2018 REGISTRATION DOCUMENT

including the annual financial report

Compagnie des Alpes
30 ans

CONTENT

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

Compagnie des Alpes
30 ans

2018 Registration Document

including the annual financial report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Autorité des Marchés Financiers (AMF) on 25 January 2019, 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 94 to 101, 102 to 136, and 137 to 150 of the Registration Document for 2016/2017, filed with AMF on 29 January 2018.
- 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.

Message from the Chairman and Chief Executive Officer

DOMINIQUE MARCEL
Chairman and Chief Executive Officer

Compagnie des Alpes continues to assert itself as a major player in the European leisure industry with nearly 14 million skier-days in our ski areas and nearly 9 million visitors to our leisure parks. The Group is now a diversified European leisure leader, making it less sensitive to changes in the economic cycle. The complementary nature of the Group's two legacy business lines is one of the pillars of its solidity, giving it an unrivalled edge in an increasingly competitive environment.

The Group's know-how, expertise and operational excellence are recognised in France and worldwide. The consulting and support services we provide in China, Russia and Central Asia are all milestones in the development of our activities in these promising regions. CDA thus intends to seize the opportunity offered by the development of its markets in Europe and in new territories, and play an active role in the consolidation under way.

Very good operational and financial performance

The 2017/2018 fiscal year has demonstrated Compagnie des Alpes' ability to continue to improve its results by pushing ahead with the strategic shift initiated in 2013. The rise in visitor numbers at our ski resorts and leisure parks was once again accompanied by an increase in unit revenue per skier-day and per visitor. At the same time, our good management of operating costs resulted in a further improvement in our operational performance in both of our legacy business lines, as we have exceeded the EBITDA[1] objectives we had set ourselves.

The successful sale of our Seoul and Prague sites, combined with the positive effects of our debt refinancing operation in 2017, have enabled us to post record earnings and propose a dividend per share

(1) *EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation*
(2) *Operating ROCE: sum of the operating income of Ski Areas and Leisure destinations in relation to the capital employed, excluding goodwill*

30% higher than that of the previous year. Furthermore, despite an unprecedented levels of investment, we have maintained our return on capital employed[(2)] above 8%.

Ski Areas: CDA, a partner of the resorts' ecosystem

As a major partner of the French Alps' ecosystem, Compagnie des Alpes actively contributes to the attractiveness and international renown of the eleven ski resorts in which it operates the ski areas under concession. While these ski areas are among the biggest and highest in Europe, we constantly strive to improve the services we provide. The skiers' pleasure, as well as their safety, largely depends on the proper execution of our daily missions, whether they concern the maintenance of the ski runs, or the proper operation of the ski lifts.

However, improving the quality of our offering also implies a controlled increase in the investments we make in new facilities to facilitate the skier flow, or to improve the snow cover through artificial snow-making, thus reducing the impact of unfavourable weather conditions. In so doing, we pay special attention to the environment by reducing our energy expenditure and preserving our ski areas' water resources.

Moreover, Compagnie des Alpes plays an active role in boosting visitor numbers at the resorts where it operates through its involvement in the creation and renovation of accommodation, as well as its marketing. Indeed, our holiday retailing activity and our real estate agencies enable us to impact the tourist bed occupancy rate.

Satisfying an ever growing number of visitors at our leisure parks

Compagnie des Alpes has a coherent yet diversified portfolio of 11 leisure destinations, including theme parks, animal parks, edutainment parks and indoor sites. Year after year, we strive to increase visitor numbers at our sites and boost our revenue while ensuring very high customer satisfaction. This remains the cornerstone of our strategy as it secures the loyalty of our customers and makes them our best ambassadors by generating positive word-of-mouth and favourable comments on social networks.

The levers we use are clearly identified. Visitor satisfaction particularly depends on the attractiveness and renewal of our attractions, as well as the fluidity of visitor flows, and the quality of the services offered, including the offering in the shops and food services, which also constitute a significant source of revenue for the Group. We are also continuing to extend the season of some of our sites by creating special events around Halloween and the Christmas period, in addition to extending our opening hours and creating night shows.

Furthermore, we are targeting customers from further away to make them stay longer. This is the purpose of our investments in additional hotel capacity, for example at Parc Astérix.

Investing and improving our knowledge of all our customers to provide them with seamless service – the major axes of our development

Compagnie des Alpes is continuing to reap the rewards of its sustained efforts to increase the attractiveness of all of its sites and thus increase the number of skier-days in its ski areas and boost the performance of its leisure parks. In that context, the increase in the Group's profitability is enabling us to intensify our ambitious and proactive investment policy, in order to maintain our positive momentum of profitable growth. We are thus planning to further step up investments in 2018-2019.

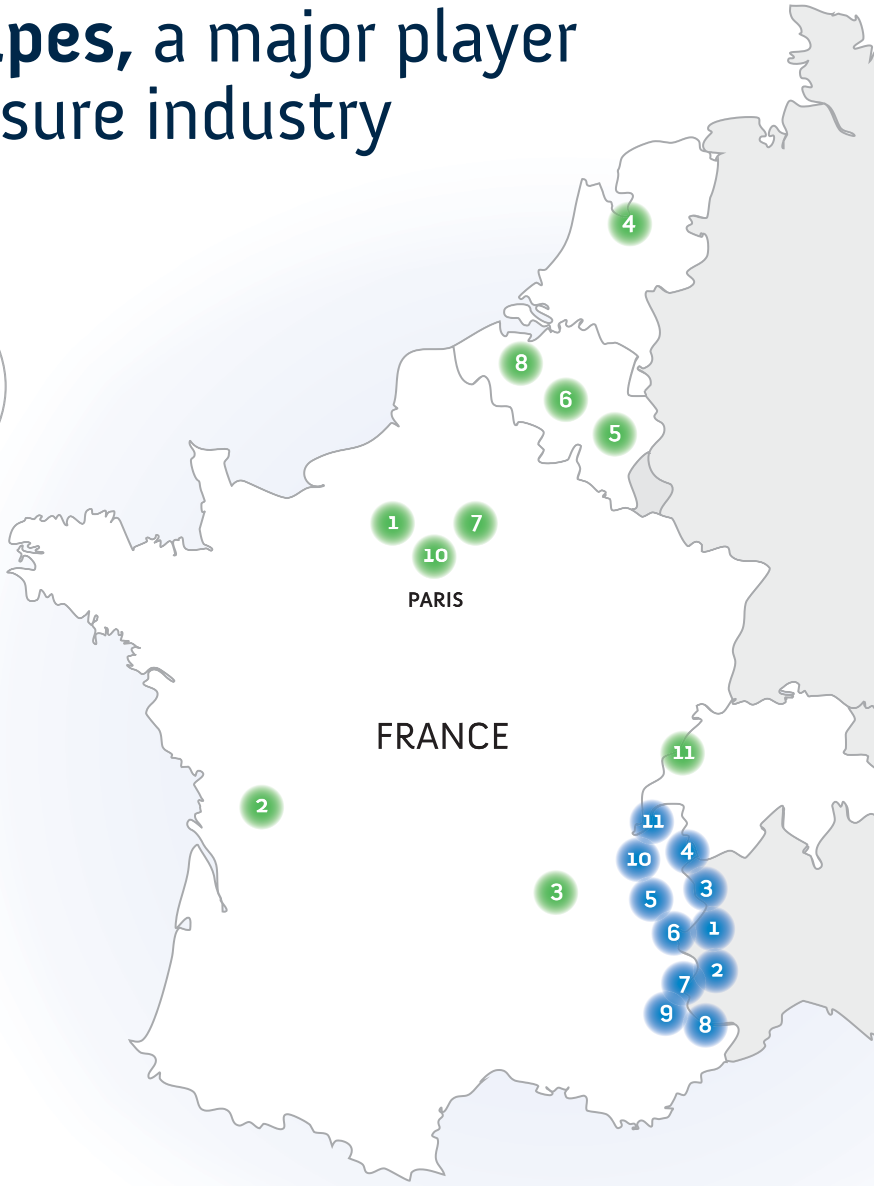
The improvement of our digital facilities is another key focus of development for Compagnie des Alpes. The online sale of ski holidays enables us to increase the number of visitors in our resorts while giving us end-to-end control of our relationship with our customers. In this area, the consolidation of Travelfactory, acquired in January 2018, has significantly improved our digital footprint. We are gradually rationalising our CRM approach through the more systematic integration of all of the data collected via our online sale of ski holidays or tickets for our parks. This is done through our various connected services and applications, or through social media communications. By improving our customer knowledge, we can put in place a more efficient form of personalised marketing, thereby boosting visitor numbers and customer satisfaction.

Moreover, the numerous consulting and support contracts won by the Group in China, in particular for the future Winter Olympics, as well as in Russia and Central Asia, position us as a privileged partner to develop our activities in these regions. A perfect example is the signing of an industrial partnership with the Fosun group for the construction of a new-generation snow dome in the Shanghai region.

Compagnie des Alpes stands ready to seize any targeted acquisition opportunity to play a pivotal role in the consolidation of the leisure sector.

Business activities

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



The Group operates world-renowned ski areas and leisure sites *under an integrated 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 – L'irréductible Parc
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 cœur des 3 vallées
7. friendlyMenuires
8. Serre Chevalier Vallée
9. les 2 alpes 3600
10. flaine
11. Samoëns – Votre capital bien vivre; Morillon; Sixt Fer à Cheval

3 minority interests

Avoriaz 1800 – la Rosière Espace San Bernardo – Valmorel

Leading shareholder

Chamonix-Mont-Blanc – megève

KEY FIGURES FOR 2017/2018

€801 M
REVENUE

4,951
EMPLOYEES (FTE)

€186 M
NET CAPITAL EXPENDITURE

No.1 WORLDWIDE IN SKI AREAS

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

€429 M in revenue **up 3.0%**

13.9 MILLION skier-days **up 0.8%**

No.4 IN EUROPE FOR LEISURE DESTINATIONS

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

€340 M in revenue **up 4.3%**

8.8 MILLION number of visits **up 1.3%**

SUPPORT AND CONSULTING CONTRACTS IN VARIOUS REGIONS OF THE WORLD

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

A booming economic sector

Tourism represents 10% of GDP, 7% of exports and 1 out of 10 jobs worldwide (3).

THE GROUP'S REFERENCE MARKETS

GLOBAL MARKET

400 MILLION skier-days[1]

476 MILLION visits for the top 10 leisure parks groups[2]

EUROPEAN MARKET

220 MILLION skier-days[1]

62 MILLION visits for the top 20 leisure parks[2]

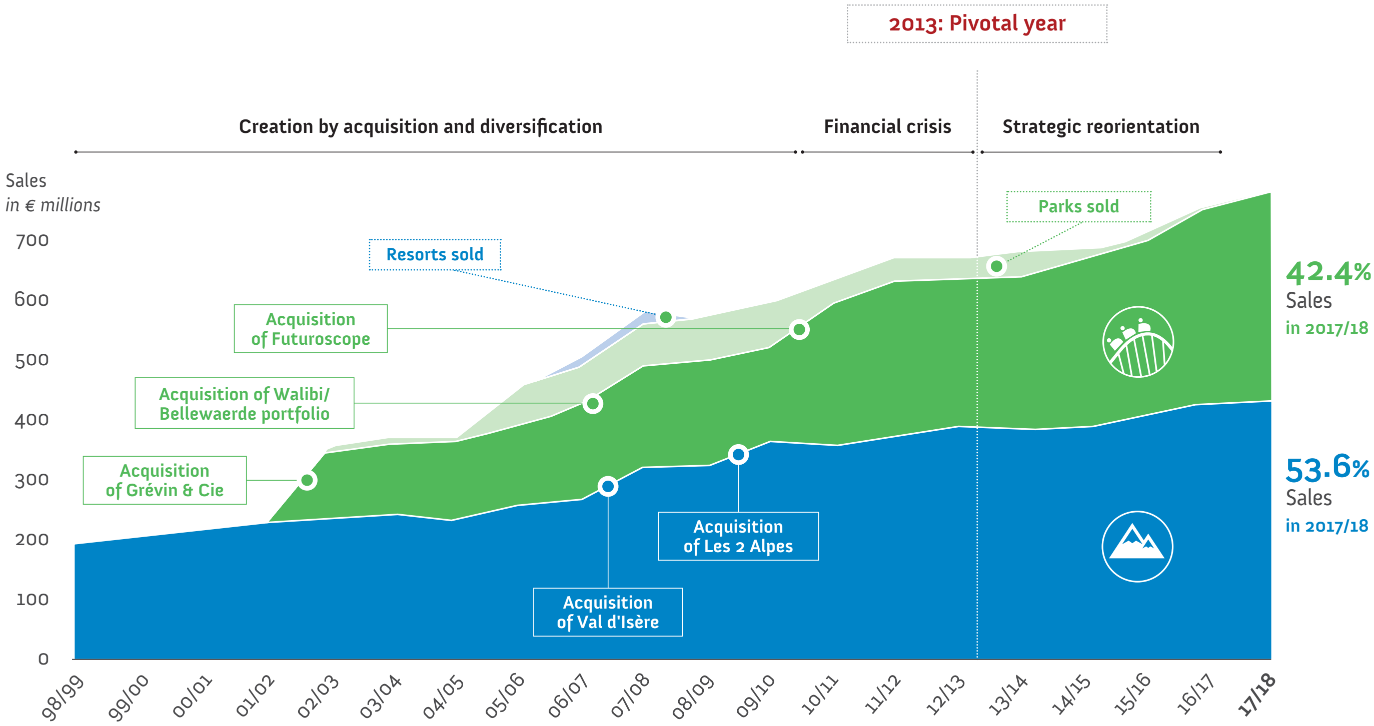
(1) Source: Laurent Vanat, "2018 International Report on Snow & Mountain Tourism".
(2) Source: TEA/AECOM 2017 Report.
(3) Source: UNTWO Barometer 2018.

Development model

A DIVERSIFIED LEADER OF THE TOURIST AND LEISURE INDUSTRY

Compagnie des Alpes has built a solid and profitable economic model based on the complementary of its two business lines in terms of seasonality and location, and on the synergies between its various activities.

Founded in 1989, the Group initially developed through external growth in ski areas. In 2002 – the year in which Grévin et Compagnie was acquired – Compagnie des Alpes started to diversify is business activities, gradually becoming a major player in European leisure destinations. In 2010, Compagnie des Alpes adopted a portfolio rationalisation strategy and initiated a restructuring process aimed at integrating all of its sites. With the strategic change introduced in 2013, the Group decided to concentrate on increasing its ski areas business volume, refocusing its Leisure destinations business on the sites suited to the implementation of its Very High Satisfaction policy, and international development.



2018

Acquisition of Travelfactory
Compagnie des Alpes becomes the No. 1 retailer of ski holidays in France.

Further refocusing of the Leisure destinations portfolio
Compagnie des Alpes sells two Grévin museums, in Prague and Seoul.

Stepping-up of investments
to support its strategic initiatives, Compagnie des Alpes introduced a controlled investment acceleration policy in its two business lines, while setting itself the objective of boosting the Group's overall profitability.

A proven **strategy**

SKI AREAS

In a mature European market, the strategy of Compagnie des Alpes consists in supporting the growth in the number of skier-days in its resorts, while maintaining a high performance level.

Objectives:

- Constantly improving the ski offering
- Enhancing the customer experience
- Securing the long term viability of operations
- Boosting distribution
- Increasing accommodation capacity
- Increasing accommodation occupancy rates in the resorts

2018 | *3rd consecutive year of growth in the number of skier-days in the Group's resorts.*

LEISURE DESTINATIONS

In a dynamic market, the objectives are to step up growth and improve operating performance.

Objectives:

- Offering visitors unique, immersive experiences
- Promoting repeat visits and winning new customers
- Broadening the sites' catchment areas and operating periods
- Boosting marketing activities and improving our customer knowledge
- Maximising visitor spending

2018 | *5th consecutive year of growth in Leisure destinations revenue.*

GROUP DEVELOPMENT IN FRANCE AND INTERNATIONALLY

Compagnie des Alpes has set itself the objective of stepping up its development by making full use of its two levers.

- Pursuing its objectives in its legacy business lines: strengthening its leadership in its two activities in Europe and broadening the Group's positions across the value chain;
- Capitalising on recent achievements in consulting and support services: they have made it possible to break into lucrative new ski ecosystems (Turkey, Japan, Central Europe/Georgia) and lay solid foundations in China through its preparation of the 2022 Winter Olympics, thereby promoting industrial partnerships.

2018 | ***New consulting missions abroad and stronger position in China***

Compagnie des Alpes won an operational support contract with Fosun for a covered ski run in the Shanghai region. The Group should subsequently take charge of its operation.

Successful re-opening of the Jardin d'Acclimatation
following in-depth restructuring.

IMPROVEMENT OF DIGITAL FACILITIES

Digitalisation offers opportunities to accelerate the control of distribution and business development through personalised communication.

- The acquisition of Travelfactory – which was subsequently integrated into Alpes Ski Résa (ASR), the business developed in-house since 2013 – has accelerated and improved the digital sale of holidays, in particular with a younger clientèle, such as students and foreign customers (from the UK and Benelux countries), while boosting the digital expertise of Compagnie des Alpes.
- After ramping-up online sales, social media communications and the development of applications in its two business lines, Compagnie des Alpes has taken a new step forward through a unique tool with a view to further developing the client relationship cycle already in place. By storing the collected data in a Datalake, the Company will be able to conduct Customer Relationship Management and marketing campaigns in order to improve the personalisation of offers, win new customers, gain the loyalty of existing ones, and increase repeat purchases, complementary sales and cross-selling.

Businesses firmly rooted in their ecosystems

CLOSER RELATIONSHIP WITH THE SKI AREAS' ECOSYSTEM

In its operation of ski lifts, and often ski runs (grooming, safety/rescue services, and artificial snow-making), within the framework of the PSC* the Group collaborates with all resort players.

PSC FRAMEWORK

The management of operations is entrusted to Compagnie des Alpes' subsidiaries through a Public Service Concession (PSC) granted by the local authorities and running for several decades. A ski area may be operated under several PSCs.

Under the contracts signed, Group companies must make the required investments for the proper functioning of the ski areas. In exchange, they collect the proceeds from the sale of transport tickets, based on an approved price framework.

REAL ESTATE ASSETS OF THE RESORTS

The Group works on accommodation, adopting a facilitator and occasionally an investor role with a view to increasing the amount and quality of tourist accommodation, and its occupancy rate. Furthermore, to boost the marketing of accommodation in the resorts, the Group has a network of real estate agencies.

SPECIFIC STAKEHOLDERS

The Group's companies work in close collaboration with specific stakeholders, such as local authorities, tourist offices, accommodation providers, ski schools, public transport services, and property owners.

The activities and facilities are mainly based in public areas and in natural areas. Projects are subject to procedures and authorisations from government bodies (DREAL, DDT, STRMTG, etc.) or local authorities, as well as the opinions of local associations.

The Group's companies play an active role within the inter-professional chamber "Domaines Skiables de France".

POSITION IN THE VALUE CHAIN

The sale of ski passes is either done directly, or through intermediaries such as major accommodation providers, tourism professionals or tour operators.

Revenue

Sales of ski passes account for 98% of this division's revenue.

The activity is seasonal: most of the revenue is earned during 4 or 5 winter months.

The customer base includes around 40% foreign customers (from the UK, Belgium and the Netherlands).

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.

** Public service Concession*

BROADENING THE OUTREACH OF LEISURE DESTINATIONS

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

ACTIVITIES

Mostly located in urban or peri-urban areas, the sites are operated within enclosed grounds with a variety of offerings and activities: attractions, shows, green areas, aquatic areas, restaurants, boutiques, and hotels. These activities are entirely managed by Group companies, either under its own brand names or under license.

STAKEHOLDERS

The stakeholders mainly consist of the region's tourism professionals, the license holders, the state or local authorities, and the local population.

The Group's companies play an active role within the SNELAC inter-professional chamber.

THE HOTEL OFFERING

Revenue stems from day visitors or people on short stays in our leisure destinations. Indeed, Compagnie des Alpes is developing a hotel offering for sites whose catchment areas can be broadened (Walibi Holland, Futuroscope, Parc Astérix).

POSITION IN THE VALUE CHAIN

The activities target the general public, with whom Group companies have direct or intermediated contact.

Some of the tickets are sold by intermediaries – works councils or tourism professionals – thereby diversifying the customer base.

Revenus

The Group's revenue mainly stems from sales of admission tickets (around 60%), while the rest stems from park activities (food services, shops, other services, etc.).

The period of operation varies according to the sites. Certain indoor sites operate all year round, while outdoor sites operate from spring till autumn (Halloween), with a concentration of visitors in the summer.

Operational profitability

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

Investments

The development of the sites and their facilities increases their attractiveness and their capacity. Accommodation extends the catchment area and increases visiting time.

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.

As investment partners wanting to boost the attractiveness of the territories, Compagnie des Alpes operates in several regions of the world. It has already accumulated solid references in Russia, Southern Europe, the Maghreb, and China – a strategic market for the ski and leisure industries – and Japan.

- The Group's organisational structure is based on the subsidiaries' ability to efficiently manage and achieve their performance objectives, within the limits of a strategic framework defined and overseen by the Holding company.
- The conventional stakeholders – suppliers, partners, customers and employees – are managed at the local level, and also at the global level through Group-wide functions.
- Relations with financial stakeholders (shareholders, investors, financiers, bankers, rating agencies, etc.) are centralised at Group level.

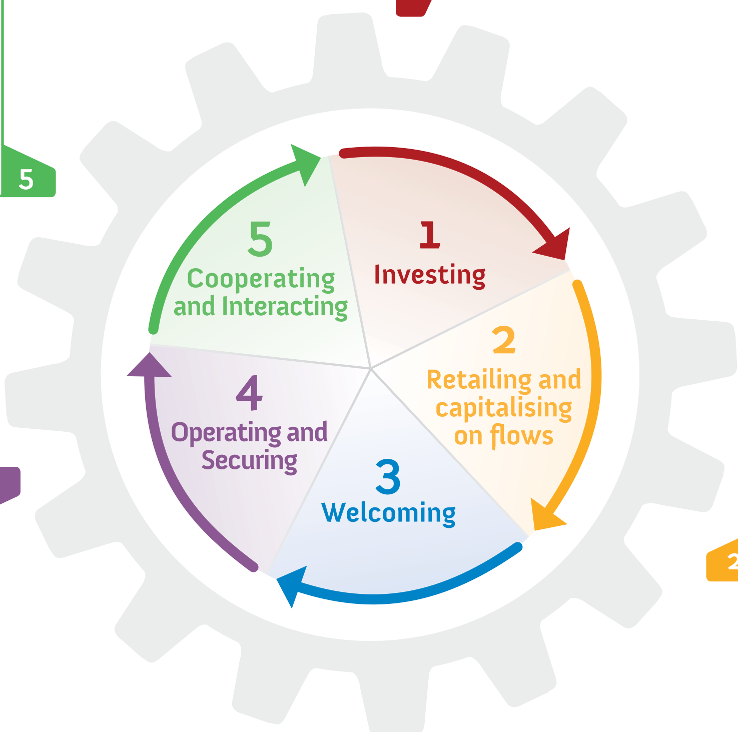
Our **shared know-how** and its value-creation levers

1

- Increasing investments that boost attractiveness and capacity
- Developing employee skills
- Optimising costs and performance, and extending the sites' period of operation
- Making the most of our know-how outside the Group
- Managing the portfolio in an integrated way

5

- Working in close cooperation with the ecosystem
- Training and enhancing the ecosystem, and sharing the value
- Applying and promoting environment-friendly and ethical practices



2

- Winning new customers
- Boosting distribution and simplifying the purchasing process
- Increasing per-visitor spending and visiting time
- Improving customer knowledge and customer loyalty and generating repeat visits
- Optimising occupancy rates

4

- Maintaining operational excellence and improving the quality of the services
- Making safety part of our DNA
- Developing employee commitment and motivation
- Consuming less and better to reduce the Group's environmental footprint

3

- Implementing our Very High Satisfaction strategy
- Facilitating visits and enhancing the customer experience (products, connected applications, unique and immersive experiences)
- Improving accommodation quality and capacities
- Integrating new employees

X

Value-creation levers

1 INVESTING

RESOURCES

Human Capital:
- €171 million payroll

Financial Capital:
- Investments: €186.2 million, i.e. 23.3% of revenue
- Low indebtedness: Net debt/EBITDA of 1.84
- High shareholders' equity: €879 million

IMPACTS

Human Capital:
- 15.1 hours of training per employee

Financial Capital:
- Investments for growth and performance
- EBITDA: €218.3 million => +5.4%
- Operating ROCE: 8.2 %

Intangible Capital:
- Reputation, with new consulting contracts in France and abroad.

Infrastructure Capital:
- Rationalisation and modernisation of the Ski Areas
- Increased attractiveness and capacities of the Leisure destinations and their hotel offering

2 DISTRIBUTING AND CAPITALISING ON FLOWS

RESOURCES

Intangible Capital:
- "Destination" brands with a Europe-wide or even worldwide reputation
- Well-known retail brands in France

Infrastructure Capital:
- SA: real estate agencies: 25% market share in Group resorts, (*i.e.* 11,500 beds under management)
- LD: 3 sites with a hotel offering: Walibi Holland, Futuroscope, Astérix Parc

IMPACTS

Financial Capital:
- 13.9 million skier-days and 8.8 million visits to leisure parks
- LD: +39% growth in business and 44% rise in In-Park spending over the past 5 years
- SA: 2.5% average annual revenue growth per skier-day over the period from 2012/13 to 2017/18

Intangible Capital:
- Upscaling of digital retailing
- Creation of a DataLake

3 WELCOMING

RESOURCES

Human Capital:
- 2,889 non-permanent (seasonal) FTEs per year

Infrastructure Capital:
- 11 Ski areas, 8 Outdoor parks and 3 Indoor sites

Natural Capital:
- Peri-urban leisure sites and Alpine sites with exceptional landscapes and environmental quality

IMPACTS

Human Capital:
- High return rate among seasonal workers from one year to the next (49% for Leisure destinations, and 88% for Ski Areas)

Intangible Capital:
- Increase in customer satisfaction (+60 bps for Leisure destinations excluding Futuroscope in 2018)

Infrastructure Capital:
- 4,900 resort beds created or renovated since 2013, and over 300 rooms created or renovated in Parc Astérix since 2017

4 OPERATING AND SECURING

RESOURCES

Human Capital:
- Recognised know-how and operational excellence
- Total headcount = 4,951 FTEs:
  - 11% managers, of which 40% are women

Natural Capital:
- Weather and climatic conditions

Intangible Capital:
- 4 Green Globe certified sites, 1 ISO 50 001 certified site

IMPACTS

Human Capital:
- Employee satisfaction questionnaire: 43% participation
- Absenteeism rate following occupational accidents: 0.7%

Natural Capital:
- 1 observatory dedicated to the environment and biodiversity in each Ski Area
- 249 GWh in Energy, of which 52% renewable
- 3.9 million m³ of water, of which 12.5% municipal water
- Direct GHG emissions: 32.4 T CO_2 eq
  - SA: 2.5 kg CO_2 eq per skier-day = 10 km by car
  - LD: 1.62 kg CO_2 eq per visitor = 12 km by car

5 COOPERATING AND INTERACTING

RESOURCES

Financial Capital:
- Several hundred million euros in purchases

Social Capital:
- Numerous local stakeholders

IMPACTS

Human Capital:
- Employee profit-sharing (year N-1): Average of €2,714 per employee
- Professional integration: 222 work/study contracts granted during the year
- 458 new certifications obtained by employees

Financial Capital:
- Dividends paid to shareholders: €15.8 million
- Income tax: €29.7 million for the Group
- Rising investments in both business lines

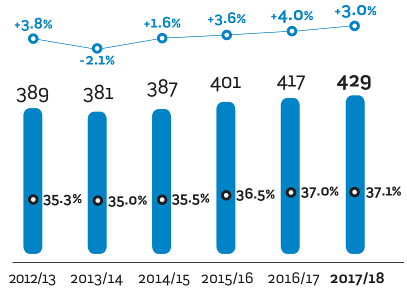
Social Capital:
- Significant contribution to the regions' economic activity
- Active participation in the governance of the resorts
- Participation in professional organisations (DSF, SNELAC, etc.)

Performance indicators and objectives

In 2018, Compagnie des Alpes recorded historical performances, both at operational level and at net income level. The margin targets of its core business lines were again achieved this year and the return on capital employed was maintained above 8% despite unprecedented levels of investment. This is further proof of the relevance of the strategy pursued since 2013.

REVENUE AND EBITDA MARGIN SKI AREAS

Ski areas account for 54% of the Group's 2017/2018 revenue.



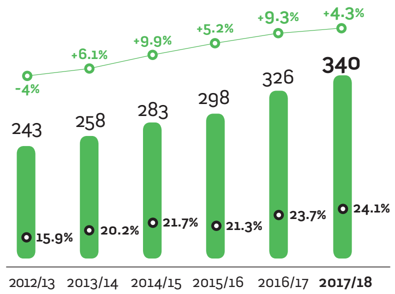
- *Sales (€ millions).*
- *Change in Sales.*
- *EBITDA margin (% of Sales).*

DEFINITION

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation of the Ski areas division.
Comparable scope: historical data are restated by removing real estate agencies and online distribution, activities which are now reclassified in the Holdings and Supports Business Unit.

REVENUE AND EBITDA MARGIN LEISURE DESTINATIONS

Leisure destinations account for 42% of the Group's 2017/2018 revenue.



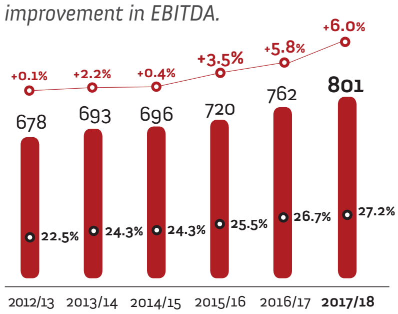
- *Sales (€ millions) on a comparable scope.*
- *Change in Sales on a comparable scope*
- *EBITDA margin (% of Sales).*

DEFINITION

EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation of the Leisure destinations Division.
Comparable scope: historical data are restated, on the one hand, by withdrawing the transferred assets as well as discontinued operations (Grévin Prague and Seoul) and, on the other, by adding the Grévin Montreal and Chaplin's World by Grévin sites as well as CDA Production (previously recognised in the former Group Development BU).

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.



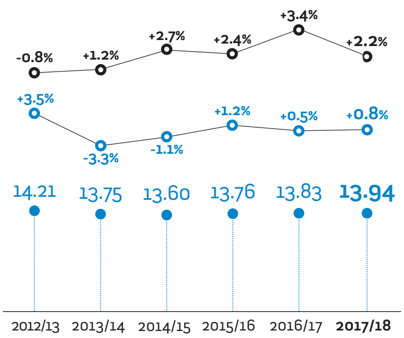
- *Sales (€ millions) at actual scope.*
- *Change in Sales at actual scope.*
- *EBITDA margin (% of Sales).*

DEFINITION

Group revenue: includes the Group development division.

NUMBER OF SKIER-DAYS AND REVENUE PER SKIER-DAY

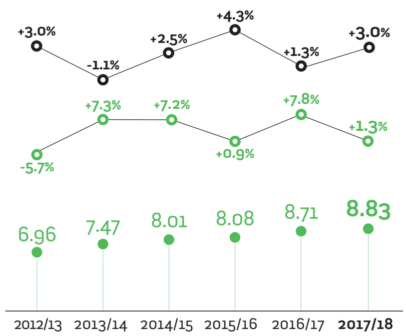
3rd consecutive year of increase in skier-days and ongoing growth in revenue per skier-day



- *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

5th consecutive year of increased revenue 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 2018/2019: between **36**% and **37**%

EBITDA margin LEISURE DESTINATIONS

OBJECTIVE* **2018/2019**: between **27**% and **28**%

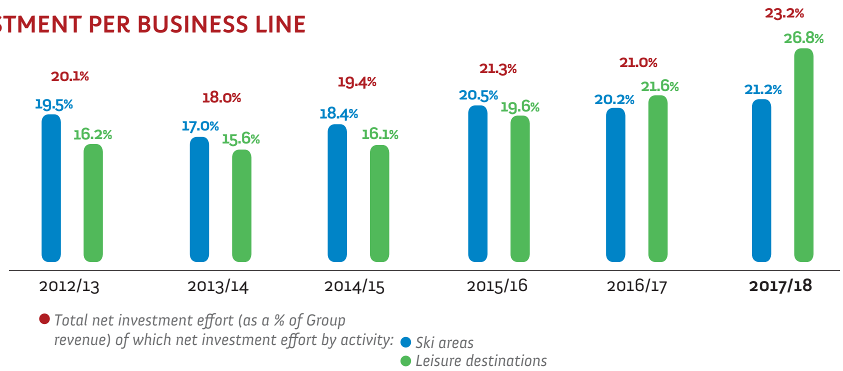
** Excluding Futuroscope but including indoor parks.*

SEGMENTATION BY BUSINESS UNITS

The Group has carried out a number of reclassifications between Business Units for its 2017/2018 reporting. Following the discontinuation of activities in Prague and Seoul, the revenue and earnings of these companies (sold since then) have been reclassified as discontinued operations. The activities of the Grevin Montreal museum, of Chaplin's by Grevin and of CDA production have been reclassified as Leisure destinations. In addition, international prospecting and advisory activities are recognised with the Group's distribution and holding activities in Holdings and Supports.

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.

OPERATING ROCE FOR THE GROUP

Despite unprecedented levels of investment, the return on capital employed remained above 8% in 2018, a target the Group had set for itself for 2019.

2014/15	2015/16	2016/17	**2017/18**
7.2%	7.9%	8.9%	8.2%

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.

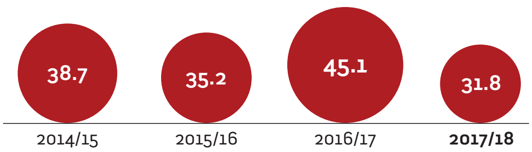
OUTLOOK

GROUP PROFITABILITY

OBJECTIVE
2018/2022

Operational ROCE is expected to increase by 2022, with a non-linear trajectory

FREE CASH FLOW FROM OPERATIONS IN € MILLIONS



The drop in free cash from operations reflects the Group's proactive investment strategy.

DEFINITION

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

GROUP NET DEBT/EBITDA RATIO

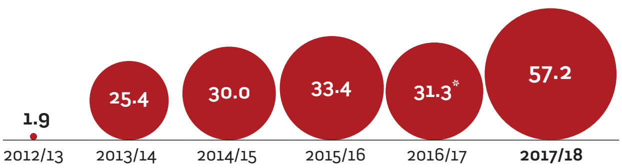
With the improvement in the Group's performance in 2017/2018, the Group's net debt/EBITDA ratio continued to improve.

2014/15	2015/16	2016/17	**2017/18**
2.14x	2.01x	1.87x	1.84x

DEFINITION

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

NET INCOME GROUP SHARE, IN € MILLIONS



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

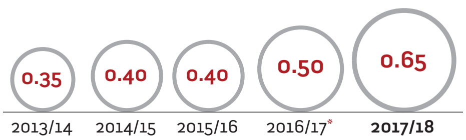
The successful divestment of the Seoul and Prague sites, combined with good operating results and the positive effects of debt refinancing in 2017, resulted in a record earnings in 2018.

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 record earnings for 2018 have made it possible to offer a dividend per share up 30% on the previous year.



* Dividend proposed for the 2016/2017 fiscal year.

DEFINITION

2017/2018 dividend: proposed dividend for the fiscal year.


Samoëns

1

INTRODUCTION TO COMPAGNIE DES ALPES AND ITS ACTIVITIES

1.1 Activities, markets and competition

With nearly 23 million visits to its 22 [1] sites in 2017/2018, 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 player in leisure parks with 11 sites: 5 in France, 3 in Belgium, 1 in the Netherlands, 1 in Switzerland and 1 in Canada.

CHANGES IN SCOPE DURING THE FISCAL YEAR

During the fiscal year, Compagnie des Alpes acquired 73% of Travelfactory – the leading online retailer of ski holidays in France. It also announced the sale of its operations in Prague and Seoul.

To take account of these changes in scope, modifications were made to the divisions. For more information, see Note 5.1 to the Consolidated Financial Statements.

1.1.1 SKI AREAS (54% OF THE GROUP'S 2017/2018 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 1.14. 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 1.14. 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]

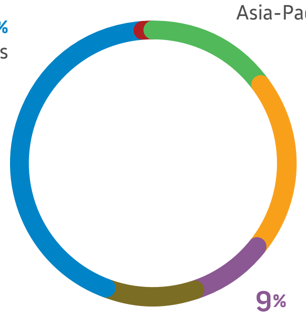
The global ski market is made up of close to 2,000 resorts in around 67 countries.

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 2017/2018 season [4], the three countries that registered the highest number of skier-days were Austria (54.5 million), France (53.8 million) and the United States (53.3 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 Alpes.

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.

(1) No company or group comparable to Compagnie des Alpes that operates ski lifts has a higher number of skier-days than the Group.
(2) During the 2017/2018 fiscal year, Compagnie des Alpes sold the Grévin sites in Prague and Seoul.
(3) Source: Laurent Vanat, "2018/International Report on Snow 2018 & Mountain Tourism".
(4) Source: Domaines Skiables de France – 2018 Indicators and Analysis.
(5) Source: Laurent Vanat, "2018/International Report on Snow 2018 & Mountain Tourism".

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.

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)]. 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	16
Switzerland	950	1,446	193	5
Italy	1,350	2,127	349	7

* *Resorts recording 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, 239 of which belong to Domaines Skiables de France (DSF), the professional body for ski area operators.

During the 2017/2018 season, 53.8 million skier-days were sold, with Domaines Skiables de France estimating an average receipt per skier-day of €26.6. The French ski market thus amounts to €1,431 billion.

The vast majority of customers are French (74%). British customers represent 7%, followed by Belgians at 5%, and the Dutch at 3% [(2)].

At 30 September 2018, Compagnie des Alpes' revenue from its Ski areas amounted to €429.3 million, with a total of 13.9 million skier-days. The market share of Compagnie des Alpes and its consolidated companies thus amounted to more than 30% in terms of value and nearly 26% in terms of 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

Compagnie des Alpes' 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 Ares 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 2017/2018, these two companies generated revenue of €142.0 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.

(1) *Source: Laurent Vanat for DSF.*
(2) *Source: Domaines Skiables de France – 2018 Indicators and Analysis, October 2018.*
(3) *Source: Montagne Leaders, No. 263 – September and October 2017.*

Tignes

Tignes offers a unique way of experiencing the mountains. The seasons here are the longest in Europe (from the beginning of October to mid-May) owing to the resort's high altitude (1,550 metres to 3,450 metres) and extend from June to August thanks to the Grande Motte glacier. More than 80% of Tignes' vacationers is 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, the village of Val-d'Isère, which became a ski resort in 1938, 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 2017/2018, they generated revenue of €93.3 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

Nestled in the heart of the 3 Vallées, only 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 €78.8 million in 2017/2018 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 breath taking 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 €40.8 million in the 2017/2018 fiscal year. The number of skier-days was 1.4 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, and 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 €36.0 million in 2017/2018, 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 €38.5 million in 2017/2018 with 1.2 million skier-days.

1.1.2 LEISURE DESTINATIONS (42% OF THE GROUP'S CONSOLIDATED REVENUE IN 2017/2018)

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 2018, the Compagnie des Alpes Group operates 11 [(1)] sites, representing nearly 8.8 million visits per year, with 5 parks in France, 3 in Belgium, 1 in the Netherlands, 1 in Switzerland and 1 in Canada. It also holds a 20% minority interest in the Jardin d'Acclimatation Park in Paris, alongside the LVMH group.

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 [(2)]. With nearly 8.8 million visitors and revenue of €340 million in 2017/2018, Compagnie des Alpes is the fourth largest industry player in Europe.

Group	Number of parks	Visitor numbers *(millions of visitors)*	Annual revenue
Merlin Entertainments group (2017)	124	66.0	£1,594 million
Parques Reunidos (2018)	64	19.6	€579 million
Euro Disney – Theme parks (2017)	2	14.8	€1,472 million
Compagnie des Alpes	11	8.8	€340 million

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

Park	2017 visitor numbers *(in millions)*	2016 visitor numbers *(in millions)*	Country
Europa Park	5.7	5.6	Germany
De Efteling	5.2	4.7	Netherlands
Tivoli Gardens	4.6	4.6	Denmark
Port Aventura	3.6	3.6	Spain
Liseberg	3.1	3.1	Sweden
Gardaland	2.6	2.8	Italy

Source: TEA/AECOM 2017 Global Attractions Attendance Report.

In France, leisure, amusement and cultural facilities have been growing constantly over the past 30 years. This sector is actively contributing to France's cultural and tourism offering [(3)].

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 and revenue totalling €2,400 million.

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 over 8.8 million visitors and revenue totalling €340 million in 2017/2018, Compagnie des Alpes holds a market share of more than 16% in terms of volume, and more than 14% 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 5 shows and 40 attractions (7 for thrill seekers, 20 for families, and 13 for children).

(1) Including Grévin Montreal and Chaplin's World by Grévin, which had been recognised in the "Group Development" BU in previous years.
(2) Source: IAAPA Global Theme and Amusement Park Outlook – 2015/2019.
(3) Source: SNELAC – 2017 Activity Report.

This year, they were able to discover or rediscover the park from a height thanks to Aérolaf, a rotating bar 35 metres above the ground.

The world of Parc Astérix extends to the accommodation area, which includes the three-star Trois Hiboux hotel expanded and renovated in 2017, and the Cité Suspendue hotel built in 2018. Each of the hotels has a capacity of 150 rooms. The Cité Suspendue hotel is based on the theme of a forgotten city in the forest, left by an ancient civilisation. To preserve the fauna and flora, all of the buildings have been built on stilts.

In the 2017/2018 fiscal year, Parc Astérix generated revenue of €108.4 million and welcomed more than 2.17 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.

This year, Futuroscope inaugurated a new 5D virtual reality attraction in which the visitor becomes the co-pilot of famous world-champion rally driver Sébastien Loeb.

Futuroscope is open for almost the entire year. The main period of closure is in January. It generated revenue of €101.2 million in 2017/2018, with 1.85 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.

The season's latest additions include celebrities such as Maître Gims, Jean-Paul Gaultier, Alexandra Lamy, Catherine Frot, Les Miraculous (Lady Bug and Chat Noir), Kylian Mbappé and American top model Angela Lindvall.

Grévin's revenue amounted to €13 million in 2017/2018, with the museum welcoming 678,000 visitors.

The other French sites (France Miniature, Walibi Rhone-Alpes)

France Miniature

Ten minutes away from Versailles lays 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.

Throughout the summer, visitors toured the park to the voice of Stéphane Bern – a famous TV presenter specialised in history and royalty – thanks to the scale models' new audio presentation system inaugurated this season.

Walibi Rhône-Alpes

Established in a magnificent natural setting in Avenières since 1979, Walibi Rhône-Alpes offers over 30 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.

