





2017 Registration Document

including the annual financial report

Compagnie des Alpes

CONTENT

Annual Financial Report items are clearly identified in the summary with the symbol ○

2017 Registration Document

including the annual financial report

This Registration Document was filed with the Autorité des Marchés Financiers (AMF) on 29 January 2018, in accordance with Article 212-13 of its General Regulation.

It may be used in support of a financial transaction only if supplemented with an AMF-approved transaction notice. This document has been drawn up by the issuer and is binding on its signatories.

Pursuant to Article 28 of European regulation 809/2004 of 29 April 2004, this Registration Document incorporates by reference the following information, to which readers are invited to refer:

- The management report, consolidated financial statements, separate financial statements and relevant auditors' reports shown on pages 46 to 62, 124 to 158, and 159 to 171 of the Registration Document for 2015/2016, filed with AMF on 31 January 2017 under number D17-0071.
- The management report, consolidated financial statements, separate financial statements and relevant auditors' reports shown on pages 44 to 58, 118 to 152, and 153 to 165 of the Registration Document for 2014/2015, filed with AMF on 29 January 2016 under number D16-0044.

DOMINIQUE MARCEL
Chairman and Chief Executive Officer

Message from the Chairman and Chief Executive Officer

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.

"WE ACHIEVED THE TARGETS SET IN 2013, TWO YEARS AHEAD OF SCHEDULE"

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.

"WE STRIVE TO ENHANCE OUR CUSTOMERS' EXPERIENCE"

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.

"WE WANT VISITORS TO EXPERIENCE UNIQUE SENSATIONS"

"WE ARE READY TO SEIZE OPPORTUNITIES"

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.

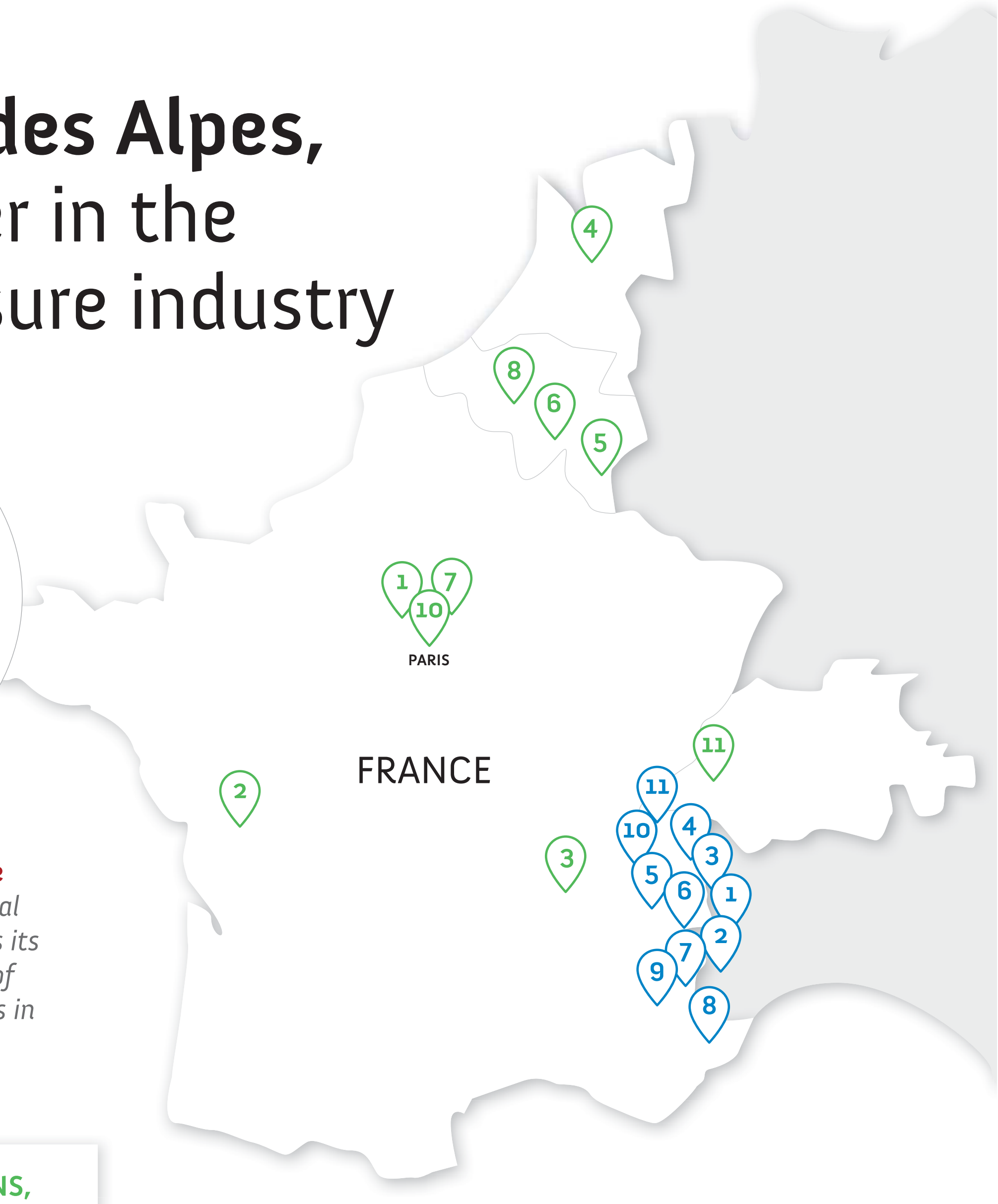
We had announced that we were ready to seize targeted acquisition opportunities in order to play a pivotal role in the consolidation of the leisure sector. We are thus very happy to have acquired, in 2018, a majority stake in Travelfactory, the leading online distributor of ski holidays in France.

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

Furthermore, the plan to bring in new shareholders in order to accelerate the Group's development remains a strategic priority, in view of the long-term transformations expected in our business sector.

Activities

Compagnie des Alpes, a major player in the European leisure industry



The Group operates world-renowned ski areas and leisure sites *under a policy of operational and service excellence. It exports its expertise within the framework of support and consulting contracts in various regions of the world.*

11 LEISURE DESTINATIONS, INCLUDING 10 IN EUROPE

1 Parc Astérix
2 Futuroscope
3 Walibi Rhône-Alpes
4 Walibi Holland
5 Walibi Belgium
6 Aqualibi
7 France Miniature
8 Bellewaerde
9 Grévin Montréal
10 Grévin Paris
11 Chaplin's World by Grévin

1 minority interest

Le Jardin d'Acclimatation
www.jardindacclimatation.fr

11 SKI AREAS IN FRANCE

1 Tignes
2 Val d'Isère
3 Les Arcs Paradiski
4 Peisey Vallandry Paradiski
5 La Plagne Paradiski
6 Méribel
7 Menuires
8 Serre Chevalier Vallée
9 Les 2 Alpes
10 Flaine
11 Samoëns
Morillon
Sixt Fer à Cheval

3 minority interests

Avoriaz 1800
La Rosière
Valmorel

Leading shareholder

Chamonix Mont-Blanc
Megève

KEY FIGURES FOR 2016/2017

€762 M
REVENUE

4,700
EMPLOYEES (FTE)

€160 M
NET CAPITAL EXPENDITURE

No.1 WORLDWIDE
IN SKI AREAS

Alpine ski areas that are **world-renowned**
Resorts at **altitudes of** over **1,800 m,**
and over **1 million skier-days**

€427 M
revenue
up 4.2%

13.8 MILLION
skier-days
up 0.5%

No.4 IN EUROPE
FOR LEISURE DESTINATIONS

Leisure destinations operated
under **strong brand names**
and through **powerful partnerships**

€320 M
revenue
up 8.4%

8.3 MILLION
number of visits
up 6.4%

SUPPORT AND CONSULTING CONTRACTS
IN VARIOUS REGIONS OF THE WORLD

1. **Le Jardin d'Acclimatation** Paris
2. **Sindibad By Walibi** Casablanca
3. **Rosa Khutor** Sotchi
4. **Northern Caucasus Resorts**
5. **VDNH** Moscow
6. **Fédération de Ski Turque (TKF)**
7. **Kaskelen**
8. **Thaiwoo**
9. **Yanqing**
10. **Wanlong Paradise Resort**
11. **Tian Shan**
12. **SilkRoad Resort**
13. **Altaï**
14. **MacEarth Group**

Tourism is a booming economic sector, *accounting for 10% of the world's GDP, 7% of exports and 1 job out of 10 in 2017 (Source: UNWTO).*

THE GROUP'S REFERENCE MARKETS

GLOBAL MARKET

400 MILLION
skier-days (1)

437 MILLION
visits for the top 10 groups of leisure parks (2)

EUROPEAN MARKET

220 MILLION
skier-days (1)

60 MILLION
visits for the top 25 leisure parks (2)

(1) *Source: Laurent Vanat, "2017 International Report on Snow & Mountain Tourism".*

(2) *Source: TEA/AECOM 2016 Report.*

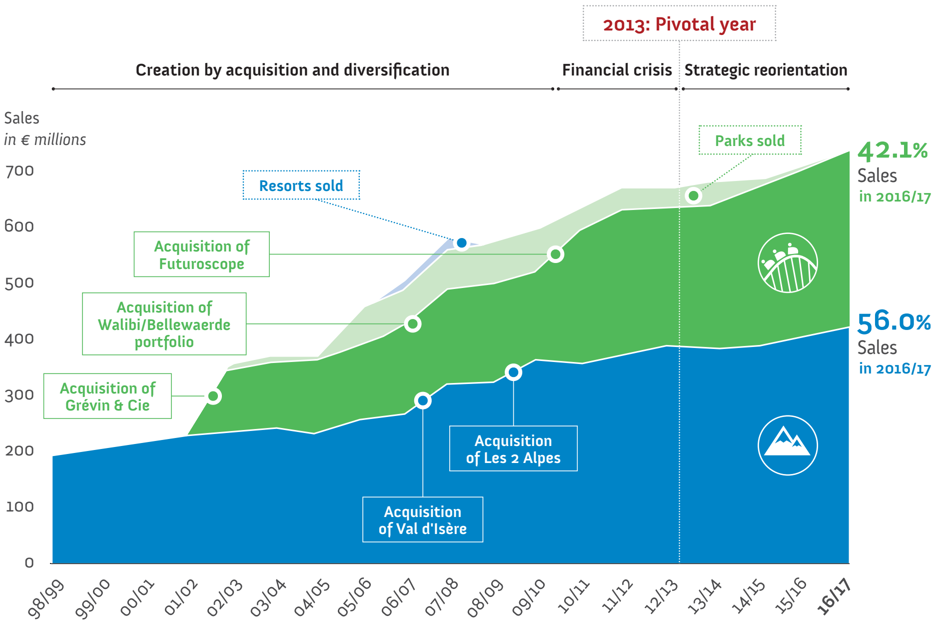
Development
model

A DIVERSIFIED LEISURE LEADER

A profitable economic model based on two complementary business lines

The Group has mainly grown through acquisitions, initially in ski areas and subsequently in leisure parks. In 2010, Compagnie des Alpes initiated a portfolio rationalisation policy.

The strategy deployed since 2013 aims to boost volume growth in Ski areas, and develop the Leisure Destinations capable of capitalising on customers' Very High Satisfaction and accelerating international growth.



SHARED EXPERTISE IN SKI AREAS AND LEISURE DESTINATIONS

Attracting and handling flows of millions of skiers and visitors

To increase visitor numbers and capitalise on customer flows, Compagnie des Alpes invests and innovates in order to offer high-quality services and enhance the customer experience, while boosting the entire value chain.

New attractions and infrastructure to increase visitor numbers and maintain a high satisfaction level

A policy of omnichannel distribution to professionals and millions of end-customers

A Very High Satisfaction strategy - aimed at customers as well as employees - in order to promote the sites and encourage repeat visits

While ensuring the quality of the services and the mandatory safety of the sites, operational excellence is also a cost optimisation lever

Increasing per-visitor spending through a broader product/service mix and complementary offers

A SPECIFIC BUSINESS MODEL FOR EACH ACTIVITY

CLOSER RELATIONSHIP WITH THE SKI AREAS' ECOSYSTEM

In its operation of ski lifts, and often ski runs, within the framework of the PSC*, the Group collaborates with all resort players.

* Public service Concession

IN A MATURE EUROPEAN MARKET, THE STRATEGY CONSISTS IN BOOSTING VOLUME GROWTH WHILE MAINTAINING A GOOD PERFORMANCE LEVEL

- Improving the ski offering
- Enhancing the customer experience, in particular by offering connected applications
- Boosting distribution
- Increasing accommodation capacity and occupancy rates

In 2017, the number of skier-days increased for the 2nd consecutive year.

Revenue

Sales of ski passes account for 95% of revenue. Price management is optimised through the public service concession (PSC) price grids.

Operational profitability

Its increase is attributable to optimised processes and the control of purchases, payroll and distribution costs.

Investments

Capital expenditure dedicated to ski lifts, artificial snow-making, ski run grooming and the attractiveness of the resorts is instrumental for the renewal of PSC contracts and the enhancement of the customer experience.

BROADENING THE OUTREACH OF LEISURE DESTINATIONS

Depending on their positioning, leisure parks attract national or even international visitors, in addition to local customers.

IN A DYNAMIC MARKET, THE STRATEGY AIMS TO IMPROVE OPERATIONAL PERFORMANCE WHILE ACCELERATING GROWTH

- Managing the portfolio in a more integrated way
- Deploying the strategy of Very High Satisfaction and improving the quality of the services
- Offering unique, immersive experiences
- Increasing the length of stays and extending the catchment areas
- Boosting marketing activities and capitalising on flows

Since 2014, sales have grown by a total of over 31% on a comparable scope, while operational profitability more than doubled.

Revenue

The Group's revenue mainly stems from sales of admission tickets, along with park activities (food services, shops and other services, etc.), which account for 1/3 of the total.

Operational profitability

Its improvement rests on the optimisation of processes, the reduction of costs and purchases, and the control of visitor acquisition costs.

Investments

Improving the sites and their infrastructures boosts their attractiveness; expanding accommodation capacities means new visitors, who stay longer.

EXPORTING OUR EXPERTISE

Compagnie des Alpes has recognised expertise: it develops its expertise internationally in its two business lines.

SUPPORT AND CONSULTING CONTRACTS – SHOWCASING OUR EXPERTISE AND A GATEWAY INTO NEW MARKETS

The Group's operational excellence, as well as its capacity to innovate and harness the ecosystems where it operates, have enabled it to position itself as an expert in the design, development and operation of ski resorts and leisure parks.

In partnership with investors wanting to increase the attractiveness of their territories, Compagnie des Alpes operates in several regions of the world. It has already accumulated solid references in Russia, Southern Europe, the Maghreb, China - a strategic market for the ski and leisure industries - and Japan.

MARKET OPPORTUNITIES

The tourist industry is still growing and offers opportunities for expansion

The dynamics are different in each of the market segments.

Leisure destinations are boosted by new holiday trends, resulting in an increase in short stays.

In the ski segment, the global market is boosted by the development of resorts in new world regions, such as China, Russia, and Turkey.

Both of these relatively fragmented markets show a consolidation potential.

With its long-standing track record of close relationship with the ecosystems in which it operates, along with operational expertise

> "COMPAGNIE DES ALPES HAS THE CAPABILITY TO SEIZE MARKET OPPORTUNITIES"

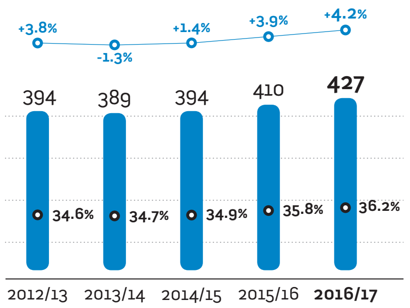
and the capacity to plan and manage major capital expenditure, Compagnie des Alpes intends to be a key player in the consolidation of the sector.

Performance **indicators** and **objectives**

The 2016/2017 fiscal year recorded solid performance.The positive dynamics enjoyed by the Group since its shift in strategy in 2013. This is the fruit of the efforts made to boost visitor numbers in Ski areas and the intensification of growth investments in Leisure Destinations, while increasing the performance of these two business lines.

REVENUE AND EBITDA MARGIN SKI AREAS

Ski areas account for 56% of the Group's 2016/2017 revenue



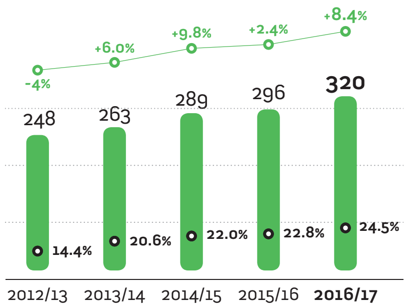
- *Sales (€ millions).*
- *Change in Sales.*
- *EBITDA margin (% of Sales).*

DEFINITION

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation of the Ski areas division.

REVENUE AND EBITDA MARGIN LEISURE DESTINATIONS

Leisure destinations account for 42% of the Group's 2016/2017 revenue



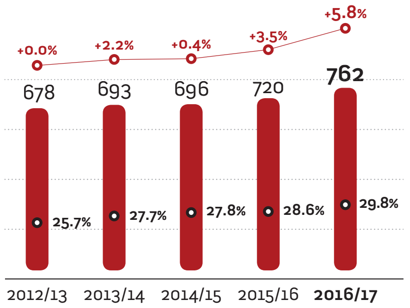
- *Sales (€ millions) on a comparable scope.*
- *Change in Sales on a comparable scope*
- *EBITDA margin (% of Sales).*

DEFINITION

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation of the Leisure Destinations Division.
Comparable scope: the historical data concerning visitor numbers and revenue is restated to take account of sales of assets, the last being Fort Fun, sold in 2016/2017.

GROUP REVENUE AND EBITDA MARGIN BUSINESS SEGMENT

Each of the Group's three divisions posted an increase in business activities and an improvement in EBITDA.



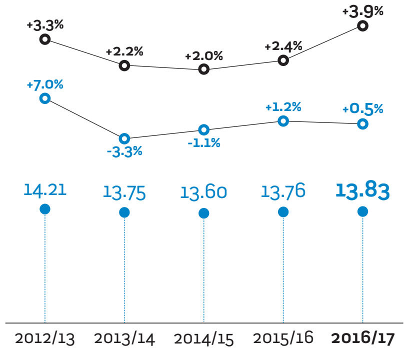
- *Sales (€ millions) at actual scope.*
- *Change in Sales at actual scope.*
- *EBITDA margin (% of Sales).*

DEFINITION

Group revenue: includes the Group development division.
EBITDA, business segments: combined EBITDA for Ski areas, Leisure destinations, and Group Development.

NUMBER OF SKIER-DAYS AND REVENUE PER SKIER-DAY

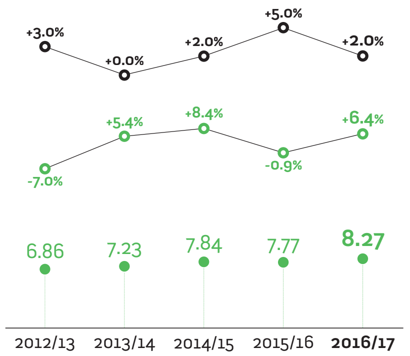
2nd consecutive year of increase in skier-days and continued increase in revenue per skier-day.



- *Number of skier-days (in millions).*
- *Change in number of skier-days.*
- *Change in revenue per skier-day.*

NUMBER OF VISITS AND REVENUE PER VISIT

Buoyant visitor flow and increase in in-park sales exceeding that of ticket sales.



- *Number of visits (in millions, on a comparable scope).*
- *Change in number of visits on a comparable scope.*
- *Change in revenue per visit on a comparable scope.*

OUTLOOK

EBITDA margin
SKI AREAS

OBJECTIVE 2017/2018 2018/2019	≈ 36%

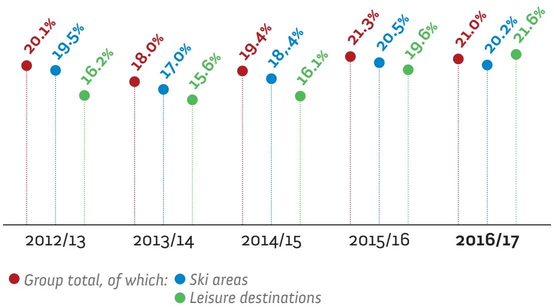
EBITDA margin
LEISURE DESTINATIONS

OBJECTIVE* 2018/2019	27%

** Excluding Futuroscope but including indoor parks.*

TOTAL NET INVESTMENT AND NET INVESTMENT PER BUSINESS LINE AS A PERCENTAGE OF REVENUE

Investments are due to be stepped up in order to increase growth and profitability.



DEFINITION
Net capital expenditure: acquisitions of tangible and intangible assets net of changes in accounts payable for fixed assets and proceeds from the sale of fixed assets.

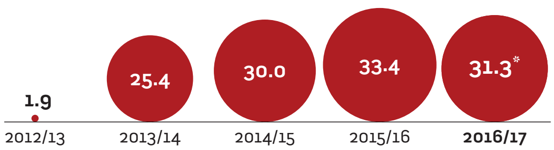
GROUP NET DEBT/EBITDA RATIO

With the improvement in the Group's performance in 2016/2017, the Group's net debt/EBITDA ratio continued to improve.

2014/15	2015/16	**2016/17**
2.14x	2.01x	**1.87x**

DEFINITION
Net debt: corresponds to the gross borrowings net of cash and cash equivalents.

NET INCOME GROUP SHARE, IN € MILLIONS



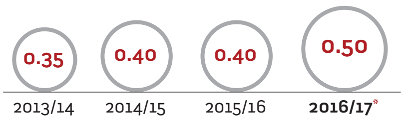
The increase in net income reflects the success of the strategy initiated by Compagnie des Alpes in 2013.

* *After the recognition of €13.1 million in non-recurring items.*

DEFINITION
Non-recurring items: in 2016/2017, they included an asset impairment expense linked to the rationalisation of Grévin sites on the international level.

DIVIDEND IN € PER SHARE

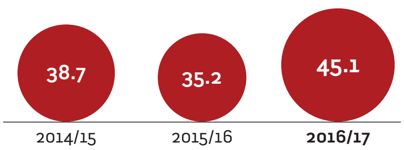
The 2016/2017 dividend posts an increase, while remaining compatible with the strategy of growth and sustained investment.



* *Dividend proposed for the 2016/2017 fiscal year.*

DEFINITION
2016/2017 dividend: proposed dividend for the fiscal year.

FREE CASH FLOW FROM OPERATIONS IN € MILLIONS



The increase in free cash flow from operations reflects the steady increase in the Group's operating cash flow despite the investments made in 2016/2017.

DEFINITION
Free cash flow from operations: difference between operating cash flow and net capital expenditure before financial expenses and tax.

OPERATING ROCE FOR THE GROUP

The constant improvement in the return on capital employed over the past four years confirms the appropriateness of the strategy of operational excellence and investment.

2014/15	2015/16	**2016/17**
7.2%	7.9%	**8.9%**

DEFINITION
Operating ROCE: total after-tax operating income of the two divisions – Ski areas and Leisure destinations – in relation to total consolidated net assets excluding goodwill.

OUTLOOK

GROUP PROFITABILITY

OBJECTIVE
2018/2022

Ongoing increase in Operating ROCE expected


ABS

1

INTRODUCTION TO COMPAGNIE DES ALPES AND ITS ACTIVITIES

1.1 Activities, market and competition

With nearly 23 million visitors to its 24 [(1)] sites in 2016/2017, Compagnie des Alpes is a major player in the European Leisure sector. It is the world leader in ski-area management [(2)], operating 11 of the largest ski areas in France. It is also a major European-based player in Leisure parks with 13 sites: 5 in France, 3 in Belgium, 1 in the Netherlands, 1 in the Czech Republic, 1 in Switzerland, 1 in Canada and 1 in South Korea.

1.1.1 SKI AREAS (56% OF 2016/2017 GROUP CONSOLIDATED REVENUE)

The Group's ski lift companies equip, maintain and operate ski areas.

Their main task is to develop and manage natural areas in order to be able to offer their customers alpine skiing activities and high-altitude recreational activities in a way that respects the environment and offers optimal safety.

The resorts where Compagnie des Alpes operates are all located in France, where the business model is based on very-long-term concession agreements. The characteristics and durations of these agreements are described in Chapter 5 (Note 1.13. to the Consolidated Financial Statements).

Compagnie des Alpes is thus one of the key contributors to the local economy, alongside accommodation providers, local authorities, and École du ski français (ESF – French Ski School).

Their revenues are drawn from entrance fees for ski lifts. Expenses are related to the financing of facilities, personnel costs, taxes and local fees, and normal operating costs (maintenance, energy, insurance, etc.).

In addition to its portfolio of 11 ski areas, Compagnie des Alpes holds minority interests in 4 French companies that operate the ski areas in Chamonix (37.5%), Avoriaz (20%), Valmorel (20%), and La Rosière (20%).

As a secondary activity, the Group sells land to real-estate developers. At present, this activity has not exceeded 5% of total Ski areas revenue and has been limited to two ski areas – Les Arcs and Flaine.

This business is conducted under the development concessions that are also described in the above-mentioned Note 1.13. As the land is held for sale, its net book value is recorded under inventories on the balance sheet (Chapter 5).

1.1.1.1 The global ski market [(3)]

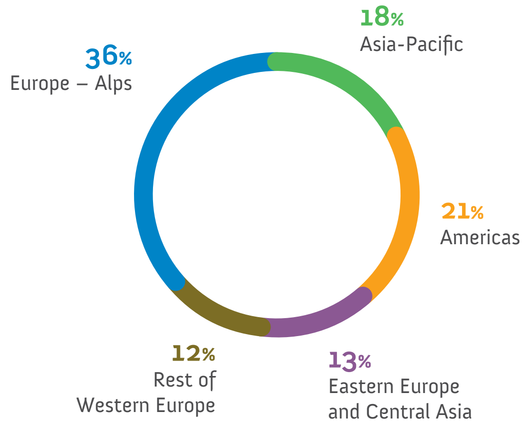
The global ski market is made up of close to 2,000 resorts in around 67 countries.

It records a total of 400 million skier-days (including indoor ski slopes) and offers professional accommodation for 6 million, primarily concentrated in developed countries.

In the 2016/2017 season [(4)], the three countries that registered the highest number of skier-days were the United States (54.7 million), Austria (52.1 million) and France (51.1 million).

Although skiing is a widespread activity, there are very few "large" resorts (a resort is considered "large" when it exceeds one million skier-days per season) and 83% of these are located in the Alps.

DISTRIBUTION OF THE GLOBAL SKI MARKET BY GEOGRAPHIC AREA



1.1.1.2 Market and competition in Europe [(5)]

Very few skiers take long-haul flights to go skiing on the other side of the world. Consequently, the real market for Compagnie des Alpes is Europe.

The European ski market is estimated at 45 million people, representing 220 million skier-days.

Based on average receipts of €30 per skier-day, this represents a market of €6.5 billion.

There are numerous market players in Europe, most of which operate on just one site. Compagnie des Alpes, along with Swedish group Skistar, which is listed on the Stockholm stock market, is one of the only groups to operate several sites.

(1) *In the 3rd quarter 2016/2017, Compagnie des Alpes sold the Fort Fun site in Germany.*
(2) *No company or group comparable to Compagnie des Alpes that operates ski lifts has a higher number of skier-days than the Group.*
(3) *Source: Laurent Vanat, 2017 International Report on Snow & Mountain Tourism.*
(4) *Source: Domaines Skiables de France – 2017 Indicators and Analysis.*
(5) *Source: Laurent Vanat, 2017 International Report on Snow & Mountain Tourism.*

There are four major skiing countries in Europe: France, Austria, Switzerland and Italy. Only France and Austria have more than ten resorts welcoming more than one million skiers per season.

It is worth noting that the percentage of concession area used is 21% in France, 62% in Austria and 70% in Italy [1], and according to a study conducted by Domaines Skiables de France, a French ski pass costs less than an Austrian or Swiss ski pass.

France's leading position in Europe is largely due to the size of its domestic market, which represents around 70% of business. Meanwhile, the majority of visitors to Swiss ski resorts (45%) and Austrian ones (65%) are foreign.

The Compagnie des Alpes Group is the leading European operator of ski resorts, as well as the global market leader.

Country	Size of ski area *(km²)*	Number of lifts	Number of resorts	Number of large resorts*
France	1,180	3,346	325	13
Austria	1,050	3,028	254	15
Switzerland	950	1,691	193	6
Italy	1,350	2,127	349	7

* *Resorts with over one million skier-days.*

1.1.1.3 The French ski market

The French ski market is primarily a network of 250 internationally renowned ski areas spread between 6 mountain ranges varying greatly in terms of size and offering: Alps, Massif Central, Pyrenées, Vosges, Jura and Corsica.

However, there are also 325 resorts with at least one ski lift, 238 of which belong to Domaines Skiables de France (DSF), the professional body for ski area operators.

During the 2016/2017 season, 51.1 million skier-days were sold, with Domaines Skiables de France estimating an average receipt per skier-day of €25.90. The French ski market thus represents €1.323 billion.

The vast majority of customers are French (73%). British customers represent 10%, followed by Belgians at 6%, and the Dutch at 4% [2].

As of 30 September 2017, the market share for Compagnie des Alpes and its consolidated companies was more than 32% by value and over 27% by volume.

The two largest operators after Compagnie des Alpes, Sofival (Avoriaz, Valmorel and La Rosière) and S3V (Courchevel, La Tania and Méribel Mottaret), each hold a market share of around 5% [3].

Competitive advantages of Compagnie des Alpes

CDA's competitive advantages relate mainly to the Group's resort locations: it has chosen to operate exclusively in resorts with vast, high-altitude ski areas that are well known in Europe, and which have considerable professional accommodation capacity.

1.1.1.4 Main ski areas operated by Compagnie des Alpes

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

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.

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.

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 Pisaillas 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)

(1) *Source: Laurent Vanat for DSF.*
(2) *Source: Domaines Skiables de France – 2017 Indicators and Analysis, October 2017.*
(3) *Source: Montagne Leaders, No. 263 – September and October 2017.*

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.

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.

Les Trois Vallées: 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.

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.

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.

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.

Serre Chevalier Vallée

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.

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.

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.

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.

1.1.2 LEISURE DESTINATIONS (42% OF 2016/2017 GROUP CONSOLIDATED REVENUE)

Compagnie des Alpes Group companies develop and operate Leisure parks in three main areas:

- theme parks;
- edutainment sites;
- animal parks.

Compagnie des Alpes offers attractions based on strong brands (Astérix, Grévin Paris, Futuroscope, Walibi, etc.) and provides its customers with leisure experiences, unique thrills, and cultural and educational excursions in a completely safe environment. As of 30 September 2017, the Compagnie des Alpes Group operates 9 [(1)] sites [(2)], representing nearly 8.3 million visits per year, with 5 parks in France, 3 in Belgium and 1 in the Netherlands.

In addition to operating ski areas, which essentially takes place in the heart of winter, the leisure sites business is concentrated in the spring, summer, and to a lesser extent, the fall.

Leisure park revenues are generated through entry-ticket sales (about 60% of revenue) and customer spending on park grounds, mainly restaurants and shops. Costs relate to personnel, facilities, purchases, marketing, and current operating expenses.

1.1.2.1 Markets and competition in Europe and France

The European Leisure parks market is estimated at over 160 million visitors [(3)]. With nearly 8.3 million visitors and revenue of €321 million for 2016/2017, Compagnie des Alpes is the fourth largest industry player in Europe.

Group	Number of parks	Visitor numbers *(millions of visitors)*	Annual revenue *(€ million)*
Merlin Entertainments group (2016)	117	63.8	£1,428 million
Parques Reunidos (2017)	61	19.8	584
Euro Disney – Theme parks (2016)	2	13.4	1,278
Compagnie des Alpes	9*	8.3*	321*

* *Excluding the 4 internationally based Grévin sites.*

The European leisure market is very diverse, with many family-owned or independent parks, and over one million visitors per season.

Park	2016 visitor numbers *(in millions)*	2015 visitor numbers *(in millions)*	Country
Europa Park	5.6	5.5	Germany
De Efteling	4.7	4.6	Netherlands
Tivoli Gardens	4.6	4.7	Denmark
Port Aventura	3.6	3.6	Spain
Liseberg	3.1	3.1	Sweden
Gardaland	2.8	2.8	Italy

Source: TEA/AECOM 2016 Global Attractions Attendance Report.

In France, leisure, amusement and cultural facilities have been growing constantly over the past 30 years. With over 52 million visits in 2015 and revenue totalling €2,200 million, this sector is actively contributing to France's cultural and tourist offering [(4)].

The segments in which Compagnie des Alpes is present (theme parks, animal parks, water parks, and amusement parks) account for some 355 establishments in France, with just under 65 million visits.

There is a relatively high level of concentration, as the five leading operators (Disneyland Paris, Astérix, Futuroscope, Puy du Fou, and Marineland) account for more than one-third of the visitor numbers.

With nearly 8.3 million visitors and revenue totalling €321 million in 2016/2017, Compagnie des Alpes holds a market share of more than 16% in terms of volume, and nearly 15% in terms of value.

1.1.2.2 Leisure parks

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).

(1) In the 3rd quarter 2016/2017, Compagnie des Alpes sold the Fort Fun site in Germany.
(2) Excluding the 4 internationally based Grévin sites.
(3) Source: IAAPA Global Theme and Amusement Park Outlook – 2015/2019.
(4) Source: SNELAC – Rapport d'activité 2016.

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.

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

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 30th 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.

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.

Grévin Paris

Located in the 9th 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.

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.

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

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%.

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

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.

1.1.3 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:

1.1.3.1 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 Montreal

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.

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.

1.1.3.2 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;
- 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.

1.2 Strategy and outlook

1.2.1 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.

1.2.2 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.

1.3 History

INCREASINGLY SUCCESSFUL DEVELOPMENT

1989: Creation of Compagnie des Alpes by Caisse des Depôts

1989-1990: **Tignes** (STGM - Société des Téléphériques de la Grande Motte) and **Peisey-Vallandry** (STAG - Société des Téléphériques de l'Aiguille Grive) consolidated under the acquisition policy.

1991-1994: La Plagne (SAP - Société d'Aménagement de la Plagne), **Les Arcs** (STAR - Société des Téléphériques de l'Aiguille rouge) and Chamonix – Les Grands Montets (Satal - Société d'Aménagement du Téléphérique Argentière-Lognan) consolidated.

1994: Compagnie des Alpes floated on the *second marché* of the Paris Stock Exchange.

1995: Les Menuires (Sevabel – Société d'Exploitation de la Vallée des Belleville) consolidated.

1996: Minority stake taken in **Courmayeur** (CMBF Courmayeur Mont-Blanc Funivie) and **Val d'Aoste** (Italy).

1997: Flaine, Samöens, Morillon and Sixt (Grand Massif) consolidated.

2000: Méribel Alpina and Téléverbier (Switzerland) consolidated.

2001: Minority stake taken in Saas-Fee (SFB – Saas-Fee Bergbahnen, Switzerland).

2002: Diversification

Compagnie des Alpes diversified its activity by launching a friendly takeover bid for **Grévin et Compagnie** (a group of ten parks: **Musée Grévin**, **Parc Astérix**, **France Miniature**, **Grand Aquarium de Saint-Malo**, **Parc des Mini Châteaux**, **Aquarium du Val de Loire**, **Bagatelle**, **Avonturenpark Hellendoorn** and **Dolfinarium** in the Netherlands, and **Fort Fun** in Germany).

2003: Aquaparc in Bouveret (Switzerland) consolidated.

2004: **Panorama Park** (Germany) and **Pleasurewood Hills** (England) consolidated.

2004: Privatisation

Caisse des Dépôts et Consignations (CDC) holds only 40% of CDA capital (compared to 53% prior).

CDC sells a 13% stake to three banking groups with a strategic interest in the Alps region.

2004-2005: **Serre Chevalier** (SC 1350 – Serre Chevalier Ski Développement) and **Aletsch Riederalp** (Switzerland) consolidated.

2005: **Planète Sauvage** (Loire-Atlantique) and **Mer de Sable** (Oise) consolidated.

2005-2006:

Through a proactive acquisition policy, Compagnie des Alpes was able to balance its businesses in that year and became a front-line player in leisure parks in Europe.

2006: **Walibi Holland**, **Walibi Belgium**, **Aqualibi**, **Walibi Sud-Ouest**, **Walibi Rhône-Alpes**, and **Bellewaerde** consolidated, and **Bioscope** opened.

2007-2008:

The stake in Sofival in 2008 was the latest major capital-intensive development for Compagnie des Alpes. It coincided with the Group's acquisition of **Val-d'Isère** (STVI – Société de Téléphérique de Val-d'Isère).

2007-2008: Minority stake taken concomitantly in **Avoriaz**, **Valmorel** and **La Rosière**.

2009: The **2 Alpes** ski area (Deux Alpes Loisirs – DAL) joined Compagnie des Alpes.

2009-2010: Rationalisation and strategic refocusing

Reorganisation undertaken to enable more industrialised and integrated operations across all sites, in line with the Company's development ambitions. The stakes in operating companies in Switzerland and Italy were sold. The Group currently has minority stakes in four French companies: Chamonix (37.5%), Avoriaz (20%), Valmorel (20%) and La Rosière (20%).

2010: Financial restructuring

Medium- and long-term bank debt refinancing, capital increase of €100 million and €200 million bond issue.

2011: **Futuroscope joined the Group, while control was relinquished over a group of seven non-strategic leisure parks**: Bagatelle, Aquarium de Saint Malo, Parc des Mini Châteaux, Aquarium du Val de Loire, Aquaparc du Bouveret, in Switzerland, Avonturenpark Hellendoorn, in the Netherlands, and Pleasurewood Hills, in the UK. The Group still owned 27% of the capital of the buyer, Looping Holding (HIG group) up until April 2014.

2011: CDA Management's initial developments

The first contract for general contracting support and operations signed in its two business segments; one in Russia for the Rosa Khutor resort for the 2014 Winter Olympics in Sochi, and the other in Casablanca, Morocco in the Leisure destinations business.

2012: **Bioscope** closed.

2013: Launch of Foncière Rénovation Montagne

With the support of Compagnie des Alpes' historical shareholders, for the purpose of renovating 500 accommodation units (≈ 2,500 beds) over a 3-year period and marketing them with skiers.

2013:

- the very first international Grévin museum opened in Montreal, Canada;
- International Development and New Business Department created;
- launch of Alpes Ski Résa, a website for the sale of ski holidays.

End-2013: New concept and strategic fine-tuning

Our customers' Very High Satisfaction became the guiding thread of our Leisure parks strategy. Results guidance announced to the market for the first time.

2014:

- Grévin Prague opened in the Czech Republic;
- Sochi Olympic Games;
- Leisure Destinations Department organisation overhauled.

2013-2014: Ramp-up of CDA Management

In Russia, Compagnie des Alpes produced the master plans for three ski resorts and one leisure park in Moscow. In China, the Group is providing support to the Chinese authorities for the first season at Thaiwoo. In Japan, the strategic partnership with the MacEarth group is ongoing.

2014-2015:

- **Grévin** Seoul opened in South Korea;
- **Sindibad** opened in Casablanca, Morocco;
- sale of 4 leisure parks: Dolfinarium, Walibi Sud-Ouest, Planète Sauvage and Mer de Sable.

2015: 1st contract in China: Thaiwoo.

2015-2016:

- new concession contract for Jardin d'Acclimatation awarded to the LVMH/Compagnie des Alpes consortium;
- opening of Chaplin's World By Grévin;
- opening of a subsidiary in China and ongoing international development through operational support contracts.

2016-2017:

- sale of the Fort Fun site in Germany;
- continuation of the operational support contract for the Thaiwoo resort, assistance with the design and construction of the Yanqing resort which will host the major events of the 2022 Winter Olympics, and master-planning contracts in Altai and in the Urumqi region;
- refinancing of the 2017 bond (€200 million) and amendment of the RCF syndicated loan (€250 million).


Chaplin's
WORLD
BY GRÉVIN
Chaplin's
WORLD
BY GRÉVIN

2
RISK FACTORS

Compagnie des Alpes relies largely on the work of its Group Risk Committee to identify and evaluate risks.

The risks to which the Group is exposed are described in this section, in three categories: financial risks (liquidity, interest rate, foreign exchange, etc.), legal risks, and operational risks. Depending on the risk, main preventive measures and potential situations to be taken into account are also detailed.

In accordance with its regulatory obligations, the Group has reviewed the risks that might have a significant negative effect on its business, its financial position or results, and has concluded that there are no specific or material risks other than those presented below.

The Group did not observe any significant drop in visitor numbers at its sites following the terrorist attacks of 2016 and 2017 (except at Musée Grévin Paris, which has already published information on that subject) and does not consider the risk related to terrorist attacks as a specific risk.

The Group is unable to assess the impact of that risk on its financial position or results, in particular because of the geographical spread of its business activities. Nevertheless, the security of visitors and employees generally remains a major concern for the Group. Measures aimed at protecting visitors and employees have been implemented and are reviewed by the teams on a regular basis.

2.1 Financial risks

The Group's companies are exposed mainly to liquidity and interest rate risks. Foreign exchange risk, on the other hand, is low.

The policies regarding the management of liquidity risks, as well as interest rate and counterparty risks, are the subject of recommendations submitted to the Board of Directors by the Strategy Committee. These recommendations are implemented by the Group's Finance Department *via* CDA Financement – a wholly-owned subsidiary of Compagnie des Alpes – and are presented to the Audit Committee on a regular basis.

2.1.1 LIQUIDITY RISK

The Compagnie des Alpes Group anticipates its financing needs. When the Finance Department draws up its multi-year plans, it ensures that it always has sufficient liquidity to cover investments and current operations, and cope with any exceptional events.

The medium-term debt of the Compagnie des Alpes Group is diversified, as described in Note 6.11, and is based on disintermediated and bank financing (bank loans, bond issues, revolving credit facility) with staggered maturities.

Most of these credit facilities are subject to a banking covenant, which is described in Note 6.11 to the Consolidated Financial Statements.

Short-term liquidity needs are covered by bank overdrafts which are renewable annually and are not subject to covenants.

As of 30 September 2017, the Group's net financial debt stood at €381 million.

The Group's gross financial debt (see Note 6.11 to the Consolidated Financial Statements) came to €427.3 million, broken down by maturity as follows:

(in millions of euros)	Total	Less than 1 year	From 1 to 5 years	Over 5 years
Financial liabilities	427.3	227.6	4.3	195.4
Financial assets	46.9	46.9		
Net position	380.5	180.8	4.3	195.4

As at 30 September 2017, the Group had a significant buffer of undrawn credit facilities:

- €355 million in medium- and long-term loans can be drawn upon at any time:
  - a revolving credit facility of €250 million expiring in May 2021,
  - €105 million in bank loans taken out in February 2017 and maturing in 5, 6 and 7 years;
- moreover, for short-term requirements, €135.8 million is available at any time in the form of overdrafts.

After the reporting date, on 31 December 2017, the Group has:

- €180 million in undrawn medium-term loans;
- €70.9 million in overdrafts which had not been utilised.

The liquidity risk review shows that the Group currently has enough credit lines (bonds, revolving loan, bank loans and overdraft facilities) to finance its investments and working capital requirement.

As indicated in Note 2.2 to the Consolidated Financial Statements, the Group believes it can meet its future repayments on time.

2.1.2 INTEREST RATE RISK

Compagnie des Alpes uses financial instruments to manage interest rate risk in the course of the Group's business. The Group does not manage market risks in a speculative manner. The sole objective is to be protected against market volatility.

The policy focuses on securitising financial expenses through short- and medium-term interest rate caps.

The interest rate risk exposure on the existing debt and changes in this exposure are presented in Chapter 5 - in Note 6.11 to the Consolidated Financial Statements.

2.1.3 FOREIGN EXCHANGE RISK

Most of the Group's international business activities are in the euro zone. Group exposure to foreign-exchange risk is therefore low.

A detailed analysis of the exposure to foreign exchange risk is presented in Note 6.11 to the Consolidated Financial Statements.

2.1.4 COUNTERPARTY RISK

All cash investments and financial instruments are set up with leading institutions and banks and in accordance with the rules regarding security and liquidity.

For derivatives and transactions settled in cash, counterparties are restricted to top-notch financial institutions. The Group's exposure to counterparty risk is therefore low.

2.2 Legal risks

2.2.1 REGULATORY RISKS

The regulations governing the Group's activities vary with the activities themselves and the countries in which the CDA Group operates.

In France, Ski area operations are carried out under the terms of the Mountain Act (*Loi Montagne*) of 9 January 1985, which deals with "the provision of ski lift and ski run and trail services", and which has now been integrated into and since been amended in the French Tourism Code.

The features of the concession agreements, by which the Group operates in application of these regulations, are set out in Chapter 5 – Note 1.14. to the Consolidated Financial Statements. They can be terminated early only by court order, in the event that the court deems the operator to have committed a serious infraction, for reasons considered to be in the general interest, or in case of *force majeure* that would make it impossible to meet the terms of the agreement.

If an agreement is terminated early, the operator is entitled to compensation corresponding at least to the book value of non-amortised investments. In cases where the agreement is terminated for reasons in the general interest, the operator is entitled to compensation for loss of revenue, once the revenue loss has been established.

There is no specific legal framework for the operation of the Leisure park division. Specific operating licenses may be required depending on national regulations.

2.2.2 LITIGATION

As at 30 September 2017, the CDA Group was not involved in any significant disputes.

In the course of CDA's day-to-day management of its activities, the Group is subject to a number of legal disputes and litigations. Compagnie des Alpes does not believe these will entail any significant cost or have any notable impact on its financial position, business, profits, or property.

The disputes, periodically recorded, are analysed by management. The management then makes any provisions required.

Provisions for legal disputes and litigation are described in Chapter 5 – Note 6.10. to the Consolidated Financial Statements. These provisions are divided between ongoing risks, which correspond to short-term legal proceedings directly linked to the core activities of the Group's companies, and non-current risks, which correspond to medium-term and non-current operations, notably those risks linked to acquisitions, which constitute the majority of these risks.

To the Group's knowledge there are no governmental, legal or arbitration proceedings (including any proceedings of which the issuer is aware, any suspended proceedings, and any proceedings with which it is threatened), and no litigation or arbitration regarding the validity or execution of concession agreements or operating contracts held by the Group that might have or have had, during the past 12 months, a significant impact on the financial position or profitability of the Company and/or Group.

2.3 Operational risks

2.3.1 FINANCIAL RISKS LINKED TO THE IMPACTS OF CLIMATE CHANGE

Ski area operators deem a continuous lack of snow their most significant risk. Though it has not occurred for many years, the risk of a serious extended shortage of snow over a complete season can never be completely excluded.

All climate models forecast a gradual increase in average air temperatures worldwide in the 21st century. Concerning future snow levels, there could be good winters, along with normal winters and low-snowfall winters. Over time, good winters could become rarer, while less favourable winters could become more frequent and snowfall could gradually decline [(1)].

However, Compagnie des Alpes has acknowledged this risk through its choice of sites, which are always located at altitudes high enough to enjoy favourable long-term snow conditions.

Snow-making and snow-quality programmes are a vital part of this strategy. The Group's resorts have long undertaken measures aimed at diversifying their offering, for example by developing fun non-ski activities.

The Group's resorts actively participate in efforts to limit greenhouse gas emissions. Measures are undertaken to reduce the pollutant emissions of grooming machines, optimise cable ski lifts and collective transport to the resorts, etc.

For further information on the measures undertaken, see Chapter 4 "Social, societal and environmental information", section 4.3.5. Adapting to the consequences of climate change.

Visitor numbers at open-air Leisure parks can be affected by rainfall. The Group reduces this risk through an adapted business policy (pre-sales for specified dates, for example) and by increasing the number of covered attractions.

While the possibility of intense continuous rainfall having a lasting effect on main park visitor numbers during the summer peak cannot be ruled out, such conditions remain rare.

The Group's diverse range of activity, both in terms of its business lines, geographic locations, and multi-seasonal operations reduces the impact of this weather-related risk.

2.3.2 THE CURRENT REAL ESTATE MARKET

Many French winter sports resorts are seeing a part of their rental property downgraded, and some professional accommodations transferred to general use, which can affect occupancy and thus Group sales figures. Compagnie des Alpes intends to find solutions to solve this problem. As a consequence, it partnered with a group of institutional investors to set up a mechanism for acquiring and marketing of these so-called "cold beds". This project, handled by Foncière Rénovation Montagne, has been rolled out in five resorts whose ski area is managed by the Group.

In each case, if possible the Group will encourage real estate operations that spur development projects with a positive impact on the outlook of Ski areas it operates.

Transactions on the real estate market are only carried out if there is a direct link to the operation of the sites on which the Group conducts its principal business activities.

Consequently, Compagnie des Alpes is exposed to the risk of a possible downturn in the real estate market. However, since most of the land rights in which it had invested have been sold, its exposure so far remains limited.

2.3.3 RISKS OF BODILY INJURY

The nature of the Group's activities means that it is exposed to the risk of customers or employees being involved in an accident on the Group's sites, especially:

- when using, operating or carrying out maintenance on ski lifts or, attractions and facilities in amusement parks;
- in relation to the compliance of products made available to customers (sales in shops, products for advertising or promotional events);
- health risks related to catering or caring for livestock.

Visitor and staff safety is a major concern for all managers and employees of the Group.

The Group ensures that:

- the equipment used is designed, manufactured, installed, operated, and maintained in strict application of current standards, so that under normal conditions, or conditions reasonably predictable by a professional, normal safety conditions are respected and no person's safety is put in jeopardy;
- products (consumables and other products) comply with current regulations and standards.

The Group relies on a network of partners in the areas of quality and safety who are responsible for improving control processes. At the Group's sites and at its headquarters, emergency plans have been devised in case of a serious accident in order to limit the consequences as much as possible. A crisis management system is also in place.

(1) *Source: DSF.*

2.3.4 RISKS RELATED TO UNAVAILABILITY OF FACILITIES

Group sites are exposed to risks related to fire, machinery breakdown or natural disasters. Prevention and protection measures of both a technical and human nature have been implemented.

Accident prevention experts from the Group's insurers and broker visit its sites regularly to make the required recommendations and monitor the prevention measures implemented.

The Group gives priority to safety and to the expenditures necessary to maintain facilities in perfect operating condition.

In this regard, Compagnie des Alpes has implemented an assessment and prevention process and produced a specific guide on the prevention of damage to property and related business interruption, thereby strengthening its policy in this area.

2.3.5 DEPENDENCE ON KEY SUPPLIERS

Certain resources critical to Group activities can be obtained only from a limited number of suppliers.

These include ski lifts and ticketing systems for Ski areas.

No bankruptcy risk for these suppliers has been identified.

However, the Group has taken measures to limit this risk by reducing its technical dependency and by diversifying its supply sources.

2.3.6 RISKS RELATED TO IT SYSTEMS

The Group is dependent on IT systems, particularly for its financial activities, administration and ticketing. For this reason, the Group has put in place an IT risk management policy which is coordinated by the Risk, Insurance and Crisis Management Department, with the support of the IT Systems Department and its Head of Information System Security.

This policy mainly covers the following key areas:

- protection of the Group's email systems from external attacks, such as malware and spam;
- making the Group's sales websites more resistant to cyber attacks;
- backing up and restoring all application environments so that activity can be restarted more efficiently;
- raising the awareness of the Group's employees of the need for controlled and secure use of our IT system.

The Group also uses e-commerce sites and sells electronic tickets and ski passes. It therefore closely monitors the integrity of its commercial and internal websites.

2.4 Insurance – risk cover

The Group has entered into liability insurance programmes, civil liability programmes for *de facto* and *de jure* managers and property damage insurance, and cover for corresponding business interruption with leading insurance companies.

All Group companies that are more than 50%-owned by the Group, or for which the Group has responsibility for insurance, are covered by these liability insurance programmes.

These Group programmes were the subject of a call for tenders in 2017, resulting in a significant improvement in insurance cover for liability as well as property damage.

In addition to these programmes, Group companies have taken out mandatory insurance policies, such as civil liability for vehicle fleets, as well as other specific policies covering items such as collectibles.

2.4.1 LIABILITY INSURANCE

Renewed on 1st October, the civil liability policy covers operating, post-delivery, and professional liability, and contains the exclusions generally applied on the insurance market. The principal sub-limits are for criminal negligence, accidental pollution, and general contracting civil liability.

A policy dedicated to Environmental Liability completes the cover.

2.4.2 INSURANCE POLICY COVERING DAMAGE TO PROPERTY AND RELATED BUSINESS INTERRUPTION

Taken out on 1st October, the insurance policy covering property losses is an "all risks except" policy containing the exclusions generally applied on the insurance market, and principally covers risks of fire, natural disasters, breakdown of machinery, and related business interruption.

This programme is partly reinsured by Loisirs Ré, a wholly-owned subsidiary of the Group.

3

CORPORATE GOVERNANCE

3.1 Composition of administrative and management bodies

Since March 2009, Compagnie des Alpes has been administered by a Board of Directors, which is supported by three specialised Committees: the Strategy Committee, the Audit and Finance Committee and the Appointments and Remuneration Committee. This Board of Directors has chosen to assign the Executive Management to its Chairman. The Chairman and Chief Executive Officer is supported by a Deputy Chief Executive Officer and an Executive Committee.

3.1.1 THE BOARD OF DIRECTORS AND COMMITTEES

3.1.1.1 Principles of Board and Committee composition

The composition of the Board of Directors and its three Committees follows several principles set out in the Compagnie des Alpes Corporate Governance Charter (the "Charter").

The Charter, in effect since the privatisation of the Company in 2004 and amended several times from year to year to integrate new governance provisions, is available in its entirety on the CDA website at the following address: www.compagniedesalpes.com, under the heading "Governance". It establishes the internal regulations of the Board of Directors.

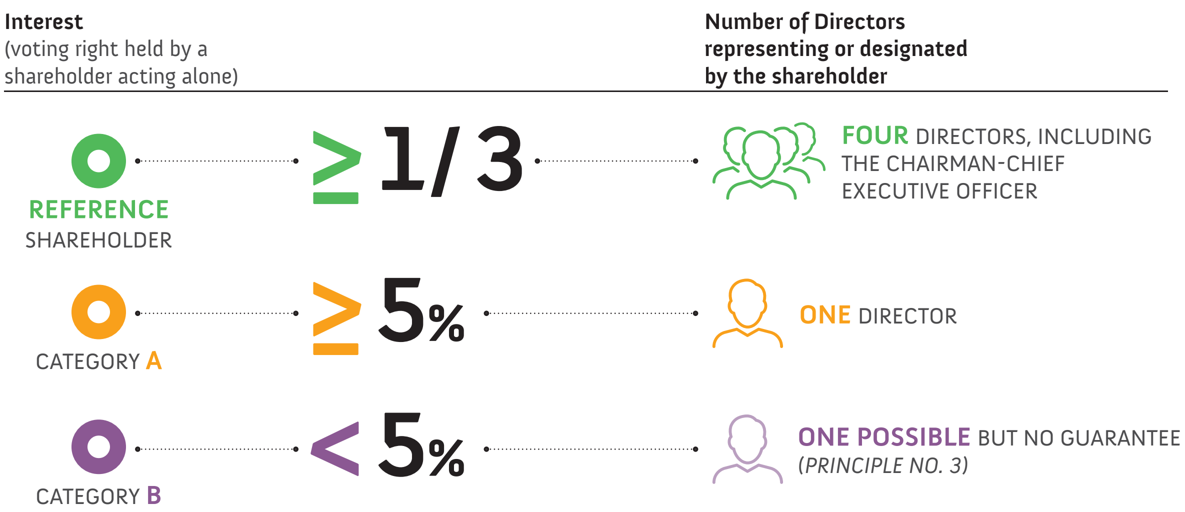
Given the presence of a reference shareholder (Caisse des Dépôts), the Charter is intended to promote a democratic, collective representation of shareholders and take into account corporate interests, mainly through the appointment of independent Directors.

Principles of Board composition:

In total, the Charter contains eight principles governing the composition of the Board of Directors. The main principles are summarised below.

As a guiding principle, the Board endeavours to ensure that its composition and that of the Committees is well balanced, in particular in terms of the range of skills present and the number of men and women and different nationalities represented. On the basis of guidance from the Appointments and Remuneration Committee, the Board asks the Ordinary Shareholders' Meeting of Compagnie des Alpes to approve a list of candidates chosen in accordance with the Charter's principles because of the skills they offer and the contribution they could make to the Board's work.

The composition of the Board of Directors also reflects the shareholder structure, is limited to eight members, and may be summarised as follows:



Shareholders included in the categories above and wishing to be represented on the Board submit their request to the Chairman.

In principle, the number of Board members is set at 12 (set number of members), including at least 4 independent Directors. One director representing the employees will be designated in accordance with the provisions of Article L.225-27-1 of the French Commercial Code, after changes made to the by-laws by the Annual Shareholders' Meeting that will be held in March 2018.

The Chairman of the Board of Directors is chosen from those members representing (or designated by) the reference shareholder.

The table below illustrates the rules defined above:

Shareholder	Category	Number	Members
Caisse des Dépôts (CDC)	Reference shareholder	4	• Dominique Marcel, Chairman-Chief Executive Officer • Antoine Gosset-Grainville • Francis Szpiner • CDC, represented by Antoine Colas
Sofival	A	1	• Jean-François Blas
Crédit Agricole des Savoie (CADS)	A	1	• CADS, represented by Jean-Yves Barnavon
Banque Populaire Auvergne Rhône-Alpes (BPAURA)	B	1	• BPAURA, represented by Maria Paublant
Independent Directors		5	• Caisse d'Epargne Rhône-Alpes (CERA) represented by Marion Rouso • Carole Montillet • Giorgio Frasca • Rachel Picard • Noëlle Lenoir

The table below shows the changes in the composition of the Board of Directors during the fiscal year.

