

Earnings presentation 2004 - 2005

October 1, 2004 – September 30, 2005



1 - Compagnie des Alpes on December 15, 2005

2 - Earnings in 2004 – 2005

3 – Prospects for 2006

4 - Strategy



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Compagnie des Alpes

A European leader in leisure “away from home”

Two business lines

▶ Ski areas (Number 1 worldwide)

- 14 ski areas
- Three countries: France, Switzerland, Italy
- 14 million skier-days

▶ Leisure parks (Number 4 in Europe)

- 15 parks
- Five countries: France, the Netherlands, Germany, Switzerland, United Kingdom
- Six million visitors

▶ 20 million “visits,” each bringing in an average of €23.50. Winter/summer breakdown: 65% / 35%

- A total of six countries in Europe
- Ratio of French to foreign visitors: 60%/40%
- Ratio of overnight stays to day visits: 65%/35%

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Key facts and figures

► Sales grew by 0.8%

- Ski-area sales remained stable after two exceptional seasons*
- A good year for land sales
- A very unfavorable holiday schedule for both business lines (visits down by 523,000 in April)
- Fiscal year ends with an excellent fourth quarter, with sales at leisure parks up by 7.5%

► A year marked by changes in the scope of consolidation:

- Compagnie du Mont-Blanc and Courmayeur become equity affiliates (CDA stake at 23% and 27%, respectively)
- A new concession obtained at Serre Chevalier 1350 (360,000 skier-days)
- Two new leisure parks acquired in France: Planète Sauvage and Mer de Sable (350,000 over the fiscal year)

* Sales grew by 7.2% and 5.1% in 2003 and 2004, respectively.

Uneven results over the year

In skier days and visitors to leisure parks	Visitors 2005 vs. 2004
Q1 (Oct. – Dec.)	- 300,000
Q2 (Jan. – March)	+ 315,000
Q3 (April – June)	- 519,000
Q4 (July – Sept.)	+ 135,000

- ▶ April was a loss-maker: visits and skier-days down by 523,000
- ▶ Easter weekend fell in March
- ▶ French Spring school vacations were delayed into May
- ▶ Ascension weekend fell within the school vacation period
- ▶ Four other holidays fell on weekends (Christmas, New Year, May 1 and May 8), and one was abolished (Whitmonday)
- ▶ The referendum on the EU constitution kept voters at home, while consumption and consumer confidence declined

Analysis of ski-area receipts

On a like-for-like basis (1)

▶ Receipts	€236.0 m	stable vs. 2004
▶ Number of skier-days (volume)	10.2 million	(down by 3.4% or 356,000 skier- days)
▶ Receipts per skier-day (price)	€23.15	(up by 3.4% or €0.80 per day)

(1) Tignes, Les Arcs, La Plagne, Peisey, Les Menuires, Méribel, Grand Massif, Serre Chevalier 1350

Analysis of leisure-parks receipts

on a like-for-like basis (1)

▶ Receipts	€136.1 m	(up 1.8%)
▶ Number of visitors	5.6 million	(down by 0.2% or 13,000 visitors)
▶ Receipts per visitor *	€24.2	(up by 2.0% or €0.50 per visitor)

* Entry fees: 67% - other on-site spending: 33%

(1) Excluding Planète Sauvage and Mer de Sable

Sales trends

Sales in FY 2003 – 2004	€372.3 m
+ Organic growth at ski areas	+3.1
- Sales at Chamonix (now an equity affiliate)	-8.2
- Sales at Courmayeur (now an equity affiliate)	-9.5
+ Sales at Serre Chevalier 1350 (fully consolidated)	+7.5
Total change in sales, Ski Areas	- €7.1 m
+ Organic growth at leisure parks	+2.8
+ Acquisitions *	+6.8
Total sales growth, leisure parks	+ €9.6 m
Sales in FY 2004 - 2005	€375.2 m

* Planète Sauvage, Mer de Sable, six months' sales at Pleasurewood

Gross Operating Profit (EBITDA)

In € m	2005	% of sales	2004	% of sales	Change
Ski Areas	78.6	33.0%	81.4	33.2%	-2.8
Leisure Parks	28.5	20.9%	27.2	21.4%	+1.3
Other	-1.9	ns	-2.6	ns	+0.7
Total	105.2	27.9%	106.0	28.5%	-0.8

► Ski areas:

- EBITDA virtually stable
- Expenses grew by only 3.8% on a like-for-like consolidation scope (excluding land development)
- Land development contributed €5 m

► Leisure parks:

- Operating margin maintained despite major personnel restructuring costs of €2.3 m.
- New acquisitions made a positive contribution of one million euros.