Walibi Rhône-Alpes continued its transformation this season with the overhaul of its reception area and the creation of the new "Festival City" area, which includes a thrilling family attraction called "Hurricane", two attractions for small children, and a new food court.

The other French sites generated revenue of €17.4 million in 2017/2018, with visitor numbers reaching over 667,000.

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.

Walibi Holland generated total revenue of €31.8 million in the 2017/2018 fiscal year and welcomed 838,000 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.

In addition, the site initiated a major transformation with a new area called "Exotic World" that showcases Polynesia and includes, among other features, a new family-friendly roller coaster called Tiki-Waka. By 2022, 75% of the park will have been totally re-themed.

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 140 metre-long "Rapido", and the "Xtreme" with its 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.

During the season, work began to create an indoor aquatic park of 3,000 sq.m. next to the site. All water slides, buoys and climbing walls will be ready by 2019.

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

In 2017/2018, the three Belgian parks generated revenue of €60.5 million with 2.27 million visitors.

The other Grévin museums (Grévin Montreal and Chaplin's World by Grévin)

Grévin Montréal

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

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

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 2017/2018, Grévin Montreal and Chaplin's World by Grévin generated revenue of €7.2 million and attracted over 361,000 visitors.

1.1.3 HOLDINGS AND SUPPORTS (NEARLY 4% OF THE GROUP'S 2017/2018 CONSOLIDATED REVENUE)

This division now includes the consulting business of CDA Management and CDA Beijing, the online holiday retailing operations, CDA's legacy real estate agencies (previously consolidated under the Ski areas BU), and the operations of Travelfactory, acquired in January 2018.

1.1.3.1 Holiday retailing

This BU includes the Travelfactory group since 1 January 2018, along with four other Group companies with similar business activities, namely CDA Ski Diffusion, SC2A, Pierre & Neige and SCIVABEL.

For holiday retailing, the revenue corresponds to the margin or commission on the packages sold, except for the revenue provided by purchases of accommodation or ski passes, which is accounted for on the basis of the activity.

1.1.3.2 Consulting business

Based on its first-hand experience as a leading ski resort and leisure park operator. Compagnie des Alpes has developed a consulting business. 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.

This consulting business is operated by CDA Management and its subsidiary CDA Bejing, which is in charge of contracts in China.

During the 2017/2018 fiscal year, further growth was recorded, in particular through the Jardin d'Acclimatation service provision contract (project management services, park operation and marketing). The Jardin d'Acclimatation has enjoyed undeniable success since its re-opening on 1 June 2018.

In addition, contracts were signed or renewed in China, in particular to provide technical assistance to the Thaiwoo resort. The year was also marked by ongoing consulting operations in Turkey and Georgia (for ski resorts) and in Moscow (for leisure parks).

For the 2017/2018 fiscal year, the Holdings and supports division generated revenue of €32.0 million on an actual scope basis, versus €12.4 million the previous year, which did not include Travelfactory's revenue.

1.2 Strategy and outlook

The 2017/2018 fiscal year marked the end of a 5-year cycle which saw the implementation of a strategic shift centred on the attractiveness of the sites following the rationalisation of the portfolio and financial structure, as well as the launch of structural initiatives (in particular on the international level) in 2010.

This attractiveness strategy was based on the following 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 strategy was gradually strengthened, in line with the following cross-functional priorities:

- the deployment of the "Very High Customer Satisfaction" policy in all business activities, in particular by improving customer knowledge;

- greater focus on labour-related, environmental and social issues in strategic planning.

Compagnie des Alpes (CDA) is now a diversified European leisure leader, which is thus less sensitive to changes in the economic cycle. The complementary nature of its two legacy business lines is one of the pillars of its solidity, giving it an unrivalled edge in an increasingly competitive environment.

For the fifth consecutive year, the results are in line with expectations. The revenue of the Leisure Destinations Division has grown by more than 39% over the past five years and its profitability has more than doubled over the same period. The Ski Areas Division recorded further growth in sales and profitability, despite weather conditions that were still unfavourable. This growth can be attributed to a positive price effect, but most importantly to an increase in skier-days – a major determinant for this division – for the third year in a row. With its Development initiatives, 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.

Buoyed by these successes, the Group plans to intensify and step up 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 whom come from abroad), as well as expand its customer base and stand up to the stiff competition from other European ski areas, the Group is working to increase the quality and quantity of its resort offerings. The aim is to continue 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. To ensure volume growth, Compagnie des Alpes needs to offer products and services that meet the needs of the Group's different customer types – families, novice skiers, young people, and overseas visitors – throughout their stay. 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 – and the development of the ski runs, the Group is banking on the reinforcement of snow-making equipment and on the quality of the customer experience (WiFi, convivial digitalised sales facilities, multi-activity spaces in the ski areas, etc.).

At the same time, the Group acts as a facilitator, or as an investor in some cases, to improve the quantity and quality of tourist accommodation, in order boost its occupancy rate.

Since its set-up in 2013, Foncière Rénovation Montagne has 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. In addition, CDA has participated in the financing and/or holding of real estate assets for new hotels and tourist residences to supplement the existing offering or to provide alternative accommodation based on new concepts (ranging from premium accommodation to new-generation youth hostels). A total of 3,000 new beds were thus created with the Group's support. Furthermore, CDA has invested in the preservation and refurbishment of existing accommodation. Examples include the operations recently conducted in two tourist residences, one at La Plagne and the other at Les Menuires. The management of the first was entrusted to the Company's local real estate agency while the other was entrusted to Travelfactory. The aim of this specific effort is to create a virtuous economic cycle in the resorts by boosting the number of skier-days. While it had been perceived as a defensive approach in the short-term, the Group's participation in the restructuring of the offering is now promoting an upmarket move and the strategic emergence of new players. This increases the sites' visibility and attractiveness – a winning combination – by boosting the marketing of beds and their occupancy rate (including for C2C).

To round off its ski package offering (initiated with the set-up of Alpes Ski Résa in 2013), as well as gain access to a younger clientèle and more international customers, the Group acquired the online tour operator Travelfactory in January 2018. Set up in 2000, Travelfactory has an integrated offering of mountain holidays based on the brands Travelski (an online tour operator specialised in ski holidays) and SimplytoSki (a site dedicated to the rental of ski equipment and related services). Its offering also includes Golden Voyages and Ski-line – two tour operators specialised in the BtoB marketing of student ski holidays, targeting French and Belgian customers, respectively. Travelfactory's portfolio is rounded off with the online tour operator Locatour, which offers all types of holidays in Southern Europe throughout the year, including a large selection of camping holidays. Travelfactory also relies on a network of 13 real estate agencies based in French ski resorts and operating under the brand names Ski&Soleil and Alpesforyou. In FY 2017-2018, Travelfactory's business volume amounted to €87 million, thereby adding nearly €23 million to the Group's consolidated revenue.

The activity of the Group's real estate agencies has thus become crucial to boost the marketing of beds. The Group already owned 8 real estate agencies spread out across its resorts (except Méribel). With the acquisition of Travelfactory, it is now in charge of 11,500 beds managed on behalf of their owners, and nearly 25% of the warm beds professionally marketed in the resorts where the Group operates.

For Leisure destinations, Compagnie des Alpes recorded very good results for the fifth consecutive year, thus validating the strategic change introduced five 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 roll-out of new attractions over the past 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. This year was dedicated to the continuing efforts made to intensify the visitor experience, in particular at Parc Astérix where the children's show and Aérolab provide additional experiences to visitors, who are now accommodated in two hotels (Les Trois Hiboux and La Cité Suspendue) representing a total of 300 rooms. The park once again posted record attendance, with over 2.1 million visitors. Walibi Belgium and Rhône Alpes have continued their transformation. The first should have renovated nearly 75% of its offering by 2023, while the second should consolidate its position as a major regional park. This year, the main focus of Walibi Belgium is its Exotic World, with a family attraction called Tiki Waka. As for Walibi Rhône Alpes, it inaugurated its Festival City which comprises three new attractions including Hurricane – the first attraction of this type in France, offering a zero-gravity experience.

Furthermore, the parks have continued their efforts to do away with "experience spoilers" (reception, atmosphere, cleanliness, coordination, etc.). This has been rewarded with an improvement in visitor satisfaction ratings in all parks, despite an increase in visitor numbers. The share of "excellent" and "very good" ratings on Tripadvisor now consistently accounts for more than 60% of positive reviews (which have been rising for the past 3 years). The combined growth in visitor satisfaction and in-park spending is largely attributable to the creation of special events in key periods (Halloween, Christmas, summer), as well as the lengthening of opening periods, and the new services offered (guided tours, backstage tours, end-of-day purchase retrieval in the shops, treasure hunts, etc.). The parks' performance also rests on the new multi-park, channel-based organisation of our sales teams and the build-up of our Revenue Management teams for our major sites. They supported the intensification of our marketing efforts in BtoC (use of digital levers, online selling extended to food services, premium passes and combos), as well as BtoB, and our visitor loyalty-building efforts through social networks and greater attention paid to influencers.

Lastly, in **line with the Group's strategy of resetting its priorities and refocusing its portfolio on sites that can achieve the Very High Customer Satisfaction** level announced at the end of 2013, the Group sold the sites of Grévin Prague and Grévin Seoul, as announced at the end of 2017.

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

The improvement of 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 this is the primary method of attracting customers. This Very High Customer Satisfaction strategy has been expanded this year to include the concept of enchantment. It involves the hunt for experience spoilers, design thinking and appropriate management of the data collected through the Group's datalake.

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. In addition to the plans announced by the Walibi Belgium and Rhône Alpes parks, the opening of an aquaparc next to Bellewaerde Park is scheduled for the 2019 season. Moreover, Grévin Paris temporarily closed in January 2019 in order to offer a new experience by 15 February 2019. As for the Futuroscope park, it will be enhanced with two new attractions during the fiscal year – a new children's world and a major attraction sending visitors out on an interstellar mission. In 2019, to celebrate its 30th anniversary, Parc Astérix will be working on a new and unique 5D attraction.

Lastly, to expand the catchment area of its national-scope parks, the Group is increasing the accommodation capacity next to its sites. The major project aimed at increasing Parc Astérix's hotel capacity from 100 to 450 rooms (2 additional hotels) and bolstering the park's offering (7 new attractions, 2 major renovations) is halfway to its completion, while the third and last hotel – Quais de Lutèce – should open in December 2019. Once completed, this project will make Parc Astérix accessible to visitors who are more than three hours away by car and make it a short-break destination. Moreover, the site has extended its summer opening periods and is contemplating the creation of a "Christmas" offering for the general public in the near future in order to extend its operating period during that season.

Driven by its constant desire to assist customers and enhance their experience, **the Group supports the strong development of digital initiatives on its sites to improve information sharing and integration:** cross-referencing of customer data by the various players in each resort and leisure park; improvement of our customer knowledge; better targeting of the services and information required by each customer; creation of CRM stations; set-up of practical, intuitive applications to facilitate the use of the facilities (Yuge at Paradiski) or leisure park services (food app, Atonservix, etc.); creation and coordination of communities of ambassadors and influencers, etc. These actions are now coordinated and their results are consolidated in a Group datalake, in an effort to perpetuate a unique, privileged relationship with our customers in order to get to know them better and provide them with better service.

The final key aspect of the Group's strategy: the Group's continued development 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. During the past fiscal year, the Group Development missions revolved around 3 major axes:

Firstly, strengthening its European leadership in its two legacy business lines (ski areas & leisure parks). From that point of view, the 2017/2018 fiscal year has been fruitful for Consulting services, in particular through the Jardin d'Acclimatation service provision contract involving project management services, operation and marketing under a 25-year concession granted to the consortium made up of LVMH (80%) and CDA (20%). After 10 months of work, the Jardin d'Acclimatation has been enjoying undeniable success since its re-opening on 1 June 2018. During the year, the Group also assisted the Occitanie region through a feasibility study and the initial concepts for the creation of a theme park. In this connection, it signed an agreement with Europacity for support with the design of the future leisure infrastructures it wishes to develop, and to position itself as a potential future operator. At the same time, the Development department continued to actively search for acquisition targets in Europe in the Group's two business lines.

The Development department also focused efforts on identifying the right drivers to take advantage of the expected boom in Chinese customers, particularly at mountain resorts. It thus continued to provide consulting and technical support services to resorts and emblematic projects such as Thaiwoo (3rd year of management assistance) and Yanqing (assistance with the design and construction of the Yanqing resort due to host the flagship events of the 2022 Winter Olympics), also signing three contracts in the province of Xinjiang. The 2018/2019 fiscal year is looking promising, with a new management assistance contract for the Beidahue resort, the creation (already under way) of a ski school in China, and a first contract covering the 2018/2019 season for the Wanlong resort, the biggest in China. Lastly, the recent signing of a Memorandum of Understanding for an industrial partnership with Fosun should lead to the design and operation of a new-generation snow dome in Shanghai. At the same time, the Group has started to look for acquisition targets in Japan, considering that this country would benefit from the new clientèle of Chinese skiers.

In other regions, the 2017/2018 fiscal year saw the continuation of the consulting services for ski areas in Turkey (Turkish Ski Federation) and Georgia, and for leisure parks in Moscow.

With all of these contracts, it is clear that gaining a foothold in these dynamic markets, which are expected to provide a major source of growth, also addresses the goal of gaining new customers for the Group's European sites, by attracting customers from these countries to them.

Buoyed by these results, Compagnie des Alpes has already achieved the guidance objectives communicated in 2013 and 2014 for FY 2019, *i.e.* EBITDA above 36 to 37.1% for the Ski Areas division, Leisure Parks EBITDA (excluding Futuroscope) of 27% and Operating ROCE above 8%.

As the growth in the return on the capital employed justifies the investments made, the Group intends to pursue this virtuous dynamic.

OUTLOOK

For 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 slightly less favourable than in the previous year. With the satisfactory weather conditions at the beginning of the season and the recent snowfalls accompanied by a cold period, the resorts have been able to offer customers a quality product. The bookings recorded for February showed a slight fall, in light of France's current social environment, and after a very good start. However, the Group remains confident as regards the overall business level.

It intends to pursue a sustained investment policy of €100 million over the 2018/2019 fiscal year in order to support PSC renewals and extensions, secure snow levels, and achieve the Very High Customer Satisfaction objective. It aims to achieve an EBITDA margin on revenue of between 36% and 37% over the next fiscal year for this activity.

For Leisure destinations: for the past 4 years, the Halloween season and Christmas events have boosted business levels, confirming the appropriateness of the Group's event strategy to boost shoulder season business.

In this business line, growth will be driven by investments in accommodation (Parc Astérix) and new offers (transformation of the Walibi Belgium and Rhône-Alpes parks, and opening of an aquapark in Bellewaerde). Investments in the Leisure destinations division will increase by around €8 million in 2018/2019 and reach almost €100 million. For 2019, the Group targets an EBITDA margin (excluding Futuroscope) ranging between 27% and 28%.

The Operating ROCE, which measures the return on the capital employed in ski areas and Leisure destinations, is expected to increase over the 2018/2022 period, but in a non-linear way. The target for 2022 – exceeding that of the past year (i.e. 8.8% restated) – is maintained.

Moreover, the Group is still benefiting from the refinancing of its 2017 bond (€200 million) and RCF syndicated loan (€250 million). This transaction strengthens its financing structure, diversifies its sources of financing and extends the average maturity of its debt to 6.6 years, with no major repayment deadline before 2022. Since 2017/2018, it has reduced the cost of the net debt by more than 40%, as the weighted average rate of financing raised is below 1.5%.

In conclusion, on the strength of a proven economic model, Compagnie des Alpes is now pursuing two objectives: consolidating its growth in Europe and accelerating its international development, by giving priority to industrial partnerships if necessary.

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

1989: Creation of Compagnie des Alpes by Caisse des Dépôts

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 Argentiére-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 Grévinet 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 **PleasurewoodHills** (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 out its businesses in that year and became a front-line player in leisure parks in Europe.

2006: **Wailibi Holland**, **Wailibi Belgium**, **Aqualibi**, **Wailibi Sud-Ouest**, **Wailibi 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'Isére** (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 Strategy 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 Pleasure wood Hills, in the UK. The Group held a 27% stake in the acquiring company, 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 three-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 Rèsa, 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. Resuits 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 Casabianca, Morocco;
- sale of 4 leisure parks; Doifinarium, Wailibi 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).

2017-2018: Acquisition of Travelfactory

- sale of the Grévin sites in Seoul and Prague;
- acquisition of 73% of Travelfactory. Compagnie des Alpes becomes the No. 1 retailer of ski holidays in France.

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 2018, the Group's net financial debt stood at €402.3 million.

The Group's gross financial debt (see Note 6.11 to the Consolidated Financial Statements) came to €433.9 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	433.9	129.9	99.7	204.3
Financial assets	31.6	31.6		
Net position	402.3	98.3	99.7	204.3

As at 30 September 2018, the Group had a significant buffer of undrawn credit facilities:

- €225 million in medium- and long-term loans can be drawn upon at any time:
  - a revolving credit facility of €225 million expiring in May 2022;
- moreover, for short-term requirements, €53.3 million is available at any time in the form of overdrafts.

After the reporting date, on 31 December 2018, the Group has:

- €145 million in undrawn medium-term loans;
- €73.2 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.

With the new General Data Protection Regulation (GDPR) that came into force in April 2018, the protection and control of our data are crucial for our Group, and we guarantee transparency for our customers, employees and partners.

2.2.2 LITIGATION

As at 30 September 2018, 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

Ongoing shortage of snow throughout a season cannot be totally ruled out and constitutes the risk which ski area operators are most aware of.

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.

However, Compagnie des Alpes has acknowledged this risk through its choice of sites, which are located at high altitudes to enjoy favourable long-term snow conditions. Moreover, our snow-making and snow-quality programmes strengthen this strategy and increase the resilience of our economic model.

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 "Non-financial performance" – section 4.4.1.4. 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 revenue 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.

Whenever possible, the Group favours real estate operations with long-term leases and high-performance managers offering highly attractive products, thus spurring development projects with a positive impact on the 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;
- all regulatory checks have been carried out and each facility is verified regularly before and during the sites' operating season.

The Group relies on a network of partners in the areas of quality and safety who are responsible for monitoring and 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.

With its insurance broker's prevention engineers, the Group regularly conducts civil liability prevention visits covering all its business-specific risks, thus continuously improving the management of risks of bodily injury.

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 brokers visit its sites regularly, making the required recommendations and monitoring 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 rolled out an assessment and prevention process and produced a specific guide of good practices on the prevention of damage to property and related business interruption, in order to reduce the risk of accidents and strengthen 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 Risk management procedures

2.4.1 RISK MANAGEMENT APPROACH

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;
- the organisation and responsibilities in the area of risk monitoring;
- the 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 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 the progress of the action plans relating to the key risks identified and the incidents that occurred over the previous period. It then decides on the approaches to be adopted 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.

2.4.2 CRISIS MANAGEMENT SYSTEM

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 in the subsidiaries for setting up a crisis unit.

Designated individuals on call 24/7 have been trained to be able to take action in the event of a major crisis, in accordance with clearly defined rules.

Specific training has been provided to the Executive Committee, subsidiary managers and crisis officers.

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.

2.5 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 and limits 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 areas such as construction and assistance.

2.5.1 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.

The cover is supplemented with policies dedicated to Environmental Liability and Corporate Officers' Liability.

2.5.2 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.

Following the 2018 incidents and storm Eleanor, the negotiations undertaken made it possible to preserve the programme with the same primary insurer.

2.6 Internal control 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.

2.6.1 INTERNAL CONTROL APPROACH

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. It primarily consists in providing the required tools and an information-sharing platform, so that each employee is fully aware of their role in the system.

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 [1], is based on a matrix organisation split between large functional and operational departments, each led by a member of the Executive Committee (Comex). There are five 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;

(1) *Until 15 October 2018, the Chairman and Chief Executive Officer was assisted by a Deputy Chief Executive Officer.*

- 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.

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. 02016-1691 of 9 December 2016, known as the Sapin II Law, the Group has 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. In 2019, a new document management tool, administered by the Audit and Internal Control Department, will improve employee accessibility 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.

2.6.2 PROCEDURES RELATIVE TO THE PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

Organisation and procedures

Accounting and financial information relating to the CDA, 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 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.

Now part of the Holdings Consolidation and Accounting Department, Management Control 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 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.

2.6.3 CHANGES TO INTERNAL CONTROL PROCEDURES IN 2017/2018

Changes to internal control procedures

The formalisation of the internal control procedures continued in 2017/2018, in particular concerning the regulatory changes affecting our activities. Work is being finalised to make internal control documentation and guidelines available to Group employees on our intranet site and to facilitate their dissemination.

2.6.4 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. It is drawn up on a multi-year basis to ensure adequate coverage of the subsidiaries, key processes and new projects.

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.

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.

The Internal Audit Department coordinates the internal audit work conducted by Caisse des Dépôts' Internal Audit Department across the CDA scope, and ensures that the ensuing recommendations are followed. The audit plans are shared for greater efficiency.

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

CORPORATE GOVERNANCE

3.1 Composition of administrative and management bodies

This chapter includes the report on Corporate Governance which is the responsibility of the Board of Directors, in accordance with Article L. 225-37-6 of the French Commercial Code.

The report on corporate governance was prepared by the Group's legal department and reviewed by the Appointments and Remuneration Committee.

It contains the information about the composition of the administrative and management bodies, the rules governing the operation of these bodies and the compensation paid to their members.

The reference table on page 189 of the Registration Document sets out the sections that correspond to the report on Corporate Governance and do not appear in this chapter.

3.1.1 THE BOARD OF DIRECTORS AND COMMITTEES

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 was supported by a Deputy Chief Executive Officer (until 15 October 2018, when she left office) and an Executive Committee.

3.1.1.1 Composition of the Board of Directors

Antoine GOSSET-GRAINVILLE
Independant administrator
Chairman
Member

Dominique MARCEL
Chairman-Chief Executive Officer
Chairman

Virginie FERNANDES
Vice-Chairman
Member
Member

Francis SZPINER
Administrator

Jean-Yves BARNAVON
Administrator
Member

Serge BERGAMELLI
Administrator
Member

Jean-François BLAS
Administrator
Member

Rachel PICARD
Independant administrator
Member

Bénédicte DAVY
Independant administrator
Member
Member

Carole MONTILLET
Independant administrator

Maria PAUBLANT
Administrator

Giorgio FRASCA
Independant administrator
Chairman
Member

Jacques MAILLOT
Non-voting member

Sophie SASINKA
Director
representing employees

Strategy Commitee
Appointments and Remuneration Commitee
Audit and Accounts Committee

At 15 January 2019, 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 term
Dominique MARCEL (1)	08/10/1955	Chairman and Chief Executive Officer	No			Chairman	AOSM* 2021
Caisse des Dépôts et Consignations, represented by Virginie FERNANDES (2)	30/09/1974	Vice-Chairman	No		Member	Member	AOSM 2022
Crédit Agricole des Savoie Capital, represented by Jean-Yves BARNAVON	05/04/1954	Director	No			Member	AOSM 2022
Sofival, represented by Jean-François BLAS	08/10/1953	Director	No			Member	AOSM 2020
Caisse d'Épargne Rhône-Alpes, represented by Bénédicte DAVY, formerly Marion ROUSO	06/05/1986	Director	Yes	Member	Member		AOSM 2019
Banque Populaire Auvergne Rhône-Alpes, represented by Maria PAUBLANT	08/04/1969	Director	No				AOSM 2022
Serge BERGAMELLI (1)	22/01/1956	Director	No	Member			AOSM 2019
Antoine GOSSET-GRAINVILLE	17/03/1966	Director	Yes	Chairman		Member	AOSM 2021
Giorgio FRASCA	13/10/1941	Director	Yes	Member	Chairman	Member	AOSM 2020
Carole MONTILLET	07/04/1973	Director	Yes				AOSM 2021
Rachel PICARD	11/12/1966	Director	Yes			Member	AOSM 2019
Francis SZPINER (1)	22/03/1954	Director	No				AOSM 2020
Sophie SASINKA (3)	03/08/1974	Director representing employees	No				AOSM 2022
Jacques MAILLOT	17/11/1941	Non-voting member					2021

* *Annual Ordinary Shareholders' Meeting.*

(1) *Director proposed by CDC.*

(2) *Reference shareholder.*

(3) *Director representing employees, who first attended a meeting of the Board of Directors on 26 October 2018.*

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

	Family name/Company name	Date of end of term
Directors whose mandate was renewed during the Fiscal year	CDC	AOSM (1) 2022
	BPAURA	AOSM 2022
	CADSC	AOSM 2022
Director who resigned during the fiscal year	Noëlle Lenoir	AOSM 2019
Director appointed by employees during the year	Sophie Sasinka	AOSM 2022
Director co-opted after the end of the fiscal year	Serge Bergamelli	AOSM 2019 (2)

(1) *Annual Ordinary Shareholders' Meeting.*

(2) *Co-opted on 26 October 2018 on the proposal of Caisse des Dépôts (CDC) to replace Noëlle Lenoir, whose term expired at the end of the 2019 AOSM.*

3.1.1.2 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 Compagnie des Alpes 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.

The Board of Directors has made changes to the Company's Corporate Governance Charter, which serves as the Board's internal regulations, to adjust it to local practices and the June 2018 revision of the AFEP-MEDEF Corporate Governance Code. The new principles of composition of the Board of Directors and Committees discussed in this section, and the social, societal and environmental aspects of the Company's activities are now taken into account.

Principles of Board composition

In total, the Charter contains six 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.

Directors are elected by all of the shareholders and must act in all circumstances in CDA's corporate interest, serving the long-term value creation strategy that is part of a constant desire to respect stakeholders such as employees, shareholders, customers, partners and, of course, public authorities, and make every effort to ensure that CDA's activities are conducted legally, responsibly, transparently and ethically. The Board of Directors may consist of no more than eight members and must conform with the composition of the shareholding structure and the size and nature of CDA's activities. Preference is given to representation of long-term shareholders (stakes held in pure registered or administered form).

The table below illustrates the rules defined above:

The Reference Shareholder (stake greater than or equal to one third) has four directors, including the Chairman and Chief Executive Officer.

Other shareholders that hold their stakes in pure registered or administered form and wish to be represented on the Board of Directors must submit their request to the Chairman and Chief Executive Officer.

All requests are examined by the Appointments and Remuneration Committee, which makes recommendations to the Board of Directors in the light of the six principles set out in the Charter.

In principle, the number of Board members is set at 12 (set number of members), including at least four independent Directors.

One director representing the employees was appointed pursuant to Article L. 225-27-1 of the French Commercial Code, after changes made to the by-laws by the Annual Shareholders' Meeting held in March 2018. The Board of Directors duly noted his appointment on 26 October 2018.

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

Director/Director category	Number	Members - physical persons
Caisse des Dépôts (CDC) Reference Shareholder	4	• Dominique Marcel, Chairman-Chief Executive Officer • CDC, represented by Antoine Colas • Serge Bergamelli • Francis Szpiner
Sofival	1	• Jean-François Blas
Crédit Agricole des Savoie Capital (CADSC)	1	• CADSC, represented by Jean-Yves Barnavon
Banque Populaire Auvergne Rhône-Alpes (BPAURA)	1	• BPAURA, represented by Maria Paublant
Independent Directors	5	• CERA, represented by Bénédicte Davy • Carole Montillet • Giorgio Frasca • Rachel Picard • Antoine Gosset-Grainville
Director representing employees*	1	• Sophie Sasinka

* *The director representing employees is not taken into account when determining the number of directors, which is set at twelve under the principle of a set number of members.*

Principles of Committee composition

The Strategy Committee has seven members, including (i) the Chairman and Chief Executive Officer, who chairs said Committee ex officio, (ii) one Director representing or designated by the reference shareholder and (iii) three independent Directors.

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

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 Directors. To be eligible for the status of independent Director, a person (whether a Director 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 greater than five percent (5%) in the latter's capital, 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 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. Accordingly, at least once a year before the Ordinary Shareholders' Meeting, the Board of Directors conducts a review of director independence by examining, on a case-by-case basis, the qualifications of each of its members in light of the above criteria, circumstances and the particular situation of the person in question. This review may be conducted as part of the annual evaluation of the Board and Committees or at any meeting of the Board of Directors.

Review of Directors' independence

On 26 October 2018, the Board of Directors reviewed the qualifications of each of the Directors in light of the independence criteria.

At the end of this review, Antoine Gosset-Grainville, a director of the Company since 2011, Chairman of the Audit and Finance Committee, was classified as an independent director as he is no longer one of the directors appointed by Caisse des Dépôts et Consignations and has no business relationship with it.

The Board of Directors also noted that the other independent Directors can still claim that status.

It is recalled that Caisse d'Épargne Rhône-Alpes was deemed an independent Director by the Board of Directors in May 2015, see section 3.1.1.1 "Principles of composition of the Board of Directors and the Committees" of the chapter "Corporate Governance" of the 2017 Registration Document.

In addition, the Compagnie des Alpes Board of Directors has five independent directors, one more than the minimum set by the Charter.

Expertise and diversity

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 include a wide range of skills, experience and professional backgrounds.

In addition to his vast experience in finance and strategy, Dominique Marcel has an in-depth knowledge of the tourism sector, having had responsibility for monitoring and managing all the CDC Group's activities in the tourism sector.

In accordance with the AFEP-MEDEF Code, the members of the Audit and Finance Committee (Antoine Gosset-Grainville, Bénédicte Davy, Serge Bergamelli and Giorgio Frasca) all offer specific proven financial and accounting skills.

Rachel Picard brings with her the expertise she acquired at the head of a company in the tourism and digital sector. In view of his current position, Bénédicte Davy also has a vast experience in digital matters. Serge Bergamelli has extensive digital, new IT technologies and communications skills and strong on-the ground experience. Moreover, he was actively involved in the organisation of the Albertville Olympic Games and the 1998 football World Cup.

Virginie Fernandes, Antoine Gosset-Grainville, Bénédicte Davy and Maria Paublant have proven expertise in the fields of investment finance and funding.

Antoine Gosset-Grainville is now exercising the functions of business lawyer, alongside Francis Szpiner.

Moreover, Jean-François Blas and Carole Montillet both have in-depth knowledge of the mountain sector.

Finally, the Board currently has one foreign director (Giorgio Frasca) and six female members, representing more than 40% of its membership: Virginie Fernandes, Maria Paublant, Rachel Picard, Bénédicte Davy, Carole Montillet and Sophie Sasinka (Director representing employees).

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 termsof office: the term of office of Directors is four years, in compliance with the AFEP-MEDEF Code.

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.

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

Directors present on the date of publication of this report

Chairman and Chief Executive Officer

Chairman of the Strategy Committee

Born on 8 October 1955

A French national

Number of CDA shares held: 8,919

DOMINIQUE MARCEL

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

BUSINESS ADDRESS: 50-52 BOULEVARD HAUSSMANN – 75009 PARIS

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,
- CDA's permanent representative on the Board of Directors of Compagnie du Mont-Blanc from 24 October 2018.

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

A French national

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

BUSINESS ADDRESS: 56 RUE DE LILLE – 75006 PARIS

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 Ernst &Young 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 8 March 2018 for four years – Term of office expires: 2022

Other mandates and duties outside the Compagnie des Alpes Group:

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

Mandates formerly held by Virginie Fernandes in the last five years:

- Permanent representative of CDC as Director of CDC International Capital (until November 2018).

* *Listed company.*

Permanent representative of Crédit Agricole des Savoie Capital

Member of the Strategy Committee

Born on 5 April 1954

A French national

Number of shares Number of CDA shares personally held: 0

Number of shares held by Crédit Agricole des Savoie Capital: 1,537,184

JEAN-YVES BARNAVON

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF CRÉDIT AGRICOLE DES SAVOIE (COOPERATIVE)

BUSINESS ADDRESS: 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 8 March 2018 for four years – Term of office expires: 2022

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 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),
- Permanent representative of Crédit Agricole des Savoie as Director of CA Technologies GIE (economic interest group) (until 14 March 2018).

* *See the transfers of CDA shares to the Crédit Agricole des Savoie group in November 2018 set out in Chapter 6, section 6.2.7.*

Permanent representative of Sofival

Member of the Strategy Committee

Born on 8 October 1953

A French national

Number of shares Number of CDA shares personally held: 9,200

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

JEAN-FRANCOIS BLAS

MAIN POSITION: CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF SOFIVAL

BUSINESS ADDRESS: 29 BIS RUE D'ASTORG – 75008 PARIS

A graduate of HEC, Jean-François Blas 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:

- Chairman and Chief Executive Officer 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 Énergies SAS, D.S.R. SAS, D.S.V. SAS, Financière Valance SAS, Le Jardin Alpin SAS, SERMA SAS, Valastorg SAS, Valcapital SAS, ValdevImmo SAS, Valdev Invest SAS, Valmon SAS, Serpentine SAS, Valsnet SAS, FDH Chamonix SAS (Chairmanship).
- Permanent representative of Sofival on the Boards of Genival SNC, Immobilière Valance SCI, Valmo Invest SNC,
- Director of Trialp SA.

Permanent representative of Caisse d'Épargne Rhône-Alpes since 29 January 2018

Independent Director

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

Born 6 May 1986

A French national

Number of CDA shares personally held: 0

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

BÉNÉDICTE DAVY

MAIN POSITION: DIRECTOR OF DIGITAL BANKING, CAISSE D'ÉPARGNE RHÔNE-ALPES

BUSINESS ADDRESS: 116 COURS LAFAYETTE – 69404 LYON

A graduate of Université Paris Dauphine and LSE, Bénédicte Davy has spent her entire career at the BPCE Group. She began her career in 2009 as Team Manager at the Group General Inspectorate at BPCE. In 2014, she was appointed Chief of Staff to the Chairman of the Management Board of CERA. Since October 2016, Bénédicte Davy has held the position of Director of Digital Banking at CERA.

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.

* *Bénédicte Davy replaced Marion Rouso as the Permanent Representative of Caisse d'Epargne Rhône-Alpes, on 29 January 2018.*

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

Born on 8 April 1969

A French national

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

BUSINESS ADDRESS: 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.

Mandate from Banque Populaire Auvergne Rhône-Alpes renewed by the Shareholders' Meeting of 8 March 2018 – Term of office expires: 2022

Other mandates and duties:

- None.

Director

Member of the Audit and Finance Committee

Born 22 January 1956

A French national

Number of CDA shares held: 0

SERGE BERGAMELLI

MAIN POSITION: AUDITOR GENERAL, CAISSE DES DEPÔTS ET CONSIGNATIONS

BUSINESS ADDRESS: 72 AVENUE PIERRE MENDES FRANCE – 75013 PARIS

Serge Bergamelli has a DEA in contemporary history. He has previously held various positions in the Ministry of National Education and Youth and Sports (1984-1992) and served as Deputy Chief of Staff for the Secretary of State for Integration (1992-1993) before being appointed Regional Inspector-Regional Pedagogical Inspector (1994). He was site manager for the French Organising Committee for the 1998 Football World Cup (1995-1998) and then became a partner/Vice-President of Ernst & Young Conseil/ Cap Gémini-Ernst & Young in 2000. Serge Bergamelli then joined the Caisse des Dépôts et Consignations Group, where he served as Regional Director for Midi-Pyrénées until 2011. He was then appointed Director General of the Regional Centre for Distance Learning (CNED) at the Ministry of National Education, Higher Education and Research, before returning to Caisse des Dépôts et Consignations in 2015, in the Investments and Local Development Department as Deputy Director. On 12 November 2018, Serge Bergamelli was appointed Auditor General of Caisse des Dépôts et Consignations.

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:

- None.

* *Serge Bergamelli was co-opted on 26 October 2018 on the proposal of Caisse Des Dépôts (CDC) to replace Noëlle Lenoir.*

Independent Director

Chairman of the Audit and Finance Committee and member of the Strategy Committee

Born on 17 March 1966

A French national

Number of CDA shares held: 300

ANTOINE GOSSET-GRAINVILLE

MAIN POSITION: ASSOCIATE BUSINESS LAWYER AT BDGS ASSOCIÉS

BUSINESS ADDRESS: 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:

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

* *Listed company.*

Independent Director

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

Born on 13 October 1941

An Italian national

Number of CDA shares held: 300

GIORGIO FRASCA

MAIN POSITION: CONSULTANT

BUSINESS ADDRESS: 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

Born on 7 April 1973

A French national

Number of CDA shares held: 150

CAROLE MONTILLET

MAIN POSITION: MANAGER OF SARL KARLITA

BUSINESS ADDRESS: 258 IMPASSE DE LA MARMOTTE – 38250 SAINT-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 and duties:

- Manager of Karlita EURL,
- Deputy Chief Executive Officer of CT'Skis SAS.

Independent Director

Member of the Strategy Committee

Born on 11 December 1966

A French national

Number of CDA shares held: 716

RACHEL PICARD

MAIN POSITION: CHIEF EXECUTIVE OFFICER OF VOYAGES SNCF

BUSINESS ADDRESS: 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,
- Director of the Board of Eurostar International Ltd (UK),
- Member of the Board of Directors of Criteo*.

Mandates formerly held by Rachel Picard in the last five years:

- Permanent representative of SNCF Mobilities as member of the Supervisory Board of Orient Express SAS.

* *Listed company.*

Director

Born on 22 March 1954

A French national

Number of CDA shares held: 512

FRANCIS SZPINER

MAIN POSITION: LAWYER AT THE LAW FIRM SZPINER TOBY AYELA SEMERDJIAN

BUSINESS ADDRESS: 43 RUE DE LILLE – 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 on 17 January 2006) – Term of office expires: 2020

Other mandates and duties:

- None.

Director representing employees

Born on 3 August 1974

A French national

The Director representing employees is not subject to any shareholding obligations

SOPHIE SASINKA

MAIN POSITION: SENIOR LEGAL COUNSEL, BUSINESS LAW

BUSINESS ADDRESS: 50-52 BOULEVARD HAUSSMANN – 75009 PARIS

Sophie Sasinka holds a Master 2 Professionnel (former DESS) in Industrial Property Law from Université Paris II Panthéon-Assas. She joined the Group in 2012, when she became Senior Legal Counsel for Business Law.

Director elected by the employees on 6 August 2018 – Term of office expires: 2022

Other mandates and duties:

- None.

Mandates formerly held by Sophie Sasinka in the last five years:

- Alternate member of the Works Council (now the Social and Economic Council) and secretary of the Health and Safety Committee.

Non-voting member

Born on 17 November 1941

A French national

Number of CDA shares held: 837

* Listed company.

JACQUES MAILLOT

MAIN POSITION: CONSULTANT

BUSINESS ADDRESS: 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 in 2013) – Term of office expires: 2021

Other mandates and duties:

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

Director having held a mandate on the Board of Directors during the 2017/2018 fiscal year

Independent Director

Member of the Strategy Committee

Born on 27 April 1948

A French national

Number of CDA shares held: 300

* Listed company.

NOËLLE LENOIR

MAIN POSITION: PARTNER IN THE LAW FIRM KRAMER LEVIN NAFTALIS & FRANKEL LLP

BUSINESS ADDRESS: 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. She is also President of the HEC's Europe Institute, where she is also an associate professor and 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 – Resigned during the 2017/2018 fiscal year.

Other mandates and duties:

- Director of Valeo*.

Permanent representative of Caisse d'Épargne Rhône-Alpes until 29 January 2018

Born on 24 November 1976

A French national

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*

BUSINESS ADDRESS: 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'Épargne.*

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** was supported by a **Deputy Chief Executive Officer** until 15 October 2018, when she left office. Therefore, Dominique Marcel is, at the date of publication of this report, the only senior management corporate 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 six members, two of whom are women.

The Executive Committee supports the Chairman and 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 Executive management

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).

AGNÈS PANNIER-RUNACHER

DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 15 OCTOBER 2018

Born on 19 June 1974

A French national

Number of CDA shares held at 30 September 2018: 11,570 shares of FCPE CDA Actionnariat (employee shareholders' fund), entirely invested in CDA shares.

AGNÈS PANNIER-RUNACHER

DEPUTY CHIEF EXECUTIVE OFFICER FROM 28 JANUARY 2013 TO 15 OCTOBER 2018*

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.

She then joined Compagnie des Alpes in January 2013, where she held the position of Deputy Chief Executive Officer until 15 October 2018*.

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

Other mandates and duties outside the Group at 30 September 2018:

- Independent Director and Chairwoman of the Audit Committee of Bourbon SA**,
- Director of SA AREA. Independent member of the Supervisory Board and Chairwoman of the Audit Committee of SA Elis*,
- Director of APRR, Adelac SAS, Eiffarie SAS, SAS Macquarie Autoroutes de France,
- Member of the Advisory Board of Ashoka France.

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 Compagnie du Mont-Blanc SA, Skigloo SAS, Travelfactory SAS,
- Member of the Supervisory Board of Parc du Futuroscope SA and Société Nationale Immobilière,
- Director of BPI Groupe (EPIC),
- Director of Agence France Presse,
- Director of Cryptolog International SAS.

* *Agnès Pannier-Runacher served as Deputy Chief Executive Officer for all of the 2017/2018 fiscal year. Because of her appointment as Secretary of State to the Minister of Economy and Finance on 16 October 2018, she no longer holds this position at the date of publication of this report. This appointment made the exercise of all of her mandates listed above incompatible.*

** *Listed company.*

3.1.2.2 Executive Committee

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).

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 before joining the Group on 2 September 2015.

Appointed on 2 September 2015 – Joined the Group on 2 september 2015

SANDRA PICARD

HEAD OF GROUP COMMUNICATIONS

Sandra Picard graduated from Kedge Business School 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 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 2017/2018 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.

For transactions carried out after the reporting date, see section 6.2.7 "Shareholdings and trading", in Chapter 6 "Share capital and shareholding"

3.1.3.5 Family ties

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

3.2 Functioning of executive 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;
- the entering into, voluntary termination or signing of any rider, of the public service delegation contract(s), excluding annual asset inventory update riders whose total amount (including all additional investments committed or off-balance-sheet commitments made) is greater than €15 million excluding taxes;
- 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.4 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 DURING THE 2017/2018 FISCAL YEAR

In the course of the 2017/2018 fiscal year, the Board of Directors of Compagnie des Alpes met four times.

The Strategy Committee met three times, the Audit and Finance Committee four times, and the Appointments and Remuneration Committee one time.

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 89.58%.

