A GROUP ON THE MOVE

2016 ANNUAL REPORT
INCLUDING THE REGISTRATION DOCUMENT

Compagnie des Alpes

WHEREVER EMOTION CREATES VALUE

BY **DOMINIQUE MARCEL** CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF COMPAGNIE DES ALPES

A strategy which is bearing fruit

For the third consecutive year, Compagnie des Alpes is posting very good results in its two business lines. Our Leisure destinations segment thus recorded an 18.5% rise in visitor numbers and their sales increased by 21.6% in three years. Our Ski Areas business is still showing resilience – Ski Area sales rose 3.9% – and this year saw an increase in the number of skiers in our resorts (skier-days up 1.2%) despite unfavourable snow conditions during the Christmas holidays. Compagnie des Alpes' performance is all the more remarkable since it is taking place in a lacklustre economic environment and a safety context marked by sad memories of the recent terrorist attacks.

Our good results are the fruit of the long-term strategy implemented in our two business lines. This strategy is based on service excellence and an investment policy focused on increasing the attractiveness of our sites to give customers a very high satisfaction level, to guarantee their return and ensure good word-of-mouth publicity. In our leisure parks, the new attractions have been a great hit with visitors and were rewarded with European and global prizes. In our ski areas, our investments and innovations – including for the expansion of our accommodation capacities – have improved the overall customer experience and have enabled us to offer the best standards in terms of safety, service and comfort. This year, our investments in our ski areas reached a record high. This strategy enables us to boost visitor numbers at our sites and increase customer satisfaction; the significant increase in our investments was accompanied by an upswing in our ROCE over the past three years.

These investments further strengthen Compagnie des Alpes' business model, which rests on the quality of its exceptional sites and the know-how and expertise of its teams. Their motivation and commitment are crucial for the Group's success. For this reason, we constantly strive to have a supportive organisational structure and favourable working conditions, as the Very High Satisfaction of our employees goes hand-in-hand with that of our customers. On that basis, our dual expertise as operators of ski areas and leisure Destinations – as well as the variety of our products which range from the great outdoors (ski resorts) to urban indoor activities (Grévin museum, etc.) – are undeniable comparative advantages, especially on the international scene, where I would like us to step up our development.

Today, Compagnie des Alpes' objective is to become a French leisure leader on the global scene, in a global market undergoing consolidation and progressing in Europe and worldwide, by relying on its three major strengths: its operational and service excellence, its innovation capability and its creativity, as well as its ability to coordinate the ecosystems in which it operates.

Mountain resorts: stimulating the entire value chain to generate volume growth.

Leisure parks: attracting customers from further afield by extending the length of visits and expanding accommodation.

Indoor leisure: developing new scalable concepts to be deployed across our traditional markets and internationally.

Transformation and expansion
of traditional markets

Relaxation, distraction, thrills, laughter, shared experiences, amazement, excitement – these are the emotions our customers enjoy at the sites designed and operated by the Group, with the help of our 4,700 employees. In total, our markets represent more than 13.7 million skier-days and 8.7 million visitors to our leisure parks and indoor leisure attractions, with many returning every year.

Mountain resorts

11 OF THE BIGGEST SKI AREAS IN FRANCE

Compagnie des Alpes has developed its recognised know-how in operating mountain resorts over 25 years. The Group's ski lift companies equip, maintain, and operate ski areas. Their main task is to design, 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 in which Compagnie des Alpes operates are all located in France. They are managed according to a business model based on very long-term public concession agreements.
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).

Leading shareholder

3 minority interests

Leisure parks

9 LEISURE PARKS IN EUROPE

Compagnie des Alpes develops and operates leisure parks that offer visitors unique experiences and emotions, moments shared between friends and family, and cultural and educational activities in a safe environment. Each site is organised around particular themes and original concepts with a strong connection to the culture of the region in which it is located. The Compagnie des Alpes' know-how combines standard management methods and respects brand diversity. Compagnie des Alpes manages its sites on the basis of a dynamic and selective investment strategy that engenders a rich stream of creative content and innovation (attractions, shows, events, etc.).

And 1 minority interest (management contract)

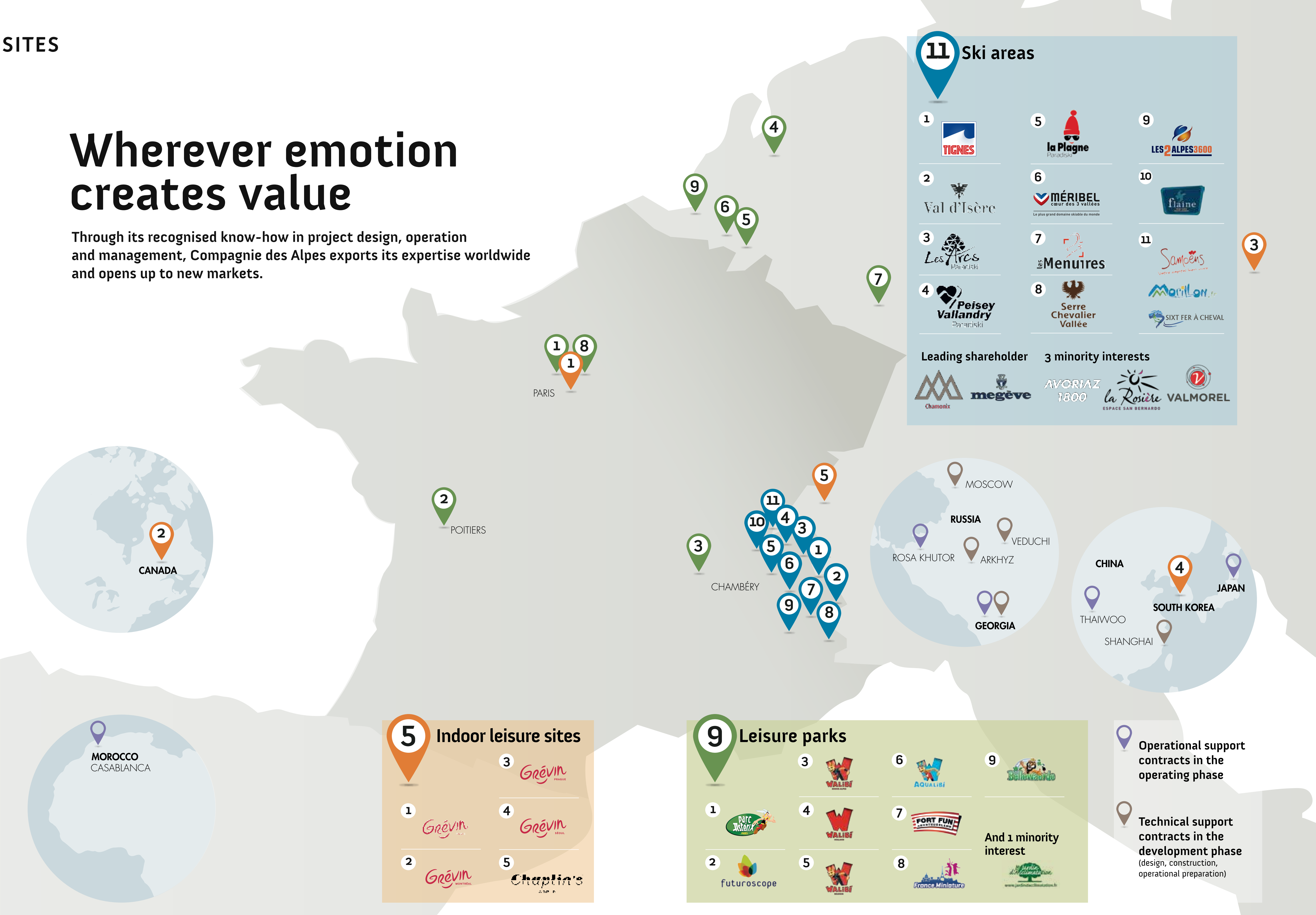
Indoor leisure sites

5 INDOOR LEISURE SITES WORLDWIDE

Hinging on the development of fun cultural concepts, Compagnie des Alpes' leisure portfolio includes an indoor segment, offering visitors entertainment irrespective of the weather. These indoor leisure concepts must be scalable and stand out from those of competitors. They can be developed in city centres or near shopping centres. Compagnie des Alpes responds to changing lifestyles by tailoring its attractions to the local populations.

Wherever emotion creates value

Through its recognised know-how in project design, operation and management, Compagnie des Alpes exports its expertise worldwide and opens up to new markets.



A solid business model and asserted leadership

Compagnie des Alpes posted very good results for its 2015-2016 financial year. With an increase in sales in its two business lines (+3.9% for ski areas and +4.2% for leisure destinations), the Company confirmed the solidity of its business model and the effectiveness of its strategy.

The success of our strategy, based on our customers' Very High Satisfaction (VHS), and the appeal-enhancing investments made in 2016, have boosted our business, our profitability and our returns. The results forecast for 2019 are about to be met at the end of this financial year, one to two years ahead of schedule, i.e.: an increase in EBITDA of more than 35% for the Ski Areas Division (35.8% in 2016), 27% for the Leisure Parks Division (excluding Futuroscope) (26.3% in 2016), and Operating ROCE above 8% (7.94% in 2016). The good management of our teams, who have held steady in a context of increased visitor numbers and additional costs generated by enhanced safety measures following the recent terrorist attacks, has made it possible to generate a positive free cash flow in a year of sustained investments.

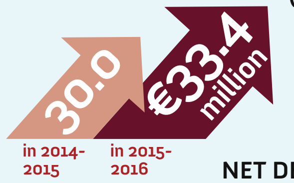
This year, our investment budgets thus increased by €10 million for our ski areas (to over €84 million) and by €10 million for our leisure destinations (to over €59 million). Our net capital expenditure totalled nearly €154 million in 2015-2016. These investments, focused on improving our attractiveness and increasing our accommodation capacities, are aimed at bolstering future growth and increasing customer satisfaction to ensure their return to our sites. They will continue in the upcoming years.

DENIS HERMESSE
Group Finance Director, head of finance, IT, risk and procurement.

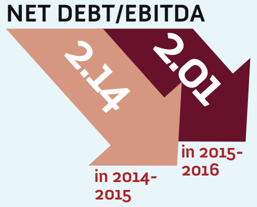
GROUP SALES
€720.2 MILLION

EBITDA BY BUSINESS SEGMENT
€206.3 MILLION
i.e. 28.6% of sales

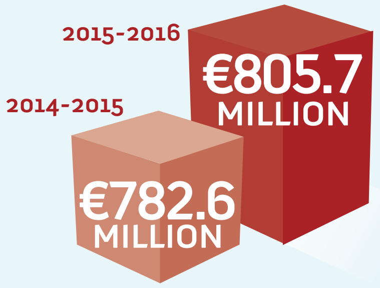
NET INCOME (GROUP SHARE)



NET DEBT/EBITDA



SHAREHOLDERS' EQUITY



4,668
EMPLOYEES (FTE*)

BREAKDOWN BY ACTIVITY

Ski areas	Leisure destinations	Other services
43%	52%	5%

GENDER EQUALITY

38% women in the Executive Committee

43% women in Management

5647 employees attended at least one training session in FY 2015-2016

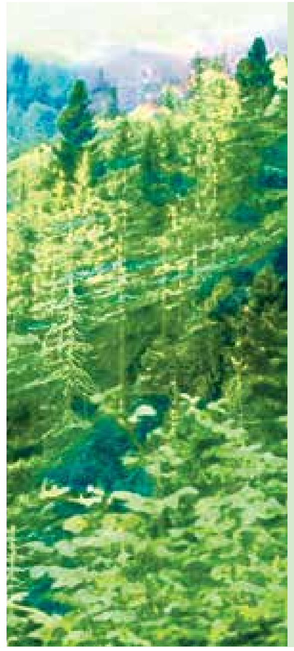
59% Percentage of non-permanent Company employees

* Full-time equivalents.

NEARLY **22.5** MILLION
VISITS TO OUR SITES

13.7 million skier-days

8.7 million visitors to our leisure parks



3
Green Globe certified ski areas

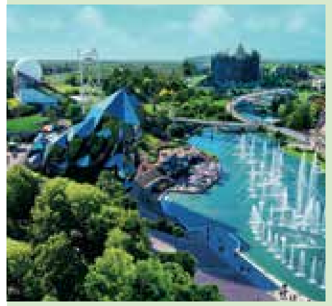
75%
of the leisure parks' surface area is left natural (forest, marshland, etc.)

9
natural observatories, making it possible to monitor the impacts of operating and development activities on the environment and biodiversity

32
protected areas within the sites where the Group operates

GROUP'S NET CAPITAL EXPENDITURE (CAPEX)
€153.6 MILLION (+13.7%)

€84.1 MILLION
for ski area enhancement (new ski lifts, ski runs and grooming) and snow-making equipment



€59.0 MILLION
for leisure destination equipment and enhancement (new attractions, Parc Astérix hotel project, Very High Satisfaction strategy to get customers to come back)

€7.4 MILLION
for International development, in particular with the opening of Chaplin's World

THE NEW ATTRACTIONS LAUNCHED IN 2015-2016 ALL RANK AMONG THE TOP 5 OF THEIR RESPECTIVE PARKS

Initiatives and investments
that create value for everyone

Our award-winning resorts

The resorts of **Val-d'Isère** and **Méribel** achieved great success in 2016 at the **World Snow Awards.** Val-d'Isère was voted **European Resort of the year, Ski Resort of the year** et **Après-ski Resort of the year.**
Méribel was voted **Family Resort of the year.**

Moreover, **La Plagne, Les Arcs** and **Serre Chevalier Vallée Briançon** were awarded Trip Advisor's Certificate of Excellence.

Environment

Set up by the Grand Massif ski area, the **Origine Grand Massif association,** driven by its love of the area and wish to defend the region's values, gives local producers the possibility of obtaining the Origine Grand Massif (OGM) quality label to support the local economy by highlighting regional know-how.

In October 2016, the **Tignes** ski area became the world's first to receive the **Green Globe certification,** thanks to its ski lift company STGM. This certification was also awarded to Val-d'Isère Téléphériques at the end of 2016, making **Val-d'Isère-Tignes** the first certified connected ski area. Since the autumn 2016, **the Grand Massif** has become the world's first ski area to have obtained the Green Globe certification for all of its ski lifts, ski runs and related services.

Grévin signs the Chaplin's World museum

For Chaplin – the mythic figure – the only thing that was missing was a dedicated museum. This museum is now a reality in the heart of Switzerland's Vaud Riviera. In the family manor, visitors can discover the personal life of Chaplin as well as his film career.

At the Milestone Excellence in Tourism awards, Chaplin's World ranked 3rd in the Innovation category.


Solaise, at Val-d'Isère

New concession

www.jardindacclimatation.fr

At the end of September 2016, the "Jardin d'acclimatation" concession was awarded to the LVMH/Compagnie des Alpes consortium. The concession was granted for a term of 25 years, based on a project which respects the identity of France's oldest leisure park, while striving to offer international tourists and visitors from the Paris region an exceptional customer experience.

