COMPAGNIE DES ALPES
(CDA)

A Public Company with a Management Board and Supervisory Board and capital of 95,747,465.53 euros
Registered headquarters: 6, place Abel Gance – 92100 Boulogne Billancourt
RCS Nanterre n° B 349 577 908

INTERIM MANAGEMENT REPORT, FIRST HALF OF FY 2004/2005

(October 1, 2004, to March 31, 2005)

1. PRINCIPAL CHANGES DURING THE FIRST HALF

Corporate governance

On January 6, 2005, the Supervisory Board named two new members of the Management Board of Compagnie des Alpes:

- Mr. Franck Silvent, age 32, Finance Inspector (Civil Service), Director of Finance, Strategy and Development, replacing Mr. Yves Marty,
- Mr. Serge Naïm, age 48, Graduate of HEC, Director of the Leisure Sites Division, replacing Mr. Olivier de Bosredon.

The terms of office of the four members of the Management Board expire on February 25, 2006.

Group Trends

The Compagnie des Alpes Group has continued to pursue its development strategy since the beginning of this fiscal year.

In the Ski Areas Division, the first half was marked by two successes in the Serre-Chevalier ski area: SC 1350 (a wholly-owned Group subsidiary) won the Saint–Chaffrey ski lift concession, while the Group increased its shareholding in SEM Serre Chevalier Ski Développement, a joint venture with the local government that operates other areas of the Serre Chevalier resort already under concession; CDA's stake increased from 17.9 % to 34 %. Compagnie des Alpes also increased its shareholding in Compagnie du Mont-Blanc to 23.5 %, up from 15.1% on 9/30/2004.

In October 2004, Compagnie des Alpes took a 20% interest in Arbag, the company operating the Aletsch ski area, in Switzerland's Valais canton.

The Group also modified its internal organization by making its Ski Areas Division a legal entity, and in transferring its holdings in SELALP, STGM, SEVABEL, MERIBEL ALPINA, DSF, and CMBF to this new wholly-owned sub-group called Compagnie des Alpes – Domaines Skiables.

The scope of consolidation of the Leisure Sites Division did not change during the first half of 2004/2005.

Capital Stock

At its meeting of January 25, 2005, the Management Board granted 128,140 options on new Compagnie des Alpes shares, on the basis of the authorization given by the Shareholders' General Meeting of March 10, 2004. The strike price is €60.90 per new share. 60% of the options granted can only be exercised on condition that certain financial targets for the current fiscal year are met [1].

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[1] As of march 31, 2002, the total number of stock options to be exercised is 406,745, of which 76,884 are conditioned on meeting specified targets.

The options exercised since the beginning of the fiscal year have given rise to the creation of 36,579 new shares, bringing the total number of shares comprising the share capital of CDA to 6,280,554 as of March 31, 2005.

2. BUSINESS ACTIVITY AND EARNINGS FOR THE PERIOD OCTOBER 1, 2004, to MARCH 31, 2005

Net income for the Compagnie des Alpes Group for the first half of FY 2004/2005 includes:

- Positive net income for the Ski Areas business line, with more than 80% of sales realized by March 31;
- Net income for Leisure Sites, which is normally negative for the period, since the major sites are closed for the winter (including Parc Astérix which reopened at the beginning of April);
- The earnings of the parent company, Compagnie des Alpes.

The business activity and earnings for the Compagnie des Alpes Group during the first half of 2004/2005 were entirely satisfactory as compared with the first half of 2003/2004.

Net attributable income as of 3/31/2005 was €22.2 m, up 14% from €19.4 m on 3/31/2004.

Key consolidated figures

(in millions of euros)	Interim figures	
	3/31/2005	3/31/2004
Sales	217.6	213.5
Gross operating income (EBITDA)	77.0	74.1
EBITDA / Sales (as a %)	*35.4%*	*34.7%*
Total operating income	52.5	50.5
Net financial income	-5.1	-5.2
Income tax	-17.4	-14.2
Net pre-tax income of consolidated companies	30.0	31.1
Equity affiliates'income and minority interest	-5.3	-9.4
Goodwill amortization	-2.3	-2.3
Net attributable income	22.2	19.4

The change in the manner of consolidating CMB (Chamonix) and CMBF (Courmayeur), made on 9/30/2004, has no effect on net attributable income, although it does impact on other line items in the income statement[2].

[2] See Note 2 in the Appendix to the consolidated financial statements

To facilitate a comparison, the table below shows the changes in the principal elements of the income statement after restating the figures for the previous year by converting CMB and CMBF to equity affiliates.

(in millions of euros)	3/31/2005 Real	3/31/2004 Restated	%
Sales	217.6	200.3	8.6%
Gross operating income (EBITDA)	77.0	68.6	12.2%
Total operating income	52.5	45.3	15.9%
Net pre-tax income of consolidated companies	30.0	27.2	10.3%
Net attributable income	22.2	19.4	14.4%

Taking into account the positive figures at Serre Chevalier (SC 1350 and SCSD) and the normal loss for the period at Pleasurewood Hill provides total sales for the first half of €7.3 m and positive net income of € 1.8 m [3]. Excluding these consolidation effects, net income on a like-for-like basis increased by € 1 million (5 %) compared with 3/31/2004.

Business activity and sales

First-half sales came to €217.6 m, an increase of 8.6 % over the restated 3/31/2004 figure. Without acquisitions, the increase would be 5%.

The Ski Areas business was satisfactory overall through March 31, 2005, in a market disturbed by uneven weather conditions and a school vacation schedule that was quite prejudicial compared with previous years.