The table below mentions the individual attendance rate (meetings of the Board of Directors and the Committees held during fiscal year 2017/2018) of directors who served in that capacity during the fiscal year:

	Rate of attendance			
Name of Director	Board of Directors	Audit and Finance Committee	Strategy Committee	Appointments and Remuneration Committee
Dominique Marcel	100%		100%	
CDC, represented by Antoine Colas	100%		100%	100%
CADSC, represented by Jean-Yves Barnavon	75%		100%	
BPAURA, represented by Maria Paublant*	75%			
CERA, represented by Marion Rouso, then by Bénédicte Davy*	100%	75%		100%
Sofival, represented by Jean-François BLAS	100%		100%	
Antoine Gosset-Grainville	75%	100%		
Giorgio Frasca	100%	100%	0%	100%
Carole Montillet	100%			
Noëlle Lenoir*	100%		50%	
Rachel Picard	75%		75%	
Francis Szpiner	75%			
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 2018-2022;
- reports on the work of the various Committees;
- preparation of the annual financial statements for the fiscal year ended 30 September 2017;
- governance (mandate of Chairman and Chief Executive Officer, composition of the Board and Committees,evaluation of functioning of the Board and the Committees);
- compensation of Executive corporate officers;
- implementation of the share buyback programme;

- grants of performance shares;
- 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 8 March 2018;
- examination of the half-year consolidated financial statements at 31 March 2018;
- French and international development projects, including the proposed Travelfactory Group acquisition;
- review of the activities of international Grévin sites;
- 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 held four meetings in 2017/2018, 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 2017;
- fees paid to the Statutory Auditors and their networks;
- annual operations report of the Audit Department and three-year plan for 2018-2020;
- 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 2018;
- 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 the Committees), the compensation of Executive corporate officers and members of the Executive Committee, and the performance share plans. It debated the conclusions of the general evaluation of the Board and its Committees, conducted under its responsibility. Lastly, it reviewed the sections of the annual report relating to corporate governance and the implementation conditions of the performance plan.

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

- budget and MTP 2019-2021;
- review of strategy, particularly with regard to digital matters, and international development;
- French and international development projects, including the proposed Travelfactory Group acquisition.

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.2.6.), 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 the 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 2017, 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 compensation components for executive corporate officers are presented below. This report was drawn up with the assistance of the Appointments and Remuneration Committee and was approved by the Board of Directors on 24 January 2019.

Pursuant to the application of Article L.225-37-2 of the French Commercial Code, the payment of the variable compensation items for this fiscal year is subject to the approval by the Annual Shareholders' Meeting of the compensation elements of the person in question under the conditions set out in Article L. 225-100 of the French Commercial Code.

Principles and criteria for determining the remuneration packages of executive corporate officers

The Board of Directors is responsible for determining the remuneration of the executive corporate officers 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 do has an employment contract.

Structure of the remuneration of Dominique Marcel, Chairman and Chief Executive Officer

The compensation of Dominique Marcel and Agnès Pannier-Runacher includes in each case:

- 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 job.

Neither of the two officers benefit from the performance share plan implemented by the Group. They also do not receive any Directors' fees for the mandates they hold at various Group companies or any exceptional compensation.

The Chairman and Chief Executive Officer also has private unemployment insurance.

Fixed remuneration

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 between 2010 and 2017.

The amount of fixed compensation for **Dominique Marcel** and **Agnès Pannier-Runacher** is provided in section 3.3.1.2., "Individual compensation of executive corporate officers for the 2017/2018 fiscal year".

Variable remuneration

The variable portion of the executive corporate officers' remuneration is an annual bonus linked to the achievement of both qualitative and quantitative targets that are 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 in question.

During the 2017/2018 fiscal year, **Dominique Marcel** agreed that his total compensation should be capped and therefore reduced to comply with the rules imposed on public sector companies, even though Compagnie des Alpes, a private company, is not subject to this reduced regulation. 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 compensationis capped at 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 of the executive corporate officers. The variable portion allocated for a fiscal year is 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.

2018/2019 targets determining the granting of the variable part

The variable compensation for the 2018/2019 fiscal year 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% for 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, (iii) the preparation of shareholder and industrial partnerships that allow that strategy to be delivered and the (iv) the CSR roadmap.

Conditional severance package

Dominique Marcel may be awarded severance pay linked to the end of his corporate term of office [1].

Severance package for Dominique Marcel, Chairman and Chief Executive Officer

Dominique Marcel's severance package was determined by the Board of Directors on 19 March 2009 and approved for the first time by the Shareholders' Meeting of 18 March 2010. The continuation of this commitment was then submitted twice to the Shareholders' Meeting for approval when the term as Director of Dominique Marcel was renewed (Shareholders' Meetings held in 2013 and 2017).

Severance pay may therefore be awarded to Dominique Marcel by the Company under the following conditions [2]:

(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.

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.

(1) *Due to her departure from the Company on 15 October 2018, the severance package of Agnès Pannier-Runacher became null and void.*
(2) *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.*

Profit-sharing agreement

Dominique Marcel and Agnès Pannier-Runacher are covered by the CDA profit-sharing agreement. For more information on this agreement, see section 4.4.4.2 “Compensation and employee benefits” in Chapter 4 “Statement of non-financial performance”.

No granting of stock options and performance shares

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

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, 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 resolution 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, for FY 2018-2019.

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, for FY 2018-2019, detailed in the 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 Ms Agnès Pannier-Runacher, Deputy Managing Director, for FY 2018-2019.

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 Ms Agnès Pannier-Runacher, Deputy Managing Director, for FY 2018-2019, 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).*

3.3.1.2 Individual compensation of executive corporate officers for the 2017/2018 fiscal year

Fixed remuneration

Dominique Marcel’s fixed compensation as Chairman and Chief Executive Officer was increased to €400,000 starting 9 March 2017, when the Chairman and Chief Executive Officer’s mandate was renewed. Dominique Marcel agreed that his total compensation should be capped and therefore reduced to comply with the rules imposed on public sector companies, even though Compagnie des Alpes, a private company, is not subject to this regulation.

The annual fixed compensation of **Agnès Pannier-Runacher** has been €260,000 since 1 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.

2017/2018 variable compensation

2017/2018 variable compensation for Dominique Marcel

2017/2018 targets determining the granting of Dominique Marcel’s variable part

The Board of Directors decided that the variable compensation of Dominique Marcel for the 2017/2018 fiscal year could vary between 0% and 6.25% of the fixed annual reference compensation and would be determined in the following manner:

- from 0 to 6.25% according to the following quantitative criteria:
  - from 0 to 3.125% based on Group EBITDA for the fiscal year,
  - from 0 to 2.125% 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% based on the free cash flow for the fiscal year;
- from 0 to 6.25% 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.

Amount of Dominique Marcel's 2017/2018 variable compensation

Based on the work and proposals of the Appointments and Remuneration Committee, the Board of Directors meeting on 6 December 2018 reviewed the level of achievement of targets. As a result, it decided that Dominique Marcel would receive, for the 2017/2018 results, 100% of his annual variable portion, which amounts to €50,000 gross.

2017/2018 variable compensation for Agnès Pannier-Runacher

2017/2018 targets for determining the granting of Agnès Pannier-Runacher's variable portion

The variable compensation of Agnès Pannier-Runacher for the 2017/2018 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% according to the following quantitative criteria:
  - from 0 to 12.5% based on Group EBITDA for the fiscal year,
  - from 0 to 8.5% 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 4% based on the free cash flow for the fiscal year;
- from 0 to 25% 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.

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 2017/2018 variable compensation

Based on the work and proposals of the Appointments and Remuneration Committee, the Board of Directors meeting on 6 December 2018 reviewed the level of achievement of targets. As a result, it decided that Agnès Pannier-Runacher would receive, for the 2017/2018 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). 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 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 €49,706.

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

At the end of the fiscal year, the amount of Agnès Pannier-Runacher's pension under the mixed supplementary pension plan was estimated at €52,748 (calculation based on the future remuneration (at the date of retirement) given a (high) annual salary increase assumption of 3% until that retirement date).

Due to her resignation from the Company on 15 October 2018, Agnès Pannier-Runacher is no longer eligible for the defined-benefitpension plan.

However, she will keep the rights gained under the defined-contribution retirement plan. The related amount will be paid to her along with her retirement pension.

SUMMARY TABLES OF THE INDIVIDUAL COMPENSATION OF EXECUTIVE CORPORATE OFFICERS FOR THE 2017/2018 FISCAL YEAR (AFEP-MEDEF CODE/AMF POSITION-RECOMMENDATION NO. 2009-16).

The breakdown of the individual compensation of executive corporate officers for the 2017/2018 fiscal year is 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 2018 and the previous fiscal year.

Dominique Marcel, Chairman-Chief Executive Officer	2016/2017	2017/2018
Compensation due for the fiscal year (see table 2)	515,541	476,134
Valuation of options granted for the fiscal year (see table 4)	-	-
Valuation of performance shares granted for the fiscal year (see table 6)	-	-
TOTAL	515,541	476,134

Agnès Pannier-Runacher, Deputy Chief Executive Officer	2016/2017	2017/2018
Compensation due for the fiscal year (see table 2)	413,211	413,476
Valuation of options granted for the fiscal year (see table 4)	-	-
Valuation of performance shares granted for the fiscal year (see table 6)	-	-
TOTAL	413,211	413,476

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

This table shows the gross compensation due to each executive officer for the fiscal year ended 30 September 2018 and the previous fiscal year, as well as the compensation actually paid to them during those fiscal years.

	FY 2016/2017		FY 2017/2018	
Dominique Marcel, Chairman-Chief Executive Officer	**owed**	**paid**	**owed**	**paid**
• fixed remuneration	382,471 [(1)]	382,471 [(1)]	400,000	400,000
• variable remuneration	107,201	180,000	50,000	107,201
• gross profit share	19,538	19,236	19,803	19,538
• exceptional compensation	-	-	-	-
• directors' fees	-	-	-	-
• benefits in kind	6,331	6,331	6,331	6,331
TOTAL	**515,541**	**588,038**	**476,134**	**533,070**

	FY 2016/2017		FY 2017/2018	
Agnès Pannier-Runacher, Deputy Chief Executive Officer	**owed**	**paid**	**owed**	**paid**
• fixed remuneration	260,000	260,000	260,000	260,000
• variable remuneration	130,000	127,500	130,000	130,000
• gross profit share	19,538	19,236	19,803	19,538
• exceptional compensation	-	-	-	-
• directors' fees	-	-	-	-
• benefits in kind	3,673	3,673	3,673	3,673
TOTAL	**413,211**	**410,409**	**413,476**	**413,211**

(1) Amount calculated prorate temporis to take into account changes in compensation starting on 9 March 2017.

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 2017/2018 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 and Chief Executive Officer	No	Yes	Yes	No
Agnès Pannier-Runacher Deputy CEO	No	Yes	Yes	No

COMPENSATION ELEMENTS DUE OR AWARDED TO DOMINIQUE MARCEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER SUBMITTED FOR SHAREHOLDER APPROVAL (*EX POST* VOTE)

Pursuant to Article L. 225-100 of the French Commercial Code, the Board of Directors will be asked to approve the following elements of the remuneration package due or allocated to Dominique Marcel, Chairman and Chief Executive Officer, in respect of the 2017/2018 fiscal year.

Compensation elements	Amounts due or awarded for fiscal year 2017/2018	Comments
Fixed remuneration	€400,000	Gross fixed remuneration for 2017/2018 (change in fixed remuneration to €400,000 on 9 March 2017, the date of renewal of his term).
Variable remuneration	€50,000	12.5% 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	Dominique Marcel does not receive any multi-year variable compensation.
Directors' fees	N/A	Dominique Marcel receives no directors' fees for the mandates held within the Group.
Exceptional remuneration	N/A	Dominique Marcel does not receive any exceptional compensation.
Profit-sharing agreement	€19,803	Dominique Marcel benefits from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	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 2018 was €1,305,269.	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	€31,000	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).

DRAFT RESOLUTION SUBMITTED FOR SHAREHOLDER APPROVAL PURSUANT TO ARTICLE L. 225-100 OF THE FRENCH COMMERCIAL CODE (*EX POST* VOTE)

Approval of remuneration package due or allocated to Dominique Marcel, Chairman and Chief Executive Officer, in respect of the 2017/2018 fiscal year.

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings pursuant to the provisions of Article L.225-100 of the French Commercial Code, the Shareholders' Meeting approves all the remuneration and benefits of any kind paid or awarded for the 2017-2018 fiscal year to Dominique Marcel for his mandate as Chairman and Chief Executive Officer as presented in the corporate governance report of the Company referred to in Article L. 225-37 of the French Commercial Code and included in the 2018 Registration Document (*Chapter 3. Corporate governance – 3.3. Remuneration of corporate officers – 3.3.1.2. Individual remuneration of executive corporate officers for the 2017/2018 fiscal year – Compensation elements due or awarded to Dominique Marcel, Chairman and Chief Executive Officer submitted for shareholder approval (ex post vote)*).

COMPENSATION ELEMENTS DUE OR AWARDED TO AGNÈS PANNIER-RUNACHER, DEPUTY CHIEF EXECUTIVE OFFICER, SUBMITTED FOR SHAREHOLDER APPROVAL (*EX POST* VOTE)

Pursuant to Article L. 225-100 of the French Commercial Code, the Board of Directors will be asked to approve the following elements of the remuneration package due or allocated to Agnès Pannier-Runacher, Deputy CEO, in respect of the 2017/2018 fiscal year.

Compensation elements	Amounts due or awarded for fiscal year 2017/2018	Comments
Fixed remuneration	€260,000	2017/2018 gross fixed remuneration as at 1 January 2016, when it was increased. The annual fixed compensation of executive management has not changed since 2010.
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 did 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 did not receive any exceptional compensation.
Profit-sharing agreement	€19,803	Agnès Pannier-Runacher benefited 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 was not a beneficiary of the performance share plans.
Welcome or severance package	No payment	Agnès Pannier-Runacher was the beneficiary of a departure bonus in the event of leaving the Group as a result of dismissal (except in the case of serious misconduct or gross negligence) equal to two years' compensation (last fixed + variable compensation), subject to the achievement of individual and Group performance criteria verified by the Board. 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.
Non-competition indemnity	N/A	Agnès Pannier-Runacher was not subject to a non-competition clause.
Complementary retirement plan	The actuarial obligation at 30 September 2018 was €225,324.	Agnès Pannier-Runacher was a member of the complementary retirement scheme applicable to the Group's senior officers and senior executives. This comprised a defined-contribution plan and a defined-benefit plan that guaranteed, 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 was 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 was allocated a company car.

DRAFT RESOLUTION SUBMITTED FOR SHAREHOLDER APPROVAL PURSUANT TO ARTICLE L. 225-100 OF THE FRENCH COMMERCIAL CODE (*EX POST* VOTE)

Approval of compensation elements due or awarded to Agnès Pannier-Runacher, Deputy Chief Executive Officer, for the 2017/2018 fiscal year.

Voting under the conditions of quorum and majority required for Ordinary Shareholders' Meetings pursuant to the provisions of Article L.225-100 of the French Commercial Code, the Shareholders' Meeting approves all the remuneration and benefits of any kind paid or awarded for the 2017-2018 fiscal year to Agnès Pannier-Runacher for her mandate as Deputy Chief Executive Officer as presented in the corporate governance report of the Company referred to in Article L. 225-37 of the French Commercial Code and included in the 2018 Registration Document *(Chapter 3. Corporate governance - 3.3. Remuneration of corporate officers - 3.3.1.2. individual remuneration of executive corporate officers for the 2017/2018 fiscal year - Compensation elements due or awarded to Agnès Pannier-Runacher, Deputy Chief Executive Officer submitted for shareholder approval* (ex post 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.

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 received by non-executive officers - Table 3 of the AMF classification

The Directors' fees awarded for the 2017/2018 fiscal year amounted to €108,000 (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 (in euros)

Directors and members of Committees	2016/2017 Directors' fees	Other compensation	2017/2018 Directors' fees	Other compensation
Dominique Marcel	N/A	See section 3.3.1	N/A	
Caisse des Dépôts et Consignations - Representative: **Virginie Fernandes**	15,000		12,000	
Crédit Agricole des Savoie - Representative: **Jean-Yves Barnavon**	7,500		9,000	
Caisse d'Epargne Rhône-Alpes - Representative: **Bénédicte Davy**; formerly: **Marion Rouso**	13,500		12,000	
Banque Populaire Auvergne Rhône-Alpes - Representative: **Maria Paublant**	3,000		4,500	
Antoine Gosset-Grainville	15,000		10,500	
Sofival - Representative: **Jean-François Blas**	7,500 (1)		10,500	
Bernard Blas	7,500 (1)	12,249 (2)	-	
Gilles Chabert	7,500		-	
Giorgio Frasca	19,500		13,500	
Noëlle Lenoir	13,500		6,000 (3)	
Carole Montillet	6,000		6,000	
Rachel Picard	10,500		7,500	
Francis Szpiner	4,500		4,500	
TOTAL DIRECTORS' FEES	**130,500**	**12,249**	**96,000**	**-**

Non-voting member	2016/2017	2017/2018
Jacques Maillot	15,000	12,000
TOTAL COMPENSATION	**15,000**	**12,000**

(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) Bernard Blas, 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.

(3) Noëlle Lenoir resigned from her position as Director during the 2017/2018 fiscal year.

3.4 Compliance with corporate governance recommendations

Compagnie des Alpes refers to the consolidated version of the AFEP-MEDEF Code of Corporate Governance for Listed Companies dated June 2018, 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, explaining 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), 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.

4

STATEMENT OF NON-FINANCIAL PERFORMANCE

4.1 The Group's CSR challenges

This Chapter contains the labour, societal and environmental information required by Article R. 225-105-1 of the French Commercial Code, amended by order No. 2017-1180 and implementing decree No. 2017-1265, which transposed the European Parliament and Council Directive 2014/95/EU of 22 October 2014 on the publication of non-financial information.

The Statement of Non-Financial Performance endeavours to list the challenges the Group faces, the actions it has taken and the indicators it has decided to use to monitor and control their positive and negative impacts. The Compagnie des Alpes business model is set out in the introductory section of the document.

Guidelines in the Group's strategic planning procedure set out the progress it expects to make on CSR matters. To ensure the initiatives are taken into account by employees, and progress is made, the CSR policy was put together with the Group's internal bodies and business segment commissions. The latter comprise subsidiary executives and business segment managers (Human Resources, Ski Area Operations, Catering, etc.). We aim to pursue our efforts in this respect to ensure our employees are more receptive to the culture and responsibility, and more motivated to work towards our priorities.

CSR risks were identified through these top-down and bottom-up procedures then prioritised according to the level of risk management to calculate net risks.

The management bodies identified the key challenges on which the Group would focus its actions.

SUMMARY TABLE OF RSE RISKS AND CORRESPONDING CHALLENGES

	Description of the macro risks with a material impact	CSR challenges including the key challenges
Labour	**Labour risk linked to employee dissatisfaction impacting our competitiveness** • Deterioration of well-being in the workplace • Customer dissatisfaction with the quality of our services • Resistance to change, innovation and transformation within the Group	§4.2.2 Our employees **§4.2.3.1 Employee commitment and motivation** §4.2.3.1.1 Promoting integration §4.2.3.1.2 Developing professional qualifications §4.2.3.1.3 Improving employee satisfaction §4.2.4.2 Compensation and benefits systems
Labour	**Group becomes less attractive and responsive** • Difficulty recruiting sufficient staff to operate and develop • Employees become less employable and do not have the right skills for the organisation's strategy, • Loss of expertise to ensure business continuity • Problems attracting talent due to weak employer brand	§4.2.2 Our employees **§4.2.3.2 Developing employees, diversity within the Group and integration into the employment market** §4.2.3.2.1 Focus on training §4.2.3.2.2 Guaranteeing career security §4.2.3.2.3 Promoting integration through training/ work experience §4.2.3.2.4 Committing to diversity in the Group and integration into the employment market §4.2.4.1 Gender equality at work §4.2.4.3 Labour relations and employee representation
Labour	**Increase in accident and absenteeism rates** • Increase in occupational accidents, psycho-social risks and work-related illnesses impacting employee well-being at work and customer satisfaction • Employer's failure to respect their health and safety at work obligation • Business disrupted due to absenteeism	**§4.2.3.3 Health and safety at work guarantee** §4.2.4.3 Labour relations and employee representation

	Description of the macro risks with a material impact	CSR challenges including the key challenges
Environmental	**Climate change** • Failure to meet the national and international targets to mitigate the impact of climate disruption • Failure to make provision for the impact of climate change and the Energy and Ecological Transition • Diminishing water resources • Leisure activities with a high environmental footprint becoming less acceptable in the medium to long term • Additional operating costs for Group sites and additional usage costs for customers	**§4.3.2.1 Reducing our direct energy and carbon footprint (GHG)** **§4.3.4 Sustainable water management** §4.3.6 The circular economy §4.3.2.2 Indirect environmental footprint performance
	Decline of biodiversity and alteration of natural landscapes • Irremediable decline of biodiversity (social good) • Clients disconnecting from nature • Ability to develop, and acceptability of the developments, in the natural or peri-urban environment • Failure to properly respond to customers' growing concern about the impact on nature of products and industrial processes	**§4.3.3.1 Taking account of biodiversity, soil and landscape in operations and design** §4.3.3.2 Connecting customers with nature by enhancing natural spaces. §4.3.3.3 Controlling pollution and emissions
Societal	**Lack of resilience of regional and tourist ecosystems** • Climate change • Lack of resilience of tourist regions and ecosystems	**§4.4.1 Long-term contribution to regional development and appeal**
	Stakeholder mistrust • Labour utility perceived negatively, predatory even • Break away from stakeholder and market expectations • Accidents caused by the use of products and services	**§4.4.2 Continue to be seen by our stakeholders as a beneficial, trustworthy player** §4.5 Ethics and compliance

4.2 Labour challenges

4.2.1 KEY INDICATORS

Headcount in FY 2017/2018	Group 2018	Ski areas	Leisure destinations	Holdings and supports	Group 2017
TOTAL AVERAGE HEADCOUNT *(FTE [1])*	**4,951**	**2,066**	**2,622**	**263**	**4,696**
GENDER EQUALITY					
of which % women	42%	31%	49%	47%	42%
of which % men	58%	69%	51%	53%	58%
MANAGEMENT					
% managers	11%	6%	10%	64%	10%
of which % female managers	40%	31%	48%	36%	42%
of which % male managers	60%	69%	52%	64%	58%
AVERAGE HEADCOUNT					
of which % permanent	42%	40%	38%	89%	42%
of which % non-permanent	58%	60%	62%	11%	58%
TRAINING [2]					
Number of training hours	76,100	41,031	33,419	1,650	67,155
Number of employees having attended at least one training programme	5,619	2,273	3,216	130	5,089
OCCUPATIONAL ACCIDENTS					
Occupational accident frequency rate	49.6	69.3	39.5	2.4	49.2
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 2017 (covering fiscal year 2017/2018) and 2016 (covering fiscal year 2016/2017).
These figures exclude training at Walibi Belgium (work is being undertaken to establish the reliability of the figures).

4.2.2 OUR EMPLOYEES

At 30 September 2018, the Group's total headcount was 5,586. The average headcount for the fiscal year increased by 5%, *i.e.* 4,951 full-time equivalents, on the previous year's figure of 4,696. It could be noted that the inclusion of Travelfactory (103 FTE) and exclusion of Grévin Prague and Grévin Séoul during the year impacted the headcount figure.

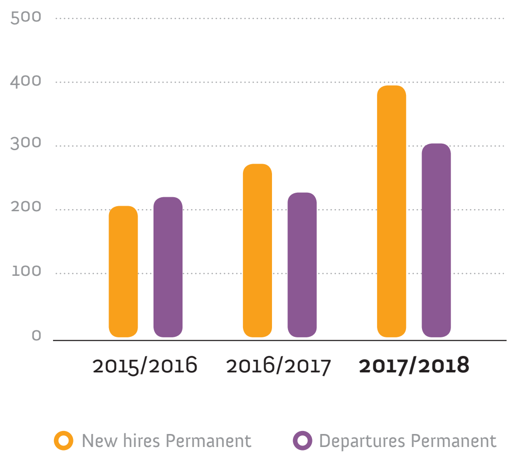
The Group's activities are highly seasonal. The average monthly headcount therefore fluctuates greatly during the fiscal year.

The headcount in Leisure destinations grows sharply between April and September, while Ski areas post a comparable rise between December and April.

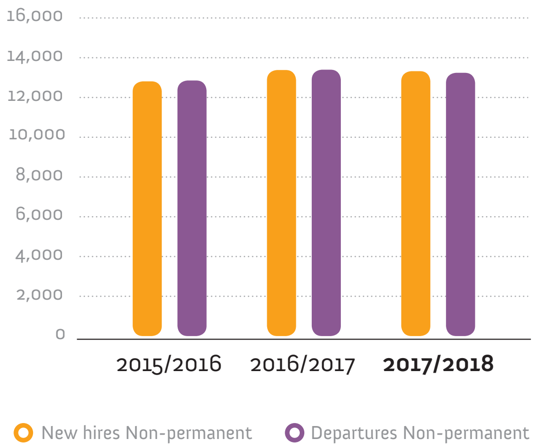
Due to the seasonality of our activities, new hires are primarily temporary (seasonal for both business segments), which represented 58% of the Group's FTE headcount over the past fiscal year.

The number of departures from the Group is more or less balanced out by the number of new hires, although there have been more new hires in the permanent workforce over the last three years:

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



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



Ski areas

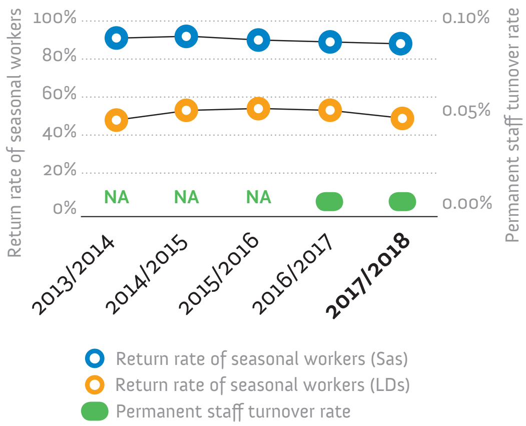
In Ski areas, returning seasonal workers are rehired from one season to the next, in compliance with Article 16 of the French National Collective Bargaining Agreement for Ski Lift and Ski areas. More than 88% of seasonal workers return from one season to the next.

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 2017/2018 fiscal year, the average return rate among seasonal workers in Leisure destinations rose to 49%. The number has remained stable over the last five years.

CHANGE IN RETURN RATE OF SEASONAL WORKERS AND PERMANENT STAFF TURNOVER RATE



Staff recruitment is thus a key factor in our business operations.

The integration of new employees is therefore a priority for us to achieve even better career security (primarily through training), a high return rate of seasonal workers and well-being at work.

* *Excluding contractors/replacement staff.*

4.2.3 OUR KEY LABOUR CHALLENGES

Group employees have two main 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 labour policy which centres on three core areas:

1. encouraging employee commitment and motivation for their own satisfaction and for the satisfaction of our customers;
2. developing employees and diversity within the Group and encouraging job integration;
3. working to guarantee health and safety in the workplace.

Because of the way the Group is organised, the labour policy is largely decentralised to better meet each site's needs and activities. However, each subsidiary commits to take action commensurate of its resources and organisation in respect of all the Group's social challenges listed above.

4.2.3.1 Employee commitment and motivation

One of the priorities of our labour policy is to commit and motivate our employees. This has a significant impact on their well-being at work and their ability to innovate and change and ultimately guarantee the best possible customer satisfaction. We do this through integration initiatives, awarding professional qualifications and by measuring employee satisfaction within the Group.

4.2.3.1.1 Promoting 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 to facilitate the integration of people who have not had an extensive education.

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.

These recruitment days are the first step in integrating our future employees before they are immersed in our business activities and culture.

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 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.).

On such occasions, discussion and an exchange of experience is encouraged between long-standing and new employees. Here again we favour practical exercises and an interactive presentation of our activities. So we place great importance on employee well-being right from the integration stage.

4.2.3.1.2 Developing professional qualifications

To offer our employees career security and guarantee their employability, we have put significant measures in place to award professional qualifications.

In 2015 we introduced a pre-hiring certified training programme in the form of a POEC (*préparation opérationnelle à l'emploi collective* – operational preparation for collective employment) for the new seasonal workers of the Leisure destinations.

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 double branch-level certification, a CCP (certificate of professional competence) and a CQP (certificate of professional qualification) in one of the following three business segments: rides/installations, fast food and shop sales.

We also offer certificate courses providing the necessary skills for hotel work, hospitality and service quality, office technology and management.

These programmes have been genuinely successful and we have delivered over 302 professional qualifications at the Leisure destinations.

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.

Region-specific initiatives were also introduced: for example, in Val-d'Isère, STVI (the Val-d'Isère ski area operating company) in partnership with other companies and local authorities, pursued a POEC plan to train first-time seasonal workers in the basic skills required for 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.

SAP (Société d'Aménagement de La Plagne) also established a POEC for its first-timers.

In addition, over 151 CQPs were awarded at the Ski areas, mainly in the operating business segments: grooming machine driver, fixed-grip cable car driver, self-disengaging cable car driver, ski lift driver, operations agent, snow maker and team manager.

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.

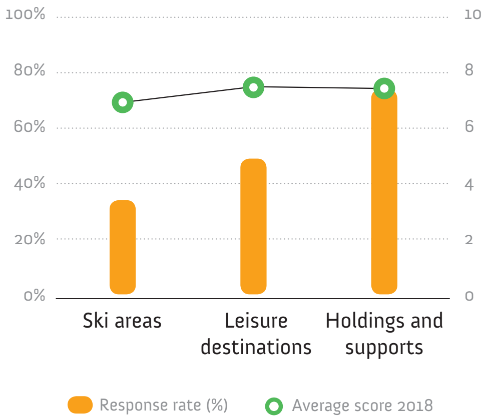
Thanks to the Group, 458 employees obtained a recognised professional qualification which enhanced their skill set and improved their employability.

4.2.3.1.3 Improving employee satisfaction

In 2017, we introduced employee satisfaction surveys in the Group as part of our quest to prevent psychosocial risks and ensure quality of work life. 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 average employee satisfaction score is 7.3/10 at the Group with a response rate of 43% (7,529 employees).

EMPLOYEE SATISFACTION SURVEY 2018



All sites continued their QWL and psychosocial risk prevention initiatives over the 2017/2018 fiscal year. Preliminary assessments have been made to enable them to take any corrective action required.

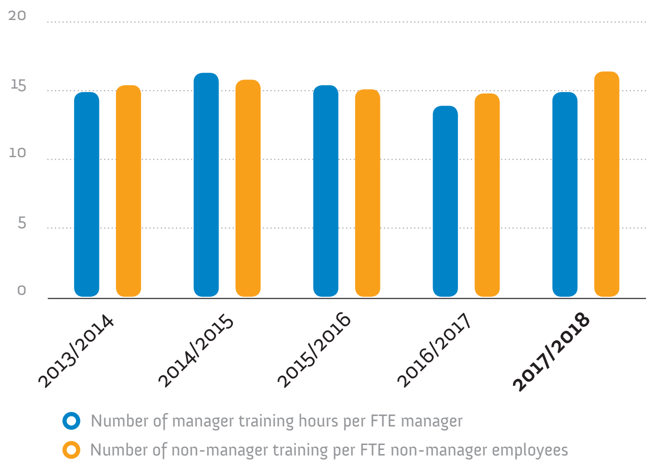
4.2.3.2 Developing employees, diversity within the Group and integration into the employment market

Because we offer so many temporary contracts, employee employability and skills development is a vital component of the Group's labour policy. It is vital we develop the skills of our employees to ensure they are more employable both inside and outside the Company and help them obtain valuable qualifications and experience.

4.2.3.2.1 Focus on training

In addition to the professional qualification programmes, we develop employability through skills acquisition and development. To this end, the Group is pursuing its training drive: while the number of our full-time equivalent (FTE) employees increased by 5%, the number of training hours (excluding Walibi Belgium data for 2017 and 2018) increased by over 13% on the previous fiscal year, an average of over 15 hours for each FTE.

CHANGE IN THE NUMBER OF TRAINING HOURS PER EMPLOYEE (MANAGEMENT AND NON-MANAGEMENT)*



* *Excluding Walibi Belgium for 2017 and 2018.*
Excluding GMDS for 2016.

For the Leisure destinations we have also put in place training courses under the POEC scheme 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).

In Belgium, 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.

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

We organised training on topics of strategic importance for the Group, such as raising awareness of digital issues, innovation (design thinking) and working in project mode.

The large-scale changes continue as part of the strategic Horizon 2020 project with an appropriate leadership programme being offered to our middle management and experts. This new programme, introduced in 2018, follows on from our CDA Campus corporate university initiatives for executives and senior managers. The aim is to enhance our collective performance by streamlining our operation, encouraging more collaboration between the divisions and providing individual employees with the key skills set out in our internal guidelines.

We also wish to focus on training for our local managers who are in direct contact with the operating staff and offer them additional job support. To do this, we are going to offer them special local manager training modules specific to their business segment, providing them with the tools they need to support their teams. This is part of our ongoing quest to develop and acknowledge our employees' skills and offer them career security.

The aim is to guarantee our employees an excellent and rewarding career path to enable each individual to develop within the Group.

4.2.3.2.2 Guaranteeing career security

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.

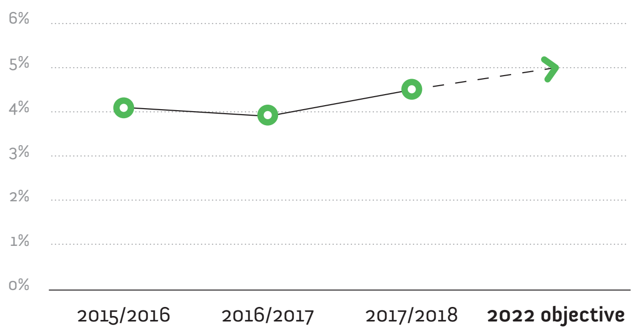
In terms of our Leisure destinations, at the end of each season at Parc Astérix we organise a job/training forum for our seasonal workers, presenting to them the professions of the Ski Area activity, and the jobs on offer for the winter season. This allows seasonal workers at the end of their contract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

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.

4.2.3.2.3 Promoting integration through training/work experience

Moreover, we aim to develop job integration, primarily through a Group-wide training/work experience initiative.

PERCENTAGE CHANGE OF WORK-STUDY TRAINEES IN OUR WORKFORCE



We thought about how we could proactively target a figure of 5% work study trainees in our total workforce (irrespective of the legal requirements applicable to our local sites) by forging partnerships with schools and supporting training initiatives to encourage young people to consider working in one of our business segments.

Currently, we have 4.5% work-study trainees in our 2017/2018 workforce.

We also offer the tutors training and support to help them integrate the work-study trainees, thereby enhancing our expertise both inside and outside the Company and enabling us to identify potential talent.

To help us achieve our job integration target at our headquarters, for several years we have been providing support until graduation (from BAC to BAC+5) to employees who combine work and training. Around 15 students preparing for a variety of diplomas, such as the accounting/management BTS, computer science degrees, Masters in Management, risk management or auditing or a Mechanical Engineering degree, were welcomed in different holding companies in the 2017/2018 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. It is worthy of note that we offered contracts to four of our students (including trainees) at the end of their school education, based on the experience they had gained at our holding companies.

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

More than 140 work-study trainees were hosted at the Leisure destinations to follow-up their school education in areas such as hotel and catering, management or sales.

Thanks to our efforts in this area, we are able to help young people enter the workforce and also plan ahead by identifying the talent and potential employees we need to meet the current and future needs of our business segments. By forging the necessary partnerships with schools, we can continue to welcome work-study trainees into the Group.

4.2.3.2.4 Committing to diversity in the Group and job integration

The aim of our training, career security and integration measures is to foster diversity within the Group and step up job integration.

To this end, we have introduced parallel initiatives with associations to help the unemployed enter the job market.

Compagnie des Alpes' focus is on helping young people make the transition from school to work. Parc Astérix and Walibi Rhône-Alpes offers a structured programme to young people from the Sport dans la Ville (sport in the city) association. Because we are in the leisure business, this is the focus of our initiatives to attract young people, introduce them to our business segments and organisations and help them in their careers.

Our long-term aim is for all our sites to commit to a work integration initiative from a selection of actions proposed by CDA in order to increase diversity Group-wide and further our commitment in this respect.

The Group is committed to diversity and equal opportunities, and consequently does not discriminate on grounds of disability.

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.

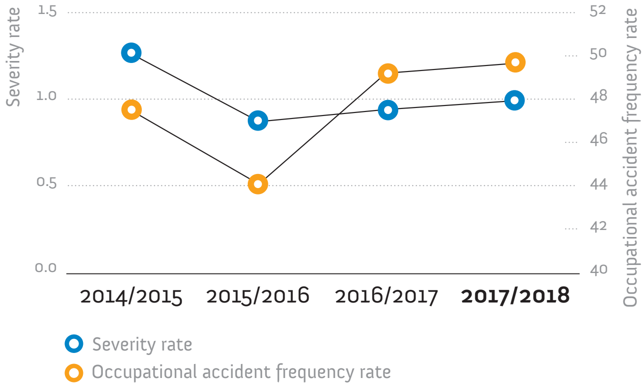
The number of disabled employees has increased by 16% over the last three fiscal years.

4.2.3.3 Health and safety at work guarantee

Employee health and safety at work is the cornerstone of the Compagnie des Alpes labour policy.

Each year, we make every effort to improve and to guarantee health and safety at work for our employees. This key issue is decentralised. Each site decides on the most appropriate initiatives for its particular activity. In the 2017/2018 fiscal year, a total of 37,276 hours of safety at work training was provided.

CHANGE IN SEVERITY RATE AND FREQUENCY RATE OF OCCUPATIONAL ACCIDENTS – GROUP

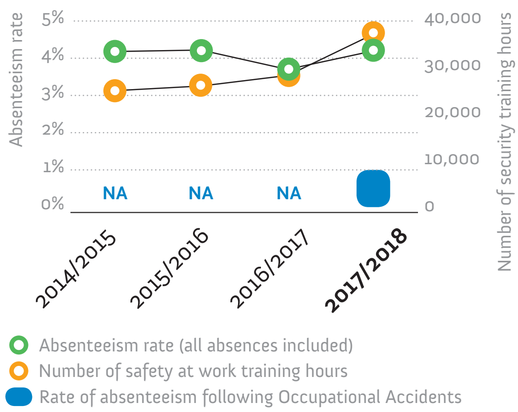


In compliance with the law of 31 December 1991 and the decree of 5 November 2001, professional risk evaluation documents (personnel health and safety) are compiled and updated regularly on French sites. They include risk identification by business segment and job position as well as action plans. Each 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 ABSENTEEISM RATE (TOTAL OF ALL ABSENTEES) AND RATE OF ABSENTEEISM FOLLOWING AN OA



Although the absenteeism rate has been falling in recent fiscal years, the number of occupational accidents increased by 6% this year. This can be partly explained by the difficult weather conditions.

For several years now, all the Ski areas of the CDA Group have adopted the QSE (Quality-Safety-Environment) procedure aimed at establishing an Integrated Management System (IMS) based on the OHSAS 18001 Safety standard. Today, many of the sites have included these practices in their organisation and procedures, even if they have not obtained certification. The sites are trialling initiatives with a greater focus on behaviour: checks on safety behaviour at the workstations, security rules inserted into the uniforms, casualty reports, etc.

Workplace health and safety compliance is part of an internal Compagnie des Alpes audit plan. Specialist firms have conducted a comprehensive workplace health and safety compliance review of four Leisure destination sites (Walibi Belgium, Bellewaerde, Walibi Holland and Parc Astérix) in the last three years. The results and improvement recommendations are monitored as part of the existing governance (Compagnie des Alpes Executive Management of the site, general and operational management).

4.2.4 OTHER SOCIAL CHALLENGES

4.2.4.1 Gender equality at work

Percentage of women	Group	Ski areas	Leisure destinations	Holdings and supports
% of women among FTEs 2017/2018	42%	31%	49%	47%
% of female managers 2017/2018	40%	31%	48%	36%
% of women among permanent employees 2017/2018	36%	22%	44%	46%
% of women among high season temporary staff	47%	38%	54%	52%

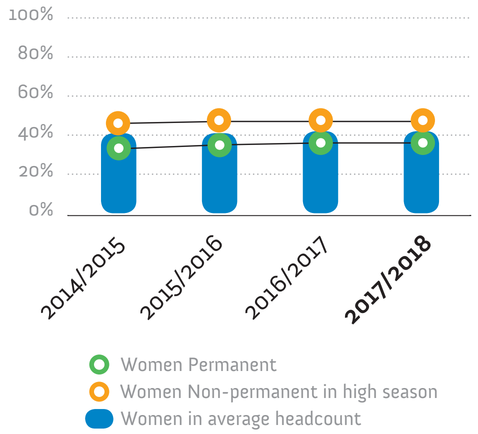
Gender equality is a priority for Compagnie des Alpes. The Group has considered the issue and will shortly introduce a practical guide to gender equality.

By circulating this guide, we hope to highlight existing stereotypes and statistics and promote the strategic importance and critical success factors of a gender equality policy.

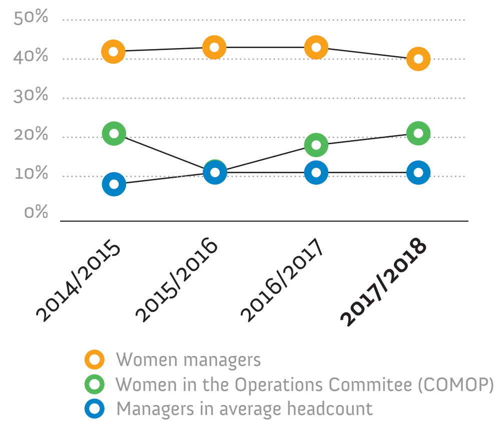
Fact sheets on all gender equality topics such as recruitment, training, compensation and communication, are available to all. We also wanted to showcase certain male and female case studies which demonstrate how equality can be successfully implemented in order to encourage greater diversity within the Group.

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

CHANGE IN THE PERCENTAGE OF WOMEN IN THE GROUP



CHANGE IN MANAGER NUMBERS IN THE GROUP



The percentage of women in relation to both total headcount and management has been stable for more than three years, after having grown in previous fiscal years. This situation is due to the low staff turnover, particularly among permanent staff. Note that the percentage of women managers is the same as the percentage of women in the workforce across the Company.

The percentage of women on management bodies remained stable at 43% for the Executive Committee and 21% for the Operations Committee (comprising mainly the site directors and Executive Committee directors) as of 30 September 2018.

Finally, the number of training hours delivered to women (excluding Walibi Belgium) increased by 9% this year to 2,551 women having taken at least one course during the year (2,345 in 2016). Courses taken by women accounted for 44% of all training offered by the Group.

4.2.4.2 Compensation and benefits systems

	Managers		Supervisors		Workers Employees	
Average monthly salaries for permanent staff	**Men**	**Women**	**Men**	**Women**	**Men**	**Women**
Group	€6,169	€5,105	€3,182	€2,892	€2,637	€2,419

Compensation decisions are very 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 (with the exception of Travelfactory). 12 profit sharing agreements were entered into during the fiscal year. The average per-employee profit-sharing amount was €2,714 for 2017/2018, representing €13.4 million distributed.

A Group Employee Savings Plan is in place for all employees with a French employment contract (except employees of Futuroscope, STVI and Travelfactory – who have their own employee savings schemes). In this system, Management sets the contribution, and each subsidiary may also decide to introduce additional contributions.

A Group Collective Retirement Savings Plan (PERCO G) is available for all French sites to complete the gamut of employee savings schemes. In this case, each site is free to decide whether or not to include an employer contribution.

