Morillon for the period from December 1, 1985, to November 30, 2015 (30 years), for installations in operation on May 31, 2000
 - management contract for the operation of the Lanches chairlift, granted by the Syndicat Intercommunal Arâches-La Frasse Morillon (a joint grouping of several towns), for the period from December 1, 1988, to November 30, 2011 (23 years)
 - concession for the operation of new ski lifts and trails granted by the municipality of Morillon, for the period from July 8, 2000, to April 30, 2025 (25 years)
 - concession for the operation of new ski lifts and trails granted by the municipality of Samoëns, for the period from September 1, 2000, to April 30, 2030 (30 years)
 - management contract with the municipality of Sixt Fer à Cheval for the period from October 1, 1993, to September 30, 2011 (18 years), for installations in operation on May 31, 2001
 - concession for the operation of new ski lifts and trails granted by the municipality of Sixt Fer à Cheval, for the period from March 16, 2001, to April 30, 2025 (24 years)
- **SERRE CHEVALIER VALLEY:**
 - concession granted by the municipality of Saint-Chaffrey for the operation of the new ski area and lifts, for the period from December 1, 2004, to August 30, 2034 (30 years)
 - concession granted by the Syndicat Intercommunal de Gestion et d'Exploitation des Domaines d'Hiver et d'Été de Serre-Chevalier 1400-1500 (SIGED) for the operation of ski lifts and trails, for the period from November 1, 1998, to October 31, 2018 (20 years)
 - management contract granted by the municipality of Briançon for the period from November 1, 1998, to October 31, 2006 (8 years), for management of the Prorol ski area. Subsequent to a procedure of public-service delegation, SCSD was selected on December 15, 2006, for the operation and management of the Prorol facilities until December 31, 2034.
- **STVI:**
 - concession granted in May 1982 by the municipality of Val d'Isère, initially for a 30-year period and extended in 1991 for an additional eight years to July 20, 2020
 - concession granted in September 1970 by the municipality of Bonneval-sur-Arc, initially for a 30-year period and extended in 1994 for an additional 18 years to December 16, 2019

The contracts of equity affiliates are the following:

- **COMPAGNIE DU MONT-BLANC:** Because of the merger and name change during the previous financial years, the granting authorities transferred to the newly founded company the rights in the leasing and concession contracts formerly held by the companies absorbed. These include:
 - concessions for lift operations granted by the municipality of Chamonix for the operation of the Aiguille du Midi cable car and the Domaine du Brévent, Domaine des Grands Montets, Domaine du Tour, and Domaine de La Flégère ski areas for a 30-year period from January 6, 1989, to December 31, 2018 (except Domaine des Grands Montets, which runs from December 23, 1988, to September 30, 2018)
 - concessions for operation of the Tramway du Mont-Blanc and Train du Montanvers granted by the *département* of Haute Savoie in 1988 and 1993, respectively, for a period of 30 years to December 31, 2018, and December 31, 2023, respectively
 - concessions for the operation of ski lifts granted by the municipality of Les Houches (30-year concession starting August 18, 1989) and the municipality of Saint Gervais (25-year concession starting December 23, 1988); during the financial year, these two municipalities authorized the delegation of public services to a SIVU (a joint grouping).
- **SERMA:**
 - The Company operates a concession granted by the municipality of Morzine, which runs to June 13, 2023; and a concession granted by the municipality of Montriond, which runs to June 30, 2022
- **DSV:**
 - The Company operates a concession granted by the group of municipalities of the Vallée d'Aigueblanche, which runs to June 2, 2023
- **DSR:**
 - The Company operates a concession granted by the municipality of La Rosière, which runs to December 11, 2032

In accordance with these contracts, and according to each case, the operating companies pay a concession fee, a municipal and county (*départementale*) tax, or both. These fees and taxes are based on sales of lift tickets and calculated as a contract-specific percentage.

As an exception within the CDA Group, the municipalities of Saint-Martin de Belleville, Val d'Isère, and Tignes retain responsibility for trail servicing, for which SEVABEL, STVI, and STGM pay a specific fee.

Conditions for return of concession to the granting authority

When concession contracts expire, it is generally expected that the assets acquired by the operator will be recovered by the granting authority in return for a payment equal to no less than the net book value.

In addition, concession contracts may provide for termination clauses under certain specific conditions (force majeure, public interest, or gross misconduct). In such cases, the operator has the right to compensation for capital expenditures that have not been fully depreciated. The operator also has the right to compensation for lost revenue—once the loss has been established—where a contract has been terminated in the public interest.

Development concessions

- SMA and SAP have concessions for real-estate development granted by the municipality of Bourg-Saint-Maurice and the joint municipal grouping (Syndicat Intercommunal) of La Grande Plagne
- Through its 99.9%-owned subsidiary SCIVABEL, SEVABEL also has the concession for the Reberly urban development zone (ZAC de Reberly) at Les Menuires.
- DSF, through its 99.99%-owned subsidiary Société d'Aménagement Arve-Giffre (SAG), also owns land in Flaine. This land-development company is managed in the framework of a tourism-development contract with the Flaine association of municipalities (Syndicat Intercommunal de Flaine).

The projected refurbishment costs for building rights sold are recognized pro rata once the sales contract has been signed.

Some CDA Group companies (STGM, SMA, SAP, SC Valley, and DSG) continue to pay fees on management contracts for lifts provided by the granting authorities. However, this system is gradually being replaced by concession contracts. At their own expense, the operators replace obsolete equipment that was held under management contracts, while the new equipment comes under concession contracts.

Affiliates abroad

Under local laws, all fixed assets are generally considered directly held.

CDA's Italian subsidiary CMBF (Courmayeur) operates under the Act of September 1, 1997, of the legislature of the Aosta Region, which provides that operating concessions in the region be granted on a lift-by-lift basis for a period matching the lifespan of the equipment as determined in regulations. Contrary to French law, operators have full ownership rights to their installations.

1.8.2. Leisure parks

Concession for the highway toll plaza giving access to Parc Asrérrix

Parc Astérix has a private toll plaza on the A1 expressway, which provides direct access to the theme park. This concession was granted by SANEF, the company holding the operating concession for the A1 expressway, for a period of 99 years (from 1987 to 2086).

The right to operate this concession is accounted for as an intangible asset of Grévin & Cie (cf. note 5.2), which pays a fee to SANEF for the passage of each vehicle through the toll plaza. This fee corresponds to the highway toll that is not paid when vehicles use the Parc Astérix toll plaza.

Copyright licensing agreement with Editions Albert-René (publisher of the Astérix comic books)

In 1986, a copyright licensing agreement was concluded with Editions Albert-René for the legal duration of the copyright, which is 70 years after the death of the last surviving creator of Astérix.

This contract guarantees Grévin & Cie. the rights to use in its theme park the characters and universe of the comic strip.

An amendment signed in March 1996 sets the licensing fee for Parc Astérix at 3% of sales excluding VAT, with a minimum fee of €1.7 million.

1.9. Leases

A finance lease has the effect of essentially transferring to the lessee the advantages and risks inherent in ownership of a good, whether or not the good is ultimately transferred to the lessee.

The criteria used to determine if a lease is a finance lease are:

- real transfer of ownership at the end of the lease
- existence of a purchase option at the end of the lease at a price sufficiently lower than fair value
- the contract duration covers the economic life of the asset
- the discounted value of future payments relative to fair value
- the characteristics of the leased asset are such that they are unsuitable for uses other than that to which it is put by the lessee

Finance leases are restated when their original value is over €3 million.

Restatement provides the following:

- balance-sheet recognition of assets financed by lease and their corresponding debt
- consequent recognition of depreciation on these assets and the cost of corresponding debt, as opposed to recognition of lease payments

The depreciation period is the same as that for similar assets acquired by the company.

Leases under which substantially all the risks and rewards inherent to ownership remain with the lessor are classified as operating leases. Payments on operating leases, net of any advantages obtained by the lessor, are recognized as expenses in the income statement on a straight-line basis over the duration of the contract.

1.10. Recoverable value of fixed assets

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. According to IAS 36 *Impairment of Assets*, the recoverable amount of tangible and intangible assets is tested whenever there is an indication of impairment loss.

This test is performed once a year for assets with an infinite useful life, a category limited to goodwill, trademarks, and firm names.

For purposes of the test, assets are grouped into cash-generating units, which are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. In CDA's activities, a cash-generating unit is a site or group of sites managed in common (e.g., Bellewaerde and Walibi in Belgium) or a ski area.

The method of measuring the recoverable amount of assets in the context of asset impairment and goodwill tests has two phases:

- Assets are measured with reference to net future discounted cash flows, taking into account their residual value, based on a growth rate to infinity of the future cash flows generated by the asset being measured. Projections are based on a maximum duration of five years.
- Assets are measured with EBITDA valuation multiples.

If these measurements indicate impairment, the impairment recognized is equal to the lower of the two measurement values. Impairment is recognized under asset impairment in the income statement.

In accordance with IAS 36, an impairment loss recognized for goodwill cannot be reversed. Impairment losses for other fixed assets (PPE and intangibles) may be reversed if there is a change in the estimates used to determine the recoverable amount of the asset.

Financial assets

The recognition and measurement of financial assets and liabilities is defined in IAS 39 *Financial Instruments: Recognition and Measurement*.

As defined in IAS 39, financial assets are divided into three major categories:

- Term deposits and loans to unconsolidated companies are classified as loans and receivables issued by the company and are therefore recognized in the balance sheet at amortized cost. Bonds and negotiable debt instruments that are held to maturity are classified in this category and are recognized in the balance sheet at amortized cost.
- Available-for-sale financial assets held for trading, i.e., short-term holdings, and assets designated at fair value through profit or loss when initially recognized are measured at fair value. Fair value is recognized in profit or loss. These are mainly short-term investments that do not meet criteria for cash equivalents (investment periods greater than three months).
- Shares in unconsolidated companies are considered available for sale and therefore recognized in the balance sheet at fair value, with any changes recognized in shareholders' equity until the shares are sold.

The Group measures financial assets each year at closing if there is an objective indication that an asset may be impaired. For available-for-sale equity instruments, any impairment is recognized in profit or loss.

1.12. Non-current assets held for sale and discontinued operations

In accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, an asset is classified as available for sale only if a sale is highly probable within a reasonable time frame, if the asset is available for immediate sale in its present state, and if management has implemented a plan to sell the asset.

A discontinued operation is a component of an entity that has either been disposed of or is classified as held for sale, and:

- represents either a separate major line of business or a geographical area of operations;

- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

1.13. Inventories

In accordance with IAS 2 *Inventories*, inventories are required to be stated at the lower of cost and net realizable value (NRV), i.e., the market price less costs to sell. Inventories are measured at weighted average cost.

1.14. Operating and other receivables

Operating receivables are recognized at fair value. Impairment is recognized when there is an objective indication that the amounts initially expected may not be fully recovered. Any impairment is recognized in profit or loss.

1.15. Cash and cash equivalents

Cash and cash equivalents include petty cash, balances on demand deposits, and short-term investments in monetary investments. Such investments usually mature within three months; they can be converted into cash immediately at their nominal value, and the risk of a change of value is insignificant.

Overdrafts should be presented as liabilities in the balance sheet, under "current borrowings."

1.16. Capital management (IFRS 1)

The Group's principal objective for its capital management is to maintain a good credit-risk rating and healthy capital ratios, in order to facilitate business and to maximize shareholder value.

The Group manages its capital structure and makes adjustments as economic conditions change. To maintain or adjust its capital structure, the Group can modify dividend payments to shareholders, repay part of its debt, or issue new shares. Management objectives, policies, and procedures are unchanged from FY 2008-2009.

The Group manages its capital by referring to the net debt / shareholders' equity ratio. Group policy is to maintain this ratio under 125%. In its calculation of net debt, the Group includes loans and borrowings with interest, and cash and cash equivalents. Shareholders' equity includes convertible preferred shares, treasury stock, and unrealized gains and losses recognized directly in shareholders' equity. The Group aims for a net debt / EDITDA ratio of less than 3.75 (cf. note 5.15.4).

1.17. Treasury stock

The purchase of treasury stock is recorded at cost with a corresponding reduction in shareholders' equity. The sale of treasury stock is credited to shareholders' equity, with no gain recorded.

1.18. Provisions

Provisions for postemployment benefits

Commitments of the CDA Group for postemployment benefits derive from laws and labor agreements applicable in the country where the Group subsidiary is located.

In France, company commitments to permanent or seasonal employees are reflected either in premiums paid to insurance companies or in provisions. If the insurance premiums cover commitments only in part, a provision is entered for the remainder.

The total of these pension obligations is calculated on the basis of the current salaries of employees and their service to date.

Insofar as benefits are determined by legal requirements or labor agreements, the following factors figure in the calculation:

- age at the time of retirement
- personnel turnover
- mortality rates
- changes in salaries
- discount rate, based on trends observed in 20-year French Treasury bonds (OAT): 4.09%.

Gains and losses resulting from changes in actuarial assumptions are recognized in shareholders' equity (amendment to IAS 19).

This calculation includes all Group employees in France except seasonal workers at leisure parks, where turnover is extremely high. It is considered unlikely that these workers will still be employed by the Group when they retire.

The Fillon Act of August 21, 2003, extended the legal mandatory retirement age, at the discretion of the employer, from 60 to 65. However, collective bargaining agreements may provide for retirement at age 60, subject to the employer's meeting certain conditions for offsetting employment or professional training. As for ski lifts, the French national cable car union (SNTF, Syndicat National des Téléphériques de France) negotiated adjustments providing for the possibility of retirement from the age of 60, at the discretion of the employer.

The Social Security finance law of December 26, 2006, has required a progressive realignment of the collective bargaining agreements undertaken by this division. Postemployment benefits for all employees are therefore calculated with payroll taxes included and the retirement age set at 60 (65 for holding companies).

The Social Security finance law of December 17, 2008, altered the conditions under which an employer can retire an employee (unilateral retirement by the employer when an employee reaches the age of 70).

In consideration of the fact that these modifications required by law have resulted in actuarial differences, the changes in postemployment obligations associated with the introduction of the new regulations are recognized in shareholders' equity, in conformity with the methodology used by the Group for the totality of actuarial differences.

Supplementary pension benefits granted to executive personnel of some subsidiaries are financed through contracts with insurance companies. These contracts are revalued every year.

In Italy, provisions entered in application of the law have a broader import than in France insofar as employees are entitled to the amounts provisioned regardless of why they leave the company: i.e., retirement, resignation, or dismissal. Provisions are not recognized for seasonal workers, who receive all their entitlements at the end of each season.

Provisions for benefits for permanent employees are calculated by making an annual allowance equal to approximately one month's salary (excluding payroll taxes) and calculating the present value of provisions taken in previous years.

In other countries where the Group is present (Germany, the Netherlands, Belgium, Switzerland, and the United Kingdom), retiring employees receive no compensation from their employers, and therefore no provisions are made. However, companies contribute each year to pension funds, in accordance with local law. The obligations of the company to these contracts are measured each year.

Other provisions

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, provisions are recognized when at the balance-sheet date the Group perceives an obligation to a third party arising from a past event that is certain or likely to lead to an outflow of resources embodying economic benefits to the third party, with no equivalent offsetting benefits received. This obligation may be legal, regulatory, contractual, or implicit. These provisions are estimated in accordance with their nature, with the most likely assumptions taken into account.

Provisions for restructuring costs are recognized once the Group has a formalized, detailed restructuring plan that has been communicated to the parties concerned.

1.19. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred (fees, issue costs, and reimbursements are deducted, and these adjustments are applied in calculating the effective interest rate) and later recognized at amortized cost. Any difference between income earned from the borrowing, net of transaction costs, and the redemption value is recognized in the income statement over the duration of the loan, in accordance with the effective interest-rate method.

1.20. Derivatives and hedging operations

Financial instruments are recognized at fair value, and changes in the fair value of the instrument are recognized on the basis of whether the derivative is considered a hedging instrument and, if so, the nature of the item being hedged.

The Group's use of derivatives such as interest-rate swaps, caps, and futures contracts is intended to hedge against interest-rate risk.

These derivatives are recognized in the balance sheet at current market value. Changes in market value are recognized in profit or loss except for operations designated as cash-flow hedges for floating-rate debt, for which changes in value are recognized in shareholders' equity.

At the initiation of the transaction, Management documents the link between the hedging instrument and the hedged item as well as its risk-management goals and hedging policy.

Financial instruments hedged by derivatives are subject to hedge accounting, of which there are two types:

- fair-value hedges
- cash-flow hedges

In the case of a fair-value hedge, the financial liability underlying the derivative is remeasured in the balance sheet as hedged risk (interest-rate risk). Any changes in value are recognized in the income statement under financial expenses and offset changes in the value of the derivative attributed to the underlying up to the level of the portion hedged.

In the case of a cash-flow hedge, the financial liability hedged is recognized in the balance sheet at amortized cost. Changes in the value of the derivative are recognized in shareholders' equity. To the extent that financial expenses and revenues from the hedged item affect profit or loss in a given period, the financial expenses and revenues from the hedging instrument recognized in the same period are transferred to the income statement.

When a derivative does not meet the criteria for hedge accounting, changes in fair value are recognized in the income statement under other net operating income.

1.21. Income taxes and deferred taxes

Group income taxes are determined in accordance with tax laws in force in the country where the income is taxable.

In accordance with IAS 12 *Income Taxes*, a temporary difference between the carrying amount of an asset or liability and its tax base gives rise to recognition of a deferred tax liability through the variable carryforward method, in using the most recent income-tax rates enacted (or substantively enacted). The effects of changes in income-tax rates are taken into account in the financial year in which the change is announced.

Deferred taxes are recognized for all temporary differences unless the deferred tax is generated by non-tax-deductible goodwill or by the initial recognition of an asset or a liability that is not a business combination and affects neither accounting nor taxable earnings on the date of the transaction.

A deferred tax liability is recognized for all taxable temporary differences related to shareholdings in subsidiaries, in companies over which the Group exercises significant influence, and in joint ventures, unless it is likely that this difference will be reversed in the foreseeable future.

No deferred tax assets are recognized in tax loss carryforwards unless their reversal within a reasonable time seems probable (on the basis of available estimated data).

Income-tax expense is recognized in the income statement unless it concerns items that were recognized directly in shareholders' equity, in which case the income-tax expense is also recognized in shareholders' equity.

In accordance with IAS 12, deferred taxes are not discounted to present value.

1.22. Share-based payments

Management has enacted equity-settled share-based payment arrangements (stock options and bonus shares). The fair value of services rendered by employees in exchange for stock options and bonus shares is recognized as an expense. The total amount expensed over the vesting period is determined on the basis of the fair value of the stock options granted, as measured by the binomial options pricing model, without consideration of requirements for the acquisition of said rights that are not market conditions, such as profitability and sales-growth targets. The terms of rights acquisition that are not market conditions are included in the assumptions of the number of shares that will likely be eligible for exercise. At each closing date, the granting entity re-examines the number of options that will likely be eligible for exercise. When appropriate, the granting entity recognizes in profit or loss the impact of the revised estimates, with a corresponding adjustment in shareholders' equity.

Six plans granted between 2004 and 2009 fall within the scope of IFRS 2. These are stock options reserved for personnel on condition that the latter be effectively present in the company at the end of the vesting period for the rights and on achieving the economic goals on which exercise is conditioned. Further, since 2006, plans for the grant of bonus shares have been set up (cf. note 5.13.3).

1.23. Unilateral share-purchase agreements granted

IAS 32 requires that the value of financial commitments containing a unilateral obligation for Compagnie des Alpes to purchase equity instruments (put contracts) of fully consolidated subsidiaries from third parties be recognized as a liability. The offset for the difference between the amount thus recognized and the minority interests represented in the percentage of shares subject to the put contract is recognized in goodwill. The liability is measured with reference to the business plans of the underlying companies that are the object of the put options. Subsequent changes in the value of the liability are recognized:

- as goodwill for the adjustment in the estimated value of the exercise price of the put option (variable price)
- as financial expense for that part of the change related to the revaluation of the liability.

1.24. Recognition of revenues

Revenues on ordinary activity correspond to the fair value of the future economic benefits received or to be received for the goods or services sold in the course of the normal business activity of the Group. The revenues of ordinary activities are recognized net of value added tax (VAT), returns of merchandise, and discounts and rebates, and do not include intragroup sales. Revenues of ordinary activities are recognized as follows:

Sales

Sales of tickets (lift passes, admission fees to parks) are recognized for the period in which visitors benefit from CDA's facilities. Prepaid tickets (mainly two-year passes to Parc Astérix valid for the year of sale and the following year), which will be utilized during the following financial year, are recognized in the income statement only in the year they are used for admission. Unused prepaid tickets are recognized as deferred revenues. Revenue from services is recognized in income when the service has been rendered.

Interest income

Interest income is recognized pro rata temporis using the effective-interest-rate method.

Dividends

Dividends are recognized when the right to receive the dividend has been established.

1.25. Segment reporting

A business segment is a distinguishable component of an entity — a group of assets and operations — that is engaged in providing products or services and that is subject to risks and returns that are different from those of other business segments. A geographic segment is a distinguishable component of an entity — a group of assets and operations — that is engaged in providing products or services in a particular economic environment and that is subject to risks and returns that are different from those of other economic environments in which the Group operates.

The Group's primary reporting segment is the business segment and the second is the geographic segment. The operating activities of the Group are organized and managed separately, depending on the nature of the services provided.

There are two identified business segments:

- Ski Areas: This business includes the operation of lifts, building-rights sales, and a restaurant business at ski resorts.
- Leisure Parks: This business concerns the operation of theme parks and animal parks, water parks, and tourist sites. Sales figures include admission tickets, restaurants, shops, and accommodations.
- The line item "other" concerns only the CDA holding company and its finance subsidiary, CDA Financement.

CDA operates in two geographic areas:

- France
- Rest of Europe

Information on the business segments

Details on sales and operating assets for each business segment and geographic area are provided in notes 5.4 and 6.1, respectively.

Operating income for each business segment is provided in note 6.2.

The figures provided do not include transactions among entities within each business segment and geographic area. Transactions between business segments and geographic areas are clearly indicated.

1.26. Other revenues related to operations

These correspond to financial revenues on funds available to the Group by virtue of its companies' operations, such as gains and losses from disposals of operating assets, revenues from current operations, and operating subsidies.

1.27. EBITDA

This includes operating revenues and expenses before the cost of holding assets (amortization and depreciation, other operating revenue and expenses, net financial income) and income tax are taken into account. It is also an important management aggregate.

1.28. Other operating income and expenses

These correspond mainly to exceptional results related to gains or losses from the disposal of shareholdings, to impairment provisions (arising from impairment tests), and to any other significant transaction unrelated to operations.

1.29. Net consolidated debt

Certain repayment clauses bearing on financial aggregates have been established as a condition of the syndicated loan.

These covenants concern mainly net consolidated debt, which includes current and non-current financial debt less cash and cash equivalents and current financial assets.

2. Risk management and accounting estimates and assumptions

2.1. Risk management

Given the nature of its businesses, the Group is exposed to different kinds of financial risks, such as changes in market value due to interest-rate and foreign-exchange risks.

The Group uses derivatives to hedge certain risk exposures.

2.1.1. Cash-flow risk and risk of changes in value due to interest-rate fluctuations

Because the Group does not hold significant interest-bearing assets, its earnings and operating-cash resources are largely independent of interest-rate fluctuations. However, the Group is exposed to interest-rate risk on its medium- and long-term borrowings because Group debt is mainly floating rate.

The Group manages the interest-rate risk on its cash flow by using interest-rate caps and fixed-for-floating swaps.

2.1.2. Foreign-exchange risk

Most of the Group's business activities abroad are in the euro zone, with the exception of Switzerland and the United Kingdom, where activities represent approximately 1% of fixed assets. Group exposure to foreign-exchange risk is therefore low.

2.1.3. Risk of changes in value of shareholdings

The Group is exposed to risk of changes in value in shareholdings, which are classified in the consolidated balance sheet as available for sale or recognized at fair value through profit or loss. The Group is not exposed to risk on the value of merchandise.

2.1.4. Credit risk

The Group has no major credit risks. Its policy is to ensure that the visitors to its sites have appropriate credit-risk histories. Visitors pay for sales with cash, checks, or major credit cards. For derivatives and transactions carried out on a cash basis, counterparties are restricted to blue-chip financial institutions. Group policy is to place a ceiling on credit risk for any given financial institution.

2.1.5. Liquidity risk

Prudent management of liquidity risk means maintaining a sufficient level of liquidity, ensuring that financial resources are available through appropriate credit facilities, and being able to unwind market positions. Given the dynamism of its business activities, the CDA Group aims to maintain financial flexibility by retaining credit lines that are open but untapped.

A significant part of Group borrowings is subject to covenants (cf. note 5.15).

2.2. Accounting estimates and assumptions

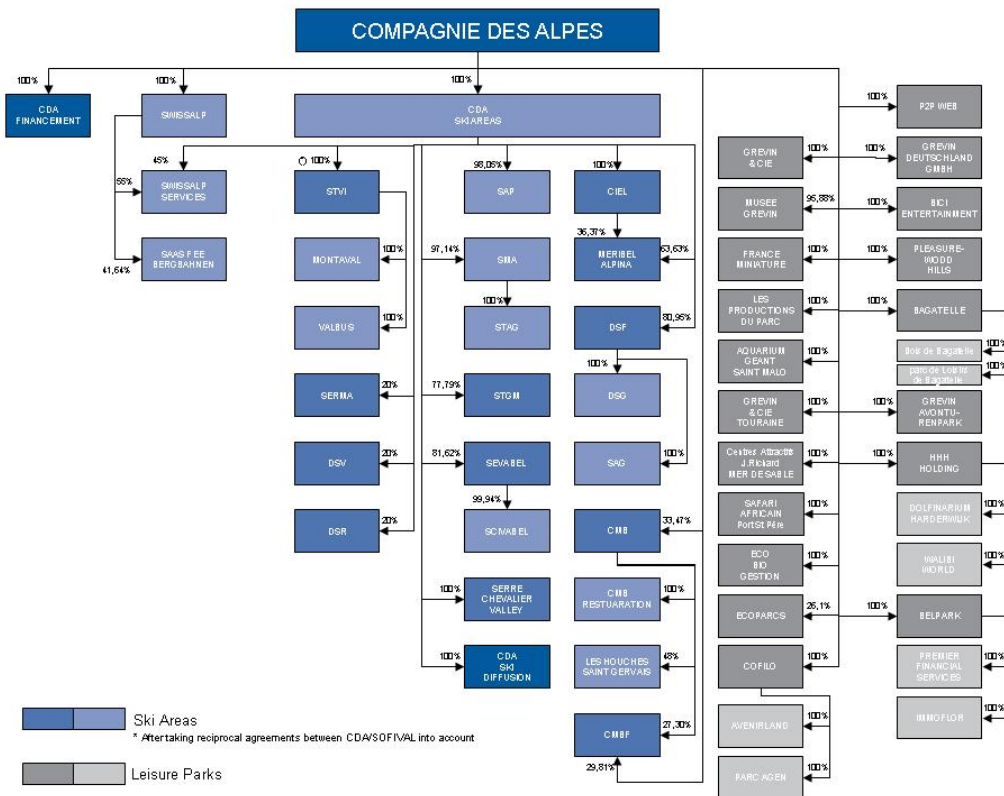
The estimates used for asset-impairment tests (cf. note 1.10) are based on historical data and other factors, such as the anticipation of future events that are considered reasonable given the circumstances.

Management makes estimates and assumptions about the future. The resulting accounting estimates are, by definition, rarely equal to the definitive figures that later emerge.

The discount rate used for testing goodwill impairment has been approved by an independent financial analyst.

3. Organizational chart of the Compagnie des Alpes Group

Simplified CDA Group organizational chart at September 30, 2009



Ski Areas
 * After taking reciprocal agreements between CDA/SOIFIVAL into account
 Leisure Parks

4. Scope of consolidation

4.1. Changes in scope of consolidation

4.1.1. Changes during the 2008-2009 financial year

SELALP

SELALP, wholly owned by CDA-Domaines Skiabes, held Group stakes of 97.8% in SAP (La Plagne) and of 97.11% in SMA (Les Arcs). It also operated the Vanoise Express cable car connecting the Arcs and La Plagne ski areas.

SELALP contributed its Vanoise Express operating business to SAP, effective October 1, 2008. The company was then merged with CDA-Domaines Skiabes following a transfer of all assets and liabilities (TUP, transmission universelle du patrimoine).

SERRE CHEVALIER VALLEY

The two operating companies of the Serre Chevalier resort, SCSD and SC 1350, wholly owned by the CDA Group, were merged in December 2008 (effective October 1, 2008). The new entity was named Serre Chevalier Valley.

COURMAYEUR

In December 2008, Compagnie du Mont-Blanc (CMB) acquired 27.3% of CMBF (Courmayeur). When combined with shares held directly by CDA-Domaines Skiabes, the Group's stake in CMBF rises from 29.8% to 38.9%.

TÉLÉVERBIER

In July 2009, SwissAlp (Swiss subsidiary wholly owned by CDA) sold its entire stake of 20.3% in Téléverbier.

SMVP

In Septemeb 2009, Compagnie des Alpes, which held 51% of SMVP (holding company for Bioscope park assets), sold its entire stake to Caisse des Dépôts.

The CDA Group continues to operate the site via a management agreement.

4.1.2. Changes during the 2007-2008 financial year

STVI

CDA Domaines Skiabes (CDA-DS) acquired the following stakes from SOFIVAL on October 1:

- 60% of the Société des Téléphériques de Val d'Isère (STVI);
- 20% of the Société d'Exploitation des Remontées Mécaniques de Morzine-Avoriaz (SERMA);
- 20% of the Société Domaines Skiabes de Valmorel (DSV);
- 20% of the Société Domaines Skiabes de La Rosière (DSR).

The CDA Group holds a call option on the balance of STVI capital until 2013, with SOFIVAL holding the corresponding put option. In the consolidated financial statements, this deferred acquisition is adjusted for and STVI is fully consolidated as a wholly owned interest (cf. note 9).

GREVIN DEUTSCHLAND

In January 2008, the Group withdrew from the PanoramaPark site (held by Grevin Deutschland) by selling most of its assets to a private German investor. The remaining assets were either sold to third parties or have been transferred within the Group.

ALETSCH RIEDERALP BAHNEN

In February 2008, SwissAlp sold its shareholding of 20.8% in the operating company of the Swiss ski area Riederalp.

SELALP

In March 2008, the CDA Group acquired the outstanding minority interests of SELALP, of which it already owned 95.12%. SELALP holds CDA stakes in SAP (La Plagne, 97.8%) and in SMA (Les Arcs, 97.11%). It also operates the Vanoise Express cable car that links Les Arcs with La Plagne.

SAFARI AFRICAIN (PORT ST PERE)

In April 2008, CDA acquired the outstanding minority interests of Safari Africain, of which it already owned 50.4%.

CDA SKI DIFFUSION

The Group created the CDA Ski Diffusion structure for the Holiski offer.

P2P WEB

This company, which was created in 2007 to publish and manage dedicated websites, entered the scope of consolidation in 2008.

4.2. List of consolidated companies by accounting method and business segment

Parent company	SIREN N°				
Compagnie des Alpes - 89, rue Escudier 92100 Boulogne Billancourt	349 577 908				
	Method of consolidation (1)	Legal status	SIREN N°	% voting rights	% stake
CDA-FINANCEMENT - 92100 Boulogne Billancourt	FC	SNC	482 940 616	100	100
Ski areas					
CDA-DS - 92100 Boulogne Billancourt	FC	SAS	477 855 787	100	100
CDA SKI DIFFUSION - 92100 Boulogne Billancourt	FC	SAS	499 967 362	100	100
STGM - 73320 Tignes	FC	SA	076 920 024	77.79	77.79
SMA - 73700 Bourg-Saint-Maurice	FC	SA	076 520 568	97.14	97.14
STAG - 73210 Peisey-Nancroix	FC	SAS	353 262 025	100	97.14
SAP - 73210 Macôt-La-Plagne	FC	SA	076 220 011	98.05	98.05
SEVABEL - 73440 St-Martin-de-Belleville	FC	SAS	353 065 964	81.62	81.62
SCIVABEL - 73440 St-Martin-de-Belleville	FC	SCI	775 665 508	100	81.62
CIEL - 92100 Boulogne Billancourt	FC	SAS	324 685 437	100	100
MERIBEL ALPINA - 73550 Méribel-les-Allues	FC	SAS	075 520 064	100	100
DSF - 74300 Flaine	FC	SA	602 056 012	80.95	80.95
DSG - 74440 Morillon	FC	SA	320 316 334	99.97	80.93
SAG - 74300 Flaine	FC	SA	326 020 195	99.99	80.93
SERRE CHEVALIER VALLEY - 05330 St Chaffrey	FC	SA	348 799 529	100	100
STVI - 73150 Val d'Isère	FC	SAS	380 241 513	100	100
MONTAVAL - 73150 Val d'Isère	FC	SAS	324 717 792	100	100
VALBUS - 73150 Val d'Isère	FC	SAS	325 677 292	100	100
SERMA - 74110 Morzine	EA	SAS	389 022 419	20	20
DSV - 73260 Valmorel	EA	SAS	306 689 225	20	20
DSR - 73700 Montvalezan	EA	SAS	444 425 169	20	20
GRUPE CIE DU MONT-BLANC - 74400 Chamonix	EA	SA	605 520 584	33.47	33.47
CMBF - Courmayeur - Italy	EA	SpA	-	29.81	38.90
SWISSALP - Geneva - Switzerland	FC	SA	-	100	100
SWISSALP SERVICES - Geneva - Switzerland	FC	SA	-	100	100
SAAS-FEE BERGBAHNEN - Saas-Fee - Switzerland	FC	AG	-	41.64	41.64
Leisure parks					
GREVIN & CIE - 60128 Plailly	FC	SA	334 240 033	100	100
LES PRODUCTIONS DU PARC - 92100 Boulogne Billancourt	FC	SAS	421 155 458	100	100
ECOBIOGESTION - 68190 Ungersheim	FC	SAS	488 918 970	100	100
AQUARIUM GEANT DE SAINT-MALO - 35400 Saint-Malo	FC	SAS	399 410 265	100	100
MUSEE GREVIN - 75009 Paris	FC	SA	552 067 811	95.88	95.88
BAGATELLE - 62600 Rang du Fliers	FC	SAS	784 062 713	100	100
FRANCE MINIATURE - 78990 Elancourt	FC	SAS	348 677 196	100	100
GREVIN & CIE TOURAINE - 37400 Lussault sur Loire	FC	SAS	440 932 259	100	100
PARC DE LOISIRS BAGATELLE - 62155 Merlimont	FC	SCI	345 078 299	100	100
BOIS DE BAGATELLE - 62180 Rang du Fliers	FC	SCI	403 729 973	100	100
SAFARI AFRICAÏN DE PORT SAINT-PERE - 44710 Port Saint-Père	FC	SA	382 269 330	100	100
CENTRES ATTRACTIFS J. RICHARD LA MER DE SABLE 60950 Ermenonville	FC	SAS	775 670 706	100	100
HARDERWIJK HELLEDOORN HOLDING - Harderwijk - Netherlands	FC	BV	-	100	100
DOLFINARIUM HARDERWIJK - Harderwijk - Netherlands	FC	BV	-	100	100
GREVIN AVONTURENPARK - Helleendoorn - Netherlands	FC	BV	-	100	100
GREVIN DEUTSCHLAND - Bestwig/Hochsauerland - Germany	FC	GmbH	-	100	100
BICI ENTERTAINMENT - Le Bouveret - Switzerland	FC	SA	-	100	100
PLEASUREWOODHILLS - Suffolk - United Kingdom	FC	Ltd	-	100	100
WALIBI WORLD - Biddinghuizen - Netherlands	FC	BV	-	100	100
BELPARK BV - 8902 Ieper - Belgium	FC	BV	-	100	100
IMMOFLOR NV - 8902 Ieper - Belgium	FC	NV	-	100	100
PREMIER FINANCIAL SERVICES - 8902 Ieper - Belgium	FC	BV	-	100	100
COFILO - 92100 Boulogne Billancourt	FC	SAS	383 926 532	100	100
AVENIR LAND - 38630 Les Avenières	FC	SAS	311 285 068	100	100
PARC AGEN - 47310 Roquefort	FC	SAS	382 444 545	100	100
ECOPARCS - 68190 Ungersheim	EA	SA	342 384 880	26.1	26.1
P2P WEB - 92100 Boulogne	FC	SAS	500 244 140	100	100

(1) FC = Full consolidation. EA = Equity affiliate

5. Information on the consolidated balance sheet

5.1. Goodwill

(in thousands of euros)

	Gross value	Amortization and impairment	Net value
On 09/30/2007	203 808	0	203 808
Changes in scope	96 307	-	96 307
Translation differences	14	-	14
Other changes	238	-1 051	-813
Au 30/09/2008	300 367	-1 051	299 316
Changes in scope	70	-	70
Translation differences	-633	152	-481
Other changes	-	-681	-681
On 09/30/2009	299 804	-1 580	298 224

The change in scope recognized in the financial year 2008-2009 was due to the higher percentage (+0.2%) of the holding in SAP (La Plagne), following the contribution of the Vanoise Express.

The goodwill concerns Aquaparc (Switzerland) and PleasurewoodHills (United Kingdom).

The impairment test carried out on September 30, 2009, on the recoverable value of CGUs resulted in an impairment of €0.7 million recognized for the PleasurewoodHills and Bagatelle sites.

(in thousands of euros)

	09/30/2009	09/30/2008
Ski areas	128 524	128 454
Leisure parks	169 700	170 862
Total	298 224	299 316

Goodwill impairment tests

Goodwill is allocated to the Group's cash-generating units, which correspond to each site or group of sites (leisure parks and ski areas).

The recoverable value of cash-generating units was determined on the basis of their estimated value in use. These estimates are made from projected cash flow, based on a five-year business plan approved by the Management Board. For a period of longer than five years, cash flow is forecast using an estimated growth rate of 1.5%. This growth rate is lower than the average long-term growth rate of the cash-generating unit's sector. The after-tax cash flow was discounted at 6% (compared with 6.5% for the previous financial year), validated by an independent expert, which reflects the intrinsic business risk in the Company's activities.

Sensitivity tests carried out at 6.8% (starting with a growth rate of 1%) had no impact on the justification of balance-sheet valuations.

