



# Combined Shareholders' Meeting

## March 8, 2018

Notice of meeting

## COMBINED SHAREHOLDERS' MEETING OF 8 MARCH 2018

### NOTICE OF MEETING

Dear Shareholder,

We are pleased to invite you to the Combined Shareholders' Meeting of Compagnie des Alpes (hereinafter "the Company" or "CDA") which will be held on **8 March 2018 at 2:00p.m.** at Maison de l'Amérique Latine, salons Ambassadeurs III – 217, boulevard Saint-Germain, 75007 Paris.

If, however, you are unable to attend, we propose that you take part in this Meeting either by casting your absentee ballot by mail, or by appointing either a third party or the Chairman of the Meeting as a proxy to vote on your behalf.

Whichever you choose, we invite you to use the ballot attached to this document and to follow the process described below in the Guide to Participating in the Shareholders' Meeting.

The Shareholders' Meeting is convened in order to vote on the items on the agenda and the proposed resolutions described in this document, which contains all the information required by Article R.225-81 of the French Commercial Code.

You can obtain additional information from our website [www.compagniedesalpes.com](http://www.compagniedesalpes.com), where most of the documents we have made available to you have been posted.

In addition, should you so desire, you can request that we send you the documents and information specified in Article R. 225-88 of the French Commercial Code, at our expense. In such case, we invite you to fill in the form provided at the end of this brochure and send it to our centralising agent, Caceis Corporate Trust.

It is stated in this notice that, except otherwise specified, "Group" means or refers to Compagnie des Alpes and the subsidiaries controlled by Compagnie des Alpes.

We extend our thanks and look forward to your participation on 8 March.

The Board of Directors

## **CONTENTS**

<b>Guide to participating in the combined shareholders' meeting</b>	<b>p. 3</b>
<b>Agenda</b>	<b>p. 5</b>
<b>Report of the board of directors to the shareholders' meeting - presentation of proposed resolutions</b>	<b>p. 6</b>
<b>Biography of the directors whose appointment or reappointment is proposed</b>	<b>p. 17</b>
<b>Proposed resolutions</b>	<b>p. 18</b>
<b>Presentation of the Company and Group situation in 2016/2017</b>	<b>p. 30</b>
<b>Request for copies of documents and information</b>	<b>p. 47</b>

## GUIDE TO PARTICIPATING IN THE COMBINED SHAREHOLDERS' MEETING

### How do I take part in the General Meeting?

In order to take part in the Meeting (in person or by proxy) you must certify your status as a shareholder by demonstrating the account registration of your shares in your name (or in the name of the intermediary registered in your name if you are domiciled outside France) on the second business day preceding the Meeting at 12:00a.m. (Paris time), in this case 6 March 2018, at 12:00a.m. (Paris time):

- in the securities accounts kept for COMPAGNIE DES ALPES by its agent, CACEIS Corporate Trust ("CACEIS CT"), or,
- in the securities accounts of bearer shares kept by the financial intermediary where your shares are registered.

### If you wish to attend this Meeting in person:

You must have an admission card, which can be obtained in the following manner:

For **shareholders holding registered shares**: by sending your request to CACEIS CT, appointed by COMPAGNIE DES ALPES to centralise services for this Meeting, at the following address: CACEIS CT - Assemblées générales centralisées - 14 rue Rouget de Lisle - 92862 Issy-les-Moulineaux Cedex 09.

For **shareholders holding bearer shares**: by sending your request to your financial intermediary.

Upon receipt, the intermediary will produce a participation certificate, which it will attach to your admission card request. It will send both documents to CACEIS CT. If you hold securities accounts with several financial intermediaries, each intermediary will need to produce a participation certificate for each of the accounts.

CACEIS CT will send you your admission card by mail or, on short notice, will keep it for collection at the reception desk.

### If you are unable to attend this Meeting in person:

A shareholder who is unable to attend the General Meeting can cast his or her vote either **(i) by proxy mandate, whereby s/he is represented by**

**another person, who need not be a shareholder, or (ii) by absentee ballot, or, lastly, (iii) by appointing the Chairman** as a proxy, by filling out the relevant form.

For **shareholders holding registered shares**: this form is sent to you by CACEIS CT with your Notice of Meeting. It is therefore included with this Notice Documentation.

For **shareholders holding bearer shares**: you must send in your request to CACEIS CT (at the above address), a minimum of six days before the date of the Meeting, i.e. 2 March 2018 at the latest. The ballot can also be downloaded from the Compagnie des Alpes website ([www.compagniedesalpes.com](http://www.compagniedesalpes.com)) - see the section on the General Meeting.

The completed form must then be sent to your financial intermediary, who will produce a **participation certificate** and send both documents to CACEIS CT. For due registration and processing, the forms must arrive at CACEIS CT no later than three days before the General Meeting, i.e. by **5 March 2018**.

### (i) Voting by proxy mandate:

To vote by proxy mandate, that is, to appoint an individual or a legal entity of your choice to represent you at the General Meeting, under the conditions provided for in Article L. 225-106 I of the French Commercial Code, you are invited to check the box marked "**Je donne pouvoir à**" [I hereby appoint as my proxy], and to state the family name, given name, and full address of your proxy in the space reserved for such information. You must also state your own family name, given name and full address in the space reserved for such information if the voting form was not pre-filled, and sign and date the form. A photocopy of a valid identity document of the mandated person in his/her name must also be included.

The shareholder should send a written and signed proxy mandate (specifying his/her family name, given name and full address and those of the mandated person) to CACEIS CT, together with a photocopy of a valid identity document of both the shareholder and the mandated person.

Revocation of a proxy mandate is conducted under the same formalities as it is conferred.

In compliance with the provisions of Article R. 225-79 of the French Commercial Code, notification of the designation and the revocation of a proxy can also be performed electronically, according to the following procedure:

- **For shareholders holding registered shares:** by sending an email bearing an electronic signature, obtained by themselves from a third-party agent empowered to certify same, in compliance with current legal and regulatory requirements, to the following email address: [ct-mandataires-assemblees@caceis.com](mailto:ct-mandataires-assemblees@caceis.com), stating their family name, given name, address and CACEIS Corporate Trust identification code for **directly registered shareholders** (this information is available on the top left of their securities account statement) or their identification code with the financial intermediary, for **shareholders under administered registration**, as well as the family name and given name of the proxy being designated or revoked;

- **For shareholders holding bearer shares:** by sending an email bearing an electronic signature, obtained by themselves from a third-party agent empowered to certify same, in compliance with current legal and regulatory requirements, to the following email address: [ct-mandataires-assemblees@caceis.com](mailto:ct-mandataires-assemblees@caceis.com), stating their family name, given name, address and full bank details, as well as the family name and given name of the proxy being designated or revoked, and furthermore, they must ask the financial intermediary who manages their securities account to send written confirmation by mail or fax to CACEIS Corporate Trust – Service Assemblées Générales - 14, rue Rouget de Lisle - 92862 ISSY-LES-MOULINEAUX Cedex 9, or by fax to +33 1 49 08 05 82 or +33 1 49 08 05 83.

Only those notifications of proxy, whether designated or revoked, which are duly signed, completed and received at the latest three days before the date of the General Meeting, will be considered valid. In addition, only notifications appointing or revoking proxies can be sent to the above email address; requests or notifications related to other matters cannot be considered and/or processed.

Shareholder votes will only be counted if their designated proxy presents him/herself to the reception desk of the General Meeting with valid identification.

**(ii) Voting by mail:**

To vote by mail, you are invited to check the "Je vote par correspondance" [I wish to vote by mail] box of the unique voting form, and to state their choice for each of the proposed resolutions submitted to the General Meeting. You must also state your own family name, given name and full address in the space reserved for such information if the voting form was not pre-filled, and sign and date the form.

**(iii) Appointing the Chairman as your proxy:**

To appoint the Chairman of the General Meeting as your proxy, you are invited to check the "Je donne pouvoir au Président de l'Assemblée générale" [I hereby appoint the Chairman of the General Meeting as my proxy] box on the unique voting form. You must also state your own family name, given name and full address in the space reserved for such information if the voting form was not pre-filled, and sign and date the form.

**Note:** Shareholders who have voted by mail, sent a proxy mandate or requested an admission card cannot subsequently request a different type of participation in the General Meeting.

**If you wish to sell your shares after you have voted, appointed a proxy or requested an admission card:**

Shareholders who have already mailed their absentee vote, sent a proxy mandate or requested their admission card or participation certificate can sell all or part of their shares at any time. However, if the share transfer is effective before the second business day preceding the Meeting, i.e. 6 March 2018 at 12:00a.m. (Paris time), the Company will consequently void or change the absentee vote, proxy mandate, admission card or participation certificate, as applicable. In this event, the authorised intermediary who administers the account will notify the Company or its agent of the sale and forward the necessary information.

No share transfer completed after the second business day preceding the Meeting at 12:00a.m. (Paris time), irrespective of the method used, will be notified by the authorised intermediary or considered by the Company, notwithstanding any agreement to the contrary.

## AGENDA

### Within the authority of the Ordinary General Meeting:

- Approval of the parent company and consolidated financial statements for the fiscal year ended 30 September 2017;
- Appropriation of results for the year;
- Statutory auditors' special report on regulated agreements and commitments. Approval of the said agreements;
- Re-appointment of PricewaterhouseCoopers Audit as Statutory Auditors;
- Re-appointment of three directors;
- Approval of the remuneration package of Dominique Marcel, Chairman and Chief Executive Officer, for the fiscal year just ended;
- Approval of the remuneration package of Mrs Agnès Pannier-Runacher, Deputy Chief Executive Officer, for the fiscal year just ended;
- Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind awarded to Dominique Marcel, Chairman and Chief Executive Officer;
- Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to Mrs Agnès Pannier-Runacher, Deputy Chief Executive Officer;
- Authorisation for the Board of Directors to arrange for the Company to purchase treasury shares;
- Changes in the Corporate Governance Charter;
- Authorisation to carry out legal formalities subsequent to the Ordinary General Meeting.

### Within the authority of the Extraordinary General Meeting:

- Modification of Article 9 of the Company's by-laws – Directors representing employees;
- Authorisation to be given to the Board of Directors to grant performance shares;
- Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, with preferential subscription rights;
- Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, without preferential subscription rights, through a public offering;
- Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, without pre-emption rights, through an offering in accordance with section II of Article L. 411-2 of the French Monetary and Financial Code;
- Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, as remuneration in kind for shares or securities giving access to share capital;
- Delegation of powers to the Board of Directors to decide on a capital increase through the incorporation of share premiums, reserves, profits or other sums;
- Delegation of powers to the Board of Directors to decide on a capital increase through the issue of shares reserved for employees who are members of the CDA Group Savings Plan;
- Setting of the overall ceiling for the nominal amount of issues of securities;
- Cancellation of delegations of powers and authorisations previously granted to the Board of Directors;
- Authorisation to carry out legal formalities subsequent to the Extraordinary General Meeting;

## REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS' MEETING - PRESENTATION OF PROPOSED RESOLUTIONS

Dear Shareholder,

You are cordially invited to attend the Combined Shareholders' Meeting at which we will present information on the results for the fiscal year ended 30 September 2017. The parent company and consolidated financial statements for the fiscal year will be submitted for your approval.

In addition, we are submitting to you a set of draft ordinary and extraordinary resolutions, including (i) the re-appointment of three directors, (ii) the approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind awarded to executive corporate officers, in accordance with the new Article L. 225-37-2 of the French Commercial Code, (iii) the modification of Article 9 of the by-laws in order to allow the appointment of a director representing employees, in accordance with Articles L. 225-27-1 et seq. of the French Commercial Code and (iv) the renewal of delegations and financial authorisations granted by the Combined Shareholders' Meeting of 10 March 2016.

Twenty-six resolutions will be submitted for your vote.

### WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING:

#### Approval of the parent company and consolidated financial statements (resolutions 1 and 2)

For the purpose of reviewing the parent-company and consolidated financial statements for the 2016/2017 fiscal year, we invite you to examine the Presentation of the Company and Group situation and the financial statements and information on results and performance included in their entirety in the 2017 Registration Document (*Chapter 5 "Financial Information", pages 94 to 151*), which provide detailed information on the activity and results of the Company and Group for the fiscal year just ended.

**Resolution 1** concerns approval of the parent-company financial statements for the fiscal year

ended 30 September 2017, which yielded net income of €2,477,935.28.

**Resolution 2** concerns approval of the consolidated financial statements, in which the net income (Group share) was €31,320 thousand.

#### Appropriation of income and establishment of the dividend (resolution 3)

The Board of Directors proposes to the Shareholders' Meeting to pay a dividend of €0.50 per share for the fiscal year, which is an increase of 25% compared to the previous fiscal year.

The ex-dividend date would be 13 March 2018 and the dividend would be payable as from 15 March 2018.

#### Statutory Auditors' special report on regulated agreements and commitments (resolution 4)

The Board of Directors' meeting of 9 December 2017 reviewed the regulated agreements and commitments approved during previous fiscal years and continued during the 2016/2017 fiscal year.

The agreements approved by the Board of Directors during the fiscal year and submitted for your approval pursuant to **Resolution 4** are as follows:

- conclusion by the Company of (i) an amendment dated 23 February 2017 in the credit opening contract concluded with its subsidiary, CDA-Financement on 7 May 2014 reducing the amount of the revolving credit facility from a maximum principal amount of €260 million to €250 million and (ii) a new depreciable forward credit contract for a principal amount of €80 million. The conveyancing cost of these two operations amounted to €1.1 million;
- in parallel with Dominique Marcel's re-appointment as Chairman and Chief Executive Officer, renewal of the Company's commitment in respect of the severance package due or likely to be due in the event of the termination of his tenure as Chairman and Chief Executive Officer of the Company;
- for the purpose of including the pension plan combining the defined contribution and benefits of Dominique Marcel, Chairman and Chief

Executive Officer, and recognition of the "freezing" of pension benefits under the above-mentioned plan as of 9 March 2017, withholding as benchmark remuneration, the remuneration granted for the 2015/2016 fiscal year and the recognition that the actuarial commitment amounts to €987 thousand;

- subscription to private unemployment insurance for Dominique Marcel, for an amount of €12 thousand for the first year of affiliation, and €31 thousand for the following years;
- mandate agreement with Compagnie du Mont-Blanc SA (CMB) and Compagnie du Mont-Blanc Restauration SARL (CMBR), under which the Company has undertaken to negotiate and take out civil liability insurance and insurance for damage to property and operating losses, in the name and on behalf of CMB and CMBR \*.

For more information on all these agreements, we invite you to consult the Statutory Auditors' special report dated 23 January 2018 which is included in the Company's 2017 Registration Document (*Chapter 5, section 5.4.4. "Statutory Auditors' special report on regulated agreements and commitments" pages 151 et seq.*).

*\* Agreement authorised after the end of the fiscal year*

### **Re-appointment of PricewaterhouseCoopers Audit as Statutory Auditors (resolution 5).**

The appointment of PricewaterhouseCoopers Audit as Statutory Auditor expires at the end of the present Meeting.

We therefore invite you, in **Resolution 5**, to re-appoint PricewaterhouseCoopers Audit as Statutory Auditor, for a period of six fiscal years, expiring at the end of the Meeting called to approve the financial statements for the fiscal year ending 2024.

Following the European audit reform of 2016, resulting from order no. 2016-315 dated 17 March 2016 relating to statutory auditors, it is specified that PricewaterhouseCoopers Audit may no longer be re-appointed at the end of its term in 2024.

### **Re-appointment of three directors (resolutions 6 to 8)**

The terms of office of Caisse des Dépôts et Consignations, Banque Populaire Auvergne Rhône-Alpes and Crédit Agricole des Savoie as directors expire at the end of the present Meeting.

In **Resolutions 6, 7 and 8**, we invite you to re-appoint Caisse des Dépôts et Consignations, Banque Populaire Auvergne Rhône-Alpes and Crédit Agricole des Savoie as directors for a period of four years, expiring at the end of the Meeting called to approve the financial statements for the year ending 2021.



### Approval of the remuneration package of executive corporate officers for the fiscal year just ended (resolutions 9 and 10)

The ex ante approval of the remuneration of executive corporate officers stipulated in Article L. 225-37-2 of the French Commercial Code (see below) is applicable to the Company only from the fiscal year 2017/2018, due to the closing of the fiscal year as at 30 September. Consequently, in accordance with Article 26.2 of the AFEP-MEDEF Corporate Governance Code, amended in November 2016, to which the Company adheres, we invite you

to approve the remuneration packages due or awarded, respectively, to Dominique Marcel, Chairman and Chief Executive Officer (**resolution 9**) and Agnès Pannier-Runacher, Deputy Chief Executive Officer (**resolution 10**), in respect of the fiscal year just ended. A complete sub-chapter of the 2017 Registration Document is dedicated to the remuneration of executive corporate officers (*Chapter 3, section 3.3, p. 49 to 53*).

Individual compensation items are summarised in the tables below for each executive corporate officer.