Over the fiscal year, thirteen Group companies signed up to the PERCO G scheme for their employees.

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 several co-existing collective bargain agreements in France, reflecting the diversity of its business segments:

- 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 national collective bargaining agreement for travel agencies and tourism;
- the national collective bargaining agreement for tour leaders and guides working for travel agencies and tourism;
- the national collective bargaining agreement for real-estate;
- 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.

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.

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.

4.2.4.3 Labour relations and employee representation

Labour relations, and thus collective bargaining agreements, are mainly decentralised to all Group sites. All the French sites have their own profit-sharing and stock ownership agreements (with the exception of Travelfactory). Most of the other collective bargaining agreements relate to working conditions (health and safety in the workplace, work time organisation, remote working, etc.) or combating discrimination and promoting diversity. The collective bargaining agreements and unilateral decisions entered into on site relate principally to compensation, workplace organisation and health and safety in the workplace, as can be seen from the table below:

	Compensation	Profit sharing	Workplace organisation	Health and safety in the workplace	Other
Number of collective bargaining agreements or unilateral decisions in the fiscal year	29	12	3	1	19

Group bodies

In view of its size, Compagnie des Alpes has two centralised labour relations bodies: a Group Works Council and a European Works Council.

In 2017/2018, these bodies met three times to exchange information relating to strategy and the Group's development. They also received information about the Group's employment, economic and financial situation.

4.2.5 CONSOLIDATED LABOUR DATA - GROUP

Group	30/09/2018	30/09/2017
Headcount		
Total headcount [1]	5,586	5,170
Headcount by age		
≤ 20 years	858	802
21 to 25 years	1,168	1,067
26 to 30 years	767	679
31 to 35 years	512	488
36 to 40 years	448	419
41 to 45 years	463	452
46 to 50 years	501	457
51 to 55 years	429	398
56 to 60 years	338	320
≥ 61 years	102	88
Headcount by seniority		
< 1 year	2,261	2,293
1 to 3 years	1,205	838
4 to 9 years	1,033	971
10 to 14 years	251	273
15 to 19 years	254	217
≥ 20 years	582	578
Average headcount [2]	4,951	4,696
Percentage of women	42%	46%
Percentage of men	58%	54%
Number of permanent employees (all on open-ended contracts)	2,062	1,956
Number of non-permanent employees	2,889	2,741
New hires [3]		
Number of hires per open-ended contract	395	272
Number of hires per fixed-term contract	13,324	13,381
Departures [4]		
Number of terminations	185	154
Number of breaches of contract	204	124
Number of resignations	350	292
Number of contract expirations	12,735	13,003
Number of retirements	45	39
Number of departures for other reasons	36	13
Hours worked and overtime		
Number of hours worked *(in thousands)*	8,479	8,049
Number of overtime hours *(in thousands)*	165	129
Absenteeism		
Absenteeism rate (all absences included)	4.21%	3.70%
Number of absentee days	52,734	44,330
of which sick leave days	26,392	22,175
of which occupational accidents, travel accidents, or occupational disease	9,107	7,650
of which other reasons	17,234	14,504

Group	30/09/2018	30/09/2017
Compensation		
Gross total wage bill *(in millions of euros)*	170.6	161.5
Employer social security contributions *(in millions of euros)*	72.4	68.5
N-1 incentive bonuses paid in N		
Gross amount *(in millions of euros)*	8.3	9.0
Average amount per employee *(in euros)*	1,684	1,910
N-1 profit-sharing paid in N		
Gross amount *(in millions of euros)*	5.1	5.3
Average amount per employee *(in euros)*	1,030	1,124
Labour relations		
Number of staff representatives (5)	323	334
Number of trade union representatives	29	30
Collective bargaining agreements signed during the fiscal year	63	34
Hygiene and safety conditions at work		
Number of occupational accidents with leave of more than 24 hours	421	396
Number of deaths following occupational accident	-	-
Number of declared occupational diseases	7	7
Severity rate (6)	0.99	0.94
Frequency rate (7)	49.6	49.2
Training (8)		
Number of persons who received training	5,619	5,089
Number of training hours	76,100	67,155
Number of training hours per employee (9)	15.4	15.1
Employment of disabled workers		
Number of disabled employees in the fiscal year	139	128
Number of disabled workers hired during the fiscal year	54	44

(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 2017 (covering fiscal year 2017/2018) and 2016 (covering fiscal year 2016/2017).
These figures exclude training at Walibi Belgium (work is being undertaken to establish the reliability of the figures).
(9) Total number of training hours divided by the average headcount.

REFERENCE TABLE OF SOCIAL CHALLENGES

CSR challenges including the key challenges	Labour approach in line with challenges	Key performance indicators
§2.2 Our employees **§2.3.1 Employee commitment and motivation** §2.3.1.1 Promoting integration §2.3.1.2 Developing professional qualifications §2.3.1.3 Improving employee satisfaction §2.4.2 Compensation and benefits systems	STAR recruitment policy Automatic renewal of seasonal contracts Professional qualification programmes (POEC, CQP…) Employee satisfaction survey Employee savings schemes (employee profit-sharing agreements, PEG, PERCO G)	Number of new hires/departures of permanent and non-permanent staff Return rate of seasonal workers Permanent staff turnover rate Number of professional qualifications awarded Average satisfaction score, Survey response rate Average profit-sharing amount per FTE
§2.2 Our employees **§.2.3.2 Developing employees, diversity within the Group and integration into the employment market** §2.3.2.1 Focus on training §2.3.2.2 Guaranteeing career security §2.3.2.3 Promoting integration through training/work experience §2.3.2.4 Committing to diversity in the Group and integration into the employment market §2.4.1 Gender equality at work §2.4.3 Labour relations and employee representation	Training plans and CDA Campus corporate university Automatic renewal of seasonal contracts Target to have 5% of work-study trainees in workforce (regardless of local legal requirements) Consideration of Group-wide work integration initiatives Reflection on the dissemination of a practical guide to guarantee gender equality Labour relations with the Group bodies	Number of training hours per FTE (management and non-management)* Return rate of seasonal workers Permanent staff turnover rate Percentage of work-study trainees in our FTEs Percentage of women in the workforce, Female Managers, Women on the Operations Committee (COMOP) Percentage of training delivered to Women* Number of meetings of the Group Works Council and the European Works Council Number of disabled employees
§2.3.3 Health and safety at work guarantee §2.4.3 Labour relations and employee representation	Decentralised initiatives to adapt the health and safety measures to the business operated by each site.	Frequency rate Severity rate Rate of absenteeism following an OA Absenteeism rate

* *Training data reported for the calendar year 2017 (covering fiscal year 2017/2018) and 2016 (covering fiscal year 2016/2017).*
These figures exclude training at Walibi Belgium (work is being undertaken to establish the reliability of the figures).

4.3 Environmental challenges

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.

Currently, the Group has not set objectives for all the challenges because its organisation and policies are still largely decentralised in these areas. Each Group site is however required to reduce its direct environmental footprint and take advantage of its frequent interactions with suppliers and the general public to encourage them to take action. In the medium term they must also plan more eco-friendly leisure activities for a low-carbon world.

Energy, water and biodiversity are therefore three key challenges for their business.

A summary of the main environmental indicators is shown in section 4.3.6.

CDA Group has made no particular provision and given no specific guarantee for environmental risk.

NB: The Group's environmental information can be grouped according to three profiles: Leisure destinations (11, 7 of which offer outdoor activities, 1 workshop and 3 museums or sites offering indoor activities), Ski areas (nine) and tertiary sites (three offices). (*cf.* 4.5.1 Reporting scope).

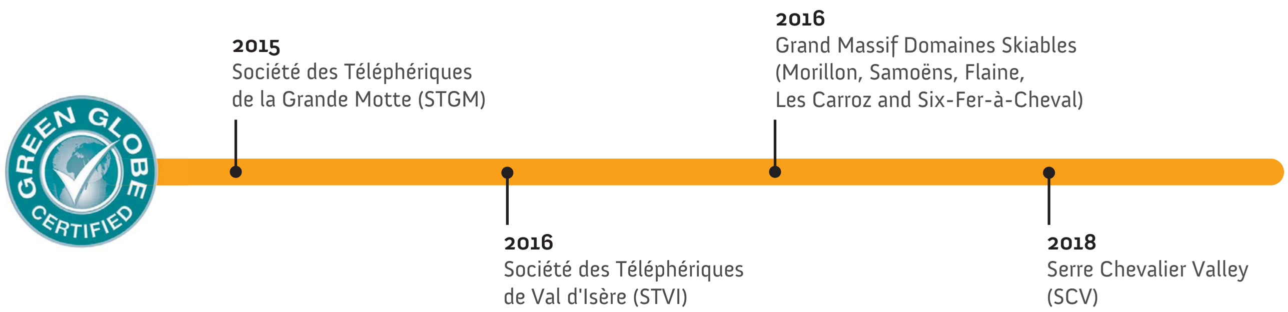
4.3.1 COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

Organisation of the Ski areas

Each of the nine Ski areas has a QSE or sustainable development manager. They 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.

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 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 tools 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 programmes. Environmental practices are now part and parcel of the sites' quality systems and effort is being directed towards new challenges relating to the sustainability of the model.



Green Globe: 4 Ski areas with certification

This international certification, specific to the tourism sector, is based on 41 criteria relating to sustainable development. It acknowledges significant achievements but also encourages progress. Green Globe certification therefore is a new beginning and the start of a new stage for the teams.

- In 2015, Société des Téléphériques de la Grande Motte (STGM) became the first Green Globe certified ski lift operator in the world.
- 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 2014, it had already 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.
- In autumn 2016, Grand Massif Domaines Skiables, 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 Q1 2018, Serre Chevalier Valley included Green Globe certification as part of its progress towards a sustainable model for all its ski area operation activities.

A total of 40% of CDA Group's skiers-days took place at sites with Green Globe certification in 2017-2018.

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.

Environmental compliance is part of an internal Compagnie des Alpes audit plan. Specialist firms have conducted a comprehensive environmental compliance review of four Leisure destination sites (Walibi Belgium, Bellewaerde, Walibi Holland and Parc Astérix) in the last three years. The results and improvement recommendations are monitored as part of the existing governance (Executive Management of the site, general and operational management of CDA).

This year, each Leisure destination included in its medium-term plan consideration of how it could reduce its environmental impact over five years, with a focus on both the challenges they share and those specific to their own individual site. The plan is a new site roadmap, which will be implemented at site level and at Group level.

And had led to our two biggest parks in France committing to better energy management:

- in August 2018, Parc Astérix obtained ISO 50001 for all its activities (leisure parks, catering, hotel complexes, etc.). The certification, obtained through a joint effort, sets out the progress targets for the next three years;
- the Futuroscope Park is currently planning for the same certification which it hopes to obtain next season.

A total of 29.5% CDA visitors-days were spent in leisure destinations with an environmental certification and this figure should almost double next year.

Employee motivation

The Group's subsidiaries also 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 1,004 hours in the fiscal year.

ICPE (facilities classified for environmental protection)

At 30 September 2018, the Group had 16 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 and cooling towers (for artificial snow-making). In this area, we have one less cooling tower compared to last year. 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 FOOTPRINT OF GROUP SITES

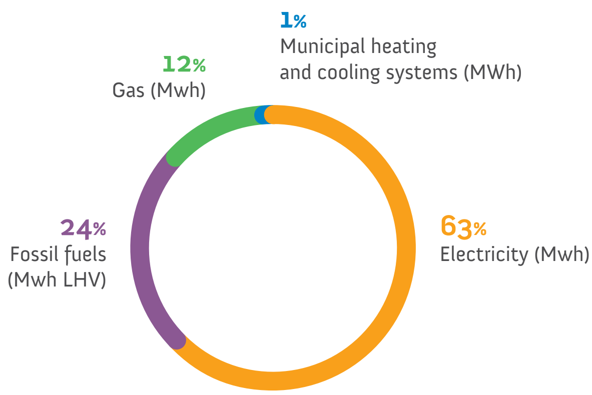
Action taken to tackle the main challenges	Indicators monitored	Trend	2015-2016	2016-2017	2017-2018
Increase the portion of renewable energy and reduce the portion of fossil fuels in the Group's energy mix	Total energy consumption (GWh)	↘	251	255	249
	Portion of fossil fuels in total energy consumption	→	35%	35%	36%
	Portion of renewable energies in total energy consumption	↗	41%	40%	52%
Improve the energy intensity and carbon intensity relating to visits to our sites	Direct GHG emissions [1] per Skier Day (SD) (Ski areas) or visitor (Leisure destinations)	↘ ↗	2.01 kg equivalent CO_2/visitor 1.15 kg equivalent CO_2/SD	2.26 kg equivalent CO_2/visitor 1.22 kg equivalent CO_2/SD	1.62 kg equivalent CO_2/visitor 1.25 kg equivalent CO_2/SD
	Energy consumption per Skier Day (SD) (Ski areas) or visitor (Leisure destinations)	↘ ↗	11.2 KWh/visitor 11.4 KWh/SD	10.4 KWh/visitor 11.7 KWh/SD	8.9 KWh/visitor 12 KWh/SD

(1) GHG: Greenhouse gas.

4.3.2.1 Reducing our direct energy and carbon footprint

The Group's energy consumption is 249 GWh. Electricity represents the Group's main energy vector, representing almost two-thirds of consumption (63%), and is used mainly to operate the ski lifts and rides.

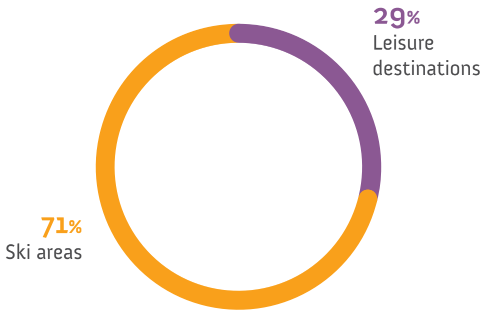
BREAKDOWN OF GROUP ENERGY SOURCES (MWH)



Electricity

Total Group electricity consumption [1] is evaluated at 157 GWh in 2017/2018, of which 71% was consumed by the Ski areas.

BREAKDOWN OF ELECTRICITY CONSUMED (MWH)



There are many factors which affect the ski areas' electricity consumption:

- For the ski lifts: type of installation, number of days the ski area opened, opening/closure of some sectors, visitor numbers which is weather-dependent and, to a lesser extent, climatic conditions such as wind.
- Snow-making related consumption is closely linked to the weather conditions, especially the levels of natural snowfall at the beginning of the season.

In this fiscal year, of the Group's seven ski areas that make artificial snow [2] and record the corresponding electricity consumption separately, ski lifts accounted for 82% of total electricity consumption.

The Leisure destinations account for around 29% 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, new restaurants).

Notes:

Electricity consumption at the Leisure destinations fell by 14% this year, primarily due to the restatement of Futuroscope's electricity consumption. We in fact adopted a flow-based approach, deducting from the consumption of electricity bought in by the Park the electricity that was produced by cogeneration and fed back into the electricity grid. This gave us a net consumption figure, which we did not calculate for the previous year.

On a like-for-like basis, the Leisure destinations' electricity consumption fell by 1% compared to the previous fiscal year.

Energy efficiency

We continued to monitor and optimise energy consumption through the sharing of best energy saving practices, and we must continue to step up our efforts in this respect.

In order to reduce electricity consumption, numerous measures tailored to the specific features of each activity have been launched in the sites, as demonstrated by the following initiatives:

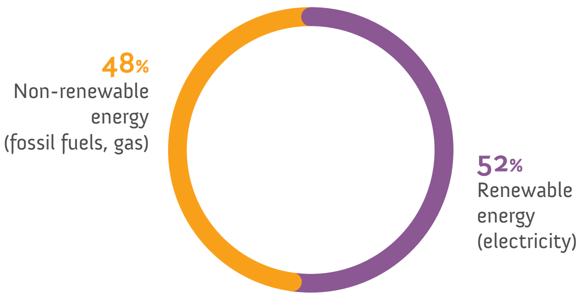
- the regrouping of the Paris and Chambéry offices at energy-efficient sites in each of the two cities;
- rationalisation of our ski lifts to allow us to cover the same ski area with fewer machines;
- the installation of LEDs throughout, the purchase of energy-efficient equipment and better temperature monitoring and control: installation of presence-sensing devices, turning down heating and shutting off equipment at night, 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, and at the other end of the scale, free cooling, whereby low night temperatures are used to cool some of our premises;
- regulating the speed of ski lifts depending on the traffic. We are running trials which scan the queue and adjust the speed automatically;
- installing frequency drives for snow-making (pumps, compressors);
- conducting energy diagnostics in the buildings (this year Musée Grévin in Paris allocated €200 thousand to replacing openings and improving the building's thermal insulation) and renovating lodges in the ski areas;
- equipment (ski lifts, snow-making machines, pumps, etc.) replaced with higher performance equipment which uses new traction systems;
- and temporarily shutting off the electric transformers in the ski areas in the summer, where possible.

Supporting the transition to renewable energies

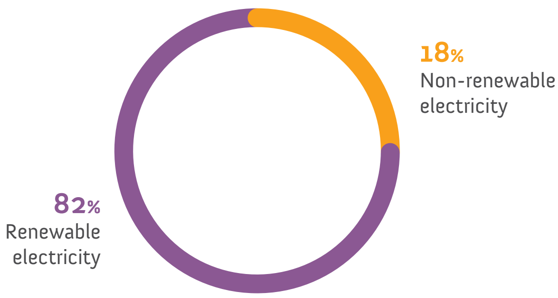
At Group level,

- energy from renewable sources represents 52% of energy consumed;
- "green" electricity from renewable sources represents 82% of electricity consumed:

ORIGIN OF ENERGY CONSUMED (MWH)



ORIGIN OF ELECTRICITY CONSUMED (MWH)



(1) Excluding consumption at Grévin Montreal and the Paris headquarters, because there are no individual electricity meters in place.
(2) Does not include Sevabel and STGM.

Use of "green" electricity

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 2017/2018, 100% of the electricity consumed by the Group's Ski areas continued to come from renewable sources.

Since 1 January 2018, the Group's French Leisure destinations (Parc Astérix, Walibi Rhône-Alpes, Musée Grévin Paris and France Miniature) have also been using electricity with a certificate of renewable origin.

Because 82% 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 10,182 teq of CO_2, equating to a 24% reduction of the Group's total GHG emissions before renewable energies.

Thereby we are supporting the energy transition by furthering the demand for renewable energy on the grids.

Production of renewable or high-performance energy

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, which is fed back into the grid (7 GWh over the fiscal year), and heat from natural gas. 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.

We have many new projects (solar panels, cogeneration, hydro-electric), and a flagship project in Serre Chevalier which aims to become the first ski resort to combine the three renewable energies to produce its own electricity. This project, which has now been launched, will produce 4.5 GWh of renewable electricity each year, 80% by hydraulic power, 12% by solar panels and 8% through a high-altitude micro wind turbine.

Partially commissioned in 2018, to be in full service in 2021, it aims to produce 30% of the Ski area's total electricity consumption. Using existing infrastructures to effectively support renewable energies, this €3.6 million investment is intended to position the Serre Chevalier Ski area as a key energy transition player in the region.

It is also a project which can be reproduced in other Ski areas.

Municipal heating

Some of our sites use cooling or heating systems, most of which offer an interesting energy mix and help keep the group's emissions low.

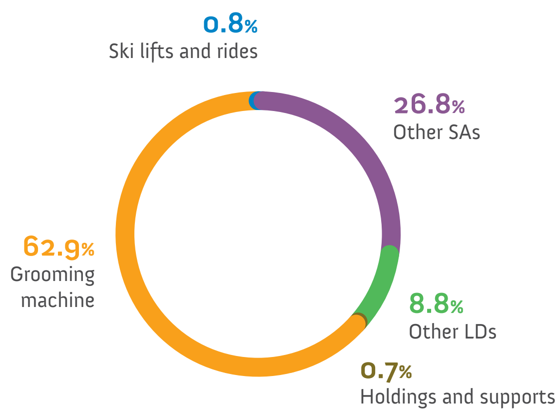
- The Group's new offices in Paris and Chambéry are powered by a municipal heating network which includes a large percentage of renewable energy. However, because there is no individual meter, the consumption is neither known nor estimated.
- The air conditioning at Musée Grévin Paris is powered by a municipal cooling facility and the museum is heated by a municipal heating system. In the latter case, 50.7% of the mix is renewable and recovered energies.
- Since the 2nd quarter of 2018, Chaplin's World in Vevey has been heated by a system run primarily on wood. This replaces the previous fuel oil system.
- On a lesser scale, some of the La Plagne offices and workshops are also heated by a local biomass system (85% food pallets and 15% wood chips).

Fossil fuels

Fuel consumption

The Group's facilities need 6,068 m³ of fuel to run, 93% of which is diesel. Diesel is mainly used for grooming machines, which account for 62.9% (in m³) of total Group consumption of fossil fuels. This is followed by "other" consumption, which mainly concerns vehicles and heating buildings.

FUEL CONSUMPTION (M³)



The fuel consumed by the grooming machines depends very much on the weather. Abundant natural snow throughout the season will increase the number of grooming machine hours. 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 and production of artificial snow.

The number of electric or hybrid vehicles in our fleet grew by 15% to a total of 89, 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 (90.6%). Fuel oil accounts for only 5% of total consumption of fossil fuels.

Gas consumption

Finally, gas is mainly consumed by Leisure destinations, which account for 99%of the 30 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 61% 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 and fed into the electricity grid.

The Ski areas use very small quantities to trigger avalanches.

Breakdown of direct greenhouse gas (GHG) emissions

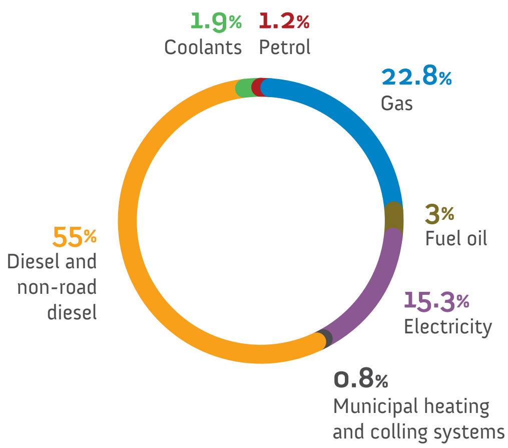
The calculation of emissions was made on scopes 1, 2 and partially on scope 3: fuel used for all Group vehicles, whether leased or owned, was included.

The bulk of emissions into the air are due to the consumption of fossil energy (diesel, non-road diesel, gas, fuel oil, petrol for 83%), mainly for grooming, as outlined above. This accounts for 37% of the Group's direct emissions.

While electricity is the Group's main energy source (63%), related emissions only account for 15% of total GHG emissions, owing to the prioritisation of renewable energies.

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.

BREAKDOWN OF GHG EMISSIONS (TEQ CO_2)

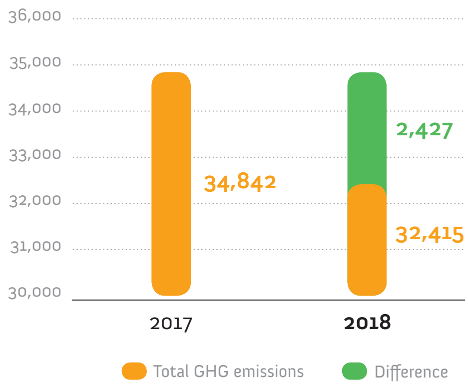


The Group's GHG emissions, detailed in the table in section 4.3.6, totalled 32,415 tonnes equivalent of CO_2, of which 54% for the Ski areas and 46% for the Leisure destinations in the 2017/2018 fiscal year.

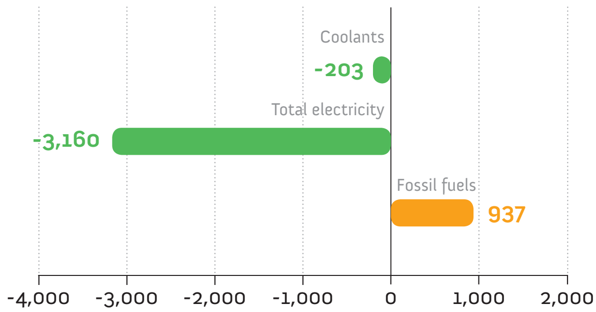
Notes:

- 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 8 of the *Bilan Carbone*, which incorporates the updates of version 13.0 of the Base Carbone;
- the electricity emission factor rose from 82 gCO_2e/KWhto 79 gCO_2e/KWh for France between 2017 and 2018. This effect equates to a reduction of 39 teq CO_2;
- the 2,427 teq CO_2 decrease from the previous fiscal year can be explained as follows:

CHANGE IN TOTAL GREENHOUSE GAS EMISSIONS (TEQ CO_2)



REASON FOR THE DIFFERENCE IN GHG EMISSIONS (TEQ CO_2)



Visitors to our sites are offered the complete experience, comprising several services (ski lifts, grooming machine, rides, restaurant facilities, water areas) which are provided through various activities (operations, maintenance and prevention). It is therefore vital we look at the performance indicators which include all the visitor-induced impacts.

We have therefore examined per-visitor energy consumption and emissions: skier day for the Ski areas and visitors to the Leisure destinations.

- When calculated in skier or summer visitor-days, the total emission of the Group's Ski areas is 1.25 kg of equivalent CO_2 per skier-day, which is the equivalent of a nine-kilometre journey in a car (based on g of CO_2/km).
- Similarly, total GHG emissions from the Leisure destinations' activities is 1.62 kg equivalent CO_2 per visitor, this time equivalent to a 12-kilometre car journey (based on 130 g of CO_2/km).

4.3.2.2 Indirect environmental footprint performance (scope 3)

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).

For the Leisure destinations, there is 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 also 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.

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 to get there, traffic restrictions, change of attitude to the private car).

To counteract this, Compagnie des Alpes sites have been experimenting with communal travel options to our leisure sites, which include:

- advertising the rail travel options to our destinations, for example the train to Futuroscope, Belgian railways to Walibi Belgium or Bellewaerde, train and funicular railway to Les Arcs ski resort, train and shuttle bus to Serre Chevalier from Turin or Oulx;
- free station-to-station shuttle buses and shuttle buses from the valley (La Plagne) or from Paris or Charles de Gaulle airport (Parc Astérix), easy public transport options for visitors between the park and hotels (Futuroscope), long-distance buses now stopping at Parc Astérix and Walibi Rhône Alpes, or ski lift to Méribel from the foot of the valley (Brides-les-Bains);
- 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;
- promoting public transport or including 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.

Currently, use of these options is low. However, these trials and other innovations must be rolled out to offer simple, flexible and comfortable alternative high-impact travel to our different sites.

Employee travel to our destinations

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. The other sites benefit from an in-town location or are close to public transport.

Furthermore, the Group sites are introducing initiatives to encourage travel to work on public transport and to reduce the number of required journeys. For example:

- a number of remote Ski areas provide accommodation to some of their seasonal workers. For example, STVI offers accommodation to 87 of its 280 employees in the winter, STGM has around 80 properties for employees and the Flaine Ski area provides accommodation for around 50% of its winter season workers;
- other sites encourage the use of the ski lifts from the foot of the valley (*e.g.*: the funicular at Les Arcs, then public transport, the Venosc gondola lift) for travel to work;
- car sharing is another option. This can be *via* membership of Green Wayz Up, which uses a mobile app to connect users in the various companies in Haute Savoie, or charts on staff room walls;
- on a more anecdotal level, one of our Belgian sites compensates staff who cycle to work;
- finally, head office staff have remote working agreements and each site has one or more video-conferencing facilities in rooms or on PCs to reduce the need for travel between sites.

4.3.3 BIODIVERSITY AND LANDSCAPE

Until we have a performance indicator to measure our impact on biodiversity we have decided to calculate it using an averages indicator system. As a member of the B4B+ club (*Entreprises pour une Biodiversité Positive* – companies for positive biodiversity), we monitor the GBS (Global Biodiversity Score™) and similar indicators closely.

Action taken to tackle the main challenges	Indicators monitored	2017-2018
Taking account of biodiversity, soil and landscape in operations and design	Cumulative number of Fauna and Flora audits as part of the Ski area observatories since their creation (Number)	872 – total since 2007 including 200 in 2018
Catering supplies from more environmentally-friendly sources	Under consideration for the Leisure destinations.	Not available

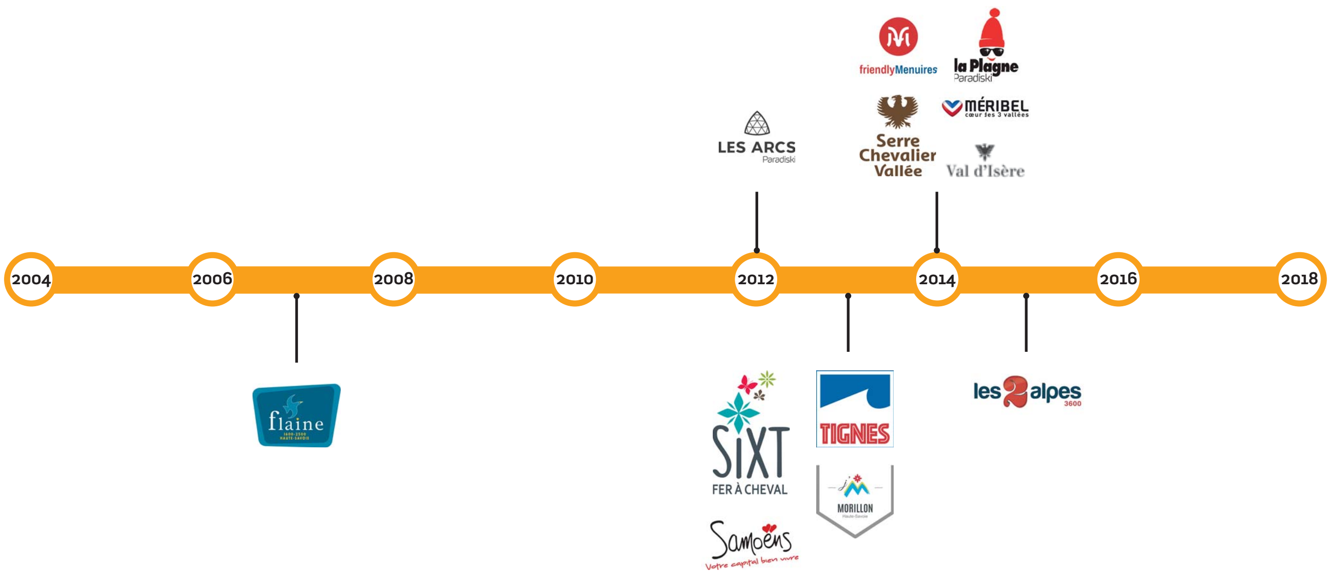
4.3.3.1 Taking account of biodiversity, soil and landscape in operations and design

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.

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 environmental 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.

Between 2007 and 2017, the Group's observatories counted 191 protected species, and mapped the observation data using 23,173 GPS coordinates, based on the Fauna and Flora data obtained during 672 audits.

200 additional audits were carried out in 2018 at all Group observatories.

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.;
- programmes to count black grouse, rehabilitate the sector or construct defences to protect their habitat, and even a programme to research their behaviour at the ski areas;
- pastoralism assessment, concerted clearing of the undergrowth to provide mating areas for black grouse and to encourage pastoralism;
- re-establishing vegetation after work with trial sowings of seeds suitable for high altitudes.

As regards soil use, only a very small part of the concession is used for ski slopes: an average of 4% of the total area (in seven of the Group's nine Ski areas which provide this information (1)). The rest of the area is left in its natural state or used outside the winter season by farmers (mainly for pasture).

The Leisure destinations

The Leisure destination sites also have a natural environment that they can use to increase visitors' enjoyment.

The concrete surface area of Leisure destinations represents less than one quarter of the total surface area (at seven of the eight sites (2)). 40% of the remaining surface area is given over to operated green spaces and waterways, the remainder is preserved in its natural state with forest or marshland areas.

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) and the Parc Naturel Régional Oise-Pays de France (Oise-Pays de France Regional National Park) to preserve the fauna and flora. The site comprises a series of moors and meadows on sand, which is part of a larger eco-unit (one of the most beautiful in the Picardy region). For this reason, Parc Astérix and the Conservatoire des Espaces Naturels de Picardie (CENP – Board for the protection of natural spaces in Picardy) have signed a management agreement for the natural environment contained within the site (Bois de Morrière and Le Fossé de la Coque), covering

(1) Does not include STVI, Méribel Alpina.
(2) Does not include Walibi Holland.

approximately 60 hectares. They have committed to developing joint and complementary initiatives for the preservation and restoration of natural habitats of heritage interest and ecological networks, such as:

- 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.

Along similar lines, Parc Astérix has introduced on-site eco-grazing with a local company with the appropriate certification.

The Parc Astérix Delphinarium team monitors veterinary health and behaviour regularly in collaboration with 2 vets and a scientist.

- The Delphinarium has set itself the target of monitoring the animals closely and responsibly. So Parc Astérix has helped set up an animal welfare Committee which meets twice a year. The work is published in an annual activity report which covers education, research and conservation activities. The qualifications and expertise of the Committee members are testament to its calibre: qualified CNRS, Paris 13, ENVA, MHNH and INRA researchers, animal keepers, vets and Parc Astérix managers.
- The Parc Astérix Delphinarium team helps to design, implement and carry out scientific projects led by French and international researchers. They research the biology, physiology, cognition and ethology of the dolphins and sea lions and their welfare and acoustics. The scientific work is directed by a qualified scientist, authorised to conduct research and a partner of the LEEC (comparative ethical laboratory) of Paris 13 university, who has established long-term collaborations with the CNRS, l'INRA, l'ENVA and Paris 13 university. Under this initiative, the site hosted a doctorate student affiliated to Paris 13 university and, for the first time, a thesis evaluating the welfare of dolphins in captivity was defended in 2017. The Delphinarium also provides the researchers with logistical support and manpower.

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) and a member of the European Endangered Species programme, which recommends which individual species should procreate under which structure;
- 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 (two of which survived) provided a unique contribution to the international breeding programme. Since then, one baby has been transferred to Copenhagen and the other to Colchester so they themselves can breed and protect the species;
- 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.

Revenue from the restaurant activities accounts for a significant portion of Compagnie des Alpes total Leisure destination revenue. As food has a potentially high environmental impact, the Group has begun to consider how it can reduce its indirect impact on biodiversity through how its sources its supplies for the restaurant activity.

The first step was to draw up an inventory of current practices and then to consider improvement solutions which could be actioned in the short to medium term. As its reflection on the matter is still in the early stages, we cannot yet announce any new measures or the associated indicators.

4.3.3.2 Connecting customers with nature by enhancing natural spaces.

Biodiversity protection is therefore a major environmental challenge for the Group. The exceptional natural environment in which we operate is an intangible component of our work tool and also the place where many of our employees live.

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.

Contribution to Nature 2050

NATURE 2050

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. Offering more than financial contributions and logistics support (provision of vehicles, contribution from employees), the initiative aims to go beyond the action of restoring per se by developing the relationship with stakeholders with a view to taking joint action on biodiversity.

Enhancing natural spaces and biodiversity

The Ski areas offer leisure opportunities but also safe access to places and landscapes of outstanding natural beauty. To protect these spaces, the Group's sites must play their part in enhancing them and raising awareness of their fragility and the need to preserve them.

The "Altitude Expériences" project overseen by the subsidiary STGM, which operates the Tignes ski area, is a perfect example of this. The concept is to attract as many people as possible to the Grande Motte glacier and offer fun ways for them to discover this beautiful and unique national treasure, not only through access to magnificent view points but by providing facts and information about this splendid, but ever so fragile, site. This public-private initiative, devised in close collaboration with the Parc National de la Vanoise, aims to include an environmental dimension in the tourism product to educate as many people as possible. The partnership relates to the environmental and regulatory aspect of the project, but there is also an educational aspect with the provision of information about the environment.

The Ski areas raise their customers' awareness of biodiversity protection in the following ways:

- 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;
- at La Plagne, in the summer, SAP disseminates information on the fauna and flora to visitors, while Les Arcs works on an environmental communication initiative with the Hauts de Villaroger nature reserve;
- 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.

On a lesser scale, some parks also raise visitor awareness with biodiversity teaching material:

- Parc Astérix has created a "discovery trail" for hotel guests with signs created by the CENP 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;
- preservation of biodiversity is a feature of different Futuroscope rides: 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.

4.3.3.3 Controlling pollution and emissions

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. Some engines use ADblue to enable them to reduce the pollutant emissions of most of the diesel vehicles (reducing the quantities of nitrogen oxides in exhaust fumes, transforming some into harmless nitrogen and water vapour).

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.) and thereby reduce pollution risk.

Visual and light pollution

Group sites are placing increasing importance on lighting and their impact on the landscape. In practice, this has led to many initiatives, including:

- pursuit of the policy to gradually reduce the number of ski lifts, and therefore pylons, cables, stations and overhead power lines. No fewer than 90 pylons were removed during work throughout the year managed by Méribel Alpina, STGM, Serre Chevalier and SAP. For example, STVI has now removed more than 70 pylons since 2012 and aims to eliminate a further 100 between now and 2022;
- the work is monitored as part of the environmental observatory at each Ski area with the aim of better integrating the new developments into the landscape. External experts have conducted more than 219 inspections during 114 visits to the Compagnie des Alpes ski areas. Taking photographs as the work progresses allows us to take a step back and assess the effectiveness of the measures put in place. This involves growing vegetation on the roofs (like at the Lounge in Val-d'Isère) or in the work areas, burying equipment, grids and underground storage areas, painting of the G2 of the DMC (double monocable) at Grand Massif, use of stone or wood when renovating lodging in the ski area, etc;
- turning off the lighting strips at night and all lighting at Futuroscope and Bellewaerde after closing.

Noise nuisance

Noise nuisance is dealt with in point 4.4.2.3 "Involvement with local communities".

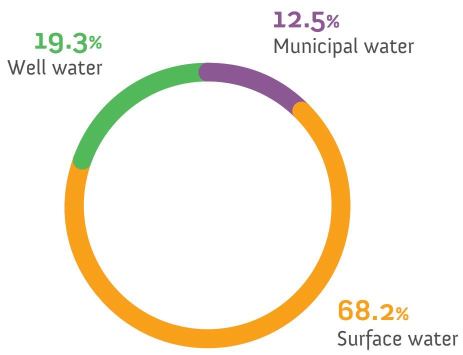
4.3.4 SUSTAINABLE WATER MANAGEMENT

Action taken to tackle the main challenges	Indicators monitored	Trend	2015-2016	2016-2017	2017-2018
Better understanding of our impact on water	Total water consumption (litres) per Skier Day (Ski areas) or visitor (Leisure destinations)	↘	145 L/visitor 235 L/SD	110 L/visitor 259 L/SD	95 L/visitor 222 L/SD
	Percentage of municipal water in the consumption *(%)*	≈	12%	12.2%	12.5%
	Percentage of municipal water in the artificial snow *(%)*	≈	1%	2%	1%
	Total water consumption *(m3)*	↘	4,418,523	4,550,281	3,956,758

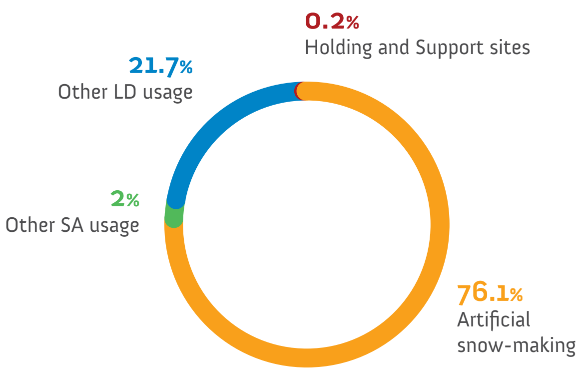
Compagnie des Alpes' activities are heavily dependent on water resources. However, municipal water accounts for only 12.5%of all water usage. Most water used is surface water (68.2%) and the remainder is well water (19.3%).

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



Holdings and support sites

In tertiary sites, water consumption is considered negligible in volume terms at Group level (0.2%). Due to a lack of individual meters, these figures do not include the Paris and Chambéry sites.

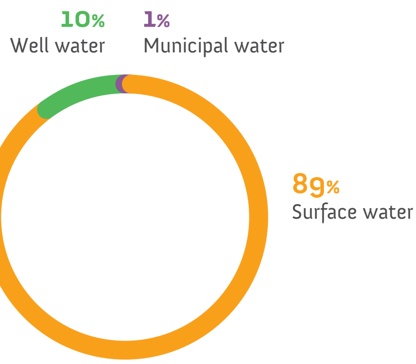
Ski areas

In Ski areas, water is mainly used for artificial snow-making. Indeed, this accounts for 76% of the Group's total water usage. Man-made snow is used to protect the Group from the financial and social impact of a shortage of natural snow on the ski business, especially at the beginning and end of a season. Scientific studies are carried out to measure and quantify the combined impact of the production of artificial snow and the grooming machine on the economic viability of the ski resorts, extending the life of the snow cover.

The volumes of water used depend on the quantities and periods of snowfall, specifically when preparing to open the ski areas at the end of the calendar year.

Ski areas limit their use of municipal water by favouring surface water catchment and overflow recovery systems. As a result, 99% of the water used to make artificial snow comes from surface water or well water.

ORIGIN OF WATER FOR ARTIFICIAL SNOW-MAKING



In winter the water levels in mountain streams are at their lowest. To reduce use when water levels in streams and rivers are at their lowest, CDA Ski resorts have made the effort to build hillside water catchment systems which can be used to store autumn rainwater and water from snow melts. The aim of these high-altitude water catchment systems is therefore to store water when there is a plentiful supply on the mountains. This levels out use from the area and provides a permanent water supply for optimal production during the available cold weather windows.

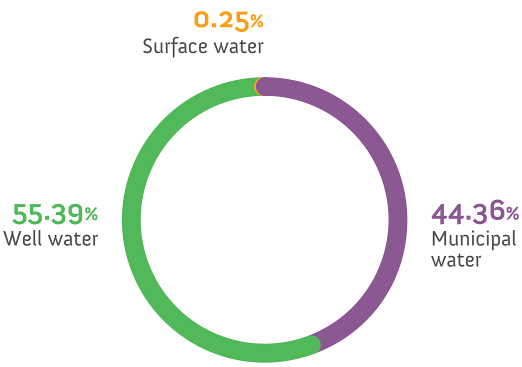
Once all the network work has been completed, man-made snow is simply water that has been crystallised at low temperatures. No chemical transformation or additive is used. Water taken from the natural environment for the purpose is restored when the snow melts.

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 use of radars, and 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.

Leisure destinations

In Leisure destinations, water is used for the rides (pools, watering), pools for animals, as well as in the restaurants, toilets and hotels 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 green spaces.

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 all Leisure destinations (seven)).

NB: Due to a lack of individual meters, these figures do not include Grévin Montréal and the CDA Productions workshops.