5.2. Intangible assets

(in thousands of euros)

	Gross Value	Amortization and impairment	Total
On 09/30/2007	125 280	-47 318	77 962
Acquisitions	3 992	-	3 992
Sales	-108	-	-108
Amortization and impairment	-	-5 410	-5 410
Translation differences	9 289	-120	9 169
Changes in scope of consolidation and others	380	-181	199
On 09/30/2008	138 833	-53 029	85 804
Acquisitions	2 169	-	2 169
Sales	-333	-	-333
Amortization and impairment	-	-5 355	-5 355
Changes in scope of consolidation and others	57	0	57
Other changes	-1 553	867	-686
On 09/30/2009	139 173	-57 517	81 656

Intangible assets break down as follows :

(in thousands of euros)	09/30/2008	Acquisitions	Sales	Amorti- Recoveries zations	Conso- lidated	Rates differences	Other changes	09/30/2009
Gross value								
Lift use rights	81 202	-	-	-	-	-	-	81 202
Start up costs	5 568	-	-414	-	-	44	-	5 198
Musée Grévin trademark	9 000	-	-	-	-	-	-	9 000
Walibi trademark	20 300	-	-	-	-	-	-	20 300
Highway interchange concession: Parc Astérix	6 273	-	-	-	-	-	-	6 273
Other intangible assets	16 490	2 169	81	-	-	13	-1 553	17 200
Sub-total: gross value	138 833	2 169	-333	0	0	57	-1 553	139 173
Amortization and impairment								
Lift-use rights	-38 305	-	-	-3 270	-	-	-145	-41 720
Start-up costs	-2 275	-	-	-384	298	-	-	-2 361
Musée Grévin trademark	-	-	-	-	-	-	-	-
Walibi trademark	-	-	-	-23	-	-	-	-23
Highway interchange concession: Parc Astérix	-1 195	-	-	-59	-	-	-	-1 254
Other intangible assets	-11 254	-	-	-2 062	145	-	1 012	-12 159
Sub-total: amortization and impairment	-53 029	0	0	-5 798	443	0	867	-57 517
Net value	85 804	2 169	-333	-5 798	443	57	-686	81 656

The principles that apply to the amortization of intangible assets are detailed in note 1.6.

Acquisitions made in FY 2008-2009 were mainly for IT.

As regards the Musée Grévin and Walibi trademarks, which were valued during the goodwill allocation process, Group management considers these brands to be essential to operations of the sites concerned, and that they have undetermined useful lives. These brands are regularly reinvested in. The residual value of intangible assets with undetermined useful lives was estimated on the basis of value in use.

In order to verify the residual value of fixed assets (cf. note 1.10), impairment tests are performed on a regular basis.

5.3. Property, Plant, and Equipment (PPE), wholly owned and on concession

(in thousands of euros)	Gross value	Amortization, depreciation, and impairment	Total
<u>On 09/30/2007</u>	<u>1 381 677</u>	<u>-646 364</u>	<u>735 313</u>
Acquisitions	97 847	-	97 847
Sales	-26 299	-	-26 299
Amortization, depreciation, and impairment	-	-65 919	-65 919
Changes in scope of consolidation and others	126 041	-64 458	61 583
<u>On 09/30/2008</u>	<u>1 579 266</u>	<u>-776 741</u>	<u>802 525</u>
Acquisitions	80 677	-	80 677
Sales	-18 943	-	-18 943
Amortization, depreciation, and impairment	-	-60 322	-60 322
Changes in scope of consolidation and others	-153 284	90 709	-62 575
<u>On 09/30/2009</u>	<u>1 487 716</u>	<u>-746 354</u>	<u>741 362</u>

Fixed assets break down as follows :

(in thousands of euros)	09/30/2008	Acquisitions	Sales	Amortizations	Recoveries	Changes	Assets given	Others	09/30/2009
Gross value									
Land and improvements	43 731	395	-4	-	-	-	-	1 552	45 674
Trail works	55 287	1 514	-7	-	-	-	-937	16 251	72 108
Snowmaking	92 482	925	-365	-	-	-	-5 341	4 427	92 128
Buildings, offices,									
shops, other spaces	326 865	2 900	30	-	-	-39 413	-7 045	114	283 451
Lifts	639 242	5 588	-7 195	-	-	-	-119 026	26 365	544 974
Grooming machines	28 078	4 881	-2 858	-	-	-	-4 381	651	26 371
Rides	194 727	6 438	-4 252	-	-	-	-	-2 131	194 782
Materials and equipment	66 662	4 054	-2 502	-	-	-12	-192	8 981	76 991
Other fixed assets	96 093	5 908	-1 882	-	-	20 015	-	149	120 283
Fixed assets in progress	34 152	47 996	115	-	-	-	-	-51 432	30 831
Advances and down payments on fixed assets	1 947	78	-23	-	-	-	-	-1 879	123
Sub-total:									
gross value	1 579 266	80 677	-18 943	-	-	-19 410	-136 922	3 048	1 487 716
Depreciation									
Land and improvements	-8 650	-	-	-516	2	-	-	-925	-10 089
Trail works	-17 484	-	-	-1 989	47	-	598	1 448	-17 380
Snowmaking	-46 382	-	-	-6 659	353	-	1 656	2 744	-48 288
Buildings, offices,									
shops, other spaces	-168 607	-	-	-15 071	-	8 385	5 142	-1 174	-171 325
Lifts	-319 261	-	-	-24 616	6 609	-	80 907	-7 267	-263 628
Grooming machines	-17 833	-	-	-4 273	2 127	-	2 279	-470	-18 170
Rides	-90 412	-	-	-12 871	3 871	-	-	-979	-100 391
Materials and equipment	-49 636	-	-	-6 611	2 345	8	159	8 119	-45 616
Other fixed assets	-58 476	-	-	-6 501	3 431	-5 211	-	-4 710	-71 467
Sub-total:									
amortization	-776 741	-	-	-79 107	18 785	3 182	90 741	-3 214	-746 354
Net value	802 525	80 677	-18 943	-79 107	18 785	-16 228	-46 181	-166	741 362
Gross value of concession assets									
Concession asset	787 682	25 905	-10 048	-	-	-	-136 922	2 146	668 763
depreciation	-432 815	-	-	-38 247	8 252	-	90 741	-2 637	-374 706
Net value	354 867	25 905	-10 048	-38 247	8 252	-	-46 181	-491	294 057
Gross value of concession assets									
concession assets	791 584	54 772	-8 895	-	-	-19 410	-	900	818 951
Depreciation of concession assets	-343 926	-	-	-40 860	10 533	3 182	-	-575	-371 646
Net value of concession assets	447 658	54 772	-8 895	-40 860	10 533	-16 228	-	325	447 305
Net value	802 525	80 677	-18 943	-79 107	18 785	-16 228	-46 181	-166	741 362

Property, plant, and equipment acquisitions for the period are as follows:

- for Ski Areas (€61 million) this includes the conclusion of expenditure programs prior to the 2008-2009 winter season as well as the beginning of work for the 2009-2010 season. These expenditures correspond mainly to the installation of new lifts (€31 million) and to snowmaking (€12 million) and trail (€7 million) work.
- for Leisure Parks (€20 million) this includes expenditures put into operation for the 2009 season. They correspond to expenditures for maintenance (€12 million) and for new rides (€8 million).

The changes in scope correspond to the disposal of SMVP, i.e., €39 million of expenditures subsidized for €20 million.

Discontinued operations correspond to the reclassification of Saas Fee Bergbahnen.

"Other" includes the reclassification of fixed assets to operating assets, as well as asset retirement.

5.4. Breakdown by segment and geographic area of fixed and intangible assets (net amounts)

(in thousands of euros)	Ski areas	Leisure Parks	Others	09/30/2009	09/30/2008
Region or country					
France	524 696	142 821	3 577	671 094	681 578
<u>o/w Assets under concession</u>	<u>447 305</u>	<u>0</u>	<u>-</u>	<u>447 305</u>	<u>447 657</u>
<u>o/w Assets under lease</u>	<u>-</u>	<u>2 715</u>	<u>-</u>	<u>2 715</u>	<u>2 907</u>
Europe (excl. France)	-	151 924	-	151 924	206 751
<u>Total of PPE and intangible fixed assets</u>	<u>524 696</u>	<u>294 745</u>	<u>3 577</u>	<u>823 018</u>	<u>888 329</u>
Intangible fixed assets (Note 5.2)	-	-	-	81 656	85 804
<u>PPE (Note 5.3)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>741 362</u>	<u>802 525</u>
TOTAL of PPE and intangible fixed assets on the balance sheet	524 696	294 745	3 577	823 018	888 329

5.5. Shareholdings in affiliated companies

(in thousands of euros)	09/30/2009	09/30/2008
Value of shares at start of period	70 267	43 077
<u>Changes in scope of consolidation and others</u>	<u>-11 186</u>	<u>25 463</u>
<u>FY income</u>	<u>277</u>	<u>3 549</u>
<u>Dividends paid</u>	<u>-1 506</u>	<u>-1 822</u>
Value of shares at end of period	57 852	70 267

Over FY 2007-2008, changes in the scope of consolidation included new minority shareholdings acquired from Sofival in SERMA (Avoriaz), DSR (La Rosière), and DSV (Valmorel), and the disposal of Aletsch Riederalp.

For FY 2008-2009, changes in the scope of consolidation correspond to the disposal of Téléverbier. FY results are hurt by impairments of €1.9 million for stakes in CMBF and DSV.

As of September 30, 2009, goodwill for affiliated companies came to €20.2 million.

Compagnie du Mont-Blanc is listed on the stock market. The value of Group ownership in this company, based on its stock price on September 30, 2009, is €18 million. Given the stock's low liquidity, this valuation is insignificant in terms of value in use for the Group.

5.6. Other non-current financial assets and derivatives

(in thousands of euros)	09/30/2009	09/30/2008
Financial assets available for sale	2 135	2 119
Loans and debts associated with investments	4 585	5 155
Deposits and guarantees	1 400	1 888
Other financial assets	502	893
Gross value	6 487	7 936
Amortization	-741	-838
Non-current financial assets (net)	5 746	7 098

The principal investment securities are:

(in thousands of euros)	Percentage of interest	Fair value 09/30/2009	Shareholders' equity 09/30/2009	Net income (incl. retained of last FY)
AIVB (AGENCE IMMOBILIERE DE LA VALLEE DES BELLEVILLE)	100%	938	306	25
FLAINE IMMOBILIER	90%	145	370	31
PLAGNE RENOV	15%	137	957	6
SAGEST TIGNES DEVELOPPEMENT	9.8%	75	1 306	-88
Miscellaneous	-	840	-	-
Total	-	2 135	-	-

The activity of the companies above is centered principally on investments of ski areas in real estate agencies and real-estate refurbishment services, which are insignificant for consolidated financial statements.

The Group also holds stakes in high-altitude resort restaurants.

5.7. Differed tax assets

(in thousands of euros)	Tax loss carry forwards	Temporary differences	Restatements	Total
On 09/30/ 2007	20 637	5 994	-16 412	10 219
Increases	-	919	478	1 397
Reductions	-4 711	-37	-933	-5 681
Others	-	626	2 313	2 939
On 09/30/ 2008	15 926	7 502	-14 554	8 874
Increases	-	919	3 827	4 746
Reductions	-6 448	-	-	-6 448
Others	1 809	576	-4 632	-2 247
On 09/30/ 2009	11 287	8 997	-15 359	4 925

The change over the financial year in tax loss carryforwards corresponds to the application of differed tax assets for previously activated losses, particularly for the Belgian and Dutch subsidiaries. "Other" was adjusted to include the netting of deferred tax assets and deferred tax liabilities (cf. note 5.16).

Restatements for the financial year reflect mainly the tax impact from changes in fair value of financial instruments.

5.8. Inventories

(in thousands of euros)	09/30/2009	09/30/2008
Gross value	6 230	6 107
Provisions	-148	-148
Real estate	6 082	5 959
Gross value	369	369
Provisions	-317	-317
Parking areas	52	52
Gross value	10 962	10 014
Provisions	-364	-284
Inventories of raw materials, supplies, and merchandise	10 598	9 730
Total	16 732	15 741

Inventories of building rights are held mainly by SAP, SMA, SCIVABEL, and SAG. These companies develop sites for subsequent sale.

Inventory of raw materials, supplies, and merchandise refer both to the Ski Areas segment (spare parts for maintenance or repair of ski lifts) and to the Leisure Parks segment (shop inventories, restaurants, costumes).

5.9. Operating receivables and others

(in thousands of euros)	09/30/2009	09/30/2008
Advances and down payments	1 559	1 032
Trade receivables	31 402	31 525
Payroll tax and tax receivables	12 631	17 090
Other current receivables	2 801	4 233
Write-downs	-767	-828
Total	47 626	53 052

The change in payroll tax and tax receivables was due to shortened VAT payment deadlines (reimbursements payable monthly instead of quarterly).

Trade receivables take into account building-rights receivables of €13 million, mainly for SMA and SAG, with repayment scheduled over five years (€2 million due in less than twelve months, €11 million due in one to five years).

The other items require no additional comment.

5.10. Other receivables

(in thousands of euros)	09/30/2009	09/30/2008
Various short-term receivables	974	1 623
Receivables on asset disposals	2 460	8 112
Write-downs	-	-64
Other receivables	3 434	9 671
Prepaid expenses	7 795	9 254
Total	11 229	18 925

In FY 2007-2008, receivables on asset disposals included a receivable of €3.8 million for the disposal of Vertigo. This amount was settled during the 2008-2009 financial year.

5.11. Current financial assets

(in thousands of euros)	09/30/2009	09/30/2008
Short-term loans	116	893
Deposits and guarantees	95	86
Financial instruments	140	4 915
Total	351	5 894

"Financial instruments" shows the market value on September 30, 2008 of the Group's swaps and caps. Because of the change in interest rates during FY 2008-2009, financial instruments show an unrealized loss of €7.4 million at September 30, 2009, recognized under borrowings (cf. note 5.15).

5.12. Cash and cash equivalents

(in thousands of euros)	09/30/2009	09/30/2008
UCITS	2 711	5
Term investments	3 045	6
Demand deposits	23 275	14 420
Cash	2 760	3 001
Gross value	31 791	17 432
Write-downs	-	-
Total	31 791	17 432

As of September 30, cash and cash equivalents, which for structural reasons is usually high, was attributable mainly to the business cycle of leisure parks.

5.13. Shareholders' equity

5.13.1. Treasury stock

At September 30, 2009, the Group held 45,179 CDA shares, purchased at an average price of €26.11 per share for a total of €1,180,000.

At September 30, 2008, the Group held 37,398 CDA shares, purchased at an average price of €32.40 per share for a total of €1,212,000.

5.13.2. Reserves associated with changes in fair value

	Interest-rate hedge	Others
Situation as of 09/30/ 2007	3 239	105
Changes FY 2007/08	-326	-69
Situation as of 09/30/ 2008	2 913	36
Changes FY 2008/09	-7 012	-41
Situation as of 09/30/ 2009	-4 099	-5
o/w - Group share	-4 197	0
- Minority share	98	-5

The Group uses only cash-flow hedging instruments, mainly against floating-rate debt.

5.13.3. Treasury shares

At September 30, 2009, there were 372,086 outstanding Compagnie des Alpes stock options (2.10% of the capital) reserved for employees. Moreover, there were 93,800 unattributed bonus shares (0.53% of the capital) as of the same date. There are no share-purchase options. All outstanding options and share grants are recorded in shareholders' equity.

The main characteristics of the stock-option and free-share plans as of September 30, 2009, are described in the following table:

	Plan n° 7		Plan n° 8					
Date of AGM	03/10/2004		03/10/2004					
Date of Board Meeting	04/07/2004		01/25/2005					
Number of shares originally available for subscription	261 408		256 280					
o/w for members of the Management Board	100 000		83 000					
Number of beneficiaries	172		171					
Option exercise period	from 04/07/2004 to 04/06/2009		from 01/25/2009 to 01/24/2010					
Share subscription price (€)	30.98		30.45					
Options exercised on September 30, 2009	19 798		0					
Desisted or canceled options	241 610		157 974					
Outstanding options	0		98 306					
Stock option plans (A) combined with free share plans (B)*	Plan n° 9		Plan n° 10		Plan n° 11		Plan n° 12	
Date of AGM	23/02/2006		28/02/2007		28/02/2007		28/02/2007	
Date of Board Meeting	24/02/2006		01/03/2007		21/02/2008		19/03/2009	
	A B		A B		A B		A B	
Number of shares originally available for subscription	68 760	34 500	72 960	41 088	88 700	48 700	46 400	47 100
o/w for members of the Management Board	36 000	10 800	36 000	10 800	44 000	13 200	0	13 200
Number of beneficiaries	31	167	35	116	35	129	29	119
Option exercise period	from 02/24/2010		from 03/01/2011		from 02/21/2012		from 03/19/2013	
Grant date of bonus shares	to 02/23/2011 to 02/20/2013		to 03/25/2008 to 03/20/2010		to 02/29/2012 to 03/18/2016		to 04/01/2009 to 03/19/2011	
Number of free shares fully vested	-	12 940	-	0	-	-	-	-
Share subscription price (€)	31.25	-	36.24	-	31.93	-	23.17	-
Eliminated or canceled options/ Performance shares	2 240	21 560	800	41 088	0	2 000	0	0
Outstanding options / Performance shares	66 520	0	72 160	0	88 700	46 700	46 400	47 100

(*):grant is based on economic factors.

The combined plan no. 12 was enacted by the Management Board at its meeting of March 19, 2009. This plan concerns 46,400 stock options, 47,100 bonus shares, and 119 beneficiaries.

At September 30, 2009, fair value per stock option was €3.016 (compared with €5.24 in 2008), and fair value per free share was €21.75 (compared with €30.75 the preceding year).

The total change in stock options and bonus shares is summarized as follows:

Stock options	Number of options	
	09/30/2009	09/30/2008
Unexercised options at start of period	417 794	449 575
Options awarded	46 400	88 700
Options canceled	-92 108	-14 774
Options exercised	0	-105 707
Unexercised options at end of period	372 086	417 794
Exercisable options at end of period	98 306	92 108

Grants of performance shares	Number of options	
	09/30/2009	09/30/2008
Unexercised options at start of period	88 748	73 296
Options awarded	47 100	48 700
Rights eliminated	42 048	20 308
Rights exercised	0	12 940
Rights granted at end of period	93 800	88 748

The expense recognized for stock-option and performance share plans was €843,000 at September 30, 2009 (€1,248,000 at September 30, 2008).

The main factors used in calculating the expense of the reporting period's combined plan are:

Earnings distribution rate	3.00%
Stock-price volatility	20.0%
Risk-free rate for options (four-year duration)	2.41%
Risk-free rate for performance shares (two-year duration)	1.62%
Turnover rate	5.00%

Compared with previous plans, the percentage of bonus shares granted was limited. This valuation assumes grants of 50% for Management Board members and 75% for other beneficiaries.

The binomial options pricing model is used to measure fair value for options and bonus shares.

5.14. Provisions (non-current and current)

The change in non-current provisions breaks down as follows:

	09/30/2008	Earnings		Conversion differences	Changes in scope of consolidation	Others	09/30/2009
		Provisions	Reversals				
Pensions	16 297	1 837	-1 263	7	-	1 274	18 152
Other noncurrent risks	5 937	3 190	-304	10	-	-464	8 369
Total	22 234	5 027	-1 567	17	0	810	26 521

Provisions for postemployment benefits for employees working in ski areas accounts for most of "pensions."
 Provisions for "other non-current risks" at the beginning of the reporting period included litigation related to the acquisition of shareholdings. Provisions for the financial year include mainly the impact of the CDA restructuring plan and SAP's divestment of its real estate subsidiaries, particularly SPALP.

(in thousands of euros)	09/30/2009	09/30/2008
Obligations attributed to balance sheet:		
from pensions	18 152	16 297
from postretirement medical benefits	-	-
Total cost attributed to income statement		
from pensions	1 860	2 103

The balance-sheet amounts are determined as follows :

(in thousands of euros)	09/30/2009	09/30/2008
Present value of financial obligations	21 084	19 661
Fair value of plan assets	-2 932	-3 364
Balance sheet liability	18 152	16 297

The amount of postemployment benefits represents the Group's obligations for the vested rights of employees, net of payments made to insurance funds.

The following table shows the amounts recognized in the income statement:

(in thousands of euros)	09/30/2009	09/30/2008
Service cost	1 139	926
Interest cost	857	1 310
Expected return on plan assets	-136	-133
Total amount included in staff pension components	1 860	2 103

Expenses for the year include:

- rights vested for an additional year of seniority
- interest earned
- expected rate of return on pension fund
- pension provision, if necessary

Changes during the financial year for defined benefit plans break down as follows:

(in thousands of euros)	09/30/2009	09/30/2008
Service cost during financial year	-1 139	-926
Interest cost	-857	-1 310
Expected return on plan assets	136	133
Actuarial gains and losses	-1 800	111
Benefits paid	1 274	612
Effects of business combinations	0	-829
Others	532	-12
Total	-1 854	-2 221

Actuarial gains and losses for the reporting period result mainly from discount rate assumptions.

The principal actuarial assumptions include the following:

	09/30/2009	09/30/2008
Discount rate	4.09%	4.70%
Expected rate of return on plan assets	4.50%	4.50%

The change in current provisions breaks down as follows:

(in thousands of euros)	09/30/2008	Earnings		Change in scope of consolidation	Others
		Provisions	Reversals		
09/30/2009					
Major repair provisions	12 283	2 216	-3 504	-	10 995
Lawsuits & disputes	1 903	-	-133	-	1 770
Others	3 917	1 372	-1 390	-	3 660
Current provisions	18 103	3 588	-5 027	0	16 425

Provisions for major repairs concern only ski areas and are intended to cover work associated with leased ski lifts.

Reversals of unused provisions for the financial year amounted to €1 million.

5.15. Borrowings

5.15.1. Gross financial debt breakdown

(in thousands of euros)	On 09/30/2009			On 09/30/2008		
	Non-current	Current	Total	Non-current	Current	Total
Borrowings from credit institutions	362 748	35 093	397 841	420 087	27 803	447 890
Other loans and related debt	56 605	3 208	59 813	62 034	2 735	64 769
Leasing	508	7	515	508	256	764
Accrued interest	-	270	270	-	592	592
Bank credit balances and similar	-	32 727	32 727	-	69 627	69 627
Employee profit-sharing	2 140	608	2 748	1 999	894	2 893
Miscellaneous	32	78	110	30	106	136
Total	422 033	71 991	494 024	484 658	102 013	586 671

Gross financial debt declined by €93 million during the financial year because of:

- repayment of a portion of the syndicated lines of credit for €31 million;
- use of overdrafts reduced by €37 million;
- reclassification of Saas Fee under discontinued operations for €25 million.

In addition, the fair-value impact of hedging instruments is recognized under borrowings from lending institutions (€7.7 million).

Financial debt breaks down by maturity as follows:

Maturity of financial debts (in millions of euros)	Total	- 1 year	from 1 to 5 years	+ 5 years
	494.0	67.0	423.7 (1)	3.3

(1) The CDA Group acquired 60% of STVI on October 1, 2007. The outstanding shares will be acquired by 2013 through the simultaneous exercise of calls and puts by CDA and Sofival. This option is recognized under borrowings (€55 million at September 30, 2009), with an annual actuarial rate of 5%.

5.15.2. Financial debt structure

(in millions of euros)

	On 09/30/2009		On 09/30/2008	
	Amount	%	Amount	%
Fixed-rate borrowings	58.7	11.9%	84.6	14.4%
Variable-rate borrowings	431.7	87.4%	499.1	85.1%
Shareholdings and misc.	3.6	0.7%	3.0	0.5%
Total	494.0	100%	586.7	100%

Fixed-rate debt includes the STVI call option.

Hedging instruments

In parallel with set-up of the syndicated loan, the Group negotiated interest-rate hedge contracts (relating strictly to debt).

As of September 30, 2009, floating-rate financial debt was hedged at €305 million (74% of the debt). The hedging instruments used include caps and fixed-for-fixed rate swaps:

- 3 caps represent €100 million of hedged debt (between 2.85% and 4.00%)
- 6 swaps represent €205 million of hedged debt (between 1.86% and 4.11%)

5.15.3. Interest rates

	On 09/30/2009		On 09/30/2008	
	Amount	%	Amount	%
Fixed rate	58.7	5.03%	84.6	4.54%
Variable rate	431.7	3.04%	498.3	4.38%
Leasing	0.5	6.84%	0.8	6.84%
Investments and other	3.1	-	3.0	-
Total	494.0	3.21%	586.7	4.38%

The depressed economic climate led to significantly lower interest rates from the beginning of 2009. The Group profited from these changes, even though their impact was limited by interest-rate hedging instruments.

5.15.4. Prepayment clauses

Syndicated credit facilities established by the Group in 2006 require adherence to the following financial covenants:

	Covenant	Ratio on 09/30/2009
Net consolidated debt / Consolidated EBITDA	< 3.75	2.77
Net consolidated debt / Shareholders' equity	< 1.25	0.78
Consolidated EBITDA / Interest expense	> 5.00	9.25

The covenants are reviewed twice a year, on March 31 and September 30.

The total amount of financial debt subject to these covenants stands at €373 million (including €356.5 million for the syndicated loan). As of September 30, 2009, these ratios were adhered to.

An ownership clause stipulates that the credit be fully reimbursed should (i) the Caisse des Dépôts no longer hold at least 33.33% of the share capital and voting rights in CDA, or (ii) one or more persons, other than the CDC, acting together acquire at least 33.33% of the share capital and voting rights in CDA, if within 15 days thereafter the borrower and an agent acting on instruction of unanimous lenders do not agree on changes to be made to the loan agreements.

5.16. Deferred tax liabilities

(in thousands of euros)	Exceptional depreciation	Temporary differences	Restatements	Total
On 09/30/ 2007	12 075	535	-3 081	9 529
Increase	1 120	268	-	1 388
Reduction	-	-	-450	-450
Changes in scope	3 139	-	12 699	15 838
Autres	-	-	2 416	2 416
On 09/30/ 2008	16 334	803	11 584	28 721
Increase	2 207	-	-	2 207
Reduction	-	-287	-390	-677
Changes in scope	-	-	-	0
Others	-	793	-3 361	-2 568
On 09/30/ 2009	18 541	1 309	7 833	27 683

Restatements for the preceding financial year include the entry of STVI into the scope of consolidation, i.e., €12.7 million for fixed assets.

"Other" includes mainly the netting of deferred tax assets and liabilities.

5.17. Operating liabilities and other debt

(in thousands of euros)	09/30/09	09/30/2008
Trade payables and related	57 738	65 758
Tax (VAT) and payroll tax payable	49 062	48 999
Other operating debt	10 059	10 770
Sub-total "operating debt"	116 859	125 527
Debt on fixed assets	24 327	23 348
Various other debts	5 238	596
Accruals	14 998	14 471
Sub-total "other debts"	44 563	38 415
Total	161 422	163 942

Trade receivables in 2008 included a temporary difference in payment schedules at certain sites because of specific conditions, particularly the purchase of building rights by SAG and litigation expenses for SMA.

"Various other debts" in 2009 includes mandated transactions and debt from current lawsuits.

6. Information on the consolidated income statement

6.1. Consolidated sales

Country (in thousands of euros)	Ski areas	Leisure parks	Others	Elimination intragroup sales	09/30/2009	09/30/2008 adjusted
France	339 222	135 665	18 005	-29 556	463 336	449 703
Europe (excl. France)	263	112 625	-	-248	112 640	111 595
Total on 09/30/2009	339 485	248 290	18 005	-29 804	575 976	-
Total on 09/30/2008	341 831	236 792	18 804	-36 129	-	561 298

Sales at ski areas consist mainly of sales of lift passes (more than 95% of segment sales). Sales at leisure parks consist mainly of sales of admission tickets (62% of segment sales), in addition to restaurants, boutiques, other services, and various ancillary businesses, such as the Hôtel des 3 Hiboux at Parc Astérix.

6.2. Operating income by segment

(in thousands of euros)

	Ski areas		Leisure parks		Others		Elimination intragroup sales		Total adjusted	
	09/30/2009	09/30/2008	09/30/2009	09/30/2008	09/30/2009	09/30/2008	09/30/2009	09/30/2008	09/30/2009	09/30/2008
Sales	339 485	341 831	248 290	236 792	18 005	18 804	-29 804	-36 129	575 976	561 298
Other operating revenues	201	150	1 355	1 367	1 041	61	-1 248	-1 307	1 349	271
Financial income from operations	-	-	-	-	-	-	-	-	0	-
Total revenue										
From ordinary operations	339 686	341 981	249 645	238 159	19 046	18 865	-31 052	-37 436	577 325	561 569
Purchases	-22 674	-24 255	-35 646	-33 767	-148	-224	867	-965	-57 601	-59 211
External services	-56 640	-60 884	-73 019	-72 131	-6 545	-8 554	36 648	44 163	-99 556	-97 406
Taxes and related payments	-25 365	-24 493	-4 768	-4 497	-445	-457	-	-	-30 578	-29 447
Payroll costs and employee profit sharing	-92 094	-87 293	-76 626	-73 215	-16 407	-12 986	-6 463	-5 762	-191 590	-179 256
Other operating income	-25 729	-23 764	-5 284	-6 449	-437	-86	-	-	-31 450	-30 299
Gross operating income	117 184	121 292	54 302	48 100	-4 936	-3 442	0	0	166 550	165 950
Net amortization and provisions	-49 583	-46 862	-31 654	-33 454	-1 191	-764	-	-	-82 428	-81 080
Other operating expenses and revenues	46	-267	-809	-1 247	-325	-	-	-	-1 088	-1 514
Operating income	67 647	74 163	21 839	13 399	-6 452	-4 206	0	0	83 034	83 356

The elimination of intragroup balances corresponds primarily to invoices transferred by Compagnies des Alpes and its subholdings to its subsidiaries for centralized Group services.

6.3. Cost of borrowing and other financial income and expenses

(in thousands of euros)	09/30/2009	09/30/2008 adjusted
Interest on borrowings	-17 312	-26 244
Other income and interest expenses	-795	-98
Income on cash and cash equivalents	105	206
Cost of net debt	-18 002	-26 136
Losses from financial transactions	-762	-320
Other financial income	-226	501
Financial provisions/reversals	33	486
Other income and interest expenses	-955	667

The dramatic improvement in net cost of borrowing (+€8 million) is due to Group debt reimbursement and to a favorable change in interest rates.

Other financial income includes mainly the Group share of earnings in unconsolidated companies.

6.4. Income Tax

Income tax breaks down as follows:

(in thousands of euros)	09/30/2009	09/30/2008 adjusted
Taxes due	-17 524	-17 819
Deferred taxes	-6 238	-4 421
Total	-23 762	-22 240

The reconciliation between the normal French income-tax rate and the effective rate is shown below. The effective tax rate corresponds to the amount of tax for the pre-tax income of consolidated companies.

	09/30/2009	09/30/2008
Normal rate	33.33%	33.33%
Effect of the compulsory welfare levy on earnings	0.54%	0.98%
Effect of unused tax-loss carryforwards	2.30%	2.49%
Variation in exchange rates and other	-0.04%	1.41%
Effective rate	36.13%	38.21%

Tax loss carryforwards and amortization considered deferred that were unrecognized as of September 30, 2009, amounted to €40 million. These include, for the greater part, unrecoverable losses from a Dutch company acquired in 2006. New local tax law limits the recovery of tax losses to nine years.

Unused tax loss carryforwards for the financial year represent around €2 million, including the cancellation of previous activations for Grevin Deutschland..

6.5. Group share in earnings of affiliated companies

Companies	Country	Balance	Revenue	Earnings	Contribution in sheet total Group net income
(in millions of euros)					
2009					
GRUPE CIE DU MONT-BLANC	France	151.6	54.9	3.6	1.1
CMBF	Italy	44.9	10.8	0.1	-1.4
TELEVERBIER (1)	Switzerland	-	-	-	-
SERMA (AVORIAZ)	France	44.9	31.2	4.4	0.8
DSV (VALMOREL)	France	17.0	10.8	0.2	-0.5
DSR (LA ROSIERE)	France	16.2	9.0	1.4	0.3
ECOPARCS	France	5.1	0.2	-0.2	0.0
Total					0.3
2008					
GRUPE CIE DU MONT-BLANC	France	143.2	55.7	3.5	1.2
CMBF	Italy	46.3	10.6	-0.7	-0.2
TELEVERBIER (1)	Switzerland	-	-	-	-
SERMA (AVORIAZ)	France	46.7	31.1	4.7	0.9
DSV (VALMOREL)	France	20.3	10.8	0.7	0.1
DSR (LA ROSIERE)	France	17.1	8.9	1.5	0.3
ECOPARCS	France	5.1	0.1	-0.2	0.0
Total					2.3

(1) The Group sold its shareholding in Téléverbier in July 2009. After the Group decided to withdraw from all activity in Swiss ski areas, the Group share of earnings in this shareholding was reclassified in the income statement under "discontinued operations."

The results of CMBF and DSV were compromised by the recognition of provisions of €1.4 million and €0.5 million, respectively .

7. Information on the cash flow statement

7.1. Operating cash flow

(in thousands of euros)	09/30/2009	09/30/2008 adjusted
Net attributable income	40 155	36 168
Minorities' share of earnings	2 992	3 580
Total net income	43 147	39 748
Depreciation and provisions/reversals (exclusive of current accounts)	85 187	82 552
Capital gains/losses on disposals	-290	457
Group share of equity affiliates' earnings	-277	-2 312
Dividends received from equity affiliates	1 768	2 141
Others	1 544	-1 149
Cash flow net of financial expense and tax	131 079	121 437
Cost of net financial debt	18 002	26 136
Corporate tax	23 895	22 376
Cash flow before financial expense and tax	172 976	169 949
Change in current operating receivables and payables	-10 370	12 518
Other cash flows	3 196	3 713
Tax paid	-17 220	-15 190
Operating cash flow	148 582	170 990

7.2. Acquisition of of PPE and intangible assets

(in thousands of euros)	09/30/2009	09/30/2008 adjusted
Acquisition of intangible fixed assets (Note 5.2)	2 169	3 992
Acquisition of PPE (Note 5.3)	80 677	95 484
Acquisition of PPE and intangible fixed assets	82 846	99 476
Change in fixed-asset liabilities	-2 460	8 092
Acquisition of PPE and intangible assets in the cash flow statement	80 386	107 568
Disposal of PPE	1 779	10 590
Change in fixed-asset receivables	4 572	-3 848
Acquisition of fixed assets in the cash flow statement	6 351	6 742

7.3. Change in borrowings

(in thousands of euros)	09/30/2009	09/30/2008 retraité
Borrowings in the consolidated balance sheet of the previous FY	586 672	527 362
Borrowings from credit institutions	-30 804	10 308
Other borrowings and related debt	9 489	55 168
Leasing	-249	-255
Others	-28	27
Changes in borrowing in the cash-flow table	-21 592	65 248
Changes in banks' credit balances	-36 900	-3 590
Other (principally from the change in consolidation scope)	-34 156	-2 348
Total change (all borrowings)	-92 648	59 309
Borrowings in the consolidated balance sheet on 09/30/ 2009	494 024	586 672

7.4. Net cash

(in thousands of euros)	09/30/2009	09/30/2008
Cash under Assets in the balance sheet (Note 5.12.)	31 791	17 432
Banks' credit balances and equivalent (Note 5.15.)	-32 727	-69 627
Net cash in the cash flow table	-936	-52 195

8. Other Information

8.1. Group Personnel

Average payroll	09/30/2009	09/30/2008
France	3 109	3 018
Europe (excl. France)	1 228	1 777
Total average payroll	4 337	4 795

The decrease in personnel over the reporting period is due mainly to the sale of Saas Fee.

As of September 30, 2009, personnel broke down as follows:

- Ski Areas: 41%
- Leisure Parks: 57%

The number of seasonal workers for the Ski Areas segment reaches its maximum during the winter season, while the number of Leisure Parks seasonal workers reaches its maximum in summer.

Other: 2%

8.2. Off-balance-sheet commitments

(in thousands of euros)

	09/30/2009	09/30/2008
Guarantees and sureties	736	1 385
Lease payments (on non-restated contracts)	4	20
Other (commitments on works on progress)	7 585	8 273
Commitments given	8 325	9 678
Representations and warranties received	42 000	42 000
Sureties received	14 358	1 304
Commitments received	56 358	43 304

The increase in sureties received results from the guarantees given to SMA for real-estate transactions.

On October 1, 2007, at the time of the acquisition from Sofival (the seller) of 60% of STVI and 20% each of SERMA, DSR, and DSV, the seller granted CDA a guarantee on the value of certain assets and liabilities to benefit STVI for any losses or to benefit the buyer for its own direct losses and for losses related to minority shareholdings in SERMA, DSR, and DSV.

STVI is subject to limits for these guarantees: €5 million for tax and corporate liabilities, €30 million for other declarations. Those limits are €1 million and €6 million for SERMA, DSR, and DSV, on the basis of a 20% shareholding, from a global activation threshold of €3 million. Compensation for direct loss of the buyer is activated from a €2 million threshold and has no limit.

These guarantees shall remain in force until the end of applicable legal statutes of limitations for tax and corporate matters, for a period of 36 months in observance of applicable regulation and litigation. The other guarantees expired without ever being enacted.

The following commitments should also be noted:

The CDA Group's rental commitments as of September 30, 2009 :

(in thousands of euros)	Total	< 1 year	> 1 year and < 5 years	> 5 years
Rentals	38 768	2 535	7 245	28 988
Management contracts	23 708	3 828	16 937	2 943
Total	62 476	6 363	24 182	31 931

- Certain labor contracts provide for additional payments in case of breach. These range from one to two years' gross wages, depending on the case.
- In the context of development of accommodations capacity at La Plagne, SAP has granted long-term call options, exercisable on December 20, 2013, on shares in Résidence de Tourisme Aspen, for a maximum amount of €6 million, not subject to indexation. On the basis of current market prices, this commitment has no significant impact, as it is unlikely that these options will be exercised.
- Certain financial assets in the Group's consolidated balance sheet have been mortgaged or pledged as collateral for a total of €184 million to guarantee the capital on loans recognized in Group borrowings or as guarantees for ongoing disputes. They correspond mainly to guarantees given for the 2006 syndicated loan (five-year loan of about €505 million, amended in May 2007) via a pledge of shares in Belpark, COFILO, Walibi World, STVI, SERMA, DSV, and DSR. These guarantees will be removed if the consolidated net debt / consolidated EBITDA ratio falls below 2.25 over two consecutive half-year periods.
- On September 28, 2009, with the authorization of the Symbio labor-union committee (Comité Syndical du Symbio), CDA sold to Caisse des Dépôts et Consignations the full ownership of 5,230,050 shares that it held in SMVP. As from this date, Caisse des Dépôts et Consignations is the sole shareholder in SMVP. This disposal included a clause for modifying the price up or down, depending on the changes observed in the definitive net situation of SMVP at September 30, 2009. At the same time, CDA granted Caisse des Dépôts et Consignations a two-year guarantee related to any uncertainties and/or requests for the reimbursement of subsidies received by SMVP in the framework of public-service delegation. This guarantee covers 51% of the

amount that would be effectively reimbursed or not received, with a minimum of one hundred fifty thousand euros (€150,000). Said disposal led to the cancellation of the parent-company guarantee granted by CDA for obligations assumed by SMVP in the framework of public-service delegation. As part of the new contractual terms related to Parc du Bioscope, CDA and Caisse des Dépôts et Consignations have agreed not to carry out, except for intragroup disposals, any changes in the shareholding structures of SMVP, EBG, or Les Productions du Parc without the prior consent of the other party. All other guarantees granted previously by CDA to SMVP and Caisse des Dépôts et Consignations are terminated without having been implemented

9. Discontinued operations

In 2009, the CDA Group decided to discontinue its Ski Areas operations in Switzerland.

