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89, rue Escudier – 92100 Boulogne-Billancourt
Tél.: 01 46 84 88 00 – Fax: 01 46 84 89 99
www.compagniedesalpes.com
communication@compagniedesalpes.fr

SECURITIES NOTE

Made available to the public in France in connection with the issuance and admittance to trade on Euronext Paris, of new shares issued in the framework of a capital increase that preserves shareholders' preferential subscription rights to subscribe for a quantity of shares at a price of €59.50 per share, including 1 new share for 5 existing shares, from July 3, 2006 up to and including July 14, 2006.

A legal notice will be published in the Bulletin des annonces légales obligatoires on June 30, 2006.



Visa of the Autorité des marchés financiers

Pursuant to Articles L. 412-1, L. 621-8 and L. 621-8-1 I of the French Monetary and Financial Code and its *Règlement général*, notably of its Articles 211-1 to 216-1, the *Autorité des marchés financiers* granted *visa* No. 06-230 dated June 27, 2006 to this Prospectus. This Prospectus has been prepared by the issuer and renders the signatories hereof liable. The *visa*, in accordance with the provisions of Article 621-8-1 I of the French Monetary and Financial Code, was granted after the AMF verified “whether the document is complete and comprehensible, and whether the information it contains is consistent”. It does not imply approval of the suitability of the transaction or authentication of the accounting and financial items included.

This Prospectus consists of:

- the Company's *Document de Référence* registered with the *Autorité des marchés financiers* on February 10, 2006 under number D. 06-0056,
- an Update to the above mentioned *Document de Référence* registered with the *Autorité des marchés financiers* on June 27, 2006 under registration number D.06-0056-A1,
- this Securities Note, and
- the summary of the Prospectus (contained in this Securities Note).

Copies of this Securities Note are available free of charge at the offices of Oddo & Cie – 12 boulevard de la Madeleine – 75440 Paris Cedex 09, Société Générale – Tour Société Générale, 17 cours Valmy – 92972 Paris La Défense, as well as at the registered office of Compagnie des Alpes, 89 rue Escudier, 92100 Boulogne-Billancourt (France), and on the Internet websites of Compagnie des Alpes (<http://www.compagniedesalpes.com>) and *Autorité des marchés financiers* (www.amf-france.org).

Lead Managers and Bookrunners



TABLE OF CONTENTS

SUMMARY OF THE PROSPECTUS	3
1 RESPONSIBLE PERSONS	13
1.1 Persons responsible for the Prospectus	13
1.2 Certification of persons responsible for the Prospectus	13
1.3 Investor Relations	13
2 RISK FACTORS RELATED TO THE OFFERING	14
3 KEY INFORMATION	16
3.1 Statement on Working Capital	16
3.2 Shareholders' equity and indebtedness	
3.3 Interest of Persons and entities involved in the issuance	17
3.4 Reasons for the offer and use of proceeds	17
4 INFORMATION CONCERNING THE SECURITIES BEFORE THE OFFER	18
4.1 Type, class and dividend entitlement date of the securities offered to trading	18
4.2 Governing law, jurisdiction	18
4.3 Share registration method and form of shares	18
4.4 Currency of the issuance	19
4.5 Shareholders' rights	19
4.6 Authorizations	20
4.7 Expected date of the issuance and delivery of shares	22
4.8 Restrictions on the free transferability of shares	22
4.9 French regulations relating to tender offers	22
4.10 Public takeover bids by third parties for the issuer's equity that have occurred during the last and current financial years	22
4.11 Taxation	22
5 TERMS AND CONDITIONS OF THE OFFERING	28
5.1 Conditions, statistics of the Offer, expected timetable and action required to apply for the Offer ..	
5.2 Plan of distribution and allotment of securities	31
5.3 Subscription price	33
5.4 Placement and underwriting	34
6 ADMISSION TO TRADING AND DEALING ARRANGEMENTS	35
6.1 Admission to trading	35
6.2 Listing	35
6.3 Simultaneous offerings of the Company's shares	35
6.4 Liquidity contract	35
7 SELLING SHAREHOLDERS	36
8 EXPENSES OF THE OFFERING	37
9 DILUTION	38
9.1 Impact of the issuance on consolidated shareholders' equity	38
9.2 Total and percentage of dilution immediately following the issuance	38
10 ADDITIONAL INFORMATION	39
10.1 Advisors with ties to the offering	39
10.2 Persons responsible for the audit of the financial statements	39
10.3 Expert Report	39
10.4 Information contained in the Prospectus coming from a third party	39
10.5 Pro forma financial information	39
10.6 Report of the statutory auditors on the summarized combined pro forma financial data	44

SUMMARY OF THE PROSPECTUS

Disclaimer

This summary should be read as an introduction to this Prospectus. Any decision to invest in the financial instruments that are the subject of this transaction must be based upon a thorough review of the Prospectus.

If a legal proceeding concerning the information contained in this Prospectus is brought before a court, the plaintiff investor may, in accordance with the national legislation of member states of the European Community or parties to the Agreement creating the European Economic Area, be required to bear the expense of translating the Prospectus before the commencement of the legal proceeding. Civil liability is imposed upon those individuals who provided the summary, including its translation, and who have demanded notification within the meaning of Article 212-42 of the general regulations (*Règlement général*) of the *Autorité des marchés financiers*, and will be subject to liability only if the contents of the summary are misleading, inaccurate or contradictory with respect to other parts of the Prospectus.

In the context of this Note, the term “Company” refers to *Compagnie des Alpes*.

A. KEY ELEMENTS OF THE OFFERING AND INDICATIVE TIMETABLE

Context/purpose of the issuance	The present capital increase is aimed at allowing the Company to rebalance its financial structure within the framework of its operational objectives following the acquisition of five leisure parks from the Star Parks group (the “ Acquisition ”).
Number of New Shares	1,270,880 new shares (the “ New Shares ”) corresponding to a nominal capital increase of €19,374,650.54. A maximum number of 1,310,015 shares, representing a total amount of €19,971,266.24, would be issued assuming exercise during the exercise period and before July 10, 2006 of all share options which the Company has granted to certain employees and directors (the “ Option Holders ”).
Date of listing New Shares	October 1, 2005.
Price of New Shares	€59.50 per share.
Share premium	The share premium is €56,242,709.46, with a maximum value of €57,974,626.26 assuming exercise all share options.
Percentage of share capital and voting rights represented by the New Shares	20% of the Company’s capital and voting rights on June 23, 2006. 20.6% of the Company’s capital and voting rights, assuming exercise of all share options.

Preferential subscription rights	<p>Holders of preferential subscription rights, after the close of trading on June 30, 2006 may subscribe:</p> <ul style="list-style-type: none">– on a non-reducible basis (à titre irréductible), for 1 new share for 5 existing shares (5 preferential subscription rights allowing for the subscription of 1 new share at the subscription price) without accounting for fractional shares;– on a reducible basis (à titre réductible), for the number of New Shares requested, in excess of those received upon exercise of preferential subscription rights on a non-reducible basis.
Theoretical value of the preferential subscription right	€1.66 on the basis of the closing share price on June 26, 2006.
Subscription period	The preferential subscription rights will be separated from the shares on July 3, 2006. They will be traded on Eurolist by Euronext from July 3, 2006 up to and including July 14, 2006, under the ISIN code FR0010353896.
Listing of New Shares	July 27, 2006, and will immediately be fungible with the Company's existing shares. (ISIN code FR0000053324.)
Bank Guarantee	None.
Principal shareholders' subscription agreement	<p>The Group Caisse des Dépôts et Consignations, Compagnie Européenne de Loisirs SA (CEL), Crédit Agricole des Savoie, Caisse Nationale Caisse d'Epargne, Caisse d'Epargne des Alpes and Banque Populaire des Alpes, (together, the "Principal Shareholders") have each individually undertaken to subscribe in the share capital increase, on a non-reducible basis, up to the full amount of the preferential subscription rights attached to their shares; or 72% of the Company's capital.</p> <p>If at the expiration of the subscription period, the total amount of subscriptions to the New Shares following both the non-reducible exercise of the subscription rights and the subscriptions by entitlement have not covered the entirety of the capital increase, the principal shareholders have undertaken to place additional subscription orders, for the following amounts:</p> <ul style="list-style-type: none">– Group CDC: 142,109 New Shares (or 11.18% of the New Shares);– CEL: 78,112 New Shares (6.15%);– CAS: 40,668 New Shares (3.20%); and– CNCE and CEA: 71,169 New Shares (5.60%).
Lock-up	120 days for the Principal Shareholders.
Financial Intermediaries	<p>Orders and funds paid by investors or their qualified intermediaries acting in their name and on their behalf will be accepted until July 14, 2006 by Oddo & Cie and Société Générale.</p> <p>Orders and funds for shares that are to be registered directly in the name of a shareholder (registered shares, or titres <i>nominatifs purs</i>) will be received without charge by CACEIS.</p> <p>Funds delivered for subscription will be centralized by Oddo & Cie.</p>

Indicative timetable:

June 27, 2006	Visa of the <i>AMF</i> on the Prospectus.
June 28, 2006	Distribution of a press release describing the definitive terms of the capital increase. Publication of the opinion of Euronext.
June 30, 2006	Publication of a notice in the journal of mandatory legal notices (<i>Bulletin des annonces légales obligatoires</i>) relating to the capital increase and publication of a summary of the Prospectus in the national press.
July 3, 2006	Opening of the subscription period – placement and beginning of the listing of preferential subscription rights.
July 10, 2006	Start of suspension period for the exercise of options for preferential stock subscription.
July 14, 2006	Closing of the subscription period – end of the listing of preferential subscription rights.
July 25, 2006	Publication of the Euronext opinion on the listing of New Shares and the definitive amount of the capital increase.
July 27, 2006	Issuance of the New Shares – Settlement-delivery.
July 28, 2006	Renewal of the ability to exercise share options.

B. MEANS OF DISTRIBUTION

Plan of distribution	<i>Category of potential investor</i>
	<p>Preferential subscription rights granted to the Company's shareholders, including those who subscribed to shares by exercising their options by and including July 7, 2006.</p> <p>The Offering is available to the public in France.</p> <p>The distribution of this Prospectus or the sale of New Shares and preferential subscription rights in certain countries may be subject to specific regulations. Persons in possession of this Prospectus must inform themselves of any possible restrictions resulting from local regulations and abide by them. Legally qualified intermediaries will not be able to accept orders for New Shares from clients with an address in a country that has implemented such restrictions and any such notifications will be considered null and void.</p>

Placement	<i>Eurolist by Euronext</i>
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Dilution	<p>Impact of the issuance on the portion of shareholders' equity attributed to a holder of one share of the Company prior to the issuance who does not subscribe to this issuance (group share of shareholders' equity as of March 31, 2006 and the number of issued shares as of June 23, 2006):</p>
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	Portion of shareholders' equity (in euros)	
	Undiluted	Fully diluted ⁽¹⁾
<i>Prior to issuance of New Shares</i>	54.11	54.11
<i>After issuance of 1,270,880 New Shares⁽²⁾</i>	54.86	54.84
<i>After issuance of 1,310,015 New Shares⁽³⁾</i>	54.82	54.86

(1) Assumption: the exercise of all securities giving rights to share capital.

(2) Number of shares potentially issued in the course of the rights offering and the number of shares issued as of June 23, 2006

(3) Maximum number of issued shares assuming full exercise of all exercisable share purchase options during the exercise period.

Impact of the issuance on the portion of share capital held by a holder of 1% of the Company's share capital as of June 23, 2006 prior to the issuance who does not subscribe to this issuance:

	Interest of the shareholder (in %)	
	Undiluted	Fully diluted
<i>Prior to issuance of New Shares</i>	1%	0.96%
<i>After issuance of 1,270,880 New Shares</i>	0.83%	0.81%
<i>After issuance of 1,310,015 New Shares</i>	0.81%	0.80%

Proceeds of the Offering Gross Proceeds: approximately €75,617,360.

Net Proceeds: approximately €73.7 million.

Assuming full exercise by the Option Holders of all options, gross proceeds would amount to €77,945,892.50 and net proceeds to €76.03 million.