Focus on investments

Smooth run for the Jandri slope at the resort of Les 2 Alpes.
Leaving from the glacier, this new blue slope is the biggest project ever undertaken in a ski area. With a difference in elevation of 2,000 metres and snow canons, it meets the requirements of families and beginners who can now get to the resort on their skis.

New equipment for Les Menuires.
A new detachable 4-seater chairlift takes passengers from the village of Bettex to the centre of the La Croisette resort.
For an investment of €3 million, it can handle 2,400 people per hour along a 5-minute journey.

Solaise redesigned.
The redesign of Solaise is a major stage in the life of Val-d'Isère. The emblematic Nid de Solaise offers a new customer experience, a lounge/relaxation area with all amenities and a stunning view through the panoramic picture windows – as well as a new area for beginners and their families. To serve this modernised area, a state-of-the-art gondola lift will replace the Solaise Express chairlift (1991) and the Solaise cable car (1942). This 10-seat gondola lift is set to be the ski area's major structure.


Pulsar, Powersplash at Walibi Belgium.

The parks and their new attractions are a great hit with customers and have been widely acclaimed by the industry.

Walibi Belgium
World first **with Pulsar.** This "Powersplash" is the first rail-on-water attraction which takes riders between two points culminating at heights of 45 metres, at speeds of up to 100 kilometres per hour.
The attraction was inaugurated in June 2016 and was awarded the "Best Attraction" prize at the IAAPA[1] Awards ceremony.

Walibi Rhône-Alpes
The trapper spirit has taken over the Walibi Rhône-Alpes leisure park with **Adventure Explorer,** a totally re-themed area – new food court, attractions for young children, musical atmosphere, etc. – featuring Timber, a wooden roller coaster 446 metres long and up to 17 metres high.
Timber was awarded the 2nd prize for family attractions of its category at the Brass Ring Awards.

Parc Astérix
With Discobélix, visitors sit astride around a 9-metre diameter discus swirling along a 92-metre-long track at speeds of up to 50 kilometres per hour. This attraction almost has an air of v2.0 Olympics!
Discobélix won the first prize in the "Best New Attraction of the Year" category at the European Star Awards 2016.

(1) International Association of Amusement Parks & Attractions.

Futuroscope
When Futuroscope meets the Cirque du Soleil, a new show is born under the name of **La Forge aux étoiles**, telling the story of a giant fallen from a galaxy. A family night show in the form of an aquatic fairytale fantasy with a variety of poetic scenes.
La Forge aux étoiles won the "European Top New Attraction" prize at the Parksmania Awards 2016.

Walibi Holland
Visitors take off on one of Europe's most astonishing roller coasters, appropriately named **Lost Gravity**. Like Pulsar, this coaster is a world first, giving riders big thrills all along the gravity-defying 680-metre track featuring tight corners, maximum airtime and two breathtaking inversions.
Lost Gravity a reçu le prix de la « Meilleure nouvelle attraction » de sa catégorie par les European Star Awards 2016.

France Miniature
Are you up to the **Fort Boyard** challenge? Since 20 July 2016, France Miniature has been offering a new experience in partnership with Adventure Line Production. Père Fouras welcomes visitors, sets them challenges and invites them to solve riddles in Fort Boyard's council room.

Grévin Prague
The museum was awarded Trip Advisor's Certificate of Excellence.

New apps a success!

Futuroscope and Parc Astérix develop their own apps.
Along with geo-tracking and estimating waiting times for the attractions, visitors can also play with the park. The Futuroscope application was awarded the **"Grand Prix Stratégies Marketing Mobile"**. The Parc Astérix app received the **"Trophée en Or"** e-commerce award.

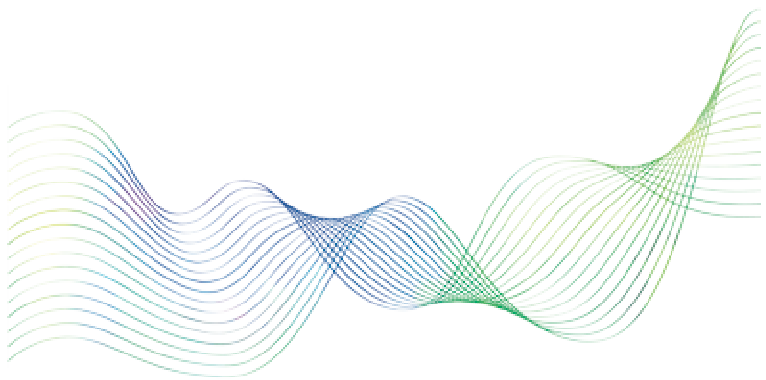
YUGE Paradiski was awarded the "Prix Stratégies Marketing Mobile".
Offering geo-tracking, information on waiting times and performance monitoring, the app has been downloaded a record number of times.

The ultra-connected Serre Chevalier resort.
In addition to revamping its site, Serre Chevalier has adopted a new community platform – #WeAreSerreCheAddict. The resort's ambassadors invite you to discover the immensity of the ski area through their eyes, their experiences, their stories and, most importantly, their passion for Serre Chevalier. Take part in the outings organised by #SerreCheAddict and enjoy an outstanding shared experience!

Developments in China

To step up its development in China, Compagnie des Alpes set up a subsidiary in that country last August. Its purpose is to identify new opportunities concerning ski resorts and leisure parks. An operational support contract was signed for the Thaiwoo ski resort's first year of operation and was followed by another contract for the second year of operation covering a wider scope. Other projects are currently under discussion or have already been signed in preparation for the 2022 Winter Olympics set to take place in China.

Tourism and leisure
Market trends



Tourism is one of the world's most dynamic industries, in which France has long held a leading position. With five experts, we examine this constantly changing industry, impacted by digital technology and increasingly fierce competition.

The tourism industry has remained resilient to economic and geopolitical crises. According to the World Tourism Organization (UNWTO), the number of international tourist arrivals (visitors spending the night) grew by 4% in 2015 to 1.2 billion. It's the seventh consecutive year of sharp growth since the end of the 2009 financial crisis. In its report entitled "Tourism Towards 2030", the UNWTO shows optimism, estimating that the number of arrivals could reach 1.8 billion by the end of the next decade. In 2015, international tourism revenues grew by 4.4% to USD1,260 billion. According to the UNWTO, these revenues continued to increase at the same pace in 2016, having more than doubled since 2000. The weight of tourism in the international economy is increasingly significant, now accounting for 9% of global GDP. Tourism is even the third largest export industry, behind the oil and chemical industries, but ahead of the automotive and food industries.

'While France is the world's No.1 tourist destination with 85 million visitors, it only ranks 4th for tourism sales. It could, for instance, improve its hospitality rating by opening shops on Sundays, lowering taxes and broadening WiFi access.'

JEAN PIERRE NADIR is one of the digital technology pioneers in the French tourism industry. His website Easyvoyages.com is one of the main information mediation portals, combining a price comparator and advice with a journalistic touch.

The leisure market is also doing very well. In its last annual report, the international Association of Amusement Parks and Attractions (IAAPA) revealed that the number of visitors to the world's 25 biggest parks totalled 235 million people in 2015, i.e. a rise of 5.4%. Disney tops the list with three parks on the podium and a fourth – Disneyland Paris – which is the most visited park in Europe. While growing a little less rapidly than the global average, attendance in the parks of the old continent has risen by 2.8% in 2015 to 61.2 million visitors. Five French parks are among Europe's top 20: Disneyland Paris, Walt Disney Studio, Parc Astérix, Futuroscope and Puy du Fou.

For winter sports, competition is fiercer than ever among the three most popular skier destinations. According to the observatory of French ski areas (DSF), the United States has, after four years, managed to climb back into first position (53.9 million skier-days in the winter of 2015-2016), outstripping France (52 million skier-days, down 3%), while Austria remained in third place (49.9 million). According to DSF, this *'under-performance was attributable to 'a very difficult start due to the lack of snow at low and medium altitudes, followed by unstable weather'*. However, La Plagne remained the world's most visited resort with over 2.5 million skier-days, according to the "International Report on Snow & Mountain Tourism". This report also revealed that thirteen out of the world's forty most visited resorts were French (including eight Compagnie des Alpes resorts).

In this favourable context, France remains the world's top tourist destination, with 85 million visitors in 2015, according to the UNWTO. However, these results must be put into perspective. *'This is an illusory figure'*, warns Jean-Pierre Nadir, founder of Easyvoyages.com. *'It tends to stagnate, a bad sign in a growing market. And France only ranks 4th in terms of total sales'*. With tourism revenues totalling $58 billion, France lags behind the United States ($191 billion), China ($105 billion) and Spain ($65 billion). The UK ($46 billion) and Thailand ($38 billion) could even become serious challengers. *'France has to improve its hospitality rating'*, asserts Jean-Pierre Nadir. *'This means opening shops on Sundays, lowering restaurant taxes in order to improve service, and installing free WiFi in hotels, rented accommodation and major sites, as has been done on the Champs Elysées.'*

The wave of terrorist attacks in Paris, followed by the tragedy in Nice and the ensuing unease have made things more complex in France and undermined its global leadership. Indeed, besides the hospitality rating and the quality of the infrastructure, the feeling of safety is primordial in our industries. The Arab spring and its consequences have dramatically altered the map of favourite destinations for French nationals and Europeans in general. While geopolitical tensions impose radical

adjustments, the digital revolution is bringing about in-depth changes in tourism. The industry has adapted to these changes in a remarkable way. When travel agencies started to disappear with the emergence of the Internet, the industry managed to bounce back. It was driven to do so by travel consumers, who overwhelmingly endorsed the 'experience economy'.
Within the millennial generation (those between the ages of 18 and 34) 60% of individuals thus prefer to live memorable experiences rather than purchase material goods, according to the figures of the travel marketing firm MMGY Global. Moreover, a survey conducted on behalf of American Express revealed that 82% of the persons surveyed were 'more interested in making memories than making money'. According to this survey, this yearning is so strong that all millennials are favourable to the use of personal data by tour operators in exchange for an offer of 'personalised experiences'. Furthermore, social media play an increasingly decisive role in stimulating travel ideas. More than half of Facebook users say they plan their holidays based on the photos posted by their friends! According to a survey conducted by the Tnooz site, practically all travellers read an average of seven online comments before booking anything.

This upheaval has resulted in the emergence of a handful of international Online Tour Operators (OTAs) which, in the space of ten years, have established themselves as the new leading players in the tourism industry. Some have secured the lion's share on their respective markets: Booking.com (hotel reservations), Expedia (travel agency and price comparator), Airbnb (booking of accommodation between individuals) and Tripadvisor (travel comments by consumers). *'With 80% of information searches and over 50% of reservations done through the web, OTAs have become indispensable'*, states Jean-Pierre Nadir from Easyvoyages.com. *'The emergence of a new offering via collaborative platforms such as Airbnb has multiplied competition. The Airbnb business model can be argued over, but it suits the needs of increasingly independent travellers.'*

In the face of this revolution, the hotel industry must find alternatives. Examples abound, especially in the mountain tourism sector. The most prominent projects include the renovation of La Plagne-Aime 2000 entrusted to architect Jean-Michel Wilmotte and the Pierre et Vacances-Center Parcs Group, which is bringing in a new era, that of '5th generation' resorts: originality, modernity, ongoing dialogue with nature, creation of a site promoting interchange, etc. *'Our business still has a promising future'*, reassures Nicolas Sibuet, co-director of Sibuet Label, renowned for its mountain establishments combining luxury and simplicity, *'but, as far as we're concerned, we feel we need to offer customers hotels with true charm. Each of our hotels has a distinctive personality: cosy, trendy, 60s style, etc. Families, as well as those on short breaks, each find their preferences. We recreate, in a mountain environment, experiences that bring people together.'* As an example, the Terminal Neige-Totem establishment, recently opened by the Sibuet Group in Flaine, offers an atmosphere which is both arty and casual.

'Airbnb caused a major upheaval. It hit city hotels very hard. But, in our line of business, we have no choice. We either adapt or we die! Competition can be healthy and stimulating. The hotel business is different to Appart'hôtel or Airbnb. We need to stand out if we want to exist. We need to offer something special. As far as we're concerned, we need to offer customers hotels with true charm.'

NICOLAS SIBUET, Co-Managing Director of Maisons et Hôtels Sibuet, the family hotel group founded in Megève by his parents Jean-Louis and Jocelyne. The company now has twelve establishments and employs 600 people in high season.

'Travel consumers want smooth journeys. They want to have the conviction that they have made the right choice at all times. The digital panels we develop for a resort like Val-d'Isère enable holiday-makers to get information and book in a few clicks, a bit like through a concierge service. And soon, via augmented reality applications, users will be able to access digital tours or historical information while they visit tourist sites.'

ISABELLE SCHLUMBERGER
After her studies at Sciences Po and Dauphine in Paris, she joined Havas, then became General Manager of JCDecaux Airport, before being appointed General Manager Commerce, Marketing and Development at JCDecaux. She develops digital panels on tourist sites.

Digital technology also accompanies tourists in their travels. *'Travel consumers want smooth journeys. They want to reduce their stress levels and have the conviction that they have made the right choice at all times'*, emphasises Isabelle Schlumberger, General Manager Commerce, Marketing and Development at JCDecaux.

The world leader in external communication thus targets audiences in an increasingly precise way. In airport boarding areas, advertisements are posted according to passenger destinations, and advertising campaigns are broadcast in different languages. In cities, JCDecaux installs interactive touch-screen panels offering specific content. After having installed this type of equipment in big cities such as Paris, Marseilles and Strasbourg, the company is testing them in mountain resort environments. *'In Val-d'Isère, we are installing digital panels providing holiday-makers with information and easy booking'*, explains Isabelle Schlumberger. *'These interactive panels offer accommodation, guides for shops and restaurants, detailed information on the ski area, weather forecasts, etc.'* These digital service panels should soon be installed in other resorts.

