



IN FISCAL YEAR 2003/2004

SALES UP BY 3%

Consolidated sales: October 1, 2003, to September 30, 2004

Figures in € million	FY 2003/2004	FY 2002/2003 Real scope of consolidation	Change	FY 2002/2003 Like for like consolidation scope	Change
Ski areas	245.0	236.7	+3.5%	233.0	+5.1%
Family leisure	127.0	120.2	+5.8%	128.3	-1.0%
Other activities	0.3	20.9	NS	0.3	-
Sales for the FY	372.3	377.8	-1.5%	361.6	+3.0%

Quarterly breakdown

Figures in € million	FY 2003/2004	FY 2002/2003 Real scope of consolidation	Change	FY 2002/2003 Like for like consolidation scope	Change
Q1 (10.1.2003 to 12.31.2003)	49.4	48.8	+1.3%	47.5	+4.0%
Q2 (1.1.2004 to 3.31.2004)	164.1	168.7	-2.7%	154.7	+6.1%
Q3 (4.1.2004 to 6.30.2004)	80.9	84.7	-4.5%	81.0	-0.1%
Q4 (7.1.2004 to 9.30.2004)	77.9	75.6	+3.0%	78.4	-0.6%

Consolidated sales of the Compagnie des Alpes Group for the fiscal year ending September 30, 2004, were **€372.3 m**, an increase of **3%** over the previous fiscal year on a like for like basis. On the basis of the real scope of consolidation, which changed substantially, in particular through the disposal of the ski shop business (included in "other activities" 2002/2003), sales declined by 1.5%.

Ski areas (66% of sales): up 5.1% on a like for like basis

Sales at ski areas increased by 5.1% on a like for like basis, reflecting sustained organic growth. For the real scope of consolidation, the increase was 3.5%. The merger of Mont Blanc et Cie into Compagnie du Mont Blanc (CMB) at the beginning of summer 2004 changed the manner in which CMB was consolidated into Compagnie des Alpes's financial statements: CMB

is now considered an equity affiliate. Hence, sales at Chamonix are not part of the consolidated accounts as of July 1, 2004.

Increases in business activity are particularly significant at Les Arcs (+11%), Peisey-Vallandry (+15%), and La Plagne (+7%), which all benefited from the creation of "Paradiski," the new major interconnected ski area. Courmayeur, Les Menuires, and Samoëns also had an excellent year. The last profited from the strong impact of the new high capacity gondola link to the Grand Massif ski area. Sales remained stable for the Tignes and Méribel areas.

Ski area sales also include real-estate and other activities, which represent about 4% of the total, about the same as last year's level.

Dear Readers,

The 2003-2004 fiscal year that closed on September 30 ended with a less buoyant summer than we had anticipated. The lag in sales I mentioned in newsletter issue No. 11 in July was not fully caught up and so we ended this fiscal year with a moderate dip in sales. A successful winter season and external growth in the parks (with two acquisitions in Germany and England) did not make up for the impact of selling the ski shops. But growth through acquisitions is healthier than ever and I hope to return to this subject in the coming months. Until then, here is the most recent news: a 20% stake in a new Swiss resort, Riederalp.

As I write these lines, the winter season has already begun at Tignes and Saas Fee. As you know, in the ski area management business, summer is when you get ready for winter. After the achievements of summer 2003 (the Vanoise Express and Grand Massif Express were undeniable commercial successes), many new capital expenditures were made this summer at all of our resorts. This was accompanied by very lively real estate development, among the most brisk of the last few years. Take a look at the future of your company in the pages that follow.

To sum up this newsletter, I have the pleasure of announcing that the number of shareholders in Compagnie des Alpes has increased by 10% in one year, far exceeding the 5,000 shareholders, mostly individuals, who currently receive this newsletter. This unmistakable sign of confidence is a source of pleasure for all of the men and women at Compagnie des Alpes.

Enjoy your reading.

% on a like for like basis.

Family leisure sales increased by 5.8% on the basis of the real scope of consolidation, after taking into account sales at Panorama Park and Measuredwood Hills, acquired during the fiscal year. On a like for like basis, sales are down 1% from the previous year.

GROUP DEVELOPMENT

RIEDERALP:

On September 15, 2004, SwissAlp, a 100% subsidiary of Company des Alpes, bought a 20% share in Aletsch Riederalp Bahnen for approximately 10 million. This company, along with three other companies, operates the ski area of Aletsch, located on the right bank of the high Rhône Valley, upstream of the Aletsch glacier. It makes about €8 M in sales and employs 100 people. It owes its name to the Aletsch glacier, which flows from the high peaks of the Berner Alps (Jungfrau) and is registered as a UNESCO World Heritage site.

