



2003-2004

First Half-Year: Good activity levels

Early in July, Compagnie des Alpes published and commented on its first half year results. Hereafter are the main informations.

First half from October 1, 2003 to March 31, 2004

In millions of Euros	H1 2003/2004	H1 2002/2003 Real scope	Variation	H1 2002/2003 Like-for-like*	Variation
Sales	213.5	217.4	-1.8%	202.2	+5.6%
EBITDA	74.1	79.0	-6.2%	73.2	+1.2%
Income from operations	50.5	55.5	-9.0%	50.8	-0.6%
Attributable income	19.4	21.6	-10.2%	19.4	0.0%

* non-audited

Results by activity from October 1, 2003 to March 31, 2004

In millions of Euros	Ski areas	Family Leisure	Other	Total CDA
Sales	199.4	14.0	0.1	213.5
EBITDA	95.5	-20.7	-0.7	74.1
Income from operations	80.4	-29.4	0.5	50.5

The first half of the Compagnie des Alpes' fiscal year runs from October 1 to March 31. This period combines the winter season's positive results for the ski area activities with the normally negative results for the family leisure activities, whose main sites are closed during the first half.

Sales figures

Sales for H1 2003/2004 amounted to **€213.5 million**, up by **5.6%** (€11.3 million) on a like-for-like basis.

Sales for the real scope of consolidation showed a decline of 1.8% (-€3.9 million) due to the sales of the ski shop activities in December 2003. The increase in sales in the ski area division (+5.7% in H1) was especially sharp in Les Arcs, Peisey-Vallandry and La Plagne, which profited from the creation of a new interconnected ski area called "Paradiski". Courmayeur and Samoëns

also posted good winter seasons, with Samoëns benefiting from the new gondola that provides a direct link with the Grand Massif ski area.

The family leisure division, most of whose sites were still closed on March 31, showed a 3.7% increase on a comparable scope, thanks especially to a very good level of activity at Musée Grévin.

Earnings

Half-year earnings for the CDA Group for the real scope of consolidation were impacted by the change in scope: the ski-shops produced €4 million in income from operations in H1 2003. On a like-for-like basis (non-audited), EBITDA increased by 1.2%, and operating income slipped by 0.6%. Net attributable income amounted to **€19.4 million** for H1 2003-2004, as opposed to €21.6 million for the same period in 2002-2003 on a real basis. Like-for-Like, the earnings made on the disposal of the ski shops (€1.9 million) maintains income at 2002-2003 levels.

Dear Readers,

Compagnie des Alpes is on the move, as demonstrated by the first six months of 2004 which saw a wealth of activities.

First of all, the long privatization process, begun at the end of 2002, was completed in mid-May. Compagnie des Alpes is henceforth a private sector company, with a reference shareholder, Caisse des Dépôts-Développement (C3D), holding 40% of the capital. A Compagnie des Alpes governance charter between the company's old and new shareholders was signed and presented to the General Assembly on July 5, 2004.

As I write these lines, the winter season, accounting for two-thirds of our annual sales, is finished. It was a good year on the heels of the 2003, which was exceptional. We took full advantage of the positioning of our resorts and the investments that we have made, especially in the Paradiski (at La Plagne - Les Arcs) and in the Grand Massif Express (at Samoëns Grand Massif).

The summer season for our parks began a bit more slowly than last year. The economic context is sluggish and unfavorable to leisure spending. Visitor numbers in July and August will be key—and we hope without a heatwave this year.

In the meantime, the Group has continued to make acquisitions, both in theme parks, with our first operation in England, and in the ski area management division, by entering the capital of Serre Chevalier Ski Développement.

As you see, there is a lot of news that you will discover in detail in this 11th issue of our Newsletter.

Good reading.

Jean Pierre SONOIS
Chairman of the Management Board

Outlook

The months of April and May confirmed the increase in ski area sales seen at the end of March, with receipts increasing by 5.3% for the season. The beginning of the summer season for the family leisure division is more difficult than last year (approximately 5% less), and is stable in terms of receipts per visitor. Group income for 2003/2004 will depend, in part,

on the success of the summer season for leisure parks which had suffered from a decrease in activity in the summer of 2003 due to the heat wave. Moreover, it should be noted that, contrary to first half earnings, the sale of the ski shops will have a positive impact on earnings for the fiscal year.