Margin on net income: 7.2% of sales

In € m	2005	2004	Change
Operating income (EBIT)	62.7	65.2	-2.5
Net financial income	-9.4	-10.2	+0.8
Income tax	-18.8	-18.0	-0.8
Net income on equity affiliates	1.2	1.2	-
Goodwill amortization	-4.5	-4.5	-
Minority interests	-4.2	-4.7	+0.5
Net attributable income	27.0	29.0	-2.0

- ▶ **Operating income: includes €1.9 capital gain on disposal of ski shops in 2004**
- ▶ **Net financial income improves:**
 - CMB and CMBF become equity affiliates
 - Lower interest rates and effects of debt restructuring in July 2005:
Average interest rate paid as of 9/30/2005 < 3% before taxes
- ▶ **Effective income tax rate: 35.2% (32.8% in 2004)**

Cash flow and balance sheet

In € m	2005	2004
Cash flow	83.0	74.6
Net capital expenditures	-82.2	-74.4
Net investment	-13.9	8,5
Net debt / equity	78.8%	75.2%

▶ **Cash flow up 11.3%**

▶ **Capital expenditures (CAPEX):**

- Ski areas: €55 m (23% of sales), o/w €12m at Serre Chevalier 1350
- Leisure parks: € 27 m (20% of sales) o/w € 7.4 m for renovations at the Dolfinarium and € 7 m at the Bioscope

▶ **Investment:**

- Acquisitions during the fiscal year: Planète Sauvage, Mer de Sable, Serre Chevalier, Riederalp

Accounts adapted to IFRS: Limited effects, as expected

In € m	French standards	IAS / IFRS	Difference in 2005
Sales	375.3	374.2	-1.1
Net operating income	62.7	61.0	-1.7
Cost of net debt	-9.4	-10.8	-1.4
Net income of consolidated companies	34.5	33.8	-0.7
Goodwill amortization	-4.5	-	+4.5
Net attributable income	27.0	30.8	+3.8

- ▶ Operating income: effects of eliminating provisions for major overhauls and approach by components
- ▶ No more scheduled goodwill amortization

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Prospects for 2006

Ski areas

- ▶ **4,800 additional beds (o/w 1,200 at Peisey*)**
- ▶ **Commercial lodgings as of 12/1/2005**
 - Occupancy rate: **49.5%** (vs. 50.9% on 12/1/2004)
2004-2005 season: **62%** occupancy rate as of 5/8/2005
 - Number of visits up 0.4% thanks to increase in available lodgings
- ▶ **Profile of the 2006 season:**
 - Christmas / New Year: occupancy down by 5%
 - January and February: “ stable
 - March: “ down 5%
 - April: “ up about 5%
- ▶ **Abundant snowfalls in the first week of December**

* Club Med and MGM

Prospects for 2006

Acquisitions in ski areas

► In 2004 / 2005:

- Serre Chevalier 1350 (100% interest) (360,000 skier-days)
- Riederalp Aletsch (20% interest) (216,000 skier-days)

► In 2005 / 2006:

- Capital increase at Saas Fee Bergbahnen: CDA stake grows from 38% to 41%
- Negotiations completed for full control of Serre Chevalier Ski Développement (2005 sales of €16 m, 973,000 skier-days)

Leisure parks: a recap of 2005

▶ **A new growth strategy**

- Organization on a geographic basis
- New operating procedures; a new operating team
- A development plan for each site

▶ **Cost-cutting begins**

- A firmer grip on current operating expenses
- Introduction of centralized purchasing

Prospects for 2006

Leisure parks

► Effects of the holiday schedule in 2005:

- Sales down by € 2 m
- 80,000 less visits (at an average of € 24 each)

► 2006 holiday schedule:

- Easter weekend on April 15-17; parks open (closed in 2005)
- May 1 and May 8 holidays fall on Mondays
- Whitmonday on Monday, June 5

In all, six holidays are positioned better in 2006

Prospects for 2006

Leisure parks

Consolidation of acquisitions made in 2004 / 2005:

▶ **Planète Sauvage (50.4% interest)**

- 178,000 visitors, Sales of €2.3 m (beginning end April)
- Planned sea animals attraction, with dolphins

▶ **Mer de Sable (100% interest):**

- A well-known attraction since 1963
- 170,000 visitors, €3 m sales in August/September 2005
- 400,000 visitors and €6 m in sales for a full year
- Located only 6 kilometers (about 4 miles) from Parc Astérix: possible synergies and repositioning in the market