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C. INFORMATION REGARDING COMPAGNIE DES ALPES AND ITS FINANCIAL STATEMENTS

1. Selected Financial Information

Under IAS/IFRS

<i>(in € millions)</i>	Year ended September 30, 2005 12 months	Interim Statements for period ending March 31, 2006 unaudited 6 months	Interim Statements for period ending March 31, 2005 unaudited 6 months
CONSOLIDATED RESULTS			
Sales	374.2	235.4	216.9
Gross margin	107.8	83.4	77.8
Operating income	60.8	57.5	55.2
Net income	34.8	33.8	32.8
Net income, group share	30.7	28.2	26.4
BALANCE SHEET			
Shareholders' equity	349.7	372.8	
Net indebtedness	272.8	253.3	
Total balance	791.0	873.2	
Return on equity	10.5%	8.9%	

Elements of pro forma financial data (2005 IAS/IFRS):

CONSOLIDATED PRO FORMA RESULTS

<i>(in € millions)</i>	2005
Sales	455,4
Gross margin	130,5
Net income, group share	30,0
TOTAL BALANCE	1060,8

Pro forma information is provided solely for information purposes and is described in further detail in section 10.5 of this Securities Note.

2. Net Working Capital

The Company declares, in its opinion, that its consolidated net working capital is sufficient, by which it means it has access to cash resources and available funds, without taking into account this transaction, sufficient to meet its obligations over the course of the 12 months from the date of this Prospectus.

3. Shareholders' equity and Indebtedness

<i>(in € thousands)</i>	March 31, 2006 Unaudited
1. Shareholders' Equity and Indebtedness	
Total short-term debt	87,876
– Guaranteed	0
– Secured	0
– Financial leases on movable and immovable property	4,891
– Unguaranteed / unsecured	82,985
Total non-current debt (excluding current portion of long-term debt)	214,041
– Guaranteed	6,300
– Secured	0
– Financial leases on movable and immovable property	2,251
– Unguaranteed / unsecured	205,490
Shareholders' equity	343,725
– Share capital	96,610
– Legal reserves	86,549
– Other reserves	160,566
Minority interests	29,095
2. Breakdown of Financial Debt	
A. Cash	33,021
B. Cash equivalents	0
C. Trading securities	15,581
D. Liquidity (A) + (B) + (C)	48,602
E. Current financial receivables*	0
F. Current bank debt	73,030
G. Current portion of non-current debts	14,846
H. Other non-current financial debts	0
I. Current financial debts (F) + (G) + (H)	87,876
J. Net non-current financial indebtedness (I) – (E) – (D)	39,274
K. Non-current bank loans	205,090
L. Bonds issued	0
M. Conditional Debts**	2,682
N. Other non-current loans	8,951
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	216,723
P. Net financial indebtedness (J) + (O)	255,997

* excluding the fair value of hedging instruments.

** At March 31, 2006, there are no indirect debts.

After March 31, 2006, gross and net indebtedness increased by approximately €260 million following the acquisition of 5 leisure parks from Star Parks.

4. Significant changes since June 27, 2006

None.

5. Trends

Sales for 2005/2006 in “ski areas” should show an increase over the previous year. The beginning of the season for amusement parks was also largely satisfactory.

The strategic acquisition in May should have positive effects on results.

6. Summary of Main Risk Factors

Investors should consider the risks described below and those described in detail in the *Document de Référence* and its Update registered with the AMF and Chapter 2 of this Securities Note.

Risks related to the Offering

The price of the Company's shares may fluctuate and could trade at a price lower than the subscription price for issued New Shares.

No assurance can be given that a market for the preferential subscription of shares will develop. Investors and shareholders should be aware that the market for preferential subscription rights could offer limited liquidity.

Shareholders that sell or do not exercise their preferential subscription rights will see their participation diluted.

Risks related to the Company

Investors are invited to consider the following risks:

- Market risks (e.g., interest rates, exchange rates, credit etc.)
- Risks related to the acquisition, namely:
 - integrating the parks acquired from the Star Parks group,
 - the resulting indebtedness,
 - the credit worthiness of persons or entities having given representation and warranties,
- Legal risks, namely related to:
 - various regulations applicable to the Company's activities in the countries in which it operates.
- Risks relating to the activities of the Company, namely:
 - the safety of persons and property,
 - economic and geopolitical conditions,
 - environmental risks,
 - weather risks,
 - natural risks,
 - human resources and key personnel,
 - future investments, and
 - seasonality of the different activities.

The above list of risks is not exhaustive and other unknown risks, whose occurrence, as of the date of this Securities Note, is not believed to be likely to have an adverse impact and is deemed immaterial may also impair our business, results of operations and financial condition.

D. INFORMATION CONCERNING LA COMPAGNIE DES ALPES

With 35 sites in seven countries, Compagnie des Alpes is one of the European leaders in the "creation" of recreation, concentrated around two activities: ski areas (number one in the world) and leisure parks.

In 2005, "ski area" operations represented €238 million in annual consolidated sales (63% of total sales).

Compagnie des Alpes operates and maintains 21 leisure parks (including the Star Parks group: 13 amusement parks, 4 nature and animal parks and 4 tourism parks) in France and abroad.

"Leisure parks" represented €137 million in sales (37%), while the locations acquired from the Star Parks group total 3.7 millions visits and €81 million in annual sales.

E. COMPOSITION AND FUNCTIONING OF ADMINISTRATIVE BODIES, SENIOR MANAGEMENT AND EMPLOYEES

1. Directors and senior management

The Company is a French limited liability company (*société anonyme*) with a management board (four members) and a supervisory board (eleven members). The president of the management board supervises the Company's management.

2 Employees

The average number of the Company's permanent employees from October 1, 2005 to March 31, 2006 was 3,344 (full time equivalent).

F. MANAGEMENT BOARD, SUPERVISORY BOARD AND STATUTORY AUDITORS

1. Management Board

- Jean-Pierre Sonois, President
- Roland Didier, Director of Ski Areas
- Serge Naïm, Director of Leisure Parks
- Franck Silvent, Director of Finance, Strategy, Development

2. Supervisory Board

- Dominique Marcel, President
- Philippe Segretain, Vice-President
- CDC (Permanent representative: Eric Flamarion)
- Francis Szpiner
- Philippe Nguyen
- CEL (Permanent representative: François Nicoly)
- CAS (Permanent representative: Jean-Yves Barnavon)
- BPA (Permanent representative: Alain Roges)
- CNCEP (Permanent representative: Joël Gelas)
- Gilles Chabert*
- Jacques Maillot*

* Independent members

3. Legal Auditors

PriceWaterhouseCoopers Audit SA

63, rue de Villiers
92200 Neuilly sur Seine

Principal Statutory Auditor,
represented by Bruno Tesnière

Yves Nicolas

63, rue de Villiers
92200 Neuilly sur Seine

Substitute Statutory Auditor

Mazars & Guerard

Le Vinci
4 Allée de L'Arche
92075 Paris La Defense Cedex

Principal Statutory Auditor,
represented by Denis Grison

Guillaume Potel

Le Vinci
4 Allée de L'Arche
92075 Paris La Defense Cedex

Substitute Statutory Auditor

G. PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

1. Principal Shareholders on June 23, 2006

As of June 23, 2006, the Company's share capital was €96,873,298.46 consisting 6,354,403 shares without par value, fully paid.

	<u>Number of shares</u>	<u>% of capital and voting rights</u>
CDC Group	2,651,787	41.7%
CEL	869,942	13.7%
CAS	457,295	7.2%
CNCE and CEA	371,703	5.9%
BPA	224,521	3.5%
M&G	352,140	5.5%
Other companies	73,001	1.1%
Mutual funds	393,626	6.2%
Financial intermediaries outside of France	259,110	4.1%
Public and other	<u>701,278</u>	<u>11.0%</u>
Total	<u><u>6,354,403</u></u>	<u><u>100%</u></u>

2. Related party transactions

These transactions are described in Section 7.7 of the Update to the Company's *Document de Référence* registered with the *Autorité des Marchés Financiers* on June 27, 2006 under number D.06-0056-A1.

H. ADDITIONAL INFORMATION

1. Articles of association and by-laws

The Company is a French limited liability company (*société anonyme*) governed by its by-laws and Book II of the French Commercial Code.

2. Documents on display

All legal and financial documents related to the Company which are to be made available to shareholders in accordance with applicable regulations may be consulted at the Company's registered office at 89, rue Escudier, 92100 Boulogne-Billancourt (France).

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3. Availability of the Prospectus

Copies of the Prospectus are available free of charge at: Oddo & Cie – 12 boulevard de la Madeleine – 75440 Paris Cedex 09, Société Générale – Tour Société Générale, 17 cours Valmy – 92972 Paris La Défense, and at the registered office of Compagnie des Alpes, 89 rue Escudier, 92100 Boulogne-Billancourt (France). This Prospectus is available on the internet site of Compagnie des Alpes (<http://www.compagniedesalpes.com>) and on the internet site of *l'Autorité des marchés financiers* (www.amf-france.org).

1 RESPONSIBLE PERSONS

1.1 Persons responsible for the Prospectus

Jean-Pierre Sonois
President of the Management Board

Franck Silvent
Member of the Management Board
Director of Finance, Strategy and Development

1.2 Certification of persons responsible for the Prospectus

“We certify, after having taken all reasonable steps to that effect, that the information provided in this document is, to our knowledge, true and accurate, and that it contains no omissions which could make it misleading.

We have obtained a lettre de fin de travaux from the statutory auditors, in which the auditors state that they have verified the information relating to the Company’s financial condition and financial statements contained in this Prospectus and that they have read the entirety of this Prospectus.” The lettre de fin de travaux does not contain any reservations.

A report on pro-forma financial information prepared by the legal auditors is available on page 44 of this document.”

Jean-Pierre Sonois,
President of the Management Board

Franck Silvent
Member of the Management Board
Director of Finance, Strategy and Development

1.3 Investor Relations

Compagnie des Alpes

Eric Guilpart
Director of Marketing & Communications
Tel: (33) 1 46 84 88 79
Eric.guilpart@compagniedesalpes.fr

2 RISK FACTORS RELATED TO THE OFFERING

In addition to the risk factors described in section 8 “Risk Factors,” in Chapter I of the *Document de Référence*, and section 6 of the Update to the *Document de Référence*, investors should carefully consider all of the following factors and other information contained in this Prospectus before deciding to invest in the shares of the Company. An investment in the shares of the Company involves risk. These risks, as of the date of this Securities Notes, are those which could have a significant negative impact on the Company, the Company’s activities, financial condition, growth or stock performance. However, other risks and uncertainties not known to the Company at this time or which it presently does not believe to be likely to have an adverse impact could have a significant adverse impact on the Company, the Company’s activities, financial situation, growth or stock performance. If one of these risks were to materialize, the Company’s activities, financial situation, performance or outlook could be impaired. In such a situation, the Company’s share price could decline, and the investor could lose all or a part of the amounts invested in the Company’s shares. Nevertheless, the Company has not identified, as of the date of this Securities Note, governmental strategies or factors, economic, budgetary, monetary or political, other than those described in this Prospectus, that could have a significant influence, in a direct or indirect manner on the Company’s operations or the performance of the Company’s shares.

The price of the Company’s shares could fluctuate and fall below the subscription price of shares issued as a result of preferential subscription rights.

During the trading period for preferential subscription rights, the market price of the Company’s shares may not reflect the market price of the Company’s shares as of the issue date of the New Shares. The Company’s shares may trade at prices lower than the prevailing market price as of the launch date of the transaction. There can be no assurance that the market price of the Company’s shares will not fall below the subscription price for shares issued upon exercise of the preferential subscription rights. If this occurs after the exercise of the preferential subscription rights by holders of such rights, such holders will suffer an immediate loss. There can be no assurance that, following the exercise of the preferential subscription rights, investors will be able to sell their shares at a price equal to or greater than the subscription price of the shares issued upon exercise of their rights.

No assurance can be given that a market for preferential subscription rights will develop, and if such a market should develop, the market for the preferential subscription rights could be subject to greater volatility than the market for the Company’s shares.

The trading period for the preferential subscription rights on Eurolist by Euronext Paris is expected to last from July 3, 2006 to July 14, 2006. Admission of the preferential subscription rights to trading on Eurolist by Euronext Paris has been requested. However, there can be no assurance that an active market for such rights will develop during this period.

In the event of a significant drop in the market price of the Company’s shares, the preferential subscription rights could lose value.

The market price of the preferential subscription rights will depend on the market price of the Company’s shares. A decrease in the price of the Company’s shares could have a negative impact on the value of the preferential subscription rights.

Non-exercise of the preferential subscription rights by shareholders would lead to their dilution.

If the shareholders do not exercise their preferential subscription rights, their percentage of capital participation and voting rights in the Company would decrease. Even if shareholders choose to sell their preferential subscription rights, eventual remuneration could be insufficient to compensate for this dilution.