The beginning of the season was marked by late snowfall, while the Christmas and New Year's holidays fell unfavorably (on weekends). After a month of February penalized by poor weather conditions (heavy snowfalls and very low temperatures), March was a highly satisfactory month, especially since the Easter Weekend fell early (as opposed to April the year before).

Apart from Serre Chevalier, which saw a marked decline in receipts for its first season as part of the Group, due to poor snow conditions and the coldest winter in fifty years in the Briançon region, total sales for Group ski areas increased during the period, thanks mainly to an increase in receipts per skier-day.

The volume of visitors was up by between 1 and 2% at most group resorts. The exceptions were La Plagne (-2.5%) and Serre Chevalier, mentioned above (-9%). Overall, the volume of visitors through March 31, 2005, was equivalent to that of the previous year.

Activity at leisure sites during the winter half-year represents only 15% of the annual total for this business line, since all sites are closed except for the Saint Malo Aquarium, Aquaparc du Bouveret in Switzerland and Musée Grévin. The Dolfinarium in the Netherlands has become a seasonal activity. The winter closing made it possible to carry out important renovation work.

Activity at Musée Grévin and the Saint Malo Aquarium continues to expand at the rate that prevailed in 2003/2004. However, given the closure for renovation work of the Dolfinarium, total sales at leisure sites remained stable overall.

[3] See Note 2 of the Appendix to the consolidated financial statements

Gross operating income (EBITDA)

EBITDA reached €77 m, an increase of 12.2% over the restated figures for H1 2003/2004. Without acquisitions, the increase in gross operating income would have been 9%. Gross operating margin (EBITDA/Sales) was 35.4%.

Other operating revenues increased by €1.8 m, thanks to a discounting (suggested by outside experts) of the forecast costs of land development at les Arcs. Corrected for this non-recurring element, the EBITDA/Sales ratio came to 34.6%, vs. 34.3% on 3/31/2004.

This improvement is largely due to good management of recurring operating expenses, particularly at leisure sites (winter closing at Harderwijk and a later opening at Parc Astérix), as well as to the fact that certain exceptional expenses in H1 2004 were not repeated, such as the costs of launching Paradiski and expenditures related to the shift to IFRS.

Trends in operating expenses in the Ski Areas are consistent with sales developments. Most of the increase concerned personnel expenses, which grew by 5% due in part to an increase in the average number of seasonal employees and in part to pay increases.

Operating expenses for the half-year period include non-recurring personnel expenses of €2 m due to the reorganization of the Grévin Group, both at holding level and at the sites in Germany and the Netherlands.

In December 2004 Compagnie des Alpes also took out a hedging contract for certain weather risks during the winter season. As of March 31, 2005, only the costs of this contract have been recognized, since the meteorological data used to calculate possible indemnities were not yet available.

Operating income (EBIT)

EBIT reached €52.5 m, up 15.9% from restated figures for H1 2003/2004. The latter included a €1.9 m capital gain on the sale of the Ski Shops business in November 2003. Excluding acquisitions, the increase was 12.3%.

Net attributable income

Net financial income is stable.

The increase in income tax expense is mainly due to changes in the scope and use of deficit carry-forwards in 2004.

Net income of consolidated companies is €30 m, an increase of 10.3% over restated H1 2004 figures. Excluding acquisitions, the increase was 7%.

The change in the method of consolidating CMB and CMBF and the inclusion of SEM Serre Chevalier Ski Développement are the major reasons for the significant improvement in income from equity affiliates and the increase in the share of minority interests.

Net attributable income is €22.2 m, an increase of €2.8 m over 2004. A total of €1.8 m is due to acquisitions.

Cash flows

During the period in which long-term financing for CAPEX made during H1 2004/2005 was being arranged, the Compagnie des Alpes Group had recourse to bank overdrafts.

The reduction in net debt (borrowings less cash on the balance sheet) is an indicator of the Group's financial situation, and reveals the improvement in the Group's situation.

	3/31/2005	9/30/2004	3/31/2004
Net debt (in thousands of euros)	223,066	243,540	225,406
Debt ratio (Net debt/total shareholders' equity)	0.65	0.75	0.70

Capital expenditures (CAPEX) were €47.8m for the reporting period, or €5 m more than in H1 2003/2004. These concerned mainly restructuring work at the Harderwijk site, for about €4.4 m(4) and the beginning of construction work at the Bioscope in Alsace, for €3.6 m(5). Also included is an expenditure of € 8.3 m for the acquisition of the right to operate the Saint Chaffrey ski lifts.

The principal other components of CAPEX include completion of work on ski lifts delivered at the opening of the winter season, as well as an extension of the snowmaking networks. New ticketing equipment, including "no hands" electronic ski pass control, was installed at La Plagne, Peisey Vallandry and Les Arcs, in effect completing the equipment of the Paradiski area.

Net financial investments came to €4.9 m, mainly for acquisition of a 20% minority stake in ARBAG, the company operating the Aletsch Riederalp ski area in Switzerland, and an increase in the Group's shareholdings in SCSD (Serre Chevalier) and Compagnie du Mont Blanc (CMB). The last was realized in part through the incorporation of a €5.9 m current account into the share capital of CMB.

Net financial investments as of 3/31/2004 included the sale price of the Ski Shops.

(4) Out of a total CAPEX program of €9 m.

(5) After receiving the agreement of the European Commission for the means of financing Bioscope, construction work on the site began in the fall. The full-year budget for 2004/2005 is €12 m.