Prospects for 2006

Leisure parks

- ▶ **Parc Astérix: New attraction, “The Vikings”**
- ▶ **Dolfinarium: Will be running at fully capacity**
- ▶ **Grévin: Renovation of the “Palais des Mirages”**
- ▶ **Bioscope: To open on June 1st 2006**

A strategy for the leisure parks

- ▶ **Make each park a welcoming, pleasant and fully safe space, where we can offer innovative, high-quality family leisure activities, designed for the world of today and constantly updated.**

- ▶ **Beginning in 2006:**
 - Rotate attractions among the parks
 - “Cradexpo” at the Bioscope

A strategy for the leisure parks

The example of Parc Astérix

- ▶ **Give the park a new vigor through an ambitious capital expenditures (CAPEX) program that takes full advantage of the Parc Astérix trademark:**
 - 2006 → Astérix and the Vikings
 - 2007 → New attraction
 - 2008 → Astérix at the Olympics
 - 2009 → Astérix's 50th birthday and the park's 20th.
- ▶ **Greater visibility: partnerships with film producers, for a greater presence in movie theaters; a new communications agency**
- ▶ **€ 50m in CAPEX over the next five years**
- ▶ **Study of a possible extension of the park**

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Strategy

- ▶ The leisure parks as a hedge against risks in the ski areas business
- ▶ A bigger war chest for acquisitions
- ▶ More synergies among group activities

Hedging risks

FY 2004 - 2005

In € m	1st half		2 nd half		Full year	
	SKI	PARKS	SKI	PARKS	SKI	PARKS
Sales	203.0	14.4	35.1	122.3	238.1	136.7
Operating income (EBIT)	+8.7	-31.3	-31.0	+42.4	53.7	11.1
	+53.4		+11.4		+64.8 *	

- ▶ The parks make a positive contribution: 18% of EBIT in 2004/2005
- ▶ The parks offset the ski areas' negative EBIT of €31 m in the second half
- ▶ In 2005, EBIT from ski areas declined by €3 m from 2004 levels
- ▶ EBIT from the parks was a positive €1.5 m, despite €3.6 m in exceptional expenses
- ▶ Our goal: Boost the contribution of the parks to reduce seasonality of earnings even more

* o/w –€ 2.1 m for other activities

Greater growth potential

- ▶ In the last ten years, acquisitions have provided 2/3 of the CDA Group's total growth.
- ▶ Grévin & Cie, and the four new parks acquired since 2002 make up 80% of acquisitions in the same period
- ▶ In the last seven years, CDA has acquired only one new ski area, Serre Chevalier, and has taken minority stakes in three Swiss ski areas.
- ▶ Leisure parks in Europe are in a consolidation phase.
- ▶ CDA is one of the rare operating companies able to buy parks either in groups or individually, and operate them over the long term.

Reinforced synergies

► Synergies for cost-cutting:

- Electricity: savings of 12%, or €1.2 m, in 2005
- Financing: €260 m in debt refinanced, at an average annual interest rate of less than 3% as of 9/ 30/2005
- Insurance: € 1 m per year saved through a CDA group contract
- Centralization of purchasing at leisure parks

► Boosting revenues:

- Developing partnerships and licensing arrangements for the parks
- Cross-marketing experiments: 1,000 CDA skiers given free passes to visit CDA leisure parks