### Remuneration package due or allocated to Dominique Marcel, Chairman and Chief Executive Officer, in respect of the fiscal year just ended (resolution 9)

Compensation elements	Amounts due or awarded for fiscal year 2016/2017	Comments
Fixed remuneration	€382,471	Gross fixed remuneration for 2016/2017 (change in fixed remuneration to €400,000 on 9 March 2017, the date of renewal of his term)
Variable remuneration	€107,201	i.e. 50% of the basic annual salary until 8 March 2017 and 12.5% starting 9 March 2017. Information is provided above on the targets on which the variable part is dependent and how their achievement is assessed.
Multi-year variable remuneration	N/A	Dominique Marcel does not receive any multi-year variable compensation.
Directors' fees	N/A	None of the executive officers of CDA receives Directors' fees for the mandates held within the Group.
Exceptional remuneration	N/A	Dominique Marcel does not receive any exceptional compensation.
Profit-sharing agreement	€19,538	Dominique Marcel benefits from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	As is the case for the Deputy CEO, Dominique Marcel is not a beneficiary of the performance share plans.
Welcome or severance package	No payment	In certain cases Dominique Marcel will receive a severance package upon leaving the CDA Group. This will be equal to 2 years' remuneration (last fixed + variable remuneration), subject to the achievement of individual and Group performance criteria that have been verified by the Board. When Dominique Marcel's term was renewed, the renewal of this commitment was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017.
Non-competition indemnity	N/A	Dominique Marcel is not subject to a non-competition clause.
Complementary retirement plan	The actuarial obligation at 30 September 2017 was €986,695.	Dominique Marcel is a member of the complementary retirement plan applicable to the Group's Executive corporate officers and senior executives, this comprises a defined-contribution plan and a defined-benefit plan that guarantees, upon retirement, a pension equal to 1% of his last annual compensation (fixed + variable) per year of seniority, up to a maximum of 10% of this last compensation. When Dominique Marcel's term was renewed, the renewal of this commitment was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017.
Complementary health and pension plan	-	Dominique Marcel is covered by the collective health and pension plan in operation at CDA, in the same way and under the same conditions as other employees.
Benefits of all kinds	€6,331	Dominique Marcel has been allocated a company car.
Private unemployment insurance	€12,000	On 9 March 2017, the Board of Directors approved the purchase by the Company of private unemployment insurance from the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) for Dominique Marcel in his capacity as Chairman and Chief Executive Officer. This insurance pays a daily indemnity to corporate officers in the event of an involuntary termination of professional activity due to dismissal or non-renewal of term of office. The total amount of the indemnities paid is capped (see above).

**Remuneration package due or granted to Agnès Pannier-Runacher, Deputy Chief Executive Officer, in respect of the year ended (resolution 10)**

Compensation elements	Amounts due or awarded for fiscal year 2016/2017	Comments
Fixed remuneration	€260,000	Gross fixed remuneration for 2016/2017
Variable remuneration	€130,000	i.e. 50% of the basic annual salary. Information is provided above on the targets on which the variable part is dependent and how their achievement is assessed.
Multi-year variable remuneration	N/A	Agnès Pannier-Runacher does not receive any multi-year variable remuneration.
Directors' fees	N/A	None of the executive officers of CDA receives Directors' fees for the mandates held within the Group.
Exceptional remuneration	N/A	Agnès Pannier-Runacher does not receive any exceptional compensation.
Profit-sharing agreement	€19,538	Agnès Pannier-Runacher benefits from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	As is the case for the Chairman and Chief Executive Officer, Agnès Pannier-Runacher is not a beneficiary of the performance share plans.
Welcome or severance package	No payment	Agnès Pannier-Runacher will receive a departure bonus upon leaving the Group as a result of dismissal (except in the case of serious misconduct or gross negligence). This will be equal to two years' compensation (last fixed + variable compensation), subject to the achievement of individual and Group performance criteria that have been verified by the Board. This commitment, which was submitted for the prior approval of the Board on 18 December 2012, was approved by the Shareholders' Meeting of 14 March 2013.
Non-competition indemnity	N/A	Agnès Pannier-Runacher is not subject to a non-competition clause.
Complementary retirement plan	The actuarial obligation at 30 September 2017 was €184,417.	Agnès Pannier-Runacher is a member of the complementary retirement scheme applicable to the Group's senior officers and senior executives. This comprises a defined-contribution plan and a defined-benefit plan that guarantees, upon retirement, a pension equal to 1% of her last annual compensation (fixed + variable) per year of seniority, up to a maximum of 10% of this last compensation. This commitment, which was subject to prior approval by the Board meeting of 18 December 2012, was approved by the Shareholders' Meeting of 14 March 2013.
Complementary health and pension plan	-	Agnès Pannier-Runacher is covered by the collective health and pension plan in operation at CDA, in the same way and under the same conditions as other employees.
Benefits of all kinds	€3,673	Agnès Pannier-Runacher has been allocated a company car.

**Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind awarded to executive corporate officers (resolutions 11 and 12)**

In accordance with Article L. 225-37-2 of the French Commercial Code, resulting from law no. 2016-1691 known as "Sapin II", the Ordinary Shareholders' Meeting is called to approve the principles and criteria that determine the structure of the total remuneration and benefits of any kind awarded to the executive corporate officers of companies, whose securities are admitted for trading on a regulated market.

We invite you to approve the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind awarded to Dominique Marcel, Chairman and Chief Executive Officer (**Resolution 11**), and Agnès Pannier-Runacher, Deputy Chief Executive Officer (**Resolution no. 12**), the details of which can be found in the joint report referred to in Article L. 225-100 of the French Commercial Code and presented in the 2017 Registration Document (*Chapter 3. Corporate Governance - 3.3. Remuneration of corporate officers - 3.3.1. Executive corporate officers - 3.3.1.1. Principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind awarded to executive corporate officers (pages 46 to 49)*) and as indicated in the tables below.

**Principles and criteria for determining the remuneration package**

The Board of Directors is responsible for determining the remuneration of Dominique Marcel, Chairman and Chief Executive Officer, and Agnès Pannier-Runacher, Deputy Chief Executive Officer, and bases its decisions on the advice and recommendations of the Appointments and Remuneration Committee.

In the interests of transparency and balance, these bodies ensure that the remuneration policy for executive officers takes into account all relevant principles of good governance, in particular those referred to in the AFEP-MEDEF Code.

The various elements that make up each *package* result in measured, balanced and fair overall remuneration that makes it possible to increase stability and motivation within the Company and reward performance.

Neither of the two executive officers has an employment contract.

In addition, we remind you that, in the event of approval of the principles and criteria referred to above and set out in the tables below, a second vote will be taken at the Ordinary Shareholders' Meeting called to approve the financial statements for the fiscal year ended as at 30 September 2018, relating to the fixed, variable and exceptional items comprising the total remuneration and benefits of all kinds paid or granted to executive corporate officers in respect of the past fiscal year. The variable remuneration package may then be paid only if the vote is in favour, in accordance with Article L. 225-100 para. 10 and 11 of the French Commercial Code.

## Structure of the remuneration of Dominique Marcel, Chairman and Chief Executive Officer (resolution 11)

Remuneration elements	Principle	Calculation criteria
<b>Fixed remuneration</b>	<p>Dominique Marcel's remuneration is paid in virtue of his executive management role, and not as Chairman of the Board, for which there is no remuneration.</p> <p>Except in exceptional circumstances, the amount of the fixed component is only reviewed at relatively long intervals.</p>	<p>The fixed remuneration of Dominique Marcel, Chairman and Chief Executive Officer, was increased from €360,000 to €400,000 with effect from 9 March 2017, the re-appointment date for the term of office of the Chairman and Chief Executive Officer.</p> <p>For further information see <i>Chapter 3, section 3.3.1.2 "Individual remuneration of executive corporate officers for the financial year 2016/2017"</i>, page 49 of the 2017 Registration Document.</p>
<b>Variable remuneration</b>	<p>The variable parts of the remuneration of executive corporate officers (which include Dominique Marcel, Chairman and Chief Executive Officer) are annual bonuses linked to the achievement of qualitative and quantitative targets set for a specific financial year. At the beginning of each financial year, at the proposal of the Appointments and Remuneration Committee, the Board defines each of the targets set for the executive corporate officers for the financial year concerned.</p>	<p>The maximum amount for the variable remuneration of Dominique Marcel, Chairman and Chief Executive Officer has been reduced to 12.5% of his fixed remuneration (compared with 50% previously) with effect from 9 March 2017.</p> <p>The 2017/2018 targets determining the granting of the variable part for Dominique Marcel are presented in <i>Chapter 3, section 3.3.1.1 of the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i>, page 47 of the 2017 Registration Document.</p>
<b>Profit-sharing agreement</b>	<p>Dominique Marcel is covered by the profit-sharing agreement.</p>	<p>For further information on this agreement, see <i>Chapter 4, section 4.2.3.2 "Profit-sharing agreement and share ownership"</i>, p. 70 of the 2017 Registration Document.</p>
<b>Conditional severance package</b>	<p>Dominique Marcel, Chairman and Chief Executive Officer is likely to be awarded severance pay linked to the end of his corporate term of office.</p>	<p>Dominique Marcel's severance pay is equal to twice the annual benchmark remuneration for each of them, and is dependent on the departure scenario and the fulfilment of certain performance conditions.</p> <p>The criteria for severance pay are presented in more detail in <i>Chapter 3, section 3.3.1.1 of the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i>, pages 47 and 48 of the 2017 Registration Document.</p>
<b>Complementary retirement plan</b>	<p>Compagnie des Alpes has set up a combined complementary retirement scheme, comprising a defined contributions plan and a defined benefits plan, in accordance with the provisions of Article L. 911-1 of the French Social Security Code. Dominique Marcel is covered by this scheme.</p>	<p>The complementary retirement scheme is a collective regulated plan.</p> <p>The defined contributions pension plan (Article L. 242-1 of the French Social Security Code) covers all the staff of the headquarters entities, including corporate officers, with no condition of presence or seniority.</p> <p>The defined benefits pension plan (Article L. 137-11 of the French Social Security Code), which is fully funded by Compagnie des Alpes, is open to corporate officers, senior executives and category-CIII executives.</p> <p>The scheme guarantees on retirement a pension of 1% of final annual remuneration (fixed + variable) for each year of seniority, capped at 10% of this final remuneration.</p> <p>The scheme is described in more detail in <i>Chapter 3, section 3.3.1.1, in the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i>, page 48 of the 2017 Registration Document.</p>
<b>Complementary health and pension plan</b>	<p>CDA currently runs a complementary health and pension scheme. The executive corporate officers, including Dominique Marcel, are covered by this scheme in the same way as employees.</p>	
<b>Private unemployment insurance for Dominique Marcel, Chairman and Chief Executive Officer</b>	<p>In accordance with Article L. 225-38 of the French Commercial Code, the meeting of the Board of Directors of 9 March 2017 approved the Company taking out private unemployment insurance for Dominique Marcel in his position as Chairman and Chief Executive Officer. The purpose of this insurance is that the Chief Executive Officer would receive a daily payment should he lose his job through no fault of his own, due to a revocation of his mandate or failure to re-appoint him.</p>	<p>The payment criteria for the private unemployment insurance taken out for Dominique Marcel, Chairman and Chief Executive Officer, are detailed in <i>Chapter 3, section 3.3.1.1 in the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i>, page 49 of the 2017 Registration Document.</p>
<b>Benefits in kind</b>	<p>Dominique Marcel has been allocated a company car.</p>	

Dominique Marcel does not receive any directors' fees or exceptional remuneration, neither does he benefit from the performance share plan implemented by the Company.

## Structure of the remuneration of Agnès Pannier-Runacher, Deputy Chief Executive Officer (resolution 12)

Remuneration elements	Principle	Calculation criteria
<b>Fixed remuneration</b>	Agnès Pannier-Runacher's remuneration is linked to her position as Deputy Managing Director.  Except in exceptional circumstances, the amount of the fixed component is only reviewed at relatively long intervals.	Agnès Pannier-Runacher's fixed annual remuneration was €260,000 with effect from 1st January 2016.  For further information see <i>Chapter 3, section 3.3.1.2 "Individual remuneration of executive corporate officers for the financial year 2016/2017"</i> , page 49 of the 2017 Registration Document.
<b>Variable remuneration</b>	The variable parts of the remuneration of executive corporate officers (which include Agnès Pannier-Runacher, Deputy Managing Director) are annual bonuses linked to the achievement of qualitative and quantitative targets set for a specific financial year. At the beginning of each financial year, at the proposal of the Appointments and Remuneration Committee, the Board defines each of the targets set for the executive corporate officers for the financial year concerned.	Agnès Pannier-Runacher's variable remuneration is capped at 50% of her fixed remuneration.  The 2017/2018 targets determining the granting of the variable part for Agnès Pannier-Runacher are presented in <i>Chapter 3, section 3.3.1.1 of the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i> , page 47 of the 2017 Registration Document.
<b>Profit-sharing agreement</b>	Agnès Pannier-Runacher is covered by the CDA profit-sharing agreement.	For further information on this agreement, see <i>Chapter 4, section 4.2.3.2 "Profit-sharing agreement and share ownership"</i> , p. 70 of the 2017 Registration Document.
<b>Conditional severance package</b>	Agnès Pannier-Runacher, Deputy Managing Director, is likely to be awarded severance pay linked to the end of her corporate term of office.	Agnès Pannier-Runacher's severance pay is equal to twice the annual benchmark remuneration for each of them, and is dependent on the departure scenario and the fulfilment of certain performance conditions.  The criteria for severance pay are presented in more detail in <i>Chapter 3, section 3.3.1.1 of the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i> , page 48 of the 2017 Registration Document.
<b>Complementary retirement plan</b>	Compagnie des Alpes has set up a combined complementary retirement scheme, comprising a defined contributions plan and a defined benefits plan, in accordance with the provisions of Article L. 911-1 of the French Social Security Code. Agnès Pannier-Runacher is covered by this scheme.	The complementary retirement scheme is a collective regulated plan.  The defined contributions pension plan (Article L. 242-1 of the French Social Security Code) covers all the staff of the headquarters entities, including corporate officers, with no condition of presence or seniority.  The defined benefits pension plan (Article L. 137-11 of the French Social Security Code), which is fully funded by Compagnie des Alpes, is open to corporate officers, senior executives and category-CIII executives.  The scheme guarantees on retirement a pension of 1% of final annual remuneration (fixed + variable) for each year of seniority, capped at 10% of this final remuneration.  The scheme is described in more detail in <i>Chapter 3, section 3.3.1.1, in the "Report on the principles and criteria for determining, distributing and granting the fixed, variable and exceptional components comprising the total remuneration and benefits of all kinds awarded to executive corporate officers"</i> , page 48 of the 2017 Registration Document.
<b>Complementary health and pension plan</b>	CDA currently runs a complementary health and pension scheme. The executive corporate officers, including Agnès Pannier-Runacher, are covered by this scheme in the same way as employees.	
<b>Benefits in kind</b>	Agnès Pannier-Runacher has been allocated a company car.	

Agnès Pannier-Runacher does not receive any directors' fees or exceptional remuneration, neither does she benefit from the performance share plan implemented by the Company.

**Authorisation for the Board of Directors to trade in the Company's shares – maximum purchase price: €50 per share (resolution 13)**

As is customary at every annual Ordinary General Meeting, we ask you to approve a new resolution authorising your Board of Directors, with the option to sub-delegate, to trade in the Company's shares.

With this authorisation, your Board will implement a new share buyback programme, limiting treasury stock to 10% of the share capital, with the same objectives as those of the previous programme, particularly to ensure an active market, using an investment services provider, via a liquidity contract compliant with the Code of Ethics recognised by the French Financial Markets Authority (*Autorité des Marchés Financiers*), i.e. the AMAFI Charter.

Use of this resolution will not be permitted during any public offer on the Company's shares.

In implementing this authorisation, we propose to set the maximum purchase price at €50 per share.

Authorisation would be granted for a new 18-month period, in compliance with the legal requirements.

Full details on the balance sheet of the transactions conducted under the programme currently in force are provided in the 2017 Registration Document

(Chapter 6. Share capital and shareholding, sections 6.1.2.1 and 6.9.).

**Changes to the Corporate Governance Charter (resolution 14)**

In its meeting on 25 January 2018, the Board of Directors decided to amend the Corporate Governance Charter, serving as internal regulations. The modifications aim at updating (i) the section on the composition of the Board of Directors to include therein a sub-section relating to the director representing employees, the Company now being subject to the provisions of Articles L. 225-27-1 et seq. of the French Commercial Code and (ii) the one on the composition of the Committees of the Board, following the review of the governance operated by the Board of Directors meeting held at the end of the Ordinary Shareholders' Meeting dated 9 March 2017.

This charter can be consulted in full on the Company's website under the "Group" heading.

**Authority to carry out formalities related to resolutions within the authority of the Ordinary Shareholders' Meeting (resolution 15)**

Usual resolution for legal formalities.

## **WITHIN THE AUTHORITY OF THE EXTRAORDINARY SHAREHOLDERS' MEETING:**

### **Amendment of Article 9 of the by-laws – Directors representing employees (resolution 16)**

Law no. 2015-994 dated 17 August 2015 amended the scope of application of law no. 2015-501 dated 14 June 2013, and thus made participation of employee representatives with voting rights mandatory in the Board of Directors of public limited companies that employ them, at the end of two consecutive fiscal years, where there are at least 1,000 permanent employees in the company and its direct or indirect subsidiaries, and where its headquarters is based on French territory.

