



Compagnie des Alpes Shareholders' letter #22



Dominique Marcel
Chairman and CEO

In this number:

2008-2009 first half results
A good winter season
New corporate governance
Parc Astérix: 20 years
Interview with the Chairman
Shareholders' datas

Dear Readers, Dear Shareholders,

It has been more than six months since I took my position at the head of Compagnie des Alpes. This letter is an opportunity to sum up our activity and the various initiatives we have taken in that time.

First of all, results for the winter season support my opinion that Compagnie des Alpes has solid foundations in our ski-area operations. Thanks to our rank as world leader, the quality of our teams, and a little help from good snowfall, we showed very good resilience in a very difficult economic climate. We can rightfully be proud of this division, which has seen steadily rising sales for the past twenty years. It is a very positive and reassuring sign for our shareholders. Activity at leisure parks, moreover, is off to a promising start. Of course, it is too early to draw any conclusions, as most of the season will be played out over the coming months.

These results inspire confidence, but the current economic climate demands caution. Like all other companies, Compagnie des Alpes must take action. We must adapt and plan ahead if we hope to take full advantage of the coming recovery. We must in particular increase our reactivity and mobility and put the Group's synergies to maximum use.

In this spirit, I proposed a change in corporate governance, which was approved by the General Shareholders' Meeting on March 19. Since then I have held the position of Chairman and CEO and managed the Group with the former members of the Management Board through a Board of Directors. Included in this letter are a report on the General Meeting and a review of the reasons for which the principal CDA shareholders agreed to the change in governance.

In line with this, my teams and I are working on what I consider a very important project, soon to be unveiled: a new organization for the company, aiming to establish tighter, more integrated management for the Group.

Finally, we are continuing to refine and enrich our strategy. The current context demands it, and I will have a chance to keep you informed when the time comes.

Before concluding, I mustn't neglect to mention this year's key event: the twentieth anniversary of Parc Astérix, our most important site in terms of sales. Numerous events will pay tribute to this unique and startling park and give it the position it so well deserves in the leisure sector: namely, that of an absolutely first-rate leisure site in France. How could we not take a look back at its history?

Best wishes,



Compagnie des Alpes Breaking news

General Shareholders' meeting on March 19, 2009

The shareholders of Compagnie des Alpes convened a combined Ordinary and Extraordinary General Meeting on March 19, 2009. With almost 89% of all shareholders present or represented, quorums were, as usual, easily met.

The principal points reviewed by the Ordinary Meeting were the approval of the financial statements for the financial year ended September 30, 2008; the distribution of income, particularly the option to receive dividend payments in shares; the approval of regulated agreements; and the renewal of the share-buyback program. Next, the Extraordinary Meeting was called to order and reviewed the change in corporate governance, the concomitant change in the bylaws, and the appointment of twelve directors from the Supervisory Board. Finally, a series of resolutions was submitted to delegate powers to the Board of Directors, authorizing it to issue securities with or without preferential subscription rights as well as to grant stock options and free shares.

Shareholders followed the voting recommendations of the Board of Directors for all resolutions submitted.

In particular, they approved a dividend of €1 per share and the option for dividend payment in shares.

This option reconciles shareholder compensation with the constraints of Group debt. The dividend coupon was detached from the share on the morning of March 27, 2009, and the dividend paid on April 27, 2009. For those who chose to receive payment in shares, the issue price for new shares was set at €22.17, which corresponds to the average share price of the twenty trading sessions from February 19 to March 18, 2009, less the net amount of the dividend. At press time, the option had been chosen by a number of shareholders representing nearly 77% of all shares. As a result, 589,724 new shares were issued on April 28, 2009, allowing the company to increase its share capital by about €13 million.

Shareholders also approved the change in company administration and management. Compagnie des Alpes is now managed by a twelve-member Board of Directors and presided by a Chairman and Chief Executive Officer.

The report on the General Meeting and the vote tallies are available for download in their entirety on the Group website.

New corporate governance for Compagnie des Alpes

The General Shareholders' Meeting of March 19, 2009, voted almost unanimously (by 99.99%) to change corporate governance, opting for a Board of Directors and Executive Committee, with a combined Chairman and Chief Executive Officer.