Aletsch ski area comprises two parts, which together generate a total sales figure of more than €100 M (sales for Zermatt, the largest Swiss resort, amount to approximately €34 M). One part of the area is composed of Fiescheralp, Bettmeralp, and

Alpe d'Huez depending on the date. Given bad weather and generally unsupportive economic conditions, sales at sites abroad (particularly Germany and the Netherlands) declined by 11%. Sales at most French sites were up, with Musée Grévin and the Saint-Malo Aquarium growing by 15% over the previous year and Parc Astérix by over 3%.



Riederalp – 110 km (68 miles) of trails at heights of between 1,900 and 2,870 meters (between 6,233 and 9,416 feet). Access to the 13,000 tourist beds is only possible by four cable cars from the main road in the valley. The mountain pasture setting is thus preserved: no cars are allowed, and the buildings are mainly large, widely scattered chalets. There are more than 120 hotels in the vicinity. The other part of the area is the smaller Belalp resort.

After three years of long and patient local groundwork headed up by Paul von Krause, Director of International Shareholdings, Compagnie des Alpes is pursuing its development in Switzerland. Swissalp makes nearly €55 M in sales through its three Valais shareholdings: Verbier (20%), Saas Fee (38%), and Riederalp (20%). It now plays an important role that will be expanded in the coming years.

NEW BEDS:

Real estate development of our resorts is one of our main sources of growth in volume. The creation of new beds is essential for two reasons: it brings in new visitors and counteracts the elimination of old beds – in either the physical sense, as in the case of

the demolition of the VVF village in Les Menuires in 1999, or in the commercial sense, as with the end of the intensive commercialization of some beds at the end of commercial lease. The real estate market is currently very brisk all over France, especially in mountain regions. The rarity of suitable terrains, the lengthening of all procedures necessary for offering new tourist products, and the increase in interest rate cause prices to climb and increase the financial attractiveness of investing in the mountains.

Despite not being located in rural revitalizations zones, which receive fiscal advantages, the CDA Group resorts experienced another dynamic summer and, in nearly all the resorts, 2004 was a year for building projects. More than 4,000 new beds should be completed by Christmas, or an increase of 1.5% over the present number. These will be primarily four-star tourist accommodations, a quality product in favor with today's clientele.



The main additions were at Les Arcs (with 900 additional beds in Arc 1950) in Peisey-Vallandry (with two residences totaling more than 450 beds), in Les Menuires (more than 600 beds), and in the Giffre valley. Prospects for Christmas 2006 are already looking good, in particular in Les Arcs (Intrawest) and in Peisey, with the construction already

under way. The main additions were at Les Arcs (with 900 additional beds in Arc 1950) in Peisey-Vallandry (with two residences totaling more than 450 beds), in Les Menuires (more than 600 beds), and in the Giffre valley. Prospects for Christmas 2006 are already looking good, in particular in Les Arcs (Intrawest) and in Peisey, with the construction already



SKI AREAS IN SUMMER 2004:

Summer is when you get ready for winter. All mountain professionals know that a big part of customer satisfaction depends on preparing for the winter season. As every year, Compagnie des Alpes invested in new facilities to improve service, increase the speed and comfort of ski-lifts, and boost snowmaking capacities. In total, summer capital expenditures amounted to approximately €47 M, or 20% of sales, two thirds of which were used for new lifts (seven six-seat chairlifts), 20% for trail renovation, snowmaking, and damage, and the rest for ticketing and verification systems and service buildings.

Tignes: two six-seat chairlifts

Tignes benefited from CDA Group's biggest investment of summer 2004, nearly €15 M. This includes more than €10.4 M that went to the building of two detachable six-seat chairlifts in the Palet mountains, replacing three old lifts. With a rate of 3,000 skiers per hour for each lift, these two units are the first portion of work on this part of the mountain range. Two new trails have also been created for the skiing pleasure of Tignes's visitors.

La Plagne: two six-seat chairlifts

The second most significant project of the summer took place in La Plagne and cost more than €8 M. There, too, two six-seat chairlifts, one detachable and one with fixed grips, will enable a more comfortable ride between Les Coches and Plagne Bellecôte, especially for Vanoise Express cable car passengers on their way to or from Les Arcs. The 1.5-kilometer (0.9-mile) detachable lift of Le Bijolin replaced an old fixed-grip chairlift that was built in 1982. The fixed-grip lift of Le Salla is shorter – a bit more than 600 meters (1,968 feet) for 150 meters (492 feet) of vertical. It replaced two tow lifts dating from 1978. The hourly rate of these new lifts is triple that of the old ones, or 3,000 skiers per hour for each. Another important accomplishment is the creation of a water reserve of approximately 1000,000 cubic meters, which will allow snowmaking capabilities on several key trails. The long-term goal is to link the different areas of the resort trails with guaranteed high-quality snow, offering greater security especially at the beginning of the season. Finally, no-hands ID systems are in place at most of the significant ski-lifts and at Les Arcs and Peisey, increasing customer comfort (an issue we will look into in the next newsletter).