4.3.5 THE CIRCULAR ECONOMY

Extending the life of the facilities: what Group technicians do each day

The Group's business activities are extremely capital intensive. The useful life of our fixed assets (see 1.13) can be up to 30 or 40 years for the ski lifts and rides.

Each day, the Group's technical teams maintain and repair them to keep them compliant and in good operating condition for as long as possible.

Ingelo is the Group's internal engineering subsidiary. Moving and modifying the ski lifts, which it began to do in 2011, has now become its core activity. A total of 11 chairlifts were moved/modified between 2011 and 2018 and 9 ski lifts between 2014 and 2018. Our subsidiary has created – and operates in – a second-hand market in which very few equipment manufacturers are really present. As a result, Ingelo has become a CDA player in the circular economy, recycling and making the best possible use of old equipment to reinstall it in place of new equipment in new locations.

Around 600 tonnes of steel (stations, vehicles, clamps, pylons and supports) were reused in its last three operations: TSD Cherferie (197 t), Bettex (250 t), TSD Comborcières (147 t).

Waste recycling

To ensure site compliance, a summary of current French waste management regulations was redistributed to the French sites by the Internal Audit Department during the 2017/2018 fiscal year.

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 and works programmes in place. At the sites, the waste generated during this period comes from equipment construction/dismantling and maintenance (metal) and work on ski runs and improvements (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).

Today, the Group sites are focussing their efforts on waste sorting, ensuring it is delivered to treatment channels.

- 87% of the sites practice separate waste collection in the offices.
- 100% [1] of the sites sort the main types of waste generated from construction work and current operations.

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. Some sites take their non-hazardous waste to refuse sites or their supplier and do not obtain a slip to confirm receipt.

(1) The Paris, Chambéry and Travefactory group sites are not included because they are not affected by this type of waste.

For this reason, the Group prefers to monitor waste sorting rates rather than the volume or weight of waste generated.

The first step is therefore to increase the sorting rate for the main waste products and then we must obtain a better understanding of how it is recycled through a subsequent channel.

Finally, a key way forward will be for us to gradually turn our thoughts to how we can reduce this waste at source, primarily by working with suppliers and also devising alternative approaches.

		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	Sent to public refuse site	Put in a public skip/container (separate one for each type of waste, molok, etc.)	Reused internally	Put in a public skip/container (all waste)	Others
Metal	94.1%	94.1%	23.5%	5.88%	17.6%		5.88%
Tyres	83%	67%	17%				25%
Glass	100%	70%	20%	30%			10%
Organic waste – Green waste	87.5%	50%	12.5%		25%		37.5%
Food oil	100%	89%					11%
Bois	94%	69%	31%		12.5%		12.5%
Paper-cardboard	95%	58%	21%	32%	6%		
Stone, soil, rubble	100%	75%	12.5%		25%		12.5%
Household waste	56%	63%	12.5%	31.2%	6.25%	6.25%	

(1) This table covers the Ski areas and Leisure destinations. It does not include Holdings and supports.

(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.

This year, the park's Saveurs du Soleil restaurant took part in the joint "Mon resto engagé" initiative run by the Vienne CCI, aimed at reducing food waste.

Musée Grévin in Paris also started to recover and weigh organic waste to be sent to a methanisation site in the greater Paris region. An impressive 2.5 tonnes of food waste was sent to the site for recycling. Concrete knowledge of volumes is a first step in identifying the sources of food waste.

Optimal visitor number planning and the introduction of a booking system (Grand Massif staff canteen) have also helped to reduce waste.

Hazardous waste

All hazardous waste is collected and treated by approved contractors. Hazardous waste only accounts for 7% 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 64% of the hazardous waste. Overall, 40% (by weight) is hydrocarbon sludge from the periodic draining of hydrocarbon separator tanks, all of which is re-processed to produce heat. This is followed by other waste, for instance from emptying the chemical toilets, oil filters, coolants,(19%) then grease from the drip trays (16%), solvents and hydraulic oil from ski lift engines, 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 10% of paper generated, compared with 90% used for external communications.

As a general rule, Group entities 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 apps. These practices are pursued 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, which is less than the increase in visitor numbers to our sites.

4.3.6 CONSOLIDATED ENVIRONMENTAL DATA

	2017/2018	2016/2017	Change (N/N-1)
ELECTRICITY CONSUMPTION (GWH)	**156**	**166**	**-6%**
of which renewable	129	103	25%
FOSSIL FUEL CONSUMPTION (GWH LHV)	**60**	**56**	**7%**
FOSSIL FUEL CONSUMPTION (M^3)	**6,068**	**5,650**	**7%**
of which diesel and non-road diesel	5,619	5,216	8%
of which petrol	145	138	5%
of which fuel oil	303	296	3%
FOSSIL FUEL GAS CONSUMPTION (GWH)	**30**	**33**	**-8%**
CONSUMPTION OF MUNICIPAL HEATING AND COOLING SYSTEMS (GWH)	**2**		
TOTAL ENERGY CONSUMPTION (GWH)	**249**	**255**	**-3%**
CONSUMPTION OF COOLANTS (KG)	**265**	**257**	**3%**
GREENHOUSE GAS (GHG) EMISSIONS BY EMISSION SOURCE (CO_2 TONNES EQUIVALENT)	**32,415**	**34,842**	**-7%**
of which electricity	4,964	8,124	-39%
of which diesel and non-road diesel	17,813	16,535	8%
of which petrol	405	385	5%
of which fuel oil	968	943	3%
of which gas	7,387	8,037	-8%
of which coolants	614	817	-25%
of which municipal heating/cooling systems	265		
WATER CONSUMPTION (M^3)	**3,956,758**	**4,550,281**	**-13%**
of which well water	763,872	655,102	17%
of which surface water	2,697,175	3,339,029	-19%
of which municipal water	495,711	556,150	-11%
PAPER CONSUMPTION (TONNES)	**438**	**430**	**2%**
WEIGHED WASTE PRODUCTION (TONNES)	**5,086**	**5,132**	**-1%**
of which non-hazardous	4,752	4,845	-2%
of which hazardous	335	287	17%

The above environmental data table is consolidated according to actual scope. For information, the comparable scope data (this year excluding Musée Grévin Prague and Musée Grévin Séoul and including the Travelfactory France group) differ very little in terms of water and energy consumption and greenhouse gas emissions.

REFERENCE TABLE OF ENVIRONMENTAL CHALLENGES

CSR challenges including the key challenges	Action taken to tackle the main challenges	Indicators monitored
§4.3.2.1 Reducing our direct energy and carbon footprint (GHG) **§4.3.4 Sustainable water management** §4.3.6 The circular economy §4.3.2.2 Indirect environmental footprint performance	• Increase the portion of renewable energy and reduce the portion of fossil fuels in the Group's energy mix • Improve the energy intensity and carbon intensity relating to visits to our sites • Gain a better understanding of our impact on water	• Total energy consumption (GWh) • Portion of fossil fuels in total energy consumption • Portion of renewable energies in total energy consumption • Direct GHG emissions (1) per Skier-Day (Ski areas) or visitor (Leisure destinations) • Energy consumption per Skier-Day (Ski areas) or visitor (Leisure destinations) • Total water consumption (litres) per Skier-Day (Ski areas) or visitor (Leisure destinations) • Percentage of municipal water in the consumption (%) • Percentage of municipal water in the artificial snow (%) • Total water consumption (m^3)
§4.3.3.1 Taking account of biodiversity, soil and landscape in operations and design §4.3.3.2 Connecting customers with nature by enhancing natural spaces. §4.3.3.3 Controlling pollution and emissions	• Taking account of biodiversity, soil and landscape in operations and design • Catering supplies from more environmentally-friendly sources	• Cumulative number of Fauna and Flora audits as part of the Ski area observatories since their creation • Sourcing of catering supplies currently under consideration for the Leisure destinations. • Awaiting a suitable indicator to calculate our biodiversity footprint

(1) GHG: Greenhouse gas.

4.4 Societal challenges

The Group's subsidiaries offer leisure activities to the general public in the heart of high-traffic tourist areas in urban, peri-urban and regional environments.

It should be noted that, due to the nature of its business, combating food poverty has not been identified as a CSR risk for the Group.

Moreover, no particular information has been published on this topic.

4.4.1 LONG-TERM CONTRIBUTION TO THE DEVELOPMENT AND APPEAL OF THE REGIONS

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.

4.4.1.1 Gain a better understanding of the Group'ssocio-economic impact

The CDA subsidiaries in the area generate direct employment and many of the people employed are local seasonal workers. The subsidiaries also generate indirect employment through their own purchases and contributions to local authorities and this money passing into the local or regional economy.

Through a specific study run by Utopies©, using Local Footprint© methodology, we were able to quantify the multiplier effect of our activities based on the typology of our purchases, total payroll and contributions in the form of taxes, fees and levies.

This exercise, based on 2016 data, highlights the economic impact of our activities and policies on the regions at different levels (Département, Region, Country). For example:

In six ski areas in the Tarentaise valley in the Savoie region

LES ARCS Paradiski | MÉRIBEL cœur des 3 vallées | friendlyMenuires | Val d'Isère | la Plagne Paradiski | TIGNES

- 1 direct job in one of our Tarentaise ski areas supports 1.6 additional jobs in Savoie, 2.8 in Auvergne-Rhône-Alpes (AURA) and 4 in France;

- these six companies pay €62 million in tax (various taxes, excluding VAT), local authority contributions (mainly through Public Service Concession contracts) and corporation tax. Note that 66% of this amount is paid to the region;
- 73% of their purchases are made in France. Specifically, they contribute to the local economic fabric by spending €34 million with 736 SMEs in Savoie and €49 million with around 1,200 SMEs in the Auvergne-Rhône-Alpes region.

At Futuroscope,

- 1 direct job at Futuroscope supports 0.9 additional jobs in Vienne, 1.2 in Nouvelle Aquitaine and 3.2 in France;
- the Park's activities contribute €78 million to Vienne's GDP and €159 million to France's GDP;
- Futuroscope buys 77% of its goods and services in France, spending €52 million of which €29 million in the Nouvelle Aquitaine region. It spends €25 million with 192 SMEs in Vienne.

Directly or indirectly, the Group is a major contributor to resources used by regional authorities for development and social solidarity.

And our sites are major tourist attractions. Their business activities therefore benefit shops, transport, accommodation, cafés and restaurants and, more broadly, other socio-economic players in the tourism ecosystem.

For example, for every euro a skier spends on the ski lifts, they spend another seven at the resort (2012 Contours study). On this basis, we can estimate that around €2.6 billion of France's GDP comes from expenditure by the skiers and their fellow travellers at our six Tarentaise resorts. This equates to €2.1 billion of GDP generated in AURA and €1.4 billion in Savoie, due to the catalytic effect of our activity.

Finally, because of the quality of the facilities and services they offer, our resorts broaden the general appeal of France as a tourist destination: 45% of the catalytic effect is generated by skiers from outside France.

4.4.1.2 Investing in the appeal of the sites and other socio-economic players

Each year, Compagnie des Alpes invests vast sums in the appeal of their resorts and leisure parks. Over the fiscal year, their net capital expenditure was in excess of €186 million (23% of revenue). This massive investment in our tools and equipment helps to maintain and grow the dynamic of the tourist ecosystems in which we operate.

You will find more information about our investment dynamic in several chapters of this Registration Document.

For example, Compagnie des Alpes 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 (two additional hotels) and enhancing the park's offering These changes will make Parc Astérix accessible to visitors who are more than three hours away by car, turning it into a short break destination, as Futuroscope is today.

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.

The Ski areas also take part in global resort studies (on appeal, positioning, accommodation or satisfaction), contribute to the tools available (implementation of CRM system, data sharing, and design thinking initiative) and market the resorts (help to fund Tourist Offices and are members of Atout France or France Montagne). The overall aim is to improve the appeal of the whole area. In return, this generates economic benefits for the entire region and local stakeholders.

Moreover, 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 municipal infrastructures by financing the local and regional shuttles and accommodation.

4.4.1.3 The real estate-accommodation policy at the resorts

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, particularly in the mountains.

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, 478 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:

- the network of Compagnie des Alpes real estate agencies (23 offices, 10 companies) manages around 2,600 lots, or 11,000 beds. The target is to achieve an above-average apartment occupancy rate (on average a few percentage points higher than the resort agency average) to attract skiers, and also money, to the resort;

- the Group's real estate agencies offer lodge owners assistance with any renovations and upgrades required to help them obtain quality labels, thus equipping them to combat the "cold beds" phenomenon;
- 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);
- we are also supporting eight new projects at five resorts (around 3,000 beds) by contributing to the buildings carrying costs or the management structures.

4.4.1.4 Adapting to the consequences of climate change

Changes in demand for a leisure activity, which is by nature non-essential, are difficult to predict in a low-carbon world with the new constraints this involves. The Group is therefore faced with the fact that a leisure activity with a high environmental footprint may become less attractive in the medium term and is working to first reduce the negative external factors of its activities and then to embark on the long-term project of adapting and planning ahead for the leisure activities of the future.

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 tendency for a shorter period of natural snowfall in recent seasons, and uncertainty about the duration of temperature windows for the production of artificial snow.

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, thereby offering to access the ski area even when conditions are difficult on the low-altitude slopes. The generation of operating conditions, and the associated flows, is the first adaptation.

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 and the consumption of resources.

Grooming techniques are also evolving in order to optimise snow quality and increase its useful life. 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 re-establishment of vegetation allow the resort to reduce the quantities of snow required to create suitable skiing conditions.

The Ski areas are expanding their summer activities (mountain biking, green tourism, glacial walking, etc.) and fun non-ski activities (all-weather sledging, go-karting, hikes and access to viewpoints) and packages with partner resorts (thermal baths).

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 critical 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.

Leisure destination operations

The Leisure destinations are less vulnerable to physical climate risk than the Ski areas. 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, or perceived as such.

It is therefore important that the sites meet the regulatory requirements for renovation of tertiary buildings in the medium term and support new modes of transport to ensure easy access to the facilities.

In both business segments, more frequent and more intense extreme physical events will impact on the periods of opening and prevention, maintenance and repair costs.

4.4.2 CONTINUE TO BE SEEN BY OUR STAKEHOLDERS AS A BENEFICIAL, TRUSTWORTHY PLAYER

4.4.2.1 Safety/security measures

For the Group, the security and integrity of its employees and customers are priorities (see also section 4.2.3.3). 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.

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.).

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 during use. Audits are conducted on the quality assurance procedures at the main toy-maker and crockery factories (control of raw materials, manufacturing process, compliance with EC regulations, etc.).

In addition to all these practices, Group companies 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 companies 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.

4.4.2.2 Monitoring and managing customer satisfaction

Monitoring customer satisfaction is a key priority for each employee and directly linked to the strategic objective of obtaining Very High Satisfaction scores.

Through our very regular surveys we can gauge customer opinion and take steps to make improvements. We have developed extremely comprehensive interactive processes and methodologies to enable us to identify what improves customer satisfaction and what spoils the experience. Equally, our service design initiatives enable us to observe and listen to our customers. In short, the Group is using innovative ways to help it understand the customer experience.

The satisfaction ratings are regularly reviewed by each team and also executive management and the Executive Committee (Comex), either on a business segment or facility-by-facility basis. Today, the Group can prove that very high customer satisfaction really does improve competitiveness.

4.4.2.3 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. Group subsidiaries are present or active in local associations, both those related to the environment, and owner and neighbour associations. On this last point, most Leisure destinations organise events with people living in the neighbourhood (*e.g.* neighbourhood gatherings and open days such as Fête des Voisins, and *Journée des voisins*) which offer a great opportunity for discussion and the exchange of views.

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 are 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) through its Delphinarium;
- Futuroscope is expanding its range of edutainment activities with special interactive workshops for school children (approx. 150,000 school children visit each year). The most recent workshop was the "*Labo du Jeu Vidéo*" (video game workshop), an introduction to creating an imaginary video game at LP2I, the nearby secondary school which is also a partner of Futuroscope. Other educational workshops are on offer all year round, offering insights into images or 3D printing, for example;
- the Ski areas promote their business segments to school children and apprentices in local industries, and support the research programmes of IRSTEA in Grenoble, primarily by providing ground data or backing research topics. This involves, for example, monitoring the Deux Alpes glacier or modelling the impact of climate change on the economic viability of the mountain resorts;
- CDA SA is a partner of the Aix Marseille University appeal and new territorial marketing chair.

Finally, the Group companies support local aid initiatives and social and sports partnerships:

- the Group's ski lift companies contribute over €2 million to the French Ski Federation (FFS) Committees. This money comes from the sale of CarréNeige insurance and additional patronage funding. For example, our ski areas in Savoie paid €1.85 million to the Comité de Ski de Savoie (Savoie Ski Committee). In addition to this financial support, the clubs receive technical and logistics assistance for the preparation and organisation of training and competitions. The clubs work to promote leisure skiing and identify young talents in the club, then offer them high-level training in alpine, nordic and freestyle skiing, snowboarding and telemark skiing;
- a few examples of their work in the sports field: Chantilly nature run, support for a variety of local sports teams, provision of almost 4,000 ski passes to young people in the Rhône-Alpes region for the Val-d'Isère critérium de la *première neige* competition;

- a few examples of their support for young people who are ill or from disadvantaged backgrounds: *Petits Princes* initiative in the French parks, in collaboration with the SNELAC, Téléthon, Chaplin's World participation in the Swiss *Chaîne du bonheur*'s *cœur-à-cœur* initiative, collection of work clothes for the *Cravate Solidaire* initiative at Parc Astérix, Deux Alpes and Serre Chevalier's support for the 82-400 association to provide young people from disadvantaged backgrounds with access to high altitude areas, 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).

4.4.3 COMPLIANCE AND ETHICS

Compagnie des Alpes makes compliance and ethics a core part of its business practices. The implementation of the Group's compliance and ethics policy has been entrusted to the Legal Director, appointed as the Group's Ethics Officer by the Chairman and Chief Executive Officer, as confirmed by the Group's Risk Committee.

The Ethics Officer's role is to establish procedures that promote compliance with applicable regulations, as well as stringent rules of ethics and professional conduct. It also involves inciting all employees to abide by the principles and good practices that uphold the Group's constant determination to respect its stakeholders, including its employees, shareholders, customers, partners and, of course, public authorities, and to make every effort to ensure that all of its business activities are conducted in a totally legal, responsible, transparent and ethical manner.

The Ethics Officer may be consulted by any employee on issues concerning compliance and ethics and may be required to assist employees in their decision-making.

4.4.3.1 Preventing fraud, money-laundering and the financing of terrorism

To 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 section 2.6 "Internal control procedures" in Chapter 2 "Risk factors").

4.4.3.2 Combating corruption

To prevent the risk of corruption, the Group has stepped up its efforts mentioned above and introduced a corruption prevention plan which meets the requirements of Law n°2016-1691 of 9 December 2016 on transparency, anti-corruption and economic modernisation, known as the "Sapin 2" law.

Following the completion of the Group's corruption risk mapping by the Risk Management Department, the following documents were prepared, at the request of the Group Legal Department, with the assistance of the Risk Management Department, the Finance Department and the Internal Audit and Internal Control Department:

- anti-corruption Code of Conduct, based on the standard Middlenext Code which the Company helped to draw up as part of a working group, and supplemented by practical examples relating to the Group's business activities;
- gifts, invitations and donations policy, giving employees clear guidelines on the circumstances under which they can receive or give gifts and/or invitations and setting out the conditions for donating to associations and/or patronage;
- whistleblowing procedure, available to all Group employees and also non-employees, stipulating how to raise the alarm *via* a specialist provider's secure whistleblowing platform, the protection offered to the person raising the alarm, etc. The Group Legal Director is the designated point of contact in accordance with Article 4 II of Decree n° 02017-564 of 19 April 2017;
- third party evaluation procedure, aimed at setting out the checks to be made on third parties (target companies, suppliers, customers) before entering into a relationship with them;
- audit procedures for members of the Finance Department, to ensure the books, ledgers and accounts are not used to conceal corruption or trading in influence.

The Chairman and Chief Executive Officer has communicated widely on these procedures and on the topic in general to all employees. The Group entities' legal representatives are responsible for circulating them to all of their staff and ensuring they are applied.

The Human Resources Department and Group Legal Department have also worked on the introduction of:

- an e-learning platform. The training, which includes examples directly relevant to the Group's business activities, is currently being rolled out to French-speaking permanent employees, for whom the training is mandatory;
- face-to-face training by a specialist lawyer for the Executive Committee and the 340 employees most exposed to the risk.

Finally, the Internal Audit and Internal Control Department has drawn up a plan to monitor the effectiveness of the system which will come into operation in early 2019. The various procedures will be amended to reflect the conclusions of this exercise.

4.4.3.3 Human rights and promotion and compliance with the stipulations of the Basic International Labour Organization Conventions

The Group recognises the guiding principles of the UN's Universal Declaration of Human Rights and, in the course of its business activities, promotes respect for the fundamental rights (respect for human rights and the international labour standards).

The companies of 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.

However, we do not consider the risk related to human rights as a specific risk. First, most of the sites we operate in the Ski areas and Leisure destinations are located in Europe, where the risk of violation of human rights is low.

Second, in terms of our purchases, an analysis conducted in 2018 as part of a socio-economic study (*cf.* 4.4.1.1) revealed that around 97% of the purchases made by the sites covered were from tier-1 suppliers based in France or, more widely, in Europe.

Very few of the products we buy for sale at the sites ("Retail") are bought from suppliers based in Asia. These products are therefore more exposed to a risk relating to fundamental rights at work. Since 2011, product compliance audits have been conducted at the factories of our main suppliers in South-East Asia (*cf.* §4.4.2.1), specifically those that produce toys and crockery. These audits continue on the basis of labour criteria (child labour, forced labour, discrimination, working hours, compensation, health and safety, etc.). To date, the results of these audits have shown that the social criteria are satisfied.

For non-retail purchases, the Group makes every effort to impose strict contractual clauses on our suppliers and these clauses will be reinforced when necessary.

4.4.3.4 Societal supply chain performance

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 gives priority to recognised local suppliers, 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. A large number of sites incorporate an Environmental Charter in 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.

4.4.3.5 Tax transparency

Through its tax consolidation group, Compagnie des Alpes implements a transparent tax policy that covers all direct and indirect taxes, contributions, and other levies of a fiscal nature payable by the Company. The parent-company:

- ensures that the Group's subsidiaries comply with tax laws and regulations;
- strives to improve the Group-wide assessment of risks and their management;
- enters into constructive and transparent dialogue with the tax authorities and other public authorities.

Moreover, the Compagnie des Alpes Group implements a transfer pricing policy in line with OECD principles to justify the ensuing revenues. It has no legal entity (company, branch or agency) in any territory on the list of non-cooperative countries and territories, as defined by French and international legislation. In addition, flows *via* those countries are prohibited if they are only motivated by tax reasons.

REFERENCE TABLE OF SOCIETAL CHALLENGES

CSR challenges including the key challenges	Action taken to tackle the main challenges	Indicators monitored
§4.4.1 Long-term contribution to the development and appeal of the regions	4.4.1.1 Gain a better understanding of our socio-economic impact 4.4.1.2 Investing in the appeal of the sites and other socio-economic players 4.4.1.3 The real estate-accommodation policy at the resorts 4.4.1.4 Adapting to the consequences of climate change	Socio-economic impact measures % of revenue in capital expenditure Number of beds managed Fill-rate of the beds managed
§4.4.2 Continue to be seen by our stakeholders as a beneficial, trustworthy player	4.4.2.1 Safety/security measures 4.4.2.2 Monitoring and managing customer satisfaction 4.4.2.3 Involvement with local communities	Internal indicators not published. Customer satisfaction indicators
§4.4.3 Compliance and ethics	4.4.3.1 Preventing fraud, money-laundering and the financing of terrorism 4.4.3.2 Combating corruption 4.4.3.3 Human rights and promotion and compliance with the stipulations of the Basic International Labour Organization Conventions 4.4.3.4 Societal supply *chain performance* 4.4.3.5 Tax transparency	

4.5 Methodology note on CSR reporting

4.5.1 REPORTING SCOPE

The information covers all the business activities of all Group entities falling within the scope of fully consolidated companies. These entities (subsidiary or site) are grouped in three sectors: Ski areas, Leisure destinations and 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 labour data, owing to the fact that they have no headcount, nor any material 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. This is the case for the Travelfactory France group, acquired in January 2018.

The sites exiting the scope this fiscal year are Grévin Séoul and Grévin Prague.

Existence of reporting	Social	Environmental	Societal
Ski areas			
ADS; DAL/SC2A/Pierre&Neige; GMDS; MéribelAlpina; SAP; SCV; SEVABEL; STGM; STVI/Valbus	Yes	Yes	Yes
CDA Ski Diffusion	Yes	No	No
Scivabel; Skigloo; SAG	No	No	No
Leisure destinations			
Belpark (Bellewaerde, Walibi Belgium & Aqualibi sites); By Grévin Chaplin's World; CDA Productions (Ateliers); France Miniature; Futuroscope (including Futuroscope Destination and FMD); Grévin & Cie (Parc Astérix including hotel park); Grévin Montréal; Musée Grévin Paris; Walibi Holland/Walibi Holiday Park; Avenir Land (Walibi Rhône-Alpes)	Yes	Yes	Yes
CDA DL; Walibi World; Grévin Prague	Yes	No	No
CDA Brands; Immoflor NV; Premier Financial Services; HHH	No	No	No
Holdings and supports			
CDA (Paris and Chambéry sites); CDA DS (Chambéry site); Travelfactory France group	Yes	Yes	Yes
CDA Management	Yes	No	No
CDA Financement; Loisirs Ré; CDA Beijing	No	No	No

4.5.2 DATA COLLECTED

The definition of all the data sets to be collected is specified in a reporting procedure and is mentioned in the reporting tool used (web platform for all three categories: labour, environmental and societal). 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 destinations, including both French and International sites, and "tertiary sites", that is Holding and Support subsidiaries whose activity is conducted within a building (museum, workshop, etc.).

4.5.3 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 Group 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.

Each entity is responsible for collecting and inputting its data.

The data is analysed and checked (N/N-1 changes, consistency tests) to ensure compliance and reliability. At the end of the process, it is consolidated in the form of a table or diagram, and commented on for publication.

4.5.4 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. The planning of these audits takes account of the difficulties encountered obtaining the data, or the quality of the data, and the history of each site's own audits. This enables us to gradually ensure the reliability of the data collected by the sites.

4.6 Report by the independent third-party body on the statement of non-financial performance appearing in the management report

For the year ended on 30 september 2018

Dear Shareholders,

As an independent third-party body, member of the Mazars network, statutory auditor of Compagnie des Alpes, certified by COFRAC Inspection under number 3-1058 (scope of certification available on the website site www.cofrac.fr), we hereby present our report on the statement of non-financial performance for the fiscal period ended 30 September 2018 (hereinafter the "Statement"), presented in the management report, in application of the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company's responsibility

It is the responsibility of the Board of Directors to establish a Statement in compliance with applicable legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied concerning these risks as well as the results of these policies, including key performance indicators.

The Statement was established in application of the company's procedures (hereinafter the "Standards"), the material elements of which are presented in the Declaration (or available on the website or on request).

Independence and quality control

Our independence is defined in Article L.822-11 of the French Commercial Code and the code of ethics of our profession. In addition, we have put in place a system of quality control including documented policies and procedures whose aim is to ensure 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 provide a reasoned basis for our limited assurance conclusion on:

- the compliance of the Statement with the provisions specified in Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in application of section 3 of parts I and II of Article R. 225 105 of the French Commercial Code, *i.e.* the results of the policies, including the key performance indicators, and the actions, relating to the main risks, hereinafter the "Information".

It is however not our responsibility to comment on:

- compliance with other applicable legal and regulatory provisions, in particular those of the vigilance plan and the fight against corruption and tax evasion;
- compliance of products and services with the applicable laws and regulations.

Nature and scope of our work

Our work described hereinafter was carried out in compliance with the provisions of Articles A. 225 1 et seq. of the French Commercial Code defining the conditions under which the independent third party body performs its mission and in compliance with the professional standards of the National Company of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this intervention and with the ISAE 3000 international standard - Commitments assurance other than audits or reviews of historical financial information.

We have conducted work allowing us to assess the compliance of the Statement with the regulatory provisions and the fairness of the Information:

- we took note of the business activity of the entity, of all of the companies included in the scope of consolidation, of the presentation of the main social and environmental risks related to this activity, and of its impacts on human rights and the fight against corruption and tax evasion as well as the resulting policies and their consequences;
- we assessed the appropriate character of the Standards with respect to its relevance, its exhaustiveness, its reliability, its neutrality and its clarity, taking into consideration, as applicable, the good practices in the sector;

- we verified that the Statement covers each category of information specified in part III of Article L. 225 102 1 in social and environmental matters as well as the compliance with human rights and the fight against corruption and tax evasion;
- we verified that the Statement presents the business model and the main risks linked to the business activity of all the entity and all entities included in the consolidation scope, including when it seems relevant and proportional, the risks created by its business relations, its products or services as well as the policies, actions and results, including the key performance indicators;
- we verified, when relevant with respect to the main risks or policies presented, that the Statement presents the information specified in part II of Article R. 225-105;
- we assessed the procedures for selection and approval of risk management;
- we inquired about the existence of internal control and risk management procedures put in place by the company;
- we assessed the consistency of the results and key performance indicators used with respect to the main risks;
- we verified that the Statement covers the consolidated scope, *i.e.* all the companies included in the consolidation scope in compliance with Article L. 233-16;
- we assessed the process for collection put in place by the company aiming for exhaustiveness and the fairness of the Information;
- we implemented, for the key performance indicators and the other quantitative results[1] that we considered as the most important:
  - analytical procedures consisting in checking the proper consolidation of the data collected as well as the consistency of their changes,
  - detailed tests based on sampling, consisting in verifying the proper application of the definitions and procedures and in comparing the data with the documentary items. This work was carried out on the selection of contributing[2] entities covering between 18 and 40% of the consolidated data of the key performance indicators and results selected for these tests;
- we consulted the documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important;
- we assessed the overall consistency of the Statement with respect to our knowledge of the company.

We feel that the work we conducted using our professional judgement allows us to express a limited assurance conclusion; a higher level of assurance would have necessitated more extensive verification work.

Means and resources

Our work relied on the skills of six persons.

To assist us in completing our work, we called upon our specialists in sustainable development and societal responsibility. We conducted approximately ten interviews with the persons responsible for the preparation of the Statement, representing the Internal Audit Department, the Human Resources Department, the Risk, Insurance, and Crisis Management Department, the Communications Department and the Legal Department.

(1) *Percentage of work-study trainees in the FTEs: number of work-study trainees present in the fiscal year, total number of FTEs; Absenteeism rate: total number of working days of leave, number of hours worked; Frequency rate: total number of occupational accidents with leave, number of hours worked; Severity rate: total number of working days of leave, number of hours worked; Number of training hours per FTE, management and non-management: number of training hours, number of manager FTEs, number of non-manager FTEs; Number of professional qualifications awarded; Return rate of seasonal workers; Portion of renewable energies in total energy consumption: total electricity consumption, renewable energy consumption; Portion of fossil energies (including gas and fossil fuels) in the total energy consumption: total electricity consumption, consumption of fossil fuels; GHG emissions per visitor and per skier-day: GHG emissions linked to energy consumption, GHG emissions linked to coolants, number of skier days, number of visitor days; Portion of municipal water in the total consumption and artificial snow-making: water consumption by type of source, water consumption linked to artificial snow-making, total water consumption; Sorting rate for site waste: Number of sites having put in place a sorting system, for each type of waste generated; Cumulative number of Fauna and Flora audits as part of the ski area observatories).*

(2) *Parc Astérix, Société d'Aménagement de la Plagne, Société des Téléphériques de la Grande Motte (key performance indicators for the environmental part), CDA SA (key performance indicators for the social part), Futuroscope (gas consumption and water consumption only).*

Conclusion

Based on our work, we found no material misstatement that would call into question the compliance of the statement of non-financial performance with the applicable regulatory provisions and we consider the information, taken as a whole, is presented fairly, in compliance with the Standards.

Comments

Without calling into question the conclusion expressed above, and in compliance with the provisions of Article A. 225-3 of the French Commercial Code, we make the following comments:

- the reporting scope for the results and key performance indicators relating to training[1] represent 95% of the full-time equivalent employees;
- the Group gives broad autonomy to the subsidiaries in the conduct of business. The policies relating to the main risks in labour, environmental and societal matters are not defined at the level of the Group but at the level of each subsidiary in view of their context and their business activity. The commitments, resources implemented, organisation as well as the main actions can thus be noticeably different among the subsidiaries. At this stage, the Group has not set any objective for the reduction of greenhouse gas emissions.

Paris, La Défense, January 22, 2019

The independent third party	Gilles RAINAUT	Edwige REY
MAZARS SAS	Partner	CSR & Sustainable Development Partner

(1) *Number of training hours; Number of employees having attended at least one training programme; Number of training hours per employee.*

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 2017/2018 fiscal year rose by 6% compared with the previous period, to €801.2 million. On a comparable scope (*i.e.* without taking into consideration Fort Fun, a non-strategic park, sold in April 2017), it improved by 6.1% compared to the 2016/2017 fiscal year. All of the Group's business divisions contributed to this good performance.

EBITDA rose 5.4% to €218.3 million, while the margin remained more or less stable at 27.3% compared to 27.4% in the previous year. On a comparable scope (*i.e.* excluding the interim losses from Fort Fun in 2016/2017), it was down 0.3 margin points mainly due to the buyback of the Travelfactory group (which had a slightly dilutive effect of 70 basis points on the EBITDA margin). This confirms the Group's solidity, the resilience of the business of the Ski areas and the dynamism of the Leisure destinations. The Very High Satisfaction strategy combined with attractiveness-boosting investments for 3 years resulted in an increase in business and profitability.

The operating income was impacted by the increase in amortisation and depreciation. The 2016/2017 operating income benefited from positive non-recurring items.

The net cost of debt fell significantly (impact of +€7.9 million) following the refinancing of the Group in 2017, which played a major role in 2017/2018.

After taking into account an income-tax expense of €29.7 million and a share of net income of associates of €4.5 million, the net income from ongoing operations stood at €59.5 million at 30 September 2018 *versus* €64.6 million in the previous year. The net income from discontinued operations stood at €3.7 million *versus* an expense of -€24.7 million in 2016/2017.

Thus, net income, Group share amounted to €57.2 million, *versus* €31.3 million the previous year.

5.1.1.1 Activity and results for the period

(in millions of euros)	Fiscal Year 2017/2018 Actual scope (1)	Fiscal Year 2016/2017 Comparable scope - adjusted * (2)	Change % (1) - (2) / (2)	Fiscal Year 2016/2017 Actual scope - adjusted * (3)	Change % (1) - (3) / (3)
Revenue	801.2	755.2	6.1%	755.9	6.0%
EBITDA	218.3	208.2	4.8%	207.2	5.4%
EBITDA/Revenue	*27.3%*	*27.6%*	*-1.2%*	*27.4%*	
NET OPERATING INCOME	**97.0**	**98.8**	**-1.8%**	**98.9**	**-1.9%**
Net cost of debt and miscellaneous	-12.3			-19.0	-35.6%
Income-tax expense	-29.7			-19.9	49.2%
Equity method	4.5			4.7	-4.8%
Net income, ongoing business	59.5			64.6	-8.0%
Earnings from discontinued operations	3.7			-24.7	
EARNINGS	**63.2**			**39.9**	**58.3%**
Minority interests	-6.0			-8.6	-30.5%
NET INCOME (GROUP SHARE)	**57.2**			**31.3**	**82.6%**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reclassification (see Note 5.1). 2016/2017 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 2017/2018 fiscal year amounted to €801.2 million on an actual scope basis. This represents an increase of 6% on the previous year. On a comparable scope, it improved by 6.1%.

(in millions of euros)	Fiscal Year 2017/2018 Actual scope basis (1)	Fiscal Year 2016/2017 Comparable scope - adjusted * (2)	Change % (1) - (2) / (2)	Fiscal Year 2016/2017 Actual scope - adjusted * (3)	Change % (1) - (3) / (3)
Ski areas	429.3	416.9	3.0%	416.9	3.0%
Leisure destinations	339.9	325.9	4.3%	326.6	4.1%
Holdings and supports	32.0	12.4	157.6%	12.4	157.6%
REVENUE	**801.2**	**755.2**	**6.1%**	**755.9**	**6.0%**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reclassification (see Note 5.1). 2016/2017 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.*

Ski areas

In 2017/2018, Ski Area revenue increased by 3.0% to €429.3 million. It includes the income from the sale of land that took place in the 3rd quarter for €2.4 million.

Ski lift revenue (which accounted for almost 98% of the annual business this year following the reclassification of businesses of real estate agencies in the BU Holdings and supports) increased by 2.1% to €420.9 million.

This result was achieved despite the sometimes extreme weather conditions, which disturbed the operating activity of the sites, leading to a complete or partial closure of ski runs and trails and ski lifts on several days, particularly in the month of January. It highlights the major resilience of the business in an adverse environment.

This increase is primarily driven by an increase in revenue per Day/Skier, which consolidated and increased this year by +1.3%, after a significant increase in the previous year. It is also generated a +0.8% increase in the skier days for the Group's ski resorts for the 3rd consecutive season.

Boosting visitor numbers at its ski resorts is one of the key components of the strategy deployed by Compagnie des Alpes. To achieve this, the Group implemented actions relating to accommodation, marketing, distribution and digitisation. This year's acquisition of Travelfactory, the leading online distributor of ski holidays in France, is in line with this strategy. It will enable the Group to complete its range of holidays and accommodation in the mountains and access a younger and more international clientele while strengthening its expertise and digital footprint.

Leisure destinations

In 2017/2018, the dynamism of the Leisure destinations business recorded a 4.3% increase, on a comparable basis, and amounted to €339.9 million. It is primarily driven by a per visitor spending that continues to grow (+3.0%), supported by rising "In Park" sales, the volume whereof has increased by nearly 44% over the past five reporting periods. This increase comes, particularly, from the growth of the catering business and, more generally, from an offering that is better adapted to visitor expectations.

The partial opening of a new hotel in Parc Astérix, which will be completely handed over by the end of the year, was also responsible for the increase in revenue from accommodation.

Lastly, the performance of the Leisure destinations business also resulted from a +1.3% increase in visitor numbers, which reached a new record (on a comparable basis) of 8.8 million visits.

Rising for the 5th consecutive year, this increase in business brought aggregate growth of this BU for the last five fiscal years to over 39%. It is the fruit of the customers' Very High Satisfaction strategy implemented by the Group and gradually rolled out across all sites.

This season, the sites that grew the most are the ones with the most advanced multi-year investment plans and which benefited from the transformation efforts: investment in increasing appeal, new zone addition, increase in hotel capacity. Attendance records were once again beaten, particularly on these sites. Parc Astérix crossed the symbolic mark of 2 million visitors at the end of August, and recorded 2.17 million at the end of the season. Walibi Belgium crossed the million visitor mark for the very first time after its consolidation into the Group. Walibi Rhône-Alpes saw its visitor numbers increase nearly 30% in four years. Meanwhile, Futuroscope saw a slight decline in business this season. This is mainly due to an unfavourable base effect as the site celebrated its 30th anniversary during the last fiscal year.

The increase in visitor numbers has not affected overall customer satisfaction, as visitor ratings were up once again in most sites this year. And the ratings given to the new attractions open for three years are all between 8.0 and 9.5 out of 10, a sign that they immediately struck a chord with their audience.

Holdings and supports

The Holdings and supports division now includes the consulting business of CDA Management and CDA Beijing, the online distribution business, and CDA's legacy real estate agencies (previously consolidated under the Ski areas BU) as well as those of Travelfactory, company acquired on 1 January 2018, which was consolidated within the Group satisfactorily.

This division generated revenue of €32.0 million on an actual scope basis, *versus* €12.4 million the previous year, which did not include Travelfactory's revenue.

The 2017/2018 fiscal year was also profitable for the consulting business in particular through the Jardin d'Acclimatation service provision contract (project management services, park operation and marketing). The Jardin d'Acclimatation has enjoyed undeniable success since its re-opening on 1 June 2018.

In addition, contracts were signed or renewed in China, in particular to provide technical assistance to the Thaiwoo resort. The year was also marked by ongoing consulting operations in Turkey and Georgia (for ski resorts) and in Moscow (for leisure parks).

5.1.1.3 EBITDA

Gross operating income (EBITDA) amounted to €218.3 million and increased by 4.8% compared to FY 2016/2017 on a comparable scope.

Per business segment, it breaks down as follows:

(in millions of euros)	Fiscal Year 2017/2018 Actual scope basis (1)	% of revenue 2017/2018 Actual scope basis	Fiscal Year 2016/2017 Comparable scope - adjusted * (2)	% of revenue 2016/2017 Comparable scope - adjusted	% Change (1) - (2) / (2)	Fiscal Year 2016/2017 Actual scope - adjusted * (3)	% Change (1) - (3) / (3)
Ski areas	159.3	37.1%	154.3	37.0%	3.2%	154.3	3.2%
Leisure destinations	82.0	24.1%	77.4	23.7%	-5.9%	76.3	-7.4%
Holdings and supports	-22.9	-71.6%	-23.4	-188.6%	2.2%	-23.4	2.2%
EBITDA	**218.3**	**27.3%**	**208.2**	**27.6%**	**4.8%**	**207.2**	**5.4%**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reclassification (see Note 5.1). 2016/2017 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.*

Ski areas

EBITDA for the Ski areas rose by 3.2% (+€5 million) to €159.3 million, despite a season under difficult operating conditions.

The EBITDA margin rose by 0.1 points to 37.1%, from 37% in the previous year (after business reclassification).

The operating conditions weighed on the operating expenses which rose by €9.7 million: personnel costs increased by +4.4% due to hiring at the beginning of the season, a lot of 6 hours for securing the ski areas, but also because of the good results (increase in employee profit-sharing). Adverse weather conditions also weighed on maintenance costs and triggered several claims (covered by our insurance). Lease payments increased by +3.5% in connection with the increase in revenue from ski lift passes.

Leisure destinations

EBITDA for Leisure destinations stood at €82 million, up €4.6 million over the previous year (+5.9%, after a 16.5% increase in 2016/2017, 6.9% in 2015/2016 and 17.8% in 2014/2015). The EBITDA margin showed a 0.4 pointimprovement, and stood at 24.1% in 2017/2018.

Operating costs increased by 3.8% (*i.e.* +€9.5 million) and correspond mainly to material costs which increased due to the business, rising personnel costs mainly due to the opening of a hotel and increased customer service, +6.8% (+€6.9 million) on a comparable basis, but also due to higher advertising and marketing costs, promoting new investments.

Holdings and supports

EBITDA for the historic holdings and supports business remained stable at -€23.5 million. 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.

The tour-operator business (Travelfactory since 1 January 2018 – *i.e.* 9 months of operation – and Alpes Ski Resa for 12 months) realised a positive EBITDA of €0.9 million. The real estate business realised a slightly negative EBITDA of -€0.3 million, in line with the previous year.

Total EBITDA for Holdings and supports stood at -€22.9 million, up +€0.5 million over the previous year.