'The increasing hold of digital technology on tourism industry practices must not work against essential needs – physical activity and the need to get back to basics in a healthy, protected environment', stresses Éric Loizeau, sailor and mountaineer, who organises the Mer Montagne competition every year, an event bringing together sailors and mountaineers who share the same values of freedom, respect for nature and shared experience. *'I think that holiday-makers, most of whom are city-dwellers, increasingly need to get out and exercise'*, adds the adventurer. *'Just look at the popularity of cross-country skiing and snowshoeing. People want to take advantage of winter sports to get closer to nature. This is a widespread trend.'*

Are tomorrow's leisure activities those that will provide a good balance between real and virtual worlds, and between artificiality and authenticity?
'Tourists are also seeking shared emotions. This is why we offer magic and fantasy. In other words, unforgettable experiences', points out Yasmine Khalil, Director of 45 DEGREES, the Events branch of Cirque du Soleil. This is corroborated by the success of La Forge aux étoiles, a show based on special effects, pyrotechnics and water features at Futuroscope. *'We are inventing the sound and light show of the 21st century'*, *summarises Yasmine Khalil. 'We are proving that, even at a time when the leisure offering is overabundant, we can still create a "wow" effect! Visitors are not at the end of their surprises. This is rather reassuring, don't you think?'*

'We want to invent shows that astonish and enchant people. The latest technologies enable us to push production and staging even further. We are inventing the sound and light show of the 21st century. Even though the leisure offering is overabundant, we can still create a "wow" effect. At Futuroscope, for example, we have custom-designed a nocturnal show in the form of an aquatic fairytale fantasy. The challenge consisted in producing a show without acrobats, but which was ultra-modern, with lasers, pyrotechnics and water screens, while creating emotion.'

YASMINE KHALIL, founder and President of 45 DEGREES, the Event subsidiary of Cirque du Soleil. In the tourism industry, she worked at venues including the Principality of Andorra, the Universal Exhibitions of Saragossa and Milan, and the Futuroscope.

'With global warming, skiing holidays have been pushed back a little later in the year. Resorts will have to adapt to this new situation by offering nature-related leisure activities. I believe in the regenerating and beneficial effect of the sporting spirit. In the digital era, the virtues of physical effort are recognised by a growing number of winter sport enthusiasts. Physical activity in a healthy and protected environment is an essential need for tourists.'

ÉRIC LOIZEAU, sailor and mountaineer. This skipper, who earned fame in the 1980s, has since become an accomplished mountaineer. He organises seminars on 'mental strength' and 'the will to surpass oneself'. He promotes environment-friendly tourism.

Our customers' Very High Satisfaction, the cornerstone of our growth

For the 2015-2016 financial year, Compagnie des Alpes posted growth in both of its business segments, with park attendance on the rise, increase in customer satisfaction, and growth in the number of skier-days. Dominique Marcel, Chairman and Chief Executive Officer, and Agnès Pannier-Runacher, Deputy Managing Director, look back on a highly successful year.

2016 was a particularly difficult year for the tourism industry. Yet, for the 3rd consecutive year, Compagnie des Alpes has posted good results. How do you explain this success?
Dominique Marcel: These results are the fruit of a strategy launched several years ago, focused on our customers' Very High Satisfaction (VHS). On each of its sites, Compagnie des Alpes' operational and service excellence hinge on its customers' Very High Satisfaction. We have greatly improved our relations with our customers, whose decisions to visit our sites are less based on the economic and climatic environment than in the past. We ensure that our customers will want to come back every year with renewed pleasure and interest. Our performance in our leisure destinations undeniably confirms the effectiveness of this strategy: visitor numbers up 18% (excluding Grévin Paris), 21.6% rise in sales, 85% rise in operating margin and 25% increase in in-park sales over three years!

'COMPAGNIE DES ALPES' OPERATIONAL AND SERVICE EXCELLENCE HINGE ON ITS CUSTOMERS' VERY HIGH SATISFACTION. WE HAVE GREATLY IMPROVED OUR RELATIONS WITH OUR CUSTOMERS.'
DOMINIQUE MARCEL

In a rapidly changing market, and in the face of increasingly demanding customers, how did Compagnie des Alpes increase the appeal of its leisure destinations?
DM: The credibility of our leisure park business has been fully confirmed, firstly because of the successful rationalisation of our site portfolio since 2011, enabling us to concentrate on the parks most likely to use customer VHS to best advantage. And because there is a direct link between the satisfaction of our customers and that of our employees (what we call employee VHS), we have focused enormous efforts on employee training and well-being in the workplace, the quality of our onboarding procedures, etc. We also significantly ramped up our investment policy for our parks, in particular with the opening of new attractions that have been acclaimed worldwide by the industry and by visitors: these include Pulsar at Walibi Belgium, Lost Gravity at Walibi Holland, and Timber at Walibi Rhône-Alpes. The expansion of our parks' accommodation capacities is another major focus of our strategy and a prerequisite to lengthen visits, expand our catchment areas and increase in-park spending. This is why we have totally repositioned Walibi Village in Holland and renovated the Futuroscope hotel. In addition, we are planning to increase the capacity of the Parc Astérix hotel from the current 100 rooms to 450 rooms by 2019.

Agnès Pannier-Runacher: For highly satisfied customers – those who rate us between 9 and 10 on a scale of 10 – the intention to come back within the next twelve months is twice as high as that of customers who rate us 8/10. Moreover, these customers become our best ambassadors in a market where word-of-mouth is now the first factor in the choice of a destination. Visitor VHS is thus a major lever for our business.
Providing very high satisfaction firstly implies eliminating all basic grounds for dissatisfaction: cleanliness, waiting times, etc. It is useless to look elsewhere if those matters have not been addressed. Our customers' satisfaction also depends on the atmosphere at our sites and on how we welcome our visitors. Beyond service efficiency, our customers value the authenticity of our operators and the passion that drives them. Employee VHS is thus a key component of our strategy. The experience offered must also evolve on a regular basis: we need to expand accommodation capacities to welcome more customers and boost the allure of our sites by developing unique attractions and shows, as well as transient events. Investment is thus at the heart of a virtuous circle of growth and improvement of our profitability.

'VISITOR VHS IS A MAJOR LEVER FOR OUR BUSINESS. PROVIDING VERY HIGH SATISFACTION FIRSTLY IMPLIES ELIMINATING ALL BASIC GROUNDS FOR DISSATISFACTION.'
AGNÈS PANNIER-RUNACHER

How do you account for the good performance of the ski business this year – with growth of 1.2% in the number of skier-days in the Group's ski areas – despite a slow start to the season?
DM: This year, we saw an upswing in volume growth thanks to a number of inter-related factors. Firstly, it's the quality of our sites, considered as the most beautiful ski areas in the world, located at high altitudes and extremely well equipped, coupled with the know-how and expertise of our teams. Second comes the quality of our equipment and our investments, and the whole strategy we have been implementing with regard to accommodation and distribution. For the first time this year, we reversed the downward trend in commercial beds and recorded a slight increase in 'warm beds' (accommodation occupied at least twelve weeks per year). This was the result of the initiatives we undertook concerning accommodation – over 2,000 beds renovated via Foncière Rénovation Montagne, 2,000 new beds jointly created, and 10,000 beds managed via our real estate agencies – and distribution, via our tour operator Alpes Ski Résa which handles the rental of nearly 20,000 beds.
Our capacity to boost the ecosystem through joint projects which benefit the entire ski area is also a major factor. Today, we can no longer content ourselves with being the operator of remarkable sites. All mountain professionals must join forces to improve the overall appeal of the resorts in order to attract an increasingly demanding clientele, in a highly competitive environment. We must facilitate, support and initiate projects which contribute to the improvement of the overall experience in the resorts.

APR: Our ski areas offer the best international standards in terms of safety, comfort, operational excellence and service excellence, and we are making every effort to keep them at that quality level. We are also diversifying our offering as our customers want more than just skiing. We need to offer new types of snow activities (fun snow parks), develop multi-activity facilities open after the closing of the slopes, such as Mille 8 at Les Arcs combining lit slopes and walking areas, a themed sled run, entertainment, an aquatic centre, etc. Moreover, thanks to our operational excellence, we are able to open a maximum number of ski slopes at times of low snowfall. Things like the route of the slopes, the management of snow-making equipment and the quality of the grooming are also factors to be taken into account. In a general way, our specialised technical know-how makes the difference and gives us a huge competitive advantage. We fully realise this every time we undertake operations abroad.

With emblematic achievements such as Chaplin's World by Grévin and operational support contracts such as Thaiwoo in China, Compagnie des Alpes has gained a worldwide reputation. What is its international ambition?
APR: Our international reputation and credibility are growing constantly. While we were practically unknown as a Group three years ago, we are now a key ski industry player in Russia and China and we are called upon for park projects in Europe, the Maghreb and Russia. Our references are now numerous: Sotchi Winter Olympics, master-planning of the most promising Northern Caucasus resorts, Thaiwoo in China, the Sindibad park in Morocco, master-planning of parks in Portugal and Russia, Spirouland in Belgium, and others. We are even working on an indoor leisure park focused on snow sports in Shanghai on behalf of Asian investors. This fully resumes the extent of our know-how.

DM: The Group is seeking to become a global player in outdoor and indoor leisure, by relying on the excellence of its historical sites and centres in order to deploy its know-how internationally. Consulting and operational support contracts represent a first phase in our international development, enabling us to sell our unique French know-how, our experience, and our technical skills while improving our knowledge of these markets and of the needs and expectations of this new clientele. Our objective is to stand out as a key player on the strength of our references in order to be in a position to take on the operation of new sites in emerging regions.

Is the Asian market, primarily China, particularly promising for Compagnie des Alpes?
DM: The Group is not solely focusing its efforts on Asia. We are interested in making acquisitions and participating in operations in Europe, where there are development and consolidation opportunities – especially in the ski industry, where we are the world leader. However, Compagnie des Alpes cannot overlook China, which is an immense, high-potential market, where the government has expressed the wish to see 300 million skiers on the slopes by the 2022 Beijing Winter Olympics. Moreover, to step up our international development, especially in Asia and China, and to be able to cope with the challenges posed by competition, digital technology and the in-depth transformation of the leisure industry, I have become favourable – in total agreement with our reference shareholder, Caisse des Dépôts – to increasing the Group's share capital. To ramp up our entrepreneurial dynamism, we need partners who can help us conquer international markets and save us time by providing us with their industrial power, their networks and their know-how in numerous fields (tour operating, digital, hotel industry, etc.).

'OUR SKI AREAS OFFER THE BEST INTERNATIONAL STANDARDS IN TERMS OF SAFETY, COMFORT, OPERATIONAL EXCELLENCE AND SERVICE EXCELLENCE, AND WE ARE MAKING EVERY EFFORT TO KEEP THEM AT THAT QUALITY LEVEL.'
AGNÈS PANNIER-RUNACHER

'ALL MOUNTAIN PROFESSIONALS MUST JOIN FORCES TO IMPROVE THE OVERALL APPEAL OF THE RESORTS IN ORDER TO ATTRACT AN INCREASINGLY DEMANDING CLIENTELE, IN A HIGHLY COMPETITIVE ENVIRONMENT. WE MUST FACILITATE, SUPPORT AND INITIATE PROJECTS WHICH CONTRIBUTE TO THE IMPROVEMENT OF THE OVERALL EXPERIENCE IN THE RESORTS.'
DOMINIQUE MARCEL

Passion for our business
and energy at its highest peak

From left to right:
David PONSON
Director, Ski Areas Operations
Sandra PICARD
Group Communications Director
François FASSIER
Director of Leisure Park Operations
Agnès PANNIER-RUNACHER
Deputy Managing Director
Dominique MARCEL
Chairman-Chief Executive Officer
LAURENT CHELLE
Director, Development and Attractiveness of Mountain Resorts
Denis HERMESSE
Group Finance Director, head of finance, IT, risk and procurement
Delphine PONS
Director of Group Development

GRÉVIN WORKSHOPS

FRANÇOIS FASSIER,
Director of Leisure Park Operations.

MASCHA VAN TILL,
General Manager, Walibi Holland.

Leisure destinations

Success of an organisation focused on our customers' Very High Satisfaction

The Leisure Destinations division achieved good performance in 2016, with sales up 4.2%, for an overall increase of 21.6% over the past three years. Remarkable growth, despite an anxiety-provoking context and unfavourable weather conditions. This success is the fruit of a strategy implemented for the past 3 years, focused on our customer's Very High Satisfaction (VHS). It entails the mobilisation of all Group employees and a sustained investment policy aimed at improving visitor comfort, as well as the attractiveness of the sites and their accommodation capacities. Spotlight on the new measures implemented.

The Netherlands has a large number of leisure industry players across a relatively small territory. In this hyper-competitive environment, Walibi Holland has repositioned itself and has chosen to highlight its distinctiveness, adapting all of its offering – its attractions, shops, catering, communication, etc. – to a single customer segment: adolescents and young adults. As a result, the park broke attendance records in 2016, also increasing its sales, EBITDA and customer satisfaction rate.

A PROGRAMME OF MAJOR NEW ATTRACTIONS

'We welcomed 40,000 more visitors this year, while increasing customer satisfaction. It's been a real success!', enthuses Mascha van Till, General Manager of Walibi Holland. A very good year, also attributable to the launch of the park's major new attraction: Lost Gravity, a world-unique rollercoaster, which met with immediate success.
'In its very first season, it managed to overtake Goliath, our star attraction for numerous years. Visitors rated it 9.2/10!' , explains Marc Antonioli, Marketing Manager at Walibi Holland. It should be said that Lost Gravity was specially designed to please adolescents, from its high-thrill track (tight corners, inversions, etc.) to its theme, music, communication and use of social media – such as Snapchat and YouTube – which are mainstays with adolescents. Everything has been done to impact, astonish and enchant the park's target audience.
In fact, Lost Gravity won the prize awarded by Kirmes & Park Revue for the "Best New Attraction" in its category at the European Star Awards 2016. Other Group parks have added new attractions to their programmes, such as Pulsar[1] at Walibi Belgium and Timber[1] at Walibi Rhône-Alpes. *'Those attractions have already won prizes also,'* adds François Fassier, Director of Leisure Park Operations, *'which confirms our capacity to rapidly develop innovative products, which are recognised as such by the industry.'*

RAMP-UP OF NEW EVENTS OFFERING

To attract adolescents, Walibi Holland has developed an ad hoc offering of events. During the summer holidays, five Wednesdays in a row are dedicated to music festivals – Out of Control, in July, and Summer Vibez – accessible to adolescents from the age of 14, while the great majority of Dutch festivals are

CHAPLIN'S WORLD BY GRÉVIN

KEYS TO ITS SUCCESS

It took 15 years for the materialisation of the museum dedicated to Charlie Chaplin in the manor of Ban, Switzerland, where Charlie Chaplin spent the last quarter of his life. As soon as it opened, on 16 April 2016, the museum was a big hit with critics and visitors alike. The reasons for this success? Firstly, Chaplin himself, a legendary figure and self-taught genius with multiple talents. Another determining factor: the location of the museum, in the family manor. But another major reason is the great quality of the museum, stemming from close collaboration between fervent partners with complementary talents, under the benevolent gaze of the Chaplin family. *'Chaplin's World by Grévin was designed as an entertaining museum, offering visitors of all categories an emotion-filled experience'*, underscores Béatrice de Reyniès, Grévin Development Director. *'We worked hand-in-hand with scenographer François Confino to reach the right balance between wax figures, video screenings, background music and history-rich décors.' 'In this museum, we feel the same emotions as when we watch Chaplin films,'* adds Chaplin Bureau Director Kate Guyonvarch, *'emotions from the past which are present throughout the museum, where everything was done with full respect of the artist and his work.'* The museum, which can welcome up to 500,000 visitors a year, is working on the set-up of temporary exhibitions to build up its international clientele and increase the number of repeat visits.

