ANNUAL REPORT 2001-2002

Compagnie des Alpes

Skiez en bonne compagnie

SUMMARY

A unique leisure activities group

Compagnie des Alpes, the world leader in ski area management, also became a leader in family recreation on August 1, 2002, when it gained majority control of Grévin et Compagnie through a takeover bid. The combination of the two groups makes CDA a major player in European leisure activities, with three main business lines:

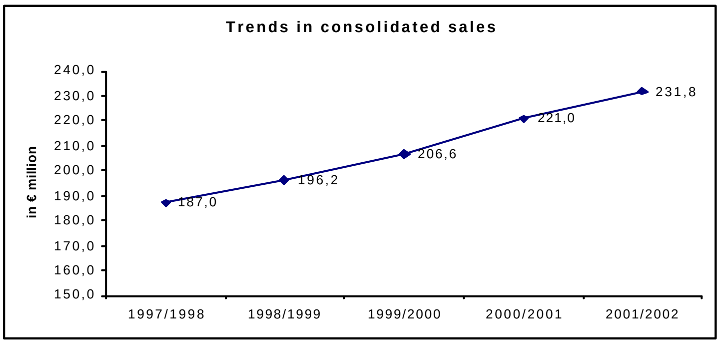
- Ski area management: Annual sales of €210 million, with annual growth of 2-3%, excluding acquisitions.
- Ski shops: Annual sales of €15 million, with average annual growth of 25%, due to acquisitions.
- Management of family recreation areas: Annual sales of €116 million (2002 goal), with average annual organic growth of 5% and a dynamic acquisitions policy.

This reference document is composed of two parts :
a corporate presentation and a financial information document.

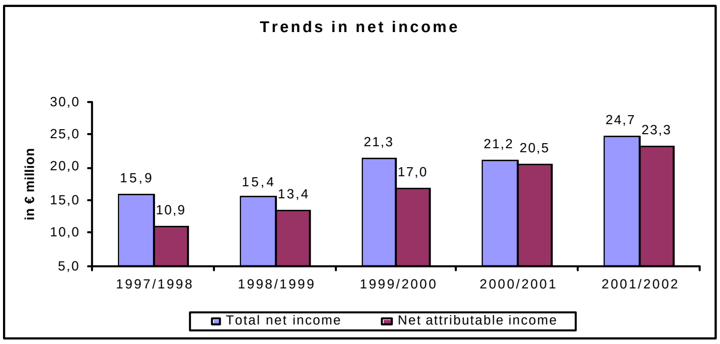
Key figures of FY 2001/2002

Fiscal year ending May 31, 2002

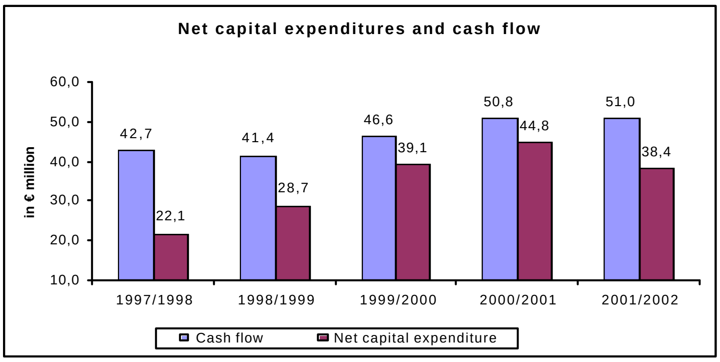
In 5 years, the Group's consolidated sales grew an average of 5.5% annually, half of which was due to organic growth and the other half to acquisitions. With 232 million euros in sales, 211 of which come from ski areas, Compagnie des Alpes is the world leader in this activity.



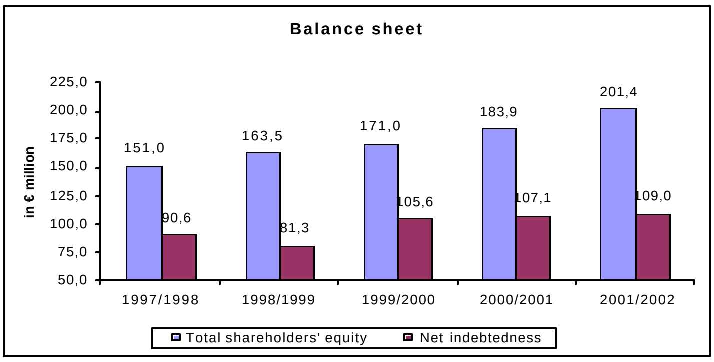
In 5 years, the total net income of the CDA Group increased by an average of 12.9% annually, and net attributable income by 21.0% annually. Minority interests, which represented 31% of total income in 1996-1997, only represented 5.6% of income in 2001-2002.



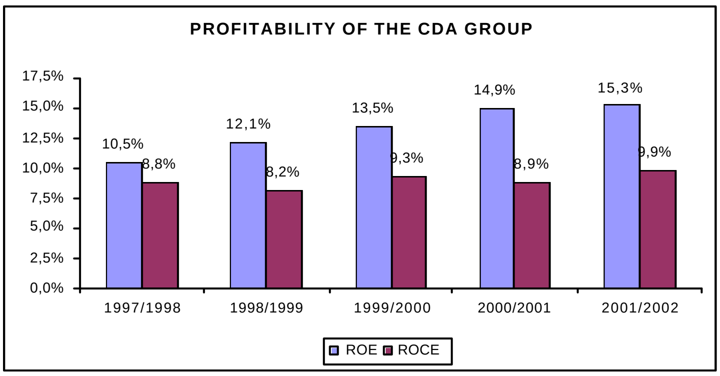
Over 5 years, the Group has made consolidated expenditures of €173 million for tangible and intangible fixed assets: new lifts, trail work, snowcats, snowmaking, ticketing, and other material and software. At the same time, consolidated cash flow has risen to €232 million, providing an average free cash flow of €12 million per year.



Over the past five years, net indebtedness has represented, on average, around 57% of shareholders' equity, which shows gearing is well in hand.



The return on equity (ROE) increases steadily over the period. It raises 15.3% in 2001/2002.



Group History

The history of Compagnie des Alpes is marked by a number of large steps that, over ten years, have made the Group the world leader in ski area management.

1989/1994: Launch of an innovative project

At the end of the 1980s, French ski regions faced a serious crisis. After two decades of strong growth and a tremendous expansion of winter sports in France, the market slowed down. There were three reasons: the market was close to saturation (8% to 10% of French households took winter sport vacations, a record for an athletic activity), there was a real estate crisis and two consecutive winters brought little snow.

As a result, many resorts had serious financial problems. The Caisse des Dépôts group, via its subsidiary C3D (Caisse des Dépôts – Développement) was interested in this industry, and after many months studying its strengths and its potential risks, decided to work to "federate" ski resorts throughout.

From its creation in January 1989 to its listing on the Paris Bourse in 1994, the strategy of Compagnie des Alpes has been based on a set of strict criteria for choice of ski areas: large size, for economies of scale; high altitude, the only guarantee of abundant, quality snow coverage; and international renown, essential for filling resorts during periods outside of French school vacations. In just a few years, CDA became the world leader in the market by successively acquiring control of the operating companies of some of the most prestigious French ski areas, including Tignes, Les Arcs, La Plagne, Peisey-Vallandry, Les Menuires, and Les Grands Montets (Chamonix).

1994/2002: Confirmation of a successful growth model; geographic diversification

From the very beginning, Compagnie des Alpes aimed at steady, profitable growth that took risk factors fully into account. Listing on the Second Marché of the Paris Bourse on November 18, 1994 confirmed the viability of this growth model.

This step allowed Compagnie des Alpes to join with new partners to consolidate the market through accelerated acquisitions. In France, CDA acquired the Méribel and Grand Massif resorts (Flaine, Samoëns, Morillon, Sixt). It made its first step abroad at the end of 1996, with the acquisition of Courmayeur in Italy. Today, the Group has lift sales that represent about one quarter of the French market and further expansion opportunities are more rare and take longer to finalize.

CDA's first move into Switzerland was finalized in 2000, with the acquisition of a 20% stake in Téléverbier, operator of the Verbier ski area. CDA made another move into Switzerland in 2001, with a 38% share in the operating company of the Saas Fee ski area.

The Group began to diversify business linked to operating ski areas by becoming a real estate developer (developing and selling land to local real estate promoters) and by acquiring shops that rent and sell winter sports equipment in several of its resorts.

June 2002: Compagnie des Alpes diversifies into theme parks

Because organic growth in its core business is steady but slow (5%), acquisitions take long to finalize and the *savoir-faire* acquired in operating leisure facilities in the mountains could easily be transferred into other segments of the leisure market, the management of Compagnie des Alpes decided to offer its shareholders a major diversification into theme parks. The Group launched a friendly takeover bid for the Grévin et Compagnie group in June 2002. It was a complete success: At the end of september 2002, Compagnie des Alpes held more than 95% of the capital of Grévin et Compagnie.

Message from the Chairman
Jean-Pierre Sonois

The world leader in ski area management, the Compagnie des Alpes Group (CDA) has posted average growth of 10% annually over the past five years, as against an average of 5% annually for the entire French market for ski area management over the same period. This performance was achieved through an active acquisitions program in France and abroad.

