



COMPAGNIE DES ALPES

Financial Statements
for the First Half of the Fiscal Year
(October 1, 2003 to March 31, 2004)





- I - Activity and earnings for the first half**
- II - Analysis of the winter season and start of the summer season**
- III - Group prospects**
- IV - Privatization and corporate governance**



Key events in the first half

- Sales up 5.6% on a like-for-like consolidation scope (down 1.8% on the real consolidation scope):
 - base period of H1 2003 was a record
 - successful launching of the Paradiski area (Les Arcs/La Plagne)
- Sale of the ski shops had a major impact on the reporting period
Their H1 2003 sales: €16 m; Operating income: €4 M
- Acquisition of Panorama Park: closed during the first half
- Significant non-recurrent operating expenses



I – Activity and earnings for the first half. 2004

Consolidated income statement

In millions of euros	Results 3/31/2004	Results 3/31/2003 Real consolidation scope	Change 2003/2004	Results 3/31/2003 Like-for-like consolidation scope*	Change 2003/2004
Sales	213.5	217.4	-1.8%	202.2	+5.6%
EBITDA	74.1	79.0	-6.2%	73.2	+1.2%
EBIT	50.5	55.5	-9.0%	50.8	-0.6%
Net attributable income	19.4**	21.6	-10.2%	19.4	-

Excluding ski shops, sales increased by 5.6%
EBITDA increased by 1.2%
EBIT declined by 0.6%

* Excluding effects of ski shops and Aquaparc

** Including capital gain on sale of ski shops of €1.9 m



I – Activity and earnings for the first half. 2004

Most significant changes on a like-for-like basis

In millions of euros

Sales	+11.3	
Other operating revenues	<u>-1.6</u>	(o/w base effect of € 1.3 m of non-recurrent insurance payment received in 2003)
Total operating income	+9.7	
Operating expenses	<u>-8.8</u>	
EBITDA	+0.9	
Amortization/depreciation	-1.2	O/w €1 m on CAPEX in ski areas
Provisions	-0.5	Provisions for severance pay
Other	<u>+0.5</u>	Capital gain on ski shops (€1.9 m)
Operating income (EBIT)	-0.3	

Operating expenses were impacted by:

The launching of Paradiski; winter closing of Panorama Park; setting up a new organizational structure; severance pay; work to anticipate IFRS standards and to conform to French financial security act (LSF)



- I - Activity and earnings for the first half
- II - Analysis of the winter season and start of the summer season**
- III - Group prospects
- IV - Privatization and corporate governance



II – Analysis of the winter season and start of the summer season

Activity of the two divisions

- **Ski areas: Good results relative to the 2003 record season, but performance uneven among Group resorts**
- **Family leisure: A more difficult opening to this year's season, relative to 2003**



II – Analysis of the winter season and start of the summer season

Ski areas as of end May 2004 **A season marked by growth**

- **Ski areas receipts*** **up 5.3 %**
238 M€ (up 12 M€) *(5-year trend: up 5.6% per year)*
- **Number of skier days*** **up 0.8 %**
10.5 million (up 85,000 days) *(5-year trend: up 1.4% per year)*
- **Receipts per skier day *** **up 4.5 %**
22.7 € (up one euro per day) *(5-year trend: up 4.2% per year)*

* Total scope of consolidation (Tignes.
Les Arcs. Peisey. La Plagne. Les Menuires.
Méribel. Grand Massif. Courmayeur)



II – Analysis of the winter season and start of the summer season

Ski areas as of end May 2004 Performance uneven among Group resorts

■ Number of skier days:

- Peisey Vallandry up 6.6 %
- Courmayeur up 6.4 %
- Grand Massif down 1.4 %
- Tignes down 3.9 %

■ Receipts per skier day:

- Les Arcs up 8.9 %
 - Peisey up 6.7 %
 - La Plagne up 6.4 %
- } Effect of Paradiski
- Courmayeur up 1.2 %
 - Méribel down 0.3 %