Thus, in **Resolution 16**, in accordance with the provisions of Articles L. 225-27-1 et seq. of the French Commercial Code, we invite you to amend Article 9 of the by-laws to include therein a new paragraph on the procedure of appointing directors representing employees.

Since the Board of Directors comprises 12 members, the Group Works Council will appoint a director representing employees for a renewable term of office of 4 years.

### **Authorisation to be given to the Board of Directors to grant performance shares (resolution 17)**

In **Resolution 17**, we invite you to enable the implementation of a new plan for the award of free shares within the Group, in favour of Company and/or Group employees, excluding corporate officers of Compagnie des Alpes who are not beneficiaries of CDA plans.

The quantity of shares that may be awarded under this authorisation cannot exceed 1% of the total number of shares comprising the share capital, and the total amount of free shares that are not fully vested would be limited to 7% of the total number of shares comprising the share capital; it being specified that as of 30 September 2017, the potential dilution of all these plans in force represents less than 1% of the capital.

In practice, this authorisation is used for two consecutive plans, and the performance share plans set up each year by CDA currently represent around 0.25% of its share capital, i.e. around 0.5% for two successive plans:

- Plan No. 20 (2016/2017): 0.25%
- Plan No. 19 (2015/2016): 0.25%
- Plan No. 18 (2014/2015): 0.25%

Nonetheless, we prefer to cap this authorisation at 1%, to leave ourselves some room for manoeuvre in case we need to cover any changes, for example to the scope, and so that we can open the plans to more staff (at present, around 150 management-level employees of the Group are plan beneficiaries).

The performance shares granted to beneficiaries only become fully vested after a minimum period of two years, and the beneficiaries are then required to hold the shares for a minimum of one further year from the vesting date, with the Board having the power to increase the vesting and retention periods to up to four years each.

In order to receive the shares at the end of the vesting period, beneficiaries must be employed by the Group on the vesting date.

Receipt of the shares at the end of the vesting period is also subject to collective and/or individual performance conditions that will be set by the Board. These conditions may vary for different beneficiary categories, depending on whether or not the beneficiaries are members of the CDA Executive Committee (see Registration Document - Chapter 6 - Share Capital - Section 6.1.5. Management and employee interest in the share capital of Compagnie des Alpes 2017 p. 159).

The Board of Directors will be given the power, with an option of subdelegation, to implement this authorisation, which is given in place of the previous authorisation, for a new period of 26 months.

This draft resolution is covered in the special report of the Statutory Auditors.

### **Financial delegations concerning capital increases**

#### **Delegation of powers for increasing the capital or issuing securities giving immediate or future access to the company's share capital with or without preferential subscription rights (resolutions 18 to 21)**

These resolutions concern delegations allowing the Board of Directors to choose, at any time, within a wide range of securities giving access to capital, the transaction that is the most appropriate to the

needs and development of the Group, taking into account market conditions at the time.

For some of these delegations, you are asked to cancel the preferential subscription rights attached to the shares, which would allow the Company, depending on the market conditions or the type of securities issued, to invest in the securities, under better conditions, especially when the speed of transactions is an essential condition for their success.

The maximum nominal amount of capital increases and the issue of securities representing a claim of the Company that may be carried out pursuant to Resolutions 18 to 21 is specified in the table summarising the financial delegations submitted to your vote presented on page xx.

These delegations would be granted for a period of 26 months. During a takeover bid offer period, the Board could use the delegation conferred only with the prior authorisation of the Shareholders' Meeting.

**Delegation of powers to the Board of Directors to decide on a capital increase through the incorporation of share premiums, reserves, profits or other sums (resolution 22)**

You are invited to renew the previous delegation of powers granted to the Board of Directors to decide on a capital increase through the incorporation of share premiums, reserves, profits or other sums.

In accordance with the provisions of Article L. 225-130 of the French Commercial Code, under this delegation of powers the Board may increase the share capital in one or more transactions, in the proportion and at the times it deems appropriate through the incorporation of share premiums, reserves, profits or other sums that are eligible to be capitalised in respect of current regulations and the by-laws, in the form of an allocation of bonus shares, or through the increase in the amount of share capital, or through a mixture of these two processes.

The maximum nominal amount of capital increases that may be carried out pursuant to this Resolution is specified in the table summarising the financial delegations submitted to your vote presented on page xx.

This delegation would be granted for a period of 26 months. During a takeover bid offer period, the Board could use the delegation conferred only with the prior authorisation of the Shareholders' Meeting.

**Delegation of powers to the Board of Directors to decide on a capital increase through the issue of shares reserved for employees who are members of the CDA Group Savings Plan (resolution 23)**

In accordance with current legal provisions, a capital increase for subscription in cash reserved for employees who are members of the Group Savings Plan will be proposed to the Meeting.

In this regard, Article L. 225-129-6 of the French Commercial Code states that in the event of any decision to increase the share capital through a contribution in cash, unless it results from the prior issue of securities giving access to share capital, the Extraordinary General Meeting must express its opinion on a proposed resolution to approve a capital increase under the conditions stipulated by Article L. 3332-18 et seq. of the French Labour Code. The Extraordinary General Meeting expresses its opinion on this proposed resolution when it delegates the powers to carry out the capital increase in accordance with Article L. 225-129-2.

Under the terms of **Resolution 23**, you are therefore invited, in accordance with the legal provisions, to grant the Board of Directors the authority to increase the share capital by a total of 706,000 shares (equivalent to 2.9% of the share capital as of the date of this report) for subscription in cash reserved for employees who are beneficiaries of the CDA Group Employee Savings Plan.

This authorisation is also given for 26 months.

However, the Board of Directors **is not in favour of this Resolution** as there are other employee profit sharing schemes in place at the Company, and therefore invites you to vote against it.

An example of this is the CDA Actionnariat employee investment fund, in which employees can invest through the Group Employee Savings Plan, which held 1.35% of the CDA share capital at 30 September 2017.

**Setting of the overall ceiling for the nominal amount of issues of securities (resolution 24)**

You are invited to set (i) the total nominal amount of capital increases that may be carried out now or in the future under all the above authorisations (Resolutions 17 to 23) that may be given, at €92 million, and (ii) the total nominal amount for debt securities, at €200 million.



### Cancellation of delegations of powers and authorisations previously granted to the Board of Directors (resolution 25)

Subject to your approval, these new authorisations and delegations of powers will cancel and replace the unused portion, if applicable, of all previous

authorisations and delegations of powers with the same purpose granted to the Board, i.e. the authorisations and delegations of powers granted by the Extraordinary Shareholders' Meeting of 10 March 2016 and still in force.

### LIST OF THE FINANCIAL DELEGATIONS SUBMITTED TO YOUR VOTE (resolution 18 to 23)

Type of financial delegation	Duration of authorisation and expiry date	Maximum nominal amount of capital increases	Maximum amount of bond issues (in euros)
Issuance of securities giving immediate or future access to the share capital, with preferential subscription rights <b>(Resolution 18)</b>	<b>26 months 8 May 2020</b>	€92 million of share capital at 29 January 2018	100 million <sup>(1)</sup>
Issue of securities giving immediate or future access to the share capital, without preferential subscription rights, by way of a public offering <b>(Resolution 19)</b>	<b>26 months 8 May 2020</b>	€45 million with priority subscription period granted to shareholders <sup>(3)</sup> €35 million without priority subscription period <sup>(3)</sup>	100 million <sup>(2)</sup>
Issue of securities giving immediate or future access to the share capital, without preferential subscription rights, by way of the offering set out by Article L. 411-2 of the French Monetary and Financial Code <b>(Resolution 20)</b>	<b>26 months 8 May 2020</b>	€45 million with priority subscription period granted to shareholders <sup>(3)</sup> €35 million without priority subscription period <sup>(3)</sup> and 20% of the share capital	100 million <sup>(2)</sup>
Issue of securities giving immediate or future access to the share capital, in remuneration for contributions in kind related to equity or transferable securities giving access to the share capital <b>(Resolution 21)</b>	<b>26 months 8 May 2020</b>	10% of the share capital at any given moment	N/A
Capital increase through the incorporation of additional paid-in capital, reserves, profits or other <b>(Resolution 22)</b>	<b>26 months 8 May 2020</b>	€35 million <sup>(1)</sup>	N/A
Capital increase through a issue reserved for employees who are members of the CDA Group Employee Savings Plan <b>(Resolution 23)</b>	<b>26 months 8 May 2020</b>	706,000 shares representing 2.9% of the share capital at 29 January 2018	N/A
<b>Overall ceiling for the nominal amount of issues of securities as referred to by I and II above (Resolution 24)</b>		<b>€92 million</b>	<b>€200 million</b>

(1) The ceiling of this Resolution shall count towards the overall ceiling provided for in Resolution 24.

(2) The ceilings of resolutions 19 and 20 on the issue of bonds are common such that the use of either of these two delegations shall count towards the individual ceiling of the other delegation as well as towards the overall ceiling provided for in resolution 24.

(3) The ceilings of resolutions 20 and 21 on capital increases are common such that the use of one of these delegation rights shall count towards the individual ceiling of the other delegation as well as towards the overall ceiling provided for in resolution 24.

### Authority to carry out formalities related to resolutions within the authority of the Extraordinary General Meeting (Resolution 26)

Usual resolution for legal formalities.

We hope that you will vote for all the resolutions submitted for approval.

## **BIOGRAPHY OF THE DIRECTORS WHOSE APPOINTMENT OR REAPPOINTMENT IS PROPOSED**

Through **Resolutions 6, 7 and 8**, the shareholders of Compagnie des Alpes are invited to re-appoint three directors, Caisses des Dépôts et Consignations, Crédit Agricole des Savoie and Banque Populaire Auvergne Rhône-Alpes, whose terms of office are about to expire.

Caisse des Dépôts et Consignations is represented by Virginie Fernandes, Crédit Agricole des Savoie is represented by Jean-Yves Barnavon et Banque Populaire Auvergne Rhône-Alpes is represented by Maria Paublant.

The new term of office for these directors would be for a period of four years and would expire at the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ending in 2021.

The biography of each of the three representatives is presented in the Company's 2017 Registration Document (Chapter 3 – Corporate governance - Section 3.1.1.3 "Expertise of the members of the Board of Directors and other information", p. 33 for Virginie Fernandes, p. 36 for Jean-Yves Barnavon, and p. 37 for Maria Paublant).

## PROPOSED RESOLUTIONS

### WITHIN THE AUTHORITY OF THE ORDINARY GENERAL MEETING:

#### First resolution

*(Approval of the parent-company financial statements for the fiscal year ended 30 September 2017)*

The General Meeting, having considered the Company and Compagnie des Alpes Group Management Report prepared by the Board of Directors, the general report of the Statutory Auditors on the parent company financial statements, the Report of the Chairman of the Board of Directors, the special report of the Statutory Auditors referred to in Article L. 225-235 of the French Commercial Code and additional information provided orally, hereby approves the parent company financial statements for the financial year ended 30 September 2017 as presented to it, showing a profit of €2,477,935.28, and also approves the operations recorded in these financial statements or summarised in these reports. It also approves the amount of non-deductible expenses (Article 39.4 of the French Tax Code), totalling €92,399, as stated in the Management Report.

#### Second resolution

*(Approval of the consolidated financial statements for the fiscal year ended 30 September 2017)*

The General Meeting, having considered the reports of the Board of Directors and the Statutory Auditors and additional information provided orally, hereby approves the Group's consolidated financial statements for the financial year ended 30 September 2017 as presented to it, showing Group attributable net income of €31,320 thousand, and also approves the operations recorded in these financial statements or summarised in these reports.

#### Third resolution

*(Appropriation of results)*

Voting under the conditions of quorum and majority required for ordinary General Meetings, and having noted, in due consideration of profit for the year in the amount of €2,477,935.28 and retained earnings in the amount of €73,891,584.29, that earnings available for distribution total €76,369,519.87, the General Meeting approves the proposals for

appropriation of income and establishment of the dividend by the Board of Directors and hereby resolves:

- to allocate a sum of €123,896.76 to the legal reserve;
- to establish as €0.50 the dividend to be paid out to each qualifying share, and therefore to distribute a dividend to shareholders in the maximum amount of €12,181,210.50, on the basis of a maximum number of 24,362,421 shares with dividend entitlement;
- to allocate at least the sum of €64,064,412.61 to retained earnings.

The date from which dividends start to accrue is 15 March 2018. The ex-dividend date on Euronext Paris is 13 March 2018.

If, when payment is made, the number of shares actually entitled to the dividend is less than the aforementioned 24,362,421 shares because the Company holds treasury shares, the amount of dividend not paid out shall be allocated to retained earnings.

Pursuant to Article 243 bis of the French Tax Code, it is hereby stipulated that the total dividend proposed is eligible for deduction by individuals who are fiscally domiciled in France, as provided for by Article 158-3 2° of the French Tax Code.

The General Meeting acknowledges to the Board of Directors the reminder of the amount of dividends paid in the last three financial years:

FY 2013/2014: Dividends per share of €0.35\*  
FY 2014/2015: Dividends per share of €0.40\*  
FY 2015/2016: Dividends per share of €0.40\*

*\*Dividends eligible for deduction by individuals who are fiscally domiciled in France, as provided for by Article 158-3-2 of the French Tax Code*

#### Fourth resolution

*(Approval of the regulated agreements and commitments referred to in the special report by the Statutory Auditors)*

The Shareholders' Meeting, having considered the special report of the Statutory Auditors on the agreements and commitments referred to in Article

L. 225-38 of the French Commercial Code, hereby approves all of the agreements and commitments entered into over the past fiscal year, as set forth in the above-mentioned report.

#### **Fifth resolution**

*(Re-appointment of PricewaterhouseCoopers Audit as Statutory Auditors)*

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, after noting that the term of office of one of the two Statutory Auditors, PriceWaterhouseCoopers Audit, had expired, the Shareholders' Meeting decides to renew said term of office for a period of six fiscal years, expiring at the end of the Ordinary General Meeting to be held in 2024, to approve the financial statements for the year ending on 30 September 2023.

#### **Sixth resolution**

*(Re-appointment of Caisse des Dépôts et Consignations as director)*

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, the Shareholders' Meeting, acting on a proposal by the Board of Directors, hereby decides to re-appoint Caisse des Dépôts et Consignations as director for a period of two years, which shall expire following the Shareholders' Meeting called to approve the financial statements for the fiscal year ending in 2021.

#### **Seventh resolution**

*(Re-appointment of Banque Populaire Auvergne Rhône-Alpes as director)*

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, the Shareholders' Meeting, acting on a proposal by the Board of Directors, hereby decides to re-appoint Banque Populaire Auvergne Rhône-Alpes as director for a period of four years, which shall expire following the Shareholders' Meeting called to approve the financial statements for the fiscal year ending in 2021.

#### **Eighth resolution**

*(Re-appointment of Crédit Agricole des Savoie as director)*

Voting under the conditions of quorum and majority required for Ordinary General Meetings, the General Meeting, acting on a proposal by the Board of

Directors, hereby decides to renew the appointment of Crédit Agricole des Savoie as director for a period of four years, which shall expire following the Shareholders' Meeting called to vote on the financial statements for the financial year ending in 2021.

#### **Ninth resolution**

*(Approval of the remuneration package of Dominique Marcel, Chairman and Chief Executive Officer, for the fiscal year just ended)*

Consulted pursuant to the recommendations of the AFEP-MEDEF Code of Corporate Governance for Listed Companies of November 2016, the Shareholders' Meeting voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, having considered the Board of Directors' report on the remuneration of executive corporate officers as outlined in the 2017 Registration Document (*Chapter 3. Corporate Governance - 3.3. Remuneration of corporate officers – 3.3.1. Executive corporate officers – 3.3.1.2. individual remuneration of executive corporate officers for the 2016-2017 fiscal year, pages 49 to 52*), hereby issues a favourable opinion on the compensation package owed or awarded to Dominique Marcel, Chairman and CEO, for the fiscal year 2016/2017.

#### **Tenth resolution**

*(Approval of the remuneration package of Mrs Agnès Pannier-Runacher, Deputy Chief Executive Officer, for the year just ended).*

Consulted pursuant to the recommendations of the AFEP-MEDEF Code of Corporate Governance for Listed Companies of November 2016, the Shareholders' Meeting, voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, having considered the Board of Directors' report on the remuneration of executive corporate officers as outlined in the 2017 Registration Document (*Chapter 3. Corporate Governance - 3.3. Remuneration of corporate officers – 3.3.1. Executive corporate officers – 3.3.1.2. Individual remuneration of executive corporate officers for the 2016-2017 fiscal year, pages 49 to 53*), hereby issues a favourable opinion on the remuneration package owed or awarded to Agnès Pannier-Runacher, Deputy Chief Executive Officer, for the fiscal year 2016/2017.