'IN 2016, THE CREATION OF A NEW SHOW AT THE FUTUROSCOPE, IN COLLABORATION WITH CIRQUE DU SOLEIL, INCITES VISITORS TO COME (AGAIN) TO THE PARK. MOREOVER, A SHOW LIKE THIS CAPTURES LARGE VOLUMES OF VISITORS AT A PRECISE MOMENT, THEREBY REDUCING QUEUES FOR OTHER ATTRACTIONS – THE MAIN FACTOR OF DISSATISFACTION – AND INCREASES THE CAPACITY OF OUR SITES.'

FRANÇOIS FASSIER

FABIENNE GUAGLIANONE,
Group Human Resources Director.

not accessible to under-16s. *'We offer simple events in keeping with what our visitors want, combining music, good food and rollercoasters'*, explains Mascha van Till. These continuously renewed events, featuring prominent DJs and rappers, give adolescents reasons to come back. *'Summer Vibez has been such a success that we're going to offer a sixth Wednesday in 2017'*, rejoices Marc Antonioli. Halloween Fright Nights are also key events, seen as a reference in this category. Restricted to over-16s, Walibi Holland's Halloween night is frightening – really frightening – yet without ever being offensive. *'Our ambition is to offer the best Halloween nights in Europe, and, from what I hear from our customers, such is the case!'* chuckles Mascha van Till. Adolescents love it. Tickets sell out as soon as they are put out for sale. *'We take in 25% of our annual visitors at our 11 Halloween nights'*, explains Marc Antonioli. *'It is therefore crucial for us to constantly renew our offering. This year, we created a new attraction – The Clinic – where, after an operation that went wrong, visitors are able to experience what happens after death. Eight minutes of pure terror!'*

AN IRREPROACHABLE WELCOME FOR AN UNFORGETTABLE VISIT

Every year, nearly 100 million interactions between visitors and Compagnie des Alpes employees take place in our leisure parks. Making these interactions as positive as possible is of crucial importance. Compagnie des Alpes has therefore put in place several initiatives to train all of its employees, make them accountable and make their work enjoyable. Indeed, customer VHS is indissociable from employee VHS. The "STAR" programme provides support to employees throughout the season to instil and reinforce good practices and attitudes in order to meet visitor expectations and even exceed them by welcoming them like stars. The focus of this programme is to act toward employees like we want them to act toward visitors. *'Leisure parks hire a lot of seasonal workers, with a high employee turnover. It is therefore primordial for us to recruit the right people, and place them in the right jobs'*, explains Fabienne Guaglianone, Group Human Resources Director. *'We have rethought our recruitment system. It is primarily focused on behaviour and attitude, rather than skills or CV.'* The process starts in the recruitment phase. It then relies on the involvement of the operations managers and key HR players on each site. Regular brainstorming meetings foster commitment and the set-up of specific actions from the first day of employment through to the end of the season. Increasing the professionalism of seasonal staff is of key importance to Compagnie des Alpes. The Group thus launched a diploma programme for seasonal employees of leisure parks. It was set up in 2015, in partnership with Pôle Emploi, to enhance employee skills and promote the Very High Satisfaction of visitors, while also securing the ongoing employability of seasonal workers. Trainees thus benefit from a training programme focused on the parks' various jobs, as well as tourism professions in general.

A RESORT OFFERING

Walibi Holland has also invested in its accommodation by renovating the Walibi Village over a period of three years, from 2012 to 2015. The Village can now accommodate nearly 1,000 people per day. The aim of the operation was to increase the site's attendance and facilitate visitor stays by offering them packages at affordable prices. This has proven successful since the occupancy rate is close to 75%. *'With Walibi Village, we offer our visitors the smoothest possible experience'*, comments Mascha van Till. *'We can attract visitors from outside our catchment area. The Village plays a crucial role in our development, especially on the international level. We now see more and more tourists from Germany, Denmark, the UK, etc.'* The goal to become a 'stay' destination, rather than a day-visit destination, is shared with the Group's other major parks. After the renovation of the Futuroscope hotel, Compagnie des Alpes launched a major project at Parc Astérix and will increase its hotel capacity 4.5-fold by 2019.

JARDIN D'ACCLIMATATION: CONCESSION AWARDED TO THE LVMH-COMPAGNIE DES ALPES CONSORTIUM

The Jardin d'Acclimatation concession contract was awarded to the consortium made up of the LVMH Group (80% share), in charge of the garden's management since 1984, and Compagnie des Alpes (20% share). This new 25-year contract is accompanied by a vast project to renovate the garden in order to renew and modernise the attractions, restore and embellish the landscapes, and renovate the buildings while respecting the identity, image and tradition of France's oldest theme park. This dual impetus will give a new dimension to this unique site in Paris, by accelerating a transformation process initiated since the installation of Fondation Louis Vuitton. A total of 18 attractions will be created (9 of which will be free), while 26 existing attractions will be renovated.

HALLOWEEN OR HOW TO REPLICATE AND ADAPT A WINNING CONCEPT

Halloween is a key period for leisure destinations, which earn a significant part of their revenues during that period. *'We have unique know-how in the creation of this type of event and we know how to adapt our products in keeping with the identity of each site – its history, its culture and its customers'*, explains François Fassier. At Parc Astérix, Halloween is the season of Fright – two weeks during which an entire section of the park is thematised: metamorphosed attractions, dedicated decoration, haunted houses, etc. *'The craze is growing constantly'*, points out Karine Moral, Head of Strategic Marketing and Product Communication at Parc Astérix. *'The concept attracted 264,000 visitors this year versus 100,000 on its creation in 2009!'* This highly differentiating, constantly evolving product is expanding, with more night events, more scary attraction areas, etc. Special signage has been introduced to identify 'haunted' areas, so that all visitors can enjoy their visits to the fullest. At Grévin Paris, Halloween is marked by the Grand Frisson event. Launched in October 2015, the event is focused on mystery. The wax statues puzzle visitors, intrigue them, and even unsettle them. *'We draw on this strong focus of collective imagination to tell a story to our visitors'*, explains Hélène Imblot, Head of Marketing, Communication and Partnerships at Grévin Paris. The Count of Malestro, a fictional character played by an actor, invites visitors to a Grévin museum transformed into a curio cabinet full of strange things and odd characters. *'This highly popular event fits into our global event-based strategy, which promotes the return of visitors through an entertainment offering in keeping with current interests, whether calendar-based – like Halloween – or ad hoc events'*, concludes Hélène Imblot.

HALLOWEEN AT WALIBI RHÔNE-ALPES

(1) Pulsar and Timber, respectively named world's best new attraction and winner of the 2nd prize for best family attraction of the year at the IAAPA Brass Ring Awards.

Ski areas

A stronger presence across the entire value chain

The 2015-2016 financial year was marked by an increase in skier-days and growth of 3.9% in sales. With this good performance, Compagnie des Alpes has gone from the role of ski area player to that of leader in 'mountain resorts'. A stronger presence across the entire value chain means greater attractiveness and diversification of the resorts' offering. Here's how.

Increasing the attractiveness of Group resorts has been at the heart of the strategy implemented by Compagnie des Alpes over the past three years. The budget allocated to the financing of these projects amounted to over €84 million for FY 2015-2016, up compared with previous years. This sustained, controlled and ambitious growth reflects the dynamic policy implemented for the Ski Areas segment. These significant investments are not limited to infrastructure – ski lifts, slopes, snow-making equipment, etc. – but can cover areas such as digital equipment and accommodation by targeting the attractiveness of a resort as a whole and taking its ecosystem into consideration. Factors like reputation, image, vulnerability and customers' Very High Satisfaction (VHS) are taken into account to reinforce the foundations of Compagnie des Alpes' business as an operator and to explore new avenues to improve the customer experience. Focus on the resort of Les Menuires and the strength of its operating model.

COLLABORATING WITH THE LOCAL ECOSYSTEM

Increasing the attractiveness of Group destinations implies enhancing the reputation of the major brands which make up its portfolio. This process involves all resort partners. In that context, at Les Trois Vallées, Les Menuires Saint-Martin (160 km of ski runs) successfully rolled out its investment plan for the 2015-2016 season. It translated into the implementation of three major projects: the commissioning of the new Saint-Martin Express detachable chairlift (between Saint-Martin and Méribel); the reuse of the old Saint-Martin chairlift to boost the appeal of the village of Bettex – a restructuring project led by Ingelo (Compagnie des Alpes' engineering office); and lastly, the inauguration of the Le Cœur des Loges residence (900 beds) at Les Menuires.

'In 2016, we purchased two residences – Les Lys 1&2 (formerly Chanteneige) – which, once renovated, will enable us to increase our capacity to handle groups and seminars. At the same time, we are entering into partnerships with operators to create new beds. All of these initiatives illustrate the cooperation required among the various players involved to ensure the success of such operations', stresses Pascal Abry, General Manager of SEVABEL. *'For the Cœur des Loges project, no less than five stakeholders – the municipality, the developer, the builder, the residence operator, and the ski area operator – participated in the project. SEVABEL thus increased its real estate interest. In addition, to boost the marketing of the resort and the bed occupancy rate, we joined forces with the local authority to create the tour operator Les Menuires Tour, dedicated to B2B clientele and groups'*, tells Pascal Abry. *'Moreover, as developer of an urban development zone (ZAC), we obtained new building permits from the municipality to ensure the development of high-quality accommodation and increase the offering, which currently consists of 27,000 beds including some 19,000 "warm beds" (occupied at least 12 weeks per year).'* The other key factor of Group performance is operational excellence. *'It's precisely the combination of strategy and operational excellence which convinced the local authorities to assert their ongoing trust by extending or renewing major concession contracts like Les Menuires and Saint-Martin in 2016'*, recalls David Ponson, Director of Ski Areas Operations.

'BEING ATTENTIVE TO THE NEEDS OF THE ECONOMIC AND ENVIRON-MENTAL ECOSYSTEM OF EACH RESORT IS VITAL. THIS UNDERPINS THE LONG-TERM VIABILITY OF THE MODEL IMPLEMENTED BY COMPAG-NIE DES ALPES.'
DAVID PONSON

GAMIFICATION OF SKI AREAS

The quest for attractiveness also involves the gamification of the ski areas, adding real value to the whole ecosystem, like what was done

SAINT-MARTIN

"ORIGINE GRAND MASSIF" LABEL FOR LOCAL PRODUCERS

At a time when protected designations of origin are blooming on quality products, new regional labels are appearing.
'Against this backdrop, we created the "Origine Grand Massif" label in 2014 to highlight local gastronomic products (cheese, sausage, ravioli, honey from local hives, etc.), as well as local crafts such as stonework in Samoëns and woodwork, and cultural activities such as music and poetry', summarises Emmanuel Laffita, Marketing & Sales Director of Grand Massif Domaine Skiable. This label follows on from the Environmental Observatory created ten years ago to monitor the Grand Massif fauna and flora: *'In a certain way, this laid the first stone for our corporate social responsibility (CSR) approach. With Tignes, Val-d'Isère and Grand Massif, it gave rise to the Green Globe certification of the entire resort (ski lifts, slopes and related services) in September 2016. This label has replaced our QSE certification which was due to expire in the near future'*, states Sylvaine Cornier, QSE Manager of Grand Massif Domaine Skiable. Originating in the United States, Green Globe is the first international standard of this type – environmental, economic and social – for the tourist industry.

DAVID PONSON,
Director of Ski Areas Operations.

PASCAL ABRY,
Managing Director of SEVABEL, the ski lift operator of Les Menuires Saint-Martin.

ACCOMMODATION

A DRIVING FORCE FOR THE MOUNTAIN ECONOMY

The arrival of Club Med at Samoëns will bring in a new clientele. Announced by David Ponson, Director of Ski Areas Operations, as one of the emblematic projects of the 2015-2016 season, the opening of this new Club Med – to be followed by another one at Les Arcs in December 2018 – illustrates the importance given to holiday operators (Club Med, Pierre & Vacances, Belambra, MMV, etc.) to boost the accommodation offering. *'Compagnie des Alpes is a facilitator of development projects, in particular for "warm" tourist beds, in partnership with all stakeholders in the ecosystem of a resort'*, explains Laurent Chelle, Director of Development and Attractiveness of Mountain Resorts. *'In parallel, Compagnie des Alpes has set up tools dedicated to accommodation, such as the services of a real estate agency available in all resorts to handle the distribution of accommodation, including older units.'*

RENOVATING AND INNOVATING

At the same time, in partnership with Caisse des Dépôts, Compagnie des Alpes created Foncière Rénovation Montagne in 2013 – with local offices in La Plagne, Les Arcs, Les Menuires and Les Écrins (Serre Chevalier and Les 2 Alpes). Its purpose is to purchase isolated real estate at market price, renovate it, then rent it. *'The results are highly positive in view of the €43 million invested, with some 497 apartments renovated, i.e. 80% of the initial objective'*, rejoices Laurent Chelle. *'This new offering has set the market in motion, with satisfactory initial results in terms of occupancy rate.'* Another strategic priority consists in promoting new forms of accommodation thought up by investors, through solutions appreciated by different types of customers. *'We therefore entered into a partnership with the Sibuet Group which recently set up operations in Flaine. It fell into line with the resort's traditional culture in its renovation of an establishment. It chose a trendy luxury decoration in Art-Deco style, which is very present on the site. Likewise, the France Hostels Group is developing high-end youth hostel concepts, with a project which will soon materialise at Les 2 Alpes. Needless to say, digital technology is widely present to provide millennials with access to all sorts of service offers'*, states Annick Girard, Director of Real Estate Distribution, Management and Operation at Deux Alpes Loisirs. On the longer term, an app will enable millennials – which we will entice with short stays and last-minute opportunities, free WiFi, open bar, etc. – to book in a few clicks.

LAURENT CHELLE,
Director of Development and Attractiveness of Mountain Resorts.

ANNICK GIRARD,
Director of Real Estate Distribution, Management and Operation at Deux Alpes Loisirs.

at Les Menuires Saint-Martin for the 2015-2016 season. *'To innovate for the benefit of our customers, who mainly consist of families, we have created activity areas beyond the usual slopes'*, states Pascal Abry. *'Besides the BK Parc (snowpark for adepts of new snow sports and freestyle), we opened Walibi Gliss dedicated to families (slalom, boardercross and musical area), and we are working on a sled park which should open next year.'* These developments enhance our focus on customers and change the way in which everyone must act to secure the Very High Satisfaction of our customers.