This arbitrage decision took form in July 2009 with the disposal of the shareholding in Télévrier. The Group sold its stake in Saas Fee in October 2009, after the close of the financial year.

In conformity with IFRS 5, the Group reclassified these activities under "discontinued operations" in the consolidated financial statements.

In the balance sheet, only the assets and liabilities of Saas Fee are concerned.

The financial statements of this subsidiary may be summarized as follows:

Balance sheet

Assets (in thousands of euros)

Non-current assets	46 172	
Current assets	2 263	
Total assets of discontinued operations		48 435

Liabilities (in thousands of euros)

Shareholders' equity	8 535	
Minority interest	11 962	
Total shareholders' equity		20 497
Non-current liabilities	26 292	
Current liabilities	1 646	
Total other liabilities		27 938
		48 435

Income statement

Results	2009	2008
Sales	18 101	18 000
EBITDA	6 535	7 162
Operating income	1 009	1 774
Cost of borrowing	-982	-1 063
Income tax	-5	-145
Net income	22	553
Net attributable income	9	230

Cash Flow Statement

Results

	2009	2008
Cash flow from operating activities	6 301	7 880
Cash flow from investing activities	-2 757	-2 363
Cash flow from financing activities	-3 382	-3 372
Other movements	71	22
Change in cash and cash equivalents	233	2 167
Cash and cash equivalents at beginning of year	1 503	-664
Cash and cash equivalents at end of year	1 736	1 503

In addition, the income statement includes Téléverbier's earnings up to the disposal date, as well as results related to the disposal of the activity.

These are as follows:

(in thousands of euros)

Share of earnings in Téléverbier (October 2008 to July 2009)	835
Disposal gain	1 698
Téléverbier contribution to discontinued operations	2 533

3. Report of the statutory auditors on the consolidated financial statements (financial year ended September 30, 2009)

The Shareholders Compagnie des Alpes
89, rue Escudier - 92772 Boulogne Billancourt

Dear Shareholders,

In performing the task that has been entrusted to us by your Shareholders meeting, we hereby present our report on the financial year closed on 30 September 2009, on the following:

- the consolidated financial statements of Compagnies des Alpes for the financial year ended September 30, 2008, as attached to this reference document,
- The justification of our opinion,
- Specific verification as required by law.

The consolidated financial statements have been adopted by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on said financial statements.

I. Opinion on the consolidated financial statements

We have performed our audit in accordance with the professional standards applicable in France. The standards require application of the due diligence needed in order to be reasonably certain that the consolidated financial statements contain no material misstatements. An audit consists of verifying, on a test basis, or by other means of selection, evidence supporting amounts and information contained in these financial statements. It also consists of an evaluation of the accounting principles that have been followed and the material assumptions used in drawing up these financial statements, as well as an evaluation of their overall presentation. We believe that the information that we have collected is sufficient and appropriate to formulate our opinion.

We certify that, in conformity with IFRS as adopted by the European Union, the consolidated financial statements are proper and in good faith, and give a true and fair view of the assets, financial position, and earnings of the persons and entities that comprise the consolidation.

II. Justification of our opinion

In accordance with the provisions of Article L.823-9 of the Commercial Code pertaining to the justification of our opinion, we bring the following elements to your attention:

At the closing of each financial year, the company systematically performs goodwill impairment tests for assets of undetermined useful lives, and, if an impairment indicator exists, measures the impairment loss of long-term assets following the procedures described in note 1.10 to the consolidated financial statements. We have examined the procedures used for the impairment test, as well as the forecasts and assumptions used for cash flow, and we have verified that notes 1.10, 5.1, and 5.2 provide the appropriate information regarding these matters.

As part of our assessment of the accounting principles followed by the company, we have determined that note 1.8 to the consolidated financial statements provides appropriate information concerning the accounting treatment used for concession and leasing contracts.

These assessments are a part of our process for auditing consolidated financial statements as a whole, and have contributed to our opinion as expressed in the first part of this report.

III. Specific auditing

We have also verified as required by law information relative to the group.

We have no comment to make as to its good faith or its consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, January 6, 2010

The statutory auditors

Bruno Tesnière
PricewaterhouseCoopers Audit

Christine Dubus
Mazars

Chapter IV

Financial statements of the parent company

<u>Balance sheet of the parent company at September 30, 2009</u>	<u>97</u>
<u>1. Notes to the financial statements of the parent company of the Compagnie des Alpes at September 30, 2009</u>	<u>99</u>
1.1. Significant events that occurred during the financial year	99
1.2. Accounting principles, policies, and methods	99
1.3. PPE and intangible assets	100
1.4. Long-term financial assets	101
1.5. Inventories	105
1.6. Accounts receivable	105
1.7. Cash and cash equivalents	105
1.8. Prepaid expenses	105
1.9. Accrued income	105
1.10. Shareholders' equity	105
1.11. Provisions for contingencies and charges	108
1.12. Borrowings	108
1.13. Operating liabilities	109
1.14. Other debt and accruals	109
1.15. Accrued expenses	109
1.16. Operating income	109
1.17. Exceptional items	110
1.18. Income tax	110
1.19. Transactions with related parties and affiliates	110
1.20. Identity of the consolidating company	111
1.21. Workforce	111
1.22. Market risks	111
1.23. Compensation of members of administrative, management, and supervisory bodies	111
1.24. Off-balance-sheet commitments	111
1.25. Post-balance-sheet events	113
<u>2. Earnings and other information over the last five financial years</u>	<u>113</u>
<u>3. Report of the statutory auditor on the financial statements of the parent company</u>	<u>114</u>

Balance sheet of the parent company at September 30, 2009

ASSETS (in thousands of euros)	Gross amounts	Depreciation, amortization, and provisions	09/30/2009	09/30/2008	09/30/2007
			Net Amounts	Net Amounts	Net Amounts
Intangible fixed assets	4 085	2 194	1 891	1 255	951
PPE	3 141	1 455	1 686	1 688	1 668
Long-term investments	717 983	9 976	708 007	713 699	703 554
Fixed assets	725 209	13 625	711 584	716 642	706 173
Inventories	148	148	0	0	0
Accounts receivable - trade	4 813	-	4 813	9 319	7 193
Cash and cash equivalents	281	-	281	273	9
Current assets	5 242	148	5 094	9 592	7 202
Prepaid expenses	613	-	613	948	932
Total Assets	731 064	13 773	717 291	727 182	714 307
LIABILITIES (in thousands of euros)			09/30/2009	09/30/2008	09/30/2007
Capital stock			134 657	130 161	117 481
Issue and merger premiums			200 738	192 159	149 825
Mandatory reserves			12 168	11 455	10 168
Other reserves			4 118	4 118	4 217
Carryforwards			107 592	111 075	99 713
Net income for the FY			20 930	14 256	25 723
Legally required provisions			110	68	23
Shareholders' equity			480 313	463 292	407 150
Risk and expense provisions			2 430	0	0
Borrowings			218 521	253 141	297 502
Operating debt			12 159	10 495	9 345
Other borrowings and accruals			3 868	254	310
Total debt and borrowings			234 548	263 890	307 157
Total Liabilities			717 291	727 182	714 307

Income statement

(in thousands of euros)	09/30/2009	09/30/2008
Sales (excl.VAT)	26 550	26 015
Other revenues and cost transfers	33	72
Provision reversals	0	0
Operating revenues	26 583	26 087
Purchases and other operating expenses	12 666	13 084
Taxes and duties	1 007	951
Wages and payroll taxes	15 521	13 702
Depreciation and amortization	1 190	764
Provisions	2 430	-
Other expenses	92	88
Operating expenses	32 906	28 589
Operating income	-6 323	-2 502
Net financial income	16 192	5 541
Pre-tax income	9 869	3 003
Net extraordinary income	1 230	-142
Income tax	9 831	11 359
Net income	20 930	14 256

Statement of cash flows

(in thousands of euros)	09/30/2009	09/30/2008
Net earnings (1)	20 930	14 256
Expense and recovery of depreciation, amortization, and provisions	4 465	7 685
Capital gains and losses	4 101	63
Cash flow	29 496	22 004
Changes in WCR	6 444	-972
Elimination of interest payments and write-offs	9 491	10 419
Operating cash flow	45 431	31 451
Acquisitions of PPE and intangible assets	-1 824	-1 539
Sales or transfers of PPE and intangible assets	0	447
Acquisitions of long-term financial assets	-8 925	-57 239
Sales and reimbursements of long-term financial assets	9 487	39 938
Investing cash flow	-1 262	-18 393
Capital increase (incl. issue premium) (2)	0	54 916
Borrowings and intragroup advances	-	-
Reimbursement of borrowings and intragroup advances	-38 635	-40 735
Increase in overdrafts	4 110	-3 527
Payment of financial expenses and write-offs	-9 290	-10 519
Variation in receivables and payables	3 605	146
Dividends paid (2)	-3 951	-13 075
Financing cash flow	-44 161	-12 794
Net cash variation	8	264
Net cash at year opening	273	9
Net cash at year closing	281	273
Net cash variation	8	264

(1) Including dividends received from subsidiaries 31 763 22 797

(2) In 2009, the dividend payment of €17.026 million included a partial payment of €13.075 million in shares

1. Notes to the financial statements of the parent company of the Compagnie des Alpes at September 30, 2009

These notes to the financial statements of the parent company of the SA Compagnie des Alpes for the 12-month financial year closed September 30, 2009, include additional information on the balance sheet (total assets of €717.291 million) and the income statement (net income of €20.930 million).

1.1. Significant events that occurred during the financial year

During FY 2008-2009, the Company continued its holding activities and the servicing of its subsidiaries. Led by the new management team, the Company also prepared to migrate to its new organizational structure.

Shareholdings and financing

Compagnie des Alpes, as sole or majority shareholder, recapitalized some of its subsidiaries to finance their development:

- FRANCE MINIATURE: €1 million
- LES PRODUCTIONS DU PARC: €1 million
- GREVIN DEUTSCHLAND: €1 million
- ECOBIOGESTION: €5 million
- PLEASUREWOOD HILLS: €200,000

A write-off of €2.3 million was also granted to the Pleasurewood Hills subsidiary.

An additional payment of €276,000 was made in application of the memorandum of understanding for the acquisition of the Safari Africain de Port Saint-Père company.

As part of the restructuring and simplification of their respective roles in Bioscope, Compagnie des Alpes sold its entire stake (51%) in SVMP to CDC (Caisse des Dépôts) for €1.55 million, and acquired CDC's shareholding (3%) in the EcoBioGestion subsidiary for €1 million.

Organizational structure and human resources

The change in the Company's governance method, entered into by decision of the Shareholders' Meeting of March 19, 2009, resulted in the appointment of Dominique Marcel as Chairman and Chief Executive Officer, and in the establishment of a Board of Directors.

IA new internal organization for the Company was also implemented as of October 1, 2009. A provision of €2.33 million was set aside to cover costs related to this restructuring. This provision will affect the earnings at September 30, 2009.

The average permanent workforce varied only slightly over the financial year. It changed from 88 to 91 full-time-equivalent employees, primarily because of movement within the Group.

1.2. Accounting principles, policies, and methods

The annual financial statements are presented in accordance with French generally accepted accounting principles and follow CRC Regulation 99-03 of April 29, 1999, concerning modification of the French chart of accounts as well as regulations published after this date that modify or complement CRC Regulation 99-03.

General accounting conventions were used prudently and in accordance with basic assumptions:

- going concern
- consistency of accounting policies
- independence of reporting periods

The cost method was used for measuring assets and liabilities. The principal policies are as follows:

1.2.1. Intangible assets

Intangible assets are stated at cost.

Software is amortized using the straight-line method over one to three years on the basis of its estimated useful life.

1.2.2. Property, plant, and equipment

PPE is measured at cost. Depreciation is calculated on the basis of the estimated useful lives of various types of assets.

	Useful life
General Installations	10 years
Vehicles	4 years
Office and computer equipment	3 to 5 years
Office furniture	5 to 10 years

PPE is depreciated using the straight-line method, except for office and computer equipment, which is depreciated using the declining-balance method. The resulting difference between the declining-balance and straight-line methods of depreciation is recorded as a liability under exceptional depreciation.

1.2.3. Long-term financial assets

Investment securities are stated at cost.

Since October 1, 2006, the acquisition costs of investment securities have been included in the cost of securities and are subject to exceptional straight-line amortization over five years.

Impairment losses may be recognized in certain cases. They are measured on the basis of NAV, the outlook for change and profitability of the companies involved, and the estimated realizable value of the shareholdings. The shareholdings of Compagnie des Alpes are regularly appraised using the discounted cash-flow method, on the basis of each company's five-year business plan.

Loans, deposits, and other capitalized receivables are measured at their nominal value minus amortization, on the basis of the recoverable value of the amounts.

1.2.4. Inventories

Inventories are stated at cost and depreciated on the basis of their net realizable value.

1.2.5. Receivables

Receivables are measured at their stated value. Impairment is recognized when the inventory value is less than the carrying amount.

1.2.6. Departure bonuses

The commitments of Compagnie des Alpes in terms of departure bonuses are measured and recognized off balance sheet. The calculation method complies with the Company's collective measures that went into force on July 1, 2009.

The obligation is calculated on the basis of current employee salaries (fixed and variable), including benefits to be paid when employees retire, and taking into account seniority at the retirement date. The assumption of voluntary (subject to payroll taxes) retirement at the age of 65 was retained as the most probable. The benefits are weighted by the following factors:

- probability of remaining in the company until retirement
- probability of living until retirement age (based on the INSEE F 2000 mortality tables)
- change in the basis for calculating benefits
- inflation (annual recalculation of salaries based on age brackets: 39 and under = 3.5%, 40 to 49 = 3%, 50 and older = 2.5%)
- discount rate is based on change in the 20-year French treasury bond at 4.093% p.a.

1.3. PPE and intangible assets

Les postes d'immobilisations corporelles et incorporelles ont évolué comme suit :

(in thousands of euros)	09/30/2008	Increases	Decreases	09/30/2009
Intangible assets	2 706	1 379	-	4 085
Amortization of intangible assets	-1 451	-743	-	-2 194
Net total	1 255	636	0	1 891
(in thousands of euros)	09/30/2008	Increases	Decreases	09/30/2009
PPE	2 748	445	-52	3 141
Depreciation of PPE	-1 060	-447	52	-1 455
Net total	1 688	-2	0	1 686

Intangible assets

Expenditures of €1.379 million during the financial year went toward the purchase and development of software, mainly the upgrade of the ticketing system, the centralization of general IT systems, and the implementation of the XRT cash-management system.

Property, plant, and equipment

Spending of €445,000 went towards the purchase of IT material necessary for the abovementioned projects and for additional refurbishment of office space.

1.4. Long-term financial assets

L'évolution du poste immobilisations financières se trouve résumé dans le tableau qui suit :

(in thousands of euros)	09/30/2008	Increases	Decreases	09/30/2009
Investments in consolidated companies	712 728	8 476	-5 599	715 605
Investments in nonconsolidated companies	324	-	-	324
Investment-related receivables (and interest on loans)	7 925	453	-7 925	453
Other investment securities (and interest on loans)	93	-	-93	0
Capitalized deposits	290	36	-	326
Treasury stock	1 212	-	-32	1 180
Market-making agreement (and interest on loans)	299	-	-204	95
Gross total	722 871	8 965	-13 853	717 983
Impairment of investments in consolidated companies	-8 870	-8 744	8 011	-9 603
Impairment of investments in nonconsolidated companies	-67	-157	-	-224
Impairment of other investment securities	-52	-	52	0
Impairment of treasury stock	-183	-	34	-149
Net total	713 699	64	-5 756	708 007

1.4.1. Investment securities

The increase in consolidated shareholdings (€8.476 million) was due to the following recapitalizations and acquisitions:

• Equity investments in the following companies:

FRANCE MINIATURE	€1 million
GREVIN DEUTSCHLAND	€1 million
PLEASUREWOOD HILLS	€200,000
ECOBIOGESTION	€5 million
LES PRODUCTIONS DU PARC	€1 million

• additional payment for the acquisition of Safari Africain: €276,000

• Acquisition (€1 million) on September 28, 2009, of a 3% shareholding in EcoBioGestion from the Caisse des Dépôts, which gives the Company sole ownership of this subsidiary.

The decrease of €5.599 million in investment securities corresponds to the disposal of CDA's 51% stake in SMVP. This shareholding had previously been fully provisioned.

The gross value of unconsolidated investment securities (€324,000) did not change during the financial year.

The principal data for subsidiaries and affiliates whose securities are classified under "investment securities" in the balance sheet are presented in the following table:

Table of subsidiaries and shareholdings

(in thousands of euros) Financial information	Legal structure	Closing date of last FY	Portion of capital stock held on 09/30/2009 in % (direct and indirect)	Capital stock (a)
Subsidiaries and shareholdings				
Subsidiaries (at least 50% of share capital held by the company)				
CI2S - n° SIREN 443140694 - 92100 Boulogne Billancourt	SAS	09/30/2009	100	150
SWISSALP © - Genève (Suisse)	SA	09/30/2009	100	6 367
CDA-DS - n° SIREN 477855787 - 92100 Boulogne Billancourt	SAS	09/30/2009	100	198 531
GREVIN & CIE - n° SIREN 334240033 - 60128 Plailly	SA	09/30/2009	100	52 913
CDA FINANCEMENT - n° SIREN 482940616 92100 Boulogne Billancourt	SNC	09/30/2009	100	1 010
CENTRES ATTRACTIFS JEAN RICHARD - n° SIREN 775670706 60950 Ermenonville	SAS	09/30/2009	100	2 300
AQUARIUM GEANT DE SAINT-MALO - n° SIREN 399410265 35400 Saint-Malo	SAS	09/30/2009	100	564
LES PRODUCTIONS DU PARC - n° SIREN 421155458 Boulogne Billancourt	SAS	09/30/2009	100	1 437
MUSEE GREVIN - n° SIREN 552067811 - 75009 Paris	SA	09/30/2009	95.88	4 603
FRANCE MINIATURE - n° SIREN 348677196 - 78990 Elancourt	SAS	09/30/2009	100	1 037
BAGATELLE - n° SIREN 784 062 713 - 62600 Rang du Fliers	SNC (f)	09/30/2009	100	1 630
HARDERWIJK HELLEDOORN HOLDING - Harderwijk - Netherlands	BV	09/30/2009	100	252
GREVIN DEUTSCHLAND - D 59909 Bestwig/Hochsauerland - Germany	GmbH	09/30/2009	100	2 601
GREVIN & CIE TOURAINE - n° SIREN 440 932 259 37400 Lussault S/Loire	SAS	09/30/2009	100	518
HELLEDOORN AVONTUREN PARK - NL 7447 Helleendoorn - Netherlands	BV	09/30/2009	100	550
BICI ENTERTAINMENT (c) - CH 1897 Le Bouveret - Switzerland	SA	09/30/2009	100	1 516
PLEASUREWOOD HILLS (c) - Suffolk - United Kingdom	Ltd	09/30/2009	100	206
SAFARI AFRICAÏN DE PORT SAINT PERE (PLANETE SAUVAGE) n° SIREN 382269330 - 44710 Port Saint-Père	SA	09/30/2009	100	2 657
ECOBIOGESTION - n° SIREN 488918970 - 68190 Ungersheim	SAS	09/30/2009	100	7 250
BELPARK - B 8902 Ieper - Belgium	BV	09/30/2009	100	122 164
COFILO - n° SIREN 383 926532 - 92100 Boulogne Billancourt	SAS	09/30/2009	100	713
P2P WEB - n° SIREN 500 244 140 - 92100 Boulogne Billancourt	SAS	09/30/2009	100	37
Shareholdings (10% to 50% of share capital held by the company)				
CMB - n° SIREN 605520584 - 74400 Chamonix	SA	31/05/2009	33.47	6 886
ECOPARCS - n° SIREN 342 384 880 (e) - 68190 Ungersheim	SA	09/30/2009	26.08	4 145
PARC CARTHAGE - 2035 Tunis Aéroport - Tunisia	SA	31/12/2008	12.50	1 718

(1) Securitized equities.

(a) Last reporting period for consolidated companies closed on September 30, 2009.

(b) Principal amount.

(c) Exchange rate for 1 euro: CHF 1.5078 - GBP 0.9093 - TND 1.892248.

(d) Share of losses.

(e) Financial statement preparation.

(f) Affiliate (SNC) transformed into partnership (SAS) at 10/01/2009.

NB: SMVP, which was sold during the financial year, is no longer included in the table.

Shareholders equity other than capital stock (a)	Loans and advances granted by the company and not yet reimbursed (b)	Garantees and cautions given by the company	Sales excl.VAT (a)	Net income	Dividends received by CDA during the FY	Gross book value of shares	Net book value of shares
-49	0	-	0	-12	0	150	100
7 810	0	-	0	8 645	0	6 572	6 572
34 987	0	-	7 497	39 863	25 000	198 531	198 531
7 103	0	-	76 191	3 547	2 603	114 541	114 541
518	0	-	0	654	0	1 000	1 000
-93	0	-	7 412	252	0	7 803	7 803
2 459	0	-	5 308	720	746	7 260	7 260
-1 028	0	-	648	-663	0	1 438	1 438
4 050	0	-	11 492	2 565	2 589	30 061	30 061
-372	0	-	3 266	93	0	3 412	3 412
2 223	0	-	6 208	459	-273	2 659	2 659
114 914	0	-	0	5 829	0	105 478	105 478
-1 392	0	-	5 636	-753	0	6 123	6 123
920	0	-	1 654	57	192	1 789	1 789
3 325	0	-	6 719	330	0	1 400	1 400
-290	0	-	6 706	77	0	1 233	1 233
132	0	-	3 453	1 063	0	3 694	1 274
199	0	-	5 972	814	0	5 907	5 907
-7 548	0	-	4 003	-2 562	0	7 183	0
-12 686	0	-	47 242	6 199	0	167 545	167 545
1 764	0	(1)	0	464	0	16 850	16 850
-4	0	-	0	-2	0	37	37
Shareholdings (10% to 50% of share capital held by the company)							
47 246	0	-	52 101	2 789	906	24 376	24 376
-2 197	449	-	205	-181	0	713	713
0	0	-	0	0	0	174	0

1.4.2. Details of investment-related receivables

(in thousands of euros)	Receivables on 09/30/2008	Increases	Decreases	Receivables on 09/30/2009
SWISSALP	7 700	-	-7 700	0
ECOPARCS	0	449	-	449
Accrued interest	225	4	-225	4
Total	7 925	453	-7 925	453

Following the sale of its 20.3% shareholding in Téléverbier in July 2009, Swissalp fully reimbursed advances of €7.7 million granted by CDA.

Conjointly with Caisse des Dépôts, CDA granted an interest-bearing, current-account advance of €449,000 to Ecoparcs, which will use the funds to finance its operating and investment requirements. CDA owns 26.1% of the company, and CDD owns 24.9%.

Accrued interest at the close of the financial year corresponds to interest payable by Ecoparcs.

1.4.3. Maturities of investment-related receivables

(in thousands of euros)	Less than	1 to 5 years	More than	Liabilities on
ECOPARCS advance	-	449	-	449
ECOPARCS accrued interest	4	-	-	4
Total	4	449	0	453

1.4.4. Other investment securities

The line item "other investment securities" (€93,000) is composed of 33,450 Grévin & Cie. convertible bonds (principal and related nonoutstanding accrued interest) that matured on October 31, 2008. They have been reimbursed.

1.4.5. Liquidity contract and treasury shares

Since the end of 2006, in accordance with regulatory changes, treasury shares allocated to liquidity management have been classified under "long-term financial assets."

As at September 30, 2009, in the framework of the current liquidity contract, and in application of the share-repurchase program authorized by the combined ordinary and extraordinary shareholders' meeting of March 19, 2009, CDA held:

- cash amounting to €95,000 (in principal and accrued interest)
- 45,179 shares at a carrying value of €1.18 million

1.4.6. Change in amortization of long-term financial assets

The CDA stock price was €22.80 at September 30, 2009. The provision for an unrealized loss of treasury shares was revised to €149,000 (a reversal of €34,000 from the previous financial year).

Grévin & Cie. convertible bonds were fully amortized (€52,000) following the total reimbursement of its receivables.

On the basis of enterprise values calculated from the medium-term business plans of subsidiaries, Compagnie des Alpes recognized additional impairments on its shareholdings in Pleasurewood Hills (€2.42 million) and EcoBioGestion (€6.324 million). The Company reversed previously recognized impairment losses for France Miniature securities (€2.412 million), following the lease renewal for the land on which the park is operated.

These assessments confirm the valuations recognized for other investment securities.

Because SMVP shares were sold at the end of 2009, previously recognized impairment was fully restored (€5.599 million).

As for securities in unconsolidated companies, additional impairment of €157,000 was recognized for securities of Parc Carthage, a company for which voluntary liquidation is under consideration.

1.5. Inventories

Compagnie des Alpes owns land located at Val d'Isère that is fully depreciated because of uncertain constructability. This situation was unchanged during the financial year.

1.6. Accounts receivable

The line item "accounts receivable" came to €4.813 million, which comprises mainly:

- trade receivables: €2.034 million
- intragroup current accounts of fiscally consolidated subsidiaries: €2.068 million
- balance of outstanding VAT and other receivables: €711,000

1.7. Cash and cash equivalents

The line item "cash and cash equivalents" represents the surplus balance of bank accounts. As at September 30, 2009, these balances came to €281,000.

1.8. Prepaid expenses

Prepaid expenses (€613,000) included:

- borrowing costs (commissions, fees) related to an acquisition loan of €165,000 spread over the term of the loan (€329,000)
- operating costs bearing on the next financial year (€284,000)

1.9. Accrued income

Accrued income included in various line items (receivables) of the balance sheet is as follows:

(in thousands of euros)	09/30/2009	09/30/2008
Accrued interest	4	229
Accounts receivable	805	808
Total	809	1 037

It includes invoiced to be established and accrued nonoutstanding interest related to loans to subsidiaries.

1.10. Shareholders' equity

1.10.1. Composition of share capital

At September 30, 2009, the share capital was made up of 17,665,593 ordinary shares with no stated par value (compared with 17,075,869 shares at September 30, 2008). The share capital breaks down as follows:

(in %)	09/30/2009	09/30/2008
GRUPE CAISSE DES DEPOTS	39.5	39.1
COMPAGNIE EUROPEENNE DE LOISIRS	0.0	12.2
CREDIT AGRICOLE DES SAVOIE	7.3	7.2
GRUPE CAISSE D'EPARGNE	5.3	5.2
BANQUE POPULAIRE DES ALPES	4.2	4.2
SOFIVAL	8.6	8.5
PUBLIC AND MISC.	35.1	23.6
Total	100.0	100.0

1.10.2. Potential share capital

The stock option plans and the combined stock option/performance share plans are as follows:

Stock option plan	Plan n° 7	Plan n° 8
Date of Shareholders Meeting	10/03/2004	10/03/2004
Date of Management Board meeting	07/04/2004	25/01/2005
Number of shares that may be subscribed at inception	261 408	256 280
Of which: CDA Management Board	100 000	83 000
Number of beneficiaries	172	171
Option vesting period	from 07/04/2004 to 06/04/2009	from 25/01/2009 to 24/01/2010
Price of stock options (in euros)	30.98	30.45
Stock options vested on September 30, 2009	19 798	0
Stock options eliminated or canceled	241 610	157 974
Stock options outstanding	0	98 306

Plan no. 7 expired during the financial year.

The combined plans (stock options and performance shares) implemented since 2006 are as follows:

Stock option Plan (A) Plan n° 9 Plan n° 10 Plan n° 11 Plan n° 12
combined with a free share plan (B)

Date of Shareholders Meeting	02/23/2006		02/28/2007		02/28/2007		02/28/2007	
Date of Management Board meeting	02/24/2006		03/01/2007		02/21/2008		03/19/2009	
	A	B	A	B	A	B	A	B
Number of shares that may be subscribed at inception	68 760	34 500	72 960	41 088	88 700	48 700	46 400	47 100
Of which:								
CDA Management Board	36 000	10 800	36 000	10 800	44 000	13 200	0	13 200
Number of beneficiaries	31	167	35	116	35	129	29	119
Option vesting period /	from 02/24/2010		from 03/01/2011		from 02/21/2012		from 03/19/2013	
Grant date of bonus shares	to		to		to		to	
des actions de performance	02/23/2011	03/25/2008	02/29/2012	04/01/2009	02/20/2013	03/20/2010	03/18/2016	03/19/2011
Number of bonus shares fully vested	-	12 940	-	0	-	-	-	-
Share subscription price (in €)	31.25	-	36.24	-	31.93	-	23.17	-
Stock options / bonus shares eliminated or cancelled	2 240	21 560	800	41 088	0	2 000	0	0
Stock options / bonus shares outstanding	66 520	0	72 160	0	88 700	46 700	46 400	47 100

(1) granted based on economic conditions.

The combined plan (stock options and performance shares) no. 12 was implemented by decision of the Management Board of March 19, 2009. This plan includes 46,400 stock options and 47,100 performance shares, and concerns 119 beneficiaries.

The total change in stock options and performance-share grants is summarized as follows:

Options de souscription d'actions	Number of options	
	09/30/2009	09/30/2008
Options outstanding at beginning of FY	417 794	449 575
Options granted	46 400	88 700
Options canceled	-92 108	-14 774
Options exercised	0	-105 707
Options outstanding at end of FY	372 086	417 794
Options exercisable at end of period	98 306	92 108

Grants of performance shares	Number of shares	
	09/30/2009	09/30/2008
Rights granted at beginning of period	88 748	73 296
Rights granted during the financial year	47 100	48 700
Rights eliminated during the financial year	-42 048	-20 308
Performance shares fully vested	0	-12 940
Rights granted at end of period	93 800	88 748

1.10.3. Change in shareholders' equity

L'évolution des capitaux propres s'analyse comme suit :

(in thousands of euros)	Capital stock	Issue and merger premiums	Mandatory Reserves	Carry forwards	Net income for FY	Legally required provisions	Shareholders' equity
On September 30, 2007	117 481	149 825	14 385	99 713	25 723	23	407 150
Appropriation of earnings on 09/30/2007	-	-	1 286	11 362	-12 648	-	0
Dividends payout	-	-	-	-	-13 075	-	-13 075
Capital Increase	12 680	42 334	-98	-	-	-	54 916
Required provisions expensed and recovered	-	-	-	-	-	45	45
Net income on 09/30/ 2008	-	-	-	-	14 256	-	14 256
Au 30/09/2008	130 161	192 159	15 573	111 075	14 256	68	463 292
On September 30,2008	-	-	713	-3 483	2 770	-	0
Dividends payout	-	-	-	-	-17 026	-	-17 026
Capital Increase	4 496	8 579	-	-	-	-	13 075
Required provisions expensed and recovered	-	-	-	-	-	42	42
Net income on 09/30 /2009	-	-	-	-	20 930	-	20 930
On September 30, 2009	134 657	200 738	16 286	107 592	20 930	110	480 313

The allocation of earnings for the financial year ended September 30, 2008, approved by the Shareholders' Meeting of March 19, 2009, resulted in a dividend payout of €17.026 million, or €1.00 per share. The stock-dividend option put forward to shareholders resulted in a capital increase of €4.496 million (par) and an issue premium of €8.579 million on a basis of €22.17 for each new share issued.

No stock options were exercised during the financial year.

1.11. Provisions for contingencies and charges

Borrowings	9/30/2008	Increase	Decrease	9/30/2009
(in € thousands)				
Provision for restructuring	0	2 330	-	2 330
Provision for labor disputes	0	100	-	100
Total	0	2 430	0	2 430

The Group's new organizational structure was effective as at October 1, 2009, for which a provision of €2.33 million had been set aside in FY 2008-2009 to cover costs related to the implementation of this restructuring of CDA headquarters.

In addition, a provision of €100,000 was made for labor-relations disputes.

1.12. Borrowings

Borrowings	09/30/2008	Increase	Decrease	09/30/2009
(in thousands of euros)				
Bank loans	19 595	-	-3 135	16 460
Accrued interest on bank loans	72	560	-619	13
Loan CDA-FI (acquisition)	132 000	-	-16 500	115 500
Loan CDA-FI (medium-term loan)	12 000	-	-	12 000
Lines of credit (renewable) CDA-FI	87 000	-	-19 000	68 000
Accrued interest on loans CDA-FI	36	6 276	-6 312	0
Bank overdrafts	2 436	3 257	-	5 693
CDA-FI cash pooling available	0	853	-	853
Interest on bank overdrafts	2	154	-154	2
Total	253 141	11 100	-45 720	218 521

As part of the intragroup loan granted by CDA-Financement in May 2006 to finance the acquisition of Starparks leisure parks, CDA made use of:

- an acquisition loan (originally €165 million), with annual installments of €16.5 million starting in May 2007 and the balance due in May 2011; after the payment made in May 2009, the balance due was €115.5 million
- a medium-term loan (originally €15 million) of €12 million, unchanged over the financial year
- a CDA-Financement renewable credit line of €68 million as at September 30, 2009

CDA had access to an overdraft of €5.693 million as at September 30, 2009. The available cash pooling provided by CDA-FI was €853,000.

Maturities of CDA borrowing are as follows:

Maturities of borrowings	Less than 1 year	1 to 5 years	More than 5 years	Gross amount on 09/30/2009
Bank loans	3 135	12 541	784	16 460
Accrued interest on loans	13	-	-	13
Loan CDA-FI (acquisition)	16 500	99 000	-	115 500
Loan CDA-FI (medium term)	-	12 000	-	12 000
Renewable lines of credit CDA FI	-	48 000	20 000	68 000
Accrued interest on intragroup loans	-	-	-	0
Bank overdrafts	5 693	-	-	5 693
CDA-FI cash pooling available	853	-	-	853
Accrued interest on overdrafts	2	-	-	2
Total	26 196	171 541	20 784	218 521

Compagnie des Alpes borrowings are not subject to a direct guarantee. Nonetheless, the Group syndicated credit agreement initiated by CDA-Financement required a pledge of CDA shares for the acquisition of Walibi parks.

The two current bank loans have identical debt-covenant restrictions:

Shareholders

Direct or indirect ownership of Caisse des Dépôts in Compagnie des Alpes, equal to or greater than 33.33%. If, with prior consent by the bank, Caisse des Dépôts owned directly or indirectly less than 33.33% of the share capital and voting rights, the lender could call the loan.

Covenants and financial ratios

As at September 30, 2009, the covenants and financial ratios (based on the CDA Group consolidated financial statements) were as follows:

	Covenants	Ratios as of 09/30/2009
Consolidated net debt / Consolidated EBITDA	< 3.75	2.77
Consolidated net debt / Total shareholders' equity	< 1.25	0.78
Consolidated EBITDA / Consolidated EBITDA	> 5.00	9.25

Interest expense

1.13. Operating liabilities

Operating liabilities (€12.159 million) are principally:

trade payables	€3.465 million
payables to personnel and payroll taxes	€5.192 million
tax liabilities (VAT, income tax, and other taxes)	€690,000
current account liabilities (tax consolidation)	€986,000
taxes payable	€1.826 million

1.14. Other debt and accruals

This line item of €3.868 million at September 30, 2009, includes various payables, provisions for liabilities (directors' fees), current account deficits of subsidiaries, and deferred income.

1.15. Accrued expenses

Accrued expenses included in various liability line items of the balance sheet are as follows:

Accrued expenses	9/30/2009	9/30/2009
(in € thousands)		
Accrued interest	15	110
Operating liabilities	7 777	6 840
Other debt	107	102
Total	7 899	7 052

1.16. Operating income

1.16.1. Sales

Sales of €26.55 million included assistance to subsidiaries of €17.854 million, staff lending of €2.378 million invoiced to subsidiaries, and other intragroup invoicing of €6.318 million, which corresponds to income from commercial partnerships (€1.499 million), from sales of goods (€599,000), IT services (€3.152 million), and intragroup invoicing (€1.068 million).

1.16.2. Operating expenses

Operating expenses came to €32.906 million, an increase of €4.317 million.

This rise is due mainly to nonrecurrent phenomena:

- provisions for contingencies and charges of €2.3 million to cover costs related to the restructuring plan for the holding structure.
- €1.4 million related to the impact of a change in Chairman

Adjusted for these items, growth was 2.1%, with external costs lowered by €400,000.

1.16.3. Net financial income

Net financial income came to €16.192 million and breaks down as follows:

Income:

dividends received	€30.036 million
income from receivables and other financial income	€323,000
provision reversals for long-term financial assets	€2.498 million

Expenses:

share in losses of affiliates	€274,000
interest expense for loans and other financial costs	€7.191 million
amortization of long-term financial assets	€8.9 million
Write-off of Pleasurewood Hills	€2.3 million

1.17. Extraordinary income

Extraordinary income of €1.23 million was due to a net gain from a provision reversal (€1.55 million) for the disposal of SMVP shares; the sale of treasury stock (€233,000) in the financial year; and exceptional amortization (€46,000) of acquisition costs of investment securities.

1.18. Income tax

For the financial year ended September 30, 2009, Compagnie des Alpes continued to operate under the consolidated tax regime. Consolidated subsidiaries were as follows:

<ul style="list-style-type: none">•GREVIN & CIE•MUSEE GREVIN•FRANCE MINIATURE•CDA-DOMAINES SKIABLES•COMPAGNIE IMMOBILIERE DES 2 SAVOIE•CDA FINANCEMENT•SOCIETE NOUVELLE D'EXPLOITATION DE PARCS DE LOISIRS•CENTRES ATTRACTIFS JEAN RICHARD•SERRE CHEVALIER SKI DEVELOPPEMENT (name changed to SERRE CHEVALIER VALLEY)•LES PRODUCTIONS DU PARC	<ul style="list-style-type: none">•COFILO•PARC AGEN•AVENIR LAND•SOCIETE D'AMENAGEMENT DE LA STATION DE LA PLAGNE (SAP)•ECOBIOGESTION•CENTRALE INVESTISSEMENTS ET LOISIRS (CIEL)•MERIBEL ALPINA•CDA SKI DIFFUSION•P2P WEB
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Companies entering the Group structure as at October 1, 2008

- GREVIN & CIE TOURAINE
- AQUARIUM GEANT DE SAINT-MALO
- SAFARI AFRICAIN DE PORT SAINT-PERE.

Companies exiting the Group structure as at October 1, 2008

- SELALP (asset overlaps with CDA-DS)
- SERRE CHEVALIER 1 350 (merger with SCSD, name changed to SERRE CHEVALIER VALLEY)

The consolidated tax regime of Compagnie des Alpes is based on the principle of neutrality. Each subsidiary member of the tax group states income tax as if the subsidiary were not consolidated, and the parent company declares the total income tax of the tax group.

After using the balance of tax-loss carryforwards, the tax group had pretax earnings of €5.573 million. Because total income tax of Group companies came to €1.826 million

and fiscally consolidated subsidiaries contributed €11.657 million in taxes, accounting income for the tax regime came to €9.831 million.