As far as our Group's future growth is concerned, we can make the three following observations:

- The winter sports market in Europe will continue to grow at a slow but steady pace—from 1% to 2% annually in volume terms. There are many reasons why organic growth at Compagnie des Alpes will continue to outpace the market: the superior positioning of our resorts, the know-how we have developed from managing some ten resorts for over a decade, the advantages of specialization, the experience of our team of managers and the considerable progress we have achieved in quality control, marketing and, most recently, customer loyalty.
- Making acquisitions in the winter sports market is a long and painstaking process. CDA quickly captured 28% of the French market and, since 1996, we have focused our continued growth on Europe. CDA is now the only Group in Europe positioned to "federate" a fragmented market. However, because of national contexts, and the sociology of mountain activities, CDA growth opportunities in Europe—in the kind of resort in which we operate—would be limited to only one resort acquisition every three or four years.
- CDA made the right choice by protecting itself from climatic risk by taking positions in high-altitude resorts in the northern Alps. Thanks to this choice, none of our 13 operating years was significantly impacted by adverse weather conditions. Present climatic trends give no incentive to redirect our acquisitions policy toward resorts and ski areas with less regular snowfall.

For these reasons, it is now time for our Group to enter a second, complimentary business line.

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We have selected Grévin et Compagnie, which is both analogous to our core business and complementary to it.

The operation of theme parks is part of the leisure industry known as "family recreation." This industry operates mainly during the four summer months, with 80% of customers coming for one-day visits. Most of these visitors are families from urban or suburban areas within an hour-and-a-half drive to the park.

Ski area management is focused on resorts operating during the four winter months, with a high proportion of visitors from abroad (40%) and relatively few family groups (30%), except for those with their own lodging in the resorts.

Europe's markets for these two activities are very similar in size: over 250 million visits per year. Organic growth, however, is clearly greater for theme parks, a young business in full expansion. The industry is still highly fragmented, since 85% of operators are independents. The theme parks industry is also spread out better geographically (10 countries, mainly in the North of Europe) than ski areas, where two-thirds of Europe's skiers go to just four countries.

The new expanded CDA Group, with €350 million in annual sales—65% in winter, 35% in summer—and 17 million visitors yearly, will immediately be a leader in diversified "leisure production" in Europe. The Group will operate year-round, with very different climatic risks and 100 times more geographical coverage than the Alpine region.

Succeeding in this new phase of the Group's development is a great and invigorating challenge for the men and women who are a part of it. Their talents and motivation, which have already led to the success of the two original companies in the young and growing leisure sector, are now combined.

Ski area management

The Group's operating companies equip, maintain and operate ski areas. This means they are responsible for the skier's ascent (lifts) and descent (trail maintenance, grooming, snowmaking) and for ticketing (ticket booths, waiting lines). Whatever form the operating companies take—long-term concession contracts in France, or direct ownership of facilities in Italy and Switzerland—it is always the operating company that is responsible for their own results. Receipts are from the sale of lift tickets giving access to ski areas. Related expenses include outlays for facilities, personnel, taxes and local fees and royalties, as well as current operating expenditures (maintenance, energy, etc.).

An industrialized approach

Operating ski areas is the basis of the development of resorts. CDA's development policy rests on an awareness of two key points:

- Building numerous complex ski lift systems requires a large amount of capital.
- Compagnie des Alpes can operate on an industrial scale in a profession where many players still operate as small businesses. Because of its size, the Group has the means to make such operations profitable.

A seasonal business

Operating ski areas is, by definition, a seasonal activity. 95% of sales are made during the five winter months, December to April. Only Chamonix has more business in summer than in winter — but CDA has only a 22% stake in this resort. Average monthly sales of the CDA Group are as follows:

December :	16%
January :	19%
February :	29%
March to May :	31%
June to November :	5%

This explains why the Group is in deficit during the first half of the FY (June 1 to November 30) and shows a large profit during the second half (December 1 to May 31).

Since nearly 90% of Grévin et Compagnie sales are made between April and September, the acquisition of Grévin et Compagnie will reduce this seasonal aspect without doing away with it entirely: activity in the first half will pass from 5% of total sales to around 35%.

Breakdown of sales by company

SAP (La Plagne):	50.7 (21.9%)
STGM (Tignes):	37.4 (16.2%)
SMA (Les Arcs):	33.9 (14.6%)
SEVABEL (Les Menuires):	28.6 (12.4%)
GRAND MASSIF:	20.9 (9.0%)
MERIBEL ALPINA:	20.5 (8.9%)
SKI-SHOPS & FAVRE SPORT:	14.5 (6.3%)
MONT BLANC & Cie (22%):	11.1 (4.8%)
CMBF (Courmayeur):	7.0 (3.0%)
STAG (Peisey-Vallandry):	6.5 (2.8%)
Other:	0.6 (0.1%)

Breakdown of sales by business line

	2000/2001	2001/2002	2002/2003
Ski areas:	191.1	206.0	210.8
Ski-shops:	6.0	8.2	14.5
Other:	9.5	6.8	6.5
TOTAL	206.6	221.0	231.8

Key figures - Group ski area operating companies

Skier days (in thousands)	***2000***	***2001***	***2002***
SAP (La Plagne)	2 553	2 678	2 614
STGM (Tignes)	1 572	1 650	1 690
SMA (Les Arcs)	1 530	1 593	1 555
SEVABEL (Les Menuires)	1 343	1 423	1 462
DSF/DSG (Grand Massif)	1 131	1 151	1 178
MERIBEL ALPINA (Méribel)	1 081	1 071	1 066
CMBF (Courmayeur)	358	385	333
STAG (Peisey-Vallandry)	303	322	313
Sub-total fully consolidated companies	9 871	10 273	10 211
Mont-Blanc & Cie (Chamonix)	2 057	2 849	2 536
TOTAL CDA GROUP	**11 928**	**13 122**	**12 747**

Ski lift Sales (€ million) (winter only)	***2000***	***2001***	***2002***
SAP (La Plagne)	43.6	47.9	48.9
STGM (Tignes)	28.6	31.6	32.9
SMA (Les Arcs)	25.5	28.3	29.2
SEVABEL (Les Menuires)	25.2	27.6	28.3
DSF/DSG (Grand Massif)	16.9	18.2	19.3
MERIBEL ALPINA (Méribel)	19.6	20.3	20.0
CMBF (Courmayeur)	6.8	7.3	6.5
STAG (Peisey-Vallandry)	5.6	6.4	6.3
Sub-total fully consolidated companies	171.8	187.6	191.3
Mont-Blanc & Cie (Chamonix)	8.0	5.3	5.5
TOTAL SKI LIFT SALES	**179.9**	**192.9**	**196.9**

Assets held under concession agreements, owned assets and leased assets (net value, € million)	***2000***	***2001***	***2002***
SAP (La Plagne)	48.6	57.2	60.9
STGM (Tignes)	54.5	51.0	48.9
SMA (Les Arcs)	31.3	32.2	31.8
SEVABEL (Les Menuires)	13.0	14.2	23.3
DSF/DSG (Grand Massif)	20.0	29.6	30.9
MERIBEL ALPINA (Méribel)	20.8	22.6	24.5
CMBF (Courmayeur)	23.4	21.3	19.8
STAG (Peisey-Vallandry)	6.2	9.7	9.8
Mont-Blanc & Cie (Chamonix)	22.0	16.8	17.4
TOTAL SKI AREAS	**239.8**	**254.7**	**267.4**

Concession contracts

In France, the affiliates of Compagnie des Alpes operate ski areas through concession contracts. The granting authorities are municipalities, groupings of municipalities, or *départements*. As such, the companies are charge of facilities (ski lifts, snowcats, and other facilities) and are responsible for all financing and operations.

The Group's concessions are long-term. Over the past few years, many of them have been extended in exchange for commitments to large ski-area development and restructuring programs. The average remaining duration is about 21 years.

In Italy and Switzerland, ski-lift operating companies own their facilities. Operating licenses are granted on a facility by facility basis, for the duration of their officially determined lifespan.

The key features of concession contracts appear in point 1.7 in the Appendix to the Consolidated Accounts. Concession contracts are transferable with the agreement of the granting authority. For STGM and SEVABEL, the granting authority must also agree upon a change of control of the concessionaire beforehand.

The relations between a concessionaire and its granting authority are regulated by law: Legal and contractual royalties are generally based on sales, lift specifications and agreed lift fare schedules. These obligations apply to all Compagnie des Alpes' ski lift operating companies in France. They can be supplemented by local contracts on a case by case basis .

Ski lifts are considered like all public transportation vehicles in France, and are subject to strict regulation to make sure they conform with security standards. Regular technical inspections are mandatory, and if needed give rise to government-monitored maintenance work to bring equipment up to standards. Maintenance and large-scale repairs cost the Compagnie des Alpes Group around 10 to 12 million euros each year.

The skiers market

a) Demand (Sources: ETM **(1)***, CDA)*

The skiers market to consider is the European market, since the European and North American markets are not direct competitors. Because of the large distance, few skiers cross the Atlantic to ski (less than 50,000 people in each direction—CDA estimate) and they therefore represent a negligible fraction of business in European ski resorts.