3. EVENTS AFTER THE CLOSE OF THIS REPORTING PERIOD

- In April 2005, Grévin & Cie acquired a majority interest in the company operating the Planète Sauvage animal park, located in Port-Saint-Père between Nantes and the Vendée coast. In 2004, the park had 230,000 visitors and generated sales of €3.2 m.

- In April 2005, Compagnie des Alpes and its subsidiary SAG (Société d'Aménagement Arve et Giffre) signed a new agreement with the Canadian operator Intrawest to develop 2,500 tourist beds in Flaine (Haute-Savoie). This agreement will lead to the sale of major building rights between 2006 and 2010.

4. PROSPECTS FOR THE FUTURE

Activity at the end of the winter season at the Ski Areas fell clearly behind 2004 levels, due to the fact that the Spring school vacations fell too late in France, ending only on May 8, when interest in winter sports has already subsided. End-of-season volume and sales did not meet expectations. Ski Areas sales for the full fiscal year 2004/2005, excluding real-estate sales, should be at about 2003/2004 levels, on a like-for-like basis. The increase in the corresponding operating expenses should be limited to 3%.

The effects of these developments on the operating margin of the Ski Areas will be largely offset by the earnings on land development at Les Arcs and La Plagne.

The two operating companies in the Serre-Chevalier ski area (SC 1350 and SCSD), newly consolidated, will only make a slight contribution, due to poor snow conditions this year.

As to the Leisure Sites business line, the beginning of the season in France also suffered from the school vacation schedule and by the fact that two traditional May holidays fell on weekends this year. Nonetheless, reservations and pre-sales at Parc Astérix are up to expectations and business continues to improve at Musée Grévin and the Saint-Malo Aquarium.

The situation is uneven at leisure sites abroad. Group Management is keeping a particularly close eye on the situation at the Harderwijk Dolfinarium. Major CAPEX have been made at this site, which is now open on a seasonal basis. Given the depressed state of the Dutch economy, performance at the beginning of the season is below expectations.

5. TRANSITION TO IFRS

The Compagnie des Alpes Group will only be affected by the requirement to publish accounts in conformity with IFRS in the fiscal year beginning on October 1, 2005. The first complete full-year financial statements published under the new standards will be for FY 2005-2006; they will be presented alongside figures for FY 2004-2005 drawn up under the same standards.

On a preliminary basis, Compagnie des Alpes has sought to provide figures showing the expected impact of the change in accounting standards on the balance sheet as of 10/1/2004. However, these figures do not take into account:

- The effects of IAS 32/39, which Group Management has decided to apply only beginning on 10/1/2005;
- The IFRIC interpretation of the standards, published on March 3, 2005, concerning accounting treatment of concession agreements.

The principal effects identified concern:

- recognition of tangible fixed assets (PPE) by components, with provisions for related major repairs cancelled,
- non-amortization of goodwill,
- restatement of stock options,
- additional deferred taxes.

The effects of these elements on the financial statements as of 9/30/2004 can be summarized as follows:

- Shareholders' equity on 10/1/2004

(in millions of €uros)

Consolidated attributable shareholders' equity (French standards)	**300**
Recognition by components	9
Negative goodwill	1
Deferred taxes	-4
Consolidated attributable shareholders' equity (IFRS)	**306**

- Earnings

  If the Group had applied IFRS beginning on 10/1/2004, net income for the accounting period closed on 3/31/2005 would have been as follows:

(in millions of €uros)

Consolidated attributable net income (French standards)	**22.2**
Recognition by components	1.0
Non-amortization of goodwill	2.3
Stock options	-0.5
Consolidated attributable net income (IFRS)	**25.0**

However, given the delayed implementation of the standards concerning financial instruments and possible changes during 2005 in the interpretation of existing standards, the figures provided above are subject to modification (particularly depending on changes in the proposed interpretation of concession agreements).

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated balance sheet as of March 31, 2004

ASSETS

(in millions of euros)	3/31/2005	9/30/2004	3/31/2004
Fixed assets			
Goodwill	86	87	90
Intangible fixed assets	58	51	57
Tangible fixed assets	486	4,662	482
Financial fixed assets	15	19	20
Shares in companies accounted for by the equity method	33	25	13
Total fixed assets	**678**	**4,844**	**662**
Current assets			
Inventories and work in progress	10,404	90	11,560
Accounts receivable - trade	51,050	41,410	50,158
Other receivables and accruals	25,985	18,432	30,481
Cash and cash equivalents	45,242	26,491	61,790
Total current assets	**132,681**	**95,288**	**153,989**

LIABILITIES

(in thousands of euros)	3/31/2005	9/30/2004	3/31/2004
Shareholders' equity			
Equity capital	95,747	95,190	93,870
Additional paid-in capital	85,385	84,272	82,585
Reserves	110,152	91,772	91,773
Net attributable income	22,226	29,001	19,387
Currency translation variance	-319	-364	43
Group shareholders' equity	**313,191**	**299,871**	**287,658**
Minority interests	**28,350**	**24,176**	**33,256**
Total shareholders' equity	**341,541**	**324,047**	**320,914**
Capital expenditure subsidies	**3,069**	**2,532**	**3,402**
Provisions for contingent liabilities	**39,506**	**37,672**	**48,977**
Borrowings and bank debt	**268,308**	**270,031**	**287,196**
Operating liabilities	133,751	88,142	120,873
Other liabilities and accruals	24,736	21,168	34,508
Subtotal: Operating liabilities and others	**158,487**	**109,310**	**155,381**
Total LIABILITIES	**810,911**	**743,592**	**815,870**