### **Eleventh resolution**

*(Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to Dominique Marcel, Chairman and Chief Executive Officer).*

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, having considered the Board of Directors' report, the Shareholders' Meeting approves, pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to Dominique Marcel, Chairman and Chief Executive Officer, the details of which can be found in the joint report referred to in Article L. 225-100 of the French Commercial Code and presented in the 2017 Registration Document (*Chapter 3. Corporate Governance - 3.3. Remuneration of corporate officers – 3.3.1. Executive corporate officers – 3.3.1.1. Principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to executive corporate officers, pages 46 to 49*).

### **Twelfth resolution**

*(Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to Mrs Agnès Pannier-Runacher, Deputy Chief Executive Officer)*

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, having considered the Board of Directors' report, the Shareholders' Meeting approves, pursuant to Article L. 225-37-2 of the French Commercial Code, the principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total remuneration and benefits of any kind attributable to Agnès Pannier-Runacher, Deputy Chief Executive Officer, the details of which can be found in the joint report referred to in Article L. 225-100 of the French Commercial Code and presented in the 2017 Registration Document (*Chapter 3. Corporate Governance - 3.3. Remuneration of corporate officers – 3.3.1. Executive corporate officers – 3.3.1.1. Principles and criteria for determining, distributing and allocating fixed, variable and exceptional components of the total*

*remuneration and benefits of any kind attributable to executive corporate officers, pages 46 to 49*).

### **Thirteenth resolution**

*(Authorisation for the Board of Directors to arrange for the Company to purchase treasury shares)*

Having considered the Board of Directors' report, the Shareholders' Meeting authorises the Board of Directors, with the option to sub-delegate within the legal limits, to arrange purchases of Company shares, in accordance with the provisions of Articles L. 225-209 et seq. of the French Commercial Code, European Regulation No. 596/2014 of 16 April 2014, Delegated Regulation no. 2016/1961 of 8 March 2016, the Autorité des Marchés Financiers (AMF) General Regulation, Book II Title IV and implementation instructions, with a view to:

- ensuring that the share price is stabilised by an investment service provider under a liquidity agreement, in compliance with an AMF-recognised ethics charter;
- holding, selling or transferring the aforesaid shares by any means, especially through the exchange or delivery of securities, particularly in the framework of acquisitions or the issuance of securities giving access to the capital; it being specified that the shares acquired for this purpose do not exceed 5% of the Company's share capital;
- attributing shares to employees and corporate officers of the Company, or of companies or groups to which the Company is related, under the conditions and in accordance with the procedures provided for in law, especially through income from Company acquisitions, stock options, the award of free shares, a Group or company savings scheme, or an optional plan for an employee-employer savings partnership.

Shares may be purchased, sold, held or transferred by any means, on one or more occasions, provided that regulations in force are complied with, at any time except during a takeover bid, on the market or over the counter, particularly through the acquisition or sale of blocks of shares, or by using derivative financial instruments and options, in due compliance with the regulations in force.

To implement this authorisation, the Shareholders' Meeting sets a maximum purchase price of €50 per share. The maximum number of shares that may be held cannot be more than 10% of the shares comprising the share capital of Compagnie des

Alpes at any given time. This percentage applies to the share capital as adjusted for transactions that modified the share capital before this Shareholders' Meeting, e.g. on 30 September 2017, 2,436,242 shares representing a maximum investment of €121,812,100 on the basis of a maximum purchase price of €50 per share.

In the event of a capital increase via the capitalisation of reserves and the award of free shares, and in the event of a stock split or reverse stock split, the above price will be adjusted based on the ratio between the total number of shares issued and outstanding before and after the transaction.

The duration of this authorisation is fixed at 18 months from this Shareholders' Meeting. During the yet unexpired period of time and starting from the date specified by the Board of Directors, this authorisation supersedes that issued by the Shareholders' Meeting on 9 March 2017.

The shareholders grant full powers to the Board of Directors and authorise it to delegate within the limits of the law, to hand down orders, conclude agreements, draft documents, particularly the programme description that must be published before the new programme is implemented. The Board of Directors is also authorised to carry out protocol, make declarations and report to administrations, in particular the AMF, for operations performed in implementing this resolution. The Board of Directors may also determine requirements and procedures whereby, if applicable, rights of shareholders and of beneficiaries of securities giving access to Company share capital over time will be maintained as well as those of beneficiaries of options, in compliance with regulatory provisions, and in general to do all that is necessary.

#### **Fourteenth resolution**

*(Changes to the Corporate Governance Charter)*

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, having considered the Board of Directors' report, the Shareholders' Meeting acknowledges the changes made to the Corporate Governance Charter, as amended by the Board of Directors on 25 January 2018.

#### **Fifteenth resolution**

*(Delegation of powers to carry out formalities related to resolutions within the authority of the Ordinary General Meeting)*

The General Meeting hereby grants full powers to the bearer of a copy or extract of the minutes recording these resolutions, to perform all legal and administrative formalities subsequent to decisions made in the preceding resolutions enacted under ordinary business.

#### **WITHIN THE AUTHORITY OF THE EXTRAORDINARY GENERAL MEETING:**

#### **Sixteenth resolution**

*(Modification of Article 9 of the Company's by-laws – Directors representing employees)*

Voting under the conditions of quorum and majority required for Extraordinary Shareholders' Meetings, having considered the Board of Directors' Report, and the favourable opinion of the Company's Works Council, in accordance with the provisions of Articles L. 225-27-1 et seq. of the French Commercial Code, the Shareholders' Meeting decides to amend Article 9 of the by-laws, to include therein a new paragraph on the procedure of appointing directors representing employees and drawn up as follows:

#### **"Article 9 – Board of Directors**

*Apart from the directors appointed by the Shareholders' Meeting and insofar as the provisions stipulated by law in respect of directors representing employees are applicable to the Company, the Board of Directors also includes one or two directors representing employees.*

*Where the number of members of the Board of Directors is less than or equal to twelve, the Group Works Council appoints a director representing the employees.*

*Where the number of members of the Board of Directors is more than twelve, and provided that this criterion is still met on the date of appointment, a second director representing employees is appointed by the European Works Council. Subsequently, if the Board of Directors were to comprise a number of directors appointed by the Shareholders' Meeting that is less than or equal to twelve, the term of office of this second director representing employees shall continue until its expiry, but shall not be renewed if this situation continues on the date of expiry of the term of office.*

*The duration of the term of office of the director representing employees is fixed at 4 years from the date of appointment, and it can be renewed.*

*The term of office of the director representing employees may end early under the conditions stipulated by law, particularly in the event of termination of their employment contract. Directors representing employees are also subject to the incompatibility rules provided for by the law.*

*In the event there is a vacancy in the post of a director representing employees for any reason whatsoever, a replacement is appointed under the same conditions by the Group Works Council or the European Works Council, if applicable. They shall take office for the remaining period of their predecessor's term of office. Until the date of this replacement, the Board of Directors may meet and deliberate validly.*

*If the Company no longer meets the legal conditions, the terms of office of directors representing employees ends at the end of the Ordinary Shareholders' Meeting called to approve the financial statements for the past fiscal year."*

The rest of the article remains unchanged.

### **Seventeenth resolution**

*(Authorisation to be given to the Board of Directors to grant performance shares)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, and having considered the report of the Board of Directors and the special report of the Statutory Auditors, the General Meeting hereby:

1. authorises the Board of Directors, in the context of the provisions of Article L. 225-197-1 et seq. of the French Commercial Code to make one or several grants of performance shares, from existing shares or shares to be issued, to the beneficiaries it designates who are employees of the Company (excluding its senior officers) or of its associates, under the conditions stipulated in Article L. 225-197-2 of the above-mentioned Code;
2. decides that the maximum portion of the share capital of the Company represented by all of the performance shares granted under this Resolution cannot exceed either 1% of the total number of shares making up the share capital on the date of the Board's decision, or an amount such that the total number of free shares granted and not yet fully vested under existing plans and this Resolution, plus any stock options outstanding and not yet exercised that have been granted to employees under stock option or subscription plans already existing or issued on the same date as the performance shares are granted, cannot exceed 7% of the total number of shares making up the share capital of the Company on the date of the Board's decision, and that the nominal amount of capital increases that may be carried out now or in the future under this delegation of powers shall count towards the overall ceiling for capital increases stipulated in Resolution 24 of this Meeting;
3. decides that the grants made under this resolution must be subject to the achievement of one or more performance conditions;
4. decides that the performance shares granted shall only become fully vested after a minimum period of two years, and that the beneficiaries are then required to hold these shares for a minimum of one further year from the vesting date, with the Board of Directors having the power to increase the vesting and retention periods to up to four years each;
5. grants all powers to the Board of Directors, with an option of subdelegation within the limits of the law, to implement this authorisation, and in particular, to:
  - decide which employees of the Company (excluding senior officers) or its associates are eligible for share grants,
  - set the conditions, and if applicable, the criteria for share grants,
  - in the case of the issue of new shares, if applicable, obtain the sums necessary for the paying-up of the shares from reserves, profits or issue premiums,
  - if applicable, adjust the number of shares granted in relation to any corporate actions of the Company;
  - record the capital increase(s) arising from any grant made through the use of this authorisation and amend the by-laws accordingly;
6. acknowledges that, if the Board of Directors uses this authorisation, it will inform the Ordinary General Meeting every year of any transactions carried out in relation to the provisions of Article L. 225-197-1 and Article L. 225-197-3 of the French Commercial Code,

under the conditions provided for in Article L. 225-197-4 of the above-mentioned Code;

7. decides that this authorisation is given for a period of 26 months from the date of this Meeting.

### **Eighteenth resolution**

*(Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, with pre-emption rights)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, and having considered the report of the Board of Directors and the special report of the Statutory Auditors drafted in accordance with the law, the General Meeting, making use of the option provided for in Article L. 225-129 of the French Commercial Code, hereby:

1. delegates to the Board of Directors the authority to issue shares of the Company, or securities of any kind giving immediate and/or future access to shares of the Company, in one or more transactions, in the proportions and at the times it deems appropriate, in France or abroad, in euro or in another currency or unit of account set with reference to a basket of currencies;
2. decides that the nominal amount of capital increases that may be carried out now or in the future under this delegation of authority cannot exceed €92 million, to which any nominal amount of additional shares to be issued shall be added, in order to preserve, in accordance with the law, the rights of the holders of securities giving rights to shares in the Company, it being specified that the nominal amount of capital increases that may be carried out, now or in the future, under this delegation of powers, shall count towards the overall ceiling for capital increases stipulated in Resolution 24 of this Meeting;
3. decides, furthermore, the nominal amount of bonds or other debt securities giving access to capital that may be issued under this delegation of authority cannot exceed €100 million, or the equivalent amount in the event of an issue in another currency, on the issue date;
4. decides that the shareholders may exercise their preferential subscription rights, on an irreducible basis, under the conditions provided for in law. In addition, the Board of Directors will have the option to grant shareholders the right to subscribe on a reducible basis for a greater number of securities than they were able to subscribe for on an irreducible basis, in proportion to the subscription rights they hold, and in any event, up to the limit of the amounts they request. If the subscriptions on an irreducible basis, and if applicable, on a reducible basis, do not take up all of the securities in the issue, the Board of Directors may use, in the order it shall determine, one or more of the following options:
  - if applicable, to limit the issue to the amount of the subscriptions, provided this reaches at least three-quarters of the issue as originally decided,
  - to distribute all or part of the unsubscribed securities,
  - to offer all or part of the unsubscribed securities to the public;
5. notes and decides, as necessary, that any issue of share subscription warrants may take place either through a subscription offer under the conditions stipulated above, or through a bonus allocation to owners of the pre-existing shares;
6. notes and decides, as necessary, that the above delegation of authority shall entail the automatic waiver by shareholders, in favour of the holders of securities giving access to shares of the Company that may be issued in the future, of their pre-emption rights in respect of the shares to which these securities give rights;
7. decides, in the event of the issue of the issue of stand-alone warrants, to cancel the pre-emption rights of shareholders to the shares to which these warrants give rights;
8. decides that the Board of Directors shall have all powers, with the option of subdelegation within the limits of the law, necessary to implement this delegation of authority, in particular, to determine the issue dates and procedures and the type and characteristics of the securities to be created, to establish the issue prices and conditions, to determine the amounts to be issued, to set the date from which dividends start to accrue, which may be retroactive, for the securities to be issued, to determine the procedure for the securities issued to be paid up, and if applicable, to stipulate the conditions for their purchase on the stock market, to



suspend, if applicable, the exercise of share allocation rights attached to securities to be issued for a maximum period of three months, to define the procedures for preserving the rights of the holders of securities giving future access to the capital of the Company in accordance with the legal and regulatory provisions, to deduct any expenses, if applicable, from issue premiums, especially expenses incurred in implementing the issues, to take all steps and enter into any agreements useful and necessary to ensuring that the planned issues are carried out successfully and to record the capital increase(s) resulting from any issue carried out through the use of this delegation of authority, and to amend the by-laws accordingly;

9. in the event of the issue of bonds or other debt securities, the Board of Directors shall have all powers necessary to decide, in particular, whether or not to issue subordinated debt, and to set the interest rate, maturity, fixed or variable redemption price, with or without a premium, and the repayment procedures in accordance with market conditions and the conditions under which the securities give rights to the shares of the Company;
10. acknowledges that, if the Board of Directors uses the delegation of authority given to it in this resolution, it will report to the following Ordinary General Meeting, in accordance with the law and regulations, on the use made of the authorisations granted in this resolution.

The delegation of authority thus granted to the Board of Directors is valid from the date of this Meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code. Nonetheless, the Board of Directors cannot, without the prior authorisation of the General Meeting, use this delegation of authority from the date on which a third party makes a takeover bid for the Company's securities and throughout the entire offer period.

#### **Nineteenth resolution**

*(Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, without preferential subscription rights, through a public offering)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, and

having considered the report of the Board of Directors and the special report of the Statutory Auditors drafted in accordance with the law, the General Meeting, making use of the option provided for in Article L. 225-129 of the French Commercial Code, hereby:

1. delegates to the Board of Directors the authority to issue, through a public offering, shares in the Company or securities of any kind giving immediate and/or future access to shares of the Company, in one or more transactions, in the proportions and at the times it deems appropriate, in France or abroad, in euro or in another currency or unit of account set with reference to a basket of currencies;
2. decides to suspend the pre-emption rights of shareholders in relation to securities to be issued, it being understood that the Board of Directors may grant shareholders an option to subscribe on a priority basis for all or part of the issue, during the period and under the conditions that it shall set in accordance with the provisions of Article L. 225-135 of the French Commercial Code. These priority subscription arrangements shall not give rise to the creation of negotiable rights, but they may, if the Board of Directors deems it appropriate, be used both on an irreducible and reducible basis, it being specified that following the priority subscription period, the unsubscribed securities shall be subject to public placement in France and/or abroad;
3. decides that the nominal amount of capital increases that may be carried out now or in the future under the above delegation of authority cannot exceed €45 million in the event that shareholders are granted a priority subscription period, or €35 million if there is no priority subscription period, to which the nominal amount of additional shares to be issued shall be added, if applicable, in order to preserve, in accordance with the law, the rights of the holders of securities giving rights to shares of the Company; it being specified that the nominal amount of capital increases that may be carried out, now or in the future, under this delegation of authority shall count towards the overall ceiling for capital increases stipulated in the twenty-fourth resolution of this Meeting;
4. decides, furthermore, the nominal amount of bonds or other debt securities giving access to capital that may be issued under this delegation of authority cannot exceed €100 million, or the

equivalent amount in the event of an issue in another currency, on the issue date;

5. acknowledges and decides, as necessary, that the above delegation of authority shall entail the automatic waiver by shareholders, in favour of the holders of securities giving access to shares of the Company that may be issued in the future, of their pre-emption rights in respect of the shares to which these securities give rights;
6. decides, in the event of the issue of the issue of stand-alone warrants, to cancel the pre-emption rights of shareholders to the shares to which these warrants give rights;
7. decides that the sum received or receivable by the Company for each of the shares issued under the above delegation of powers shall be determined in accordance with the current regulatory provisions, i.e. it shall be equivalent to the weighted average price over the three trading days preceding the date on which it is set, minus a maximum discount of 5%, if applicable, provided that this is no lower than the nominal value of a Company share on the issue date of the shares concerned;
8. decides that the Board of Directors shall have all powers, with the option of subdelegation within the limits of the law, necessary to implement this delegation of authority, in particular, to determine the type and characteristics of the securities to be created, as well as the issue dates and procedures, and to establish the issue prices and conditions, to determine the amounts to be issued, to set the date from which dividends start to accrue, which may be retroactive, for the securities to be issued, to determine the procedure for the securities issued to be paid up, and if applicable, to stipulate the conditions for their purchase on the stock market, to suspend, if applicable, the exercise of share allocation rights attached to securities to be issued for a maximum period of three months, to define the procedures for preserving the rights of the holders of securities giving future access to the capital of the Company in accordance with the legal and regulatory provisions, to deduct any expenses, if applicable, from issue premiums, especially expenses incurred in implementing the issues, to take all steps and enter into any agreements useful and necessary to ensuring that the planned issues are carried out successfully and to record the capital increase(s) resulting from any issue carried out through the use of this

delegation of authority, and to amend the by-laws accordingly;

9. in the event of the issue of bonds or other debt securities, the Board of Directors shall have all powers necessary to decide, in particular, whether or not to issue subordinated debt, and to set the interest rate, maturity, fixed or variable redemption price, with or without a premium, and the repayment procedures in accordance with market conditions and the conditions under which the securities give rights to the shares of the Company;
10. acknowledges that, if the Board of Directors uses the delegation of authority given to it in this resolution, it will report to the following Ordinary General Meeting, in accordance with the law and regulations, on the use made of the authorisations granted in this resolution.