The European skiers market represents around 240 million skier-days for 32 million skiers, or 60% of the total world market. Four major countries account for most of the market: France (25%), Austria (25%), Switzerland (13%) and Italy (11%). The rest is divided among Scandinavian countries, Eastern Europe, and Spain.

France's position is largely the result of its domestic consumer base, which accounts for 85% of visits, as compared with 50% for Austria and approximately 75% for Switzerland and Italy. The reverse side is that France counts only 15% of skiers coming from other European countries, as opposed to nearly 50% for Austria. This market segment therefore represents a great margin for growth. The international clientele is concentrated in about twenty major French resorts offering the facilities necessary to host them. The resorts of the Compagnie des Alpes Group are among these. The proportion of foreign visitors in CDA resorts is around 40%, not including owners of vacation homes.

(1) ETM : European Travel Monitor 1998 – IPK International, Gottfried Keller Strasse 20 – D 81245 Munich

b) The industry
(Sources: OITAF [2], SEATM [3], SNTF [4])

France's ski area is the largest in Europe, with 1,200 km^2 (463 sq. miles), ahead of Switzerland (840 km^2 – 324 sq. miles) and Austria (790 km^2 – 305 sq. miles). France also has the world's leading ski-lift infrastructure—4,013 lifts in service, as compared with 3,750 in Austria, 3,100 in Japan and the United States, 2,600 in Italy and 2,300 in Switzerland.

France counts 357 ski centers equipped with at least one lift. Of these, around 250 make annual sales of at least 15,000 euros. But only 100 sites can truly be considered as full-fledged resorts. Among these, 15 are world class, 35 are intermediate-sized resorts and 50 are smaller, regional centers.

During the 2001-2002 winter season, total lift sales for downhill skiing are estimated at 770 million euros (excluding taxes), a 3.7% increase over the 2000-2001 season (source SEATM).

Approximately 80% of this sales figure derives from the North Alps region and 41% in the *Vallée de la Tarentaise* alone. This is the prime location of the resorts of Compagnie des Alpes. France's ski lift sales are highly concentrated: the country's 12 leading resorts (seven of which belong to Compagnie des Alpes) account for 50% of total sales and 36 resorts (10% of the total) account for 75% of total sales.

Competitors

Compagnie des Alpes is the world leader in ski area management, with 28% of the French market share in terms of receipts (with Chamonix included at 100%). The Group greatly surpasses its two closest competitors: SOFIVAL, which operates the Val d'Isère, Avoriaz and Valmorel ski areas (2001 sales of 68 million euros) and the public-private joint venture (*SEM*) Trois Vallées, which operates the Courchevel and Mottaret ski areas (2001 sales of 54 million euros). No other company holds more than a 5% market share.

The consolidation of the European market, initiated by Compagnie des Alpes, has still not progressed very far. Under the prevailing model in Switzerland, Austria and Italy, each resort is under the management of one or sometimes several companies. This can be contrasted with the ongoing consolidation of the Scandinavian market, where one company, listed on the Stockholm stock exchange, holds 36% of the skiers market. SkiStar counts around 3 million skier visits each year in its four resorts in Norway and Sweden.

In North America, the top five companies share about a third of the market. The top two (Intrawest and Vail Associates) are listed on the NYSE (New York Stock Exchange). Unlike their European counterparts, these American companies operate many businesses outside of ski lifts: ski-schools, lodging, restaurants, and especially real estate promotion. This last activity often brings in 40 to 50% of sales. This means that peer comparisons with Compagnie des Alpes, which earns more than 90% of sales from ski-lifts, are difficult to make and not very meaningful.

(2) OITAF : Organisation Internationale de Transports à Câble (International Ski-lift association) –Via Padova 27 – I 00161 Roma – Minutes of the San Francisco conference, May 23/27 1999
(3) SEATM : Service d'Etudes et d'Aménagement Touristique de la Montagne – Aérodrome – 73190 Challes Les Eaux – Bilan de la saison d'hiver 2001/2002
(4) SNTF : Syndicat National des téléphériques de France – 21, Chemin des Sources – 38246 Meylan Cedex – Données économiques 2002

Competitive advantages

Among the Group's many competitive advantages, the strongest are the positioning of its resorts and its organizational structure.

• Positioning of resorts

Compagnie des Alpes has selected large-scale European resorts with international renown. These resorts often have a lodging capacity of more than 25,000 beds.

• **High altitude** is the best guarantee of abundant, quality snow coverage. All of the Group's ski areas are situated above 3,000 meters (9,900 ft) (Saas Fee is at 3,600 m – 11,880 ft). Thanks to this high altitude, the Group's resorts are less affected by low snowfalls than lower-altitude resorts.

• The size and diversity of CDA's ski areas

In ski area management, the size of the area determines the range of the offer to the skier. This is a key factor determining the level of sales, in an industry where economies of scale are numerous. All of the Group's resorts have sales of at least 8 million euros (except Peisey-Vallandry, which is, however, linked to the Les Arcs ski area). This is a crucial threshold, below which break-even is risky.

For customers—and foreign visitors in particular—the size of a ski area and the variety of its trails are the top criteria in choosing a resort. Strong international marketing is necessary for the profitable development of ski areas. Since its resorts meet international criteria, Compagnie des Alpes is very well-positioned.

• CDA's European competitiveness

Because of its considerable lodging facilities (more than 300,000 beds, half of which are rental property), the Group's resorts are actively marketed by companies specialized in lodging, and by foreign tour operators. This European dimension allows CDA to fill beds all season long, at the same occupancy rates as during French school vacations. Depending on the resort, CDA's foreign clientele represents between 30% and 60% of the total.

• The Group effect

The operation of ski areas is highly capital intensive and break-even comes only at a high level of sales. Once fixed costs are covered, additional sales have a strong leverage on earnings.

This means that the profitability of the CDA Group depends on its ability both to increase sales and control operating costs. Belonging to a group means that companies can both buy and borrow more cheaply. Joint purchasing of course applies to capital expenditures as well.

• The Group and its customers

The Group's companies have had a decidedly "customer oriented" approach for years, an approach based on qualitative and quantitative methods: surveys of customer satisfaction, price studies, skier panels and, since 1999, a customer database.

Over seven years, more than 240,000 skiers have been interviewed in the Group's resorts via customer satisfaction surveys. By deepening its awareness of the elements that influence customer satisfaction, the Group can determine which services and capital expenditures best match visitor needs. They have been able to measure that an "extremely satisfied" customer is two times more likely to return than a "rather satisfied" customer, showing that the level of satisfaction with a resort is crucial in drawing visitors in years to come.

In 1999, Compagnie des Alpes also created a panel on French winter sports, including around 1,500 households. This panel, the only one of its kind in France, is questioned twice a year. Its responses give the Group's companies a large competitive advantage by helping them understand the market's demands.

Over the course of three years, Compagnie des Alpes has assembled the largest skier database in Europe. This 530,000-customer database is used to develop and maintain customer relations, implement a new customer loyalty policy for the Group's resorts and carry out direct marketing campaigns.

The environment

The operation of ski areas takes place in a unique natural setting, for the most part uninhabited wilderness. This natural setting is one of the largest drawing points of ski areas, and preserving it is a major Group priority. Ski area equipment has an undeniable impact on the landscape—the goal is to limit this impact as much as possible. Several key principals guide the Group's actions in this area:

- Systematic impact studies for all capital expenditure projects. In keeping with French requirements for the development of new tourist sites (*"UTN"),* all proposals for large new lifts must be accompanied by impact studies on flora, fauna and the equilibrium of surrounding ecosystems. These studies are conducted by specialized independent companies. As a result, projects are often changed, sometimes quite significantly, to better respect the environment. Impact studies are one of the most important factors influencing management to authorize and budget a given project.

- A Group-wide policy to reduce total machinery in ski areas. The Group works to reduce the number of ski lifts when it undertakes renovation programs. For example, at Menuires, the number of lifts decreased from 54 to 43 in ten years. Old lifts are disassembled and resold or reused, in accordance with existing legislation.

- Systematic replanting of grass after ski trail work, to give the landscape back its original appearance. Well-adapted species are chosen.

- Management of water resources, since snowmaking means an increase in water consumption. This natural resource is managed in direct collaboration with local communities and/or their service provider. Used water is fully returned to nature in the form of snow.

- Limiting noise pollution. Ski lifts and snowmaking equipment use electric energy. The Group's companies are committed to reducing the noise level of this equipment by placing motor units at a distance from residences

Capital Expenditures (Capex) policy

Operating ski areas is highly capital-intensive: it takes an average of about 2.5 euros in gross fixed assets for 1 euro in sales. This gives Capex policy a determining role in ensuring ongoing operations and profitability. CDA considers that the optimal level of Capex is around 17% of average sales. Staying at less than 15% can lead to the obsolescence of equipment over the medium and long-term, on the other hand, going above the 20% mark impedes the profitability of capital expenditures. Compagnie des Alpes' average ratio of capital expenditures to sales over the last five years is 16.6%, which represents 74% of cash flow.

The Group's capital expenditures are focused on providing a more comfortable ascent and improving productivity. About two thirds of the Group's capital expenditures go towards ski lifts. This percentage has been declining in favor of expenditures to improve trail and snow quality : modifications and grassing, snowmaking installations and grooming currently represent around 25% of expenditures. The latter expenditures help reduce the effects of weather variations and climatic trends.