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 €186.2 million, compared with €159.6 million the previous year and €159.4 million on a comparable scope. It represents 23.2% of the Group's revenue in 2017/2018.

Investments break down by business lines as follows:

(in millions of euros)	Fiscal Year 2017/2018 Actual scope basis (1)	% of revenue 2017/2018 Actual scope basis	Fiscal Year 2016/2017 Comparable scope - adjusted * (2)	% of revenue 2016/2017 Comparable scope - adjusted	% Change (1) - (2) / (2)	Fiscal Year 2016/2017 Actual scope - adjusted * (3)	% Change (1) - (3) / (3)
Ski areas	91.0	21.2%	84.4	20.2%	7.9%	84.4	7.9%
Leisure destinations	91.3	26.8%	70.0	21.5%	30.3%	70.2	30.1%
Holdings and supports	3.9	12.3%	5.0	40.7%	-21.9%	5.0	-21.9%
NET CAPITAL EXPENDITURE	**186.2**	**23.2%**	**159.4**	**21.1%**	**16.8%**	**159.6**	**16.7%**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reclassification (see Note 5.1). 2016/2017 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.*

Investments in the Ski areas segment amounted to €91 million, compared with €84.4 million the previous year (21.2% and 20.2% 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 €91.3 million, compared with €70.2 million in the previous year, and €70 million on a comparable scope, *i.e.* 26.8% of the revenue, *versus* €21.5 million in 2016/2017.

Therefore, a high level of investment was made on theme parks this year, which include:

- the creation of a new indoor water park near Bellewaerde Park;
- the construction of a new hotel at Parc Astérix, the Cité Suspendue, before the launch of work on another hotel, Les Quais de Lutèce, planned for 2020;
- ongoing investments in increasing the appeal of both the new attractions of the 2018 season ("Sébastien Loeb" and "Dans les yeux de Thomas Pesque" at Futuroscope, Hurricane at Walibi Rhône-Alpes, Tiki-Waka at Walibi Belgium) and the attractions planned for the next season.

In the Holding companies and support subsidiaries segment, investments mainly represent intangible assets intended for site operations (computer software for ticketing and others). At Travelfactory, they mainly relate to digital investments (website).

5.1.1.5 Earnings

Net operating income amounted to €97 million in 2017/2018, down 1.8% compared to the previous year on a comparable basis:

(in millions of euros)	Fiscal Year 2017/2018 Actual scope basis (1)	% of revenue 2017/2018 Actual scope basis	Fiscal Year 2016/2017 Comparable scope - adjusted * (2)	% of revenue 2016/2017 Comparable scope - adjusted	% Change (1) - (2) / (2)	Fiscal Year 2016/2017 Actual scope - adjusted * (3)	% Change (1) - (3) / (3)
EBITDA	218.3	27.3%	208.2	27.6%	4.8%	207.2	5.4%
Amortisation, depreciation and provisions	-121.3	-15.1%	-112.8	-14.9%	7.5%	-113.1	7.2%
Other operating income and expenses	-0.1	-	3.3	0.4%		4.8	
NET OPERATING INCOME	**97.0**	**12.1%**	**98.8**	**13.1%**	**-1.8%**	**98.9**	**-1.9%**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reclassification (see Note 5.1). 2016/2017 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.*

Amortisation and depreciation expenses increased by €5.5 million, as a result of the ambitious investment policy implemented over the last four years. In addition, they include accelerated depreciation of property, plant and equipment amounting to approximately €2 million, to reflect their fair value and an impairment charge of €1 million on a site abroad.

As a reminder, the operating income for 2016/2017 on a comparable basis included positive non-recurring items amounting to approximately +€3.3 million corresponding to a transaction allowance of €2.8 million and a liability guarantee of €0.5 million and in real terms, the capital gain on the sale of Grévin Deutschland.

The net cost of debt fell significantly (impact of +€7.9 million) following the refinancing of the Group in 2017, which played a major role in 2017/2018. The average interest rate increased from 4% in 2017 to 2.17% in 2018. Other financial income and expenses are impacted by losses incurred on unconsolidated subsidiaries involved in the land, real estate or catering business, resulting in a €1 million decline compared to the previous year.

The income tax expense increased by €9.8 million compared to the previous year. It includes:

- a deferred tax expense of €1.2 million stemming from the recognition of Parc du Futuroscope carryover losses, whereas deferred tax income of €2.6 million had been calculated in 2016/2017;
- a deferred tax income of €1.8 million on the fall in the tax rate in Belgium. A tax income of €0.6 million had been recorded on the fall in the tax rate in France in 2016/2017, and a tax income of €2.3 million related to the removal of tax on dividends and a 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.

The nominal tax rate stood at 33.3% *versus* 23.6% the previous year (restated accounts).

The share of net income of associates remained fairly stable at €4.5 million.

As a result, after taking into account an additional tax expense of €10 million, the income from continuing operations stood at €59.5 million *versus* €64.6 million in 2016/2017.

Income from discontinued operations amounted to +€3.7 million *versus* -€24.7 million the previous year. It includes the following items:

- losses of Grévin Prague and Seoul: -€1.7 million (*versus* -€6.6 million in 2016/2017);
- impairment of assets of Prague and Seoul in 2016/2017 for -€18.8 million;
- restructuring costs of -€0.4 million in 2017/2018;
- net capital tax gains of €5.6 million in 2017/2018.

After taking into account income from discontinued operations, the net income, Group share for the 2017/2018 fiscal year represents €57.2 million *versus* €31.3 million the previous year.

5.1.2 CASH, FINANCING AND CAPITAL

5.1.2.1 Cash and cash equivalents

(in millions of euros)	30/09/2018	30/09/2017
Operating cash flows from continuing operations after borrowing cost and tax	180.0	173.7
Net capital expenditure (CAPEX, net of disposals)	-188.5	-168.3
Change in receivables and payables on non-current assets	2.3	8.8
FREE CASH FLOW	**-6.1**	**14.1**
Acquisition/Disposal of non-current financial assets	-8.1	-2.5
Change in borrowings	-73.2	61.1
Dividends (including non-controlling interests in subsidiaries)	-16.8	-13.9
Change in WCR and other	-2.4	-2.2
Impact of discontinued operations	3.3	-5.5
CHANGE IN CASH POSITION	**-103.3**	**51.0**

Operating cash flow totalled €180 million (22.4% of revenue), a rise of 3.6% compared with 30 September 2017, reflecting the improvement in the Group's business activities.

A free cash flow of -€6.1 million reflects the Group's high level of investments during the year (+26.7 on a comparable basis, after an increase of €13.5 million the previous year).

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.

Compagnie des Alpes paid out €12.2 million in dividends, an increase of €2.5 million compared to the previous year. The subsidiaries, meanwhile, paid out almost €4.6 million to their minority shareholders.

5.1.2.2 Structure of debt

The Group's (gross) financial debt (€433.9 million) comprises 76.4% of fixed-rate loans and 23.6% of variable-rate loans (see Note 6.11 to the Consolidated Financial Statements).

In October 2017, the Group redeemed its €200 million bond and mobilised the new loans intended to replace this bond, namely:

- an €80 million depreciable term loan taken from the Group's long-standing partners, which now include a Chinese bank for a period of 5 to 6 years;
- a €25 million depreciable term loan, granted by a new French partner, with a maturity at 7 years.

These loans are added to the two bonds mobilised in 2017 for respectively €45 million ("Euro PP") over a period of 8 years and €50 million ("US PP") for an average period of 10 years with final maturity at 12 years.

This implementation allowed a significant reduction in the net cost of debt (-€7.8 million) to €8.2 million.

Furthermore, the Group enjoys:

- a significant extension of the average maturity of the debt with due dates extending to 2029 (12 years);
- extended debt repayment periods;
- diversified sources of funding.

5.1.2.3 Exposure to banking covenants

The covenant that the Group must conform to is the following: Net debt/EBITDA ratio should remain less than or equal to 3.5x.

Given the improvement in the Group's performance as a whole, this improved considerably from 1.87 in the previous year to 1.84 (1.84 on a restated basis).

For information, the debt/equity ratio remained stable at 0.46.

5.1.3 EVENTS AFTER THE REPORTING PERIOD

None.

5.2 Activities and results of SA Compagnie des Alpes

5.2.1 ROLE OF SA COMPAGNIE DES ALPES 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 decreased from 122 to 118 full-time equivalents (FTEs), without affecting the total number of Group headcount.

5.2.2 ACTIVITIES AND RESULTS

In 2017/2018, Compagnie des Alpes continued the internal re-invoicing policy as it did in 2016/2017.

These factors resulted in a net operating loss of -€10.8 million (previous fiscal year: -€10.5 million).

Net financial income of €31.3 million was recorded, compared to €3.6 million the previous year. Dividends received from subsidiaries amounted to €43.8 million compared to €32.2 million in 2016/2017. There was also a net decline in financing cost (-52%).

Finally, the financial advance of €3.6 million granted to Grévin Montréal was fully written off and a debt waiver of €2 million was granted to By Grévin.

The extraordinary result amounted to -€16.4 million due to a net capital loss of €16.6 million on the disposal of securities and receivables of Grévin Prague and Grévin Seoul.

After taking into account tax income of €12.9 million (*vs* €6.1 million the previous year) at tax consolidation level, the net income amounted to €17 million compared to €2.5 million the previous year.

5.2.3 KEY FIGURES OF THE COMPANY

Key figures of the Company:

(in millions of euros)	30/09/2014	30/09/2015	30/09/2016	30/09/2017	30/09/2018
Net financial assets	852.7	840.3	849.1	839.3	832.6
Shareholders' equity	543.3	547.6	551.3	544	548.8
Net debt*	299	286.5	286.5	289.2	275.1
Net income	2.7	12.7	13.4	2.5	17
Net dividend	8.5	9.7	9.7	12.2	DA

* *Financial debt less cash and cash equivalents in the balance sheet assets.*

5.2.4 DIVIDEND POLICY

The dividend is proposedeach 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 2014/2015: Dividend per share of €0.40 paid in cash on 17 March 2016;
- fiscal year 2015/2016: Dividend per share of €0.40 paid in cash on 16 March 2017;
- fiscal year 2016/2017: Dividend per share of €0.50 paid in cash on 8 March 2018.

The Board of Directors proposed to the Shareholders' Meeting to pay the shareholders a dividend of €0.65 per share for 2017/2018.

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	27					115	22					23
Total amount of invoices concerned (including taxes)	-456	-19	-	-	-62	-81	462	27		-	154	181
Percentage of total amount of purchases (excluding taxes) for the fiscal year	-2.33%	-0.10%	-	-	-0.32%	-0.41%						
Percentage of pre-tax sales for the fiscal year							1.36%	0.08%	-	-	0.45%	0.53%
(B) Invoices excluded from (A) relating to disputed or unrecognised liabilities and claims												
Number of invoices excluded	-	-	-	-	8	8						
Total amount of the invoices excluded	-	-	-	-	-1,400							
(C) Late payment instalments												
Payment periods used for calculating late Payment	Period of 45 days from the date of receipt of invoice						Period of 45 days from the date of issue of invoice					

5.2.6 INFORMATION ON COMPENSATION AND BENEFITS RECEIVED BY CORPORATE OFFICERS DURING THE FISCAL YEAR

Information required by Article L. 225-37-3 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 acquired a stake of 73% in Travelfactory and a 30% stake in Ski & Soleil.

5.2.7.2 Shareholdings sold

During the fiscal year just ended, the Company sold its stakes in Grévin Prague et Grévin Seoul.

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 referred to in Article 39.4 of the French General Tax Code amounted to€84,253 during this fiscal year.

5.2.10 KEY EVENTS AFTER THE REPORTING DATE

None.

5.3 Consolidated financial statements

5.3.1 FINANCIAL STATEMENTS

INCOME STATEMENT

(in thousands of euros)	Notes	30/09/2018	30/09/2017*
REVENUE	**5.2**	**801,226**	**755,946**
Other operating income		1,694	2,666
Production transferred to inventory		-134	-35
Consumables used		-103,696	-88,625
External services		-136,544	-138,383
Taxes other than on income		-36,800	-35,361
Payroll costs and employee profit-sharing		-270,360	-252,828
Other operating expenses and income		-37,044	-36,176
EBITDA	**5.3**	**218,344**	**207,203**
Amortisation, depreciation and provisions		-121,252	-113,060
Other operating income and expenses		-92	4,776
OPERATING INCOME		**97,000**	**98,919**
Gross cost of debt		-8,242	-16,174
Income on cash and cash equivalents		4	130
NET COST OF DEBT	**5.4**	**-8,238**	**-16,044**
Other financial income and expenses	5.4	-4,022	-2,999
Income-tax expense	5.5	-29,744	-19,937
Share of net income of associate companies	5.6	4,471	4,699
INCOME FROM CONTINUING OPERATIONS		**59,467**	**64,638**
Income, discontinued operations	5.7	3,693	-24,737
NET INCOME		**63,160**	**39,901**
Non-controlling interests in earnings		-5,961	-8,581
NET INCOME (GROUP SHARE)		**57,199**	**31,320**
Earnings per share (Group share)	5.8	€2.34	€1.29
Diluted earnings per share (Group share)	5.8	€2.34	€1.28

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations.*

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	30/09/2018	30/09/2017*
Net profit at fair value, before tax		
Available-for-sale financial assets	-	25
Cash flow hedges	351	842
Translation differences	12	-1,048
Impact of operations under the equity method	-3	177
Tax effect of these items	-121	-290
SUBTOTAL: RECYCLABLE ITEMS UNDER INCOME	**239**	**-294**
Actuarial gains (losses) on employee benefits	850	1,052
Tax effect of these items	-11	-152
SUBTOTAL: NON-RECYCLABLE ITEMS UNDER INCOME	**839**	**900**
PROFIT FOR THE PERIOD	**63,160**	**39,901**
TOTAL INCOME RECOGNISED FOR THE PERIOD	**64,238**	**40,507**
Attributable to		
owners of the Company's	58,224	31,763
non-controlling interests	6,014	8,744

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations.*

BALANCE SHEET ASSETS

(in thousands of euros)	Notes	30/09/2018	30/09/2017
Goodwill	6.1	294,135	282,955
Intangible assets	6.2	66,685	70,036
Property, plant and equipment	6.3	423,382	379,316
Concession assets	6.3	607,361	578,506
Investments in associate companies	6.4	75,959	73,628
Non-current financial assets	6.5	40,279	35,929
Deferred tax assets	6.12	7,612	10,070
NON-CURRENT ASSETS		**1,515,412**	**1,430,439**
Inventories	6.6	22,808	22,215
Accounts receivable	6.7	66,316	54,848
Other receivables		9,450	9,485
Current taxes		15,065	14,999
Current financial assets		676	923
Cash and cash equivalents	6.8	31,624	46,848
CURRENT ASSETS		**145,940**	**149,319**
TOTAL ASSETS		**1,661,352**	**1,579,758**

LIABILITIES

(in thousands of euros)	Notes	30/09/2018	30/09/2017
Shareholders' equity			
Share capital	6.9	186,091	185,703
Additional paid-in capital	6.9	257,596	257,596
Reserves	6.9	379,563	334,150
SHAREHOLDERS' EQUITY (GROUP SHARE)		**823,250**	**777,449**
Minority interests		55,906	54,924
TOTAL SHAREHOLDERS' EQUITY		**879,156**	**832,372**
Non-current provisions	6.10	55,781	55,151
Non-current financial liabilities	6.11	303,980	199,604
Deferred tax liabilities	6.12	21,800	21,243
NON-CURRENT LIABILITIES		**381,561**	**275,998**
Current provisions	6.10	16,548	18,892
Current financial liabilities	6.11	129,962	227,712
Operating liabilities	6.13	187,026	165,315
Current taxes		3,593	2,186
Other debt	6.13	63,606	57,283
CURRENT LIABILITIES		**400,635**	**471,388**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**1,661,352**	**1,579,758**

STATEMENT OF CASH FLOWS

(in thousands of euros)	Notes	30/09/2018	30/09/2017*
CASH FLOWS FROM OPERATING ACTIVITIES	**7.1**	**195,028**	**187,523**
Acquisitions of property, plant and equipment and intangible assets	7.2	-186,556	-162,040
Disposal of property, plant and equipment and intangible assets	7.2	358	2,469
NET CAPITAL EXPENDITURE		**-186,198**	**-159,571**
Acquisition of non-current financial assets and other		-826	-851
Loans or repayments of financial advances		-7,263	-1,672
NET FINANCIAL INVESTMENTS		**-8,089**	**-2,523**
CASH FLOWS FROM INVESTING ACTIVITIES		**-194,287**	**-162,094**
Dividends paid to CDA shareholders		-12,173	-9,718
Dividends paid to minority interests in subsidiaries		-4,603	-4,257
Dividends to be paid		-	26
NET DIVIDENDS PAID		**-16,776**	**-13,949**
Repayment of borrowings		-204,575	-33,436
New borrowings		131,414	94,534
CHANGE IN BORROWINGS	**7.3**	**-73,161**	**61,098**
GROSS INTEREST PAID		**-17,424**	**-15,623**
CHANGE IN SUNDRY RECEIVABLES AND PAYABLES		**-**	**279**
CASH FLOWS FROM FINANCING ACTIVITIES		**-107,361**	**31,805**
IMPACT OF OTHER MOVEMENTS		**31**	**-707**
IMPACT OF DISCONTINUED OPERATIONS	**7.4**	**3,348**	**-5,522**
CHANGE IN CASH POSITION OVER THE REPORTING PERIOD		**-103,240**	**51,005**
NET CASH POSITION AT BEGINNING OF REPORTING PERIOD		**33,534**	**-17,470**
NET CASH POSITION AT REPORTING DATE	**7.5**	**-69,706**	**33,534**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations.*

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 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			-
Dividend payout			-9,718				-9,718
Net income for the period (Group share)				31,320			31,320
Other changes			476		1,239	-1,469	246
POSITION AT 30 SEPTEMBER 2017	**185,703**	**257,595**	**303,881**	**31,320**	**1,146**	**-2,195**	**777,450**
CDA capital increase	388		-388				-
Appropriation of earnings for the prior reporting period			31,320	-31,320			-
Dividend payout			-12,173				-12,173
Net income for the period (Group share)				57,199			57,199
Other changes			1,525		-1,120	369	774
POSITION AT 30 SEPTEMBER 2018	**186,091**	**257,595**	**324,165**	**57,199**	**26**	**-1,826**	**823,250**

SHAREHOLDERS' EQUITY (MINORITY INTEREST)

(in thousands of euros)	Consolidated reserves	Net income for the period	Total shareholders' equity
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**
Appropriation of earnings for the prior reporting period	8,581	-8,581	-
Dividend payout to non-controlling interests in subsidiaries	-4,603		-4,603
Non-controlling interests in earnings		5,961	5,961
Other changes	-375		-375
POSITION AT 30 SEPTEMBER 2018	**49,945**	**5,961**	**55,906**

5.3.2 ADDITIONAL NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTENT

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 2017/2018 consolidated financial statements were approved by the Board of Directors on 6 December 2018, 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 2018 were drawn up in conformity with the international financial reporting standards (IAS/IFRS), as adopted by the European Union at 30 September 2018, 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 1st October 2017 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 2018.

The IFRS 9 standard on financial instruments is applicable at 30 September 2019. It 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 not have a significant impact on the Group's consolidated financial statements.

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 (Note 6.4) and the recognition of deferred tax assets (Note 6.12).

1.1 CONSOLIDATION METHOD

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 2017 to 30 September 2018 for all companies, except for Groupe Compagnie du Mont-Blanc consolidated using the equity method over the period from 1st September 2017 to 31 August 2018.

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, wax museums and tourist sites. Its revenue figures include admission tickets, restaurants, shops and accommodation;
- **Holdings and supports:** this segment includes holdings and operational support subsidiaries (including CDA SA and CDA-DS, its financial subsidiary CDA Financement, its reinsurance subsidiary Loisirs-Ré and INGELO), on the one hand, and international consulting services business (CDA Management and CDA Beijing) on the other, and finally businesses of tour-operators, travel agencies and other real estate businesses (including the Travelfactory group bought back in January 2018, CDA Ski Diffusion which includes the Alpes Ski Resa business and companies that previously classified under the Ski areas segment).

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. The sale of merchandise (shops, food services) is recognised when realised.

In the consulting business, revenues relate to the invoicing of service and management consulting contracts. This happens when the services rendered are completed.

In the tour-operator business, revenue depends on the distinction between agent and principal. When the Company acts as an agent, revenues relate to the commissions collected and when it acts as principal and bears the risks that come with owning inventory, it recognises revenue for the total amount of the price expected in exchange of goods or services provided and the amount paid to the third party is recognised as an expense.

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) *The changes in the operating working capital requirement are not taken into account.*

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).

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), and extended by an additional clause until 30 September 2019.

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 1st 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 (extended by an additional clause until 31 May 2019) 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 1st 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, and extended by an additional clause until 2023.

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 has concessions for real estate development granted by the municipality of Bourg-Saint-Maurice;
- 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 and Musées Grévin in France and abroad, whose arbitration regarding operation and investments is pooled in a single decision-making body.

The other Group companies are included in the Holdings and supports division (consulting, tour-operator, real estate agencies and holding companies activities).

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

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 (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 (bonus shares). The fair value of services rendered by employees in exchange for bonus shares is recognised in payroll costs.

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 overdrafts and medium- and long-term borrowings. At 30 September 2018, 76.4% of the Group's debt is fixed (fixed rate or floating rate hedged) and the remaining 23.6% of debt is exposed to rate changes. This debt consists of bonds (45%) and bank debt (55%). As regards its floating-rate debt, the Group manages its interest-rate risk by using floating-for-fixed swaps or rate cap purchases. (Note 6.11).

With current hedged positions at 30 September 2018 and the change in debt taken into account, the exposure of gross debt to interest-rate risk at 30 September 2018 and its projected change in 2018/2019 May be summarised as follows:

	30/09/2018	30/09/2019
Unhedged gross debt	23.6%	27.9%
Hedged gross debt	76.4%	72.1%

Hedged debt includes fixed-rate borrowings and the hedged portion of floating-rate debt. At 30 September 2017, the Group's debt was not exposed to interest-rate risk.

Should benchmark rates (1-month and 3-month Euribor, Eonia) increase or decrease by 1% compared to the closing rate on 30 September 2018, the impact on financial expenses over the whole of 2017/2018, taking into account the Company's debt profile, would have been as follows:

	Fiscal Year 2017/2018		
	Impact on net income before tax		
(in millions of euros)	Interest expense	valuation of hedging instruments	Impact on shareholders' equity before tax
Impact of +1% change in interest rates	0.06	1.8	1.9
Impact of -1% change in interest rates	0.08	-0.9	-0.7

Foreign exchange risk

Most of the Group's international business activities are in the euro zone (with the exception of the operations in Canada, Switzerland and China, 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 0.1%, exposed to fluctuations in local currencies against the euro.

As such, the Group currently sees its exposure to foreign exchange risk as not significant.

However, in March 2018, the Group subscribed to a Cross Currency Swap (CCS) of CHF7,700,000 to hedge the foreign exchange risk on a loan granted to its Swiss subsidiary and set up forward dollar purchases for USD10,028,000 to cover the needs of its subsidiaries.

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.

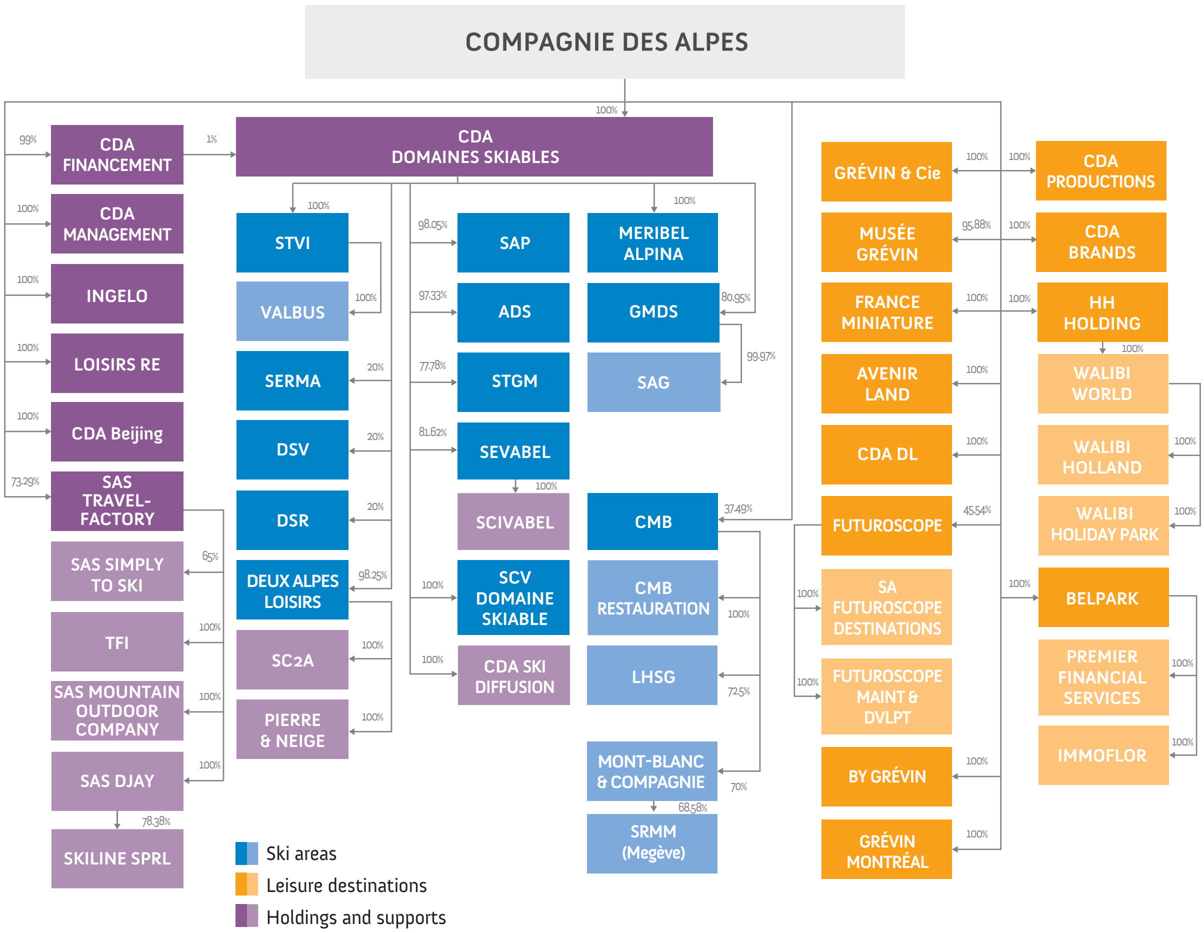
Credit risk

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 2018, the Group had €225 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 2.2.

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 THE SCOPE OF CONSOLIDATION DURING THE YEAR

In January 2018, the Group acquired 73.3% of the Travelfactory group, a player in online travel distribution, and comprising the following companies: Travelfactory SAS, Simply to Ski SAS, TFI, Djay SAS, SkilineSprl, SAS Mountain Outdoor Company (see Note 6.14).

In addition, the Group sold its businesses in the Czech Republic and South Korea: this sale is presented in the Income from discontinued operations line.

During the previous year, Grévin Deutschland, operating the Fort Fun park in Germany, was sold.

4.2 LIST OF CONSOLIDATED COMPANIES AT 30 SEPTEMBER 2018 BY METHOD AND BUSINESS SEGMENT

COMPAGNIE DES ALPES

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	97.33
SAP 73210 Macôt-La-Plagne	FC	SA	98.05
SEVABEL 73440 St-Martin-de-Belleville	FC	SAS	81.62
Méribel Alpina 73550 Méribel-les-Allues	FC	SAS	100
Grand Massif Ski areas 74300 Flaine	FC	SA	80.95
SAG 74300 Flaine	FC	SA	80.93
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
Deux Alpes Loisirs (DAL) 38860 Mont-de-Lans	FC	SA	98.25
Groupe Cie du Mont-Blanc 74400 Chamonix	EA	SA	37.49
SERMA 74110 Morzine	EA	SAS	20
DSR 73700 Montvalezan	EA	SAS	20
DSV 73420 Valmorel	EA	SAS	20

(1) FC = Full consolidation.
EA = Equity accounted.

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 – Belgique	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
Futuroscope M&D 86130 Jaunay Clan	FC	SA	45.55
Immoflor NV 8902 Ieper – Belgique	FC	SA	100
CDA Productions 75009 Paris	FC	SAS	100
Grévin Montréal Montreal, QC, Canada	FC	Inc.	100
BY GRÉVIN Geneva – Switzerland	FC	SA	100

(1) FC = Full consolidation.
EA = Equity accounted.

HOLDINGS AND 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
CDA MANAGEMENT 75009 Paris	FC	SAS	100
CDA Beijing China – Beijing	FC	LTD	100
CDA SKI DIFFUSION 75009 Paris	FC	SAS	100
SC2A 38860 Mont-de-Lans	FC	SA	98.25

(1) FC = Full consolidation.
EA = Equity accounted.

HOLDINGS AND SUPPORTS	Consolidation method (1)	Legal structure	% shareholding
Pierre et Neige 38860 Mont-de-Lans	FC	SA	98.25
SCIVABEL 73440 St-Martin-de-Belleville	FC	SCI	81.63
Travelfactory 92210 Clichy	FC	SAS	73.29
Djay 92210 Clichy	FC	SAS	73.29
TFI Raanana, Israel	FC	SAS	73.29
Simply to ski 92210 Clichy	FC	SAS	47.64
Skiline Antwerp, Belgium	FC	SPRL	57.45
Moutain Outdoor Company 92210 Clichy	FC	SAS	73.29

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 RESTATEMENTS OF THE INCOME STATEMENT

Overview of discontinued operations

The Group discontinued its operations in the Czech Republic and South Korea, and sold its two subsidiaries Grévin Prague and Grévin Seoul in FY 2017/2018.

As a result, and in accordance with IFRS 5 on discontinued operations, the income statement at 30 September 2017 has been adjusted to reclassify the results of these two companies in the Income from discontinued operations line.

Reorganisation of the Group

Following the reclassification of Grévin Prague and Grévin Seoul as discontinued operations, the business segment Group Development was discontinued and the operations of the sites constituting it were reclassified as follows:

- CDA Production, Grévin Montréal and Chaplin's World By Grevin are now included in the Leisure destinations segment;
- companies carrying out consulting activities abroad, CDA Management and CDA Beijing, were reclassified in the Holdings and supports segment.

In addition, following the acquisition of the Travelfactory group, the distribution business is now presented in the Holdings and Others segment, including the reclassification of CDA Ski Diffusion (Alpes Ski Résa business) and SC2A.

The business segment overview for the previous year has been modified accordingly.

Finally, Futuroscope's revenue for FY 2016/2017 was restated to align its accounting method with that used in 2017/2018, *i.e.* €3.6 million. This restatement consisted of neutralising the revenue related to the reinvoicing of certain costs (energy, sales commissions, back margin) and the corresponding expenses. This reclassification therefore has no effect on the EBITDA and makes it possible to ensure a better comparability of the EBITDA margin.

5.2 REVENUE

Revenue in the Ski areas segment mainly consists of sales of ski lift passes (approximately 98% 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.

Performance by geographic area is presented for the businesses in France and outside France based on the destination of sales recorded.

Geographical zone (in thousands of euros)	Ski areas	Leisure destinations	Holdings and supports	30/09/2018	30/09/2017*
France	429,324	240,410	29,774	699,508	657,507
Excl. France	-	99,517	2,201	101,718	98,439
TOTAL AT 30/09/2018	**429,324**	**339,927**	**31,975**	**801,226**	
TOTAL AT 30/09/2017*	**416,943**	**326,591**	**12,412**		**755,946**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reorganisation (see Note 5.1).*

5.3 EBITDA BY BUSINESS SEGMENT

EBITDA breaks down as follows:

	Ski areas		Leisure destinations		Holdings and supports		Total	
(in thousands of euros)	30/09/2018	30/09/2017*	30/09/2018	30/09/2017*	30/09/2018	30/09/2017*	30/09/2018	30/09/2017*
Revenue	429,324	416,943	339,927	326,591	31,975	12,412	801,226	755,946
EBITDA	**159,271**	**154,263**	**81,967**	**76,342**	**-22,894**	**-23,402**	**218,344**	**207,203**
Operating margin (EBITDA/revenue)	*37.1%*	*37.0%*	*24.1%*	*23.4%*	*NS*	*NS*	*27.3%*	*27.4%*

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reorganisation (see Note 5.1).*

Figures for capital expenditure by segment are also shown below, together with the proportion of revenue they account for.

	Ski areas		Leisure destinations		Holdings and supports		Total	
(in thousands of euros)	30/09/2018	30/09/2017*	30/09/2018	30/09/2017*	30/09/2018	30/09/2017*	30/09/2018	30/09/2017*
NET CAPITAL EXPENDITURE	**90,995**	**84,367**	**91,260**	**70,158**	**3,943**	**5,046**	**186,198**	**159,571**
Capital expenditure as a proportion of revenue	*21.2%*	*20.2%*	*26.8%*	*21.5%*	*12.3%*	*40.7%*	*23.2%*	*21.1%*

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reorganisation (see Note 5.1).*

5.4 BORROWING COST, OTHER FINANCIAL INCOME AND EXPENSES

(in thousands of euros)	30/09/2018	30/09/2017*
Interest on borrowings	-8,242	-16,174
Other financial income and expenses	-	-
Income on cash and cash equivalents	4	130
NET COST OF DEBT	**-8,238**	**-16,044**
Losses on financial transactions	-541	-747
Other financial income	-512	-170
Financial provisions/reversals	-2,969	-2,082
OTHER FINANCIAL INCOME AND EXPENSES	**-4,022**	**-2,999**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reorganisation (see Note 5.1).*

5.5 INCOME EXPENSE

Income tax expense breaks down as follows:

(in thousands of euros)	30/09/2018	30/09/2017*
Current taxes	-26,609	-19,637
Deferred taxes	-3,136	-300
TOTAL	**-29,744**	**-19,937**

* *The data published for the 2016/2017 fiscal year has been adjusted in accordance with IFRS 5 relating to discontinued operations and takes into account business reorganisation (see Note 5.1).*

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:

	30/09/2018	30/09/2017
NET INCOME BEFORE TAX	**92,904**	**59,838**
Current tax rate	33.33%	33.33%
Theoretical tax expense	30,968	19,946
Effects of:		
Difference between actual tax rate and theoretical rate	130	-81
Non-deductible expenses/non-taxable income	760	-4,434
Interim tax losses on sold companies not recognised in assets	-	
Tax loss carryforwards not recognised in assets	1,018	1,077
Activation of losses from previous years	1,622	-2,608
Income from associate companies recognised net of tax	-1,490	-1,566
Income from discontinued operations net of tax	-1,231	8,245
Deferred tax adjustments following tax rate changes	-1,738	-636
Other	-294	-6
TOTAL INCOME-TAX EXPENSE	**29,744**	**19,937**

Tax loss carryforwards for which no deferred tax was recognised, stood at €24.9 million at 30 September 2018 (of which €13 million relate to foreign subsidiaries), and equate to a deferred tax asset of €7.3 million.

5.6 SHARE OF NET INCOME OF ASSOCIATE COMPANIES

Companies *(in millions of euros)*	Country	Total balance sheet	Revenue	Income	EBITDA	Impairment	Share of net income of associate companies
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		0.0
DSR (La Rosière)	France	30.1	10.6	1.5	4.0		0.3
TOTAL							**4.7**
2018							
Groupe Cie du Mont-Blanc	France	236.5	98.1	9.4	38.1		3.5
SERMA (Avoriaz)	France	87.0	36.6	5.7	14.5		1.1
DSV (Valmorel)	France	28.8	12.2	0.3	2.7	-0.5	-0.4
DSR (La Rosière)	France	30.6	10.7	1.3	3.8		0.3
TOTAL							**4.5**

5.7 DISCONTINUED OPERATIONS

Income from discontinued operations was as follows:

	30/09/2018	30/09/2017
Losses of Grévin Prague	-1,323	-2,872
Losses of Grévin Seoul	-405	-3,700
Impairment of assets in Prague and Seoul	-	-18,821
Restructuring expense, net of tax	-440	-
Currency hedge unwinding	79	-
Gains from disposals, net of tax	5,626	
Other	156	656
TOTAL	**3,693**	**-24,737**

At 30 September 2018, it includes the capital gains from the sale of the Prague and Seoul sites net of tax (see Note 5.10).

5.8 EARNINGS PER SHARE (GROUP SHARE) AND DILUTED EARNINGS PER SHARE (GROUP SHARE)

Earnings (Group share) amounted to €57,199 thousand.

(in thousands of euros)	2018	2017
Net income (Group share)	57,199	31,320
Number of shares outstanding	24,413,271	24,362,421
EARNINGS PER SHARE (GROUP SHARE)	**2.34**	**1.29**

(in thousands of euros)	2018	2017
Earnings per share (Group share) used to calculate diluted earnings per share*	57,199	31,320
Number of shares outstanding	24,413,271	24,362,421
Adjustment to factor in the dilutive effect of performance share plans	116,350	113,950
DILUTED EARNINGS PER SHARE (GROUP SHARE)	**2.34**	**1.28**

* *In keeping with the AMF recommendation, no adjustment is made to earnings.*

Earnings (Group share) from ongoing operations amounted to €53,506 thousand.

(in thousands of euros)	2018	2017
Net income (Group share)	53,506	56,057
Number of shares outstanding	24,413,271	24,362,421
EARNINGS PER SHARE FROM ONGOING OPERATIONS (GROUP SHARE)	**2.19**	**2.30**

(in thousands of euros)	2018	2017
Earnings per share (Group share) used to calculate diluted earnings per share*	53,506	56,057
Number of shares outstanding	24,413,271	24,362,421
Adjustment to factor in the dilutive effect of performance share plans	116,350	113,950
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (GROUP SHARE)	**2.19**	**2.30**

* *In keeping with the AMF recommendation, no adjustment is made to earnings.*

5.9 OPERATING ROCE

For 2017/2018, 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	108,880	-11,881	97,000
Theoretical tax (at 33.33%)	-36,290	3,960	-32,330
After tax net operating income	72,590	-7,921	64,670
Assets used excluding goodwill	888,228	-17,802	870,426
SEGMENT OPERATING ROCE	**8.2%**		**7.4%**
Goodwill	282,955	11,180	294,135
Total assets used (including goodwill)	1,171,183	-6,622	1,164,561
GROUP ROCE			**5.6%**

5.10 COMPANIES SOLD

Compagnie des Alpes sold its subsidiary Grévin Seoul on 1st February 2018 for a symbolic €1 and Grévin Prague on 17 April 2018 for €1.7 million. The buyers also acquired, symbolically for €1, the financial receivables amounting to €18.3 million held by Compagnie des Alpes in its two subsidiaries.

As these two companies are classified as discontinued operations, their disposal has no impact on the main aggregates of the consolidated income statement. Their results, as well as the income from disposal, are shown in the Income from discontinued operations line (see Note 5.7).

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 30/09/2016	**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**
Changes in the scope of consolidation	11,180		11,180
Other changes			
AT 30/09/2018	**307,198**	**-13,063**	**294,135**

At 30 September 2018, net goodwill was distributed by major Group business unit, as follows:

(in thousands of euros)	30/09/2018	30/09/2017
Ski areas	132,155	132,155
Leisure destinations	150,800	150,800
Holdings and supports	11,180	
TOTAL	**294,135**	**282,955**

The acquisition of the Travelfactory group generated goodwill of €11.2 million, which remains provisional given the 12-month allocation period.

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 2019-2023 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 control;
- 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 five years.

Overall sensitivity of tests to the WACC and to the perpetual growth rate

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 €510 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.2%	579.9	451.7	347.8
	1.7%	720.6	561.1	435.1
	2.2%	904.4	699.5	542.7

Leisure destinations

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €499 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.5%	549.7	426.7	328.4
	2.0%	690.1	534.0	412.8
	2.5%	875.4	670.8	517.4

For the Group as a whole, the sensitivity analyses presented indicate that the recoverable amount for the two 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).

Regarding the last segment, Holdings and supports, it includes companies with different businesses that are tested individually or by sub-group including companies with similar businesses (tour operator, consulting businesses).

6.2 INTANGIBLE ASSETS

Intangible assets break down as follows:

(in thousands of euros)	At 30/09/2017	Acquisitions	Disposals	Increases	Reversals	Changes in the scope of consolidation	Other changes	At 30/09/2018
Gross amount								
Use rights	93,433		-3,624					89,809
rights	30,787	1,378	-135			670	2,707	35,407
Business intangibles	9,287		-14			129	1	9,403
Musée Grévin trademark	9,000							9,000
Walibi trademark	20,300							20,300
Highway interchange concession Parc Astérix	6,272	18						6,290
Cinematographic films and works	14,292	176	-358				966	15,076
Other intangible assets	12,000	609	-72			2,032	1,166	15,734
Intangible assets in progress	2,332	3,061				392	-3,945	1,840
SUBTOTAL: GROSS AMOUNT	**197,702**	**5,242**	**-4,203**			**3,223**	**895**	**202,859**
Depreciation and impairment								
Depreciation Use rights	-74,221			-2,343	3,624		-3,220	-76,160
Depreciation / Software	-23,951			-4,520	120	-418	367	-28,402
Depreciation Business intangibles	-7,508			-136				-7,644
Depreciation Highway interchange concession Parc Astérix	-1,830			-64				-1,894
Depreciation Cinematographic films and works	-9,603			-2,273	358		22	-11,496
Depreciation Other intangible assets	-10,553			-1,664	78	-1,267	2,828	-10,579
SUBTOTAL: DEPRECIATION AND IMPAIRMENT	**-127,666**			**-11,000**	**4,180**	**-1,685**	**-3**	**-136,175**
NET AMOUNT	**70,036**	**5,242**	**-4,203**	**-11,000**	**4,180**	**1,538**	**892**	**66,685**

The investments for the year mostly represent the purchase and development of new software at Compagnie des Alpes level amounting to €2 million and Futuroscope amounting to €0.5 million.

As part of the new public service delegation contract with SIGED (see Note 1.14), SCV Domaine Skiable (Serre Chevalier) took over the right of use linked to the old contract amounting to a gross value of €3.6 million and a net book value of zero.

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 "Changes in scope" takes into account the entry of the Travelfactory group and the removal of the fixed assets of Grévin Prague and Grévin Seoul.