The delegation of authority thus granted to the Board of Directors is valid from the date of this Meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code. Nonetheless, the Board of Directors cannot, without the prior authorisation of the General Meeting, use this delegation of authority from the date on which a third party makes a takeover bid for the Company's securities and throughout the entire offer period.

#### **Twentieth resolution**

*(Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, without pre-emption rights, through an offering in accordance with section II of Article L. 411-2 of the French Monetary and Financial Code)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, and having considered the report of the Board of Directors and the special report of the Statutory Auditors drafted in accordance with the law, the General Meeting, making use of the option provided for in Article L. 225-129 of the French Commercial Code, hereby:

1. delegates to the Board of Directors the authority to issue shares of the Company, or securities of any kind giving immediate and/or future access to shares of the Company, through a private placement intended solely for qualified investors or a restricted group of investors under the provisions stipulated in section II of Article L. 411-2 of the French Monetary and Financial

Code, in one or more transactions, in the proportions and at the times it deems appropriate, in France or abroad, in euro or in another currency or unit of account set with reference to a basket of currencies;

2. stipulates that, in addition to being limited to the same nominal amount(s) as stated in point 3. of Resolution 19 above and counting towards the above-mentioned ceilings, the issue of equity securities carried out under this Resolution shall be limited to 20% of the share capital in any one year at the time of issue in accordance with the provisions of Article L. 225-136-3 of the French Commercial Code, to which the nominal amount of additional shares to be issued shall be added, if applicable, in order to preserve, in accordance with the law, the rights of the holders of securities giving rights to shares; the nominal amount of capital increases that may be carried out, now or in the future, under this delegation of powers shall count towards the overall ceiling for capital increases stipulated in Resolution 24 of this Meeting;
3. decides that the nominal amount of bonds or other debt securities giving access to capital that may be issued under this delegation of authority cannot exceed €100 million, or the equivalent amount in the event of an issue in another currency, on the issue date; decides to cancel the pre-emption rights of shareholders in respect of securities to be issued;
4. decides to cancel the pre-emption rights of shareholders in respect of securities to be issued;
5. acknowledges and decides, as necessary, that the above delegation of authority shall entail the automatic waiver by shareholders, in favour of the holders of securities giving access to shares of the Company that may be issued in the future, of their pre-emption rights in respect of the shares to which these securities give rights;
6. decides, in the event of the issue of the issue of stand-alone warrants, to cancel the pre-emption rights of shareholders to the shares to which these warrants give rights;
7. decides that the sum received or receivable by the Company for each of the shares issued under the above delegation of powers shall be determined in accordance with the current regulatory provisions, i.e. it shall be equivalent to the weighted average price over the three trading days preceding the date on which it is

set, minus a maximum discount of 5%, if applicable, provided that this is no lower than the nominal value of a Company share on the issue date of the shares concerned;

8. decides that the Board of Directors shall have all powers, with the option of subdelegation within the limits of the law, necessary to implement this delegation of authority, in particular, to determine the type and characteristics of the securities to be created, as well as the issue dates and procedures, and to establish the issue prices and conditions, to determine the amounts to be issued, to set the date from which dividends start to accrue, which may be retroactive, for the securities to be issued, to determine the procedure for the securities issued to be paid up, and if applicable, to stipulate the conditions for their purchase on the stock market, to suspend, if applicable, the exercise of share allocation rights attached to securities to be issued for a maximum period of three months, to define the procedures for preserving the rights of the holders of securities giving future access to the capital of the Company in accordance with the legal and regulatory provisions, to deduct any expenses, if applicable, from issue premiums, especially expenses incurred in implementing the issues, to take all steps and enter into any agreements useful and necessary to ensuring that the planned issues are carried out successfully and to record the capital increase(s) resulting from any issue carried out through the use of this delegation of authority, and to amend the by-laws accordingly;
9. in the event of the issue of bonds or other debt securities, the Board of Directors shall have all powers necessary to decide, in particular, whether or not to issue subordinated debt, and to set the interest rate, maturity, fixed or variable redemption price, with or without a premium, and the repayment procedures in accordance with market conditions and the conditions under which the securities give rights to the shares of the Company;
10. acknowledges that, if the Board of Directors uses the delegation of authority given to it in this resolution, it will report to the following Ordinary General Meeting, in accordance with the law and regulations, on the use made of the authorisations granted in this resolution.

The delegation of authority thus granted to the Board of Directors is valid from the date of this Meeting for a period of 26 months, in accordance with Article L. 225-129-2 of the French Commercial Code. Nonetheless, the Board of Directors cannot, without the prior authorisation of the General Meeting, use this delegation of authority from the date on which a third party makes a takeover bid for the Company's securities and throughout the entire offer period.

#### **Twenty-first resolution**

*(Delegation of powers to the Board of Directors to issue securities giving immediate or future access to the share capital of the Company, as remuneration in kind for shares or securities giving access to share capital)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, having considered the report of the Board of Directors, and in accordance with the provisions of Article L. 225-129 et seq. of the French Commercial Code, and in particular, paragraph 6 of Article L. 225-147 of the above-mentioned Code, the General Meeting:

1. delegates all powers necessary to the Board of Directors, with the option of subdelegation within the limits of the law, to issue at any time, up to the limit of 10% of the share capital, shares or securities giving immediate or future access to the share capital, to remunerate contributions in kind granted to the Company and comprising equity securities or securities giving access to capital, where the provisions of Article L. 225-148 of the French Commercial Code do not apply;
2. decides that the Board of Directors will have all the necessary powers, in particular, to establish the list of securities contributed, to approve or reduce the valuation of contributions and grant special benefits, record the completion of the capital increase and make any corresponding amendments to the by-laws, and if applicable, to deduct any expenses from the issue premiums, especially expenses and taxes incurred in implementing the capital increase.

This authorisation is given for a period of 26 months from the date of this Meeting. Nonetheless, the Board of Directors cannot, without the prior authorisation of the General Meeting, use this delegation of authority from the date on which a

third party makes a takeover bid for the Company's securities and throughout the entire offer period.

#### **Twenty-second resolution**

*(Delegation of powers to the Board of Directors to decide on a capital increase through the incorporation of share premiums, reserves, profits or other sums)*

Voting under the conditions of quorum and majority required for Ordinary General Meetings, having considered the report of the Board of Directors, and in accordance with the provisions of Article L. 225-130 of the French Commercial Code, the General Meeting:

1. delegates to the Board of Directors the authority to increase the share capital in one or more transactions, in the proportion and at the times it deems appropriate through the incorporation of share premiums, reserves, profits or other sums that are eligible to be capitalised in respect of current regulations and the by-laws, in the form of an allocation of bonus shares, or through the increase in the amount of share capital, or through a mixture of these two processes. The maximum nominal amount of capital increases that may be carried out under this delegation of powers cannot exceed €35 million, it being specified that this amount shall count towards the overall ceiling for capital increases stipulated in Resolution 24 of this Meeting;
2. delegates, in the event of the use by the Board of Directors of this delegation of authority, all the necessary powers, with the option of subdelegation within the legal limits, to implement this delegation of authority, in particular to:
  - set the amount and nature of the sums to be incorporated into the share capital, set the number of new shares to be issued and/or the amount by which the share capital will be increased, establish the date from which dividends relating to the new shares start to accrue, which may be retroactive, and the date from which the increase in the amount of the share capital shall take effect;
  - decide, in the event of a distribution of bonus shares:
    - that fractional shares cannot be traded and that the corresponding shares will be sold; and that the sums arising from the sale will be allocated to the rights holders

under the conditions provided for in the law and regulations,

- to carry out all adjustments needed to reflect the impact of corporate actions of the Company, in particular, in the event of a change in the par value of shares, an increase in the share capital by incorporation of reserves, a bonus allocation of shares, a stock split or reverse stock split, the distribution of reserves or any other assets, a redemption of share capital, or any other transaction affecting the share capital, and define the procedures, if applicable, for preserving the rights of the holders of securities giving access to capital,
- to record the completion of each capital increase and make the corresponding amendments to the by-laws,
- in general, enter into any agreement, take any steps and carry out any formalities required for the issue, listing and financial servicing of the securities issued under this delegation of authority and to exercise the rights attached thereto.

This authorisation is given for a period of 26 months from the date of this Meeting. Nonetheless, the Board of Directors cannot, without the prior authorisation of the General Meeting, use this delegation of authority from the date on which a third party makes a takeover bid for the Company's securities and throughout the entire offer period.

### **Twenty-third resolution**

*(Delegation of powers to the Board of Directors to decide on a capital increase through the issue of shares reserved for employees who are members of the CDA Group Savings Plan)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, and having considered the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Article L. 225-129-6 and Article L. 225-138-1 of the French Commercial Code, and Article L. 3332-18 et seq. of the French Labour Code, the General Meeting hereby delegates to the Board of Directors the authority to increase the share capital in one or more transactions, at its sole initiative, by a maximum of 706,000 shares, representing 2.9% of the share capital as of the date of this Meeting, for subscription in cash reserved for employees who are

beneficiaries of the CDA Group Savings Plan, i.e. employees of Compagnie des Alpes or its associates, under the conditions stipulated by Article L. 225-180 of the French Commercial Code, it being specified that the nominal amount of capital increases that may be carried out now or in the future under this delegation of authority shall count towards the overall ceiling for capital increases stipulated in the twenty-fourth resolution of this Meeting.

The beneficiaries shall subscribe through an investment fund.

This decision shall involve the cancellation of the pre-emption rights of these employees in respect of the new shares.

This authorisation is given for a period of 26 months from the date of this Meeting.

The General Meeting hereby grants all necessary powers to the Board of Directors, with the option of subdelegation within the limits of the law, to implement this delegation of authority and to carry out the capital increase, and for this purpose:

- to determine the subscription price for the new shares, it being understood that this price cannot be higher than the average opening price for the twenty trading days preceding the decision of the Board of Directors setting the start date for the subscription period, nor lower than this average price minus the maximum discount allowed by the law on the date the said decision was made;
- to set, within the limits of the law, the conditions for the issue of the new shares and the periods in which employees can exercise their rights, the dates by which the new shares must be paid up and the procedures for the same, and the length of service criteria that employees must fulfil in order to exercise their rights;
- to record the completion of each capital increase, stating the number of shares subscribed for, and to make the corresponding amendments to the by-laws;
- to carry out all operations and formalities required to implement the capital increase.

### **Twenty-fourth resolution**

*(Setting of the overall ceiling for the nominal amount of issues of securities)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, having

considered the report of the Board of Directors, and in accordance with the provisions of Article L. 225-129-2 of the French Commercial Code, the General Meeting hereby sets:

- the total nominal amount for capital increases that may be carried out now or in the future in respect of the authorisations granted by Resolutions 17-23 above at €92 million, it being understood that the nominal amount of any additional shares to be issued, in order to preserve the rights of the holders of securities giving rights to shares in the Company in accordance with the law, shall be added to this amount;
- the total nominal amount of bonds or other debt securities giving access to capital that may be issued under the above-mentioned authorisations at €200 million.

#### **Twenty-fifth resolution**

*(Cancellation of delegations of powers and authorisations previously granted to the Board of Directors)*

Voting under the conditions of quorum and majority required for Extraordinary Shareholders' Meetings,

the Shareholders' Meeting acknowledges the fact that the authorisations and delegations of powers granted in Resolutions 17-23 above cancel and replace, as of the date of this Meeting, the unused portion, if applicable, of all previous authorisations and delegations of powers with the same purpose granted to the Board of Directors, i.e. all the authorisations and delegations of powers granted by the Extraordinary Shareholders' Meeting of 10 March 2016 which are still in force.

#### **Twenty-sixth resolution**

*(Delegations of authority to carry out formalities related to resolutions enacted under extraordinary business)*

Voting under the conditions of quorum and majority required for Extraordinary General Meetings, the General Meeting hereby grants full powers to the bearer of a copy or extract of the minutes recording these resolutions, to perform all legal and administrative formalities subsequent to decisions made in the preceding resolutions enacted under extraordinary business.

## PRESENTATION OF THE COMPANY AND GROUP SITUATION IN 2016/2017

### 1. A WORD FROM DOMINIQUE MARCEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, COMPAGNIE DES ALPES

In the space of a few years, we have transformed Compagnie des Alpes into a diversified leader of the European leisure industry. Today, with its solid rooting in its two legacy business lines, the Group is ready to seize any acquisition opportunity and play a pivotal role in the consolidation of the leisure sector.

#### **Good performance in 2016-2017**

The 2016-2017 fiscal year was highly successful. All indicators are on green. With further growth in operational performance and the return on capital employed, we achieved the financial targets set by the Group in 2013 two years ahead of schedule.

Compagnie des Alpes is reaping the rewards of its in-depth efforts to boost visitor numbers at its ski resorts and increase the attractiveness and performance of its leisure parks. This success is underpinned by a proactive and ambitious investment policy. But most importantly, it rests on the high-quality hospitality and services we provide to our customers. Their satisfaction is at the heart of our strategy.

#### **Creating new momentum in our resorts**

Compagnie des Alpes operates some of the world's largest and most attractive ski areas, in internationally-renowned high-altitude resorts. Yet, boosting the growth in volumes remains a major strategic objective in a mature market.

To this effect, the Group focuses its efforts on constantly improving its ski offering by optimising its ski facilities (ski lifts, snow parks, signs, etc.), and by investing in artificial snow-making equipment.

Enhancing and diversifying the customer experience is also a strong strategic objective for the Group. This means offering products and services suited to the different customer types and guiding customers throughout their stay. Compagnie des Alpes thus acts as a responsible player in its ecosystem, by launching forward-looking initiatives in order to

constantly improve the quality and quantity of tourist accommodation, as well as their marketing.

#### **Profitable growth in our leisure parks**

To improve the operational performance of its leisure destinations, Compagnie des Alpes has refocused its business on the sites most compatible with its strategy of ensuring Very High Satisfaction to its customers. Today, the Group has a diversified offering, ranging from theme parks to animal parks, edutainment parks and indoor sites.

We want our visitors to experience unique sensations. Their satisfaction – which rests on the attractiveness and novelty of our facilities, as well as on the quality of the services offered – is the best way of gaining their loyalty and generating positive word-of-mouth. We invest in new equipment and the creation of high-profile content, sometimes with big names in the amusement industry. This year, six of our sites broke their admission records and Parc Astérix exceeded the 2 million visitor mark for the very first time.

However, to increase the number of visitors, we also invest in accommodation, in order to extend our sites' catchment areas and prolong visits. The first phase of our programme aimed at increasing the hotel capacity of Parc Astérix to 450 rooms has thus fully met our expectations. The revamping of our food services and shops has also boosted our revenues. Moreover, we are working on ways of adapting our commercial offers.

#### **Favourable outlook**

The increase in the Group's profitability enables us to intensify our investments and maintain positive momentum. In ski areas, our main efforts are focused on renewing and extending our public service concession agreements, securing snow conditions on the slopes, and further improving the customer experience. In leisure destinations, we are pushing ahead with the Parc Astérix accommodation programme, and transforming our Walibi Belgium and Rhône-Alpes parks. We also plan to open an aquapark in Bellewaerde.

Our objectives for the upcoming two years are to maintain the operating margin of our ski areas and

continue to increase that of our leisure destinations after the consolidation of Chaplin's World and Grévin Montreal. Indeed, the Group has rationalised its portfolio of indoor sites by deciding to sell or close down the Grévin museums in Prague and Seoul, due to their disappointing performance.

We had announced that we were ready to seize targeted acquisition opportunities in order to play a

pivotal role in the consolidation of the leisure sector. We are thus very happy to have acquired, in 2018, a majority stake in Travelfactory, the leading online distributor of ski holidays in France.

Concerning our advisory and support services, the numerous contracts won in China and Russia, as well as in Europe, make us a privileged partner.

## 2. ANALYSIS OF GROUP RESULTS

Compagnie des Alpes Group's revenue for the 2016/2017 fiscal year rose by 5.8% compared with the previous period, to €762.2 million. On a comparable scope (i.e. without taking into consideration Fort Fun, a non-strategic park, sold in April 2017), it amounted to €761.5 million, up 6.6% compared to the 2015/2016 fiscal year. All of the Group's business divisions contributed to this good performance.

EBITDA rose 10.5% to €203.4 million, while the margin reached 26.7% versus 25.5% for the previous period. On a comparable scope (i.e. excluding the interim losses from Fort Fun), it amounted to €204.4 million and 26.8% of the revenue, up by 1.2 points compared to the previous

period. This confirms the Group's solidity, the attraction of its Ski areas and the strong dynamics in the Leisure destinations sector. The Very High Satisfaction strategy combined with attractiveness-boosting investments for 2 years resulted in a significant increase in business and profitability.