Strategic priorities in operating ski areas

Compagnie des Alpes intends to reinforce its position as world leader in ski area management by pursuing the strategies that have made it successful since the very beginning:

- Supporting organic growth, foundation of the Group's profitability. Organic growth is created half through volume (number of skier days) and half through average sales prices. The Group will therefore exploit all levers that allow it to increase volume: increasing total number of tourist beds through selling developed land to promoters; increasing the proportion of rental facilities by renovating and reintroducing old lodgings to the market; and increasing the number of visitors, in particular through use of the largest skier database in Europe and customer satisfaction surveys. The Group will also pursue efforts to improve average sales prices.

- Pursuing the acquisition of European ski resorts, especially in Switzerland and Austria.

- Reinforcing the Group's industrial capacities by taking advantage of synergies, including marketing synergies, and by reducing the costs of purchasing and Capex.

Operating ski shops

All customers renting or buying winter sports equipment in a resort's ski shop are also customers of the ski lift operating company. This explains why Group companies are interested in this activity. This clientele will remain the basic reason for CDA's strategy of diversification into ski shops, even if Compagnie des Alpes comes to operate shops in ski areas where it does not operate lifts.

Just as in ski area management, the Group aims to bring industrial management methods applicable to large groups to an activity that is still dominated by small businesses. Planning methods, grouped purchasing, a common pricing policy, the membership of all stores in the SkiSet network—all of these factors allow CDA's ski-shops to show consistent growth and satisfactory profits. Around 66% of sales comes from equipment rental, and around 34% from the sale of equipment.

Compagnie des Alpes does not foresee constructing new shops, unless there is sufficient real estate development—and hence, a large enough increase in the number of customers—to justify it. It intends to develop its network primarily by taking over existing shops.
While the group always acquires the ongoing business goodwill of the shops, it prefers not to own the shop buildings themselves; it prefers renting, or shareholdings in existing companies.

The market

Studies by Compagnie des Alpes and SEATM, through the SEATM/CDA national ski panel[1] and a study by FPS (*Fédération Professionnelle des entreprises du Sport et des Loisirs*—Professional Sports and Leisure Businesses Association)[2] show that around half of all households interviewed say they have rented equipment (skis and/or boots). The market for renting ski equipment at resorts can be evaluated at around 170-200 million euros. The market for the sale of equipment is also around 200 million euros. The CDA Group controls a 5% share of the overall market.

Organization

Originally, ski-shops were run exclusively through a subsidiary of SMA at Les Arcs. There were twenty shops at that time. When, in June 2000, Compagnie des Alpes decided to develop this activity and expand it to other resorts, it bought SMA's subsidiary, then changed it to a corporation with a simplified structure under French law ("*SAS*"), SAS Ski Shop, directly held by CDA.

During the winter of 2001-2002, the Group had a total of 44 stores in six resorts. Consolidated 2001-2002 sales figures were 14.5 million euros, up 76% compared to 2000-2001. This increase is primarily due to acquisitions

Strategic priorities in operating ski shops

Operating ski shops is a growth lever for the Group, closely linked to its core business. It has enormous growth potential: In many winter sports resorts this activity is still very fragmented, and many retailers are potential sellers of their businesses.

Organic growth is partially linked to the number of visitors to the resort. However, the Group's ski-shops have developed techniques enabling them to post growth higher than that for ski lifts.

In the next few years, the Group will pursue an active policy of acquisitions, with the goal of doubling sales in three years. New store acquisitions will allow the Group to improve profitability and boost earnings growth.

(1) In « Les dossiers du SEATM : les chiffres clés du tourisme de montagne en France », which can be downloaded in Franch from the site : www.tourisme.gouv.fr

(2) Fédération Porfessionnelle des entreprises du Sport et des Loisirs, October 2001, www.filieresport.com

Family recreation

Grévin et Compagnie manages family recreation facilities located on the outskirts of urban centers and in tourist resorts. Visits are primarily day trips. Grévin et Compagnie operates three main kinds of sites: theme parks, safari parks and tourist attractions. They all share the same mission: to help members of a community, whether friends, family, or co-workers, share moments of fun and laughter. But if they share this common goal, each site has its own particular personality, solidly based in its local environment. .

The Group was created in 1989 as Parc Astérix, and took the Grévin et Compagnie name in 2001. Its strategy of sustained, managed growth includes both acquiring already existing sites in France and the rest of Europe, and putting its experience to work in designing, creating and operating new leisure activity sites.

Since its beginning, the Group has positioned itself as the French specialist in family recreation. This contrasts with the different focus of other operators. It quickly set itself apart because each of its sites is different from the others, and in harmony with local needs and characteristics. This strategy aims at giving Grévin et Compagnie a potentially important role in consolidating the European market for family leisure activity sites.

The market, customers, and competitors

With 300 million visits annually, the European market for leisure activity sites is about as large as that for ski areas. Since consumer habits differ from one country to another, demand is unevenly distributed. It can be essentially broken down into two broad geographical regions: In Northern Europe, a densely populated area that receives less sunlight and is historically wealthier, there are more amusement parks than in Southern Europe. This means that while there are sufficient existing sites in Northern Europe to offer ample acquisition opportunities, most of the large projects involving the creation of parks *ex nihlio* are for Southern Europe.

Demand by business line is divided among water parks (20% of the market), safari parks (26%) and theme parks (30%) and other tourist attractions (24%)

The European theme parks industry can be divided into two main categories :

- Independent operators, often family-run businesses, represent 85% of the European market. These operators have problems when the manager, often founder and operator of a single site, reaches retirement age and there is no one to take over the business.
- International groups: Those of American origin include Disney Europe (12 million visitors, 4% of the market), Six Flags Europe (5 million, 1.5% of the market) and Universal Spain (3 million visitors, 1% of the market); European groups include Tussauds (English, 14 million, 4.5% of the market) and the Spanish groups Aspro Ocio (5 million, 1.5% of the market) and Parques Reunidos (3.5 million, 1% of the market). With 5 million visitors (including Fort Fun) Grévin et Compagnie has a share of about 1.5% of the market.

Competitive advantages of Grévin et Compagnie

Grévin et Compagnie has succeeded in bringing together a unique multidisciplinary theme park management team. Over the last ten years, the Group has built up a large storehouse of experience in the management, development, acquisition and repositioning of these recreational properties. Grévin et Compagnie has an established reputation for combining rigorous management with an ability to create original sites that provide a welcoming environment for family recreation.

Capital expenditures (Capex) policy

Group expenditures at its sites fall into three categories :

- Current maintenance of infrastructures and attractions, which amounts to about 5% of sales ;
- Capital expenditures on new attractions, both large- and small-scale ; these are aimed at making sites more attractive to the public and encouraging second visits. Theses additions can also justify an increase in teh entry price ;
- Capital expenditures to enhance capacity, aimed at increasing visitor volume when the potential clearly exists. These also usually impact on entry prices.

Strategic priorities in family leisure sites

Grévin et Compagnie's strategy is to take advantage of the rapid growth of the European market (8% annually) and to use the Group's expertise to develop its business and increase returns on capital invested. This strategy rests on three foundations: enhancing the earnings potential of existing sites by improving their quality-price ratio and their profitability; acquiring new European sites; and creating new sites when all the necessary conditions exist for profitable operation.

- Realizing the full potential of each site and its attractions will allow for a more dynamic pricing policy. Such enhancement will always preserve the unique personalities of these sites, while also letting them benefit from the Group's management expertise.

- Acquiring existing sites rather than creating new ones in order to appraise existing properties and limit risk.

- The Bioscope project in Alsace is a creation: however, this site, devoted to people and their environment, is 50% financed by the local communities that initiated the project. This means that risk for the company is limited. Opening is projected for the 2005 season.

Group organization

Compagnie des Alpes has a “federal” structure that combines a local flexibility and global efficiency.

Operating companies, which are Group subsidiaries, are led by an operational team that is perfectly aware of local issues. These teams are completely responsible for the operations and the results of the companies they manage. They have broad autonomy in recruitment and remuneration of staff, and in organizing the business (schedules, maintenance, security, etc.). They are also in charge of the local application of CDA’s overall policies, in areas as varied as capital expenditures, marketing, pricing policies and customer databases.