II – Analysis of the winter season and start of the summer season

Ski areas

Launching of Paradiski, linking Les Arcs – Peisey - La Plagne

- A significant capital expenditure (€16 m)
- A difficult wager proves successful: 450,000 passages in the first season
- €4.5 m in additional receipts
- Additional receipts per day: one euro times 4.5 million skier days over the 3 resorts
- Excellent rate of satisfaction, especially skiers from abroad
- Launching costs were high



II – Analysis of the winter season and start of the summer season

Family leisure Strategic advantages

- Sites are close to where people leave, neutralizing the uncertainties of the tourist industry
- Based in the local environment: a loyal public
- Management: Constant adjustment of costs to receipts
- Acquisitions: A well managed growth lever
- Grévin & Cie: A well-known operator



II – Analysis of the winter season and start of the summer season

Family leisure

Unsure prospects as the season begins

- **An economic situation unfavorable to expenditures on leisure activities**
 - Household morale is low
 - throughout Europe
- **Numbers of visits vary, but are down 5.7% from 2003**
 - Dolfinarium Harderwijk: down 12%
 - Parc Astérix: down 6%
 - Grand Aquarium Saint-Malo: up 6%
 - Grévin : up 12%
- **Receipts per visitor stable (€22.5 vs. €22.7 in 2003)**



II – Analysis of the winter season and start of the summer season

Family leisure Adjusting to the economic situation

- **Costs: adjusting to seasonal trends**
 - Cutting the budget
 - While keeping the quality of services
- **Receipts:**
 - The whole summer season is to be won
 - A new acquisition, in a business we have mastered



II – Analysis of the winter season and start of the summer season

Family leisure Pleasurewood Hills: An immediate contribution and an added potential

AN IMMEDIATE CONTRIBUTION

- A regional leisure park since 1983
- 243,000 visitors, sales of €4.8 m
- The site will contribute to earnings beginning on July 3, 2004 (summer season)