Volatility of the Company’s shares.

The market price of the Company’s shares could fluctuate significantly in response to various factors and events including:

- the development of a liquid market for the Company’s shares;
- differences between the Company’s actual operating income and that expected by investors or analysts (the Company does not intend to publish financial and accounting information during the subscription period);

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- developments in analyst projections or recommendations;
- adoption of new laws or regulations or changes in the interpretation of such laws or regulations concerning the Company's activities;
- economic projections and market conditions; and
- market fluctuations.

Sales of preferential subscription rights on the market could occur during the subscription period, and sales of the Company's shares could occur during or after the subscription period, each of which could have an unfavourable impact on the share price or the value of preferential subscription rights.

The sale on the market of a certain number of the Company's shares or of the preferential subscription rights, or the belief that such sales could occur during the subscription period, with respect to the preferential subscription rights, or during or after the subscription period, with respect to the shares, could have an unfavourable impact on the price of the Company's shares or the value of the preferential subscription rights. The Company cannot predict the possible effects the sale of shares or the preferential subscription rights by shareholders on the market could have on the share price or on the value of the preferential subscription rights.

Risk related to the absence of a commitment from a financial institution to underwrite the offer.

Investors should be aware that the Offer has not been underwritten by a financial institution. However, a certain number of shareholders have agreed to subscribe to up to 98.1% of the total offer. (See Section 5.2.2 of this Securities Note.)

3 KEY INFORMATION

3.1 Statement on Working Capital

The Company declares, in its opinion, that its consolidated net working capital is sufficient, by which it means it has access to cash resources and available funds, without taking into account this transaction, sufficient to meet its obligations over the course of the 12 months from the date of this Prospectus.

3.2 Shareholders' equity and Indebtedness

In conformity with the recommendation of the CESR (CESR/05-054b, paragraph 127), the situation of net financial consolidated indebtedness and shareholders' equity at March 31, 2006, on the basis of financial statements prepared in accordance with IFRS, is as set forth below:

<i>(in € thousands)</i>	March 31, 2006 Unaudited
1. Shareholders' Equity and Indebtedness	
Total short-term debt	87,876
– Guaranteed	0
– Secured	0
– Financial leases on movable and immovable property	4,891
– Unguaranteed / unsecured	82,985
Total non-current debt (excluding current portion of long-term debt)	214,041
– Guaranteed	6,300
– Secured	0
– Financial leases on movable and immovable property	2,251
– Unguaranteed / unsecured	205,490
Shareholders' equity	343,725
– Share capital	96,610
– Legal reserves	86,549
– Other reserves	160,566
Minority interests	29,095
2. Breakdown of Financial Debt	
A. Cash	33,021
B. Cash equivalents	0
C. Trading securities	15,581
D. Liquidity (A) + (B) + (C)	48,602
E. Current financial receivables*	0
F. Current bank debt	73,030
G. Current portion of non-current debts	14,846
H. Other non-current financial debts	0
I. Current financial debts (F) + (G) + (H)	87,876
J. Net non-current financial indebtedness (I) – (E) – (D)	39,274
K. Non-current bank loans	205,090
L. Bonds issued	0
M. Conditional Debts**	2,682
N. Other non-current loans	8,951
O. Non-current financial indebtedness (K) + (L) + (M) + (N)	216,723
P. Net financial indebtedness (J) + (O)	255,997

* excluding the fair value of hedging instruments.

** At March 31, 2006, there are no indirect debts.

No significant changes have affected the level of shareholders' equity or financial indebtedness described above since March 31, 2006 other than the variations in share capital described in this Prospectus.

Since March 31, 2006, the principal event to have had a significant impact on shareholders' equity and the Company's consolidated indebtedness was the direct acquisition through the Company's intermediate subsidiary,

HHH B.V., of five leisure parks from the Star Parks group, together with their headquarters, through the acquisition of all of the shares of Belpark N.V., COFILO S.A.S. and Walibi World B.V..

At the time of the acquisition, the financial indebtedness of the acquired companies was repaid and the Company, through its 99.9% controlled subsidiary, SNC CDA-Financement, obtained financing for the Acquisition, and refinanced its €260 million revolving credit facility, entered into in June 2005, for a total debt financing of €515 million broken down as follows:

- a €165 million 5-year term loan (Tranche A), fully drawn;
- a €270 million 5-year revolving credit facility (Tranche B), of which up to €15.6 million can be used for the financing of the acquisition (Tranche B), of which €197.6 million was drawn; and
- an €80 million 364-day bridge loan (Tranche C), with a one time option to renew, fully drawn.

Further information on financing is found in section 4.2 of the Update to the *Document de Référence*.

3.3 Interest of Persons and entities involved in the issuance

The placing agents and certain of their affiliates have provided and may in the future continue to provide various banking, financial and investment, commercial and other services to the Company, members of its group, shareholders or directors, for which they may receive remuneration. Société Générale is a lender under the bridge loan granted to the Compagnie des Alpes for its acquisition of the Star Parks group leisure parks, which will be partially repaid through this transaction. Oddo Corporate Finance acted as financial advisor to the Company on the transaction.

Société Générale has informed Compagnie des Alpes that it does not believe that it has a conflict of interest.

3.4 Reasons for the offer and use of proceeds

The purpose of this share capital increase by the issuance of New Shares on Eurolist by Euronext Paris is to allow the Company to rebalance its financial structure within the framework of pursuing its operational objectives.

The bridge loan, of which a significant part will be repaid as a result of the capital increase, has a one year term, with a one time option to renew. The Company will determine prior to maturity, based on market conditions and the Company's financial and operational situation, the form of repayment.

Net proceeds from the issuance of New Shares (as defined in section 4.6.2 of this Securities Note), are expected to equal approximately €73.70 million, with the potential of €76.03 million in the case of full exercise of all share options by the end of the exercise period and will be used to repay a portion of the bridge loan concluded for the acquisition of five parks from Star Parks.

If the offering is not fully subscribed, the President of the Management Board, acting under the power delegated to him, may:

- reduce the size of the offer to the amount of subscriptions, provided that at least three-fourths of the offer is subscribed,
- distribute all or part of the unsubscribed shares,
- offer to the public all or part of the unsubscribed shares.

4 INFORMATION CONCERNING THE SECURITIES BEFORE THE OFFER

4.1 Type, class and dividend entitlement date of the securities offered to trading

New Shares (as defined in section 4.6.2 of this Securities Note), are ordinary shares of the Company of the same class as existing shares. New Shares will be, as of the date of their admission to trading, immediately fungible with the Company's existing shares. They will entitle their holders to receive dividends beginning on October 1, 2005.

The admission of trading of New Shares on Eurolist by Euronext Paris has been requested.

As a result, the New Shares will be, from the date of their admission to trading, immediately fungible with the Company's existing shares already admitted to trading on Euronext Paris.

They will trade under ISIN code FR0000053324.

The Company's trading symbol is CDA.

The Company's ICB operating sector is 5755.

4.2 Governing law, jurisdiction

The Company's shares have been issued in accordance with French legislation.

Courts located where the Company is registered will have jurisdiction in the case of any dispute in which the Company is the defendant. In disputes in which the Company is the plaintiff, the court having jurisdiction will depend upon the type of litigation involved, except as otherwise provided by the French New Civil Procedure Code.

4.3 Share registration method and form of shares

The Company's New Shares may be held in registered or bearer form, at the option of the subscribers for the shares.

The transfer of ownership of the shares will result in their registration in the name of the buyer in accordance with the provisions of Article L.431-2 of the French Monetary and Financial Code.

In accordance with the provisions of Article L.211-4 of the French Monetary and Financial Code, the shares, regardless of their form, will be dematerialized and must, as a result, be entered into the books of either the Company or a legally qualified intermediary, as applicable. The rights of the shareholders are represented by registration in their name with:

- CACEIS, appointed by the Company to register shares directly in the name of the shareholder (registered shares, or *titres nominatifs purs*);
- an accredited financial intermediary chosen by the shareholder and CACEIS, appointed by the Company to register shares in registered administrative form (*titres nominatifs administrés*); or
- an accredited financial intermediary chosen by the shareholder for shares held in bearer form.

Article 9.2 of the Company's by-laws allows the Company to request the identity of holders of bearer shares in accordance with article L.228-2 et seq. of the French Commercial Code. The Company has the right to request the book-entry securities clearance and depository system, the name or denomination, nationality, year of birth or formation and the address of shareholders that will have or currently have the right to vote in general meetings as well as the number of shares held by them, and any applicable restrictions.

The Company will apply to have the New Shares admitted to the book-entry facilities of Euroclear France S.A. in its capacity as central depository, to the book-entry facilities of Euroclear France S.A., Euroclear Bank S.A. and Clearstream Banking S.A. (Luxembourg). These New Shares will be credited to accounts starting on July 27, 2006.

4.4 Currency of the issuance

The New Shares will be issued in euros.

4.5 Shareholders' rights

The shares are subject to the stipulations of the Company's by-laws. Under current French law and the Company's by-laws currently in force, the principal rights of Company shares are as follows:

Dividend rights

Shares issued in the Offering will entitle their holders to receive dividends as from October 1, 2005 and will give rise to the same right to receive any dividend that may be granted to existing shares that have the same rights.

The general shareholders' meeting, in approving the annual financial statements, may grant dividends to all shareholders.

The general shareholders' meeting may grant to each shareholder, for all or a portion of a distributed dividend, an option to receive either a cash dividend or shares issued by the Company, in accordance with the legal and regulatory provisions in force. Dividends that are not claimed within five years of the date of declared payment revert to the French government.

Dividends paid to non-residents are subject to withholding in France (see paragraph 4.11.2 below).

Voting rights

The voting rights attached to the shares are proportional to the percentage of share capital that they represent, and each share gives the right to one vote.

When the Company's shares are subject to usufruct, the right to vote attached to each share is granted to the usufructuary during a general meeting and to the owner in extraordinary and special meetings.

Preferential subscription rights for the same class of shares

Under current French legislation, if a Company issues shares or securities in consideration for cash, shareholders shall have preferential subscription rights to these new securities on a pro rata basis.

The general shareholders' meeting that approves or authorizes the capital increase may, under Article L.225-132 of the French Commercial Code, waive the preferential subscription rights for all of the capital increase or for one or more tranches of such capital increase and may or may not set a priority subscription period for the shareholders. If the issuance is made through a public offering without preferential subscription rights, the issue price must be set in accordance with Article L.225-136 of the French Commercial Code.

Additionally, the general shareholders' meeting that approves the capital increase may limit the offer to specific, designated people or to categories of people with specified characteristics, under Article L.225-138 of the French Commercial Code.

The general shareholders' meeting may also limit the capital increase to shareholders of another company that is the target of a public exchange offer initiated by the Company under Article L.225-148 of the French Commercial Code. Lastly, capital increases in exchange for contributions in-kind shall be subject to special procedures as provided in Article L.225-147 of the French Commercial Code.

Right to participate in the Issuer's profits

The Company's shareholders have the right to participate in the Company's profits under the terms defined by Article L.232-10 *et seq.* of the French Commercial Code.

Right to any surplus following liquidation

Each share has an interest in the Company's corporate assets and, in the case of a liquidation, a right to any surplus in a fractional amount equal to the proportion of share capital that each share represents, taking into account, as applicable, whether the capital has been redeemed (*amorti*) or whether it is fully-paid or not.

Shares are indivisible in regards to the Company.

Provisions concerning the repurchase or conversion of shares

The ordinary shareholders' meeting of February 24, 2005 authorized, through its sixth resolution, the creation of a share repurchase program in accordance with article L. 225-209 of the French Commercial Code.

The by-laws do not include any provisions concerning the conversion of shares.

Other

The Company is authorized to identify its shareholders in accordance with applicable legal provisions.

4.6 Authorizations

4.6.1 Shareholders' meeting authorizing the offering of New Shares

The issuance of the New Shares was authorized by the fifteenth resolution of the combined general shareholders' meeting of the Company on February 23, 2006, which provides:

Fifteenth Resolution

“(Purpose: Renewal of the delegation of authority to the Management Board, given by the General Meeting of March 10, 2004, to issue securities conferring present or future rights to the share capital without waiver of the preemptive rights of existing shareholders.)