1.19. Transactions with related parties and affiliates

Amount of financial expenses and revenues concerning related parties (in € thousands):

Revenues from investment securities	32 036
Revenues from investment-related receivables	321
Revenues from other investment securities	0
Interest expense	6 283
Write-offs of receivables and share in losses of affiliates	2 573

Amount of debt and receivables for related parties (in € thousands):

<u>Borrowings (including accrued interest)</u>	195 500
<u>Trade and related payables</u>	700
<u>Current-account payables (tax consolidation)</u>	987
<u>Investment-related payables (including accrued interest)</u>	453
<u>Trade and related receivables</u>	795
<u>Current-account receivables (tax consolidation)</u>	2 067

Operating income concerning related parties (in € thousands):

<u>Sales</u>	24 665
<u>Other income</u>	29

Operating expenses for related parties:

<u>Products, services, and invoicing</u>	2 112
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1.20. Identity of the consolidating company

The financial statements of Compagnie des Alpes are fully consolidated by the Caisse des Dépôts (CDC).

1.21. Workforce

The average number of people employed during the year was:

	2008-2009	2007-2008
<u>Management</u>	90	87
<u>Employees</u>	1	1
<u>Total workforce</u>	91	88

1.22. Market risks

The borrowings of Compagnie des Alpes do not include loans in foreign currencies. Therefore the Company is not exposed to foreign-exchange risk. On the other hand, the Company is exposed to interest-rate risk.

As at September 30, 2009, the borrowings of Compagnie des Alpes included bank loans (€16.46 million), bank overdrafts and cash pooling (€6.546 million), and a loan from CDA-Financement (€195.5 million). These lines of credit are remunerated at floating rates.

The Company's policy in the framework of the CDA Group is to limit risk by using interest-rate caps based on the ratio of floating to total debt. Since 2006, outstanding debt of CDA-Financement has been hedged by instruments it implemented for the entire CDA Group.

1.23. Compensation of members of administrative, management, and supervisory bodies

Over the last two financial years, the following pretax compensation and benefits in kind were allocated to members of the Management Board and executive management by Compagnie des Alpes and by the companies provided for in Article L. 233-16 of the Commercial Code:

(in euros)	2008/2009	2007/2008
<u>Chairman of the Management Board/ Chairman and Chief Executive Officer</u>	1 585 581	424 396
<u>Other members of the Management Board or executive management</u>	1 100 835	1 092 840

Over the last two financial years, no remuneration or payment in kind was allocated to members of the Supervisory Board by Compagnie des Alpes or by the companies provided for in Article L. 233-16 of the Commercial Code.

Concerning the directors' fees paid to members of the Supervisory Board or the Board of Directors, the expense payable by Compagnie des Alpes for the last two financial years was provisioned in accordance with the requirements set by the Shareholders' Meetings of January 24, 2006, and March 19, 2009, in accordance with effective attendance:

(in euros)	2008/2009	2007/2008
<u>Members of the Supervisory Board or of the Board of Directors</u>	92 000	88 000

1.24. Off-balance-sheet commitments

1.24.1. Pension obligations

Compagnie des Alpes has pension obligations to its salaried personnel of €1.598 million.

In addition, since January 17, 2006, CDA has implemented a pension scheme for some of its members that combines defined-contribution and defined-benefit plans (Article L. 9111 of the Social Security Code), which entered into effect on May 1, 2006. As at September 30, 2009, the net benefit obligation was valued at €754,000, which is covered by contributions made to a fund managed by CNP.

1.24.2. Contractual indemnities

The employment contracts of approximately 12 salaried senior managers of Compagnie des Alpes provide for an indemnity payment equal to two years' compensation in case of breach of employment contract.

1.24.3. Commitments related to financial instruments

The call provisions for debt and interest-rate hedging instruments are detailed in notes 1.12 and 1.22.

1.24.4. Items benefiting from deferred tax

Compagnie des Alpes does not expect any event to trigger the corresponding tax payment.

1.24.5. Commitments related to the acquisition of Safari Africain

Effective April 1, 2006, the purchase from Grévin & Cie. of 50.41% of Safari Africain subrogated CDA for all initial rights and obligations of Grévin & Cie. The acquisition documents include a put option and a clause for an additional payment to be made on condition that all the authorizations necessary for operating a dolphinarium have been obtained. An additional payment of €255,000 payable to part of the minority shareholders was made in March 2008, and the balance of €276,000 was paid to the other shareholders in April 2009. CDA has no further commitment in this matter.

1.24.6. Bioscope commitment

A public-service delegation (PSD) for the design, construction, and operation of the Bioscope theme park was granted March 13, 2001, by Symbio to Société Mise en Valeur du Patrimoine (SMVP). In 2006, this PSD was subdelegated by SMVP to EBG.

On September 25, 2009, the Symbio trade-union committee approved the termination of the subdelegation contract between SMVP and EBG concerning the Bioscope park. On the same date, SMVP and EBG signed a Bioscope operating agreement for which SMVP granted EBG the task of operating the Bioscope park at its own risk. In the framework of a parent-company guarantee, CDA acted as guarantor for its subsidiary EBG concerning the obligations contracted under said contract to SMVP.

On September 28, 2009, with the authorization of the Symbio labor-union committee, CDA sold to Caisse des Dépôts et Consignations the full ownership of 5,230,050 shares that it held in SMVP. As from this date, Caisse des Dépôts et Consignations is the sole shareholder in SMVP. This disposal included a clause for modifying the price up or down, depending on the changes observed in the definitive net situation of SMVP at September 30, 2009. At the same time, CDA granted Caisse des Dépôts et Consignations a two-year guarantee related to any uncertainties and/or requests for the reimbursement of subsidies received by SMVP in the framework of public-service delegation.

This guarantee covers 51% of the amount that would be effectively reimbursed or not received, with a minimum of one hundred fifty thousand euros (€150,000).

Said disposal led to the cancellation of the parent-company guarantee granted by CDA for obligations assumed by SMVP in the framework of public-service delegation. As part of the new contractual terms related to Parc du Bioscope, CDA and Caisse des Dépôts et Consignations have agreed not to carry out, except for intragroup disposals, any changes in the shareholding structures of SMVP, EBG, or Les Productions du Parc without the prior consent of the other party.

All other guarantees (described in the 2006 reference document) granted previously by CDA to SMVP and Caisse des Dépôts et Consignations are terminated, without having been implemented.

1.24.7. Letter of comfort concerning Pleasurewood Hills

On February 23, 2009, Compagnie des Alpes issued a letter of comfort to Pleasurewood Hills guaranteeing the necessary funds to meet obligations, for a term of 12 months and under normal park operating conditions.

1.24.8. Pledges

On May 17, 2006, when Compagnie des Alpes acquired five leisure parks from the StarParks Group, it also agreed to a new syndicated loan of €515 million for a five-year period. As part of said syndicated loan agreement, Compagnie des Alpes-Financement, the borrower, made the following commitments in guarantee of reimbursement of payment commitments related to this agreement:

- pledge to lenders of 233,329 shares of COFILO SAS, 283,740 shares of Belpark N.V., and derivative instruments within the meaning of Article 211-1-I of the Monetary and Financial Code related to said shares of these two companies.

1.24.9. Commitments received under better-fortunes clause

Subsequent to the acquisition from Grévin & Cie of shareholdings in France Miniature, SMVP, and Les Productions du Parc, the better-fortunes clauses for write-offs of receivables previously granted by Grévin et Cie to its subsidiaries were transferred to CDA. The €220,000 for France Miniature (expiry September 30, 2009) was not applied.

Effective September 30, 2007, CDA agreed to write-off a receivable of €2 million from its subsidiary EcoBioGeston, provided that the better-fortunes clause be applied in case of reconstitution of shareholders' equity by more than €750,000 (expiry September 30, 2012).

Effective September 19, 2009, CDA agreed to write-off a receivable of €2.3 million from its subsidiary Pleasurewood Hills, provided that the better-fortunes clause be applied in case of reconstitution of shareholders' equity by more than £750,300 (expiry September 30, 2014).

1.24.10. Acquisition commitment

The Protocol Agreement concluded on May 4, 2007, between CDA, CDA-DS, and Sofival provides for the acquisition on October 1, 2013, of the balance of the shares held by Sofival in STVI through the put option granted by Sofival to CDA/CDA-DS, with a corresponding call option granted by CDA/CDA-DS to Sofival, for a price corresponding to the acquisition price of the STVI shares on October 1, 2007, increased annually by 3.54%.

1.25. Post-balance-sheet events

There was no event after the closing of the financial year that would significantly impact the parent company financial statements.

2. Earnings and other information over the last five financial years

Financial and company information (in €)	09/30/2005	09/30/2006	09/30/2007	09/30/2008	09/30/2009
Share capital at year end					
a) Share capital	95 285 326	116 452 888	117 481 161	130 161 382	134 656 573
b) Ordinary shares outstanding	6 315 835	7 638 726	15 412 351	17 075 869	17 665 593
c) Convertible bonds outstanding	-	-	-	-	-
Income statement figures for the FY					
a) Sales excl. VAT	9 363 867	14 171 862	24 480 970	26 015 823	26 550 090
b) Income before taxes, employee profit-sharing, amortization/depreciation, and provisions	13 580 991	38 243 065	13 963 997	10 601 139	15 564 445
c) Income tax	-1 894 734	-5 653 401	-6 195 167	-11 358 995	-9 831 253
d) Net income (after taxes, employee profit-sharing, 14 763 788 amortization/depreciation, and provisions)	35 908 200	25 723 674	14 256 514	20 930 283	
e) Distributed earnings	10 736 824	14 511 413	13 075 773	17 026 917	ND (1)
Earnings per share					
a) On income after taxes, employee profit-sharing, but before amortization/depreciation and provisions	2.45	5.75	1.31	1.28	1.44
b) On income after taxes, employee profit-sharing, amortization/depreciation, and provisions	2.34	4.70	1.67	0.83	1.18
c) Dividend per share	1.70	1.90	0.85	1.00	ND (1)
Personnel					
a) Average number of employees	36	68	86	88	91
b) Total payroll for the FY	3 534 842	8 206 038	10 291 185	8 995 021	10 535 470
c) Total payroll taxes for the FY	1 854 470	3 105 040	4 123 511	4 833 899	5 118 238

(1) Proposed dividend: €1.00.

3. Report of the statutory auditors on the annual financial statements

Dear Shareholders:

In performing the task that has been entrusted to us by the General Meeting of Shareholders, we hereby present our report on the financial year ended September 30, 2009, concerning:

- the audit of the annual financial statements of Compagnie des Alpes, as attached to this reference document
- justification of our opinions
- specific verifications and information as provided for by law

The annual financial statements have been adopted by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on said financial statements.

I. Opinion on the annual financial statements

We have performed our audit in accordance with the professional standards applicable in France. The standards require application of the due diligence needed to achieve reasonable certainty that the annual financial statements contain no material misstatements. An audit consists of examining, on a test basis or by other methodologies, the evidence supporting the amounts and information contained in these financial statements. It also consists of an evaluation of the accounting principles followed and material assumptions used in the drawing up of these financial statements, as well as an evaluation of their overall presentation. We consider that the data we have collected provide a sufficient and adequate basis for the opinion expressed below.

We certify that, according to French generally accepted accounting principles, the annual financial statements are proper and in good faith, and give a true and fair view of earnings from the last financial year as well as the financial position and assets of the Company at the end of the financial year.

II. Justification of our opinions

In accordance with the provisions of Article 823-9 of the Commercial Code pertaining to the justification of our opinion, we bring the following elements to your attention:

Most of the Company's assets are investment securities that are measured in conformity with the method indicated in paragraph 1.2.3 of the notes to the financial statements. On the basis of the information communicated to us, we have reviewed the method used and the calculations made by the Company, and we have assessed the resulting measurements.

These assessments are a part of our process for auditing annual financial statements as a whole, and have contributed to our opinion as expressed in the first part of this report.

III. Specific verification and information

We have also performed specific verifications, as provided for by law.

We have no comment to make on:

- the good faith and consistency with the annual financial statements of information provided in the management report of the Board of Directors and in the documents to shareholders on the financial position and the annual financial statements
- the good faith of information provided in the management report on compensation and benefits paid to company officers, and on commitments granted them upon the assumption, cessation, or modification of their functions, or subsequent to said functions.

In accordance with the law, we have determined that information on the noncontrolling and controlling stakes and the identity of shareholders has been published in the management report.

Neuilly-sur-Seine and Courbevoie, January 6, 2010

The statutory auditors

Bruno Tesnière
PricewaterhouseCoopers Audit

Christine Dubus
Mazars

Chapter V

Corporate Governance

1. Change in corporate governance and new organizational structure of the Group	117
1.1. Change in corporate governance at March 19, 2009	117
1.2. New organizational structure at October 1, 2009	117
2. Composition of administrative and management bodies	118
2.1. Composition of management bodies in FY 2008-2009	119
2.2. Composition of administrative bodies (Supervisory Board, then Board of Directors) in FY 2008-2009	123
2.3. Notification of non-conviction	129
2.4. Conflicts of interest	129
2.5. Service contracts	130
3. Remuneration of corporate officers during the financial year	130
4. Management and employee interest in the share capital of Compagnie des Alpes	139
4.1. Stock options	139
4.2. Performance shares	140
4.3. Stock options granted to or exercised by corporate officers during the financial year ended September 30, 2009	141
4.4. Stock options granted to or exercised by the ten leading employees (excl. corporate officers) during the financial year ended September 30, 2009	141
4.5. Stock options granted to or exercised by the ten leading employees (excl. corporate officers) during the financial year ended September 30, 2009	142
4.6. Employee profit-sharing and stock-ownership agreements	142
5. Special report of the statutory auditors concerning regulated agreements	143
6. Internal control (Article 225-37 par. 6 of the Commercial Code)	
6.1. The composition, preparation, and organization of Board work	145
6.2. Principles and rules for setting the remuneration of corporate officers	153
6.3. Internal control and risk-management procedures	157
7. Report of the statutory auditors, drawn up in accordance with Article L. 225-235 of the Commercial Code, on the report of the Chairman of the Management Board	163

1. Change in corporate governance and new organizational structure of the Group

1.1. Change in corporate governance at March 19, 2009

Founded in January 1989, Compagnie des Alpes first operated as a *société anonyme* (SA) with a board of directors and chairman of the board, until February 25, 2000, when it adopted the form of an SA with supervisory and management boards.

On March 19, 2009, the shareholders decided to modify the Company's corporate governance by returning to the structure of a *société anonyme* with a board of directors. Consequently the Company adopted new bylaws, which have been adapted minimally so as to change only those provisions related to the method of administration and management, the length of terms of office, and the age limit of directors and executive management.

The update of bylaws also allowed the streamlining of certain articles in order to avoid needlessly reproducing legal texts and references to legal provisions where a simple reference to the law would suffice. Developments related to changes in the share capital, paid-up shares, quorum, voting, and functions of different types of meetings, where found to duplicate legal texts in the current bylaws, have been omitted.

The new corporate governance, as unanimously voted by shareholders represented by the Board and adopted by the Shareholders' Meeting with 99.99% of the votes, falls within the scope of changes in the CDA economic and strategic model, which requires significant adaptability and centralized decision making.

It should also allow members of the Board of Directors to be more directly involved in the functioning of the Company.

The new governance should strengthen coherence between decisions and strategy, assert greater unity within Group management, and provide the Group with management that is more focused, more flexible, and more open to integrating business activities.

As in the previous style of corporate governance, the Company has endeavored to maintain and continue its application of corporate governance principles. It was in this framework that a new Corporate Governance Charter was presented to the Shareholders' Meeting of March 19, 2009, and was adopted as internal regulations by the first Board of Directors.

This Charter was drawn up by adapting the existing Charter, in which no changes were made to rules governing Board composition, internal voting, or to the principal powers necessary for prior approval by the Board of certain decisions.

Depending on their nature and amount, certain actions and transactions that depend on executive management therefore remain subject to prior approval by the Board of Directors.

1.2. New organizational structure at October 1, 2009

The new governance instituted in March 2009 was part of a larger process of a new organizational structure for the Group that was implemented on October 1, 2009.

As announced by the Chairman and Chief Executive Officer in March 2009, this initial institutional change was extended by a thorough transformation of Group management conditions, involving notably a reorganization of duties carried out by the headquarters, together with more streamlined management of operations.

The reorganization aims to make company management better integrated and more streamlined, paving the way for an ambitious and value-creating industrial strategy. The reorganization should create room for the full expression of complementary expertise and skills, as well as the implementation of industrial synergies within the Group.

The Group's new organizational structure is based on three main points:

- reduction of structural costs and shortening of decision-making circuits
- managing the Group through two essential means of value creation:
 - the boosting of organic growth, aggressive marketing, and the exploration of all available growth factors
 - the consolidation of industrial and operating excellence
- optimization of operating performance, especially through closer oversight of operations and stronger internal control

At the request of the Chairman and Chief Executive Officer, the Board of Directors named Franck Silvent as Deputy Managing Director, as of October 1, 2009.

Working with the Chairman and Chief Executive Officer, Mr. Silvent will lead the Group and thereby oversee its strategic and organizational transformation. In addition, the Department of Finance, Strategy, and Development now includes the Legal Department and the Department of Information Services.

To meet these new strategic demands, Group management has been divided into business functions.

Two transversal departments, common to both business lines, were set up.

Associate Managing Director Serge Niam leads the Department of Marketing, Development, and Products. Its chief missions are to increase the appeal of our sites, improve their sales performance, and identify new opportunities for Group development.

Associate Managing Director Roland Didier is the head of the Industrial Department, which is in charge of investment policy, purchasing, industrial-risk and safety management, quality assurance, and sustainable development.

Three operating departments have been created to manage the operating performance of our sites and guarantee the application of Group policies.

Associate Managing Director Jean-François Blas and Bernard Chapuis run the Department of Operations for Ski Areas, and the Department of Operations for Leisure Parks is run by Olivier Geraialde.

Bernard Chapuis and Olivier Geraialde are members of the Executive Committee (Comex), whose five other members are the Chairman and Chief Executive Officer, the Deputy Managing Director, and the three Associate Managing Directors.

This Executive Committee, the executive management board led by the Chairman and Chief Executive Officer, is responsible for implementing the strategy defined by the Board of Directors and for guaranteeing the operating management of the Group.

2. Composition of administrative and management bodies

Because of the change in administration and management of the Company that went into effect on March 19, 2009, two forms of corporate governance succeeded each other in FY 2008-2009.

- Until March 19, 2009, the first form of corporate governance under the previous organization of "French Corporation (SA) with a Supervisory Board and Management Board" was in effect, with Jean-Pierre Sonois serving as Chairman of the Management Board until October 14, 2008, when Dominique Marcel succeeded him.
- As of March 19, 2009, a second form of corporate governance replaced the previous one, with Dominique Marcel as Chairman and Chief Executive Officer and with a Board of Directors.

Therefore on March 19, 2009, the terms of office of members of the Management Board expired automatically.

Franck Silvent, Serge Naïm, Roland Didier, and Jean-François Blas were appointed Associate Managing Directors on March 19, 2009. Franck Silvent was also appointed Deputy Managing Director as of October 1, 2009, for the remainder of the term of Dominique Marcel, i.e., until the Ordinary Shareholders' Meeting in 2013 convenes to approve the financial statements for the financial year ending September 30, 2012.

The transition to SA with a Board of Directors had a very limited impact on the actual composition of the Board.

The appointments of directors were carried out in accordance with the principles governing the composition of the Board as set forth in the Corporate Governance Charter.

These principles, which are detailed in the Chairman's Report found in section 6 of this chapter, are identical to those in the previous Charter governing the composition of the Supervisory Board.

All members of the Supervisory Board, with the exception of Philippe Segretain—thus 11 members of the previous Board—were appointed as directors. The twelfth member is Dominique Marcel.

2.1. Composition of management bodies in FY 2008-2009

Chart showing the change in composition of management bodies during the financial year

2007-2008	2008-2009	
Management Board (until 10/14/2008)	Management Board (from 10/14/2008 to 3/19/2009)	Executive Management (since 3/19/2009)
Jean-Pierre Sonois, Chairman Franck Silvent, member Serge Naïm, member Roland Didier, member Jean-François Blas, member	Dominique Marcel, Chairman Franck Silvent, member Serge Naïm, member Roland Didier, member Jean-François Blas, member	Dominique Marcel, Chief Executive Officer

Dominique Marcel, Chairman of the Management Board (from October 14, 2008, to March 19, 2009) then Chairman and Chief Executive Officer (as of March 19, 2009).

Born on October 8, 1955.

An Inspector General of Finance, he holds a DEA in economics and is a graduate of Sciences Po. Upon graduating from ENA in 1983 (Solidarité class), he was appointed as an *administrateur civil* (a high-ranking civil servant) at the Treasury Department. He next became a technical advisor in the Prime Minister's cabinet (1991), then *chargé des affaires* for monetary, banking, and financial policy in the cabinet of the Minister of Economy and Finance (1992), and finally economic advisor to the President (1993). In 1995, he became Deputy Director of Savings, Retirement Provisions, and Financial Markets at the Treasury Department. In 1997, he was appointed cabinet director for the Minister of Employment and Solidarity, then Deputy Director of the Prime Minister's cabinet (2000). He was Director of Finance and Strategy at the Caisse des Dépôts from November 2003 to June 2008. In 2005 he became Chairman of the CDA Supervisory Board and the Strategy Committee. He then took on the role as Chairman of the Management Board, an appointment effective until October 14, 2008. Within the framework of the new governance, he has served as Chairman and Chief Executive Officer since March 19, 2009. As Chairman of the Board, he also heads the Strategy Committee.

Business Address: Compagnie des Alpes, 89 rue Escudier - 92772 Boulogne-Billancourt

Positions and functions:

Within the Compagnie des Alpes Group:

- President of Compagnie des Alpes-Domaines Skiabiles SAS (CDA-DS) as of 10/14/2008,
- Director of Grévin et Compagnie SA as of 10/14/2008,
- Permanent representative of CDA on the Board of Directors of Compagnie du Mont-Blanc (CMB) as of 11/07/2008.

Other positions and functions:

- Director of Eiffage SA,
- Director of Société du Grand Théâtre des Champs Elysées SA.

Other positions formerly occupied by Mr. Marcel:

- President and Chief Executive Officer of Financière TRANSDEV (until 07/28/2008) and its permanent representative on the Board of Directors of TRANSDEV (until 09/30/2008),
- Vice Chairman of the Board of Directors of DEXIA Crédit Local (until 10/21/2008),
- Chairman of the Supervisory Board of CDC DI GmbH (Germany); President and Chief Executive Officer and Director of CDC Entreprises Capital Investissement SA (until 07/29/2008) and of CDC Infrastructures SA (until 07/10/2008); Chairman of the Board of Directors of BAC Participations SA (until 07/29/2008); Member of the Boards of Directors of ACCOR SA (until 08/25/2008), DEXIA Belgique SA (until 10/20/2008), ICADE SA (until 07/24/2008), CNP Assurances SA (until 07/28/2008), Société Forestière de la CDC (until 11/26/2008), CDC Entreprises Portefeuille SAS (until 10/16/2008); permanent representative of CDC on the Supervisory Board of Société Nationale Immobilière SAEM (until 09/17/2008).

Number of CDA shares held: 2,404.

Members of the Management Board whose terms ended during the financial year

[Franck Silvent](#), Member of the Management Board (until March 19, 2009), Associate Managing Director (from March 19, 2009 until September 30, 2009), then Deputy Managing Director (beginning October 1, 2009)

Born on August 1, 1972.

ENA graduate and former Inspector of Finance, he was Deputy Director at the Finance and Strategy Department of Groupe Caisse des Dépôts from 2002 until 2005. On January 6, 2005, he joined CDA as the Director of Finance, Strategy, and Development and as a member of the Management Board. He was appointed an Associate Managing Director within the framework of the new governance on March 19, 2009. On October 1, 2009, he was appointed Deputy Managing Director. He was also named Director of Finance, Strategy, and Support Services (DF3S), a department that combines the former Legal Department and Department of Information Systems.

Business Address: Compagnie des Alpes, 89 rue Escudier - 92772 Boulogne-Billancourt

Positions and functions:

Within the Compagnie des Alpes Group:

- President of CI2S SAS,
- President of Compagnie Financière de Loisirs (COFILO) SAS, until 01/26/2009,
- President of Centrale d'Investissements et de Loisirs (CIEL), since October 14, 2008,
- Permanent representative of CDA on the Board of Directors of Grévin et Compagnie SA,
- Permanent representative of CDA on the Board of Directors of Musée Grévin SA,
- Permanent representative of CDA on the Board of Directors of Safari Africain de Port Saint-Père SA, until 01/27/2009,
- Permanent representative of the parent company, Executive Manager (CDA) of: Compagnie des Alpes-Financement (CDA-FI),
- Permanent representative of CDA as Director of Belpark BV, until 01/20/2009,
- Director of PREMIER FINANCIAL SERVICES (PFS), until 01/20/2009,
- Director of Compagnie du Mont-Blanc (CMB),
- Director of SwissAlp (Switzerland),
- Member of the Supervisory Board of Domaine skiable de Flaine (DSF) SA, until October 2, 2009,
- Member of the Supervisory Board of Domaine skiable du Giffre (DSG) SA, until October 2, 2009.

Other positions and functions:

- Director of CNP Assurances.

Number of CDA shares held: 1,065.

[Roland Didier](#), Member of the Management Board (until March 19, 2009), Associate Managing Director (beginning March 19, 2009)

Born on May 2, 1961.

An engineer trained at ENSAM, he has spent most of his career in ski-area operations. He held several posts at Serre Chevalier. In 1997 he joined the CDA Group as Chief Executive Officer and then became Management Board Chairman of Domaine Skiables de Flaine et de Giffre (DSF-DSG), before becoming the CDA Director of Ski Areas and a member of the Management Board in 2006. On March 19, 2009, he was appointed Associate Managing Director of CDA. As part of the new organization of October 1, 2009, he no longer serves as the Director of Ski Areas but heads the new Industrial Department.

Positions and functions:

Within the Compagnie des Alpes Group:

- President of CDA Ski Diffusion, until 09/30/2009,
- Chief Executive Officer of CDA-DS, until 10/06/2009,
- Chairman of the Supervisory Board of Société des Téléphériques de la Grande-Motte (STGM), until 10/05/2009, then Director of STGM, since 10/05/2009,
- Permanent representative of CDA-DS on the Board of Directors (until 09/30/2009) and then Director (since 09/30/2009) of Société les Montagnes de l'Arc (SMA),
- Permanent representative of CDA-DS on the Board of Directors (until 11/27/2009) and then Director (since 11/27/2009) of Société d'Aménagement,
- Permanent representative of CDA-DS on the Board of Directors of Funiflaine,
- Permanent representative of CDA-DS on the Board of Directors of Serre-Chevalier Ski Développement (SCSD),
- Permanent representative of CDA-DS on the Board of Directors of Montaval,
- Permanent representative of CDA-DS on the Board of Directors of Valbus,
- Permanent representative of CDA-DS on the Board of Directors of Société d'Exploitation des Remontées Mécaniques de Morzine-Avoriaz (SERMA),
- Permanent representative of CDA-DS on the Board of Directors of Domaine Skiable de Valmorel (DSV),

- Permanent representative of CDA-DS on the Board of Directors of Domaine Skiable de la Rosière (DSR),
- Permanent representative of CDA-DS on the Board of Directors (until 09/30/2009) and then Director (since 09/30/2009) of Société des Téléphériques de Val d'Isère (STVI),
- Permanent representative of CDA-DS on the Board of Directors of Société d'Exploitation de la Liaison les Arcs la Plagne (SELALP), until 11/30/2008,
- Permanent representative of CDA-DS on the Board of Directors of Serre Chevalier 1350 (SC 1350), until 12/31/2008,
- Director of Courmayeur Mont-Blanc Funivie SpA (CMBF),
- Director of Courmayeur Impianti di Risalita SpA (CIRI) (Italy),

Other positions and functions: none

Number of CDA shares held: 10,133.

[Serge Naim, Member of the Management Board \(until March 19, 2009\), Associate Managing Director \(beginning March 19, 2009\)](#)

Born on April 14, 1956.

Director of Leisure Parks since January 2005. Graduate of HEC, he was Finance Director and then, until 2003, Managing Director, Finance, for Euro Disney, where for 11 years he held various operational posts before joining the Executive Committee. He joined Compagnie des Alpes in January 2005 as Director of Leisure Parks and a member of the Management Board. On March 19, 2009, he was appointed Associate Managing Director. As a part of the new organization of October 1, 2009, he no longer serves as Director of Leisure Parks but heads the new Department of Marketing, Development, and Products.

Business Address: Compagnie des Alpes, 89 rue Escudier - 92772 Boulogne-Billancourt

Positions and functions:

Within the Compagnie des Alpes Group:

- President of P2P-WEB,
- Chairman of the Board of Directors of Grévin et Compagnie SA,
- Chairman of the Board of Directors of MUSÉE GRÉVIN SA,
- Chairman of the Board of Directors, and since 03/06/2009 Permanent representative of the President (CDA) of SMVP,
- Permanent representative of the President (CDA) of Eco Bio Gestion SAS, until 12/03/2008,
- Director of BiCi Entertainment (Switzerland),
- Director of Belpark BV (Belgium),
- Director of ImmoFlor NV (Belgium),
- Director of Premier Financial Services (Belgium),
- Director of Les Productions du Parc SAS,
- Member of the Supervisory Board of: Harderwijk Hellendoorn Holding BV (HHH) (Netherlands).

Other positions and functions:

Manager of SOFRAPOL.

Number of CDA shares held: 1,023.

[Jean-François Blas, Member of the Management Board \(until March 19, 2009\), Associate Managing Director \(beginning March 19, 2009\)](#)

Born on October 8, 1953.

A graduate of HEC, he began his professional career with executive posts at several service companies before joining STVI as Chief Executive Officer in 1988 and becoming its President in 2002. Previously he was Deputy Chief Executive Officer of Sofival and CEO of Serma (Avoriaz) and DSV (Valmorel). He joined Compagnie des Alpes on October 25, 2007 as a member of the Management Board and as Deputy Managing Director of Ski Areas. On March 19, 2009, he was appointed Associate Managing Director. As a part of the new organization of October 1, 2009, he heads one of the two Ski Area Operational Departments.

Business Address: Compagnie des Alpes, 89 rue Escudier - 92772 Boulogne-Billancourt

Positions and functions:

Within the Compagnie des Alpes Group:

- Chairman of the Supervisory Board (until 09/30/2009) then Director (since 09/30/2009) of Société des Téléphériques de Val d'Isère (STVI)
- Director of Montaval,
- Chairman of the Supervisory Board (until 10/02/2009) then of the Board of Directors (since 10/02/2009) of Domaine Skiable de Flaine (DSF),

- Chairman of the Supervisory Board (until 10/02/2009) then of the Board of Directors (since 10/02/2009) of Domaine Skiable du Griffon (DSG),
- Chairman of the Supervisory Board (until 09/29/2009) then Director (since 09/29/2009) of Société d'Exploitation de la Vallée de Belleville (SEVABEL),
- Chairman of the Supervisory Committee (until 10/05/2009) then Director (since 10/05/2009) of Meribel Alpina,
- Managing Director of Compagnie des Alpes-Domains Skiables SAS (CDA-DS) since 10/06/2009,
- Chairman of the Board of Directors of Société des Téléphériques de la Grande-Motte (STGM) since 10/05/2009,
- Permanent representative of CDA as President and Director of Deux Alpes Invest SAS since 11/19/2009, and in the Deux Alpes Loisirs group since 12/08/2009, Director and President of Deux Alpes Loisirs SAS, Director of SF2A SARL, President of SADAV SASU, Director of Altitude Aventure SARL, of DAV SARL, of Pierre et Neige SASU, of Pierre et Loisirs SARL, and of the SARL Le Goelon.

Other positions and functions:

- Deputy Chief Executive Officer of (until November 14, 2009) and Director of Société Financière de Val d'Isère (SOFIVAL),
- Permanent representative of STVI to the Board of Directors and Deputy Managing Director of Val d'Isère Patrimoine SAS,
- Deputy Managing Director of Val d'Isère Patrimoine SAS,
- Co-manager of the SARL La Bailletta.

Number of CDA shares held: 0.

[Jean-Pierre Sonois, Chairman of the Management Board \(until October 14, 2008\)](#)

Born on May 10, 1945.

In 1988 Jean-Pierre Sonois joined Groupe Caisse des Dépôts, CDA's principal shareholder, as Director of the tourism branch of Caisse des Dépôts-Développement (C3D). He holds a degree in chemistry and is an alumnus of ESSEC (MBA). He spent 15 years with Groupe des Arcs and two years with Groupe Havas, as Chief Executive Officer of Havas Tourisme and Havas Voyages. Jean-Pierre Sonois was one of the founders of Compagnie des Alpes in 1989, and has led the Group for nearly 20 years. His term as Chairman of the Management Board ended October 14, 2008.

Positions and functions:

Within the Compagnie des Alpes Group:

- President of Compagnie des Alpes-Domains Skiables (CDA-DS) SAS until 10/14/2008,
- Permanent representative of the President (CDA) of SMVP SAS until 12/03/2008),
- Permanent representative of the President (CDA-DS) of Centrale d'Investissements et de Loisirs (CIEL), until 10/14/2008,
- Permanent representative of CDA on the Board of Directors of Compagnie du Mont-Blanc SA (CMB) until 11/07/2008,
- Director of Grévin et Compagnie SA until 10/14/2008,
- Director of Saas-Fee Bergbahnen (Switzerland),
- Director of Compagnie du Mont-Blanc SA (CMB) since 11/07/2008
- Chairman of the Board of Directors of SwissAlp (Switzerland).

Other positions and functions:

- Permanent representative of CDA on the Board of Directors of Transdev SA,
- Member of the Supervisory Board of SEML Nouvelle du Parc du Futuroscope SA
- Member of the Supervisory Board of Voyages FRAM SA
- Manager of Loisirs Conseil.

Number of CDA shares held: 1,536.

2.2. Composition of administrative bodies (Supervisory Board, then Board of Directors) in FY 2008-2009

2.2.1. Composition of the Board (Supervisory Board, then Board of Directors)

Chart showing the change in composition of management bodies during the financial year

2007-2008	2008-2009	
Supervisory Board	Supervisory Board	Board of Directors (until 3/19/2009) (since 3/19/2009)
Dominique Marcel Chairman until 10/14/2008	Philippe Segretain, Chairman since 10/14/2008	Dominique Marcel, Chairman
Philippe Segretain, member	Alain Quinet, member since 10/14/2008	Alain Quinet, member
Bernard Blas, Vice Chairman	Bernard Blas, Vice Chairman	Bernard Blas, Vice Chairman
Caisse des Depots et Consignations (represented by Eric Flamarion) member	Caisse des Depots et Consignations (represented by Eric Flamarion) member	Caisse des Depots et Consignations (represented by Eric Flamarion) member
Francis Szpiner, member	Francis Szpiner, member	Francis Szpiner, member
Philippe Nguyen, member	Philippe Nguyen, member	Philippe Nguyen, member
Compagnie Europeenne de Loisirs (represented by François Nicoloy), member	Compagnie Europeenne de Loisirs (represented by François Nicoloy), member	Compagnie Europeenne de Loisirs (represented by François Nicoloy), member
Credit Agricole des Savoie (represented by Jean-Yves Barnavon), Barnavon, member	Credit Agricole des Savoie (represented by Jean-Yves Barnavon), member	Credit Agricole des Savoie (represented by Jean-Yves member
Banque Populaire des Alpes (represented by Pascal Marchetti), member	Banque Populaire des Alpes (represented by Pascal Marchetti), member	Banque Populaire des Alpes (represented by Pascal Marchetti), member
Caisse Nationale des Caisses d'Epargne (represented by Olivier Klein), member	Caisse Nationale des Caisses d'Epargne (represented by Olivier Klein), member	Caisse Nationale des Caisses d'Epargne (represented by Olivier Klein), member
Gilles Chabert, independent member	Gilles Chabert, independent member	Gilles Chabert, member
Jacques Maillot, independent member	Jacques Maillot, independent member	Jacques Maillot, member

On December 15, 2009, after the close of FY 2008-2009, the Board of Directors appointed Rachel Picard and Giorgio Frasca as directors, replacing Compagnie Européenne de Loisirs and Philippe Nguyen for the remainder of their terms of office, i.e., until the General Shareholders' Meeting in 2013 convenes to approve the financial statements for the financial year ending September 30, 2012.

These appointments will be submitted for approval to the next Shareholders' Meeting.

Dominique Marcel, Chairman of the Supervisory Board (until 10/14/2008), Chairman of the Board of Directors (since 09/19/2009)

Information on Dominique Marcel can be found above in Section 2.1.

Bernard Blas, Vice-Chairman of the Supervisory Board (until March 19, 2009), then Vice-Chairman of the Board of Directors (since March 19, 2009)

Born on September 20, 1925

Bernard Blas is a graduate of the Ecole de Commerce de Paris. Since 1972, he has been the President and Chief Executive Officer of Sofival, a company that specializes in operating ski areas (Val d'Isère until 2007, Avoriaz, Valmorel, La Rosière). Member and Vice-Chairman of the Compagnie des Alpes Supervisory Board since October 2007, he was appointed a Director and Vice-Chairman of the Board of Directors on March 19, 2009. He is also a member of the Strategy Committee.

Business Address: Sofival, 120 avenue des Champs-Élysées - 75008 Paris

Positions and functions:

President and Chief Executive Officer of Société Financière de Val d'Isère S.A. (Sofival), permanent representative of Sofival as President of SERMA (Société des Remontées Mécaniques de Morzine-Avoriaz), DSV (Domaine Skiable de Valmorel), DSR (Domaine Skiable de la Rosière), Le Jardin Alpin, Valmont Capital, and Val Capital SAS, Chairman of the Board of Directors of Valbus.

Number of CDA shares held: 1,659.

[Alain Quinet](#)

Born on September 11, 1961.

A graduate of Sciences Po and ENA (Michel de Montaigne class), and an Inspector General of Finance, Alain Quinet began his career in 1988 as an economist at the forecasting directorate of the French Ministry of Economy, Finance and Industry, and then at the OECD (1992-1994). Head of the economic projections office in the forecasting directorate (1995-1997), he was appointed head of the macroeconomic studies service for France at Banque de France. In 1999, he was named assistant-director of macroeconomic and financial summaries at the forecasting directorate. In 2002, he became macroeconomic advisor and then economic and financial advisor at the Prime Minister's office, where he was appointed deputy-director for economic affairs in 2005. He has been an Inspector General of Finance since April 2007 and the Director of Finance and Strategy for the Caisse des Dépôts Group since June 2008. He became a member of the CDA Supervisory Board on October 14, 2008 and was appointed a Director on March 19, 2009. He has been a member of the Strategy Committee since October 2008 and of the Appointments and Remuneration Committee since March 2009.

Business Address: CDC, 56 rue de Lille - 75007 Paris

Positions and functions:

Director of Finance and Strategy of Caisse des Dépôts et Consignations, President and Chief Executive Officer of CDC Entreprises Capital Investissement (until 12/21/2009) and of Financière Transdev, Chairman of the Board of Directors of CDC Infrastructure, Director of Accor, of Eiffage, of Icade, of CNP Assurances, of Société Forestière de la CDC (since 11/26/2008), of Dexia SA (Belgian company, since 10/20/2008), permanent representative of Caisse des Dépôts on the Boards of CDC International, of Compagnie Nationale du Rhône (until 06/29/2009), and of Fonds Stratégique d'Investissement S.A. (since 01/22/2009), permanent representative of Financière Transdev on the Board of Transdev.

