Compagnie des Alpes

Press Release

1st quarter of 2018/2019

A good 1st quarter driven by dynamic Ski Area sales

Paris, January 17, 2019 – Compagnie des Alpes reports consolidated sales for the first quarter of financial year 2018/2019 totaling €126.8 M, an increase of +7.3% on a restated basis (+5.6% on a comparable basis) compared with the 1st quarter of the previous financial year.

Group consolidated sales, from October 1, 2018 through December 31, 2019

(In € thousands)	**1st quarter 2018/2019**	**1st quarter 2017/2018** *Restated*(2)	**Change** *vs. Restated*(2)	**Change** *Comparable scope* (3)
Ski Areas	54 608	46 831	+16.6%	+16.6%
Leisure Destinations	69 309	69 319	+0.0%	+0.0%
Holdings & Supports	2 902(1)	2 095	+38.5%	-56.6%(3)(4)
Total	**126 819**	**118 245**	**+7.3%**	**+5.6%**

(1), (2), (3) and (4): Sales for the 1st quarter of 2018/2019 factor in the acquisition of Travelfactory, the application of IFRS 15, and a change in the revenue recognition method used, all of which are described in detail at the end of this press release.

Ski Areas: the season is off to a dynamic start

Ski Area sales for the 1st quarter rose significantly, to €54.6 M, versus €46.8 M for the same period the previous year, an increase of +16.6%.

First quarter lift sales, strictly speaking, also rose by +16.6% compared with the 1st quarter of the previous year. This increase is the result of an increase in revenue per skier-day compared to last year, combined with a +4.2% increase in the number of skier days. Sales were boosted by the first snowfall at the beginning of the season and good weather conditions over the Christmas school holidays. It should also be noted that the Group benefited from an additional day of operation during the last week of the year, with December 31st falling on a Monday this year as opposed to a Sunday last year, an impact that will be neutralized in the 2nd quarter.

Indeed, the 2018/2019 ski season got off to a satisfactory start under good conditions: snow fell early enough in the mountains and cold cycles allowed for the operation of snow resources at all ski resorts.

Application of IFRS 15 is having an impact on the restatement of season passes. Compared with the old accounting method, it had a negative impact on revenue recognition of €14.3 million for the first quarter of 2018/2019, compared to a restatement of €14.2 million for the 1st quarter of the previous year. As a reminder, the application of IFRS 15 has an impact on the quarterly revenue breakdown only and will have no impact on annual sales (see the table in the appendix showing the impact of IFRS 15 application on 2017/2018 ski area revenue, restated).

Leisure Destinations: a quarter of consolidation

After increasing steadily since 2013, Leisure Destination sales for the 1st quarter just ended are undergoing consolidation at a high level. Sales for the quarter came to €69.3 million, virtually unchanged compared to the same period last year, despite the negative calendar effect in the first quarter.

The Halloween offering continues to be a great success, with customer satisfaction growing or remaining stable for nearly all facilities. After 5 consecutive years of strong growth, during which Halloween period sales went from €14 M in 2012/2013 to €34 M in 2017/2018, this year sales rose slightly (+0.1 %), in line with the Group's expectations and due in particular to an increasingly higher base effect. Halloween period sales were nonetheless resilient, with weather conditions less supportive this year compared to last year.

Sales for other offerings, such as the Christmas Trees at Astérix (BtoB) and Futuroscope (BtoC), performed reasonably well.

Consequently, the decline in attendance for the period was fully offset by healthy growth in spending per visitor (+3.7%). The best performing sites continue to be those with the most advanced multi-year investment and transformation plans.

Holdings and Supports: new contracts in China and in Japan

During the 1st quarter of the 2018/2019 financial year, Holdings & Supports revenue amounted to €2.9 million, versus € 2.1 million for the same period last year.

Travelfactory expanded its international business with the launch of the Travelski site in Belgium during the quarter, supported by an advertising campaign targeting the region around Brussels. Travelfactory is also in the process of completing the integration of Alpes Ski Résa, the Group’s existing online business in mountain vacations. The strategic decision to adopt premium positioning for this brand is confirmed.

As part of its industrial partnership, Compagnie des Alpes began working with the Fosun group to design and build a “new generation” snow dome in Taicang, located in the region near Shanghai. The Group also continued to strengthen ties to flagship resorts in China: it signed a technical assistance contract with the Beidahue resort in the Jilin region; an international ski school, in collaboration with Evo2, has opened at Wanlong, one of China's most iconic resorts in the Chongli Olympic Zone, another mission was signed with the Jilin region to identify the most suitable sites for the development of outdoor activities 4 seasons. Lastly, a consulting contract covering two ski resorts was also signed last quarter with the Tokyu Group in Japan. These contracts strengthen the Group's presence in Asia.

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Trends for the rest of the year

The outlook for 2018/2019 provided below is given barring the occurrence of any major adverse events.

- Ski Areas

The Group is confident concerning the season as a whole, even though the strength of Q1 cannot be extrapolated over the full year. It should be noted, in particular, that the dates in February and spring school holidays, with the Paris area holiday period placed at the end of the calendar, are less favorable than those of the previous year.