The General Meeting, in accordance with the rules determining the quorum and majority that apply at extraordinary general meetings, after having reviewed the report of the Management Board, and the special report of the Statutory Auditors drawn up in accordance with the law, and availing itself of the possibilities provided for under L. 225-129 III paragraph 3 of the Commercial Code:

- 1. Grants to the Management Board the authority to issue, at one or more intervals, in proportions and during periods of its choosing, both in France and other countries, in euros, in other currencies or in units of account based on fixed baskets of currencies, shares of the Company as well as any securities of any nature, conferring present and/or future rights to shares in the Company or in any company in which it holds more than half of the share capital, whether directly or indirectly, through subscription, conversion, exchange, redemption, presentation of a warrant or any other means, with said securities conferring the same rights as existing shares in accordance with their date of record,*
- 2. Decides that the par value of present or future equity issues that may be carried out under this authorization may not exceed twenty million euros, to which will be added, as required, the par value of additional shares to be issued to preserve the existing rights of holders of securities, conferring rights to shares of the Company as provided for by law. It is specified that the par value of capital increases that may be realized by virtue of this delegation of authority, whether immediately or later, will be imputed against the overall total for capital increases specified in the twenty-first resolution voted by this General Meeting.*
- 3. Further decides that the par value of debt securities which may be issued under this resolution may not exceed one hundred and fifty million euros or the equivalent thereof in other currencies at the exchange rate prevailing on the date of the issue.*
- 4. Decides that shareholders may exercise their preemptive rights, as provided for by law, to subscribe to New Shares on the full basis of their rights (à titre irréductible). In addition, Management Board may grant shareholders the right to subscribe to a variable number of excess shares (à titre réductible) over and above the shares they were entitled to by exercising their exact rights, in proportion to said rights and within the limit of their application. If the subscriptions for New Shares, and as the case may be, for excess shares, should fail to account for the entire issue, the Management Board may in the order it shall determine, have recourse to one and/or another of the following possibilities:*
 - reduce the number of securities issued, in accordance with the law, to the number of applications received, provided that such applications are for at least three-fourths of the intended issue;*
 - freely distribute all or part of the shares issued but not subscribed;*
 - offer to the public all or part of the shares issued but not subscribed.*

Unofficial English language translation for information purposes only.

5. *Takes cognizance and decides, as required, that any issue of warrants is authorized either in connection with subscription offers as provided for above, or through gratis issues in favor of holders of existing shares.*

6. *Recognizes and decides, for all useful purposes, that the above-mentioned authority automatically entails express waiver in favor of holders of securities conferring future rights to eventual share issues of the Company, by shareholders of their preemptive rights to the shares to which the securities issued would entitle them.*

7. *Decides, in the case that detachable warrants are issued, to expressly waive the preemptive subscription rights of shareholders to shares to which these warrants would entitle them.*

8. *Decides that the Management Board shall be vested with all powers, including the possibility of delegating said powers to its Chairman and/or to one of its members with the agreement of the Chairman, as provided for by law, to implement this authorization, and notably to set the dates and procedures of the issues, the form and characteristics of the securities to be issued and the price and other conditions of issues, the quantity to be issued, the date of record (even retroactively) of the securities to be issued, determine the method of paying in capital for securities issued, and when applicable, the conditions for their repurchase on the market, suspending, when applicable, the exercise of stock dividend rights attached to securities for period not to exceed three months, and the methods for assuring, when applicable, the rights of holders of securities conferring rights to equity capital as provided by applicable laws and regulations. The Board or its Chairman in addition may charge all expenses resulting from the securities issue to paid-in surplus, and in general take all steps and conclude all agreements necessary to assure the success of the proposed issues and record the completion of the capital increase or increases resulting from any issue undertaken under this authorization and amend the bylaws accordingly.*

9. *In the case of debt issues, the Management Board will have all necessary powers to decide whether or not said issues shall be subordinated or non-subordinated, set their interest rate, maturity date and redemption price, whether fixed or variable, with or without premium, the procedures according to which they may be redeemed according to market conditions and the conditions whereby the securities shall confer rights to shares of the Company.*

10. *Takes cognizance of the fact that, should the Management Board decide to use the delegation of authority granted by this resolution, it will report to the following Ordinary General Meeting, as required by law and regulations, on the use that has been made of the authorizations contained in this resolution.*

This authorization granted to the Management Board is valid for a period of 26 months which begins with the date of this shareholders meeting, in accordance with Article L.225-129-2 of the Code of Commerce.”

4.6.2 Corporate entities having approved the issuance

On the basis of the authority delegated as described in section 4.6.1 above, and after having previously consulted the Supervisory Board on June 16, 2006, the Management Board, at its meeting of June 22, 2006, decided on a total capital increase of €20 million in nominal value, by means of a public offering, with the preservation of preferential subscription rights (accounting for the potential exercise of options by the Option Holders) and delegated to the President of the Management Board the ability to fix the definitive conditions of the offering. The Management Board also decided to suspend the right to exercise subscription options upon a decision by the President of the Management Board.

The Management Board noted on June 26, 2006 that the Company's share capital of June 23, 2006 would increase to €96,873,298.46, consisting of 6,354,403 shares without par value following the exercise of subscription options.

The President of the Management Board of Compagnie des Alpes, acting under the power delegated to him by the Management Board, on June 27, 2006:

- decided to proceed with a capital increase for a par value of €19,374,650.54, through the issue of 1,270,880 new shares (the “New Shares”) with preferential subscription rights of 1 new share for 5 existing shares; to be paid in cash. A maximum number of 1,310,015 shares, representing a total amount of €19,971,266.24, would be issued assuming exercise during the exercise period before July 7, 2006 of all exercisable share options which the Company has granted to certain employees and directors of the Company and companies to which the Company is related within the meaning of article L.225-180 of the French Commercial Code.

- decided to suspend the exercise of share options which are exercisable (subscription plans numbered 4, 5, 6 and 7) from July 10, 2006 up to and including July 27, 2006.

Furthermore, pursuant to article L. 225-134 of the French Commercial Code and the terms of the 15th resolution of the combined general shareholders meeting of February 23, 2006, the decision of the Management Board of June 22, 2006 and the decision of the President of the Management Board of June 27, 2006, if the total amount of subscriptions for shares on both a non-reducible basis and reducible basis has not covered the entirety of the capital increase, the President of the Management Board can reduce the size of the offer to the amount of subscriptions, or distribute all or part of the unsubscribed shares or offer them to the public.

The President of the Management Board does not expect to reduce the capital increase below the subscription amounts agreed to by shareholders, described in section 5.2.2 of this Securities Note.

4.7 Expected date of the issuance and delivery of shares

The issuance of the New Shares and their delivery are expected to occur on July 27, 2006.

4.8 Restrictions on the free transferability of shares

There are no statutory limits on the free transferability of the shares that make up the Company's share capital.

4.9 French regulations relating to tender offers

The Company is subject to French regulations regarding mandatory tender offers and squeeze-outs.

4.9.1 Mandatory tender offers

Article L. 433-3 of the French Monetary and Financial Code and Articles 234-1 *et seq.* of the *Règlement général* of the *Autorité des marchés financiers* set out the situations in which a mandatory tender offer for all the Company's share capital must be made.

4.9.2 Standing offer

Article L. 433-3 of the French Monetary and Financial Code and Articles 235-1 *et seq.* of the *Règlement général* of the *Autorité des marchés financiers* set out the situations in which a standing offer with respect to all of the Company's share capital must be made.

4.9.3 Public repurchase offers and mandatory squeeze-outs

Article L. 433-4 of the French Monetary and Financial Code and Articles 236-1 *et seq.* and 237-1 *et seq.* of the *Règlement général* of the *Autorité des marchés financiers* set out the situations in which a public repurchase offer and a mandatory squeeze-out with respect to the Company's minority shareholders must be made.

4.10 Public takeover bids by third parties for the issuer's equity that have occurred during the last and current financial years

As of the date of this Prospectus, there have not been any public takeover bids by third parties for the Company's share capital that have occurred during the last financial year or the current financial year.

4.11 Taxation

Under current French legislation, the taxation regime described below applies to individuals and entities who will hold shares in the Company.

Investors' attention is called to the fact that the tax information discussed in this Securities Note is only a simple summary of the currently applicable tax regime. Investors are invited to consult with their usual tax advisors.

Shareholders whose residency for tax purposes is not in France must also comply with the tax legislation in force in the country in which they reside and, if applicable, the provisions of any international tax treaty signed between France and such country.

Moreover, the tax regime described below is based on the laws in force as of the date of this Securities Note. This regime could be modified in forthcoming legislation or regulations which investors should follow in consultation with their usual tax advisor.

4.11.1 Shareholders whose residency for tax purposes is in France

4.11.1.1 Individuals holding Company shares among their private assets and not actively trading on the stock exchange under conditions similar to those that characterize the activities of a professional trader.

4.11.1.1.1 Dividends

Investors' attention is drawn to the fact that dividends paid as from January 1, 2005 no longer give rise to the *avoir fiscal* tax credit.

Dividends received beginning January 1, 2006 benefit, for calculation of income tax, from an uncapped allowance of 40% on the amount of the distribution.

These dividends are subject to:

- the progressive income tax rate;
- a general social contribution (known by the French acronym “CSG”) of 8.2%, of which 5.8% is deductible from taxable income in the year the CSG is paid;
- a 2% social contribution, not deductible from taxable income,;
- a 0.3% contribution in addition to the 2% social contribution, that is not deductible from taxable income; and
- a 0.5% contribution to the repayment of social security debt (known by the French acronym “CRDS”), also not deductible from taxable income.

For a calculation of income tax:

- dividends benefit from an annual allowance of €3,050 for married couples subject to joint taxation as well as for signers of a civil union pact as defined under Article 515-1 of the French Civil Code (known by the French acronym “PACS”) who are subject to joint taxation or €1,525 for single people, widows, divorcees or married people who file separate tax returns.
- dividends benefit from an uncapped allowance of 40% on the amount of the distribution, applicable before application of the annual allowances of €3,050 or €1,525 noted above;
- Moreover, the dividends grant the right to a tax credit equal to 50% of the amount of dividends received, before application of the 40% allowance and the €1,525 or €3,050 allowance, capped for the total of all dividends received in the same year at €230 for married couples subject to joint taxation as well as for signatories of PACS who are subject to joint taxation or €115 for taxpayers who are single, widowers, divorced or married and file their tax returns separately. This tax credit is chargeable to the total income tax liability or may be refunded if its amount exceeds that of the income tax owed by at least €8.00.

Additionally, the amount of the dividends before application of the 40% allowance and the €1,525 or €3,050 allowance, is subject to social security contributions (CSG), an additional social contribution (*prélèvement social*), and a contribution for the repayment of social security debt (CRDS), after taking into account the deduction of expenses related to acquiring and holding securities.

4.11.1.1.2 Capital gains

Pursuant to Article 150-0 A of the French General Tax Code, capital gains realized by individuals on the sale of shares are currently taxable at 11% for social security contributions and at the proportional income tax rate of 16% from the first euro if the total amount of sales of securities and other rights subject to Article 150-0 A of the French General Tax Code (excluding transfers eligible for rollover relief and exempted transfers of shares held through a share savings plan (known by the French acronym “PEA”)) over the fiscal year, exceeds, by household, a threshold currently set at €15,000.

Nevertheless, for the computation of income tax at the proportional rate currently set at 16%, capital gains from sales of shares realized after January 1, 2006 may under certain conditions be reduced by an allowance of one third for each holding year beyond the fifth year, the holding period being determined as of January 1st of the year in which the shares were acquired (article 150-0 D bis-II of the French General Tax Code). In practice, the allowance only concerns sales that occur after January 1, 2012 and the total allowance would only be granted after January 1, 2014.

Regardless of the period for which shares are held, capital gains on the transfers of securities (before the application of the above cited allowance) are also subject to the four social security contributions listed below:

- a CSG contribution of 8.2%, not deductible from taxable income;
- a 2% social contribution, not deductible from taxable income;
- in addition to the 2% social contribution, a non-tax deductible 0.3% social contribution; and
- a 0.5% CRDS contribution, not deductible from taxable income.

Capital losses may be off-set against capital gains of the same type realized during the same year and, if applicable, during the following ten years, provided that the above mentioned threshold is exceeded in the year in which the capital losses were realized.

4.11.1.1.3 Special regime for share savings plans (“PEAs”)

Shares of the Company may be subscribed through a PEA.

Under certain conditions, dividends received and capital gains resulting from investments made through a PEA confer a right to an income tax exemption. These proceeds and capital gains remain nevertheless subject to the 2% social contribution, the contribution levied in addition to the 2% social contribution, CSG and CRDS.