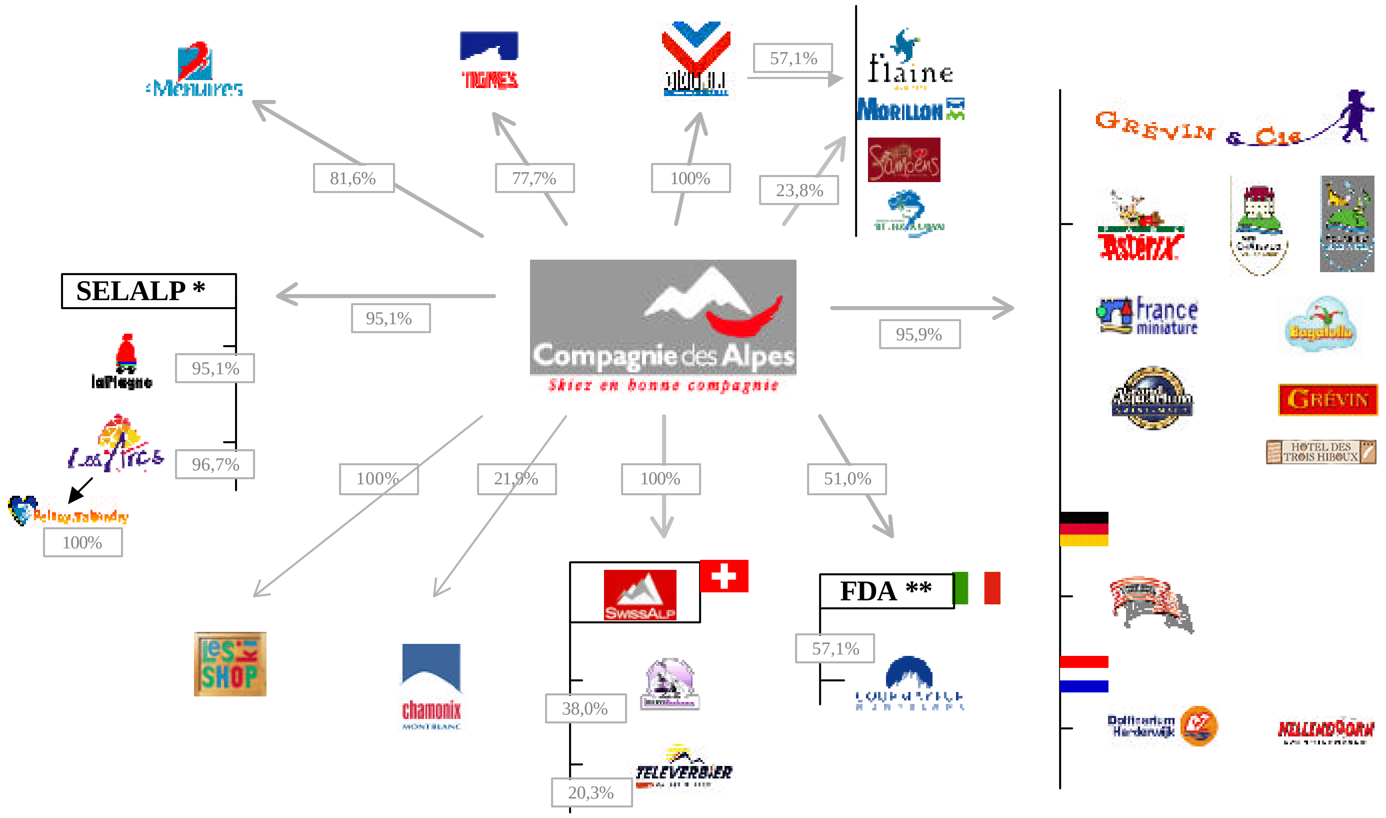
The Compagnie des Alpes head office is the center of the network of operating companies. Here is where classic central administrative services, such as accounts consolidation, setting accounting rules, grouped purchasing, special financing and stock exchange relations are carried out. This is also where the Group’s overall policies and development are decided, which are then locally implemented by the subsidiaries. An elaborate reporting and planning system allows tight management at every level and the capacity for rapid reaction essential if a decentralized organization is to work well. Transparency is one of the Group’s key values. It allows free circulation of the know-how developed by each company, benefiting all Group companies.

Coordination units are at several levels:

• A Strategy Committee meets at least three times a year. It drafts and monitors the implementation of decisions made by the Management Board of Compagnie des Alpes. This committee includes the CDA Management Board and the Chairman of the Management Board of each subsidiary.

• A Group Committee (*Comité de Groupe*) meets six times a year. It includes the Strategic Committee plus the senior managers of the subsidiaries and the holding company. It is a place to exchange experiences and information, and helps train the Group’s senior managers.

This organization makes it possible to multiply and share operational experience. Every resort benefits from positive experiences and negative ones can be avoided.



*   Société d ’Exploitation de la Liaison Les Arcs La Plagne
** Funivie Delle Alpi

Management board

Jean-Pierre Sonois :

Chairman and CEO. Appointed February 25, 2000 (Term ends in 2006).
57 years old, Mr. Sonois is also Chairman of the Supervisory Board of VVF Vacances, Chairman of FDA (Italy), Director of Grévin et Compagnie, Courmayeur Mont Blanc Funivie (CMBF) (Italy) and CIRI (Italy), Permanent Representative of Compagnie des Alpes to Centrale Investissements et Loisirs (CIEL), Mont Blanc et Compagnie, Téléverbier (Switzerland), Saas-Fee (Switzerland), Permanent Representative of Caisse des Dépôts - Développement (C3D) to Transdev SA and SFA and Grévin et Cie. He serves as Chairman of the CDA Group.

Laurent Brisset :

Vice-Chairman. Appointed February 25, 2000 (term ends in 2006).
65 years old, Mr. Brisset is also Chairman of the Board of Directors of Centrale Investissements et Loisirs (CIEL), Vice-Chairman of the Supervisory Board of Société d'Aménagement de la station de la Plagne (SAP), Director of Funivie Delle Alpi (Italy), Permanent Representative of CDA to Société d'Exploitation de la Vallée des Belleville (Sevabel), and Director of SFA, SADSI, CIRI (Italy). He serves as Administrative and Financial Director of the Tourism and Recreation Division of Caisse des Dépôts – Développement (C3D).

Number of CDA shares held : 9,597

Jacques François :

Vice-Chairman. Appointed February 25, 2000 (term ends in 2006).
61 years old, Mr. François is also Chairman of the Supervisory Board of Société d'Aménagement de la station de la Plagne (SAP), Société de l'Exploitation de la Liaison Les Arcs – La Plagne (SELALP), Société d'Exploitation de la Vallée des Belleville (SEVABEL), Société des Téléphériques de la Grande Motte (STGM), and Director of Foncière du Golf. He serves as CDA's Director for the *Tarentaise* region.

Number of CDA shares held : 400

Yves Marty :

Vice-Chairman. Appointed August 30, 2002 (term ends in 2008).
44 years old, Mr. Yves Marty is also Chairman of SAS Alpark, Member of the Supervisory Board of SA VVF Vacances, Director of SA Financière TRANSDEV SA and SA Stratorg, Permanent representative of C3D to BSI SA, Grévin et Compagnie SA, VVF Participations, and VVF Patrimoine SA. He serves as CDA's Director for Finance, Strategy and Development.

André E. Surelle :

Vice-Chairman. Appointed February 25, 2000 (term ends in 2006).
56 years old, Mr. Surelle is also Chairman of the Board of Directors of Sag SA and Ski Shop SAS, Chairman of the Supervisory Board of Domaine Skiable de Flaine (DSF), Domaine Skiable du Giffre (DSG), Méribel Alpina, Manager or Co-Manager of SARL Imosuco, Sacmo, La Saintoise, Assistance Etudes Services, Neuilly Finances, and Sport Boutique 2000. He serves as CDA's Director for the *Haute Savoie* region and ski-shop and real estate activities

Number of CDA shares held : 48,678

Supervisory board

Patrice Garnier :

Chairman. Appointed February 25, 2000 (term ends in 2006).
55 years old, Mr. Garnier is also Chairman and CEO of SA Caisse des Dépôts-Développement (C3D), Chairman and CEO of SA Financière TRANSDEV, Chairman of C3D Investment SAS, Chairman of SASU Groupe Beture Cap Atrium, Vice-Chairman of the Supervisory Board of SA VVF Vacances, Member of the Supervisory Board of SA CDC IXIS, SA Cegos, and SAS CDC Kineon, Member of the Board of Managers of Galaxy SARL (Luxembourg), Director of SA SAPEG, SA SCIC, SA SCET, SA SCIC Habitat, SA Transdev, SA Egis, SA Egis Project, SA Scetauroute, SA CDC Holding France, SA Eulia and CDC DI (Germany).

Philippe Segretain :

Vice-Chairman. Appointed February 25, 2000 (term ends in 2006).
58 years old, Mr. Segretain is also Chairman of the Board of Directors of Transdev SA.

Annabelle Cazes :

Permanent Representative of Caisse des Dépôts-Développement (C3D). Appointed August 30, 2002 (term ends in 2006). 35 years old, Ms. Cazes is also the Permanent Representative of C3D to the Supervisory Board of SCIC Développement SA. She is in charge of planning, budget and management control at C3D.

Patrick Gallet :

Permanent Representative of Crédit Agricole des Savoie. Appointed February 25, 2000 (term ends in 2006).
55 years old, Mr. Gallet is also Chairman of Intellagri SA, CEO of Crédit Agricole des Savoie, Manager representing Crédit Agricole des Savoie in Euro Securities Partner SAS, Crédit Agricole Bourse, Union d'Etudes et d'Investissements, CAMCA, Pleinchamp SA, Crédit Agricole Indosuez, Crédit Agricole des Savoie Capital, Savoie Station Participation, Sté d'Exploitation des Téléphériques Tarentaise Maurienne, Sté d'Aménagement de la Savoie SAS and Sté des Trois Vallées SA.

Alain Roges :

Permanent Representative of Banque Populaire des Alpes. Appointed February 25, 2000 (term ends in 2006).
60 years old, Mr. Roges is also CEO of Banque Populaire des Alpes, Chairman of SICAV Fructi Capi, Director of Banque Populaire du Luxembourg and SICAV Fructilux, Permanent Representative of Banque Populaire des Alpes to the Supervisory Board of Société d'Aménagement de la station de la Plagne (SAP).