After taking into account impairment loss of €18.8 million on property, plant and equipment in the Seoul and Prague museums, a net borrowing cost of €19.2 million, an income-tax expense of €19.9 million and a share of net income of associates of €4.7 million, the net income stood at €39.9 million at 30 September 2017 and the net income (Group share) stood at €31.3 million, versus €33.4 million in the previous year.

### Activity and results for the period

	Fiscal Year	Fiscal Year	Fiscal Year	% Change	Fiscal Year	% Change
	2016/2017	2016/2017	2015/2016		2015/2016	
	Actual scope	Comparable scope	Comparable scope		Actual scope	
(in millions of euros)	(1)	(2)	(3)	(2)-(3)/(3)	(4)	(1)-(4)/(4)
Revenue	762.2	761.5	714.3	6.6%	720.2	5.8%
EBITDA	203.4	204.4	183.1	11.6%	184.0	10.5%
EBITDA/Revenue	26.7%	26.8%	25.6%	4.7%	25.5%	
<b>NET OPERATING INCOME</b>	<b>93.1</b>	<b>93.0</b>	<b>72.7</b>	<b>27.9%</b>	<b>73.1</b>	<b>27.4%</b>
Non-current income						
(losses on property, plant and equipment)	-18.8				0.0	
Net cost of debt and miscellaneous	-19.2				-19.3	-0.7%
Income expense	-19.9				-18.2	9.5%
Equity method	4.7				4.8	-1.6%
<b>NET INCOME, ONGOING BUSINESSES</b>	<b>39.9</b>				<b>40.3</b>	<b>-1.1%</b>
Minority interests	-8.6				-6.9	
<b>NET INCOME (GROUP SHARE)</b>	<b>31.3</b>				<b>33.4</b>	<b>-6.3%</b>

\* 2016/2017 and 2015/2016 data on a comparable scope excludes the business of the Fort Fun (Grévin Deutschland) park that was sold in April 2017. It is provided up to the net operating income.



## Revenue

Revenue for the 2016/2017 fiscal year amounted to €762.2 million on an actual scope basis. This represents an increase of 5.8% on the previous year. On a comparable scope, it improved by 6.6% to reach €761.5 million.

	Fiscal Year 2016/2017 Actual scope (1)	Fiscal Year 2016/2017 Comparable scope (2)	Fiscal Year 2015/2016 Comparable scope (3)	% Change Comparable scope (2)-(3)/(3)	Fiscal Year 2015/2016 Actual scope (4)	% Change Actual scope (1)-(4)/(4)
<i>(in millions of euros)</i>						
Ski areas	426.9	426.9	409.6	4.2%	409.6	4.2%
Leisure destinations	320.9	320.2	295.5	8.4%	301.4	6.5%
Group Development	14.3	14.3	9.1	57.0%	9.1	57.0%
Holdings and supports	-	-	-		-	
<b>SALES</b>	<b>762.2</b>	<b>761.5</b>	<b>714.3</b>	<b>6.6%</b>	<b>720.2</b>	<b>5.8%</b>

### Ski areas

In a winter that saw less snowfall than usual, Ski areas divisional revenue in 2016/2017 amounted to €426.9 million, an increase of 4.2% compared with the previous fiscal year. Ski lift sales, which account for almost 95% of total revenue for the Ski areas division, rose by 4.4%.

This growth was driven by a 0.5% increase in the number of skier days for the Group's ski resorts. By comparison, the number of skier days for the French market as a whole fell by 1.5%.

This resilience shown by Compagnie des Alpes Ski areas demonstrates the quality of the Group's sites. It attests the ongoing efforts made to constantly improve the ski offering but also initiatives aimed at enhancing the customer experience by focusing on the appeal, the accommodations, and the marketing of the Group's ski areas.

At the same time, the average expenditure per skier-day rose by 3.9%, including a price effect of 2.5% and a yield effect of 1.4%.

This return to volume growth for the last 2 years is a major challenge for the French ski industry and a long-term challenge at the heart of CDA's strategy, based on three priorities:

- a sustained investment policy;
- active participation in a comprehensive strategy involving Foncière Rénovation Montagne to improve accommodation and reduce the amount of unoccupied accommodation, along with a minority stake in new construction programmes;

- an in-depth change in selling methods and commercial tools with the set-up of a network of real estate agencies, increased business for the tour operator Alpes Ski Résa, and the digital transformation of our resorts.

### Leisure destinations

On a comparable scope, the annual Leisure destinations revenue for the 2016/2017 fiscal year increased by 8.4% compared with the previous year, reaching €320.2 million and bringing aggregate growth for the last four fiscal years to 31.2% on a comparable scope.

For the year as a whole, the increase in sales was driven primarily by growth in attendance (+6.4%). Contributing to this dynamic, six of the Group's leisure destinations broke attendance records, including Parc Astérix which, for the first time in its history, surpassed the important milestone of 2 million visitors in one year. The extension of the Trois Hiboux hotel, the first in a three-phased plan for increasing the Parc's capacity to accommodate overnight guests, boosted visitor attendance.

Customer Satisfaction remained high over the entire season despite the increased volume. The new major structural attractions inaugurated this year (Pégase Express at Parc Astérix, The Extraordinary Journey at Futuroscope, the Adventure at Walibi Rhône-Alpes and The Voice at Grévin), as well as the ongoing implementation of the Very High Customer Satisfaction action plans, have increased both the appeal of the sites.

In-park sales, which account for more than a third of total Leisure destinations revenue, grew by more than 10%, faster than front gate ticket revenue, illustrating the success of the Group's strategy of offering a wide range of restaurant and shopping options that meet visitor expectations.

## Group Development

Throughout FY 2016/2017, Group Development revenue increased by more than 50% to reach €14.3 million.

Grévin International revenue reached €10 million for the year, driven largely by the success of Chaplin's World by Grévin in Switzerland. The performances of the other three Grévin venues (Montreal, Prague, and Seoul) remain below expectations, especially

Seoul, where attendance was adversely impacted by unfavourable conditions linked to the geopolitical climate that drove Chinese customers away.

The consulting business continued to expand throughout the year, with several new technical assistance contracts signed, particularly in China. These included continuation of the Thaiwoo site assistance and operating contract, design and construction support at the Yanqing resort – selected to host the main events at the 2022 Olympics – and master plan agreements at the Altai resort and in the Ürümqi area. The consulting business also achieved notable successes this year in other regions, including Turkey, Kazakhstan, Georgia, Moscow, and the Jardin d'Acclimatation in Paris.

## EBITDA

Gross operating income (EBITDA) on an actual basis amounted to €203.4 million and increased by 11.6% in 2015/2016 on a comparable scope.

Per business segment, it breaks down as follows:

	Fiscal Year 2016/2017	Fiscal Year 2016/2017	% of sales 2016/2017	Fiscal Year 2015/2016	% of sales 2015/2016	% Change Comparable	Fiscal Year 2015/2016	% Change Actual
	Actual scope	Comparable scope	Comparable scope	Comparable scope	Comparable scope	scope	Actual scope	Actual scope
(in millions of euros)	(1)	(2)	(3)	(3)	(3)	(2)-(3)/(3)	(4)	(1)-(4)/(4)
Ski areas	154.5	154.5	36.2%	146.8	35.8%	5.3%	146.8	5.3%
Leisure destinations	77.3	78.3	24.5%	67.2	22.8%	16.5%	68.2	13.4%
Group Development	-4.8	-4.8	-33.2%	-8.7	-94.7%	44.9%	-8.7	-44.9%
Holdings and supports	-23.6	-23.6		-22.3		-6.0%	-22.3	6.0%
<b>EBITDA</b>	<b>203.4</b>	<b>204.4</b>	<b>26.8%</b>	<b>183.1</b>	<b>25.6%</b>	<b>11.6%</b>	<b>184.0</b>	<b>10.5%</b>

### Ski areas

EBITDA for the Ski areas rose by 5.3% to €154.5 million, despite a difficult start to the season.

The EBITDA margin rose by almost 0.4 points to 36.2%, from 35.8% in the previous year.

This improvement confirms the ability of the sites managed by the Group to control their operating expenses. Furthermore, the Group continued negotiations to re-establish the stability of some concession agreements (Serre Chevalier).

### Leisure destinations

EBITDA for Leisure destinations stands at €78.3 million on a comparable scope, a significant

rise of 16.5% over the previous year, after a 6.9% increase in 2015/2016 and 17.8% in 2014/2015. The EBITDA margin showed a 1.7-point improvement, and stood at 24.5% in 2016/2017.

The rise in EBITDA is due to the increase in revenue and good control of fixed costs, despite additional security expenses incurred for the last 2 years. It is supported by the promising results of the first phase of the Parc Astérix's accommodation plan.

### Group Development

The international EBITDA of Grévin sites resulted in a loss of €4.8 million, an improvement of €3.9 million compared to the previous year. The Chaplin's World By Grévin museum had its first 12-month fiscal year and was stable. The Prague and

Seoul sites suffered huge losses like in the previous year, despite action plans implemented to boost their visits.

Moreover, the EBITDA for the consulting business was stable for the 2016/2017 fiscal year. New consulting contracts signed internationally reinforced the Group's listing.

## Capital expenditure

Investment levels are one of the main performance measures monitored by the Group, alongside revenue and EBITDA.

Capital expenditure (net of disposals) amounted to €160 million, compared with €153.6 million the previous year and €159.9 million on a comparable scope. It represents 21% of the Group's revenue.

Investments break down by business lines as follows:

	Fiscal Year		% of sales	Fiscal Year		% Change	Fiscal Year	
	2016/2017	2016/2017		2015/2016	2015/2016		2015/2016	2015/2016
(in millions of euros)	Actual scope	Comparable scope	2016/2017 Comparable scope	Comparable scope	2015/2016 Comparable scope	Comparable scope	Actual scope	Actual scope
	(1)	(2)		(3)		(2)-(3)/(3)	(4)	(1)-(4)/(4)
Ski areas	86.3	86.3	20.2%	84.1	20.5%	2.6%	84.1	2.6%
Leisure destinations	69.3	69.1	21.6%	57.8	19.5%	19.9%	59.0	17.5%
Group Development	1.3	1.3	9.4%	7.4	81.5%	-81.9%	7.4	-81.9%
Holdings and supports	3.1	3.1		3.1			3.1	0.4%
<b>NET CAPITAL EXPENDITURE</b>	<b>160.0</b>	<b>159.9</b>	<b>21.0%</b>	<b>152.4</b>	<b>21.3%</b>	<b>5.0%</b>	<b>153.6</b>	<b>4.2%</b>

Investments in the **Ski areas** segment amounted to €86.3 million, compared with €84.1 million the previous year (20.2% and 20.5% of segment revenue respectively). These mainly related to ski lifts, snow-making equipment and work to secure water resources, grooming machines and ski run and trail work (see Notes 6.2 and 6.3 to the Consolidated Financial Statements).

In close collaboration with the granting authorities, the Group is focusing its efforts on investments that will generate additional revenues, increase the attractiveness of the areas operated and improve the quality of the product offered to customers, and optimise operating expenses.

In the **Leisure destinations** segment, investments came to €69.3 million, compared with €59 million in the previous year and on a comparable scope €69.1 million, *i.e.* 21.6% of the revenue, versus €57.8 million (19.5%).

## Holdings and supports

The centralisation of certain inter-divisional functions (communications, HR management, IT, ticketing, standardised management software, marketing policy, etc.) represents the vast majority of this segment's expenses.

EBITDA stood at -€23.6 million, down by €1.3 million compared to the previous year, due to non-recurring costs in terms of fees.

These investments concerned:

- various attractions opened in 2017, such as Pégase at Parc Astérix, The Extraordinary Journey and the Cirque du Soleil show at Futuroscope, Dawson Duel at Bellewaerde and a monorail at Walibi Rhône-Alpes;
- extension of the Trois Hiboux Hotel at Parc Astérix, which increased the capacity from 100 to 150 rooms and benefits from a new seminar centre;
- preparation of the attractions planned for the next season and commencement of work relating to the Cité Suspendue of Parc Astérix (the second hotel that will open in 2019).

In the **Holding companies and support subsidiaries segment**, investments mainly represent intangible assets intended for site operations (computer software for ticketing and others).

## Net income

Net operating income increased significantly (+12.2%) to €93.1 million, mainly due to business growth and improved operating margins in the Group's main business segments.

<i>(in millions of euros)</i>	Fiscal Year 2016/2017 Actual scope (1)	Fiscal Year 2016/2017 Comparable scope (2)	% of sales 2016/2017 Comparable scope	Fiscal Year 2015/2016 Comparable scope (3)	% of sales 2015/2016 Comparable scope	% Change Comparable scope (2)-(3)/(3)	Fiscal Year 2015/2016 Actual scope (4)	% Change Actual scope (1)-(4)/(4)
EBITDA	203.4	204.4	26.7%	183.1	25.6%	11.1%	184.0	10.5%
Amortisation, depreciation and provisions	-115.0	-114.7	-15.1%	-111.1	-15.6%	3.5%	-111.7	3.0%
Net income from disposals	1.5	-		-			-	
Other net operating income	3.3	3.3	0.4%	0.8	0.1%	340.0%	0.8	340.0%
<b>NET OPERATING INCOME</b>	<b>93.1</b>	<b>93.0</b>	<b>12.2%</b>	<b>72.7</b>	<b>10.2%</b>	<b>28.0%</b>	<b>73.1</b>	<b>27.4%</b>

Amortisation and depreciation expenses increased by €3.3 million (+3.4%), as a result of the ambitious investment policy implemented over the last three years.

The Group finalised its arbitration plan for the parks with disposal of the Fort Fun park (Grévin Deutschland) in Germany: a capital gain of €1.5 million from the disposal was realised on this transaction, which valued the company at €7.0 million (excluding debt). In fiscal year 2015/2016, this site generated revenue of €5.9 million, a gross operating surplus of about 1.5% of that of the Leisure destinations division, and welcomed more than 265,000 visitors.

This disposal will have an insignificant impact on the Group's income statement, with interim losses (booked at the beginning of the season when the park has little revenue) being offset by the capital gain on disposal.

The sale of Fort Fun is in line with the strategy of refocusing the Group's portfolio, announced at the end of 2013, on sites that can radiate from a regional level to a national or even international level, in some cases, and that can achieve Very High Customer Satisfaction profitably.

Furthermore, the Group recognised income of €3.3 million corresponding to a transactional compensation of €2.8 million and a liability guarantee of €0.5 million.

Impairment losses of €18.8 million on property, plant and equipment were, as an exception, recognised as non-operating income (in the absence

of impact in terms of cash) and relate to impairment losses for the property, plant and equipment of the Prague and Seoul museum sites.

The net borrowing cost remained stable at €16.2 million, despite the carrying cost of the new financing. The average interest rate increased from 4.16% in 2016 to 4% in 2017. Other financial income and expenses, meanwhile, amounted to -€3.0 million, compared with -€3.3 million in the previous fiscal year, due to the impairment of shareholdings and current-accounts in unconsolidated companies, which mainly concerned the Group's real estate holdings.

The income-tax expense increased by €1.7 million, linked to the increase in the Group's earnings. For 2016/2017, it includes deferred tax income of €2.6 million stemming from the recognition of Futuroscope carryover losses following the growth of its business and results, a deferred tax income of €2.3 million stemming from the removal of tax on dividends and the reversal of a tax provision of €1.8 million on a dispute with a foreign tax authority, which turned out in favour of the Group (which originated prior to the acquisition by Compagnie des Alpes). However, the nominal tax rate remained high at 33.3%, considering tax losses abroad and expenses related to irrecoverable tax losses (€4.2 million).

The share of net income of associates remained fairly stable at €4.7 million.

Net income, Group share in the 2016/2017 fiscal year amounted to €31.3 million, compared with €33.4 million for the previous year.

## Cash and cash equivalents

<i>(in millions of euros)</i>	30/09/2017	30/09/2016
Operating cash flow after borrowing cost and tax	169.1	154.6
Net capital expenditure (CAPEX, net of disposals)	-168.8	-152.5
Change in receivables and payables on non-current assets	8.8	-1.1
<b>FREE CASH FLOW</b>	<b>9.1</b>	<b>1.0</b>
Acquisition/Disposal of non-current financial assets	-2.6	-12.7
Change in borrowings	61.1	5.3
Dividends (including non-controlling interests in subsidiaries)	-13.9	-13.8
Change in WCR and other	-2.6	16.8
<b>CHANGE IN CASH POSITION</b>	<b>51.0</b>	<b>-3.5</b>

Operating cash flow totalled €169.1 million (22.2% of revenue), a rise of 9.3% compared with 30 September 2016, reflecting the improvement in the Group's business activities.

The free cash-flow of €9.1 million thus reflects the significant growth in the operating cash flow, despite the high level of investment in the 2016/2017 fiscal year in the Group's two main businesses (+€13.5 million, *i.e.* a 9.5% growth).

The increase in non-current financial assets mainly results from the financing of accommodation improvement operations and minority investments in new construction programmes in ski areas. The disposal of Grévin Deutschland resulted in the receipt of €6.7 million in cash, including the price of disposal and the refund from current accounts.

Compagnie des Alpes paid out €9.7 million in dividends. The subsidiaries, meanwhile, paid out almost €4.2 million to their minority shareholders.