Capital losses realized within a PEA can only be offset against capital gains realized within the same framework. In the event of an early closing of the PEA before the expiration of a five-year period or, from January 1, 2005 and subject to certain conditions, when the closing of the PEA occurs after the expiration of the five-year period, capital losses realized at this time can be offset against capital gains of the same type realized during the same year or during the following ten years (losses are determined as of January 1, 2002), provided that the threshold of €15,000 of disposed securities is exceeded in the year in which the capital losses are realized.

The following table summarizes the different taxes which apply as of January 1, 2006 depending on the closing date of the PEA.

Duration of the PEA	Prélèvement social ⁽¹⁾	CSG	CRDS	IR	Total
Less than 2 years	2.3%	8.2%	0.5%	22.5%	33.5% ⁽²⁾⁽³⁾
Between 2 and 5 years	2.3%	8.2%	0.5%	16.0%	27.0% ⁽²⁾⁽³⁾
More than 5 years	2.3%	8.2%	0.5%	0.0%	11.0% ⁽³⁾

(1) Includes the additional contribution of 0.3%.

(2) Calculated on the basis of whether the annual threshold of disposed securities (currently fixed at €15,000 euros) is exceeded.

(3) The total of CSG, CRDS and the *prélèvement social* (including, as the case may be, the additional contribution) may vary according to the date on which gains are realized.

Dividends received under a PEA as of January 1, 2005 will also confer the right to a tax credit equal to 50% of the dividend and capped at €115 or €230 depending on the family situation of the beneficiary as indicated above. The tax credit is not returned to the PEA but is imputable to it, in the same way as the tax credit granted to dividends not held in a PEA; that is, on total income tax due in the year in which the dividends were received, after accounting for other reductions and tax credits and allowances for mandatory withholding. This tax credit is chargeable to total income tax liability or may be refunded if its amount exceeds that of the income tax owed by at least €8.00.

A withdrawal from a PEA in the form of a life annuity is subject to a specific tax regime not described herein.

4.11.1.1.4 Wealth tax

Shares held by individuals among their private assets may be included as part of their taxable assets subject to the Solidarity Tax on Wealth (the “wealth tax”).

4.11.1.1.5 Inheritance tax and gift tax

Shares acquired by individuals through inheritance or as a gift will be subject to inheritance tax or gift tax.

4.11.1.2 Legal entities subject to corporation tax (general regime)

4.11.1.2.1 Dividends

Legal entities that do not qualify as parent companies in France

Legal entities holding less than 5% of the Company’s share capital do not meet the conditions of a parent company and do not benefit from articles 145 and 216 of the French General Tax Code.

Dividends received by such entities are subject to corporate tax at the rate of 33 $\frac{1}{3}$ %. In addition, a 3.3% social security contribution may be applicable after deduction of an allowance of €763,000 per twelve-month period (Article 235 ter ZC of the French General Tax Code).

Certain legal entities may be eligible, pursuant to the conditions set forth in Article 219 I-b of the French General Tax Code, to a reduced corporate tax rate of 15%, and an exemption from the 3.3% social security contribution.

Legal entities qualifying as parent companies in France

Legal entities holding at least 5% of the Company’s share capital and that meet the conditions of Articles 145 and 216 of the French General Tax Code may benefit, at their option, from an exemption of dividends received pursuant to the parent-subsidiary regime, whereby the parent dividends received by the parent are not subject to corporate tax, with the exception of a portion of its expenses set at 5% of the total amount of dividends received. This portion may not, however, exceed, for each fiscal year, the total amount of expenses of any kind incurred by the parent company receiving the dividends during the same fiscal year.

4.11.1.2.2 Capital gains

General regime

Capital gains and losses realized upon the sale of the Company’s shares are, in principle, included in the profit subject to corporate tax at the current standard rate of 33 $\frac{1}{3}$ %, (or, as the case may be, at the rate of 15% up to the limit of €38,120 per twelve-month period for companies that meet the conditions of Article 219 I-b set forth above) increased, as the case may be, by the social security contribution of 3.3% based on corporate tax, after deduction of an allowance that may not exceed €763,000 per twelve-month period (Article 235 ter ZC of the French General Tax Code).

Special regime for long-term capital gains

For fiscal years starting as from January 1, 2006, in accordance with the provisions of Article 219-I-a *quinquies* of the French General Tax Code, net long-term capital gains on the transfer of shares that are held for at least two years at the time of transfer and qualifying as participation shares (*titres de participation*) are subject to a tax regime for long-term capital gains and benefit from a reduced tax rate.

For fiscal years starting as from January 1, 2006, net capital gains will be subject to a separate tax at a reduced rate of 8%, increased as the case may be by the social security contribution of 3.3% mentioned above. An exemption will apply to the same category of net capital gains realized during the fiscal years starting as from January 1, 2007, except that a portion of expenses equal to 5% of the net income from capital gains from sales will be taken into account in determining taxable profit under the general regime.

Participation shares eligible for the tax regime set forth in Article 219-I-a *quinquies* of the French General Tax Code include shares (other than shares in companies that predominantly hold real estate assets) that qualify as participation shares under accounting rules, shares acquired as a result of a cash tender offer or exchange tender offer by the initiator of the offer, shares eligible for the parent-subsidiary exemption under Articles 145 and 216

of the French General Tax Code, if those shares are booked for accounting purposes as participation shares or in a special division of the balance sheet which corresponds to their accounting treatment.

Capital losses realized on the sale of the Company's shares that were acquired after January 1, 2006 and which are considered long-term capital losses under article 219-I-a *quinquies* of the French General Tax Code are neither imputable nor reportable.

Thus, in applying article 219-I-ter of the French General Tax Code, net capital gains realized on the sale of shares of companies (other than shares in companies that predominantly hold real estate assets) that qualify as participation shares under accounting rules, and, so long as they are booked as participation shares or in a special subdivision of a balance sheet under accounting rules or whose acquisition price is at least equal to €22,800,000 and that meet the conditions of the parent-subsidiary regime other than that of holding at least 5% of the share capital will continue to be taxed at the rate of 15% increased, as the case may be, by the social security contribution of 3.3% mentioned above.

Capital losses realized on the sale of shares which fall under the long-term capital gains regime of article 219-I-a *quinquies* of the French General Tax Code may be used to offset capital gains of the same type in the fiscal year in which they occur or over the next ten fiscal years. Such long-term losses cannot be taken into account for the determination of the results subject to corporate income tax under normal conditions.

4.11.2 Shareholders whose residency for tax purposes is outside of France

4.11.2.1 Dividends

Under French law, dividends distributed by a company with its registered office in France are, in principle, subject to withholding tax at a rate of 25%, when the tax residence or registered office of the beneficiary is located outside of France.

However, this withholding tax may be reduced under article 119 ter of the French General Tax Code for shareholders with their registered office in a member state of the European Union.

Furthermore, shareholders whose tax residence or registered office is located in a country with which France has concluded an international tax treaty, under certain conditions, particularly regarding the procedure for withholding tax, may benefit from a partial or total reduction in withholding tax.

In addition, such shareholders no longer have a right to a refund of the *avoir fiscal* tax credit or of the *précompte* for distributions made as from January 1, 2005. However, when such shareholders are individuals, they have the right, subject to the applicable withholding tax, to a refund of the capped 50% tax credit attached to the dividend capped at €115 or €230, described in paragraph 4.11.1.1. above, if the tax treaty entered into between France and their respective country of residence provides for a refund of the *avoir fiscal* tax credit (Instruction 5 I-2-05 of August 11, 2005, No. 107 *et seq.* and Annex 7). The French tax authority has not yet provided guidelines on restitution of this tax credit for eligible non-resident shareholders.

Shareholders should consult with their usual tax advisors to determine whether such provisions may be applied in their particular cases and what would be the results of the subscription or acquisition of shares in the Company.

4.11.2.2 Capital gains

Without prejudice to the provisions of international tax treaties that may be applicable, capital gains realized upon transfer of shares by persons that are not tax residents of France within the meaning of Article 4B of the French General Tax Code or whose registered office is located outside of France (provided they do not have a permanent establishment or fixed base located in France to which the shares would be connected), and that have never held, severally or jointly with family members, more than 25% of the rights to the profits (*droits dans les bénéfices sociaux*) of the Company at any time in the five years preceding the sale, are not taxable in France. Capital gains realized upon the sale of shares included in a holding that exceeds 25% or exceeded 25% during the period described above are taxable in France at the proportional rate currently set at 16%, subject to possible application of tax treaties.

4.11.2.3 Wealth tax

Individuals that are not tax residents of France are not subject to wealth tax in France with regard to their financial investments. Participation shares, *i.e.*, shares that permit the exercise of influence on the issuing

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company and, notably, shares that represent at least 10% of the capital of the company and that have been subscribed upon issuance or that are kept for at least two years are not considered financial investments and are thus subject to wealth tax, subject to the provisions of international tax treaties.

4.11.2.4 Inheritance tax and gift tax

Except for exceptions set forth in international tax treaties, France subjects to inheritance tax and gift tax shares issued by French companies acquired by inheritance or by gift by an individual who is not a resident of France.

4.11.3 Other situations

Shareholders subject to another tax regime besides the one described herein are advised to consult their regular tax advisors to determine tax provisions that would be applicable in their particular cases.

5 TERMS AND CONDITIONS OF THE OFFERING

5.1 Conditions, Statistics of the Offer, Expected Timetable and Action Required to Apply for the Offer

5.1.1 Conditions of the Offering

The capital increase undertaken by the Company through the issuance of New Shares will be realized with preferential subscription rights allowing for the subscription of 1 new share for 5 existing shares (see section 5.1.2 below).

5.1.2 Total amount of the issuance New Shares and the sale of existing shares

The total size of the Offering, including share premium, (excluding shares that may be subscribed to by exercise of preferential subscription rights connected to share options) is €75,617,360 (of which €19,374,650.54 is par value and €56,242,709.46 is share premium) corresponding to the number of New Shares issued 1,270,880 New Shares, at €59.50 per share.

If all exercisable share options are exercised through July 7, 2006 (that is, the exercisable portion of options corresponding to option plans numbered 4, 5, 6 and 7) are exercised by the above date, the gross proceeds of the offering, including share premium would be €77,945,892.50 (of which €19,971,266.24 is par value and €57,974,626.26 is share premium) corresponding to the number of New Shares issued 1,310,015 New Shares, at €59.50 per share.

Option Holders who have exercised their options by July 7, 2006 at the latest, will receive as corollary to such exercise, shares bearing preferential subscription rights that would allow such holders to subscribe up to and including July 14, 2006, for New Shares in the same manner as other shareholders of the Company.

Plan number 8, the options of which are not exercisable before January 25, 2009, as well as plan number 9 and combined plan number 1 for the vesting of share options and free vesting of share options which may not be exercised before a period of four years after their vesting, or February 24, 2010, have not been taken into account.

Reduction of the size of the transaction

Pursuant to article L. 225-134 of the French Commercial Code and the terms of the decision of the Management Board of June 22, 2006 and the decision of the President of the Management Board of June 27, 2006, if the total amount of subscriptions following both the non-reducible and reducible exercise of subscription rights have not covered the entirety of the capital increase, the President of the Management Board can reduce the size of the offer to the amount of shares subscribed, distribute all or part of the unsubscribed shares, or offer them to the public.

Suspension of the exercise of share options

The ability to exercise share options under plans 4, 5, 6, and 7 will be suspended from July 10, 2006 up to and including July 27, 2006.

Preservation of the rights of Option Holders

The rights of Option Holders that have not exercised their options as of July 7, 2006 at the latest, as well as Option Holders whose options are not exercisable, under option plans 8, 9 and combined plan number 1, will be preserved in conformity with legal provisions and regulations governing option plans for the subscription and purchase of shares.

5.1.3 Offering period and procedures

The subscription of shares will be from July 3, 2006 up to and including July 14, 2006.

(a) Preferential subscription right / Subscription on a non-reducible basis

Subscription of the New Shares will be reserved, by preference, to the holders of existing shares, shareholders having exercised their option to buy shares by July 14, 2006 at the latest and to holders of preferential subscription rights who have subscribed on a non-reducible basis to 1 new share for 5 existing shares (5 preferential subscription rights allowing for the subscription of 1 new share at €59.50 per share), without accounting for fractional shares.

Shareholders or transferees of preferential subscription rights who do not hold a sufficient number of existing shares to obtain a whole number of New Shares on a non-reducible basis may exercise their right jointly, provided that a joint subscription does not result in co-ownership of the resulting ordinary shares since the Company will only recognize one holder for each share.