Consolidated income statement as of March 31, 2005

(in thousands of euros)	3/31/2005	9/30/2004	3/31/2004
Sales	**217,637**	**372,266**	**213,482**
Other operating revenues	4,038	5,703	2,477
Total operating revenues	**221,675**	**377,969**	**215,959**
Purchases and inventory changes	-15,578	-41,903	-16,699
External services	-32,274	-68,395	-33,438
Taxes and duties	-16,752	-23,928	-15,818
Personnel costs	-65,003	-116,377	-61,823
Other operating expenses	-15,028	-21,326	-14,041
Total operating expenses	**-144,635**	**-271,929**	**-141,819**
Gross operating income (EBITDA)	**77,040**	**106,040**	**74,140**
Net amortization, depreciation, and operating provisions	-24,617	-45,750	-25,844
Other operating income	64	4,944	2,252
Operating income (EBIT)	**52,487**	**65,234**	**50,548**
Net financial income	-5,117	-10,161	-5,198
Recurrent income of consolidated companies	**47,370**	**55,073**	**45,350**
Income tax	-17,422	-18,049	-14,246
Net income of consolidated companies	**29,948**	**37,024**	**31,104**
Share in equity affiliates' income	894	1,157	-866
Amortization and recovery of goodwill	-2,353	-4,515	-2,350
Consolidated net income	**28,489**	**33,666**	**27,888**
Minority interest in income	-6,263	-4,665	-8,501
Net attributable income	**22,226**	**29,001**	**19,387**
Earnings per share (EPS) (in €)	€3.54	€4.64	€3.15
EPS diluted (in €) [1]	€3.43	€4.49	€3.02

Cash flow table

(in thousands of euros)	3/31/2005	9/30/2004	3/31/2004
Net attributable income	22,226	29,001	19,387
Minority interest in income	6,263	4,665	8,501
Total net income	**28,489**	**33,666**	**27,888**
Expense and recovery of amortization, depreciation, and provisions	26,004	44,381	29,609
Subsidies recognized in the income statement	-21	-25	
Capital gains and losses	558	-4,270	-2,198
Share in equity affiliates' income	-894	-1,719	866
Dividends from equity affiliates	320	192	191
Deferred tax	-8,061	1,844	-7,613
Other	0	548	-31
Total cash flow	**46,395**	**74,616**	**48,712**
Elimination of non-operating income and expenses	3,563	6,949	212
Variation in trade receivables and payables	43,030	8,598	43,034
Operating cash flow	**92,988**	**90,163**	**91,958**
Acquisition of tangible and intangible assets	-48,861	-76,320	-44,012
Sales or transfers of trangible and intangible assets	1,067	1,944	1,098
Net capital expenditure	**-47,794**	**-74,376**	**-42,914**
Acquisition of long-term financial assets	-5,933	-6,181	-1,428
Sales or transfers of long-term financial assets	1,008	12,586	8,534
Impact of changes in scope of consolidation	37	2,077	3,185
Net change in long-term financial assets	**-4,888**	**8,482**	**10,291**
Variation in receivables and payables			
- on net capital expenditure	-4,410	1,218	-799
- on long-term financial assets	34	-3	164
Investment cash flow	**-57,059**	**-64,679**	**-33,258**
Change in capital	**1,670**	**3,044**	**49**
Dividends paid to CDA shareholders	-10,621	-10,466	-10,466
Dividends paid to minority interests in subsidiares	-2,094	-1,846	-1,593
Total dividends paid	**-12,715**	**-12,312**	**-12,059**
Variation in financial debt	**-24,121**	**-37,104**	**-33,026**
Interest payments	**-4,198**	**-9,383**	**-5,100**
Variation in miscellaneous receivables and payables	**466**	**407**	**892**
Cash flow on financing	**-38,894**	**-55,348**	**-49,244**
Impact of other movements	**-57**	**-30**	**-16**
Change in cash and cash equivalents during the fiscal year	**-3,027**	**-29,894**	**9,440**
Net cash at year opening	**-7,132**	**22,762**	**22,762**
Net cash at year closing [1]	**-10,158**	**-7,132**	**32,202**

[1] Net cash includes cash in the balance sheet (See Note 4) as well as positive bank balances and equivalent (See Note 6 - Borrowings)

Change in attributable shareholders' equity

(in thousands of euros)	Capital	Premia	Consolidated reserves	Net income for FY	Variation on forex conversion	Total shareholders' equity
As of 9/30/2004	**95,190**	**84,272**	**91,772**	**29,001**	**-364**	**299,871**
CDA capital increase	557	1,113				1,670
Dividend distribution			18,380	-29,001		-10,621
Net income for period				22,226		22,226
Variation on forex conversion					45	45
As of 3/31/2005	**95,747**	**85,385**	**110,152**	**22,226**	**-319**	**313,191**

Minority interests

(in thousands of euros)	Consolidated reserves	Net income for FY	Total shareholders' equity
As of 9/30/2004	**19,511**	**4,665**	**24,176**
Distribution of dividends to minority shareholders in subsidiaries	2,576	-4,665	-2,089
Minority interest in earnings		6,263	6,263
As of 3/31/2005	**22,087**	**6,263**	**28,350**

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPAGNIE DES ALPES GROUP AS OF MARCH 31, 2005

Note 1 – ACCOUNTING PRINCIPLES, RULES, AND METHODS

Interim half-year financial statements (from October 1, 2004, to March 31, 2005) are drawn up in conformity with the principles and methods used in the consolidated financial statements of Compagnie des Alpes, which are based on the decree (*arrêté*) of June 22, 1999, which approved Regulation 99-02 of the French Accounting Regulations Committee (CRC - *Comité de Réglementation Comptable*).