Number of CDA shares held: 1.

[Caisse des Dépôts et Consignations \(CDC\)](#)

Appointed July 5, 2004 as a member of the Management Board, and March 19, 2009 as a Director. Its representative, Eric Flamarion, also heads the Audit and Finance Committee.

Number of CDA shares held: 6,979,739.

Permanent representative: Eric Flamarion

Born on May 18, 1958.

Business Address: CDC, 56 rue de Lille - 75007 Paris

Positions and functions:

President of CDC Arkhineo S.A.S, of CDC Kineon (S.A.S.U.), Chairman of the Board of Directors of BAC Participations SA, Member of the Supervisory Board of Forêts Durables, Director of AEW Europe (ex CDC IXIS IMMO), Director of CDC Placement.

[Francis Szpiner](#)

Born on March 22, 1954.

Francis Szpiner has been a licensed attorney with the Paris bar since 1975. A professor at the Ecole des Hautes Etudes Internationales (since 2000), he has also been a *Maître de Conférences* at the Institut d'Etudes Politiques de Paris since 2007. In January 2006, he became a member of the Supervisory Board, his sole position at Compagnie des Alpes. Within the framework of the new governance, he was integrated into the Board of Directors as a Director on March 19, 2009.

Business Address: CABINET SZPINER & TOBY, 128 boulevard Saint-Germain - 75006 Paris

Positions and functions: none.

Number of CDA shares held: 110.

[Philippe Nguyen](#)

Born on January 31, 1958.

A graduate of Sciences Po and ENA, Philippe Nguyen also studied engineering at the Ecole Centrale des Arts et Manufactures de Paris (1981). In 2002, he became the President of Investors in Private Equity. He is the Chairman of IPE Ross Management, Compagnie Européenne de Loisirs, Compagnie Européenne de Luxe et Traditions, and of Compagnie Française de Promotion. He is a manager of IPE Tank and Rail. He became a member of the Compagnie des Alpes Supervisory Board in July 2004. On March 19, 2009, he was appointed a director within the framework of the new governance. He is also a member of the Appointments and Remuneration Committee as well as the Strategy Committee. Following the September 2009 disposal of Compagnie Européenne de Loisirs' stake in Compagnie des Alpes, Philippe Nguyen offered his resignation to the Board. His mandate ended December 15, 2009.

Business Address: IPE, 1 rue François 1er - 75008 Paris

Positions and functions:

President of Investors in Private Equity SAS (IPE) and of Fundamenta SAS, Director of Financière Ermewa SA (foreign company) President and Director of Compagnie Européenne de Loisirs SA (foreign company) (until 10/19/2009) and of IPE Ross Management Limited (foreign company), President of Celt SAS and of Essencia Gestion SAS (since March 2009), Manager of IPE Tank and Rail SARL and of CELT SARL (foreign companies), President of MAI Investissement SAS, of Val Chrétien SAS, and of Compagnie Française de Promotion SAS.

President of Investors in Private Equity SAS, Director of Financière Ermewa SA (foreign company), President and Director of Compagnie Européenne de Loisirs SA (foreign company), and of IPE Ross Management Limited (foreign company), President of Piano Forte Museum, President of Odiot Holding SAS,

Number of CDA shares held: 1.

[Compagnie Européenne de Loisirs SA](#)

Appointed July 5, 2004 as a member of the Management Board, and March 19, 2009 as a Director. Its representative, François Nicoloy, is a member of the Strategy Committee and of the Audit and Finance Committee. Following the September 2009 disposal of its stake in Compagnie des Alpes, Compagnie Européenne de Loisirs offered its resignation to the Board, and its mandate ended December 15, 2009.

Number of CDA shares held: 0.

Permanent representative: [François Nicoloy](#)

Born on February 27, 1959.

Business Address: Compagnie Européenne de Loisirs SA, 1 rue François 1er - 75008 Paris

Positions and functions:

Director of Financière Ermewa SA (foreign company) Manager of Noria Negocios and of IPE Tank & Rail SARL (foreign companies), Manager of SCI 3 Fontaines.

[Crédit Agricole des Savoie](#)

Appointed July 5, 2004 as a member of the Management Board, and March 19, 2009 as a Director. Number of CDA shares held: 1,286,026.

Permanent representative: [Jean-Yves Barnavon](#)

Born on April 5, 1954.

Business Address: Crédit Agricole des Savoie, Avenue de la Motte Servolex - 73034 Chambéry Cedex

Positions and functions:

Chief Executive Officer of Crédit Agricole des Savoie (cooperative), President of Crédit Agricole Financement Suisse (SA), permanent representative of Crédit Agricole des Savoie as manager of Crédit Agricole Rhone-Alpes Investissements (a French SC), permanent representative of Crédit Agricole des Savoie on the Boards of Directors of CA FriulAdria, CA Titres, CA Chevreux, and BGPI (Banque de Gestion Privée Indosuez), permanent representative of Crédit Agricole des Savoie as non-voting member of the Board of Directors of SETAM S.A.

[Banque Populaire des Alpes](#)

Appointed a member of the Supervisory Board on July 5, 2004 and a Director on March 19, 2009.

Number of CDA shares held: 750,003.

Permanent Representative: [Pascal Marchetti](#)

Born on June 13, 1964.

Business Address: Banque Populaire des Alpes, 2 avenue du Grésivaudan, BP43 Corenc - 38707 La Tronche Cedex

Positions and functions:

Chief Executive Officer of Banque Populaire des Alpes, Director of Natixis Bleichroeder, permanent representative of Banque Populaire des Alpes as a Director (until 03/17/2009) and then a non-voting director of IBP, permanent representative of Banque Populaire des Alpes as Deputy Director of PRIAM Banque Populaire, permanent representative of Banque Populaire des Alpes as a Director of Banque de Savoie, Director of Banque Marze.

[Caisse Nationale des Caisses d'Epargne et de Prevoyance \(CNCE\)](#)

Appointed July 5, 2004 as a member of the Management Board, and March 19, 2009 as a Director. Number of CDA shares held: 932,322.

Permanent representative:

[Olivier Klein](#)

Born on June 15, 1957.

Business Address: Caisse d'Epargne Rhône-Alpes, 42 boulevard Eugène Deruelle, BP3276 - 69404 Lyon Cedex 03

Positions and functions:

Chairman of the Management Board of Caisse d'Epargne Rhône-Alpes, Chairman of the Supervisory Board of Rhône-Alpes PME Gestion S.A., Member of the the Supervisory Board of Ecureuil Gestion S.A. and of Ecureuil Gestion FCP Director of Neptune Technologies, of Coface S.A., of NGAM S.A, of Natixis Financement S.A. (since 11/14/2007), permanent representative of Caisse d'Epargne Rhône Alpes on the Supervisory Boards of Société des Trois Vallées S.A., of GCE Business Services GIE, permanent representative of Caisse d'Epargne Rhône Alpes on the Boards of Directors of SALT (TLM) SA and of Fédération Nationale des Caisses d'Epargne, permanent representative of Caisse d'Epargne Rhône Alpes as Manager of Terrae SNC (since 11/26/2007), Member of the Supervisory Board of Natixis S.A. (since 11/12/2008).

[Gilles Chabert, independent member](#)

Born on August 5, 1952.

Gilles Chabert is a National Ski Instructor (1977). Having spent the last 30 years in the Management Committee of the *Syndicat National des Moniteurs du Ski Français* (National Union of Ski Instructors, SNMSF), he became the group's president in 1994 and has since been reelected to the position three times. He has been the chief actor in creating a formal place for ski instruction in Europe. Through his efforts, in July 2000, the European Commission officially recognized the profession of the ski instructor in order to better insure skier safety. At Chabert's initiative, a unique European training platform was created for ski instruction professionals to certify their technical expertise (Eurotest) and competence regarding safety (Eurosécurité). He has been an independent member of the Compagnie des Alpes Supervisory Board since July 2004 and has served in the same capacity on its Management board since March 19, 2009. He is a member of the Appointments and Remuneration Committee and the Strategy Committee.

Business Address: Les Clôts - 38250 Villard de Lans

Positions and functions:

President of SNMSF (Syndicat National des Moniteurs du Ski Français), President of the Association des Moniteurs Professionnels de l'Arc Alpin, Vice President of Ski France International, representative of SNMSF on the Boards of Directors of Professionnels Associés de la Montagne (PAM), of SKI France, and of Association des Maires des Stations de Montagne, representative of the Conseil Supérieur de la Montagne on the Board of Directors of Conseil National de la Montagne, Co-Manager of SCI Montagnette, Director of Golf de Corrençon and Member of the Board of Directors of Banque Populaire des Alpes.

Number of CDA shares held: 2.

[Jacques Maillot, independent member](#)

Born on November 17, 1941.

Jacques Maillot holds a degree in law and is the founding president of Nouvelles Frontières, which he established in October 1967 as an association governed by the decree of 1901 to make travel more accessible and give it a more cultural dimension. In 1968, the association became a French Corporation (SA) whose name is synonymous with the democratization of travel for many French people, particularly regarding trips to French overseas territories and to Corsica. Mr. Maillot worked to organize his company into an integrated network comprising 200 agencies, two airline companies (Corsair and Aerolyon), and hotels, principally in the Antilles. He left the company in 2002 but maintained his responsibilities as a director and consultant. In February 2003, the Minister of Transportation appointed him as a director of SNCF to represent passengers. From April 2004 to February 2005, he was the Chief Executive Officer of Eurotunnel. He also founded the humanitarian association "Feu vert pour le développement (Green Light for Development)." Mr. Maillot has been an independent member of the Compagnie des Alpes Supervisory Board since July 2004 and has served in the same capacity on its Management board since March 19, 2009. He heads the Appointments and Remuneration Committee and was a member of the Audit and Finance Committee.

Business Address: 33, rue Maurice Ripoche -75014 Paris

Positions and functions:

Director of Generali Fr Assurances, Manager of SCP Feu Vert pour le Developpement, President of DIC Holding SAS Director of Voyageurs du Monde and Member of the Supervisory Board of Easy Voyages, Chief Executive Officer of Temoignages Chrétiens.

Number of CDA shares held: 618.

[Philippe Segretain, Chairman of the Supervisory Board \(from 10/14/2008 until 09/19/2009\)](#)

Born on October 14, 1943.

Philippe Segretain spent a large part of his career at Caisse des Depots. From 1988 to 2008, he founded and managed the Transdev group, one of Europe's principal public transport operators. He has participated in the Compagnie des Alpes governance since 1992, first as a director and then as a member of the Supervisory Board in 2000. He became the board's Chairman on October 14, 2008 and also led the Strategy Committee as part of his duties. Mr. Segretain left these positions on March 19, 2009 when the governing structure was modified.

Business Address: CDC, 56 rue de Lille - 75007 Paris

Positions and functions:

President and Chief Executive Officer (until 10/08/2008) and Director of Transdev SA, Director of Société Financière Transdev SA (until 10/08/2008), Chairman of the Board of Directors of EGIS S.A., President (until 03/19/2008) and Director (until 10/09/2008) of Transdev Plc, President of Transdev BNG Connexion Holding BV, Chairman of the Board of Directors of Transdev Italia (until 10/08/2008).

Number of CDA shares held: 2.

Directors whose term began after the close of the financial year

[Rachel Picard](#)

Born on December 11, 1966.

A graduate of HEC, Rachel Picard has been the president of voyages-sncf.com since 2007, having formerly served as the Associate Managing Director of marketing, sales and corporate operations. She headed "Tour Operating Europe" at Frantour until 2000 and then ran Les Editions Atlas Voyages from 2000 to 2002. She has held commercial functions in the ski sector, with Vallé Nevado (Chili), and in the leisure parks sector, with Euro Disney Paris.

Business Address: Voyages-sncf.com, 7 rue Pablo Neruda - 92300 Levallois-Perret

Positions and functions:

With the VSC group (Voyages-sncf.com) since 01/19/2007, Director General of Voyages-sncf.com SAS, President of Voyages-SNCF.com SAS, Director General of VSC Technologies SASU and of VFE Commerce SAS.

Number of CDA shares held: Currently being acquired.

[Giorgio Frasca](#)

Born on October 13, 1941.

Giorgio Frasca holds a doctoral degree in law from the University of Rome and is a law professor and a lawyer. He has been Vice-Chairman of Lazard International in the Lazard Frères bank since November 2006. He held key functions within the Fiat Group both in France and abroad and was Chief Executive of Fiat France from 1981 to 1985.

Business Address: 2 rue Greuze - 75116 Paris.

Positions and functions: none.

Number of CDA shares held: Currently being acquired.

2.2.2. Composition committees

The composition of the Strategy Committee, the Appointments and Remuneration Committee, and the Audit and Finance Committee is indicated in the following chart.

The tasks and operating procedures of these specialized committees that assist the Board of Directors in its work are specified in the Corporate Governance Charter and described in the Chairman's Report in chapter V, section 6.1.

2007/2008	2008/2009 From 10/14/2008 to 3/19/2009	Since 3/19/2009
<u>Audit Committee</u>	<u>Audit Committee</u>	<u>Audit and Finance Committee</u>
Eric Flamarion, representing CDC, Chairman	Eric Flamarion, representing CDC, Chairman	Eric Flamarion, representing CDC, Chairman
François Nicoloy, representing CEL	François Nicoloy, representing CEL	François Nicoloy, representing CEL
Jacques Maillot, independent member	Jacques Maillot, independent member	Jacques Maillot, independent member
<u>Appointments and Remuneration Committee</u>	<u>Appointments and Remuneration Committee</u>	<u>Appointments and Remuneration Committee</u>
Jacques Maillot, member independent member, Chairman	Jacques Maillot, member independent, Chairman	Jacques Maillot, member independent, Chairman
Gilles Chabert, independent member	Gilles Chabert, independent member	Gilles Chabert, independent member
Philippe Segretain, representing CDC	Philippe Segretain, representing CDC	Alain Quinet, representing CDC
Philippe Nguyen, representing CEL	Philippe Nguyen, representing CEL	Philippe Nguyen, representing CEL
<u>Strategy Committee</u>	<u>Strategy Committee</u>	<u>Strategy Committee</u>
Dominique Marcel, Chairman of the Board and of the Committee	Philippe Segretain, Chairman of the Board and of the Committee	Dominique Marcel, Chairman of the Board and of the Committee
Eric Flamarion, representing CDC	Alain Quinet, representing CDC	Alain Quinet, representing CDC
François Nicoloy, representing CEL	François Nicoloy, representing CEL	François Nicoloy, representing CEL
Philippe Nguyen, representing CEL	Philippe Nguyen, representing CEL	Philippe Nguyen, representing CEL
Gilles Chabert, independent member	Gilles Chabert, independent member	Gilles Chabert, independent member
Bernard Blas, representing Sofival, since October 25, 2007	Bernard Blas, representing Sofival	Bernard Blas, representing Sofival

Subsequent to the closure of the financial year and following the sale by CEL of its stake in the capital, the composition of the committees were modified.

From December 15th 2009 the committees have been made up as follows:

Audit and Finance Committee

Eric Flamarion, representing CDC, Chairman
Bernard Blas, representing SOFIVAL,
Giorgio Frasca, independent member

Appointements and Remuneration Committee

Jacques Maillot independent member, Chairman
Alain Quinet, representing CDC
Gilles Chabert, independent member
Giorgio Frasca, independent member

Strategy Committee

Dominique Marcel, Chairman
Alain Quinet, representing CDC
Bernard Blas, representing SOFIVAL,
Gilles Chabert, independent member
Rachel Picard, independent member
Jacques Maillot independent member

2.3. Notification of non-conviction

To the Company's knowledge, no member of the Management Board or Supervisory Board :

- has been convicted of fraud during the last five years,
- has been involved in bankruptcy, sequestration, or liquidation during the last five years,
- has been subject to incrimination or official public sanction delivered by statutory or regulatory authorities (including designated professional bodies) during the last five years, and
- has been barred by a court from acting in the capacity of member of any company's management or supervisory board, or from acting in any company's management during the last five years.

2.4. Conflicts of interest

Jean-François Blas, in the performance of his mandate as Director and Deputy Managing Director of Sofival (shareholder of the Company and of certain of its subsidiaries and shareholdings) as member of the Company's Management Board and per his employment contract, has committed to the following:

- to comply with all points of the CDA Group Code of Ethics and to the governance rules of the Corporate Governance Charter (this commitment has also been made by Sofival);
- exclusivity in terms of professional activity, with no other professional activities except those resulting from the performance of his mandates and of the employment contract as Director in the Group and of mandates in Sofival;
- confidentiality pertaining to information to which he is privy within the performance of his functions in CDA,
- Abstention from any decision-making procedure in the CDA Group that might create a conflict of interest, or potential conflict of interest, between CDA and Sofival.

To the Company's knowledge, there are no other potential conflicts of interest between 1. the duties owed the Company by the members that make up the management bodies, the members of the Supervisory Board or the members of the Board of Directors, and 2. their personal and/or other interests, with the exception of the aforementioned for which the Company has received express written commitment.

With the exception of the appointments of Bernard Blas and Jean-François Blas related to acquisitions made from Sofival in October 2007, to the Company's knowledge there is no treaty or agreement with shareholders, customers, suppliers, or others whose terms require the appointment of a member of the Management Board, executive management, or Board of Directors.

To the Company's knowledge, there are no restrictions accepted by those persons referred to in sections 2.1 and 2.2 above concerning the sale of their shareholdings in the Company, except for the shareholders' pact described in section 2 of chapter VI. This pact expired on August 10, 2009.

2.5. Service contracts

To the Company's knowledge, no service contract has been concluded between the Company and any member of the management bodies or Board, with the exception of:

- the licensing agreement for the use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts," described in section 4 of chapter VI;
- the staff-lending agreement between CDC and CDA addressed in the special report of the statutory auditors (described in section V of chapter V), which expired in April 2009.

3. Remuneration of corporate officers during the financial year

Remuneration and benefits of all kinds paid to CDA corporate officers by CDA and by companies under CDA control in the sense of Article L 233-16 of the Commercial Code are laid out below, in accordance with the scheme defined in AFEP-MEDEF Corporate Governance Code for listed companies as specified by the AMF Recommendation of December 22, 2008.

Notwithstanding the change in corporate governance that was made in FY 2008-2009, the following information concerning remuneration is provided for full FY 2008-2009, for the sake of accuracy and consistency. No distinction is made for the period, even though only the Chairman and Chief Executive Officer was retained as corporate officer in the new governance structure at March 19, 2009.

Table 1: Summary of remuneration and stock options granted to each corporate officer

	FY 2007/2008	FY 2008/2009
Dominique Marcel, Chairman of the Management Board (from 10/14/2008 to 3/19/2009) then Chairman and Chief Executive Officer (since 3/19/2009)		
Remuneration due for the FY (cf. table 2)	-	467 383
Valuation of options granted for the FY (cf. table 4)	-	-
Valuation of performance shares granted for the FY (cf. table 6)	-	48 038
Total	-	515 421
Franck Silvent, member of the Management Board (until 3/19/2009)		
Remuneration due for the FY (cf. table 2)	269 315	270 880
Valuation of options granted for the FY (cf. table 4)	34 170	-
Valuation of performance shares granted for the FY (cf. table 6)	60 113	32 025
Total	363 598	302 905
Serge Naim, member of the Management Board (until 3/19/2009)		
Remuneration due for the FY (cf. table 2)	326 963	329 375
Valuation of options granted for the FY (cf. table 4)	34 170	-
Valuation of performance shares granted for the FY (cf. table 6)	60 113	32 025
Total	421 246	361 400
Roland Didier, member of the Management Board (until 3/19/2009)		
Remuneration due for the FY (cf. table 2)	256 677	258 369
Valuation of options granted for the FY (cf. table 4)	34 170	-
Valuation of performance shares granted for the FY (cf. table 6)	60 113	32 025
Total	350 960	290 394
Jean-François Blas, member of the Management Board (until 3/19/2009)		
Remuneration due for the FY (cf. table 2)	239 885	242 211
Valuation of options granted for the FY (cf. table 4)	34 170	-
Valuation of performance shares granted for the FY (cf. table 6)	60 113	32 025
Total	334 168	274 236
Jean-Pierre Sonois, Chairman of the Management Board (until 10/14/2008)		
Remuneration due for the FY (cf. table 2)	424 396	1 118 198
Valuation of options granted for the FY (cf. table 4)	51 255	-
Valuation of performance shares granted for the FY (cf. table 6)	90 170	-
Total	565 821	1 118 198

The table above summarizes remuneration due for the financial year ended September 30, 2009, and the valuation of stock options and performance shares granted during the exercise.

For example, the valuation of plan no. 10 performance shares that were previously granted and canceled during financial year 2008-2009 comes to €52,627 for Jean-Pierre Sonois and €35,085 for each of the four former members of the Management Board. Dominique Marcel is not a beneficiary of this plan. Table 6 bis has been added to illustrate these cancellations.

(1) For the sake of consistency, the amounts indicated for the former members of the Management Board cover the entire financial year, even though their terms of office ended on March 19, 2009 (except for Dominique Marcel, who remained a corporate officer throughout the financial year).

Table 2: Summary of remuneration for each corporate officer

	FY 2007-2008		FY 2008-2009	
	Amount due	Amount paid	Amount due	Amount paid
Dominique Marcel, Chairman of the Management Board (from 10/14/2008 to 3/19/2009) then Chairman and Chief Executive Officer				
Fixed remuneration	-	-	328 672	328 672
Variable remuneration	-	-	136 000	-
Extraordinary remuneration	-	-	-	-
Directors' fees (not applicable because paid to CDC)	-	-	-	-
Benefits in kind	-	-	2 711	2 711
Total	-	-	467 383	331 383
Franck Silvent, member of the Management Board (until 3/19/2009)				
Fixed remuneration	180 000	180 000	180 000	180 000
Variable remuneration	85 885	34 750	87 186	85 885
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	3 430	3 430	3 694	3 694
Total	269 315	218 180	270 880	269 579
Serge Naim, member of the Management Board (until 3/19/2009)				
Fixed remuneration	220 000	220 000	220 000	220 000
Variable remuneration	103 072	42 950	105 484	103 072
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	3 891	3 891	3 891	3 891
Total	326 963	266 841	329 375	326 963
Roland Didier, member of the Management Board (until 3/19/2009)				
Fixed remuneration	170 000	170 000	170 000	170 000
Variable remuneration	81 431	33 250	82 743	81 431
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	5 246	5 246	5 626	5 626
Total	256 677	208 496	258 369	257 057
Jean-François Blas, member of the Management Board (until 3/19/2009)				
Fixed remuneration	160 000	160 000	160 000	160 000
Variable remuneration	76 647	-	77 970	76 647
Extraordinary remuneration	-	-	-	-
Directors' fees	-	-	-	-
Benefits in kind	3 238	3 238	4 241	4 241
Total	239 885	163 238	242 211	240 888

	FY 2007-2008		FY 2008-2009	
	Amount due	Amount paid	Amount due	Amount paid
Jean-Pierre Sonois, Chairman of the Management Board (until 10/14/2008)				
Fixed remuneration	300 000	300 000	100 000	100 000
Variable remuneration	117 600	59 000	120 000	237 600
Extraordinary remuneration	-	-	896 262	896 262
Directors' fees	-	-	-	-
Benefits in kind	6 796	6 796	1 936	1 936
Total	424 396	365 796	1 118 198	1 235 798

The table above presents the gross remuneration paid to Management Board members during the financial years ended on 09/30/2008 and on 09/30/2009, and the remuneration due for the same periods.

Variable remuneration comprises performance-based bonuses and, except for the Management Board Chairman and the Chairman and Chief Executive Officer, profit sharing.

Performance-based bonuses for a given exercise are set by the Supervisory Board, which evaluates performance after the close of the financial year. Bonuses are therefore paid during the following exercise (except for the variable remuneration due to Jean-Pierre Sonois for FY 2008-2009, which was paid to him during the same financial year).

Benefits in kind concern company vehicles and, for Jean-Pierre Sonois, a parking space.

The extraordinary remuneration for Jean-Pierre Sonois includes an indemnity for breach of contract, as described in the Chairman's Report (chapter V, section 6.2.1) and an indemnity related to paid vacation.

Like other employees of the Compagnie des Alpes Group, the corporate officers of Compagnie des Alpes are not paid directors' fees for mandates carried out in Group companies.

Table 3: Directors' fees (1) and other remuneration received by Board members

Members of the Board (supervisory/directors) and Committees	Directors' fees paid in 2008-2009 (for of 2006-2007)	Directors' fees paid in 2008-2009 (for of 2007-2008) (paid in 2009-2010)	Directors' fees allotted 2008-2009
Dominique Marcel Chairman of the Supervisory Board until 10/14/2008 (2) Chairman of the Board of Directors since 3/19/2009 Chairman of the Strategy Committee until 10/14/2008 and again since 3/19/2009	9 000	8 000	-
Philippe Segretain (2) Chairman of the Supervisory Board from 10/14/2008 to 3/19/2009 Member representing the CDC on the Appointments and Remuneration Committee until 3/19/2009 Chairman of the Strategy Committee from 10/14/2008 to 3/19/2009	5 000	7 000	9 000
Alain Quinet (2) Chairman of the Supervisory Board from 10/14/2008 to 3/19/2009 Member of the Board of Directors since 3/19/2009 Member representing the CDC on the Strategy Committee since 10/14/2008 Member representing the CDC on the Appointments and Remuneration Committee since 3/19/2009	-	-	9 000
Bernard Blas Vice Chairman of the Supervisory Board until 3/19/2009 Vice Chairman of the Board of Directors since 3/19/2009 Member representing Sofival on the Strategy Committee	-	8 000	10 000
Caisse des Dépôts et Consignations (represented by Eric Flamarion) Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009 Eric Flamarion, representing the CDC, Chairman of the Audit Committee(now the Audit and Finance Committee) Eric Flamarion, member representing CDC on the Strategy Committee until 10/14/2008	9 000	9 000	6,000
Francis Szpiner Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009	4 000	4 000	4,000
Philippe Nguyen Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009 Member representing CEL on the Appointments and Remuneration Committee Member representing CEL on the Strategy Committee	11 000	11 000	11,000
Compagnie Européenne de Loisirs (represented by François Nicoloy) Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009 François Nicoloy, representing CEL, member of the Audit Committee (now the Audit and Finance Committee) François Nicoloy, representing CEL, member of the Strategy Committee	10 000	10 000	9,000

Members of the Board on (supervisory/management) and Committees	Directors' fees paid in 2007-2008 (for of 2006-2007)	Directors' fees paid in 2008-2009 (for of 2007-2008) (payable in 2009-2010)	Directors' fees allotted for 2008-2009 (payable in 2009-2010)
Crédit Agricole des Savoie (represented by Jean-Yves Barnavon) Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009	-	5 000	2 000
Banque Populaire des Alpes (represented by Pascal Marchetti) Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009	4 000	3 000	3,000
Caisse Nationale des Caisses d'Epargne (represented by Olivier Klein) Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009	2 000	2 000	4,000
Gilles Chabert Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009 Independent member of the Appointments and Remuneration Committee Independent member of the Strategy Committee	11 000	11 000	14 000
Jacques Maillot Member of the Supervisory Board until 3/19/2009 Member of the Board of Directors since 3/19/2009 Chairman (independent member) of the Appointments and Remuneration Committee Independent member of the Audit Committee (now the Audit and Finance Committee)	8 000	10 000	11 000
Total	73 000	88 000	92 000

(1) Directors' fees allotted for one financial year are paid in the next. Directors' fees paid in FY 2008-2009 were allotted for FY 2007-2008. Those allotted for attendance at meetings in FY 2008-2009 will be paid in FY 2009-2010.

(2) Directors' fees for attendance at Board and Committee meetings are paid directly to CDC, in accordance with CDC Group rules.

The Combined Ordinary and Extraordinary Shareholders' Meeting of February 23, 2006, established at €100,000 the annual maximum of directors' fees that may be allotted to the Supervisory Board, as from FY 2005-2006.

Because the change in corporate governance was likely to result in increasing demands on members of the Board to be more directly involved in Company management, it was submitted to the Shareholders' Meeting of March 19, 2009, that this global amount be readjusted. The amount was increased to €150,000 for FY 2008-2009 and for each future financial year, until further notice.

The amount of directors' fees paid for the 2007-2008 financial year came to €88,000, while €92,000 was allotted for FY 2009-2010.

Board members receive no remuneration by the Group over and above the directors' fees, except for Bernard Blas, Vice Chairman of the Board, who, as Chairman of Valbus, has use of a company car, parking space, and indemnity for term of office. For FY 2008-2009, Valbus paid €6000, €2473, and €1600, for a total of €10,073.

Table 4: Stock options granted during the financial year to each corporate officer by the Company or by Group companies

NONE.

No stock options were granted to corporate officers during the financial year. Plan no. 12, which was implemented for FY 2008-2009 by the Management Board, was limited to the "awarding of performance shares" to the five members of the Management Board.

Table 5: Stock options exercised during the financial year by each corporate officer

NONE.

No stock options were exercised by corporate officers during the financial year.

Table 6: Performance shares granted during the financial year to each corporate officer by the Company or by Group companies

Corporate officer name	Plan date and no.	No. of shares granted during FY	Value of shares by method used for consolidated financial statements (in euros)	Grant date	Vesting date	Performance conditions
Dominique Marcel	no. 12 3/19/2009	3 600	48 038	3/19/2011	3/19/2013	cf. comments below
Franck Silvent	no. 12 3/19/2009	2 400	32 025	3/19/2011	3/19/2013	cf. comments below
Serge Naïm	no. 12 3/19/2009	2 400	32 025	3/19/2011	3/19/2013	cf. comments below
Roland Didier	no. 12 3/19/2009	2 400	32 025	3/19/2011	3/19/2013	cf. comments below
Jean-François Blas	no. 12 3/19/2009	2 400	32 025	3/19/2011	3/19/2013	cf. comment below

The valuation of performance shares is recorded at fair value at the grant date, without subsequent revaluation. Fair value is determined by an actuarial calculation using the binomial options-pricing model, after taking into account the probability of the average time of participation of beneficiaries at the end of the vesting period. The resulting value per share is €21.745 for plan no. 12 of March 19, 2009.

As for the preceding plans, the full vesting of performance shares granted under plan no. 12 is subject to the satisfaction of performance conditions.

For the shares awarded to the five members of the Management Board, full vesting depends—for 50% of said shares—on the satisfaction of Group economic objectives as measured by improved ROCE over a two-year period (10/01/2008-9/30/2010).

The other 50% depends on how well the strategy defined by the Board for FY 2008-2009 and FY 2009-2010 has been implemented.

Table 6 bis: Performance shares canceled during the financial year

Corporate officer name	Plan date and no.	Number of canceled shares	Value of share by method used for consolidated financial statements (in euros)	Cancellation date
Jean-Pierre Sonois	no. 10 – 3/01/2007	3 600	52 627	4/01/2009
Franck Silvent	no. 10 - 3/01/2007	2 400	35 085	4/01/2009
Serge Naïm	no. 10 - 3/01/2007	2 400	35 085	4/01/2009
Roland Didier	no. 10 - 3/01/2007	2 400	35 085	4/01/2009
Jean-François Blas	no. 10 - 3/01/2007	-	-	4/01/2009

Performance shares granted under plans no. 9, 10, 11, and 12 are fully vested after a vesting period determined in accordance with criteria defined at the grant date.

The 25-month vesting period of shares awarded in March 2007 under plan no. 10 of 3/01/2007 expired during the most recent financial year.

As requirements for the full vesting of these shares had not been fulfilled at the end of this period because objectives had not been reached, the Management Board determined that none of the shares granted under this plan could be considered fully vested.

Consequently all shares awarded under plan no. 10 (41,088 shares) were canceled.

The valuation of the canceled shares—€14.619 per share after a stock split—was initially established using the method described in table 6 above, and is provided for information purposes only.

Table 7: Performance shares made available

NONE.

Performance shares awarded are not fully vested until after a 25-month vesting period for plans no. 9, 10, and 11, and after 24 months for the most recent plan (no. 12), subject to the fulfillment of certain requirements. The shares must then be held an additional 24 months before they become available.

The date at which performance shares become fully vested is 3/24/2010 (plan no. 9).

As a result, no performance shares awarded to Management Board members became fully vested during the financial year ended on 9/30/2009.

Table 8: Stock option grants

This table may be found in section 4.1 under "Management and employee interest in the share capital of Compagnie des Alpes."

Table 9: Stock options granted to or exercised by the ten leading employees (excl. corporate officers) during the financial year

This table may be found in section 4.4 under "Management and employee interest in the share capital of Compagnie des Alpes."

Table 10: Conformity with AFEP-MEDEF guidelines

In accordance with the AMF guideline of December 22, 2008, the following table presents the situation of CDA corporate officers in FY 2008-2009 with regard to the AFEP-MEDEF Corporate Governance Code.

Corporate officer name	Employment Contract		Supplementary Pension Benefits		Indemnities or benefits due or likely to be due at termination or change of functions		Indemnities related to non-competition clauses	
	Yes	No	Yes	No	Yes	No	Yes	No
Dominique Marcel Management Board Chairman (from 10/14/2008 to 3/19/2009), then Chairman and Chief Executive Officer (since 3/19/2009)		X	X		X			X
Franck Silvent Member of the Management Board (until 3/19/2009), Deputy Managing Director (since 10/01/2009)	X		X		X			X
Serge Naïm Member of the Management Board (until 3/19/2009)	X		X		X			X
Roland Didier Member of the Management Board (until 3/19/2009)	X		X		X			X
Jean-François Blas Member of the Management Board (until 3/19/2009)	X		X		X		X	
Jean-Pierre Sonois Management Board Chairman (until 10/14/2008)	X		X		X			X

Details and explanations pertaining to the employment contracts, complementary retirement schemes, departure bonuses, and noncompetition indemnities that corporate officers may receive, as provided for by the AFEP-MEDEF Corporate Governance Code, are given by the Chairman of the Board in his report, as provided for by Article L. 225-37 of the Commercial Code.

In conformity with Article L.911-1 of the Social Security Code, Management Board members and the Chairman and Chief Executive Officer are enrolled in the company's collective contract, with defined benefits and contributions, for Group senior officers (about 60 persons).

The collective contract's principal terms are the following :

- a defined contribution plan (individual accounts) equal to 8% of annual remuneration for each beneficiary (capped at 5 times the social-security ceiling, or €171,540 on an annual basis). Contributions to the savings plan are split between company and beneficiary, in accordance with the beneficiary's age, as follows:

	CDA	Employee
Up to 39 years old	5%	3%
From 40 to 54 years old	4%	4%
55 and over	3%	5%

- to which is added a defined benefit plan that guarantees a minimum complementary retirement of 1% per year of seniority counted from the date of the scheme's implementation, with a maximum of 10% of the last salary, fixed + variable.

4. Management and employee interest in the share capital of Compagnie des Alpes

4.1. Stock options

Stock options granted to employees for FY 2008-2009

Consequent to decisions of the Extraordinary Shareholders' Meeting of February 28, 2007, Compagnie des Alpes granted a total of 46,000 stock options for the period from October 1, 2008, to September 30, 2009, to 29 employees or corporate officers of the Group, compared to 88,700 granted for the previous financial year.

The Management Board considered the possibility of granting stock options to its members, given the weak economy and the price level of CDA stock. It ultimately decided not to grant options for this financial year, which is why plan no. 12 (combined plan no. 4), under "members of the Management Board," has only performance-share grants with quantities identical to last year's.

The Company accepted the principle that the grant date of stock options and performance shares is that of the Annual General Meeting of Shareholders.

The subscription price was approved at €23.17 per share, which corresponds to the average undiscounted stock price over the last 20 trading sessions.

The length of the option plan was set at seven years, comprising a four-year vesting period followed by an exercise period of three years.

Stock-option plans outstanding

Stock-option plans outstanding that were implemented by the Management Board consequent to decisions made by the Extraordinary Shareholders' meetings of March 14, 2003, March 10, 2004, February 23, 2006, and February 28, 2007, are as follows:

	Plan no. 7	Plan no. 8	Plan no. 9	Plan no. 10	Plan no. 11	Plan no. 12
Date of the Shareholders' Meeting	3/10/2004	3/10/2004	2/23/2006	2/28/2007	2/28//2007	2/28/2007
Date of the Management Board	4/07/2004	1/25/2005	2/24/2006	3/01/2007	2/21//2008	3/19/2009
Number of shares that may be subscribed at inception	261 408	256 280	68 760	72 960	88 700	46 400
Including:						
CDA Management Board	100 000	83 000	36 000	36 000	44 000	none
Dominique Marcel	none	none	none	none	none	none
Jean-Pierre Sonois	20 000	24 000	12 000	12 000	12 000	none
Franck Silvent	none	15 000	8 000	8 000	8 000	none
Serge Naim	none	20 000	8 000	8 000	8 000	none
Roland Didier	none	none	8 000	8 000	8 000	none
Jean-François Blas	none	none	none	none	none	none
Number of beneficiaries	172	171	31	35	35	29
Option vesting period	from 4/07/2004 to 4/06/2009	from 1/25/2009 to 1/24/2010	from 2/24/2010 to 2/23/2011	from 3/01/2011 to 2/29/2012	from 2/21/2012 to 2/20/2013	from 3/19/2013 to 3/18/2016
Subscription price (€) per share	30.98	30.45	31.25	36.24	31.93	23.17
Options exercised on 9/30/2009	19 798	none	N/A	N/A	N/A	N/A
Desisted or cancelled options	241 610	157 974	2 240	800	none	none
Outstanding options	0	98 306	66 520	72 160	88 700	46 400

These data take into account the Compagnies des Alpes stock split of May 25, 2007.

A total of 794,508 stock options were granted as part of the plans listed above.

At September 30, 2009, 19,798 options had been exercised (none during the financial year) and 402,624 options forfeited or canceled.

As of September 30, 2009, the total number of shares that could be subscribed under current plans came to 794,508, or 2.45% of Compagnie des Alpes capital stock.

The options granted are issued solely by Compagnie des Alpes. No other Group company issues options to its employees or corporate officers.

4.2. Performance shares

Performance shares granted for financial year 2008-2009 to employees and corporate officers

Consequent to decisions of the Extraordinary Shareholders' Meeting of February 28, 2007, Compagnie des Alpes granted a total of 47,100 performance shares for the period from October 1, 2008, to September 30, 2009, to 119 employees, including 13,200 shares granted to members of the Management Board.

As for the preceding plans, the full vesting of these performance shares is subject to the satisfaction of performance conditions. The performance conditions required for full vesting by members of the Management Board are described in table 6 of section 3 above.

For other Group employees granted shares under plan no. 12, full vesting of shares is subject to qualitative performance conditions assessed for each beneficiary. This qualitative performance is assessed according to "the contribution of each beneficiary to the Group, and his/her managerial performance" during FY 2008-2009 and FY 2009-2010.

CDA shares granted (subject to ownership transfer) during the financial year ended September 30, 2009, to members of the Management Board are indicated in section 3 above.