(b) Preferential subscription right / Subscription on a reducible basis

In addition to the right to subscribe to New Shares on a non-reducible basis, shareholders of preferential subscription rights may also, at the same time as they exercise their non-reducible subscription rights, subscribe for the number of additional New Shares they want in addition to the number of additional New Shares to which they are entitled through the exercise of their preferential subscription rights on a non-reducible basis but subject to a pro rata reduction.

New Shares that are not ultimately absorbed by subscription on a non-reducible basis will be distributed and allotted to persons exercising such additional subscription rights on a reducible basis. Orders for subscriptions on a reducible basis will be addressed up to the number requested and pro rata to the number of existing shares held whose preferential subscription rights have been exercised for the purpose of this subscription on a non-reducible basis, no fractional New Shares being issued.

In the case where a single subscriber makes several subscriptions on a non-reducible basis, the allotment of shares subscribed to on a reducible basis will only be calculated on the basis of the subscriber's entire holding of subscription rights if such subscriber has made a special request to this effect in writing no later than the date on which the subscription period is to close. Such special request must accompany one of the subscriptions and provide all necessary information as to the regrouping of rights, indicating the number of subscription orders made, as well as the intermediaries with whom such subscriptions will be filed.

Subscriptions in the name of separate subscribers cannot be combined to obtain shares on a reducible basis.

A notice published in the journal of legal announcements in the jurisdiction of the registered office of the Company, will show, if applicable, the allocation ratio applicable to subscriptions on a reducible basis.

(c) Theoretical value of the preferential subscription rights

Based on the closing price of the Company's shares as of June 26, 2006, or €69.45, the theoretical value of the preferential subscription right is €1.66.

(d) Procedure for exercising preferential subscription rights

Holders of preferential subscription rights must contact their usual financial intermediaries and pay the corresponding subscription price between July 3, 2006 and July 14, 2006.

Holders must exercise their preferential subscription rights within the subscription period, otherwise, such rights will expire. Preferential subscription rights can be traded similar to existing shares during the subscription period, as described in paragraph 5.1.3 above.

The sale of preferential subscription rights transfers the incident of ownership of such rights from the transferor to the purchaser who, with respect to the exercise of the preferential subscription rights that are sold, is treated purely and simply as holding all the rights and obligations of the original shareholder.

Option Holders that exercise their rights before the end of the exercise period as described in paragraph 5.1.2 above "Suspension of exercise of options" have the possibility of exercising or transferring their preferential subscription rights resulting from the exercise of their options up to and including July 14, 2006.

Preferential subscription rights that are not exercised by the closing of the subscription period expire.

(e) Preferential subscription rights separated from shares held by the Company

Pursuant to article L.225-206 of the French Commercial Code, the Company cannot subscribe to its own shares.

The preferential subscription rights related to 1,986 shares held by the Company, or 0.03% of the capital on June 23, 2006 will be sold on the market according to L.225-210 of the French Commercial Code.

Indicative timetable:

June 27, 2006	Visa of the <i>Autorité des marchés financiers</i> on the Prospectus.
June 28 2006	Distribution of a press release describing the definitive terms of the capital increase. Publication of the opinion of Euronext.
June 30, 2006	Publication of a notice in the journal of mandatory legal notices (<i>Bulletin des annonces légales obligatoires</i>) relating to the capital increase and publication of a summary of the Prospectus in the national press.
July 3, 2006	Opening of the subscription period – placement and beginning of the listing of preferential subscription rights on Eurolist by Euronext Paris.
July 10, 2006	Start of suspension period for the exercise of options for preferential stock subscription.
July 14, 2006	Closing of the subscription period – end of the listing of preferential subscription rights.
July 25, 2006	Publication of the Euronext opinion on the listing of New Shares and the definitive amount of the capital increase.
July 27, 2006	Issuance of the New Shares – Settlement-delivery.
July 27, 2006	Admission to trading of New Shares.
July 28, 2006	Renewal of the ability to exercise share options.

5.1.4 Revocation or suspension of the offer

The offer of 1,270,880 New Shares is governed by a placement agreement containing standard provisions for the revocation and suspension of the Offering.

5.1.5 Reduction of orders

The offering is realized with the reservation of preferential subscription rights. Shareholders may subscribe to shares on a non-reducible basis at a ratio of 1 new share for 5 existing shares (according to the conditions described in 5.1.3 (a)), and without having their orders reduced.

Shareholders may also subscribe to shares on a reducible basis. The conditions for subscribing to shares on a reducible basis, which have not been subscribed to on a non-reducible basis, and the conditions for such reduction are described in paragraph 5.1.3 (b).

5.1.6 Minimum and/or maximum orders

The issuance is made with operation of preferential subscription rights on a non-reducible and reducible basis, and without minimum or maximum limits for orders (see paragraphs 5.1.3. (a) and (b)).

5.1.7 Revocation of orders

Subscription orders are irrevocable.

5.1.8 Settlement and method for delivering shares

Orders for shares and fund transfers by investors or their legally qualified intermediaries acting in their name and for their account will be accepted until July 14, 2006 by Oddo & Cie, 12 boulevard de la Madeleine 75009 Paris.

Orders for shares and fund transfers by shareholders for registered shares (*sous la forme nominative pure*) will be received without charge by CACEIS.

Each order must be accompanied by payment for the entire order price. Funds transferred in support of orders will be centralized by Oddo & Cie, which moreover will establish a depositary certificate corresponding to the subscription of New Shares and evidencing the capital increase.

The offered shares will be registered on the books of the Company beginning on the date of settlement and delivery of the shares, or beginning from July 27, 2006.

5.1.9 Manner of publication of the results of the Offering

By the closing of the placement period described in paragraph 5.1.3 above and after the centralization of subscriptions, or by July 27, 2006, the final number of shares issued by the Company will be disclosed in a notice published by Euronext regarding the admission of the New Shares.

5.1.10 Procedure for exercising subscription rights and trading of subscription rights (see section 5.1.3 above).

5.2 Plan of distribution and allotment of securities

5.2.1 Categories of potential investors – Countries in which the Offering is being made – Restrictions applicable to the Offering

Category of potential investors

The Offering is realized with the reservation of preferential subscription rights on a non-reducible and reducible basis (see paragraphs 5.1.3 (a) et (b)). Preferential subscription rights are granted to the Company's shareholders. Holders of preferential subscription rights, as well as purchasers of rights may subscribe to New Shares.

Countries in which the Offering will be made

The Offering will be open to the public in France.

Restrictions applicable to the Offering

The distribution of this Prospectus, the sale of shares, preferential subscription rights and the subscription of the offered shares may, in certain countries, including the United States of America, be subject to a specific regulation. Persons in possession of this Prospectus must inform themselves of any possible restrictions resulting from local regulations and abide by them. Legally qualified intermediaries will not be able to accept orders for New Shares nor orders to exercise preferential subscription rights from clients with an address in a country that has implemented such restrictions and any such notifications will be considered null and void.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy securities in any country where such an offer or solicitation would be illegal. The offer has not been the object of any registration or *visa* outside of France.

Any person (including trustees and nominees) receiving this Prospectus must distribute it or cause it to be distributed in such countries only in such a manner as to conform to laws and regulations applicable there.

Any person who, for any reason, transmits or permits the transmission of this Prospectus in such countries, must draw the attention of the addressee to the statements in this paragraph.

All persons exercising their preferential subscription rights outside of France should ensure that such exercise does not infringe applicable local or French legislation. This Securities Note or any other document relating to this transaction may be distributed outside of France only in conformity with applicable laws and regulations, and will not constitute an offer to subscribe in countries where such an offer would violate any applicable legislation.

(a) Restrictions concerning States within the European Economic Area (other than France)

The shares involved in the Offering have not been and will not be offered or sold to the public in any member state of the European Economic Area having implemented Directive 2003/71/CE, the "Prospectus Directive", prior to the admission of the aforementioned shares on Eurolist by Euronext Paris except to (a) legal entities authorized or accredited to operate in financial markets or, failing that, legal entities that have the sole company object of investing in securities; (b) legal entities that meet at least two of the following conditions: (1) an average staff size of at least 250 employees at the close of the last financial year; (2) a balance sheet of more than €43,000,000 and (3) annual sales of more than €50,000,000 as indicated in the latest corporate or consolidated annual financial statement or (c) to persons to whom the shares may otherwise be offered without the publication by the Company of a Prospectus pursuant to Article 3 of the Prospectus Directive.

For the purpose of this limitation, the expression "public offering" of shares in each member state of the European Economic Area having implemented the Prospectus Directive, means all communica-

tions addressed to persons, regardless of form or means, and presenting sufficient information on the terms of the offer, that would permit an investor to acquire or subscribe to shares. The notion of “public offering” of shares also includes, for the purpose of this limitation, all implemented notions under the national laws of member states of the European Economic Area.

(b) Restrictions concerning the United States of America

The shares involved in the Offering have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”). The New Shares may not be offered or sold in the United States (except pursuant to an exemption from the registration requirements of the U.S. Securities Act), and no directed selling efforts in the United States of America may be undertaken as defined by Regulation S of the U.S. Securities Act.

In addition, until 40 days after the date of the *visa* from the *Autorité des Marchés Financiers* on this Prospectus, an offer or a sale of the offered shares in the United States by a dealer (whether or not participating in this offer) could violate the registration requirements of the U.S. Securities Act if not made in conformity with the preceding paragraph.

(c) Restrictions concerning the United Kingdom

This Prospectus is not and does not constitute an invitation or an inducement to invest. This Prospectus is directed solely to persons who are (1) outside of the United Kingdom, (2) are investment professionals falling within the meaning of article 19(1) of the *Financial Services and Markets Act 2000 (Financial Promotion) Order 2005* (which modified it) (the “Order”); or (3) are high net worth entities or others that fall within the scope of article 49(1) of the Order (hereinafter, collectively referred to as “Relevant Persons”). The shares being offered are only directed to Relevant Persons, and all invitations, offers or agreements to subscribe to, purchase or otherwise acquire shares may not be proposed to or otherwise concluded but to Relevant Persons. All persons other than Relevant Persons are not able to act on the basis of this Prospectus or any related documents. Persons responsible for the distribution of this Prospectus must conform such distribution with the legal conditions of its distribution.

5.2.2 Intent to subscribe of the Company’s major shareholders or members of the management or administrative bodies, management and supervisory boards

In the framework of the present capital increase:

- La Caisse des Dépôts et Consignations holding, as of June 23, 2006, directly and indirectly through intermediate companies of which it controls 50% capital and voting rights (the “**CDC Group**”), 2,651,787 shares representing 41.75% of the Issuer’s capital;
- Compagnie Européenne de Loisirs SA (“**CEL**”) holding, as of June 23, 2006, 869,942 shares representing approximately 13.69% of the Issuer’s capital;
- Crédit Agricole des Savoie (“**CAS**”) holding as of June 23, 2006, 457,295 shares representing approximately 7.20% of the Issuer’s capital;
- Caisse Nationale Caisse d’Epargne (“**CNCE**”) and Caisse d’Epargne des Alpes (“**CEA**”) together holding, as of June 23, 2006, 371,703 shares representing approximately 5.85% of the Issuer’s capital;
- Banque Populaire des Alpes (“**BPA**”) holding, as of June 23, 2006, 224,521 shares representing approximately 3.53% of the Issuer’s capital;

(together, the “**Principal Shareholders,**”) have each individually undertaken to subscribe in the share capital increase, on a non-reducible basis up to the full amount of the preferential subscription rights attached to their shares, which would result in the following:

- CDC Group: 530,357 New Shares, or 41.73% of New Shares;
- CEL: 173,988 New Shares, or 13.69% of New Shares;
- CAS: 91,459 New Shares, or 7.20% of New Shares;

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- CNCE and CEA: 74,341 New Shares, or 5.85% of New Shares; and
- BPA: 44,904 New shares, or 3.53% of New Shares.

The Principal Shareholders have furthermore irrevocably agreed to not subscribe to New Shares on a non-reducible basis in exercising their preferential subscription rights.

If at the expiration of the subscription period, the total amount of subscriptions to the New Shares following both the non-reducible exercise of the subscription rights and the subscriptions by entitlement have not covered the entirety of the capital increase, the following shareholders have irrevocably agreed (“**Firm Subscription Commitment**”) to acquire the remaining New Shares within the following limits:

- CDC Group: 142,109 New Shares, or 11.18% of New Shares;
- CEL: 78,712 New Shares, or 6.15% of New Shares;
- CAS: 40,668 New Shares, or 3.20% of New Shares; and
- CNCE and CEA: 71,169 New Shares, or 5.60% of New Shares;

The Company has no knowledge of the intentions of other shareholders, including those holding more than 5% of the share capital, to exercise or sell their preferential subscription rights.