The change brings Compagnie des Alpes into line with principles of corporate governance that have spread within the Caisse des Dépôts over the past few years, after trials with the dual system.

Most importantly, however, it will provide Compagnie des Alpes with management that can execute strategy under optimal conditions. The goals are to increase the speed and coherence with which we make and execute decisions, and to more clearly embrace a single direction for Group ambitions. The goals should breathe new life into the running of the Company, give it a more efficient and coherent organization, and help develop synergies within and between business lines.

Briefed in advance, the members of the Consultative Committee of shareholders agreed with the arguments presented and, in the interests of Compagnie des Alpes, approved the change in corporate governance.



2008-2009 first half results

Compagnie des Alpes has just published its sales for the first half of 2008-2009, ended March 31, 2009 (the company's fiscal year runs from October 1 to September 30). Group activity was resilient in both business lines, with consolidated sales of €324.9 million, a slight decrease of -1.6% like for like.

Ski-area activity accounts for 88% of business in the first half, and leisure parks only 12%. Ski-area sales were down -2.3%. Two economic factors explain the slight erosion. First, Easter weekend and vacation, especially for foreign visitors, were in April this year. Second, the world ski championships were held in February, at a peak time of the season, and adversely affected business for the companies of Espace Killy (Tignes and Val d'Isère).

Leisure-park sales increased +5.2% like for like (and +4.7% on a real basis). This performance was largely due to high visitor numbers at parks open during the All Saints and Christmas vacations. This was notably the case for Parc Astérix (visitor numbers were up +50,000 over the whole period).



A good winter season

The end of the winter sports season (April) managed to reverse a trend that had appeared at the end of March. Good snow conditions and Easter weekend's being in April resulted in good business for the 2009 spring vacation. Ski-season sales should close with an increase of about 2% over the 2007-2008 season's record numbers, for a very satisfying performance in the current economic climate.

Medium- and low-altitude sites, as well as non-Alpine sites, benefited this year from abundant snowfall on all French mountain ranges. This worked against high-altitude resorts, like those of Compagnie des Alpes. Moreover, the pound sterling's fall against the euro penalized British customers, who make up 20% of all our skiers. Despite these two unfavorable factors, Group ski-area visitor numbers should be on par with the average for the past five financial years.

Revenues per skier day, meanwhile, continued to rise (by about +4%), getting a particular boost this year from the reopening of the Paradiski ski area. As a result, customers at Les Arcs,

Peisey-Vallandry, and La Plagne could once again enjoy the grand ski area, which had been out of reach since 2008. Paradiski's resorts posted an increase in overall ski-lift sales of more than 6%.

The Serre Chevalier resort also had a record season, with sales that should exceed €30 million for the first time in its history. However, the resorts of Espace Killy (Val d'Isère and Tignes) will post decreased sales, because of the world Alpine ski championships. This will probably translate into increased visitor numbers over the coming years, thanks to the boost in publicity. The Swiss resort of Saas Fee, located at a very high altitude, was adversely affected by excellent snow conditions at low altitudes, which dissuaded many customers from scaling its lofty summits.

Compagnie des Alpes thus closed its 2008-2009 ski season with yet another increase in sales, the twentieth in its twenty-year history!



Parc Astérix 20 years of success

France's number-two leisure park in size and visitor numbers, owned by Compagnie des Alpes since 2002, first opened to the public on April 30, 1989. More than 32 million people have paid a visit over its 20-year history.

Comic-book artist Albert Uderzo, TV host and scenarist Pierre Tchernia, and other partners conceived Parc Astérix in the early 1980s. The Parc Astérix company was founded in 1985, with an initial investment of nearly €120 million.

In its very first season, Parc Astérix drew more than 1.35 million visitors. It would quickly establish itself as one of France's premier parks, both in terms of visitor numbers and for the uniquely sharp focus of its theme: the world of Astérix comics. 1997 saw the construction of the famed *Tonnerre de Zeus*, Europe's tallest wooden rollercoaster. In 1999, the 100-room Trois Hiboux hotel opened, allowing visitors to extend their stay at the park.