	Name/Company name	Date of end of term
Directors whose mandate was renewed during the Fiscal year	Dominique Marcel, Chairman and Chief Executive Officer	AOSM (1) 2021
	Antoine Gosset-Grainville	AOSM 2020 (2)
	Giorgio Frasca	AOSM 2020 (2)
	Francis Szpiner	AOSM 2020 (2)
Director whose term of office expired during the fiscal year	Bernard Blas	2017 AOSM
Director who resigned during the fiscal year	Gilles Chabert	2017 AOSM
Director appointed during the fiscal year	Sofival (3)	2021 AOSM
	Carole Montillet	2021 AOSM

(1) *Annual Ordinary Shareholders' Meeting.*

(2) *This renewal for a term of three years forms part of the staggered renewal of Directors' terms of office, initiated by the Combined Ordinary and Extraordinary Shareholders' Meeting of 12 March 2015 in accordance with the corporate governance guidelines.*

(3) *Bernard Blas, Director whose mandate expired at the end of the Shareholders' Meeting called to approve the financial statements for the 2015/2016 fiscal year, has replaced Sofival, in its capacity as a legal entity.*

Principles of Committee composition

The changes of Directors that occurred at the Annual Shareholders' Meeting of 9 March 2017 led to a review of the composition of the Committees and Corporate Governance Charter based on those principles, while making sure that shareholder representation remains balanced.

The Strategy Committee has seven members, including (i) the Chairman and Chief Executive Officer who automatically chairs said Committee, (ii) a Director representing or designated by the reference shareholder, (iii) a Director representing or designated by the second largest shareholder represented on the Board, (iv) a Director representing or designated by a Category A shareholder, and (v) three independent Directors.

The Audit and Finance Committee has three non-executive members, who must all offer specific financial and accounting skills, including (i) a Director representing or designated by the reference shareholder and who automatically chairs said Committee and (ii) two independent Directors.

The Appointments and Remuneration Committee has three non-executive members, including (i) a Director representing or designated by the reference shareholder, and (ii) two independent Directors. It is chaired by an independent Director.

Independence of Directors

In accordance with the principles and best practices of corporate governance as stated in the Charter, the Board of Directors and the Committees are composed of Independent. To be eligible for the status of independent Director, a person (whether a Drector on their own behalf or a representative of a legal entity) must be competent and independent.

A. Competence: an independent Director must have the relevant experience and skills necessary to perform their duties on the Board of Directors and on any Committees on which they might sit.

The independent Directors must in particular be "active, present, and involved", in accordance with the AFEP-MEDEF Corporate Governance Code for Listed Companies, to which the Company refers (hereafter the "AFEP-MEDEF Code") (see section 3.4 "Compliance with corporate governance policies" of this Chapter).

B. Independence: an independent Director must possess a certain number of qualities of independence vis-à-vis the shareholders of Compagnie des Alpes and the Compagnie des Alpes Group. Independent Directors shall strive in all circumstances to maintain their independence in making judgments and decisions as well as in action. They must not be swayed by any factor lying outside the corporate interests that they are expected to protect.

C. Review of candidacies for independent Director must ensure that candidates, in their professional activity, do not and will not be tempted to maintain any relations with Compagnie des Alpes, the CDA Group, or its shareholders that could compromise the liberty of their judgment. To evaluate these criteria, the objective characteristics below may be taken into account. They should not constitute automatic cause for exclusion, either individually or collectively:

- **(a)** May not be an employee or corporate officer (other than Director) of Compagnie des Alpes, may not be an employee of one of its subsidiaries, may not be an employee and/or Director of a Compagnie des Alpes shareholder with a stake of greater than five percent (5%), nor have been so over the previous five years,
- **(b)** May not have been a Director of Compagnie des Alpes in the last twelve years,
- **(c)** May not be a corporate officer in a company in which Compagnie des Alpes has direct or indirect Board representation or in which an employee designated as such or a CDA corporate officer (at present or within the past five years) holds a Board seat,
- **(d)** May not be a client, supplier, commercial or investment banker for the CDA Group or for which the CDA Group represents a considerable proportion of business,
- **(e)** May not have a close family tie with a corporate officer from a CDA Group company,
- **(f)** May not have been the Statutory Auditor of a CDA Group company in the previous five years.

D. The duration of five years referred to in (a) and (c) above does not disqualify independent Directors who performed, prior to their designation as such, duties as independent members of the former Supervisory Board of the Company or as independent members of a management body of a CDA Group company or of a CDA shareholder with a stake of greater than five percent (5%) of CDA capital.

E. Eligibility for the position of independent Director is assessed regularly, and at least once a year, by the Board of Directors, following the guidelines of the Appointments and Remuneration Committee.

Review of Directors' independence

The Board has reviewed the qualification of each Director against the independence criteria. At the end of this review it was found that the independent Directors remain eligible for independent Director status.

It is recalled that Caisse d'Épargne Rhône-Alpes was deemed an independent Director by the Board of Directors when the fourth member of the Audit Committee was appointed in May 2015. In particular, it conducted a specific review of the criteria relating to business dealings, after which Caisse d'Épargne Rhône-Alpes was requalified as an independent Director, for the following reasons:

- Caisse d'Épargne Rhône-Alpes holds less than 3% of the Company's share capital;
- it was appointed by the Shareholders' Meeting of 14 March 2013 following the resignation of Banque Populaire des Alpes;
- it acts as banker for the Group, but this commercial banking and financing activity does not represent a considerable proportion of business for either of the two parties. In particular, of the three banks on the Board of Directors, Caisse d'Épargne Rhône-Alpes represents the smallest share in the Group's total financing, or a share of only about 1%. It also represents the weakest share of banking operations;
- as Head of Digital Transformation and Employee Experience for the BPCE group, the central shared body of Banque Populaire and Caisse d'Epargne, Mrs Marion Rouso is not involved, on behalf of Caisse d'Épargne Rhône-Alpes, in the negotiation of loans contracted by the Group with Caisse d'Épargne Rhône-Alpes.

Lastly, Mrs Rouso does not participate in the Board of Director's decisions relating to Group debt when they have a link with Caisse d'Épargne Rhône-Alpes, as was the case in April 2014, when, pursuant to the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, the Board of Directors approved the signature of the syndicated loan agreement, and Caisse d'Épargne Rhône-Alpes did not take part in the vote in accordance with Article L. 225-40 of the French Commercial Code, and in 2017, when the Board of Directors approved the loan agreements negotiated for the purposes of refinancing (see section 5.1.2 "Cash, financing and capital" of Chapter 5 "Financial information").

Financial and accounting expertise

In accordance with the most recent version of the AFEP-MEDEF Code (November 2016), the members of the Audit and Finance Committee must all offer specific financial and accounting skills.

Balanced composition of corporate bodies

The Board currently has five female members, representing more than 40% of its membership: Virginie Fernandes, Noëlle Lenoir, Rachel Picard, Marion Rouso and Carole Montillet.

Generally speaking, when choosing Directors and Committee members, the Board of Directors and the Appointments and Remuneration Committee (which supports the Board in this area) strive to achieve a balanced composition of corporate bodies. In particular, they aim to ensure that a wide range of skills are present and that Board members come from varied professional backgrounds (managers in the tourism and mountain vacation sectors, financiers, lawyers, etc.). Note too that Giorgio Frasca, an Italian national, is also present on the Board.

Other rules and characteristics relating to the Board's composition and Directors

Age limit: at least two-thirds of the Board members must be less than 70 years of age.

Duration and staggering of terms of office: the term of office of Directors is four years, in compliance with the AFEP-MEDEF Code.

At the Shareholders' Meeting on 12 March 2015, an amendment was made to the Company by laws, to enable the renewal of terms of office to be staggered. Three terms, which should have expired in 2017, were thus renewed in advance and for four years by this meeting.

The Company continued to implement this staggering procedure in 2016 through the early renewal of three mandates that were to expire in 2017 for a period of two years, and completed it in 2107, when three mandates were renewed by the Annual Ordinary Shareholders' Meeting for a period of three years instead of four.

Ownership of Company shares: the Charter contains a provision on the minimum number of shares to be held by Directors by means of reinvestment of part of their Directors' fees.

With the exception of Board members who do not personally receive Directors' fees, and to demonstrate a commitment to the Company, each Director must personally hold at least 300 shares in Compagnie des Alpes. If necessary, Directors will reinvest at least half of the net amount of Directors' fees they have received for a fiscal year in Company shares until the aforementioned quota has been reached.

In the interests of transparency, Directors are also advised to put all of their shares in a registered or administered account, with a minimum of 300 shares.

3.1.1.2 Composition of the Board of Directors

At 15 January 2018, the composition of the Board of Directors is as follows:

Family name/Company name	Date of birth	Position	Independent/ not independent	Audit and Finance Committee	Appointments and Remuneration Committee	Strategy Committee	End of mandate
Dominique MARCEL [(1)]	08/10/1955	Chairman-Chief Executive Officer	No			Chairman	2021 AOSM*
Caisse des Dépôts et Consignations, represented by Virginie FERNANDES [(2)]	30/09/1974	Vice-Chairman	No		Member	Member	2018 AOSM
Antoine GOSSET-GRAINVILLE [(1)]	17/03/1966	Director	No	Chairman			2021 AOSM
Crédit Agricole des Savoie, represented by Jean-Yves BARNAVON	05/04/1954	Director	No			Member	2018 AOSM
Banque Populaire Auvergne Rhône-Alpes, represented by Maria PAUBLANT	08/04/1969	Director	No				2018 AOSM
Caisse d'Epargne Rhône-Alpes, represented by Marion ROUSO	24/11/1976	Director	Yes	Member	Member		2019 AOSM
Sofival, represented by Jean-François BLAS	08/10/1953	Vice-Chairman	No			Member	2020 AOSM
Giorgio FRASCA	13/10/1941	Director	Yes	Member	Chairman	Member	2020 AOSM
Noëlle LENOIR	27/04/1948	Director	Yes			Member	2019 AOSM
Carole MONTILLET	07/04/1973	Director	Yes				2021 AOSM
Rachel PICARD	11/12/1966	Director	Yes			Member	2019 AOSM
Francis SZPINER [(1)]	22/03/1954	Director	No				2020 AOSM
Jacques MAILLOT	17/11/1941	Non-voting member					2021

* *Annual Ordinary Shareholders' Meeting.*
(1) *Director proposed by CDC.*
(2) *Reference shareholder.*

3.1.1.3 Expertise of members of the Board of Directors and other information

Directors present on the date of publication of this report

Chairman-Chief Executive Officer

Member of the Strategy Committee

Born on 8 October 1955

Number of CDA shares held: 8,919

DOMINIQUE MARCEL

MAIN POSITION: CHAIRMAN AND CHIEF EXECUTIVE OFFICER, COMPAGNIE DES ALPES

An Inspector General of Finance, Dominique Marcel holds a DEA in economics and is a graduate of Sciences Po. Upon graduating from the ENA in 1983, he was appointed as an administrateur civil (a high-ranking civil servant) at the Treasury Department and served as an advisor within various cabinets. In 1995, he became Deputy Director of Savings, Retirement Provisions and Financial Markets at the Treasury Department. In 1997, he was appointed Chief of Staff for the Minister of Employment and Solidarity, then Deputy Chief of Staff of the Prime Minister in 2000. He joined the Caisse des Dépôts group in November 2003 as Director of Finance and Strategy. While performing this role he took up directorship posts at companies including ACCOR, DEXIA and CNP Assurance and played a key role in the spin-off from Caisses d'Épargne and Banques Populaires. Having served as Chairman of the Compagnie des Alpes Supervisory Board and Strategy Committee from 2005, in October 2008 he assumed the role of Chairman of the Management Board, before taking over as Chairman and Chief Executive Officer in March 2009. In October 2014, the Chief Executive Officer of Caisse des Dépôts also entrusted Dominique Marcel with responsibility for monitoring and managing all the Group's activities in the tourism sector.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointed on 19 March 2009) – Term of office expires: 2021

Other mandates and duties within the Compagnie des Alpes Group:

- Chairman of Compagnie des Alpes-Domaines Skiables SAS (CDA-DS),
- Chairman of the Board of Directors of Grévin et Compagnie SA,
- Chairman of the Supervisory Board of Société du Parc du Futuroscope.

Other mandates and duties outside the Compagnie des Alpes Group:

- Responsible for monitoring and managing all the activities of the CDC group in the tourism sector,
- Director of Société du Grand Théâtre des Champs-Élysées (CDC group),
- Director of Eiffage*.

Other mandates formerly held by Dominique Marcel in the last five years:

- Permanent representative of CDA on the Board of Directors of Compagnie du Mont-Blanc (CMB) until 15 September 2016;
- Chairman of the Board of Directors of CDC Infrastructure (CDC group) until 31 March 2015.

* *Listed company.*

Vice-Chairman of the Board of Directors

Permanent representative of Caisse des Dépôts (CDC) on the Board of Directors

Member of the Appointments and Remuneration Committee and Strategy Committee

Born on 30 September 1974

Number of CDA shares personally held: 0

Number of shares held by CDC: 9,615,579

VIRGINIE FERNANDES

MAIN POSITION: DIRECTOR OF THE GROUP MANAGEMENT DEPARTMENT IN THE CAISSE DES DÉPÔTS FINANCE, STRATEGY AND SHAREHOLDINGS DIVISION

A graduate of the École supérieure de commerce in Rouen and a member of the Société française des analystes financiers (SFAF), Virginie Fernandes began her career in 1998 at EY as a financial auditor. Starting in 2000, she worked as a financial analyst, first at Oddo Securities, then at Crédit Agricole Cheuvreux. She joined the Caisse des Dépôts group in 2010. After that, she went to work in the Finance Department of Fonds Stratégique d'Investissement, where she was in charge of strategic stock ownership. In 2012, she joined the Finance, Strategy and Shareholdings division and successively held positions as manager of strategic oversight of subsidiaries and, starting in 2013, manager of the Real Estate, Housing and Tourism division. Since 25 January 2017, Virginie Fernandes has served as Director of the Group Management Department.

Mandate from CDC renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 10 March 2016 for two years – Term of office expires: 2018

Other mandates and duties outside the Compagnie des Alpes Group:

- Director of BPIfrance Investissement, BPIfrance Participations, and Transdev,
- Permanent representative of CDC as Director of Icade*
- Member of the Supervisory Board of Société Nationale Immobilière.

* *Listed company.*

Director

Chairman of the Audit and Finance Committee

Born on 17 March 1966

Number of CDA shares held: 300

ANTOINE GOSSET-GRAINVILLE

MAIN POSITION: CORPORATE LAWYER AND PARTNER AT THE LAW FIRM BDGS ASSOCIÉS, 44 AVENUE DES CHAMPS-ÉLYSÉES – 75008 PARIS

A former student of the École nationale d'administration (ENA) and graduate of the University of Paris IX Dauphine and the Institut d'études politiques de Paris, Antoine Gosset-Grainville began his career as a senior government official. After working as a partner in the law firm Gide Loyrette Nouel, in 2010 he joined Caisse des Dépôts as Associate Managing Director and served as acting Chief Executive Officer between 8 March and 18 July 2012. In May 2013 he left Caisse des Dépôts to resume his work as a corporate lawyer at the law firm BDGS Associés, which he founded with three former partners from Gide.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointed on 19 January 2011) – Term of office expires: 2021

Other mandates and duties outside the Compagnie des Alpes Group:

- Director of Schneider Electric SA* and of FNAC*.

* *Listed company.*

Permanent representative of Sofival

Member of the Strategy Committee

Born on 8 October 1953

JEAN-FRANCOIS BLAS

MAIN POSITION: CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SOFIVAL

A graduate of HEC, Jean-François Blas (63) began his career in the distribution of wines and spirits in the CASTEL group in Ivory Coast and continued it in France in the distribution of electronics. He joined the Société des Téléphériques de Val-d'Isère in 1988 as Chief Executive Officer, then took part in the creation of Sofival, the Group's parent holding company, in 1991, for which he became Chief Executive Officer in 1995. Sofival would take control of the ski areas of Avoriaz in 1997 and Valmorel in 1999 and of the company Rosière in 2002. He was behind the Group's initial diversification into financial activities, then in 2007, when STVI was sold to Compagnie des Alpes, he joined that company as Director of Ski Area Operations and a member of the Executive Committee. He left Compagnie des Alpes in May 2016 to assume the chairmanship of the Sofival group and became its Chairman and CEO in April 2017. He has been a member of the Board of Directors of Sofival since 1985.

Appointment of Sofival by the Ordinary Shareholders' Meeting of 9 March 2017 to replace Mr Bernard Blas – Term of office expires: 2020

Other mandates and duties outside the Compagnie des Alpes Group:

- Director of Sofival SA,
- Chairman and Chief Executive Officer of Société Hotelière Côte Rotie SA,
- Manager of Acaval SCI,
- Permanent representative of Sofival on the boards of Cogeval Energies SAS, D.S.R. SAS, D.S.V. SAS, Financière Valance SAS, Le Jardin Alpin SAS, SERMA SAS, Valastorg SAS, Valcapital SAS, Valdev Immo SAS, Valdev Invest SAS, Valmon SAS (Chairmanship),
- Permanent representative of SOFIVAL on the boards of Genival SNC, Immobilière Valance SCI, Valmo Invest SNC,
- Director of Trialp SA.

Director

Born on 22 March 1954

Number of CDA shares held: 745

FRANCIS SZPINER

MAIN POSITION: LAWYER AT THE LAW FIRM SZPINER TOBY AYELA SEMERDJIAN, 43 RUE DE COURCELLES – 75008 PARIS

Francis Szpiner has been a licensed attorney with the Paris bar since 1975. A professor at the École des hautes études internationales (since 2000), he has also been a lecturer at the Institut d'études politiques de Paris since 2007.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (First appointment as a member of the Supervisory Board: 17 January 2006) – Term of office expires: 2020

Other mandates and duties:

- None

Permanent representative of CRCAM-Crédit Agricole des Savoie ("Crédit Agricole des Savoie")

Member of the Strategy Committee

Born on 5 April 1954

Number of CDA shares personally held: 0

Number of shares held by Crédit Agricole des Savoie: 1,681,985

JEAN-YVES BARNAVON

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE DES SAVOIE (COOPERATIVE), AVENUE DE LA MOTTE SERVOLEX – 73034 CHAMBÉRY CEDEX

An agricultural engineer, graduate of the Institut d'administration des entreprises (IAE Nancy 1979), Jean-Yves Barnavon has spent his entire career within the Crédit Agricole group. Since 2006, Jean-Yves Barnavon has been head of Crédit Agricole des Savoie. He has represented it on the Board of Directors of Compagnie des Alpes since 17 January 2006.

Mandate from Crédit Agricole des Savoie renewed by the Shareholders' Meeting of 10 March 2016 for two years – Term of office expires: 2018

Other mandates and duties:

- Chairman of Crédit Agricole Financements Suisse (a Swiss public limited company),
- Permanent representative of Crédit Agricole des Savoie as Chairman of Indosuez Wealth Management France (SA) and permanent representative of Crédit Agricole des Savoie as Director of Indosuez Wealth group,
- Permanent representative of Crédit Agricole des Savoie as Director of CA Technologies GIE (economic interest group), Friuladria (an Italian company), Fédération AURA, SACAM Participations, Scicam, and SAS Rue de la Boétie,
- Permanent representative of Crédit Agricole des Savoie as joint manager of Crédit Agricole Alpes Développement now called C3A.

Mandates formerly held by Jean-Yves Barnavon in the last five years:

- Permanent representative of Crédit Agricole des Savoie as Manager of CA Rhône-Alpes Investissement (until May 2015),
- Permanent representative of Crédit Agricole des Savoie as Director of CA Home Loan SFH (until 17 September 2014),
- Permanent representative of Crédit Agricole des Savoie as member of the Supervisory Board of CA Titres SNC (until October 2017).

Independent Director

Born on 7 April 1973

Number of CDA shares held: 0

CAROLE MONTILLET

MAIN POSITION: MANAGER OF SARL KARLITA, 258, IMPASSE DE LA MARMOTTE – 38250 ST-NIZIER-DU-MOUCHEROTTE

Carole Montillet holds a Baccalaureate and a State Certificate in Alpine Skiing from the Groupe École supérieure de commerce in Chambéry. Carole Montillet was a professional skier until 2006, when she retired and took part as a race car driver in the Rallye des Gazelles in 2006 and also in the Dakar Rally in 2007. She was elected Mayoress of Corrençon-en-Vercors in 2008. She was elected to the Regional Council on 13 December 2015 as the Sports Delegate.

Carole Montillet's track record as a professional skier is as follows:

- Skier, member of the French Ski Team (1990-2006),
- French Super-G Champion (1992-1998),
- French Downhill Champion in 1996,
- 4th in Super-G at the World Championships in Sestrieres in Italy,
- Gold Medal (Women's downhill) in the Olympic Games at Salt Lake City in the United States in 2002,
- French Super-G Champion at Val-d'Isère in 2002,
- 14th in Super-G and 7th in Downhill at the Saint-Moritz World Championships in 2003,
- 2nd in Super-G at the World Championships at Innsbruck in Austria in 2003,
- Super-G World Champion at Kvitfjell in Norway in 2003,
- World Downhill Champion at Lake Louise in 2003,
- 4th in Super-G at Megève in 2003.

Carole Montillet is a Knight of the Legion of Honour (2002).

Appointed by the Ordinary Shareholders' Meeting of 9 March 2017 – Term of office expires: 2021

Other mandates:

- None

Permanent representative of Banque Populaire Auvergne Rhône-Alpes since 8 November 2017

Born on 8 April 1969

Number of CDA shares personally held: 0

Number of shares held by Banque Populaire Auvergne Rhône-Alpes: 1,204,473

MARIA PAUBLANT

MAIN POSITION: DIRECTOR OF CORPORATE AND INTERNATIONAL RELATIONS AND MEMBER OF THE MANAGEMENT COMMITTEE OF BANQUE POPULAIRE AUVERGNE RHÔNE-ALPES, 4 BOULEVARD EUGÈNE DERUELLE, 69003 LYON

A 1991 ESSEC graduate, Maria Paublant began her career in London with Barclays before going to Warburg Dillon Read (UBS) in Paris. She spent a total of eight years in investment banking (Asset Securitisation, M&As, IPOs, Project Financing, etc.) in London and Paris.

In 1999, after a new mission at Axa as senior stock manager, she moved to Boston and became a Business Developer at a US start-up. After returning to France in 2004, she became Head of Corporate Relations at CACIB in Lyon and oversaw a portfolio of existing clients (LBOs, syndicated financing, wholesale banking, bond issues, USPP). In 2008, she joined CIC group as Manager of Specialised Finance before becoming Regional Director and a member of the Bank's Management Committee. She is responsible for the oversight and global management of the geographical region (Rhône) for business markets, professionals, the general public and private banking: 400 people, 144,000 customers.

In September 2017, she joined the BPAURA as Director of Corporate and International Relations and a member of the Bank's Management Committee.

Other mandates:

- None

Permanent representative of Caisse d'Épargne Rhône-Alpes

Independent Director

Member of the Audit and Finance Committee and the Appointments and Remuneration Committee

Born on 24 November 1976

Number of CDA shares personally held: 0

Number of shares held by Caisse d'Épargne Rhône-Alpes: 723,486

MARION ROUSO

MAIN POSITION: DIRECTOR OF DIGITAL TRANSFORMATION AND EMPLOYEE EXPERIENCE FOR THE BPCE GROUP* – 21, BOULEVARD VINCENT AURIOL – 75013 PARIS

A graduate of ESCP, Marion Rouso has spent her entire career in the BPCE group. She began her career in 1999 as inspector then team manager at the General Inspectorate of Banque Fédérale des Banques Populaires, before joining Banque Populaire du Nord in 2007 as Financial Officer and member of the Management Committee (2007-2010). She then took on the role of Regional Sales Director for Banque Populaire du Nord and then for Caisse d'Épargne Rhône-Alpes. In January 2014, Marion Rouso was appointed to the Executive Committee of Caisse d'Épargne Rhône-Alpes as Audit Director.

Mandate from Caisse d'Épargne Rhône-Alpes renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 12 March 2015 – Term of office expires: 2019

Other mandates and duties:

- None

* *Central shared body of Banque Populaire and Caisse d'Epargne.*

Independent Director

Member of the Strategy Committee

Born on 11 December 1966

Number of CDA shares held: 716

RACHEL PICARD

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF VOYAGES SNCF, 2 PLACE DE LA DÉFENSE – CNIT 1 – BP 440 – 92053 LA DÉFENSE CEDEX

A graduate of HEC, Rachel Picard has been serving as Chief Executive Officer of Voyages SNCF since October 2014, having previously spent two years as head of the Gares et Connexions division of SNCF. Prior to taking up this role she had been Chief Executive Officer of Voyages-sncf.com, after working as Associate Chief Executive Officer responsible for marketing, sales and operations between 2004 and 2006. Before this, she directed Tour Operating Europe at Frantour from 1993 to 2000 and then ran Les Editions Atlas Voyages from 2000 to 2002. She has held business positions in the ski sector with Valle Nevado (Chile), and in the Leisure parks sector with Euro Disney Paris.

Renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 12 March 2015 (first appointed on 15 December 2009) – Term of office expires: 2019

Other mandates and duties:

- Permanent representative of SNCF Mobilities as Chairwoman of the Board of Directors of Voyages-SNCF.com (SAS) and SNCF C6,
- Permanent representative of SNCF Mobilities as Director of VSC group (SAS) and of THI Factory SA,
- Permanent representative of SNCF Mobilities as member of the Supervisory Board of Orient Express SAS,
- Director of the Board of Eurostar International Ltd (UK),
- Member of the Board of Directors of Criteo*.

* *Listed company.*

Independent Director

Member of the Audit and Finance Committee, member and Chairman of the Appointments and Remuneration Committee, member of the Strategy Committee

Born on 13 October 1941 – An Italian national

Number of CDA shares held: 300

GIORGIO FRASCA

MAIN POSITION: CONSULTANT, 1, SQUARE DU CAPITAINE CLAUDE BARRÈS – 92200 NEUILLY-SUR-SEINE

Giorgio Frasca holds a doctoral degree in law from the University of Rome and is a law professor and a lawyer. He has held senior positions at Lazard Frères bank (Vice-Chairman of Lazard International from 2006 to 2009) and the Fiat group, where he served as head of the group in France from 1981 to 2006. Giorgio Frasca joined the Compagnie des Alpes Board of Directors on 15 December 2009, as an independent Director.

Renewed by the Ordinary Shareholders' Meeting of 9 March 2017 (first appointed on 15 December 2009) – Term of office expires: 2020

Other mandates and duties:

- None

Independent Director

Member of the Strategy Committee

Born on 27 April 1948

Number of CDA shares held: 300

NOËLLE LENOIR

MAIN POSITION: PARTNER IN THE LAW FIRM KRAMER LEVIN NAFTALIS & FRANKEL LLP, 47 AVENUE HOCHE – 75008 PARIS

Noëlle Lenoir holds a Master's degree in public law and is a graduate of Sciences Po. Since 2004 she has mainly worked as a lawyer and is a partner in the law firm Kramer Levin Naftalis & Frankel, within which she specialises in competition law and public business law. President of the HEC's Europe Institute, where she is also an adjunct professor. She is also founding President of Cercle des Européens. During the course of her career she has held senior posts in the French government: Senate Administrator and then Honorary member of the Council of State, she was notably the first woman to be appointed to the French Supreme Constitutional Court in 1992, and then served as Minister for European Affairs from 2002 to 2004. She served as an ethics officer at the French National Assembly from 2012 to 2014 until the creation of the High Authority for Transparency in Public Life. She has taught at Sciences Po, as well as at universities in France and abroad.

Renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 12 March 2015 (first appointed on 14 March 2013) – Term of office expires: 2019

Other mandates and duties:

- Director of Valeo*.

* *Listed company.*

Non-voting member

Born on 17 November 1941

Number of CDA shares held: 837

JACQUES MAILLOT

MAIN POSITION: CONSULTANT, 33, RUE MAURICE RIPOCHE – 75014 PARIS

Jacques Maillot holds a degree in law and is the founding President of Nouvelles Frontières. As an independent member of the Supervisory Board of Compagnie des Alpes and subsequently of its Board of Directors, he served as an independent Director at the Company until March 2013, in addition to his duties as Chairman of the Appointments and Remuneration Committee and member of the Strategy Committee. With his considerable experience of the leisure industry and more than fifteen years of service on the Boards and Committees of Compagnie des Alpes, Jacques Maillot continues to support all these bodies, without voting rights, as a non-voting member.

Term as non-voting member renewed on 9 March 2017 (first appointment: 2013) – Term of office expires: 2021

Other mandates and duties:

- Member of the Supervisory Board of Futuroscope,
- Director of Voyageurs du monde*,
- President of the association Feu Vert pour le Développement.

* *Listed company.*

Director having held a mandate on the Board of Directors during the 2016/2017 fiscal year

Permanent representative of Sofival until 29 August 2017

Born on 20 September 1925

Number of CDA shares held: 300

Number of shares held by Sofival: 2,110,806

BERNARD BLAS

MAIN POSITION: DIRECTOR OF SOCIÉTÉ FINANCIÈRE DE VAL-D'ISÈRE SA (SOFIVAL), 29 BIS RUE D'ASTORG – 75008 PARIS

Bernard Blas is a graduate of École de Commerce de Paris. Since 1972, he has been the Chairman and Chief Executive Officer of Sofival, a company that specialises in operating ski areas (Val-d'Isère until 2007, Avoriaz, Valmorel, La Rosière). Member and Vice-Chairman of the Compagnie des Alpes Supervisory Board since October 2007, he was appointed a Director and Vice-Chairman of the Board of Directors on 19 March 2009. He is also a member of the Strategy Committee and, since 15 December 2009, of the Audit and Finance Committee.

Term renewed by the Shareholder's Meeting on 9 March 2017 (first appointment to the Supervisory Board in October 2007)

Other mandates and duties outside the Compagnie des Alpes Group:

- Permanent representative of Sofival as Chairman of SAS SERMA (Société des Remontées Mécaniques de Morzine-Avoriaz), DSV (Domaine Skiable de Valmorel), DSR (Domaine Skiable de la Rosière), Le Jardin Alpin, Valmont, Valmorel Bois de la Croix, Val Capital, Valastorg, Labval, Financière Valance, and of SCI Immobilère Valance.

Mandates formerly held by Bernard Blas in the last five years:

- Chairman-Chief Executive Officer of Sofival (until 2016),
- Chairman of the Board of Directors of Valbus (until January 2017).

Permanent representative of Banque Populaire Auvergne Rhône-Alpes until 7 November 2017

Born on 9 February 1961

Number of CDA shares personally held: 0

Number of shares held by Banque Populaire Auvergne Rhône-Alpes: 1,204,473

DANIEL KARYOTIS

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF BANQUE POPULAIRE AUVERGNE RHÔNE-ALPES, 4, BOULEVARD EUGÈNE DERUELLE – 69003 LYON

After completing a master's degree in economics, Daniel Karyotis joined Institut d'études politiques de Paris, where he was awarded a PhD in economic and financial analysis by the Centre de perfectionnement à l'analyse financière (Centre for advanced financial analysis). Daniel Karyotis acted as Chief Executive Officer of Banque Populaire des Alpes and of Banque Populaire Loire et Lyonnais between mid-October 2016 and 7 December 2016, and as Chief Executive Officer of Banque Populaire du Massif Central between May 2016 and 7 December 2016. He was appointed Chief Executive Officer of Banque Populaire Auvergne Rhône-Alpes, created by the merger of Banque Populaire des Alpes, Banque Populaire Loire et Lyonnais and Banque Populaire du Massif Central carried out on 7 December 2016. Previously, he has been the Chief Executive Officer, member of the Management Board in charge of finance, risks and operations of the BPCE group, and this since 1 December 2012. He started his professional career in 1985 at Socété Générale, dealing in the financial markets, before joining Standard & Poor's in France, as a chargé d'affaires dealing with the banking sector. In 1992, he joined the Caisse d'Épargne group where he held various executive positions, including Chief Executive Officer of Caisse d'Épargne du Pas-de-Calais in 1998, and Chairman of the Management Board of Caisse d'Épargne Champagne-Ardenne in 2001. From 2004 to 2006, he was Vice-Chairman of the Lanson International Champagne group (following its purchase by Caisse d'Épargne in 2004). In 2007, he became Chairman of the Management Board of Banque Palatine, a corporate and asset management bank of the BPCE group and reference partner of medium-sized companies. Daniel Karyotis represents Banque Populaire Auvergne Rhône-Alpes on the Board of Directors of Compagnie des Alpes since 11 October 2016. He replaced Mr Pascal Marchetti who had held this mandate since 2008.

Mandate from Banque Populaire Auvergne Rhône-Alpes renewed by the Shareholders' Meeting of 10 March 2016 for two years – Term of office expires: 2018

Mandates formerly held by Daniel Karyotis in the last five years:

- Director and member of the Audit Committee of Natixis*, CFF, and Nexity*,
- Chairman of the Supervisory Board of Palatine Asset Management,
- Chairman of Société de Développement Régional Champeix,
- Director then Chairman of the Audit Committee of COFACE,
- Vice-Chairman of the Supervisory Board of Eurosic,
- Vice-Chairman of the Board of Directors of Champagne Lanson.

* *Listed company.*

3.1.1.4 Composition of the Committees

Audit and Finance Committee

Antoine Gosset-Grainville Chairman

Giorgio Frasca member (independent Director)

Marion Rouso member (independent Director)

Appointments and Remuneration Committee

Giorgio Frasca Chairman (independent Director)

Virginie Fernandes member

Marion Rouso member (independent Director)

Strategy Committee

Dominique Marcel Chairman

Virginie Fernandes member

Jean-François Blas member

Jean-Yves Barnavon member

Rachel Picard member (independent Director)

Noëlle Lenoir member (independent Director)

Giorgio Frasca member (independent Director)

3.1.2 EXECUTIVE MANAGEMENT AND OTHER MANAGEMENT STRUCTURES

Since 2009, the Chairman is responsible for the Executive Management of the Company. This choice as regards Executive Management allows for smoother and more integrated management and more streamlined management of operations. The Board of Directors believes that this method of governance is the most appropriate to address the challenges facing the Group.

The **Chairman and Chief Executive Officer** is supported by a **Deputy Chief Executive Officer**.

To meet its strategic demands, Group management has been divided into business functions: operational departments, covering the Group's two main businesses, are responsible for interdisciplinary management, while other operational departments are responsible for managing the operating performance of the sites and the application of Group policies. All managers in these departments belong to the Group's Executive Committee, which currently comprises eight members, three of whom are women.

The Executive Committee supports the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer with the implementation of the strategy defined by the Board of Directors and the operational management of the Group. It generally meets once a week.

3.1.2.1 The Chairman and Chief Executive Officer

DOMINIQUE MARCEL

CHAIRMAN AND CHIEF EXECUTIVE OFFICER SINCE 19 MARCH 2009

(see the section Expertise of members of the Board of Directors and other information above).

3.1.2.2 The Deputy Chief Executive Officer

Born on 19 June 1974

Number of CDA shares held at 30 September 2017: 9,402 shares of FCPE CDA Actionnariat (employee shareholders' fund), entirely invested in CDA shares.

AGNÈS PANNIER-RUNACHER

DEPUTY CHIEF EXECUTIVE OFFICER, SINCE 28 JANUARY 2013

A graduate of HEC and ENA, Agnès Pannier-Runacher started her career as an Inspector of Finance at the Ministry of Finance in 2000. After spending three years as Chief of Staff at Assistance Publique-Hôpitaux de Paris from 2003 to 2006, responsible for economic and financial management, she was appointed as Deputy Director of Finance and Strategy and Head of Equity and Development at Caisse des Dépôts group in September 2006. At the beginning of 2009 she was involved in setting up the Fonds Stratégique d'Investissement (FSI) and became a member of its Executive Committee, where she was responsible for managing an investment portfolio, as well as for financial management and the portfolio strategy.

She left to join Faurecia Interior Systems at the end of 2011, where she was appointed as Head of the R&D division for Tata-Jaguar Land Rover, GM Europe and Volvo. In this role she manages product development for new vehicles, as well as commercial relations with her clients.

Appointed by the Board of Directors on 18 December 2012 – Open-ended term

Other mandates and duties within the Compagnie des Alpes Group:

- Member of the Supervisory Board of SA du Parc du Futuroscope,
- Director of SA Compagnie du Mont-Blanc (CMB);
- Director of SAS Skigloo.

Other mandates and duties outside the Compagnie des Alpes Group:

- Independent Director and Chairwoman of the Audit Committee of Bourbon SA*,
- Director of BPI Groupe (EPIC),
- Independent member of the Supervisory Board and Chairwoman of the Audit Committee of SA Elis*.

Mandates formerly held by Agnès Pannier-Runacher in the last five years:

- Permanent representative of CDA on the Board of Directors of Grévin et Compagnie SA (until February 2016),
- Director of FSI PME Portefeuille, Financière Transdev, BPIfrance Investissement, Icade, and Qualium Investissement,
- Member of the Supervisory Board of Société Nationale Immobilière.

* *Listed company.*

3.1.2.3 The Executive Committee

DOMINIQUE MARCEL

CHAIRMAN AND CHIEF EXECUTIVE OFFICER, SINCE 19 MARCH 2009

(see above).

AGNÈS PANNIER-RUNACHER

DEPUTY CHIEF EXECUTIVE OFFICER, SINCE 28 JANUARY 2013

(see above).

LAURENT CHELLE

HEAD OF SKI AREAS DEVELOPMENT

A graduate of EM Grenoble, Laurent Chelle started his career in the tourist accommodation industry where he held management and marketing positions until December 2002, at which time he joined the Group. His first responsibility was the creation and launch of the Paradiski brand and the associated Ski area. Later he was Deputy Chief Executive Officer of Serre Chevalier Ski Développement. Since 2006, he directs the operating companies of the Peisey-Vallandry and Les Arcs ski areas, whose operations he brought together in 2011. He has been a member of the Executive Committee since 1 June 2016.

Appointed on 1st June 2016 – Joined the Group in December 2002

FRANÇOIS FASSIER

DIRECTOR OF LEISURE PARK OPERATIONS

François Fassier is a graduate of École nationale supérieure d'arts et métiers in Paris and has been involved in the Leisure parks sector for almost 20 years. He has held roles including Technical Director of Parks and Disney Village at Disneyland Paris. He joined the Compagnie des Alpes Group in 2006 as Head of parks in Belgium, before becoming Head of parks in Northern France (including Parc Astérix) in 2007 and Industrial Department Director in 2010. He has been a member of the Executive Committee since 1 December 2010.

Appointed on 4 November 2013 – Joined the Group in October 2006

DENIS HERMESSE

GROUP CHIEF FINANCIAL OFFICER, HEAD OF FINANCE, IT, RISK AND PROCUREMENT

Denis Hermesse graduated from HEC Liège as a commercial engineer, and has a solid track record in finance, human resources and IT systems, as well as a sound knowledge of the Leisure parks business. After a period as an auditor at PwC, he joined the Walibi group, where he held several positions from 1995 to 2006, the last of which was VP Finance Europe. From 2006 to 2015, he was Chief Financial Officer of the IRIS group.

Appointed and joined the Group on 2 September 2015

SANDRA PICARD

GROUP COMMUNICATIONS HEAD

Sandra Picard graduated from ESC Bordeaux and held various positions within Eurodisney SCA starting in 1996. After joining the Group as a management controller, she assumed responsibility for Investor Relations in 2000. She joined Compagnie des Alpes in June 2006 in the role of Public Relations and Internal Communications Manager for Leisure parks. In October 2009, she was appointed as Group Communications Director with responsibility for corporate, internal and financial communication.

Appointed on 1st January 2011 – Joined the Group on 12 June 2006

DELPHINE PONS

DIRECTOR OF GROUP DEVELOPMENT

Delphine Pons graduated from ESSEC and began her career at the Strategy Department of Deloitte Consulting/ Braxton Associés as a consultant, before taking up a managerial role. She joined CDA in May 2005 as Head of Leisure parks strategic planning. From September 2005, she served as Head of Leisure parks strategic marketing and subsequently as Head of Group Sales & Marketing from September 2009. In this role she was responsible for driving the commercial and marketing policy for Group Ski areas and Leisure parks. Delphine has been in charge of International development and new business lines since Octob^{er} 2013. Delphine was in charge of International development and new business lines between 2013 and 1 September 2016, when she was appointed Director of Group Development.

Appointed on 1st October 2013 – Joined the Group in May 2005

DAVID PONSON

DIRECTOR, SKI AREAS OPERATIONS

David Ponson is a graduate of École nationale supérieure d'arts et métiers in Paris. He joined Compagnie des Alpes in 1996 as Technical Manager for Operation and Quality at STAG (Société des Téléphériques de l'Aiguille Grive – Peisey-Vallandry). In 1998 he took over as Head of the Ski Lift and Slope Operation Department. He joined SEVABEL (Les Menuires) in March 2002, taking up the role of Chief Executive Officer and coordinator of 3 Vallées (Méribel – Les Menuires). Between 1 January 2012, when he joined the Executive Committee, and 31 May 2016, he was Head of Ski area operations for the Tignes/Val-d'Isère connected ski area, as well as 3 Vallées. On ^{1} June 2016, he was appointed Director of Operations for Ski Areas. David is also President of the Savoie section of Domaines Skiables de France.

Appointed on 1st January 2012 – Joined the Group in 1996

3.1.3 ADDITIONAL INFORMATION RELATING TO DIRECTORS AND EXECUTIVE CORPORATE OFFICERS

3.1.3.1 Statement of non-conviction

To the knowledge of Compagnie des Alpes, during the last five years none of the corporate officers has been convicted of fraud, has been involved in bankruptcy, sequestration or liquidation, has been subject to incrimination or official public sanction delivered by statutory or regulatory authorities (including designated professional bodies) or has been barred by a court from acting in the capacity of member of any company's management or Supervisory Board, or from acting in any company's management.

3.1.3.2 Conflicts of interest

In accordance with the Charter, Directors and non-voting members undertake to avoid any potential conflict between their moral and material interests and those of the Company. They will inform the Board of any conflict of interest in which they may be involved. Should they be unable to avoid a conflict of interest, they will refrain from taking part in discussions and from any decision-making in relation to the matters concerned.

To the Company's knowledge, there are at present no potential conflicts of interest between the duties owed to the Company by the members that make up the management or administrative bodies, and their personal and/or other interests or treaty or agreement with shareholders, customers, suppliers, or others whose terms require the appointment of a member of the Executive Management or Board of Directors.

To the Company's knowledge, there are no restrictions accepted by the Company's corporate officers concerning the sale of their shareholdings in the Company.

3.1.3.3 Service contracts

To the Company's knowledge, no service contract has been agreed between the Company and any member of the Executive Management or Board of Directors, with the exception of the licensing agreement for the use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts," referred to in Chapter 5, in Note 8.1.2 of the notes to the consolidated financial statements.

3.1.3.4 Share transactions involving Compagnie des Alpes executives

During the 2016/2017 fiscal year, no share transactions involving executives were recorded or formed the subject of the declaration referred to in Article L. 621-18-2 of the French Monetary and Financial Code.

3.1.3.5 Family ties

There are no family ties among the Board members and Executive Management.

3.2 Functioning of administrative and management bodies

3.2.1 PROCEDURES FOR THE EXERCISE AND LIMITATION OF EXECUTIVE MANAGEMENT POWERS

As mentioned above, the Executive Management of the Company is the responsibility of the Chairman of the Board of Directors, who thus carries the title of Chairman and Chief Executive Officer. Subject to (i) powers that the law or by-laws attribute expressly to Shareholders' Meetings, (ii) powers reserved exceptionally for the Board of Directors, and (iii) the provisions of the Charter, the Chairman and Chief Executive Officer is vested with extensive powers to act in any circumstances on behalf of the Company, within the limits of the purpose of the Company. The decisions of the Board of Directors that limit the powers of the Chairman and Chief Executive Officer cannot be enforced against third parties.

In accordance with Article 13.3 of the bylaws, the Board of Directors may, at the suggestion of the Chairman and Chief Executive Officer, appoint deputy Chief Executive Officers (the "Deputy Chief Executive Officers"). When Deputy Chief Executive Officers are appointed, the provisions of the Charter concerning the Chairman and Chief Executive Officer shall apply to them.

Certain decisions made by the Chairman and Chief Executive Officer concerning the Compagnie des Alpes Group cannot be adopted, and certain actions or commitments concerning the Group cannot be concluded by the Chairman and Chief Executive Officer, if they have not received prior approval or been given proxy by the Board of Directors. These restrictions of power are described in Article II.2.3. of the Charter, which requires the Board's prior approval for decisions on one of the following matters:

- Compagnie des Alpes' development strategy, especially in geographic terms (locations, etc.);
- annual capital expenditure budgets for Compagnie des Alpes Group;
- any investment or disinvestment (i) as part of the Group's current and recurrent operations, for a total amount of more than €15 million excluding tax, or (ii) outside of the Group's current and recurrent operations or strategic areas (Ski areas/Leisure parks) or to be made in a country in which Compagnie des Alpes Group does not have any direct or indirect presence;
- any plan to create a company or take any kind of controlling interest in any company or undertaking outside the Group if the purpose or business is not one of the Group's strategic areas; or creation of a company or acquisition of a stake in any company or undertaking outside the Group if the purpose or business is one of the Group's strategic areas and the deal exceeds €15 million.

In addition, in accordance with legal provisions and Article 13.4. of the Company bylaws, the Board of Directors authorises the Chairman and Chief Executive Officer to offer sureties, endorsements and other guarantees, within the limit of €15 million.

3.2.2 CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE BOARD'S WORK

The Chairman or, in the Chairman's absence, the Vice-Chairwoman convenes the Board and steers the debate.

The Chairman of the Board of Directors sets the agenda in consultation with the Executive Management.

Except in emergencies, the agenda is sent to Board members at least five days before the meeting. A file detailing the agenda's topics, and prepared by the Executive Management, is sent to Board members several days before the meeting.

A draft of the minutes is submitted to Directors for comments. The final minutes are approved at the next meeting.

To ensure it can prepare its work as effectively as possible, the Board of Directors is assisted by the three specialist Committees, whose composition may be found in section 3.1.1 "The Board of Directors and Committees", in the paragraph "Composition of the Committees", and whose tasks and method of functioning are specified in the Charter.

- The **Strategy Committee**, whose tasks include the assessment of strategic goals, the creation of guidelines for strategic goals and external development, the consolidated annual budgets, capital expenditure programmes and the dividend policy. The Committee also oversees Company commitments for which prior Board deliberation is required.
- The **Audit and Finance Committee**, whose tasks include studying the accounts, studying the performance of the internal audit system, and risk management and identification procedures. It shall submit to the Board of Directors a recommendation on the Statutory Auditors, whose appointment and renewal will be proposed to the Shareholders' Meeting, examine their auditing measures and ensure compliance with the conditions of independence applicable to them. It also approves the provision of services other than the certification of financial statements by the Statutory Auditors.
- The **Appointments and Remuneration Committee**, whose role includes the formulation of all guidelines and proposals concerning (i) the appointment of Directors; (ii) the appointment, dismissal, and compensation of the Chairman and Chief Executive Officer and, as appropriate, the Deputy Chief Executive Officers; and (iii) the general policy for granting stock options and/or performance shares in the Group. The Appointments and Remuneration Committee is also informed of the remuneration policy of the Group's principal managers who are not corporate officers, and may offer its opinion on this subject. It is responsible, with the Chairman and Chief Executive Officer, for drafting proposals for the implementation of corporate governance principles, and for preparing the assessment of Board work.

The appropriate Committee is consulted before any Board vote on issues falling within said Committee's competence. Voting may not be completed until the Committee has submitted its recommendations or proposals.

In accordance with the Company's by-laws, Board decisions are adopted in principle by simple majority of the members present, with the Chairman having the casting vote.

However, if (i) one of the Committees has voted against a project under consideration, or (ii) the relevant Committee has been unable to meet or to vote, a qualified majority of eight-twelfths of the Directors present or represented shall be required to adopt the decision regarding said project.

Moreover, the Board of Directors comprises a non-voting member, Mr Jacques Maillot, appointed in accordance with the provisions of Article 9 of the bylaws and Article III.3 of the Charter.

The non-voting member is available to the Board, its Committees and its Chairman to provide advice, analysis and recommendations of any kind on any issues, specifically those of a technical, commercial, administrative or financial nature.

The non-voting member is not a corporate officer, and only has an advisory and non-decision-making role at the meetings of the Board of Directors and its specialist Committees, to which he is invited to attend, in accordance with applicable regulation and, if required, the Charter. He may not interfere in the Company's management. Neither the Directors nor the Chief Executive Officer are bound by his opinions, and remain free to assess how these should be acted on.

3.2.3 ACTIVITIES OF THE BOARD AND COMMITTEES IN FISCAL YEAR 2016/2017

In the course of the 2016/2017 fiscal year, the Board of Directors of Compagnie des Alpes met seven times.

The Strategy Committee met one time (because one of the Committee meetings was replaced by a meeting of the Board of Directors), the Audit and Finance Committee four times, and the Appointments and Remuneration Committee three times.

The non-voting member and representatives of the Works Council and Statutory Auditors also attended Board meetings.

The members' average attendance rate at Board and Committee meetings was 78.57%.

The table below indicates the individual attendance rate (Board of Directors meetings held in fiscal year 2016/2017):

Name of Director	Rate of attendance
Dominique Marcel	100%
Antoine Gosset-Grainville	85.7%
CDA, represented by Antoine Colas, then Virginie Fernandes	100%
CADS, represented by Jean-Yves Barnavon	71.4%
BPA, represented by Pascal Marchetti, then Daniel Karyotis	28.6%
CERA, represented by Marion Rouso	85.7%
Bernard Blas, then Sofival	85.7%
Giorgio Frasca	85.7%
Noëlle Lenoir	85.7%
Carole Montillet*	100%
Rachel Picard	85.7%
Francis Szpiner	42.9%
Jacques Maillot (non-voting member)	100%

* Pro rata *to rate of attendance.*

During the fiscal year, the **Board of Directors** dealt in particular with the following matters:

- budget and MTP 2017-2021;
- reports on the work of the various Committees;
- preparation of the annual financial statements for the fiscal year ended 30 September 2016;
- governance (mandate of Chairman and Chief Executive Officer, composition of the Board and Committees, non-voting member, changes in procedure for the Board and the Committees);
- compensation of Executive corporate officers;
- implementation of the share buyback programme;
- grants of performance shares;
- refinancing;
- report on gender equality;
- authorisation of Chairman and Chief Executive Officer in relation to sureties, endorsements and guarantees;
- preparation of the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017;
- examination of the half-year consolidated financial statements at 31 March 2017;
- development projects in France and internationally;
- strategy and international development.

The Committees were regularly referred to for matters pertaining to their areas of expertise, and the Board followed their recommendations.

The **Audit and Finance Committee** again planned and held four meetings in 2016/2017, spreading its workload in accordance with the recommendations of the AMF task force's Audit Committee report published on 22 July 2010 on which the Committee relies.

The following matters were dealt with in particular:

- committee's annual programme;
- annual financial statements for the fiscal year ended 30 September 2016;
- fees paid to the Statutory Auditors and their networks;
- annual operations report of the Audit Department and three-year plan for 2017-2019;

- examination of the Group's exposure to financial risks and significant off-balance sheet commitments;
- interest rate hedging policy;
- interim consolidated financial statements at 31 March 2017;
- compliance with Internal Audit guidelines;
- review of the internal control procedures and the CSR report;
- balance sheet relating to captive reinsurance of the Loisirs Ré group;
- review of the Liquidity Charter;
- review of the activities of international Grévin sites;
- examination of the bribery, corruption and trading in influence prevention plan (implementation of the Sapin II Law);
- services other than the certification of financial statements ("SAAC") entrusted to Statutory Auditors.

For its part, **the Appointments and Remuneration Committee** studied the Company's governance (mandate of the Chairman and Chief Executive Officer, composition of the Board and Committees), compensation of Executive corporate officers and members of the Executive Committee, performance share plans. It reviewed the sections of the annual report relating to corporate governance and the implementation conditions of the performance plan.

Lastly, **the Strategy Committee** dealt in particular with the following matters in advance of Board meetings:

- budget and MTP 2018-2022;
- review of strategy and international development;
- development projects in France and internationally.

The information, documents and details required by Board and Committee members to carry out their work were provided with great transparency by Executive Management.

3.2.4 ASSESSMENT OF THE BOARD AND COMMITTEES

Under the terms of the Charter (Article II.2.5.), the Board recorded in its internal regulations an assessment mechanism for operations, as recommended by the AFEP-MEDEF Code.

This assessment by the Board of its capacity to meet shareholder expectations has three objectives: (i) to take stock of the Board's operating procedures; (ii) to verify that important issues are sufficiently prepared and discussed; (iii) to measure the real contribution of each Director to the work of the Board and Committees of which they are a member, based on individual skills and involvement in the deliberations.

A formal assessment of the Board, focusing on the composition and functioning of the Board and Committees, was conducted at the end of the 2016/2017 fiscal year, under the guidance of the Appointments and Remuneration Committee. The assessment was carried out using a questionnaire. The conclusions of the assessment, presented to the Board of Directors, report the proper functioning of the Board and its Committees, the quality of the information presented, the freedom to speak and the accuracy of the responses given by the Executive Management to the questions asked. The points identified in the previous assessment (2014) as needing improvement got a better evaluation.

To meet the expectations of the Directors, the Executive Management has decided to organise an annual meeting on site in order to improve the relationships between the members of the Board of Directors, and between them and the management, in particular the members of the Executive Committee.

3.3 Remuneration of corporate officers

3.3.1 EXECUTIVE CORPORATE OFFICERS

3.3.1.1 Report on the principles and criteria for determining, distributing and allocating fixed, variable and exceptional items that comprise the total compensation and benefits of any kind attributable to the executive corporate officers

Pursuant to Article L. 225-37 of the French Commercial Code, the principles and criteria for determining, distributing and allocating the components of compensation of Executive corporate officers are set out below. This report was drawn up with the assistance of the Appointments and Remuneration Committee and was approved by the Board of Directors on 7 December 2017. Article L. 225-37-2 of the French Commercial Code relating to the vote on the compensation of Executive corporate officers, known as the *ex ante* vote (Sapin II Law), will apply to the Company as from the next Shareholders' Meeting, to be held in March 2018 (for the fiscal year ended 30 September 2017).

The principles and criteria for determining, distributing and allocating the compensation components for Executive corporate officers were reviewed and confirmed for the 2017/2018 fiscal year by the Board of Directors on 7 December 2017. The payment of the variable compensation items for this fiscal year is subject to the approval by the Annual General Meeting of Shareholders of the compensation elements of the person in question under the conditions set out in Article L. 225-100 of the French Commercial Code.

The compensation elements of the executive corporate officers owed or granted for the fiscal year ended 30 September 2017 will be submitted to the non-binding vote of this same meeting, pursuant to the AFEP-MEDEF Code (most recent year of application) – see section 3.3.1.2.

Principles and criteria for determining the elements of compensation

The Board of Directors is responsible for determining the compensation 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 compensation 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 should result in measured, balanced and fair overall compensation that makes it possible to increase stability and motivation within the Company and reward performance.

Neither of the two Executive corporate officers has an employment contract.

Compensation structure

The compensation of Dominique Marcel and Agnès Pannier-Runacher each include:

- a fixed part;
- a variable part;
- benefits in kind, in the form of a company car;
- the Group insurance plan (complementary retirement scheme), composed of membership of a defined-benefit pension plan and membership of a defined-contribution pension plan;
- the complementary health and pension plan in operation at CDA;
- a profit-sharing agreement.

In addition, they may be granted a severance package in the event that they leave their jobs.

Neither of these executives benefits from the performance share plans implemented within the Group. They also do not receive any Directors' fees for the mandates they hold at various Group companies or any exceptional compensation.

On 9 March 2017, the Board of Directors approved the purchase by the Company of private unemployment insurance for the Chairman and Chief Executive Officer.

Fixed compensation

The compensation of **Dominique Marcel** is paid in virtue of his Executive Management role, and not as Chairman of the Board, for which there is no remuneration.

Except in exceptional circumstances, the amount of the fixed part is only reviewed at relatively long intervals. The annual fixed compensation of the Chairman and Chief Executive Officer therefore has not changed since 2010.

The amount of fixed compensation for **Dominique Marcel** and **Agnès Pannier-Runacher** are provided in Section 3.3.1.2., "Individual compensation of executive corporate officers for the 2016/2017 fiscal year".

Variable compensation

The variable parts of the Executive corporate officers' compensation are annual bonuses linked to the achievement of qualitative and quantitative targets set for a fiscal year. At the beginning of each Fiscal year, on the proposal of the Appointments and Remuneration Committee, the Board defines each of the targets set for the Executive corporate officers for the Fiscal year concerned.

As stated above, **Dominique Marcel** agreed that his total compensation would be reduced to comply with a government decision applicable to public sector companies only. As a result, the maximum amount of the Chairman and Chief Executive Officer's variable compensation was reduced to 12.5% of his fixed compensation (compared to 50% previously) as of 9 March 2017.

Agnès Pannier-Runacher's variable compensation may be as high as 50% of her fixed compensation.

Following the end of the fiscal year, the Appointments and Remuneration Committee assesses the achievement of these targets and, on the basis of its appraisal, the Board then decides to grant all or part of the variable part of the remuneration to the Executive corporate officers. The variable portions allocated for a fiscal year are therefore liquidated and paid during the following year, after approval by the Annual General Meeting of Shareholders, in accordance with Article L. 225-37-2 of the French Commercial Code.

The compensation paid to the other members of the Executive Committee also comprises a fixed and a variable part, the latter of which can vary between 0% and 40% depending on the achievement of qualitative targets specific to each beneficiary and quantitative Group performance targets common to all Committee members, with the exception of Operations Directors, whose quantitative performance objectives are based on the performance of their Business Unit and of the Group.