### 3. THE GROUP'S BUSINESS ACTIVITIES

#### Ski areas (56% of 2016/2017 Group consolidated revenue)

##### **PARADISKI: La Plagne, Les Arcs and Peisey-Vallandry**

**Paradiski** – With its 425 kilometres of slopes on close to 15,000 hectares, Paradiski is one of the world's largest ski areas. The Vanoise Express, which is the highest-capacity cable car in the world, links the three renowned resorts that make up this ski area: La Plagne, Les Arcs and Peisey-Vallandry.

**La Plagne** - Created in 1960, is the world's biggest ski resort, with 79% of the ski area above 2,000 metres, 10 villages, a facility-equipped glacier at 3,250 metres, and a downhill descent of more than 2,000 metres. It has seen the birth of champions such as Kévin Rolland and Julien Lizeroux, and is host to prestigious alpine events.

**Les Arcs** - Covering an altitude of between 1,200 and 3,226 metres, Les Arcs offers an exceptional ski area. Les Arcs is the most avant-garde of all alpine resorts – world famous for the resort town's architecture, a pioneer of new snow sports, and the birthplace of snowboarding in Europe. The resort, which is made up of four villages, offers a variety of

slope profiles catering to all levels of skiing, a panoramic view of Mont-Blanc, and plenty of sunshine.

**Peisey-Vallandry** - The geographical centre of Paradiski, Peisey-Vallandry offers authenticity and cheerful hospitality on a human scale. This resort, which welcomed its first skiers in 1948, comprises five Savoyard villages. The varied slopes of Peisey-Vallandry are located on the sunny wooded face of Les Arcs. The resort also boasts a vast Nordic skiing area for cross-country skiing, snowshoeing, or sledding.

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Compagnie des Alpes operates the La Plagne ski resorts through its subsidiary SAP and the Les Arcs and Peisey-Vallandry stations *via* its subsidiary ADS. In 2016/2017, these two companies generated revenue of €136.0 million with close to 4.6 million skier-days.

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##### **TIGNES/VAL D'ISÈRE CONNECTED SKI AREA**

The connected ski area of Tignes-Val-d'Isère comprises the French resorts of Val-d'Isère and Tignes in Savoie.

It extends from the Pisailas glacier above the Col de l'Iseran in Val-d'Isère to the Grande Motte glacier above Val Claret in Tignes.

**Tignes** - Tignes offers a unique way of experiencing the mountains. The seasons here are the longest in Europe (from the beginning of October to mid-May) owing to the resort's high altitude (1,550 metres to 3,450 metres) and extend from June to August thanks to the Grande Motte glacier. More than 80% of Tignes' vacationers are skiers. The clientele is young, international, and sporty.

**Val d'Isère** - Set at an altitude of 1,850 metres in the heart of the Tignes-Val-d'Isère connected ski area, Val-d'Isère village, which became a ski resort in 1934, is an international ski resort that blends innovation and authenticity. This constantly evolving resort attracts the most cosmopolitan of customers. Its unique selling point is to offer skiing options for all pockets and all technical levels, as well as a comprehensive range of high-quality services.

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Compagnie des Alpes subsidiaries STGM and STVI manage the Tignes and Val-d'Isère ski areas, respectively. In 2016/2017, they generated revenue of €95.2 million with more than 3.0 million skier-days.

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### **LES TROIS VALLEES: LES MENUIRES AND MÉRIBEL**

Compagnie des Alpes operates two of the eight ski resorts in Trois Vallées, the largest ski area in the world with 600 kilometres of slopes fully linked by ski lifts. It is located in the Tarentaise Valley and comprises three valleys: Bozel, Allues and Belleville.

**Les Menuires** - The "Station des Grands Espaces" opened in 1964. It soon became a hallmark of the development of the ski industry in France and is now ranked among the best ski areas in Europe. Its snow-making coverage extends to nearly half of the ski runs, guaranteeing quality snow up to the end of April.

**Méribel** - Nestling in the heart of the 3 Vallées, just 2 hours away from Lyon, Geneva, and Italy, Méribel has been the personification of charm since it opened its first facilities in 1938. It is a genuine alpine village with its chalets of wood and stone. Snow-making machines cover more than half of the

ski area of which 85% is above the 1,800 metres altitude mark, guaranteeing optimum snow conditions throughout the season.

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Compagnie des Alpes operates the Menuires and Méribel resorts through its subsidiaries Sevabel and Méribel Alpina. They generated revenue of €75.2 million in 2016/2017 from nearly 2.4 million skier-days.

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### **GRAND MASSIF: FLAINE, SAMOËNS, MORILLON, AND SIXT**

Compagnie des Alpes operates four of the five resorts comprising the Grand Massif in Haute-Savoie. With the exception of Flaine, the average altitude of their sites is lower than that of the Group's other areas.

#### **Flaine**

At an altitude of 1,600 metres to 2,500 metres, Flaine offers a breathtaking view of Mont-Blanc. The resort, which opened in 1969, has several buildings listed in the French Historical Monument List (*Inventaire des Monuments historiques de France*), with its typical monumental open-air structures.

#### **Samoëns, Morillon, and Sixt**

At the heart of the Giffre valley, these three resorts offer an authentic mountain village experience. A network of powerful gondola lifts links them to the high-altitude ski area.

With slopes suitable for all levels and stunning natural sites, the valley has a great deal to offer. The jewel of the Grand Massif: a 14-kilometre blue run that skirts the Natural Reserve and links Flaine to Sixt.

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GMDS (company formed following the merger of DSF and DSG), a Compagnie des Alpes subsidiary, operates the Flaine, Samoëns, Morillon and Sixt ski areas. These areas generated revenue of €35.5 million in the 2016/2017 fiscal year. The number of skier-days was 1.2 million.

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### **SERRE CHEVALIER VALLEY**

Situated in the southern Alps in the Écrins National Park, Serre Chevalier Vallée is a ski resort made up of authentic villages, as well as Briançon, a town that is a UNESCO World Heritage site for its Vauban fortifications.

The ski area is one of the largest in Europe. Eighty percent of its surface area is above the 2,000-metre altitude mark and its north-facing slopes offer excellent natural snow conditions from mid-December to the end of April.

Additionally, Serre Chevalier has one of the largest artificial snow-making networks in Europe to ensure optimum skiing conditions all through the winter.

Big-league skiing at high altitudes, unhurried skiing in larch forests, fun skiing in designated fun areas, family skiing in protected zones: Serre Chevalier has something for every kind of skier.

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The company SCV Domaine Skiable, a subsidiary of the Group, operates the Serre Chevalier Vallée ski area. It generated revenue of €34.5 million in 2016/2017, with 1.2 million skier-days.

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## **DEUX ALPES**

Situated at the border between the northern and southern Alps, in the heart of the Massif de l'Oisans, the Deux Alpes resort enjoys international fame, mainly due to its ski area: 225 kilometres of marked ski runs and trails, starting at 1,300 metres and reaching 3,600 metres in altitude, the summit of the biggest skiable glacier in Europe with a 360° panoramic view of the Alps.

The ski area has several distinctive characteristics: the "natural snow" guarantee thanks to the glacier, ski-in-ski-out access from one's residence, an internationally renowned snowpark at 2,600 metres, and the opportunity to race down a run with a difference in elevation of 2,300 metres, without having to take a ski lift. In summer, 200 hectares of glacier are equipped for snow sports.

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The Deux Alpes ski area is managed by DAL, a subsidiary of Compagnie des Alpes. It generated revenue of €40.1 million in 2016/2017 with 1.3 million skier-days.

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## **Leisure Destinations (42% of Group consolidated sales in 2015/2016)**

### **Parc Astérix**

Located 30 kilometres to the north of Paris, Parc Astérix is one of the three largest parks in France, offering a savvy blend of humour, friendliness,

shared experience and authenticity. The park has its own original and well-established identity, which visitors can experience in the six worlds that make up the park: Egypt, Welcome to Gaul, The Roman Empire, Ancient Greece, The Vikings, and Travel Through Time.

Everything is carefully staged to depict the Gallic spirit portrayed by Albert Uderzo and René Goscinny, the creators of Astérix.

It expands its offering each year with a whole host of live shows, astonishing events, rides and attractions for one and all. The park offers visitors 3 shows and 37 attractions (7 for thrill seekers, 17 for families, and 13 for children).

On 10 June 2017, a new family attraction called Pegasus Express was opened to the public. This new roller coaster is unique in Europe and offers visitors a high-speed voyage through the world of Ancient Greece. For three minutes, riders of all ages are propelled through a succession of climbs, descents and steeply banked curves in a setting full of humoristic illustrations of mythology.

The world of Parc Astérix extends to the three-star Trois Hiboux hotel, which is tucked away in the calm of the forest at the edge of the park. This year, the accommodation capacity was increased from 100 to 150 rooms. In addition, a new food court and a 300 sq.m. conference centre were inaugurated.

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In the 2016/2017 fiscal year, Parc Astérix generated revenue of €96.0 million and welcomed more than 2.0 million visitors.

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### **Futuroscope**

Futuroscope, France's first major amusement park, which opened its doors in 1987 and is located on 60 hectares of wooded land, plays on its difference to drive its expansion. It makes a two-fold promise: enjoy the thrills, sensations and amusement that it has to offer, and learn at the same time.

Its strength lies in the large number of diverse attractions in the technology universe for all audiences. It owes its success and its unique position on the leisure market to an invention of a totally new form of amusement based on a combination of opposites: amusement and discovery, physical feelings and emotions, art and technology.

In 2017, to celebrate its 30<sup>th</sup> anniversary, Futuroscope inaugurated a new attraction, which is unique in Europe and called The Extraordinary Voyage. Visitors are invited to climb on board an incredible machine for a voyage inspired by Jules Verne's novel *Around the World in Eighty Days*. The fully immersive device provides new, hitherto inaccessible thrills.

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Futuroscope is open for almost the entire year. The main period of closure is in January. It generated revenue of €109.3 million in 2016/2017, with 1.94 million visitors.

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### **Grévin Paris**

Located in the 9<sup>th</sup> arrondissement of Paris, the site's primary beauty lies in the museum and its historical decor.

It houses a theatre built in 1900 and decorated by Antoine Bourdelle and Jules Chéret, which is listed in the French Supplementary Historical Monument List (*Inventaire Supplémentaire des Monuments Historiques*). Grévin is a world in which reality gets mistaken for fantasy, and fact for fiction. Through its characters and settings, Grévin creates the illusion of an interactive meeting. French and foreign celebrities, contemporary or historical, are represented.

The Académie Grévin meets twice a year, under the authority of its President, to select the celebrities who have been elected to enter the Grévin.

In 2017, *The Voice* – the high-profile TV programme watched by nearly seven million people every Saturday – put on a show at Grévin. On the setting of *The Voice* – featuring the wax figures of Mika, Nikos, M. Pokora and Jenifer – Grévin visitors can step into the roles of a coach or candidate and see their performance broadcast on a large screen.

Grévin's revenue amounted to €11.9 million in 2016/2017, with the museum welcoming 625,000 visitors.
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## **THE OTHER FRENCH SITES (FRANCE MINIATURE, WALIBI RHÔNE-ALPES)**

### **France Miniature**

Ten minutes away from Versailles lies the biggest miniatures park in Europe, France Miniature,

covering an area of 8 hectares including 1.5 hectares of water. The park guides visitors through the history and geography of France, in less than a day: France's rich heritage is represented in the 117 exact replicas of its best monuments, all of which are 1/30 scale models, and 150 landscapes are recreated.

### **Walibi Rhône-Alpes**

Established in a magnificent natural setting in Avenières since 1979, Walibi Rhône-Alpes offers over 25 attractions and shows as well as the biggest waterpark in that region (13,000 sq.m.). Walibi is a place to explore and enjoy with family or friends. The park covers an area of 35 hectares and the attractions are laid out around a 7,500 sq.m. lake at the centre of the site.

The new Explorer Adventure section, which includes Timber – a wooden roller coaster inaugurated in 2016 – was further developed in 2017. Explorer Adventure was enhanced with three new attractions: a new restaurant was opened and a playground was created for the youngest adventurers. A monorail now enables all family members to rediscover this section of the park where the trapper spirit is omnipresent.

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The other French sites generated revenue of €16.2 million in 2016/2017, with visitor numbers reaching 642,000.

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### **The Dutch park: Walibi Holland**

Walibi Holland, opened in 1994, is one of the biggest parks in the Netherlands. It is divided into eight themed areas. The park is also famous for its festivals, including "Summer Nights" and "Halloween Fright Nights", whose success transcends Dutch borders.

Since 2013, visitors have been able to extend their time at Walibi Village by spending the night in one of the bungalows designed for families.

After the launch of "Lost Gravity" in 2016 – one of Europe's most astonishing roller coasters, rising to a height of 32 metres – this year, Walibi Holland's "Neurogen" offers a unique experience in the Netherlands, combining 3D film and virtual reality. "Patients" go into Neurogen, the neurological clinic of Doctor Jenkins, who fits them with a virtual reality helmet, increasing their cognitive capacities by 20%.



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Walibi Holland generated total revenue of €31.2 million in the 2016/2017 fiscal year and welcomed over 858,000 visitors.

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### **THE BELGIAN PARKS: WALIBI BELGIUM, AQUALIBI AND BELLEWAERDE**

**Walibi Belgium** - Created in 1975, Walibi Belgium was the first Walibi amusement park. This family park offers musical shows and more than 40 attractions, half of which designed for young children, in themed settings. Walibi Belgium is internationally renowned for its biggest attractions such as Werewolf, Vampire, Dalton Terror and Radja River. And not to forget the park's legendary attraction, the "Psyké Underground", the world's only covered launch coaster, which propels its passengers 45 metres into the air at 85 km/h.\*

**Aqualibi** - Aqualibi is an aquapark next to Walibi Belgium, which opened in 1987. Spanning 6,000 sq.m., the park has eight slides, including the "Rapido" a 140 metre-long slide, and the "Xtreme" that has a 50 km/h descent. A 300 sq.m. space was recently created especially for children.

**Bellewaerde** - This family park in Ypres is a landmark in Belgium, where 40% of visitors come from the north of France. Established in 1954, Bellewaerde is a unique combination of an amusement park and an animal park, in a lush natural setting.

This season, with Dawson Duel, Bellewaerde opened the first Dueling Alpine Coaster in Europe. Rising to a height of 25 metres with a breathtaking view of the park, the new attraction allows riders to race against each other down two parallel open-air tracks spanning 450 metres.

Bellewaerde is also officially recognised as a zoological organisation by the Belgian Federal Public Service for Health.

In 2016/2017, the three Belgian parks generated revenue of €55.5 million with 2.2 million visitors.
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### **Group development (nearly 2% of the Group's consolidated revenue in 2016/2017)**

This segment comprises the Group's development activities, which come under two main categories:

### **International development of Musée Grévin**

As part of its international expansion strategy, Compagnie des Alpes opened its first international Grévin museum in early 2013 in Montreal, followed by a second museum in Prague in May 2014, and a third in Seoul in July 2015. The fourth site – Chaplin's World by Grévin – opened in April 2016 in Vevey, Switzerland.

**Grévin Montréal** - Topping the local cultural offering with its recreation of Grévin, the Montreal project keeps the fundamentals while adding a definite Quebecoise angle.

While the trademark and spirit remain French, the approach is different with regard to the multisensory experience, the stage design and the personalities chosen.

**Grévin Prague** - Located in a major tourist and shopping hub in the historic heart of the old town, Grévin Prague enjoys an ideal position at the crossroads of the different tourist routes. The resolutely modern and sleek structure is staged as several different worlds and displays the waxwork doubles of more than 80 historical and contemporary celebrities.

**Grévin Seoul** - Located in the heart of the South Korean capital's tourist quarter, in a building occupying 4,400 sq.m., this new museum offers a journey into the heart of Korea, a brand-new edutainment experience that blends imaginary encounters with famous people in fun and interactive settings.

It has 80 international and Korean celebrities from the world of the arts, politics, history, sport and the media, offering a unique experience for all.

**Chaplin's World by Grévin** - Located between lake and mountain, Chaplin's World is an entertaining museum designed by Grévin to immerse visitors in the personal and Hollywood life of Charlie Chaplin, enabling them to discover both the man and the artist.

Located in Corsier-sur-Vevey (Switzerland), in the Manoir de Ban – where Charlie Chaplin lived with his family for the last 25 years of his life – the 3,000 sq.m. museum was inaugurated in April 2016.

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In 2016/2017, Grévin Montreal, Grévin Prague, Grévin Seoul and Chaplin's World by Grévin generated revenue of over €11 million and attracted over 760,000 visitors.

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#### **Advisory business – CDA Management**

Based on its first-hand experience as a leading ski resort and leisure park operator, Compagnie des Alpes has developed a consulting business through its subsidiary CDA Management. This subsidiary mainly offers its expertise to international clients and covers the following areas:

- development of site concept and market positioning;
- master planning;
- construction support;
- preparing for launch;

#### **4. ACTIVITIES AND RESULTS OF COMPAGNIE DES ALPES S.A.**

##### **Role of Compagnie des Alpes S.A. within the Group**

The role of Compagnie des Alpes SA is to hold investments, monitor, manage, and control Group development, and manage the main senior executives. The Company places resources and services at the disposal of its subsidiaries, especially with a view to making management more efficient, and undertakes specific projects aimed at developing the business internationally and generating synergies between the segments.