In 1997, Parc Astérix conducted its initial public offering. So began the development of France's leading leisure-park group, with a dynamic acquisition policy both in France (with the Grand Aquarium de Saint-Malo in 1998, Musée Grévin in 1999, Bagatelle in 2000) and abroad (two parks in the Netherlands in 2001). The Group then changed its name to Grévin & Compagnie.

In June 2002, Compagnie des Alpes launched a friendly takeover bid on Grévin & Cie, which at the time had ten leisure parks and sales of €89 million, 70% of which were generated by Parc Astérix.

Today, Parc Astérix is the flagship of CDA Group's leisure parks. It receives 1.8 million visitors per year and in 2007-2008 made sales of €68.5 million: almost 30% of total Group leisure-park sales. Moreover, the park posted a considerable increase in sales for 2008 (+11%), thanks notably to a major new attraction, *Le Défi de César* (representing an investment of nearly €12 million), and an increased number of opening days, especially for Christmas.

A park's 20th anniversary naturally gives rise to a multitude of celebrations. For the occasion, Parc Astérix has called on a dream team: actor Pascal Légitimus and musician Manu Katché, who have dreamed up a series of activities and will be directing the 20th-anniversary show. And, as is only appropriate for a Gallic park, visitors will be invited to a grand banquet around the lake.



Interview with Dominique

In the following excerpts from a recent interview with *Montagne Leaders*, a leading magazine for businesses connected with mountains, Dominique Marcel sketched a broad vision for Compagnie des Alpes.

After recalling the major events in the Group's history — CDA's founding, flotation, and diversification into leisure parks — Dominique Marcel turned to the current situation.

Parts selected...



the Chairman Marcel

ML: What are you working on now?

DM: We should first make sure that CDA continues to develop its activities profitably. For ten years now, acquisitions have accounted for two-thirds of our growth, and organic growth for only a third. Over the past few years, we have gone into debt, acquiring parks in 2006 and STVI in 2007. Our debt is considerable (€560 million), even though it is secured and controlled. As a result, our room for maneuver is no longer what it once was. We must eliminate our debt. It's a priority.

We must therefore expand our efforts in terms of organic growth, which many also call virtuous growth. The idea is to optimize our sites, take full advantage of their potential, and make them ever more attractive to our customers. To achieve this, we particularly want to improve the Group's organization.

ML: What does that mean in concrete terms?

DM: In the serious crisis now underway, CDA, like any other company, must adapt and plan ahead to take full advantage of the recovery. Our first step is a change in corporate governance. The Supervisory and Management Boards will be eliminated in favor of a Board of Directors with a Chairman and CEO [...]

The change in governance involves more than just top management and the Board of Directors. We're starting from scratch for the organization of the entire Group. We have very professional, very high-performance teams doing excellent work on the ground. But the Group's organization remains unwieldy and over-compartmentalized. We need more flexibility and integration in our operations.

The trick is to strike the right balance between operational autonomy for local teams and their managers, maximum network effect, and, more generally, better integration of companies within the Group. In going about this, of course, we must fully take our stakeholders into account [...]

ML: Might other ski resorts be joining CDA anytime soon?

DM: From time to time, Compagnie des Alpes is contacted to help medium- and low-altitude resorts. Such resorts do not meet our criteria, and their entry into a group like ours would benefit neither party. CDA needs to be demanding and selective. It's not our job to take over everyone. We must bring out the full potential of the sites we have [...]

In terms of acquisition strategy, we will study any serious offer that may present itself. We rule out nothing, not even developing new business lines if they make strategic sense and can create value for the Group. In any event, given the current climate, we mustn't neglect what may well be promising opportunities in terms of targets and price. But we need to be able to follow through. Naturally, that ability depends on shareholder support. We must convince them that our acquisitions are well-advised, which in turn requires us to be demanding and selective. In this context, I think it's best to invest by establishing industrial and financial partnerships, especially in leisure parks.

In general, I would like CDA to be more flexible and mobile in managing its assets. When you develop a company, you have to determine which assets are worth the most and which are peripheral or inessential. The time has come to set priorities and make some choices. We should focus our efforts and our investments on sites that are central to our strategy and that we know we can grow.