2017/2018 targets determining the granting of the variable part

The variable compensation for fiscal year 2017/2018 for Dominique Marcel and Agnès Pannier-Runacher will be calculated according to the following distribution:

- from 0 to 6.25% for **Dominique Marcel** and 0 to 25% for **Agnès Pannier-Runacher** according to the following quantitative criteria:
  - from 0 to 3.125% for Dominique Marcel and 0 to 12.5% for Agnès Pannier-Runacher based on Group EBITDA for the fiscal year,
  - from 0 to 2.125% for Dominique Marcel and 0 to 8.5% from Agnès Pannier-Runacher based on Group net debt calculated at the end of the fiscal year. This is the net debt as published in the Registration Document, which may be restated for changes in the scope of consolidation (disposals and acquisitions),
  - from 0 to 1% for Dominique Marcel and 0 to 4% for Agnès Pannier-Runacher based on the free cash flow for the fiscal year;
- from 0 to 6.25% for **Dominique Marcel** and 0 to 25% for **Agnès Pannier-Runacher** based on criteria related to (i) the achievement of specific targets related to strategy deployment in each business unit, (ii) the deployment of the digital strategy and (iii) the preparation of shareholder and industrial partnerships that allow that strategy to be delivered.

Conditional severance package

Dominique Marcel and Agnès Pannier-Runacher are likely to be allocated a severance package upon termination of their corporate officer positions.

Severance package for Dominique Marcel, Chairman and Chief Executive Officer

The continuation of this commitment was submitted for approval to the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017 when the term as Director of Dominique Marcel was renewed. It was approved by the General Meeting in its fifth resolution. When his corporate mandate was renewed on 9 March 2017, the Board decided that the Chairman and Chief Executive Officer would benefit from severance pay that would be comparable, in terms of the conditions governing the granting and calculation of the payment, with that determined for the term of his previous mandate.

Severance pay may therefore be awarded to Dominique Marcel by the Company under the following conditions [1]:

(a) Compensation will be paid in the event of forced departure from the Company, regardless of the form of such departure and in particular following the revocation or non-renewal of his position as Chairman and Chief Executive Officer, except in case of serious misconduct or gross negligence (as defined by the French Labour Code).

No compensation will be paid to Dominique Marcel if he leaves the Company on his own initiative to perform new duties or changes position within the Group, or if he has the option to claim his pension rights at full rate, or in the case of serious misconduct or gross negligence;

(b) Severance pay is subject to individual and Group performance criteria. These performance criteria shall be assessed on the date the tenure of corporate office is terminated:

- individual performance criteria: shall be met if, averaged over the previous three full fiscal years, the average bonus awarded by the Board to Mr Marcel exceeds 30% of the maximum bonus,
- Group performance criteria: shall be met if, averaged over the previous three full fiscal years, and on the basis of the consolidated accounts, the EBITDA margin is at least 20% like for like.

The Board may revise these performance criteria whenever a mandate is renewed;

(c) The amount of this severance pay shall be twice Mr Marcel's "basic annual salary".

The "basic annual salary" shall be his last gross basic annual salary, including the gross amount of the bonus paid him for the most recent full fiscal year, and excluding the amount of benefits in kind, reimbursements for professional expenses, and any financial instruments and stock options granted during that period.

Severance pay shall only be due after the CDA Board of Directors has ascertained that the above criteria have been met. It shall be deemed to include any compensation for unfair dismissal.

Severance package for Agnès Pannier-Runacher, Deputy Chief Executive Officer

Following decisions taken by the Board of Directors on 18 December 2012, the Company may award Agnès Pannier-Runacher severance pay if she has to leave the Company permanently (becoming neither an employee nor corporate officer of the Company or any Group company) because her mandate is terminated for reasons other than serious misconduct or gross negligence under French Labour Code criteria.

This severance pay, which is separate from normal compensation, will be twice Agnès Pannier-Runacher's "basic annual salary" (as defined above). Payment is subject to the same performance criteria mentioned above in respect of Dominique Marcel's severance package.

This severance pay shall also only be due after the Board of Directors has ascertained that the relevant criteria have been met and shall be deemed to include any compensation for unfair dismissal.

A regulated, collective complementary retirement plan

Compagnie des Alpes has put in place a mixed complementary retirement plan, comprising a defined-contributions pension plan and a defined-benefits pension plan, in accordance with the provisions of Article L. 911-1 of the Social Security Code.

- The defined-contributions pension plan (Article L. 242-1 of the Social Security Code) benefits all of the staff of the headquarters entities, including Executive corporate officers, with no condition of presence or seniority. The defined contributions (individual accounts) are equal to 7% of the annual compensation for each beneficiary (capped at five times the social-security ceiling, or €196,140 on an annual basis in 2017). Contributions to the savings plan are split between the employer (4%) and employee (3%), notwithstanding the employee's status and age. The rights are acquired monthly and liquidated when the beneficiaries end their professional career.
- The defined-benefits pension plan (Article L. 137-11 of the Social Security Code), which is fully funded by Compagnie des Alpes, is open to corporate officers, senior executives and category-CIII managers (66 beneficiaries).

  This second plan allows beneficiaries who end their professional career within the Group to benefit, when they take their pension, from a retirement pension equal to 1% of their basic annual salary (last basic annual salary comprising fixed and variable parts) per year of seniority, up to a maximum of 10% of this compensation, less the pension received under the defined contribution plan.

Upon retirement the beneficiary may opt to receive a life annuity with a 60% survivor pension.

The pension plan contributions paid by the Company are not subject to employer social security contributions, nor to the CSG (general social contribution) or CRDS (social debt reimbursement contribution) levies. The Company must pay an employer social security contribution amounting to 32% of the pensions liquidated since 1 January 2013 and to 16% of the pensions liquidated before 1 January 2013.

In accordance with Article L. 225-42-1 of the French Commercial Code, the continuation of this commitment regarding Dominique Marcel was approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017, when his mandate as Chairman and Chief Executive Officer of the Company was renewed.

Profit-sharing agreement

Dominique Marcel and Agnès Pannier-Runacher are beneficiaries of the CDA profit-sharing agreement. For more information on this agreement, see section 4.2.3.2 "Employee profit-sharing" in Chapter 4 - "Social, societal and environmental information".

No granting of stock options and performance shares

At their request, the Executive corporate officers of Compagnie des Alpes have no longer been beneficiaries of the plans implemented by Compagnie des Alpes since 2009/2010.

(1) *Conditions for attribution and calculation comparable to those that had been decided for the duration of his previous mandate, but restated by the Board of Directors to take into account changes in the provisions of the AFEP-MEDEF Code in this regard.*

Private unemployment insurance granted to Dominique Marcel, Chairman and Chief Executive Officer

On 9 March 2017, in accordance with the provisions of Article L. 235-38 of the French Commercial Code, 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. Note that Dominique Marcel does not have an employment contract with the Company.

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.

Accordingly, after a period of 12 months of continuous membership, the corporate officer will receive, from the 31st day of the involuntary loss of professional activity and for its duration, daily unemployment benefits for a maximum period of 24 months (after the end of the first year of affiliation).

The total amount of compensation paid in the event of involuntary loss of professional activity may in no case exceed 70% of the annual net income of the previous fiscal year, excluding any dividends.

Draft resolutions submitted for shareholder approval pursuant to Article L. 225-37-2 of the French Commercial Code

Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional items that comprise the total compensation 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, and having considered the special report of the Board of Directors, 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 the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to Mr Dominique Marcel, Chairman and Chief Executive Officer, detailed in the attached report mentioned in Article L. 225-100 of the French Commercial Code, and presented in the 2017 Registration Document *(Chapter 3. Corporate governance – 3.3. Compensation of corporate officers – 3.3.1. Executive corporate officers – 3.3.1.1. Report on the principles and criteria for determining, distributing and allocating fixed, variable and exceptional items that comprise the total compensation and benefits of any kind attributable to executive corporate officers).*

Approval of the principles and criteria for determining, distributing and allocating fixed, variable and exceptional items that comprise the total compensation and benefits of any kind attributable to Agnès Pannier-Runacher, Deputy Managing Director.

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings, and having considered the special report of the Board of Directors, 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 the fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to Mrs Agnès Pannier-Runacher, Deputy Managing Director, detailed in the attached report mentioned in Article L. 225-100 of the French Commercial Code, and presented in the 2017 Registration Document *(Chapter 3. Corporate governance – 3.3. Compensation of corporate officers – 3.3.1. Executive corporate officers – 3.3.1.1. Report on the principles and criteria for determining, distributing and allocating fixed, variable and exceptional items that comprise the total compensation and benefits of any kind attributable to the executive corporate officers).*

3.3.1.2 Individual compensation of executive corporate officers for the 2016/2017 fiscal year

Fixed compensation

Dominique Marcel's fixed compensation as Chairman and Chief Executive Officer raised from €360,000 to €400,000 starting 9 March 2017, when the Chairman and Chief Executive Officer's mandate was renewed. The total compensation of the Chairman and Chief Executive Officer was capped to comply with the rules for public sector companies, even though Compagnie des Alpes, a private company, is not subject to those regulations.

The annual fixed compensation of **Agnès Pannier-Runacher** has been €260,000 since 1st January 2016 (this was the first increase in fixed compensation for Executive Management since 2010). It was raised to this amount by the Board of Directors in order to align this fixed part with a level more in line with the practices of the sector for equivalent functions, and to take into account the functional evolution of the mandate within the Group, and this in the context of improving Group results.

2016/2017 variable compensation

2016/2017 variable compensation for Dominique Marcel

2016/2017 targets for determining the granting of Dominique Marcel's variable portion until 8 March 2017

In December 2015, the Board of Directors decided that the variable compensation of Dominique Marcel and Agnès Pannier-Runacher for the 2016/2017 fiscal year could vary between 0% and 50% of the fixed annual reference compensation and would be determined in the following manner:

- from **0% to 25%** of the basic annual salary, according to qualitative criteria relating to the Group strategy and resource optimisation;
- from 0**% to 25%** of the basic annual salary, according to quantitative criteria linked to the meeting of budgetary objectives in terms of:
  - **(i)** EBITDA (gross operating income) for the fiscal year (from 0% to 12.5% of the basic salary depending on the level reached),
  - **(ii)** net debt calculated at the end of the fiscal year (from 0% to 8.5% of the basic salary depending on the level reached), and
  - **(iii)** the free cash flow generated by the Group over the year (from 0% to 4% of the basic salary depending on the level reached).

2016/2017 targets for determining the granting of Dominique Marcel's variable portion starting from 9 March 2017

On 9 March 2017, the Board of Directors decided that the variable compensation of Dominique Marcel and Agnès Pannier-Runacher for the 2016/2017 fiscal year could vary between 0% and 12.5% of the fixed annual reference compensation and would be determined in the following manner:

- from **0% to 6.25%** of the basic annual salary, according to qualitative criteria relating to the Group strategy and resource optimisation;
- from **0% to 6.25%** of the basic annual salary, according to quantitative criteria linked to the meeting of budgetary objectives in terms of:
  - **(i)** EBITDA (gross operating income) for the fiscal year (from 0% to 3.125% of the basic salary depending on the level reached),
  - **(ii)** net debt calculated at the end of the fiscal year (from 0% to 2.125% of the basic salary depending on the level reached), and
  - **(iii)** the free cash flow generated by the Group over the year (from 0% to 1% of the basic salary depending on the level reached).

Amount of Dominique Marcel's 2016/2017 variable compensation

Based on the work and proposals of the Appointments and Remuneration Committee, the Board of Directors meeting on 7 December 2017 reviewed the level of achievement of targets. As a result, it decided that Dominique Marcel would receive, for the 2016/2017 results, 100% of his annual variable portion, which amounts to €107,201 gross.

2016/2017 variable compensation for Agnès Pannier-Runacher

2016/2017 targets for determining the granting of Agnès Pannier-Runacher's variable portion

The Board of Directors decided that the variable compensation of Agnès Pannier-Runacher for the 2016/2017 fiscal year could vary between 0% and 50% of the fixed annual reference compensation and would be determined in the following manner:

- from **0% to 25%** of the basic annual salary, according to qualitative criteria relating to the Group strategy and resource optimisation;
- from **0% to 25%** of the basic annual salary, according to quantitative criteria linked to the meeting of budgetary objectives in terms of:
  - (i) EBITDA (gross operating income) for the fiscal year (from 0% to 12.5% of the basic salary depending on the level reached),
  - (ii) net debt calculated at the end of the fiscal year (from 0% to 8.5% of the basic salary depending on the level reached), and
  - (iii) the free cash flow generated by the Group over the year (from 0% to 4% of the basic salary depending on the level reached).

Although clearly identified, the qualitative and quantitative criteria considered in determining the variable part of executive officers' remuneration are not detailed in this report for reasons of confidentiality.

Amount of Agnès Pannier-Runacher's 2016/2017 variable compensation

Based on the work and proposals of the Appointments and Remuneration Committee, the Board of Directors meeting on 7 December 2017 reviewed the level of achievement of targets. As a result, it decided that Agnès Pannier-Runacher would receive, for the 2016/2017 results, 100% of her annual variable portion, which amounts to €130,000 gross.

Post employment benefit scheme

Estimated amount of the pension of Dominique Marcel, Chairman and Chief Executive Officer

The Appointments and Remuneration Committee has noted that Dominique Marcel has already the maximum level of conditional benefits under the defined-benefit pension plan (Article 137-11 of the Social Security Code). In fact, according to the terms of the pension regulations, the annual pension increases by 1% per year of seniority and is capped at 10% of the reference compensation. However, Dominique Marcel has more than 10 years of seniority. Consequently, no increase in the conditional rights under the said pension plan will be granted to Dominique Marcel during the term of his new mandate.

In this context, the Board has decided to recognise the "freezing" of pension rights under the abovementioned plan as of 9 March 2017, by using the compensation granted for the 2015/2016 fiscal year as a reference. Consequently, the Board of Directors did not deem it useful to define performance conditions in accordance with Article L. 225-42-1 paragraph 2 of the French Commercial Code.

On the closing date of the fiscal year, the amount of the pension of Dominique Marcel under the mixed complementary retirement plan is estimated at €41,585

Estimated amount of the pension of Agnès Pannier-Runacher, Deputy Chief Executive Officer

On the closing date of the fiscal year, the amount of the pension of Agnès Pannier-Runacher under the mixed complementary retirement plan is estimated at €54,917.

The last compensation (at the retirement date) is used as the basis for the calculation of the estimated pension, using a (high) hypothesis of 3% annual salary increases until this retirement date.

SUMMARY TABLES OF THE INDIVIDUAL COMPENSATION OF EXECUTIVE CORPORATE OFFICERS FOR THE 2016/2017 FISCAL YEAR (AFEP-MEDEF CODE/AMF POSITION-RECOMMENDATION NO. 2009-16).

The breakdown of the individual compensation of executive corporate officers for the 2016/2017 fiscal year are presented below:

TABLE 1 OF THE AMF CLASSIFICATION – Summary of compensation payable and stock options and shares granted to each senior management corporate officer (gross compensation in €)

This first table summarises the total compensation payable to executive corporate officers for the fiscal year ended 30 September 2017 and the previous fiscal year.

Dominique Marcel, Chairman-Chief Executive Officer	2015/2016	2016/2017
Compensation due for the fiscal year (see table 2)	565,567	515,541
Valuation of options granted for the fiscal year (see table 4)	-	-
Valuation of performance shares granted for the fiscal year (see table 6)	-	-
TOTAL	**565,567**	**515,541**

Agnès Pannier-Runacher, Deputy Chief Executive Officer	2015/2016	2016/2017
Compensation due for the fiscal year (see table 2)	405,409	413,211
Valuation of options granted for the fiscal year (see table 4)	-	-
Valuation of performance shares granted for the fiscal year (see table 6)	-	-
TOTAL	**405,409**	**413,211**

TABLE 2 OF THE AMF CLASSIFICATION – Summary of compensation (gross and in €) payable to each senior management corporate officer

This second table shows the gross compensation due to each executive officer for the fiscal year ended 30 September 2017 and the previous fiscal year, as well as the compensation actually paid to them during those fiscal years.

	Fiscal year 2015/2016		Fiscal year 2016/2017	
Dominique Marcel, Chairman-Chief Executive Officer	owed	paid	owed	paid
• fixed remuneration	360,000	360,000	382,471 (1)	382,471 (1)
• variable remuneration	180,000	180,000	107,201	180,000
• gross profit share	19,236	18,959	19,538	19,236
• exceptional remuneration	-	-	-	-
• Directors' fees	-	-	-	-
• benefits in kind	6,331	6,331	6,331	6,331
TOTAL	565,567	565,289	515,541	588,038

	Fiscal year 2015/2016		Fiscal year 2016/2017	
Agnès Pannier-Runacher, Deputy Chief Executive Officer	owed	paid	owed	paid
• fixed remuneration	255,000 (2)	255,000 (2)	260,000	260,000
• variable remuneration	127,500	120,000	130,000	127,500
• gross profit share	19,236	13,628	19,538	19,236
• exceptional remuneration	-	-	-	-
• Directors' fees	-	-	-	-
• benefits in kind	3,673	3,673	3,673	3,673
TOTAL	405,409	392,301	413,211	410,409

(1) Amount calculated prorata temporis to take into account changes in compensation starting on 9 March 2017.
(2) Amount calculated prorata temporis from 1st January 2016, date when the fixed compensation was set at 260,000.

TABLE 4 OF THE AMF CLASSIFICATION – Stock options granted during the fiscal year to each senior management corporate officer by the Company or by Group companies

N/A

TABLE 5 OF THE AMF CLASSIFICATION – Stock options exercised during the fiscal year by each senior management corporate officer

N/A

TABLE 6 OF THE AMF CLASSIFICATION – Performance shares granted during the fiscal year to each senior management corporate officer by the Company or by Group companies

N/A

TABLE 7 OF THE AMF CLASSIFICATION – Performance shares made available during the fiscal year

N/A

TABLE 8 OF THE AMF CLASSIFICATION – Stock option grants

This table can be found in Chapter 5, Note 6.9 of the consolidated financial statements.

TABLE 9 OF THE AMF CLASSIFICATION – Stock options granted to or exercised by the ten leading employees (excl. corporate officers) during the fiscal year

N/A

TABLE 10 OF THE AMF CLASSIFICATION – Bonus share grants

This table can be found in Chapter 5, Note 6.9 of the consolidated financial statements.

TABLE 11 OF THE AMF CLASSIFICATION – Situation of the Executive corporate officers in the 2016/2017 fiscal year with regard to the AFEP-MEDEF Code

Executive officer	Employment contract	Complementary retirement plan	Benefits in kind owed or likely to be owed as a result of a termination or change of position	Indemnities related to a non-compete clause
Dominique Marcel Chairman-Chief Executive Officer	No	Yes	Yes	No
Agnès Pannier-Runacher Deputy Chief Executive Officer	No	Yes	Yes	No

SUMMARY TABLE OF COMPENSATION ELEMENTS DUE OR AWARDED TO DOMINIQUE MARCEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("SAY ON PAY") (1)

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%, plus 12.5% of the basic annual salary 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).

(1) As the Company closed its accounts on 30 September, the 2016/2017 fiscal year was not affected by the ex ante vote of the Sapin II Law. The compensation of Executive corporate officers for this fiscal year will therefore be presented to the shareholders in accordance with the AFEP-MEDEF Code (consultative vote).

SUMMARY TABLE OF COMPENSATION ELEMENTS DUE OR AWARDED TO AGNÈS PANNIER-RUNACHER, DEPUTY CHIEF EXECUTIVE OFFICER ("SAY ON PAY") (1)

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.

(1) As the Company closed its accounts on 30 September, the 2016/2017 fiscal year was not affected by the ex ante vote of the Sapin II Law. The compensation of executive corporate officers for this fiscal year will therefore be presented to the shareholders in accordance with the AFEP-MEDEF Code (consultative vote).

3.3.2 BOARD OF DIRECTORS

3.3.2.1 Compensation policy for Board members

Except in exceptional circumstances (outlined below), members of the Board of Directors do not receive any compensation within the Group other than Directors' fees.

The Shareholders' Meeting of 18 March 2010 set the maximum Directors' fees that could be awarded at a total of €250,000 per fiscal year. This amount has not been changed since then. The Directors' fees are then distributed by the Board on the basis of a fixed amount per actual presence in Board or Committee meetings. The unit value of the fee is currently set at €1,500.

Bernard Blas, Vice-Chairman of the Board until August 2017, in his capacity as Chairman of the Board of Directors of Valbus, a Group subsidiary, benefits from a company car, a parking space, and a mandate indemnity paid by Valbus, which were valued at €6,581, €3,068 and €1,600, respectively, *i.e.* a total of €12,249 for the 2016/2017 fiscal year.

Furthermore, the Board of Directors meeting of 14 March 2013 decided to grant Jacques Maillot compensation of €1,500 per Board or Committee meeting attended for the services he provides in his new role as a non-voting member. This compensation was maintained upon the renewal of term as a non-voting member by the Board of Directors on 9 March 2017.

The Corporate Governance Charter invites Directors to reinvest at least half of the net Directors' fees actually received for a given year in Company shares until a minimum of 300 CDA shares are held. Directors who do not receive Directors' fees personally are excluded from this provision.

3.3.2.2 Directors' fees and other compensation (in €) received by non-executive OFFICERS (Table 3 of the AMF classification)

The Directors' fees awarded for the 2016/2017 fiscal year amounted to €145,500 (amount including the remuneration paid to Jacques Maillot for his role as a non-voting member). Directors' fees allotted for one fiscal year (in relation to the meetings held in this fiscal year) are paid in the next.

TABLE 3 OF THE AMF CLASSIFICATION - Directors' fees and other compensation received by non-executive officers

Directors and members of Committees	2015/2016 Directors' fees	Other compensation	2016/2017 Directors' fees	Other compensation
Dominique Marcel	N/A	See section 3.3.1.	N/A	
Antoine Gosset-Grainville	12,000		15,000	
Caisse des Dépôts et Consignations - Representative: **Virginie Fernandes** (since 25 January 2017); previously **Antoine Colas**	13,500		15,000	
Crédit Agricole des Savoie - Representative: **Jean-Yves Barnavon**	3,000		7,500	
Banque Populaire Auvergne Rhône-Alpes - Representative: **Maria Paublant**; previously **Daniel Karyotis**	1,500		3,000	
Caisse d'Epargne Rhône-Alpes - Representative: **Marion Rouso**	12,000		13,500	
Sofival - Representative: **Jean-François Blas** (1)	N/A		7,500	
Bernard Blas (1)	16,500	11,141 (2)	7,500	12,249 (2)
Gilles Chabert	10,500		7,500	
Giorgio Frasca	18,000		19,500	
Noëlle Lenoir	7,500		13,500	
Carole Montillet	N/A		6,000	
Rachel Picard	9,000		10,500	
Francis Szpiner	1,500		4,500	
TOTAL DIRECTORS' FEES	**105,000**	**11,141**	**130,500**	**12,249**

Non-voting member	2015/2016	2016/2017
Jacques Maillot	16,500	15,000
TOTAL COMPENSATION	**16,500**	**15,000**

(1) *Sofival was appointed as a director by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017, replacing Bernard Blas – the amounts are calculated prorata temporis.*

(2) *Compensation for his position as Chairman of the Board of Directors of Valbus.*

3.4 Compliance with corporate governance recommendations

Compagnie des Alpes has decided to refer to the consolidated version of the AFEP-MEDEF Code of Corporate Governance for Listed Companies dated November 2016, which can be viewed at www.medef.com. In accordance with the "comply or explain" rule and the latest recommendations from that Code and the AMF, the following table specifies the recommendations of the Code that Compagnie des Alpes does not apply and explains the reasons.

Principles of the AFEP-MEDEF Code not followed by CDA	Detailed explanations
Obligation to hold shares (Article 22): The Board of Directors sets a minimum number of shares that the executive officers must hold in the form of registered shares until they leave office. This decision is reviewed at least once each time a term of office is renewed. The Board can use different references, such as:(i) annual remuneration, (ii) a specific number of shares, a percentage of the capital gain net of social security contributions, taxes and transaction-related fees, if concerning shares from stock options exercised or performance shares, (iii) a combination of these references. As long as this shareholding obligation is not fulfilled, the executive officers will devote a portion of stock options or performance shares granted to this obligation, as determined by the Board. This information appears in the Company's annual report.	In December 2013, CDA incorporated this principle relating to the holding of shares by executive officers into its Charter, leaving it up to the Board to specify the terms that would apply. As yet the Board has not defined these terms, in particular the number of shares that must be held by its executive officers (it should be noted that these executive officers do not benefit from performance share or stock option plans under which they would potentially be required to hold a quota of the shares resulting from these plans). Nevertheless, taking into account the number of shares in the Company now held by the Chairman-Chief Executive Officer (almost 9,000) and, given that the Deputy Chief Executive Officer has invested the whole amount she received *via* profit-sharing plans in, 2014/2015, 2015/2016 and 2016/2017, in the investment fund consisting in the amount of 99% in CDA shares (and who will continue to do so for the current year), the Appointments and Remuneration Committee, which is aware of the difficulties for corporate officers of investing in Company shares in full compliance with the provisions of the French Monetary and Financial Code, has decided to delay the introduction of a more precise policy at this stage.
Complementary retirement plans (Article 24.6.2): The complementary defined-benefit pension plans intended for senior executives and executive officers, are required to observe conditions that prevent abuse. These complementary pension plans are subject to the condition that the beneficiary is a corporate officer or employee of the company at the time they assert their rights to the pension in accordance with the applicable regulations. To prevent any abuse, and in addition to legal requirements, the following additional regulations have to be imposed (except in the case of plans that are closed to new beneficiaries, which can no longer be amended): • the group of potential beneficiaries must be significantly wider than the executive officers alone; • the beneficiaries must satisfy reasonable conditions, defined by the Board of Directors, relating to their seniority within the company, which must amount to at least two years, in order to benefit from payments under a defined-benefit pension plan; • demanding performance conditions permitting annual definition of the acquisition of conditional rights, according to applicable legislation; • the reference period taken into account for the calculation of the benefits must cover several years and any artificial increase in remuneration over this period for the sole purpose of increasing the benefits under the retirement plan is prohibited; • systems that create an entitlement, either immediately or after a limited number of years, to a high percentage of the overall final remuneration are therefore to be excluded; • the maximum percentage of the reference income to which the individual will be entitled under the complementary retirement plan may not exceed 45% of the reference income (fixed and variable remuneration payable for the reference period).	CDA has set up a combined complementary retirement plan, comprising a defined-contribution pension plan and a defined-benefit pension plan. All headquarters staff benefit from the complementary defined-contribution pension plan, including its executive officers. The defined contributions (individual accounts) are equal to 7% of the annual compensation for each beneficiary (capped at five times the social-security ceiling, or €196,140 on an annual basis in 2017). Contributions to the savings plan are split between the employer (4%) and employee (3%), notwithstanding the employee's status and age. The defined-benefit pension plan, which is fully funded by CDA, is open to corporate officers, senior managers and category-CIII executives (72 individuals). This second plan allows beneficiaries who end their professional career within the Group to benefit, when they take their pension, from a retirement pension equal to 1% of their basic annual salary (last basic annual salary comprising fixed and variable parts) per year of seniority, up to a maximum of 10% of this compensation, less the pension received under the defined contribution plan. Upon retirement the beneficiary may opt to receive a life annuity with a 60% survivor pension. Although this defined-benefit plan does not adhere strictly to all the recommendations set out in the AFEP-MEDEF Code, Compagnie des Alpes believes that it is in keeping with the spirit of this code. The benefits under the scheme are not currently subject to a minimum seniority condition (recommendation: minimum of two years) and the reference remuneration on which the calculation of the benefits is based is the last basic annual salary (recommendation: multi-year period). The system set up does, however, respect all the other recommendations and remains well below authorised pension levels. Accordingly, potential rights, which do not increase with seniority, represent only 1% of the reference remuneration (compared to the 3% maximum authorised), and the ceiling that was set is only 10 % of the reference remuneration (compared to the 45% maximum recommended by the AFEP-MEDEF Code). Consequently, this system rules out any possibility of beneficiaries obtaining a high percentage of their final salary if they have given only very few years of service to the Group.

3.5 Internal control and risk management procedures

To constantly improve its internal control and risk management system, Compagnie des Alpes looks to the internal control and risk management procedures reference framework published by the AMF in June 2010. For this report, CDA has used the implementation guide intended for small and mid-cap companies, published in July 2010.

The AMF's reference framework stresses that internal control and risk management procedures should be used in a complementary way to control the Company's activities.

3.5.1 INTERNAL CONTROL PROCEDURES

Internal control is a set of procedures implemented by the Group's Executive Management, senior executives, and employees. It is designed to provide reasonable assurance that the following objectives are being met:

- compliance with the current laws and regulations;
- the application of the Executive Management's instructions and guidance;
- the completion and optimisation of operations, in particular those helping to protect the Group's assets;
- the reliability of financial information.

Internal control is one element of the Group's overall management system, as it helps to ensure that:

- the Company's activities are controlled, its operations are effective and its resources are used efficiently;
- operational risks linked to processes, in particular risks of error or fraud, are managed.

As is the case with any control system, the system the Group employs cannot provide an absolute guarantee that the risks identified have been eliminated entirely or are completely under control. It is intended to reduce the likelihood of these risks arising through the implementation of appropriate action and prevention plans.

The Executive Management of the CDA Group is responsible for implementing and monitoring the effectiveness of the internal control system employed by the Audit and Internal Control Department, on the Executive Management's initiative, for the holding company and all controlled entities. This system is tailored to the nature and scope of each of the activities and is integrated into existing processes in order to empower actors as closely as possible to the processes.

An Internal Control Charter specifies the key operating principles (roles and responsibilities, governance, methodology). It is available in the Group's reference documents.

The internal control system consists of five elements:

- an organisation – *i.e.* clearly defined responsibilities, adequate IT resources and skills based on rules and procedures;
- the publication of relevant information;
- a risk analysis system;
- proportionate control measures;
- a continuous monitoring system.

Group organisation

The Executive Management of the CDA Group decides on:

- organisation, responsibilities and the delegation of powers and/or signing authorities;
- the objectives, policies and values of the Group.

Group management, which is the responsibility of the Chairman and Chief Executive Officer, assisted by a Deputy Chief Executive Officer, is based on a matrix organisation split between large operational departments, each led by a member of the Executive Committee (Comex). There are six such departments:

- three operational departments manage the implementation of Group strategy and are responsible for the achievement of commercial and financial targets, management, and human resources and risk management at all operating entities under their responsibility:
  - the Ski Area Operations Department,
  - the Leisure destinations Operations Department,
  - the Group Development Department, responsible for French and international development, product development, and new business lines;
- the Communications Department, responsible for financial and institutional communications;
- the Finance, Risk, IT, and Procurement Departments, which have responsibility for the Group's financial policy, in particular the production of accounting and financial information, procurement policy, the IT master plan and risk and insurance policy;
- the Development and Attractiveness of Mountain Resorts Department, responsible for interdisciplinary management of accommodation projects, marketing, and development of new activities.

Main Group charters

Charters are given to all employees, setting out the Group's values:

- the Corporate Governance Charter defines the areas in which Executive Management decisions are subject to prior approval by the Board of Directors, as well as the conditions for the granting of said approval. The Charter also states the missions and prerogatives of the different Committees of the Board of Directors, particularly the Audit and Finance Committee. The Charter is available on the Group website: www.compagniedesalpes.com;

- the Ethics Charter states the values and principles of the Compagnie des Alpes Group. It serves as a guide for professional behaviour, reviews the basics of investment ethics, explains the risks of conflicts of interest, and defines appropriate behaviour. It is adjusted in line with regulatory developments;
- pursuant to Law No. 2016-1691 of 9 December 2016, known as the Sapin II Law, the Group is currently implementing a plan for the prevention of corruption and trading in influence, including an anti-corruption code of conduct and a whistleblowing procedure;
- a charter for the use of IT resources. Like the Ethics Charter, it is being gradually applied to all Group employees.

Information and communication

Each functional or operational department defines the charters, rules and procedures that fall within its area of responsibility.

These documents make up the Group Reference Documents, which are made available to all Group employees who are required to apply them. A document management tool, administered by the Audit and Internal Control Department, is accessible through the Group's Intranet.

The entities of the Group are responsible for translating Group rules and procedures, into rules, procedures and operating methods adapted to their organisation, and also for communicating these to all employees concerned.

Definition of control measures

Since 2013, the CDA Group has embarked on a more detailed formalisation phase of its internal control system, which is gradually being deployed on all of the Group's processes listed in the process mapping, with a priority given to processes impacting the main income statement lines (sales, purchases, etc.), the production of accounting and financial information, as well as the Group's priority risks.

For each of the processes concerned, the method applied involves drawing up all or some of the following documents:

- flow diagram: schematic description of the steps involved in the process. This flow diagram is a standard document at Group level;
- internal control benchmark: this guide translates the general internal control targets and describes the controls to be implemented to ensure better control of each of the risks identified, at the level of each step of the process;
- self-assessment questionnaire: this makes it possible to assess the extent to which operating procedures and methods comply with the internal control standard recommended by the Group.

All these documents are prepared in collaboration with operational staff, risk experts and the operational departments concerned. Every year, the system is strengthened with the introduction of new processes that are prioritised with the help of Executive Management and the support of the Risk, Insurance and Crisis Management Department.

In particular, the system has been enriched with technical standards that are used during cross-referencing between the operational teams of the sites, in order to share best practices and expertise.

Since 2013, the gradual addition of new processes to the internal control procedures has strengthened the visibility given to departments as regards risk control for key processes at each Compagnie des Alpes site.

A fraud prevention system has been implemented to complete the internal control system. This comprises:

- steps to raise awareness amongst employees of financial fraud techniques and how they should act if they encounter attempted fraud: identity theft, protection of sensitive information, etc.;
- a system for communicating cases of fraud or attempted fraud by financial managers and operational staff of Group entities. Each notification is analysed and a prevention notice is distributed where necessary.

Continuous control and management

For all processes with an internal control guide, the Audit and Internal Control Department:

- manages the launch of self-assessment campaigns, by sending the questionnaire to the persons responsible for the processes;
- analyses the responses and draws up a summary for the whole Group;
- proposes action plans and shares best practices.

The entities draw up and initiate compliance action plans, which must allow risks to be reduced to an acceptable level for the subsidiary. These entities incorporate relevant controls into their rules and operating procedures and methods.

The establishment of action plans is the responsibility of the entity's management and depends on the entity's financial and human resources and priorities. Process maturity is reviewed, particularly during internal audit missions, new review campaigns or *ad hoc* missions conducted at entities.

3.5.2 PROCEDURES RELATIVE TO THE PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

Organisation and procedures

Accounting and financial information relating to the CDA Group, a listed company, is drawn up by the Holdings Consolidation and Accounting Department.

This department is responsible for the preparation and production of the parent-company financial statements of holdings and the Group's consolidated financial statements. It therefore prepares the financial section of the half-year report and the Registration Document relating to the financial statements as at 30 September, with due consideration for the regulatory requirements applicable to listed companies.

Within this context the Holdings Consolidation and Accounting Department defines the Group's accounting standards and ensures that they are distributed and applied in accordance with the following principles:

- the Financial Directors of the entities are responsible for preparing and producing the parent-company financial statements for their entity. The parent-company financial statements are prepared on the basis of the accounting principles in force in the country, and are restated at the consolidated level, if necessary, to respect the accounting principles laid down by the Group, which makes it possible to guarantee the consistency of the accounting principles used for the consolidated financial statements;
- the formats and tools for submitting information to be consolidated are identical for all consolidated entities.

The CDA Group prepares the consolidated financial statements in accordance with IFRS.

An annual schedule for the consolidated financial statements is sent to Financial Directors and Directors of all consolidated entities. Instructions on the closing of accounts are sent to them before each account closing date.

The consolidation of the financial statements is based on a tailored information submission system that allows the information to be processed reliably, consistently and in full within the set period.

Chief Executive Officers and Financial Directors of entities undertake to ensure the quality and completeness of the financial information sent to the Group, including off-balance sheet items, by signing a representation letter.

In addition to this highly regulated procedure for producing and communicating the half-year and annual financial statements, management of the financial strategy is also supported by carrying out three projections during the year (including one interim) and by drawing up the budget and medium-term strategic plan. The Holdings Consolidation and Accounting Department, which guarantees the reliability of data at Group level, is responsible for producing this data.

The Management Control Department is responsible for coordinating the budgetary process and the five-year medium-term plan and for analysing the performance of the Group and its entities, in close collaboration with the Consolidation Department, Operations Directors and Site Managers. Guidelines are sent to the management of each entity to ensure that the budget and medium-term plan are structured on the basis of consistent starting points that are common to the whole Group.

The medium-term plans, budgets and outcomes are subject to specific, in-depth analyses: comparison of data for the year with prior-year data and the budget. These analyses are discussed with the entity's management, Operations Directors and the Executive Management.

The budget serves as the reference for monthly reporting. Monthly reviews are conducted based on this reporting, and incorporate activity analyses, which are performed, in particular, with the help of specific business indicators, and include comparisons between prior-year figures and the budget for the current year.

Activity indicators, such as sales figures, visitor numbers for Leisure destinations and the number of skier-days for Ski areas, are monitored and analysed on a weekly basis. The investment process, which aims to ensure that the flow of investments is consistent with the Company's strategy, is also managed by the Management Control Department.

The Finance and Cash Department, another component of the Finance Department, guarantees the security, transparency and efficiency of cash and financing operations. It is responsible for:

- applying the funding policy and in particular managing liquidity and counterparty risk;
- managing financial expenses;
- hedging the interest rate risk through the use of derivatives;
- managing the Group's cash position by centralising the management of entities' cash surpluses and cash requirements within a cash pool for entities that have agreed to the principle of centralised management;
- monitoring relationships with banks.

The IT Department is responsible for implementing an IT system that meets the requirements laid down in the areas of reliability, availability, information traceability, data consistency and security. It develops and maintains business applications common to several entities and ensures that the interfaces for feeding information into the various applications work properly. It is in charge of the system and data security policy and is involved in defining security and back-up plans.

Each of the departments is involved, as part of its duties, in the internal control system, as it is required to draw up and distribute rules and procedures relating to its area of responsibility to Group entities.

Process oversight

Accounting and financial information is subjected to a validation process involving the Executive Management, Statutory Auditors, and the Board of Directors through its Audit and Finance Committee.

The Audit and Finance Committee examines half-year and annual financial statements prepared by the Company as well as the management report on the consolidated financial statements, in the presence of the Statutory Auditors, who in turn present their own report on the closing of the accounts, the principal accounting options and events with a significant effect on the financial situation, adding comments if they choose.

The Audit and Finance Committee examines changes in accounting principles.

The Audit and Finance Committee examines all financial statements including the entire annual report and all Notes to the Company's consolidated and parent-company financial statements.

The Board of Directors examines each set of financial statements at each closing of accounts.

Financial communication

Compagnie des Alpes publishes its financial information in accordance with AMF recommendations. Quarterly, half-yearly and annual financial information is communicated to financial analysts, investors and the key media by means of press releases, as well as being made available on the Company's website and intranet.

3.5.3 RISK MANAGEMENT PROCEDURES

CDA Group's risk management is handled by the Risk, Insurance and Crisis Management Department.

It aims to identify, analyse, assess, monitor and control the main risks to which the Group and its subsidiaries are exposed, thus helping to:

- protect the value, assets and reputation of the Group;
- secure decision-making and processes to help ensure targets are met;
- ensure the Company's actions are consistent with its values;
- mobilise Group employees around a common vision of risks.

These procedures are based on:

- an organisational framework defining roles and responsibilities;
- a risk management process comprising the steps of risk identification, risk analysis and risk management;
- management of the procedures.

Driven by Executive Management and implemented by the Risk, Insurance and Crisis Management Department, these procedures are applied to the holding company and all entities.

As is the case with any control procedure, the risk management procedures cannot provide an absolute guarantee with regard to achievement of the Company's targets.

Organisation

The Executive Management of the CDA Group decides on:

- the risk management policy;
- the objectives and values of the Group;
- organisation and responsibilities in the area of risk monitoring;
- risks to be addressed as a matter of priority and the acceptable risk level.

The corporate officers of the entities are the risk owners and are responsible for implementing action plans for all risks under their responsibility.

The Group's experts provide support to the definition and implementation of the action plans. They form a network and are led by the Risk, Insurance and Crisis Management Department, allowing them to share their methods and take charge of cross-functional assignments.

Procedures and Steering of risk management

The CDA Group carried out detailed risk mapping for its entities and the holding company over several years, based on an assessment of potential impacts, the likelihood of a risk arising and the degree of control present.

Since 2016, the Group Risk Committee has reviewed and defined the eight priority risks of the holding, or the Group and its subsidiaries, requiring analysis, definition and monitoring of an action plan.

Action plans have been defined for each of these risks:

- with a view to prevention, to attempt to reduce the likelihood of the risk arising;
- with a view to protection, to limit the impact on the Group;
- with a view to transferring the risk of financial loss to insurance companies, for insurable risks.

Steering of risk management procedures

A Group Risk Committee, chaired by the Chairman and Chief Executive Officer:

- meets several times a year;
- comprises all members of the Executive Committee, the Director of Audit and Internal Control and the Group Legal Director;
- is prepared and led by the Director of Risk, Insurance and Crisis Management.

It is responsible for the steering of the risk management procedures. It examines incidents that have occurred during the period, makes sure that action plans are being followed and are progressing, decides on the approaches to be taken and, if necessary, acts as an arbitrator. Lastly, it takes decisions on certain risks that are not considered a priority, either as a result of the economic or social environment, changes in indicators or weak signals that require particular attention.

Specialist Committees complete this system and allow operational risks (risks linked to IT systems) or specific issues (risks linked to intangible assets) to be monitored more closely, as required.

Specific case of crisis management

Should a crisis arise, the Group has a crisis management system that allows it to quickly mobilise individuals with appropriate expertise to minimise the impact of the crisis and ensure it is resolved in the most effective way. The crisis management system takes into account the Group's development, in particular its international scope and new areas of business.

The Chairman and Chief Executive Officer has placed this system under the responsibility of the Risk, Insurance and Crisis Management Department, which ensures it is implemented, applied and monitored, in coordination with the Group Communications Department, which is responsible for crisis communication.

Operational crisis management and communication management guides are distributed to Group entities. These guides include common definitions, a warning procedure, and designated individuals responsible in the subsidiaries for taking action and setting up a crisis unit in the event of a major crisis.

Specific training is provided, and rules and penalties are clearly defined.

This system enables the Group to be responsive and take quick decisions, both internally and in relation to stakeholders. It allows rapid and effective support to be provided to subsidiaries experiencing a serious incident and to mitigate the consequences, whether in terms of damage to the Group's image or impact on its activity, at Group or subsidiary level.

3.5.4 OVERSIGHT

Internal Audit

The Internal Audit function reports to the Compagnie des Alpes Executive Management.

Every year, the audit plan is approved by the Executive Committee and validated by the Audit and Finance Committee.

An annual activity report is also presented to the Executive Committee and the Audit and Finance Committee.

Internal Audit is tasked with ensuring that internal rules and procedures are respected, checking their efficiency, identifying weaknesses and detecting fraud.

Internal audit work is carried out in accordance with the Compagnie des Alpes Group's Internal Audit Charter. This charter describes the purposes and objectives of Internal Audit, the procedures for carrying out inspections, and the obligations of auditors and those being audited.

Internal Audit regularly calls on internal or external expertise when the issue at hand is of a highly technical nature.

The Audit Department conducts an annual review of the recommendations made to the various entities. These conclusions are then presented to the Executive Committee, and to the Audit and Finance Committee.

Missions not provided for in the audit plan may be carried out at the request of the Chairman and Chief Executive Officer or the Audit and Finance Committee.

The Board of Directors

The Board of Directors sets the Company's business policies and oversees management. It is supported by three specialised Committees, whose roles are described in this chapter (2.2.).

3.5.5 CHANGES TO INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IN 2016/2017

Changes to internal control procedures

The formalisation of the internal control procedures continued in 2016/2017.

3.6 Report of the statutory auditors, drawn up in accordance with Article L. 225-235 of the French Commercial Code, on the report of the Chairman of the Board of Directors of Compagnie des Alpes SA

(Fiscal year ended 30 September 2017)

Dear Shareholders,

In our capacity as Statutory auditors of Compagnie des Alpes SA and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your company as stipulated in the provisions of Article L. 225-37 of the French Commercial Code for the fiscal year ended 30 September 2017.

It is the duty of the Chairman to prepare and submit a report, subject to approval by the Board of Directors, on procedures for internal control and risk management implemented in the company, and providing other information required by Article L. 225-37 of the French Commercial Code, particularly concerning corporate governance.

It is our duty:

- to give you our observations on the information provided in the Chairman's report concerning the internal control and risk management procedures used for the preparation and treatment of accounting and financial information; and
- to certify that the report contains additional disclosures as required by Article L. 225-37 of the French Commercial Code, with the stipulation that it it's not our responsibility to verify the good faith of this information.

We have performed our audit in accordance with the professional standards applicable in France.

INFORMATION ON PROCEDURES FOR INTERNAL CONTROL AND RISK MANAGEMENT FOR THE PREPARATION AND TREATMENT OF ACCOUNTING AND FINANCIAL INFORMATION

Industry standards require checks to determine the good faith of the information provided in the Chairman's report on the procedures for internal control and risk management for the preparation and treatment of accounting and financial information. These checks consist of:

- understanding the internal control and risk management procedures for the preparation and treatment of the accounting and financial information underlying the information presented in the Chairman's report and in existing documentation;
- understanding the work done to prepare this information and the existing documentation;
- determining whether major deficiencies in internal control for the preparation and treatment of accounting and financial information that we discovered during our inspection are given appropriate mention in the Chairman's report.

On the basis of this work, we have no observations to make on the information on the company's procedures for internal control and risk management for the preparation and treatment of accounting and financial information provided in the report of the Chairman of the Board of Directors, prepared in accordance with provisions of Article L. 225-37 of the French Commercial Code.

OTHER DISCLOSURES

We also certify that this report contains additional disclosures as required by Article L. 225-37 of the French Commercial Code.

Neuilly-sur-Seine and Courbevoie, 23 January 2018

Statutory auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

4

SOCIAL, SOCIETAL AND ENVIRONMENTAL INFORMATION

4.1 Methodology note on CSR reporting

4.1.1 REPORTING SCOPE

Non-financial reporting is conducted over all Group entities falling within the scope of fully consolidated companies. These entities (subsidiary or site) are grouped in three operational sectors: Ski areas, Leisure destinations, Group Development. In addition, a final segment groups "Holdings and supports".

There are two special cases detailed in the table below. Certain subsidiaries:

- only report social data, but not environmental or societal data, owing to a lack of activity justifying an impact in this regard;
- do not report any data, even social data, owing to the fact that they have no headcount, nor any environmental or societal impact.

The reporting period in principle corresponds to the fiscal year, *i.e.* from 1 October to 30 September of the following year. In a few limited cases, the data may relate to the previous calendar year (invoicing of services for the calendar year).

Changes in consolidation scope during the year: concerning social reporting, sites joining (opening of new site/entity or acquisition of an existing site/entity) the scope are included in reports if they are part of the headcount for a period of at least six months during the fiscal year. Sites exiting the scope are excluded from reporting. Grévin Seoul, opened in July 2015, is included in the environmental and societal information but excluded from the social scope due to problems encountered obtaining the necessary figures for the 2015/2016 fiscal year. As it employs 17 people, the site accounts for a very small part of the Group's activity.

All changes in the past two fiscal years are shown in the environmental segment on a like-for-like basis.

Existence of reporting	Social	Environmental	Societal
Ski areas			
ADS; DAL/SC2A/Pierre&Neige; GMDS; Méribel Alpina; SAP; SCV; SEVABEL; STGM; STVI/Valbus	Yes	Yes	Yes
CDA Ski Diffusion	Yes	No	No
DAI; SCIVABEL; Skigloo; SAG	No	No	No
Leisure destinations			
Belpark (Bellewaerde, Walibi Belgium & Aqualibi); France Miniature; Futuroscope/Futuroscope Destination; Musée Grévin (Paris); Grévin & Cie (Parc Astérix); Walibi Holland/Walibi Holiday Park; Avenir Land (Walibi Rhône Alpes)	Yes	Yes	Yes
CDA DL; Walibi World	Yes	No	No
CDA Brands; Immoflor NV; Premier Financial Services; HHH	No	No	No
Group Development			
CDA Productions (Workshops); Grévin Montréal; Grévin Prague; By Grévin	Yes	Yes	Yes
Grévin Seoul	No	Yes	Yes
CDA Management	Yes	No	No
CDA Beijing	No	No	No
Holdings and supports			
CDA (Paris and Chambéry); CDA DS (Chambéry); INGELO	Yes	Yes	Yes
CDA Financement; Loisirs Ré	No	No	No

4.1.2 DATA COLLECTED

The CDA Group endeavours to comply with the provisions of the "Grenelle II" Act, which came into force on 12 July 2010, and which requires the publication of information divided into 43 indicators, of which 19 are social, 15 environmental and 9 societal. The report shall state explicitly if these indicators are not relevant to the Group.

Thus, the indicator "Other actions undertaken to promote human rights" was not considered relevant to the activities and specific nature of the Group.

The definition of all the data sets to be collected is specified in a reporting procedure and is mentioned in the reporting tool used (Excel files for societal indicators, web platform for social and environmental indicators). Data relevance and definition is reviewed every year through feedback after the end of the reporting process.

The definition is completed by detailed information to ensure better understanding and facilitate collection: unit, calculation method to be used and rules governing estimates to be applied if necessary, conversion factors, scope to be taken into account, ideas to be excluded, examples.

Three questionnaires have been prepared for the environmental indicator, in order to adapt them to the business: Ski areas, Leisure parks and "tertiary", that is for French and international leisure destinations, subsidiaries, holdings and supports whose activity is conducted within a building (museum, workshop, etc.).

4.1.3 COLLECTION PROCESS

The data reporting process is the joint responsibility of the Group Human Resources Department and the Audit and Internal Control Department.

It is conducted in partnership with the Legal Department for regulatory monitoring. After a feedback and preparation (awareness raising, training) phase, the data collection phase begins, followed by a consolidation phase led by the departments mentioned above. The data is analysed and checked (N/N-1 changes, consistency tests) to ensure compliance and reliability. At the end of this process, it is consolidated in the form of a table or diagram, and commented on for publication. Each entity is responsible for collecting and inputting its data.

4.1.4 LIMITATIONS ON DATA COLLECTION AND RELIABILITY

There may be certain limitations on the accuracy and comparability of the data uploaded during the collection process, notably in the case of unavailability.

In this case, explanations shall be provided, both in relation to why the data is unavailable and the scope considered.

Methodologies relating to certain environmental and social indicators may be subject to certain limitations, due to the absence of recognised definitions at national or international level.

However, the revision of the definitions framework and consistency checks tend to limit these inaccuracies, ensuring that an overall satisfactory level of reliability is achieved.

Furthermore, this information is verified by an independent third-party body, in this case Mazars.

4.2 Group workforce information

4.2.1 KEY INDICATORS

Headcount for FY 2016/2017 *(permanent and non-permanent staff)*	Group 2017	of which France	Excl. France	of which Netherlands	of which Belgium	of which Canada	of which Czech Republic	of which Switzerland	Group 2016	Group 2015
Ski areas	2,048	2,048	-	-	-	-	-	-	2,033	2,027
Leisure destinations	2,388	1,740	648	264	385	-	-	-	2,434	2,444
Group Development	110	28	83	-	-	26	18	39	67	83
Holdings and supports	150	150	-	-	-	-	-	-	134	151
TOTAL AVERAGE HEADCOUNT *(FTE (1))*	**4,696**	**3,965**	**731**	**264**	**385**	**26**	**18**	**39**	**4,668**	**4,705**
HR indicators by geographic area at 30 September										
HEADCOUNT AS AT 30/09	**5,170**	**3,118**	**2,052**	**1,299**	**596**	**35**	**21**	**101**	**4,739**	**4,580**
of which % women	46%	44%	50%	53%	40%	63%	52%	73%	45%	44%
of which % men	54%	56%	50%	47%	60%	37%	48%	27%	55%	56%
MANAGEMENT										
% managers	10%	15%	3%	1%	5%	26%	14%	5%	11%	11%
of which % female managers	42%	42%	40%	33%	36%	67%	33%	40%	43%	43%
of which % male managers	58%	58%	60%	67%	64%	33%	67%	60%	57%	57%
AVERAGE HEADCOUNT	**4,696**	**3,965**	**731**	**264**	**385**	**26**	**18**	**39**	**4,668**	**4,705**
of which % permanent	42%	42%	40%	28%	36%	100%	100%	100%	41%	43%
of which % non-permanent	58%	58%	60%	72%	64%	0%	0%	0%	59%	57%
TRAINING (2)										
Number of training hours	67,155	59,544	7,611	3,970	3,196	176	201	68	67,172	74,573
Number of employees having attended at least one training programme	5,089	3,741	1,348	1,118	172	36	20	2	5,647	4,588
OCCUPATIONAL ACCIDENTS										
Occupational accident frequency rate	49.2	54.1	26.3	19.2	35.6	18.5	-	-	44.1	47.5
Number of occupational accidents that caused an employee's death	-	-	-	-	-	-	-	-	-	-
Number of travel accidents that caused an employee's death	-	-	-	-	-	-	-	-	-	-

(1) FTE = full-time equivalent.

(2) Data reported for the calendar year 2016 (covering FY 2016/2017).

These figures exclude training at GMDS in 2015 and Walibi Belgium in 2016 (work was undertaken to establish the reliability of the figures).

4.2.2 HEADCOUNT

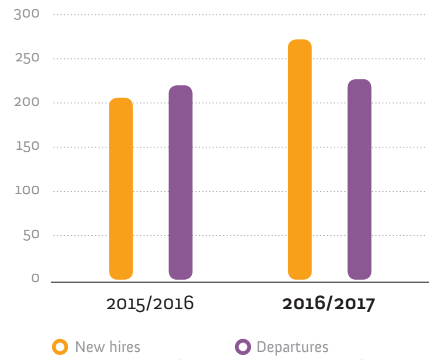
At 30 September 2017, the Group's total headcount was 5,170. The average headcount calculated over the fiscal year stabilised at 4,696 full-time equivalents, compared with 4,668 the previous year.

The Group's activities are highly seasonal. The average monthly headcount therefore fluctuates greatly during the fiscal year. The headcount in Leisure destinations grows sharply between April and September, while Ski areas post a comparable rise between December and April.

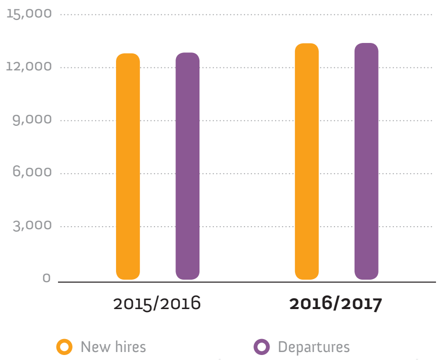
New hires are primarily temporary (seasonal for both business segments), which represented 58% of the Group's FTE headcount over the past fiscal year.

Due to the seasonal nature of our activities, the number of departures from the Group is more or less balanced out by the number of new hires, although there were more new hires in the permanent workforce this year:

NUMBER OF NEW HIRES/DEPARTURES OF PERMANENT STAFF DURING THE FISCAL YEAR



NUMBER OF NEW HIRES/DEPARTURES OF NON-PERMANENT STAFF DURING THE FISCAL YEAR*



Ski areas

In Ski areas, returning seasonal workers are rehired from one season to the next, in compliance with Article 16 of the French National Collective Bargaining Agreement for Ski Lift and Ski Areas. More than 89% of seasonal workers thus return from one season to the next, which explains why their seniority is significant.

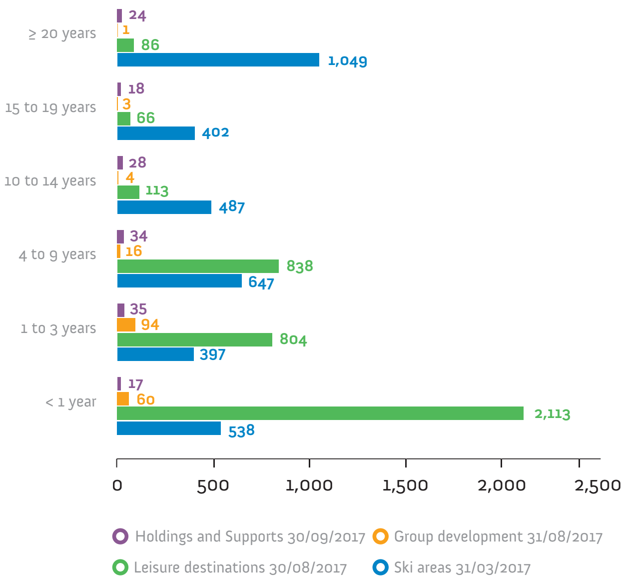
Leisure destinations

As regards Leisure destinations, seasonal workers' employment structure is more volatile, although a tendency towards greater stability has emerged in recent years.