II – Analysis of the winter season and start of the summer season

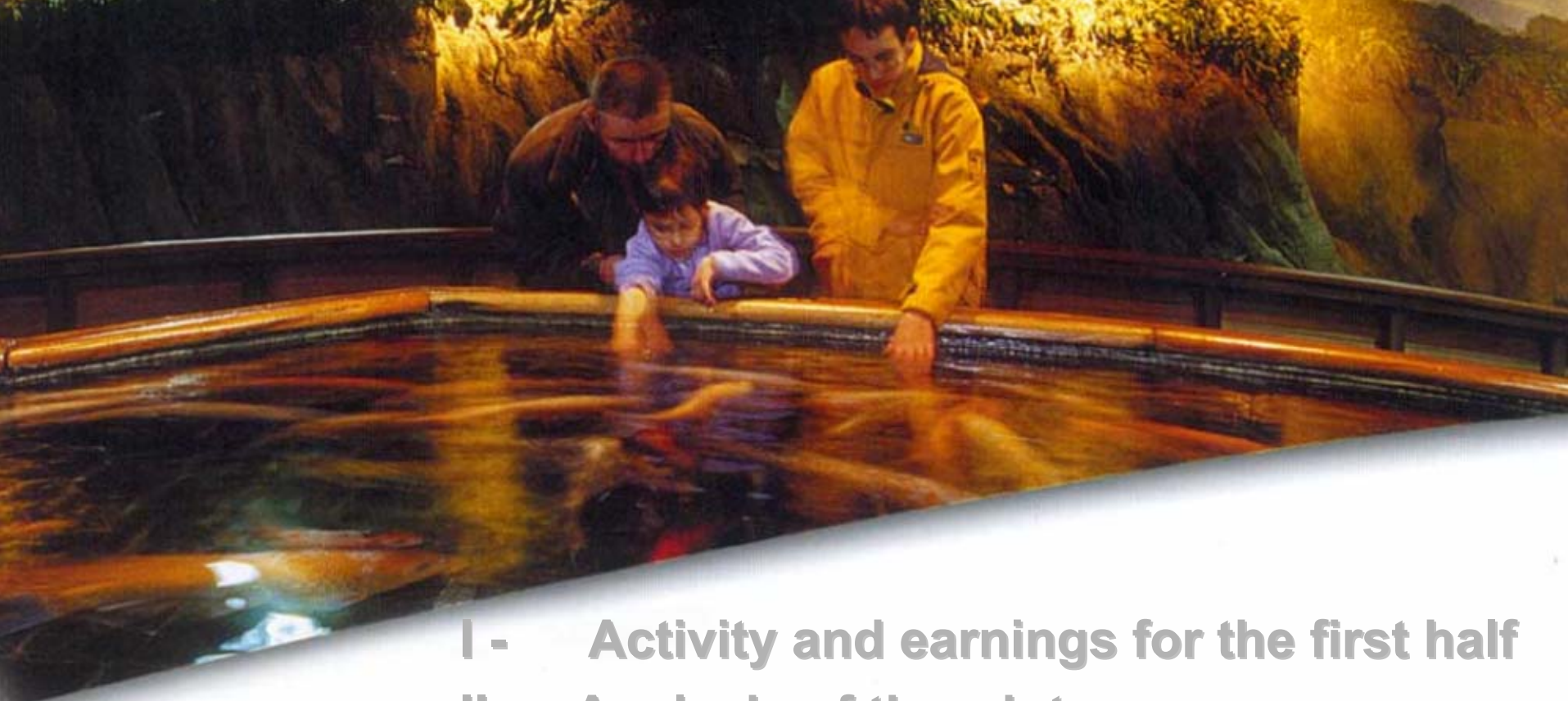
Family leisure

Pleasurewood Hills:

An immediate contribution and an added potential

AN ADDED POTENTIAL

- **Grévin & Cie's sixth regional leisure park**
 - **EBIDA at 19%: an immediate boost to margins**
 - **Visitors rate: a potential for reviving the business line**
- **A promising market**
 - **High entrance fees**
 - **Payroll costs well in hand**



- I - Activity and earnings for the first half**
- II - Analysis of the winter season and start of the summer season**
- III - Group prospects**
- IV - Privatization and corporate governance**



III – Group prospects

- **Income as of 9/30/2004 will be partly dependent on the success of the family leisure activities (40% of the season by June 30, excluding the acquisition)**
- **Positive effect of the sale of the ski shops on income for the year: Operating income as of 9/30/2003: €0.5 m**
- **In the medium term, income will grow steadily thanks to:**
 - **Tight management of operating expenses and CAPEX**
 - **A new boost to volume at ski areas thanks to more lodgings**
 - **Acquisitions in both business areas**



Medium-term prospects

Tight management of operating expenses

- **A call for tenders for all electricity needs in both divisions**
- **Hedging for climatic risks for the 2004/2005 season: climatic “derivatives” only for the weeks with the greatest risk:**
 - **snow risk: Christmas-New Year season (15% of sales)**
 - **bad weather risks: February vacations (30% of sales)**
- **A moderate level of CAPEX in ski areas after two exceptional years**
- **Restructuring the Group into two business lines**



Medium-term prospects

Increasing the volume of business at ski areas

- **New rental lodgings for 3,000 skiers delivered for Christmas 2004**
- **Signature of a contract for land sales with Intrawest for the development of additional rental lodgings for 4,000 at Flaine (delivery between 2007 and 2010)**
- **New acquisitions in ski areas: CDA becomes a shareholder in the public-private company (SEM), Serre Chevalier Ski Développement**



Serre Chevalier Ski Développement :
An operating company (SEM) of the municipalities
of Monetier, la Salle, Briançon, Puy St Pierre and Puy St André

O
p
p
o
r
t
u
n
i
t
i
e
s

- One of France's seven major ski areas
- Geographical diversification to the Southern Alps
- 1.1 million skier days for the SEM
- Appr. €18 m in sales for the SEM
Appr. €24 m for the SEM and Saint Chaffrey
- Important potential for real estate development
(at present, lodgings for 40,000, of which 50%
are rentals)
- Entry costs limited to financial restructuring



