1ST HALF 2016/2017

GOOD RESULTS IN LINE WITH THE GROUP'S MISSION

Press Release

Paris, May 23, 2017 – The board of directors of Compagnie des Alpes, in a meeting chaired by Dominique Marcel, approved the financial statements for the 1st half of the Group's 2016/2017 financial year.

(in thousands of €)	1st half 2016/2017	1st half 2015/2016	Variation
Total sales	**460 119**	443 703	+3.7%
Divisional EBITDA [1]	**167 875**	164 987	+1.8%
Divisional EBITDA/Sales	***36,5%***	*37,2%*	*-70 bps*
Operating income	**100 321**	98 066	+2.3%
Net attributable income, Group share	**58 277**	54 484	+7.0%
Free cash flow from operations[1]	**87 133**	62 446	+39.5%

Commenting on the results for the first half, Dominique Marcel noted: *"This was a good first half, once again demonstrating that our strategy is sound. The Group is firmly anchored in two high-performance businesses, Ski areas and Leisure destinations, which, year after year, get closer to the objectives we set for ourselves. Our Development business continues to pursue other growth drivers, such as new formats like Chaplin's World by Grévin and the Jardin d'Acclimatation in Paris, or strong geographies that include China, Turkey, and Georgia. These results are aligned with our goal of becoming the leader in international leisure through a combination of growth in our current markets and development in new countries."*

The Group's consolidated sales increased by 3.7% compared with the same period last year, reaching 460.1 M€. In analyzing this performance, it should be noted that Easter weekend fell in the third quarter this financial year (in 2016, it fell in March; this year in April). Adjusted to account for this difference, sales would have increased by an additional 100 basis points.

In this context, sales for **Ski areas** increased by 1.7%, to € 369.8 million. After a difficult start to the season, with a shortage of snowfall and unfavorable holiday dates (both Christmas and New Year's fell on a Sunday), business picked up particularly well during the peak season in January and February.

The natural qualities of the Group's sites, in particular their high altitude, the investment efforts of recent years – in particular with respect to snowmaking - , and the technical mastery of the field staff, have once again demonstrated their efficiency.

[1] See glossary

For **Leisure destinations**, sales were up a solid +8.2%, reaching 83.7 M€. This performance is all the more remarkable considering that it comes after three consecutive years of sales growth in excess of 10% (on a like-for-like basis) during this period and despite a security environment that remains challenging. It was driven by dynamic sales in the first quarter, especially during the Halloween period, the Christmas Trees at Parc Astérix, and robust sales at Futuroscope. The second quarter is typically the slowest of the year (about 7% versus the previous year).

Group development reported sustained sales for the first half of this year, totaling 6.6 M€ compared to 2.6 M€ the previous year. Sales growth was driven mainly by Chaplin's World by Grévin which success is confirmed after this first year of exploitation.

The consulting business also contributed to this performance thanks to CDA Beijing in China and to a number of contracts signed (Jardin d'Acclimatation, China, Georgia, etc.).

Divisional **EBITDA**[2] came to 167.9 M€ and represents 36.5% of sales, versus 37.2% for the same period in the previous financial year.

This slight decrease was due to the very slight dip of 0.7% in EBITDA for **Ski areas**, which fell to 185.9 M€. This business is experiencing a calendar lag that will be corrected in the third quarter. It also incurred a higher artificial snow cost and a higher payroll expense versus last year because hiring was postponed due to a lack of snow in 2016.

Conversely, EBITDA for **Leisure destinations** improved by a significant 14.4%, an increase attributable to the good operating performance during the half-year and to a favorable calendar effect: last year, some sites opened as early as March, resulting in opening and launch costs that will be incurred in the 3rd quarter this year.

Group development EBITDA also improved, due primarily to sales reported for Chaplin's World by Grévin.

Group EBITDA rose by 3.0%, more rapidly than Divisional EBITDA, thanks to efforts made over the past three years to reduce the cost base of holdings.

Net industrial investments decreased over the first half by 24.1 M€ compared with the previous year. This reduction, which will be offset in the second half, mainly concerns the Ski areas. The implementation schedule for this year is more concentrated in the second half but the annual target of 85 M€ remains unchanged.