- Leisure Destinations

The 2nd quarter generally accounts for only 7% of the annual sales for this BU and concerns only the sales for Futuroscope (open in February and March), Grévin Paris, Grévin Montréal, and Chaplin's World by Grévin. This year, the Grévin Paris facility will be closed throughout the month of January for construction work (on customer experience and visitor flow).

The main part of the season will get a boost this year from new assets, including around 100 new rooms at Parc Astérix and the opening (next to the Bellewaerde site in Belgium) of a new indoor aquatic park covering 3,000 square meters.

This season will also usher in novelties at all the Group's facilities. For example, the 30th birthday of Parc Astérix will be celebrated by the creation of a 4D movie theater featuring a dynamic indoor room that seats 300. For its part, Futuroscope's new attractions will include a large format 3D movie that allows visitors to take the helm of Solar Impulse, the world's first solar airplane capable of perpetual flight. Walibi Rhône-Alpes will continue its redevelopment of the Festival City area with a new Mystic coaster, as well as a children's attraction and a new lakeside restaurant. In addition, Walibi Hollande will inaugurate a new structuring attraction, while Walibi Belgium will continue the renovation it began in 2018 with the redevelopment of two new areas: Fun World and Karma World.

Upcoming events:

Annual Shareholders' Meeting:	Thursday, March 7, 2019, afternoon
2nd quarter 2018/2019 Sales:	Thursday, April 18, 2019, after stock market closes
2018/2019 Half-year Results:	Tuesday, May 21, 2019, in the morning

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Additional information

Consolidated sales, 1st quarter 2018/2019

	Actual scope			Comparable scope		
(In thousands of euros)	Q1 2018/2019*	Q1 2017/2018 restated[2]	Change	Q1 2018/2019	Q1 2017/2018 restated	Change
Ski Areas	54 608	46 831	+16.6%	54 608	46 831	+16.6%
Leisure Destinations	69 309	69 319	+0.0%	69 309	69 319	+0.0%
Holdings & supports	2 902[1]	2 095	+38.5%	910[3]	2 095	-56.6%[3][4]
TOTAL	**126 819**	**118 245**	**+7.3%**	**124 827**	**118 245**	**+5.6%**

(1) Including Travelfactory, consolidated as of January 1, 2018

(2) Sales for 1st quarter 2017/2018 were adjusted to take into account the application of IFRS 15 and the redistribution over 4 quarters of a Futuroscope revenue adjustment that was made last year in the 4th quarter retrospectively for the entire financial year.

(3) The change on a comparable scope basis is calculated by comparing sales for 1st quarter 2018/2019, from which Travelfactory has been removed, with restated sales for 1st quarter 2017/2018.

(4) A change in revenue recognition for the Group's existing online sales and real estate businesses was made effective as of January 1, 2018. Sales for 1st quarter 2017/2018 were not restated, however (margin accounting for 1st quarter 2018/2019 vs. sales volume for 1st quarter 2017/2018).

Quarterly sales for Ski Areas in 2017/2018 restated to reflect the impact of applying IFRS 15

The application of IFRS 15 changes only Ski Area sales. This standard, applied effective October 1, 2018, has an impact on the accounting for season package sales recognition that results in a different allocation of these revenues over the year. The application of IFRS 15 only applies to quarterly revenue distribution and therefore has no impact on annual revenue.

To enable a meaningful comparison of quarterly revenues for 2018/2019 year with quarterly revenues for 2017/2018, the latter have been restated by applying IFRS 15.

(In thousands of euros)	Q1 2017/2018	Q2 2017/2018	Q3 2017/2018	Q4 2017/2018	TOTAL 2017/2018
Reported Ski Area sales	60 996	311 095	50 403	6 830	429 324
Ski Area sales restated to reflect the impact of IFRS 15	**46 831**	**322 021**	**53 642**	**6 830**	**429 324**
Difference	***- 14 165***	***+ 10 926***	***+ 3 239***	***0***	***0***

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Quarterly sales for Ski Areas in 2017/2018 restated to reflect the change in revenue recognition for Futuroscope that was enacted in the 4th quarter of 2017/2018

At the end of financial year 2017/2018, the Group made reclassification entries that consisted of neutralizing Futuroscope revenue related to transfer costing of certain expenses (energy, sales commissions, and back margin) and neutralizing the corresponding expenses. This reclassification, neutral with respect to EBITDA, was done in 4th quarter 2017/2018 retrospectively for the entire 2017/2018 financial year.

Accordingly, to facilitate comparison between quarterly sales for 2018/2019 and quarterly sales for 2017/2018, the latter have been restated by redistributing the impact of the reclassification over all 4 quarters of the 2017/2018 financial year. This restatement is neutral with respect to total sales for the 2017/2018 financial year.

(In thousands of euros)	**Q1 2017/2018**	**Q2 2017/2018**	**Q3 2017/2018**	**Q4 2017/2018**	**TOTAL 2017/2018**
Reported sales, Leisure Destinations	70 091	23 728	104 830	141 278	339 927
Leisure Destination sales Restated to reflect the change in accounting method pertaining to Futuroscope	69 319	23 979	104 329	142 300	339 927
Difference	*- 772*	*251*	*- 501*	*1 022*	*0*

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