5.2.3 Pre-allotment disclosure

The subscription of New Shares is reserved, by preference, to existing shareholders, shareholders resulting from the exercise of stock options or purchases made by July 7, 2006 at the latest, or shareholders acquiring preferential rights within the conditions described in section 5.1.3.

5.2.4 Notification of persons having placed orders

Persons having placed orders for shares on a non-reducible basis are guaranteed, except in the case where the capital increase is not realized in its totality, to receive the entire number of shares to which they have subscribed (see section 5.1.3(a)).

Persons having placed orders for reducible shares according to the terms of section 5.1.3(b) will be given information concerning their allotment by their financial intermediary.

A notice published in the journal of legal announcements in the jurisdiction of the registered office of the Company, will show, if applicable, the allocation ratio applicable to subscriptions on a reducible basis.

5.2.5 Extension Clause and Overallotment Option

Not applicable.

5.3 Subscription Price

The subscription price is €59.50 per share.

Upon subscription, the price of €59.50 per share, representing the nominal value plus share premium must be fully paid in cash.

Subscriptions which have not been fully paid will be automatically cancelled without prior notice.

Payments made for share options on a reducible basis (see paragraph 5.1.3(b)) and which are not used following the allocation of shares will be reimbursed without interest to the subscribers by their regular financial intermediaries that received such payments.

5.4 Placement and underwriting

5.4.1 Information concerning the Bookrunner

None.

5.4.2 Information concerning the paying agents and depository agents in each country

Oddo & Cie, 12 boulevard de la Madeleine, 75009 Paris is acting as a financial depository for subscription payments.

CACEIS, 14 rue de Rouget de Lisle, 92862 Issy-les-Moulineaux Cedex 09 is responsible for making share records and payments in respect of Company shares.

5.4.3 Guarantee

The issuance of shares is not subject to any bank guarantees.

5.4.4 Company and shareholder lock-up

The Company has agreed that during a period ending one hundred twenty (120) days after the date of the closing of the Offering, to not undertake the following without the prior consent of Oddo Corporate Finance and Société Générale Corporate & Investment Banking, the financial institutions in charge of placing the shares:

- (i) issue, offer, dispose of or sell or otherwise transfer (namely by a capital market transaction, private placement with institutional investors or sale by mutual agreement), directly or indirectly (and including by means of all financial instruments or other optional products), any shares or other financial instruments that carry a right, by conversion, exchange, redemption, presentation of a warrant, exercise or any other manner, to receive, immediately or at a later time, a portion of the capital of the Company (the "Equity Securities"); and
- (ii) publicly announce any intention to enter into such issue, offer, sale, promise or transfer.

The Buying Shareholders have agreed that during a period ending one hundred twenty (120) days after the date of the closing of the Offering, to not undertake the following without the prior consent of Oddo Corporate Finance and Société Générale Corporate & Investment Banking, and the financial institutions in charge of placing the shares:

- (i) issue, offer, dispose of or sell or otherwise transfer (namely by a capital market operations, private placement with institutional investors or sale by mutual agreement), directly or indirectly (and including by means of all financial instruments or other optional products), any shares or other financial instruments that carry a right, by conversion, exchange, redemption, presentation of a warrant, exercise or any other manner, to receive, immediately or at a later time, a portion of the capital of the Company (the "Equity Securities"); and
- (ii) publicly announce any intention to enter into such issue, offer, sale, promise or transfer.

The lock-up agreements apply to all of the Company's Equity Securities that the Buying Shareholders hold at June 23, 2006, as well as to all shares to which they will subscribe or acquire through the Offering or otherwise, before the date of the closing of the Offering.

6 ADMISSION TO TRADING AND DEALING ARRANGEMENTS

6.1 Admission to trading

The subscription rights will be separated from the shares on July 3, 2006 and will trade on Eurolist by Euronext Paris until the end of the subscription period, that is July 14, 2006 under ISIN code FR0010353896.

Consequently, existing shares will trade ex-rights from July 3, 2006 until July 14, 2006.

An application has been made for admission to trading on Eurolist by Euronext Paris for New Shares resulting from the increase in share capital.

6.2 Listing

As of the date of this Securities Note, the shares of the Company are admitted to trading on Eurolist by Euronext Paris.

6.3 Simultaneous offerings of the Company's shares

None.

6.4 Liquidity Contract

A liquidity contract concerning the Company's shares was entered into on July 7, 2005 with SG Securities (Paris) 17, cours Valmy, 92987 Paris La Défense Cedex.

As of May 31, 2006 the Company held 1,930 shares through the above contract.

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7 SELLING SHAREHOLDERS

Not applicable.

8 EXPENSES OF THE OFFERING

The gross and net proceeds of the issuance will be definitively determined according to the Company's capital as of June 23, 2006.

Net proceeds are calculated after deduction of the expenses (excluding taxes) mentioned below.

Based on the Company's capital as of June 23, 2006, the gross proceeds and the estimated net proceeds of the issuance (excluding taxes) would be:

- gross proceeds: €75,617,360;
- compensation of financial intermediaries and legal and administrative fees: approximately €1.92 million;
- estimated net proceeds: approximately €73.70 million.

The gross proceeds and estimated net proceeds of the issuance (excluding taxes), if all share options are exercised before July 7, 2006:

- gross proceeds: approximately €77,945,892.50;
- compensation of financial intermediaries and legal fees and administrative fees: approximately €1.92 million;
- estimated net proceeds: approximately €76.03 million.

9 DILUTION

9.1 Impact of the issuance on consolidated shareholders' equity

Impact of the issuance on the portion of shareholders' equity

Based on the number of shares issued on June 23, 2006 and the Company's share of shareholders' equity as of March 31, 2005, the impact of this issuance on the portion of shareholders equity attributed to a holder of one share of the Company prior to the issuance and who does not subscribe to this issuance will be as follows:

	Portion of shareholders' equity (in euros)	
	Undiluted	Fully diluted ⁽¹⁾
<i>Prior to issuance of New Shares resulting from this increase in share capital</i>	54.11	54.11
<i>After issuance of 1,270,880 New Shares resulting from the increase in share capital⁽²⁾</i>	54.86	54.84
<i>After issuance of 1,310,015 New Shares resulting from the increase in share capital⁽³⁾</i>	54.82	54.86

(1) Assumption: the exercise of all securities giving rights to share capital.

(2) Number of shares potentially issued in the course of the rights offering and the number of shares issued as of June 23, 2006.

(3) Maximum number of issued shares assuming full exercise of all exercisable share purchase options during the exercise period.

9.2 Total and percentage of dilution immediately following the issuance

9.2.1 Impact of the issuance on an investment in the Company's capital

Impact of the issuance on an investment in the Company's capital

Impact of the issuance on the portion of share capital held by a holder of 1% of the Company's share capital as of June 23, 2006 prior to the issuance who does not subscribe to this issuance:

	Interest of the shareholder (in %)	
	Undiluted	Fully diluted ⁽¹⁾
<i>Prior to issuance of New Shares resulting from this increase in share capital</i>	1%	0.96%
<i>After issuance of 1,279,880 New Shares resulting from the increase in share capital⁽²⁾</i>	0.83%	0.81%
<i>After issuance of 1,310,015 New Shares resulting from the increase in share capital⁽³⁾</i>	0.81%	0.80%

(1) Assumption: the exercise of all securities giving rights to share capital.

(2) Number of shares potentially issued in the course of the rights offering and the number of shares issued as of June 23, 2006.

(3) Maximum number of issued shares assuming full exercise of all exercisable share purchase options during the exercise period.

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9.2.2 Impact on the breakdown of capital stock and voting rights

Breakdown of capital and voting rights after issuance and after accounting for subscription in full under the subscription agreement described in Section 5.2.2 of this Securities Note.

	<u>Number of shares</u>	<u>% of capital and voting rights</u>
CDC Group	2,651,787	41.7%
CEL	869,942	13.7%
CAS	457,295	7.2%
CNCE and CEA	371,703	5.9%
BPA	224,521	3.5%
M&G	352,140	5.5%
Other companies	73,001	1.1%
Mutual funds	393,626	6.2%
Financial intermediaries outside of France	259,110	4.1%
Public and other	<u>701,278</u>	<u>11.0%</u>
Total	<u><u>6,354,403</u></u>	<u><u>100%</u></u>

10 Additional Information

10.1 Advisors with ties to the offering

Not applicable.

10.2 Persons responsible for the audit of the financial statements

PriceWaterhouseCoopers Audit SA

63, rue de Villiers
92200 Neuilly sur Seine

Principal Statutory Auditor,
represented by Bruno Tesnière

Yves Nicolas

63, rue de Villiers
92200 Neuilly sur Seine

Substitute Statutory Auditor

Mazars & Guerard

39, rue de Wattignies
75012 Paris

Principal Statutory Auditor,
represented by Denis Grison

Guillaume Potel

39, rue de Wattignies
75012 Paris

Substitute Statutory Auditor

10.3 Expert Report

Not applicable.

10.4 Information contained in the Prospectus coming from a third party

Pro forma information contained in this Prospectus is based in part on the financial statements of companies initially holding five Star Parks group leisure parks, which have been acquired by the Company.

10.5 Pro forma financial information

The following pro forma financial data summarize the effects of the Company's acquisition of leisure parks from the Star Parks group as if said acquisition had occurred on October 1, 2004. This data is the subject of a report by the statutory auditors on the company which is included in Section 10.6 of this Note.

The information was drawn up on the basis of the financial statements for fiscal year 2004-2005 as published by the company, and the certified financial statements for the 2005 financial year of the Star Parks group. They are

intended to provide awareness of the impact of the acquisition now under way on the most important financial aggregates of the Compagnie des Alpes group.

It should be noted that this pro forma financial information does not necessarily represent the results that would have been recognized in the consolidated financial statements of the Compagnie des Alpes group if this acquisition of leisure parks from Star Parks had indeed occurred on October 1, 2004. The value of the information is purely illustrative; it cannot serve as a basis for projecting future trends in the consolidated earnings of the Compagnie des Alpes group.

1. Preliminary remarks on the summary of combined financial data

This summary of combined pro forma financial data of a new group including CDA and Belpark B.V. has been prepared by these two groups on the basis of the following elements:

- The consolidated financial statements of the Compagnie des Alpes group on September 30, 2005 (12 months), drawn up in accordance with IAS/IFRS as adopted in the European Union on March 31, 2006, and which correspond to the comparative figures provided in the interim consolidated financial statements for March 31, 2006;
- The consolidated data of the scope of the companies acquired – Belpark B.V., Premier Financial Services S.A., ImmoFlor B.V., Walibi World B.V., COFILO SARL, Parc Agen SAS, Avenirland SAS – for the twelve-month period ending December 31, 2005. These data were prepared on the basis of the certified consolidated financial statements of Starpark Luxembourg Holdco S.A., likewise drawn up in accordance with IFRS;
- Certain restatements (See §3-2) in the financial statements of Belpark. These show a) the recurrent effects of management decisions to reduce operating costs taken by the previous shareholder during FY 2005 and b) the elimination of non-recurrent costs recognized for the same period;
- The effects of the financing operations related to the acquisition (See §3-3).

These summarized combined pro forma financial data show the effect on the actual financial data of a given operation or event supposed to have taken place prior to its real or reasonably expected occurrence. However, they are not necessarily representative of the financial situation or the performance that would have been observed if the operation or event had taken place prior to its real or reasonably expected occurrence. These summarized combined pro forma financial data are based on historical data from the two groups, and are intended to permit a better understanding of the shape of the new group after acquisition of the five theme parks from the Belpark group by combining figures from the two groups.

