Compagnie des Alpes

Press Release

2014/2015 ANNUAL RESULTS

A GOOD YEAR THAT CONFIRMS THE STRENGTH OF THE REPOSITIONING STRATEGY UNDERTAKEN IN 2013

Boulogne, December 15, 2015 – The Board of Directors of Compagnie des Alpes, in a meeting chaired by Dominique Marcel, approved the financial statements for the 2014/2015 financial year.

(in millions of €)	2014/15	2014/2015 Comparable	2013/2014 Comparable*	Change Comparable	2013/2014 Actual	Change Actual
Sales	**695.9**	689.9	657,0	+5,0%	693.0	+0.4%
Divisional EBITDA [1]	**193.5**	196.8	186,6	+5,4%	192.3	+0.6%
Div. EBITDA/Sales	***27.8%***	*28.5%*	*28,4%*	*+10bp*	*27.7%*	*+10bp*
Operating Income	**66.9**	N/A	N/A	N/A	60.7	+10.2%
Net Attributable Income, Group Share	**30.0**	N/A	N/A	N/A	25.4	+18.3%
Net Investments	**135.0**	134.2	119.1	+15.1	124.9	+10.0 M
Free Cash Flow from Operations [2]	**38.7**	N/A	N/A	N/A	45.0	-6.2 M

* *Comparable scope takes into account the impacts of the changes in scope by eliminating 2013/14 and 2014/15 financial information for companies sold in the course of 2014/15.*

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Commenting on the results for the financial year ended, Chairman and CEO Dominique Marcel stated: "*The repositioning of our Leisure Parks Destinations division around the concept of Very High Satisfaction has largely borne fruit as the increase in our sales and margins suggest. We will actively pursue this strategy in our historically owned parks but also in our Ski Areas, by intensifying our investments in the course of the years ahead to strengthen their appeal. At the international level, we are increasingly mobilized, particularly in China, where the upcoming Winter Olympic Games in 2022 offers a great development opportunity for us. We are actively seeking out partners as we prepare to enter these new markets"*

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Consolidated sales for the Group reached 695.9 M€ up by 5.0% on a comparable scope basis versus the previous financial year. The all three Group's divisions contributed to this performance.

Ski Areas sales came to 394.1 M€, up by +1.4%, despite a difficult start to the season, thanks to the Group's efforts and to dynamic sales in the second and third quarters.

On a comparable basis, Leisure Destinations sales amounted to 289.3 M€ and rose by 10.1% compared

[1] Cumulative EBITDA for Ski Areas, Leisure Parks, and International Development.

[2] Free Cash Flow before tax and debt servicing

with financial year 2013/2014, which posted an increase of more than 6% compared with the previous year. This very good performance for two years in a row validates the relevance of the strategic repositioning around the concept of “Very High Satisfaction”, which was adopted in 2013.

All parks contributed to this increase, with the exception of Grévin Paris, which was penalized by the terrorist attacks at the beginning of the year and by renovation work.

International Development sales amounted to 6.3 M€, an increase of 19.5% on a comparable scope basis. This improvement was driven by the openings of Grévin sites in Prague and in Seoul, while the consulting business remained unchanged since the prior financial year.

On a comparable basis, **Divisional EBITDA** was 196.8 M€, a 5.4% increase compared with the previous financial year. The Group EBITDA margin was thus 28.5% and improved by 10 bps.

EBITDA for the Ski Areas division rose by almost 2%, to 137.5 M€. The EBITDA margin was 34.9%, a slight increase compared with the prior financial year. That was attributable to good cost management, which made it possible to balance the efforts made at the beginning of the season to offset the effect of adverse weather conditions and access problems, as well as the automatically dilutive effect of new business activities (accommodations, marketing and digital) on the margin.

On a comparable basis, Leisure Destinations EBITDA was 63.7 M€, a strong increase of 17,8% compared with the same period the previous year. The EBITDA margin for this division was 22%, an increase of 700 bps in two years that illustrates the success of the effort to turn this business around.

The development of the Grévin concept internationally continues, but at a less rapid pace than anticipated. International Development divisional EBITDA was a loss of 4.5 M€.

Operating Income* increased by 10.2% to reach 66.9 M€ thanks in part to business growth and an improvement in operating margins for the Group’s main divisions and to a capital gain[3] on the sale of four leisure parks during the period. These sales are part of the Group’s effort to refocus its portfolio on the optimization of “Very High Satisfaction”, a concept that was first presented in December 2013.

Depreciation and amortization expenses were higher due to the sustained investment policy over the past two financial years.

The Group’s **net attributable income for the year*** came to 30.0 M€, an 18.3% increase compared with financial year 2013/2014.