Méribel, Les Menuires, Peisey: six-seat chairlifts

When you have as many chairlifts as the CDA Group resorts, some must be replaced every year. Thus, Méribel, Les Menuires, and Peisey have each installed a detachable chairlift. We always use this opportunity to eliminate older units and enhance the mountainside setting. Naturally, we also undertake the trail renovations

ill, not sad at all!
 y sky, light rain, cool wind...it's
 That doesn't leave Grévin & Cie
 in the cold!

h comic strip character immortalized at the
 e Grévin

October 12, Titeuf stepped off the page and into the
 Grévin. Did the diminutive urchin sensation wander
 chance? On the contrary: last year, the arrival of the
 ar Lorie brought a wave of 10- to 12-year-old girls
 h the Grévin's doors. It's the boys' turn to meet their
 st before the All Saints' Day school break.

ven at the Bagatelle amusement park: the third
 n of Opal'Oween

ain objective of this three-day festival (October 29-
 to attract visitors late in the season. The park closes
 st Sunday of September, but, with Opal'Oween,
 elle has an extra month of life. The event also
 ts the park's foothold in the surrounding area, in its
 rship with the Regional Tourism Committee of the
 Pas-de-Calais region (which covers its publicity
 and with the local *département*.

a program based on northern folklore, Bagatelle
 ack to its roots in the culture of the North. With
 Oween it goes all out to build partnerships, affirm its
 m identity, and showcase its new features – an
 that fulfills the Group's policy to bolster its local
 ns.

customer numbers, after bringing in 2,700 visitors
 st year and 6,700 the second despite torrential
 ours, the goal for the third edition was to attract
 visitors.

ioscope theme park wins over Brussels...and
 rizes

icial: the Bioscope theme park will welcome its first
 s in June 2006 – less than two years from now! Let's
 wn to the details.

a long wait, we learned on September 8 that the
 ean Commission had deemed the Bioscope in
 mity with European law; rejecting the VDFU's
 ent. In 2001, the German amusement park union
 ed by Europa-park, Bioscope's future neighbor)
 a complaint in Brussels for competitive distortions,
 g that the Bioscope project, co-financed by the local
 ities of Alsace and by Grévin & Cie, amounted to
 aid to a private operator.

uccess in the heart of Europe was no walk in the
 Ve had to argue our case in Brussels and prove that
 blic contribution does not constitute state aid to a
 operator, showing that, despite the co-financing
 ement, Bioscope's profitability would not exceed
 e profitability for the sector.
 t, public money entails numerous obligations for
 & Cie: reinvestments, various tariff concessions (to
 children, for example), payment of fees amounting
 % of sales, and, finally, the handover of facilities and
 ment to the public at the end of the thirty-year
 ct.

October 14, Bioscope took home the special jury prize
 he French Agency for Tourist Engineering, the
 ng office of the tourism ministry. The AFIT wanted to
 an original tourism-related idea that is economically



one of the company's s



A GLANCE AT THE TIGNES SITE (73 – Savoie)

Tignes: An unbeatable site for skiing

On March 18, 1952, the old village of Tignes was
 swallowed up by the filling of the Chevril dam. Goodbye
 Savoyard village, hello winter sport resort. Built from the
 ground up on a completely untouched site high in the
 mountains and close to the Vanoise park, the Tignes resort
 was designed and created for skiing. Beginning in 1956,
 the "modern" architect Raymond Panz built the first giant
 all-in-one building, an avant-garde concept for a tourist
 facility: Tignes 2001 was born! In the 1970s, Tignes Val
 Claret was built based on ideas by Pierre Schnebelen that
 were innovative for the era: ski-in, ski out accommodations
 and year-round skiing with the fitting-out of the Grande
 Motte glacier in 1967.

Today, Tignes has adapted considerably to offer the finest
 in equipment and comfort to the millions of skiers who
 come from all over Europe each year. It offers great
 diversity: visitors can make their choice between 1,550
 meters (5,085 feet) and 2,100 meters (6,890 feet), between
 the village and the resort, between Tignes Les Brévières
 and Tignes Val Claret, between the old chalets and resort
 accommodations where you wear your skis up to the door,
 between tradition and modernity.

Along with its neighbor Val d'Isère, Tignes occupies Espace
 Killy, one of the most prestigious ski areas in the world.
 Year-round skiing is made possible by the Grande Motte
 glacier, which looms 3,650 meters (11,975 feet) in height
 (see key figures below).