Members of the Supervisory Board were not granted performance shares.

Plans outstanding for free-share grants

The features of free share plans nos. 9, 10, 11, and the new plan no. 12 are as follows:

	Plan no. 10	Plan no. 11	Plan no. 12
Date of the Shareholders' Meeting	2/28/2007	2/28/2007	2/28/2007
Date of the Management Board meeting	3/01/2007	2/21/2008	3/19/2009
Number of shares initially granted though the exercise of options	41 088	48 700	47 100
Including the CDA Management Board	10 800	13 200	13 200
Including Dominique Marcel	none	none	3 600
Including Jean-Pierre Sonois	3 600	3 600	none
Including Franck Silvent	2 400	2 400	2 400
Including Serge Naim	2 400	2 400	2 400
Including Roland Didier	2 400	2 400	2 400
Including Jean-François Blas	none	2 400	2 400
Number of beneficiaries	116	129	119
Grant date	3/01/2007	2/21/2008	3/19/2009
Vesting date	4/01/2009	3/21/2010	3/19/2011
End of vesting period	4/01/2011	3/21/2012	3/19/2013
Shares fully vested at 9/30/2009	0	none	none
Shares forfeited at 9/30/2009	41 088	2 000	none
Shares outstanding at 9/30/2009	0	46 700	47 100

Plan no. 9 was the first to include free share grants. This plan was closed on March 25, 2008 (grant date), and thus was not an active share-grant plan during the last financial year.

Plan no. 10 was also closed during the last financial year. The requirements for the full vesting of these shares had not been fulfilled at the end of this period because objectives had not been reached. Therefore the Management Board determined that none of the shares granted under this plan could be considered fully vested. Consequently all shares awarded under plan no. 10 were forfeited.

As of September 30, 2009, the total number of outstanding shares came to 0.53% of Compagnie des Alpes capital stock.

The options granted are issued solely by Compagnie des Alpes. No other Group company issues options to its employees or corporate officers.

With the exception of the plans described above, there are no other potentially dilutive instruments.

4.3. Stock options granted to or exercised by corporate officers during the financial year ended September 30, 2009

As discussed in section 2 above, no stock options were granted to corporate officers during the financial year. Plan no. 12, which was implemented for FY 2008-2009, was limited to the "granting of performance shares" to the five members of the Management Board.

Members of the Supervisory Board neither received nor exercised options.

Furthermore, no options were exercised by any of the corporate officers.

4.4. Stock options granted to or exercised by the ten leading employees (excl. corporate officers) during the financial year ended September 30, 2009

CDA stock options granted to and exercised by the ten leading employees (non-officers)	Total number of options granted or exercised	Weighted average price in €	Plan n°
CDA stock option grants during the FY by CDA, or by any other company in the option-grant scope, to the ten leading employees (non-officers) of CDA and of any other company in this scope with the highest number of stock options	17 100	23.17	12
Stock options of CDA and the aforementioned companies exercised during the FY by the ten leading employees (non-officers) of CDA or the other companies with the highest number of stock options	none	-	-

4.5. Performance shares granted to the ten leading employees (excl. corporate officers) during the financial year ended September 30, 2009

	Total number of shares awarded	Unit share value in € according to the method used for the consolidated financial statements	Plan n°.
Grant of free CDA shares to the ten leading employees (non-officers)			
Grant of free CDA shares during the FY by CDA, or any other company in the free-share scope, to the ten leading employees of CDA and any other company in the scope with the highest number of free-share grants (initial grants)	5 000	21.745	12

4.6. Employee profit-sharing and stock-ownership agreements

The policy of the Compagnie des Alpes Group is to link employee profit-sharing to the performance of the Group's companies.

As of September 30, 2009, all French companies of the Group that operated Ski Areas as well as Leisure Parks had an employee profit-sharing or stock-ownership agreement in force.

The agreements are negotiated on the individual-company level.

CDA, CDA-DS, and Les Productions du Parc entered into employee profit-sharing agreements.

Total amounts paid by the Group for profit sharing and stock ownership are as follows:

in € thousands	2006/2007	2007/2008	2008/2009
<u>Profit sharing</u>	<u>2 621</u>	<u>4 546</u>	<u>5 130</u>
<u>Stock ownership</u>	<u>2 518</u>	<u>4 274</u>	<u>4 468</u>
<u>Total</u>	<u>5 139</u>	<u>8 820</u>	<u>9 598</u>

5. Special report of the statutory auditors concerning regulated agreements

(period from December 19, 2008, to September 30, 2009)

Dear Shareholders,

As statutory auditors of the Company, we hereby present to you our report on regulated agreements and commitments.

Agreements and commitments authorized during the financial year

In accordance with Article L. 225-88 and L. 225-40 of the Commercial Code, we have been informed of agreements and commitments that were given prior authorization by the Supervisory Board (period from December 19, 2008, to March 19, 2009) and by the Board of Directors (period from March 19, 2009, to September 30, 2009).

It is not our duty to seek the existence of other agreements and commitments, but to communicate to you, on the basis of the information provided us, the basic features and procedures of those agreements and commitments of which we have been made aware, without commenting on their utility or validity. It is your responsibility, in accordance with the terms of Article R. 225-58 and R 225-31 of the Commercial Code, to evaluate the objectives that underlie the conclusion of these agreements and commitments in view of their approval.

For this mission we have applied due diligence that we consider to be in compliance with the professional standards of the French statutory auditors' association (*Compagnie Nationale des Commissaires aux Comptes*). This due diligence consisted of verifying the consistency of the information provided us with the information in the financial statements from which the information was taken.

Agreement for write-off in favor of Pleasurewood Hills Ltd.

The Company agreed to write off €2,300,000 in favor of its subsidiary Pleasurewood Hills Ltd., subject to a better-fortunes clause (clawback mechanism) until September 30, 2014.

Board of Directors of March 19, 2009.

Agreements entered into with the Caisse des Dépôts (CDC) as part of the Bioscope restructuring plan

In the Bioscope restructuring plan, the memorandum of understanding entered into between the Company and CDC resulted in:

- the Company's sale to CDC of 51% of SMVP. The principal features of the disposal contract are:
 - The total transaction price based on the Company's net situation at September 30, 2009, including a price-adjustment clause, according to the financial statements certified and approved by the SMVP shareholders' meeting. The disposal price recognized on the basis of the estimated net situation at September 30, 2009, comes to €1.55 million.
 - The absence of a guarantee on the value of certain liabilities, except for a two-year guarantee covering 51% of the costs pertaining to a possible questioning or recall of subsidies received by SMVP as part of the public-service delegation.

The Company's purchase from CDC of 3% of EBG (EcoBioGestion) for €1.

The terms of the disposal and acquisition are detailed in the off-balance-sheet commitments found in §1.24.6 of the notes to the financial statements of the parent company.

Individual directors concerned: Alain Quinet and Eric Flamarion.

Board of Directors of March 16, 2009.

Agreements and commitments approved in prior financial years and continued in FY 2008–2009

The adherence of Dominique Marcel, the newly appointed Chairman of the Management Board (now Chairman and Chief Executive Officer), to a pension plan combining defined contributions and defined benefits.

As newly appointed Chairman of the Management Board (from October 14, 2008, to March 19, 2009), then as Chairman and Chief Executive Officer (since March 19, 2009), Dominique Marcel continues to be covered by a Group complementary retirement scheme for Group executive management. This insurance policy comprises a defined benefit plan and a defined contribution plan.

The benefit obligation at September 30, 2009, was €27,000.

Setting of indemnity for breach of contract for Dominique Marcel, newly appointed Chairman of the Management Board and now Chairman and Chief Executive Officer.

In case of loss of his term of office, the Chairman and Chief Executive Officer shall receive, under specific conditions, a departure bonus subject to terms of individual and Group performance. This bonus shall be no more than twice the annual compensation basis.

The procedures for activating and determining this bonus before and after September 30, 2011, are detailed in §6.2.1. of the report of the Chairman of the Board, prepared in conformity with Article 225-37 par. 6 of the Commercial Code.

Compensation of the outgoing Chairman of the Management Board

The employment contract of September 1, 2002, for outgoing Management Board Chairman Jean-Pierre Sonois calls for the Company to pay €133,000 (including benefits in kind and excluding the employer's share of payroll taxes).

Pension scheme for former members of the Management Board (now Managing Directors and Deputy Managing Directors)

The former members of the Management Board (now Managing Directors and Deputy Managing Directors) benefit from a Group insurance policy comprising a defined-benefit plan and a defined-contribution plan. As of September 30, 2009, the benefit obligation was €160,000 (excluding the Chairman).

Staff lending between the Caisse des Dépôts and the Company

The Company concluded an agreement with Caisse des Dépôts, effective October 1, 2008, regarding the part-time assignment of a Caisse des Dépôts manager as special consultant to the Chairman of the Company for the development of Bioscope. As part of this agreement, the Company undertakes to reimburse Caisse des Dépôts for 50% of all wages and payroll taxes for this individual.

Total FY costs for staff lending came to €67,000 for the Company. This agreement expired on March 31, 2009.

Licensing agreement with Caisse des Dépôts

The Company entered into a licensing agreement with Caisse des Dépôts for use of the names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts." As consideration, Compagnie des Alpes pays an annual fee of 0.2% of consolidated annual sales (excl. taxes), weighted according to the percentage of share capital held by Caisse des Dépôts in Compagnie des Alpes as of January 1. The resulting expense for the Company for the financial year is €452,000.

Brand licensing agreement with Musée Grévin

The Company is subrogated for the rights and obligations of Grévin & Cie. under the brand licensing agreement with Musée Grévin. Musée Grévin has granted the Company for an undetermined duration the nonexclusive operating license for the Grévin brand, and authorizes it to use the term "Grévin," alone or with other words, as an official name, commercial name, and trademark.

The annual expense for this is €15,000 and is invoiced in full to Grévin & Cie.

Courbevoie and Neuilly-sur-Seine, January 28, 2010

The statutory auditors

Bruno Tesnière
PricewaterhouseCoopers Audit

Christine Dubus
Mazars

6. Internal control

Report of the Chairman of the Board of Directors of Compagnie des Alpes – financial year ended September 30, 2009 (Article 225-37 par. 6 of the Commercial Code)

On March 19, 2009, the Shareholders' Meeting adopted a new form of corporate governance, with Compagnie des Alpes becoming a *société anonyme* with a Board of Directors.

In accordance with the provisions of Article L. 225-37 of the French Commercial Code, the Chairman of the Board of Directors reports in this Board-approved document on: 1. the composition of the Board and the conditions for the preparation and organization of its work (section I); 2. Board-approved principles and rules for setting remuneration and benefits of all kinds for corporate officers (section II); and 3. Company procedures for internal control and risk management (section III).

As decided at the Supervisory Board meeting of December 16, 2008, and stated in a press release on December 20, 2008, our Company follows a corporate governance code drawn from the consolidated joint reports from AFEP and MEDEF of October 2003, January 2007, and October 2008 (AFEP-MEDEF Code). This code is available at www.code-afep-medef.com.

The change in corporate governance during the last financial year had no impact on the Compagnie des Alpes' adherence to the Code. The Company even took advantage of this occasion to review regulatory and corporate-governance changes.

In compliance with Paragraph 2 of Article L. 225-37 of the Commercial Code, this Annual Report specifies which provisions of the AFEP-MEDEF Code have been set aside and explains why.

6.1. The composition, preparation, and organization of Board work

6.1.1. The Compagnie des Alpes Corporate Governance Charter

Compagnie des Alpes was created within the group Caisse des Dépôts – Développement (C3D), which remained the majority shareholder until May 13, 2004, date of CDA's privatization. Since then CDA's shareholders have been diverse, including no majority shareholder in capital or voting rights.

These developments led management, with the support of the principal shareholders, to renew CDA's governance, as made necessary by (i) its internal organization (two-tier board), (ii) its status as a listed company (with respect to national and international developments in "corporate governance"), and (iii) the absence of a majority shareholder.

Internal regulations were adopted on May 27, 2004, after the company's privatization, and entered into force after the General Shareholders' Meeting of July 5, 2004, under the title "Corporate Governance Charter" ("Charte de Gouvernement d'Entreprise") or "Charter." They completed the bylaws, defined the principles for Supervisory Board composition (subject to decisions of the General Shareholders' Meeting) and operating rules, and organized the Supervisory Board's relations with the Management Board, with the Company operating as a *société anonyme* with Supervisory and Management Boards.

A first revision of the Corporate Governance Charter took effect on October 1, 2007. It adapts the former charter to changes in stock ownership after the acquisition of stakes in the companies STVI, SERMA, DSV, and DSR, and to changes in the general context for corporate governance.

When the Company became a *société anonyme* with a Board of Directors on March 19, 2009, the Charter was again amended.

The change in corporate governance made necessary an adaptation, rather than a modification, of the Corporate Governance Charter, which was drawn up following a minimalist approach to adapting the existing Charter.

The Corporate Governance Charter now constitutes the internal regulations of the Board of Directors (and no longer of the Supervisory Board). It no longer governs relations between the Supervisory Board and the members of the Management Board, but rather those between the Board of Directors and the members of executive management, whether corporate officers or not, namely the Chairman and Chief Executive Officer, the Associate Managing Directors, and, since October 1, 2009, the Deputy Managing Director.

The new Charter does not modify the principles governing the composition of the Board (subject to changes made after the close of FY 2008-2009 because of the disposal by Compagnie Européenne de Loisirs of its shareholding, presented below), the rules for Board votes, or the main approval powers prior to certain executive management decisions by the Board.

The adaptation of the Charter, whose consolidated version of December 2008 strives to meet standards of the AFEP-MEDEF Corporate Governance Code for listed companies ("the AFEP-MEDEF Code"), also takes into consideration the regulatory and contextual changes in terms of governance. In particular,

- The Charter provides for assessment of the Board and determines the procedures.
- The qualification criteria for Independent Directors are specified, in compliance with the AFEP-MEDEF Code.
- The tasks of Committees are strengthened, particularly those of the Audit Committee, which has become the Audit and Finance Committee.

The complete version of the Charter is available on the CDA website:

www.compagniedesalpes.com (click on "Groupe" and then "Organisation").

6.1.2. Procedures for the exercise/limitations of executive management powers

Since March 19, 2009, Compagnie des Alpes has been run by a Board of Directors.

On the same day, the Board of Directors decided that the Company's executive management would be assumed and overseen by the Chairman of the Board of Directors, who would assume the title of Chairman and Chief Executive Officer.

This is subject to (i) powers that the law or bylaws attribute expressly to shareholders' meetings; (ii) powers reserved exceptionally for the Board of Directors; and (iii) the fact that, by provisions of the Charter, the Chairman and Chief Executive Officer is vested with extensive powers to act in any circumstances on behalf of the Company, within the limits of purpose of the Company. The decisions of the Board of Directors that limit the powers of the Chairman and Chief Executive Officer cannot be appealed to third parties.

In compliance with Article 13.3 of the bylaws, the Board of Directors may, at the suggestion of the Chairman and Chief Executive Officer, appoint deputy managing directors (the "Deputy Managing Directors").

The Chairman and Chief Executive Officer may also appoint associate managing directors (the "Associate Managing Directors") to whom he may, in the name and on behalf of the Company, delegate powers concerning one or more specific purposes. He shall consult the Board of Directors on the appointment, remuneration, and definition of functions of the persons he intends to appoint as Associate Managing Directors.

When Deputy Managing Directors and/or Associate Managing Directors are appointed, the provisions of the Charter concerning the Chairman and Chief Executive Officer shall apply to them.

Certain decisions made by the Chairman and Chief Executive Officer concerning the Compagnie des Alpes Group cannot be adopted, and certain actions or commitments concerning the Group cannot be concluded by the Chairman and Chief Executive Officer, if they have not received prior approval or been given proxy by the Board of Directors.

These restrictions to power are specified in Article II.2.3. of the Charter.

In addition, in accordance with legal provisions and Article 13.4 of the new Company bylaws, the Board of Directors authorizes the Chairman and Chief Executive Officer—with option for subdelegation to agent(s) who shall report to him—to attribute sureties, endorsements, and other guarantees, within the limit of €15 million.

6.1.3. The composition of the Board and Committees

Principles of the CDA Corporate Governance Charter concerning the composition of the Board and Committees until December 15, 2009.

For FY 2008-2009, the composition of the Board of Directors and its Committees followed several principles that, subject to a few minor modifications, also governed the composition of the Supervisory Board until March 19, 2009. (These principles will be amended after the close of FY 2008-2009, cf. infra.)

Principles of composition of the Board (until December 15, 2009)

Principle 1: On the basis of guidelines from the Appointments and Remuneration Committee, the Board of Directors proposes to the Ordinary Shareholders' Meeting of Compagnie des Alpes a list of candidates chosen in accordance with the Charter's principles because of the skills and expertise that they could contribute to the work of the Board of Directors.

Principle 2: The composition of the Board of Directors reflects the shareholder structure, is limited to 10 members, and may be summarized as follows:

Shareholding (voting rights held by a shareholder acting alone)

Number of directors representing or designated by the shareholder

Category A	< 5%	Possible but not guaranteed (Principle 3)
Category B	Greater than or equal to 5%	One Director
Category C	Greater than or equal to 10%	Two Directors
Category D	Greater than or equal to a third	Four Directors, incl. the Chairman and Chief Executive Officer

Principle 3: Set Number of Members

Barring a decision of the General Shareholders' Meeting, which holds the ultimate authority, the Board of Directors shall be composed of twelve members, including two independent directors.

Principle 4: Representation of shareholders in the event that a threshold is crossed during the term

(a) Except in case of a vacancy, in order to respect the Set Number of Members (Principle no. 3), a shareholder exceeding the thresholds mentioned in Principle no. 2, above gains the right to demand the designation of a person chosen by him, in accordance with Principle no. 2, on the date of the first total or partial renewal of directors after the threshold is exceeded.

The shareholder in question may nevertheless ask the Board of Directors to appoint a nonvoting member, chosen ahead of time by the shareholder. The nonvoting member shall attend meetings of the Board of Directors under conditions stipulated in the bylaws and the Charter.

(b) Inversely, shareholders falling short of one of the thresholds mentioned in Principle no. 2, above, shall not immediately be held responsible for adjusting their representation on the Board of Directors. The adjustment shall nevertheless take place during the first total or partial renewal of directors after the shortfall, unless that shortfall results from shareholders' having put all or part of their stake at the third party's disposition. In that case, their representation shall, if necessary, be adjusted in favor of any shareholder in the situation described at (a), above.

Should the preceding prove difficult to apply, the Appointments and Remuneration Committee shall present its recommendations to the Board of Directors or propose suggestions in accordance with the Set Number of Members and this Principle no. 4.

Principle no. 5: Resolution of Conflicts between Principle no. 2 and Principle no. 3

After a threshold is exceeded as discussed in Principle no. 2, either hypothetically or by application of Principle no. 2 itself, the number of category-B, -C, or -D candidacies put forward by shareholders for the subsequent partial or total renewal of Supervisory Board members would exceed ten (excluding independent directors) through application of the abovementioned rules:

(i) representative slots resulting from Principle no. 2 shall be filled first for category D, then for category C, and finally for category B;

(ii) for categories in which the number of legitimate candidacies provided for by Principle no. 2 could not be maintained after application of the priority mechanisms mentioned above, as required by the Set Number of Members (Principle 3), the Appointments and Remuneration Committee shall present the Board of Directors with recommendations and suggestions (including, if necessary, the alternation of member/nonvoting member) in accordance with said Set Number of Members;

(iii) the Board of Directors shall then provide the General Shareholders' Meeting with a list of candidates chosen in accordance with the Charter's principles. The Board shall strive to preserve equitable representation, weighing the respective stakes of the shareholders concerned and abiding by the Set Number of Members.

The same principles shall apply should the Set Number of Members be exceeded when shareholders pass from one category (as mentioned in Principle no. 2, above) to another.

Principle no. 6: Designation of other independent directors

Should the application of the above Principles not permit the designation of ten members in accordance with Principle 2, vacant posts shall be filled by other independent directors that meet the criteria defined by the Charter.

Principle no. 7: Increasing the number of directors

Should CDA's shareholders decide at the General Meeting to make an exception to the Set Number of Members (Principle no. 3) and increase the number of directors (notably in application of Articles L. 225-23 and L. 225-27

and subsequent articles of the Commercial Code), the Charter shall immediately be amended as indicated in V.1 below, so as to adapt accordingly the aforementioned Principles 1 to 6.

Principle no. 8: Appointment of the Chairman of the Board of Directors

The Chairman of the Board of Directors is appointed from among the members representing (or appointed by) the principal shareholder (i.e., a person and the companies controlled by said person in terms of Article L. 233-3 of the Commercial Code, excluding any third party with which the person acts together without controlling it).

Principles of composition of Committees (until December 15, 2009):

The Strategy Committee comprises six (6) members, including (i) an independent director, (ii) two directors representing or designated by the largest shareholder, (iii) two directors representing or designated by the second-largest shareholder, and (iv) a director representing or designated by the third-largest shareholder.

The Chief Executive Officer is one of the directors, and also fulfils his legal role as Chairman.

The Audit and Finance Committee includes three directors, including an independent director and two nonexecutive directors.

The Appointments and Remuneration Committee comprises four members, including two independent directors (one of whom is the committee's chairman), and two nonexecutive directors designated respectively by the two largest shareholders.

Definition of independent directors

In accordance with the principles and best practices of corporate governance as stated in the Charter, the Board of Directors and the Committees are composed of independent directors elected or appointed as such. To be eligible for the status of independent director, a person (whether a director on his/her own behalf or a representative of a corporate director) must be competent and independent.

a. Competence: An independent director shall have the relevant experience and competence necessary to fulfill his/her functions on the Board of Directors and on any Committees on which he/she might serve. Independent directors should in particular be "active, present, and involved," in accordance with AFEP-MEDEF Code.

b. Independence: An independent director must possess a certain number of qualities of independence vis-à-vis the shareholders of Compagnie des Alpes and the Compagnie des Alpes Group. Independent directors shall strive in all circumstances to maintain their independence in making judgments and decisions as well as in action. They must not be swayed by any factor lying outside the corporate interests that have been entrusted to them;

c. Review of candidacies for independent director should ensure that candidates, in their professional activity, do not and will not be tempted to maintain any relations with Compagnie des Alpes, the CDA Group, or its shareholders that could compromise the liberty of their judgment; to evaluate these criteria, the objective characteristics below (inspired by AFEP-MEDEF Recommendations) may be taken into account. They should not constitute automatic cause for exclusion, either individually or collectively:

- **(a)** may not be an employee or corporate officer (other than director) of Compagnie des Alpes, may not be an employee of one of its subsidiaries, may not be an employee and/or director of a Compagnie des Alpes shareholder with a stake of greater than five percent (5%), nor over the previous five years,
- **(b)** may not have been a director of Compagnie des Alpes for more than twelve years,
- **(c)** may not be a corporate officer in a company in which Compagnie des Alpes has direct or indirect board representation or in which an employee designated as such or a CDA corporate officer (at present or within the past five years) holds a board seat,
- **(d)** may not be a client, supplier, commercial or investment banker for the CDA Group or for which the CDA Group represents a considerable proportion of business,
- **(e)** may not have a close family link with a senior manager from a CDA Group company,
- **(f)** may not have been the auditor of a CDA Group company in the previous five years.

d. The duration of five years aimed for in (a) and (c) above does not disqualify independent directors who performed, prior to their designation as such, duties as independent directors on the former Supervisory Board of the Company or as independent directors in a management body of a CDA Group company or of a CDA shareholder with a stake of greater than five percent (5%) of CDA capital.

e. The qualification of independent director is regularly assessed by the Board of Directors, following the guidelines of the Appointments and Remuneration Committee.

Other rules concerning directors

Age limit: The new bylaws adopted by the Shareholders' Meeting of March 19, 2009, also established a new rule concerning the age limit for directors that is more consistent with new regulations on retirement age. At least two-thirds (2/3) of the Board members must be less than seventy (70) years of age, compared with 68 previously.

Term of office: According to the new bylaws, the term of office of directors has been shortened to four (4) years, in compliance with the AFEP-MEDEF Code.

Shareholdings in the capital of the Company: The bylaws provide for each director to hold at least one registered share throughout the duration of his/her duties.

Composition of the Board and Committees during FY 2008-2009

The composition of the Board of Directors during FY 2008-2009 was in accordance with the rules established by the version of the Charter then in force.

The Board was thus composed of 12 directors, with ten directors who reflected the diversity of the capital structure and two independent directors.

Shareholder	Category	Number	Members
Caisse des Dépôts (CDC)	D	4	Dominique Marcel, Chairman and CEO Alain Quinet Francis Szpiner CDC, represented by Eric Flamarion
CEL (IPE Group)	C	2	Philippe Nguyen CEL, represented by François Nicolay
Sofival	B	1	Bernard Blas, Vice-Chairman
Crédit Agricole des Savoie (CADS)	B	1	CADS, represented by Jean-Yves Barnavon
Caisse Nationale des Caisses d'Épargne	B	1	CNCEP, represented by Olivier Klein
Banque Populaire des Alpes (BPA)	A	1	BPA, represented by Pascal Marchetti
Independent Members		2	Jacques Maillot Gilles Chabert

This composition, as well as the list of terms of office and duties of members of the Board, is detailed in section 2.2 of chapter V. The composition of Committees is also described.

The 12 directors were appointed by the Shareholders' Meeting of March 19, 2009, for a term of four (4) years, which will expire at the Ordinary General Meeting of Shareholders in 2013 requested to approve the financial statements for the financial year closed September 30, 2012.

It should be noted that Barnard Blas, Vice Chairman of the Board, is the father of Jean-François Blas, member of the Management Board until March 19, 2009, then Associate Managing Director. With this exception, there are no family links among the Board members and the members of executive management.

Change in the composition of the Board and Committees after September 30, 2009

On October 1, 2009—after the close of the financial year and following the sale by Compagnie Européenne de Loisirs (CEL) of its stake in Compagnie des Alpes—CEL and Philippe Nguyen offered their resignation to the Board.

Under the provisions of its tasks, the Appointments and Remuneration Committee was asked to propose qualified candidates to replace the departing directors.

Because of the impossibility of proposing two replacement directors, whether designated or representing a category C shareholder, the Appointments and Remuneration Committee was also asked to propose new principles concerning the composition of the Board and Committees.

On December 15, 2009, in application of the aforementioned principle 6 and at the suggestion of the Appointments and Remuneration Committee, the Board of Directors appointed two additional independent directors, Rachel Picard and Giorgio Frasca. These appointments by co-optation are subject to approval by the next Shareholders' Meeting.

At the proposal of the same Committee, the Board of Directors decided to amend certain rules governing the composition of the Board and Committees.

The Board now has four (4) independent directors, i.e., one third of its members.

The complete version of the amended Charter will be presented to shareholders at the next General Meeting.

[Provisions of the AFEP-MEDEF Code not retained by the Company](#)

The composition of the Board of Directors

Article 8.2 of the AFEP-MEDEF Code states that the proportion of independent directors must be at least one-third for companies with controlling shareholders and one-half for other companies.

At September 30, 2009, the CDA Board of Directors comprised 12 directors, with only two independent directors.

The aim of the guidelines concerned was to prepare for possible conflicts of interest with a majority shareholder, should one exist, or otherwise to take into consideration the interests of smaller shareholders.

The Company therefore preferred to substitute a mechanical rule, based on a quota of independent members, of representation of all shareholders with more than 5% of CDA capital.

Besides ensuring the presence of two entirely independent members, this democratic way of representing Company shareholders in general also permits the representation of the Company's six principal shareholders, which together, but without specifically agreed common action, own more than three-fourths of the Company. It is also specified that none of the six holds a majority on the Board.

Nevertheless, the composition of the Board changed after the close, as mentioned above. The appointment of two additional directors, in compliance with the principles of composition in the Charter as amended on December 15, 2009, brings the number of independent directors to one third of the total. This also meets AFEP-MEDEF guidelines, given the new shareholder structure and the presence of a majority shareholder.

The composition of the Committees

The AFEP-MEDEF Code recommends that the various Committees of the Board contain a certain fraction of independent directors, namely:

- two thirds for the Audit Committee (Art. 14.1)
- the majority for the Remuneration Committee (Art. 15.1)

During the financial year ended September 30, 2009, the Company's Audit and Finance Committee comprised three members, including one independent; the Appointments and Remuneration Committee was composed of four members, including two independents.

It turns out that that the AFEP-MEDEF guidelines for these matters were not strictly applied; independent directors were not the majority in either of the Committees.

This composition was directly influenced by the idea of shareholder representation, which determined the composition of the Company Board.

Consequently—and in compliance with prior recommendations—the Company's Corporate Governance Charter provided for the inclusion of only two members strictly qualified as independent (nonshareholders). In 2008-2009, both of them were on the Appointments and Remuneration Committee, on which one of them was chairman.

Nevertheless, since the principles of composition were amended in December 2009, the Appointments and Remuneration Committee now has three independent directors (including the chairman) out of a total of four, in accordance with the AFEP-MEDEF guidelines.

Shareholding by Supervisory Board members

In principle, Article 17 of the Code requires Board members to own a "relatively large number of shares."

Company bylaws require that they own only one share. At this time additional requirements are not considered useful, because other rules exist to ensure the fair representation of Company shareholders in the Board.

Over the last financial year, Dominique Marcel, Chairman and Chief Executive Officer, bought 2,400 CDA shares in several transactions declared separately to the Autorité des Marchés Financiers, in compliance with Article L. 621-18-2 of the Monetary and Financial Code.

6.1.4. Conditions for the preparation and organization of the Board's work

The Chairman—or, in the Chairman's absence, the Vice Chairman—convenes the Board and steers the debate.

The Chairman of the Management Board sets the agenda in consultation with members of executive management. Except in emergencies, the agenda is sent to Supervisory Board members at least five days before the meeting. A kit detailing the agenda's topics, and prepared by the Management, is supplied before the meeting.

A draft of the minutes is submitted to Board members for comment. The final minutes are approved at the next meeting.

The Board of Directors is assisted by three permanent Committees, whose composition in the financial year ended September 30, 2009, may be found in section 2.3. of chapter V, and whose tasks and method of functioning are specified in the Corporate Governance Charter in the version then current.

- The Strategy Committee, whose tasks—reinforced by the new Charter adopted on March 19, 2009—include the assessment of strategic goals, the creation of guidelines for strategic goals and external development, the consolidated annual budgets, the capital expenditure programs, and the dividend policy. The Committee also provides a control function for Company commitments for which prior Board deliberation is required.
- The Audit and Finance Committee (formerly the Audit Committee), whose responsibilities were also reinforced, under the impact particularly of the ordonnance of December 8, 2008, in application of the 8th European Directive. The Audit and Finance Committee has the primary mission of assessing financial statements and examining the performance of the internal control system, the identification methods, and risk management. It assesses the procedures of the statutory auditor, for which it validates the selection process at the time of mandate renewal.
- The Appointments and Remuneration Committee. Its missions were redefined and specified when the new Charter was adopted and aligned with the AFEP-MEDEF Code. They comprise the formulation of all guidelines and propositions concerning (i) the appointment of directors; (ii) the appointment, dismissal, and remuneration of the Chairman and Chief Executive Officer and, as appropriate, the Deputy Managing Directors; and (iii) the general policy for granting stock options and/or performance shares in the Group. The Appointments and Remuneration Committee is also informed of the remuneration policy of the Group's principal managers who are not corporate officers, and may issue its opinion on this subject. It is responsible, with the Chairman and Chief Executive Officer, for drafting proposals for the implementation of corporate governance principles, and for preparing the assessment of Board work.

The appropriate Committee must be consulted before any Management Board vote on issues falling within said Committee's competence. Voting may not be completed until the Committee has submitted its recommendations or proposals.

However, if (i) one of the Committees has voted against a project under consideration, or (ii) the concerned Committee has been unable to meet or to vote, a qualified majority of eight-twelfths (8/12) of the directors present or represented shall be required to adopt the decision regarding said project.

The consultation of Committees may not serve the purpose of delegating to them powers that the law or Company bylaws attribute to the Board of Directors or to executive management.

In conformity with CDA bylaws, and under the conditions stipulated above, Management Board decisions are made by simple majority of the members present, each member having one vote. The Chairman's vote breaks all ties.

In its implementation of the new Charter (Article II.2.5. of the Charter), the Board recorded in its internal regulations an assessment mechanism for operations, as recommended by the AFEP-MEDEF Code.

This assessment by the Board of its capacity to meet shareholder expectations has three objectives: (i) to observe afresh the Board's operating procedures; (ii) to verify that the important questions are sufficiently prepared and discussed; (iii) to measure the real contribution of each director to the work of the Board and Committees of which he/she is a member, based on individual skills and involvement in the deliberations.

On the recommendations the Appointments and Remuneration Committee issued in consideration of the modifications under way in the composition of the Board, the Board decided to defer the assessment of its operations until the first half on 2010.

During the last financial year, the Supervisory Board of Compagnie des Alpes convened twice during the period from October 1, 2008, to March 19, 2009. The Board of Directors that succeeded it convened three times between the Shareholders' Meeting of March 19 and the end of the financial year.

Over the entire year the Strategy Committee convened five times, the Audit Committee (which became the Audit and Finance Committee on March 19, 2009) two times, and the Appointments and Remuneration Committee four times.

The average attendance rate of Board members at Board and Committee meetings was 86%. Attendance for independent directors at Board and Committee meetings was 100%.

Also attending the Board meetings were the representatives of the Works Council and the Company auditors for the adoption of the half-year and annual financial statements.

The Board Committees were regularly referred to for matters pertaining to their areas of expertise, and the Board followed their recommendations.

During the financial year, the Board of Directors:

- examined the strategy behind and changes in Group organization
- examined the annual corporate and consolidated financial statements at September 30, 2008, the management report, and the statutory auditors' reports
- examined the budget for financial year 2008-2009
- set the indemnity for breach of contract in the event that the term of corporate office of the Chairman of the Management Board is terminated
- validated the departure conditions for Jean-Pierre Sonois
- issued a declaration of adherence to the AFEP-MEDEF Corporate Governance Code
- approved the report of the Chairman of the Board provided for in Article L. 225-68 par. 6 in the Commercial Code
- authorized new plans for stock options and bonus shares
- remunerated Management Board members
- changed the governance of Compagnie des Alpes
- prepared for the General Meeting of Shareholders and resolutions for voting

The Board of Directors then addressed the following:

- establishment of executive management: operating procedures, appointment of the Chairman and Chief Executive Officer, and determination of his remuneration,
- entry in force of a new Corporate Governance Charter
- permanent authorizations and delegations accorded the Chairman and Chief Executive Officer
- acquisition and asset-arbitrage operations
- examination of half-year consolidated financial statements at March 31, 2009, and the half-year financial report
- recognition of the capital increase following the option to pay the 2008 dividend in shares
- restructuring process
- restructuring the Bioscope plan
- change in shareholdings of Swissalp (Téléverbier, Saas Fee Bergbahnen)
- appointment of a Deputy Managing Director

The information, documents, and details required by Board and Committee members to carry out their missions were provided with great transparency by executive management.

A formal evaluation of Board and Committee operations, which could be overseen by an independent director with the help of an outside consultant, shall be performed at least once every three years.

6.1.5. Internal control

In addition to ensuring the presence of two entirely independent members, the Company has taken an approach to shareholder representation on the Board that allows representation of the Company's major shareholders that together, but without specifically agreed common action, own more than three-fourths of the Company. None of these shareholders may hold a majority on the Board.

Caisse des Dépôts, which owns 39.5% of CDA and fully consolidates it in its consolidated financial statements, has only four seats out of a total of 12 on the Board, one out of three on the Audit and Finance Committee, one out of four on the Appointments and Remuneration Committee, and two out of six on the Strategy Committee (1).

To the Company's knowledge, with the exception of the agreement mentioned in section 2 of chapter VI (an agreement that expired during the financial year), there exists no agreement or commitment binding one or more shareholders or whose implementation could at some future date affect control of the Company.

6.1.6. Participation in the General Shareholders' Meeting

Shareholders participate in the Company's General Meeting under conditions provided for by law and the provisions of Articles 14 to 18 as amended on March 19, 2009 in particular Article 15, of the Company bylaws.

6.1.7. Factors likely to be important in the event of a takeover offer

The information to which Article L. 225-100-3 of the Commercial Code applies may be found in this annual report:

- shareholder structure of the Company: chapter VI/3
- statutory restrictions on the use of voting rights and on share transfers or contractual clauses of which the Company is made aware in accordance with Article L. 233-11: chapter V-2.4 and chapter VI-2
- direct or indirect shareholdings in Company capital of which it is aware in accordance with Articles L. 233-7 and L. 233-12: chapter VI-3.2
- applicable rules for the appointment and replacement of members of the Board of Directors and Management Board, and for changes in Company bylaws: chapter V/6.1.3 and chapter V-2.4
- powers of the Board of Directors and Management Board, particularly the issue and purchase of stock: chapter VI, section 3
- agreements providing for indemnities for members of the Board of Directors, Management Board, and employees if they resign or are dismissed without effective or serious cause, or if their employment is terminated because of a public offer: chapter VI, section 6

Concerning agreements concluded by the Company that may be amended or terminated in the event of a change in control of the Company, three contracts or types of contracts that include an ownership clause have been identified:

- the syndicated loan contract, which contains an ownership clause found in the Appendix to the consolidated financial statements (chapter III, note 5.15.4.)
- the licensing agreement for use of the corporate names "Caisse des Dépôts et Consignations" and "Group Caisse des Dépôts," which CDC has the right to terminate in the event that Compagnie des Alpes ceases to be a part of Groupe CDC
- certain concession contracts providing for various types of clauses for change in proxy control (mainly related to the shareholding of Groupe Caisse des Dépôts), which require the prior approval of the granting authority)

6.2. Principles and rules for setting the remuneration of corporate officers

Setting the remuneration of former members of the Management Board was the responsibility of the Supervisory Board for the period until March 19, 2009. Since then the Board of Directors has been responsible for setting the remuneration of the Chairman and Chief Executive Officer and any Deputy Managing Directors designated in the new governance plan.

The Board abides by the advice and recommendations of the Appointments and Remuneration Committee.

6.2.1. Remuneration of the members of the Management Board and the Chairman and Chief Executive Officer

Remuneration of members of the Management Board (whose terms of office ended March 19, 2009)

The remuneration of managers who, until March 19, 2009, performed duties as members of the Management Board, as determined by the Supervisory Board, comprised a fixed part and a variable part, varying from 0% to 40%, depending on qualitative and quantitative criteria designed to put the Company's general interests first.

To determine the fixed part of remuneration, beneficiaries' personal qualities, the size of the Group, and the pay scale for senior management of CDC Group to which the Company is associated are taken into consideration.

The Supervisory Board of December 22, 2008, following the conclusions of the Appointments and Remuneration Committee, approved for each member of the Management Board an annual variable remuneration of 39.2% for FY 2007-2008, based on assessment of qualitative criteria and on the application of quantitative criteria determined previously for the same financial year, as mentioned in the 2008 reference document, page 134.