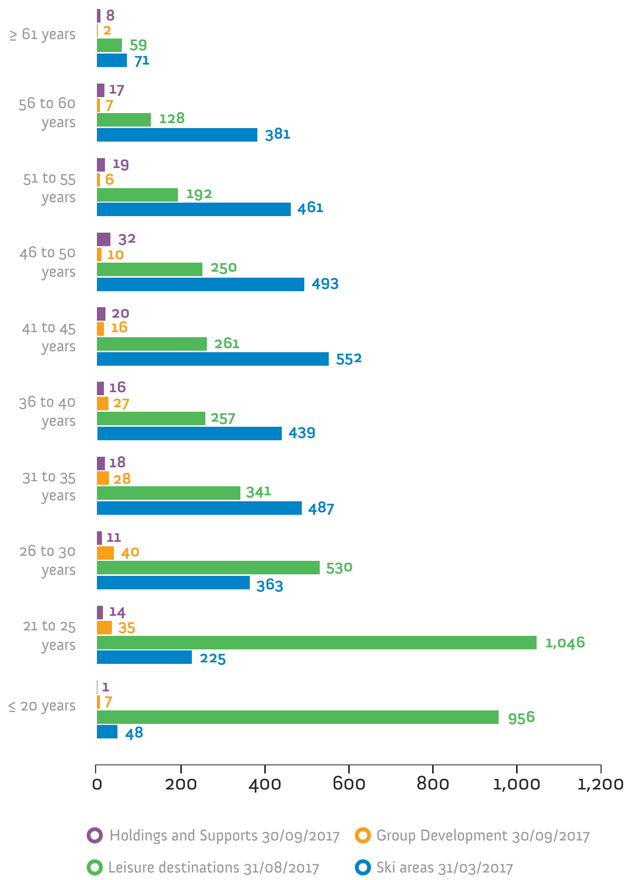
For the 2016/2017 fiscal year, the average return rate among seasonal workers in Leisure destinations rose to 53%. This compares with 54% in the previous year, and 53% two years ago.

Age and seniority rankings are considered differently for the Group's different business segments:

SENIORITY OF CDA GROUP PERSONNEL BY BUSINESS SEGMENT HEADCOUNT IN HIGH SEASON



AGE OF CDA GROUP PERSONNEL BY BUSINESS SEGMENT HEADCOUNT IN HIGH SEASON



* *Excluding contractors/replacement staff.*

CDA employees have two distinguishing features:

- most are seasonal employees who have a suitable personality for the activity;
- they really love working in the leisure sector and are really keen to increase customer satisfaction.

These two factors have a strong impact on the Group's social policy, which has, for more than five years now, centred on three core areas: integration, secure employment and employability through the development of skills.

1. Integration

Operational jobs require one-to-one training, which we provide to our seasonal workers. Most importantly, they must be good with people and able to extend a warm welcome to our visitors, while ensuring their safety and offering them a unique experience.

We therefore mainly recruit employees interested in our business segments, with a capacity to develop these qualities. Each year we offer a springboard to candidates who are often looking for their first job or retraining.

For several years we have used an appropriate recruitment method that aims to spot talent and potential among the different applicant profiles. This method, based on a programme we call "STAR", is used by the majority of our Leisure parks.

Once we have identified the key behaviour we are looking for in our employees, we assess the applicants by setting them relevant concrete exercises based on scenarios which have actually happened at our sites. During these group sessions, the operational managers take part in the exercises but are also, and most importantly, there to observe. It is these same managers who can determine whether or not the applicants exhibit the key behaviour we are looking for.

To a certain extent, these recruitment days are the first step in integrating our future employees before they are immersed in our business activities.

Once we have hired our seasonal workers to work at a leisure destination, we then organise an integration day to help them find out more about, and adapt to, the leisure sector. This takes the form of a team-building welcome day, during which park teams rally together to welcome new employees, providing them with the necessary information on how the site is organised and how it works, in an enjoyable and educational manner (e-learning, treasure hunts, site tours, recreational activities in relation to the duties carried out, quizzes, etc.). Here again we favour practical exercises rather than delivering a formal presentation of our activities.

Since 2015, we have implemented a certified training programme before hiring, for the new seasonal workers of the Leisure destinations, in the form of a POEC (*préparation opérationnelle à l'emploi collective* – operational preparation for collective employment).

This programme is intended to enable teams to acquire the skills to improve hospitality at the parks and, most importantly, Very High Visitor Satisfaction.

At the end of the programme, which is in place at several sites (Parc Astérix, Walibi Rhône-Alpes and Futuroscope), successful candidates obtain a CCP certificate and a branch-level certificate of professional qualification (CQP) in one of the following three business segments: rides/installations, fast food and shop sales.

In Belgium, we also have a collectively-managed training fund for the occupational sector in which our sites operate. It gives them access to grants to train seasonal employees in service jobs and mainly hospitality, as well as in safety and technical issues.

In Ski areas, training continues to be focused on safety, authorisations as well as the development of skills to provide optimal service to our customers (hospitality, languages). Our training activities primarily focus on the Quality of Life at Work and raising awareness of the action to combat harassment.

Actions specific to the region were also implemented: for example, in Val-d'Isère, STVI (the ski area operating company) in partnership with other companies or local authorities, pursued a POEC plan, enabling first-time seasonal workers (around 150 trainees) to acquire basic skills in tourism jobs. Collaboration with the resort's partners (in addition to STVI: tourism office, municipality, ski run service, hoteliers, local traders) has been strengthened through the Val-d'Isère Campus initiative.

During this fiscal year, SAP (Société d'Aménagement de la Plagne) also established a POEC for its first-timers.

Discussions with the branch OPCA (*Organisme Paritaire Collecteur Agréé* – an accredited collection agency) during the 2016/2017 fiscal year have led to an agreement which aims to step up training initiatives.

At headquarters, on the back of the work integration policy, the Company has for over three years been providing support until graduation (from BAC to BAC+5) to employees who combine work and training. Around ten students preparing for a variety of diplomas, such as the BTS for legal, accounting/management assistants, computer science degrees, a Masters in International Management, Human Resources, Sales and Marketing or a Mechanical Engineering degree, were welcomed in different holding companies in the 2016/2017 fiscal year. Most of our students join our holding companies on a one/three-year training/work experience contract. They are all supervised by a tutor and most of our tutors have undergone specific "tutor" training to enable them to provide the best-possible support. Note that one of our trainees has been given a permanent position within the Company.

At the Ski areas, the training/work experience contracts continue, mainly in technology, human resources and sales.

2. Secure employment

Our activities are by nature seasonal. Nevertheless, since the collective agreement signed in 2011 on the stabilisation of employment for our seasonal workers, we have innovated to help them find employment all year round.

Within this agreement, CDA offers internal cross-over programmes between the two business segments and external programmes in the employment catchment area.

In internal cross-over programmes, all seasonal jobs to be filled are shared with seasonal workers. As geographical mobility represents a hindrance to many of them, this option has been taken up by a very small number of employees.

In the employment catchment areas, external programmes are offered. These involve putting our seasonal workers in contact with local employers with complementary seasonality. The Ski areas are pursuing their policy of informal collaboration with sub-contractors which has provided employment for seasonal workers during the summer in maintenance positions or other areas. Some activities (maintenance in particular) are also insourced which has enabled us to either offer our winter seasonal workers summer jobs or to offer permanent employment to workers on fixed-term contracts.

In terms of our Leisure destinations, at the end of each season at Parc Astérix we organise a job/training forum for our seasonal workers, presenting to them the professions of the Ski area activity, and the jobs on offer for the winter season. This allows seasonal workers at the end of their contract to consider undertaking professional training in a chosen area or studying for a certificate to further their career.

The Walibi Rhône-Alpes park continues to form partnerships with neighbouring companies with complementary seasonality, enabling us to offer our seasonal workers employment over the winter period. Chambéry Airport, whose requirements increase sharply in the winter, offers jobs to our seasonal workers. In the last few years, the Brioche Pasquier group and Jambon d'Aoste have also notified us of their winter jobs vacancies.

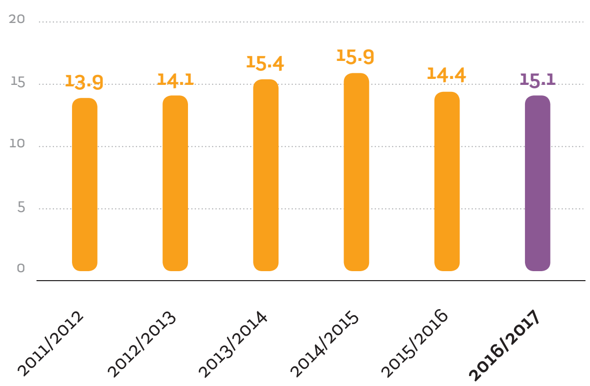
In total, around 20 seasonal workers in Walibi Rhône-Alpes benefited from job opportunities, enabling them to work for most of the year.

A Group framework agreement signed at the end of 2015, giving priority to re-hiring, provided better visibility for our seasonal workers at our Leisure destination sites who wished to return the following season, subject to certain specific conditions of the agreement.

3. Employability through the development of skills

Finally, again with a view to stabilising employment, we develop employability by enabling staff to acquire and strengthen skills. In this regard, Compagnie des Alpes is pursuing its training drive: while its FTE employees remained stable, the number of training hours per employee (excluding the figures for Walibi Belgium) increased by 5%, approximately 15 hours, compared to the 2015/2016 fiscal year.

CHANGE IN THE NUMBER OF TRAINING HOURS PER EMPLOYEE



To enable its staff to obtain a certificate of professional qualification at branch level (CQP – *Certificat de Qualification Professionnelle*), Ski areas provide support, particularly in technical subjects. The objective is to confirm that specialist skills have been acquired, particularly in operating grooming machines, cable cars, etc.

For the Leisure destinations we have also put in place training courses for the low season in order to foster loyalty among our seasonal workers and develop their skills. This makes them significantly more employable, both with the Group and in companies looking for the same type of profile (tourism professions in particular).

We continue to support Group managers by proposing a range of training modules adapted to our culture, our specific needs and our business segments.

New modules are being considered in connection with topics of strategic importance for the Group, such as raising awareness of digital issues, innovation (design thinking) and working in project mode.

Individual and collective development

To support the Group's fundamental changes and ensure the success of our strategic Horizon 2020 project, a leadership programme was rolled out at CDA Campus, our corporate university. The programme comprises a number of leadership development tools and workshops intended to enhance our collective performance by encouraging more collaboration between the divisions to achieve a sleeker operation and providing individual employees with the key skills set out in our internal guidelines. The programme was followed by the Group's executives and senior managers.

4.2.3 WAGE POLICY AND EMPLOYEE BENEFITS

4.2.3.1 General

The Group's average gross monthly salaries are as follows:

	Managers		Supervisors		Workers Employees	
Average gross monthly salaries for permanent staff	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Leisure destinations in France	€4,379	€3,901	€2,666	€2,539	€2,174	€2,039
Ski areas	€5,634	€5,230	€3,397	€3,220	€2,861	€2,742

Wage policy is largely decentralised. Obligatory annual negotiations are held in France at site level, which, in addition, offer all the specific profit-sharing and stock ownership agreements. However, a Group employee savings plan is in place for every employee with a French employment contract (with the exception of Futuroscope and STVI employees). In this system, Management sets the contribution every year, and each subsidiary may also decide to introduce additional contributions.

All the Group's French employees are covered by supplementary health insurance on a compulsory (permanent employees) or optional (non-permanent employees) basis.

A compulsory pension plan is also in place for all French employees.

There are three collective bargaining agreements in France:

- the national collective bargaining agreement for ski lifts and ski areas;
- the national collective bargaining agreement for leisure areas, attractions and cultural spaces (CCNELAC);
- the collective bargaining provisions applicable to Compagnie des Alpes staff.

In Belgium, the Group offers its staff hospital insurance cover in addition to the social protection provisions enshrined in legislation, and a pension plan for managers and employees. The employer pays a contribution of 0.10% of the wage bill into a training fund for each division. This fund will eventually lead to the development of specific training programmes for Leisure destinations, open to all companies in the sector.

In The Netherlands, executives benefit from supplemental retirement insurance and employee savings plans.

For The Netherlands, like Belgium, an agreement has been made to increase salaries every year. In Belgium, this increase is determined based on changes to the consumer price index.

In the Czech Republic, the high level of social protection offered by social security has made the introduction of complementary plans unnecessary.

Conversely, in Canada, the Group's complementary health, insurance and retirement plans are key to employees' social protection. The guarantees of these complementary plans were determined at a competitive level in relation to national standards.

Before every new international subsidiary is opened, a study on pay and employee benefits is conducted by the Group HR Department on the practices of the country in question. This leads to the introduction if necessary of complementary plans, aimed at procuring our employees social protection at the median level of the local market.

4.2.3.2 Employee profit-sharing

The policy of the Group is to link employees to the performance of the Group's companies.

In this regard, all of the Group's French companies have an employee profit-sharing agreement and a stock ownership agreement. However, the Group's French companies that have a headcount of less than 50 employees are not required to provide a stock ownership agreement.

The total amounts to be paid by the Group for profit-sharing and stock-ownership are as follows:

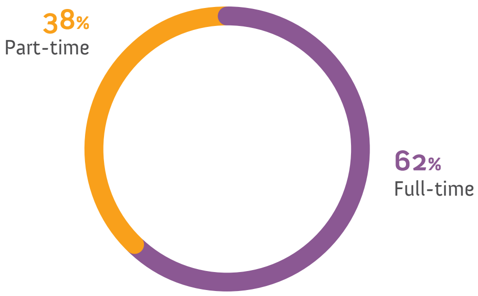
(in thousands of euros)	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Profit sharing	3,612	6,876	7,242	8,313	8,969
Stock ownership	4,795	3,516	3,589	4,465	5,277
TOTAL	**8,407**	**10,392**	**10,831**	**12,778**	**14,246**

4.2.4 WORKTIME ORGANISATION

The sites comply with the laws applicable in their country with regard to worktime organisation.

At 30 September 2017, the breakdown of the Group's full-time and part-time employees was as follows:

BREAKDOWN OF THE FULL-TIME AND PART-TIME EMPLOYEES AT 30 SEPTEMBER 2017



4.2.5 EMPLOYEE REPRESENTATION

Employee Representative Bodies in 2016/2017

In France, employee representation is handled entirely by 324 staff representatives and 28 trade union representatives (excluding health, safety and working conditions committees).

Controlled sites abroad (full consolidation scope) have 10 staff representatives and two trade union representatives.

All Group companies that must establish and regularly convene employee representative bodies undertake to fulfil this obligation.

Renewal of Employee Representative Bodies

In France, one company renewed the positions of staff representatives in the 2016/2017 fiscal year.

Group Works Council

CDA's Group Works Council met three times in the 2016/2017 fiscal year. This forum for sharing information mainly concerns the Group's strategy and development. It helps facilitate labour relations at Group level.

The Europe-wide Works Council, which was set up in 2014, met twice in the 2016/2017 fiscal year. At these meetings, staff representatives were given an update on the research being carried out into the quality of work life of the Group's employees, specifically to identify the causes and effects of psychosocial risks. They were also updated on the Group's social, economic and financial situation.

4.2.6 COLLECTIVE BARGAINING AGREEMENTS

During the 2016/2017 fiscal year, the Group entered into 34 agreements, most of which related to compensation, profit sharing and organisation of work. These agreements mainly concern obligatory annual negotiations. No health and safety at work agreement was signed in the 2016/2017 fiscal year.

4.2.7 STAFF HEALTH AND SAFETY

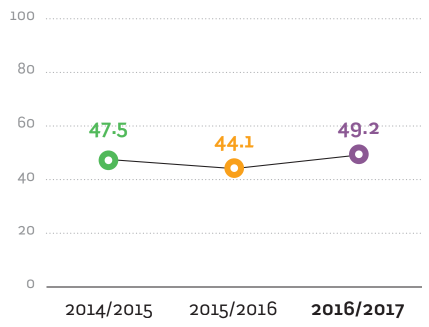
In compliance with the law of 31 December 1991 and the decree of 5 November 2001, professional risk evaluation documents (personnel health and safety) are compiled and updated regularly on French sites. They include risk identification by business segment and job position as well as action plans. Each company is in charge of creating the single document for risk evaluation, and of updating it. This applies to all sectors, all reporting levels, and all employees, regardless of their status. All Group companies regularly exchange information about their experience feedback.

For Leisure destinations, a working group looked at health and safety at work, identifying the best practices at Group level, which offered better protection against occupational accidents and, more importantly, instilled a Group-wide Workplace Safety culture. Action plans were put in place.

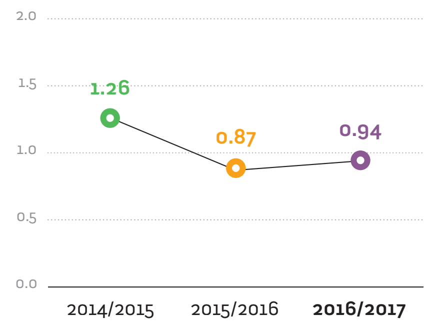
For Ski areas, occupational accidents are mainly falls when moving about on skis, as well as slips and falls when walking (owing to weather conditions).

For Leisure destinations, occupational accidents occur most often when working at heights, moving about within parks, or working in catering services.

CHANGE IN THE OCCUPATIONAL ACCIDENT FREQUENCY RATE – GROUP



CHANGE IN THE OCCUPATIONAL ACCIDENT SEVERITY RATE – GROUP



Number of working days of leave after occupational accident * 1,000/number of hours worked.

These leave days also include leave taken following an accident on the way to/from work (for all sites except SAP, STGM and Futuroscope).

Quality of work life and psychosocial risk prevention

The relocation of the Paris and Chambéry teams was also an opportunity to change work habits and facilitate communication (particularly with a move to an open plan office) in order to ensure staff behaviour is appropriate for the changes taking place in the Company.

In addition, group-wide satisfaction surveys were run in 2017 to measure the Very High Employee Satisfaction (TGSS). This simple and practical method of measuring satisfaction, and the resulting action plans, provide an opportunity for collective reflection on well-being in the workplace.

The Ski areas pursued actions relating to QWL and the prevention of psychosocial risks in the 2016/2017 fiscal year. Some of the areas conducted a preliminary assessment to allow them to take any corrective action required.

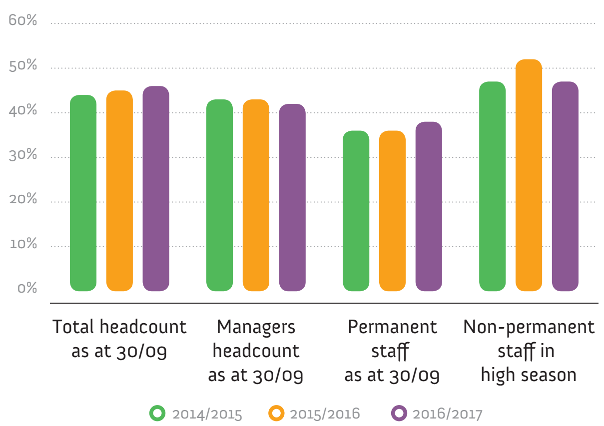
4.2.8 PROMOTING WOMEN IN THE CDA GROUP

As of 30 September 2017, the percentage of women in relation to total headcount was:

Percentage Women	Group	Leisure destinations	Ski areas
Total headcount as at 30/09/2017	46%	52%	24%
Managers as at 30/09/2017	42%	48%	31%
Permanent staff as at 30/09/2017	38%	45%	23%
Non-permanent staff in high season	47%	54%	38%

The proportion of women in the Group changed as follows over the last three fiscal years:

CHANGE IN THE % OF WOMEN IN THE GROUP



The percentage of women in relation to both total headcount and management has been stable for the last three years, after having grown in previous fiscal years. This situation is due to the low staff turnover, particularly among permanent staff.

4.2.9 PROMOTION AND COMPLIANCE WITH THE STIPULATIONS OF THE BASIC INTERNATIONAL LABOUR ORGANIZATION CONVENTIONS

The sites that comprise the CDA Group are committed to abide by the International Labour Organization (ILO) declaration relative to the fundamental rights and principles at work, bearing in mind that the ILO directives are fully incorporated into the labour laws of most countries in which the CDA Group operates:

- rejection of slavery or forced labour;
- rejection of child labour;
- freedom of association and collective bargaining;
- implementation of a fair wage policy (compliance with the wage minima defined by the collectively agreed salary grids);
- ban on moral or physical harassment;
- ban on all forms of job or professional discrimination (agreement on professional gender equality);
- adherence to laws and standards applicable to the sector regarding working hours;
- non-discrimination, equal opportunity.

Regarding forced labour and child labour in particular, the sole activity of the Group that is potentially concerned is the sale of certain items in the sites' boutiques. Precautions are naturally taken as regards the manufacturing process. Since 2011, we have conducted factory audits of purchases for Leisure destination boutiques at our main suppliers in South-East Asia. These audits are conducted on the basis of social criteria (child labour, forced labour, discrimination, working hours, compensation, health and safety, etc.). At present, six to eight audits are organised per year through a specialised company (INTERTEK) chiefly for factories that manufacture toys and tableware products. To date, the results of these audits have shown that the social criteria are satisfied.

In 2009, in a move to promote non-discrimination on the basis of disability, Parc Astérix signed a partnership agreement with AGEFIPH to encourage the employment of disabled workers and obtained the Diversity Label issued by the French Ministry of Immigration, Integration, National Identity and Solidarity Development in 2010. The Diversity Label, an AFNOR certification, recognises commitment towards preventing discrimination and promoting equal opportunity and diversity in HR management.

4.2.10 CONSOLIDATED EMPLOYEE DATA – FRANCE

France	30/09/2017	30/09/2016
Headcount		
Total headcount in France [1]	3,118	2,767
Percentage of women	44%	41%
Percentage of men	56%	59%
Headcount by age		
≤ 20 years	239	139
21 to 25 years	483	370
26 to 30 years	369	337
31 to 35 years	333	306
36 to 40 years	307	279
41 to 45 years	372	363
46 to 50 years	370	366
51 to 55 years	333	308
56 to 60 years	266	262
≥ 61 years	46	37
Headcount by seniority		
< 1 year	602	431
1 to 3 years	639	486
4 to 9 years	879	854
10 to 14 years	229	229
15 to 19 years	209	208
≥ 20 years	560	559
Average headcount [2]	3,965	3,874
Number of permanent employees (all on open-ended contracts)	1,662	1,658
Number of non-permanent employees	2,304	2,216
New hires [3]		
Number of hires per open-ended contract	141	127
Number of hires per fixed-term contract	9,259	9,207
Departures [4]		
Number of terminations	115	90
Number of breaches of contract	29	18
Number of resignations	197	184
Number of contract expirations	9,169	9,128
Number of retirements	38	39
Number of departures for other reasons	8	40
Hours worked and overtime		
Legal work week (full-time)	35h	35h
Number of hours worked (in thousands)	6,637	6,462
Number of overtime hours (in thousands)	125	103
Absenteeism		
Absenteeism rate (all absences included)	3.64%	3.97%
Number of absentee days	36,846	40,290
of which sick leave days	17,900	20,017
of which occupational accidents, travel accidents, or occupational disease	7,135	6,580
of which other reasons	11,812	13,693

France	30/09/2017	30/09/2016
Compensation		
Gross total wage bill (in millions of euros)	136.2	132.5
Employer social security contributions (in millions of euros)	61.2	60.3
N-1 incentive bonuses paid in N		
Gross amount (in millions of euros)	8.8	8.2
Average amount per employee (in euros)	2,225	2,108
N-1 profit-sharing paid in N		
Gross amount (in millions of euros)	4.3	3.6
Average amount per employee (in euros)	1,082	931
Labour relations		
Number of staff representatives (5)	324	313
Number of trade union representatives	28	24
Collective bargaining agreements signed during the fiscal year	29	37
Hygiene and safety conditions at work		
Number of occupational accidents with leave of more than 24 hours	359	322
Number of deaths following occupational accident	-	-
Number of declared occupational diseases	7	3
Severity rate (6)	1.07	0.99
Frequency rate (7)	54.1	49.8
Training (8)		
Number of persons who received training	3,741	3,354
Number of training hours	59,544	53,060
Number of training hours per employee (9)	15.02	13.7
Employment of disabled workers		
Number of disabled employees in the fiscal year	110	108
Number of disabled workers hired during the fiscal year	26	30
Company welfare		
Works Council budget for Company welfare (in millions of euros)	1.0	1.0
Subcontracting		
Amount paid towards subcontracting (in millions of euros)	34	32

(1) *All employees at 30 September, all types of employment contract.*
(2) *Sum of monthly headcount divided by 12 months.*
NB: average monthly headcount: No. of hours paid monthly/151.67.
(3) *Excluding contractors and replacement staff.*
(4) *Excluding contractors and replacement staff.*
(5) *Number of staff representatives excluding health, safety and working conditions Committees.*
(6) *Number of working days of leave after occupational accident * 1,000/number of hours worked.*
These leave days also include leave taken following an accident on the way to/from work (for all sites except SAP, STGM and Futuroscope).
(7) *Number of accidents with leave * 1,000,000/number of hours worked.*
(8) *Data reported for the calendar year 2016 (covering fiscal year 2016/2017) and 2015 (covering fiscal year 2015/2016).*
These figures exclude training at GMDS (work was undertaken in 2015 to establish the reliability of the figures).
(9) *Total number of training hours divided by the average headcount.*

4.2.11 CONSOLIDATED EMPLOYEE DATA – GROUP

Group	30/09/2017	30/09/2016
Headcount		
Total headcount [1]	5,170	4,739
Percentage of women	46%	45%
Percentage of men	54%	55%
Headcount by age		
≤ 20 years	802	664
21 to 25 years	1,067	956
26 to 30 years	679	613
31 to 35 years	488	436
36 to 40 years	419	378
41 to 45 years	452	437
46 to 50 years	457	455
51 to 55 years	398	389
56 to 60 years	320	332
≥ 61 years	88	79
Headcount by seniority		
< 1 year	2,293	1,958
1 to 3 years	838	685
4 to 9 years	971	987
10 to 14 years	273	325
15 to 19 years	217	211
≥ 20 years	578	573
Average headcount [2]	4,696	4,668
Number of permanent employees (all on open-ended contracts)	1,956	1,932
Number of non-permanent employees	2,741	2,736
New hires [3]		
Number of hires per open-ended contract	272	206
Number of hires per fixed-term contract	13,381	12,811
Departures [4]		
Number of terminations	154	146
Number of breaches of contract	124	24
Number of resignations	292	250
Number of contract expirations	13,003	12,565
Number of retirements	39	44
Number of departures for other reasons	13	45
Hours worked and overtime		
Number of hours worked (in thousands)	8,049	7,919
Number of overtime hours (in thousands)	129	107
Absenteeism		
Absenteeism rate (all absences included)	3.70%	4.22%
Number of absentee days	44,330	51,649
of which sick leave days	22,175	26,323
of which occupational accidents, travel accidents, or occupational disease	7,650	7,037
of which other reasons	14,504	18,288

Group	30/09/2017	30/09/2016
Compensation		
Gross total wage bill (in millions of euros)	161.5	157.5
Employer social security contributions (in millions of euros)	68.5	67.1
N-1 incentive bonuses paid in N		
Gross amount (in millions of euros)	9.0	8.3
Average amount per employee (in euros)	1,910	1,782
N-1 profit-sharing paid in N		
Gross amount (in millions of euros)	5.3	4.5
Average amount per employee (in euros)	1,124	957
Labour relations		
Number of staff representatives (5)	334	329
Number of trade union representatives	30	26
Collective bargaining agreements signed during the fiscal year	34	42
Hygiene and safety conditions at work		
Number of occupational accidents with leave of more than 24 hours	396	349
Number of deaths following occupational accident	-	-
Number of declared occupational diseases	7	3
Severity rate (6)	0.94	0.87
Frequency rate (7)	49.2	44.1
Training (8)		
Number of persons who received training	5,089	5,647
Number of training hours	67,155	67,172
Number of training hours per employee (9)	15.1	14.4
Employment of disabled workers		
Number of disabled employees in the fiscal year	128	120
Number of disabled workers hired during the fiscal year	44	42
Company welfare		
Works Council budget for Company welfare (in millions of euros)	1.0	1.0
Subcontracting		
Amount paid towards subcontracting (in millions of euros)	45	42

(1) *All employees at 30 September, all types of employment contract.*
(2) *Sum of monthly headcount divided by 12 months.*
NB: average monthly headcount: Number of hours paid monthly/Number of statutory working hours.
(3) *Excluding contractors and replacement staff.*
(4) *Excluding contractors and replacement staff.*
(5) *Number of staff representatives excluding health, safety and working conditions Committees.*
(6) *Number of working days of leave after occupational accident * 1,000/number of hours worked.*
These leave days also include leave taken following an accident on the way to/from work (for all sites except SAP, STGM and Futuroscope).
(7) *Number of accidents with leave * 1,000,000/number of hours worked.*
(8) *Data reported for the calendar year 2016 (covering fiscal year 2016/2017) and 2015 (covering fiscal year 2015/2016).*
These figures exclude training at GMDS (work undertaken to establish the reliability of the figures in 2015) and Walibi Belgium (work undertaken to establish the reliability of the figures in 2016).
(9) *Total number of training hours divided by the average headcount.*

4.3 Group environmental information

The main objective of the Group's subsidiaries is to develop and manage exceptional activity areas in order to offer memorable leisure experiences. As such, the Group considers the environment to be an intangible asset, particularly in the ski areas, located in areas of outstanding natural beauty.

The Group continues to work towards containing its environmental impact. The three key challenges it faces relate to energy, water and biodiversity.

A summary of the main environmental indicators is shown in section 4.3.7.

NB: the Group's environmental information can be grouped according to three profiles: Leisure destinations (seven offering outdoor activities), Ski areas (nine) and tertiary sites (eight) which include two offices, one workshop, five museums or sites offering indoor activities (see 4.1.1. Reporting scope).

4.3.1 ENVIRONMENTAL ORGANISATION

Certifications and classifications

For several years now, all the Ski areas of the CDA Group have adopted the QSE procedure (Quality-Safety-Environment) aimed at establishing an Integrated Management System (IMS) based on the Quality ISO 9001, Safety OHSAS 18001 and Environment ISO 14001 standards. Beyond this regulatory framework related to the environment, the Integrated Management Systems put in place are a tool of reference used to identify, manage, monitor and control environmental issues.

Thanks to environmental management systems which have been in place for many years, after a decade of certification, the Group's Ski areas are now turning towards complementary programs. Environmental practices are now part and parcel of the sites' quality systems (ISO 9001) and effort is being directed towards new sustainability-related challenges.

Green Globe

- In 2015, Société des Téléphériques de la Grande Motte (STGM) became the first Green Globe certified ski lift operator in the world. This international certification, specific to the tourism sector, is based on 41 criteria relating to sustainable development.
- In 2016, Société des Téléphériques de Val-d'Isère (STVI) followed in its footsteps, with Tignes-Val-d'Isère becoming the first Green Globe certified connected ski area.
- In autumn 2016, Grand Massif Domaine Skiable, which connects 5 ski resorts (Morillon, Samoëns, Flaine, Les Carroz and Sixt-Fer-à-Cheval), became the first ski area with Green Globe certification, not only for all its ski lifts but also for its slopes and associated services. The certification was obtained as a result of a number of sustainable development initiatives put in place.
- In 2017, it was the turn of Serre Chevalier Valley to commit to this corporate initiative.

Other initiatives

- In 2014, Société des Téléphériques de Val-d'Isère (STVI) obtained ISO 50001 certification for energy management, a first for a ski area. STVI aimed to reduce its energy consumption by 15% over three years.
- Some Leisure destinations (Parc Astérix, Futuroscope) are working towards ISO 50001 or obtaining the tourist accommodation Ecolabel (*Ecolabel hébergement touristique*).

Organisation of the Ski areas

The QSE or sustainable development managers of the Ski areas come together at a quarterly Committee meeting to share their experience and contemplate the different problems and solutions the ski areas encounter concerning the sustainability of their activities. This Committee is intended to be opened to Leisure destinations.

Organisation of the Leisure destinations

For the Leisure destinations, the environmental situation is more fragmented with a lesser immediate impact, given that these destinations are in more built-up areas (mostly on the fringes of urban areas). Therefore, according to the size and activity of the Leisure destination, environmental issues are not always handled by a dedicated person within the organisation.

As a result, in the last two years, as part of the Compagnie des Alpes internal audit plan, specialist firms were commissioned to conduct comprehensive environmental compliance reviews of 4 Leisure destinations (Walibi Belgium, Bellewaerde, Walibi Holland and Parc Astérix). The results and improvement recommendations are monitored as part of the existing governance (Executive Management of the site, general and operational management of CDA).

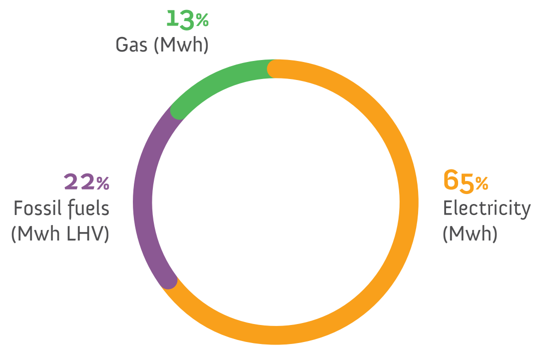
The Group's subsidiaries run employee initiatives to raise awareness of environmental protection issues such as waste sorting, eco-driving of grooming machines, green behaviour, and the use of chemical products. Reminders are generally included in the induction leaflets or at the induction days for seasonal staff. Specific environmental training totalled 1,169 hours in the fiscal year.

ICPE (facilities classified for environmental protection)

At 30 September 2017, the Group had 17 facilities classified for environmental protection, including four pending authorisations, three others being registered at prefectures and a number being assessed. At the Ski areas, these are mainly stores for the explosives required to trigger preventive avalanches, operated in collaboration with the departmental services for land restoration in mountain areas, and cooling towers for artificial snow-making. Here, the sites have taken down two facilities (one at Val-d'Isère, the other at Deux Alpes). For Leisure destinations, the facilities classified for environmental protection are, for example, for looking after aquatic animals for Parc Astérix, the operation of a cogeneration plant and kennels at Futuroscope.

4.3.2 ENERGY AND GREENHOUSE GAS EMISSIONS

BREAKDOWN OF GROUP ENERGY SOURCES (MWH)

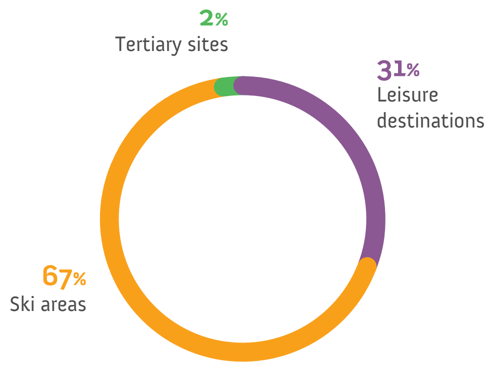


The Group's energy consumption is 255 GWh. Electricity represents the Group's main energy vector, representing almost two-thirds of consumption, and is used mainly to operate the ski lifts and rides.

Electricity

Total Group electricity consumption [1] is evaluated at 166 GWh in 2016/2017, of which 67% was consumed by the Ski areas [2].

BREAKDOWN OF ELECTRICITY CONSUMED (MWH)



Of the six Ski areas that make artificial snow and record the corresponding electricity consumption separately, ski lifts account for around 80% of total electricity consumption.

- The power consumed by the ski lifts depends on several factors: the number of days the resort is open, the opening/closure of certain sectors and visitor numbers.
- Snow-making related consumption is closely linked to the weather conditions and levels of natural snowfall at the beginning of the season.

Globally, electricity consumption increased by 2%, linked to the problematic snow conditions and the increase in skier-days.

The Leisure destinations account for around 31% of the Group's total electricity consumption, mainly in summer. Here too, the consumption is dependent on activity levels, and relates to the number of days open, visitor numbers and site enhancement work (new attractions). Electricity consumption at the Leisure destinations remained stable this year.

Energy efficiency

Through their membership of an Energy Performance Network, established to share best practices in energy saving, the Ski areas continue to monitor and optimise their energy consumption.

In order to reduce electricity consumption, numerous measures tailored to the specific features of each activity have been launched in the sites. These include:

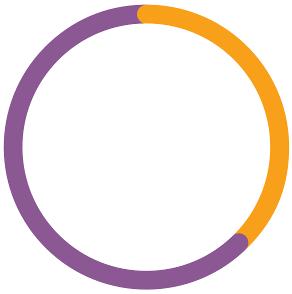
- the regrouping of the Paris and Chambéry offices at more energy-efficient sites in each of the two cities. At Chambéry, the windows of the new building have been treated with a special coating to reduce heat entry in summer and thus save on air conditioning costs;
- rationalisation of our ski lifts to allow us to cover the same ski area with fewer machines;
- the installation of LEDs throughout and presence-sensing devices, turning down heating and shutting off equipment at night, the purchase of energy-efficient equipment, the installation of sensors on some of the workshop doors which cut off the heating when opened;
- installing heat recovery devices in the machinery and transformer to heat the industrial premises;
- regulating the speed of ski lifts depending on the traffic. In some cases, the queue can be scanned and the speed automatically regulated accordingly;
- installing frequency drives for snow-making (pumps, compressors);
- conducting energy diagnostics in the buildings and renovation of the lodges at the ski areas;
- equipment (ski lifts, snow-making machines, pumps, etc.) replaced with higher performance equipment;
- and temporarily shutting off the electric transformers in the ski areas in the summer, where possible.

(1) *Excluding consumption at Grévin Montreal and the Paris headquarters, because there are no individual electricity meters in place.*
(2) *For the Ski areas, bills are being delayed due to a dispute with the electricity supplier. The figures given are estimates, based on the piloting tool which can be used to automatically take readings from the vast majority of the facilities. For the (approximately) 10% missing, the previous year's figures have been added.*

Supporting the transition to renewable energies

At Group level, "green" electricity from renewable sources represents 62% of electricity consumed:

ORIGIN OF ELECTRICITY CONSUMED (MWH) – NEW 2017 DATA TO BE INCORPORATED



In 2013/2014, a "green" electricity supply contract for the Ski areas was signed with EDF. This contract allows us to offset the energy we use to produce electricity from renewable energy sources.

In 2016/2017, 100% of the electricity consumed by the Group's Ski areas came from renewable sources, with the exception of STGM which has a different supply source.

As for the tertiary sites, 100% of the electricity consumed at Musée Grévin Prague comes from renewable sources thanks to contracts with local suppliers. The Futuroscope Hotel has an energy contract which favours "green" energy.

Because 62% of the electricity used by Compagnie des Alpes comes from renewable sources, it can keep a firm check on its greenhouse gas (GHG) emissions, which have been reduced by around 8,874 teq of CO_2, equating to a 20% reduction of the Group's total GHG emissions before renewable energies.

Some of our sites also produce renewable energy or aim to use more energy efficient processes:

- having installed solar panels in 2011 (118 MWh generated in 2016-2017), Futuroscope stepped up its environmental actions in 2015 with the commissioning of a cogeneration plant in the park enclosure. This plant produces both electricity and heat from natural gas (7 GWh over the fiscal year). Most of the thermal energy produced is fed into the park's heating systems but some is resold to a secondary school and other companies in the science park. meaning that the Futuroscope Hotel can therefore be heated entirely from the cogeneration plant;
- in March 2016, Futuroscope installed a Smartflower (flower-shaped solar panels which are activated and orientated according to the position of the sun);
- Walibi Belgium has solar panels on the roofs of three buildings (installed capacity of 0.25 MW for use on site), and Les Deux-Alpes uses solar thermal power to heat the water at one of its villages;
- in 2015, Bellewaerde replaced a fuel oil tank with a heat pump which heats the pool for the divers show from March to October and produces significantly lower greenhouse gas emissions;
- finally, all the Gazex systems at Samoëns and Serre Chevalier, for example, are self-powered by solar panels.

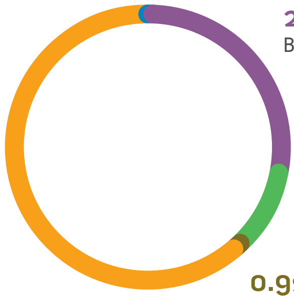
Municipal heating

- The Group's new offices in Paris and Chambéry are powered by a municipal heating network which includes a large percentage of renewable energy. Because there is no individual meter, the consumption is neither known nor estimated.
- The air conditioning at Musée Grévin Paris is powered by a municipal cooling facility and the museum is heated by a municipal heating system. This type of consumption, not recorded in the environmental reporting tool, accounts for GHG emissions of 93 teq CO_2, which is less than 0.3% of the Group's total emissions. It will be included in next year's figures.

Fossil fuels: fuel and gas consumption

The Group's facilities need 5,650 m^3 of fuel to run, 92% of which is diesel. Diesel is mainly used for grooming machines, which account for 61% (in m^3) of total Group consumption of fossil fuels. This is followed by "other" consumption, which mainly concerns vehicles and heating buildings.

FUEL CONSUMPTION (m^3)



The fuel consumed by the grooming machines depends very much on the weather. However, the Group has been working to optimise the grooming process for several years now, mainly by training the drivers and using GPS and radars, which allow for more precision adjustment of the grooming machine.

In terms of road transport, eight Ski areas out of nine and two Leisure destinations out of seven have provided shuttles for their employees in order to limit the use of personal vehicles and help them get to work. Some sites can provide accommodation for some of their seasonal workers while others encourage them to use the ski lifts at the foot of the valley (*e.g.*: the funicular at Les Arcs, the Venosc gondola lift) to travel to their workplace. The other sites benefit from an in-town location or are close to public transport.

Although still limited, the number of electric or hybrid vehicles in our fleet grew by 4% to a total of 77, mainly in the Leisure destinations. This use is favoured by the layout of enclosed areas, notably for non-specific vehicles such as trucks or maintenance vehicles.

Fuel oil consumption is mainly used to heat buildings (94%). Fuel oil accounts for only 5% of total consumption of fossil fuels.

Fossil fuels: gas consumption

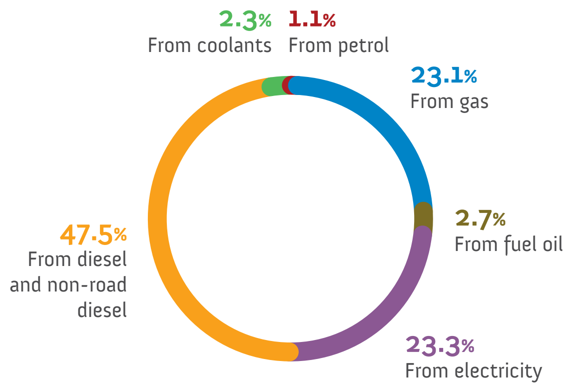
Finally, gas is mainly consumed by Leisure destinations, which account for 98% of the 33 GWh used by the Group. Gas is mainly used to heat buildings, animal pools and bathing water. Due to the fact its electricity and heat cogenerator is powered by natural gas, Futuroscope alone accounts for 60% of the total gas consumption. However the energy is not only produced to meet the Park's needs. It is also supplied to neighbouring companies and premises.

Breakdown of greenhouse gas (GHG) emissions

The calculation of emissions was made on scopes 1, 2 and partially on scope 3: fuel used for all Group vehicles, whether leased or owned, was included.

The bulk of emissions into the air are due to the consumption of fossil energy (diesel, non-road diesel, gas, fuel oil, petrol for 74%), mainly for grooming, which accounts for 31% of the Group's direct emissions, as outlined above. While electricity is Compagnie des Alpes' main energy source, related emissions only account for 23% of total GHG emissions, owing to the prioritisation of renewable energies.

BREAKDOWN OF GHG EMISSIONS (TEQ CO_2)



Emissions of coolants only relate to the cooling systems of some computer rooms, as well as the cold storage rooms of Leisure destinations. These circuits are checked every year by qualified contractors and some are recharged.

The Group's GHG emissions, detailed in the table in section 4.3.7, totalled 34,842 tonnes equivalent of CO_2, split almost equally between the Ski areas (48%) and the Leisure destinations (50%) for the 2016/2017 fiscal year.

Notes:

- The figures are established in accordance with Article 75 of Act 2010-788 of 12 July 2010 (the "Grenelle II" Act) and using the emission factors of version 7.71 of the Bilan Carbone, which incorporates the updates of version 13.0 of the Base Carbone.
- The electricity emission factor rose from 75 gCO_2e/KWh to 82 gCO_2e/KWh for France between 2016 and 2017. This effect equates to an additional 330 teq CO_2, meaning the Group's emissions rose by 28% between 2016 and 2017.

When calculated in skier or summer visitor-days, the total emission of the Group's Ski areas is 1.22 kg of equivalent CO_2 per skier-day, which is the equivalent of a nine-kilometre journey in a car (based on 130 g of CO_2/km). According to a Bilan Carbone exercise conducted in 2010 by ten French ski resorts, more than 80% of the greenhouse gas emissions generated by ski activities, and recorded at the resorts, is from the skiers' journey to the site and energy consumption in the buildings (tourism-related residential buildings and tertiary sites).

Similarly, total emissions from the Leisure destinations activities is 2.26 kg equivalent CO_2 per visitor, this time equivalent to a 17-kilometre car journey (based on 130 g of CO_2/km). In the Leisure destinations, there is generally less information available about the Scope 3 GHG emissions. However, based on the GHG emission figures for one of the Group's French Leisure destinations, indirect emissions are probably in the region of 80% of total emissions: 33% from transport for the people using our services, and a further 33% from the transport of goods.

4.3.3 BIODIVERSITY AND SOIL USE

This section relates to the nine Ski areas and seven Leisure destinations only. It does not include the museums or tertiary sites which do not have a significant impact on biodiversity.

Nature 2050

Biodiversity protection is therefore a major environmental challenge for Compagnie des Alpes.

All of the Ski areas and three Leisure destinations operate close to protected zones: Natura 2000, ZNIEFF (Natural area of interest for ecology, flora and fauna), National Park, RNN (National Natural Reserve), Regional Natural Park, or Protective Forest or APB (Biotope Protection) zone.

In late 2016, Compagnie des Alpes became a member of the Nature 2050 programme. This programme, the brainchild of CDC Biodiversité, runs nature-based initiatives, with quantifiable results, aimed at adapting the land to climate change and restoring its biodiversity.

At the end of 2017, Compagnie des Alpes became particularly involved in a project linked to mountain areas and activities. This project, managed by the *Ligue de protection des Oiseaux* (League for the Protection of Birds – LPO) in the Provence-Alpes-Côte d'Azur (PACA) region, is adapting a mountain forest to climate change in the Partias Regional Natural Reserve (Briançonnais), which is adjacent to the Serre Chevalier Ski area.

Ski area observatories

Because they are located in a natural environment, the existence of threatened or protected species is of particular importance to each of the Group's Ski areas.

Following the success of the Flaine Observatory (2007), the Group has developed nature observatories in each of its Ski areas.

They allow the Group to monitor the impact of its operations and development on all aspects of the environment, on flora, fauna, landscape and specific biotopes. They are now very useful tools in the effort to preserve biodiversity. For a development project, for example, the Observatory provides environmental data about the area, enabling environmental considerations to be factored in during the draft project phase. It contributes to the monitoring of repair and compensation measures undertaken during development projects, but also to optimise works based on habitats and reproduction periods.

The Observatory also provides a discussion forum for a number of stakeholders:

- French National Forestry Office and Mountain Galliforme Observatory: bird observation systems on cable sections of sensitive ski lifts, galliforme display and breeding areas, species counts, etc.;
- Vanoise Natural Park: protection of the black grouse; sectioning off protected areas;
- farmers, shepherds: pastoralism assessment, concerted clearing of the undergrowth to provide mating areas for black grouse and to encourage pastoralism;
- partnership with the French National Research Institute of Science and Technology for Agriculture and Environment (IRSTEA): Les Ménuires is a pilot site for research into the receptiveness of the Ski areas to the green and blue open systems;
- re-establishing vegetation after work, by trialing the removal of seeds to be resown with local seeds after work is completed, or *via* an experimental process which aims to recreate a herbaceous environment at altitude suitable for the habitats, in conjunction with HEPIA (the university of applied sciences in Geneva);
- showing protected areas on piste maps or by creating corridors to direct skiers away from habitats and seedling zones.

As regards soil use, only a very small part of the concession is used (the slopes cover an average of 9% of the total area in six of the Group's nine Ski areas (1)), with the remainder left in its natural state or used outside the winter season by farmers, mainly for pasture.

Lastly, Ski areas raise their customers' awareness of biodiversity protection:

- in les Menuires, Sevabel has created a wetland trail with information panels;
- Grand Massif offers a fun trail for children to discover wildlife, and a geological trail. It also runs a summer-winter initiative during which guides are available to introduce and talk about the fauna;
- in the summer, at La Plagne, SAP displays information on fauna and flora for its customers;
- at Tignes, STGM set up an exhibition in conjunction with the Vanoise National Park, and took part in the "echo day", the main objective of which was to raise awareness about the environment and the initiatives in place (landscape integration, introduction to the environmental observatory, green behaviour, etc.);
- SCV, which operates the Serre Chevalier ski area, posts reports on the site's observatory on Facebook.

The Leisure destinations

The Leisure destination sites also have a natural environment that they can use to increase visitors' enjoyment: on average, more than a third of their sites are preserved in their natural state with forest or marshland areas. The concrete surface area of Leisure destinations only represents 33% of the total surface area (at five out of seven sites (2)).

Parc Astérix, the Leisure destination site which is most affected, works in collaboration with the *Conservatoire des Espaces Naturels de Picardie* (Picardy Natural Spaces Conservatory – CENP) to preserve the fauna and flora by means of

- observation campaigns and counts (birds, insects);
- maintenance aimed at restricting the spread of bracken to promote the growth of heather, cutting back and removal by horses (carried out by CENP staff or agricultural colleges);
- the creation of corridors to facilitate the movement of animals and vegetation from one area to another.

Some parks also raise visitor awareness with biodiversity teaching material:

- Parc Astérix has created a "discovery trail" for hotel guests to enable them to discover local flora and fauna. The site includes, for example, the Morrière forest, which is home to protected plant species, such as the marsh Saint John's wort;
- France Miniature has created installations about bees and biodiversity protection;

(1) Does not include STVI, SCV, Méribel Alpina.
(2) Does not include Grévin et Cie (Parc Astérix) or Walibi Holland.

- biodiversity protection is mentioned in various Futuroscope attractions:
  - the protection of our seas and species from waste pollution is raised by a simulated computer game (*8e continent, le jeu*) and the film Secret Ocean by Jean-Michel Cousteau (son of Jacques Cousteau) is shown at the *Explorarium*,
  - *Le jardin des énergies* is an experience trail aimed at raising awareness of low-carbon-emission energy sources,
  - an exhibition-event *Villes 2050* (Cities 2050), showing the work of an architect who, for the last few years, has been designing extraordinary urbanisation projects which reconcile the city with the environment.

Finally, Bellewaerde is directly involved in the protection of threatened species (the European bison, Amur leopard and Asian giraffe):

- Bellewaerde is a partner of the EAZA (European Association of Zoos and Aquaria);
- in 2014, the park began a breeding programme for Amur leopards, an endangered species of which only around 70 survive worldwide in the wild. The birth of three leopard cubs at Bellewaerde in May 2016 provided a unique contribution to the international breeding programme;
- since 2012, Bellewaerde has also been contributing intensely to the European breeding programme for the European bison, Europe's largest mammal. For the first time, three of Bellewaerde's European bison have been reintroduced into the wild (in the Southern Carpathian Mountains) in collaboration with Rewilding Europe and WWF Romania, with the ultimate aim of creating a viable population of at least 300 animals.

Pollution

Soil and air pollution

Most soil contamination is caused by leaks following the accidental rupture of a hydraulic cable on a grooming machine. This type of leak is very localised. Ski areas carry out preventive maintenance and preventive changes on these cables, working in collaboration with suppliers to ensure reliability. They have an emergency procedure in place to treat polluted snow and clean up soil in the summer. For example, the Serre Chevalier site has put in place a geolocation system for leaks, enabling polluted land to be removed after the snow has melted.

In addition, Ski areas ensure that the environmental impact of chemical products is controlled and that they are used safely, with a view to reducing or eradicating the use of the most dangerous ones. The majority of the engines use ADblue to enable them to reduce the pollutant emissions of most of the diesel vehicles.

As previously stated, environmental compliance analyses carried out at the Leisure destinations reinforce the practices in place (rules for storing chemical and flammable products, general use of drip trays, specific bins, risk analysis, etc.).

Visual and light pollution

CDA Group sites are placing increasing importance on lighting and their impact on the landscape. In practice, this has led to many initiatives, including:

- continuation of the policy to gradually reduce the number of ski lifts, pylons and overhead power lines to ensure they blend more effectively into the landscape, especially in summer, right from their design phase. For example, STVI has removed more than 50 pylons over the last few years. SCV removed 16 pylons last year alone;
- integration into the landscape of new buildings (growing vegetation on the roofs like at the Lounge in Val-d'Isère, burying equipment, painting G2 of the DMC (double monocable) at Grand Massif, use of stone or wood when renovating lodging in the ski area;
- turning off the lighting strips at night and all lighting at Futuroscope after closing.

Noise nuisance

Action to tackle noise nuisance is dealt with under point 4.4.1 "Effect on local communities".

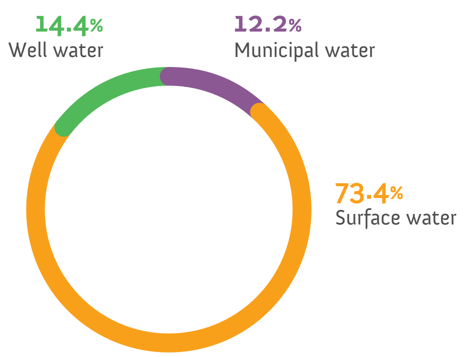
CDA Group has made no particular provision and given no specific guarantee for environmental risk.

4.3.4 WATER MANAGEMENT

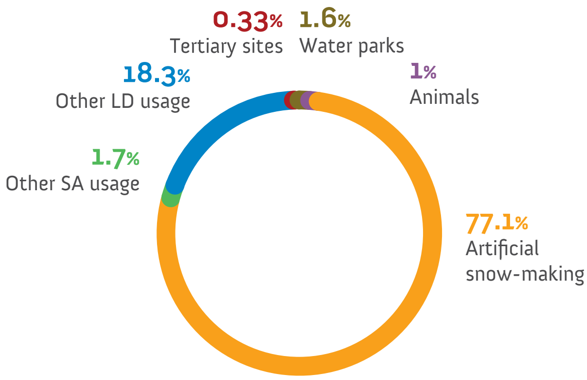
Compagnie des Alpes' activities are heavily dependent on water resources. However, municipal water accounts for only 12% of all water usage. Most water used is surface water (73%) and the remainder is well water (14%).

In accordance with laws on water, certain wells and pumping facilities require authorisation, and the annual amounts drawn are capped. The sites also keep a close eye on local restrictions.

ORIGIN OF WATER CONSUMED



BREAKDOWN OF WATER USAGE



Tertiary sites

In tertiary sites, water consumption is considered negligible in volume terms at Group level (0.33%). Due to a lack of individual meters, these figures do not include the Paris and Chambéry sites, Grévin Montréal and the CDA Productions workshops.

Ski areas

In Ski areas, water is mainly used for artificial snow-making. Indeed, this accounts for 77% of the Group's total water usage. Man-made snow is used to protect the Group from the impact of a shortage of natural snow on the ski business, especially at the beginning and end of a season.

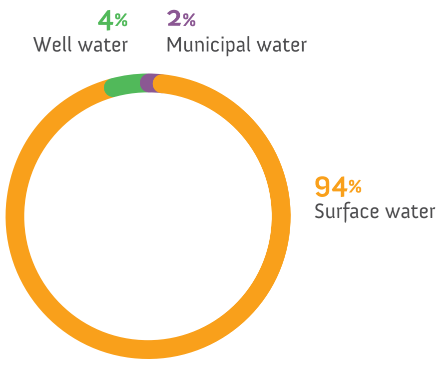
Ski areas limit their use of municipal water by favouring surface water catchment and overflow recovery systems. 94% of the water used to make artificial snow comes from surface water. To reduce abstraction when water levels in streams and rivers are at their lowest, CDA Ski resorts make an ongoing effort to build hillside water catchment systems, which enable autumn rainwater and water from snow melts to be stored. Group companies monitor water abstraction in order to maintain the biodiversity downstream of the water abstraction.

Once all the network work has been completed, man-made snow is simply water that has been crystallised at low temperatures. No chemical transformation or additive is used. Water taken from the natural environment for the purpose is restored when the snow melts.

For several years, the Ski areas have employed slope preparation and grooming techniques that limit the amount of snow necessary for skiing while maintaining very high service standards.

The work done to achieve ideal slope profiles and ensure a good covering of grass also helps reduce the amount of snow necessary for a slope to be opened.

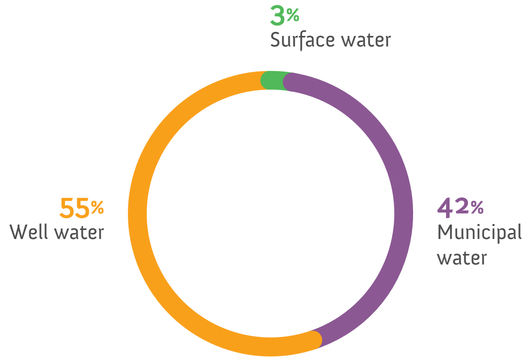
ORIGIN OF WATER FOR ARTIFICIAL SNOW-MAKING



Leisure destinations

In Leisure destinations, water is used for the rides (pools, watering), pools for animals, as well as in the restaurants and toilets for visitors.

LEISURE DESTINATIONS: ORIGIN OF WATER CONSUMED



55% of the water consumed by Leisure destinations comes from wells. This is followed by municipal water, and to a lesser extent, surface water.

Leisure destinations try to limit their water consumption in various ways such as detecting leaks (installing sub-meters, for example), installing aerated, self-closing or infrared taps and dual flush toilets, and collecting rainwater for sanitary use or to water the sites.

Bellewaerde park also has a treatment plant. Once treated, the waste water is tested internally and through independent external checks to ensure it meets local environmental regulations.