Accounting consequences of the seasonal nature of the businesses

The earnings for the first half of the Compagnie des Alpes Group's fiscal year (autumn and winter) combine the very positive earnings of the ski areas business (four of the five months of the winter season are included in the half-year) and the normally negative earnings of the leisure business, due to its very low level of activity during the period.

The accounting consequences include the following:

- Taxes
  - A tax expense is entered as of March 31 for subsidiaries that are profitable as of that date (ski area companies). This is calculated on the real situation, after taking into account existing deficits that may be carried forward and effectively recovered.
  - For companies that are by nature loss-making for the period (leisure sites), an unrealized tax credit on the loss for the period is entered as of March 31.
    This accounting treatment applies to all Group companies, within the limit of the expected tax liability for the second half.
  - The rate used for the calculation of a tax expense or credit is the normal income tax rate (in France, 33.83% plus any effect of the social welfare contribution on earnings).

- Personnel expense
  For operating companies, the principle is that employee profit sharing expenses are attributed to the profit-making period:

  - For ski areas, an annual forecast expense is entered on March 31.
  - No entry is made for family leisure businesses for the period ending on March 31, except for those companies that have a significant year-round activity.

Determining sales figures

- For the ski areas business, deferred revenue corresponding to revenue received on multi-day ski passes (excluding season passes) valid and not yet used is entered as of March 31.
- For leisure sites, the principle applying to pre-sale of tickets (tickets valid for two years, the year of issue, and the year thereafter) is likewise to enter them in the year they are used.
  Hence, given that Parc Astérix only opened on April 9, 2005, no sales based on use of pre-sold tickets were entered as of March 31, 2005.

Note 2 – SCOPE OF CONSOLIDATION

Changes since closing of the interim period ending March 31, 2004

- Compagnie du Mont-Blanc
  In order to rationalize corporate structures, in May 2004 it was decided to merge Mont-Blanc & Cie (MBC) with its subsidiary Compagnie du Mont-Blanc (CMB). This operation consisted in the absorption of Mont-Blanc & Cie by its subsidiary and, for the CDA Group, in a slight decrease in its stake in the new company, from 16.21% to 15.12%.
  Since the shareholders' agreement among the three shareholders in MBC was not renewed, its proportionate consolidation was terminated on the date of the merger in May 2004.
  In anticipation of the changes in the shareholdings in CMB following the recapitalization operations during Q4 2004, it was decided to maintain this shareholding within the Group as an equity affiliate at closing of the fiscal year on 9/30/2004, even though CDA's stake was momentarily below 20%.
  In H1 2004/2005, there were several operations in the capital of Compagnie du Mont-Blanc (CMB), in particular the capitalization of an earnings-conditioned loan of CDA. At the conclusion of these operations, CDA's stake in CMB came to 23.46%.

- In July 2004, Grévin & Cie acquired a 100% stake in Pleasurewood Hills, a company that operates a theme park in the U.K., in Suffolk, east of London.

- CMBF (Courmayeur)
  In September 2004, CDA and its partner Intrawest decided to wind up Funivie delle Alpi (FdA), the parent company of CMBF (Courmayeur). Given a stake in CMBF of only 29.8%, with a loss of exclusive control, CDA has counted this shareholding as an equity affiliate since the liquidation of FdA, also in September 2004.

- Since October 1, 2004, the Ski Areas business has been placed under a separate holding company, "Compagnie des Alpes Domaines Skiables." This company, constituted as a streamlined business corporation (SAS) with CDA as its sole shareholder, brings together all Group companies operating ski areas in France, which were transferred to it by CDA on January 25, 2005.

- Serre-Chevalier
  In December 2004, the municipality of Saint-Chaffrey (Hautes Alpes) awarded Serre-Chevalier 1350 (a wholly-owned subsidiary of Compagnie des Alpes) the concession for its ski area. Compagnie des Alpes increased its shareholding in SCSD, the company that has the operating concession for the other ski areas of the Serre-Chevalier resort, first to 19.9% in December 2004 and then to 33.96% in January 2005.

Effects of these changes

In € m	Change in type of consolidation CMB-CMBF (1) (H1 2004)	Changes in scope of consolidation H1 2005 SCSD-SC 1350 (2)	Other (3)	TOTAL
Sales	-13.2	7.0	0.3	7.3
EBITDA (Gross operating income)	-5.5	3.3	-1.3	2.0
EBIT (Operating income)	-4.2	3.1	-1.5	1.6
Recurring income of consolidated companies	-3.9	3.0	-1.6	1.4
Income tax		-1.0	0.5	-0.5
Net income of consolidated companies	-3.9	2.0	-1.1	0.9
Income from equity affiliates	1.1	1.0		1.0
Allowance for goodwill amortization			-0.1	-0.1
Total net consolidated income	-2.8	3.0	-1.2	1.8
Minority interests	2.8			
Net attributable income	**---**	**3.0**	**-1.2**	**1.8**

Note: The Ski Shops business, sold in November 2003, was no longer consolidated in H1 2004.