GROUP DEVELOPMENT



A NEW PARK: PLEASUREWOOD HILLS

Grévin & Cie, a 100% subsidiary of CDA, acquired the Pleasurewood Hills park on July 2, 2004. Located East of London, on the Norfolk coast between Great Yarmouth and Lowestoft, this regional theme park, created in 1983, is spread over some 30 hectares (70 acres). Like the Group's other regional parks, it is aimed at families with children and received approximately 250,000 visitors last year. It includes 30 attractions, three stage shows, three

boutiques, three restaurants and 13 food & refreshment stands. Total sales in 2003 amounted to 4.5 million euros.

This new acquisition enhances Grévin & Cie's leadership in Europe in the area of regional theme parks (300 to 400,000 visitors), with six parks in all. This also marks the Group's entry into a new country, England, where there are numerous theme parks. We will return to give more details on this 26th leisure site under Group management in an upcoming Newsletter.

A NEW RESORT: SERRE CHEVALIER

On June 22, 2004, the Board of Directors of SEM Serre Chevalier Ski Développement (SCSD) welcomed the Compagnie des Alpes as a future shareholder.

SCSD made pre-tax sales of 17.3 million euros in 2003. During the 2003/2004 season its receipts increased by 6.1% and the resort generated 1.1 million skier days.



SCSD operates ski areas located at altitudes of between 1,200m and 2,700 meters in Serre Chevalier 1200 (Briançon - Prorrel), 1400 (La Salle Les Alpes) and 1500 (Monetier les Bains). The ski area of Serre Chevalier 1350 is presently operated by the township of Saint Chaffrey. A call for public tender has been made for the next concession agreement. CDA is a candidate for this concession. Serre Chevalier is one of the ten largest ski areas in France (approximately 24 million euros in sales for the public-private company and the municipality

owned entity combined) and offers great growth potential, which should be leveraged with a major investment program, estimated at approximately 40 million euros, over the coming years.

Entry into the capital of Serre Chevalier will be made in several steps. CDA must first take part in the capital increase in the summer of 2004, giving CDA a stake of slightly less than 20%, for a cost of approximately 400,000 euros and advances from partners.

This operation will therefore have no major impact on the accounts of the fiscal year underway. In 2004/2005, CDA will become the operator of the resort presently managed by SEM SCSD and will make a Managing Director from among CDA management available to SEM. In 2005, better knowledge of the ski area and the results of the call for tender by the Saint Chaffrey township will provide a precise view of the impact of this new development for the Group.

PRIVATIZATION

As announced in our last Newsletter, Caisse des Dépôts-Développement (C3D), the founding company of and majority shareholder in Compagnie des Alpes has recently reduced its stake from 52.7% to 40% by selling shares to Crédit Agricole des Savoie and Banque Populaire des Alpes, both regional financial institutions in the Rhône Alpes area and both already CDA shareholders, as well as to Caisse Nationale des Caisses d'Epargne, which invests along with Caisse d'Epargne des Alpes, also a shareholder in CDA. C3D remains the shareholder of reference in CDA and is joined by a group of private-sector investors who, together, will accompany the Group's growth.

The transfer of the Group to the private sector, which had been planned since the acquisition of Grévin & Cie, was the subject of a decree by the French Prime Minister and of the Minister of Economy and Finance which was published in the *Journal Officiel* dated May 8, 2004, after approval by the *Commission des Participations et des Transferts* (Shareholding and Transfers Commission), which set the minimum share price at €69 per share, thus valuing Compagnie des Alpes at approximately 425 million euros.

In parallel with this transfer, Alpark, a company which includes Paroma (controlled by the Halley family Group) and members of the Board of CDA, decided to sell all of its 13.2% stake to Compagnie Européenne de Loisirs, an investment company affiliated with IPE (Investors in Private Equity). We are publishing an interview with IPE President Philippe N'Guyen (see next page) who presents his company which has become our Group's second leading shareholder.

The breakdown of the capital of Compagnie des Alpes is now as follows:

- Groupe C3D: 40.0%**
- IPE: 13.2%**
- Crédit Agricole des Savoie: 7.4%**
- Groupe Caisses d'Epargne: 6.0%**
- Banque Populaire des Alpes: 3.6%**
- Public: 29.8%**





**Interview with
Philippe NGUYEN :**

In May of 2004, Compagnie Européenne de Loisirs (CEL) became the second biggest shareholder in Compagnie des Alpes (CDA) by buying out all of Alpark's (13.2%) stake in CDA. (Compagnie Européenne de Loisirs now has two of the eleven seats on the Supervisory Board.) In this interview, the company's president, Mr. Philippe N'Guyen, gives us a brief presentation of his group.