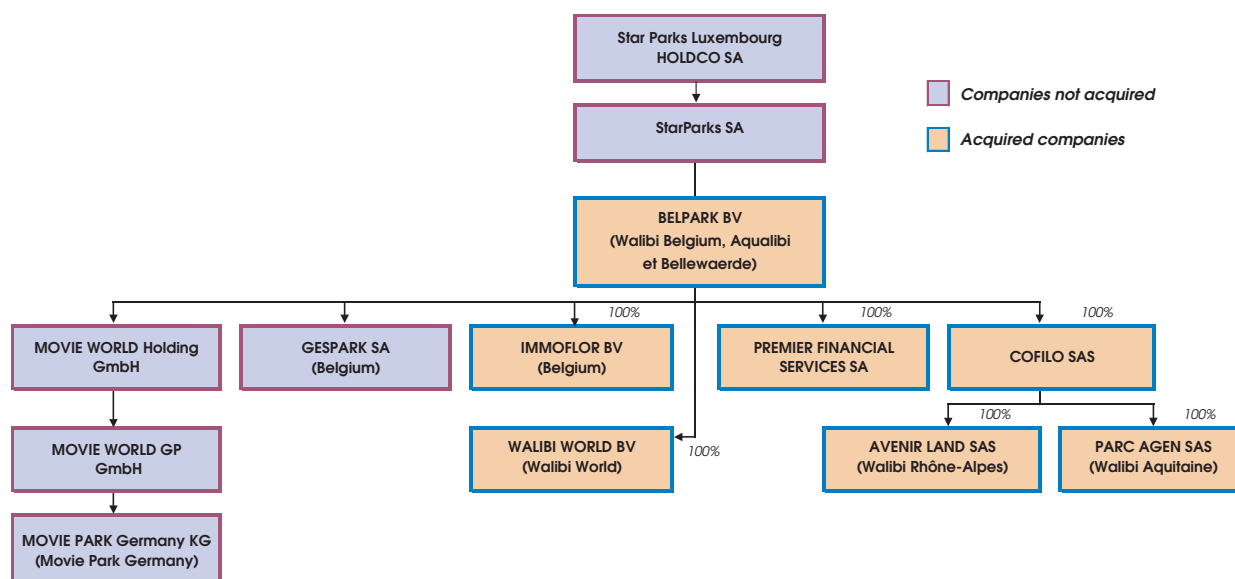
These summarized combined pro forma financial data have been examined by Compagnie des Alpes' statutory auditors.

2. Description of the acquisition operation and its refinancing

2.1 The acquisition

On May 22 and 23, 2006, Compagnie des Alpes (CDA) acquired five theme parks from the Star Parks group. For technical reasons related to the geographical organization of the CDA group, the operation concerned three lines of shares: Belpark B.V., COFILO and Walibi World B.V. However, it can be considered as a single operation for economic purposes.

The organizational chart of the target group prior to the operation was as follows:



The acquisition concerns the entire scope of consolidation of Belpark B.V. after elimination of Gespark S.A., a dormant company, and Movie World Holding GmbH and its subsidiaries, not concerned by the transaction. These eliminations occurred through sale to the previous shareholder of the shares in Gespark S.A. and Movie World Holding GmbH and its subsidiaries, and by the assumption by the former shareholder of all debt of these companies towards the companies in the scope of the acquisition.

Consolidated data of the Belpark group as of December 31, 2005 (for the scope of the acquisition) are therefore presented after taking these operations into account.

2.2. Financing of the operation and refinancing of existing debt (See § 3-4)

On May 17, 2006, the CDA group signed a new syndicated loan agreement with a group of financial institutions for the purposes of financing the acquisition and refinancing the loans contracted on June 30, 2005, which was reimbursed on May 27, 2006.

At the time of the acquisition, the borrowings of the Belpark group were fully repaid. The CDA group provided this refinancing on highly advantageous terms. The purpose of this issue is the partial refinancing of the acquisition loan.

3. Assumptions retained in drawing up the summarized combined pro forma financial data

The financial statements of the Compagnie des Alpes group were closed on September 30, 2005, while those of the Belpark group were closed on December 31, 2005. The combined pro forma financial data were drawn up on the basis of these financial statements. While closed in different dates, each of these covers a twelve-month period. Hence, they reflect the performance of the new combined group on an annualized twelve-month basis for 2005.

3.1. Restatements to obtain uniformity in the financial statements in the scope of the acquisition

The financial statements of the Star Parks group were drawn up in accordance with IAS/IFRS. During the process of acquisition, certain differences from the accounting principles of the CDA group were identified, mainly in the application of the rules on amortization/depreciation periods of fixed assets.

Given the importance of the work to be done to measure the assets acquired at fair value and redefine the rules on amortization/depreciation periods of fixed assets, it was not possible to estimate restatements for uniformity for purposes of drawing up summarized combined pro forma financial data. At this point, management considers that such restatements would have no significant impact on EBITDA.

3.2 Pro forma adjustments

3.2.1 Restatements on management decisions and non-recurrent costs

As a result of the decisions taken in 2005 by the management of the Star Parks group, a recurring reduction in operating expenses was observed between the beginning of the 2006 financial year and the date of the acquisition.

On an annual basis, the effect of this reduction is €4.6 million, corresponding to:

• Personnel costs	€0.7 million
• Costs of managers not included in the acquisition scope	€1.1 million
• Advertising costs	€1.9 million
• Other	€0.7 million

Since these reductions took effect on the date of acquisition and were a decisive element in the decision to make the acquisition, their total effect was included in the summarized combined pro forma financial data.

Moreover, certain expenses of the Belpark group in the 2005 financial year are non-recurrent in character, and have also been restated in the summarized combined pro forma financial data. These costs came to €6.8 million, and mainly concerned the consequences of restructuring the Belpark group's borrowings, a process initiated in 2005 and completed prior to Belpark's acquisition by CDA:

• Costs in 2005 related to debt restructuring	€5.3 million
• Provisions for restructuring (in EBIT)	€1.5 million

3.2.2. Adjustments related to financing

Financing of the acquisition and refinancing of the Belpark group's debt existing on December 31, 2005 mean that CDA requires additional financing of €240 million, as follows:

• Price of the share purchases	€170 million
• Refinancing of the debt of the Belpark group	<u>€70 million</u>
	€240 million

The summarized combined pro forma financial data were drawn up assuming the realization of this issue of €70 million and hence an increase of €170 million in the Compagnie des Alpes group's borrowings (of which €70 million went to refinancing the Belpark group's debt).

The interest rate on the CDA's total debt resulting from the setup of the new syndicated loan, on a fully variable-rate basis, depends in part on the prevailing level of short-term interest rates and in part on the ratio of net consolidated debt to the CDA group's consolidated EBITDA. Given the effective level of short-term interest rates in 2005 and the net debt/EBITDA ratio observed in the summarized combined pro forma financial data, the average interest rate applicable to the amounts given above would come to 3.56% for 2005. Refinancing of the Belpark group's debt will also reduce of cost of said debt (average rate on December 31, 2005: 6.5%).

All of these elements taken together would lead to additional pro forma interest costs of €2.2 (base 2005).

3.2.3 Tax expense

In preparing the summarized combined pro forma financial data, a normative income tax rate of 33% was assumed both on the restated pre-tax income of the Belpark group and on the effects of the financing operation.

3.2.4 Provisional treatment of goodwill on the Belpark group acquisition

Goodwill on this acquisition comes to €92.1 million, based on provisional figures prior to drawing up the opening post-acquisition balance sheet, as follows:

• Price of the Belpark shares	€170.0 million
• Less shareholders' equity acquired	(€77.9) million
• Goodwill	€92.1 million

Unofficial English language translation for information purposes only.

For practical reasons, analysis of the fair value of the identifiable assets of the parks acquired and of the related tax effects had not yet been carried out on the date the summarized combined pro forma financial data were prepared.

The entities of the Star Parks group acquired, particularly the Belgian and Dutch subsidiaries, have significant tax loss carry forwards. These have not been capitalized in the consolidated financial statements of the Star Parks group. This will be analyzed when goodwill is definitively determined.

**CDA GROUP
PRO FORMA NEW COMBINED GROUP
BASE 2005⁽¹⁾**

	(1)	(2)	(3)	(4) = (2) + (3)	(5)	(6)	(7) = (3) + (5) + (6)	(8) = (1) + (2) + (7)
(in euros '000)	CDA balance sheet as of September 30, 2005 IFRS 12 months	Consolidated data BELPARK group as of December 31, 2005 (for the scope of the acquisition) 12 months	Restatements on management decisions and non-recurrent costs	Consolidated data of BELPARK group pro forma as of December 31, 2005 12 months	Financing	Provisional treatment of goodwill	All pro-forma adjustments	CDA pro forma 2005 12 months
INCOME STATEMENT								
Sales	374,236	78,359		78,359				452,595
EBITDA	107,766	18,183	4,589	22,722			4,589	130,538
EBIT	60,799	(367)	6,089	5,722			6,089	66,521
Net financial income	(9,626)	(9,922)	5,300	(4,622)	(2,200)		3,100	(16,448)
Tax expense	(17,463)	(23)	(359)	(382)	733		374	(17,112)
Consolidated net income	34,831	(10,312)	11,030	718	(1,467)		9,563	34,082
Net attributable income	30,735	(10,312)	11,030	718	(1,467)		9,563⁽¹⁾	29,986
BALANCE SHEET								
Non-current assets	703,975	155,558		155,558	170,000	(77,881)	92,119	951,652
Current assets	91,509	17,642		17,642				109,151
TOTAL ASSETS	795,484	173,200		173,200	170,000	(77,881)	92,119	1,060,803
Shareholders' equity	349,644	77,881		77,881	70,000	(77,881)	(7,881)	419,644
Non-current debt	229,060	4,294		4,294	170,000		170,000	403,354
Other non-current liabilities	26,210	4,039		4,039				30,249
Non-current liabilities	255,270	8,333		8,333	170,000		170,000	433,603
Current debt	74,194	70,000		70,000	(70,000)		(70,000)	74,194
Other current liabilities	116,376	16,986		16,986				133,362
Current liabilities	190,570	86,986		86,986	(70,000)		(70,000)	207,556
TOTAL LIABILITIES	795,484	173,200		173,200	170,000	(77,881)	92,119	1,060,803

Financial ratios (see section 4.2 on the financing of the acquisition)

		Worth
Net borrowings/EBO	3.51	3.39
Net financial debt/Shareholders' equity	0.78	1.6

(1) excluding restatement for uniformity of the BELPARK B.V. data.

10.6 Report of the statutory auditors on the summarized combined pro forma financial data

Mr. Jean-Pierre Sonois
Chairman of the Management Board
Compagnie des Alpes
89 rue Escudier
92100 Boulogne-Billancourt

Dear Mr. Chairman,

As statutory auditors, and in application of EC rule 809/2004, we have drawn up this report on the pro forma information of Compagnie des Alpes relative to fiscal year 2004/2005, as included in Part 10.5 in its Operations Note on a capital increase with maintenance of the preemptive rights of existing shareholders, dated June 27, 2006.

This pro forma information was prepared for the sole purpose of illustrating the effect that the acquisition of five theme parks from the Belpark Group, realized on May 23, 2006, would have had on the balance sheet and income statement of Compagnie des Alpes as of September 30, 2005 had this operation taken effect on October 1, 2004. By its very nature, this information describes a hypothetical situation and is not necessarily representative of the financial situation or performance that might have been observed had this acquisition taken place prior to its actual date of realization.

This pro forma information was drawn up under your responsibility, in application of the provisions of EC Rule 809/2004 relative to pro forma information.

It is incumbent on us to express a conclusion on the adequacy of this pro forma information, on the basis of our work under the terms required in Appendix II Point 7 of EC rule 809/2004.

We have carried out our work in accordance with the professional standards applying in France. This work, which does not include an examination of the financial data that underlie the pro forma information, consisted mainly in verifying that the basis on which the pro forma information was drawn was in agreement with the source documents, in examining the probative elements that justify the pro forma restatements, and in meeting with the management of Compagnie des Alpes to obtain the explanations and information we considered necessary.

In our opinion:

- The pro forma information has been adequately established on the basis indicated in the Note appended to the data concerned,
- This basis is itself in accordance with the issuer's accounting methods. It should nonetheless be stressed that certain differences in accounting principles, concerning mainly the depreciation periods for property, plant and equipment (PPE) applied by the Belpark Group, have not been restated, and that the fair value of identifiable assets (including the related taxation) had not yet been determined on the date the pro forma information was drawn up. This is mentioned in Paragraphs 3.1 and 3.2.4 "Restatements to obtain uniformity in the financial statements in the scope of the acquisition" and "Treatment of goodwill" respectively, in the Note on pro forma information.

This report has been issued for the sole purpose of the public securities offering in France and other countries of the European Union in which the Operations Note approved by the AMF (French financial markets regulator) will be disseminated, and it cannot be used in any other context.

Neuilly and Paris La Défense, June 27, 2006.

The Statutory Auditors

PricewaterhouseCoopers Audit

MAZARS & GUERARD

Bruno Tesnière

Denis Grison