Note 3 – FIXED ASSETS

3-1 Intangible fixed assets

(in thousands of euros)	Balance on 3/31/04	Balance on 9/30/04	Acquisitions	Disposals	Allowances	Recoveries	Other	Balance on 3/31/05
Gross values								
Lift use rights	53,656	53,656	8,183					61,839
Business goodwill	1,839	2,805						2,805
Amortizable goodwill	7,069	6,846						6,846
Musée Grévin trademark	9,000	9,000						9,000
Interchange concession, P. Astérix	6,273	6,273						6,273
Other intangible assets	16,445	9,105	144	-6			244	9,487
Sub-total, gross values	**94,282**	**87,685**	**8,327**	**-6**			**244**	**96,250**
Amortization and provisions								
Lift use rights	-23,078	-24,096			-1,120			-25,216
Business goodwill	-3,635	-4,337			-135			-4,472
Interchange concession, P. Astérix	-970	-1,002			-31			-1,033
Other intangible assets	-9,750	-6,913			-385	6		-7,292
Sub-total, amortization and provisions	**-37,433**	**-36,348**			**-1,671**	**6**		-38,013
Net values	**56,849**	**51,337**	**8,327**	**-6**	**-1,671**	**6**	**244**	**58,237**

Goodwill and other use rights on assets, the longevity of which depends directly on the existence of a contract, are amortized over the period of validity of the contract (including specifically use rights of Sevabel and the highway interchange concession for Parc Astérix).

Certain other intangible assets, such as the Musée Grévin trademark, are not amortized.

Intangible fixed assets are subject to regular reappraisals, which can lead to depreciation for impairment if necessary.

The major part of acquisitions during the fiscal year concern ski lift use rights purchased by SC 1350 (Saint-Chaffrey concession). These use rights are amortized over the lifespan of the concession (30 years).

3-2 Tangible fixed assets (PPE)

(in thousands of euros)	Balance as of 3/31/04	Balance as of 9/30/04	Acquisitions	Sales	Depreciation	Recoveries	Other	Balance as of 3/31/05
Gross value								
Land and improvements	12,964	14,046	79				30	14,155
Trail works	51,337	36,940	837				1,766	39,543
Snowmaking	39,938	34,892	3,233	-40			4,741	42,826
Buildings, offices, shops, other spaces	213,669	203,857	1,069	-2			557	205,481
Lifts	393,160	331,836	7,354	-568			23,003	361,625
Snowcats	14,387	12,127	4,118	-1,740			574	15,079
Attractions	69,467	77,019	2,345				11	79,375
Materials and equipment	32,245	26,500	1,859	-125			1,815	30,049
Other fixed assets	98,182	99,186	1,208	-530			9	99,873
Fixed assets in progress	12,402	32,217	14,364	-61			-32,061	14,459
Advances and down payments on fixed assets	1,189	3,575	4,607				-704	7,478
Subtotal: Gross value	**938,940**	**872,195**	**41,073**	**-3,066**			**-259**	**909,943**
Depreciation								
Land and improvements	-2,871	-4,338			-99			-4,437
Trail works	-15,443	-11,829			-673		-138	-12,640
Snowmaking	-21,600	-14,215			-1,312	40		-15,487
Buildings, offices, shops, other spaces	-107,365	-103,767			-3,730	6	296	-107,195
Lifts	-175,399	-135,585			-6,775	103		-142,257
Snowcats	-7,552	-6,453			-1,192	1,378		-6,267
Attractions	-30,133	-34,282			-2,630		-352	-37,264
Materials and equipment	-22,693	-19,489			-1,260	89	-159	-20,819
Other tangible fixed assets	-73,932	-76,048			-2,810	541	350	-77,967
Subtotal: Depreciation	**-456,987**	**-406,006**			**-20,481**	**2,157**	**-4**	**-424,334**
NET VALUE	**481,953**	**466,189**	**41,073**	**-3,066**	**-20,481**	**2,157**	**-263**	**485,609**

Investments during the period were as follows:

- Ski areas (€26 m): These included the final portion of the capital expenditure (CAPEX) programs in preparation for the 2004/2005 winter season, as well as initial work for the 2005/2006 season (nine new detachable chair lifts, and a gradual upgrading of the snowmaking network).
- Leisure sites (€15 m): This concerns CAPEX on equipment placed in operation during the 2005 spring-summer season, in particular restructuring the Dolfinarium site, and the beginning of construction work on the Bioscope project, of which the first phase is due for completion in the spring of 2006.

The reduction in net fixed assets between March 31, 2004 and September 30, 2004 is mainly due to the change in the type of consolidation of CMBF and CMB (henceforth as equity affiliates), which had an effect of €37 m.

The column "others" includes mainly the allocation on fixed assets in progress in the Ski Areas.

The table below is a reconciliation between the presentation of acquisitions of tangible and intangible fixed assets in the balance sheet and that in the cash flow table.