Gilles Chabert :

Appointed August 30, 2002 (term ends in 2008)*
50 years old, Mr. Chabert is President of SNMSF (*Syndicat National des Moniteurs du Ski Français* – the National Union of Ski Instructors), President of the *Association des Moniteurs Professionnels* (Ski Instructors Association) of the Alps, Vice-President of the Fédération Française de l'Economie de Montagne, Vice-President of Ski France International, Representative of SNMSF to the Board of Directors of Professionnels Associés de la Montagne (PAM), SKI France and Association des Maires des Stations Françaises de Sports d'Hiver et d'Eté, and Co-Manager of SCI Montagnette.
* Appointment to be confirmed by the AGM of November 29, 2002

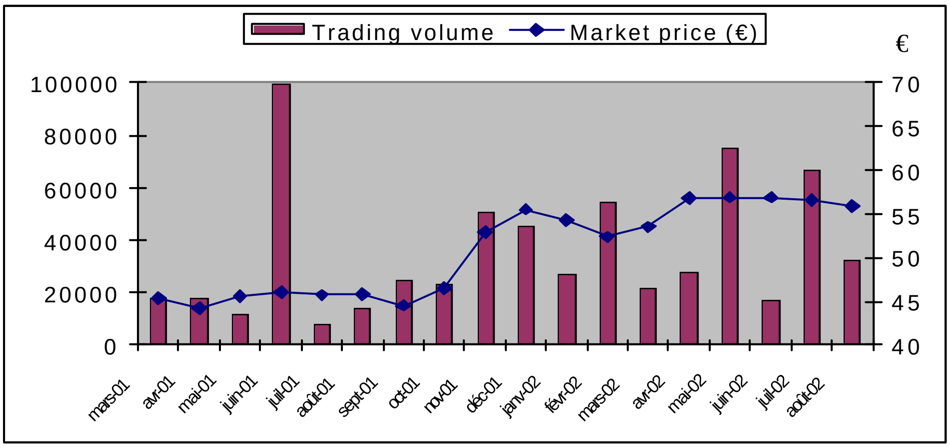
François Jouven :

Appointed November 16, 2001 (term ends in 2007).
55 years old, Mr. Jouven is also Chairman and CEO of SCIC SA and SOFICA 12, Member of the Supervisory Board of GFF SAS, EIS, and Crédit Foncier de France, Director of Medica France and SNI, Permanent Representative of SCIC at SCIC Habitat, SCIC Habitat IdF, Capri Résidences, SCIC Développement and MF Développement.

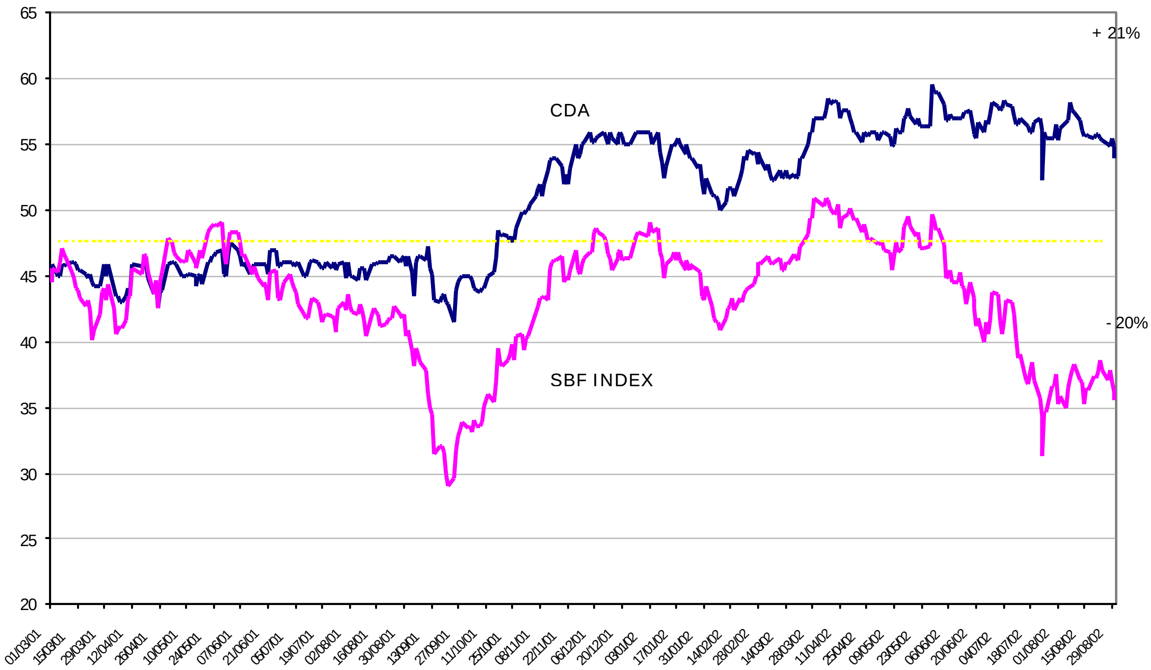
Jacques Maillot :

Independent member. Appointed February 25, 2000 (term ends in 2006).
61 years old, Mr. Maillot is also Chairman of the Supervisory Board of NF International (since 02/07/01), Director of Generali Fr Assurances and Manager of SCP Feu Vert Pour Le Développement.

Shareholder information

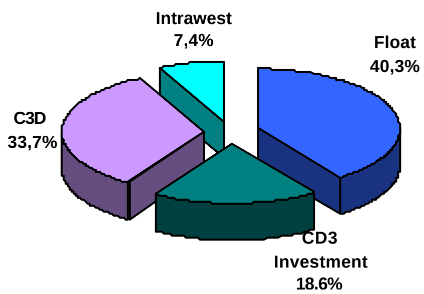


Share price of Compagnie des Alpes compared with the SBF 250 Index
(base : CDA share price on March 1, 2001)



Shareholders

At the end of May 2002, Compagnie des Alpes had more than 3,500 shareholders. The majority shareholder, Caisse des Dépôts Développement, controls 52.3% of equity capital and voting rights. The Canadian Group Intrawest holds 7.4% of equity capital. Of the float of about 40%, about 4.7% is held by foreign investment funds. Group employees are also shareholders of the Compagnie des Alpes, through the intermediary of a company employee share-ownership fund, which holds 2.4% of equity capital.



THE COMPAGNIE DES ALPES LETTER :

CDA produces a newsletter for its shareholders, available on request and downloadable from the website. During FY 2001-2002, three letters were published.

INTERNET SITE:

www.compagniedesalpes.com
The Compagnie des Alpes website has all the information necessary to keep shareholders up to date. It is in English and French, and allows the user to download official documents and press releases.

DISCOUNTS FOR INDIVIDUAL SHAREHOLDERS :

CDA offers discounts on lift passes for individual shareholders. Registered shareholders who have held a minimum of 75 shares for at least 5 months can benefit from a 50% discount on a lift pass. The list of advantages as well as the list of those benefiting is submitted for the approval of shareholders every year.
A guide with more detail on this feature can be downloaded from the website, and is available on request at the company's headquarters.

MEMORANDUM

Stock Exchange :
Euronext second market

Euroclear code / Reuters code / AFP code
5332 / CDAF.PA / CDA.FP

Number of shares
4 177 310

Company name :
Compagnie des Alpes

Equity capital :
63 683 370,18 €

05/31/02 Stock Exchange capitalization :
245 779 000 €

Date established :
1989

Legal status :
A french corporation (SA) that took the form of a corporation with Supervisory and Executive Boards
Executive Board Chairman :
Jean-Pierre SONOIS

SHAREHOLDER'S CALENDAR :

June 1, 2002	Beginning of fiscal year 2002-2003
Sept 9, 2002	Release of financial statements from fiscal year 2001-2002
mid-Oct 2002	Release of first quarter sales
Nov 29, 2002	Shareholders' Annual General Meeting
mid-Jan 2003	Release of second quarter sales
mid-March 2003	Release of third quarter sales
end of March 2003	Release of financial statements for the first half
May 31, 2003	Closing of fiscal year 2002-2003
mid-July 2003	Release of fourth quarter sales
Sept 2003	Release of financial statements from fiscal year 2002-2003

Custodian :

EURO EMETTEURS FINANCE
48 Boulevard des Batignolles
75850 PARIS cedex 17
Tel : 01 55 30 59 74

Market maker :

Société ODDO PINATTON
12 Boulevard de la Madeleine
75009 PARIS
Tel : 01 40 17 53 92

Shareholder, analyst and investor relations. Contacts :

Mr. André E. Surelle,
Vice-Chairman of the CDA Board
Tel: +33 (0)1 46 94 51 30,
e-mail: andre.surelle@compagniedesalpes.fr

Mr. Eric Guilpart,
CDA Director of Marketing and Communication
Tel: +33 (0)1 46 94 46 03,
e-mail: eric.guilpart@compagniedesalpes.fr

List of Group companies with address, telephone and fax numbers, website and email addresses

SKI AREAS

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BP 57
73 212 La Plagne cedex
Tel: 33 4 79 09 67 00 – Fax: 33 4 79 09 26 70
email: laplagne.sap@compagniedesalpes.fr
website: www.ski-laplagne.com