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 30/09/2017	Acquisitions	Subsidies	Disposals	Increases	Reversals	Changes in the scope of consolidation	Other	At 30/09/2018
Gross amount									
Land and improvements	48,380	729		-18			75	232	49,398
Ski run and trail works	122,990	605		-689			-	3,542	126,448
Snow-making	158,512	1,551		-117			-	15,816	175,762
Buildings, offices, shops, other spaces	381,651	17,329		-3,027			302	20,271	416,525
Ski lifts	836,015	7,488		-17,518			-	43,393	869,378
Grooming machines	43,134	6,679		-3,971			-	1,149	46,991
Rides	393,459	10,320		-1,168			-15,582	15,271	402,299
Materials and equipment	141,701	11,039		-2,056			503	6,748	157,935
Other items of property, plant and equipment	89,733	2,722	-3,760	-1,391			-7,841	551	80,015
Property, plant and equipment in progress	93,715	131,705		-28			-	-106,416	118,976
Advances and down-payments on non-current assets	2,744	-1,503		-			-	-541	700
SUBTOTAL: GROSS AMOUNT	**2,312,034**	**188,664**	**-3,760**	**-29,983**			**-22,543**	**15**	**2,444,426**
Amortisation, depreciation									
Land and improvements	-19,850				-1,207	611	-	-	-20,446
Ski run and trail works	-59,326				-3,463	682	-	-	-62,107
Snow-making	-109,611				-7,136	90	-	-	-116,657
Buildings, offices, shops, other spaces	-229,158				-18,700	2,521	-15	1	-245,351
Ski lifts	-498,494				-36,007	16,758	-	-	-517,743
Grooming machines	-28,634				-6,367	3,815	-	-1	-31,187
Rides	-217,319				-19,078	1,110	15,423	220	-219,644
Materials and equipment	-112,732				-16,621	1,969	-752	102	-128,034
Other items of property, plant and equipment	-79,087				-3,010	1,747	8,108	-273	-72,515
SUBTOTAL: DEPRECIATION	**-1,354,212**				**-111,589**	**29,303**	**22,764**	**49**	**-1,413,683**
NET AMOUNT	**957,822**	**188,664**	**-3,760**	**-29,983**	**-111,589**	**29,303**	**220**	**64**	**1,030,743**
Gross amount of directly-owned assets	992,702	100,629	-617	-10,045	-	-	-22,543	-289	1,059,837
Depreciation of directly-owned assets	-613,386	-		-	-56,171	10,164	22,764	172	-636,455
NET AMOUNT DIRECTLY-OWNED ASSETS	**379,316**	**100,629**	**-617**	**-10,045**	**-56,171**	**10,164**	**220**	**-116**	**423,382**
Gross amount of concession assets	1,319,333	88,035	-3,143	-19,938	-	-	-	302	1,384,589
Depreciation of concession assets	-740,827	-		-	-55,418	19,139	-	-122	-777,228
NET AMOUNT CONCESSION ASSETS	**578,506**	**88,035**	**-3,143**	**-19,938**	**-55,418**	**19,139**	**-**	**180**	**607,361**
NET AMOUNT	**957,822**	**188,664**	**-3,760**	**-29,983**	**-111,589**	**29,303**	**220**	**64**	**1,030,743**

Acquisitions of property, plant, and equipment over the reporting period were as follows:

- in the Ski areas segment (€91 million), this related to the completion of capital expenditure programmes prior to the 2017/2018 season and to the initial work for the coming season. This capital expenditure mainly related to the acquisition and installation of new ski lifts (€50.9 million), artificial snow-making equipment (€17.4 million) and ski run and trail work, including grooming machines (€11.9 million);
- in the Leisure destinations segment (€91.3 million), this breaks down into investments to step up appeal (€67.9 million) and investments for maintenance and miscellaneous investments (€23.4 million);
- the column "Changes in scope" takes into account the removal of the fixed assets of Grévin Prague and Grévin Seoul and the entry of those of the Travelfactory group;
- finally, the "Other" column includes the reclassification of non-current assets in progress as operating assets and asset retirement (primarily the disassembled ski lifts).

The allocations include recurring depreciation and amortisation, as well as the accelerated depreciation of a building amounting to €2 million, to reflect its market value and an impairment of €1 million.

REGION OR COUNTRY *(in thousands of euros)*	Notes	Domaines Skiables	Leisure destinations	Holdings and supports	30/09/2018	30/09/2017
France		675,143	246,407	16,731	938,281	885,483
o/w assets held under concession		607,361	-	-	607,361	578,506
o/w which assets on lease finance			1,782		1,782	2,229
Others (excl. France)			159,070	75	159,147	142,375
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**675,143**	**405,477**	**16,806**	**1,097,428**	**1,027,858**
Intangible assets	5.2	12,653	47,533	6,499	66,685	70,036
Property, plant and equipment	5.3	662,490	357,945	10,308	1,030,743	957,822
TOTAL PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS IN THE BALANCE SHEET		**675,143**	**405,478**	**16,807**	**1,097,428**	**1,027,858**

6.4 INVESTMENT IN ASSOCIATE COMPANIES

(in thousands of euros)	30/09/2018	30/09/2017
VALUE OF SECURITIES AT BEGINNING OF REPORTING PERIOD	**73,628**	**70,768**
Change in scope of consolidation and miscellaneous	-21	189
Net income for the period	4,471	4,699
Dividends paid	-2,118	-2,029
VALUE OF SECURITIES AT END OF REPORTING PERIOD	**75,959**	**73,628**

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 Compagnie du Mont-Blanc at 30 September 2018 and the equity value of the securities was positive at €7.2 million. On the basis of the share price at 14 November 2018, this difference was positive at €6.2 million.

6.5 OTHER NON-CURRENT FINANCIAL ASSETS

(in thousands of euros)	30/09/2018	30/09/2017
AVAILABLE FOR SALE FINANCIAL ASSETS (NON-CONSOLIDATED SHAREHOLDINGS)	**10,593**	**10,932**
Loans and receivables associated with shareholdings	29,911	21,215
Deposits and guarantees	2,363	4,635
Other financial assets	678	762
GROSS AMOUNT	**32,952**	**26,612**
Impairment	-3,266	-1,615
NON-CURRENT FINANCIAL ASSETS (NET)	**29,686**	**24,997**
TOTAL NON-CURRENT ASSETS	**40,279**	**35,929**

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 30/09/2018	Cost price at 30/09/2018	Closing date for data provided	Revenue data provided	Shareholders' equity (including income)	Net income for most recent reporting period provided	Current account advances	Impact on provisions in the net financial income
Directly or indirectly controlled companies									
Serre Chevalier Immobilier	Real estate agency	100%	100	30/09/2017	186	114	-3		
ADS Immobilier	Real estate agency	100%	210	30/09/2017	595	175	42	165	
SNC Gestion locative Les Montagnes de l'Arc	Lease conveyancing	99.9%	-	30/09/2018	327	-1,449	-387	1,634	-387
SARL Paradiskitour	Real estate agency	99%	8	30/09/2017	3,090	823	27		
SARL Ski et Soleil	Real estate agency	70%	452	30/09/2018	2,993	-29	-116		
Serre Chevalier BAIL	Lease conveyancing	100%	82	30/09/2017	490	459	-282		-359
2 Alpes Immobilier	Real estate agency	100%	100	30/09/2017	175	155	-8		
Flaine Immobilier	Real estate agency	90%	145	30/09/2017	517	364	37		
Office Immobilier de La Plagne	Real estate agency	100%	114	30/09/2017	2,955	993	136		
Val-d'Isère Immobilier	Real estate agency	100%	10	30/09/2018	131	6	1	196	-100
SCI 2001	Lease conveyancing	60%	4	31/12/2017	15	18	11		
SNC Bâtiments de service	Buildings carrying costs	98.75%	-	30/09/2018	8	130	130	1,157	
SAP Location	Lease conveyancing	99.9%	-	30/11/2017	830	-747	-336		60
Services et Restauration des Arcs	Construction	100%	-	30/09/2018	831	-2,968	-1,151	2,700	-1,268
DSF Restauration	Construction	100%	-	30/09/2017	182	-355	-188	524	-659
Agence Immobilière de la Vallée de Belleville	Real estate agency	100%	938	30/09/2017	2,013	542	62		
SCI Altilac	Lease conveyancing	25%	238	31/12/2017	949	954	-345	1,125	-262
SCI Front de Neige	Lease conveyancing	77.5%	5	31/12/2017	189	-206	-76	163	-350
Méribel Privé	Real estate agency	100%	92	30/09/2018	47	105	-180		-180
SAP Invest	Buildings carrying costs	98%	-	30/04/2018	528	-133	-210	14,812	-206
SUB-TOTAL			**2,498**		**17,051**	**-1,049**	**-2,836**	**22,476**	**-3,711**
Non-controlled companies									
Foncière Rénovation Montagne		9.6%	785			DA	DA		
Foncière Les Ecrins		7.7%	277	30/09/2017		7,382	140		
Foncière Les Arcs		11%	147	30/09/2017		1,423	84		
Foncière La Plagne		6.25%	152	30/09/2017		2,421	112		
Foncière Les Menuires		11.77%	141	30/09/2017		1,236	22		
SAS 2CO Immo		45%	1,611	31/12/2017		3,197	-88		
Palais des Congrès		20%	132	31/12/2017		743	-10		
Plagne Rénov		15%	137	31/05/2018		481	-21		
SAGEST Tignes Développement		9.98%	75	30/09/2017		279	-1,504		
Renovarc		14.99%	45	31/12/2017		295	-8		
Jardin d'Acclimatation		20%	1,548	31/12/2017		1,393	459		
Lodge & Spa Mountain			1,200			DA	DA		
Mac Earth			360			DA	DA		
Miscellaneous			1,485						
TOTAL			**10,593**						

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)	30/09/2018	30/09/2017
Gross amount	3,622	4,298
Impairment	-	-
LAND BANK	**3,622**	**4,298**
Gross amount	388	388
Impairment	-313	-313
PARKING AREAS	**75**	**75**
Gross amount	19,647	18,366
Impairment	-536	-524
INVENTORIES OF RAW MATERIALS, SUPPLIES AND GOODS	**19,111**	**17,842**
TOTAL	**22,808**	**22,215**

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 both to the Ski areas segment (spare parts for ski lifts) and the Leisure destinations segment (shop inventories, restaurants and costumes, waxwork production).

6.7 ACCOUNTS RECEIVABLE

(in thousands of euros)	30/09/2018	30/09/2017
Advances and down-payments	4,952	3,698
Trade receivables	28,428	19,957
Tax and payroll receivables	28,797	26,855
Other accounts receivable	6,217	6,516
Impairment	-2,078	-2,178
TOTAL	**66,316**	**54,848**

6.8 CASH AND CASH EQUIVALENTS

(in thousands of euros)	30/09/2018	30/09/2017
Investment funds	161	6,001
Demand deposits	30,689	40,063
Cash	775	784
TOTAL	**31,624**	**46,848**

6.9 SHAREHOLDERS' EQUITY

Treasury stock

Pursuant to the share buyback programme authorised by the Combined Ordinary and Extraordinary Shareholders' Meeting of 8 March 2018, CDA's liquidity contract consisted of the following at 30 September 2018:

- 13,373 shares representing a gross book value of €400 thousand;
- cash of €622 thousand (principal and accrued interest).

Stock options

There are 116,350 performance shares (representing 0.47% of the share capital) that had not yet vested at 30 September 2018. The options and allotments of the bonus shares are realised through the issue of new shares released through the special incorporation of reserves. At 30 September 2018, 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 2018 are described below:

Performance share plans*	Plan no. 19	Plan no. 20	Plan no. 21	Total
Date of Shareholders' Meeting	10/03/2016	10/03/2016	08/03/2018	
Implementation date (Board of Directors' decision)	18/03/2016	28/03/2017	23/03/2018	
Number of shares that may be subscribed for at inception	61,900	59,400	65,100	
O/w Board of Directors	-	-	-	
Number of beneficiaries	170	159	158	
Date of vesting of performance shares	18/03/2018	28/03/2019	23/03/2020	
Number of performance shares vested	50,850	-	-	
Expired or cancelled stock options/performance shares	11,050	5,050	3,100	
Outstanding stock options/performance shares	-	54,350	62,000	116,350

* *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 30/09/2018	At 30/09/2017
RIGHTS GRANTED AT BEGINNING OF REPORTING PERIOD	**113,950**	**108,475**
Rights granted	65,100	59,400
Rights expired	-11,850	-9,230
Rights exercised	-50,850	-44,695
Grants adjustments	-	-
RIGHTS GRANTED AT REPORTING DATE	**116,350**	**113,950**

The expense recognised for stock option and performance share plan awards was €1,030 thousand at 30 September 2018 (compared to €605 thousand at 30 September 2017).

Plan no. 21

Plan no. 21 was implemented following approval by the Board of Directors on 23 March 2018. This plan consisted of 65,100 performance shares and involved 158 beneficiaries.

Detailed information on the stock options and performance shares can be found in Chapter 5 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. 21 at 30 September 2018 was €27,494 (compared to €17,739 in the prior reporting period for Plan no. 20).

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)	-0.474%
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:

		Income					
	30/09/2017	Increases	Reversals	Translation adjustments	Changes in scope	Other	30/09/2018
Post-employment benefits	46,909	4,360	-4,388		181	-34	47,028
Other non-current contingencies	8,242	621	-163	3	-100	150	8,753
TOTAL	**55,151**	**4,981**	**-4,551**	**3**	**81**	**116**	**55,781**

Provisions for "Other non-current contingencies" notably covered provisions for site renovation (representing €4 million). They also include the provisions set aside in connection with long-service awards (representing €1.4 million) and depreciation charges (representing €2.2 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 1.55% at 30 September 2018, compared with 1.45% at 30 September 2017.

The balance sheet amounts are determined as follows:

(in thousands of euros)	30/09/2018	30/09/2017
Present value of financed obligations	54,740	54,904
Fair value of plan assets	-7,712	-7,995
LIABILITY RECOGNISED IN THE BALANCE SHEET	**47,028**	**46,909**

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)	30/09/2018	30/09/2017
Current service cost	3,385	3,444
Financial cost	824	453
Expected return on plan assets	-116	-59
Reduction/discontinue operations	-1,701	-
TOTAL AMOUNT INCLUDED IN EMPLOYEE BENEFITS EXPENSE	**2,392**	**3,838**

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)	30/09/2018	30/09/2017
Current service cost	-3,385	-3,444
Financial cost	-824	-453
Expected return on plan assets	116	59
Actuarial gains and losses	55	447
Benefits net of those redeemed from the funds	1,443	976
Reduction/discontinue operations	1,701	-
Other	775	1,500
TOTAL	**-119**	**-915**

Actuarial gains and losses for the fiscal year mainly result from changes in the discount rate (1.55% compared to 1.45% at 30 September 2017).

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:

	30/09/2017	Income		Translation adjustments	Changes in scope	Other	30/09/2018
		Increases	Reversals				
Provision for major repairs	10,897	2,193	-4,573				8,517
Lawsuits and disputes		9					9
Other	7,995	5,457	-5,295		15	-150	8,022
TOTAL	**18,892**	**7,659**	**-9,867**		**15**	**-151**	**16,548**

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.

6.11 BORROWINGS

Breakdown of gross financial debt and net debt

(in thousands of euros)	30/09/2018			30/09/2017		
	Non-current	Current	Total	Non-current	Current	Total
Bonds	194,244	-	194,244	194,200	200,000	394,200
Borrowings from credit institutions	104,249	26,473	130,722	-	2,958	2,958
Other borrowings and similar debt	702	-	702	34	-	34
Lease finance	1,669	-	1,669	2,172	-	2,172
Accrued interest	-	2,148	2,148	-	11,429	11,429
Bank credit balances and similar	-	101,331	101,331	-	13,314	13,314
Employee profit-sharing	2,943	-	2,943	3,150	-	3,150
Miscellaneous	173	11	184	48	11	59
TOTAL	**303,980**	**129,962**	**433,942**	**199,604**	**227,712**	**427,316**

Structure of debt

Fixed-rate debt corresponds mostly to bonds subscribed to by CDA and CDA Financement (€195 million) and includes the new bank loan of €25 million activated on 18/10/2017. The variable-rate loan includes a bank loan of €80 million activated on 31/10/2017 as well as drawings on the RCF and short-term bank credit lines.

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
30/09/2018	433.9	129.9	18.3	24.1	36.1	21.2	204.3
30/09/2017	427.3	227.6	2.2	0.9	0.6	0.6	195.4

Bond debt

The €195 million bond debt of Compagnie des Alpes breaks down as follows:

- a loan of €45 million issued on the Euro PP market ("Euro PP") for a period of 8 years;
- a loan of €50 million issued on the US PP market ("US PP"), under French law, for an average period of 10 years and final maturity at 12 years;
- a €100 million bond issue on the Euro PP market in May 2014, with coupon at 3.504% and ten-year maturity.

On 18 October 2017, the €200 million bond issued in 2010, with coupon at 4.875%, arrived at maturity and was fully redeemed.

At 30 September 2018, the details of the fair value of these three borrowings were as follows:

- 2014 bond issue: €107.5 million;
- Euro PP 2017 borrowing: €50.1 million;
- US PP 2017 borrowing: €44.8 million.

Depreciable bank debt

Depreciable bank debt of €105 million was fully mobilised in 2017-2018 and breaks down as follows:

- an €80 million depreciable term loan fully mobilised on 31 October 2017 and taken from the Group's long-standing banking partners, which now include a Chinese bank. This loan has a maturity of 5 years for 50% and 6 years for the remaining 50%;
- a €25 million depreciable term loan fully mobilised on 18 October 2017 and granted by a new French banking partner, with a final maturity at 7 years.

Revolving bank debt

The Group has a revolving credit facility for a maximum amount of €250 million expiring on 6 May 2022. A 1-year extension option is attached to it (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 2018, the hedges implemented amounted to €105 million.

The hedging instruments used are made up of two fixed-rate swaps and an adjusted CAP purchase:

- swap representing €40 million of the debt covered (at 0.35%, expiring in 2023), activated with the mobilisation of the €80 million loan on 31 October 2017;
- floored swap representing €40 million of the debt covered (at 0.27%, expiring in 2022), activated with the mobilisation of the €80 million loan on 31 October 2017;
- purchase of adjusted CAP of €25 million at an exercise price of 0.25% and maturing at 3 years with a starting date of 1 June 2018.

The fair-value impact of hedging instruments is recognised under borrowings from credit institutions (-€0.3 million).

	Financial assets (a)		Financial liabilities (b)		Exposure of the net debt before hedging (c) = (b) - (a)		Interest-rate hedging instruments (d)		Exposure of the net debt after hedging (e) = (c) + (d)	
30/09/2018 *(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	31.6		2.6	127.3	-29.0	127.3		25	-4.0	102.3
From 1 to 2 years			2.3	16.0	2.3	16.0		16	18.3	-
From 2 to 3 years			4.1	20.0	4.1	20.0		20	24.1	-
From 3 to 4 years			8.1	28.0	8.1	28.0		28	36.1	-
From 4 to 5 years			5.2	16.0	5.2	16.0		16	21.2	-
Over 5 years			204.3	-	204.3	-			204.3	-
TOTAL	**31.6**		**226.6**	**207.3**	**195.0**	**207.3**			**300.0**	**102.3**

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 3.5.

At 30 September 2018, this ratio was respected:

	Covenant	Ratio at 30/09/2018
Consolidated net debt/Consolidated EBITDA	< 3.50	1.84

A 15-year loan taken by SAP in 2004 for an amount of €5 million, the balance whereof at 30 September 2018 amounted to €0.3 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 2018, 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 2018 amounted to €0.2 million.

An ownership clause stipulates that the loan of €5 million taken by SAP in 2004, the balance whereof at 30 September 2018 amounted to €0.3 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

(in millions of euros)	30/09/2018 Amount	30/09/2018 Rate	30/09/2017 Amount	30/09/2017 Rate
Fixed-rate borrowings	328.7	2.38%	411.2	4.21%
Floating-rate borrowings	102.3	1.41%	12.8	2.81%
Shareholdings and miscellaneous	2.9		3.3	
TOTAL	**433.9**	**2.24%**	**427.3**	**4.03%**

6.12 DEFERRED TAXES

Total deferred tax assets in the balance sheet	7,612
Total deferred tax liabilities in the balance sheet	-21,800
NET DEFERRED TAX POSITION	**-14,188**

(in thousands of euros)	Tax loss carryforwards	Special depreciation allowances	Temporary differences	Restatements	Total deferred tax
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**	**19,283**	**-16,638**	**-11,173**
Increases	-	-712	1,219	4,937	5,444
Decreases	-4,975	327	-737	-3,073	-8,457
NET POSITION AT 30/09/2018	**5,653**	**-24,830**	**19,765**	**-14,774**	**-14,188**

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)	30/09/2018	30/09/2017
Trade and related payables	93,647	76,818
Tax and payroll payables	72,555	65,421
Other operating liabilities	20,823	23,076
SUBTOTAL "OPERATING LIABILITIES"	**187,026**	**165,315**
Debt on non-current assets	37,751	34,917
Other miscellaneous debt	1,476	604
Adjustment accounts	24,279	21,762
SUBTOTAL "OTHER DEBT"	**63,506**	**57,283**
TOTAL	**250,532**	**222,598**

6.14 ACQUISITION OF THE TRAVELFACTORY GROUP

On 9 January 2018, Compagnie des Alpes acquired a 73% stake (931,567 shares) in Travelfactory, a company that specialises in vacation rentals and group trips and is the leading online retailer of ski holidays in France.

Founded in 2000, Travelfactory made its offer gradually by making acquisitions in France and Belgium. Today, Travelfactory's integrated mountain holiday offering is based on Travelski (an online tour operator specialising in ski holidays) and Simply to Ski (ski equipment rental and complementary services), but also Golden Voyages and Ski-line, two specialist BtoB tour operators in marketing student ski holidays to French and Belgian customers respectively. Travelfactory's portfolio is complemented by the online tour operator Locatour, which offers all types of stays in France, Spain, Italy, Portugal, Switzerland, Austria and Andorra, and a major offering of camping stays throughout the year. Travelfactory also runs an extensive network of white label partnerships for sites such as Lastminute.com and Départ1825, as well as distribution to 1,000 works councils and 3,500 travel agencies.

Travelfactory is an integrated player, whose business covers the entire value chain, from "sourcing" of accommodation to distribution. In the mountains, Travelfactory has a complete offering of accommodation, which significantly reinforces the offering of Compagnie des Alpes. It is an offering essentially divided between tourist residences, apartments under management and private apartments. Travelfactory relies on a network of 13 real estate agencies located in ski resorts in France operating under the brands Ski & Soleil and Alpes for you. Their acquisition enables Compagnie des Alpes to more than double the number of accommodation units it manages.

With an annual business volume of around €85 million, the Travelfactory group generated revenue of around €22.7 million at 30 September 2018. Apart from the parent-company Travelfactory SAS, it includes Djay SAS, Simply to Ski, SkilineSprl, TFI and Mountain Outdoor Company SAS. This group employs around 130 people.

This acquisition has enabled Compagnie des Alpes to complete its range of holidays and accommodation in the mountains, access a younger clientèle and at the same time reinforce its expertise and digital footprint.

Travelfactory is therefore fully consolidated as of 1 January 2018. It is included in the Holdings and supports BU, in order to strengthen the cross-cutting nature of this acquisition and benefit from the synergies with the Group's two core businesses.

Its contribution to the Group's EBITDA at 30 September 2018, over a period of 9 months, amounted to €0.9 million. It would be marginal on an annual basis.

The balance sheet at the acquisition date includes:

Property, plant and equipment and intangible assets	2,093	Shareholders' equity (Group Share)	-1,373
Non-current financial assets and other	874	Minority interests	-130
NON-CURRENT ASSETS	**2,967**	**NET POSITION**	**-1,503**
		Non-current liabilities	194
Trade payables and related accounts	770	Borrowings and financial debt	1,285
Tax and payroll receivables	2,066	Trade payables	9,788
Advances and down-payments paid to suppliers	7,804	Advances received from clients	12,678
Other receivables and adjustment accounts	1,576	Tax and payroll payables	1,285
Cash position	8,808	Other liabilities and adjustment accounts	264
TOTAL	**23,991**	**TOTAL**	**23,991**

The acquisition price of the shares (73%) amounted to €10.3 million, and the net acquisition amount came to €1.5 million after deduction of the active cash position at 31 December 2017.

The difference of first consolidation amounted to €11.2 million. It relates to the synergies expected on the CDA Group's businesses, as well as the value of the intangible assets purchased (Travelski brand, online sales site, expertise of the tour operator business).

Compagnie des Alpes has provided for the possibility of purchasing the remaining 27% (341,597 shares) gradually within a period of 4 years.

Note 7 Information on the statement of cash flows

7.1 CASH FLOWS FROM OPERATING ACTIVITIES

(in thousands of euros)	30/09/2018	30/09/2017
Net income (Group share)	57,199	31,320
Minority interests in net income	5,961	8,581
COMPREHENSIVE NET INCOME	**63,160**	**39,901**
Amortisation, depreciation and provision increases and reversals	122,093	111,766
Gains or losses on disposal	27	6,272
Share of net income of associate companies	-4,471	-4,699
Dividends received from associate companies	2,497	2,550
Other	-3,256	17,900
OPERATING CASH FLOW AFTER NET FINANCIAL DEBT AND TAX	**180,050**	**173,690**
Net cost of debt	8,238	16,044
Tax expense (including deferred taxes)	29,746	21,665
OPERATING CASH FLOW BEFORE NET FINANCIAL DEBT AND TAX	**218,034**	**211,399**
Change in accounts receivables and payables	-3,025	118
Other elements of cash timing differences	3,770	1,438
Tax paid	-23,750	-25,432
CASH FLOWS FROM OPERATING ACTIVITIES	**195,028**	**187,523**

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	30/09/2018	30/09/2017
Acquisition of intangible assets	5.2	5,237	6,541
Acquisitions of property, plant and equipment (net of subsidies)	5.3	184,905	166,377
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS		**190,141**	**172,918**
Changes in debt on non-current assets		-3,585	-10,878
ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS IN THE STATEMENT OF CASH FLOWS		**186,556**	**162,040**
Sale price of intangible assets		-35	-200
Sale price of property, plant and equipment		-1,566	-2,315
Receivables associated with asset disposals		1,243	46
DISPOSAL OF NON-CURRENT ASSETS IN THE STATEMENT OF CASH FLOWS		**-358**	**-2,469**

The breakdown of capital expenditure over the fiscal year is discussed in Notes 6.2 and 6.3.

7.3 CHANGE IN BORROWINGS

(in thousands of euros)	30/09/2018	30/09/2017
FINANCIAL DEBT IN THE CONSOLIDATED BALANCE SHEET FROM THE PREVIOUS FISCAL YEAR	**427,316**	**405,091**
• borrowings from credit institutions	-73,619	61,428
• lease finance	-503	-480
• other borrowings and similar debt	959	174
• other	1	-24
CHANGE IN BORROWINGS IN THE STATEMENT OF CASH FLOWS	**-73,162**	**61,098**
Change in half-year bank credit balances	88,017	-38,970
Miscellaneous	-8,228	30
TOTAL CHANGE (ALL BORROWINGS)	**6,627**	**22,158**
Miscellaneous (financial instruments)	0	67
BORROWINGS IN THE CONSOLIDATED BALANCE SHEET FOR THE FISCAL YEAR	**433,942**	**427,316**

7.4 IMPACT OF DISCONTINUED OPERATIONS

(in thousands of euros)	30/09/2018	30/09/2017
Cash flows from operating activities	-4,963	4,975
Cash flows from investing activities	1,754	450
Cash flows from financing activities	-11	97
Impact of other movements	-128	
IMPACT OF DISCONTINUED OPERATIONS	**3,348**	**-5,522**

7.5 NET CASH POSITION

(in thousands of euros)	30/09/2018	30/09/2017
CASH ASSETS IN THE BALANCE SHEET	**31,624**	**46,848**
Bank credit balances and similar	101,331	13,314
NET CASH POSITION IN THE STATEMENT OF CASH FLOWS	**-69,706**	**33,534**

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 5.2.

At 30 September 2018, outstanding financial claims of CDA Financement, a subsidiary of Compagnie des Alpes, towards the controlled companies totalled €447.8 million. Outstanding controlled company investments with CDA Financement stood at €121.8 million.

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, as described in the 2011 Registration Document (page 176), continued to flourish in 2017/2018

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 1st January each fiscal year. The resulting expense for the year was €632 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:

Fiscal Year 2017/2018 *(in thousands of euros)*	
Board of Directors	
Group Executive Committee	**6,282**
Short-term benefits	2,705
• Salary components	*1,580*
• Other short-term components	*1,125*
Post-employment benefits	565
End of work contract packages*	2,889
Share-based payments	124

* *Set on the basis of theoretical maxima.*

8.2 HEADCOUNT

	30/09/2018	30/09/2017
Average headcount		
France	4,185	3,965
Europe	766	731
TOTAL AVERAGE HEADCOUNT	**4,951**	**4,696**

At 30 September 2018, headcount broke down as follows:

- Ski areas 18.8%;
- Leisure destinations 75.9%;
- Holdings and supports 5.3%.

8.3 OFF-BALANCE SHEET COMMITMENTS

Operating leases and leasing contracts

The CDA Group's lease commitments at 30 September 2018 were as follows:

(in thousands of euros)	Total	< 1 year	From 1 to 5 years	> 5 years
Operating leases	121,325	9,909	35,879	75,538
Leasing contracts	8,090	1,645	3,614	2,831
TOTAL	**129,415**	**11,554**	**39,493**	**78,369**

Other commitments

(in thousands of euros)	30/09/2018	30/09/2017
Guarantees and sureties	10,398	2,898
Representations and warranties given	11,209	1,000
Other	25,398	26,072
COMMITMENTS GIVEN	**47,005**	**29,970**
Representations and warranties received	1,550	-
Sureties received	13,291	14,118
COMMITMENTS RECEIVED	**14,841**	**14,118**

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 €4.9 million in current lease payments;
- €2.8 million from the funding approval given by CDA Financement to SAP INVEST and SAP LOCATION;
- 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 2018, these commitments amounted to the relatively low figure of €15 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 €1.6 million liability guarantee was received on the acquisition of Travelfactory;
- 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;
- two parent-company guarantees at first request totalling €10.2 million were given to the City of Paris for Jardin d'Acclimatation, the first for €9.2 million in relation to the operating fee until 2041, and the second for €986 thousand in relation to the execution of the contractual investment programme until 2024;
- in December 2017, within the scope of the Public Service Concession involving SCV Domaine Skiable and SIGED, CDA granted a guarantee of payment at first request in respect of the fee payable. For FY 2017/2018, this guarantee amounted to €600 thousand;
- as part of the work conducted on the hotels of Parc Astérix, on 14 March 2018, the Company granted a financial guarantee of €4.27 million for the payment of the work. This guarantee expired in April 2018;
- a surety covering the rent of Grévin Montreal was given in the amount of €142 thousand;
- as part of the Travelfactory purchase, the parties granted each other put and call options on the balance of Travelfactory shares for a total maximum amount of €5.3 million, over a period of 4 years.

8.4 EVENTS AFTER THE REPORTING DATE

None.

8.5 PERSONS RESPONSIBLE FOR THE FINANCIAL STATEMENTS AUDIT

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 8 March 2018. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2022/2023 financial statements.

Yves Nicolas
63, rue de Villiers
92200 Neuilly-sur-Seine

Substitute Statutory Auditor until 22/11/2018.

Registered with the Compagnie régionale des commissaires aux comptes de Versailles.

Reappointed on 8 March 2018. Resigned as Substitute Statutory Auditor as of 22/11/2018.

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.

8.6 STATUTORY AUDITORS' COMPENSATION

	Mazars				PricewaterhouseCoopers Audit SA			
	Amounts		%		Amounts		%	
Amounts (in thousands of euros)	2018	2017	2018	2017	2018	2017	2018	2017
Audit								
Statutory audit, certification, examination of separate and consolidated financial statements								
Issuer	187	199	26%	27%	187	199	30%	25%
Fully consolidated subsidiaries	477	499	67%	68%	340	361	55%	46%
Services other than certification*								
Audit-related work	47	36	7%	5%	0	23	0%	3%
Other			0%	0%	91	201	15%	26%
SUBTOTAL	**711**	**734**	**100%**	**100%**	**618**	**784**	**100%**	**100%**

* - *Services other than the certification of financial statements (SAAC) required by the regulations: reports on CDA SA's statement of non-financial performance.*
- *Services other than the certification of financial statements (SAAC) not required by the regulations: statements of expenditure, cost base, due diligence.*

5.3.3 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Fiscal year ended 30 September 2018)

To the Shareholders' Meeting 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 2018, such as they are 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 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 incumbents 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 have carried out our audit in compliance with the independence rules applicable to us, during the period between 1st October 2017 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 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

At 30 September 2018, the value of intangible and tangible assets stood at €1,392 million compared with a balance sheet total of €1,661 million. These assets are composed of goodwill (€294 million, see Note 6.1 of the appendix), intangible assets (€67 million, see note 6.2) and property, plant and equipment (€1,031 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 indicated in note 1.15, the impairment tests are implemented under an approach that involves grouping cash-generating units at the level of two operating sectors: Ski areas and Leisure destinations.

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 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 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.

Special checks

We also carried out, in accordance with the standards of professional practice applicable in France, the specific checks required by the law and regulations 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.

We certify that the consolidated statement of non-financial performance specified by Article L.225-102-1 of the French Commercial Code is present in the information on the group provided in the management report, with the understanding that, in compliance with the provisions of Article L. 823-10 of this Code, we have not checked the faithfulness or consistency of the information contained in this statement with the consolidated financial statements, which must be performed by an independent third-party.

Information under other legal and regulatory obligations

Appointment of the Statutory auditors

We have been appointed statutory auditors of Compagnie des Alpes by the Shareholders' Meeting, in 1998 in the case of Mazars and in 1991 in the case of PricewaterhouseCoopers Audit.

On 30 September 2018, the firm Mazars was in the 21th year of its mission without interruption and the firm PricewaterhouseCoopers Audit was in its 28th year, i.e. 21 and 25 years respectively since the company's shares were listed for trading 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 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 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 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.

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 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 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 exists, he or she shall 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.

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 misstatements, which 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.

Neuilly-sur-Seine and Courbevoie, 22 January 2019

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

5.4 Parent-company financial statements

5.4.1 PARENT-COMPANY BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AT 30 SEPTEMBER 2018

BALANCE SHEET ASSETS

(in thousands of euros)	30/09/2018 Gross	30/09/2018 Amortisation, depreciation and provisions	30/09/2018 Net	30/09/2017
Intangible assets	17,237	12,721	4,516	5,157
Property, plant and equipment	3,207	2,383	824	1,063
Non-current financial assets	860,346	27,763	832,583	839,276
NON-CURRENT ASSETS	**880,790**	**42,867**	**837,923**	**845,496**
Accounts receivable	12,229	-	12,229	15,543
Cash position	102	-	102	21,506
CURRENT ASSETS	**12,331**	**-**	**12,331**	**37,049**
Prepaid expenses	1,412	-	1,412	1,351
TOTAL ASSETS	**894,533**	**42,867**	**851,666**	**883,896**

BALANCE SHEET LIABILITIES

(in thousands of euros)	30/09/2018	30/09/2017
Share capital	186,091	185,703
Issue premium and merger premium	263,018	263,018
Legal reserve	17,133	17,009
Other reserves	1,526	1,914
Retained earnings	64,072	73,892
Net income for the period	16,961	2,478
SHAREHOLDERS' EQUITY	**548,801**	**544,014**
Provisions for contingencies and charges	3,854	5,178
Borrowings	275,179	310,687
Operating liabilities	23,463	23,680
Other liabilities and adjustment accounts	182	337
LIABILITIES	**298,824**	**334,704**
Translation adjustments (liabilities)	187	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**851,666**	**883,896**

INCOME STATEMENT

(in thousands of euros)	30/09/2018	30/09/2017
REVENUE (EXCL. VAT)	**28,880**	**27,574**
Other income and expense transfers	169	88
Provision reversals	3,461	346
OPERATING INCOME	**32,510**	**28,008**
Purchases and external costs	14,188	13,994
Taxes other than on income	1,174	1,211
Payroll and social security charges	22,575	19,485
Amortisation and depreciation	2,837	2,382
Provisions	2,432	1,127
Other expenses	118	260
OPERATING EXPENSES	**43,324**	**38,459**
OPERATING INCOME	**-10,814**	**-10,451**
NET FINANCIAL INCOME	**31,260**	**3,560**
INCOME FROM ORDINARY ACTIVITIES BEFORE TAX	**20,446**	**-6,891**
Net extraordinary income	-16,373	3,278
Income tax	12,888	6,091
NET INCOME	**16,961**	**2,478**

STATEMENT OF CASH FLOWS

(in thousands of euros)	30/09/2018	30/09/2017
Net income	**16,961**	**2,474**
Amortisation, depreciation and provision increases and reversals (incl. impairment)	5,728	17,086
Gains and losses on disposal	16,641	-2,112
Dividends received	-43,767	-32,242
Write-offs and loss on irrecoverable receivables	2,000	
OPERATING CASH FLOW	**-2,437**	**-14,794**
Changes in WCR	-17,760	-5,037
Restatement of financial expenses and write-offs	6,660	13,674
CASH FLOWS FROM OPERATING ACTIVITIES	**-13,537**	**-6,157**
Acquisitions of property, plant and equipment and intangible assets	-1,882	-2,728
Dividends received	43,767	32,412
Acquisitions of non-current financial assets	-11,382	-6,651
Disposal and redemption of non-current financial assets	15,710	3,258
CASH FLOWS FROM INVESTING ACTIVITIES	**46,213**	**26,291**
New borrowings and intra-group loans	172,923	-
Repayment of borrowings and intra-group loans	-200,000	243
Payment of financial expenses and write-offs	-15,812	-13,700
Changes in sundry receivables and payables	68	285
Dividends awarded to shareholders	-12,174	-9,717
CASH FLOWS FROM FINANCING ACTIVITIES	**-54,995**	**-22,889**
CHANGE IN CASH POSITION	**-22,319**	**-2,755**
Cash position at beginning of reporting period	21,487	24,242
Cash position at reporting date	**-832**	**21,487**
CHANGE IN CASH POSITION	**-22,319**	**-2,755**

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 2018 contain additional information on the balance sheet (total assets of €851,666 thousand) and the income statement (net income of €16,961 thousand).

CONTENT

Note 1 Key events during the fiscal year

In January 2018, Compagnie des Alpes acquired a 73.3% stake in Travelfactory for €10.3 million.

In February and April 2018, Compagnie des Alpes sold the shares of Grevin Seoul and Grévin Prague for a total of €1.7 million. The shares of these companies had been fully written off at the close of the previous reporting period. It also sold for €1 the financial receivables it held in these two companies in the amount of €18.3 million.

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 1st 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 1.55% per annum for the fiscal year ended 30 September 2018 (1.45% at 30 September 2017).

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 30/09/2017	Increases	Decreases	At 30/09/2018
Intangible assets	15,399	1,853	-15	17,237
Depreciation of intangible assets	-10,242	-2,479		-12,721
NET TOTAL	**5,157**	**-626**	**-15**	**4,516**

(in thousands of euros)	At 30/09/2017	Increases	Decreases	At 30/09/2018
Property, plant and equipment	3,088	121	-2	3,207
Depreciation of property, plant and equipment	-2,025	-358		-2,383
NET TOTAL	**1,063**	**-237**	**-2**	**824**

Capital expenditure mainly relates to IT development carried out by Compagnie des Alpes (principally development of CRM applications, continued roll out of ticketing software for the leisure parks, roll out of automated reporting of the revenue of Leisure destinations and the continued roll out of a financial ERP throughout the Group).

3.2 NON-CURRENT FINANCIAL ASSETS

The changes in non-current financial assets can be summarised as follows:

(in thousands of euros)	At 30/09/2017	Increases	Decreases	At 30/09/2018
Shareholdings	858,602	10,932	-23,778	845,756
Shareholdings in non-consolidated companies	5,868	450	-	6,318
Related receivables (and accrued interest not yet due)	17,958	21,271	-32,393	6,836
Deposits and guarantees	3,198	104	-2,872	430
Treasury stock	246	110	-	356
Outstanding cash for the market-making agreement	730	-	-80	650
GROSS TOTAL	**886,602**	**32,867**	**-59,123**	**860,346**
Impairment of shareholdings	-47,326	-600	23,778	-24,148
Impairment of related receivables	-	-3,615	-	-3,615
NET TOTAL	**839,276**	**28,652**	**-35,345**	**832,583**

The increase in shareholdings resulted mainly from the acquisition of 73.3% of Travelfactory's shares in January 2018 for an amount of €10.3 million.

Disposals included the removal of securities of Grévin Seoul and Grévin Prague for a gross value of €11.8 million and €11.9 million respectively, which were fully written off. Corresponding impairments were therefore reversed. The receivables on Grévin Prague and Grévin Seoul held or repurchased by Compagnie des Alpes from its subsidiaries for an amount of €18.3 million were sold for €1.

Compagnie des Alpes also acquired 30% stake in Ski & Soleil for €0.4, with 70% remaining with Travelfactory.

A financial advance of €2.6 million granted in 2017 was fully repaid.

A receivable of CAD 5.3 million (*i.e.* €3.6 million at 30 September 2018) was granted by Compagnie des Alpes to its subsidiary Grévin Montréal. This receivable, which generated a translation adjustment of €187 thousand under liabilities at 30 September 2018, was fully written off to take into account the financial situation of the subsidiary and its outlook.

€2 million of the €4 million loan granted to By Grévin was repaid and €2 million was waived off.

Following the redemption of the bond issue of €200 million, the advance of €10 million granted to CDA Financement was fully repaid.

SUBSIDIARIES AND SHAREHOLDINGS *(in thousands of euros)*

Financial information on subsidiaries and shareholdings	Legal structure	Date for the last fiscal year ended	Equity interest at 30/09/2018 (direct and indirect)
Subsidiaries (at least 50% of the share capital held by the company)			
BY GREVIN© – GENEVA (Switzerland)	SA	30/09/2018	100.00%
CDA-DS – SIREN no. 477 855 787 – 75009 PARIS	SAS	30/09/2018	100.00%
GRÉVIN & CIE – SIREN no. 334 240 033 – 60128 PLAILLY	SA	30/09/2018	100.00%
CDA FINANCEMENT – SIREN no. 482 940 616 – 75009 PARIS	SNC	30/09/2018	99.00%
CDA PRODUCTIONS – SIREN no. 421 155 458 – 75009 PARIS	SAS	30/09/2018	100.00%
MUSEE GRÉVIN – SIREN no. 552 067 811 – 75009 PARIS	SA	30/09/2018	95.88%
FRANCE MINIATURE – SIREN no. 348 677 196 – 78990 ELANCOURT	SAS	30/09/2018	100.00%
HARDERWIJK HELLENDOORN HOLDING – NL 3840 – HARDERWIJK – THE NETHERLANDS	BV	30/09/2018	100.00%
BELPARK – B 8902 IEPER – Belgium	BV	30/09/2018	100.00%
SOCIÉTÉ DU PARC DU FUTUROSCOPE – SIREN no. 444 030 902 – 86130 JAUNAY CLAN	SA	30/09/2018	45.55%
CDA BRANDS – SIREN no. 383 926 532 – 75009 PARIS	SAS	30/09/2018	100.00%
AVENIR LAND – SIREN no. 311 285 068 – 38630 LES AVENIERES	SAS	30/09/2018	100.00%
CDA MANAGEMENT – SIREN no. 500 244 140 – 75009 PARIS	SAS	30/09/2018	100.00%
LOISIRS RE – L 8070 BERTRANGE (GD Luxembourg)	SA	30/09/2018	100.00%
CDA BEIJING BUSINESS CONSULTING – CHINA - BEIJING	Ltd	30/09/2018	100.00%
CDA DL – SIREN no. 534 737 432 – 75009 PARIS	SAS	30/09/2018	100.00%
INGELO – SIREN no. 534 870 803 – 73000 CHAMBERY	SAS	30/09/2018	100.00%
MUSEE GRÉVIN MONTRÉAL [(c)] – MONTREAL QC (Canada)	Inc	30/09/2018	100.00%
TRAVELFACTORY – SIREN no. 414 520 254 – 92110 CLICHY	SAS	30/09/2018	73.30%
Shareholdings (10 to 50% of the share capital held by the company)			
CMB – SIREN no. 605 520 584 [(c)] – 74400 CHAMONIX	SA	31/05/2018	37.49%
AZOR MANAGEMENT – MOSCOW (Russia)	LLC		15.00%
JARDIN D'ACCLIMATATION – 75016 PARIS	SA	31/12/2017	20.00%

(a) Last reporting date 30/09/18 for consolidated companies.
(b) Principal amount.
(c) Conversion for 1€: CHF1.1316 - CAD1.5064 - CNY7.9662 - RUB76.1422.
(d) Consolidated data of the CMB group at 31 May 2018.