SCSD - Serre Chevalier

C h a l l e n g e s

- A difficult balance sheet
- A complex organization (one SEM, one municipal operator and six participating municipalities)
- A major CAPEX program: About €40 m over five years for the entire area



Serre Chevalier

A project in several steps

- **First step: Entry of CDA by increasing the capital of the SEM – a 19.9% share for €400,000**
- **No impact on the consolidated financial statements before 2005**
- **A transitional 2004/2005 winter season: CDA will manage reorganization and take over top management**
- **At end 2004 Saint Chaffrey will call for tenders for a public service concession, in line with the others**



IFRS accounting standards

A positive effect on the income statement and balance sheet

- **Abolition of goodwill amortization**
- **Depreciation of fixed assets by component and abolition of provisions for major repairs: positive impact on EBITDA, EBIT and net income**
- **Stock options expensed: negative impact on EBITDA and net income**

Expected impact:

Change in EBITDA, from 0 to +5%

Change in EBIT, from +3% to +7%

Change in net attributable income, from +15% to +25%

Change in Group shareholders' equity, from 0 to +5%



- I - Activity and earnings for the first half**
- II - Analysis of the winter season and start of the summer season**
- III - Group prospects**
- IV - Privatization and corporate governance**



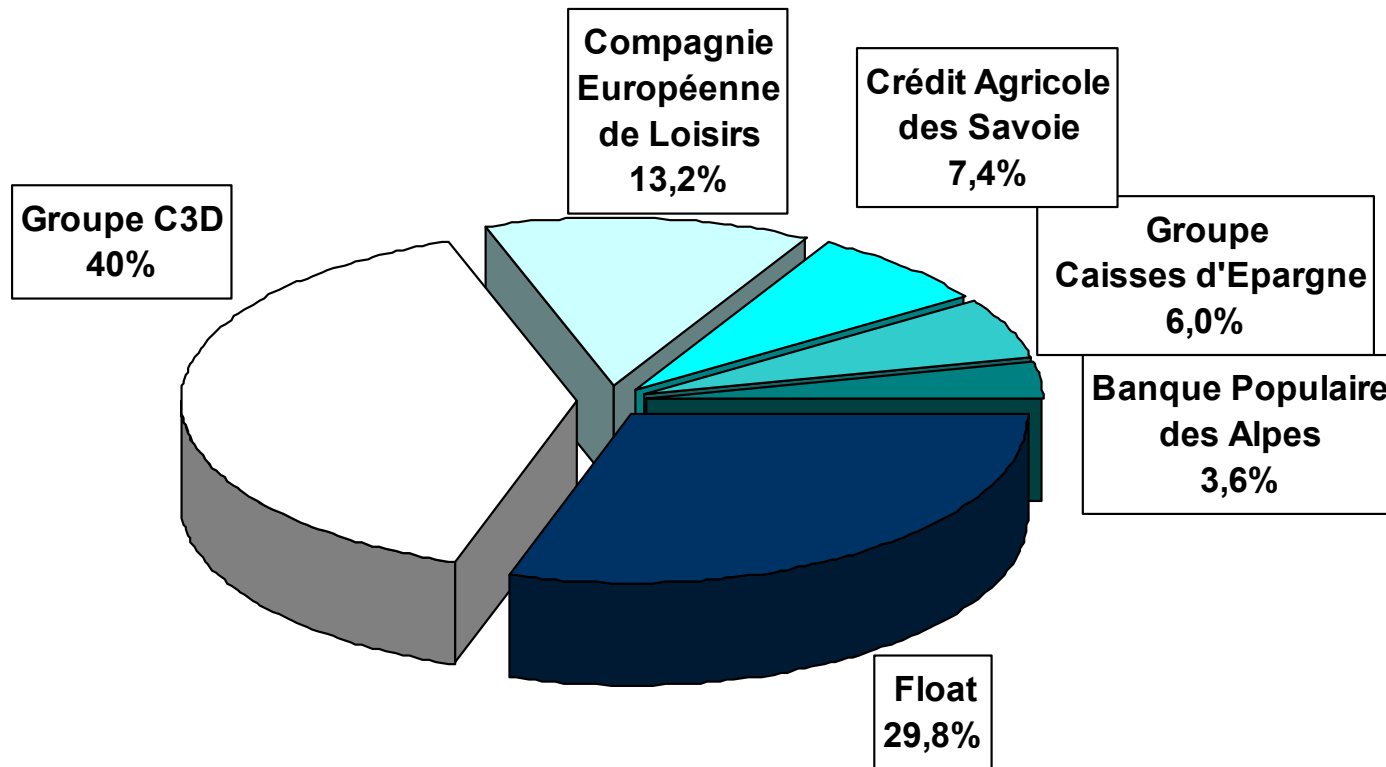
Privatization of CDA

- November 2002/May 2004: a very long privatization process: C3D's stake drops from 53% to 40%
- Privatization at €69 per share
- Compagnie Européenne de Loisirs becomes a shareholder: 13.2% of CDA share capital acquired from Alpark
- In all, 26% of the capital of CDA changed hands



IV – Privatization and corporate governance

New division of CDA' share capital, As of June 30, 2004



New corporate governance: Charter adopted by the AGM of July 5

- **New rules of operation for the Supervisory Board**
- **Establishment of three Committees:
Strategy, Audit, Appointments and remuneration**
- **Membership of the Supervisory Board:**