STGM
Val Claret 73 320 Tignes
Tel: 33 4 79 06 60 00 – Fax: 33 4 79 06 60 20
email: stgm@compagniedesalpes.fr
website: www.tignes.net

SMA
Les Arcs 1800
73 700 Bourg Saint Maurice
Tel: 33 4 79 04 24 00 – Fax: 33 4 79 04 24 99
website: www.ski-lesarcs.com

SEVABEL
BP 2 – Les Menuires
73 442 saint Martin de Belleville cedex
Tel: 33 4 79 00 62 75 - Fax: 33 4 79 00 72 90
website: www.sevabel.com

DSF et DSG
Résidence de la forêt
74 300 Flaine
Tel: 33 4 50 90 40 00 – Fax: 33 4 50 90 87 88
email: contact@skiflaine.com
website: www.skiflaine.com

MERIBEL ALPINA
BP 10
73 551 Meribel cedex
Tel: 33 4 79 08 65 32 – Fax: 33 4 79 00 58 56
email: info@meribel-alpina.com
website: www.meribel-alpina.fr

SKI SHOP
BP 43
73 706 Arc 1800 cedex
Tel: 33 4 79 04 30 30 – Fax: 33 4 79 07 40 08
Email: contact@skishop.fr
website: www.skishop.fr

STAG
Les Soldanelles – Vallandry
73 210 Peisey – Nancroix
Tel: 33 4 79 07 92 59 – Fax: 33 4 79 07 95 96
Email: stag@wanadoo.fr
website: www.peisey-vallandry.com

COURMAYEUR
Strada Regionale 47
11 013 Courmayeur (AO)
Italy
Tel: 39 0165 84 66 58 – Fax: 39 0165 84 23 47
Email: info@courmayeur-montblanc.com
website: www.courmayeur-montblanc.com

COMPAGNIE DU MONT BLANC
35, place de la Mer de Glace
74 400 Chamonix
Tel: 33 4 50 53 22 75 – 33 4 50 53 83 93
email: sales@compagniedumontblanc.fr
website: www.chamonix.com

FAMILY RECREATION

GREVIN & CIE
BP 8
60 128 Plailly
Tel: 33 3 44 62 34 99 - Fax: 33 3 44 62 34 40
email:
website: www.grevinetcie.com

PARC ASTERIX
BP 8 - 60 128 Plailly
Tel: 33 3 44 62 34 04
email: contact@parcasterix.com
website: www.parcasterix.fr

HOTEL DES TROIS HIBOUX
Parc Asterix
BP 8 - 60 128 Plailly
Tel: 33 3 44 62 30 30
website: www.parcasterix.fr

BAGATELLE
62 155 Merlimont
Tel: 33 3 21 89 09 91 - Fax: 33 3 21 84 43 64
email: bagatelle@bagatelle.fr
website: www.bagatelle.fr

GRAND AQUARIUM DE SAINT MALO
Avenue du Général Patton
BP 27
35 402 Saint Malo cedex
Tel: 33 2 99 21 19 00 - Fax: 33 2 99 21 19 01
website: www.aquarium-st-malo.com

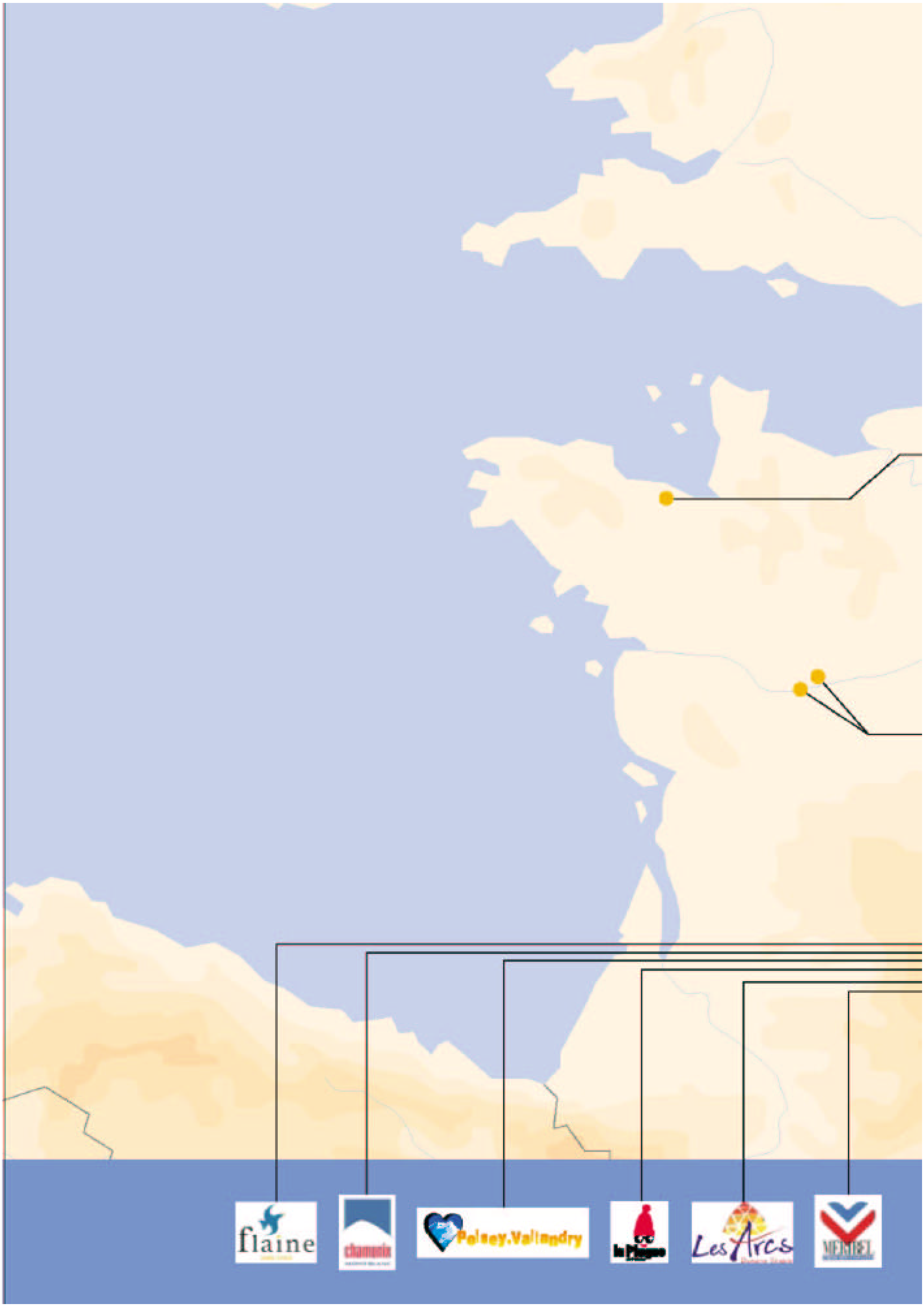
GREVIN
10 boulevard Montmartre
75 009 Paris
Tel: 33 1 47 70 85 05
website: www.grevin.com

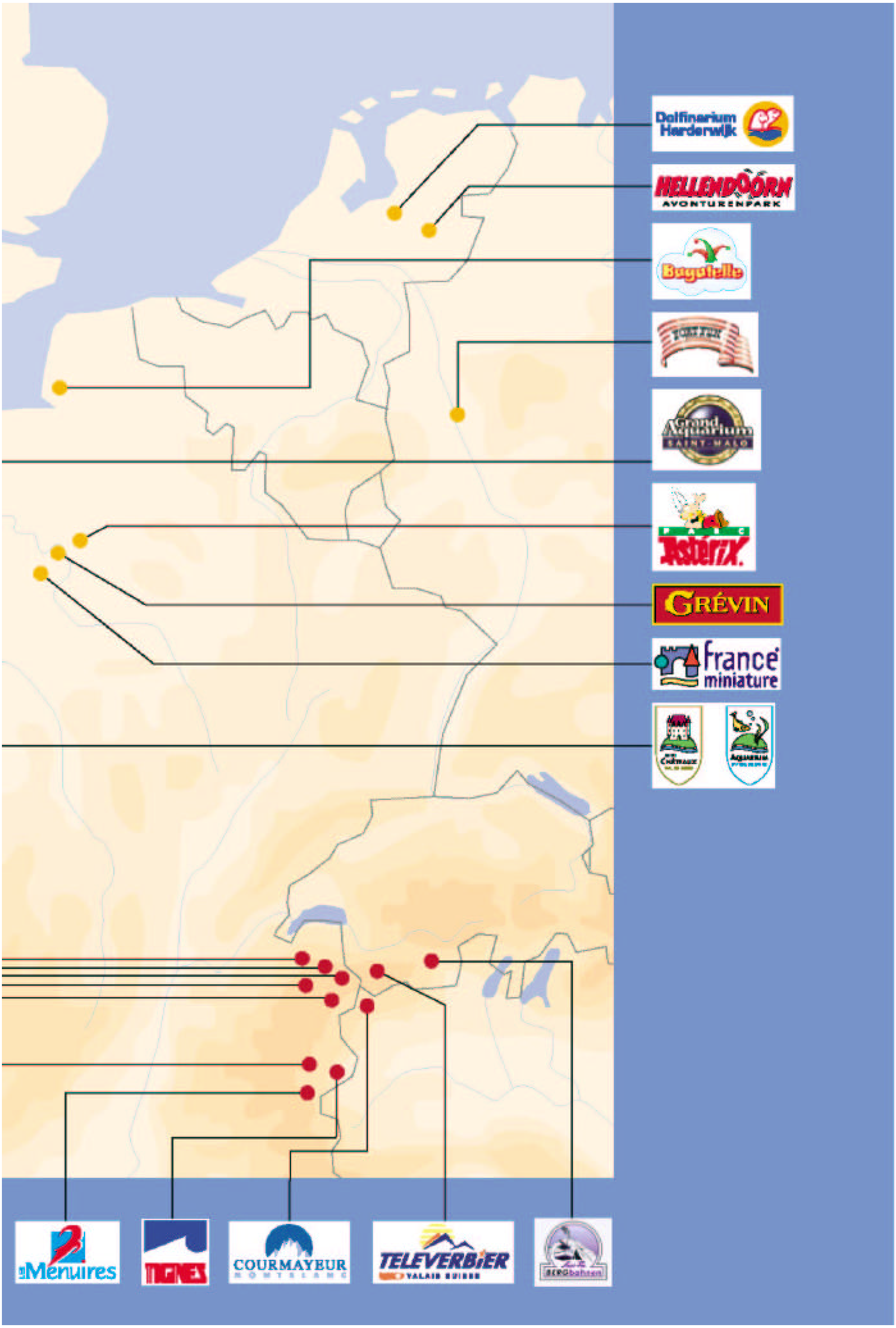
FRANCE MINIATURE
25, route du Mesnil - (Boulevard André Malraux)
78 990 Elancourt
Saint-Quentin-en-Yvelines
Tel: 33 1 30 16 16 30
website: www.franceminiature.com