For FY 2008-2009, the Supervisory Board of January 22, 2009, decided that the variable part of each Management Board member's remuneration would be set in accordance with the following provisions:

- 0 to 20% depending on qualitative criteria concerning commitments taken to optimize Group organization, to reduce Group debt, and to meet business-segment targets
- 0 to 10% depending on EBITDA for the financial year, in terms of achieving budget objectives
- 0 to 10% depending on free cash flow at September 30 of the financial year, in terms of achieving budget objectives

Former members of the Management Board also received, and continue to receive:

- benefits in kind, in the form of a company car
- a Group insurance plan composed of payments to a defined benefit plan and payments to a defined contribution plan, in application of Article L. 911-1 of the Social Security Code (details of this contract may be found in chapter V).

Performance shares, proportionate to and in accordance with requirements approved by the Supervisory Board.

The members of the Management Board did not receive directors' fees for terms of office performed in Group companies.

Remuneration of the Chairman and Chief Executive Officer (since March 19, 2009) and of the Deputy Managing Director (since October 1, 2009)

On March 19, 2009, in the framework of the new corporate governance system and of the new duties as Chairman and Chief Executive Officer entrusted to Dominique Marcel, the Board of Directors decided to maintain the system of remuneration previously approved by the Supervisory Board for his duties as Chairman of the Management Board.

The Board also determined that this remuneration is for the exercise of executive management, and not for chairing the Board, for which there is no specific remuneration. Dominique Marcel does not receive directors' fees.

In addition, on the occasion of his appointment as Deputy Managing Director, effective October 1, 2009, and for said term of office, the Board decided to allot Franck Silvent an annual inclusive payment of €40,000. This payment has no effect on other remuneration for his employment contract, which remains unchanged, nor is it included in the annual compensation basis that is used to determine the indemnity for breach of contract.

No combination of an employment contract with a board appointment

Since October 14, 2008, when he became Chairman of the Management Board, Dominique Marcel has not had an employment contract. This has also been the case since his appointment as Chairman and Chief Executive Officer.

On the other hand, in accordance with AFEP-MEDEF guidelines, the other members of the Management Board did have employment contracts in addition to their board appointments. After this date, the former members of the Management Board will no longer have board appointments but will of course retain their respective employment contracts in the framework of their new duties as Associate Managing Directors.

In addition, and in compliance with AFEP-MEDEF guidelines, Franck Silvent still has his employment contract after being designated Deputy Managing Director, effective October 1, 2009.

Jean-Pierre Sonois, Management Board Chairman until October 14, 2008, also had an employment contract, which continued after the end of his appointment and was terminated by mutual agreement on January 31, 2009.

Absence of excessive departure bonus ("golden parachutes")

Departure bonus for Dominique Marcel, Chairman of the Management Board and now Chairman and Chief Executive Officer

On December 16, 2008, the Supervisory Board, on the unanimous recommendation of the Appointments and Remuneration Committee, defined rules to be applied should the Chairman of the Management Board lose his appointment.

Given the change in corporate governance, the Board of Directors repeated and clarified this commitment that is applicable *mutatis mutandis* to the Chairman and Chief Executive Officer instead and in place of the Chairman of the Management Board.

An indemnity for breach of employment contract shall be paid by the Company to Dominique Marcel under the following conditions:

(a) In case of permanent departure from the Company (with Mr. Marcel remaining neither an employee nor a senior officer of the Company or of any Group companies) after:

- the revocation or nonrenewal of his appointment as Chairman and Chief Executive Officer, except in case of serious misconduct or gross negligence (as defined by the French Employment Code), or
- his resignation within 12 months of a change of control (in which one or more persons, acting alone or together, come to acquire or hold control of the Company in the sense of Article L. 233-3 of the Commercial Code), to the exclusion of any other kind of departure (especially a resignation other than in the case cited above, forced retirement, or *force majeure*).

(b) Payment of an indemnity for breach of employment contract is subject to conditions of individual performance and Group performance. The fulfillment of these performance conditions shall be determined on the date of the appointment's termination as follows:

- condition of individual performance: shall be fulfilled if on average over the previous three ended financial years the average bonus awarded by the Board to Mr. Marcel is superior to 30% of the maximum bonus,
- condition of Group performance: shall be fulfilled if on average over the previous three ended financial years, and on the basis of the consolidated accounts, EBITDA margin is superior or equal to 20% like for like.

These performance conditions shall nevertheless be open to revision by the Board at every term renewal.

(c) The amount of the indemnity for suspension of mandate shall be equal to two times Mr. Marcel's "annual reference salary.»

The "annual reference salary" shall be his last gross annual base salary, including the gross amount of the bonus paid him for the most recent ended financial year, and excluding the amount of benefits in kind, reimbursements for professional expenses, and any financial instruments and stock options granted during that period.

(d) Exceptionally, if the appointment is terminated before September 30, 2011, the indemnity for breach of employment contract shall be set as follows:

- Breach of contract between October 1, 2009, and September 30, 2010: The indemnity for breach of contract, if the individual and Group performance targets have been met, shall be equal to twice the annual base salary averaged over the last financial year and the current financial year, subject to declaration by the Board of Directors of no serious misconduct or gross negligence (as defined by criteria adopted for the French Labor Code),
- Termination falling within the period from October 1, 2010, to September 30, 2011: the indemnity shall be equal to two times the annual reference salary if the individual and Group performance conditions are met after calculation of the averages on the last two ended financial years and if the Supervisory Board finds no evidence of serious misconduct or gross negligence (as defined by the French Employment Code).

However, the indemnity for breach of employment contract shall be definitively acquired only after verification by the CDA Management Board that the above criteria have been met. It shall be considered to include any indemnity due for unjustified revocation.

Departure bonus for other Management Board members (now Associate Managing Directors and Deputy Managing Director)

The employment contracts of Roland Didier, Serge Naïm, and Jean-François Blas, Associate Managing Directors, as well as that of Franck Silvent, Deputy Managing Director, provide for an indemnity to be paid in case of breach of contract by the employer, except in cases of serious misconduct or gross negligence.

This indemnity, based on the same model for all former members of the Management Board, shall be equal to twice the annual reference salary of the beneficiary. The "annual reference salary" shall be the gross annual base salary, including the gross amount of the bonus and excluding the amount of benefits in kind, reimbursements for professional expenses, and any financial instruments granted during that period.

On December 17, 2007, in application of the TEPA (work, employment, purchasing power) law no. 2007-1223 of April 21, 2007, the Supervisory Board specified that payment of the indemnity for breach of employment contract would be subject to individual and Group performance conditions. The fulfillment of these performance conditions shall be determined, by the Supervisory Board, on the date of the breach of contract as follows:

- individual performance condition: shall be fulfilled if the member's annual bonus was paid in full or in part, at least once in the three years prior to the notification of the breach,
- Group performance condition: shall be fulfilled if CDA's overall consolidated earnings during the member's term were positive.

These provisions were approved at the General Shareholders' Meeting of February 21, 2008.

Subject to the case of Franck Silvent, who became a corporate officer on October 1, 2009, subsequent to his appointment as Deputy Managing Director, the loss of board appointments by the members of the Management Board on March 19, 2009, places their indemnities for breach of contract outside the scope of the TEPA law and the AFEP-MEDEF Code. The payment of these indemnities is no longer dependent on the Board's assessment.

Furthermore, the employment contract of Jean-François Blas, member of the Management Board until March 19, 2009, contains a non-compete clause from the protocol conditions, dated October 1, 2007, for the CDA Group's acquisition from Sofival of stakes in STVI, SERMA, Valmorel, and La Rosière.

The purpose of the clause is to protect the Company, which may unilaterally renounce it. It prohibits Jean-François Blas, in the event that his employment contract is terminated, and regardless of the party or reason, from practicing directly or indirectly a profession in competition with that practiced by the CDA Group in the field of ski-area management, with the exception of the La Rosière, Valmorel and Morzine-Avoriaz ski areas. This prohibition shall be limited to the Alpine region in Europe, and shall be applicable for a period of 24 months beginning on the effective date of the breach of employment contract.

As consideration for the non-compete obligation, Jean-François Blas will receive, for the duration of the application of this obligation, a gross monthly indemnity corresponding mainly to 40% of the average gross monthly remuneration received in the 12 months prior to the effective breach of his last employment contract.

The implementation of this clause, if accrued with other provisions for breach of contract concerning the members of the Management Board, would have amounted to total compensation of over two years' remuneration, which is contrary to the AFEP-MEDEF Code.

Because Jean-François Blas is no longer a Compagnie des Alpes corporate officer, this is not applicable.

Breach of employment contract of Jean-Pierre Sonois

Jean-Pierre Sonois resigned as Member and Chairman of the Management Board, effective October 14, 2008.

The Supervisory Board of December 16, 2008, after certifying that the contractual performance conditions required for such an indemnity (as described in the 2008 reference document, page 137) had been met, unanimously authorized payment to Jean-Pierre Sonois of said contractual indemnity, which represents the gross sum of €835,200 and corresponds to two years' remuneration (fixed and variable), as stipulated in his employment contract.

Framework for complementary retirement schemes

On January 17, 2006, the Supervisory Board approved the implementation of a Group insurance policy, comprising payments to a defined benefit plan and payments to a defined contribution plan, in conformity with Article L. 911-1 of the Social Security Code. Its main terms are described in chapter V, section 2, of the Annual Report.

Enrolled in the Group insurance policy are the Chairman and Chief Executive Officer (Board of Directors of March 19, 2009), in the same manner that he was beneficiary as Chairman of the Management Board (Supervisory Board meeting of September 30, 2008, determining all aspects of the Chairman's remuneration), Management Board members (as approved by the General Meeting of Shareholders of February 23, 2006, within the purview of regulated agreements), and Group senior executives and category-CIII executives (about 60 persons).

Setting of complementary rules for stock options and performance shares

For several years, the CDA Group's remuneration and profit-sharing policy for senior executives and employees has included a provision for the annual awarding of stock options, combined since 2006 with a system for awarding performance shares.

Stock options are for the benefit of senior managers. Members of the Management Board also participated in the first three combined plans.

In addition, performance shares were granted to members of the Management Board, to senior managers, and to the principal executives.

The Company and all of its French subsidiaries offer profit-sharing agreements and a Group savings scheme, while the operating subsidiaries offer stock-ownership agreements.

Grants

The Supervisory Board unanimously approved, effective January 22, 2009, the implementation of a new plan granting 44,000 stock options and 13,200 performance shares to members of the Management Board for FY 2008-2009.

Given the economic downturn and the controversial nature of this form of remuneration, the Management Board, following the Chairman's proposal, unanimously voted against the implementation of the stock option part of this new plan for its members, who are corporate officers.

Therefore plan no. 12, in terms of the part "members of the Management Board" for FY 2008-2009, includes only the grant of performance shares, for a total of 13,200 shares.

Performance requirements for the full vesting of shares

All performance shares granted are subject to performance conditions. They are described in chapter V, section 3 (table 6) for members of the Management Board, and in chapter V, section 4 for other recipients.

Management Board members are among CDA's corporate insiders. Therefore, in application of the Financial Markets Code, they may not execute financial operations involving CDA shares (stock options included) when they are in possession of privileged information, as defined in Article 621-1 of the AMF's General Rules.

In addition, senior officers must consult the corporate ethics advisor before exercising their stock options.

Holding period for acquired shares

For the part applicable to members of the Management Board, the combined plans implemented since the entry in force of the law of December 30, 2006 ("Balladur" amendment), provide that:

- 20% of the stocks issued from the exercise of stock options be recorded as registered shares until the Management Board member's term expires,
- 20% of the restricted shares awarded and definitively acquired be recorded as registered shares beyond the holding period, until the Management Board member's term expires.

Acquisition of a quota of additional shares

In accordance with the AFEP-MEDEF Code, the Supervisory Board of January 22, 2009, maintained the principle that performance shares granted to corporate officers should allow for the purchase of a quota of additional shares at the time the granted shares fully vest.

For the most recent plan (plan no. 12), this additional quota of shares is equal to 10% of the shares initially granted and fully vested.

Transparency for all aspects of remuneration

Information on the remuneration of corporate officers, presented in accordance with AFEP-MEDEF Code as specified and completed by the AMF guideline of December 22, 2008, may be found in section 3 of chapter V.

6.2.2. Remuneration of Board members

Except for unusual circumstances, Supervisory Board members (whether members of the previous Supervisory Board or members of the Board of Directors) do not receive any remuneration within the Group other than directors' fees. These are allotted to the Supervisory Board by the General Meeting and are distributed by the Board. Distribution to Supervisory Board members is based on a lump sum per Supervisory Board or Committee meeting actually attended. These aspects are covered in chapter V, section 3, of this reference document.

6.3. Internal-control and risk-management procedures

To enhance its continuous internal control, Compagnie des Alpes relies on the reference framework for internal control published by the AMF in January 2007. For this report, CDA has used the implementation guide for recommendation for small and mid-cap companies published in January 2008.

6.3.1. Internal control (definitions and objectives)

Internal control is a set of procedures implemented by the Group's Management Board, senior executives, and employees. It is designed to provide reasonable assurance that objectives are being met in the following categories:

- reliability of financial information,
- execution and optimization of operations,
- compliance with current law and regulations,
- preservation of Group assets.

To achieve these objectives, the internal-control system seeks to prevent and control the risks inherent in Group activities, especially in regards to personal and environmental safety, the risks of error and fraud, and asset preservation in accounting and financial matters. However, like any other system of control, it cannot absolutely guarantee the elimination of all these risks.

6.3.2. Means of internal control

Charters and procedures constitute the chief means of internal control.

- The Corporate Governance Charter defines the areas in which executive-management decisions are subject to prior approval by the Board of Directors, as well as the conditions for the granting of said approval. The Charter also states the missions and prerogatives of the different committees of the Board of Directors, particularly the Audit and Finance Committee. As indicated in 6.1.1. above, the Charter is available online at the Company website: www.compagniedesalpes.com
- The Ethics Charter states the values and principles of the Compagnie des Alpes Group, and addresses all employees. It serves as a guide for professional behavior, reviews the basics of investment ethics, explains the risks of conflicts of interest, and defines appropriate behavior. The Code is appended to employment contracts of senior managers. A procedure has been instated to make all Group employees aware that it may be appealed.
- A charter for the use of IT-system resources defines the rights and obligations of employees, IT users, and the Group. As for the Ethics Charter, this charter has become progressively open to appeal by all employees.
- Procedures exist at various levels for all key processes.
- In terms of operations, the procedures seek to guarantee compliance with at least the regulatory standards for the safety of facilities open to the public—the core of CDA business activities—both for Ski Areas and for Leisure Parks. These are the regulations for the construction and operation of public transportation by cable, of rides and facilities at leisure parks, standards pertaining to public-access buildings, etc. They also seek compliance with rules for the employment and safety of personnel, and for the protection of the environment and endangered species.
- In other areas, these procedures seek to ensure that management actions comply with laws and regulations, and to guarantee the protection of Group assets.
- Action plans have been implemented to complete/improve procedures on the basis of observations made during the internal audit or Group evaluations drawn from risk mapping.

6.3.3. Group organization and management of internal control

Group activities are located in the Alps and in six European countries for the Ski Areas division and are highly concentrated in the Paris region, Belgium, and the Netherlands for Leisure Parks.

During FY 2008-2009, as part of the ongoing change in corporate governance described in 6.1 above, the Group management system was modified to be more efficient and responsive, to reduce structural costs, and to improve the focus of operating management.

Consequently the Group is now managed along major industry lines, and no longer by business line, while the organizational structure has been simplified.

Group management is under the responsibility of the Chairman and Chief Executive Officer, assisted by a Deputy Managing Director

Human Resources, Communication, and Internal Audit report directly to the Chairman and Chief Executive Officer.

Three transversal operating departments, which cover all processes, are in charge of establishing policy, standards, and guidelines for action plans throughout the Group.

- The Department of Finance, Strategy, and Development combines all corporate functions that report directly to the Deputy Managing Director. In addition to being responsible for organizing major projects and operating support, it is responsible for accounting and financial reporting, oversees performance and business reviews, manages labor relations and corporate governance, and coordinates actions that are designed to ensure compliance with laws, regulations, standards, and internal procedures.
- The Department of Marketing, Development, and Products pilots sales and marketing process, sales and development projects, and oversees the product-content policy.
- The Industrial Department is responsible for purchasing, investments, quality, and safety. The safety procedure covers individual safety risks, all tangible assets, and the environment.

Three operating departments—two for ski areas and one for leisure parks—manage the implementation of action plans and are accountable for targets and results of operations, management, and human resources in the operating entities.

- The Chairman and Chief Executive Officer, the Deputy Managing Director, and the operating managers comprise the Group Executive Committee, which meets weekly to discuss business performance. It is consulted for all key decisions concerning the Group, especially capital expenditures.
- The main internal-control processes are:
 - the contract draughting process, which guarantees consistency among roles and responsibilities and ensures that targets set by executive management are properly communicated
 - the process of performance and business review, which constitutes the central axis for management and arbitrage, led by the internal audit department (reports to the Department of Finance, Strategy, and Development)
 - the investment process, led by the Industrial Department, which aims to moderate investment flow so that it remains in line with strategy, quality targets, and financial resources
 - the process of managing industrial risk and safety, which aims for maximum safety of individuals and assets, is also led by the Industrial Department. Managerial positions for quality, safety, and environmental control have been established in all Ski Areas subsidiaries — all of which have ISO 9001 (Quality) / OHSAS 18001 (Occupational Health and Safety) / ISO 14001 (Environmental Management Systems) certification — and within the operating department concerned. These managers oversee compliance with the defined procedures, as well as the smooth operation of the certification process and certification renewal,
 - the sales and marketing process, which aims to optimize the allocation of the sales and marketing budget in relation with the sales strategy, is led by the Department of Marketing, Development, and Products
 - the budget-plan process, which constitutes a vital link in the accounting and financial-reporting system

The transversal management departments and the operating departments thereby participate individually in the internal control system.

- Internal audit carries out missions whose purpose is to verify that internal procedures are respected, to ensure their efficiency or to identify their weaknesses, and to detect fraud.
- Audit missions are carried out in accordance with the Compagnie des Alpes Group's Internal Audit Charter. This Charter describes the purposes and objectives of Internal Audit, the procedures for carrying out missions, and the obligations of auditors and those being audited. Each year the audit plan is approved by the Executive Committee and the Audit and Finance Committee, and an operations report including the monitoring of guidelines is presented to the Audit and Finance Committee and to the Board of Directors. Missions that were not provided for in the audit plan may be carried out at the request of the Chairman and Chief Executive Officer or the Audit and Finance Committee.
- In May 2009 the Audit Department of Compagnie des Alpes received IFACI certification.
- The Board of Directors sets the Company's business trends and oversees management. It is assisted by three specialized committees, each participating in the internal-control system.
 - The Strategy Committee endeavors to use its analyses to throw light on Group strategic goals that are submitted to the Board of Directors, and to prepare resolutions concerning the adoption of medium-term budgets and plans, from financing and development policy to changes in the business portfolio.
 - The Audit and Finance Committee is responsible for assuring the relevance and consistency of accounting policies used in the preparation of consolidated and parent-company financial statements; for assuring the financial reporting process; for verifying the proper application of rules for independence and objectivity of the statutory auditors; and for monitoring systems for internal control and risk management.
 - The Appointments and Remuneration Committee issues all recommendations to the Board of Directors concerning changes in the composition and operations of the Company's management bodies, as well as concerning the remuneration of corporate officers and policy issues for granting stock options and performance shares.

6.3.4. Internal-control procedures for the development and treatment of accounting and financial information

The Group draws up its consolidated financial statements in accordance with IFRS.

The Management Board is responsible for the publication of reliable and pertinent accounting and financial information, so as to allow investors to form an exact idea of the Group's financial position.

Accounting and financial information is subjected to a validation process involving the Management, the auditors, and the Management Board, through its Audit and Finance Committee.

The Audit Committee examines half-year and annual financial reports prepared by the Company as well as the management report on the consolidated accounts, in the presence of the auditors. The auditors in turn present their conclusions on the closing of the accounts, the principal accounting options, and events with significant effect on the financial situation. Their report also includes any remarks they might have

Any changes in accounting principles are approved by the Audit and Finance Committee.

The Audit and Finance Committee examines all financial statements prior to their approval by the Board of Directors, including the entire annual report, all Appendices to the Company's consolidated and parent-company financial statements.

It takes place once the auditors have advanced far enough in their work to make a judgment.

The Board of Directors' approval of the financial statements includes detailed analysis for each set of published financial statements that is adopted.

Accounting and financial organization

The Department of Finance, Strategy, and Development is responsible for the following processes:

- Formalization of the methods and procedures for Group accounting standards, which are themselves harmonized with IFRS modifications. IFRS notably specifies the principles for the accounting of fixed assets used by the Group, on the basis of their technical and regulatory characteristics,
- Group budgetary process and medium-term plan, including the reporting of objectives, the preparation, examination, and approval of annual budgets, and five-year plans for all wholly owned companies,
- Disclosure processes, allowing weekly monitoring of treasury and business activities and monthly monitoring of operating costs, financial charges, and investments. This information is compared with the budget and with the results for the previous financial year,
- Process for establishing consolidated financial statements and disclosures of regulated financial information, and the documentation necessary to submit the financial statements to the Management Board and investor relations.

Schedules for the announcements of accounting data are published annually. Company departments included in the consolidated accounts are responsible for establishing the corporate accounts and preparing the consolidated reporting schedules. They constitute a first level of control. Consolidated reporting schedules are reviewed by the auditors.

Inside the Department of Finance, Strategy, and Development, the consolidation department helps finance directors at operating companies to apply accounting standards, and provides controls for coherence.

The restatement of the corporate accounts is the responsibility of the consolidation department. At every closing of the financial statements, the auditors examine all restatements. Consolidation tools allow these restated accounting items to be identified.

Accounting and financial IT systems

Group financial and accounting IT systems are market standards and meet requirements for the reliability, availability, and pertinence for accounting and financial information. Systems that are common to several entities are maintained by the Group IT Department, which also ensures the proper functioning of all information-feeding interfaces.

These IT systems are adapted and improved as necessary to keep up with Group needs. Owner/client and contractor relationships have been set up, and budgets have been allocated to this effect.

The integrity and security of accounting and financial IT systems are taken into consideration in the internal-control system specific to the Group IT systems.

The Group has undertaken a specific approach for strengthening internal-control procedures for IT-system management in terms of ISO 27001. It has appointed a head of IT security, who has the prerogatives necessary to carry out his mission. The heads of the entities concerned ensure that information, data, and computer files are archived for the required periods. Controls are in place.

Risks affecting accounting and financial information

The Department of Finance, Strategy, and Development has set up communications with the finance departments of subsidiaries to identify risks that could affect the quality of accounting and financial information and/or adherence to schedules. It also implements action plans to deal with these risks.

The use of procedures and best practices by Finance Department personnel helps reduce the risk of error and fraud. Internal audits can be triggered, in emergencies, in case of potential or imminent risk.

The steady automation of reconciliation operations is key to internal control.

As financial statements are prepared, instructions are given and controls carried out in order to guarantee a standard and homogeneous formalization of consolidated reporting schedules and complementary analyses. Subsidiaries are responsible for preparing the information and formally commit to its accuracy.

Control

Subsidiaries have set up procedures for the inventory and preservation of assets. The means of payment and authorizations to implement them are managed by the Department of Finance, Strategy, and Development and by the Group's financial management.

Procedures are in place to control sensitive points, especially cash registers, the issuance of tickets and ski passes, and buying margins for products sold in boutiques or food and beverage sales.

In closing the accounts, all controlled companies apply the same procedures.

Financial reporting

Financial communication, which is handled by the Communication Department, is under the responsibility of the Director of Finance, Strategy, and Development, who verifies information before it is disclosed. This process concerns all Group entities.

Draft schedules for regulated financial disclosures are published for market participants.

Also, the Management Board reviews the reporting of the half-year and annual financial statements before they are communicated to the market.

The process for establishing the reference document is coordinated by the Director of Finance, Strategy, and Development.

6.3.5. Risk management

Risk management is an integral part of the Group internal-control process.

The organization of risk management is based on the Group Risk Committee, which is chaired by the Chairman and Chief Executive Officer, and a Risk Committee for each operating segment (Leisure Parks and Ski Areas) in which the main operating managers participate.

The Group established an identification standard for risks in FY 2007-2008, and evaluated the extent to which they had been brought under control. The standard relies on a risk map of potential impact on the Group's situation and the level of control that particular measures or action plans can provide.

Operations aside, risks are inherent to particular, distinct processes:

- Operations processes aim to increase sales and operate facilities in the service of customers,
- Operations-support processes, meanwhile, notably involve human-resources, IT, asset, accounting, financial, and general management,
- And the support processes for Group development, which include the system for management, governance, asset protection, and acquisitions.

One purpose of the standard is to allow the heads of operations entities and of pooled support activities to analyze and better control the risks within their purview. Another is to allow Headquarters to form an overall picture of the situation and manage risk in general.

During FY 2008-2009, this system was finalized and organized hierarchically, which resulted in the development of an IT system for risk management. A training program for the relevant employees was developed.

Most operating entities are expected to have implemented this system by the end of 2010.

The employee training program was launched at the end of 2009.

A steering committee chaired by the Deputy Managing Director monitors this project.

The Group Risk Committee is responsible for regularly monitoring major risks and for setting improvement goals.

The risk committees for the operating segments closely monitor the industrial-risk situation, analyze incident reports, define action plans, and oversee their execution.

Crisis management systems can be mobilized as needed at various levels in the organization. Training courses and tests are regularly organized.

A risk-management report is presented annually to the Audit and Finance Committee and to the Board of Directors.

7. Report of the statutory auditors, drawn up in accordance with Article L. 225-235 of the Commercial Code, on the report of the Chairman of the Management Board

(Financial year ended September 30, 2009)
The Shareholders Compagnie des Alpes
89, rue Escudier - 92772 Boulogne-Billancourt Cedex

Dear Shareholders

In our capacity as statutory auditors of Compagnie des Alpes and in accordance with the provisions of Article L. 225-35 of the Commercial Code, we hereby present our report on the report prepared by the Chairman of Compagnie des Alpes in conformity with the provisions of Article L. 225-37 of the Commercial Code for the financial year ended September 30, 2009.

It is the duty of the Chairman to prepare and submit a report, subject to approval by the Board of Directors, on procedures for internal control and risk management implemented in the company, and providing other information required by Article L. 225-37 of the Commercial Code, particularly concerning corporate governance.

It is our duty:

- to give you our observations on the information provided in the Chairman's report, on the procedures for internal control and risk management for the preparation and treatment of accounting and financial information, and
- to attest that this report includes information required by Article L.225-37 of the Commercial Code, although it is not our responsibility to verify the good faith of this information.

We have performed our audit in accordance with the professional standards applicable in France.

I. Information on procedures for internal control and risk management for the preparation and treatment of accounting and financial information

Industry standards require application of due diligence to assess the good faith of the information provided in the Chairman's report on the procedures for internal control and risk management for the preparation and treatment of accounting and financial information. This due diligence consists of:

- understanding the internal control and management risk procedures for the preparation and treatment of the accounting and financial information underlying the information presented in the Chairman's report and in existing documentation;
- understanding the work done to prepare this information and the existing documentation;
- determining if the major deficiencies in internal control for the preparation and treatment of accounting and financial information that we discovered during our mission are given appropriate mention in the Chairman's report.

On the basis of this work, we have no observations to make on the information on the Company's procedures for internal control and risk management for the preparation and treatment of accounting and financial information provided in the report of the Chairman of the Supervisory Board, prepared in accordance with provisions of Article L.225-37 of the Commercial Code.

II. Other information

We also attest that this report contains additional disclosures as required by Article L.225-37 of the Commercial Code.

Neuilly-sur-Seine and Courbevoie, January 20, 2010

[The statutory auditors](#)

Bruno Tesnière

Christine Dubus

PricewaterhouseCoopers Audit

Mazars

Chapter VI

General information

1. Information on Compagnie Des Alpes	165
2. Shareholders' agreements	166
3. Change in the company's share capital over the last five years	168
3.1. Change in the company's share capital over the last five years	168
3.2. Change in shareholder structure and voting rights	169
3.3. Entities or persons with controlling capacity	170
3.4. Portion of the Company share capital pledged as security or subject to other restrictions	170
3.5. Development of the individual shareholder base	170
3.6. Employee shareholders	170
3.7. Share repurchases	170
3.8. Authorizations to increase share capital	171
4. Related party transactions	171
5. The Compagnie des Alpes share on the market	172
6. Information policy	173
6.1. Informative documents	173
6.2. Press releases	173
7. Persons responsible for the reference document and the annual financial report	175
8. Statutory auditors	176
9. Fees paid to the statutory auditors and the members of their networks	176
10. Reference table	177
11. Reference table of the annual financial report	181

1. Information on Compagnie Des Alpes

Company name

Compagnie des Alpes.

Headquarters

Boulogne-Billancourt (Hauts de Seine), 89 rue Escudier.

Legal form

The company is a limited liability company (*société anonyme*, SA) under French law, created on January 26, 1989.

Compagnie des Alpes was governed initially as a French *société anonyme* (SA), with a board of directors and a chairman and chief executive officer, until February 25, 2000, when it adopted the form of SA with supervisory and management boards. On March 19, 2009, the Shareholders voted to modify corporate governance by returning to the structure of *société anonyme* with a board of directors.

Consequently the Shareholders adopted new by-laws, without materially amending the existing by-laws.

The following articles of the by-laws, as adopted on March 19, 2009, are those of the Company in its new form.

Duration

The company's duration is fixed at 99 years starting from the registration date; hence, the company will expire on February 12, 2088.

Purpose of the company (article of the by-laws)

Compagnie des Alpes has the following purposes, in France and internationally:

- The acquisition, holding, management, and divestiture of all forms of investment securities and all forms of shareholdings in all companies, both French and foreign, in whatever form they may be, and particularly those having activities in mountain vacations; the shareholdings, direct or indirect, by the company in any of the aforementioned operations, through the creation of new companies, transfers, subscription to new shares or purchase of existing shares or company rights, mergers, partnerships, or otherwise, including providing financing under any form to such companies, and this whether in France or abroad,
- and, generally, any commercial, financial, industrial, investment, and real estate operation, similar to or related directly or indirectly, in whole or in part, with the stated purpose of the company.

Registrar of Commerce

The company is registered at the Registrar of Commerce and Companies of Nanterre under number B 349 577 908.

APE

7010 Z (Activities at Headquarters).

Place where legal documents can be consulted:

The statutes, accounts and reports from the statutory auditors, and minutes of the annual general meetings can be consulted at the company's head office.

Financial year

From October 1 to September 30.

Rights attached to shares (Article 8.4. of the by-laws)

All shares are of the same category and benefit from the same rights, including profit sharing and the division of assets upon liquidation. At the time of general meetings, each share gives the right to one vote. Therefore, no shareholder enjoys double voting rights. Unclaimed dividends and advances on dividends revert to the government after five years.

By-laws applying to the appropriation of earnings (Articles 21 and 22 of the by-laws)

Five percent of each year's net income, less losses carried forward (where applicable), is appropriated to regulatory reserves; this appropriation ceases to be obligatory when the reserves rise to the level of one tenth of the share capital.

After the appropriation of the regulated reserve, the Shareholders, on the proposition of the Board of Directors, may appropriate amounts they choose, either to retained earnings or to one or more reserve accounts (ordinary or extraordinary).

Income available for distribution is comprised of the net income for the year as reduced by losses carried forward and by the amounts appropriated to reserves in application of the law or the by-laws, and increased by retained earnings.

After approval of the accounts and recognition of the amount available for distribution, the Shareholders' Annual General Meeting may determine the part to be distributed in the form of dividends. The Shareholders may further decide to distribute amounts to be sourced from available reserves, either to supply funds for dividends or to

complete a dividend, or for the purpose of making an exceptional distribution. In this case, the decision will indicate the reserve accounts from which the funds will be taken. However, dividends will, in priority, be paid from the earnings available for distribution from the year in review.

The payment method for dividends is fixed by the Shareholders' Annual General Meeting, or otherwise by the Board of Directors.

The Shareholders may grant to each shareholder, for all or a part of the dividend or partial payment of dividend to be paid, a choice between payment in the form of cash or in the form of shares.

General meetings (Articles 14 to 18 of the by-laws)

Shareholders' general meetings are called and held under the conditions set by the law. Each share gives the right to participate and to vote at the general meeting, within the conditions fixed by the law.

Crossing ownership thresholds (Article 8.5. of the by-laws)

Any legal person or individual who comes to hold, alone or in cooperation with others, at least 2.5% of the share capital or voting rights in the company, or a multiple of this percentage, shall inform the company of the number of shares and voting rights held within five days of having crossed this threshold. Notification shall be by registered letter with return of receipt, addressed to company headquarters. The same information shall be provided the French financial markets authority (*Autorité des Marchés Financiers* – AMF), within the same time limit.

The above-mentioned requirement to give notice also applies each time a reduction in shares or voting rights held crosses one of the 2.5% thresholds.

In case of failure to make the notifications stated above, shares and voting rights exceeding the fraction that should have been declared shall be deprived of voting rights at General Shareholders' Meetings, provided that said failure to declare has been recognized and that one or more other shareholders having at least 2.5% of the share capital include this request in the minutes of the General Meeting.

The above provisions apply without prejudice to the declarations concerning crossing thresholds provided for by law.

2. Shareholders' agreements

On May 13, 2004, a shareholders' agreement concerning Compagnie des Alpes (CDA) was concluded between Caisse des Dépôts-Développement ("C3D"), on the one hand, and Compagnie Européenne de Loisirs, IPE Ross Management Limited, and IPE Expansion Fund ("IPE Group"), on the other.

The five-year agreement initially ending on May 12, 2009, was renewable thereafter by tacit agreement for one-year periods.

By prorogation agreement of February 11, 2009, the parties extended the initial term of the agreement for six months, until August 10, 2009.

The parties agreed that, unless otherwise arranged, they would not transfer their shareholdings in Compagnie des Alpes during the prorogation period. As an exception to this agreement, CDC may transfer its entire stake controlled within the meaning of Article L. 233-3 of the Commercial Code.

It was agreed that at the expiry of this prorogation the agreement would automatically expire and cease to have effect. Nonetheless, the parties do not exclude the possibility of a new agreement, as applicable.

The French market authority (*Autorité des Marchés Financiers*) was notified of this prorogation in a letter dated February 18, 2009, and subsequently published this information (decision and information no. 209C0323).

The agreement was terminated at its expiry on August 10, 2009. To the Company's knowledge, no other agreement has been concluded.

On September 21, 2009, Compagnie Européenne de Loisirs disposed of its entire stake in Compagnie des Alpes. The sale was carried out on the market as a block trade with approximately 40 institutional investors.

This agreement, which terminated during the last financial year, contained in substance the following elements. (A more detailed summary has been published by the AMF, notice and decision no. 204C0690 of June 2, 2004).

Agreement

If one of the parties plans to transfer all or part of its CDA shares to a private equity fund not managed by the IPE Group, or to an industry competitor of CDA, this party shall notify the other party. The latter shall have a period of ten days to inform the selling party of its opposition to the transfer. If the objection is justified, the selling party shall have the option of either abandoning the transfer or requiring the opposing party to acquire the shares under the same conditions.

Preemptive right

Should a party plan to sell a block of CDA shares, within the meaning of Article 4403/2 A of the harmonized Euronext rules, to a third party other than a competitor, it shall notify the other party. If the selling party has

discussed selling the block of shares to the other party and they have not reached an agreement, the other party shall have preemptive right, whose timing and procedures depend of the size of the block of shares.

50% threshold

Should C3D's agreement or preemptive right result in its attaining a threshold of 50% of the CDA share capital, C3D shall have an additional 30 days to find a third party that will replace it either entirely or partially. Failing this, IPE Group shall be free to continue the proposed transfer.

Case in which refusal of agreement or use of preemptive right obliges a party to make a tender offer for CDA

Should a party A exercise its agreement or pre-emptive right and thereby cross a threshold requiring it to make a tender offer for CDA shares, party A may take an additional 30 calendar days to find a third party to replace it as holder of the shares exceeding the threshold.

Transfers in the course of a tender offer

As an exception to the rules provided in paragraphs "Agreement" and "Preemptive right" of this summary, if one of the parties plans to offer its CDA shares in a tender offer for CDA shares made by any third party, it shall inform the other party, which will then have ten working days to notify the selling party of its intention to make a competing tender offer. In this case, the first party shall sell its shares to the other party, assuming that the new offer is and remains the most advantageous. Failing this, the first party shall be free to sell its CDA shares in response to the tender offer of the third party.

Unrestricted transfers

Transfer of CDA shares are unrestricted under certain conditions when they are carried out: (i) for C3D, for the benefit of a statutory entity that belongs to the C3D Group; (ii) for the IPE Group, for the benefit of any investment fund managed by IPE Ross Management or any company in which a fund managed by IPE Ross Management has a stake (but excepting any fund managed by IPE Ross Management that is more than 50%-owned by a group active in ski areas or leisure parks).

Sale of shareholdings

If the minimum shareholding level of the IPE Group (at least 10% of the share capital or voting rights in CDA, or a smaller stake in certain circumstances) and the minimum total shareholding level (at least one-third of the share capital or voting rights in CDA held by the C3D Group and the IPE Group together) continue to be observed and in effect on June 15, 2008, each party shall inform the other, before June 30, 2008, of its individual intentions for its stake in CDA in 2009.

If both parties intend to sell their respective shareholdings, the parties shall give the corresponding mandate to an investment bank on the basis of minimal conditions. Conversely, if the intentions of both parties are not the same, and if one of the parties notifies the other party of its desire to sell its entire shareholding in CDA, an investment bank shall be mandated to find a solution for said shareholding.

Procedures are provided for cases in which only one of the parties wishes to sell its shares or accept an offer to buy proposed by the investment bank.

No coordination

Whether under the terms of this agreement or in its execution, in no case do the parties intend to act in concert relative to CDA.

3. Change in the company's share capital over the last five years

As of September 30, 2009, the share capital of Compagnie des Alpes came to €134,656,873.12, made up of 17,665,593 fully paid, no-par shares.

3.1. Change in the company's share capital over the last five years

Year	Type of transaction	Changes in capital		Successive totals of capital	Number of shares after transaction
		Nominal	Premium		
From 10/01/2004 to 09/30/2005	Stock option exercises	1 095 510.48	1 781 857.00	96 285 326.73	6 315 835
August 2006	Cash capital increase	19 374 650.64	56 242 709.36	115 659 977.37	7 586 715
From 10/01/2005 to 09/30/2006	Stock option exercises	792 911.17	1 290 233.63	116 452 888.54	7 638 726
From 10/01/2006 to 05/25/2007	Stock option exercises	803 232.08	2 024 789.73	117 256 120.62	7 691 414
05/25/2007	2:1 stock split	-	-	117 256 120.62	15 382 828
From 05/25/2007 to 09/30/2007	Stock option exercises	225 040.05	497 311.62	117 481 160.67	15 412 351
10/01/2007	Cash capital increase	10 126 337.47	35 041 778.53	127 607 498.14	16 740 825
02/28/2008	Cash capital increase	1 649 493.36	5 708 006.64	129 256 991.50	16 957 222
03/25/2008	Fully vested restricted stock	98 635.58	-	129 355 627.08	16 970 162
From 10/01/2007 to 09/30/2008	Stock option exercises	805 755.14	1 584 287.78	130 161 382.22	17 075 869
27/04/2009	Capital increase (dividend payment in shares)	4 495 190.90	8 578 990.18	134 656 573.12	17 665 593
From 10/01/2008 at 12/31/2009	Stock options exercised	-	-	134 656 573.12	17 665 593

No stock options were exercised during FY 2008-2009. No shares grants vested during FY 2008-2009. These instruments had no effect on the amount of share capital.