Compagnie des Alpes, and more specifically its founding
 shareholder C3D, began operating the ski area in 1988
 when STGM (the operating company) was going through a
 difficult financial period. Recapitalization, operational rigor,
 and marketing finesse quickly put things back on an even
 keel, and STGM became a highly successful company.

Did you know?

- **Opening days:** Open from October 2, 2004, to May 8, 2005, and again between July and September.
- **New in 2004:** two six-seat detachable chairlifts (see article on page 2)§
 With its reputation for amazing off-trail skiing, Tignes has decided to teach its visitors about safety: along with having fun, they will learn to navigate the mountain. This is the principle behind SPOT (Skiing the Powder of Tignes). SPOT's concept is to teach the "Free Ride" philosophy, with learning zones, skill-honing zones, reception, organized routes, and snowparks. The only one of its kind in France, this system is dedicated to off-piste fun with safety in mind. To be continued...
- Tignes regularly receives well-known League One soccer teams. The French team recently stopped by for a fresh-air workout session before

Important Numbers:

- **Espace Killy:** two resorts, Tignes and Val d'Isère
- **300 km** (186 miles) of trails – **131 trails** – **90 lifts** – **331 snowmaking machines** - **1,900 m** (6,233 feet) of vertical (from **1,550 m** to **3,450 m** or 5,085 to 11,318 feet), two snowparks, and a new addition: the Spot
- Customer numbers: **1.6 million skier days in winter at Tignes**
- Tignes regularly obtains excellent satisfaction marks for the quality of its ski area.
- Visitors: **50% French** and **50% foreign** (from Great Britain, Netherlands, Belgium, etc.)
- 2004 sales: **39.4 million euros** for STGM
- **101** permanent employees
- Maximum of **193** seasonal employees (equivalent to 78 full-time employees)

Practical details:

- **Opening days:** Open from October 2, 2004, to May 8, 2005, and again between July and September.
- **2003/2004 fees:**
 - 1 day at Espace Killy
 Adult: €39
 Child (5 to 11 years old inclusive): €29.50
 - 6 days at Espace Killy
 Adult: €187
 Child (5 to 11 years old inclusive): €140.5
- **www.tignes.net**



Latest update on our shareholders

Every year when we close our accounts we run an "inventory" of our shareholders. We ask Euroclear to provide us with the list of owners of bearer shares and we ask Euro Emetteur Finances for the list of owners of registered shares. We use these lists to update our files in order to send out documents such as this newsletter or the guide for shareholder premiums. But this updating process also yields important information on changes in the typology of our shareholder population.

On September 30, 2004, Compagnie des Alpes had over 5,200 shareholders (96% of whom are individuals) – 10% more than one year before. This is a clear sign of confidence and interest in our company. It is also highly encouraging for the financial communications teams. Over 20% of our shareholders have registered shares and are therefore more involved. It is true that registration of shares is a pre-condition to receiving premiums.

Little has changed since our July newsletter as far as the breakdown of capital is concerned. The Caisse des Dépôts Group remains the principal shareholder, Compagnie Européenne de Loisirs and the group of banks in France's Rhone-Alps region (Crédit Agricole des Savoie, Banque Populaire des Alpes and the Caisses d'Epargne Group), who are represented on the Supervisory Board, have not changed their positions. Some stock options have been exercised and the percentages of shareholdings have been slightly modified. The only notable change has been an increase in the number of international shareholders (especially English), whose number increased from 6.5% to 8.8% in one year, and a steady increase in the employee shareholder scheme, FCP CDA Actionnariat, which is reserved to members of the company and C3D Group. They now hold 2.96% of the capital.

Interim dividend

As we had stated in our previous newsletter, an interim dividend of €0.8 will be paid out for FY 2003/2004 during the fourth quarter, on December 15, 2004. This will allow our French shareholders to profit from the tax credit (*avoir fiscal*). The remainder of the dividend will be fixed at the Annual Shareholders' Meeting, which will be held on February 18, 2005.

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:

6,243,975

Capital stock:

€95,189,816.25

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 September, 2004:

CDC Group:	41.3%
Compagnie Européenne de Loisirs:	13.1%
Crédit Agricole des Savoie:	7.3%
Groupe Caisse d'Epargne:	6.9%
Banque Populaire des Alpes:	3.6%
Public:	28.7%

SHAREHOLDER'S CALENDAR

... November 9, 2004:

Sales figures for FY 2003-2004

... November 19-20, 2004:

Salon Actionaria Paris

... January 7, 2005:

Presentation of FY 2003-2004 earnings
in Paris and Lyon

... February 14, 2005:

Sales figures for Q1

... February 18, 2005:

General shareholders' Meeting



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