AQUARIUM DU VAL DE LOIRE
D 751 - 37 400 Lussault sur Loire
Tel: 33 825 08 25 22
email: contact@parcasterix.com
website: www.aquariumduvaldeloire.com

MINI-CHATEAUX
La Menaudière - D 31
37 400 Amboise
Tel: 33 825 08 25 22
email: contact@parcasterix.com
website: www.mini-chateaux.com

HELLENDOORN AVONTURENPARK
Luttenbergerweg 22
7447 BB Hellendoorn
The Netherlands
Tel: 31 548 65 5555
website: www.avonturenpark-hellendoorn.nl


flaine
chamonix
Peisey.Vallandry
la Plagne
Les Arcs


Dolfinarium Harderwijk
HELLENDOORN
AVONTURENPARK
Bagatelle
Grand Aquarium
SAINT-MALO
PARC
ASTERIX.
GRÉVIN
france
miniature
Menuires
TIGNES
COURMAYEUR
MONT BLANC
TELEVERBIER
VALAIS SUISSE

ASSETS ***in euros '000***

		31/05/02	31/05/01	31/05/00
Fixed assets				
Goodwill	Note 3.1	39 162	41 590	38 178
Intangible fixed assets	Note 3.2	50 411	49 371	50 513
Tangible fixed assets	Note 3.3	272 008	257 923	243 316
Financial fixed assets	Note 3.4	21 770	16 219	16 957
Shares in companies accounted for by the equity method	Note 3.5	15 767	14 193	7 791
Total fixed assets		399 118	379 296	356 755
Current assets				
Inventories and work-in-progress	Note 3.6	7 856	6 937	9 376
Accounts receivable – trade	Note 3.7	21 337	21 992	16 931
Other receivables and accruals	Note 3.7	7 032	11 116	8 954
Sub-total		36 225	40 045	35 261
Cash and cash equivalents	Note 3.8	51 769	50 806	43 623
Total current assets		87 994	90 851	78 884
Total assets		487 112	470 147	435 639

LIABILITIES ***in euros '000***

		31/05/02	31/05/01	31/05/00
Shareholders' equity				
Equity capital		63 683	63 507	63 506
Additional paid-in capital		17 481	17 364	17 364
Reserves		70 638	56 371	44 645
Net attributable income		23 318	20 515	16 983
Currency translation variance		977	439	137
Total shareholders' equity	Note 3.9	176 097	158 196	142 635
Minority interests in income		1 390	651	4 274
Minority interests in reserves		23 888	25 067	24 084
Minority interests	Note 3.9	25 278	25 718	28 358
Total shareholders' equity		201 375	183 914	170 993
Investment subsidies		1 348	1 283	1 173
Provisions for contingent liabilities	Note 3.10	35 278	40 982	36 995
Borrowings and bank debt (1)	Note 3.11	160 781	157 896	149 203
Operating liabilities		78 095	70 209	63 064
Other liabilities and accruals		10 235	15 863	14 211
Sub-total operating liabilities and others	Note 3.12	88 330	86 072	77 275
Total liabilities		487 112	470 147	435 639
(1) including cash and cash equivalents		13 610	7 426	6 945

INCOME STATEMENT ***in euros '000***

		31/05/02	31/05/01	31/05/00
Sales	Note 4.1	231 761	220 955	206 561
Other operating income		3 359	4 446	3 137
Total operating income		235 120	225 401	209 698
Inventory purchases and variations		(20 223)	(19 814)	(19 724)
External services		(39 302)	(32 715)	(31 185)
Taxes, duties and related payments		(17 737)	(17 546)	(16 122)
Personnel costs and employee profit sharing		(65 050)	(61 482)	(58 146)
Other operating expenses		(21 822)	(21 618)	(21 113)
Total operating expenses (excluding amortization, depreciation and operating provisions)		(164 134)	(153 175)	(146 290)
Gross operating income (EBITDA)		70 986	72 226	63 408
Net amortization, depreciation and operating provisions		(22 758)	(31 943)	(23 215)
Other operating income		2 141	994	(1 449)
Operating income (EBIT)	Note 4.2	50 369	41 277	38 744
Net financial income	Note 4.3	(6 970)	(7 642)	(6 845)
Pre-tax income of consolidated companies before extraordinary items		43 399	33 635	31 899
Net extraordinary income	Note 4.4	852	57	628
Income tax	Note 4.5	(15 823)	(11 083)	(9 361)
Net income of consolidated companies		28 428	22 609	23 166
Share in equity affiliates income	Note 4.6	711	1 181	1 325
Amortization and recovery of goodwill		(4 431)	(2 624)	(3 234)
Consolidated net income		24 708	21 166	21 257
Minority interest in income		(1 390)	(651)	(4 274)
Net attributable income		23 318	20 515	16 983
Net earnings per share (EPS - in euros)		5,58 €	4,92 €	4,08 €
Net diluted earnings per share according to theoretical fund investment method (in euros)	Note 4.7	5,37 €	4,79 €	3,97 €

CASH FLOW TABLE *in euros '000*

		31/05/02	31/05/01	31/05/00
Net attributable income		23 318	20 515	16 983
Minority interest in income		1 390	651	4 274
Total net income		24 708	21 166	21 257
Expense and recovery of amortization, depreciation and provisions		25 510	33 658	26 345
Subsidies added to income statement		(109)	(92)	(99)
Capital gains and losses		86	(1 593)	429
Share in equity affiliates' income		(711)	(1 181)	(1 325)
Dividends from equity affiliates		200	90	97
Deferred tax		1 323	(1 351)	(84)
Other		0	72	
Total cash flow		51 007	50 769	46 620
Elimination of non-operating income and expenses		7 124	7 549	7 950
Variation in trade receivables and payables		8 362	3 163	3 652
Operating cash flow		66 493	61 481	58 222
Acquisition of tangible and intangible assets	Note 5.1	(40 671)	(49 026)	(40 530)
Sales or transfers of tangible and intangible assets		2 310	4 273	1 430
Net Capital expenditure		(38 361)	(44 753)	(39 100)
Acquisitions of long-term financial assets		(12 941)	(34 920)	(34 954)
Sales or transfers of long-term financial assets		2 482	24 593	353
Net change in financial long-term assets		(10 459)	(10 327)	(34 601)
Variation in receivables and payables:				
- on net capital expenditure		(2 275)	1 502	(236)
- on long-term financial assets		101	(40)	(24)
Investment cash flow		(50 994)	(53 618)	(73 961)
Capital increase of CDA		293	0	4 763
Minority interest in subsidiaries' capital increase		50	2 795	500
Variation in equity capital		343	2 795	5 263
Dividends paid to CDA shareholders		(6 248)	(5 415)	(3 890)
Dividends paid to minority interests in subsidiaries		(1 113)	(1 057)	(1 777)
Total dividends paid		(7 361)	(6 472)	(5 667)
Variation in financial debt	Note 5.2	(5 798)	10 603	13 268
Interest payments		(7 837)	(7 848)	(6 881)
Variation in miscellaneous receivables and payables		(200)	(66)	(696)
Cash flow on financing		(20 853)	(988)	5 287
Impact of changes in scope of consolidation and other movements		120	(168)	(0)
Change in cash and cash equivalents during the fiscal year		(5 234)	6 706	(10 452)
Net cash at year opening		43 393	36 687	47 139
Net cash at year closing	Note 5.3	38 159	43 393	36 687