STANDING BY OUR CUSTOMERS THROUGHOUT THEIR STAY

The quality of the reception given to customers is the subject of a management project entitled "Creating little surprises to stir big emotions in our customers". The goal is to connect with customers to promote their loyalty: *'Our businesses are changing, and so are our management methods'*, explains Thierry Maurey, HR Manager at SEVABEL, the ski lift operator at Les Menuires Saint-Martin. *'Our customer's Very High Satisfaction goes hand-in-hand with the Very High Satisfaction of our employees, something which is commonly known as the symmetry of attention. This approach is reflected in the RIRE Charter, which focuses on the behaviours that everyone must adopt: Rigour, Involvement, Respect and Effective listening.'* Special events, snow parks and organised activities enhance the customer experience and create a preference. Working on attractiveness means standing by our customers in the organisation of their stays. To this effect, digital technology is a strategic tool to improve the quality of the customer experience in order to create and maintain ongoing dialogue. The objective is to transform a customer relationship into a personalised offer through the exploitation of the big data collected throughout their stay. This should enable each Group resort to improve their handling of their value chains – via targeted partners for services such as catering, accommodation, skiing courses, etc. – to improve customer satisfaction. This cross-selling and up-selling approach is part of the measures implemented to secure the Very High Satisfaction of our customers. The simplification of the customer's stay rests on the availability of innovative digital apps such as Val Digital (Val-d'Isère's e-ski resort), developed in collaboration with the local authority and Tourist Office, and Paradiski Yuge (the connected service of the ski area of Les Arcs – La Plagne), designed to help customers discover the offering of a particular ski area. In addition, online selling is a significant growth vector for the sale of our products and services: in certain Compagnie des Alpes resorts, over 50% of sales stem from digital channels, and the website of Alpes Ski Résa (the Group's online travel agency) has doubled its sales every year since its creation in 2013.

THIERRY MAUREY,
HR Director of SEVABEL, the ski lift operator of Les Menuires Saint-Martin.

WHEN CLIMATE CHANGE CHANGES THE SITUATION

Whether natural or artificial, snow is the raw material of ski resorts. According to forecasts, by the end of the century, only 61% of the Alps' ski areas will have sufficient natural snow to continue their activity, versus 90% today. Snowfall variability is a complex subject which is monitored by professionals as well as researchers: in the space of 50 years, natural snowfall at resorts located at altitudes between 1,000 and 1,500 metres diminished by 50%. *'This is due to a 1.3° rise in temperatures'*, tells David Ponson. *'In response to this drop in natural snowfall, resorts turned to snow-making a number of years ago. On average, €6 million are invested in this way every year in all Group resorts. At Val-d'Isère, €10 million were spent on the overhaul of the snow factory, an increasingly efficient facility, combined with cutting-edge know-how. Snow-making combines technical skills (thermo-dynamics, mechanics, automation, etc.) with preliminary preparation of the slopes. This climatic reality has always been taken into account by Compagnie des Alpes, which co-financed a thesis on the subject with Domaines Skiables de France'*, concludes David Ponson. With climate change underway, mountain resorts are more than ever a global ecosystem in which the management of a ski resort is a crucial part of the jigsaw.

'OUR CUSTOMER'S VERY HIGH SATISFACTION GOES HAND-IN-HAND WITH THE VERY HIGH SATISFACTION OF OUR EMPLOYEES, SOMETHING WHICH IS COMMONLY KNOWN AS THE SYMMETRY OF ATTENTION.'
THIERRY MAUREY

International development
Recognised expertise and know-how

Compagnie des Alpes is stepping up its international development with the ambition of increasing its growth in Europe and winning over new territories. It is asserting its position as a key player in the leisure sector.

DELPHINE PONS,
Director of Group Development.

Recognised for its operational excellence, its creativity, as well as its ability to innovate and coordinate the ecosystems in which it operates, Compagnie des Alpes has gained international renown and credibility by exporting its expertise in the design, construction and operation of mountain resorts and leisure parks. After having built solid references in Russia, Southern Europe and the Maghreb over recent years, the Group is now in a position to address the global market with a unique, diversified leisure offering and a status of world leader in the skiing industry. This strategy is notably deployed in emerging markets via CDA Management, an entity whose main mission is to provide advice along with technical and operational support to any foreign investor wishing to increase the attractiveness of their region. For Compagnie des Alpes, this is a good way of discovering what is being done elsewhere, meeting key interlocutors, and making them aware of its numerous skills. *'The know-how of the French teams sent out on assignments abroad builds an image which embodies excellence. This expertise enables the Group to get a foothold wherever major projects emerge – in Russia, China, Turkey, the Maghreb, etc.'*, comments Delphine Pons, Director of Group Development.

WHEN CHINA TAKES UP SKIING

To step up its development in China, Compagnie des Alpes set up a subsidiary in that country in August 2016. Headed by Cécilia Yang, the subsidiary aims to identify new opportunities concerning ski resorts and leisure parks. With 20 million skier-days expected in ten years' time1, compared to only half of that number today, the Chinese ski market is more than promising. The same can be said of the leisure market, which totals 850 sites and 180 million visitors a year on average, compared to 150 million in Europe, and 20 million in France2. *'The prospect of the Beijing Winter Olympics in 2022 is boosting the sector, from the most senior levels of government to the emerging middle classes. After having conducted our own market survey on existing sites, our future goal is to position ourselves among the top 15 Chinese ski resorts'*, explains Delphine Pons.
Right from the 2015-2016 season, CDA Management was present in Thaiwoo, in the heart of the Chongli region which will be hosting the Winter Olympics, less than an hour away from Beijing via the future high-speed train. By then, another resort should spring up in Yanqing, to provide ski runs with the elevation difference required under Olympic rules. For the 2016-2017 season, CDA Management renewed its contract with Thaiwoo while extending its scope, and signed a technical and operational support contract with Silk-Road.
Compagnie des Alpes' dual expertise, covering ski areas and leisure parks, gives it solid credentials for the design of snowdomes. In 2016, a team from CDA Management worked on the design of a master-plan and setting for the Winterland project, a new-generation snowdome planned for Shanghai.

PROJECTS GALORE FROM COUNTRIES SUCH AS RUSSIA, TURKEY, MOROCCO AND IRAN!

In Russia, after the project management support provided to the Rosa Khutor resort for the 2014 Sochi Olympics, Compagnie des Alpes provided support to developer NCR (Northern Caucasus

'AFTER HAVING CONDUCTED OUR OWN MARKET SURVEY ON EXISTING SITES, OUR FUTURE GOAL IS TO POSITION OURSELVES AMONG THE TOP 15 CHINESE SKI RESORTS.'

DELPHINE PONS

THAIWOO (CHINA)

THE 'LITTLE' RESORT ON THE CLIMB...

The Chinese resort of Thaiwoo, inaugurated in December 2015, has barely twenty kilometres of ski runs, but its equipment meets international standards. In 2016, CDA Management sent out a team of around ten employee volunteers, each with expertise in their own fields (ski slopes, ski lifts, grooming, snow-making, etc.). Their main missions were to: design a structural plan for summer activities (Thaiwoo is a '4 seasons' concept), analyse and set up the required operating conditions to ensure a safe, high-quality experience for visitors, train Thaiwoo employees, and improve relations with customers. An experiment was conducted in several stages throughout 2016. The project was headed by Jean-Marc Farini and Frédéric Marion – both former managers of Compagnie des Alpes resorts – with the backing of Cécilia Yang, General Manager of CDA Beijing, the Chinese subsidiary of Compagnie des Alpes.

TESTIMONIAL

‘THE STATE OF GEORGIA, LITTLE KNOWN BUT WORTH KNOWING!’

‘When the Georgian developer MRDC called on CDA Management, I had the pleasure of being among the 5 multi-disciplinary experts who provided operational support to their 2 main resorts: Gudauri (2,100-3,279 m), a high-altitude resort near Mount Uzbek (5,047 m), and Bakuriani (1,700-2,702 m), a village and multi-season mountain destination. This one-year operational support mission, with 4 on-site sessions and time spent at our resorts, resulted in remarkable progress, thanks to exchanges on our practices and to the training provided on procedures and customer service, used to best advantage to achieve international standards. In Georgia, we discovered people who were committed to the development of their mountain areas and eager to get them known worldwide, but above all, people with a passion for their work, like us. In other words, everything to bring us together!’
Karine Henrotel, Technical Manager at STGM (Société des Téléphériques de la Grande Motte), Tignes ski area.

‘THE KNOW-HOW OF THE FRENCH TEAMS SENT OUT ON ASSIGNMENTS ABROAD GIVES COMPAGNIE DES ALPES THE MEANS TO BUILD ITSELF AN IMAGE WHICH EMBODIES EXCELLENCE.’
DELPHINE PONS

Resorts) in 2015 for a global benchmarking exercise, in preparation for the drafting of standards for the development of ski resorts in Russia. In the leisure parks sector, in 2016 Compagnie des Alpes produced a block plan for a future leisure park based on the Futuroscope concept for the Russian VDNH Group, in the heart of a landscaped park in Moscow.
This dual activity is highly attractive and is also found in other emerging markets such as Turkey and Iran. Those countries abound in mountain areas – which cover 60% of Turkish territory and are omnipresent in Iran, in particular around Teheran. What’s more, the middle classes are gradually discovering winter sports. In 2016, Compagnie des Alpes submitted a tender for the production of a ‘snow plan’ in Turkey, aimed at identifying the 10-15 sites where future mountain resorts could be built. Moreover, Compagnie des Alpes pushed ahead with its exploratory phase in Africa, along the same vein as the project management support contract signed for the “Sindibad by Walibi” park in Casablanca, Morocco.

REFOCUSING (ALSO) ON EUROPE

To round off its international know-how development strategy, Compagnie des Alpes successfully launched the “Chaplin’s World by Grévin” museum in Switzerland in April 2016, as a follow-up to the opening of the Grévin museum in Seoul in 2015. These successes could, in the future, be translated into new opportunities combining a legendary figure and a related emblematic site. Moreover, Compagnie des Alpes could at some point in the future develop new indoor leisure concepts in major European cities, along the model of the partnership set up with Unibail in Belgium for Spirouland, set to open in 2020.
For the moment, and over the medium term (2020-2022), Compagnie des Alpes wants to consolidate its European leadership, and thus be in a privileged position by returning to a more proactive and aggressive external growth strategy, targeting both leisure parks and mountain resorts.

(1) Source: The Chinese Ski Association;
(2) Source: IAAPA Report.

The CDA Touch, an incomparable ability to keep moving

In a context of constant change and uncertainties – and this is particularly true in the tourism and leisure sector – it is now crucial for companies to develop strong skills in order to adapt to changes as quickly as possible, i.e. without destabilising or jeopardising their business operations.

SANDRA PICARD,
Group Communications Director.

For Compagnie des Alpes, this implies capitalising on our shared in-depth knowledge of the Group’s vision and strategy, and on our mutual recognition of the functions and personalities which compose the Group. These two prerequisites guarantee the ongoing movement of a social body, around a community of intangible assets — a subtle blend of know-how and values, such as operational excellence in the design and operation of

customised, customer-focused experiences, and an approach which is respectful of local, cultural and environmental specificities, without compromising safety. **This ability to keep moving is what we call the CDA Touch and what gives the Group its comparative advantage.** An internal communication programme is thus being developed since 2012, in relation with the roll-out of the Horizon 2020 corporate project. It involves seminars to exchange on the Group’s strategy, its vision of the sector and its ambition, its shared values, and the challenges it has to meet. Through the corporate university “CDA Campus”, these concepts were shared by some 200 Group managers and are regularly passed on through a Group intranet, which now has a monthly news video. This allows the widest possible dissemination of each person’s contribution to the deployment of the strategy. The interconnection of the Company’s communication mechanisms will soon be strengthened, bringing internal and external communications into line, especially through the broadcast of a news video on the Company’s website and the ensuing deployment of a digital corporate communication system.
Being the basis of agility, the concepts of autonomy and accountability were detailed in FY 2015-2016, to ensure the efficient deployment of the strategy. This translated into an adaptation of the Group’s organisational structure, in particular through the shortening of decision-making circuits, reflected in a streamlined Executive Committee. Two projects also made it possible to examine those concepts during the year. Firstly, the second session of the corporate university – CDA Campus 2.0 – got multi-disciplinary teams (ski areas, leisure parks and registered office) to focus on strategic Group topics in a limited amount of time, often giving rise to very innovative deliverables. Secondly, the move of the registered office, changed the workspace and habits of 120 employees in support functions. These promising moves now need to be stepped up and supported (under a clearly defined framework: employee assessment systems, training programmes, regular monitoring of employee VHS, etc.). The end goal is to add a ‘solution provider’ dimension at all company levels and work toward the Group’s ambition, while preserving its level of excellence. That ambition can be summarised as follows: in a growing and increasingly consolidated global market, turning Compagnie des Alpes **into a French leisure leader on the global scene**, recognised for the operational and service excellence of its sites (VHS), its innovation capability and its creativity based on strong brands and partners, and its ability to integrate and coordinate the ecosystems in which it operates.

Increasingly successful development

1989

COMPAGNIE DES ALPES CREATED BY CAISSE DES DÉPÔTS
with the aim of rehabilitating the French skiing industry.

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

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

1994

COMPAGNIE DES ALPES FLOATED ON THE SECOND MARCHÉ OF THE PARIS STOCK EXCHANGE.

1995
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, Samoëns, Morillon and **Sixt** (Grand Massif) consolidated.

2000
Méribel Alpina and **Téléverbier** (Switzerland) consolidated.

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

2002

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

2003
Aquaparc in Bouveret (Switzerland) consolidated.

2004

PRIVATISATION
Caisse des Dépôts et Consignations (CDC) holds only 40% of CDA capital (compared to 53%). CDC sells a 13% stake to three banking groups with a strategic interest in the Alps region.

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

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

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

2005-2006

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

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

2007-2008

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

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

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

2009-2010

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

2010

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

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

2011

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

2012
Bioscope closed.

2013

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

End-2013
NEW CONCEPT AND STRATEGIC FINE-TUNING
Our customers' Very High Satisfaction became the guiding thread of our leisure parks strategy. Results guidance announced to the market for the first time.

2013-2014

2013
- The very first international **Grévin** museum opened in Montreal, Canada.
- International Development and New Business Department created.
- Launch of **Alpes Ski Résa**, a website for the sale of ski holidays.

2014
- **Grévin** Prague opened in the Czech Republic.
- Sochi Olympic Games.
- Leisure Destinations department organisation overhauled.

2014-2015

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.

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

2015
- 1st contract in China: Thaiwoo

2015-2016

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

2016 Registration document & annual financial report

2016 REGISTRATION DOCUMENT
& ANNUAL FINANCIAL REPORT

1 INTRODUCTION TO THE GROUP AND ITS ACTIVITIES

1. ACTIVITIES, MARKET AND COMPETITION

With nearly 22.5 million visitors to its 25 sites in 2015/2016, Compagnie des Alpes is a major player in the European leisure sector. It is the world leader in ski-area management[1], operating 11 of the largest areas in France. It is also a major European-based player in Leisure parks with 14 sites: 5 in France, 3 in Belgium, 1 in the Netherlands, 1 in Germany, 1 in the Czech Republic, 1 in Switzerland, 1 in Canada and 1 in South Korea.