The Group’s **Free Cash Flow from Operations[4]*** reached 38.8 M€, compared with 45 M€ the previous year, due to the increase in investment, which led to an investments to sales ratio of 18.4% for the Ski Areas division (versus 17.0% last year), 16.1% for the Leisure Destinations division (versus 15.5% last year), and 13.3 M€ for the International Development division (compared with 9.0 M€ last year), in light of the opening of Grévin Seoul in particular.

The Group’s **net debt*** amounted to 361.6 M€ and was substantially reduced over the period thanks to the proceeds of the sale of four parks, which came to 51 M€, which occurred during the financial year. Accordingly the **debt to EBITDA ratio** improved significantly, to 2.14 versus 2.42 on September 30, 2014. The banking covenant is widely met.

Dividend distribution: 0.40 € / share

The Board of Directors will ask the shareholders at their annual meeting on March 10, 2016 to approve the distribution of a dividend of 0.40€ per share, which is a payout ratio of 32.3%. This dividend level reflects the confidence of the Group in the pursuit of performance improvements, while remaining compatible with the high level of investment that is needed to consolidate the Group’s growth over the medium term.

[3] The capital gain on the sale amounts to 8.8 M€, less disposal costs and operating losses of 4.8M€

[4] Free Cash Flow from Operations: cash flow before interest income and taxes.

*Commentary with respect to these aggregates are based on actual scope

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STRATEGY AND OUTLOOK

Increasing the appeal of assets through an ambitious investment policy

The satisfactory performances recorded over the past two years attest to the relevance of the Group's strategy of refocusing on the "Very High Satisfaction" of its customers.

To support this dynamic in the Leisure Destinations division, investment levels will be increased in order to improve the customer experience capacity of the sites by building new attractions and to enable the capture of clients from further away by developing overnight accommodation capacity.

In particular, the Group has decided to increase the accommodation capacity of Parc Astérix from 100 rooms currently to 450 rooms in the next three years and to increase the variety of the visit to extend the average stay. Consequently, the level of investment in the Leisure Destinations division will increase by 10M€ compared to the year just ended. This project will also have a negative impact during the construction phase on the site's ROCE as well as on its profitability in 2018 due to the costs related to the launch. Medium term, it should generate sales growth for the site that exceeds the average for its sector by expanding substantially the customer catchment area.

The "Very High Satisfaction" optimization strategy will gradually be applied to the Ski Areas division, with the objective of recreating a growth dynamic in the next few years. This strategy requires strong mobilization in order to seize the opportunities offered by the development of skiing in new geographies (China, Russia) and by participation in growing accommodation capacities. It also requires a sustained investment policy that seeks to optimize the experience of customers on the ski slopes and in the ski resorts, either by improving the lifts or by multiplying activities that appeal to ski customers or the rollout of digital tools that increase the appeal of ski resorts and optimize the fluidity of the customer experience. Thus, investments will increase by some 10M€ during the next financial year.

The 2018 target for divisional EBITDA of 35% for the Ski Areas division remains. In light of the accommodations project for Parc Astérix, the divisional EBITDA target for Leisure Destinations of 27% has been pushed foreward by one year, and the Operating ROCE[5] target of above 8% for all Ski Areas and Leisure Destinations has also been pushed forward by a year, from 2018 to 2019.

International partnership: focus on high potential territories, especially China.

The Group acquired its first international experience in indoor leisure activities with Grévin, which currently operates three sites and has a fourth scheduled to open in 2016. The performance of the sites that have opened are not meeting the stated objectives, so the Group has decided to implement a turnaround plan, which in particular calls for a complete overhaul of the management process for this activity.

The consulting business has earned the Group international recognition – particularly when it comes to creating new ski resorts such as Sochi for the most recently completed Winter Olympics – and given it greater insight into new markets. The Group now intends to invest (new projects, acquisitions) in these new markets, mainly by pursuing partnerships.

The Winter Olympics in China, set for 2022, open a new range of opportunities for the Group.

In this context, the Group is actively seeking partners to support its international growth, particularly in the ski areas and leisure Destinations divisions, especially in China.

Cautious outlook against a backdrop marked by recent attacks

For financial year 2015/2016, the business dynamic is expected to remain positive, although the tourist sector has been weakened by the most recent developments.

[5] ROCE for sites = The sum of after-tax operating income for sites / capital employed ex-goodwill

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In the Ski Areas division, bookings as of December 1 are – for the time being – slightly down compared with last year but the calendar configuration for school vacation periods is slightly more favorable.

For the Leisure Destinations division, the season got off to a very satisfactory start thanks to its Halloween offering, whose success was once again confirmed. On the other hand, the attacks of November 13th had temporary negative impact on sites open to the public.
Accordingly, the current climate plus a negative base effect due to the growth posted in the course of the past two years have led the Group to give cautious guidance for the financial year underway, despite the fact that new and important attractions will be opening during the season at the Walibi sites and family-oriented ones at both Parc Astérix and Futuroscope.