 - **Caisse des Dépôts Group** 4 members, incl. the Chairman
 - **Compagnie Européenne de Loisirs** 2 members
 - **Caisses d'Epargne Group** 1 member
 - **Crédit Agricole des Savoie** 1 member
 - **Banque Populaire des Alpes** 1 member
 - **Independent members** 2 members



Measures favoring shareholders

- **Renewal of premiums on use of ski lifts for individual shareholders:**
 - Reduction in number of shares required
 - Reduction in the minimum period of shareholding
 - New premiums (Aquarium de Saint Malo)
- **Payment of an interim dividend in 2004 (€0.80 per share)**



Conclusions

- Interim half-year results, 2004: strong impact of the sale of the ski shops
 - Winter activity superior to the record 2003 season
 - A resumption of acquisitions in both divisions
 - A solid shareholder base, with a private sector majority
 - New Group rules for corporate governance
- 2004: a fiscal year of transition
- 2005 should mark a return to steady growth in earnings



Appendices

First half results

- **By business line**
- **Comparaison of real scopes of consolidation**

First half results by business line

(real scope of consolidation)

In millions of euros	TOTAL 1st HALF	SKI AREAS	FAMILY LEISURE	OTHERS AND HOLDING
Sales	213.5	199.4	14.0	0.1
EBITDA	74.1	95.5	-20.7	-0.7
Operating income (EBIT)	50.5	80.4	-29.4	-0.5

1st half:

Ski areas: 93% of sales, profit making

Family leisure: 7% of sales, loss making

Consolidated income statement Comparison H1 2004 / H1 2003

(real scope of consolidation)

In millions of euros	3/31/2004	3/31/2003	Change	
			In € m	In %
Sales	213.5	217.4	- 3.9	-1.8%
EBITDA	74.1	79.0	- 4.9	-6.2%
Operating income (EBIT)	50.5	55.5	- 5.0	-9.0%
Net financial income	-5.2	-6.7	+ 1.5	+22.4%
Taxes	-14.2	-16.3	+ 2.1	+12.9%
Equity affiliates and goodwill	<u>-3.2</u>	<u>-3.1</u>	<u>- 0.1</u>	+3.2%
Net income(100%)	27.9	29.4	- 1.5	-5.1%
Minority interests	<u>-8.5</u>	<u>-7.8</u>	<u>- 0.7</u>	-9.0%
Net attributable income	19.4	21.6	- 2.2	-10.2%

Effects of decline in debt and drop in average interest rate : plus €1.5 m

Taxes: up €2.1 m

Minority interests: negative effect of €700,000