1.1. SKI AREAS (57% OF 2015/2016 GROUP CONSOLIDATED SALES)

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 IV (Note 1.13. to the consolidated financial statements).

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

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

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

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

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

1.1.1. The global ski market[2]

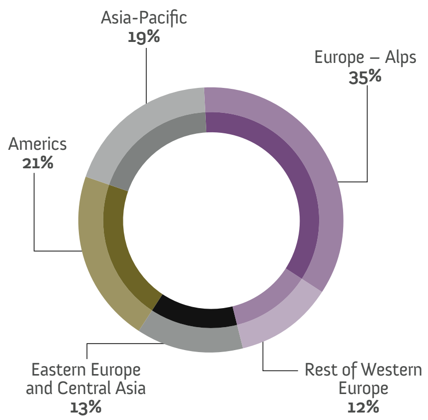
The global ski market is made up of close to 2,000 resorts in around 70 countries.

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 2015/2016[3] season, the three countries that registered the highest number of skier-days were the United States (53.9 million), France (52.0 million), and Austria (49.9 million).

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

DISTRIBUTION OF THE GLOBAL SKI MARKET BY GEOGRAPHIC SEGMENT



1.1.2. Market and competition in Europe

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 an average receipts of €25 per skier-day, this represents a market of €5.5 billion.

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

1 No company or group comparable to Compagnie des Alpes that operates lifts has a higher number of skier-days than the Group.
2 Source: Laurent Vanat, 2016 International Report on Snow & Mountain Tourism.
3 Source: Laurent Vanat, 2016 International Report on Snow & Mountain Tourism.

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

It is worth noting that the percentage of concession area used is 21% in France, 62% in Austria and 70% in Italy[4], and according to a study conducted by Domaines Skiables de France, a French ski pass costs less than an Austrian or Swiss ski pass.

France's leading position in Europe is largely due to the size of its domestic market, which represents around 70% of business.

Meanwhile, the majority of visitors to Swiss (45%) and Austrian (65%) ski resorts are foreign[5].

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	3,463	325	13
Austria	1,050	3,028	254	14
Switzerland	950	1,749	194	6
Italy	1,350	2,127	349	4

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

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, Pyrenees, Vosges, Jura and Corsica.

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

During the 2015/2016 season, 52.0 million skier-days were sold, with Domaines Skiables de France estimating an average receipt per skier-day of €25.2. The French ski market thus represents €1.310 billion.

The vast majority of customers are French (71%). British customers represent more than 10%, followed by Belgians at 5%, and the Dutch at 4%[6].

As of 30 September 2016, the market share for Compagnie des Alpes and its consolidated companies was more than 31% by value and over 26% by volume.

The two largest operators after Compagnie des Alpes, Sofival (Avoriaz, Valmorel and La Rosière) and S3V (Courchevel, La Tania and Meribel Mottaret), each hold a market share of around 4.5%.

Competitive advantages of Compagnie des Alpes

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

1.1.4. Main Ski areas operated by Compagnie des Alpes

PARADISKI: LA PLAGNE, LES ARCS AND PEISEY-VALLANDRY

Paradiski is one of the world's largest Ski areas, with 425 kilometres of slopes on close to 15,000 hectares. 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 meters, 10 villages and a facility-equipped glacier at 3,250 meters, and a downhill descent of more than 2,000 meters. It has seen the birth of champions such as Kévin Rolland and Julien Lizeroux, and is host to prestigious alpine events

Les Arcs

Les Arcs offers an exceptional ski area that covers an altitude of between 1,200 and 3,226 meters. 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 2015/2016, these two companies generated sales of €132.8 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.

4 Source: Laurent Vanat for DSF.
5 Source: Laurent Vanat, 2016 International Report on Snow & Mountain Tourism, April 2016.
6 Source: DSF, Indicators and Analysis 2016, October 2016.

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 to 3,450 meters) and extend from June to August thanks to the Grande Motte glacier. More than 80% of Tignes' vacationers are skiers. The clientele is young, international, and sporty.

Val d'Isère
Set at an altitude of 1,850 meters in the heart of the Tignes-Val d'Isère connected ski area, Val d'Isère village, which became a ski resort in 1934, is an international ski resort that blends innovation and authenticity. This constantly evolving resort attracts the most cosmopolitan of customers. Its unique selling point is to offer skiing options for all pockets and all technical levels, as well as a comprehensive range of high-quality services.

Compagnie des Alpes subsidiaries STGM and STVI manage the Tignes and Val d'Isère Ski areas, respectively. In 2015/2016, they generated sales of €88.0 million with 2.9 million skier-days.

LES TROIS VALLÉES: LES MENUIRES AND MÉRIBEL
Compagnie des Alpes operates two of the eight ski resorts in Trois Vallées, the largest ski area in the world with 600 kilometres of slopes fully linked by ski lifts. It is located in the Tarentaise Valley and comprises three valleys: Bozel, Allues and Belleville.

Les Menuires
The "Station des Grands Espaces" opened in 1964. It soon became a hallmark of the development of the ski industry in France and is now ranked among the best ski areas in Europe. Its snow-making coverage extends to nearly half of the ski runs, guaranteeing quality snow up to the end of April.

Méribel
Nestling in the heart of the 3 Vallées, just 2 hours away from Lyon, Geneva, and Italy, Méribel has been the personification of charm since it opened its first facilities in 1938. It is a genuine alpine village with its chalets of wood and stone. Snow-making machines cover more than half of the ski area of which 85% is above the 1,800 metres altitude mark, guaranteeing optimum snow conditions throughout the season.

Compagnie des Alpes operates the Menuires and Méribel resorts through its subsidiaries Sevabel and Méribel Alpina. They generated sales of €75.0 million in 2015/2016 from 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 meters to 2,500 meters, 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 kilometres 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 sales of €36.7 million in the 2015/2016 Fiscal year. The number of skier-days was 1.3 million.

SERRE CHEVALIER VALLÉE
Situated in the southern Alps in the Ecrins 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: 80% of its surface area is above the 2,000 metres altitude mark and its north-facing slopes allow it to offer excellent natural snow conditions from mid-December to the end of April. Additionally, Serre Chevalier has one of the largest artificial snow-making networks in Europe to ensure optimum skiing conditions all through the winter.

Big-league skiing at high altitudes, unhurried skiing in larch forests, fun skiing in designated fun areas, family skiing in protected zones: Serre Chevalier has something for every kind of skier.

The company SCV Domaine Skiable, a subsidiary of the Group, operates the Serre Chevalier Vallée ski area. It generated sales of €30.0 million in 2015/2016, with 1.1 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 meters and reaching 3,600 meters in altitude, the summit of the biggest skiable glacier in Europe with a 360° panoramic view of the Alps.

The ski area has several significant 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 meters, and the opportunity to race down a run with a difference in elevation of 2,300 meters, 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 sales of €42.7 million in 2015/2016 with 1.3 million skier-days.

1.2. LEISURE DESTINATIONS (42% OF 2015/2016 GROUP CONSOLIDATED SALES)

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 2016, the Compagnie des Alpes Group operates 10 sites8, representing more than 8 million visits per year, with 5 parks in France, 3 in Belgium, 1 in the Netherlands and 1 in Germany.
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 sales) and customer spending on park grounds, mainly restaurants and shops. Costs relate to personnel, facilities, purchases, marketing, and current operating expenses.

1.2.1. Markets and competition in Europe and France

The European Leisure parks market is estimated at over 160 million visitors[7]. With more than 8 million visitors and sales of €301.4 million for 2015/2016, Compagnie des Alpes is the fourth largest industry player in Europe.

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

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

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

With more than 8 million visitors in 2015/2016, Compagnie des Alpes holds a market share of more than 13% in volume terms.

Group	Number of parks	Visitor numbers (millions of visitors)	Annual sales (€ million)
Merlin Entertainments Group (2015)	111	62.9	£1,278 MILLION
Parques Reunidos	62	19.8	584
Euro Disney – theme parks	2	13.4	1,278
Compagnie des Alpes	10[8]	8.0[8]	301.4

Park	2015 visitor numbers (in millions)	2014 visitor numbers (in millions)	Country
Europa Park	5.5	5.0	Germany
De Efteling	4.6	4.4	Netherlands
Tivoli Gardens	4.7	4.5	Denmark
Port Aventura	3.6	3.5	Spain
Liseberg	3.1	3.1	Sweden
Gardaland	2.8	2.7	Italy

Source: TEA/AECOM 2015 Global Attractions Attendance Report.

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 the visitor can experience in the six worlds that make up the park: Egypt, Welcome to Gaul, The Roman Empire, Ancient Greece, The Vikings, and Travel Through Time.

Everything is carefully staged to depict the Gallic spirit portrayed by Albert Uderzo and René Goscinny, the creators of Astérix.

It expands its offering each year with a whole host of live shows, astonishing events, rides and attractions for one and all. The park offers visitors 3 shows and 35 attractions (10 for thrill seekers, 19 for families, and 6 for children).

In 2016, a new family attraction called "Discobélix" was inaugurated in the park's Greek section. It consists of a 9-metre diameter discus swirling along a 92-metre long track at a speed of 50 kilometres per hour.

The world of Parc Astérix extends to the three-star Trois Hiboux hotel, which is tucked away in the calm of the forest at the edge of the park.

In the 2015/2016 Fiscal year, Parc Astérix generated sales of €83.2 million and welcomed 1.83 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 feelings, 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 share of 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, the world-famous entertainment company Cirque du Soleil thus inaugurated its first permanent show in France. Entitled "La Forge aux Etoiles", this large-scale pyrotechnics show is presented at night on the site's 7,000 sq.m. aquatic stage.

Futuroscope is open for almost the entire year. The main period of closure is in January. It generated sales of €102.2 million in 2015/2016, with 1.88 million visitors.

7 Source : IAAPA Global Theme and Amusement Park Outlook • 2015–2019.
8 Excluding the 4 internationally based Grévin sites.

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.

Work was carried out in 2014/2015 to modernise around 50% of the museum spaces and create three new areas: fashion, gastronomy, and sport.

Grévin's sales amounted to €10.6 million in 2015/2016, with the museum welcoming 540,000 visitors.

THE OTHER FRENCH SITES (FRANCE MINIATURE, WALIBI RHÔNE-ALPES)

France Miniature
Ten minutes away from Versailles lies the biggest miniatures park in Europe, France Miniature, covering an area of 8 hectares including 1.5 hectares of water. The park guides visitors through the history and geography of France, in less than a day: France's rich heritage is represented in the 117 exact replicas of its best monuments, all of which are 1/30 scale models, and 150 landscapes are recreated.

Walibi Rhône-Alpes
Established in a magnificent natural setting in Avenières since 1979, Walibi Rhône-Alpes offers over 25 attractions and shows, as well as the biggest waterpark in that region (13,000 sq.m.). Walibi is a place to explore and enjoy with family or friends. The park covers an area of 35 hectares and the 20 or so attractions border the 7,500 sq.m. lake in the centre of the site.

In 2016, a new section was created, taking visitors into a genuine theme world. It includes a wooden roller coaster named "Timber", as well as an attraction for young children and a new food court.

The other French sites generated sales of €14.4 million in 2015/2016, with visitor numbers reaching 583,000.

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.

This year, the new "Lost Gravity" attraction offers a gravity-defying experience. It is one of the most astonishing roller coasters in Europe. Rising to a height of 32 metres, the mighty machine offers a highly atmospheric voyage – a world first!

Walibi Holland generated total sales of €32.2 million in the 2015/2016 Fiscal year and welcomed over 900,000 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 meters into the air at 85 km/h.

In 2016, the new "Pulsar" attraction is a water coaster. Big thrills are guaranteed with two 45-metre drops. The 70-second ride involves 3 back-and-forth launches with a gradual acceleration providing 3 sensations: gliding, flying and diving head-on into the water. Another world first.

Aqualibi
Aqualibi is an aquapark next to Walibi Belgium, which opened in 1987. Spanning 6,000 s.q.m., the park has eight slides, including the "Rapido", a 140-meter-long slide, and the "Xtreme" that has a 50 km/h descent. A 300 sq.m space was recently created especially for children.

Bellewaerde
This family park in Ypres is a landmark in Belgium, where 40% of visitors come from the north of France. Established in 1954, Bellewaerde is a unique combination of an amusement park and an animal park, in a lush natural setting.

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

In 2015/2016, the three Belgian parks generated sales of €52.9 million with 2.0 million visitors.

The German park: Fort Fun
Established in 1967, the park expanded over the years with the Far West theme. The illusion is conjured up in the wild and mountainous Sauerland, to the west of Frankfurt, and creates an atmosphere of trappers' camps and saloons. The park offers over 40 attractions and rides and boasts of one of the biggest slides in Europe, as well as a sky glider to soar over the hills at over 80 km/h.

Fort Fun generated sales of €5.9 million and welcomed 266,000 visitors.

1.3. INTERNATIONAL GROWTH (MORE THAN 1% OF GROUP CONSOLIDATED SALES FOR 2015/2016)

This section addresses international growth activities, primarily two specific kinds:

1.3.1. International expansion of Grévin museum

As part of its international expansion strategy, Compagnie des Alpes opened its first international Grévin museum in early 2013 in Montreal, followed by a second museum in Prague in May 2014, and a third in Seoul in July 2015. The fourth site – Chaplin's World by Grévin – opened in April 2016 in Vevey, Switzerland.

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

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

Grévin Prague
Located in a major tourist and shopping hub in the historic heart of the old town, Grévin Prague enjoys an ideal position at the crossroads of the different tourist routes. The resolutely modern and sleek structure is staged as several different worlds and displays the waxwork doubles of more than 80 historical and contemporary celebrities.

Grévin Seoul
Located in the heart of the South Korean capital's tourist quarter, in a building occupying 4,400 sq.m, this new museum offers a journey into the heart of Korea, a brand-new edutainment experience that blends imaginary encounters with famous people in fun and interactive settings.

It has 80 international and Korean celebrities from the world of the arts, politics, history, sport and the media, offering a unique experience for all.

Chaplin's World By Grévin
Located between lake and mountain, Chaplin's World is an entertaining museum designed by Grévin to immerse visitors in the personal and Hollywood life of Charlie Chaplin, enabling them to discover both the man and the artist.

Located in Cordier-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 the 2015/2016 Fiscal year, Grévin Montreal, Grévin Prague, Grévin Seoul and Chaplin's World By Grévin (operating for just five months) generated sales of €7.9 million and attracted close to 640,000 visitors.

1.3.2. Consulting business – CDA Management

Based on its first-hand experience as a leading ski resort and leisure park operator, Compagnie des Alpes has developed a consulting business through its subsidiary CDA Management. This subsidiary mainly offers its expertise to international clients and covers the following areas:

- development of site concept and market positioning;
- master planning;
- construction support;
- preparing for launch;
- operational support.