Q - Philippe N'Guyen, what is Compagnie Européenne de Loisirs?

R – It is a dedicated investment fund whose role is to accompany European leisure sector companies in their growth. The fund is managed by IPE (Investors in Private Equity), a French fund management company founded in 2002. IPE is composed of a team of seven professionals, based in Paris and Geneva. We invest in medium sized industrial or service sector companies (valuations of between 100 million and one billion euros) and which do a significant share of their business in France. They must be among the leaders in their respective markets and offer perspectives for growth and profitability greater than the market. We believe that Compagnie des Alpes combines these qualities.

Q – More specifically, who are the investors in CEL?

R – Our clients are institutional investors who make rather long-term investments (several years) and who ask us to participate actively in strategic decision-making in the companies in which they take stakes. This is why we are represented on the Supervisory Board and we help with the works of the strategic committee.

Q - Is Compagnie des Alpes your first operation?

R - No, it is the second. In 2003, we acquired a majority shareholding in ERMEWA, a company that rents containers and rail freight cars and has a sales volume of approximately €400 million. Our industrial partner is the SNCF (the French national railway operator).

Q – What most attracted you in Compagnie des Alpes?

R – First of all, its activity, centered on leisure. This is a business sector in which we have great faith for the mid-term in Europe, and which offers numerous growth opportunities. Next, the growth model which combines a healthy balance of global strategy and hands-on, local operations. This has worked remarkably well in ski area management and will be applied to family leisure in the coming years. Finally, the caliber of management teams, who have a proven track record in carrying out their operations.

Q – Do you intend to remain in the capital Compagnie des Alpes for a long time?

R – The traditional private equity buy-in is a medium to long-term investment. Generally speaking this is five to seven years. But it could be longer, especially if the company shows promise for increased activity and profits. And this is what we hope for Compagnie des Alpes.



GRÉVIN

GRÉVIN (PARIS - 75)

Grévin: The Tout Paris awaits you

A true Parisian institution, with worldwide fame, Grévin is the second most visited private tourist attraction in Paris—after the Eiffel Tour. The new tour, guided by mimes and magicians, showcases **300 wax celebrities**, spotlighting stars from Sean Connery to Amélie Mauresmo, not to mention Elton John, Henri Salvador, Julia Roberts, Jean-Paul Gaultier, etc.. Charles Aznavour and Claude François recently came to join them. Visitors can also re-live some of the great moments of **French history**—Joan of Arc lashed to the stake, the assassination of Henri IV, Louis XIV and his court at Versailles, etc. They may also admire the splendid settings, entered in the French national registry, such as the famous “Hall of Mirrors” or the great marble staircase. On Wednesday, Saturday and Sunday, on reservation, children can have a story time while they visit—a guided tour through history and a discovery of the backstage to learn how wax figures are made.

Grévin is proud to have earned the distinction of “Best Tourist Equipment Adapted to Handicapped Individuals” given by the Ile de France Region in its *Grand Prix du Tourisme* program.

Fun Facts:

- **4** sculptors work for Grévin
- **130** liters of hairspray and styling gel are used every year to keep the wax models beautiful
- **15 kilos** of plaster go into one head, and **2 kilos** for one hand
- **100 kilos** of wax are used per year
- **600 grams:** the average weight of a wax hand
- Since January 2001, the **Académie Grévin**, chaired by Mr. Bernard Pivot, selects the new personalities to be included in the Grévin museum. They must be at once “in the news” and long-lasting personalities.
- **2001:** complete renovation of the site (total investment: 8 million euros)

**DISCOVERING
one of the company's site**

Important Numbers:

- **1882:** Grévin opens
- Average number of visitors: **600,000**
- **92%** of visitors are “satisfied” or “very satisfied” with their visit
- **29%** of visitors live less than one hour away
- Visitors Origin: **82%** are French
- **18%** from abroad
- 2003 Sales (10/2003 through 09/2004): **7.4 million euros**
- **28** permanent staff
- **21** seasonal employees

Practical details:

- **Grévin:** 10 Boulevard Montmartre – 75009 PARIS – Tel: 33 (0)1 47 70 85 05
- **Opening days and hours:** Grévin is open every day from 10 a.m. till 7 p.m.
- **Entrance fees for 2004:**
Adults : €16 Children (6 to 14): €9



General Assembly Meeting of July 5, 2004

Meeting Report

The shareholders of Compagnie des Alpes met in a General Assembly Meeting called on an extraordinary basis at company headquarters in Boulogne Billancourt (Hauts de Seine), on Monday, July 5, 2004 at 3 p.m.