(in thousands of euros)		
Acquisition of intangible fixed assets	Note 3.1	8,327
Acquisition of tangible fixed assets	Note 3.2	41,073
Acquisition of tangible and intangible fixed assets		**49,400**
- CAPEX subsidies		- 539
Acquisition of tangible and intangible fixed assets in the cash flow table		**48,861**

Information on tangible and intangible fixed assets, divided by business line and geographic area (net values):

(in thousands of euros)		Ski Areas	Leisure	Other	3/31/2005	9/30/2004	3/31/2004
France		374,181	120,031	432	**494,644**	474,435	481,501
- assets under concession		294,653			294,653	284,582	288,843
- assets under lease		4,555	3,580		8,135	9,017	9,758
Europe excl. France		25	49,177		**49,202**	43,091	57,301
TOTAL tangible and intangible fixed assets		**374,206**	**169,208**	**432**	**543,846**	**517,526**	**538,802**
Intangible fixed assets	Note 3.1				**58,237**	51,337	56,849
Tangible fixed assets	Note 3.2				**485,609**	466,189	481,953
TOTAL tangible and intangible fixed assets on the balance sheet					**543,846**	**517,526**	**538,802**

Note 4 – CASH

(in thousands of euros)	3/31/2005	9/30/2004	3/31/2004
UCITS and other	22,826	14,682	37,065
Term investments	1,356	1,270	1,472
Demand deposits	19,887	9,676	22,308
Cash on hand	1,173	863	945
Gross value	**45,242**	**26,491**	**61,790**
Provisions for impairment			
Net value	**45,242**	**26,491**	**61,790**

Structurally, the cash situation as of March 31 is better than that of September 30, given receipts of ski areas for the winter season.

The decrease between 3/31/2004 and 3/31/2005 is due to temporary financing arrangements set up by the Leisure Sites division at the beginning of 2004, during the low-use period, and not yet used by 3/31/2004.

Note 5 – PROVISIONS FOR CONTINGENT LIABILITIES

(in thousands of euros)	3/31/2005	9/30/2004	3/31/2004
Provisions for major repairs	18,469	16,836	21,993
Provisions for severance pay on retirement	8,416	6,870	8,857
Provisions for contingent tax liabilities	1,740	2,310	1,915
Other provisions for contingent liabilities	10,881	11,656	16,212
	39,506	**37,672**	**48,977**

The change in severance pay on retirement is due in part to a change in actuarial assumptions (a discount rate of 3.8% vs. 4.5% previously) and also updating of the mortality table.

Other provisions for contingent liabilities can be analyzed as follows, depending on their purpose:

- negative goodwill on Televerbier and Saas Fee (€1 m),
- provisions for future losses on exercise of stock options, particularly concerning Grévin & Cie (€2.1 m),
- provisions for contingent liabilities at SMA (Les Arcs) and SAP (La Plagne), in the context of previous real-estate activities in the framework of the development of the resorts (€1.5 m),
- provisions for litigation (€5 m), including litigation concerning acquisition of a shareholding;
- provisions for various other contingent liabilities (€900,000).

The changes in the type of consolidation of CMBF and CMB (consolidated via the equity method as of 9/30/2004) gave rise to a decrease in provisions for contingent liabilities of €6.3 m compared with 3/31/2004.

Note 6 – BORROWINGS

(in thousands of euros)	Short term less than one year	Medium term from one to five years	Long term more than five years	TOTAL 3/31/2005	TOTAL 9/30/2004	TOTAL 3/31/2004
Bond issues	15	1,524		1,539	1,742	1,716
Borrowings from credit institutions	31,341	99,638	62,490	193,469	214,937	232,398
Other borrowings and equivalents	325	873		1,198	2,289	2,431
Partners' advances	211			211	0	582
Leasing contracts	4,232	6,155	341	10,728	12,437	13,987
Interest payable	918			918	1,246	1,436
Credit balances of banks and similar	55,400			55,400	33,623	29,588
Employee profit sharing	535	2,857		3,392	3,319	3,836
Other	1,425	4	23	1,452	438	1,222
	94,403	111,051	62,854	**268,308**	**270,031**	**287,196**

The decrease in debt between 3/31/2004 and 9/30/2004 is largely due to the change in the manner of consolidation of CMBF and CMB (now equity affiliates).
As of 3/31/2005, some companies, particularly in the Grévin Group, made use of bank overdrafts while awaiting the finalization of long-term financing for CAPEX undertaken in the first half of 2005.

Structure of borrowings

(in thousands of euros)	3/31/2005		9/30/2004		3/31/2004	
Fixed-rate borrowings	39.0	19%	35.4	15%	44.0	18%
Variable-rate borrowings	168.1	81%	196.3	85%	207.1	82%
TOTAL	**207.1**		**231.7**		**251.1**	

The structure given above includes all bond issues, borrowings from credit institutions, other borrowings and similar debts, shareholders' advances and lease financing. This total represents close to 80% of the borrowings of the Compagnie des Alpes Group. 22% of fixed-rate borrowings relate to leases.

Information on applicable interest rates

	3/31/2005	9/30/2004	3/31/2004
Fixed-rate borrowings	5.03%	5.50%	3.96%
Variable-rate borrowings	3.08%	3.08%	3.03%
Debt on lease contracts	6.22%	6.26%	6.55%
	3.53%	**3.53%**	**3.37%**

Hedging instruments

As of March 31, 2005, variable-rate borrowings are hedged at the same 80% level as on 9/30/2004. Some companies, such as CDA and Grévin & Cie, are fully hedged. Hedges consist of Caps (possibly together with Floors and interest-rate swaps (fixed or variable, capped). FRAs (future rate agreements) of less than one-year maturity are sometimes set up to fix rates for all or part of the accounting year.