The 2015/2016 fiscal year was successful for CDA Management, which took important steps including opening a Compagnie des Alpes subsidiary in China in August and winning an assistance contract for the first year of operation of the Thaiwoo ski resort in China, which should be renewed this year and subsequently converted into a five-year management contract for the same resort (post 2022 Olympic Games).
Other opportunities are under discussion, especially in China, pertaining to the upcoming 2022 Olympic Games.

In addition, the Group is involved in a consortium formed with LVMH that has just been awarded the operating concession for the Jardin d'Acclimatation for a period of 25 years by the City of Paris. Compagnie des Alpes now owns a 20% stake in the operating company for the Jardin d'Acclimatation and brings its expertise to bear on contracts specifically pertaining to construction project support, day-to-day management, and site commercialisation.

In 2015/2016, sales from this activity amounted to €1.2 million.

2. STRATEGY AND OUTLOOK

2.1. STRATEGY

The excellent results achieved by the Group in 2015-2016, and for the third consecutive year, confirm the appropriateness of the strategy it has been implementing over recent years, based on three priorities:

- Boosting volume growth in the Ski areas;
- Develop Leisure destinations that can profitably leverage Very High Satisfaction;
- Accelerating international growth by developing partnerships.

The objective of transforming the business model of Compagnie des Alpes (CDA) to turn the company into a profitable, diversified European leisure leader, less sensitive to economic fluctuations, has thus been achieved.

The Leisure Parks Division posted a more than 20% increase in sales over the past three years and its profitability almost doubled over the same period. The Ski areas Division saw its sales and profitability grow once again, despite the low snowfall during the Christmas holidays and unfavourable weather conditions at the height of the season. This growth can be attributed to a positive price effect, as well as an increase in skier-days, which were significant factors for this Division.
Buoyed by these successes, the Group plans to continue with the initiatives undertaken.

Concerning Ski areas, the Compagnie des Alpes sites are firmly positioned at a level of international excellence. In order to meet the rising expectations of customers, 40% of which come from abroad, and to face intense European competition from other ski areas, the Group is working to increase the quality and quantity of its resort offerings. The aim is to boost the appeal of the resorts by improving the satisfaction of customers throughout their stay in the resort, so that they want to come back. In this context, Compagnie des Alpes plays the role of developer, coordinator, integrator and facilitator of the services available in its resorts.

Efforts were primarily focused on investments. In addition to the renewal and optimisation of ski lift infrastructure – taking care to increase customer satisfaction (rapidity and comfort), and to minimise noise, visual and energy impacts – (Betteix at St Martin de Belleville, Carreley at Les Arcs, the first section of Solaise at Val d'Isère), the Group is concentrating on reinforcing snow-making equipment and on the quality of the customer experience (Wi-Fi, sales outlets that are inviting and digital, multi-activity areas such as Mille8 at Les Arcs, etc.).

This policy is showing results with individual customers and tour operators, but also among local decision-makers. During the financial year, two public service concessions (PSCs) were thus extended at Les Menuires/Saint Martin de Belleville and Méribel Alpina, while the Morillon PSC was renegotiated for a 30-year period, showing the local authorities' ongoing trust in Compagnie des Alpes.

At the same time, the Group is taking steps to improve the quantity and quality of tourist accommodation. Foncière Rénovation Montagne thus made it possible to renovate 2,000 beds and return them to the market with the support of the company's long-standing shareholders. With these shareholders, CDA also participates in new hotel and tourist residence projects to supplement the existing offering or to offer alternative lodging solutions based on new accommodation concepts (such as new-generation youth hostels, for example at Deux Alpes). A total of 2,000 new beds were thus created with the Group's support. This particular effort fostered confidence in high-quality ski area real estate, and more than 15,000 new beds will come onto the market in the next five years.

Moreover, the marketing of this accommodation to tourists is under way via 8 Group real estate agencies, which, with 10,000 beds managed on behalf of their owners, represents almost 15% of the beds professionally marketed in the resorts where the Group operates. In addition to these marketing arrangements, the Alpes Ski Résa website markets the accommodation managed by its real estate agencies, as well as the hotel and professional tourist residences. Overall, the number of beds marketed has increased this year by about 2,000 beds, after several consecutive years of reduced numbers, and stabilisation of those numbers last year.

Lastly, to increase the appeal of Compagnie des Alpes' resorts, which should drive an increase in volume growth, we need to offer products and services suited to the Group's different customer types – families, novice skiers and overseas visitors – throughout their stay.

Thus, to assist customers and enhance their experience, the Group capitalises on digital technology through every major opportunity: launch of CRM in seven resorts, making it possible to combine the customer data of the different players in each resort, improve customer knowledge and better target the services and information to their needs; set-up of practical, intuitive applications to make the facilities easier to use (Yuge at Paradiski); creation and coordination of communities of resort ambassadors, etc. Such actions create a unique and special relationship with our customers and enable us to better know their needs provide them with better service.

With the support of all stakeholders, the Group has also played an important role in bringing about changes in the school calendar, thereby giving a boost to the ski industry during the spring, with sales rising from 3% to 5% of the season total.

For leisure destinations, Compagnie des Alpes recorded very good results for the 3rd consecutive year, thus validating the strategic change introduced three years ago and highlighting the growth and value-creation potential of the sites in the portfolio.

This momentum is attributable to actively choosing attractiveness-boosting investments – which now account for over 50% of total investments. Over the financial year, new attractions were rolled out in all of the Group's parks, including three major new attractions. These new experiences found their audience, with customer satisfaction ranking in the top five for each park (and first place for major attractions) and earning industry recognition (Pulsar at Walibi Belgium, Lost Gravity at Walibi Holland, Timber at Walibi Rhône, Discobélix at Parc Astérix and La Forge aux Etoiles at Futuroscope).

Moreover, the parks have continued their efforts to do away with "experience spoilers" (reception, atmosphere, cleanliness, coordination, etc.), thereby boosting visitor satisfaction ratings, despite an increase in visitor numbers, except at the Musée Grévin, in a rather unfavourable business climate due to the existence of the state of emergency in France, the national holiday calendar, strikes and floods. The boost in both BtoC (use of digital levers, online selling extended to meals, premium passes and combos) and BtoB marketing was further reinforced by concentrating efforts on revenue management (yield management, distribution, analysis), as well as loyalty-building through social networks and increased efforts made to target opinion leaders.

In the next few years, there will be three main levers for boosting growth in the Leisure Destinations Parks Division.

The improvement in customer satisfaction will remain the main objective assigned to teams, with the aim of increasing customer loyalty and generating word-of-mouth recommendations, in a sector where word-of-mouth is the primary method of attracting customers.

Moreover, a sustained investment policy will provide for increased hosting capacity of our sites, and to support growth of visitor numbers, all while boosting their allure.

Lastly, to expand the catchment area of our national-scope parks, the Group will expand its accommodation facilities next to its sites. After the Walibi Holiday Park in Holland and the renovation of the Futuroscope hotel, completed over the previous financial years, Compagnie des Alpes has launched a major €55 million project at Parc Astérix, due to be completed in 2020, aimed at increasing the hotel capacity from the current 100 rooms to 450 rooms (2 additional hotels) and enhancing the park's offering (7 new attractions and 2 major renovations). These changes will make Parc Astérix accessible to visitors who are more than three hours away by car and make it a short break destination, in the same way as Futuroscope.

The final key aspect of the Group's strategy is the international expansion of Compagnie des Alpes into new regions. In its two business lines, the Group's major successes in advisory and contracting support services (Rosa Khutor, Arkhyz, and Elbrus in Russia, Veduchi in Chechnya, Kokhta and Mitarbi in Georgia, and Sindibad in Morocco) have enabled the Group to build a reputation and establish its credibility in these activities over the past three years. CDA 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. To that end, during the first quarter of the fiscal year, CDA signed an operational support contract for the Thaiwoo resort's first year of operation, ahead of the Beijing Winter Olympics in 2022, and a second support contract for the design of a ski dome in Shanghai.
The Group opened a subsidiary in China at the start of 2016. Gaining a foothold in these dynamic markets, which are expected to provide a major source of growth, also addresses the goal of acquiring new customer bases for the Group's European sites, by attracting customers from these countries to them.

Moreover, the Group is a stakeholder in the consortium formed with LVMH, which was awarded the operating concession for the Jardin d'Acclimatation for a period of 25 years in September of 2016 by the City of Paris. The Compagnie des Alpes now owns a 20% stake in the operating company for the Jardin d'Acclimatation and brings its expertise to bear on contracts specifically pertaining to construction project support, day-today management, and site commercialization.

Moreover, in line with its objective of international business growth, Compagnie des Alpes gained its first experience in setting up indoor leisure facilities internationally with Grévin, of which four sites are currently operational. As the performance objectives set for the sites opened before 2016 were not met, CDA decided to reorganise the management of this activity, now assumed by the Leisure Parks Division, and to focus on the development of the brand and the marketing strategy before developing new sites. The fourth Grévin site – Chaplin's World By Grévin – opened its doors to the public in April 2016 in Vevey and posts very good performance, which prove the interest of using a universal brand like Chaplin as a base for a new offer.

2.2. OUTLOOK

For the Ski areas, the business outlook concerns the whole of the season, the prospects offered by the calendar of school holidays (including the dates of European school holidays) are generally more favourable in the third quarter and less favourable in the first quarter than the previous season, due to the fact that Christmas and New Year's Eve fall on weekend days.

In 2016, the Group will continue its steady pace of investment – totalling €85 million – in line with its strategy of achieving Very high customer satisfaction.

For the Leisure destinations, the Halloween season lived up to its promise, with business exceeding that of the previous year despite a high comparison basis (three consecutive seasons with sharp increases in business), confirming the appropriateness of the Group's event strategy to boost shoulder season business.

The two major attractions due to open in 2016/2017 at Futuroscope and Parc Astérix, along with the year-two impact of the new attractions opened at Walibi in Belgium, Holland and Rhône-Alpes in 2016, will enhance the appeal of our parks.

In view of the hotel project at Parc Astérix, due to open to the public on a progressive basis between 2017 and 2019, the level of investments for Leisure destinations will increase by €8 million compared to the past financial year. The return on capital employed will thus remain stable this year, to then continue its growth trajectory in the following years.

Moreover, operations have been launched to refinance the €200 million bond maturing in October 2017. They should result in a vey significant improvement in financial expenses in 2017-2018, after a slight overhang effect due to the conveyancing costs during that year.

In conclusion, on the strength of a proven economic model, Compagnie des Alpes is now pursuing two objectives: consolidate its growth in Europe and accelerate its international development, particularly in Asia.

These strategies aim to turn Compagnie des Alpes into a great French leisure champion and a major player in the international consolidation. This is why the Group wants to secure the support of powerful partners, particularly in leisure, the hotel trade and tourism marketing.

This strategy will be rolled out in accordance with stated objectives, which have either already been or are in the progress of being reached at the end of this financial year, i.e., an increase in EBITDA of more than 35% for the Ski areas Division by 2018, 27% for the Leisure parks Division (excluding Futuroscope) in 2019, and operating ROCE above 8% in 2019.

3. ANALYSIS OF CONSOLIDATED RESULTS AND SECTORS

3.1. ANALYSIS OF CONSOLIDATED RESULTS AND SEGMENTS

Compagnie des Alpes Group's sales for the 2015/2016 fiscal year rose by 3.5% compared with the previous period, to €720.2 million. EBITDA rose 9% to €184 million, while the margin reached 25.5% versus 24.3% for the previous year.

Like the previous year, the analysis of the Group's results was conducted on a like-for-like basis, stripping out the activity of the 4 parks sold during the previous year.

Like-for-like, sales rose 4.4% compared to the previous year, to €720.2 million, mainly due to sales increases in the Group's long-standing business lines, Ski areas and Leisure Destinations, as well as International Development, with the opening of Chaplin's World By Grévin.

Like-for-like, EBITDA was up 6.7%, at €184 million. This confirms the Group's solidity and resilience in a lacklustre external environment. Indeed, the results of the two main business segments improved despite a difficult start to the season in both business lines (low snowfall at the beginning of the ski season and record rainfall negatively affecting Leisure destinations in May and June combined with fewer long weekends in May). The Very High Satisfaction strategy combined with attractiveness-boosting investments in 2016 resulted in an increase in business and profitability.

As of 30 September 2016, the Group's share of net income amounted to €33.4 million, compared with €30 million for the previous fiscal year.

3.1.1. Activity and results for the period

Consolidated income at 30/09/2016 (in millions of €)	Financial year 2015/2016 actual (1)	Financial year 2014/2015 on a like-for-like basis (*) (2)	% Change (1) / (2)	Financial year 2014/2015 actual (3)	% Change (1) / (3)
Sales	**720.2**	**689.9**	**4.4%**	**695.9**	**3.5%**
EBITDA	**184.0**	**172.5**	**6.7%**	**168.8**	**9.0%**
EBITDA/Sales	*25.55%*	*25.00%*		*24.26%*	
Net operating income	**73.1**	**64.4**	**13.5%**	**66.9**	**9.2%**
Cost of net debt and miscellaneous	-19.3	-17.9	8.1%	-18.1	6.8%
Income expense	-18.2	-18.0	1.0%	-18.0	1.2%
Equity method	4.8	4.1	15.3%	4.1	15.3%
Net income, ongoing businesses	40.3	32.6	23.6%	35.0	15.4%
Net Income, discontinued businesses	0.0	0.0		0.0	N/A
Net income	**40.3**	**32.6**	**23.6%**	**35.0**	**15.4%**
Minority interests	-6.9	-4.9		-4.9	
Net income (Group share)	**33.4**	**27.7**	**20.7%**	**30.0**	**11.3%**

(*) 2014/2015 data on a like-for-like basis excludes business of the 4 parks that were sold in 2015.

3.1.2. Sales

Sales for the 2015/2016 Fiscal year totalled €720.2 million. On a like-for-like basis, this represents an increase of 4.4% on the previous year.

(in millions of €)	Financial year 2015/2016 actual (1)	Financial year 2014/2015 on a like-for-like basis (2)	% Change (1) / (2)	Financial year 2014/2015 actual (3)	% Change (1) / (3)
Ski areas	409.6	394.1	3.9%	394.1	3.9%
Leisure destinations	301.4	289.3	4.2%	295.3	2.1%
International Development	9.1	6.3	44.9%	6.3	44.9%
Holding companies and support subsidiaries	0.0	0.2	N/A	0.2	N/A
Sales	**720.2**	**689.9**	**4.4%**	**695.9**	**3.5%**

Ski areas

Sales for Ski areas came to €409.6 million, up 3.9% versus the previous year.