Where appropriate, Group sites conduct water analyses, both before use in order to check its potability, and when it is discharged, in order to check pollution levels (four out of nine Ski areas and six out of seven Leisure destinations).

4.3.5 ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

Ski area operations

The effects of climate change have already been felt, particularly in the ski areas with a shorter glacier skiing season (summer, autumn), a shorter period of natural snowfall over the last three seasons, and uncertainty regarding temperatures for the production of artificial snow, with shorter temperature windows.

Despite difficult starts to the seasons, Compagnie des Alpes ski areas remain resilient for the time being due to the fact their resorts are at high altitude or provide access to high altitude ski areas. An alternative solution may be to use the first section of the ski lifts as a lift, and to better spread out visitor flows to be able to offer access to the ski area, even when conditions are difficult on the low-altitude slopes.

Ski areas are also using technology to adapt by guaranteeing the start and end of the season by producing artificial snow. Production networks have therefore adapted to the capacity required and investment in this area is increasing. In addition, optimisation work is providing higher yields while limiting the rise in operating costs.

Grooming techniques are also evolving in order to optimise snow quality and increase its useful life. The need for grooming takes a range of parameters into account: weather forecasts, a precise calculation of snow volumes considered necessary, satellite or radar measurements of snow thickness. The orientation of the slopes is also examined, and work on the ski runs and reestablishment of vegetation allow the resort to reduce the volume of snow required to create suitable skiing conditions.

In addition, the Ski areas are expanding their summer activities (mountain biking, green tourism, glacial walking, etc.) and fun non-ski activities (go-karting) and packages with partner resorts (thermal baths). Events are also run to introduce visitors to what happens at a ski resort. They can discover what a slope manager does or how a grooming machine works, attend an AVD (avalanche victim detector) workshop, meet a dog handler, visit a snow-making factory, attend a chairlift evacuation demonstration, etc.

An initial study is underway to assess the transition risks (based on scenarios) and material risks (based on a review of scientific literature on the subject) of the energy and ecological transition which are applicable to the Group sites. The main long-term material risks could be linked to a reduction of the operating period at the height of the season due to the rise in average winter temperatures, based on the trajectories of the different IPCC models. These models anticipate little change in the winter precipitation patterns in the medium term. The pressure on availability of water for artificial snow-making depends on the reliability of these forecasts.

While the additional transition risk costs for the Group sites are moderate in the medium term (additional energy, tax costs etc.), changes in vehicle motorisation over short cycles will be determinant in our ability to reduce the consumption of fossil fuels. This applies particularly to the grooming machines which are the primary source of the Group's emissions.

Finally, changes in demand for a leisure activity, which is by nature non-essential, are difficult to predict. For this reason, the Group is working to mitigate negative external factors which affect the activities.

Leisure destination operations

The Leisure destinations are less vulnerable to physical climate risk. Visitor numbers are relatively dependent on temperature and weather, and sometimes increase when the weather is fine late season. However, excessively hot weather (heatwaves) can deter visitors from going to a site which is not suitably adapted.
It is therefore important that the sites meet the regulatory requirements for renovation of tertiary buildings in the medium term.

Visitor travel to our destinations

The vast majority of our visitors travel to our leisure destinations by car. The climate change impacts of the energy transition are likely to affect travel to our sites by private car (more expensive, change of attitude to the private car).

To counteract this, Compagnie des Alpes sites have been experimenting with communal travel options, which include:

- promotion of public transport by rail to our destinations, the train to Futuroscope for instance, the use of Belgian railways to travel to Walibi Belgium, the train + funicular to get to the Les Arcs ski resort;
- free shuttles between the resorts, shuttle from the valley (La Plagne) or Paris/Charles de Gaulle airport (Parc Astérix), public transport to take visitors between the park and the park hotels (Futuroscope);
- trial of the Snow express (TGV direct from Paris and shuttle to Val-d'Isère), taking all visitors from the Gare de Lyon in Paris to their accommodation;
- incorporating a "car share" section on the website (*e.g.* Futuroscope, Parc Astérix) to help people to find car shares, with car share areas and stops in the valley.

These trials and other innovations must of course be rolled out to offer simple, flexible and comfortable alternative travel to our different sites.

4.3.6 THE CIRCULAR ECONOMY

To ensure site compliance, a summary of the current French regulations regarding waste management was redistributed to the French sites by the Internal Audit Department during the 2016/2017 fiscal year.

The Group sites are focussing their efforts on waste sorting, ensuring it is delivered to treatment channels.

Household waste

- 83% of the sites practice separate waste collection in the offices.
- 95% of the sites sort the main types of waste generated from construction work and current operations. This does not include the Paris and Chambéry sites as they do not have this type of waste.

  At the Ski areas and Leisure destinations, waste is generated during two types of period, and volumes can vary considerably from year to year.

Maintenance period in which renovation, repair and construction work is undertaken

The volume of waste this activity generates varies enormously from one year to the next and from one site to another, especially according to the investment programmes in place. In the Ski areas, the waste generated during the maintenance period comes from construction/dismantling and maintenance work on ski lifts (metal) and ski run and trail work (wood, organic waste and possibly rock and rubble).

The visitor season

The waste generated by Ski areas during the on-season is mainly paper/cardboard, household waste, glass and tyres (grooming machines and other vehicles).

Concerning Leisure destinations, most waste is generated during the on-season by the restaurants and cafes, shops and visitors (paper/cardboard, glass, plastic, aluminium, household waste), and also from maintenance of the green spaces (green waste).

Some of the waste from both these activities is not weighed. For example, rock and rubble generated by summer work at the Ski areas is generally re-used, as it can be used to fill in holes on the slopes if necessary.

For this reason, the Group prefers to monitor waste sorting rates rather than the volume or weight of waste generated. The indicator continued to be monitored this year, but was not relevant for waste management purposes. The first step is to increase the sorting rate for the main waste products and then to monitor the recycling of this waste through a subsequent channel.

		Method of handling off-site (several options available at each site [2])					
Non-hazardous waste	Sorting rate (number of sites which operate separate waste collection vs. number of operating sites [1] having generated this type of waste in the fiscal year)	Recovery by specialist contractor	Send to public refuse site	Other separate public waste handling (different containers, etc.)	Reused internally	Bulk public waste handling	Others
Metal	100%	80%	13%				7%
Tyres	83%	67%	17%				25%
Glass	86%	71%		29%			
Organic waste – Green waste	86%	43%	14%		14%		43%
Food oil	100%	100%					
Bois	87%	67%	27%				7%
Paper-cardboard	88%	63%	25%			19%	
Stone, soil, rubble	83%	67%	17%		50%		
Household waste	62%	62%	8%	15%		8%	8%

(1) This table covers the Ski areas and Leisure destinations. It does not include tertiary sites.
(2) Percentage expressed by the number of sites involved which can process their waste in several ways at the same time.

Preventing and recycling food waste

The Leisure destinations are aiming to capitalise on the experiment run at the staff canteen at Futuroscope, which was the very first of its type for the Group.

- A satisfaction survey and a study of the causes of food waste led to measures being taken to reduce food waste, which included adapting the dishes on offer.
- Then, some innovative practices were trailed such as sending dehydrated organic waste to an insect farm which breeds fly larva to produce proteins for inclusion in the animal food chain and green chemistry.

Hazardous waste

All hazardous waste is collected and treated by approved contractors. Hazardous waste only accounts for 6% of total Group waste by weight. This percentage actually falls significantly when account is taken of the fact that most of the non-hazardous waste is not weighed.

The Ski areas produce 83% of the hazardous waste. Overall, 40% (by weight) is hydrocarbon sludge from the periodic draining of hydrocarbon separator tanks, most of which is re-processed to produce heat (89%). This is followed by solvents and hydraulic oil from ski lift engines (17%), emptying the chemical toilets, soiled packaging and rags, Waste Electrical and Electronic Equipment (WEEE) and healthcare waste (with risk of infection) from the rescue operations which some sites are responsible for carrying out.

Paper

In view of its activities, Compagnie des Alpes' consumption of raw materials is low and relates to the use of paper for administrative purposes, financial communication and above all for commercial purposes for the printing of tickets, maps, flyers, posters and catalogues. Paper purchased and used internally represents 11% of paper generated, compared with 89% used for external communications.

As a general rule, Group entities try to limit their paper usage through digitisation: digitised maps in Ski areas, recyclable passes, online sales, email confirmations, paperless tickets and exchange coupons, communication with visitors through Facebook, Instagram, and development of smartphone applications, etc., in addition to digital archiving, double-sided printing for tertiary works and reducing the number of printers. After falling significantly in the previous year, total paper consumption increased by 2% over the year.

4.3.7 CONSOLIDATED ENVIRONMENTAL DATA

	2015/2016	2016/2017	Change (N/N-1)
ELECTRICITY CONSUMPTION (GWh)	**163**	**166**	**2%**
of which renewable	103	103	0%
FOSSIL FUEL CONSUMPTION (m³)	**5,407**	**5,650**	**4%**
of which diesel and non-road diesel	4,969	5,216	5%
of which petrol	147	138	-6%
of which fuel oil	290	296	2%
FOSSIL FUEL CONSUMPTION (GWh LHV)	**54**	**56**	**5%**
FOSSIL FUEL GAS CONSUMPTION (GWh)	**34**	**33**	**-3%**
CONSUMPTION OF COOLANTS (kg)	**222**	**257**	**16%**
GREENHOUSE GAS (GHG) EMISSIONS BY EMISSION SOURCE (CO_2 TONNES EQUIVALENT)	**33,694**	**34,842**	**3%**
of which electricity	7,607	8,124	7%
of which diesel and non-road diesel	15,753	16,535	5%
of which petrol	411	385	-6%
of which fuel oil	925	943	2%
of which gas	8,383	8,037	-4%
of which coolants	614	817	33%
WATER CONSUMPTION (m³)	**4,418,523**	**4,550,281**	**3%**
well water	971,693	655,102	-33%
surface water	2,921,989	3,339,029	14%
municipal water	524,841	556,150	6%
PAPER CONSUMPTION (tonnes)	**422**	**430**	**2%**
WEIGHED WASTE PRODUCTION (tonnes)	**4,744**	**5,132**	**8%**
of which non-hazardous	4,411	4,845	10%
of which hazardous	333	287	-14%

This table does not include: the municipal cooling and heating facility (CPCU) for the Paris, Chambéry and Musée Grévin Paris sites, or the electricity consumption for the sites which do not own their building (Paris, Chambéry and Musée Grévin Montreal).

4.4 Societal aspects

4.4.1 REGIONAL IMPACT

CDA Group sites lie at the heart of regions in which they operate, maintaining very special relationships with local entities. CDA is the top, or main, employer in the local ecosystems which makes it a first-rate partner.

Economic development and employment

The presence of CDA subsidiaries in the area encourages direct employment, of which many are seasonal workers and local people (see 4.2.2 Headcount). It also generates indirect employment: shops, transport, real estate agencies, ski classes, partnerships with local cultural and commercial brands and by the activity generated among local companies: maintenance, servicing, catering, etc. For example, for every euro a skier spends on the ski lifts, they spend another seven at the resort (2012 Contours study).

The Ski areas take part in global resort studies (on appeal, positioning, accommodation or satisfaction), contribute to the tools available (implementation of CRM system, data sharing) and market the resorts (help to fund Tourist Offices and are members of Atout France or France Montagne), creating economic benefits for the entire region and local stakeholders.

The Ski area teams strive to guarantee access to the ski slopes in winter, to offer quality skiing and to extend access periods. In the summer, they help maintain the tourist areas to encourage the development of different activities.
The Group companies contribute to the building and maintenance of resort access roads, primarily through their funding of the Tarentaise road system and RN 90, and also support the municipal infrastructures used by visitors by financing the local and regional shuttles and accommodation

Leisure destinations are contributing to the success of regional tourism through their involvement in regional structures, notably tourism boards. By enhancing their capacity and appeal, the leisure parks are becoming bona fide regional and national tourist destinations. For example, Futuroscope is running initiatives with the Vienne tourist board and other tourism players in the department to promote the Pays du Futuroscope brand.

Through various levies and taxes (regional economic contribution or equivalent abroad, "Mountain Act" tax, and other licence fees, rental payments, local contractual taxes and contributions), the Group is a major contributor to resources used by regional authorities for site development and social solidarity.

The real estate-accommodation policy in the resorts where Compagnie des Alpes is present

The Group believes it is duty-bound to consider the future of the resorts and takes a leading role in tackling issues which extend beyond the simple management of its ski lifts. This had led it to turn its attention to accommodation.

Foncière Rénovation Montagne

The implementation of the project involving the creation of *Foncière Rénovation Montagne* is a noteworthy illustration of Compagnie des Alpes involvement in partnerships that have a strong regional impact, with local stakeholders.

The aim of *Foncière Rénovation Montagne* is to invest in local real estate with a view to acquiring ageing properties to renovate. By renewing the appeal of these properties, it helps to combat the "cold beds" problem in mountain regions. The "cold beds" phenomenon relates to accommodation that is rarely occupied by its owner and rarely offered for rent or, when it does come on the rental market, nobody wants to rent it: In other words, empty apartments. The resulting imbalance is harmful to the economy of the resorts and the poorly-maintained accommodation can sometimes reduce the appeal of an entire area. Thus, these "cold beds" block constructed but non-productive real estate at a time when real estate resources are in short supply.

Through the *Foncière Rénovation Montagne* initiative, Compagnie des Alpes is trying to create a knock-on effect which encourages local authorities and owners to put their renovated properties back into the sales circuit.

Since the start of the initiative, 504 properties have been purchased and renovated (for a total cost of €11 million).

The real estate-accommodation policy

The Group has a strategy to maximise occupation of the available beds at the resort, to support tourism and the local economy, with for example:

- the Group's network of 9 Compagnie des Alpes real estate agencies, which met the target of achieving a better apartment occupancy rate (than the agency average) throughout the year;
- the brainchild of Méribel Alpina (the ski area operator), Méribel Privé is a pilot website aimed at simplifying the process of booking a stay at Méribel. Using an innovative technology, the site offers the facility to book in the same basket on one single website: accommodation (agency, private to private), ski passes and transport;
- CDA is investing in the preservation and refurbishment of accommodation that is available for rent, through two major projects covering 1,000 beds at two resorts (La Plagne, Les Ménuires), and is supporting eight new projects at five resorts.

Involvement with local communities

Regular meetings are held with the different stakeholders to take account of their needs and expectations, improve dialogue and collaborate on collective solutions or actions as needed: public partners, socio-professional partners and associations. CDA Group subsidiaries are present or active in local associations, both those related to the environment, and owner and neighbour associations. Most Leisure destinations organise events with people living in the neighbourhood (*e.g.* neighbourhood fetes and open days such as *Fête des Voisins*, and *journée des voisins*) which offer a great opportunity for discussion and the exchange of views. Reduced entry is often offered to locals, either permanently or on an *ad hoc* basis.

A site priority is to study and reduce the noise pollution that may be generated by its activities. All Group sites regularly measure noise, and specific measures have been taken: the grooming schedule adapted according to time of day and by route, quieter snow-making machines and rollers near housing, the ski lift drive station located uphill, equipment buried below ground, show sound volume varied according to wind direction, appropriate event (festival) measures, roofing on entertainment areas, layout of the rides, informing local residents about events, taking part in conciliation Committees, etc.

In terms of education:

- Parc Astérix is collaborating with the ENVA (Maisons-Alfort Vet School);
- Futuroscope helped to create a "negotiation and customer relations" BTS qualification at its Park and has close links with the LP2i, (a nearby secondary school) to offer educational support for some workshops, notably on the topics of 3D printing and video games (*Impression 3D* and the *Labo du Jeu vidéo*);
- Musée Grévin in Seoul has been classified as an educational site by the Seoul town hall;
- Walibi Belgium took part in the *Place aux enfants* initiative organised by the City of Wavre by taking some 20 children on a behind-the-scenes visit of the park, and hosts the Vlajo association which organises the closing ceremony of the primary and secondary school *mini-entreprises* competition;
- the Ski areas promote their business segments to school children and apprentices in local industries.

Finally, the Group companies support local aid initiatives and social and sports partnerships:

- sport: support for local athletes, ski clubs and regional or federal Committees, a cross-country race in Chantilly, partner of the *FDJ - Nouvelle Aquitaine - Futuroscope* woman's cycling team, supporting several local rugby and football teams, etc.;

- helping the sick (*Petits Princes* in collaboration with the SNELAC, *Téléthon*), taking part in the 22nd *Gala de l'espoir* of the *Ligue contre le cancer* - Paris Committee);
- trips for disadvantaged children to Walibi Belgium (free day for Arc-en-Ciel, an umbrella association for different institutions for disadvantaged children, or a football club which uses sport to help remove young people from their difficult social circumstances), Serre Chevalier supports an association which provides access to the mountains for disadvantaged youngsters.

4.4.2 SAFETY/SECURITY MEASURES

For the CDA Group, the security and integrity of its employees and customers are priorities (see also 4.2.7. Employee health and safety). Before the start of each season, forums are organised to welcome new employees and distribute as necessary booklets or welcome guides that set out these priorities. It is also a good opportunity to tell employees about the low season activities and corporate strategy and explain what they can do to increase the "Very High Satisfaction" of customers.

Training is dispensed on customer hospitality and safety and also operational procedures, preventive measures (movement and postures, working at heights, using chemical products, etc.), and procedures to follow in the event of an incident. In the 2015/2016 fiscal year, a total of 28,308 hours of safety at work training was provided.

CDA Group subsidiaries are particularly attentive to:

- equipment, ski lifts and attractions working properly (periodic and systematic monitoring);
- compliance with safety rules;
- compliance with food safety regulations in the catering business (HACCP rules, bacterial analysis, staff training, etc.);
- water quality used in operations: artificial snow-making, bathing water;
- the health of animals (veterinary check-ups);
- customer information (posters, panels, signage, safety in dangerous areas, etc.)

In addition to all these practices, Group sites undertake specific preventive measures, such as the development of quiet or family skiing areas, safety measures for embarking the chair lift (ESF agreement, elevators for children, carpet, school at headquarters, installing guard rails, anti-submarining seat safety measures, etc.), raising awareness about the risk of avalanches and the use of victim detection equipment (ARVA Park, for instance), pictograms and reminders of conduct and behaviour on the attractions, and enhanced monitoring of the operators.

Finally, certain sites have directly undertaken actions to raise awareness of disability and improve access for people with a disability. Futuroscope has the national Tourism & Handicap certification (*label national Tourisme et Handicap*) for people with motor disability, mental disorders and hearing impairment. Alongside this, Futuroscope's "Eyes Wide Shut" (*Les yeux grands fermés*) ride, operated in partnership with the association of the same name, for example, raises visitors' awareness on the issue of visual impairment.

4.4.3 ETHICS

Internal control and fraud

To prevent all forms of corruption and encourage best ethical practices, the Group has drafted and distributed an Ethics Charter which is a guide for professional conduct, an IT system resources usage charter, and procedures to combat money laundering and the financing of terrorism.

At subsidiaries, these codes of conduct are backed up, where appropriate, by formal undertakings by the management, training courses, and clauses in employment contracts.

Compliance with the law, Group policies and the proper functioning of processes are ensured by the application of internal controls, the separation of duties and regular internal audits. Since 2013, the formalisation of the Group's internal control procedures has strengthened the application of best practices and employees' vigilance to fraud (see Chapter 3, section 3.5.5). This procedure helps prevent fraud.

Management of suppliers and subcontractors

The Group has adopted a pilot Purchasing policy which lays down the key principles which apply to each of its entities.

As part of this local commitment, the CDA Group chooses recognised local suppliers if possible, who share the same values in terms of risk prevention and respect for the environment.

Where appropriate, contracts include environmental protection clauses and a prevention plan, possibly with a prevention-safety-environment guide. For example, the Serre Chevalier site has integrated an Environmental Charter into the prevention plans produced with external companies. In addition, procurement departments are helping to eliminate the most hazardous chemical products by refusing them or limiting them in orders. The Group also has intellectual property and licence protection clauses in it contracts, and the contracts signed by CDA Group subsidiaries reflect the CDA Group's commitment to not participating in concealed employment practices or those that fail to comply with regulations.

Subcontracting is mainly used for maintenance work: trail work and ski lifts for ski areas, and ride maintenance, security of access and upkeep of green spaces for the Leisure destinations.

The Group pays particular attention to the compliance and safety levels of themed items sold in Leisure destination stores. The toys in particular are subjected to a stringent control procedure to guarantee optimal safety. Audits are notably conducted at the main toy-maker and crockery factories, on their social commitments (child labour, compensation, hourly volumes, health/safety, environment, etc.) and their quality systems (control of raw materials, manufacturing process, compliance with EC regulations, etc.).

4.5 Report by the independent third party on the consolidated human resources, environmental and social information included in the management report

This is a free English translation of the Statutory Auditors' report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended on September 30, 2017

To the Shareholders,

In our capacity as independent third party, certified by COFRAC under number 3-1058 (scope available at www.cofrac.fr) and member of the Mazars network of the company's Statutory auditor, we hereby present you our report on the consolidated human resources, environmental and social information for the year ended on September 30th, 2017, included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (*Code de commerce*).

Company's responsibility

The Board of Directors is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the procedures used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (*Code de déontologie*) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the independent third party

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

It is however not our responsibility to attest compliance with other legal dispositions where appropriate, in particular those included in article L. 225-102-4 of the French Commercial Code (vigilance plan of parent companies) and law n° 2016-1691, dated December 9th, 2016, said Sapin II (fight against corruption).

Our work involved 6 persons and was conducted between July and December 2017 during an 8-week period.

We performed our work in accordance with the professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000 [1] concerning our conclusion on the fairness of CSR Information.

I - Attestation regarding the completeness of CSR Information

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note, presented in chapter 4.1 of the management report.

Based on the work performed, and considering a limitation of the Total number of training hours disclosed on a restricted perimeter, representing 92% of the total headcount on September 30th, we attest that the required CSR Information has been disclosed in the management report.

II - Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted twenty interviews with the persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important (1):

- at the parent entity and site level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of sites selected by us (2) on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 26% of headcount and between 16% and 83% of quantitative environmental data disclosed (3).

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Paris, La Défense, January 23, 2018

The independent third party	Gilles RAINAUT	Edwige REY
MAZARS SAS	Partner	CSR & Sustainable Development Partner

(1) Total headcount and its distribution according to gender, age, work category and contract type ; FTE average headcount ; Absenteeism rate ; Work accidents frequency rate ; Work accidents severity rate ; Total number of training hours ; Water consumption ; Energy consumption (electricity, fossil fuels and gas) ; Direct and Indirect GHG ; Qualitative information on biodiversity ; Actions engaged to facilitate access to all publics at certain moments of the year (youths, schools, public with low purchasing power); Established dialogue with neighbours or local population impacted by the Group's activities.

(2) Futuroscope, Musée Grévin Paris, Walibi Belgium and Sevabel for all above listed information ; SCV for water and fossil fuel consumptions only.

(3) Water consumption ; Energy consumption ; Direct and indirect GHG emissions.


COMPAGNIE DES MINES
WAREHOUSE

5

FINANCIAL INFORMATION

5.1 Analysis of consolidated results and sectors

5.1.1 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.

5.1.1.1 Activity and results for the period

(in millions of euros)	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)
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%*	
NET OPERATING INCOME	**93.1**	**93.0**	**72.7**	**27.9%**	**73.1**	**27.4%**
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%
NET INCOME, ONGOING BUSINESSES	**39.9**				**40.3**	**-1.1%**
Minority interests	-8.6				-6.9	
NET INCOME (GROUP SHARE)	**31.3**				**33.4**	**-6.3%**

* *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.*

5.1.1.2 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.

(in millions of euros)	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)
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	-	-	-		-	
SALES	**762.2**	**761.5**	**714.3**	**6.6%**	**720.2**	**5.8%**

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% [1].

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.

5.1.1.3 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:

(in millions of euros)	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)
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%
EBITDA	**203.4**	**204.4**	**26.8%**	**183.1**	**25.6%**	**11.6%**	**184.0**	**10.5%**

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).

(1) *Domaines Skiables de France – October 2017 press release.*

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.

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.

5.1.1.4 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:

(in millions of euros)	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)
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%
NET CAPITAL EXPENDITURE	**160.0**	**159.9**	**21.0%**	**152.4**	**21.3%**	**5.0%**	**153.6**	**4.2%**

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%)).

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).

5.1.1.5 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.

(in millions of euros)	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%
NET OPERATING INCOME	**93.1**	**93.0**	**12.2%**	**72.7**	**10.2%**	**28.0%**	**73.1**	**27.4%**

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.

5.1.2 CASH, FINANCING AND CAPITAL

5.1.2.1 Cash and cash equivalents

(in millions of euros)	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
FREE CASH FLOW	**9.1**	**1.0**
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
CHANGE IN CASH POSITION	**51.0**	**-3.5**

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.

5.1.2.2 Structure of borrowings

The Group's (gross) financial debt (€427.3 million) comprise 96.2% fixed-rate loans and 3.0% variable-rate loans (see Note 6.11 to the Consolidated Financial Statements).

The Company has put in place financing that will replace the €200 million bond maturing in October 2017: it is composed of a bank component of €105 million and a bond component of €95 million. It is contracted at a weighted average rate of less than 1.5% (before hedging and transaction costs) and therefore enables the Group to significantly reduce the cost of financing for this €200 million tranche from the 2017-2018 fiscal year. By concluding this refinancing operation, Compagnie des Alpes achieves several objectives:

- it substantially reduces the net cost of debt by more than 40%, as of 2017-2018 (with the cost of the 2017 bond borne during the 2016/2017 fiscal year until it falls due along with the carrying cost of the new financing);
- 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.

5.1.2.3 Exposure to banking covenants

The covenant that the Group must conform to is the following: Net debt to EBITDA ratio, which must remain less than or equal to 3.5.

Given the improvement in the Group's performance as a whole, this improved considerably from 2.01 in the previous year to 1.87.

For information, the debt/equity ratio remained stable at 0.46.

5.1.3 EVENTS AFTER THE REPORTING PERIOD

In October, the Group redeemed its €200 million bond that had matured and drew two bank loans of €25 million and €80 million contracted in February.

5.2 Activities and results of Compagnie Des Alpes SA

5.2.1 ROLE OF COMPAGNIE DES ALPES SA 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).

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.

5.2.2 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.

5.2.3 KEY FIGURES OF THE COMPANY

Key figures of the Company:

(in millions of euros)	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 (1)	280.5	299	286.5	286.5	289.2
Net income	-5.3	2.7	12.7	13.4	2.5
Net dividend	-	8.5	9.7	9.7	DA

(1) Financial debt less cash and cash equivalents in the balance sheet assets.
DA: Data absent

5.2.4 DIVIDEND POLICY

The dividend is determined each year by the Board of Directors at its December meeting.

Compagnie des Alpes dividends paid out for the last three fiscal years (which allow individual shareholders domiciled in France to take a tax deduction) were as follows:

- fiscal year 2013/2014: Dividends per share of €0.35 paid in cash on 19/03/2015;
- fiscal year 2014/2015: Dividends per share of €0.40 paid in cash on 17/03/2016;
- fiscal year 2015/2016: Dividends per share of €0.40 paid in cash on 16/03/2017.

The Board of Directors proposed to the Shareholders' Meeting to pay the shareholders a dividend of €0.50 per share for 2016/2017.

5.2.5 INFORMATION ON PAYMENT PERIODS

In accordance with the provisions of Article D. 441I.-1 and -2 of the French Commercial Code, we hereby disclose information on the time taken to settle accounts payable, and receivables from customers.

	Article D.441 I.-1: invoices received						Article D.441 I.-2: invoices issued					
(in thousands of euros)	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more	0 days	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total 1 day and more
(A) Late payment instalments												
Number of invoices concerned	17					82	58					48
Total amount of invoices concerned (including taxes)	-62	-21	-1	-1	-56	-79	-123	230	2	3	269	504
Percentage of total amount of purchases (excluding taxes) for the fiscal year	-0.37%	-0.13%	-0.01%	-0.01%	-0.33%	-0.47%						
Percentage of pre-tax sales for the fiscal year							-0.45%	0.83%	0.01%	0.01%	0.98%	1.83%
(B) Invoices excluded from (A) relating to disputed or unrecognised liabilities and claims												
Number of invoices excluded	8	-	-	1	8	17						
Total amount of the invoices excluded	14	-	-	662	79							
(C) Late payment installments												
Payment periods used for calculating late payment	Period of 15 days from invoice posting date						Debit on the 25th of the month following the invoicing month for the Group. Accounting for invoices outside the Group.					

5.2.6 INFORMATION ON COMPENSATION AND BENEFITS RECEIVED BY CORPORATE OFFICERS DURING THE FISCAL YEAR

Information required by Article L. 225-102-1 of the French Commercial Code regarding compensation of corporate officers is presented in Chapter 3.3.

5.2.7 SUBSIDIARIES AND SHAREHOLDINGS

5.2.7.1 Shareholdings purchased

During the fiscal year just ended, the Company purchased no shareholding in a company outside the Group.

5.2.7.2 Shareholdings sold

During the fiscal year just ended, the Company sold its shareholding in Grévin Deutschland to Looping Holding.

5.2.8 IDENTITY OF THE CONSOLIDATING COMPANY

The financial statements of the Compagnie des Alpes Group are fully consolidated by Caisse des Dépôts et Consignations.

5.2.9 OTHER DISCLOSURES

The amount of non-deductible expenses as referred to in Article 39.4 of the French General Tax Code came to €92,400 during the fiscal year.

5.2.10 KEY EVENTS AFTER THE REPORTING DATE

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

5.3 Consolidated financial statements

5.3.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(in thousands of euros)	Notes	30/09/2017	30/09/2016
REVENUE	**5.1**	**762,176**	**720,179**
Other operating income		2,666	2,268
Production transferred to inventory		-35	-266
Consumables used		-90,822	-85,484
External services		-144,742	-138,234
Taxes other than on income		-35,363	-33,440
Payroll costs and employee profit-sharing		-254,242	-245,989
Other operating expenses and income		-36,273	-35,028
EBITDA	**5.2**	**203,365**	**184,006**
Amortisation, depreciation and provisions		-115,015	-111,668
Other operating income and expenses		4,776	750
NET OPERATING INCOME		**93,126**	**73,087**
Non-current income (losses on property, plant and equipment)	5.3	-18,821	-
Net financial debt	5.4	-16,140	-16,024
Other financial income and expenses	5.4	-3,025	-3,286
Income expense	5.5	-19,937	-18,205
Share of net income of associate companies	5.6	4,699	4,775
INCOME FROM CONTINUING OPERATIONS		**39,901**	**40,347**
Income, discontinued operations	5.7	-	-25
NET INCOME		**39,901**	**40,322**
Non-controlling interests in earnings		-8,581	-6,886
NET INCOME (GROUP SHARE)		**31,320**	**33,436**
Earnings per share (Group share)	5.8	€1.29	€1.38
Diluted earnings per share (Group share)	5.8	€1.28	€1.37

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	30/09/2017	30/09/2016
Net profit at fair value, before tax		
Available-for-sale financial assets	25	35
Cash flow hedges	842	-209
Translation differences	-1,048	858
Impact of operations under the equity method	177	-364
Tax effect of these items	-290	72
SUBTOTAL: RECYCLABLE ITEMS UNDER NET INCOME	**-294**	**392**
Actuarial gains (losses) on employee benefits	1,052	-6,048
Tax effect of these items	-152	2,223
SUBTOTAL: NON RECYCLABLE ITEMS UNDER NET INCOME	**900**	**-3,825**
PROFIT FOR THE PERIOD	**39,901**	**40,322**
TOTAL INCOME RECOGNISED FOR THE PERIOD	**40,507**	**36,889**
Attributable to		
owners of the Company	31,763	30,289
non-controlling interests	8,744	6,600

BALANCE SHEET ASSETS

(in thousands of euros)	Notes	30/09/2017	30/09/2016
Goodwill	6.1	282,955	283,572
Intangible assets	6.2	70,036	74,347
Property, plant and equipment	6.3	379,316	372,826
Concession assets	6.3	578,506	549,814
Investments in associate companies	6.4	73,628	70,768
Non-current financial assets	6.5	35,929	27,715
Deferred tax assets	6.12	10,070	9,096
NON-CURRENT ASSETS		**1,430,439**	**1,388,138**
Inventories	6.6	22,215	21,753
Accounts receivable	6.7	54,848	42,562
Other receivables		9,485	9,142
Current taxes		14,999	9,313
Current financial assets		923	58
Cash and cash equivalents	6.8	46,848	34,813
CURRENT ASSETS		**149,319**	**117,641**
TOTAL ASSETS		**1,579,758**	**1,505,779**

LIABILITIES

(in thousands of euros)	Notes	30/09/2017	30/09/2016
Shareholders' equity			
Share capital	6.9	185,703	185,363
Additional paid-in capital	6.9	257,596	257,596
Reserves	6.9	334,150	312,303
SHAREHOLDERS' EQUITY (GROUP SHARE)		**777,449**	**755,262**
Minority interests		54,924	50,441
TOTAL SHAREHOLDERS' EQUITY		**832,372**	**805,704**
Non-current provisions	6.10	55,151	53,901
Non-current financial liabilities	6.11	199,604	338,613
Deferred tax liabilities	6.12	21,243	19,842
NON-CURRENT LIABILITIES		**275,998**	**412,356**
Current provisions	6.10	18,892	22,535
Current financial liabilities	6.11	227,712	66,478
Operating liabilities	6.13	165,315	147,469
Current taxes		2,186	3,127
Other debt	6.13	57,283	48,111
CURRENT LIABILITIES		**471,388**	**287,719**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,579,758**	**1,505,779**

STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	30/09/2017	30/09/2016
CASH FLOWS FROM OPERATING ACTIVITIES	**7.1**	**182,548**	**185,672**
Acquisitions of property, plant and equipment and intangible assets	7.2	-162,490	-158,972
Disposal of property, plant and equipment and intangible assets	7.2	2,469	5,366
NET CAPITAL EXPENDITURE		**-160,021**	**-153,605**
Acquisition of non-current financial assets and other		-850	-2,498
Disposal of non-current financial assets		4,915	
Repayment of financial receivables linked to disposals		1,778	
Loans or repayments of financial advances		-8,366	-10,245
NET FINANCIAL INVESTMENTS		**-2,523**	**-12,743**
CASH FLOWS FROM INVESTING ACTIVITIES		**-162,544**	**-166,348**
CDA capital increase		-	-
Minority interest in capital increase of subsidiaries		-	-
CHANGE IN CAPITAL		**-**	**-**
Dividends paid to CDA shareholders		-9,718	-9,698
Dividends paid and to be paid to minority interests in subsidiaries		-4,257	-4,126
CHANGE IN FINANCIAL DEBT	**7.3**	**61,097**	**5,285**
Repayment of borrowings		-34,460	-3,547
New borrowings		95,557	8,832
GROSS INTEREST PAID		**-15,719**	**-15,645**
CHANGE IN SUNDRY RECEIVABLES AND PAYABLES		**279**	**1,125**
CASH FLOWS FROM FINANCING ACTIVITIES		**31,708**	**-23,058**
IMPACT OF OTHER MOVEMENTS		**-707**	**255**
IMPACT OF DISCONTINUED OPERATIONS		**-**	**-26**
CHANGE IN CASH POSITION OVER THE REPORTING PERIOD		**51,004**	**-3,479**
NET CASH POSITION AT BEGINNING OF REPORTING PERIOD		**-17,470**	**-13,991**
NET CASH POSITION AT REPORTING DATE	**7.4**	**33,534**	**-17,470**

SHAREHOLDERS' EQUITY (GROUP SHARE)

(in thousands of euros)	Share capital	Additional paid-in capital	Consolidated reserves	Net income (Group share)	Fair value reserves	Translation adjustments	Total shareholders' equity
POSITION AT 30 SEPTEMBER 2015	**185,032**	**257,595**	**263,187**	**30,033**	**298**	**-1,574**	**734,571**
CDA capital increase	331						331
Appropriation of earnings for the prior reporting period			30,033	-30,033			0
Dividend payout			-9,698				-9,698
Net income for the period (Group share)				33,436			33,436
Other changes			-3,835		-391	848	-3,378
POSITION AT 30 SEPTEMBER 2016	**185,363**	**257,595**	**279,687**	**33,436**	**-93**	**-726**	**755,262**
CDA capital increase	340						340
Appropriation of earnings for the prior reporting period			33,436	-33,436			0
Dividend payout			-9,718				-9,718
Net income for the period (Group share)				31,320			31,320
Other changes		1	475		1,239	-1,469	245
POSITION AT 30 SEPTEMBER 2017	**185,703**	**257,596**	**303,879**	**31,320**	**1,146**	**-2,195**	**777,449**

SHAREHOLDERS' EQUITY (MINORITY INTEREST)

(in thousands of euros)	Consolidated reserves	Net income for the period	Total shareholders' equity
POSITION AT 30 SEPTEMBER 2015	**43,064**	**4,922**	**47,986**
Appropriation of earnings for the prior reporting period	4,922	-4,922	-
Dividend payout to non-controlling interests in subsidiaries	-4,126		-4,126
Non-controlling interests in earnings		6,886	6,886
Other changes	-306		-306
POSITION AT 30 SEPTEMBER 2016	**43,554**	**6,886**	**50,441**
Appropriation of earnings for the prior reporting period	6,886	-6,886	-
Dividend payout to non-controlling interests in subsidiaries	-4,257		-4,257
Non-controlling interests in earnings		8,581	8,581
Other changes	158		158
POSITION AT 30 SEPTEMBER 2017	**46,343**	**8,581**	**54,924**

5.3.2 ADDITIONAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENT DETAILLED

Group overview

The Compagnie des Alpes Group's main business activity is the operation of leisure facilities. It operates mainly in Ski areas and Leisure parks. The Group's parent company is Compagnie des Alpes, whose headquarters are located at 50-52 boulevard Haussmann, 75009 Paris.

The full-year 2016/2017 consolidated financial statements were approved by the Board of Directors on 7 December 2017, which authorised their publication. Figures are in thousands of euros, unless otherwise indicated.

Note 1 Accounting principles and policies

The main accounting policies applied in the preparation of the consolidated financial statements are outlined below. Unless otherwise indicated, they are applied consistently across all reporting periods presented.

In application of EU regulation 1606/2002 of 19 July 2002 on international accounting standards, the annual consolidated financial statements of the Compagnie des Alpes Group for the reporting period ended 30 September 2017 were drawn up in conformity with the international financial reporting standards (IAS/IFRS), as adopted by the European Union at 30 September 2017, and in accordance with the historical cost convention, with the exception of certain financial assets and liabilities, which were valued at their fair value, as required under IFRS.

The standards whose application is mandatory from 1 October 2016 did not have a significant impact on the Group's consolidated financial statements.

The Group chose not to apply any new standard, interpretation and amendment to existing standards applicable to periods beginning after 1st January 2017

The application of the IFRS 9 standard on financial instruments will not have a significant impact on the Group's consolidated financial statements.

The IFRS 15 standard on recognition of revenue is applicable, for the Compagnie des Alpes Group, at 30 September 2019. It will have an impact mainly on contracts in the consulting business, the limited number whereof allows a case-by-case analysis. The Group does not expect any major impact on its annual revenue.

The IFRS 16 standard on lease agreements is applicable, for the Compagnie des Alpes Group, at 30 September 2020. Due to the existence of long-term lease agreements, the Group expects a significant impact related to the application of this standard. An analysis is underway to refine the number and nature of existing contracts, the typology of the assets in question and the impact on the Group's consolidated financial statements.

Key assumptions and estimates

The preparation of the consolidated financial statements in accordance with IFRS is based on assumptions and estimates made by the Executive Management to calculate the value of assets and liabilities at the reporting date and the income and expense items for the year. The actual results may differ from these estimates.

The main sources of uncertainty relating to the key assumptions and estimates concern goodwill (Note 6.1), estimates of the value of associate companies and the recognition of deferred tax assets (Note 6.12).

1.1 CONSOLIDATION METHODS

The companies in which the Group has exclusive control are fully consolidated.

Associate companies are entities that the Group does not control but over which it exercises significant influence, usually with 20% to 50% of the voting rights.

Shareholdings in associate companies are accounted for using the equity method, and initially recognised at their acquisition cost. The Group's interest in associate companies includes goodwill (net of accumulated impairment) as identified at the time of acquisition.

The Group presents its share of net income of associate companies on a separate line of the income statement, below the operating income line.

The Group does not have any joint ventures.

All internal transactions and positions are eliminated, either in full for fully consolidated companies, or proportionally to the Group's interest in the case of companies consolidated using the equity method.

The list of consolidated companies can be found in Note 4.2.

1.2 REPORTING DATE OF CONSOLIDATED COMPANIES

The consolidated financial statements cover a 12-month period, from 1st October 2016 to 30 September 2017 for all companies, except for Groupe Compagnie du Mont-Blanc consolidated using the equity method over the period from 1st September 2016 to 31 August 2017.

1.3 TRANSLATION OF FINANCIAL STATEMENTS AND FOREIGN-CURRENCY TRANSACTIONS

The financial statements of foreign subsidiaries are translated into the presentation currency (euro) by applying the following methods:

- the balance sheet (including goodwill) is translated at the closing rate;
- the statement of comprehensive income is translated at the average exchange rate for the period;
- all resulting translation gains or losses are recognised in a separate component of shareholders' equity.

Translation gains or losses resulting from the translation of net investments in foreign operations and loans and other currency instruments designated as hedges on said investments are recognised in shareholders' equity upon consolidation.

1.4 OPERATING SEGMENTS

The operating segments are presented on the same basis as those used in the internal reporting provided to the Group's Executive Management:

- **Ski areas**: this business mainly consists in the operation of ski lifts and maintenance of ski runs and trails.
- **Leisure destinations**: this segment covers the operation of theme parks, combined amusement and animal parks, water parks and tourist sites. Its revenue figures include admission tickets, restaurants, shops and accommodation.
- **Group Development**: this segment includes (i) the operations connected with the development of new wax museums abroad (Grévin, Chaplin's World By Grévin) as well as wax figure production (CDA Productions), and (ii) consultancy services abroad (CDA Management and CDA Beijing).
- **Holdings and supports**: this segment comprises holding companies and subsidiaries that provide operational support, and includes CDA SA and CDA-DS, its finance subsidiary CDA Financement, its reinsurance subsidiary Loisirs-Ré, and INGELO.

A chart showing the Group's consolidated companies, grouped by segment, is given in Note 4.2

1.5 BUSINESS COMBINATIONS AND GOODWILL

The Group recognises the identifiable assets, liabilities and contingent liabilities of acquired entities at fair value on the date of taking of control.

Where the agreement governing the business combination provides for a payment that is contingent on future events, the Group includes the amount of this payment in the cost of the business combination at the vesting date, if the payment is probable and can be reliably measured.

In the case of acquisitions of companies holding concession agreements, an analysis and fair value measurement of these agreements are performed on the basis of the expected profit margin at the end of the concession agreement. Any variance between the profitability of the concession agreement and the Group average is recognised under (intangible) assets or liabilities (provisions). It is amortised or recovered over the remaining term of the concession.

Goodwill is the excess of the cost of an acquisition over the fair value of the Group's share in the identifiable net assets of the subsidiary or associate on the vesting date.

Goodwill arising from the acquisition of a subsidiary is recognised under the item "goodwill". Goodwill arising from the acquisition of an associate company is recognised under the item "investments in associate companies".

The Group is allowed 12 months from the vesting date to finalise accounting for the business combination in question. Any changes to the acquisition price made outside the allocation period are recognised in profit or loss and no change is made to the acquisition cost or goodwill.

1.6 REVENUE

Sales of tickets (ski lift passes, admission fees to parks) are recognised in the reporting period in which visitors use the facilities of the Compagnie des Alpes Group. Prepaid tickets that will be used during the following period are only recognised in income when used for admission to a site. Unused prepaid tickets are recognised as deferred income.

Services are recognised in income when the service is rendered.

1.7 EBITDA

EBITDA is the key line item used by the Group to represent the operating performance of its various activities.

It includes the income and expense items that are directly related to current operations, and is calculated before the cost of holding assets (amortisation and depreciation), other operating income and expenses, net financial income and income tax.

1.8 OTHER OPERATING INCOME AND EXPENSES

The items comprising operating income that are not directly related to current operations (because of their nature, frequency and/or relative significance) are recognised in "other operating income and expenses".

These mainly include:

- capital gains or losses from the disposal of shareholdings;
- costs generated by the temporary closure of a site;
- restructuring costs ;
- any other income or expense item that is easily identifiable, unusual, significant, and not directly related to current operations, except for specific cases not resulting in cash outflows.

1.9 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

An asset is classified as "available for sale" only if a plan has been put in place by management to sell the asset, if the asset is available for immediate sale in its present condition and if the sale is highly probable within a reasonable time-frame.

At the time of initial recognition as "held for sale":

- non-current assets and groups of assets that are intended to be sold are recognised at the lower of their book value and fair value less costs to sell;
- amortisable assets are no longer amortised from the date on which they are classified as assets held for sale.

In the case of discontinued operations, any net income and contribution to cash flow are presented separately from income and cash flow for continuing operations.

1.10 CALCULATION OF EARNINGS PER SHARE

The basic earnings per share figure is obtained by dividing the net income available for shareholders of the parent company by the weighted average number of shares outstanding during the period.

The diluted earnings per share figure is obtained by dividing the net income available for shareholders of the parent company by the weighted average number of outstanding shares during the period, adjusted for the impact of all dilutive instruments.

1.11 OTHER PERFORMANCE MEASURES USED

The operating cash flow, net capital expenditure level, "free cash flow", operating ROCE (return on capital employed) and net debt are the principal performance measures monitored by the Group.

These are determined as follows:

- operating cash flow: this measure corresponds to net income :
  - plus amortisation, depreciation and provisions, capital loss from disposals, dividends paid by the equity affiliates, and other expenses without any impact on the cash and cash equivalents;
  - less provision reversals, capital gains from disposals, share in the net income of equity affiliates and other income without any impact on cash.
- net capital expenditure: this measure corresponds to the acquisition of property, plant and equipment and intangible assets net of the changes in trade payables on non-current assets and income from their disposal;
- free cash-flow [(1)]: it corresponds to the difference between the operating cash flow and the net capital expenditure;
- ROCE (return on capital employed) and operating ROCE on sites: this measure allows measuring the profitability of the Group's invested capital and the Group's principal business lines, namely, Ski areas and Leisure destinations. It corresponds to the percentage, for each business line and the total, for both business segments, of the after tax net operating income on the consolidated net asset amount determined as follows:
  - after tax net operating income: it is determined after deducting a theoretical tax expense by applying a standard tax rate of 33.33%;
  - net assets used excluding goodwill include:
    - non-current assets in net amount after exclusion of goodwill,
    - working capital requirement,
    - deferred tax assets net of deferred tax liabilities,
    - current provisions.

The operating ROCE on sites is determined on the basis of the measures indicated above for each of the business lines, after the exclusion of goodwill.

- net debt: it corresponds to the gross financial debt net of the cash and cash equivalents.

1.12 INTANGIBLE ASSETS

The intangible assets acquired appear on the balance sheet at their amortised cost.

When the Group measures brands and trademarks, following analysis, these are considered as having indefinite useful lives. They are thus not amortised and are instead tested for impairment annually (see Note 6.1).

(1) The changes in the operating working capital requirement are not taken into account.

This in particular applies to (see Note 1.14):

- usage rights: the intangible rights to operate the ski lifts of ADS (Les Arcs/Peisey), SEVABEL (Les Menuires), SCV Domaines Skiables (Serre Chevalier), GMDS (Flaine), STVI (Val-d'Isère) and DAL (Les Deux Alpes);
- the concession for the use of the highway interchange giving access to Parc Astérix, which expires in 2086 (see Note 1.14 below);
- and the right to use the Futuroscope brand until 2026.

Intangible assets and other use rights to assets, the duration of which is directly linked to a concession agreement or lease, are amortised up to the date of expiry of such contracts.

1.13 PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are recognised on the balance sheet at their amortised cost.

Investment subsidies are deducted from the gross amount of the assets giving rise to them. Items of property, plant and equipment that are in use are depreciated on a straight-line basis, broken down by component on the basis of their estimated useful lives as follows:

	Durations
Buildings	20 to 30 years
Improvements	10 to 20 years
Ski lifts	15 to 30 years
Ski run and trail works	40 years
Rides	10 to 40 years
Equipment (other than ski lifts and rides)	5 to 40 years
Other items of property, plant and equipment (including theme decor and wax figures in Musée Grévin)	3 to 10 years

The range of depreciable periods is due to the diversity of assets involved. The shortest periods are for more rapidly replaced components (*e.g.*, scenery for different types of rides), while the longest periods apply to infrastructure.

Residual values and useful lives of assets are reviewed and, if necessary, adjusted at each reporting date.

1.14 CONCESSIONS

Compagnie des Alpes is a major player in the leisure sector in Europe, particularly in the operation of ski areas. The operation of ski areas in France is governed by the legal framework established in the French Mountain Act (*Loi Montagne*) of 9 January 1985, concerning the development and protection of mountainous regions. These ski areas are for the most part subject to concession agreements between CDA subsidiaries and local municipalities.

The operator holds a concession agreement with a municipality or group of municipalities. These agreements govern the relations between the granting authority and the operator with regard to all operating aspects of a ski area (capital expenditure, commercial and pricing policies, legal risks, etc.). On this basis, the operator is responsible for making the capital expenditure over the life of the concession required to keep the facilities in good operating condition and implement its commercial and pricing policy. In return, the operator is authorised to collect from users, on the basis of a public rate grid, income from the sale of ski lift passes.

Some CDA Group companies (STGM, ADS, SAP, SCV and GMDS) continue to pay leasing contract fees for ski lifts provided by the granting authorities. However, this system is gradually being replaced by concession agreements. In fact, the operators replace, at their own expense, obsolete equipment held under leasing contracts, with the new equipment coming under concession agreements.

The CDA Group has analysed the characteristics of its contracts and the nature of the services provided, and concluded that these contracts do not fall within the scope of IFRIC 12 on service concession agreements. Accordingly, the CDA Group recognises assets associated with ski lift concessions as a separate component of property, plant, and equipment. They are broken down and amortised in accordance with the same rules applied to property, plant and equipment owned by the Group itself.

Assets classified as held in concession are:

- assets supplied by the granting authority which are to be returned at the end of the concession;
- assets supplied by the operator which are to be placed at the granting authority's disposal at the end of the concession (typically in exchange for payment to the operator).

Transfers for no consideration from the granting authority and assets under leasing contracts are not recognised in the Group's balance sheet. A provision is funded on the liability side of the balance sheet (major repair provisions) for periodic maintenance of these facilities. The Company's other assets, which are not connected with the concession, and which don't meet these criteria are classified as directly-owned assets.

Conditions governing return to granting authorities

When concession agreements expire, it is generally expected that the concession assets acquired by the operator will be recovered by the granting authority in return for a payment. This payment is based on various calculation methods set out in the contracts. It is at least equal to their net book value.

Main concession agreements

Concessions granted by municipalities, and municipalities groups and associations

The main concession agreements of consolidated Group companies are as follows:

- **Société des Téléphériques de la Grande Motte (STGM) - Tignes:**

Concession granted by the municipality of Tignes, initially for the period from 5 September 1988 to 30 September 2016 (28 years), and extended in 1998/1999 for an additional 10 years to 31 May 2026.

- **Société d'Aménagement de la Station de La Plagne (SAP) - La Plagne:**

Concession granted by the Syndicat Intercommunal de la Grande Plagne (SIGP, grouping of several municipalities), initially for the period from 15 December 1987 to 10 June 2017 (30 years), and extended in 1998/1999 for an additional 10 years to 10 June 2027.

- **ADS – Les Arcs-Peisey-Vallandry:**

Concession granted by the municipality of Bourg-Saint-Maurice for the period from 1st June 1990 to 31 May 2020 (30 years), and extended for 10 years in January 2015, until 31 May 2030.

Concession granted by the municipality of Villaroger for the period from 1st June 1998 to 31 May 2020.

Concession granted by the municipality of Peisey-Nancroix for the period from 1st January 1997 to 31 May 2020.

Concession granted by the Syndicat Intercommunal à Vocation Multiple (SIVOM, a grouping of several municipalities) of Landry-Peisey-Nancroix for the period from 18 October 1989 to 30 October 2019 (30 years).

- **Société d'Exploitation de la Vallée des Belleville (SEVABEL) - Les Menuires:**

Concession for the operation of the Saint-Martin-de-Belleville ski area, granted by the municipality of Les Belleville initially for the period from 1st December 1990 to 31 May 2017 (27 years), and extended on 16 May 2001 for four years to 31 May 2021, then on 29 March 2016 for ten years to 31 May 2031;

Concession for the operation of the Menuires ski area, granted by the Syndicat Mixte pour l'Aménagement de Belleville (SYMAB, grouping of several municipalities) initially for the period from 1st December 1990 to 31 May 2017 (27 years), and extended on 11 August 2000 for four years to 31 May 2021, then on 29 March 2016 for ten years to 31 May 2031.

- **Méribel Alpina:**

Concessions respectively granted by the municipality of Les Allues for the period from 18 December 1989 to 17 December 2019 (30 years), extended until 31 May 2034, and by the municipality of Brides-les-Bains for the period from 30 June 1992 to 17 December 2019 (27 years).

- **Grand Massif Domaines Skiables (GMDS):**

Concession granted by the department of Haute-Savoie, amended by an additional clause, for the period from 9 January 1989 to 8 January 2019 (30 years).

Concession for the operation of new ski lifts and ski runs granted by the municipality of Magland, for the period from 4 July 2000 to 30 April 2025 (25 years).

Concession for the operation of new ski lifts and ski runs granted by the municipality of Arâches-la-Frasse, in the part of its territory falling within the Flaine ski area for the period from 9 July 2004 to 30 April 2029 (25 years).

Concession for the operation of new ski lifts and ski runs granted by the municipality of Morillon, for the period from 8 July 2016 to 31 May 2047 (31 years).

Concession granted by the municipalities of Morillon and Arâches-La-Frasse for the operation of the Perce-Neige Arête area for the period from 17 July 2008 to 15 December 2022.

Concession for the operation of new ski lifts and ski runs granted by the municipality of Samoëns, for the period from 1st September 2000 to 30 April 2030 (30 years).

Concession signed on 28 January 2013 with the municipality of Sixt-Fer-à-Cheval for a 40-year period ending 30 September 2053.

- **SCV Domaine Skiable – Serre Chevalier:**

Concession granted by the municipality of Saint-Chaffrey for the management and operation of the new ski lifts and the ski area for the period from 1st December 2004 to 30 August 2034 (30 years).

Concession granted by the Syndicat Intercommunal de Gestion et d'Exploitation des Domaines d'Hiver et d'Été de Serre Chevalier 1400-1500 (SIGED, grouping of several municipalities) for the operation of ski lifts and ski runs for the period from 1 November 1998 to 31 October 2018 and replaced by a new concession on 14 December 2017 for the period from 1 November 2017 to 31 October 2047 (30 years).

Concession granted by the Syndicat Intercommunal à Vocation Unique du Prorel (single-purpose grouping of municipalities) for operation and management of the Massif du Prorel facilities for the period from 15 December 2006 to 31 October 2034.

- **Société des Téléphériques de Val-d'Isère (STVI) - Val-d'Isère:**

Concession granted in May 1982 by the municipality of Val-d'Isère, initially for a 30-year period (expiring in 2012) and extended in 1991 for 8 years (until July 2020), and again in 2014 for 12 years (until July 2032).

Concession granted in September 1970 by the municipality of Bonneval s/Arc, initially for a 30-year period and extended in 1994 for an additional 18 years to 16 December 2019.

- **Deux Alpes Loisirs (DAL) – Les Deux Alpes:**

Concession granted on 21 June 1993 by the municipality of Mont-de-Lans for a 30-year period (until 2023).

Concession granted on 14 January 1994 by the municipality of Venosc for a 30-year period (until 2024).

Concession granted on 21 September 1993 by the municipality of Saint Christophe-en-Oisans for a 30-year period (until 2023).

The agreements of equity affiliates are as follows:

- **Compagnie du Mont-Blanc (CMB) – Chamonix**

Concession signed on 5 December 2013 with the municipality of Chamonix for the Chamonix ski areas, for a 40-year period ending 5 December 2053.

Concession signed on 6 January 1989 with the municipality of Chamonix for Aiguille du Midi, for a 40-year period ending 31 December 2028.

Concessions for the operation of the Tramway du Mont-Blanc and Train du Montenvers granted by the department of Haute-Savoie in 1988 and 1998 for 30-and 25-year periods ending 31 December 2018 and 31 December 2023, respectively.

Concession for the operation of Les Houches/Saint-Gervais (through its 72.5%-owned subsidiary, LHSG) for a 30-year period from 1 December 2011 to 30 November 2041.

- **Société des Remontées Mécaniques de Megève (SRMM) - Megève**

Concession for the operation of the downstream sector Princesse, signed on 10 December 2002 by the municipality of Demi-Quartier, for a 30-year period, ending on 9 December 2032.

Concession for the Crêtes du Mont d'Arbois and the upstream sector Princesse, signed on 10 March 1989 by the municipality of Saint-Gervais, for a 30-year period, ending on 9 March 2019.

Concession for Mont d'Arbois, Rocharbois and Rochebrune, signed on 15 April 1993 by the municipality of Megève, for a 30-year period ending on 14 April 2023.

- **Société d'Exploitation des Remontées Mécaniques de Morzine Avoriaz (SERMA) - Morzine/Avoriaz:**

The company operates a concession granted by the municipality of Morzine, which runs to 13 June 2032, and a concession granted by the municipality of Montriond, which runs to 13 June 2032.