Operating Income (OI) reached 100.3 M€, an increase of 2.3% compared with the same period one year prior.

Net Attributable Income, Group Share comes to 58.3 M€ for the period, a significant increase of 7.0% that reflects the good operating performance, the 2.6% reduction in net debt, and the lower tax expense due in particular to the elimination of the 10.7% exceptional contribution.

Free Cash Flow From Operations[2] for the first half of the year rose by nearly 40%, surpassing 87 M€. This increase is explained by growth in cash flow, the decline in investments, notably in Ski areas (which will be made up in the second half of the year), and the lower tax expense.

The Group's **net debt** continues to improve, reaching 257.3 M€, which is 7.7 M€ less than it was on March 31, 2016. Thus, the banking covenant's **net debt to EBITDA ratio** (which must be less than 3.50) is largely respected, since it is 1.36 versus 1.42 a year ago.

[2] See glossary

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Refinancing

On March 15, 2017, the Group announced that it had successfully completed the refinancing of its 2017 bond (200 M€) and the amendment of its syndicated RCF (250 M€). This transaction further strengthens its financing structure and achieves a number of objectives:

- It substantially reduces the net cost of debt by more than 40% (the average weighted rate of financings is less than 1.5%) as of 2017-2018 – with the cost of the 2017 bond borne during the current financial year until it falls due along with the carrying cost of the new financing (around 1.2 M€).
- It significantly extends the average maturity of the debt, with due dates extending to 2029 (12 years).
- It extends debt repayment periods.
- It diversifies its sources of funding.

Disposal of Fort Fun

The Group announced on April 26, 2017 the disposal of the Fort Fun amusement park (Germany) to Looping Group. The operation is subject to the prior approval of the German competition authorities

The transaction valued the company at 7.0 M€ and will be paid in cash. In fiscal year 2015/2016, this site generated sales of 5.9 M€, 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 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.

OUTLOOK FOR 2016/2017

The following outlook for 2016/2017 is given barring the occurrence of major unforeseen events.

- **Ski areas**

The fact that Easter weekend was in April this year, the good performance over the spring holidays, and all actions lead by the Group allow to envisage an increase in sales of more than 3.5% for the year as a whole. In addition, a slightly higher EBITDA margin than guidance is confirmed.

- **Leisure destinations**

The second half of the year accounts for approximately 75% of annual sales and, barring major climate or safety hazards, is expected to be better than the same period last year even though the base effect is unfavorable (after three years of sustained growth, on a like-for-like basis). However, growth during the peak season will be automatically lower than that recorded during the extremities of the season.

- **Group development**

The Chaplin's World by Grévin site, which celebrated its first anniversary last April, is very successful. The three pilot sites, Montreal, Prague, and Seoul, have been key in shaping this concept. But staying below the expected performance, specific action plans have been developed. These action plans will be evaluated and decisions made accordingly.

The consulting business, through CDA Management, participated in a variety of competitive bids, the results of which should be known during the second half of the year.

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Upcoming events:

- 3Q 2016/2017 sales: Thursday, July 20, 2017, after stock market close
- Financial year 2016/2017 sales: Thursday, October 19, 2017, after stock market close
- Financial year 2016/2017 results: Tuesday, December 12, 2017, before stock market opening

www.compagniedesalpes.com

Since it was founded in 1989, Compagnie des Alpes has established itself as an uncontested leader in the leisure industry. At the helm of 11 of the world's most prestigious ski resorts (Tignes, Val d'Isère, Les Arcs, La Plagne, Les Menuires, Les 2Alpes, Méribel, Serre-Chevalier, etc.) and13 renowned leisure destinations (Parc Astérix, Grévin, Walibi, Futuroscope, etc.), the company is steadily expanding in Europe (France, the Netherlands, Belgium, Germany, etc.) and, more recently, at the international level (Grévin Montréal in April 2013, Grévin Prague in May 2014, Grévin Seoul in July 2015 and engineering and management assistance contracts (Russia, Morocco, Japan)). CDA also owns stakes in 4 ski areas, including Chamonix.
During the financial year ended September 30, 2016, CDA facilities welcomed nearly 22.5 million visitors and generated consolidated sales of 720.2 M€.
With more than 5,000 employees, Compagnie des Alpes works with its partners to build projects that generate unique experiences, the opposite of a standardized concept. Exceptional leisure activities for everyone.
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CDA is included in the following indices: CAC All-Shares, CAC All-Tradable, CAC Mid & Small et CAC Small.
ISIN: FR0000053324; Reuters: CDAF.PA ; FTSE: 5755 Recreational services