During the last financial year, the only operation that effected an increase of the share capital by cash payment was the stock-dividend option, which was approved by the Shareholders' Meeting of March 19, 2009.

In application of the provisions of Articles L. 232-18 et seq. of the Commercial Code and of Article 32 of the by-laws in force, the General Meeting gave shareholders the option of a dividend payment (€1.00 per share) either in cash or in stock from shares issued and effective October 1, 2008, and fully assimilated with previously existing shares.

The issue price of new shares was set at the average closing price of the stock over the 20 trading sessions preceding the Shareholders' Meeting (€23.17), minus the net dividend (€1.00), for a total of €22.17.

The period of electing for a stock-dividend payment was from March 27, 2009, to April 17, 2009, after market. The dividend was paid on April 27, 2009.

The large majority of shareholders (77% of shares) elected for dividend payment in shares, including shareholders represented on the Board (CDC, Sofival, Crédit Agricole des Savoie, Banque Populaire des Alpes, Caisse d'Epargne Group), but excluding Compagnie Européenne de Loisirs.

589,724 new shares were issued on April 27, 2009, at a price of €22.17 per share, representing a capital increase of €4,495,190.90. The issue premium of €8,578,990.18 equals the difference between the total issuance cost and the par value of the securities issued.

Article 6 (on share capital) of the Company by-laws was modified accordingly.

No options were exercised between October 1, 2009, and November 30, 2009.

3.2. Change in shareholder structure and voting rights

(sources: studies on identifiable bearer securities and registered shareholders)

	09/30/2006	%	10/12/2007	%	09/30/2008	%	09/30/2009	%
Total GROUPE CAISSE DES DEPOTS	3 182 145	41.7	6 664 290	39.8	6 668 932	39.1	6 979 739	39.5
COMPAGNIE EUROPEENNE DE LOISIRS	1 043 931	13.7	2 087 862	12.5	2 087 862	12.2	0	0.0
SOFIVAL	60 002	0.8	1 448 478	8.7	1 451 353	8.5	1 516 817	8.6
CREDIT AGRICOLE DES SAVOIE	548 754	7.2	1 097 508	6.6	1 230 523	7.2	1 286 026	7.3
BANQUE POPULAIRE DES ALPES	269 426	3.5	634 252	3.8	717 634	4.2	750 003	4.2
GROUPE DES CAISSES D'EPARGNE	446 043	5.8	892 086	5.3	892 086	5.2	932 322	5.3
Other companies	82 025	1.1	57 385	0.3	44 582	0.3	221 422	1.3
UCITS	482 381	6.3	916 929	5.5	828 236	4.9	2 337 501	13.2
incl. FCP CDA Actionnariat (employee shareholders' fund)	198 036	2.6	402 175	2.4	396 046	2.3	411 581	2.3
Other UCITS	284 345	3.7	514 754	3.1	432 190	2.5	1 925 920	10.9
Financial intermediaries outside France	921 834	12.1	1 903 842	11.4	2 043 940	12.0	2 426 263	13.7
incl. M & G	547 482	7.2	1 346 000	8.0	1 559 817	9.1	1 973 790	11.2
Public and Misc.	602 185	7.9	1 038 193	6.2	1 110 721	6.5	1 215 500	6.9
Total	7 638 726	100.0	16 740 825	100.0	17 075 869	100.0	17 665 593	100.0

The division of ownership among the principal shareholders did not change substantially during the financial year, except for the departure of Compagnie Européenne de Loisirs as of September 30, 2009.

At the time of dividend distribution, all principal shareholders, with the exception of Compagnie Européenne de Loisirs, maintained their relative shareholdings by opting for the stock-dividend payment.

There was one increased shareholding: M&G Investment Management Limited raised its ownership level to 11.2% at September 30, 2009, from 9.1% a year earlier.

Under reference 209C1099, M&G Investment Management Limited, acting on behalf of clients of companies of Prudential Group, which owns it indirectly, declared that on July 31, 2009, after buying shares on the market, it exceeded the threshold of 10% of the share capital and voting rights of Compagnie des Alpes, and indicated that it would continue to buy shares, depending on the financial capacity of its funds, without intending to take a controlling stake in the Company.

In addition, under reference 209C1202, Compagnie Européenne de Loisirs, controlled by IPE Expansion Fund LP, declared that on September 21, 2009, after selling shares on the market, it crossed under the thresholds of 10% and 5% of the share capital and voting rights of Compagnie des Alpes, and no longer owns stock in the Company.

3.3. Entities or persons with controlling capacity

As stated in section 4 of this chapter ("Related-Party Transactions"), the Caisse des Dépôts Group, majority shareholder with a 39.5% stake, declares to have a controlling interest in Compagnie des Alpes, and therefore is considered a related party, in the meaning of IAS 24. The CDA Group financial statements are fully consolidated by Caisse des Dépôts.

Nevertheless, the composition of the Board (see chapter V – 6.1.5, "Control") is based on a logical reflection of the Company's shareholder structure, including independent directors, which guarantees that control cannot be exercised in an abusive or detrimental manner.

3.4. Portion of the Company share capital pledged as security or subject to other restrictions

To the best of the Company's knowledge, 102,879 shares, or 0.58% of the share capital, were pledged or were subject to other restrictions as of September 30, 2009.

3.5. Development of the individual shareholder base

Created in September 2005, the Shareholders Club is designed to disseminate information about the Group to Compagnie des Alpes shareholders. Club membership is free of charge and accessible to any shareholder owning at least one registered share. It offers several services to members (CDA newsletter, invitations to meetings and conferences) and, provided the shareholder owns at least 200 shares⁰ as of September 30 of the relevant year, it provides commercial offers on ski lift passes and entry tickets for certain of the Group's parks.

Additional information on membership may be downloaded from the CDA website or requested from Company headquarters.

Compagnie des Alpes was the first French midcap to create a shareholders' advisory committee. The principal objective of the committee is to enhance the quality and effectiveness of the Company's communication with its individual shareholders. The committee meets several times a year, and works mainly on a major campaign for attracting new shareholders. The number of shareholders has risen over the past year, partly because of a targeted e-mail marketing campaign to several thousand prospects in June 2009.

3.6. Employee shareholders

In 1995, Compagnie des Alpes set up a Group employee savings plan with the aim of allowing Group CDA employees to benefit from rising earnings through the rising share prices of their CDA stock. As part of the group employee savings plan, employees can invest in a CDA Shareholders investment fund, which is invested entirely in CDA shares.

As of September 30, 2009, this fund held 2.3% of CDA's share capital.

3.7. Share repurchases

From October 1, 2008, to September 30, 2009, there were two successive share repurchase programs in the framework of authorizations granted by the Shareholders' Meeting to allow the Company to buy CDA shares, with total treasury stock limited to 10% of the share capital:

- the program already in effect over the previous financial year, implemented by the Management Board on September 2, 2008, on the basis of authorization granted by the Shareholders Meeting of February 21, 2008,
- a new share repurchase program, implemented on March 19, 2009, by the Board of Directors in accordance with the new authorization granted on the same date by the Ordinary General Meeting.

This authorization was granted to the Board of Directors for a period of 18 months, until September 18, 2010.

The new program, now under way, entered into force on March 20, 2009, the day the descriptive document was published.

This document outlines the goals and procedures of the program, in accordance with Articles 241-1 to 241-6 of the AMF General Regulation, and with European regulation no. 2273/2003 of December 22, 2003. It also summarizes the results of the previous program.

A liquidity contract with SG Securities, in compliance with the code of conduct of the French Association of Investment Firms (AFEI), has been in effect since July 7, 2005, as part of a cash position increased to €1.5 million dedicated mainly to providing liquidity for CDA shares.

⁰ Quantity doubled on May 25, 2007, as a result of a 2:1 stock split.

The program under way as of September 30, 2009 was as follows:

Percentage of share capital held in treasury stock, directly or indirectly	not significant
Number of shares cancelled over the last 24 months	0
Number of shares held as of September 30, 2009	45,179
Carrying amount of portfolio as of September 30, 2009 (in thousands of euros)	1,180
Market value of portfolio as of September 30, 2009 (in thousands of euros)	1,030

Accumulated gross transactions as of September 30, 2009

	Purchases	Sales	Transfers
Number of shares	8,871	11,884	48,192
Average share price of transaction (in euros)	22.11	22.14	none
Average exercise price (in euros)	21.98	21.81	28.77
Amounts (in thousands of euros)	195	259	1,387

As of December 31, 2009, the Company held 43,617 treasury shares purchased for liquidity-management purposes, at a carrying amount of €1.094 million.

As of December 31, 2009, total gross cash flow represented purchases of €381,000, sales of €479,000, and transfers of €1.386 million.

The transfers correspond to the balance of the previous program, ended March 19, 2009.

All movements of shares mentioned in the table of gross transactions above were performed as part of the liquidity contract entered into with SG Securities.

The Company did not use derivative instruments.

3.8. Authorizations to increase share capital

The Extraordinary Shareholders Meeting of February 28, 2007, approved the following authorizations, subject to an overall limit of a maximum par value of €30 million (exclusive of premiums) for capital increases and €200 million for securities representing claims to share capital:

- delegation of authority granted to the Management Board for a period of 26 months, until April 27, 2009, to issue, with preferential subscription rights, in one or more issues, Company shares and any other security giving access to Company shares, immediately or in the future, limited to €30 million (exclusive of premiums) for capital increases and €200 million for securities representing claims to the share capital,
- delegation of authority granted to the Management Board for a period of 26 months, until April 27, 2009, to issue, without preferential subscription rights, in one or more issues, Company shares and any other security giving access to Company shares, immediately or in the future, limited to €30 million (exclusive of premiums) for capital increases and €200 million for securities representing claims to the share capital,
- delegation of authority granted to the Management Board for a period of 26 months, until April 27, 2009, to issue shares, within the limit of 10% of the share capital, at any time, without preferential subscription rights, in compensation for contributions involving shares or securities representing claims to the share capital (delegation partially employed during the previous financial year in compensation of shares contributed by SELALP),
- delegation of authority granted to the Management Board for a period of 26 months, until April 27, 2009, to approve a capital increase of up to €30 million, through incorporation of premiums, reserves, profits, or other items.

These delegations, which expired on April 27, 2009, and were not used during the financial year, were renewed with the same conditions by the Shareholders' Meeting of March 19, 2009, with authority given to the Board of Directors

The new delegations, which render null and void the previous delegations, are valid for a new period of 26 months, until May 18, 2011. None of these delegations were employed during the financial year ended September 30, 2009.

4. Related party transactions

For the purpose of its consolidated accounts, the Company has selected the following related parties, as defined by IAS 24: on the one hand, Caisse des Dépôts et Consignations (the Company's controlling shareholder), wholly owned subsidiaries, and the affiliated companies over which Compagnie des Alpes has significant influence; and on the other hand, the principal managers of the Group, members of the Management Board, the Chairman and Chief Executive Office, associate managing directors, and members of the Board.

CAISSE DES DEPOTS et Consignations (CDC)

During the financial year ended September 30, 2009, the Company and Caisse des Dépôts decided to strengthen and clarify their respective roles in Parc du Bioscope.

On September 30, 2009, CDC, as general-interest investor, assumed full ownership of SMVP, the holding for Bioscope assets. Compagnie des Alpes, as operator, bought back CDC's minority stake in EcoBioGestion (EBG), whose role is strictly operational and local.

The subdelegation agreement between SMVP and EBG was terminated and an operating agreement was signed by the two parties.

The agreements bearing on the Bioscope restructuring, particularly the guarantees granted, are described in the notes to the financial statements of the parent company (Chapter IV, note 1.24.6).

In addition, the licensing agreement for the use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts," which was authorized in 2006, continues normally.

The aforementioned agreements are described in the statutory auditors' special report, Chapter V - Section 5.

Controlled companies

Transactions between the Company and its controlled subsidiaries are eliminated in consolidation and therefore not detailed in this reference document.

CDA Holding's operating income comes mainly from services provided to its subsidiaries as part of agreements freely concluded under normal conditions.

As of September 30, 2009, outstanding financial claims of CDA-Financement, a subsidiary of Compagnie des Alpes, towards the controlled companies totaled €422.8 million.

Associate entities

Cash flows between CDA Holding and associate entities are insignificant.

Principal executives

Net compensation of principal executives is provided in Chapter V - Section 3 of this report.

5. The Compagnie des Alpes share on the market

The Compagnie des Alpes IPO took place on November 18, 1994, with the stock priced at €13.03 (adjusted for the 2:1 stock split in 2007). The Company's stock is listed on the Eurolist Compartment B of NYSE Euronext and is a component of three indices: SBF 250, CACMid 100, and CAC Mid & Small 190.

Date	Share price high	Date of high	Share price low	Date of low	Last traded	Average price (opening)	Average price (close)	Traded volume	Capital in EURm	Number of trading sessions
07/2008	32.75	01 July.	29.06	30 July.	30.08	30.49	30.34	21 773	653.24	23
08/2008	31.00	05 Aug.	29.45	04 Aug.	30.30	30.43	30.31	26 262	791.01	21
09/2008	30.55	08 Sept.	27.00	30 Sept.	27.50	29.46	29.34	28 949	831.69	22
10/2008	27.52	01 Oct.	24.00	29 Oct.	25.15	26.11	26.10	62 282	1 570.67	23
11/2008	25.90	03 Nov.	23.03	28 Nov.	23.30	24.46	24.26	9 207	223.30	20
12/2008	24.48	30 Dec.	22.00	16 Dec.	24.20	23.38	23.29	31 465	734.63	21
01/2009	28.10	09 Jan.	23.80	02 Jan.	25.20	26.46	26.55	59 108	1 553.98	21
02/2009	26.99	10 Feb.	24.00	26 Feb.	24.20	25.80	25.72	17 919	459.89	20
03/2009	24.00	02 Mar	20.75	10 Mar	21.38	22.32	22.18	54 875	1 186.24	22
04/2009	22.36	17 Apr.	20.71	29 Apr.	21.57	21.55	21.53	41 920	888.27	20
05/2009	21.60	04 May	19.20	26 May	21.00	20.34	20.32	105 727	2 176.05	20
06/2009	22.43	09 June	20.45	02 June	20.70	21.80	21.74	75 541	1 646.31	22
07/2009	24.70	31 July.	20.18	09 July	24.50	21.43	21.58	56 315	1 238.70	23
08/2009	25.00	27 Aug.	22.76	03 Aug.	24.92	23.97	24.14	30 311	726.24	21
09/2009	24.92	01 Sept.	22.20	23 Sept.	22.80	23.96	23.91	2 376 098	50 360.01	22
10/2009	25.40	28 Oct.	22.51	01 Oct.	25.00	24.35	24.33	376 256	9 148.46	21
11/2009	26.09	26 Nov.	24.75	03 Nov.	25.50	25.36	25.32	392 503	9 865.41	21
12/2009	26.50	18 Dec.	25.40	02 Dec.	26.40	26.07	26.04	174 325	4 553.43	22

Over FY 2008-2009, the average daily trading volume for the stock was 11,454 shares, compared with 2,445 shares per trading session a year earlier. This increase was due mainly to a block trade (representing 11.8% of the share capital) carried out on September 20 and 21 by Compagnie Européenne de Loisirs. Excluding this transaction, the average daily trading volume for the stock was 3,279 shares, and the average stock price (capital exchanged / number of shares traded) was €22.70 per share.

On September 30, 2009, Compagnie des Alpes stock was trading at €22.80 and the market capitalization of the Company was €402.8 million.

[Custodial services provider](#)

Compagnie des Alpes has mandated CACEIS as its custodial services provider. For the management of registered shares, please contact:

CACEIS - 14, rue Rouget de Lisle - 92862 Issy-les-Moulineaux Cedex 09

[Security services provider acting as liquidity manager for the share repurchase program](#)

SG SECURITIES - 17, cours Valmy - 92987 Paris La Défense Cedex

6. Information policy

Compagnie des Alpes endeavors to publish financial communication that is complete, sincere, and transparent so that all partners of the Group — its shareholders, employees, municipalities, clients, and bankers — can find an answer to their needs and form their own opinion on the quality of CDA's fundamentals.

Compagnie des Alpes makes available numerous publications to the public, participates in individual and institutional shareholder meetings, and meets all shareholder requests as quickly as possible. These personalized exchanges are performed with the strictest respect for equal access to information. Compagnie des Alpes is followed by seven financial analysts.

This financial-communication policy is often praised for its excellence by the financial community.

Compagnie des Alpes received three awards in recent years:

- second place in the Midcaps category of the annual Fils d'Or ranking for best investor-relations department in November 2008,
- the website www.compagniedesalpes.com took third place in its category in the annual Boursoscan 2008 competition,
- the annual report and the institutional brochure were chosen among the ten annual reports in competition for the 2008 Best Annual Report Award.

6.1. Informative documents

Compagnie des Alpes makes available to the public documents and required disclosures, particularly regulatory information, in both French and English.

- Reference documents filed / annual financial reports
- Half-year financial reports
- Quarterly financial reports
- financial information and press releases, which are published by the approved service provider, Echoswire, in accordance with the European Union Transparency Directive,
- any financial operations notes filed with the AMF.

The Company also makes available to the public the by-laws, the Corporate Governance Charter, and other documents:

- an illustrated brochure summarizing the Group and its activities
- a newsletter sent to all members of the Shareholders' Club and to those who request it. Two newsletters were published in 2009, one in May (no. 22) and one in November (no. 23).
- the Shareholders' Club guide.

These documents and information are available upon request from Group headquarters, and they may be read and downloaded in their complete versions from the Group website.

6.2. Press releases

The following information has been published since October 1, 2008

[October 3, 2008](#)

Statement from Compagnie des Alpes

[October 16, 2008](#)

Philippe Segretain is named Chairman of the CDA Supervisory Board

[October 30, 2008](#)

Sales for FY 2007-2008: €579.3 million +14.6% on a real basis and +6.4% like for like

[December 17, 2008](#)

Strong rise in annual results

Net attributable income up 28.8% (+17.1% on like-for-like basis)

Significant increase in free cash flow

[December 19, 2008](#)

Position of Compagnie des Alpes on AFEP MEDEF recommendations concerning remuneration of corporate officers

[January 7, 2009](#)

Half-year report on CDA liquidities contract with SG Securities (Paris)

[January 22, 2009](#)

First quarter sales rise sharply: +15.5%

[March 19, 2009](#)

Combined Ordinary and Extraordinary Shareholders' Meeting of Thursday, March 19, 2009

[April 29, 2009](#)

Business resilient in the first half, a good winter season: sales up +2%

[May 27, 2009](#)

Half-year 2008-2009 results: resilient margins and strong rise in free cash flow

Encouraging business outlook for both business lines

[July 6, 2009](#)

Half-year report on CDA liquidities contract with SG Securities (Paris)

[July 27, 2009](#)

Sales up +2.5% for the first three quarters of the year

Encouraging results at mid-July for leisure parks

Sale of the Group's stake in Téléverbier

[September 23, 2009](#)

Compagnie des Alpes increases its free float

[September 28, 2009](#)

Implementation of a leaner, more streamlined, and more integrated organization at Compagnie des Alpes.

Franck Silvent is named Deputy Managing Director

[October 2, 2009](#)

Compagnie des Alpes in negotiations to acquire a majority stake in Deux-Alpes Loisirs

Caisse des Dépôts acquires Bioscope assets

[October 22, 2009](#)

CDA Group sells stake in Saas Fee Bergbahnen

[October 27, 2009](#)

Annual Sales: The attractiveness of Group assets and the solidity of its economic model mark the 2008-2009 financial year

[December 8, 2009](#)

CDA and its partners acquire nearly 90% of Deux Alpes Loisirs' capital

[December 15, 2009](#)

Net attributable income: +11%

Free cash flow: a record 57 million

Strong reduction in net debt: -100 million

[January 12, 2010](#)

Half-year report on CDA liquidities contract with SG Securities (Paris)

[January 21, 2010](#)

Q1 FY 2009-2010 sales stable (+0.4%) with a slight decline on a like for like (-1.8%)

All of these press releases may be read and downloaded from the Group website.
www.compagniedesalpes.com

The Compagnie des Alpes website provides timely information for shareholders. Official documents and all press releases in French and English may be downloaded from the following address:
www.compagniedesalpes.com/fr/amf.asp

Shareholders' Advisory Committee

Created in November 2005, Compagnie des Alpes was the first French midcap to create a shareholders' advisory committee in order to enhance the Company's communication with its individual shareholders. The committee, which meets two or three times per year, is composed of six qualified, representative members; this reflects the diversity of the individual shareholder base. The list of members is available on the Group website. The Committee met on November 21, 2008, and was consulted by e-mail in March 2009, particularly about the change in governance from a company with management and supervisory boards to one with a chairman and CEO and a board of directors. The Committee also advised on the content and the organization of information in

the institutional brochure. The Committee participated in strategic planning for redesigning the website www.compagniedesalpes.com.

Several members of the Committee actively participated with the investor-relations team at the Compagnie des Alpes stand at the Actionaria trade fair.

Investor relations

Since 2008, and on the recommendation of the Consultative Committee, Compagnie des Alpes has provided shareholders a toll-free telephone number: 0 805 999 000

Individual shareholders may call this number to obtain published information on Group activities and all practical information concerning their shares and related advantages.

Public meetings

Senior managers of Compagnie des Alpes regularly take part in meetings to present the Group in Paris, other parts of France and abroad. The dates of these meetings are announced in advance in the local press and on the Company's website. In 2008, Compagnie des Alpes organized two meetings with the participation of the French Federation of Investment Clubs (*Fédération Française des Clubs d'Investissement*) on November 25 in Strasbourg. For the ninth consecutive year, Compagnie des Alpes took part in the Actionaria trade fair in Paris (November 20-21, 2009), at which numerous individuals asked questions and listened to presentations by Group management.

2009-2010 calendar

January 21, 2010: First-quarter sales of FY 2009-2010

March 18, 2010: Annual Shareholders' Meeting in Paris

April 29, 2010: Second-quarter sales of FY 2009-2010

May 27, 2010: First-half results of FY 2009-2010

July 27, 2010: Third-quarter sales of FY 2009-2010

September 30, 2010: Close of FY 2009-2010

October 26, 2010: Sales of FY 2009-2010

December 15, 2010: Results of FY 2009-2010.

7. Persons responsible for the reference document and the annual financial report

Dominique Marcel, Chairman and Chief Executive Officer
and

Franck Silvent, Deputy Managing Director for Finance, Strategy, and Products

Attestation

We hereby certify that, to our knowledge, and after taking all reasonable measures to that end, the information contained in this reference document reflects reality and that no information is omitted that could affect its import.

We hereby certify that, to our knowledge, the financial statements contained herein have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, balance sheet, and earnings of the Company and the group of companies included in the consolidation. We also certify that the management report included in this reference document gives a true picture of the evolution of the business, earnings, and balance sheet of the Company and the group of companies included in consolidation, as well as a description of the major risks and uncertainties facing those companies.

We have obtained a letter from the statutory auditors attesting to the completion of their assignment, in which they indicate that they have verified the information on the financial position and financial statements contained in this reference document and that they have read the reference document in its entirety.

Boulogne-Billancourt, January 29, 2010

Dominique Marcel Chairman and Chief Executive Officer

Franck Silvent Deputy Managing Director

Shareholder contacts Persons in charge of investor relations, and corporate communications:

Sandra Picard-Rame, Head of CDA Group Communication Tel. & Fax: +33 1 46 84 88 53

email: sandra.picard@compagniedesalpes.fr

Claire Monteil-Robert, Financial communication, investor relations Tel. & Fax: +33 1 46 84 88 79

email: claire.monteil-robert@compagniedesalpes.fr

Muriel Giffaut, Shareholder relations, management of the Shareholders' Club Tel. & Fax: +33 1 46 84 88 77

email: muriel.giffaut@compagniedesalpes.fr

8. Statutory auditors

PRICEWATERHOUSECOOPERS AUDIT

63, rue de Villiers - 92200 Neuilly-sur-Seine

Statutory auditor, represented by Bruno Tesnière

Appointed February 23, 2006. Term of appointment ends upon close of the Ordinary General Meeting that will consider the financial statements for FY 2010–2011.

Member of the CRCC de Versailles.

Yves Nicolas

63, rue de Villiers - 92200 Neuilly-sur-Seine

Substitute Auditor.

Appointed February 23, 2006. Term of appointment ends upon close of the Ordinary General Meeting that will consider the financial statements for FY 2010–2011.

Member of the CRCC de Versailles.

CABINET MAZARS

EXALTIS - 61, rue Henri Régault

92075 Paris La Défense Cedex

Statutory auditor, represented by

Christine Dubus.

Appointed March 10, 2004. Term of appointment ends upon close of the Ordinary General Meeting that will consider the financial statements for FY 2008–2009.

Member of the CRCC de Versailles.

Guillaume Potel

EXALTIS - 61, rue Henri Régault

92075 Paris La Défense Cedex

Substitute Auditor.

Appointed March 10, 2004. Term of appointment ends upon close of the Ordinary General Meeting that will consider the financial statements for FY 2008–2009.

Member of the CRCC de Versailles.

9. Fees paid to the statutory auditors and the members of their networks

Amounts in thousands of euros (excl. taxes)	MAZARS				PRICEWATERHOUSECOOPERS AUDIT			
	Amount	Amount	%	%	Amount	Amount	%	%
	2009	2008	2009	2008	2009	2008	2009	2008
Audit								
Statutory audit, certification, examination of individual and consolidated financial statements								
Issuer	180	180	30%	27%	180	180	23%	22%
Fully consolidated subsidiaries	400	478	67%	72%	577	629	72%	77%
Other services and fees directly linked to auditing								
Issuer	-	5	0%	1%	-	5	0%	1%
Fully consolidated subsidiaries	20	-	3%	0%	32	-	4%	0%
Sub-total	600	663	100%	100%	789	814	99%	100%
Other services rendered by the network to fully consolidated subsidiaries								
Legal, fiscal, social	-	-	-	-	9	-	-	-
Other	-	-	-	-	-	-	-	-
Sub-total	0	-	-	0%	9	0	1%	0%
Total	600	663	100%	100%	798	814	100%	100%

10. Reference table

Regulation (EC) no. 809-2004 of the European Commission of April 29, 2004

In accordance with Regulation (EC) no. 809-2004 of the European Commission of April 29, 2004 (the "Regulation"), the numbers of the paragraph(s) of this reference document in which information is provided concerning each heading of the Regulation may be found in this reference table.

Annex I of Regulation (EC) no. 809/2004

	Reference document	
	Chapter(s) /Section(s)	Page(s)
I. Responsible persons		
1. Persons responsible for information contained in the reference document	VI/7	175
2. Statements by persons responsible for the reference document	VI/7	175
II. Statutory auditors of the financial statements		
1. Name and address of the statutory auditors of the issuer	VI/8	176
2. Statutory auditors that have resigned, were dismissed, or whose mandates were not renewed	N/A	N/A
III. Selected financial information		
1. Selected past financial information	I/2	4-6
2. Financial information selected for intermediate periods and comparative data covering the same periods of the previous financial year	N/A	N/A
IV. Risk factors		
	II/6	40-47
V. Information concerning the issuer		
1. History and evolution of the Company		
1.1. Registered name and trade name	VI/1	165
1.2. Place and registration number of the issuer	VI/1	165
1.3. Date of formation and life of issuer	VI/1	165
1.4. Company headquarters and legal form of issuer, legislation covering its activities, country of origin, address, and telephone number	VI /1; II/6.1.2;	165; 42;
1.5. Significant events in the development of the issuer's activity	III/2.1.8	58-61
1.5. Significant events in the development of the issuer's activity	I/3	7
2. Investments		
2.1. Main investments carried out by the issuer during each financial year of the period covered by past financial information	II/1.7; III/2.5.2 à III/2.5.4;	23; 72-75
	II/2.7.2	89
2.2. Main investments of the issuer that are under way	III/2.5.2 à III/2.5.4.; II/2	72-75; 24
2.3. Main investments that the issuer intends to carry out and for which firm commitments have been made	I/4.3; II/3	16; 25
VI. Overview of activities		
1. Main activities		
1.1. Nature of operations carried out by the issuer and its main activities	I/4	8-15
1.2. Significant new product or service launched on the market	N/A	N/A
2. Main markets		
2. Main markets	I/4	8-15
3. Events that influenced the information supplied in accordance with points		
	VI.1 et VI.2	II/1; II/2 19-23; 24
4. Degree of dependence of issuer relative to patents and licenses; industrial, commercial, and financial contracts; and new production procedures		
	N/A	N/A
5. Factors on which is based any statement from the issuer about its competitive position		
	I/4	8-15
VII. Organizational chart		
1. Description of the Group and place occupied by the issuer	II/7.1; III/2.3	47-48; 68
2. List of issuer's largest subsidiaries	II/2.4.2	70

VIII. Real estate, plant, and equipment

1. Existing or planned major fixed assets	I/4.3; III/2.1.7; III/2.1.8; III/2.5.3	6-17; 58 58-62;73-75;
2. Environmental questions that could influence issuer's use of its fixed assets	II/5	34-40

IX. Examination of financial position and earnings

1. Financial position	II/1	19-23
2. Operating income	II/1	19-23
2.1. Financial position of issuer, evolution of this financial position, and earnings of operations completed each financial year and intermediate period for which past financial information is demanded	II/1	19-23
2.2. Evolution and explanation of the evolution of sales	II/1	19-23
2.3. Strategic, governmental, economic, budgetary, monetary, or political factors that have significantly influenced or could significantly influence operations of the issuer	II/6.1.3	44-45

X. Cash and capital

1. Information on issuer's short- and long-term capital)	II/1.7; III/1	23; 51; 54
2. Source and amount of issuer's cash flow	II/1.7; III/1; III/2.7	23; 53; 89-90
3. Information on issuer's borrowing terms and financing structure	II/1.7; III/2.5.15	23; 82-83
4. Information concerning any restriction on use of capital	II/1.7; III/2.5.15	23; 82-83
5. Information concerning future financing sources and assets	II/1.7; II/6.1.1; III/2.5.15	23; 40-41;

XI. Research and development, patents and licenses	N/A	N/A
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XII. Information on trends

1. Main trends affecting production, sales, inventory, costs, and selling prices since the end of the past financial year up to the date of the reference document	II/3.2	24-26
2. Known trend, uncertainty, demand, commitment, or event reasonably likely to influence significantly prospects for the issuer, at least for the financial year underway	II/3.2	24-26

XIII. Profit forecast or estimate

1. Main assumptions behind forecast	N/A	N/A
2. Report of independent statutory auditors on forecasts	N/A	N/A
3. Preparation of forecasts on a basis comparable with past financial information	N/A	N/A
4. Accuracy of forecasts made in a prospectus pending	N/A	N/A

XIV. Administrative, management, supervisory, and executive management bodies

1. Information on activities, non-conviction, and corporate appointments	V/2; V/6.1.3	118-130; 149
2. Conflicts of interest in administrative, management, supervisory, and executive management bodies	V/2.4	129
Arrangement or agreement with main shareholders, clients, suppliers, or others, by which any one of the persons affected by Point 14.1 has been selected as a member of an administrative, management, or supervisory body, or as a member of the general management	V/2.4	129
Details of any restrictions accepted by persons affected by Point XIV.1 concerning the disposal, within a certain period of time, of their shareholding in the issuer's share capital	VI/2	166-167

XV. Compensation and benefits of persons affected by point XIV.1

1. Totals of compensation paid and benefits in kind granted by issuer to its subsidiaries	V/3	130-138
2. Total amount provisioned or recognized by the issuer or its subsidiaries for the purpose of paying for pensions, retirement funds, or other benefits	V/2; V/5; V/6.2.1	138; 144; 156

XVI. Functioning of administrative and management bodies

1. Expiry date of current term of office of members of administrative, management, and supervisory bodies	V/2; V/6.1.3	118; 123; 149
2. Information on service contracts linking members of the administrative, management, or supervisory bodies of the issuer to its subsidiaries	V/2.5; V/5; VI/4	130; 144; 172
3. Information of the issuer's audit and compensation committees	V/2.2.2; V/6.1	128; 146-152
4. Compliance with the form of corporate governance in force	V/6	145-157

XVII. Employees

1. Number of employees at the end of the period covered by past financial information or average number during each financial year of this period and distribution of employees	II/4; III/2.8.1	27; 90
2. Shareholdings and stock options: for each person affected by point XIV.1, information concerning his shareholding in the share capital of the issuer and any outstanding stock options	V/2; V/3; V/4	119-127; 136-137; 139-141
3. Agreement providing for employee investment in the share capital of the issuer	V/4	139-142

XVIII. Main shareholders

1. Name of any nonmember of an administrative, management, or supervisory body holding directly or indirectly a percentage of the share capital or voting rights that must be declared in accordance with applicable national legislation	VI/3.2	169
2. Differences between voting rights of main shareholders	N/A	N/A
3. Holding or control of the issuer and measures taken to avoid abusive exercise of this control	V/6.1.5; VI/3.3	152; 170
4. Agreement that, if implemented, could bring about a change of control of the Company	N/A	N/A

XIX. Transactions with related parties	VI/4; IV/1.24.6; V/5; IV/1.19	171-172; 112; 110; 143-144
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XX. Financial information on assets, financial position, and earnings of the issuer

1. Past financial information	I/2; III; IV	4-6; 50-93; 96-113
2. Pro-forma financial information and description of effects of the restructuring	N/A	N/A
3. Annual financial statements (parent company and consolidated financial statements)	III; IV	50-93; 96-113
4. Verification of past full-year information		
4.1. Statement attesting that past financial information has been verified	III/3; IV/3	94-95; 114-115
4.2. Other information contained in the reference document and verified by the statutory auditors		163
4.3. When financial information appearing in the reference document is not drawn from the financial statements verified by the issuer, indicate their source and state that they have not been verified	N/A	N/A
5. Date of last verified financial information		30/09/2009
6. Intermediate financial information and other	II/3.2.3	26
7. Dividend payout policy	II/7.3	48-49
7.1. Dividend per share	II/7.3; IV/2	48-49; 113
8. Legal proceedings and arbitration	II/6.1.2	42-44
9. Significant change in the financial or commercial position that has occurred since the end of the last financial year	II/2	24-25

XXI. Additional information

1. <u>Share capital</u>	IV/1.10; VI/3	105; 168-171
1.1. Total subscribed capital, number of shares issued, par value per share, and comparison of the number of outstanding shares on the opening and closing dates of the financial year	VI/3	168
1.2. <u>Shares not representative of the capital</u>	N/A	N/A
1.3. Number, book value, and par value of shares held by the issuer or its subsidiaries	III/5.13; IV/1.4.5; VI/3.7	78; 104; 170-171
1.4. <u>Securities that are convertible, exchangeable, or with warrants</u>	N/A	N/A
1.5. Information on the terms regulating all acquisition rights and obligations attached to the subscribed (but not paid-up) capital or any venture aimed at increasing the capital	VI/3.8	171
1.6. Information on the share capital of any Group member subject to an option or agreement providing for placing it under option	III/2.4.1.2; IV/1.24.10	69; 113
1.7. <u>Description of the share capital for the period covered by past financial history</u>	VI/3.1	168
2. <u>Incorporation and by-laws</u>		
2.1. <u>Corporate purpose of the issuer</u>	II/7; VI/1	47-48; 165
2.2. Provisions incorporated in the by-laws or a regulation concerning the members of the administrative, management, and supervisory bodies	V/6.1	145-151
2.3. <u>Rights, privileges, and restrictions attaching to each category of existing shares</u>	VI/1	165
2.4. <u>Number of shares required to modify shareholders' rights</u>	N/A	N/A
2.5. Convening of and admission to annual and extraordinary shareholders meetings	V/6.1.6; VI/1	153; 166
2.6. Provisions in the by-laws, a charter, or a regulation of the issuer that could have the effect of delaying, deferring, or preventing a change in its control	N/A	N/A
2.7. Provisions in the by-laws, a charter, or a regulation establishing a threshold above which all shareholdings must be declared	VI/1	166
2.8. Terms imposed by the by-laws, a charter, or a regulation regulating modifications to the share capital, when the terms are stricter than those provided for by law	N/A	N/A
XXII. <u>Significant contracts</u>	III/2.1.8	58-61
XXIII. <u>Information from third parties, statements of experts, and declarations of interest</u>		
1. <u>Identities of the experts</u>	N/A	N/A
2. <u>Attestation concerning information from third-party sources</u>	N/A	N/A
XXIV. <u>Documents available to the public</u>	VI/6	173-175
XXV. <u>Information on shareholdings</u>		
Information on companies in which the issuer holds a percentage of the share capital	II/2	24;
that is likely to have a significant effect on the appreciation of assets,	III/2.4.2;	70;
<u>the financial position, or earnings</u>	IV/1.4.1	102-103

11. Reference table of the annual financial report

This reference document includes all elements of the annual financial report referred to in Article L. 451-1-2 I of the Monetary and Financial Code and Article 222-3 of the AMF General Regulation. The following reference table refers to the parts of the reference document that correspond to the different headings of the annual financial report.

Annual financial report	Reference document	
	Chapter(s) /Section(s)	Page(s)
I. Annual financial statements of the Company	IV	50-93
II. Consolidated financial statements of the Group	III	96-113
III. Management report including at least the information mentioned in Articles L. 225-100, L. 225-102, L. 225-103, and L. 225-211 paragraph 2 of the Commercial Code		
1. Information mentioned in Articles L. 225-100 and L. 225-102 of the Commercial Code.		
Analysis of the change in sales	II/1	19-23
Analyze of earnings	II/1	19-23
Analysis of the financial position	II/1	19-23
Key indicators for human and environmental resources	II/4; II/5	27-32; 39-40
Principal risks and uncertainties	II/6	40-46
Delegations currently being validated for capital increases	VI/3.8	171
2. Information mentioned in Article L. 225-100-3 of the Commercial Code		
Information that might be influential in a takeover offer	V/6.1.7	153
3. Information mentioned in Article L. 225-211 of the Commercial Code		
Treasury share repurchases by the Company	IV/1.4.5; VI/3.7	104; 170-171
IV. Statement of persons responsible for the annual financial report	VI/7	175
V. Auditors' report on the annual and consolidated financial statements	IV/3; III/3	114-115; 94-95
VI. Fees paid to the statutory auditors	VI/9	176
VII. Report of the Chairman of the Board of Directors on the composition, preparation, and organization of work of the Supervisory Board and on the procedures for internal control and risk management	V/6	145-162
VIII. Statutory auditors' reports on the report of the Chairman of the Board of Directors	V/7	163

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