The main subject of the meeting was the reorganization of the Supervisory Board and to record the entry into force of the Corporate Governance Charter. The modification of the breakdown of the shareholdings in Compagnie des Alpes and, in particular, the end of majority control by a single shareholder, C3D, led the leading shareholders to adopt a Corporate Governance Charter, which acts as an internal regulator for the Supervisory Board and the Company. It went into force at the end of the General Assembly Meeting of July 5, 2004. The Charter is inspired by the principles of corporate governance set forth in the joint reports of AFEP and MEDEF (the French association of private companies and employers' association, respectively)

Concretely, this charter organizes the relationship between members of the Supervisory Board and those of the Board of Directors, who are collectively allied. It stipulates that certain decisions of the Board of Directors must be submitted to the Supervisory Board for prior approval. It further lays out the rules governing the composition of the Supervisory Board and formalizes and organizes committees within the Board.

In order to permit the implementation of this charter, the members of the Supervisory Board presented their resignations to the General Assembly Meeting and elected a new 11 member board, four of whom represent the Caisse des Dépôts Group: Michel Gonnet, President and CEO of C3D, Chairman, Philippe Segréatin, President and CEO of Transdev, Vice-Chairman, C3D, represented by Serge Bayard and CDC represented by Franck Sivent. Compagnie Européenne de Loisirs has two seats, held by Philippe N'Guyen and François Nicoly. Banks that are shareholders in the company each have one seat: Patrick Gallet, Managing Director of Crédit Agricole des Savoie, Joël Gelas, Managing Director of Caisse d'Epargne des Alpes and Alain Rogès, Managing Director of Banque Populaire des Alpes. Finally, two independent members round out the board: Jacques Maillot and Gilles Chabert, the latter is President of the Syndicat des Moniteurs de ski (National French Ski Instructors Association).

New advantages for our loyal individual shareholders:

As each year for the past six years, the system set up by Compagnie des Alpes so that our shareholders have special advantages has been further improved: we have added a new site, the Grand Aquarium in Saint Malo, we have reduced the required minimum period of shareholding to three months and we have decreased the required number of shares to be held. If you do not yet have it, you can obtain the guide by telephone at: 01 46 94 44 49, or via the web at communication@compagniedesalpes.com.

An interim dividend will be paid out in 2004

The question was raised by several individual shareholders who attended the General Meeting on March 10: 2004 is the last year for the *avoir fiscal* (tax credit), will CDA's shareholders benefit from it one last time this year? The answer is: Yes! An interim dividend of €0.8 will be paid out in the fourth quarter of 2004. Taking into account the remaining portion of the 2002-2003 dividend which was paid out in March 2004, (€0.9 per share), a total revenue of €1.7 per share, €2.55 per share with the 50% *avoir fiscal*, will have been paid out to shareholders in 2004.

COMPANY INFORMATION

Listing:

Second Marché Euronext
Segment Next Pime



Codes:

ISIN: FR0000053324 Reuters: CDAF.PA
Bloomberg: CDA FP FTSE:538 Leisure facilities

Number of shares outstanding:

6,156,494

Capital stock:

€93,856,162.55

Legal form:

Limited liability company (SA) with
Management Board and Supervisory Board
Chairman of the Management Board: JP SONOIS
Chairman of the Supervisory Board : M GONNET

Business:

Production of leisure activities

Shareholders as of May, 2004:

Groupe C3D:	40.0%
Compagnie Européenne de Loisirs:	13.2%
Crédit Agricole des Savoie:	7.4%
Groupe Caisse d'Epargne:	6.0%
Banque Populaire des Alpes:	3.6%
Public:	29.8%

SHAREHOLDER'S CALENDAR

... August 13, 2004:

Q3 Interim Report 2003-2004

... September 30, 2004:

Closing of FY 2003-2004

... November 10, 2004:

Sales figures for FY 2003-2004

... November 19 & 20, 2004:

Actionaria Exhibition – Paris

... January 12, 2004:

FY 2003-2004 Results



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