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 8 March 2018, CDA's liquidity contract consisted of the following at 30 September 2018:

- 13,373 shares representing a gross book value of €400 thousand;
- cash of €622 thousand (principal and accrued interest),

Regarding the CDA stock price which stood at €29.9 at 30 September 2018, no impairment loss was recognised.

3.5 ACCOUNTS RECEIVABLE

The "accounts receivable" line item stood at €12,229 thousand. It comprised:

- trade receivables €709 thousand;
- tax and payroll receivables (VAT and CICE) €9,028 thousand;
- intra-group current accounts of tax consolidated subsidiaries €2,492 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
177	-1,035	-	-	5,805	379	-	513	513
298,531	116,208	-	-	28	33,670	30,000	318,531	318,531
52,913	13,201	-	-	108,473	8,532	6,664	114,541	114,541
1,010	1,692	-	490,762	-	877	350	1,015	1,015
664	-400	-	-	1,389	-143	-	9,938	-
4,603	2,487	-	-	13,190	926	560	30,061	30,061
1,809	-445	-	-	3,673	73	-	6,012	1,100
252	97,312	-	-	-	-2,788	-	105,478	105,478
97,164	-20,738	-	-	60,491	7,467	-	142,546	142,546
6,504	26,389	-	-	90,362	4,727	1,380	28,593	28,593
713	24,337	-	-	-	1,285	2,600	16,850	16,850
915	4,096	-	-	13,766	489	840	16,038	16,038
331	487	-	-	2,206	827	-	2,574	1,574
2,075	-	-	-	-	-	-	2,075	2,075
527	-571	-	-	906	-623	-	580	580
85	24	-	-	146	7	-	125	125
100	220	-	-	3,991	124	20	100	100
11,617	-8,672	-	-	1,371	-1,794	-	13,312	5,014
128	69	-	-	61,720	144	-	10,332	10,332
6,885	90,560	-	-	100,320	9,093	1,353	26,557	26,557
-	-	-	-	-	-	-	55	55
7,737	-6,345			16,963	459		1,548	1,548

3.6 PREPAID EXPENSES

The prepaid expenses of €1,412 thousand included:

- operating expenses of €1,009 thousand;
- financial expenses related to a bond issue (amounting to €403 thousand). These costs are expensed on a straight-line basis over the term of the bond.

3.7 SHARE CAPITAL

At 30 September 2018, the share capital consisted of 24,413,271 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	Shareholders' equity
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	0
Dividend payout				-9,718		-9,718
Capital increase	340		-340			0
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**
Appropriation of results			124	2,354	-2,478	0
Dividend payout				-12,174		-12,174
Capital increase	388		-388			0
Net income for the period					16,961	16,961
SHAREHOLDERS' EQUITY AT 30 SEPTEMBER 2018	**186,091**	**263,018**	**18,659**	**64,072**	**16,961**	**548,801**

The Shareholders' Meeting of 8 March 2018 approved the dividend distribution of €12,174 thousand during the appropriation of income for the reporting period ended 30 September 2017.

3.9 PROVISIONS FOR CONTINGENCIES AND CHARGES

(in thousands of euros)	At 30/09/2017	Increases	Decreases	At 30/09/2018
Provision for affiliate risks	1,090		-90	1,000
Provision for relocation	70		-70	0
Provision for contingencies	3,869	2,431	-3,596	2,704
Provisions for charges	149	1		150
TOTAL	**5,178**	**2,432**	**-3,756**	**3,854**

Provisions for contingencies are related to identified risks or ongoing disputes.

3.10 BORROWINGS

Maturities of the Company's financial debt break down as follows:

(in thousands of euros)	At 30/09/2017	Increases	Decreases	At 30/09/2018
Bonds	300,000		-200,000	100,000
Group borrowings		176,000	-3,077	172,923
Accrued interest not yet due on bonds	10,671	1,421	-10,671	1,421
Bank overdrafts	16	835	-16	835
TOTAL	**310,687**	**178,256**	**-213,764**	**275,179**

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
Bonds	100,000	-	-	-		-	100,000
Group borrowings	172,923	14,523	-	-	70,400	-	88,000
Interest on bonds	1,421	1,421	-	-		-	-
Bank overdrafts (incl. intra-group)	835	835	-	-		-	-
TOTAL	**275,179**	**16,779**	**-**	**-**	**70,400**	**-**	**188,000**

The bond issue of €200 million matured on 18 October 2017 and was redeemed.

The bond issue (for €100 million in 2014) is accompanied by a shareholder clause stipulating that the direct or indirect shareholding of Caisse des Dépôts in the capital of 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 30/09/2018
Consolidated net debt/Consolidated EBITDA	< 3.50	1.84

At 30 September 2018, this ratio was respected.

3.11 OPERATING LIABILITIES

Operating liabilities break down as follows:

(in thousands of euros)	At 30/09/2018	At 30/09/2017
Trade payables	5,956	7,136
Liabilities towards staff and social security bodies	8,384	7,322
Tax liabilities (VAT and other taxes)	1,069	370
Tax consolidation current accounts	8,054	8,479
Corporate tax liabilities	-	373
TOTAL	**23,463**	**23,680**

Note 4 Notes relating to the income statement

4.1 REVENUE

Revenue amounted to €28.9 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.

4.2 OPERATING EXPENSES

Operating expenses net of reversals of provisions and other income amounted to €39.7 million and increased by €1.7 million compared to the previous year, mainly due to an increase in external services, personnel costs and amortisation and depreciation.

4.3 NET FINANCIAL INCOME

(in thousands of euros)	At 30/09/2018	At 30/09/2017
Dividends	43,767	32,242
Income on financial receivables	75	246
SUBTOTAL DIVIDENDS AND INCOME ON FINANCIAL RECEIVABLES	**43,842**	**32,488**
Interest expense on loans and *cash pools*	-2,558	-11
Interest expense (bond)	-4,102	-13,845
SUBTOTAL FINANCING COSTS	**-6,660**	**-13,856**
Reversal of financial provisions	294	4,797
Impairment of non-current financial assets	-4,214	-19,864
SUBTOTAL PROVISIONS AND IMPAIRMENT (NET)	**-3,920**	**-15,067**
Write-offs	-2,000	-
Other	-2	-5
NET FINANCIAL INCOME	**31,260**	**3,560**

Dividends amounted to €43.8 million compared to €32.2 million in 2017.

4.4 NET EXTRAORDINARY INCOME

Net extraordinary income amounted to €16.4 million.

This mainly includes:

- net capital gains from the sale of Grévin Prague and Grévin Seoul shares for €1.7 million;
- losses on disposal of receivables from the same companies amounting to -€18.3 million.

4.5 INCOME TAX

For the fiscal year ended 30 September 2018, 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;
- Société de Restauration des Arcs (SERA).

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 €28.0 million. The tax group incurred income tax of €9.3 million.

In light of the tax contributed by the tax consolidated subsidiaries (€21.0 million), the accounting income generated by the tax consolidation totaled €11.7 million.

A tax income of €0.9 million was recognised from the refund of tax on dividends.

Note 5 Off-balance sheet commitments

The commitments given include:

- a bank guarantee and parent company guarantee at first request of CHF 750 thousand each, given for the By Grévin site;
- two liability guarantees amounting to a total of €10.2 million given to the City of Paris for Jardin d'Acclimatation, one for €9.2 million relating to the operating fee due until 2041 and one for €986 thousand relating to the implementation of the contractual investment programme until 2024;
- in December 2017, within the scope of the Public Service Concession involving SCV Domaine Skiable and SIGED, CDA granted a guarantee of payment at first request in respect of the fee payable. For FY 2017/2018, this guarantee amounted to €600 thousand;
- as part of the work conducted on the hotels of Parc Astérix, on 14 March 2018, the Company granted a financial guarantee of €4.27 million for the payment of the work. This guarantee expired in April 2018;
- a surety covering the rent of Grévin Montreal was given in the amount of €142 thousand.

The commitments received are as follows:

- when acquiring Travelfactory (in January 2018), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it (for €1.55 million) for post-transaction damages. These representations and warranties remain in force until the corresponding legal and regulatory terms expire.
- as part of the Travelfactory purchase, the parties granted each other put and call options on the balance of Travelfactory shares for a total maximum amount of €5.3 million, over a period of 4 years.

Note 6 Events after the reporting date

None.

Note 7 Earnings and other key information over the past five reporting periods

TABLE OF INCOME FOR 5 YEARS

Description *(amounts in euros)*	30/09/2014	30/09/2015	30/09/2016	30/09/2017	30/09/2018
Share capital at reporting date					
a) Share capital	185,030,527	185,030,527	185,362,679	185,703,368	186,090,974
b) Number of ordinary shares outstanding	24,274,151	24,274,151	24,317,726	24,362,421	24,413,271
c) Number of convertible bonds outstanding					
Operations and net income for the period					
a) Revenue	27,738,692	29,565,808	27,007,717	27,573,778	28,880,325
b) Net income before tax, profit-sharing, amortisation, depreciation and provisions	5,099,261	-11,040,791	10,527,492	-5,547,818	10,803,582
c) Income tax	-7,731,142	-7,444,803	-7,284,000	-6,391,332	11,896,887
d) Net income after tax, profit-sharing, amortisation, depreciation and provisions	2,715,156	12,763,210	13,379,298	-2,319,064	16,961,031
e) Distributed earnings	8,462,393	9,697,908	9,718,410	12,173,487	DA
Earnings per share					
a) Net income after tax, profit-sharing, but before amortisation, depreciation and provisions	0.53	-0.15	0.73	0.03	-0.04
b) Net income after tax, profit-sharing, amortisation, depreciation and provisions	0.11	0.53	0.55	-0.10	0.69
c) Dividend per share	0.35	0.40	0.40	0.50	DA
Personnel					
a) Average headcount	126	125	109	122	118
b) Total payroll for the reporting period	12,824,147	14,300,916	13,871,806	13,451,976	14,869,362
c) Amounts paid in employee benefits over the reporting period	6,602,823	7,124,136	5,735,114	7,024,197	7,706,118

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 2018, 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 1 October 2017 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 solution

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.

Special checks

We also carried out, in accordance with standards for professional practice in France, the special checks required by law.

Information provided in the management report and any other documents on the financial situation and the annual financial statements provided to the shareholders

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.

We attest to the faithfulness and the consistency of the annual financial statement with the information on the payment times mentioned in Article D. 441-4 of the French Commercial Code.

Report on corporate governance

We attest to the existence, in the report of the Board of Directors on corporate governance, of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information provided in application of the provisions of Article L. 225-37-3 of the French Commercial Code on the compensation and benefits paid to the 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 your company from companies controlling your company or controlled by it. On the basis of this work, in our opinion these disclosures are accurate and fair.

Concerning information relating to the elements that your company considered potential key factors in the event of a purchase or exchange takeover bid, provided in application of the provisions of Article L. 225-37-5 of the French Commercial Code, we checked their compliance with the documents from which they originate that were provided to us. On the basis of this work, we have no comment to make on this information.

Other disclosures

In accordance with the law, we have determined that the information relating to the investments and control and to the identity of holders of share capital or voting rights has been presented to you in the management report.

Information under other legal and regulatory obligations

Appointment of the Statutory auditors

We have been appointed statutory auditors of Compagnie des Alpes by the Shareholders' Meeting, in 1998 in the case of Mazars and in 1991 in the case of PricewaterhouseCoopers Audit.

On 30 September 2018, the firm Mazars was in the 21st year of its mission without interruption and the firm PricewaterhouseCoopers Audit was in its 28th year, *i.e.* 21 and 25 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 specified in Article L. 823-10-1 of the French Commercial Code, our mission to certify the financial statements does not consist in guaranteeing the viability or quality of the management of your company.

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.

Report to the audit committee

We provide a report to the audit committee which presents the scope of the audit and the programme of work carried out, as well as the conclusions derived 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 financial statements for the fiscal year and that thus constitute the key points of the audit, which we must describe in this report.

We also provide the audit committee with the statement 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.

Neuilly-sur-Seine and Courbevoie, 22 January 2019

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

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 2018

To the Shareholders' Meeting of Compagnie des Alpes,

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

We inform you that we have been not been notified of any agreement or commitment authorised or entered into during the past fiscal year to submit to the Shareholders' Meeting for approval in application of the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments approved in previous fiscal years

a) that continued to be executed 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 2018, income stemming from the agreement amounted to €900 thousand.

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.

At 30 September 2018:

- CDA holds a 9.6% stake in Foncière Rénovation Montagne, representing an investment of €785 thousand;

- CDA's investments in the capital of four local real estate companies represent €341 thousand:
  - Foncière des Ecrins: €111 thousand, or 2.3% 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 2018, expense stemming from the agreement amounted to €632 thousand.

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:

- an amendment to the credit facility agreement dated 7 May 2014: this amendment, which was signed on 23 February 2017, brings the amount of the revolving credit facility from a maximum principal amount of €260 million to an amount of €250 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 2018, corresponding to your company's guarantee commitment, is €25 million on the basis of the disbursement made on 30 September 2018.
- 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 2018, corresponding to your company's guarantee commitment, is €80 million on the basis of the disbursement made on 30 September 2018.

Inclusion of Dominique Marcel, Chairman-Chief Executive Officer, in a pension plan combining defined contributions and defined benefits

The Board of Directors of 9 March 2017 (as well as previously the Board of Directors of 19 March 2009 and the Supervisory Board of 30 September 2008) authorised the inclusion of Dominique Marcel in a pension plan combining defined contributions and defined benefits.

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 2018 was €1,300 thousand.

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.

At 30 September 2018, expense stemming from the agreement amounted to €12 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 2018 was €225 thousand.

Since Agnès Pannier-Runacher left the position she had held in the Company on 15 October 2018, her commitment in respect of the complementary defined-benefit pension plan therefore lapsed.

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.

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.

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 2018.

Since Agnès Pannier-Runacher left the position she had held in the Company on 15 October 2018, the latter's commitment in respect of the severance payment has lapsed.

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.

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.

CDA is not compensated for performing the mandate.

Neuilly-sur-Seine and Courbevoie, 22 January 2019

Statutory Auditors

PRICEWATERHOUSECOOPERS AUDIT	MAZARS
Françoise Garnier-Bel	Gilles Rainaut

6

SHARE CAPITAL AND SHAREHOLDING

6.1 Share capital

At 30 September 2018, Compagnie des Alpes share capital stood at €186,090,974.21. It comprised 24,413,271 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

In a decision dated 19 April 2018, the Chairman and Chief Executive Officer recognised the capital increase following the conclusion of Plan no. 19 through the creation of 50,850 new shares. The share capital remained unchanged in the 2017/2018 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 2012	Share capital at end of fiscal year		–	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
18 March 2018	Full vesting of free shares	387,605.82	-	**186,090,974.21**	**24,413,271**
30 September 2018	**Share capital at end of fiscal year**	**–**	**–**	**186,090,974.21**	**24,413,271**

6.1.2 TREASURY STOCK

At 30 September 2018, the Company owned 19,543 shares of treasury stock, with a book value of €748,304.

6.1.2.1 Share buyback

From 1st October 2017 to 30 September 2018, 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 18 May 2017 by the Board of Directors on the basis of the authorisation given to it by the Shareholders' Meeting of 9 March 2017;
- a new share buyback programme, implemented by the Board on 17 May 2018, pursuant to the new authorisation given to it by the Shareholders' Meeting of 8 March 2018.

The latter authorisation was granted to the Board of Directors for a new period of 18 months.

Pursuant to Article 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 the procedures provided for in law, especially through income from Company acquisitions, stock options, the award of free shares, a Group or company savings scheme, or an optional plan for an employee-employer savings partnership.

During the 2017/2018 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 was granted to Oddo & Cie on 4 October 2016. It can be renewed by tacit consent for successive one-year periods.

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.

During the 2017/2018 fiscal year, 144,132 shares were purchased and 140,552 shares were sold.

6.1.2.3 Share awards to employees

In 2017/2018, the Company did not proceed with any share buybacks for free share awards to employees under performance plans.

At 30 September 2018, 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 2017 to 30 September 2018, are illustrated below:

Position at 30 September 2018	
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)	19,543
Carrying amount of portfolio at 30 September 2018 *(in thousands of euros)*	748
Portfolio market value at 30 September 2018 *(in thousands of euros)* (2)	584

(1) Of which 13,373 shares allocated to the liquidity contract and 6,170 shares allocated for awards to employees.
(2) On the basis of the stock price of €29.90 per share at 30 September 2018.

Accumulated gross transactions at 30 September 2018	Purchases	Sales	Transfers
Number of shares	144,132	140,552	–
Average transaction price *(in euros)*	28.93	28.90	–
Average exercise price *(in euros)*	21.94	21.94	–
Amounts *(in thousands of euros)*	4,170	4,062	–

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 8 March 2018 for a duration of 26 months. All the current authorisations are therefore valid until May 2020.

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 30/09/2018
Authorisation to award performance shares to employees and Group corporate officers	8/03/2018 (17th resolution)	26 months (until 8/05/2020)	1% of the capital on the day of the award decision, in addition to a maximum of 7% of the capital for all outstanding free shares and stock options	23/03/2018	1% of capital on the day of the Board decision / Balance of maximum amount: 6.53% (number of outstanding free shares representing 0.47% of capital)
Powers to increase capital with preferential subscription rights (issues reserved for shareholders)	8/03/2018 (18th resolution)	26 months (until 8/05/2020)	Shares: €92 million Debt securities: €100 million	None	Shares: €92 million Debt securities: €100 million
Powers to increase capital with elimination of preferential subscription rights, by public offering	8/03/2018 (19th resolution)	26 months (until 8/05/2020)	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 €35 million (with no priority period); Debt securities: €100 million
Powers to increase capital without preferential subscription rights, by private placement offering	8/03/2018 (20th resolution)	26 months (until 8/05/2020)	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	8/03/2018 (21st resolution)	26 months (until 8/05/2020)	10% of share capital (currently €18.6 million)	None	10% of share capital (currently €18.6 million)
Powers to increase the capital through the incorporation of additional paid-in capital, reserves, profits or others	8/03/2018 (22nd resolution)	26 months (until 8/05/2020)	Shares: €35 million	None	Shares: €35 million
Powers to increase capital by employee issue under the Group Employee savings plan	8/03/2018 (23rd resolution)	26 months (until 8/05/2020)	706,000 shares (2.9% of share capital, currently €5.4 million)	None	706,000 shares (2.9% of share capital, i.e. €5.4 million)
Total cash limit of all authorisations and powers combined	8/03/2018 (24th resolution)		Shares: €92 million Debt securities: €200 million		Shares: €92 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), 65,100 performance shares thus being awarded as part of Plan no. 21 implemented on 23 March 2018.

6.1.4 POTENTIAL SHARE CAPITAL

At 30 September 2018, the potential capital represented 0.47% of the share capital, in the form of 116,350 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

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 2017/2018 fiscal year

Consequent to decisions of the Shareholders' Meeting of 8 March 2018, on 23 March 2018 Compagnie des Alpes implemented a new performance share plan (Plan no. 21), under which a total of 65,100 performance shares have been granted and distributed between 158 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 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 (2017/2018 and 2018/2019) 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 (2017/2018 and 2018/2019), 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 (2017/2018 and 2018/2019).

Assuming they are fully vested, these shares will then have to be held for at least one year 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 €27.494 for Plan no. 21.

Full vesting of performance shares granted under Plan no. 19

Following an assessment of the achievement of the performance criteria, 50,850 performance shares granted under Plan no. 19, implemented in 2016, were fully vested. The vesting of performance shares granted under Plan no. 19 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 2015/2016 and 2016/2017) relative to the previous two years (cumulated ROCE 2013/2014 and 2014/2015); and

(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 (2015/2016 and 2016/2017), 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 2017, 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 9,000 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.

A total of 50,850 shares became fully vested for 170 senior executives and other members of the Group's management. From their vesting date, performance shares awarded under Plan no. 19 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 116,350 rights to free shares remained in circulation on 30 September 2018. 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 2018

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 2018

N/A.

6.1.5.5 Performance shares granted to the ten leading employees (excl. corporate officers) during the fiscal year ended 30 September 2018

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)	14,800	€27.494	21

6.2 Shareholder structure

6.2.1 CHANGE IN SHAREHOLDER STRUCTURE AND VOTING RIGHTS

	30/09/2016		30/09/2017		30/09/2018	
Shareholders	Number of shares	%	Number of shares	%	Number of shares	%
Caisse des Dépôts	9,615,579	39.54%	9,615,579	39.47%	9,615,579	39.39%
Sofival	2,110,806	8.68%	2,110,806	8.66%	2,110,806	8.65%
Crédit Agricole des Savoie [(1)]	1,681,985	6.92%	1,681,985	6.90%	1,681,985	6.89%
Banque Populaire Auvergne Rhône-Alpes	1,204,473	4.95%	1,204,473	4.94%	1,204,473	4.93%
Caisse d'Épargne Rhône-Alpes	723,486	2.98%	723,486	2.97%	723,486	2.96%
Public and miscellaneous including:	8,981,397	36.93%	9,026,092	37.05%	9,076,942	37.18%
French UCITS	1,869,925	7.69%	1,780,131	7.31%	1,790,414	7.33%
incl. FCP CDA Actionnariat (employee shareholders' fund)	334,500	1.38%	330,000	1.35%	329,500	1.35%
Financial intermediaries outside France	4,105,648	16.88%	4,452,951	18.28%	4,396,847	18.01%
Individual shareholders	2,131,111	8.76%	2,060,463	8.46%	2,059,209	8.43%
Treasury stock [(2)]	31,401	0.13%	15,963	0.06%	19,543	0.08%
TOTAL	**24,317,726**	**100%**	**24,362,421**	**100%**	**24,413,271**	**100%**

(1) See section 6.2.7"Corporate officers' and senior managers' shareholdings and trading", which compares information on a reallocation of shareholdings within the Crédit Agricole des Savoie group.

(2) 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. 19 in 2018.

Free float also remained stable.

In 2017/2018, the portion of the capital owned by French institutional investors rose sharply by more than 6%, at the expense of foreign institutional shareholdings.

Individual shareholding, in French hands for the most part, was stable. Combined with employee shareholding, it now stands at 8.43% 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 39.39% 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 3.1.1.2 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 three on the Appointments and Remuneration Committee, one out of seven on the Strategy Committee, and one out of four on the Audit and Finance 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 COMPANY SHARE CAPITAL THAT WAS PLEDGED 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 2018.

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 section 6.4.3 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 329,500 shares, *i.e.* 1.35% of CDA share capital at 30 September 2018, the same as at the close of the previous reporting period.

Besides, senior executives as well as certain other Group managers are eligible for bonus share plans 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 3.1.1.2.

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, section 3.1.1.3.

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.

The following disclosures concerning crossed thresholds were submitted to the Company and the AMF in the 2018/2019 fiscal year:

- On 27 November 2018, the stake directly held by Caisse de Crédit Agricole des Savoie fell below the regulatory threshold of 5% of the Company's share capital and voting rights.

- On 27 November 2018, the stake directly held by Crédit Agricole des Savoie Capital, a subsidiary of Caisse de Crédit Agricole des Savoie, exceeded the regulatory threshold of 5% of the Company's share capital and voting rights.

Thus, on 27 November 2018, Crédit Agricole des Savoie directly held 1,681,985 shares and as many voting rights, representing 6.89% of the Company's share capital and voting rights.

It should be noted that these transactions were conducted within the framework of the reallocation of Crédit Agricole des Savoie shareholdings within the Credit Agricole des Savoie group.

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. 225-37-5 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 Article 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 3.1.1.2;
- 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 (LEI: 96950029IN3GW457GG90).

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.

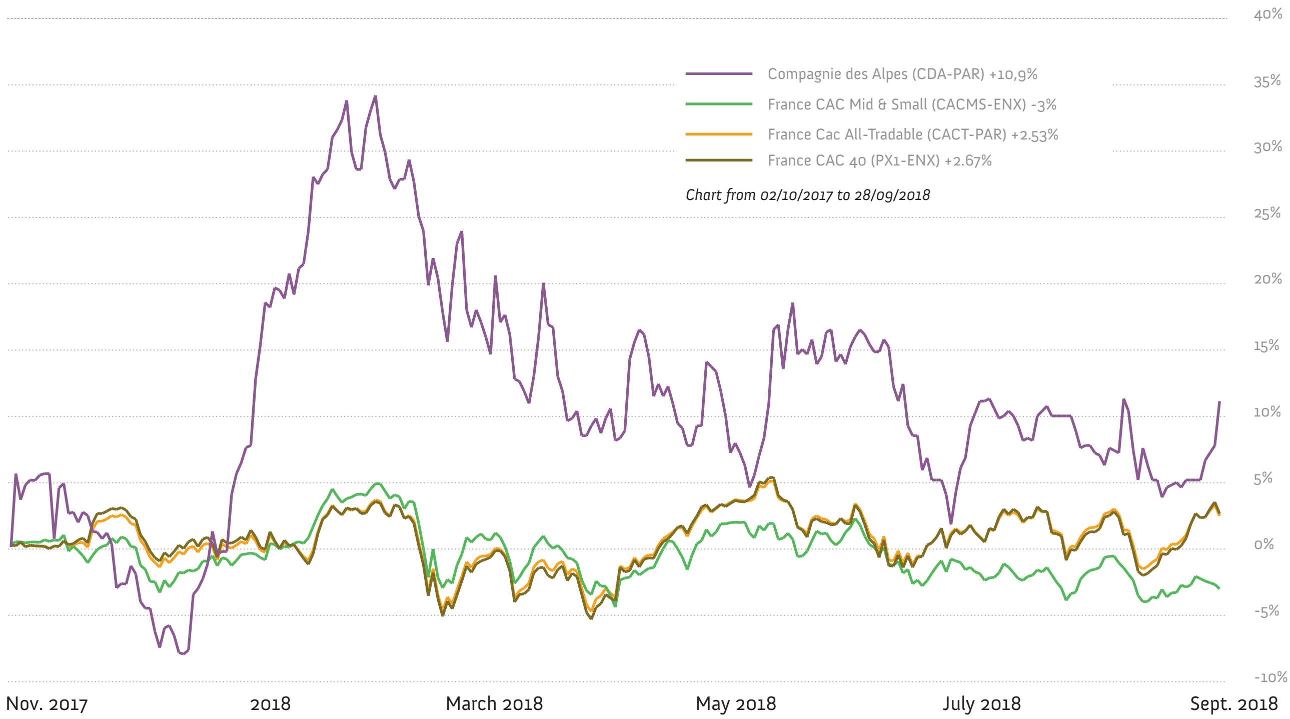
This change in the SRD will increase the list of SRD-eligible stocks within specific technical parameters. This new arrangement allows investors to leverage their CDA shares.

6.3.2 PERFORMANCE OF THE COMPANY'S SHARES DURING FY 2017/2018

The share price rose by 10.9% over the 2017/2018 fiscal year, after an increase of 58.5% the previous year. It rose from €26.95 at 29 September 2017 to €29.90 at 28 September 2018, peaking at €36.10 on 22 January 2018.

The average daily trading volume experienced a slowdown, falling from 13,150 shares in 2016/2017 to 10,877 shares during the 2017/2018 fiscal year. For the sake of comparison, it was 13,260 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 2018, the Group's stock market capitalisation amounted to €730 million, compared to €657 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.

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 Company set up a new forum for its shareholders: https://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 Echos Wire, 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 RELEASES

The following information has been published since 1 October 2017:

19 October 2017

Revenue for FY 2016/2017.

- Annual revenue rise 6.6% on a comparable basis thanks to a sustained dynamic across business lines.
- Ski areas: For the 3rd year in a row, a strong rise in revenue.
- Leisure destinations: revenue 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.

9 January 2018

Compagnie des Alpes becomes the leading distributor of mountain holidays through the acquisition of a majority stake in Travelfactory.

- Compagnie des Alpes acquires a 73% stake in Travelfactory that may increase to 100% within 4 years.
- With a business volume of approximately €85 million, Travelfactory is the leading online distributor of ski holidays in France.

18 January 2018

1st quarter of 2017/2018.

- Revenue up slightly thanks to Leisure destinations and despite the fact that a full week of the Christmas holiday was positioned in the 2nd quarter.
- Ski areas: sales analysis made more difficult by the timing of the Christmas school holidays.
- Leisure destinations: new revenue growth linked to the Halloween period.
- Holdings and supports: new scope and acquisition of Travelfactory.

19 April 2018

1st half 2017/2018.

- Sustained activity across the Group.
- Ski areas: half-year revenue growth of 2.8%.
- Leisure destinations: 1st half sales up significantly for the 5th year in a row (on a comparable scope basis).
- Holding and Supports: impact of the integration of Travelfactory.
- Grévin Prague and Grévin Seoul: facility sale or closure.

24 May 2018

1st half of 2017/2018

- Growth in operational and financial performance.

19 July 2018

First nine months of FY 2017/2018.

- Steady pace of growth in all Group activities.
- Ski areas: a positive season despite occasionally difficult weather conditions.
- Leisure destinations: a good start to the season supported by investments in increasing appeal.
- Holdings and supports: Travelfactory integration and success of the Jardin d'Acclimatation.

16 October 2018

Agnès Pannier-Runacher appointed to Cabinet post, resigns from Compagnie des Alpes.

18 October 2018

FY 2017/2018 revenue: +6.0%.

- Good momentum from all activities and integration of Travelfactory.
- Ski areas: skier days on the rise for the 3rd year in a row.
- Leisure destinations: 5th consecutive year of growth in activity (+39% since 2013).
- Holdings and supports: year marked by acquisition of Travelfactory.

11 December 2018

FY 2017/2018 annual results.

Very good operational and financial performance.

- Revenue up 3.1% on a comparable basis.
- Operating margin targets achieved.
  - Ski areas EBITDA margin: 37.1% of revenue.
  - Leisure destinations EBITDA margin: 27.0% of revenue.
- Strong growth in net income (Group share): +82.6% to €57.2 million.
- Proposed dividend of €0.50 per share, up 30%.

All of these press releases may be read and downloaded from the Company 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 7 qualified, representative members. The list of members is available on the Company website.

The Committee met twice during the fiscal year, on 1 December 2017 and 9 February 2018. 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

The Company regularly organises 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 4 June 2018 in Lyon and 25 October 2018 in Paris.

6.4.6 2018/2019 EVENTS / FINANCIAL CALENDAR

Thursday 17 January 2019

1st quarter revenue

Thursday 7 March 2019

Shareholders' Meeting

Thursday 18 April 2019

2Q revenue

Tuesday 21 March 2019

1st half results

Thursday 18 July 2019

3Q revenue

Thursday 17 October 2019

4Q revenue

Tuesday 10 December 2019

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 1st 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 (Article 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 (Article 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 (Article 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

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

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REFERENCE TABLE OF 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.

Annex I to EC Regulation No. 809-2004		Registration Document	
		Chapter(s) / Section(s)	Page(s)
VIII	**Real estate, plant, and equipment**		
1.	Existing or planned major fixed assets	5/5.3.2 notes 1.12, 1.13 and 1.14; note 6.3	120; 134-135
2.	Environmental questions that could influence the issuer's use of its capital assets	4/4.3	80-93
IX	**Examination of financial position and earnings**		
1.	Financial situation	5/5.1; 5/5.2	106-110; 111-113
2.	Operating income	5/5.1; 5/5.2	106-110; 111-113
	2.1. Financial position of issuer, evolution of this financial position, and earnings of operations completed in each reporting fiscal year and interim period for which historical financial information must be provided	5/5.1; 5/5.2	106-110; 111-113
	2.2. Change in sales and explanation	5/5.1.1.2	107
	2.3. Strategic, governmental, economic, budgetary, monetary, or political factors that have significantly influenced or could significantly influence the issuer's operations	N/A	N/A
X	**Liquidity and capital resources**		
1.	Information on the issuer's short- and long-term capital	5/5.3.1; 5/5.3.2 note 2.1	114-117; 125
2.	Sources and amounts of the issuer's cash flows	5/5.1.2; 5/5.3.1; 5/5.3.2 note 7	110; 114-117; 143-144
3.	Information concerning borrowing terms and financing structure of the issuer	5/5.1.2.2; 2/2.1; 5/5.3.2 notes 5.1 and 6.11	110; 28-29; 128; 140-142
4.	Information concerning any restriction on the use of capital	N/A	N/A
5.	Information concerning financing sources for future investment and for property, plant and equipment	5/5.1.2; 2/2.1.1; 5/5.3.2 note 6.11	110; 28; 140-142
XI	**Research and development, patents, and licenses**	**N/A**	**N/A**
XII	**Trends**		
1.	Primary trends affecting production, sales, inventory, selling costs and selling prices since the end of the past reporting fiscal year up to the date of the Registration Document	1/1.2	21-24
2.	Known trends, uncertainties, demands, commitments, or events reasonably likely to significantly influence prospects for the issuer, at least for the current reporting period	1/1.2; 5/5.1.3	21-24; 110
XIII	**Profit forecast or estimate**		
1.	Principal forecast assumptions	N/A	N/A
2.	Forecast report from the independent statutory auditors	N/A	N/A
3.	Forecast preparation based comparatively upon historical financial information	N/A	N/A
4.	Forecast timeliness within a prospectus	N/A	N/A
XIV	**Executive, management, supervisory, and general management bodies**		
1.	Information on the activities, non-conviction, and corporate appointments	3/3.1	40-54
2.	Conflicts of interest in executive, management, supervisory, and general management bodies		
	• Arrangement or agreement with main shareholders, clients, suppliers, or others, by which any one of the persons affected by item XIV.1 has been selected as a member of an executive, management, or supervisory body, or as a member of the general management	3/3.1.3.2	53
	• Details of any restrictions accepted by persons affected by item XIV.1 concerning the disposal, within a certain period of time, of their stake in the share capital of the issuer	N/A	N/A
XV	**Compensation and benefits of persons affected by item 14.1**		
1.	Total compensation paid and benefits in kind granted by the issuer or its subsidiaries	3/3.3	57-64
2.	Total amounts provisioned or otherwise recognised by the issuer or its subsidiaries for pension, retirement or other benefit payments	3/3.3; 5/5.3.2 note 8.1.3 (table)	57-64; 145

Annex I to EC Regulation No. 809-2004		Registration Document	
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XVI	**Functioning of executive and management bodies**		
1.	End of current tenure of current executive, management, and supervisory body members	3/3.1.1.1	40-41
2.	Information on service contracts binding members of executive, management, or supervisory bodies of the issuer or to one of its subsidiaries	3/3.1.3.3	53
3.	Information on the issuer's audit committee and compensation committee	3/3.1.1.1; 3/3.1.1.2; 3/3.2	40-41; 41-43; 54-56
4.	Compliance with current corporate governance policies	3/3.4	65
XVII	**Employees**		
1.	Number of employees at the end of the period covered by historical financial disclosures or average number during each fiscal year of this period, and distribution of employees	4/4.2.1; 4/4.2.2	69; 70
2.	Shareholdings and stock options: for all persons affected by item XIV.1, information concerning shares held in the share capital of the issuer along with any outstanding stock options	3/3.1.1.3; 3/3.1.2.1; 3/3.3; 6/6.1.5	44-51; 51-52; 57-64; 173-174
3.	Agreement providing for employee investment in the issuer's share capital	6/6.1.5	173-174
XVIII	**Main shareholders**		
1.	Name of any non-member of an administrative, management, or supervisory body holding directly or indirectly a percentage of the share capital or voting rights that must be declared in accordance with applicable national legislation	6/6.2.1	174
2.	Voting rights differences of primary shareholders	N/A	N/A
3.	Issuer holding or control and measures taken to ensure that such control is not abused	6/6.2.2	174-175
4.	Agreement that, if implemented, could bring about a change of control of the Company	N/A	N/A
XIX	**Transactions with related parties**	5/5.4.4	165-167
XX	**Financial information on assets, financial position, and earnings of the issuer**		
1.	Historical financial information	5/5.3 5/5.4	114-151; 152-167
2.	Pro-forma financial information and description of restructuring effects	N/A	N/A
3.	Annual financial statements (separate and consolidated financial statements)	5/5.3 5/5.4	114-151; 152-167
4.	Verification of annual historical financial information		
	4.1. Statement attesting that the historical financial information has been verified	5/5.3.3; 5/5.4.3	148-151; 162-164
	4.2. Other information within the Registration Document verified by the statutory auditors	5/5.4.4	165-167
	4.3. When financial information appearing in the Registration Document is not drawn from the financial statements verified by the issuer, indicate their source and state that they have not been verified	N/A	N/A
5.	Date of latest verified financial information		30/09/2018
6.	Interim and other financial information	N/A	N/A
7.	Dividend payment policy		
	7.1. Dividends per share	5/5.2.4; 5/5.4.2 note 7	112; 161
8.	Legal and arbitration proceedings	2/2.2.2	29
9.	Significant changes in the financial or business climate transpiring since the end of the prior fiscal year	N/A	N/A

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XXI	**Additional information**		
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	1.1. Total issued share capital, number of shares issued, par value per share, and comparison of the number of outstanding shares on the opening and closing dates of the fiscal year	6/6.1	170-174
	1.2. Shares not representative of the capital	N/A	N/A
	1.3. Number, book value, and par value of shares held by the issuer or its subsidiaries	6/6.1.2	171
	1.4. Securities that are convertible, exchangeable, or coupled with warrants	N/A	N/A
	1.5. Information on the terms regulating all vesting rights and obligations attached to the subscribed (but not paid-up) capital or any venture aimed at increasing the capital	6/6.1.3	172
	1.6. Information on the share capital of any Group member subject to an option or agreement for putting its capital under option	N/A	N/A
	1.7. Share capital description for the period covered by historical financial information	6/6.1.1	170
2.	**Incorporation and by-laws**		
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	2.4. Number of shares necessary to modify the rights of shareholders	N/A	N/A
	2.5. Convening of and admission to Annual and Extraordinary Shareholders' Meetings	7/7.1.1.4	182
	2.6. Provisions in the by-laws, a charter, or a regulation of the issuer that could delay, defer, or prevent a change of its control	N/A	N/A
	2.7. Provisions in the by-laws, a charter, or a regulation establishing a threshold above which shareholdings must be disclosed	7/7.1.1.5	182
	2.8. Terms imposed by the by-laws, a charter, or a regulation governing modifications to the share capital, when the terms are stricter than those stipulated by law	N/A	N/A
XXII	**Significant contracts**		
XXIII	**Information from third parties, statements of experts, and declarations of interest**		
1.	**Identities of experts**	**N/A**	**N/A**
2.	**Attestation concerning information from third parties**	**N/A**	**N/A**
XXIV	**Public information**	**6/6.4.1**	**178**
XXV	**Information on shareholdings**	**5/5.2.7**	**113**
	Information on companies in which the issuer holds a percentage of share capital likely to significantly impact its asset accretion, financial position, or earnings	5/5.3.2 note 3; 5/5.3.2 note 4.2; 5/5.4.2 note 3.2	126; 127-128; 155-156

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.

Annual Financial Report		Registration Document	
		Chapter(s) / Section(s)	Page(s)
I	Parent-company financial statements	5/5.4	152-167
II	Consolidated financial statements	5/5.3	114-151
III	Statutory Auditors' report on the parent-company financial statements	5/5.4.3	162-164
IV	Statutory Auditors' report on the consolidated financial statements	5/5.3.3	148-151
V	Management Report including as a minimum the information mentioned in Articles L. 225-100, L. 225-100-2, L. 225-100-3, and L. 225-211 sub-paragraph 2 of the French Commercial Code	Refer to the reference table in the Management Report – see below	189-190
VI	Statement of the person responsible for the Annual Financial Report	7/7.2	183
VII	Statutory Auditors' compensation	5/5.3.2 note 8.6	147
VIII	Report of the Board of Directors on corporate governance	Refer to the reference table in the Management Report – see below	189-190

REFERENCE TABLE OF THE MANAGEMENT REPORT

This Registration Document contains the elements of the Management Report referred to in Articles L. 225-100 et seq. and L. 232-1 of the French Commercial Code, as well as the report on corporate governance pursuant to Articles L. 225-37 et seq. of the French Commercial Code.

The following reference table refers to the extracts of the Registration Document corresponding to the Management Report.

Management Report		Registration Document	
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V	**Information on the share capital**		
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2.	**Employee share capital ownership** (F. Com. C, Art. L. 225-102)	6/6.2.6	175
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4.	**Share buyback by the Company and transactions carried out over the fiscal year** (F. Com. C, Art. L. 225-211 paragraph 2)	6/6.1.2	171
5.	**Possible adjustments for securities giving access to the share capital in the event of a share buyback or of financial transactions** (F. Com. C, R. 228-90 and R. 228-91)	N/A	N/A
6.	**Share transactions involving Company executives and their relatives over the fiscal year** (MFC, Art. L. 621-18-2)	6/6.2.7	175-176
7.	**Calculation elements and results of the adjustment of the bases for exercising share subscription and purchase options (in the event of a share buyback by the Company at a price higher than the share price)** (F. Com. C, R. 225-138)	N/A	N/A
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6.	**Injunctions or pecuniary sanctions for anti-competitive practices imposed by the Competition Authority** (F. Com. C, L. 464-2-I)	N/A	N/A

REFERENCE TABLE OF THE INFORMATION REQUIRED BY ARTICLE L. 225-102-1 AND ARTICLE R. 225-105 OF THE FRENCH COMMERCIAL CODE

This Registration Document contains the information required by Articles L. 225-102-1 and R. 225-105 of the French Commercial Code.

The following reference table refers to the sections of the Registration Document corresponding to the statement of non-financial performance.

Statement of non-financial performance		Registration Document	
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I.	Business model	Introductory notes	
II.	Overview of main risks	4/4.1	68-69
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XVI.	Respect for animal welfare and a responsible, equitable and sustainable diet	4/4.3.3.1	86-87

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