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Additional information

1 – Consolidated 1st half results 2016-2017 – October 1, 2016 through March 31, 2017

(in thousands of €)	1st half 2016 / 2017 (1)	1st half 2015 / 2016 (2)	Variation (2)-(1) / (2)
Sales	460,1	443,7	*3,7%*
EBITDA	157,3	152,7	*3,0%*
EBITDA/Sales	*34,20%*	*34,42%*	
Operationg income	100,3	98,1	*2,3%*
Net cost of debt and miscellaneous	-9,5	-9,1	*4,1%*
Tax expense	-33,2	-35,5	*-6,5%*
Equity method investees	4,6	5,5	*-16,3%*
Net income from going concerns	62,3	59,0	*5,6%*
Net income from dsicintinued concerns	0,0	0,0	
Net income	62,3	59,0	*5,6%*
Minorities	-4	-4,5	
Net attributable income, Group share	**58,3**	**54,5**	***7,0%***

2 – Sales by division

(en M€)	1st half 2016 / 2017 (1)	1st half 2015 / 2016 (2)	Variation (2)-(1) / (2)
Ski areas	369,8	363,7	1,7%
Leisure destinations	83,7	77,4	8,2%
Group development	6,6	2,6	155,9%
Holdings and supports	0,0	0,0	N/A
Sales	**460,1**	**443,7**	**3,7%**

3 – EBITDA by division

(en M€)	1st half 2016 / 2017 (1)	1st half 2015 / 2016 (2)	Variation (2)-(1) / (2)
Ski areas	185,9	187,3	-0,7%
Leisure destinations	-15,1	-17,7	14,4%
Group development	-2,9	-4,6	38,0%
Holdings and supports	-10,5	-12,3	14,1%
EBITDA	**157,3**	**152,7**	**3,0%**

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Glossary

Divisional EBITDA: Combined EBITDA for Ski areas, Leisure destinations, and Group development

Free cash flow: Difference between self-financing capacity and net industrial investments (changes in working capital requirements are not taken into account).

Self-financing capacity = net income

- Plus depreciation, amortization and provisions, capital losses on disposals, dividends paid by companies accounted for under the equity method, and any other charges without cash impact
- Less reversals of provisions, capital gains on disposals, the share of income in companies accounted for by the equity method, and any other non-cash income.

Net industrial investments: Acquisitions of tangible and intangible assets net of changes in accounts payable for fixed assets and proceeds from the sale of fixed assets.

Free cash flow from operations: Free cash flow before interest expense and taxes

ROOC: used to measure the profitability of capital invested in the Group's core businesses (Ski areas and Leisure destinations). It corresponds to the ratio, for each division and aggregated for both divisions, of after tax operating income to consolidated net assets excluding goodwill.

- **After tax operating income** is calculated after the deduction of a theoretical tax expense based on the normative tax rate of 33.33%
- **Net assets** used excluding goodwill include:
  - The net values of long-term fixed assets after the exclusion of goodwill
  - Working capital requirement
  - Deferred tax assets net of deferred tax liabilities
  - Current provisions

For financial year 2015/2016, the reconciliation of ROOC was established as follows:

	Ski Areas & Leisure Destinations	Rest of groupe	Total groupe
Operating income	93 500	- 20 413	73 087
Theoretical tax (33.3%)	- 31 164	6 803	- 24 360
After-tax operating income	62 336	- 13 609	48 727
Assets used, ex Goodwill	785 364	8 504	793 868
Divisional ROOC	**7,9%**		**6,1%**