- **Domaine Skiable de Valmorel (DSV) – Valmorel:**

The company operates a concession granted by the Communauté de Communes de la Vallée d'Aigueblanche (grouping of several municipalities), which runs to 2 June 2023.

- **Domaine Skiable de La Rosière (DSR) - La Rosière:**

The company operates a concession granted by the municipality of La Rosière, which runs to 11 December 2032.

Pursuant to these agreements, and depending on the case, the operating companies either pay a concession fee or a municipal tax and departmental tax (known as the "Mountain Law tax"), or both. These fees and levies are based on sales of ski lift passes and calculated as a contract-specific percentage.

By way of exception within the CDA Group, the municipalities of Saint-Martin de Belleville, Val-d'Isère and Tignes retain responsibility for the ski run service, for which SEVABEL, STVI and STGM pay a special fee.

Moreover, under the different contracts signed by the Group, CDA subsidiaries may enter into agreements on investment budgets. Such agreements are variable and can be reviewed, mainly with regard to their term, amount and nature, depending on the contract and implementation opportunities.

In light of certain lease contracts signed by the leisure destinations, these investment budget agreements may concern all of the Group's subsidiaries.

Real estate development concessions

- ADS and SAP have concessions for real estate development granted respectively by the municipality of Bourg-Saint-Maurice and the Syndicat Intercommunal de la Grande Plagne (grouping of several municipalities);
- through its 99.9%-owned subsidiary SCIVABEL, SEVABEL also holds the development concession for the Reberty urban development zone (ZAC de Reberty) at Les Menuires;
- GMDS, with its 99.99 %-owned subsidiary Société d'Aménagement Arve-Giffre (SAG), also owns land in Flaine in the Grand Massif. This real-estate company is managed under a tourism-development arrangement with the Syndicat Intercommunal de Flaine (grouping of several municipalities).

The projected development costs are recognised *pro rata* to the building permits sold, upon signing of the deed of sale.

Leisure park concessions

- **Concession for the highway interchange giving access to Parc Astérix**

Parc Astérix has a private interchange on the A1 motorway, which provides direct access to the park: this concession was granted by SANEF, the company operating the A1 motorway, for a period of 99 years (from 1987 to 2086).

The right to operate this concession is accounted for as an intangible asset of Grévin & Cie (see Note 6.2), which pays a fee to SANEF for the passage of each vehicle through the toll plaza. This fee corresponds to the highway toll that is not paid when vehicles use the Parc Astérix interchange.

- **Licensing agreement with Editions Albert-René (publisher of the Astérix comic books)**

In 1986, a licensing agreement was concluded with Editions Albert-René for the legal duration of the copyright, which is 70 years after the death of the last surviving author.

This agreement guarantees Grévin & Cie the right to use the comic strip characters and world in its theme parks, in France and abroad.

An amendment signed in March 1996 set the licensing fee at 3% of sales excluding VAT of Parc Astérix, with a minimum fee of €1.7 million.

1.15 IMPAIRMENT OF ASSETS

Definition of cash-generating units and allocation of assets

An asset's recoverable amount is the higher of its fair value less selling costs and its value in use. The recoverable amount of property, plant and equipment and intangible assets is tested when events, market developments or internal factors indicate a risk of a permanent loss of value.

It is tested at least once a year, at the reporting date, for assets with an indefinite useful life (category limited to goodwill, brands and trademarks).

As goodwill and the main items of property, plant and equipment and intangible assets relate to operation of the sites, these are allocated to groups of cash-generating units, which equate to the sites on which the Group's strategic development is focused.

An impairment loss is recognised if the recoverable amount of the asset or group of assets tested is lower than its book value.

Goodwill impairment losses are irreversible. Impairment losses for other items of property, plant and equipment and intangible assets may be reversed if the recoverable amount of the asset increases.

Impairment of goodwill is shown on the "impairment" line of the income statement, below the operating items.

Allocation of goodwill and operating assets to cash-generating units (CGU)

The Group's CGUs comprise the sites it operates.

For impairment testing purposes, goodwill is allocated at the level of the groups of CGUs, which constitute homogeneous entities generating cash flows that are largely independent of the cash flows generated by the other CGUs. As part of an initiative to make the measurement of CGU value creation more consistent with the Group's performance monitoring, internal organisation and strategy, the impairment loss testing procedures were modified as of 30 September 2014. In particular, this change reflects management of a homogeneous offering in the Leisure parks segment following a series of acquisitions carried out since 2002 and the overall management of offering development in the Ski areas business line.

Consequently, the CGUs that the Group intends to continue to operate and hold have been reorganised as follows:

- Ski areas portfolio: grouping together all the ski areas whose arbitration regarding operation and investments is pooled in a single decision-making body;
- Leisure parks portfolio: grouping together all the leisure parks whose arbitration regarding operation and investments is pooled in a single decision-making body;
- Group Development portfolio: grouping together all the Grévin museums abroad and Chaplin's World, whose arbitration regarding operation and investments is pooled in a single decision-making body. As these development activities are activities that are created, they do not have goodwill associated with them.

Procedures for determining the recoverable amount

The recoverable amount of groups of CGUs, as defined above, corresponds to the sum of the values in use of the CGUs comprising the groups of CGUs, which is determined by discounting projections of future cash flows from operating the sites based on the medium-term plans (five years) approved by the Group's Executive Management and presented to the Strategy Committee and to the Board of Directors, and using a terminal value based on the forecast future standardised cash flows to perpetuity generated by the asset under consideration.

For the CGUs operated under concession agreements (Ski areas) or leases (Leisure parks), the CDA Group manages these contracts on a going concern basis (both in terms of site management and in terms of capital expenditure to maintain/increase its business).

The Group has never been confronted with a company operating a concession (Ski areas) or lease (Leisure parks) having to cease operations due to the expiration of its contract. Accordingly, the Group measures the recoverable amount of the groups of CGUs on the assumption that its concession-holding activities will continue beyond the end of the concession, in light of the extensions already obtained in the past. The daily management and investment policy are therefore implemented with a view to maintaining or increasing the appeal of the leisure park or ski area concerned.

1.16 FINANCIAL ASSETS

Financial assets are divided into three major categories:

- assets held to maturity are recognised in the balance sheet at an amortised cost. These assets mainly comprise bonds, term deposits and loans to unconsolidated companies;
- financial assets held for trading, *i.e.*, short-term holdings, and assets designated at fair value through profit or loss when initially recognised are measured at fair value. Fair value is offset in profit or loss. These are mainly short-term investments that do not meet the criteria for cash equivalents (investment periods greater than three months);
- shareholdings in unconsolidated companies are recognised in available-for-sale financial assets, which are generally valued at cost price, given their nature as support companies or at fair value. In this case, the changes in fair value are recognised in shareholders' equity until the securities are sold. Shareholdings must be tested annually for impairment, and impairment losses, if any, are recorded by net income.

The Group measures the recoverable amount of all its financial assets at each reporting date.

1.17 INVENTORIES

Inventories are stated at the lower of cost and net realisable value (*i.e.* the market price less costs to sell). Inventories are measured at weighted average cost.

1.18 ACCOUNTS RECEIVABLE

Accounts receivable are recognised at fair value. Impairment loss is recognised when there is an objective indication that the amounts due may not be recovered. Any impairment loss is recognised in profit or loss.

1.19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include petty cash, bank balances and short-term investments in money market investments. Such investments are readily convertible into cash at their nominal value, and the risk of a change of value is insignificant.

Overdrafts are presented as liabilities in the balance sheet, under "current financial debt".

1.20 TREASURY STOCK

The purchase of treasury stock is recorded at acquisition cost with a corresponding reduction in shareholders' equity. Treasury stock sale proceeds are credited to shareholders' equity, and not recognised in the income statement.

1.21 PROVISIONS

Provisions for retirement bonuses

The CDA Group's commitments with respect to retirement benefits derive from legal obligations and collective bargaining agreements applicable in the countries in which Group subsidiaries operate.

In France, Company commitments to permanent or seasonal employees are reflected either in premiums paid to insurance companies or in provisions. If the premium paid by a company only partly covers its commitments, a provision is funded for the remainder.

The commitments are calculated for all Group employees in France, except for seasonal workers in the Leisure destinations segment, where turnover is extremely high. It is thus considered unlikely that these workers will still be employed by the Group when they retire.

The total of these commitments is determined on the basis of the current salaries of employees by calculating the bonuses that will be paid to employees upon retirement, having regard to their seniority at that date.

Gains and losses resulting from changes in actuarial assumptions, plus the impact of regulatory changes, are recognised in shareholders' equity.

Supplementary pension benefits granted to executives of certain subsidiaries are revalued each year.

In other countries where the CDA Group operates (Germany, the Netherlands and Belgium in particular), retiring employees receive no retirement package from their employer. Therefore, no provision is required.

However, companies contribute each year to provident funds (pension funds). The absence of the Group's obligations with respect to these contracts is verified each year.

Other provisions

Provisions are recognised when, at the end of the reporting period, the Group has an obligation to a third party arising from a past event that is certain or likely to lead to an outflow of resources to the third party, with no equivalent consideration received. These provisions are estimated in accordance with their nature, with the most likely assumptions taken into account.

Provisions for restructuring costs are recognised once the Group has a formal, detailed restructuring plan that has been communicated to the relevant parties.

1.22 BORROWINGS

Borrowings are initially recognised at fair value, net of transaction costs incurred (less fees and issue or redemption premiums, these adjustments being factored into the calculation of the effective interest rate).

Borrowings are subsequently recognised at amortised cost. Any difference between the income (net of transaction costs) and the redemption value is recognised in the income statement over the duration of the loan, in accordance with the effective interest rate method.

1.23 DERIVATIVES AND HEDGING TRANSACTIONS

The Group's use of derivatives such as interest-rate swaps, caps or other equivalent futures contracts is designed to hedge against interest-rate and foreign exchange risk.

For each cash flow hedge, the hedged financial liability is recognised in the balance sheet at amortised cost. Changes in the value of the derivative are recognised in shareholders' equity. To the extent that financial expenses and income from the hedged item affect profit or loss in a given reporting period, the financial expenses and income from the derivative recognised in shareholders' equity for the same reporting period are transferred to profit or loss.

When a derivative does not meet the criteria for hedge accounting, changes in fair value are recognised in profit or loss.

1.24 INCOME TAX AND DEFERRED TAXES

Group income taxes are determined in accordance with tax laws in force in the country where the income is taxable.

Deferred taxes

A temporary difference between the book value of an asset or liability and its tax base gives rise to recognition of deferred tax by means of the liability method, using the most recent income tax rates enacted (or substantively enacted). A deferred tax liability is recognised for all taxable temporary differences.

No deferred tax assets are recognised with respect to tax loss carryforwards unless it is likely they will be recovered within a reasonable time-frame (likelihood is calculated on the basis of available forecasts).

Deferred tax assets and liabilities are offset for each tax entity.

The income-tax expense is recognised in profit or loss unless it concerns items that were recognised directly in shareholders' equity. In this case, it is also recognised in shareholders' equity.

1.25 SHARE-BASED PAYMENTS

The Group has put in place equity-settled payment arrangements (stock options and bonus shares). The fair value of services rendered by employees in exchange for stock options and bonus shares is recognised in payroll costs. The total amount expensed over the vesting period is determined on the basis of the fair value of the options granted, as measured by the binomial model.

At each reporting date, the Group re-examines the number of options that will likely be eligible for exercise. When appropriate, it recognises the impact of its revised estimates in profit or loss, with a corresponding entry in equity.

Note 2 Management of capital and risks

2.1 CAPITAL MANAGEMENT

The Group's primary objective for its capital management is to maintain a good credit risk rating and healthy capital ratios, in order to safeguard the long-term financing of its business and optimise shareholder value.

Accordingly, the Group monitors the performance of its net debt-to-equity ratio. In its calculation of net debt, the Group includes loans and borrowings bearing interest plus cash and cash equivalents. Shareholders' equity includes convertible preference shares, Group share of capital and unrealised gains and losses recognised directly in shareholders' equity.

The Group manages its capital structure and makes adjustments as economic conditions change. The Group may modify dividend payments to shareholders, return part of the capital or issue new shares.

2.2 RISK MANAGEMENT

Cash-flow risk and risk of changes in value due to interest-rate fluctuations

The Group does not hold significant interest-bearing assets. The Group is exposed to interest-rate risk on its medium- and long-term borrowings. At 30 September 2017, the Group's debt is entirely at a fixed rate (fixed rate or floating rate hedged), and consists mainly of bonds. As regards its floating-rate debt, the Group manages its interest-rate risk by using floating-for-fixed swaps (Note 6.11).

With current hedged positions at 30 September 2017 and the change in debt taken into account, the exposure of gross debt to interest-rate risk at 30 September 2017 and its projected change in 2017/2018 May be summarised as follows:

	30/09/2017	30/09/2018
Unhedged gross debt	0.0%	17.9%
Hedged gross debt	100.0%	82.1%

Hedged debt includes fixed-rate borrowings and the hedged portion of floating-rate debt. At 30 September 2016, unhedged debt represented 8.3% of Group debt.

Should benchmark rates (1-month and 3-month Euribor, Eonia) increase or decrease by 1% compared to the closing rate on 30 September 2017, the impact on financial expenses over the whole of 2016/2017, taking into account the Company's debt profile, would have been as follows:

	2016/2017 Fiscal Year		
	Impact on net income before tax		
(in thousands of euros)	interest	valuation of hedging instruments	Impact on shareholders' equity before tax
Impact of +1% change in interest rates	-0.11	0.06	2.00
Impact of -1% change in interest rates	0.02	-0.06	-0.80

Foreign exchange risk

Most of the Group's international business activities are in the euro zone (with the exception of the operations in the Czech Republic, Canada, Korea and Switzerland, which are not material in terms of the Group's non-current assets). Investments in foreign subsidiaries are made in local currencies: the portion of balance sheet assets sensitive to variations in foreign exchange rates is 2.7%, exposed to fluctuations in local currencies against the euro.

As such, the Group currently sees its exposure to foreign exchange risk as not significant.

The Group established several CCS (cross currency swaps) to hedge foreign-exchange risk on the following loans to its foreign subsidiaries:

- CZK98,000,000,
- KRW8,000,000,000,
- KRW6,300,000,000,
- CAD750,000,
- CAD2,500,000.
- CZK50,000,000,
- CHF2,200,000.

The Group has not carried out any foreign exchange hedging transactions for other operations outside the euro zone, for the following reasons:

- intragroup forex flows are limited;
- sales proceeds are denominated in the same currency as operating expenses.

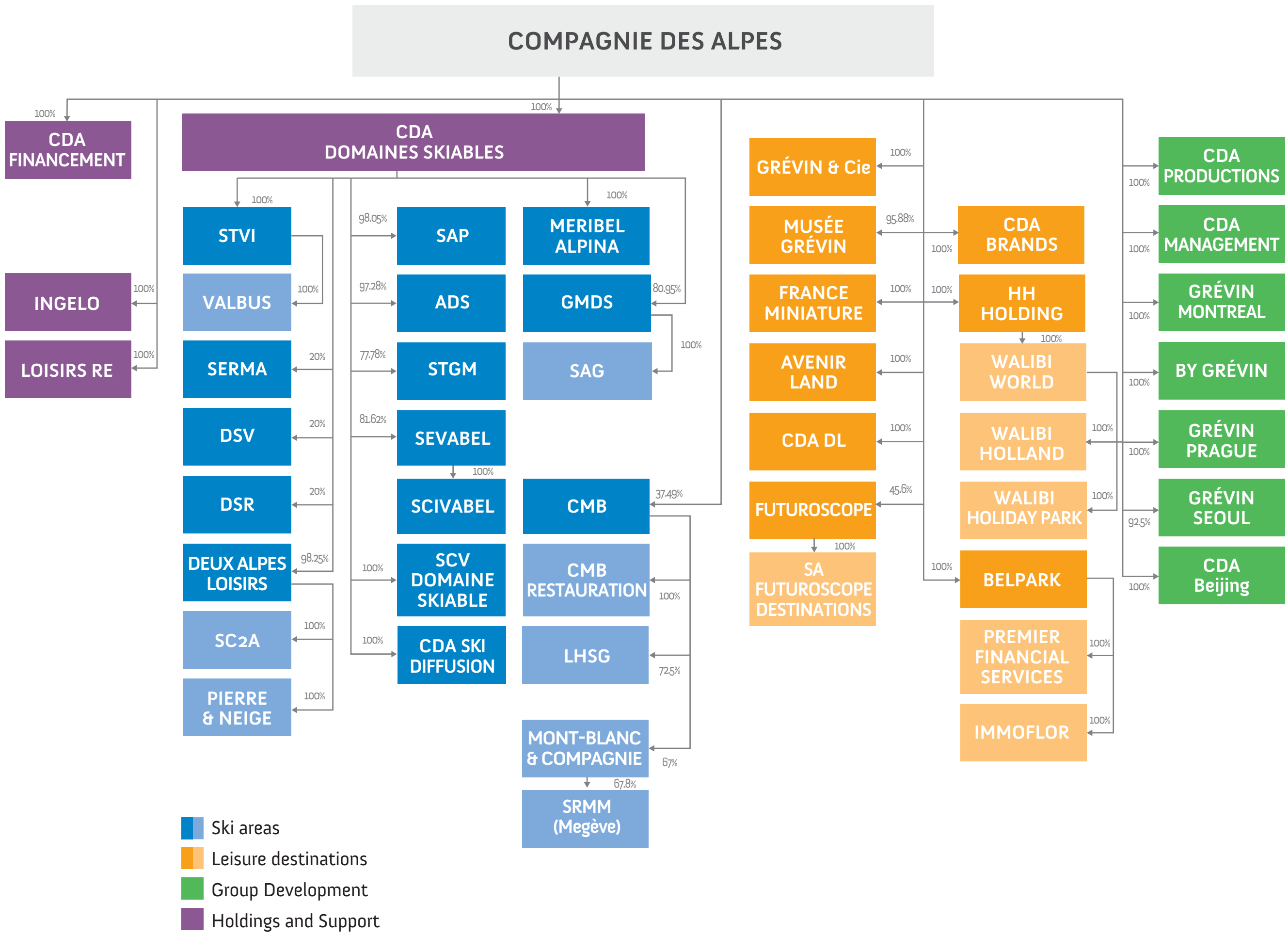
Credit risk

The Group has no major concentration of credit risk. Most of its business is carried out with end-customers (B2C sales). These customers pay in cash, or by bank check or bank card, before the service is provided. Furthermore, the Group has implemented policies to ensure that the intermediate customers who buy its products have appropriate credit risk histories.

Liquidity risk

Prudent management of liquidity risk means maintaining a sufficient level of liquidity beyond recurrent needs. At 30 September 2017, the Group had €355 million in undrawn committed lines of credit. A significant portion of Group borrowings is subject to a covenant (see Note 6.11). An analysis of the liquidity risk is given in Chapter 2, Section 2.1.1.

Note 3 Structure of the Compagnie des Alpes Group



The percentages indicated above correspond to the percentage of capital held.

* *Compagnie des Alpes holds 97.89% of double voting rights for Musée Grévin.*

Note 4 Scope of consolidation

4.1 CHANGES IN CONSOLIDATION SCOPE DURING THE YEAR

During the 2016/2017 fiscal year, the Group sold GRÉVIN DEUTSCHLAND (Fort Fun) to Looping Holding. During the previous year, it consolidated CDA DL in its scope of consolidation and created the wholly owned company CDA Beijing Ltd.

4.2 LIST OF CONSOLIDATED COMPANIES AT 30/09/2017 BY METHOD AND BUSINESS SEGMENT

COMPAGNIE DES ALPES - LIST OF COMPANIES CONSOLIDATED AT 30 SEPTEMBER 2017

Parent company: Compagnie des Alpes – 50-52, boulevard Haussmann – 75009 Paris

SKI AREAS	Consolidation method (1)	Legal structure	% shareholding
STGM 73320 Tignes	FC	SA	77.78
ADS 73700 Bourg-Saint-Maurice	FC	SA	97.29
SAP 73210 Macôt-La-Plagne	FC	SA	98.05
SEVABEL 73440 St-Martin-de-Belleville	FC	SAS	81.62
SCIVABEL 73440 St-Martin-de-Belleville	FC	SCI	81.62
Méribel Alpina 73550 Méribel-les-Allues	FC	SAS	100
Grand Massif Domaines Skiables 74300 Flaine	FC	SA	80.95
SAG 74300 Flaine	FC	SA	80.95
SCV Domaine Skiable 05330 St Chaffrey	FC	SA	100
STVI 73150 Val-d'Isère	FC	SAS	100
VALBUS 73150 Val-d'Isère	FC	SAS	100
SERMA 74110 Morzine	EA	SAS	20
DSV 73420 Valmorel	EA	SAS	20
DSR 73700 Montvalezan	EA	SAS	20
Groupe Cie du Mont-Blanc 74400 Chamonix	EA	SA	37.49
Deux Alpes Loisirs (DAL) 38860 Mont-de-Lans	FC	SA	98.25
SC2A 38860 Mont-de-Lans	FC	SA	98.25
Pierre et Neige 38860 Mont-de-Lans	FC	SA	98.25
CDA SKI DIFFUSION 75009 Paris	FC	SAS	100

LEISURE DESTINATIONS	Consolidation method (1)	Legal structure	% shareholding
Grévin & Cie 60128 Plailly	FC	SA	100
Musée Grévin 75009 Paris	FC	SA	95.88
France Miniature 78990 Elancourt	FC	SAS	100
Harderwijk Hellendoorn Holding Harderwijk – The Netherlands	FC	BV	100
Walibi World Biddinghuizen – The Netherlands	FC	BV	100
Walibi Holland Biddinghuizen – The Netherlands	FC	BV	100
Walibi Holiday Park Biddinghuizen – The Netherlands	FC	BV	100
Belpark BV 8902 Ieper – Belgium	FC	BV	100
Immoflor NV 8902 Ieper – Belgium	FC	NV	100
Premier Financial Services 8902 Ieper – Belgium	FC	BV	100
CDA Brands 75009 Paris	FC	SAS	100
Avenir Land 38630 Les Avenières	FC	SAS	100
Parc Futuroscope 86130 Jaunay Clan	FC	SA	45.55
Futuroscope Destination 86130 Jaunay Clan	FC	SA	45.55
CDA DL 60128 Plailly	FC	SA	100

HOLDINGS & SUPPORTS	Consolidation method (1)	Legal structure	% shareholding
CDA Financement 75009 Paris	FC	SNC	100
CDA-DS 75009 Paris	FC	SAS	100
Loisirs Ré L - 2633 Senningenberg (GDL)	FC	SA	100
INGELO 73000 Chambéry	FC	SAS	100

GROUP DEVELOPMENT	Consolidation method (1)	Legal structure	% shareholding
CDA Management 75009 Paris	FC	SAS	100
CDA Productions 75009 Paris	FC	SAS	100
Grévin Montréal Montreal, QC, Canada	FC	Inc.	100
Musée Grévin Prague CZ – 110 00 Praha 1	FC	s.o.r.	100
Musée Grévin Séoul Seoul 04523 Korea	FC	Corpo-ration	92.5
BY GRÉVIN Geneva – Switzerland	FC	SA	100
CDA Beijing China – Beijing	FC	LTD	100

(1) FC = Full consolidation.
EA = Equity accounted.

Note 5 Information on the consolidated income statement

The summary information intended for strategic analysis and decision-making by the Group's Chairman, Chief Executive Officer and Deputy Chief Executive Officer (the chief operating decision-makers referred to in IFRS 8) is organised around the following indicators, by operating segment:

- revenue;
- EBITDA (gross operating income) and EBITDA margin – EBITDA measures the current operating performance of the segments (revenue – direct costs, which include re-invoicing of operational services provided by support subsidiaries and holding companies);
- net capital expenditure and net rate of capital expenditure to sales ratio.

5.1 REVENUE

Revenue in the Ski areas segment mainly consists of sales of ski lift passes (approximately 96% of business line revenue).

Revenue in the Leisure destinations segment mainly comprises sales of admission tickets (about 55% of business line revenue), with the remainder coming from restaurants, stores, merchant services and various ancillary businesses.

Revenue in the Group Development segment primarily consists of the sale of admission tickets and project management services.

Performance by geographic area is presented for the businesses in France and outside France based on the destination of sales recorded.

Geographic segment *(in thousands of euros)*	Ski areas	Leisure destinations	Group Development	Holdings and supports	30/09/2017	30/09/2016
France	426,855	233,493	722	38	661,108	620,080
Excl. France	-	87,445	13,623	-	101,068	100,099
TOTAL AT 30/09/2017	**426,855**	**320,938**	**14,345**	**38**	**762,176**	
TOTAL AT 30/09/2016	**409,601**	**301,431**	**9,135**	**12**		**720,179**

5.2 EBITDA BY BUSINESS SEGMENT

EBITDA breaks down as follows:

	Ski areas		Leisure destinations		Group Development		Holdings and supports		Total	
(in thousands of euros)	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Revenue	426,855	409,601	320,938	301,431	14,345	9,135	38	12	762,176	720,179
EBITDA	**154,471**	**146,758**	**77,260**	**68,157**	**-4,770**	**-8,652**	**-23,596**	**-22,257**	**203,365**	**184,006**
Operating margin (EBITDA/revenue)	*36.2%*	*35.8%*	*24.1%*	*22.6%*	*NS*	*NS*	*NS*	*NS*	*26.7%*	*25.5%*

Figures for capital expenditure by segment are also shown below, together with the proportion of revenue they account for.

	Ski areas		Leisure destinations		Group Development		Holdings and supports		Total	
(in thousands of euros)	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016	30/09/2017	30/09/2016
NET CAPITAL EXPENDITURE	**86,300**	**84,090**	**69,263**	**58,970**	**1,345**	**7,444**	**3,113**	**3,101**	**160,021**	**153,605**
Capital expenditure as a proportion of sales	*20.2%*	*20.5%*	*21.6%*	*19.6%*	*9.4%*	*81.5%*	*NS*	*NS*	*21.0%*	*21.3%*

Details of these items can be found in the consolidated performance analysis.

5.3 NON-CURRENT INCOME (LOSSES ON PROPERTY, PLANT AND EQUIPMENT)

At the end of the 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 Seoul and Prague asset management by sale or closure, which lead to impairment of assets in 2016/2017 and will normalise the asset management for the Vevey and Montreal sites. Since the impairment of assets did not result from a projected decline in the results of entities that are meant to maintain their operations, but rather from a closure or disposal decision, this expense of €18.8 million was isolated in a separate line, "Loss on property, plant and equipment". Paragraph 6.1 deals with the impairment tests implemented.

5.4 BORROWING COST AND OTHER FINANCIAL INCOME AND EXPENSES

(in thousands of euros)	30/09/2017	30/09/2016
Interest on borrowings	-16,270	-15,690
Other financial income and expenses	-	-428
Income on cash and cash equivalents	130	94
NET COST OF DEBT	**-16,140**	**-16,024**
Losses on financial transactions	-747	-617
Other financial income	-196	-392
Financial provisions/reversals	-2,082	-2,276
OTHER FINANCIAL INCOME AND EXPENSES	**-3,025**	**-3,286**

5.5 INCOME TAX EXPENSE

Income tax expense breaks down as follows:

(in thousands of euros)	30/09/2017	30/09/2016
Current taxes	-19,637	-17,891
Deferred taxes	-300	-314
TOTAL	**-19,937**	**-18,205**

The reconciliation between the standard tax rate in France and the effective tax rate is outlined below (the effective tax rate is the ratio of income tax to net income of consolidated companies, including income from discontinued operations included in the tax consolidation, but before tax and adjustments for goodwill impairment losses).

The reconciliation between income tax and the pre-tax income of consolidated companies is shown below:

	30/09/2017	30/09/2016
NET INCOME BEFORE TAX	**59,838**	**58,527**
Current tax rate	33.33%	33.33%
Theoretical tax expense	19,946	19,509
Effects of:		
Difference between actual tax rate and theoretical rate	4,674	1,175
Non-deductible expenses/non-taxable income	-5,070	637
Interim tax losses on sold companies not recognised in assets	408	-
Other tax loss carryforwards not recognised in assets	4,153	1,397
Activation of losses from previous years	-2,608	-2,920
Income from associate companies recognised net of tax	-1,566	-1,592
TOTAL INCOME-TAX EXPENSE	**19,937**	**18,205**

The Group recognised an 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 originated prior to the acquisition by Compagnie des Alpes), which turned out in favour of the Group. These items are included in the line, "Non-deductible expenses/non-taxable income".

The impairment on property, plant and equipment of the Prague and Seoul sites are taken into account in the tax loss carryforwards not recognised in assets of these companies, at the locally applicable tax rate. The differences in the tax rate compared to the tax rate applicable in France can be found in the line, "Difference in tax rate".

Tax loss carryforwards and indefinitely deferred depreciation for which no deferred tax was recognised stood at €34.4 million at 30 September 2017 (of which €26 million relate to foreign subsidiaries) and equate to a deferred tax asset of €8.1 million.

5.6 SHARE OF NET INCOME OF ASSOCIATES

Companies *(in millions of euros)*	Country	Balance sheet total	Sales	Income	EBITDA	Share of net income of associate companies
2016						
Groupe Cie du Mont-Blanc	France	232.0	94.9	8.2	34.1	3.1
SERMA (Avoriaz)	France	83.7	38.4	7.0	16.4	1.4
DSV (Valmorel)	France	23.6	11.3	0.1	2.8	-
DSR (La Rosière)	France	19.7	10.1	1.3	3.9	0.3
TOTAL						**4.8**
2017						
Groupe Cie du Mont-Blanc	France	237.3	94.4	8.0	34.8	3.0
SERMA (Avoriaz)	France	96.0	39.1	7.1	16.8	1.4
DSV (Valmorel)	France	26.3	10.9	-0.1	2.3	-
DSR (La Rosière)	France	30.1	10.6	1.5	4.0	0.3
TOTAL						**4.7**

5.7 DISCONTINUED OPERATIONS

In the 2016 fiscal year, discontinued operations in the period account for the remaining costs relating to the business of EcoBioGestion before its acquisition by Compagnie des Alpes SA on 25 June 2016.

5.8 EARNINGS (GROUP SHARE) PER SHARE AND DILUTED EARNINGS PER SHARE (GROUP SHARE)

Earnings (Group share) amounted to €31,320 thousand.

(in thousands of euros)	2017	2016
Net income (Group share)	31,320	33,436
Number of shares outstanding	24,362,421	24,317,726
EARNINGS PER SHARE (GROUP SHARE)	**1.29**	**1.38**

(in thousands of euros)	2017	2016
Earnings per share (Group share) used to calculate diluted earnings per share [1]	31,320	33,436
Number of shares outstanding	24,362,421	24,317,726
Adjustment to factor in the dilutive effect of performance share plans	113,950	108,475
DILUTED EARNINGS PER SHARE (GROUP SHARE)	**1.28**	**1.37**

(1) In keeping with the AMF recommendation, no adjustment is made to earnings.

5.9 OPERATING ROCE

For 2016/2017, the reconciliation between the Group ROCE and the operating ROCE was as follows:

	Ski areas & Leisure destinations	Rest of the Group	Group total
Net operating income	110,702	-17,576	93,126
Theoretical tax (at 33.33%)	-36,897	5,858	-31,039
After tax net operating income	73,805	-11,718	62,087
Assets used excluding goodwill	827,147	-7,741	819,406
DIVISIONAL ROOC	**8.9%**		**7.6%**

5.10 COMPANIES SOLD

In April 2017, Compagnie des Alpes sold the Fort Fun amusement park in Germany. The transaction values 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.

Note 6 Information on the consolidated balance sheet

6.1 GOODWILL

Net goodwill breaks down as follows:

(in thousands of euros)	Gross amount	Impairment	Net amount
At 30/09/2015	**296,635**	**-13,063**	**283,572**
Changes in the scope of consolidation	-	-	-
Other changes	-	-	-
At 30/09/2016	**296,635**	**-13,063**	**283,572**
Changes in the scope of consolidation	-617	-	-617
Other changes	-	-	-
At 30/09/2017	**296,018**	**-13,063**	**282,955**

At 30 September 2017, net goodwill was distributed by major Group business unit, as follows:

(in thousands of euros)	30/09/2017	30/09/2016
Ski areas	132,155	132,155
Leisure parks	150,800	151,417
Group Development	-	-
TOTAL	**282,955**	**283,572**

Procedures for carrying out goodwill and asset impairment tests

Goodwill was tested for impairment losses (see Note 1.15).

As the risks are reflected in the cash flows of each business, a single discount rate has been determined for the businesses tested. The rate of 6.0% was obtained using the analyses made by external experts.

In light of the challenging economic climate and the uncertainties in Europe's outlook, the Group intensified its strategic brain-storming regarding its main sites. The 2018-2022 business plans, used as a basis for impairment testing, whilst still based on realistic assumptions already made in the past, contain the adjustments needed for continued profitable growth in the Leisure destinations segment and the maintenance of margins in the Ski areas segment:

- cost reductions;
- more selective investment and priority to spending on increasing appeal in the Leisure destinations segment.

Beyond the five-year period of the plan, the terminal value is calculated on the basis of cash flows to perpetuity using an average growth rate of between 1% and 2% (this being adjusted on the basis of the specific outlook for each entity and its positioning). This growth rate is considered reasonable for the leisure sector in the medium and long term.

Impairment test results

The tests carried out on the Ski areas and Leisure destinations operating segments indicated the absence of impairment to be recognised for the last four years.

The Group Development segment includes recently opened companies or companies in the startup phase: the valuations include the action plans implemented and their expected outcome in the medium and long term (five-year plans). These plans are complemented with ten-year plans at the site level increasing the value of the assets maintained in the balance sheet.

Overall sensitivity to the WACC and to the growth rate to perpetuity

Sensitivity tests are conducted by varying the basic assumptions underpinning the business plan (change in sales volume) or the discount rate.

It should be noted that impairment tests are now carried out at the segment level in order to reflect the measurement of value creation, the monitoring of performance and the level of strategic decision-making within the Group.

Overall sensitivity of tests to the WACC and to the growth rate

Ski areas (excluding companies accounted for under the equity method)

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €500 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.2%	625.1	491.4	383.0
	1.7%	772.2	605.8	474.3
	2.2%	964.0	750.4	586.8

Leisure destinations

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €493 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.5%	477.9	367.0	278.4
	2.0%	603.4	462.9	353.9
	2.5%	770.7	586.3	448.2

Group Development

The table below shows the difference between the values in use and the values tested (consolidated cost price of €3.1 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.5%	31.6	26.0	21.6
	2.0%	39.8	32.3	26.5
	2.5%	48.7	38.8	31.5

This business segment includes parks in the startup phase in new geographic segments. While no goodwill was recognised, the sensitivity analysis nevertheless shows that the difference between the value in use and the value to be tested is smaller than in the core sites of the Group. This points to the risk inherent to these new markets combined with the recent opening of sites in which the "Grévin" brand is yet to take root.

At the end of the 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 Seoul and Prague asset management by sale or closure, which lead to impairment of assets in 2016/2017 and will normalise the asset management for the Vevey and Montreal sites. The impairment loss of €18.8 million on property, plant and equipment of the Prague and Seoul sites were, as an exception, recognised in the income statement (in the absence of impact in terms of cash) on the line "Non-current income (losses on property, plant and equipment)".

For the Group as a whole, the sensitivity analyses presented indicate that the recoverable amount for the three operating segments and the "Holdings and supports" segment is higher than the Group's equity.

These valuations are supported by additional tests (including sensitivity analyses) carried out on the basis of criteria monitored internally (investments and margins).

6.2 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in thousands of euros)	At 30/09/2016	Acquisitions	Disposals	Increases	Reversals	Translation adjustments	Changes in the scope of consolidation	Other changes	At 30/09/2017
Gross amount									
Use rights	93,438		-24					19	93,433
Business intangibles	8,479							808	9,287
Musée Grévin trademark	9,000								9,000
Walibi trademark	20,300								20,300
Highway interchange concession Parc Astérix	6,272								6,272
Cinematographic films and works	13,259	515	-1,399					1,917	14,292
Other intangible assets	41,693	6,148	-801			-4	-136	-1,781	45,119
SUBTOTAL: GROSS AMOUNT	**192,441**	**6,663**	**-2,224**			**-4**	**-136**	**963**	**197,702**
Depreciation and impairment									
Depreciation Use rights	-71,861			-2,384	24				-74,221
Depreciation Business intangibles	-7,152			-136	113			-333	-7,508
Depreciation Highway interchange concession Parc Astérix	-1,766			-64					-1,830
Depreciation Cinematographic films and works	-8,638			-2,319	1,354				-9,603
Depreciation Other intangible assets	-28,677			-6,598	343	1	93	334	-34,504
SUBTOTAL: DEPRECIATION AND IMPAIRMENTS	**-118,094**			**-11,501**	**1,834**	**1**	**93**	**1**	**-127,666**
NET AMOUNT	**74,347**	**6,663**	**-2,224**	**-11,501**	**1,834**	**-3**	**-43**	**964**	**70,036**

The investments for the year mostly represent the rights on cinematographic films and works (of about €0.5 million) in Futuroscope, the purchase and development of new software at the Group level amounting to €1.5 million and intangible assets in progress amounting to €4.1 million and €0.5 million for other intangible assets.

The recoverable amount of the Grévin trademark and the Walibi brand is tested annually as part of the impairment testing of goodwill, based on the value in use of the Leisure destinations segment.

The column "Change of scope" takes into account Fort Fun asset retirements.

The principles that apply to the amortisation of intangible assets are detailed in Note 1.12.

6.3 PROPERTY, PLANT, AND EQUIPMENT (DIRECTLY-OWNED AND CONCESSION)

Property, plant and equipment break down as follows:

(in thousands of euros)	At 30/09/2016	Acquisitions	Disposals	Increases	Reversals	Changes in the scope of consolidation	Other	At 30/09/2017
Gross amount								
Land and improvements	48,675	352	-93			-637	83	48,380
Ski run and trail works	119,039	1,045	-18				2,924	122,990
Snow-making	151,869	1,035	-7				5,615	158,512
Buildings, offices, shops, other spaces	361,893	22,301	-3,302			-1,565	2,325	381,651
Ski lifts	810,744	7,983	-9,124				26,413	836,015
Grooming machines	40,700	5,504	-4,939				1,869	43,134
Rides	378,684	19,798	-1,344			-12,451	8,771	393,459
Materials and equipment	126,434	10,132	-2,964				8,099	141,701
Other items of property, plant and equipment	89,227	3,785	-1,978			-2,011	709	89,733
Property, plant and equipment in progress	59,824	90,708	-86			-165	-56,566	93,715
Advances and down-payments on non-current assets	2,573	1,997					-1,826	2,744
SUBTOTAL: GROSS AMOUNT	**2,189,661**	**164,641**	**-23,855**			**-16,829**	**-1,584**	**2,312,034**
Amortisation, depreciation								
Land and improvements	-18,694			-1,172	11	5		-19,850
Ski run and trail works	-55,842			-3,487	3			-59,326
Snow-making	-102,652			-6,993	35		-1	-109,611
Buildings, offices, shops, other spaces	-219,575			-14,885	2,986	986	1,330	-229,158
Ski lifts	-474,449			-33,076	9,031			-498,494
Grooming machines	-26,693			-6,015	4,074			-28,634
Rides	-198,090			-30,046	979	9,733	105	-217,319
Materials and equipment	-141,526			-15,188	2,950		41,032	-112,732
Other items of property, plant and equipment	-29,499			-11,156	2,628	1,581	-42,641	-79,087
SUBTOTAL: DEPRECIATION	**-1,267,021**			**-122,018**	**22,697**	**12,305**	**-175**	**-1,354,212**
NET AMOUNT	**922,640**	**164,641**	**-23,855**	**-122,018**	**22,697**	**-4,524**	**-1,758**	**957,822**
Gross amount of directly-owned assets	937,585	83,047	-9,791			-16,829	-1,311	992,702
Depreciation of directly-owned assets	-564,760			-69,926	8,900	12,305	95	-613,386
NET AMOUNT OF DIRECTLY-OWNED ASSETS	**372,826**	**83,047**	**-9,791**	**-69,926**	**8,900**	**-4,524**	**-1,215**	**379,316**
Gross amount of concession assets	1,252,076	81,594	-14,064				-273	1,319,333
Depreciation of concession assets	-702,262			-52,092	13,797		-270	-740,827
NET AMOUNT OF CONCESSION ASSETS	**549,814**	**81,594**	**-14,064**	**-52,092**	**13,797**		**-543**	**578,506**
NET AMOUNT	**922,640**	**164,641**	**-23,855**	**-122,018**	**22,697**	**-4,524**	**-1,758**	**957,822**

Acquisitions of property, plant, and equipment over the reporting period were as follows:

- in the Ski areas segment (€96 million), this related to the completion of capital expenditure programmes prior to the 2016/2017 season and to the initial work for the coming season. This capital expenditure mainly related to the acquisition and installation of new ski lifts (€53.1 million), artificial snow-making equipment (€15.8 million) and ski run and trail work, including grooming machines (€12.6 million);
- in the Leisure destinations segment (€67.4 million), this breaks down into investments to step up appeal (€28.6 million) and investments for maintenance and miscellaneous investments (€40.5 million);
- the column "Change of scope" takes into account Fort Fun asset retirements;
- finally, the "Other" column includes the reclassification of non-current assets in progress as operating assets and asset retirement (primarily the disassembled ski lifts).

Amortisations include recurring amortisation charges and additional impairments recorded for impairment losses (see Notes 5.3 and 6.1).

GEOGRAPHIC SEGMENT *(in thousands of euros)*	Notes	Ski areas	Leisure destinations	Group Development	Holdings and supports	30/09/2017	30/09/2016
FRANCE		660,505	219,093	508	5,377	885,483	830,257
o/w assets held under concession		578,506				578,506	549,814
o/w which assets on lease finance			2,229			2,229	2,676
OTHERS (excl. France)			127,551	14,824		142,375	166,729
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**660,505**	**346,644**	**15,332**	**5,377**	**1,027,858**	**996,986**
Intangible assets	6.2	14,999	49,604	244	5,189	70,036	74,347
Property, plant and equipment	6.3	645,506	297,040	15,088	188	957,822	922,640
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS IN THE BALANCE SHEET		**660,505**	**346,644**	**15,332**	**5,377**	**1,027,858**	**996,986**

6.4 INVESTMENTS IN ASSOCIATE COMPANIES

(in thousands of euros)	30/09/2017	30/09/2016
VALUE OF SECURITIES AT BEGINNING OF REPORTING PERIOD	**70,768**	**68,153**
Change in scope of consolidation and miscellaneous	189	-363
Net income for the period	4,699	4,775
Dividends paid	-2,029	-1,796
VALUE OF SECURITIES AT PERIOD REPORTING	**73,628**	**70,768**

Compagnie du Mont-Blanc is listed on the stock market. However, given the very low liquidity and high volatility of the stock, the share price is not representative of the recoverable amount of the Group's shareholding. Therefore, its value for the Group is assessed on the basis of its value in use (public service arrangements for Chamonix, which have been renewed until 2053). For information purposes, the difference between the stock market value of CMB at 30 September 2017 and the equity value of the securities was positive at €10.7 million. On the basis of the share price at 23 November 2017, this difference was positive at €14.1 million.

6.5 OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	30/09/2017	30/09/2016
AVAILABLE-FOR-SALE FINANCIAL ASSETS (NON-CONSOLIDATED SHAREHOLDINGS)	**10,932**	**10,009**
Loans and receivables associated with shareholdings	21,215	15,934
Deposits and guarantees	4,635	2,062
Other financial assets	762	556
GROSS AMOUNT	**26,612**	**18,552**
Impairment	-1,615	-846
NON-CURRENT FINANCIAL ASSETS (NET)	**24,997**	**17,706**
TOTAL NON-CURRENT FINANCIAL ASSETS	**35,929**	**27,715**

The increase in available-for-sale financial assets, as well as loans and receivables associated with shareholdings, correspond, notably, to the funding of real estate companies held by the Ski areas.

The main non-consolidated investment securities are as follows:

(in thousands of euros)	Business activities	Percentage shareholding 30/09/2017	Cost price at 30/09/2017	Closing date for data furnished	Revenue	Shareholders' equity (including net income)	Net income for most recent ended reporting period	Current account advances	Impact on provisions in the net financial income
Directly or indirectly controlled companies									
Serre Chevalier Immobilier	Real estate agency	100%	100	30/09/2016	170	117	9		
ADS Immobilier	Real estate agency	100%	210	30/09/2016	517	133	8	115	
SNC Gestion locative Les Montagnes de l'Arc	Lease conveyancing	99.9%	-	30/09/2017	304	-1,062	-382	1,284	-381
SARL Paradiskitour	Real estate agency	99%	8	30/09/2016	4,100	796	102		
Les Balcons de Chantelle	Real estate agency	99%	1	30/09/2017	2,726	-4	9	-	
Serre Chevalier BAIL	Lease conveyancing	100%	441	30/09/2016	520	141	-230		-300
2 Alpes Immobilier	Real estate agency	100%	100	30/09/2016	192	163	-1		
Flaine Immobilier	Real estate agency	90%	145	30/09/2016	479	134	38		
Office Immobilier de La Plagne	Real estate agency	100%	114	30/09/2016	2,736	856	95		
Val-d'Isère Immobilier	Real estate agency	100%	10	30/09/2017	141	5	-	189	-110
SCI 2001	Lease conveyancing	60%	4	31/12/2016	15	18	11		
SNC Bâtiments de service	Construction	99%	-	30/09/2017	327	155	155	1,236	173
SAP Location	Lease conveyancing	99.9%	-	30/11/2016	834	-732	-747		-734
Services et Restauration des Arcs	Food services	100%	-	30/09/2017	1,154	-1,817	-962	2,300	-900
Agence Immobilière de la Vallée de Belleville	Real estate agency	100%	938	30/09/2016	1,824	480	7		
SCI Altilac	Lease conveyancing	25%	500	31/12/2016	965	1,299	-350	3,125	
Méribel Privé	Real estate agency	100%	82	30/09/2017		82	-23		
SAP Invest	Construction	98%	75	30/04/2017	243	122	45	8,010	-52
SUB-TOTAL			**2,728**		**17,247**	**886**	**-2,216**	**16,259**	**-2,304**
Non-controlled companies									
Foncière Rénovation Montagne		9.6%	785			-	-		
Foncière Les Écrins		7.7%	277			3,621	97		
Foncière Les Arcs		11%	147			1,339	43		
Foncière La Plagne		6.25%	152			2,309	93		
Foncière Les Menuires		11.77%	85			714	16		
SAS 2CO Immo		45%	1,611			DA	DA		
Palais des Congrès		20%	132			753	94		
Plagne Rénov		15%	137			502	-16		
SAGEST Tignes Développement		9.98%	75			1,768	212		
SAEM Funiflaine		0%	-			0	0		
Renovarc		14.99%	45			293	-10		
Jardin d'Acclimatation		20%	1,548			DA	DA		
Lodge & Sap Mountain			1,200			DA	DA		
Mac Earth			360			DA	DA		
Miscellaneous			1,650						
TOTAL			**10,932**						

DA: Data not Available.

The foregoing shareholdings are primarily focused on Ski Area shareholdings in real estate agencies and real estate development entities, which are not material in terms of the consolidated financial statements.

These shareholdings are mainly owned with a view to their use (to support the commercial activities of our business lines).

6.6 INVENTORIES

(in thousands of euros)	30/09/2017	30/09/2016
Gross amount	4,298	4,358
Impairment	-	-
LAND BANK	**4,298**	**4,358**
Gross amount	388	363
Impairment	-313	-313
PARKING AREAS	**75**	**50**
Gross amount	18,366	17,593
Impairment	-524	-248
INVENTORIES OF RAW MATERIALS, SUPPLIES AND GOODS	**17,842**	**17,345**
TOTAL	**22,215**	**21,753**

The land banks are mainly held by ADS (Les Arcs/Peisey-Vallandry) and SAG (Flaine). These companies develop sites for subsequent sale.

Inventories of raw materials, supplies and goods relate to either the Ski areas segment (spare parts for ski lifts), the Leisure destinations segment (shop inventories, restaurants and costumes) or to the Group Development segment (ongoing waxwork production by CDA Productions for Grévin operations in France and abroad).

6.7 ACCOUNTS RECEIVABLE

(in thousands of euros)	30/09/2017	30/09/2016
Advances and down-payments	3,698	3,375
Trade receivables	19,957	16,398
Tax and payroll receivables	26,855	22,343
Other accounts receivable	6,516	1,771
Impairment	-2,177	-1,325
TOTAL	**54,848**	**42,562**

6.8 CASH AND CASH EQUIVALENTS

(in thousands of euros)	30/09/2017	30/09/2016
Investment funds	6,001	4,004
Time deposits	-	2,750
Demand deposits	40,063	27,423
Cash	784	636
TOTAL	**46,848**	**34,813**

The improvement in the active cash position at 30 September 2017 is essentially the result of the refinancing that took place in 2017 and the early implementation of bond issues (see Note 6.11).

6.9 SHAREHOLDERS' EQUITY

Treasury stock

Pursuant to the share buyback programme authorised by the Combined Ordinary and Extraordinary Shareholders' Meeting of 9 March 2017, CDA's liquidity contract consisted of the following at 30 September 2017:

- 9,733 shares representing a gross book value of €245 thousand;
- cash of €730 thousand (principal and accrued interest).

Stock options

There are 113,950 performance shares (representing 0.47% of the share capital) that had not yet vested at 30 September 2017. All the outstanding options and grants are settled by share buybacks on the market. At 30 September 2017, the remaining stock of free shares totalled €99 thousand for 6,170 shares.

The main terms of the stock option and performance share plans at 30 September 2017 are described below:

*Performance share plans**	Plan no. 15	Plan no. 16	Plan no. 17	Plan no. 18	Plan no. 19	Plan no. 20	Total
Date of Shareholders' Meeting	18/03/2010	15/03/2012	15/03/2012	13/03/2014	10/03/2016	10/03/2016	
Implementation date (Board of Directors' decision)	15/03/2012	14/03/2013	13/03/2014	08/04/2015	18/03/2016	28/03/2017	
Number of shares that may be subscribed for at inception	58,593	61,900	56,955	59,925	61,900	59,400	
o/w Board of Directors	-	-	-	-	-	-	
Number of beneficiaries	142	143	165	166	170	159	
Date of vesting of performance shares	14/03/2014	13/03/2015	13/03/2016	08/04/2017	18/03/2018	28/03/2019	
Number of performance shares vested	43,129	43,830	43,575	44,695	-	-	
Expired or cancelled stock options/performance shares	15,464	18,070	13,380	15,230	7,050	300	
Outstanding stock options/performance shares	-	-	-	-	54,850	59,100	113,950

* *Grant of which is based on economic factors.*

The total change in performance share awards can be summarised as follows:

Grants of performance shares	At 30/09/2017	At 30/09/2016
RIGHTS GRANTED AT BEGINNING OF REPORTING PERIOD	**108,475**	**111,830**
Rights granted	59,400	61,900
Rights expired	-9,230	-21,680
Rights exercised	-44,695	-43,575
Grants adjustments	-	-
RIGHTS GRANTED AT REPORTING DATE	**113,950**	**108,475**

The expense recognised for stock option and performance share plan awards was €605 thousand at 30 September 2017 (compared to €409 thousand at 30 September 2016).

Plan no. 20

Plan no. 20 was implemented following approval by the Board of Directors on 28 March 2017. This plan consisted of 59,400 performance shares and involved 159 beneficiaries.

Detailed information on the stock options and performance shares can be found in Chapter 3 of the Registration Document on Corporate Governance.

It notably details the performance criteria for the full vesting of performance shares.

The fair value of the performance shares in Plan no. 20 at 30 September 2017 was €17,739 (compared to €13,690 in the prior reporting period for Plan no. 19).

The main factors used to calculate the cost for the Plan introduced during the fiscal year are:

Dividend cover	2.00%
Stock price volatility	25.00%
Risk-free rate for performance shares (two-year duration)	-0.519%
Turnover rate	5.00%

Compared with previous Plans, the percentage of performance shares granted was limited. The valuation assumes grants of 50% for Executive Committee members (except corporate officers who are not entitled to share grants) and 75% for other beneficiaries.

The binomial model is used to measure fair value.

6.10 PROVISIONS (NON-CURRENT AND CURRENT)

Non-current provisions

Non-current provisions comprise the following items:

	30/09/2016	Income		Translation adjustments	Change in scope of consolidation	Other	30/09/2017
		Increases	Reversals				
Post-employment benefits	45,994	3,793	-2,431			-447	46,909
Other non-current contingencies	7,907	631	-428	-11		143	8,242
TOTAL	**53,901**	**4,424**	**-2,859**	**-11**		**-304**	**55,151**

Provisions for "Other non-current contingencies" notably covered provisions for site renovation (representing €2.8 million). They also include the provisions set aside in connection with long-service awards (representing €1.4 million) and depreciation charges (representing €1.9 million).

Provisions for post-employment benefits

The amount of provisions for post-employment benefits represents the Group's obligations for the vested rights of employees, net of provisions for payments to insurance funds.

These provisions are calculated including social security charges on the basis of an average retirement age of 62. The discount rate used was 1.45% at 30 September 2017, compared with 0.8% at 30 September 2016.

The balance sheet amounts are determined as follows:

(in thousands of euros)	30/09/2017	30/09/2016
Present value of financed obligations	54,904	53,337
Fair value of plan assets	-7,995	-7,343
LIABILITY RECOGNISED IN THE BALANCE SHEET	**46,909**	**45,994**

The amount of provisions for post-employment benefits represents the Group's obligations for the vested rights of employees, net of provisions for payments to insurance funds.

The table below shows the amounts recognised in the income statement:

(in thousands of euros)	30/09/2017	30/09/2016
Current service cost	3,444	2,917
Financial cost	453	935
Expected return on plan assets	-59	-135
Reduction/discontinue operations	-	-934
TOTAL AMOUNT INCLUDED IN EMPLOYEE BENEFITS EXPENSE	**3,838**	**2,783**

Expenses for the year include:

- entitlements for an additional year of service;
- interest earned;
- expected return on pension fund assets.

The changes during the fiscal year for defined-benefit pension plans are detailed below:

(in thousands of euros)	30/09/2017	30/09/2016
Current service cost	-3,444	-2,917
Financial cost	-453	-935
Expected return on plan assets	59	135
Actuarial gains and losses	447	-6,458
Benefits net of those redeemed from the funds	976	960
Reduction/discontinue operations	-	934
Other	1,500	1,421
TOTAL	**-915**	**-6,860**

Actuarial gains and losses for the fiscal year mainly result from changes in the discount rate (1.45% compared to 0.8% at 30 September 2016).

The expected return on assets is the same as the discount rate.

Current provisions

Current provisions cover the risks directly related to the operation of the Group's sites. The change in current provisions breaks down as follows:

		Income		Translation	Change in scope		
	30/09/2016	Increases	Reversals	adjustments	of consolidation	Other	30/09/2017
Provision for major repairs	10,654	2,601	-2,358				10,897
Lawsuits and disputes	1,728		-1,728				
Other	10,153	2,839	-4,979		-18		7,995
TOTAL	**22,535**	**5,440**	**-9,065**		**-18**		**18,892**

Provisions for major repairs are only for the Ski areas and are intended to cover work on lifts under leasing contracts.

Other current provisions relate mainly to ongoing lawsuits. Reversals of provisions relate mainly to the provision made in respect of a dispute relating to taxes claimed under a concession contract, which was reversed with annual utilisation of €3.9 million and a provision made for a tax dispute with a foreign tax authority, reversal of unutilised provisions for an amount of €1.8 million.

6.11 FINANCIAL DEBT

Breakdown of gross financial debt and net debt

	30/09/2017			30/09/2016		
(in thousands of euros)	Non-current	Current	Total	Non-current	Current	Total
Bonds	194,200	200,000	394,200	298,877	-	298,877
Borrowings from credit institutions	-	2,958	2,958	33,470	3,235	36,705
Other borrowings and similar debt	34	-	34	54	-	54
Lease finance	2,172	-	2,172	2,652	-	2,651
Accrued interest	-	11,429	11,429	-	10,878	10,878
Bank credit balances and similar	-	13,314	13,314	-	52,283	52,283
Employee profit-sharing	3,150	-	3,150	3,388	-	3,388
Miscellaneous	48	11	59	170	84	254
TOTAL	**199,604**	**227,712**	**427,316**	**338,613**	**66,478**	**405,091**

Structure of debt

	30/09/2017		30/09/2016	
(in millions of euros)	Amount	Rate	Amount	Rate
Fixed-rate borrowings	411.2	96.2%	317.8	78.4%
Floating-rate borrowings	12.8	3.0%	83.7	20.7%
Shareholdings and miscellaneous	3.3	0.8%	3.6	0.9%
TOTAL	**427.3**	**100.0%**	**405.1**	**100.0%**

Fixed-rate debt corresponds mostly to bonds subscribed to by CDA and CDA Financement (€395 million).

Financial debt breaks down by maturity as follows:

(in millions of euros)	Total	Up to 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years
30/09/2017	427.3	227.6	2.2	0.9	0.6	0.6	195.4
30/09/2016	405.1	66.5	205	2.8	1.5	29	100.3

Bonds

During previous fiscal years, Compagnie des Alpes had taken two bonds:

- the €200 million bond issued in 2010 (with coupon at 4.875% and maturity in October 2017);
- a €100 million bond issue on the Euro PP market in May 2014, with coupon at 3.504% and ten-year maturity.

It has put in place financing that will replace the €200 million bond maturing in October 2017. This new financing is composed of a bank component and a bond component:

- the bank component is composed of €105 million and includes:
  - an €80 million depreciable term loan taken from the Group's long-standing banking partners, which now include a Chinese bank, with a maturity of 5 years for 50% and 6 years for the remaining 50%,
  - a €25 million depreciable term loan, granted by a new French banking partner, with a final maturity at 7 years.