To this end, Compagnie des Alpes SA assumes responsibility for certain functions for the entire Group such as the preparation of consolidated financial statements, and the financial and institutional disclosure of all Group business with particular regard to its stock market listing. It also manages the Group's procurement functions (assistance in managing energy suppliers, travel policy, grouped equipment purchases, etc.), as well as its insurance and financing policy. CDA SA also centralises certain sales teams within the Leisure destinations business, as well as the "Product development and quality" team.

And through its matrix organisation, it offers the services needed to steer the Group (legal, financial, IT, technical, HRM, strategic and operational marketing, and the process of digitalisation).

- operational support.

The consulting business continued to grow in FY 2016/2017, thanks to the signing of new technical support contracts, notably in China, with the continuation of the Thaiwoo resort operational support contract for the third consecutive year, assistance with the design and construction of the Yanqing resort due to host the major events of the 2022 Winter Olympics, as well as master-planning contracts in Altai and in the Urumqi region.

The consulting business also achieved notable successes this year in other regions, including Turkey, Kazakhstan, Georgia, Moscow, and the Jardin d'Acclimatation in Paris.

In 2016/2017, revenue from this activity amounted to €2.5 million.

The average number of permanent employees at CDA SA increased from 109 to 122 full-time equivalents (FTEs), without affecting the total number of Group headcount.

##### **Activities and results**

In 2016/2017, Compagnie des Alpes continued the internal re-invoicing policy it established in 2014/2015.

The policy introduced three years ago to control operating costs was further stepped up. Due to the operations for refinancing and due diligence, non-recurring fees of €1.2 million were recorded in the 2016/2017 fiscal year.

These factors resulted in a net operating loss of -€10.5 million (previous fiscal year: -€8.4 million).

Net financial income of €3.6 million was recorded, compared to €14.7 million the previous year. Dividends received from subsidiaries amounted to €32.2 million compared to €32.6 million in 2015/2016. The impairment of securities and provisions for affiliate risks were adjusted to the amount of recapitalisation carried out during the fiscal year and income realised by the subsidiaries in the 2016/2017 fiscal year generating a net financial expense of €15.1 million compared to €4.3 million in 2015/2016.

After taking into account a net extraordinary income of €3.3 million (mainly resulting from the disposal of Grévin Deutschland) and tax income of €6.1 million at tax consolidation level, the net income amounted

to €2.5 million compared with €13.4 million the previous year.

## KEY FIGURES OF THE COMPANY

<i>(in millions of euros)</i>	30/09/2013	30/09/2014	30/09/2015	30/09/2016	30/09/2017
Net financial assets	832.1	852.7	840.3	849.1	839.3
Shareholders' equity	540.8	543.3	547.6	551.3	544
Net debt <sup>(1)</sup>	280.5	299	286.5	286.5	289.2
Net income	-5.3	2.7	12.7	13.4	2.5
Net dividend	0	8.5	9.7	9.7	DA

(1) Financial debt less cash and cash equivalents in the balance sheet assets.

DA: Data absent

(1) Financial debt less cash and cash equivalents in the balance sheet assets.

## 5. KEY EVENTS AFTER THE REPORTING DATE

Compagnie des Alpes redeemed the bond of €200 million maturing on 18 October.

## 6. STRATEGY AND OUTLOOK

### Strategy

This was the fourth consecutive year of very good performance for Compagnie des Alpes. The 2016/2017 fiscal year once again confirmed the strategy it has been implementing over recent years, which is based on three priorities:

- boosting volume growth in the ski areas while maintaining good performance levels;
- improving the operational performance of Leisure destinations and accelerating their development;
- accelerating international growth by developing partnerships.

The objective of transforming the business model of Compagnie des Alpes (CDA) to turn the Company into a profitable, diversified European leisure leader, less sensitive to economic fluctuations, has thus been achieved. The complementary nature of the Group's two historical activities is now one of the foundations of its stability, giving it an incomparable competitive advantage in a stronger competitive environment.

The Leisure destinations division posted a more than 31% increase in revenue over the past four

years and its profitability more than doubled over the same period. The Ski areas division recorded a renewed growth in sales and profitability, despite low winter snowfall. This growth can be attributed to a positive price effect, as well as an increase in skier-days, which were significant factors for this division, for the second year in a row.

Buoyed by these successes, the Group plans to continue with the initiatives undertaken.

Concerning **Ski areas**, the Compagnie des Alpes sites are firmly positioned at a level of international excellence. In order to meet the rising expectations of customers, 40% of which come from abroad, and to face intense European competition from other ski areas, the Group is working to increase the quality and quantity of its resort offerings. The aim is to boost the appeal of the resorts by improving the satisfaction of customers throughout their stay in the resort, so that they want to come back. In this context, Compagnie des Alpes plays the role of developer, coordinator, integrator and facilitator of the services available in its resorts.

Efforts are primarily focused on investments. In addition to the renewal and optimisation of the ski lift infrastructure – with a focus on improving customer satisfaction (speed and comfort) and minimising visual, noise and energy-related impacts – (the second section of Solaise in Val-d'Isère, development on the Plateau des Saix in Samoëns of the Demoiselles chairlift and Babuches and Plateau ski lift before the construction of the Club Med) and the development of the ski trails, the Group is banking on the reinforcement of snow-

making equipment and on the quality of the customer experience (WiFi, inviting and digital sales outlets, multi-activity spaces for ski areas, etc.).

At the same time, the Group is taking steps to improve the quantity and quality of tourist accommodation. Foncière Rénovation Montagne thus made it possible to renovate nearly 2,300 beds and return them to the market with the support of the Company's long-standing shareholders. Alongside these same shareholders, Compagnie des Alpes also participated in the launching of new hotel and tourist residential projects to supplement the existing facilities and to offer alternative lodging solutions based on new accommodation concepts (new generation youth hostels). A total of 2,000 new beds were thus created with the Group's support. This particular effort fostered confidence in high-quality ski area real estate, and more than 5,000 new beds will come onto the market in the next two years.

Moreover, the marketing of this accommodation to tourists is under way *via* eight Group real estate agencies, which, with 10,000 beds managed on behalf of their owners, represents over 15% of the beds professionally marketed in the resorts where the Group operates. In addition to these marketing arrangements, the Alpes Ski Résa website markets the accommodation managed by its real estate agencies, as well as the hotel and professional tourist residences. Overall, there was a nearly 20,000-bed increase in the number of beds marketed over the past several years.

Lastly, to increase the appeal of Compagnie des Alpes' resorts, which should drive an increase in volume growth, we need to offer products and services suitable for the Group's different customer types: families, novice skiers and overseas visitors – throughout their stay.

Thus, to assist customers and enhance their experience, the Group capitalises on digital technology through every major opportunity: launch of CRM in seven resorts, making it possible to combine the customer data of the different players in each resort, improve customer knowledge and better target services and information to their needs; set up of practical, intuitive applications to make the facilities easier to use (Yuge at Paradiski), creation and coordination of communities of resort ambassadors, etc. Such actions create a unique and special relationship with our customers and enable

us to better understand them and provide them with better service.

With the support of all stakeholders, the Group has also played an important role in bringing about changes in the school calendar, thereby giving a boost to the ski industry during the spring, with sales rising from 3% to 5% of the season total.

For **Leisure destinations**, Compagnie des Alpes recorded very good results for the fourth consecutive year, thus validating the strategic change introduced four years ago and highlighting the growth and value-creation potential of the sites in the portfolio.

This momentum is the result of actively choosing attractiveness-boosting investments, which now represent over 50% of investments and made possible the rollout of new attractions over the past two financial years in all of the Group's parks. These new experiences ranked in the top five for customer satisfaction for each park (and first among major attractions) and earned industry recognition. More specifically, the following attractions were inaugurated: Pégase Express at Parc Astérix, Le Voyage Extraordinaire at Futuroscope, Dawson Duel at Bellewaerde Park, the Adventurer Zone at Walibi Rhône-Alpes, which also has a restaurant and monorail. This does not include the knock-on effect from attractions inaugurated last year (Pulsar at Walibi Belgium, Lost Gravity at Walibi Holland, Timber at Walibi Rhône, Discobélix at Parc Astérix and the Forge aux Étoiles at Futuroscope).

Moreover, the parks have continued their efforts to do away with "experience spoilers" (reception, atmosphere, cleanliness, coordination, etc.), thereby boosting visitor satisfaction ratings for all parks despite an increase in visitor numbers. This means, for example, that the share of "excellent" and "very good" ratings on Tripadvisor consistently accounts for more than 60% of positive reviews (which have been rising sharply). Attendance reached historical records at Parc Astérix (over 2 million visits) and Futuroscope (1.9 million). The boost in both BtoC (use of digital levers, online selling extended to meals, premium passes and combos) and BtoB marketing was further reinforced by concentrating efforts on revenue management, as well as loyalty-building through social networks and increased efforts made to target opinion leaders.

Lastly, in line with the strategy of refocusing the Group's portfolio on sites that can achieve Very High Customer Satisfaction profitably announced in late 2013, last April, the Group sold the Fort Fun park in Germany to the Looping group. Note that this disposal had an insignificant impact on the Group's income statement, with interim losses (booked at the beginning of the season when the park has little revenue) being offset by the capital gain on disposal.

In the next few years, there will continue to be three main levers for boosting growth in the Leisure destinations division.

The improvement in customer satisfaction will remain the main objective assigned to teams, with the aim of increasing customer loyalty and generating word-of-mouth recommendations, in a sector where word-of-mouth is the primary method of attracting customers. This Very High Customer Satisfaction strategy has been expanded this year to include the concept of Unique Customer Experience, which embraces both the hunt for experience spoilers, design thinking and an appropriate management of the data collected through the Group's digital strategy.

In addition, the Group intends to continue its sustained investment policy to facilitate an increase in our sites' hosting capacity and will help to sustain growth in visitor numbers, all while boosting the appeal of the visit.

Lastly, to expand the catchment area of our national-scope parks, the Group will expand its accommodation facilities next to its sites. After the Walibi Holiday Park in Holland and the renovation of the Futuroscope hotel, completed over the previous financial years, Compagnie des Alpes has launched a major €55 million project at Parc Astérix, due to be completed in 2020, aimed at increasing the hotel capacity from the current 100 rooms to 450 rooms (2 additional hotels) and enhancing the park's offering (7 new attractions and 2 major renovations). These changes will make Parc Astérix accessible to visitors who are more than three hours away by car and make it a short break destination, in the same way as Futuroscope. After the successful opening of 50 additional rooms at the Hôtel des Trois Hiboux this year, a brand new hotel, the Cité Suspendue, will open next April, with a capacity of 150 additional rooms.

The final key aspect of the Group's strategy is the continued development of the Group in Europe and new regions.

In its two business lines, the major successes of Compagnie des Alpes in advisory and contracting support services (Rosa Khutor, Arkhyz, and Elbrus in Russia, Veduchi in Chechnya, Kokhta and Mitarbi in Georgia, and Sindibad in Morocco) have enabled the Group to build a reputation and establish its credibility in these activities over the 2011-2015 period. In 2016, Compagnie des Alpes firmly established a foothold in China through the signing of an operational support contract for the Thaiwoo resort and the opening of a subsidiary in that country during the fiscal year 2016/2017: The consulting business continued its development through the signing of new technical support contracts with the Yanqing and Altai resorts, as well as the province of Xinjiang. The consulting business also achieved notable successes this year in other regions, including Turkey, Kazakhstan, Georgia, Moscow, and the Jardin d'Acclimatation in Paris. As for the last of those sites, the Compagnie des Alpes is now a 20% shareholder of the Jardin d'Acclimatation operating company, which it provides with expertise under the terms of specific contracts for works support and the daily management and marketing of the site.

Compagnie des Alpes is now ready to tackle the global market with an original, diversified leisure offering and the status of world leader in the skiing industry. It thus intends to seize the opportunity offered by the development of the leisure and ski market in Europe and in new territories, particularly China, by taking advantage of the decisive competitive edge provided by its two business lines.

Gaining a foothold in these dynamic markets, which are expected to provide a major source of growth, also addresses the goal of acquiring new customer bases for the Group's European sites, by attracting customers from these countries to them.

Moreover, in line with its objective of international business growth, Compagnie des Alpes gained its first experience in setting up indoor leisure facilities internationally with Grévin, of which four sites are currently operational. As the performance objectives set for the sites opened before 2016 were not met, CDA decided to reorganise the management of this activity, now assumed by the Leisure parks division, and to focus on the development of the brand and

the marketing strategy before developing new sites. At the end of the 2016/2017 season, the Seoul and Prague sites showed income below expectations, including from a medium-term outlook. In these circumstances, the decision was made to withdraw from the management of those assets by sale or closure. This should occur during the new fiscal year. The Montreal site, which had to deal with accessibility issues and the defaulting of the shopping centre where it is located, because of its renovation, should experience improvement in this cyclical situation over the next two seasons. The fourth Grévin site – Chaplin’s World by Grévin – opened its doors to the public in April 2016 in Vevey and posted very good performance for its first full financial year, which proved the interest of using a universal brand like Chaplin as a base for a new offer. Since the Grévin brand remains a real asset, in future, the Group plans to value it in a different manner than conventional wax museums.

Thanks to these results, Compagnie des Alpes achieved the following guidance objectives communicated in 2013 and 2014 two years ahead of schedule: an increase in EBITDA of more than 35% for the Ski areas division by 2018, 27% for the Leisure parks division (excluding Futuroscope) in 2019, and operating ROCE above 8% in 2019.

The Group intends to pursue this virtuous dynamic and reaffirms its commitment to deploy all of its actions according to three cross-functional priorities, in France and abroad:

- deployment of “Very High Satisfaction” in all of its business activities;
- ramp-up of digital;
- use of partnerships to accelerate growth.

## Outlook

In terms of the Ski areas, since the business outlook concerns the entire season, the prospects offered by the calendar of school holidays (including the dates of European school holidays) are generally favourable. The first snowfall on the mountains and the long cold period in November makes it possible for resorts to offer a quality product to our customers. Reservation forecasts are currently slightly higher than last year’s.

The Group also intends to pursue a sustained investment policy of €93 million over the 2017/2018 fiscal year, support PSC renewals and extensions, to secure snow levels and support the Very High

Customer Satisfaction objective. It aims to achieve an EBITDA margin on revenue of around 36% over the next two years for this activity.

In Leisure destinations: the Halloween season lived up to its promise, with business exceeding that of the previous year despite a high comparison basis (four consecutive seasons with sharp increases in business), confirming the appropriateness of the Group’s event strategy to boost shoulder season business.

In this activity as well, growth will be driven by investments in accommodations (Parc Astérix) and new offers (transformation of the Walibi Belgium and Rhône-Alpes parks, opening of an aquapark in Bellewaerde, for example). Investments in the Leisure destinations division will increase by around €20 million in 2017/2018 and reach almost €90 million. As of 1 October 2017, the scope of the Leisure destinations division includes the activities of Chaplin’s World By Grévin and Grévin Montreal. These activities dilute the EBITDA margin, but given the good performance recorded during this fiscal year, the Group maintains, on the basis of this new expanded scope, its target EBITDA margin (excluding Futuroscope) of 27% in 2019.

Operating ROCE, which measures the profitability of the capital invested in Ski areas and Leisure destinations, is expected to increase over the period 2018-2022, but in a non-linear way, given that the revenue related to investments in leisure parks occurs one to two years after the recording of the investment expenses, and the expenses for launching new offers are, in general, incurred the year preceding their opening.

In addition, the Group refinanced the success of its 2017 bond (€200 million) and amended its RCF syndicated loan (€250 million). This transaction further strengthens its financing structure, diversifies its sources of financing and extends the average maturity of the debt to 6.6 years, with no major repayment deadline before 2022. It will result in a reduction in the cost of net debt of more than 40% from 2017-2018, and the weighted average rate of financing raised will be less than 1.5%.

In conclusion, on the strength of a proven economic model, Compagnie des Alpes is now pursuing two objectives: consolidate its growth in Europe and accelerate its international development, particularly in Asia.

These strategies aim to turn Compagnie des Alpes into a great French leisure champion and a major player in the international consolidation. This is why

the Group wants to secure the support of powerful partners, particularly in leisure, the hotel trade and tourism marketing.



## REQUEST FOR COPIES OF DOCUMENTS AND INFORMATION

(Article R. 225-88 of the French Commercial Code)

I, the undersigned:

**FAMILY NAME**

**Given name(s)**

**Address**

**Email address**

**Owner of ..... SHARE(S) of COMPAGNIE DES ALPES**

request a copy of the documents and information relating to the Combined General Meeting of Shareholders to be held on **8 March 2018**, as referred to in Article R. 225-83 of the French Commercial Code, in the following format:

- paper
- electronic files to be sent to the email address provided above

Signed in ....., on .....

Signature

**NOTE:** Holders of **registered shares** may, with a single request, obtain from the Company the documents and information referred to in Articles R. 225-81 and R. 225-83 of the French Commercial Code for each subsequent General Meeting of Shareholders.





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