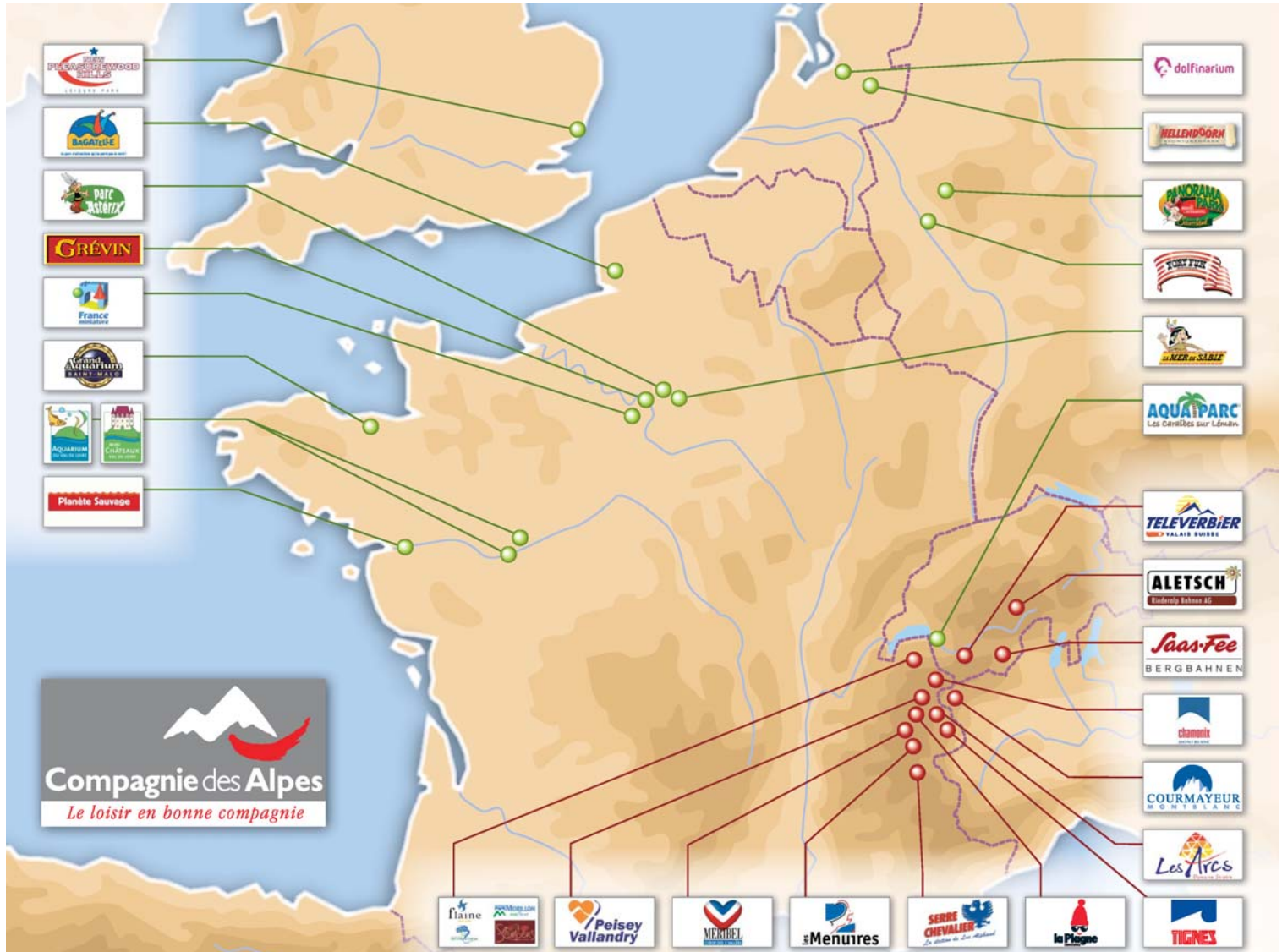
► Streamlining the organization: Two businesses, one headquarters

- Parc Astérix likely to be made a separate subsidiary
- The headquarters of CDA and Grévin & Cie will be merged
- Joint support functions: No duplication

Conclusions

- ▶ **CDA marked time in 2005 for the first time in ten years, but the drop in net income was limited to 7%**
- ▶ **But earnings were firm, with margin on net income at 7.2%**
- ▶ **Two complementary business lines**
 - A reduction of the risk inherent in a single seasonal business
 - More acquisitions opportunities
 - Synergies created
- ▶ **A reorganization based on a strategy for operating leisure activities**

Group sites



Compagnie des Alpes' balance sheet as of 9/30/2005, applying IFRS

In € m	French standards	IAS / IFRS	Difference
Non-current assets	705.4	704.1	-1.1
<i>o/w</i>			
<i>Goodwill</i>	90.2	97.4	+7.2
<i>PP&E</i>	507.4	495.4	-11.5
<i>Non-current financial assets</i>	14.0	5.9	+8.1
<i>Deferred taxes</i>	-	8.7	+8.7
Current assets	90.2	91.2	+1.0
Attributable shareholders' equity	319,1	323.7	+4.6
Total shareholders' equity	345.5	349.9	+4.4
Non-current liabilities	348.2	254.8	-93.4
Current liabilities	102.0	190.6	+88.6
TOTAL BALANCE SHEET	795.6	795.3	-0.3

Operating income

In € m	2005	% of sales	2004	% of sales	Change
Ski areas	53.7	22.6%	56.8	23.2%	-3.1
Leisure parks	11.1	8.1%	9.6	7.6%	+1,5
Other	-2.1	ns	-1.2	ns	-0.9
Total	62.7	16.7%	65.2	17.5%	-2.5

- ▶ Hence, also a decline in EBITDA
- ▶ 2004: capital gain on sale of ski shops of €1.9 m