  These two loans, with a forward start facility, were drawn in October 2017;
- the bond component is composed of €95 million and includes:
  - a €45 million bond issue on the Euro PP market ("Euro PP") for a period of 8 years;
  - a €50 million bond issue on the US PP market ("US PP"), under French law, for an average period of 10 years and final maturity at 12 years.

  These borrowings were put in place in February and March 2017.

The new financing is contracted at a weighted average rate of less than 1.5% (before hedging and transaction costs) and therefore enables the Group to significantly reduce the cost of financing for this €200 million tranche from the 2017-2018 fiscal year. By concluding this refinancing operation, Compagnie des Alpes achieves several objectives:

- it substantially reduces the net cost of debt by more than 40%, as of 2017-2018 (with the cost of the 2017 bond borne during the 2016/2017 fiscal year until it falls due along with the carrying cost of the new financing);
- 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.

At 30 September 2017, the details of the fair value of these four borrowings were as follows:

- 2010 bond issue: €200 million;
- 2014 bond issue: €109 million;
- Euro PP 2017 borrowing: €47 million;
- US PP 2017 borrowing: €53 million.

Revolving credit facility

The Group has a revolving credit facility for a maximum amount of €250 million expiring on 6 May 2021. This revolving credit facility was amended to review the margins and add two 1-year extension options to it (May 2022 and May 2023).

The expenses incurred for the issues have been deducted from the value of the borrowings and factored into the calculation of the effective interest rate.

Hedging instruments

The Group arranged interest rate hedging instruments (borrowings-backed) for its floating-rate commitments.

At 30 September 2017, the hedges implemented amounted to €105 million.

The hedging instruments used are made up of three fixed-rate swaps:

- swap representing €25 million of the debt covered (at 0.80%, expiring in 2018);
- floored swap representing €40 million of the debt covered (at 0.35%, expiring in 2023), with a forward start in October 2017;
- floored swap representing €40 million of the debt covered (at 0.27%, expiring in 2022), with a forward start in October 2017.

The fair-value impact of hedging instruments is recognised under borrowings from credit institutions (€0.2 million).

	Financial assets (a)		Financial liabilities (b)		Exposure of the net debt before hedging (c)=(a)-(b)		Interest-rate hedging instruments (d)		Exposure of the net debt after hedging (e)=(c)+(d)	
At 30/09/2017 *(in millions of euros)*	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate
Less than 1 year	10.90	35.95	-214.84	-12.77	-203.93	23.18		25.00	-203.93	48.18
From 1 to 2 years			-2.21		-2.21	-			-2.21	-
From 2 to 3 years			-0.90		-0.90	-			-0.90	-
From 3 to 4 years			-0.64		-0.64	-			-0.64	-
From 4 to 5 years			-0.59		-0.59	-			-0.59	-
Over 5 years			-195.38		-195.38	-			-195.38	-
TOTAL	**10.90**	**35.95**	**-414.55**	**-12.77**	**-403.64**	**23.18**	**-**	**25.00**	**-403.64**	**48.18**

Information on the repayment clauses

1 Banking covenants

The new bonds and bank loans taken in 2017, as well as the revolving loan facility are subject to a common covenant. It corresponds to the "Consolidated net debt/Consolidated EBITDA" financial ratio. This covenant is reviewed twice a year, on 31 March and 30 September, and should be less than or equal to 3.5.

At 30 September 2017, this ratio was respected:

	Covenant	Ratio at 30/09/2017
Consolidated net debt/Consolidated EBITDA	≤ 3.50	1.87

A 15-year loan taken by SAP in 2004 for an amount of €5 million, the balance whereof at 30 September 2017 amounted to €0.7 million, includes two covenants relating to the annual financial statements of SAP:

- the "Net Financial Debt/Net Position Ratio After Appropriation of Earnings" should be less than 1.25;
- the "Net Borrowing/EBITDA Ratio" should be less than 4.

At 30 September 2017, these ratios were respected.

2 Other repayment clauses

Other repayment clauses relate mainly to:

- Caisse des Dépôts et Consignations' direct or indirect shareholding in the Compagnie des Alpes (which must be at least equal to 33.34% of the capital and voting rights of the CDA);
- Compagnie des Alpes' shareholding in CDA Financement, which must remain greater than or equal to 99.9%.

Any shareholdings purchased by one or more persons, other than the Caisse des Dépôts et Consignations, acting together would acquire at least 33.34% of the share capital and voting rights in Compagnie des Alpes

Among the other borrowings of the Group, two borrowings are governed by the following clauses:

An ownership clause stipulates that if Caisse des Dépôts et Consignations and Compagnie des Alpes would jointly hold less than 51% of the share capital of Futuroscope, the latter shall prepay a loan of €2 million taken in 2014 at the fixed rate of 1.9% for a period of five years, and the balance of this loan at 30 September 2017 amounted to €0.6 million.

An ownership clause stipulates that the loan of €5 million taken by SAP in 2004, the balance whereof at 30 September 2017 amounted to €0.7 million, would become payable if the Compagnie des Alpes loses control of the company, may become payable if Caisse des Dépôts loses the blocking minority that it holds in the capital of Compagnie des Alpes.

INFORMATION ON INTEREST RATES

	30/09/2017		30/09/2016	
(in millions of euros)	Amount	Rate	Amount	Rate
Fixed-rate borrowings	411.2	4.21%	317.8	4.58%
Floating-rate borrowings	12.8	2.81%	83.7	2.52%
Shareholdings and miscellaneous	3.3		3.6	
TOTAL	**427.3**	**4.03%**	**405.1**	**4.17%**

6.12 DEFERRED TAXES

Total deferred tax assets in the balance sheet	10,070
Total deferred tax liabilities in the balance sheet	-21,243
NET DEFERRED TAX POSITION	**-11,173**

(in thousands of euros)	Tax loss carryforwards	Special depreciation allowances	Temporary differences	Restatements	Total deferred tax
NET POSITION AT 30/09/2015	**9,813**	**-24,301**	**14,446**	**-13,273**	**-13,315**
Increases	3,349	-637	2,614	-255	5,072
Decreases	-2,854	294	-910	967	-2,503
NET POSITION AT 30/09/2016	**10,308**	**-24,643**	**16,150**	**-12,560**	**-10,746**
Increases	6,947	-604	4,604	4,299	15,246
Decreases	-6,627	802	-1,471	-8,377	-15,673
NET POSITION AT 30/09/2017	**10,628**	**-24,445**	**19,282**	**-16,638**	**-11,173**

Deferred tax assets are normally recovered over a period of five to ten years.

6.13 OPERATING LIABILITIES AND OTHER DEBT

(in thousands of euros)	30/09/2017	30/09/2016
Trade and related payables	76,818	66,527
Tax and payroll payables	65,421	61,737
Other operating liabilities	23,076	19,205
SUBTOTAL "OPERATING LIABILITIES"	**165,315**	**147,469**
Debt on non-current assets	34,917	24,937
Other miscellaneous debt	604	2,647
Adjustment accounts	21,762	20,527
SUBTOTAL "OTHER DEBT"	**57,283**	**48,111**
TOTAL	**222,598**	**195,580**

Note 7 Information on the statement of cash flows

7.1 CASH FLOWS FROM OPERATING ACTIVITIES

(in thousands of euros)	30/09/2017	30/09/2016
Net income (Group share)	31,320	33,436
Minority interests in net income	8,581	6,887
COMPREHENSIVE NET INCOME	**39,901**	**40,322**
Amortisation, depreciation and provision increases and reversals	131,677	116,612
Gains or losses on disposal	6,272	-540
Share of net income of associate companies	-4,699	-4,775
Dividends received from associate companies	2,550	2,150
Other	-6,628	858
OPERATING CASH FLOW AFTER NET FINANCIAL DEBTT AND TAX	**169,074**	**154,627**
Net cost of debt	16,140	16,024
Tax expense (including deferred taxes)	21,665	18,210
OPERATING CASH FLOW BEFORE NET FINANCIAL DEBT AND TAX	**206,879**	**188,860**
Change in accounts receivables and payables	-617	16,379
Other elements of cash timing differences	1,718	-3,439
Tax paid	-25,432	-16,129
CASH FLOWS FROM OPERATING ACTIVITIES	**182,548**	**185,672**

Details on the net income of equity affiliates can be found in Note 5.6, with commentary on the net financial debt in Note 5.4.

7.2 ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in thousands of euros)	Notes	30/09/2017	30/09/2016
Acquisition of intangible assets	6.2	6,663	8,240
Acquisitions of property, plant and equipment (net of subsidies)	6.3	164,641	149,877
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**171,304**	**158,116**
Changes in debt on non-current assets		-8,814	855
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS IN THE STATEMENT OF CASH FLOWS		**162,490**	**158,972**
Sale price of intangible assets		-200	-
Sale price of property, plant and equipment		-2,315	-5,627
Receivables associated with asset disposals		46	261
DISPOSAL OF NON-CURRENT ASSETS IN THE STATEMENT OF CASH FLOWS		**-2,469**	**-5,366**

The breakdown of capital expenditure over the fiscal year is discussed in Notes 6.2 and 6.3.

7.3 CHANGE IN FINANCIAL DEBT

(in thousands of euros)	30/09/2017	30/09/2016
FINANCIAL DEBT IN THE CONSOLIDATED BALANCE SHEET FROM THE PREVIOUS FISCAL YEAR	**405,091**	**400,727**
• borrowings from credit institutions	61,428	3,085
• lease finance	-480	2,652
• other borrowings and similar debt	174	-522
• others	-24	70
CHANGE IN BORROWINGS IN THE STATEMENT OF CASH FLOWS	**61,098**	**5,285**
Change in the bank credit balances	-38,970	-835
Miscellaneous	97	-19
TOTAL CHANGE (ALL BORROWINGS)	**22,158**	**4,431**
Miscellaneous (financial instruments)	-	-67
BORROWINGS IN THE CONSOLIDATED BALANCE SHEET FROM THE FISCAL YEAR	**427,316**	**405,091**

7.4 NET CASH POSITION

(in thousands of euros)	Notes	30/09/2017	30/09/2016
CASH ASSETS IN THE BALANCE SHEET	6.8	46,848	34,813
Bank credit balances and similar	6.11	13,314	52,283
NET CASH POSITION IN THE STATEMENT OF CASH FLOWS		33,534	-17,470

Note 8 Other disclosures

8.1 RELATED PARTIES

The Group considers the following to be related parties:

- all fully consolidated companies and associate companies;
- the reference shareholder of the company: Caisse des Dépôts;
- all members of the Executive Committee and of the Board of Directors, together with close family members.

8.1.1 Fully consolidated companies and associate companies

Dealings between the parent company and its subsidiaries, joint ventures and associate companies are detailed in Note 4.2.

Transactions between the parent company and its controlled subsidiaries are eliminated in consolidation and therefore not detailed in this Registration Document.

The operating income of Compagnie des Alpes SA comes mainly from services provided to its subsidiaries as part of agreements freely concluded under normal conditions. The role of Compagnie des Alpes SA within the Group is presented in Chapter 5, Section 5.2.1.

At 30 September 2017, outstanding financial claims of CDA Financement, a subsidiary of Compagnie des Alpes, towards the controlled companies totalled €259.8 million. Outstanding controlled company investments with CDA Financement stood at €171.8 million.

Associate entities

Cash flows between Compagnie des Alpes and associate entities are insignificant.

8.1.2 Caisse des Dépôts et Consignations (CDC)

Futuroscope: In January 2011, under the preliminary agreements signed in October 2010 in conformity with the partnership approach desired by all the parties, Compagnie des Alpes became the reference shareholder of Futuroscope, along with the Vienne department and CDC, which is also a direct and indirect shareholder.

This partnership described in the 2011 Registration Document (page 176) continued to flourish in 2016/2017.

Licensing: The licensing agreement for the use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts," which was authorised in 2005, continues normally.

The licence represents 0.2 % of consolidated annual revenue, weighted according to the percentage of share capital held by Caisse des Dépôts in Compagnie des Alpes at 1 January of each fiscal year. The resulting expense for the year was €575 thousand.

8.1.3 Members of the Executive Committee and of the Board of Directors

Foncière Rénovation Montagne: company founded in April 2013 by Caisse des Dépôts, Banque Populaire des Alpes, Caisse d'Epargne Rhône Alpes, Crédit Agricole des Savoie and CDA, dedicated to financing the renovation of mountain tourist accommodation.

The purpose of this real estate company is to invest in local real estate in order to acquire ageing accommodation, renovate it and renew its appeal. These accommodation facilities are then put back on the rental market for sale in the medium term for leasing purposes, in order to keep them on the market. The goal is to create a knock-on effect on the other stakeholders to create virtuous dynamics of growth for the mountain economy.

Compensation awarded to members of the Executive Committee and the Board of Directors

Total compensation made to principal executives for their Group activities as stipulated in IAS 24.16 are as follows:

FY 2016/2017 *(in thousands of euros)*	
Board of Directors	
Group Executive Committee	**6,320**
Short-term benefits	2,714
• *Salary components*	*1,576*
• *Other short-term components*	*1,138*
Post-employment benefits	570
End of work contract packages*	2,940
Share-based payments	96

* *Set on the basis of theoretical maxima.*

8.2 HEADCOUNT

	30/09/2017	30/09/2016
Average headcount		
France	3,965	3,874
Europe (excl. France)	731	793
TOTAL AVERAGE HEADCOUNT	**4,696**	**4,667**

At 30 September 2017, headcount broke down as follows:

- Ski areas: 20.5%;
- Leisure destinations: 73.1%;
- Group Development: 3.4%;
- Holdings and supports: 3%.

8.3 OFF-BALANCE SHEET COMMITMENTS

Operating leases and leasing contracts

The CDA Group's lease commitments at 30 September 2017 were as follows:

(in thousands of euros)	Total	< 1 year	From 1 to 5 years	> 5 years
Operating leases	158,279	13,544	44,197	100,538
Leasing contracts	6,949	1,642	4,688	619
TOTAL	**165,228**	**15,186**	**48,885**	**101,157**

Other commitments

(in thousands of euros)	30/09/2017	30/09/2016
Guarantees and sureties	2,898	4,482
Representations and warranties given	1,000	
Other	26,072	28,336
COMMITMENTS GIVEN	**29,970**	**32,818**
Representations and warranties received	-	-
Sureties received	14,118	6,917
COMMITMENTS RECEIVED	**14,118**	**6,917**

The commitments given and received include mostly:

- the real estate commitments of the Deux Alpes Loisirs group: its subsidiary SC2A (formerly Deux Alpes Voyages) provided a guarantee to cover up to €7.2 million in current lease payments;
- €2.1 million from the funding approval for €12 million given by CDA Financement to SAP Investissement was not used;
- in the context of the creation of real estate companies to stimulate the refurbishment of the real estate assets of our resorts, the ski lift companies provide investors with guaranteed rents during the refurbishment period, and then to put them back on the market.

At 30 September 2017, these commitments amounted to the relatively low figure of €16.7 million, given the number of transactions currently being carried out:

- the sureties received primarily relate to:
  - guarantees of €7.1 million given to ADS on land deals,
  - a bank guarantee received by STVI to cover the future payment of a transactional compensation of €2.8 million relating to the restaurant Tête de Solaise,
  - sureties received from suppliers for €2.8 million as part of the construction work of a new hotel in Parc Astérix,
  - a surety received on the tourist service guarantees for Futuroscope Destination in the amount of €1.2 million;
- a bank guarantee and parent company guarantee at first request of CHF750 thousand, given for the By Grévin site;
- a parent company guarantee at first request given to the City of Paris for Jardin d'Acclimatation in the amount of €123 thousand until 31 December 2017.

When acquiring Futuroscope (in January 2011), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it in the event of inspection by tax, parafiscal, social, customs, social security, and other bodies. These representations and warranties remain in force until the corresponding legal and regulatory terms expire.

8.4 EVENTS AFTER THE REPORTING DATE

In October, the Group redeemed its €200 million bond that had matured on 18 October and drew two bank loans of €25 million and €80 million contracted in February.

5.3.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Fiscal year ended on 30/09/2017

To the Shareholders of the Compagnie des Alpes

Opinion

Pursuant to the assignment entrusted to us by your shareholders' meeting, we have performed the audit of the consolidated financial statements of the Compagnie des Alpes relative to the fiscal year ending on 30 September 2017 as attached to this report.

We certify that the consolidated financial statements are, according to the IFRS standard adopted in the European Union, regular and honest and give a true image of the result of the transactions in the past fiscal year and the financial situation and assets, at the end of the fiscal year, of the unit composed of the persons and entities included in the consolidation.

The opinion expressed above is consistent with the content of our report to the audit committee.

Basis of the opinion

Audit reference standard

We have carried out our audit according to the professional standards applicable in France. We feel that the audit evidence we collected provides a sufficient and adequate basis for our opinion.

The responsibilities incumbent upon us pursuant to these standards are specified in the part "Responsibilities of the Statutory auditors relative to the audit of the consolidated financial statements" in the present report.

Independence

We performed our audit assignment in compliance with the independence rules that are applicable to us, during the period between 1st October 2016 and the date of our report, and in particular, we have not provided services prohibited under Article 5, paragraph 1 of regulation (EU) No. 537/2014 or under the French Code of Ethics for Statutory auditors.

Justification of our assessment – Key points of the audit

Pursuant to the provisions of articles L.823-9 and R.823-7 of the French Commercial Code regarding the justification of our assessment, we draw your attention regarding the risks of significant material misstatement which, in our professional judgement, were most significant in the audit of the consolidated financial statements for the fiscal year, as well as the responses we have provided with regard to these risks.

These assessments were made as part of the consolidated financial statements taken as a whole and the formation of our opinion expressed above. We express no opinion on elements of these consolidated financial statements taken in isolation.

Recognition of revenue

Risk identified:

The group's revenue mainly derives from tickets for entry to leisure parks and museums and sales of passes in ski resorts.

The resulting income is recognised from ticketing computer systems which may vary depending on the sites.

Although the group relies on several systems for internal control (distribution of internal control guides, campaigns for the self-evaluation of sites, etc.) to ensure the accuracy and comprehensiveness of the revenue, we nevertheless considered that the recognition of ticket sales is a key point in the audit, due to the volume of individual transactions, the large number of sites concerned and the existence of different ticketing systems.

Our solution:

In the context of our audit, while adapting the level of checks according to the estimated level of risk for each site, particularly when new ticketing software is developed, our work includes:

- a critical review of the internal-control systems for checking the effectiveness of the procedures put in place to calculate the revenue;
- a critical review of the control environment for the IT systems used, with the help of our IT experts;
- detailed analytical reviews in order to corroborate the quantified data with seasonal and customer-attendance trends and to ensure that price changes are taken into account;
- reconciliation between data from the ticketing systems, incoming payments and data recognised in the accounts.

Accounting treatment of the concessions for ski areas

Risk identified:

The operation of the ski areas by the Compagnie des Alpes lies within a complex legal framework:

- the specifics of the mechanical ski-lifts public service are recognised at the legislative and regulatory level via the Mountain Act of 9 January 1985, the major provisions of which were incorporated in French the Tourism Code;

- public service concessions (PSC) signed between the subsidiaries of the Compagnie des Alpes and the local authorities set the main economic parameters for the equilibrium of the PSC relative essentially to investments, fees paid, changes to prices and the devolution of assets at the end of the concession.

We considered that the accounting translation of the elements in the life of these contracts is a key point of the audit, because recording transactions directly related to these contracts is complex:

- each subsidiary signs a specific contract with the local authority upon which the ski area is dependent;
- the accounting treatment of assets is specific to each of the concessions;
- the determination of the recovery value of assets at the end of the concession may, according to the contracts, require the use of judgements and estimates by the management;
- the management's assumption that the concessions will be renewed made by the management when carrying out its impairment tests must take into account the latest discussions with the local authorities.

Our solution:

We have taken note of the legal commitments and transactions related to the implementation of these contracts.

We have checked the correct accounting translation of these transactions, particularly with regard to the treatment of the concession assets and the investment commitments. Where applicable, we have corroborated our analyses by interviews with the financial department and legal department, notably to understand the judgements and estimates adopted.

We have taken note of the negotiations in progress for concessions that will shortly expire, in order to check the reasonable character of the assumptions made by the management to perform its impairment tests.

We have also assessed the appropriate character of the information referred to in the appendix to the consolidated financial statements, notably in note 1.14 relating to the concessions.

Impairment test for intangible assets and property, plant and equipment

Risk identified

On 30 September 2017, the value of intangible and tangible assets stood at €1,311 million compared with a balance sheet total of €1,580 million. These assets are composed of goodwill (€283 million, see note 6.1 of the appendix), intangible assets (€70 million, see note 6.2) and property, plant and equipment (€958 million, see note 6.3).

The value of these assets is tested by the management as soon as events or changes to the market environment or internal events indicate a risk of sustainable loss of value and at least once a year for assets with an indefinite service life.

We have considered that the valuation of these assets is a key point of the audit due, firstly, to the determination of their recoverable value, based on forecasts for discounted future cash flow, which require the use of assumptions, estimates or assessments, and, secondly, due to the high sensitivity of assumptions on the results of the test used. The main assumptions, the methodology used and the sensitivity tests are presented in notes 1.12, 1.15 and 6.1 to 6.3 of the appendix to the consolidated financial statements. As stated in note 1.15, the impairment tests are implemented under an approach of grouping cash-generating units at the level of three operating sectors: Ski areas, Leisure destinations and Group development.

Furthermore, an analysis of the assets of the two sites in the "Group Development" sector showed that a provision was made for depreciation of property, plant and equipment of €18.8 million recorded on the line "Non-current profit/loss (loss on property, plant and equipment)" in the context described in note 5.3 of the appendix.

Our solution

We have examined the procedures for implementing the impairment tests performed by the group. These are based in particular on medium-term plans prepared for each site, reviewed and approved by the group's governance.

We have assessed:

- the quality of the process for the preparation and approval budgets and forecasts;
- the appropriateness of the main estimates, in particular cash flow forecasts, long-term growth rates and discount rates used.

We also analysed the consistency of forecasts and performed our own sensitivity analyses on the impairment tests.

These analyses were carried out with the assistance of our valuation experts and have been shared with the group's Executive Management.

We have also assessed the appropriate character of the information presented the impairment tests for assets and checked the quantified information provided in note 6.1 of the appendix to the consolidated financial statements and relating to the sensitivity tests.

Verification of the report on the management of the group

We also carried out, in accordance with the standards of professional practice applicable in France, the specific check required by the law on disclosures relating to the group, given in the board of directors' management report.

We have no comment to make regarding their fairness and consistency with the consolidated financial statements.

Information under other legal and regulatory obligations

Appointment of the statutory auditors

Our mandates as Statutory Auditors of the Compagnie des Alpes were renewed by your Shareholders' Meetings of 15 March 2016 for Mazars and 15 March 2012 for PricewaterhouseCoopers Audit.

On 30 September 2017, the firm Mazars was in the 20th year of its mission without interruption and the firm PricewaterhouseCoopers Audit was in the 27th year, i.e. 20 and 24 years respectively since the company's shares of were listed on a regulated market.

Responsibilities of the management and persons responsible for corporate governance with regard to the consolidated financial statements

It is the responsibility of the management to prepare consolidated financial statements that present a true image in accordance with the IFRS standards as adopted in the European Union and to set up the internal control it deems necessary to the preparation of consolidated financial statements and to ensure that they are free of material misstatements, whether these result from fraud or error.

At the time of preparing the consolidated financial statements, it is the responsibility of the management to assess the company's ability to continue its operation, to present in these financial statements, where applicable, the necessary information relating to business continuity and to apply the accounting concept of a going concern, except where the company plans to liquidate or cease trading.

It is the responsibility of the audit committee to monitor the process by which the financial information is prepared and the efficiency of the internal control and risk management systems, as well as, where applicable, that of the internal audit, with regard to the procedures for preparing and processing accounting and financial information.

The consolidated financial statements have been approved by the Board of Directors.

Responsibilities of the Statutory Auditors regarding the audit of the consolidated financial statements

Audit objective and approach

It is our responsibility to prepare a report on the consolidated financial statements. Our aim is to obtain reasonable assurance that the consolidated financial statements, taken as a whole, are free from material misstatement. Reasonable assurance corresponds to a high level of assurance, but does not guarantee that an audit carried out in accordance with the professional standards will systematically detect all material misstatements. Misstatements can arise due to fraud or error and are considered to be material if they, individually or in the aggregate, could be reasonably expected to influence the economic decisions of users taken on the basis of the financial statements.

As stated in Article L.823-10-1 of the French Commercial Code, our duty to certify the financial statements does not consist of guaranteeing the viability or quality of management of your company.

A more detailed description of our responsibilities as Statutory Auditors regarding the audit of the annual financial statements is given in the appendix to this report and forms an integral part thereof.

Report to the audit committee

We provide a report to the audit committee which notably presents the scope of the audit and the programme of work carried out, as well as the conclusions arising from our work. We also draw the attention of the committee, where applicable, to significant weaknesses in the internal control system that we have identified concerning procedures for the preparation and processing of accounting and financial information.

Among the information presented in the report to the audit committeen are the risks of material misstatements that we deem the most significant for the audit of the consolidated financial statements for the fiscal year and that consequently constitute the key points of the audit, which we must to describe in this present report.

We also provide to audit committee the declaration referred to in Article 6 of Regulation (EU) No. 537-2014 confirming our independence, within the meaning of the rules applicable in France such as they are set out Articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory auditors. Where applicable, we discuss any risks that may threaten our independence and the safeguard measures applied with the audit committee.

Signed in Neuilly-sur-Seine and Courbevoie 23 January 2018

Statutory auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

Additional information - Detailed description of the responsibilities of the Statutory Auditors

In the context of an audit performed in accordance with the professional standards practice applicable in France, the Statutory auditor exercises his or her professional judgement throughout this audit.

Furthermore:

- he or she identifies and assesses the risks that the consolidated financial statements may contain material misstatements, whether these are due to fraud or error, defines and implements audit procedures to address these risks, and collects evidence that he or she considers sufficient and appropriate as a basis for his or her opinion. The risk of not detecting a material misstatement arising from fraud is greater than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, wilful omission, false statements or circumvention of the internal control system;
- the auditor reviews the internal control system relevant to the audit in order to define audit procedures that are appropriate in the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;
- he or she assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the related information provided in the consolidated financial statements;
- he or she assesses the appropriateness of the management's application of the accounting principle of going concern and, depending on the evidence collected, the existence or otherwise of significant uncertainty relating to events or circumstances likely to call into question the company's ability to continue operating. This assessment is based on elements collected until the date of its report, it nevertheless being reiterated that subsequent circumstances or events may compromise continuity of operation. If the auditor identifies the existence of significant uncertainty exists, he or she sall draw readers' attention to the information provided in the consolidated financial statements regarding this uncertainty or, if this information is not provided or is not relevant, he or shell shall prepare a certification with reservation or refuse to certify the financial statements;
- the auditor evaluates the overall presentation of the consolidated financial statements and assesses whether the consolidated financial statements reflect underlying transactions and events so as to give a true and fair image;
- concerning the financial information of the persons or entities included within the scope of consolidation, it connects the elements that it considers sufficient and appropriate to express an opinion on the consolidated financial statements. It is responsible for the management, supervision and performance of the audit of the consolidated financial statements, as well as the opinion expressed on these statements.

5.4 Parent-company financial statements

5.4.1 PARENT-COMPANY BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AT 30 SEPTEMBER 2017

BALANCE SHEET ASSETS

	30/09/2017			30/09/2016
(in thousands of euros)	Gross	Amortisation, depreciation and provisions	Net	
Intangible assets	15,399	10,242	5,157	4,501
Property, plant and equipment	3,088	2,025	1,063	1,225
Non-current financial assets	886,602	47,326	839,276	849,065
NON-CURRENT ASSETS	**905,089**	**59,593**	**845,496**	**854,791**
Inventories	-	-	-	-
Accounts receivable	15,543	-	15,543	10,439
Cash position	21,506	-	21,506	24,468
CURRENT ASSETS	**37,049**	**-**	**37,049**	**34,907**
Prepaid expenses	1,351	-	1,351	1,508
TOTAL ASSETS	**943,489**	**59,593**	**883,896**	**891,206**

BALANCE SHEET LIABILITIES

(in thousands of euros)	30/09/2017	30/09/2016
Share capital	185,703	185,363
Issue premium and merger premium	263,018	263,018
Legal reserve	17,009	15,671
Other reserves	1,914	2,255
Retained earnings	73,892	71,568
Net income for the period	2,478	13,379
Regulated provisions	-	-
SHAREHOLDERS' EQUITY	**544,014**	**551,254**
Provisions for contingencies and charges	5,178	5,542
Borrowings	310,687	310,923
Operating liabilities	23,680	23,311
Other liabilities and adjustment accounts	337	176
LIABILITIES	**334,704**	**334,410**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**883,896**	**891,206**

INCOME STATEMENT

(in thousands of euros)	30/09/2017	30/09/2016
REVENUE (EXCL. VAT)	**27,574**	**27,008**
Other income and expense transfers	88	-
Provision reversals	346	2,069
OPERATING INCOME	**28,008**	**29,077**
Purchases and external costs	13,994	11,935
Taxes other than on income	1,211	1,202
Payroll and social security charges	19,485	18,641
Amortisation and depreciation	2,382	1,911
Provisions	1,127	3,684
Other expenses	260	124
Operating expenses	38,459	37,497
OPERATING INCOME	**-10,451**	**-8,420**
NET FINANCIAL INCOME	**3,560**	**14,740**
INCOME FROM ORDINARY ACTIVITIES BEFORE TAX	**-6,891**	**6,320**
Net extraordinary income	3,278	-225
Income tax	6,091	7,284
NET INCOME	**2,478**	**13,379**

STATEMENT OF CASH FLOWS

(in thousands of euros)	30/09/2017	30/09/2016
Net income	**2,474**	**13,379**
Amortisation, depreciation and provision increases and reversals (incl. impairment)	17,086	6,976
Gains and losses on disposal	-2,112	934
Dividends received	-32,242	-32,613
OPERATING CASH FLOW	**-14,794**	**-11,324**
Changes in WCR	-5,037	5,083
Restatement of financial expenses and write-offs	13,674	13,660
CASH FLOWS FROM OPERATING ACTIVITIES	**-6,157**	**7,419**
Acquisitions of property, plant and equipment and intangible assets	-2,728	-3,985
Dividends received	32,412	32,443
Acquisitions of non-current financial assets	-6,651	-5,848
Disposal and redemption of non-current financial assets	3,258	-6,845
CASH FLOWS FROM INVESTING ACTIVITIES	**26,291**	**15,765**
New borrowings and intra-group loans	-	-
Repayment of borrowings and intra-group loans	243	243
Change in overdrafts	-	-
Payment of financial expenses and write-offs	-13,700	-13,634
Changes in sundry receivables and payables	285	-53
Dividends awarded to shareholders	-9,717	-9,698
CASH FLOWS FROM FINANCING ACTIVITIES	**-22,889**	**-23,142**
CHANGE IN CASH POSITION	**-2,755**	**42**
Cash position at beginning of reporting period	24,242	24,200
Cash position at reporting date	**21,487**	**24,242**
CHANGE IN CASH POSITION	**-2,755**	**42**

5.4.2 ADDITIONAL NOTES TO THE PARENT-COMPANY FINANCIAL STATEMENTS

These additional notes to the parent-company financial statements of Compagnie des Alpes SA for the 12-month period ended 30 September 2017 contain additional information on the balance sheet (total assets of €883,896 thousand) and the income statement (net income of €2,478 thousand).

CONTENT DETAILLED

Note 1 Key events during the fiscal year

In April 2017, Compagnie des Alpes sold Grévin Deutschland (bringing the Fort Fun theme park in Germany) to Looping Holding. CADEVI and CDHA were also fully transferred to the balance sheet of Compagnie des Alpes.

Note 2 Accounting principles and policies

The annual financial statements are presented in accordance with the generally accepted accounting principles in France.

The basic method used to measure assets and liabilities was the historical cost method. The main policies applied are as follows:

2.1 INTANGIBLE ASSETS

Software is amortised on a straight-line basis over one to three years.

2.2 PROPERTY, PLANT AND EQUIPMENT

Depreciation is calculated on the basis of the estimated useful lives of the various types of assets. Property, plant and equipment are measured at acquisition cost. The useful lives are as follows:

- General installations 10 years
- Equipment (vehicles, office and computer equipment) 3 to 5 years
- Office furniture 5 to 10 years

2.3 NON-CURRENT FINANCIAL ASSETS

Shareholdings are recognised at acquisition cost.

The acquisition costs of shareholdings included in the cost of securities are subject to accelerated straight-line amortisation over five years.

Impairment may be recognised when the valuation (based on a number of valuation factors) is lower than the cost price.

Loans, deposits, and other capitalised receivables are measured at their nominal value minus any impairment losses depending on their recoverable nature.

2.4 RECEIVABLES

Receivables are measured at their nominal value. Impairment is recognised when the net asset value falls below the book value.

2.5 POST-EMPLOYMENT BENEFITS

The obligations of Compagnie des Alpes with respect to post-employment benefits are measured and recognised off balance sheet. The calculation method complies with the Company's collective arrangements that came into force on 1 July 2009.

The obligation is calculated on the basis of current salaries (fixed salary and bonuses), including benefits to be paid when employees retire, and taking into account seniority at retirement date. The assumption of voluntary retirement at the age of 62 was taken as the most probable. The benefits reflect a number of coefficients and assumptions (anticipated life expectancy, changes in the benefit calculation basis, inflation, etc.). The discount rate is based on the performance of the 10-year iBOXX and amounts to 1.45% *per annum* for the fiscal year ended 30 September 2017 (0.8% at 30 September 2016).

Note 3 Notes relating to the balance sheet

3.1 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

The property, plant and equipment and intangible assets line items changed as follows:

(in thousands of euros)	At 30/09/2016	Increases	Decreases	At 30/09/2017
Intangible assets	12,775	2,696	-72	15,399
Depreciation of intangible assets	-8,274	-1,983	15	-10,242
NET TOTAL	**4,501**	**713**	**-57**	**-5,157**

(in thousands of euros)	At 30/09/2016	Increases	Decreases	At 30/09/2017
Property, plant and equipment	2,851	237	-	3,088
Depreciation of intangible assets	-1,626	-399	-	-2,025
NET TOTAL	**1,225**	**-162**	**-**	**1,063**

Capital expenditure mainly relates to IT development carried out by Compagnie des Alpes (principally ticketing software for the leisure parks and the continued roll out of new financial software throughout the Group). Asset retirements involve the retirement of obsolete software.

3.2 NON-CURRENT FINANCIAL ASSETS

The changes in non-current financial assets can be summarised as follows:

(in thousands of euros)	At 30/09/2016	Increases	Decreases	At 30/09/2017
Shareholdings	858,700	11,672	-11,770	858,602
Shareholdings in non-consolidated companies	6,066	-	-198	5,868
Related receivables (and accrued interest not yet due)	23,377	1,629	-7,048	17,958
Accrued dividends	170	-	-170	-
Deposits and guarantees	354	2,851	-7	3,198
Treasury stock	411	-	-165	246
Outstanding cash for the market-making agreement	524	206	-	730
GROSS TOTAL	**889,602**	**16,358**	**-19,358**	**886,602**
Impairment of shareholdings	-40,537	-19,864	13,075	-47,326
NET TOTAL	**849,065**	**-3,506**	**-6,283**	**839,276**

The increase in shareholdings is due to the recapitalisation of the subsidiaries: CDA Productions for €1.3 million, CDA Management for €0.6 million, Grévin Prague for €1 million, Grévin Seoul for €8.1 million and CDA Beijing for €0.6 million.

Disposals relate to:

- the removal of the securities of CADEVI and CDA Achats for €0.6 million, since these companies were fully transferred to the balance sheet of Compagnie des Alpes;
- the removal of the securities of Grévin Deutschland, for a gross value of €11.1 million and a net value of €2.9 million, following the disposal of the company to Looping Holding.

Furthermore, in 2016/2017, shareholdings were impaired under provisions in the amount of €19.9 million and were reversed in the amount of €4.8 million.

The change in non-consolidated securities is a result of the sale of the CI2S securities to Méribel Alpina to form Méribel Privé (gross value of €198 thousand, net value of €100 thousand).

The change in related receivables reflects the investment of parts of the proceeds of the Euro PP bond issue with CDA Financement (amount updated to €10 million) on the one hand, and the total advances of €0.5 million granted to 2CO IMMO and Foncière Rénovation Montagne. As consideration, By Grévin had repaid €2 million of its advance.

SUBSIDIARIES AND SHAREHOLDINGS

(in thousands of euros)

Financial information Subsidiaries and shareholdings	Legal structure	Last completed reporting period date	Equity interest at 30/09/2015 (direct and indirect)
Subsidiaries (at least 50% of the share capital held by the Company)			
BY GRÉVIN© – GENEVA (Switzerland)	SA	30/09/2017	100.00%
CDA-DS – SIREN no. 477 855 787 – 75009 PARIS	SAS	30/09/2017	100.00%
GRÉVIN & CIE – SIREN no. 334 240 033 – 60128 PLAILLY	SA	30/09/2017	100.00%
CDA FINANCEMENT - SIREN no. 482 940 616 – 75009 PARIS	SNC	30/09/2017	99.00%
CDA PRODUCTIONS – SIREN no. 421 155 458 – 75009 PARIS	SAS	30/09/2017	100.00%
MUSÉE GRÉVIN - SIREN no. 552 067 811 – 75009 PARIS	SA	30/09/2017	95.88%
FRANCE MINIATURE - SIREN no. 348 677 196 – 78990 ELANCOURT	SAS	30/09/2017	100.00%
HARDERWIJK HELLENDOORN HOLDING – NL 3840 - HARDERWIJK – The Netherlands	BV	30/09/2017	100.00%
BELPARK – B 8902 IEPER – BELGIUM	BV	30/09/2017	100.00%
SOCIÉTÉ DU PARC DU FUTUROSCOPE – SIREN no. 444 030 902 – 86130 JAUNAY CLAN	SA	30/09/2017	45.55%
CDA BRANDS – SIREN no. 383 926 532 – 75009 PARIS	SAS	30/09/2017	100.00%
AVENIR LAND – SIREN no. 311 285 068 – 38630 LES AVENIÈRES	SAS	30/09/2017	100.00%
CDA MANAGEMENT – SIREN no. 500 244 140 – 75009 PARIS	SAS	30/09/2017	100.00%
LOISIRS RE – L 8070 BERTRANGE (GD Luxembourg)	SA	30/09/2017	100.00%
CDA BEIJING BUSINESS CONSULTING – China – Beijing	Ltd	30/09/2017	100.00%
CDA DL – SIREN no. 534 737 432 – 75009 PARIS	SAS	30/09/2017	100.00%
INGELO – SIREN no. 534 870 803 – 73000 CHAMBÉRY	SAS	30/09/2017	100.00%
MUSÉE GRÉVIN MONTRÉAL [(c)] – MONTREAL QC (Canada)	Inc	30/09/2017	100.00%
MUSÉE GRÉVIN PRAGUE [(c)] – PRAGUE (Czech Republic)	Sro	30/09/2017	100.00%
MUSÉE GRÉVIN SÉOUL© – SEOUL 04523 Korea	Corporation	30/09/2017	92.43%
Shareholdings (10 to 50% of the share capital held by the Company)			
CMB - SIREN no. 605 520 584 [(1)] – 74400 CHAMONIX	SA	31/05/2017	37.49%
AZOR MANAGEMENT – MOSCOW (Russia)	LLC		15.00%

(a) Most recent closing date.
(b) Principal amount.
(c) Conversion for €1: CHF: 1.147 - CAD: 1.4639 - CZK: 26.075 - KRW: 1,348.89.
(d) Consolidated data of the subgroup at 31 May 2017.

3.3 CHANGE IN IMPAIRMENT OF NON-CURRENT FINANCIAL ASSETS

Shareholdings are tested annually for impairment, on the basis of a number of valuation factors (net assets, growth prospects determined in relation to the medium-term business plans of the companies in question, estimated realisable value, etc.).

After obtaining these estimates, the Company may recognise impairment losses on some of its shareholdings, where the valuation shows an unrealised capital loss in respect of the cost price.

3.4 LIQUIDITY CONTRACT AND TREASURY STOCK

Treasury stock and cash allocated to the liquidity contract are classified as “non-current financial assets”.

Pursuant to the share buyback programme authorised by the Combined Ordinary and Extraordinary Shareholders’ Meeting of 9 March 2017, CDA’s liquidity contract consisted of the following at 30 September 2017:

- 9,733 shares representing a gross book value of €245 thousand;
- cash of €730 thousand (principal and accrued interest).

Regarding the CDA stock price which stood at €26.95 at 30 September 2017, no impairment loss was recognised.

3.5 ACCOUNTS RECEIVABLE

The “accounts receivable” line item stood at €15,543 thousand. It comprised:

- trade receivables €2,252 thousand;
- tax and payroll receivables (VAT and CICE) €1,359 thousand;
- intra-group current accounts of tax consolidated subsidiaries €11,912 thousand;
- sundry receivables €20 thousand.

Share capital [a]	Shareholders' equity other than share capital incl. net income [a]	Loans and advances granted by the Company and still outstanding [b]	Amounts of guarantees and sureties given by the Company	Revenue (excl. VAT)[a]	Net income[a]	Dividends paid to CDA during the reporting period	Gross book value of securities	Net book value of securities
174	-1,417	-	-	7,543	-447	-	513	513
298,531	112,538	-	-	-	38,721	24,000	318,531	318,531
52,913	11,333	-	-	95,939	6,994	3,783	114,541	114,541
1,010	1,165	-	490,762	-	370	-	1,015	1,015
664	-857	-	-	946	-586	-	9,338	-
4,603	2,145	-	-	12,153	585	425	30,061	30,061
1,809	-518	-	-	3,628	-24	-	6,012	1,100
252	100,100	-	-	-	-3,011	-	105,478	105,478
97,164	-24,759	-	-	55,483	6,538	-	142,546	142,546
6,504	24,686	-	-	96,525	6,075	1,094	28,593	28,593
713	25,652	-	-	-	1,349	600	16,850	16,850
915	4,447	-	-	12,602	805	420	16,038	16,038
331	-340	-	-	1,209	-197	-	2,574	1,574
2,075	-	-	-	-	-	-	2,075	2,075
537	59	-	-	1,253	55	-	580	580
85	17	-	-	60	17	-	125	125
100	116	-	-	2,689	27	600	100	100
11,954	-7,092	-	-	1,701	-1,936	-	13,312	5,014
12,429	-11,093	-	-	1,401	-2,934	-	11,916	-
11,757	-9,021	-	-	1,230	-3,357	-	11,862	-
6,885	85,471	-	-	93,540	7,591	1,320	26,557	26,557
							55	55

3.6 PREPAID EXPENSES

The prepaid expenses of €1,351 thousand included:

- operating expenses of €851 thousand;
- financial expenses connected with the arrangement of two bond issues in 2010 and 2014 (amounting to €489 thousand) and issue premiums for the 2010 bond issue only (totalling €11 thousand). These costs are expensed on a straight-line basis over the term of the bond.

3.7. SHARE CAPITAL

At 30 September 2017, the share capital consisted of 24,362,421 ordinary shares with no stated nominal value.

The financial statements of Compagnie des Alpes and its subsidiaries are fully consolidated by Caisse des Dépôts et Consignations (CDC).

3.8 CHANGE IN SHAREHOLDERS' EQUITY

The change in shareholders' equity breaks down as follows:

(in thousands of euros)	Share capital	Issue premium and merger premium	Reserves	Retained earnings	Income	Regulated provisions	Shareholders' equity
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2015	**185,031**	**263,018**	**17,620**	**69,141**	**12,763**	**-**	**547,573**
Appropriation of results			638	12,125	-12,763		-
Dividend payout				-9,698			-9,698
Capital increase	332		-332				-
Net income for the period					13,379		13,379
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2016	**185,363**	**263,018**	**17,926**	**71,568**	**13,379**	**-**	**551,254**
Appropriation of results			1,337	12,042	-13,379		-
Dividend payout				-9,718			-9,718
Capital increase	340		-340				-
Net income for the period					2,478		2,478
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2017	**185,703**	**263,018**	**18,923**	**73,892**	**2,478**	**-**	**544,014**

The Shareholders' Meeting of 9 March 2017 approved the dividend distribution of €9,718 thousand during the appropriation of income for the reporting period ended 30 September 2016.

3.9 PROVISIONS FOR CONTINGENCIES AND CHARGES

(in thousands of euros)	At 30/09/2016	Increase	Decrease	At 30/09/2017
Provision for non-enforcement of appeal for Fort Fun	120	-	-120	-
Provision for affiliate risks	1,906	90	-906	1,090
Provision for double rent	163	-	-93	70
Provision for long-service awards	-	168	-	168
Provision for taxes on additional pension plans	-	339	-	339
Provision for contingencies	3,178	530	-346	3,362
Provisions for charges	175	-	-26	149
TOTAL	**5,542**	**1,127**	**-1,491**	**5,178**

Following the disposal of Grévin Deutschland, the receivables and the corresponding provision for risks in the amount of €120 thousand were reversed.

The provisions for affiliate risks were adjusted to the amount of recapitalisation carried out during the fiscal year and losses realised by the affiliates in the 2016/2017 fiscal year.

Compagnie des Alpes made a provision of €168 thousand to cover its commitments in terms of long-service awards, as well as a provision to cover the cost of taxes paid on additional pension commitments.

Provisions for contingencies are related to identified risks or ongoing disputes. A provision of €0.3 million was made in the 2016/2017 fiscal year to cover the risk of non-recovery of a financial advance granted to a third-party and the corresponding interest.

3.10 FINANCIAL DEBT

(in thousands of euros)	At 30/09/2016	Increase	Decrease	At 30/09/2017
Bonds	300,000	-	-	300,000
Accrued interest not yet due on bonds	10,697	10,671	-10,697	10,671
Bank overdrafts	226	16	-226	16
TOTAL	**310,923**	**10,687**	**-10,923**	**310,687**

Maturities of the Company's financial debt break down as follows:

Borrowings	Total	Maturity at less than 1 year	From 1 to 2 years	From 2 to 3 years	From 3 to 4 years	From 4 to 5 years	Over 5 years
Bank borrowings	-	-	-	-	-	-	-
Bonds	300,000	200,000	-	-	-	-	100,00-
Interest on bonds	10,671	10,671	-	-	-	-	-
Bank overdrafts (incl. intra-group)	16	16	-	-	-	-	-
TOTAL	**310,687**	**210,687**	**-**	**-**	**-**	**-**	**100,000**

The two bonds (for €200 million in 2010 and €100 million in 2014) are accompanied by a shareholder clause stipulating that the direct or indirect shareholding of Caisse des Dépôts in Compagnie des Alpes SA must be greater than or equal to 33.33%. If, without prior consent by the lending institution, Caisse des Dépôts were to directly or indirectly own less than 33.33% of the share capital and voting rights of the borrower, the lender could immediately call in the loan.

The bonds come with the obligation to respect a financial ratio based on the consolidated financial statements of Compagnie des Alpes Group.

The ratio that must be respected is the following:

	Covenant	Ratio at 30/09/2017
Consolidated net debt/Consolidated EBITDA	< 3.50	1.87

At 30 September 2017, this ratio was respected.

3.11 OPERATING LIABILITIES

Operating liabilities break down as follows:

(in thousands of euros)	At 30/09/2017	At 30/09/2016
Trade payables	7,136	4,977
Liabilities towards staff and social security bodies	7,322	7,112
Tax liabilities (VAT and other taxes)	370	1,366
Tax consolidation current accounts	8,479	7,326
Corporate tax liabilities	373	2,120
Other debt	-	410
TOTAL	**23,680**	**23,311**

Note 4 Notes relating to the income statement

4.1 REVENUE

Revenue amounted to €27.6 million. These mainly consist of services provided by the Company on behalf of its subsidiaries (operational services and holding company services) and staff seconded to subsidiaries.

The increase recorded compared with the same period one year prior comes from CADEVI's resumption of operations.

4.2 OPERATING EXPENSES

Operating expenses amounted to €38.5 million and increased by €1 million compared to the previous year, mainly due to costs incurred in connection with the Group's refinancing for €0.8 million, as well as the CADEVI's resumption of operations amounting to €0.6 million.

4.3 NET FINANCIAL INCOME

(in thousands of euros)	At 30/09/2017	At 30/09/2016
Dividends	32,242	32,615
Income on financial receivables	246	298
SUBTOTAL DIVIDENDS AND INCOME ON FINANCIAL RECEIVABLES	**32,488**	**32,913**
Interest expense on loans and cash pools	-11	-
Interest expense (bond)	-13,845	-13,914
SUBTOTAL FINANCING COSTS	**-13,856**	**-13,914**
Merger deficit	-	-809
Reversal of financial provisions	4,797	13,016
Impairment of non-current financial assets	-19,864	-16,466
SUBTOTAL: PROVISIONS AND IMPAIRMENT (NET)	**-15,067**	**-4,259**
Foreign exchange gains (losses)	-5	-
NET FINANCIAL INCOME	**3,560**	**14,740**

Dividends amounted to €32.2 million compared to €32.6 million in 2016.

Further impairments of shareholdings were recorded for an amount of €19.9 million and reversals were recorded for €4.8 million. They were taken into account under subsidiaries and shareholdings in Note 3.2.

4.4 NET EXTRAORDINARY INCOME

Net extraordinary income amounted to €3.2 million. It mainly includes net capital gains from the disposal of Grévin Deutschland for an amount of €1.9 million, the reversal of a provision for affiliate risk of €0.9 million as well as the merger premium for CADEVI and CDHA for €0.2 million.

4.5 INCOME TAX

For the fiscal year ended 30 September 2017, Compagnie des Alpes continued to act as the head company of the tax consolidation group. Consolidated subsidiaries were as follows:

- Grévin & Cie;
- Musée Grévin;
- France Miniature;
- CDA-Domaines Skiables;
- Méribel Privé (formerly Compagnie Immobilière des 2 Savoie);
- CDA Financement;
- Méribel Alpina;
- SCV Domaine Skiable (Serre Chevalier);
- CDA Productions;
- Avenir Land (Walibi Rhône-Alpes);
- Société d'Aménagement de la Station de La Plagne (SAP);
- Arcs Domaine Skiable (ADS);
- CDA Ski Diffusion;
- CDA Management;
- INGELO;
- DAL;
- SC2A SARL;
- CDA DL;
- Val-d'Isère Téléphériques;
- Valbus;
- CDA Brands;
- Serre Chevalier Bail;
- Val-d'Isère Immo.

The tax consolidation regime of Compagnie des Alpes is based on the general principle of financial neutrality. Each subsidiary member of the tax group states income tax as if the subsidiary were not consolidated, and the parent company declares the total income tax of the tax group.

The tax group reported taxable earnings of €39.9 million. The tax group incurred income tax of €13.3 million.

In light of the tax contributed by the tax consolidated subsidiaries (€19.4 million), the accounting income generated by the tax consolidation totalled €6.1 million.

Note 5 Off-balance sheet commitments

The commitments given include:

- the sureties given on the rents from Prague and Montreal (for €2 million);
- a bank guarantee and parent company guarantee at first request of CHF750 thousand each, given for the By Grévin site;
- a parent company guarantee at first request given to the City of Paris for Jardin d'Acclimatation in the amount of €123 thousand until 31 December 2017.

The commitments received are as follows:

- when acquiring Futuroscope (in January 2011), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it (for €15.7 million) for post-transaction damages. These representations and warranties remain in force until the corresponding legal and regulatory terms expire.

Note 6 Events after the reporting date

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

Note 7 Earnings and other key information over the past five reporting periods

TABLE OF INCOME FOR 5 YEARS

Description *(amounts in €)*	30/09/2013	30/09/2014	30/09/2015	30/09/2016	30/09/2017
Share capital at reporting date					
a) Share capital	184,701,775	185,030,527	185,030,527	185,362,679	185,703,368
b) Ordinary shares outstanding	24,231,022	24,274,151	24,274,151	24,317,726	24,362,421
c) Convertible bonds outstanding					
Operations and net income for the period					
a) Sales	31,746,385	27,738,692	29,565,808	27,007,717	27,573,778
b) Net income before tax, profit-sharing, amortisation, depreciation and provisions	11,033,535	5,099,261	-11,040,791	10,527,492	10,958,507
c) Income tax	-7,973,023	-7,731,142	-7,444,803	-7,284,000	-6,391,332
d) Net income after tax, profit-sharing, amortisation, depreciation and provisions	-5,312,334	2,715,156	12,763,210	13,379,298	2,477,936
e) Distributed earnings	-	8,462,393	9,697,908	9,718,410	DA
Earnings per share					
a) Net income after tax, profit-sharing, but before amortisation, depreciation and provisions	0.78	0.53	-0.15	0.73	0.71
b) Net income after tax, profit-sharing, amortisation, depreciation and provisions	-0.22	0.11	0.53	0.55	0.10
c) Dividend per share	-	0.35	0.40	0.40	DA
Personnel					
a) Average headcount	114	126	125	109	122
b) Total payroll for the reporting period	11,771,361	12,824,147	14,300,916	13,871,806	13,451,976
c) Amounts paid in employee benefits over the reporting period	6,547,939	6,602,823	7,124,136	5,735,114	7,024,197

5.4.3 STATUTORY AUDITORS' REPORT ON THE ANNUAL FINANCIAL STATEMENTS

To the Shareholders of Compagnie des Alpes,

Opinion

Under the terms of the mission entrusted to us by your General Meeting, we have performed an audit of the annual financial statements of Compagnie des Alpes for the fiscal year ended 30 September 2017, such as they are attached to this report.

We certify that, as per French generally accepted accounting principles, the annual financial statements give a true and fair view of the operating performance over the past fiscal year as well as of the financial position and assets and liabilities of the company at the end of that fiscal year.

The opinion expressed above is consistent with the content of our report to the audit committee.

Basis for our opinion

Audit guidelines

We have carried out our audit in accordance with the professional standards applicable in France. We feel that the audit evidence we collected provides a sufficient and adequate basis for our opinion.

The responsibilities assigned to us pursuant to these standards are presented in the section "Responsibilities of the Statutory Auditors regarding the audit of the annual financial statements" in this report.

Independence

We have carried out our audit in compliance with the independence rules applicable to us, during the period between 1st October 2016 and the date of our report, and in particular we have not provided services prohibited under Article 5, paragraph 1, of Regulation (EU) No. 537/2014 or under the French Code of Ethics for Statutory Auditors.

Justification of our assessments - Key points of the audit

Pursuant to the provisions of Articles L. 823-9 and R. 823-7 of the French Commercial Code regarding the justification of our assessments, we draw your attention to the key points of the audit regarding the risks of material misstatement which, in our professional judgement, were most significant in the audit of the annual financial statements for the fiscal year, as well as the responses we have provided with regard to these risks.

These assessments were made as part of our audit of the annual financial statements taken as a whole and the formation of our opinion expressed above. We express no opinion on specific elements of the annual financial statements.

Valuation of shareholdings

Risk identified

Most of the Company's assets are shareholdings that are measured in line with the method indicated in subsections 2.3 and 3.3 of the Notes to the annual financial statements.

We have considered the valuation of shareholdings to be a key point of the audit given their significance in the annual financial statements and because the determination of their recoverable amount, based on multi-criteria valuation methods, requires the use of assumptions, estimates and assessments likely to have a material impact on the provisions for impairment recorded.

Our response

We have reviewed the impairment testing methods applied by the company. These are notably based on the medium-term plans prepared for each subsidiary, reviewed and approved by the company's governance.

We have assessed:

- the quality of the process for the preparation and approval of budgets and forecasts;
- the appropriateness of the main estimates used, in particular cash flow forecasts and the long-term growth rates and discount rates used.

We have also analysed the consistency of forecasts and performed our own sensitivity analyses on the impairment tests.

These analyses were carried out with the assistance of our valuation experts and have been shared with the company's Executive Management team.

Based on our research, we have no reason to challenge the results of the impairment tests or the figures presented in Note 3.2 of the notes to the annual financial statements.

Verification of the management report and other documents provided to Shareholders

We also carried out, in accordance with standards for professional practice in France, the special checks required by law.

We have no comments to make regarding the accuracy and consistency with the annual financial statements of the disclosures in the management report of the Board of Directors or in the other documents provided to shareholders on the financial position of the company and the annual financial statements.

With respect to the disclosures made pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the compensation and benefits paid to corporate officers as well as the commitments made to them, we checked their consistency with the financial statements or with the data used to prepare these financial statements and, as the case may be, with the items received by the company from companies controlling the company or controlled by it. On the basis of this work, in our opinion these disclosures are accurate and fair.

In accordance with the law, we have determined that the various information relating to the identity of holders of the share capital or voting rights have been presented to you in the management report.

Information under other legal and regulatory obligations

Appointment of the Statutory auditors

Our mandates as Statutory auditors of Compagnie des Alpes were renewed by your Shareholders' Meetings of 15 March 2016 for the firm Mazars and 15 March 2012 for the firm PricewaterhouseCoopers Audit.

On 30 September 2017, the firm Mazars was in the 20th year of its mission without interruption and the firm PricewaterhouseCoopers Audit was in its 27th year, i.e. 20 and 24 years respectively since the company's shares were listed for trading on a regulated market.

Responsibilities of the management and the persons responsible for corporate governance with regard to the annual financial statements

It is the responsibility of the management to prepare annual financial statements that present a true and fair view of the company in accordance with French accounting rules and principles, as well as to implement the internal control system it deems necessary to ensure the annual financial statements are free from material misstatements, whether due to fraud or error.

At the time of preparation of the annual financial statements, it is the responsibility of the management to assess the company's ability to continue its operations, to present in these financial statements, where applicable, the necessary information relating to business continuity and to apply the accounting concept of going concern, except where the company plans to liquidate or cease trading.