Note 7 – INFORMATION BY BUSINESS LINE

Group sales by business line and geographic area

	As of 3/31/2005			As of 3/31/2004		
	France	Europe (excl. France)	Total	France	Europe (excl. France)	Total
Ski Areas	202,952	79	203,031	190,912	8,487	199,399
Leisure Sites	8,794	5,559	14,353	7,895	6,123	14,018
Other	4,804	62	4,866	6,327		6,327
Eliminations of intra-Group sal	-4,551	-62	-4,613	-6,262		-6,262
TOTAL	**211,999**	**5,638**	**217,637**	**198,872**	**14,610**	**213,482**

Operating income by business activity

(in thousands of euros)	Ski areas		Leisure sites		Other		iminations of intra-Group sal		TOTAL	
	3/31/2005	3/31/2004	3/31/2005	3/31/2004	3/31/2005	3/31/2004	3/31/2005	3/31/2004	3/31/2005	3/31/2004
Sales	203,031	199,399	14,353	14,018	4,866	6,327	-4,613	-6,262	217,637	213,482
Other operating revenues	3,166	1,494	754	832	118	151			4,038	2,477
Total operating revenues	**206,197**	**200,893**	**15,107**	**14,850**	**4,984**	**6,478**	**-4,613**	**-6,262**	**221,675**	**215,959**
Purchases and inventory changes	-10,521	-11,649	-4,684	-5,014	-373	-36			-15,578	-16,699
Outsourcing	-19,917	-23,032	-13,788	-13,394	-2,995	-2,932	4,426	5,920	-32,274	-33,438
Taxes and duties	-14,725	-13,864	-1,599	-1,519	-428	-435			-16,752	-15,818
Personnel expenses	-44,767	-43,232	-18,181	-15,180	-2,236	-3,675	181	264	-65,003	-61,823
Other operating expenses	-14,565	-13,641	-429	-439	-40	-39	6	78	-15,028	-14,041
Total operating expenses less depreciation and provisions	**-104,495**	**-105,418**	**-38,681**	**-35,546**	**-6,072**	**-7,117**	**4,613**	**6,262**	**-144,635**	**-141,819**
EBITDA	**101,702**	**95,475**	**-23,574**	**-20,696**	**-1,088**	**-639**			**77,040**	**74,140**
Net expenses for depreciation and provisions	-17,018	-15,937	-7,697	-8,606	98	-1,301			-24,617	-25,844
Other operating income	80	845	-16	-49		1,456			64	2,252
Net operating income	**84,764**	**80,383**	**-31,287**	**-29,351**	**-990**	**-484**			**52,487**	**50,548**

Note 8 – OFF-BALANCE SHEET COMMITMENTS

Apart from concession and lease agreements, which have not changed significantly since closing on September 30, 2004 other than obtaining the Saint-Chaffrey concession, and rentals, significant off-balance sheet commitments are as follows:

(in thousands of euros)	3/31/2005	9/30/2004	3/31/2004
Guarantees and sureties	1,904	2,144	2,812
Lease payments (on non-restated contracts)	954	489	1,331
Call options on stocks (1)	5,521	6,582	10,055
Other (commitments on construction work) (2)		3,500	
Commitments given	**8,379**	**12,715**	**14,198**
Representations and warranties received	363	364	150
Sureties received	1,791	1,791	
Commitments received	**2,154**	**2,155**	**150**

(1) o/w €4.8 m (on 6/31/2005) for repurchase of shares in Grévin & Cie to be issued on future exercise of stock options

(2) Commitment to SAS to set up a ski lift (operation completed on 3/31/2005)

The following commitments should also be noted:

- Certain employment contracts provide for the payment of penalties should the company break them off under certain conditions. These vary between one and three times gross salary. Twelve persons are concerned.
- Certain tangible and intangible fixed assets in the consolidated balance sheet have been mortgaged or pledged as collateral to guarantee the principal remaining due on certain loans recognized as group borrowings. These came to €12 m as of March 31, 2005.
- In the framework of the development of residential housing capacity at La Plagne, SAP has given options to repurchase shares in SC "Résidence de Tourisme ASPEN" at term (12/20/2013), for a maximum price of €6 m, non-indexed. On the basis of present market values, this commitment has no significant effect, since exercise of the options is unlikely.

REPORT OF THE STATUTORY AUDITORS ON A LIMITED EXAMINATION OF THE HALF-YEAR CONSOLIDATED ACCOUNTS AT MARCH 31, 2005

As statutory auditors of Compagnie des Alpes, and in application of article L 232-7 of the commercial code, we have performed the following:

- a limited examination of the operating accounts and income statements presented in the form of half-year consolidated accounts for the Compagnie des Alpes, established in euros and covering the six-month period ending March 31, 2005, as they figure in this report.
- the verification of the information given in the half-year report.

These consolidated accounts were established under the responsibility of your Management Board. It is our responsibility, based on our limited examination, to issue an opinion on these accounts.

We have carried out our examination in conformity with the standard of practices applicable in France. These practices call for the application of prescribed diligence providing assurance, of a lower degree than that of an audit, that the consolidated half-year accounts contain no significant anomalies. An examination of this sort does not include all of the controls of an audit. Rather, it is limited to the application of analytical procedures and to obtaining all of the information which we deem necessary from the company's directors and other concerned individuals.

On the basis of our limited examination, we have found no anomalies and have no observation to make concerning the fairness of the information provided in the consolidated half-year accounts, which were drawn up in conformity with French accounting rules and principles, and present a faithful view of the operating results of the half year and the financial situation and holdings of the company at the end of the period.

In conformity with professional standards applicable in France, we have also carried out a verification of the information provided in the half-year report giving commentary on the consolidated half-year accounts which were the subject of our limited examination.
We have no comment to make as to their sincerity and their concordance with the consolidated half-year accounts.

Paris, June 28, 2005

The Statutory Auditors

PricewaterhouseCoopers Audit	Mazars & Guérard
FRANCIS LE BER	DENIS GRISON