In International Development, Chaplin's World by Grévin will open its doors in Switzerland in 2016.
In consulting, the Group will open an affiliate office in China during the first quarter of 2016, a country in which it has just signed two new contracts: one for assistance in operating the Thaiwoo station during its first year in business and the other for the design of a ski dome in Shanghai.

Upcoming events:

- 1Q 2015/2016 sales: Thursday, January 21, 2016, after stock market close
- 2Q 2015/2016 sales: Thursday, April 21, 2016, after stock market close

www.compagniedesalpes.com

Since it was founded in 1989, Compagnie des Alpes has established itself as an uncontested global leader in the leisure industry, where it currently ranks number 10 worldwide. At the helm of 11 of the world's most prestigious ski resorts (Tignes, Val d'Isère, Les Arcs, La Plagne, Les Menuires, Les 2Alpes, Méribel, Serre-Chevalier, etc.) and13 renowned leisure destinations (Parc Astérix, Grévin, Walibi, Futuroscope, etc.), the company is steadily expanding in Europe (France, the Netherlands, Belgium, Germany, etc.) and, more recently, at the international level (Grévin Montréal in April 2013, Grévin Prague in May 2014, Grévin Seoul in July 2015 and engineering and management assistance contracts (Russia, Morocco, Japan)). CDA also owns stakes in 4 ski areas, including Chamonix.
During the financial year ended September 30, 2015, CDA facilities welcomed more than 22 million visitors and generated consolidated sales of 696 M€.
With more than 5,000 employees, Compagnie des Alpes works with its partners to build projects that generate unique experiences, the opposite of a standardized concept. Exceptional leisure activities for everyone.

CDA LISTED NYSE EURONEXT

CDA is included in the following indices: CAC All-Shares, CAC All-Tradable, CAC Mid & Small et CAC Small.
ISIN: FR0000053324; Reuters: CDAF.PA; FTSE: 5755 Recreational services

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Additional Information

1 – Consolidated annual results (audited) – October 1, 2014 through September 30, 2015

(in millions of euros)	30/09/2015 Actual (1)	30/09/2014 Actual (2)	% Change (1) / (2)	30/09/2015 Comparable scope (3)	30/09/2014 Comparable scope (4)	% Change (3) / (4)
Sales	**695,9**	**693,0**	0,4%	**689,9**	**657,0**	5,0%
EBITDA	**168,8**	**168,8**	-	**172,5**	**163,6**	5,4%
EBITDA/SALES	*24,4%*	*24,3%*		*25,0%*	*24,9%*	
Operating Income	**66,9**	**60,7**	10,2%			
Debt servicing and miscellaneous	-18,1	-17,3	-4,2%			
Tax expense	-18,0	-16,7	-8,0%			
Share in affiliate income	4,1	3,5	19,5%		***N/A***	
Income from abandoned businesses	-0,0	-0,3	N/A			
Net income	**34,9**	**29,9**	**17,0%**			
Minority share	4,9	4,5	-9,6%			
Net Attributable Income	**30,0**	**25,4**	**18,3%**			

2 – Sales by division

(in millions of euros)	2014/2015	2014/2015 Comparable scope	2013/2014 Comparable scope	Change Comparable scope	2013/2014 Actual	Change Actual
Ski Areas	394,1	394,1	388,6	+1,4%	388,6	+1,4%
Leisure Parks	295,3	289,3	262,6	+10,1%	298,6	-1,1%
International Development	6,3	6,3	5,3	19,5%	5,3	19,5%
Holdings & Supports	0,2	0,2	0,5	NS	0,5	NS
Total Sales	**695,9**	**689,9**	**657,0**	**+5,0%**	**693,0**	**+0,4%**

3 – EBITDA by division

(in millions of euros)	2014/2015	2014/2015 Comparable scope	% of Sales	2013/2014 Comparable scope	% of Sales	Change Comparable scope	2013/2014 Actual
Ski Areas	137,5	137,5	34,9%	135,0	34,7%	1,9%	135,0
Leisure Parks	60,4	63,7	22,0%	54,1	20,6%	17,8%	59,8
International Development	-4,4	-4,4	N/A	-2,5	N/A	N/A	-2,5
Holdings & Supports	-24,7	-24,3	N/A	-23,0	N/A	N/A	-23,5
EBITDA	**168,8**	**172,5**	**25,0%**	**163,6**	**24,9%**	**5,4%**	**168,8**

Comparable scope takes into account the impacts of the changes in scope by eliminating 2013/14 and 2014/15 financial information for companies sold in the course of 2014/15.