It is the responsibility of the audit committee to monitor the process by which financial information is prepared and the efficiency of the internal control and risk management systems, as well as, where applicable, that of the internal audit, with regard to procedures for preparing and processing accounting and financial information.

The annual financial statements have been adopted by the Board of Directors.

Responsibilities of the Statutory auditors regarding the audit of the annual financial statements

Audit objective and approach

It is our responsibility to prepare a report on the annual financial statements. Our objective is to obtain reasonable assurance about whether the annual financial statements taken as a whole are free from material misstatement. Reasonable assurance corresponds to a high level of assurance but does not guarantee that an audit performed in accordance with professional standards of practice will systematically detect all material misstatements. Misstatements can arise due to fraud or error and are considered to be material if they, individually or in the aggregate, could be reasonably expected to influence the economic decisions of users taken on the basis of the financial statements.

As stated in Article L. 823-10-1 of the French Commercial Code, our duty to certify the financial statements does not consist of guaranteeing the viability or quality of the management of your company.

A more detailed description of our responsibilities as Statutory Auditors regarding the audit of the annual financial statements is presented under "Additional information" in this report and forms an integral part thereof.

Report to the audit committee

We provide a report to the audit committee which notably presents the scope of the audit and the programme of work carried out, as well as the conclusions arising from our work. We also draw the attention of the committee, where applicable, to significant weaknesses in the internal control system that we have identified concerning procedures for the preparation and processing of accounting and financial information.

Among the information presented in the report to the audit committee, are the risks of material misstatement that we deem the most significant for the audit of the annual financial statements for the fiscal year and that consequently constitute the key points of the audit, which we must describe in this report.

We also provide to the audit committee the declaration referred to in Article 6 of Regulation (EU) No. 537/2014 confirming our independence, within the meaning of the rules applicable in France such as they are set out by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where applicable, we discuss any risks that may threaten our independence and the safeguard measures applied with the audit committee.

Neuilly-sur-Seine and Courbevoie, 23 January 2018

Statutory auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

Additional information - Detailed description of the responsibilities of the Statutory auditors

In the context of an audit performed in accordance with the professional standards of practice applicable in France, the Statutory auditor exercises his or her professional judgement throughout the audit. Furthermore:

- he or she identifies and assesses the risks that the annual financial statements may contain material misstatements, whether these are due to fraud or error, defines and implements audit procedures to address such risks and collects evidence that he or she considers sufficient and appropriate as a basis for his or her opinion. The risk of not detecting a material misstatement arising from fraud is greater than that of a material misstatement resulting from error, because fraud may involve collusion, falsification, wilful omission, false statements or circumvention of the internal control system;
- the auditor reviews the internal control system relevant to the audit in order to define audit procedures that are appropriate in the circumstances, and not in order to express an opinion on the effectiveness of the internal control system;
- he or she assesses the appropriateness of the accounting methods used and the reasonableness of accounting estimates made by management, as well as the related information provided in the annual financial statements;
- he or she assesses the appropriateness of management's application of the accounting principle of going concern and, depending on the evidence collected, the existence or otherwise of significant uncertainty relating to events or circumstances likely to call into question the company's ability to continue operating. This assessment is based on the evidence collected up to the date of the auditor's report, bearing in mind that subsequent circumstances or events could jeopardise business continuity. If the auditor identifies the existence of significant uncertainty, he or she shall draw readers' attention to the information provided in the annual financial statements regarding this uncertainty or, if this information is not provided or is not relevant, he or she shall prepare a certification with reservation or refuse to certify the financial statements;
- the auditor evaluates the overall presentation of the annual financial statements and assesses whether the annual financial statements reflect underlying operations and events so as to give a true and fair view.

5.4.4 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Shareholders' Meeting called to approve the financial statements for the fiscal year ended 30 September 2017

Dear Shareholders,

As Statutory auditors of the Company, we hereby present to you our report on regulated agreements and commitments.

It is our duty to inform you, based on the information provided to us, of the basic features, terms and procedures and justification, in terms of interest for the Company, of the agreements and commitments brought to our attention, or that we identified in the course of our work, without having to comment on their utility or validity or look for other agreements or commitments. It is your responsibility, pursuant to the provisions of Article R. 225-31 of the French Commercial Code, to assess the benefits accruing from these agreements and commitments when considering their approval.

In addition, where applicable, we are required to communicate the information provided for in Article R. 225-31 of the French Commercial Code regarding the performance, during the past fiscal year, of any agreements already approved by the Shareholders' Meeting.

For this mission we have applied due diligence that we consider to be in compliance with the professional standards of the French Statutory auditors' association (Compagnie Nationale des Commissaires aux Comptes). This due diligence consisted of verifying the consistency of the information provided us with the information in the underlying documentation from which it was taken.

Agreements and commitments submitted for approval to the Shareholders' Meeting

Agreements and commitments authorised during the past financial year

In accordance with the provisions of Article L. 225-40 of the French Commercial Code, we were informed that the following agreements and commitments were subject to the prior authorisation of your Board of Directors.

Refinancing – establishment of an amendment to the credit facility agreement and a new depreciable term loan agreement

On 26 January 2017, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the signing of a credit agreement, wherein your Company, acting in the capacity of "Debtor" and "Guarantor", alongside the "Borrower", its subsidiary CDA-Financement:

- of an amendment to the credit facility agreement dated 7 May 2014: this amendment, which was signed on 23 February 2017, increases the amount of the revolving credit facility from €250 million to a maximum principal amount of €260 million. This made it possible to review the margins and add two one-year extension options (May 2022 and May 2023). CDA-Financement's outstanding amount at 30 September 2017, corresponding to your Company's guarantee commitment, was zero as no disbursement had been requested as of 30 September 2017;
- a new depreciable term loan agreement for a principal amount of €80 million consisting of a revolving credit facility maturing in 2022 for the A tranche (50%) and in 2023 for the B tranche (50%). CDA-Financement's outstanding amount at 30 September 2017, corresponding to your Company's guarantee commitment, was zero as no disbursement had been requested as of 30 September 2017.

The carrying costs of these refinancing transactions enacted over the fiscal year were €1.1 million.

Persons concerned: Caisse d'Epargne et de Prévoyance de Rhône-Alpes, represented by Marion Rouso, Crédit Agricole des Savoies, represented by Jean-Yves Barnavon, and Banque Populaire d'Auvergne Rhône-Alpes, represented by Daniel Karyotis, directors of Compagnie des Alpes.

Justification in terms of benefit for the Company: the establishment of these two agreements is in keeping with the Group's refinancing, which offers a chance to lock in the current low rates, reduce annual financial expenses and extend the initial maturities.

Unemployment insurance of the Chairman and Chief Executive Officer

On 9 March 2017, the Board of Directors authorised the purchase of private unemployment insurance from the Association pour la Garantie Sociale des Chefs et Dirigeants d'Entreprise (GSC) for Mr Dominique Marcel, Chairman and Chief Executive Officer.

The annual cost is €12,000 for the first year of membership. €31,000 will be paid for the subsequent years.

Renewal of the severance package due or likely to be paid to Mr Dominique Marcel in the event of the termination of his tenure as Chairman and Chief Executive Officer of Compagnie des Alpes

On 9 March 2017, upon the renewal of its term of office, the Board of Directors of Compagnie des Alpes (CDA) decided to renew the commitment made by the Company regarding the severance pay due or likely to be paid to CDA's Chairman and Chief Executive Officer in the event of the termination of his tenure.

Conditions for attribution and calculation are comparable to those that had been decided for the duration of his previous mandate but were restated by the Board of Directors to take into account changes in the provisions of the AFEP/MEDEF Code in this regard.

Severance pay may therefore be awarded to Mr Dominique Marcel by the Company under the following conditions:

(a) Compensation may be paid in the event of forced departure from the Company, regardless of the form of such departure and in particular following the revocation or non-renewal of his position as Chairman and Chief Executive Officer, except in case of serious misconduct or gross negligence (as defined by the French Labour Code).

No compensation will be paid to Mr Dominique Marcel if he leaves the Company on his own initiative to perform new duties or changes position within the Group, or if he has the option to claim his pension rights at full rate, or in the case of serious misconduct or gross negligence.

(b) Severance pay is subject to individual and Group performance criteria. These performance criteria shall be assessed on the date the tenure of corporate office is terminated:

- individual performance criteria: shall be met if, averaged over the previous three full fiscal years, the average bonus awarded by the Board to Mr Dominique Marcel exceeds 30% of the maximum bonus;
- group performance criteria: shall be met if, averaged over the previous three full fiscal years, and on the basis of the consolidated accounts, the EBITDA margin is at least 20% like for like.

The Board may revise these performance criteria whenever a mandate is renewed.

(c) The amount of this severance pay shall be twice Mr Dominique Marcel's basic annual salary.

The "basic annual salary" shall be his last gross basic annual salary, including the gross amount of the bonus paid him for the most recent full fiscal year, and excluding the amount of benefits in kind, reimbursements for professional expenses, and any financial instruments and stock options granted during that period.

Severance pay shall only be due after the CDA Board of Directors has ascertained that the above criteria have been met. It shall be deemed to include any compensation for unfair dismissal.

Inclusion of Dominique Marcel, Chairman-Chief Executive Officer, in a pension plan combining defined contributions and defined benefits

The inclusion of Dominique Marcel in a pension plan combining defined contributions and defined benefits was authorised by the Board of Directors on 19 March 2009, and by the Supervisory Board on 30 September 2008.

As Chairman-Chief Executive Officer, Dominique Marcel is covered by a Group supplemental pension plan for Group Executive Management. This comprises a defined-benefit plan and a defined-contribution plan.

Dominique Marcel has already reached the maximum level of conditional rights under this plan. According to the terms of the pension regulations, the annual pension increases by 1% per year of seniority and is capped at 10% of the reference compensation. However, Dominique Marcel has more than ten years of seniority. Consequently, no increase in the conditional rights under the said pension plan will be granted to Dominique Marcel during the term of his new mandate.

In this context, the Board of Directors has decided to recognise the "freezing" of pension rights under the abovementioned plan as of 9 March 2017, by using the compensation granted for the 2015/2016 fiscal year as a reference.

The actuarial obligation at 30 September 2017 was €987 thousand.

Agreements authorised since the close of the fiscal year

We have been informed that the following agreements and commitments were authorised since the close of the past financial year and were subject to the prior authorisation of your Board of Directors.

Agency agreement between Compagnie du Mont-Blanc SA (CMB) and Compagnie des Alpes (CDA) including CMB in the Group liability and property damage and business interruption insurance programme.

On 19 October 2017, the Board of Directors of Compagnie des Alpes (CDA) granted authority to CDA to negotiate and take out liability and property damage and business interruption insurance in the name and on behalf of CMB and CMBR.

Persons concerned: Agnès Pannier-Runacher, Deputy Managing Director of Compagnie des Alpes and director of the public limited company Compagnie du Mont-Blanc (CMB).

Justification in terms of benefit for the Company: CDA is not compensated for performing the mandate. However, including CMB in the Group insurance programmes leads to an economy of scale due to higher insurable volume (CMB accounts for around 10% of the total), in terms of capital for the property damage and business interruption insurance and in terms of revenue for the Group liability insurance.

Agreements and commitments already approved by the Shareholders' Meeting

Agreements and commitments approved in previous fiscal years

a) that continued to be performed during the past fiscal year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements that had already been approved in previous fiscal years continued to be performed in the reporting period ended.

Services agreement with Société du Parc du Futuroscope

On 29 October 2015, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the implementation of a services agreement with the Parc du Futuroscope ("Futuroscope").

CDA, the reference shareholder of Futuroscope, has the structure, experience, organisation and resources that make for its reputed and long-standing expertise in administrative, financial, technical and operational fields. This allows it to offer reliable and efficient support to its subsidiaries in the above-mentioned areas.

Futuroscope has stated its desire to avail itself of the assistance and know-how that CDA can provide to optimise its management and the conduct of its business.

Futuroscope will be invoiced under the General Assistance Agreement, for a total of €900 thousand for the period from 1st October of year N to 30 September of year N+1. This amount was calculated to consider the services actually performed by CDA as well as the resources implemented by Futuroscope itself in the areas concerned.

This agreement came into effect retroactively on 1st October 2014.

At 30 September 2017, income stemming from the agreement amounted to €900,000.

Implementation of the Foncière Rénovation Montagne project

On 12 April 2013, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the implementation of the Foncière Rénovation Montagne (Mountain Real Estate Refurbishment) project and the signing of the related contracts.

Thus, in April 2013, Caisse des Dépôts, Banque Populaire des Alpes (BPA), Caisse d'Épargne Rhône Alpes (CERA), Crédit Agricole des Savoie (CAS) and CDA jointly established Foncière Rénovation Montagne, a company dedicated to the financing and refurbishment of mountain tourism accommodation.

On that date, the share capital of Foncière Rénovation Montagne was 48.8% held by Caisse des Dépôts, 16% held by BPA, 16% held by CERA, 9.6% held by CAS and 9.6% held by CDA.

In this context, local real estate companies were established. They are owned by Foncière Rénovation Montagne (the majority shareholder) as well as by local public and private stakeholders (resorts/valleys) such as the ski lift companies and local authorities, via relevant Mixed Economy Companies.

As at 30 September 2017:

- CDA holds a 9.6% stake in Foncière Rénovation Montagne, representing an investment of €786 thousand;
- CDA's investments in the equity of the four local real estate companies amount to €281 thousand (unchanged from 30 September 2016):
  - Foncière des Ecrins: €111 thousand, or 3.1% of the share capital,
  - Foncière les Arcs: €59 thousand, or 4.5% of the share capital,
  - Foncière les Menuires: €56 thousand or 7.7% of the share capital,
  - Foncière la Plagne: €55 thousand or 3.0% of the share capital;
- The current account advances granted to Foncière Rénovation Montagne and the local real estate companies amount to €1,071 thousand and €434 thousand, respectively.

Licensing agreement with Caisse des Dépôts et Consignations

On 28 June 2005, the Supervisory Board approved the signing of a license agreement for the use of the names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts". In consideration, Compagnie des Alpes pays an annual fee of 0.2% of consolidated annual sales (net of VAT), weighted according to the percentage of share capital held by Caisse des Dépôts et Consignations in Compagnie des Alpes at 1st January of each fiscal year.

At 30 September 2017, expense stemming from the agreement amounted to €551 thousand.

Inclusion of Agnès Pannier-Runacher, Deputy Chief Executive Officer, in a pension plan combining defined contributions and defined benefits

On 18 December 2012, the Board of Directors authorised the inclusion of Agnès Pannier-Runacher in a pension plan combining defined contributions and defined benefits.

As Deputy Chief Executive Officer, Agnès Pannier-Runacher is covered by a Group supplemental pension plan for Group Executive Management. This comprises a defined-benefit plan and a defined-contribution plan.

The actuarial obligation at 30 September 2017 was €184 thousand.

b) not performed during the past fiscal years

Furthermore, we were informed of the continued existence of the following agreements and commitments, already approved by the Shareholders' Meeting in prior fiscal year, that were not performed during the past fiscal year.

Severance package due or likely to be paid to Agnès Pannier-Runacher in the event of the termination of her tenure as Deputy Chief Executive Officer of Compagnie des Alpes

On 18 December 2012, the Board of Directors of Compagnie des Alpes (CDA) decided to appoint Agnès Pannier-Runacher as Deputy Chief Executive Officer of the Group, effective from 28 January 2013.

In case of permanent departure from the company, severance pay basically comprising two years of her salary will be paid to Agnès Pannier-Runacher. This payment will be conditional on the following:

- an individual performance criterion: it will be met if, averaged over the previous three full fiscal years, the average portion of the variable compensation granted by the Board to Agnès Pannier-Runacher exceeds 30% of the maximum variable portion that can be awarded;
- a Group performance criterion: shall be met if, averaged over the previous three full fiscal years, and on the basis of the consolidated accounts, the EBITDA margin is at least 20% like for like.

No severance payment was made in respect of the period ended 30 September 2017.

Neuilly-sur-Seine and Courbevoie, 23 January 2018

Statutory auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

6

SHARE CAPITAL AND SHAREHOLDER STRUCTURE

6.1 Share capital

At 30 September 2017, Compagnie des Alpes share capital stood at €185,703,368.39. It comprised 24,362,421 fully paid-up shares with no nominal value.

These shares account for 100% of the capital and voting rights outstanding.

There are no outstanding founder's shares, no income-sharing certificates, no convertible or exchangeable bonds, no voting rights certificates or investment certificates. There are no double voting rights or preferred-dividend shares outstanding.

6.1.1 CHANGE IN THE COMPANY'S SHARE CAPITAL OVER THE LAST FIVE YEARS

With the decision dated 10 April 2017, the Chairman and Chief Executive Officer recognised the capital increase following the outcome of Plan no. 18, by creating 44,695 new shares. The share capital remained unchanged in the 2016/2017 fiscal year.

		Amount of changes in capital			
Date	Transaction type	Nominal value	Prime	Consecutive amounts of capital	Number of shares comprising the capital
30 September 2010	Share capital at end of fiscal year		–	183,836,427.02	24,117,497
21 March 2011	Full vesting of free shares	276,423.55	–	184,112,850.57	24,153,761
19 March 2012	Full vesting of free shares	266,300.83	–	184,379,151.40	24,188,697
18 March 2013	Full vesting of free shares	322,623.73	–	184,701,775.13	24,231,022
17 March 2014	Full vesting of free shares	328,752.24	–	185,030,527.37	24,274,151
14 March 2016	Full vesting of free shares	332,151.89	–	185,362,679.26	24,317,726
10 April 2017	Full vesting of free shares	**340,689.13**		**185,703,368.39**	**24,362,421**
30 September 2017	**Share capital at end of fiscal year**	**–**	**–**	**185,703,368.39**	**24,362,421**

6.1.2 TREASURY STOCK

At 30 September 2017, the Company owned 15,963 shares of treasury stock, valued at €345,274.85.

6.1.2.1 Share buybacks

From 1st October 2016 to 30 September 2017, there were two successive share buyback programmes under the authorisations granted by the Shareholders' Meeting to allow the Company to buy back CDA shares, with total treasury stock limited to 10% of the share capital:

- the programme already in place during the preceding fiscal year, implemented on 19 May 2016 by the Board of Directors on the basis of the authorisation given to it by the Shareholders' Meeting of 10 March 2016;
- a new share buyback programme, implemented by the Board on 18 May 2017, pursuant to the new authorisation given to it by the Shareholders' Meeting of 9 March 2017.

The latter authorisation was granted to the Board of Directors for a new period of 18 months.

Pursuant to Articles 241-1 to 241-6 of the AMF general regulation and European Regulation (EC) No. 596/2014 of 16 April 2014, this document outlines the goals and procedures of the programme, identical to those of the previous programme, namely:

- ensuring the market-making on the secondary market or the liquidity of the Compagnie des Alpes share by an investment-service provider under a liquidity contract, in compliance with an AMF-recognised Ethics Charter;
- holding, selling or transferring the aforesaid shares by any means, especially through exchange or delivery of securities, particularly in the framework of acquisitions or the issuance of securities giving access to 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 procedures provided for by 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.

During the 2016/2017 fiscal year, the share buyback programme was used for the market-making of the share under the liquidity contract in force - see below.

6.1.2.2 Liquidity contract

The liquidity contract signed with Natixis in May 2015 expired on 30 September 2016. On 4 October 2016, and for an initial period of one year, which can be renewed by tacit consent, the new liquidity contract was granted to Oddo & Cie.

This liquidity contract, compliant with the AMAFI Ethics Charter approved by the AMF with the decision dated 8 March 2011, is fully dedicated to the management of Compagnie des Alpes securities. The above-mentioned means provided in securities and cash were transferred and allocated to the new liquidity account opened with Oddo & Cie.

During the 2016/2017 fiscal year, under these two successive liquidity contracts, 185,629 shares were purchased and 194,413 shares were sold.

6.1.2.3 Share awards to employees

In 2016/2017, the Company did not proceed with any share buybacks for free share awards to employees under performance plans.

At 30 September 2017, the Company owned 6,170 shares allocated for the same purpose.

6.1.2.4 Annual summary of buybacks

The share buyback programme results, from 1st October 2016 to 30 September 2017, are illustrated below:

Position at 30 September 2017	
Percentage of treasury stock, held directly or indirectly	Not significant
Number of shares cancelled over the last 24 months	None
Number of shares in the portfolio (1)	15,693
Carrying amount of portfolio at 30 September 2017 *(in thousands of euros)*	345
Portfolio market value at 30 September 2017 *(in thousands of euros)* (2)	422

(1) Of which 9,793 shares allocated to the liquidity contract and 6,170 shares allocated for awards to employees.
(2) On the basis of the stock price of €26.95 per share at 30 September 2017.

Accumulated gross transactions at 30 September 2017	**Purchases**	**Sales**	**Transfers**
Number of shares	185,629	193,413	–
Average transaction price *(in euros)*	21.38	21.48	–
Average exercise price *(in euros)*	21.94	21.94	–
Amounts *(in thousands of euros)*	3,969	4,175	–

It must be noted that the Company did not use derivative instruments.

6.1.3 AUTHORISATIONS TO INCREASE SHARE CAPITAL

All of the current authorisations regarding share capital increases are those given by the Extraordinary Shareholders' Meeting of 10 March 2016 for a duration of 26 months. All the current authorisations are therefore valid until May 2018.

The powers conferred upon the Board of Directors for increasing share capital, and the use of those powers where applicable, are set out in the summary table below:

Purpose of the powers	Date of the ESM	Deadline	Maximum amount authorised	Utilisations	Unutilised authorisation balance at 30/09/2017
Authorisation to award performance shares to employees and Group corporate officers	10/03/2016 (17th resolution)	26 months (until 10/05/2018)	1% of capital on the day of award decision, in addition to a maximum of 7% of the capital for all outstanding free shares and stock options	None	1% of the capital on the day of the Board's decision / Balance of the maximum limit: 6.55% (number of awarded free shares representing 0.4% of the capital)
Powers to increase capital with preferential subscription rights (issues reserved for shareholders)	10/03/2016 (18th resolution)	26 months (until 10/05/2018)	Shares: €90 million Debt securities: €100 million	None	Shares: €90 million Debt securities: €100 million
Powers to increase capital with elimination of preferential subscription rights, by public offering	10/03/2016 (19th resolution)	26 months (until 10/05/2018)	Shares: €45 million (with priority period) or €35 million (with no priority period) Debt securities: €100 million	None	Shares: €45 million (with priority period) or €18 million (with no priority period) Debt securities: €100 million
Powers to increase capital without preferential subscription rights, by private placement offering	10/03/2016 (20th resolution)	26 months (until 10/05/2018)	Shares: powers as above, within a maximum of 20% of share capital Debt securities: €100 million	None	Shares: powers as above, within a maximum of 20% of share capital Debt securities: €100 million
Powers to increase capital without preferential subscription rights to pay contributions in kind with shares	10/03/2016 (21st resolution)	26 months (until 10/05/2018)	10% of share capital (currently €18.5 million)	None	10% of share capital (currently €18.5 million)
Powers to increase the capital through the incorporation of additional paid-in capital, reserves, profits or others	10/03/2016 (22nd resolution)	26 months (until 10/05/2018)	Shares: €30 million	None	Shares: €30 million
Powers to increase capital by employee issue under the Group Employee savings plan	10/03/2016 (23rd resolution)	26 months (until 10/05/2018)	703,000 shares (2.9% of share capital, currently €5.4 million)	None	703,000 shares 2.9% of capital (currently €5.4 million)
Total cash limit of all authorisations and powers combined	10/03/2016 (24th resolution)		Shares: €90 million Debt securities: €200 million		Shares: €90 million Debt securities: €200 million

The only authorisation used by the Board during the fiscal year is the one granted for awarding free shares in the Company (17th resolution), 59,400 performance shares thus being awarded as part of Plan no. 20 implemented on 28 March 2017.

6.1.4 POTENTIAL SHARE CAPITAL

At 30 September 2017, the potential capital represented 0.46% of the share capital, in the form of 113,950 outstanding entitlements to free shares.

6.1.5 MANAGEMENT AND EMPLOYEE INTEREST IN THE SHARE CAPITAL OF COMPAGNIE DES ALPES

From fiscal year 2009/2010, the plans implemented by Compagnie des Alpes to build loyalty amongst senior executives and certain Group managers were limited to “performance share grants”, excluding any issue of stock options.

Compagnie des Alpes’ Executive corporate officers no longer wished to receive these awards as of 2009/2010.

6.1.5.1 Stock options

The 34,536 stock options in circulation under Plan no. 12 (see Chapter 5, Note 6.9 to the Consolidated Financial Statements) reached maturity in March 2016. None of these options was exercised before this date due to the strike price being higher than the current stock price.

On the date of publication of this annual report there were no outstanding stock options.

6.1.5.2 Performance shares

Performance shares awarded for the 2016/2017 fiscal year

Consequent to decisions of the Shareholders’ Meeting of 10 March 2016, on 28 March 2017 Compagnie des Alpes implemented a new performance share plan (Plan no. 20), under which a total of 59,400 performance shares have been granted and distributed between 159 Group employees.

As with previous plans, shares will only be fully vested if the beneficiary remains at the Group (notwithstanding retirement) and has met a performance target after a two-year period.

For beneficiaries who are members of the Executive Committee, the shares initially awarded will be fully vested only:

(i) for half of the shares awarded, if the Group’s financial targets, measured on the basis of ROCE growing over two years (2016/2017 and 2017/2018) relative to the previous two years, are achieved; and

(ii) for half of the shares awarded, if a qualitative performance condition, relating to the contribution to the Group’s strategic objectives and to the implementation of the Business Plan of Compagnie des Alpes, assessed over two years (2016/2017 and 2017/2018), has been met.

For other recipients, free shares will be fully vested only if a qualitative performance condition has been met, relating to “the contribution of each beneficiary to the implementation of the Business Plan of Compagnie des Alpes and its managerial performance”, over two years (2016/2017 and 2017/2018).

Assuming they are fully vested, these shares will then have to be held for at least two years by their beneficiaries.

These shares are recognised at fair value at the grant date, without subsequent revaluation. Fair value is determined by an actuarial calculation using the binomial options-pricing model, after taking into account the probability of the average time of participation of beneficiaries at the end of the vesting period. The resulting value per share is €19.24 for Plan no. 20.

Full vesting of performance shares granted under Plan no. 18

Following an assessment of the achievement of the performance criteria, 44,695 performance shares granted under Plan no. 18, implemented in 2016, were fully vested. The vesting of performance shares granted under Plan no. 18 not only required the beneficiaries to be part of the Group on the vesting date but was subject to the following performance criteria being met.

For members of the **Executive Committee**, the shares awarded were to be fully vested only.

(i) for half of the shares awarded, if the Group’s financial targets, as defined in Chapter 5, Note 1.11 to the consolidated financial statements, had been achieved, measured on the basis of ROCE growing over two years (cumulated ROCE 2014/2015 and 2015/2016) relative to the previous two years (cumulated ROCE 2012/2013 and 2013/2014),

(ii) for half of the shares awarded, if a qualitative performance condition, relating to the contribution of each of the beneficiaries to the achievement of the Group’s strategic objectives, assessed over two years (2014/2015 and 2015/2016), was met.

The Board of Directors assessed the achievement of the financial performance criterion underlying the full vesting of performance shares granted to members of the Executive Committee. It found that the ROCE target had been met at 30 September 2016, so the award based on the achievement of Group targets was 100%. Following the assessment of the achievement of the qualitative performance criterion, for which the Chairman and Chief Executive Officer is responsible, the members of the Executive Committee received a total of 7,400 shares.

For the **other beneficiaries**, full vesting depended on each beneficiary’s contribution to the Group and its managerial performance over the last two fiscal years. This contribution was assessed for each beneficiary by the Executive Management and a total of 37,295 shares became fully vested for 136 senior executives and other members of the Group’s management. From their vesting date, performance shares awarded under Plan no. 18 must be held for at least two years.

Plans outstanding for performance share grants (Table 10 of the AMF classification)

Outstanding plans are shown in Chapter 5 in Note 6.9 to the Consolidated Financial Statements.

The free shares granted within the Group are all Compagnie des Alpes shares.

A total of 113,950 rights to free shares remained in circulation on 30 September 2017. These shares will only be fully vested once the Board of Directors determines that the performance conditions have been achieved. They represent 0.47% of the capital of Compagnie des Alpes.

With the exception of the plans described above, there are no other potentially dilutive instruments.

6.1.5.3 Stock options granted to or exercised by corporate officers during the fiscal year ended 30 September 2017

N/A.

6.1.5.4 Stock options granted to and exercised by the ten leading employees (excl. corporate officers) during the fiscal year ended 30 September 2017

N/A.

6.1.5.5 Performance shares granted to the ten leading employees (excl. corporate officers) during the fiscal year ended 30 September 2017

Grant of free CDA performance shares to the ten leading employees (excl. corporate officers)	Total number of shares granted	Unit value of share by method used for the consolidated financial statements *(in €)*	Plan no.
Free shares granted during the fiscal year by CDA to the ten leading employees of CDA and any other company in the free-share scope (10 largest initial grants – aggregate figure)	15,200	€17.74	20

6.2 Shareholder structure

6.2.1 CHANGE IN SHAREHOLDER STRUCTURE AND VOTING RIGHTS

	30/09/2015		30/09/2016		30/09/2017	
Shareholders	**Number of shares**	**%**	**Number of shares**	**%**	**Number of shares**	**%**
Caisse des Dépôts	9,615,579	39.61%	9,615,579	39.54%	9,615,579	39.47%
Sofival	2,110,806	8.70%	2,110,806	8.68%	2,110,806	8.66%
Crédit Agricole des Savoie	1,681,985	6.93%	1,681,985	6.92%	1,681,985	6.90%
Banque Populaire Auvergne Rhône-Alpes	1,204,473	4.96%	1,204,473	4.95%	1,204,473	4.94%
Caisse d'Epargne Rhône-Alpes	723,486	2.98%	723,486	2.98%	723,486	2.97%
Public and miscellaneous including:	8,937,822	36.82%	8,981,397	36.93%	9,026,092	37.05%
French UCITS	1,768,829	7.29%	1,869,925	7.69%	1,780,131	7.31%
incl. FCP CDA Actionnariat (employee shareholders' fund)	327,000	1.35%	334,500	1.38%	330,000	1.35%
Financial intermediaries outside France	4,604,161	18.97%	4,105,648	16.88%	4,452,951	18.28%
including M & G Investments (Prudential)	1,113,238	4.59%	224,251	0.92%	268,548	1.10%
Individual shareholders	1,849,984	7.62%	2,131,111	8.76%	2,060,463	8.46%
Treasury stock*	34,131	0.14%	31,401	0.13%	15,963	0.06%
TOTAL	**24,274,151**	**100%**	**24,317,726**	**100%**	**24,362,421**	**100%**

* *Non-voting shares: % in capital and theoretical voting rights. All other % given below relate to capital and actual voting rights.*

During the fiscal year, the primary-shareholder structure underwent no major change. Percentages increased slightly due to the capital increases following the acquisition of plans no. 17 in 2016 and no. 18 in 2017.

Free float also remained stable.

In 2016/2017, the portion of the capital owned by French institutional investors fell in favour of the foreign institutional shareholding, which was up by more than 8%.

Individual shareholding, in French hands for the most part, fell by 4.5%. Combined with employee shareholding, it now stands at 8.46% of the share capital.

To the Company's knowledge, except for Caisse des Dépôts, Sofival, and Crédit Agricole des Savoie, there is no other shareholder, whether acting singly or in a concert party, which directly or indirectly holds more than 5% of the capital or voting rights.

6.2.2 ENTITIES OR PERSONS WITH CONTROLLING CAPACITY

The Caisse des Dépôts, being the reference shareholder with a 39.47% interest, declares that it controls Compagnie des Alpes and hence is considered a related party within the meaning of IAS 24. The financial statements of the CDA Group are fully consolidated in the consolidated financial statements of the Caisse des Dépôts.

Nevertheless, the composition of the Board of Directors follows the principles set out in Chapter 3, section 3.1.1.1 above, which, given the presence of a reference shareholder (Caisse des Dépôts), are intended to promote a democratic, collective representation of shareholders and take adequate account of corporate interests, mainly through the appointment of at least four independent Directors.

The Caisse des Dépôts has only four seats out of a total of twelve on the Board, one out of four on the Audit and Finance Committee, one out of four on the Appointments and Remuneration Committee, and two out of six on the Strategy Committee.

The composition of each corporate body ensures the Company is not controlled in a detrimental way.

To the best of the Company's knowledge, there are no agreements or commitments binding one or more shareholders that could lead to a subsequent change of control.

6.2.3 SHAREHOLDERS' AGREEMENTS

To the best of the Company's knowledge, there are no shareholder agreements, preferred agreements, or any other type of contract whose execution could at a later date entail a change in ownership.

6.2.4 PORTION OF THE COMPANY'S SHARE CAPITAL PLEDGED AS SECURITY OR SUBJECT TO OTHER RESTRICTIONS

To the best of the Company's knowledge, no CDA share was pledged or was subject to other restrictions at 30 September 2017.

6.2.5 DEVELOPMENT OF THE INDIVIDUAL SHAREHOLDER BASE

Created in September 2005, the Shareholders' Club is designed to disseminate information about the Group to Compagnie des Alpes shareholders. Club membership is free of charge and accessible to any shareholder owning at least one registered share.

It offers several services to members (CDA newsletter, invitations to meetings and conferences) and, provided the shareholder owns at least 200 shares at 30 September of the relevant year, provides commercial offers on ski lift passes or entry tickets for Group parks.

Further information on membership can be downloaded from the CDA website or obtained directly from the Company headquarters.

Compagnie des Alpes was also the first French midcap to create a Shareholders' Advisory Committee (see 6.3 below).

6.2.6 EMPLOYEE SHAREHOLDERS

In 1995, Compagnie des Alpes set up a Group Employee savings plan with the aim of allowing CDA Group employees to benefit from growth in earnings through the rising share prices of their CDA stock. Accordingly under the Group Employee savings plan, employees may invest in a shareholders' investment fund, CDA Actionnariat, which is invested entirely in CDA shares.

The CDA Actionnariat employee investment fund held 330,000 shares, *i.e.* 1.35% of CDA share capital at 30 September 2017, compared with 1.38% at the close of the previous reporting period.

Besides, senior executives as well as certain other Group managers are eligible for stock option plans and/or performance share awards implemented by CDA.

6.2.7 CORPORATE OFFICERS' AND SENIOR MANAGERS' SHAREHOLDINGS AND TRADING

Director shareholding in the share capital of the issuer

The number of shares owned by each Director is given in Chapter 3, section 3.1.1.2. The Compagnie des Alpes Corporate Governance Charter includes a stipulation that Directors must hold a minimum quota of shares, set out in Chapter 3, section 3.1.1.1.

Executive corporate officer shareholding in the share capital of the issuer

The number of shares owned by each Executive corporate officer is given in Chapter 3, sections 3.1.1.3 and 3.1.2.2.

Trading of Company shares by Directors and persons related to them, Executive corporate officers and other managers covered by the Monetary and Financial Code

In the past fiscal year and to the Company's knowledge, no securities transaction as defined by Article L. 621-18-2 of the Monetary and Financial Code has taken place or been reported to the AMF, the French Financial Markets Authority.

The Corporate Governance Charter provides for abstention obligations during precise periods (closed periods) prior to the publication of press releases on annual and half-yearly results, as well as on quarterly information.

6.2.8 POTENTIALLY KEY FACTORS IN THE EVENT OF A TAKEOVER BID

Potentially key factors in the event of a takeover bid for the Company's shares as referred to in Article L. 225-100-3 of the French Commercial Code are set out in this document as indicated below:

- Company's shareholder structure: Chapter 6, section 6.2.1;
- restrictions under the Company's by-laws on the use of voting rights and on share transfers or contractual clauses of which the Company is made aware in accordance with Article L. 233-11: Chapter 3, section 3.1.3.2. and Chapter 6 section 6.2.3;
- direct or indirect shareholdings in Company capital of which the Company is aware pursuant to Articles L. 233-7 and L. 233-12: Chapter 6, section 6.2.1;
- rules applicable to the appointment and replacement of Directors, and to changes in Company by-laws: Chapter 3, section 3.1.1.1;
- powers of the Board of Directors, in particular for the issue and purchase of stock: Chapter 6, sections 6.1.2 and 6.1.3;
- agreements providing severance pay for members of the Board of Directors and employees if they resign or are dismissed without valid and serious cause, or if their employment is terminated following a takeover bid: Chapter 3, section 3. 3.1.1.

Concerning agreements reached by the Company that may be amended or terminated in the event of a change in control of the Company, three contracts or types of contracts that include an ownership clause have been identified:

- the credit agreements renegotiated in 2017 include an ownership clause detailed (Chapter 5, Note 6.11. to the Consolidated Financial Statements), as well as certain bilateral credit lines;
- the licensing agreement for use of the corporate names "Caisse des Dépôts et Consignations" and "Groupe Caisse des Dépôts", which CDC has the right to terminate in the event that Compagnie des Alpes ceases to be a part of Groupe CDC;
- certain concession agreements providing various types of clauses for change in proxy control (mainly related to the shareholding of Groupe Caisse des Dépôts), which require the prior approval of the authority granting the concession.

6.3 Stock-market information

6.3.1 CONTEXT

The Compagnie des Alpes IPO took place on 18 November 1994, with the share priced at €11.90 (adjusted for the 2:1 stock split in 2007 and various trading transactions). The Company's stock is listed in Segment B (Mid-caps) of Euronext.

It is listed on the CAC All-Tradable (formerly SBF 250), CAC Mid & Small (formerly CAC Mid & Small 190), and CAC Small (formerly CAC Small 90). The former CAC Mid 100, an index which included CDA, was replaced by the CAC Mid 60 which no longer included CDA.

Since 26 May 2010, CDA stock benefits from the "long-only" Deferred Settlement Service (*Service de Règlement Différé* - SRD), meaning shares are SRD-eligible upon purchase only.

This change in the SRD will increase the list of SRD-eligible stocks within specific technical parameters. This new arrangement allows investors to leverage their CDA shares.

6.3.2 PERFORMANCE OF THE COMPANY'S SHARES DURING FY 2016/2017

Over the fiscal year, the share price increased sharply, by nearly 59%. It rose from €17.00 at 30 September 2016 to €26.95 at 29 September 2017, peaking at €29.70 on 26 June.

The average daily trading volume remained high over the fiscal year, standing at 13,150 shares, but didn't benefit from the rising share price. Indeed, the average daily trading volume amounted to 13,260 shares in 2015/2016 (16,160 in 2014/2015; 14,000 in 2013/2014 and 8,000 in 2012/2013).

At the end of the fiscal year, on 30 September 2017, the Group's stock market capitalisation amounted to €657 million, compared to €413 million the previous year.

Financial services provider

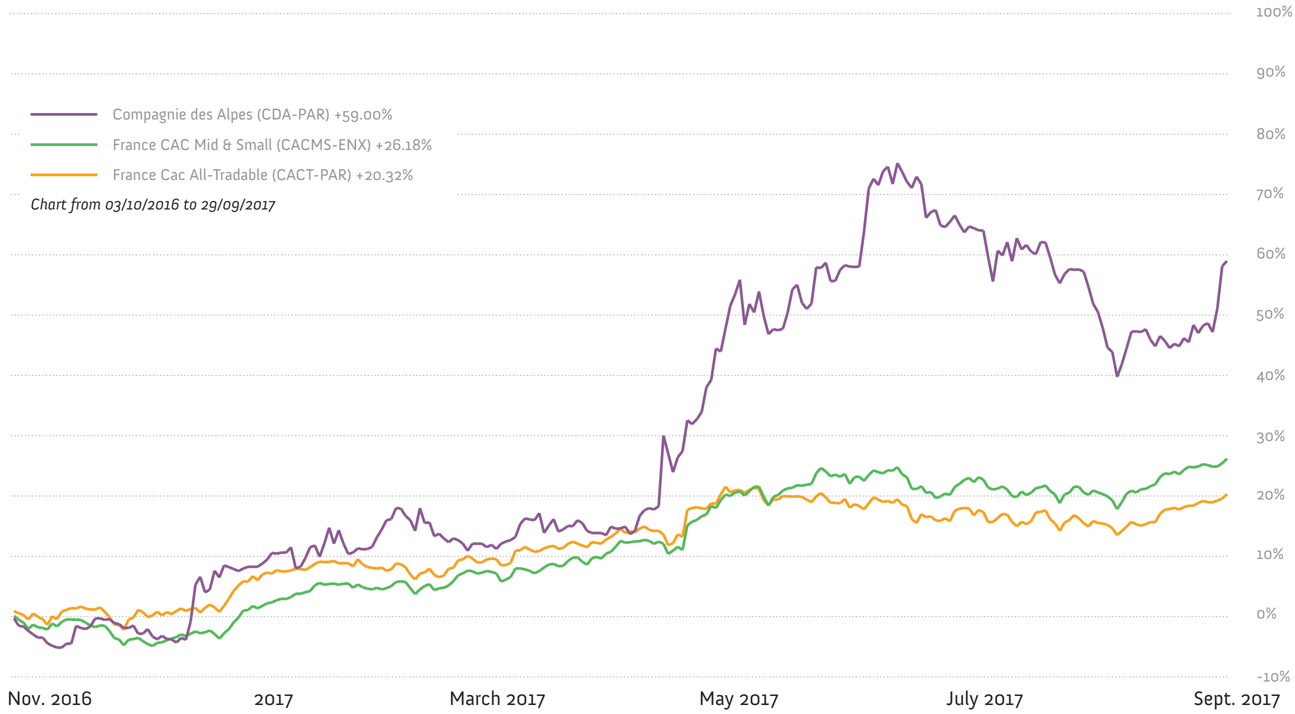
Compagnie des Alpes has mandated CACEIS as its financial services provider. For the management of directly registered shares, please contact:

CACEIS Corporate Trust
14, rue Rouget de Lisle
92862 Issy-les-Moulineaux Cedex 09

Investment service provider acting as liquidity manager for the share buyback programme

On 1st October 2016, Compagnie des Alpes announced it had transferred the management of its liquidity contract to Oddo.

Oddo & Cie
12, bd de la Madeleine
75440 Paris Cedex 09



6.4 Disclosure policy

Compagnie des Alpes endeavours to disseminate financial information that is comprehensive, true, fair and transparent. As it is a listed company, this information is considered "regulated" information.

Disclosure of financial information is governed by laws and regulations that require all listed companies to provide a complete, accurate, true and fair view of their financial position.

Compagnie des Alpes makes a variety of periodical and permanent publications available to the public, participates in individual and institutional Shareholder Meetings, and responds promptly to all shareholder and investor requests.

These personalised interactions are made so as to fully comply with the rules promoting equal access to information. The Compagnie des Alpes share is also routinely monitored by five leading French analyst firms.

To step up its communication actions, the Group set up a new forum for its shareholders: http://espace-actionnaires.compagniedesalpes.com/. This move is part and parcel of the Company's efforts to ensure, to the utmost extent, free-flowing and transparent communication of information to its shareholders.

6.4.1 DOCUMENTS MADE AVAILABLE TO THE PUBLIC

Compagnie des Alpes makes the disclosures and documents required by the regulations, and in particular regulated information, available to the public in French and/or English:

- Registration Document/Annual financial report;
- half-year financial report;
- quarterly revenue;
- press releases, which are published by the approved publishing service provider EchosWire, in accordance with the European Union Transparency Directive;
- notes of any corporate-finance transactions filed with the AMF.

The Company also makes the bylaws, the Corporate Governance Charter, and other documents available to the public, such as:

- an illustrated brochure on the Group and its activities;
- a newsletter sent to all members of the Shareholders' Club and to those who request it;
- the Shareholders' Club guide.

These documents and information are available upon request from Group headquarters, or may be read and downloaded in their complete versions from the Group website, www.compagniedesalpes.com.

6.4.2 PRESS RELEASE

The following information has been published since 1 October 2016:

1 October 2016
Start of the market-making agreement with ODDO.

22 October 2016
Annual revenue up 4.4%, on a comparable scope – growth of 6.5% in the 4th quarter: favourable trend for Leisure destinations and International development.

- Ski areas: year marked by a rise in skier-days, which resulted in a 3.9% increase in revenue.
- Leisure destinations: the efficiency of the strategy conducted over the past three years was confirmed during the fiscal year.
- International development: the Group is actively preparing its development in Asia.

13 December 2016
2015/2016 annual results: Backed by excellent results boosting its strategy, Compagnie des Alpes is set to accelerate its international development.

19 January 2017
First quarter of 2016/2017: New business growth at nearly 9%.

- Ski areas: business upbeat despite the shortage of snowfall.
- Leisure destinations: strong rise in sales across all Group sites: up 14.1%.
- International development: dynamism confirmed.

16 February 2017
Thaiwoo Ski Resort and Compagnie des Alpes consolidate their partnership by signing a strategic agreement.

22 February 2017
The Turkish Ski Federation and Compagnie des Alpes sign an agreement to analyse the country's ski potential and identify the best locations.

15 March 2017
Compagnie des Alpes reduces the cost of its debt by over 40% starting in 2017-2018 and significantly extends its debt's average maturity, thanks to the successful refinancing of the 2017 bond (€200 million) and modification of its RCF syndicated loan (€250 million).

20 April 2017
Revenue for the 1st half of 2016/2017 – Business growth of 3.7%.

- Ski areas: brisk business at the height of the season.
- Leisure destinations: A satisfactory pre-season.
- New developments: sustained sales.

26 April 2017
Disposal of Fort Fun in Germany.

23 May 2017
1st half of 2016/2017

Good results in line with the Group's mission.

31 May 2017
Disposal of Fort Fun in Germany – Conditions precedent lifted.

20 July 2017

Revenue for the first 9 months of FY 2016/2017 – increase of 7.5% in revenue; very dynamic 3rd quarter.

- Ski areas: skier days on the rise for the 2nd year in a row.
- Leisure destinations: the season gets off to a very satisfying start.
- Group Development: new assistance contract for one of the main sites of the 2022 Olympic Games in Beijing.

19 October 2017

Revenue for FY 2016/2017 – Annual revenue rise 6.6% on a comparable basis thanks to favourable trends across all business lines.

- Ski areas: For the 3rd year in a row, a strong rise in revenue.
- Leisure destinations: sales growth tops 30% on a comparable basis for the last four years.
- Group Development: new contracts in China ahead of the 2022 Winter Olympics.

12 December 2017

Net income for FY 2016/2017: further growth in performance and profitability.

- Achievement of the targets set in 2013, two years ahead of schedule.
- Rise of over 27% in operating income.
- International rationalisation of Grévin sites.
- Dividend of €0.50 / 25% increase in share price.

All of these press releases may be read and downloaded from the Group website, www.compagniedesalpes.com.

The Compagnie des Alpes website provides timely information for shareholders. Official documents and all press releases in French and English may be downloaded from the following web address:

https://www.compagniedesalpes.com/en/finance#publications-communiques

6.4.3 SHAREHOLDERS' ADVISORY COMMITTEE

The Shareholders' Advisory Committee was formed in November 2005. Compagnie des Alpes was the first French midcap to create a Shareholders' Advisory Committee in order to enhance the Company's communication with its individual shareholders. The Committee, which meets two or three times per year, reflects the diversity of the individual shareholder base.

It is now composed of 8 qualified, representative members. The list of members is available on the Group website.

The Committee met three times during the fiscal year, on 18 November 2016, 9 February 2017 and 6 July 2017. It provided input in various areas, among them the Letter to Shareholders, the Shareholders' Meetings, and also the regular contact regarding important CDA media topics.

6.4.4 INDIVIDUAL SHAREHOLDER CONTACT

Since early 2008, and on the recommendation of the Shareholders' Advisory Committee, Compagnie des Alpes has provided shareholders a telephone number: + 33 (0)1 86 86 02 14.

Individual shareholders may call this number to obtain published information on Group activities and all practical information concerning their shares and related benefits.

6.4.5 PUBLIC MEETINGS

Senior managers of Compagnie des Alpes regularly take part in meetings to present the Group in Paris and other parts of France. The dates of these meetings are announced in advance on the Company's website.

By way of illustration, Compagnie des Alpes in collaboration with F2iC, participated in meetings dedicated to individual shareholders on 12 June 2017 in Lyon and on 7 September 2017 in Paris.

6.4.6 2017/2018 EVENTS / FINANCIAL CALENDAR

Thursday 18 January 2018

FY 2017/2018 Q1 revenue.

Thursday 8 March 2018

Annual General Meeting of Shareholders in Paris.

Thursday 19 April 2018

FY 2017/2018 Q2 revenue.

Thursday 24 May 2018

First-half results of FY 2017/2018.

Thursday 19 July 2018

FY 2017/2018 Q3 revenue.

Thursday 18 October 2018

FY 2017/2018 annual revenue.

Tuesday 11 December 2018

FY 2017/2018 annual results.

7

ADDITIONAL INFORMATION

7.1 Information on Compagnie des Alpes

7.1.1 GENERAL INFORMATION

Company name: Compagnie des Alpes.

Headquarters: 50-52 boulevard Haussmann, 75009 Paris.

Legal structure: A French *société anonyme* (joint-stock corporation), founded in 26 January 1989.

Duration: set at 99 years starting from the registration date, hence expiring on 12 February 2088.

Registration: The Company is registered with the Paris Trade and Companies Registry (RCS) under number 349 577 908.

Business type: 7010 Z (Headquarters activities)

Place where legal documents can be consulted: Company headquarters.

Headquarters telephone number: +33 (0)1 46 84 88 00.

Fiscal year: from 1 October to 30 September.

7.1.1.1 Corporate purpose (Article 2 of the by-laws)

Compagnie des Alpes has the following purposes, in France and abroad:

- the acquisition, holding, management, and divestiture of all forms of investment securities and all forms of shareholdings in all companies, both French and foreign, in whatever form they may be, and particularly those having operations in mountain tourism and the leisure sector;
- the shareholdings, direct or indirect, by the Company in any of the aforementioned operations, through the creation of new companies, transfers, subscription to new shares or purchase of existing shares or company rights, mergers, partnerships, or otherwise, including providing financing under any form to such companies, and this whether in France or abroad;
- the provision of any services, especially to the benefit of any Group companies, especially any services that may be rendered by an active holding company to its subsidiaries, be they corporate, operational or specific;
- and generally, any commercial, financial, industrial, investment, or real estate operation, similar to or related directly or indirectly, in whole or in part, to the stated corporate purpose.

7.1.1.2 Rights attached to shares (Articles 6 and 8.4. of the by-laws)

All shares are of the same category and benefit from the same rights, including profit sharing and the division of assets upon liquidation. For Shareholders' Meetings, each share gives the right to one vote. Therefore, no shareholder enjoys double voting rights.

Unclaimed dividends and advances on dividends revert to the French government after five years.

7.1.1.3 Appropriation of earnings (Articles 21 and 22 of the by-laws)

Five percent of each year's net income, less losses carried forward (where applicable), is appropriated to the legal reserve; this appropriation ceases to be obligatory when the reserves rise to the level of one tenth of the share capital.

After the appropriation of the legal reserve, the Shareholders' Meeting, on the proposition of the Board of Directors, may appropriate amounts they choose, either to retained earnings or to one or more reserve accounts (optional, ordinary or extraordinary).

Income available for distribution is comprised of the net income for the year minus the losses carried forward and the amounts appropriated to reserves in application of the law or the by-laws, plus retained earnings.

After approval of the financial statements and recognition of the amount available for distribution, the Shareholders' Meeting may determine the part to be distributed in the form of dividends. The Shareholders' Meeting may further decide to distribute amounts to be sourced from available reserves, either to supply funds for dividends or to complete a dividend, or for the purpose of making an exceptional distribution. In this case, the decision will indicate the reserve accounts from which the funds will be taken. However, as a priority, dividends will be paid from the earnings available for distribution from the year under review.

The payment method for dividends is fixed by the Shareholders' Meeting, or otherwise by the Board of Directors.

The Shareholders' Meeting may grant to each shareholder, for all or a part of the dividend or partial payment of dividend to be paid, a choice between payment in the form of cash or in the form of shares.

7.1.1.4 Shareholders' Meetings (Articles 14 to 18 of the by-laws)

Shareholders' Meetings are called and held under the conditions set by the law. Each share gives the right to participate and to vote at the Shareholders' Meeting, within the conditions set by the law.

7.1.1.5 Crossing ownership thresholds (Article 8.5. of the by-laws)

Any legal person or individual who comes to hold, alone or in a concert party, at least 2.5% of the share capital or voting rights in the Company, or a multiple of this percentage, shall inform the Company of the number of shares and voting rights held within five stock market trading days of having crossed this threshold; notification shall be made by registered mail with acknowledgement of receipt, addressed to Company headquarters. The same information shall be sent to the French Financial Markets Authority (Autorité des marchés financiers – AMF), within the same time limit.

The above-mentioned requirement to give notice also applies each time the shares or voting rights held fall below one of the 2.5% thresholds.

In case of failure to make the notifications stated above, shares and voting rights exceeding the fraction that should have been declared shall be deprived of voting rights at Shareholders' Meetings, provided that said failure to declare has been recognised and that one or more other shareholders holding at least 2.5% of the share capital so request, and such request shall be recorded in the minutes of the Shareholders' Meeting.

The above provisions apply without prejudice to the declarations concerning crossed thresholds provided for by law.

7.2 Persons responsible for the Registration Document and financial statements audit

7.2.1 RESPONSIBLE PERSONS

Person responsible for the Registration Document and the annual financial report

Dominique Marcel, Chairman and Chief Executive Officer

Certification by the person responsible

"I hereby certify that, to my knowledge, and after taking all reasonable measures to that end, the information contained in this Registration Document duly reflects reality and that no information is omitted that could affect its import.

I hereby certify that, to my knowledge, the financial statements contained herein have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position, and earnings of the Company and of the group of companies included in the consolidation. I also certify that the management report included in this Registration Document gives a true picture of the business performance, earnings, and financial position of the Company and of the group of companies included in consolidation, as well as a description of the major risks and uncertainties faced by those companies.

I have obtained a letter from the Statutory Auditors attesting to the completion of their assignment, in which they indicate that they have verified the information on the financial position and financial statements contained in this Registration Document and that they have read the Registration Document in its entirety."

Disclosure managers

Denis Hermesse, Chief Financial Officer
50-52, boulevard Haussmann
75009 Paris
Tel.: +33 (0)1 46 84 88 00

Investor contacts

Head of Financial Communication

Sandra Picard-Ramé,
CDA Communication Director
Tel. & Fax: +33 (0)1 46 84 88 53
e-mail:
sandra.picard@compagniedesalpes.fr

Alexis d'Argent,
Head of Financial Communication
Tel. & Fax: +33 (0)1 46 84 88 79
e-mail:
alexis.dargent@compagniedesalpes.fr

Martine Blain; Céline Bellon
Persons responsible for Investor relations and Shareholders' Club management
+33 (0)1 46 84 88 09; +33 (0)1 46 84 88 43
e-mail:
martine.blain@compagniedesalpes.fr;
celine.bellon@compagniedesalpes.fr

7.2.2 PERSONS RESPONSIBLE FOR THE FINANCIAL STATEMENTS AUDIT AND FEES

Identity of the Statutory Auditors

PricewaterhouseCoopers Audit SA
63, rue de Villiers
92200 Neuilly-sur-Seine

Incumbent Statutory Auditor, represented by Mrs Françoise Garnier.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Reappointed on 15 March 2012. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2016/2017 financial statements.

Yves Nicolas
63, rue de Villiers
92200 Neuilly-sur-Seine

Substitute Statutory Auditor.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Reappointed on 15 March 2012. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2016/2017 financial statements.

Cabinet Mazars
Exaltis
61, rue Henri Régnault
92075 Paris La Défense Cedex

Incumbent Statutory Auditor, represented by Mr Gilles Rainaut.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Reappointed on 10 March 2016. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2020/2021 financial statements.

Virginie Chauvin
Exaltis
61, rue Henri Régnault
92075 Paris La Défense Cedex

Substitute Statutory Auditor.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Appointed on 10 March 2016, replacing Mr Raymond Pétroni whose term of appointment expired recently. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2020/2021 financial statements.

FEES PAID TO STATUTORY AUDITORS AND THE MEMBERS OF THEIR NETWORK

	Mazars				PricewaterhouseCoopers Audit SA			
	Amounts		%		Amounts		%	
Amounts (in thousands of euros)	2017	2016	2017	2016	2017	2016	2017	2016
Audit								
Statutory audit, certification, examination of separate and consolidated financial statements								
Issuer	199	184	27%	25%	199	184	25%	33%
Fully consolidated subsidiaries	499	441	68%	60%	361	363	46%	64%
Services other than certification*								
Audit-related work	36	113	5%	15%	23	19	3%	3%
Other			0%	0%	201		26%	0%
SUBTOTAL	**734**	**738**	**100%**	**100%**	**784**	**566**	**100%**	**100%**

* - *Services other than the certification of financial statements (SAAC) required by the regulations: CSR reports for Musée Grévin and CDA SA, legal transformation of CDA Financement.*
- *Services other than the certification of financial statements (SAAC) not required by the regulations: Audits of acquisitions, certifications concerning financial guarantees.*

REFERENCE TABLE TO THE REGISTRATION DOCUMENT

Regulation (EC) No. 809-2004 of the European Commission of 29 April 2004

In accordance with Regulation (EC) No. 809-2004 of the European Commission of 29 April 2004 (the “Regulation”), the numbers of the section(s) of this Registration Document in which information is provided concerning each heading of the Regulation may be found in this reference table.

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REFERENCE TABLE OF THE ANNUAL FINANCIAL REPORT

This Registration Document includes all elements of the Annual Financial Report referred to in Article L. 451-1-2 I of the Monetary and Financial Code and Article 222-3 of the AMF General Regulation.

The following reference table refers to the parts of the Registration Document that correspond to the different headings of the Annual Financial Report.

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