Personally, I think it's a good idea to bring new partners into Compagnie des Alpes, as long as they share our strategic vision and, like us, take the long view. This is a key aspect of our business lines....

ML: In your view, what does the future of winter sports look like?

DM: We had a record season in 2007-2008. Given the economic climate and the school vacation calendar, we do not expect the same figures for the 2008-2009 season. Visitor numbers will probably decline slightly. But I would like to point out that our model is solid. The Group has increased its sales in ski areas every year for more than ten years.

The outlook for 2010 is, of course, very uncertain. However, thanks to the quality of our assets, I look to the more distant future with confidence. We need to find ways to increase our visitor numbers with new beds, higher occupancy rates, and a strategy for both French and foreign customers. We need to take more vigorous action, especially when it comes to creating new products and optimizing our pricing, two areas where our company performs very well.

ML: What course of action will CDA be taking over the coming years?

DM: My top priority is to prepare the Group for the immediate future. The year 2009 will not be as easy as they say, and 2010, as I've already mentioned, presents even greater uncertainty. We need to plan ahead. That should spur us to act, to better manage our sites, and to pay special attention to the profitability of the assets we've acquired over the past few years.

At the same time, naturally, our Group should pursue its growth, as long as that development remains well under control and exacting in its criteria. This assumes that we can free up the necessary financing.

My chief concern is that we all be ready, arrayed in battle order, to make CDA into a dynamic, better integrated group — of European scale and exceptional performance. This is not an easy task at present, but I am fully confident in the ability of our teams to mobilize and rise to the occasion.

Compagnie des Alpes Shareholders' data

Shareholders' Club

Deadline to sign up for membership privileges is September 30, 2009

Requests for Shareholders' Club membership privileges are as numerous as ever. To receive a two- or six-day pass to the Group's ski resorts for winter 2009-2010, or two or six entry tickets to certain Group parks for 2010, you must become a shareholder and a club member before **September 30, 2009**. You must hold 200 shares to receive a two-day pass or two entry tickets to a park, or 400 shares for a six-day pass or six entry tickets. Full information is published in the Shareholders' Club guide, available upon request to Group headquarters and for download at:

www.compagniedesalpes.com/fr/inscription.asp.

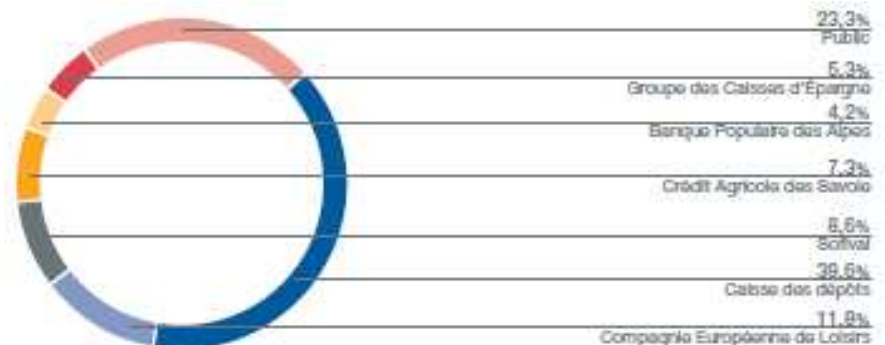


Change in stock price over five years, from April 1, 2004, to March 31, 2009



Shareholders

The option to receive the 2008 dividend payment in shares was a resounding success. With a total dividend of €17 million voted by the GM of March 19, 2009, more than €13 million (more than 77%) was paid in shares. As a result, 589,724 new shares were issued on April 28, 2009, bringing the total number of CDA shares to 17,665,693 and CDA's nominal capital to €134,656,573.12. Shareholder structure changed very slightly and breaks down as follows:



Key data

Market:
Euronext Paris, Compartiment B
Indexes:
CAC Mid 100, CAC mid & Small 190, SBF 250
Codes:
ISIN: FR0000053324

2009 Calendar

May 27:
First-half results for FY 2008-2009
August 5:
Third-quarter sales for FY 2008-2009
October 28:
Sales for FY 2008-2009
November 20-21: Salon Actionaria in Paris
December 15: Results for FY 2008-2009