After a difficult start to the season due to low snowfall, business became brisk at the height of the season, with good momentum throughout the months of January and March and during the February school holidays. In the 3rd quarter, business was boosted by the earlier spring school holiday timetable and the Belgian and British school holidays.

This period was mainly marked by a 1.2% increase in the number of skier-days against the backdrop of a national decline.

However, the return to volume growth is a major challenge for the French ski industry and a long-term challenge at the heart of CDA's strategy, based on three priorities:

- a sustained investment policy;
- active participation in a comprehensive strategy involving Foncière Rénovation Montagne to improve accommodation and reduce the amount of unoccupied accommodation, along with a minority stake in new construction programmes;
- an in-depth change in selling methods and commercial tools with the set-up of a network of real estate agencies, increased business for the tour operator Alpes Ski Résa, and the digital transformation of our resorts.

Real estate sales, which declined compared with the previous year (€1.6 million versus €2.2 million in 2015), remained marginal in respect of the business activities of the Ski areas segment as a whole (<1%).

Leisure destinations

For Leisure destinations, sales amounted to €301.4 million, up 4.2% like-for-like compared to the previous Fiscal year, after two years of strong growth (+10.1% in 2014/2015 and +6.3% in 2013/2014).

After a good first half, buoyed by a vibrant Halloween season and brisk activity at Futuroscope, the 3rd quarter was adversely impacted by negative calendar effects and a challenging external environment. During the 4th quarter, sales once again displayed the dynamism seen at the beginning of the year thanks to new structuring or family attractions at the vast majority of sites, and better weather.

The turnaround of the Leisure destinations business, which has been observed over the past three years, is the result of a strategic reorientation initiated in 2013, whose objective was to refocus on the sites most likely to generate and monetise Very High Satisfaction (VHS) for our customers.

On a like-for-like basis, the number of visitors remained practically stable, at over 8 million.

International development

International development sales totalled €9.1 million, up by 44.9% over the Fiscal year as a whole. This growth is attributable to the opening in July 2015 of Grévin Seoul and the April 2016 opening of Chaplin's World By Grévin.

Moreover, 2015/2016 was a fruitful year for the consulting business, with:

- the creation of a subsidiary in China in August;
- an operational support contract for the Thaiwoo ski resort's first year of operation in China;
- the Mayor of Paris awarding the concession for the operation of the Jardin d'Acclimatation to the consortium made up of Compagnie des Alpes (20%) and LVMH (80%), for a term of 25 years.

Concerning International development, the business activity of the international Grévin sites is continuing to grow, now accounting for a little over 1% of the Group's business.

3.1.3. EBITDA

Gross operating income (EBITDA) on a like-for-like basis came to €184 million, a rise of 6.7% over 2014/2015.

Per business segment, it breaks down as follows:

(in millions of €)	Financial year 2015/2016 actual (1)	Financial year 2014/2015 on a like-for-like basis (2)	% Change (1) / (2)	Financial year 2014/2015 actual (3)	% Change (1) / (3)
Ski areas	146.8	137.5	6.7%	137.5	6.7%
Leisure destinations	68.2	63.8	6.9%	60.4	12.8%
International Development	-8.7	-4.4	N/A	-4.4	N/A
Holding companies and support subsidiaries	-22.3	-24.3	-8.6%	-24.7	-9.8%
EBITDA	**184.0**	**172.5**	**6.7%**	**168.8**	**9.0%**

Ski areas

EBITDA for the Ski areas rose by 6.7% to €146.8 million, despite a difficult start to the season. The EBITDA margin rose by almost 1 point to 35.8%, from 34.9% in the previous year.

EBITDA increased more than sales due to a 2.9% rise in payroll costs, a €1.1 million reduction in energy costs and a non-recurring capital gain of €1.1 million on sales of fixed assets.

It confirms the resilience of the sites managed by the Group and their ability to control their operating expenses.

Leisure destinations

EBITDA for Leisure destinations stands at €68.2 million, a significant rise of 6.9% over the previous year, after a 17.8% increase in 2014/2015. The EBITDA margin showed a 0.6-point improvement, and stood at 22.6% in 2015/2016.

The rise in EBITDA is due to the increase in sales and good control of fixed costs, despite additional security expenses in 2016 to ensure the security of visitors.

International development

The ramp-up of the Grévin Museums' International development continued with the opening of Chaplin's World By Grévin in April 2016. The break-even point has not yet been reached, given the slower-than-expected start and significant advertising expenses. Consequently, the EBITDA of international Grévin sites is negative at -€7.9 million.

Moreover, EBITDA for consulting business stands at -€0.8 million.

Holdings and Support

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.

These dropped significantly due to the non-replacement of departing personnel and restructuring operations at headquarters. EBITDA thus improved by €2 million, to - €22.3 million.

3.1.4. Capital expenditure

Investment levels are one of the main performance measures monitored by the Group, alongside sales and EBITDA.

Capital expenditure (net of disposals) amounted to €153.6 million, compared with €135 million the previous year and €134 million on a like-for-like basis. It represents 21.3% of the Group's sales.

Investments break down by business lines as follows:

(in millions of €)	30/09/2016		30/09/2015		% Changes in
	Amount	% of sales	Amount	% of sales	
Ski areas	84.1	11.7%	72.5	10.4%	15.9%
Leisure destinations	59.0	8.2%	47.4	6.8%	24.5%
International Development	7.4	1.0%	13.3	1.9%	-44.1%
Holding companies and support subsidiaries	3.1	0.4%	1.7	0.2%	N/A
TOTAL Industrial investments	**153.6**	**21.3%**	**135.0**	**19.4%**	**13.8%**

Investments in the Ski areas segment amounted to €84.1 million, compared with €72.5 million in the previous year (20.5% and 18.4% of segment sales respectively). These mainly related to ski lifts, snow-making equipment, 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.

Alongside Foncière Rénovation Montagne, the Group is investing in real estate through the purchase, renovation and resale of apartments. It also acquires minority stakes in new construction programmes.

In the Leisure destinations segment, investments on a like-for-like basis came to €59 million, compared with €46.6 million in the previous year (19.6% and 16.1% of segment sales respectively).

These investments concerned:

- various attractions which opened in 2016, such as Discobélix at Parc Astérix, Pulsar at Walibi Belgium, Lost Gravity at Walibi Holland and Timber at Walibi Rhône-Alpes, and the Forge des Etoiles show at Futuroscope;
- the preparation of the attractions scheduled for the next season.

In the International development segment, the year's investments mainly concerned the set-up of Chaplin's World By Grévin, which opened in mid-April 2016. In 2015, they included investments in the Grévin Museum in Seoul.

In the Holdings and Support segment, the investments largely relate to intangible assets (software), as well as the capital expenditures incurred for the move into the new premises on Boulevard Haussmann.

3.1.5. Net income

Net operating income increased significantly (+9.2%) to €73.1 million, mainly due to business growth and improved operating margins in the Group's main business segments.

It does not include any capital gains for disposals (a capital gain of €8.8 million had been recorded in the previous Fiscal year following the Group's sale of 4 Leisure parks). However, the Group recognised income of €750 thousand in respect of representations and warranties.

Amortisation and depreciation expenses increased by €3.7 million (+3.4%) as a result of the ambitious investment policy implemented over the last three years.

Net borrowing costs improved, coming back down to €16 million, due the reduction of drawdowns and hedging costs and the fall in interest rates. Other financial income and expenses, meanwhile, amounted to -€3.3 million, compared with -€1.6 million in the previous fiscal year, due to the impairment of shareholdings in unconsolidated companies, which mainly concerned the Group's real estate holdings. The average interest rate increased from 4.29% in 2015 to 4.16% in 2016.

The income tax expense increased slightly, linked to the increase in the Group's earnings. For 2015/2016, it includes deferred tax income of €2.9 million stemming from the recognition of Futuroscope carryover losses following the growth of its business and results. The nominal tax rate remained high, against the backdrop of a general increase in French taxation over recent years and tax losses recorded by Grévin subsidiaries in the start-up phase abroad, which may not be recovered.

The share of net income of associates increased by €0.7 million compared with 2015 (+15.3%). This increase reflects the general market trend and that prevailing within CDA's resorts. It also includes a share in the results of Megève, acquired by Compagnie du Mont-Blanc in December 2015.

The Group's share of net income in the 2015/2016 fiscal year amounted to €33.4 million, compared with €30 million for the previous year.

3.2. CASH, FINANCING AND CAPITAL

3.2.1. Cash and cash equivalents

(in millions of €)	30/09/2016	30/09/2015
Operating cash flow after borrowing cost and tax	154.6	139.2
Net capital expenditure (CAPEX, net of disposals)	-152.5	-133.1
Change in receivables and payables on non-current assets	-1.1	-1.8
Free cash flow	**1.0**	**4.2**
Acquisition/Disposal of non-current financial assets	-12.6	48.0
Change in borrowings	5.3	-79.7
Dividends (including non-controlling interests in subsidiaries)	-13.8	-11.6
Change in WCR and other	16.7	5.5
Change in cash position	**-3.5**	**-33.6**

Cash flow totalled €154.6 million (21.5% of sales), a rise of 11% compared with 30 September 2015, reflecting the improvement in the Group's business activities.

The €3.2 million reduction in free cash flow reflects the high level of investment in the 2015/2016 Fiscal year (+€18.6 million, a 14% increase).

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, as well as the acquisition of a stake in Jardin d'Acclimatation.

Compagnie des Alpes paid out €9.7 million in dividends. The subsidiaries, meanwhile, paid out almost €4.1 million to their minority shareholders.

The €16.7 million improvement in working capital requirement mainly stems from the €14.7 million increase in operating liabilities. It should be noted that certain discussions concerning the sharing of income were only concluded after the closing date.

3.2.2. Structure of borrowings

The Group's borrowings (€405.1 million) comprise 79% fixed-rate loans and 21% variable-rate loans (see Note 6.11 to the consolidated financial statements).

3.2.3. Exposure to banking covenants

The Group must comply with the following covenant: net debt/EBITDA ratio.

Given the improvement in the Group's performance as a whole, this improved considerably from 2.14 in the previous year to 2.01.

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

3.3. EVENTS AFTER THE REPORTING PERIOD

Operations for refinancing the €200 million bond issue maturing in October 2017 began during the last quarter of 2016.

4. ACTIVITIES AND RESULTS OF COMPAGNIE DES ALPES SA

4.1. ROLE OF COMPAGNIE DES ALPES SA WITHIN THE GROUP

The role of Compagnie des Alpes SA is to hold investments, monitor, manage, and control Group development, and manage senior management staff. 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 business lines.

To this end, CDA 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).

The average number of permanent employees at CDA SA fell from 125 to 109 full-time equivalents (FTEs), without affecting the total number of Group employees.

4.2. ACTIVITIES AND RESULTS

In 2015/2016, Compagnie des Alpes continued the internal re-invoicing policy it established the previous year.

The policy introduced 3 years ago to control operating costs was further stepped up this fiscal year with the non-replacement of departing staff and restructuring operations. This resulted in a reduction in operating expenses over the fiscal year, in particular payroll costs.

In 2015, provisions included €1.4 million allocated to the move of the Group's headquarters (covering payroll costs, overlapping rental costs, and accelerated depreciation charges on property, plant and equipment in relation to the moving plans), and €1 million for a dispute.
In 2016, they included provisions of €3 million for charges.

These factors resulted in a net operating loss of -€8.4 million (previous fiscal year: -€10.2 million).

Net financial income of €14.7 million was recorded, compared to €31.8 million the previous year.

Group's net income totalled €13.4 million, compared with €12.7 million for the previous year.

4.3. KEY FIGURES OF THE COMPANY

Key figures of the Company:

(in millions of €)	30/09/2012	30/09/2013	30/09/2014	30/09/2015	30/09/2016
Net financial assets	827.0	832.1	852.7	840.3	849.1
Shareholders' equity	563.0	540.8	543.3	547.6	551.3
Net debt (1)	257.3	280.5	299.0	286.5	286.5
Net income	9.6	-5.3	2.7	12.7	13.4
Net dividend	16.9	0	8.5	9.7	N/A

(1) Financial debt less cash and cash equivalents in the balance sheet assets.

4.4. DIVIDEND POLICY

The dividend is determined each year by the Board of Directors at its December meeting.

Compagnie des Alpes dividends paid out for the last three fiscal years (which allow individual shareholders domiciled in France to take a tax deduction) were as follows:

- Fiscal year 2012/2013: none;
- Fiscal year 2013/2014: dividend per share of €0.35 paid in cash on 19/03/2015;
- Fiscal year 2014/2015: dividend per share of €0.40 paid in cash on 17/03/2016.

The Board of Directors proposed to the Shareholders' Meeting to pay the sharehol-ders a dividend of €0.40 per share for 2015/2016.

4.5. INFORMATION ON PAYMENT PERIODS

In accordance with the provisions of Article L. 441-6-1 paragraph 1 and D. 441-4 of the French Commercial Code, we hereby disclose information on the time taken to pay suppliers. As at 30 September 2015 and 30 September 2014, the balance of trade payables (based on invoices received) could be broken down by due date as shown in the table below:

Balance of trade payables, including VAT (in thousands of €)	Total at reporting date	Sub-total by contractual due dates			
		< 30 days	30 to 60 days	> 60 days	Not specified
Suppliers as at 30/09/2016	71(*)	-15	-10	96	–
Suppliers as at 30/09/2015	524	613	-6	-83	–

(*) mainly disputed invoices.

The mutually agreed time to pay any undisputed amounts due does not exceed 45 days end-of-month or 60 days from the invoice date.

4.6. INFORMATION ON REMUNERATION AND BENEFITS RECEIVED BY CORPORATE OFFICERS DURING THE FISCAL YEAR

Information required by Article L. 225-102-1 of the French Commercial Code regarding corporate officers remuneration is presented in Chapter II.3.

4.7. SUBSIDIARIES AND SHAREHOLDINGS

4.7.1. Shareholdings purchased

During the fiscal year just ended, the Company acquired a 20% stake in Jardin d'Acclimatation.

4.7.2. Shareholdings sold

During the Fiscal year just ended, the Company sold no shareholding.

4.8. IDENTITY OF THE CONSOLIDATING COMPANY

The financial statements of the CDA Group are fully consolidated by Caisse des Dépôts.

4.9. OTHER INFORMATION

The amount of non-deductible expenses as referred to in Article 39.4 of the French General Tax Code came to €91,367 during the Fiscal year.

4.10. KEY EVENTS AFTER THE REPORTING DATE

Operations for refinancing the €200 million bond issue maturing in October 2017 began during the last quarter of 2016.

5. 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 2015 and 2016 (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.

5.1. 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 Group's Finance Department centralises the management of most of these risks. CDA Financement, a wholly owned subsidiary of Compagnie des Alpes managed by the Finance Department is the focus of this centralisation process.

5.1.1. Liquidity risk

The Finance Department ensures that sufficient liquidity to cover current operations, investments and deal with any exceptional events is available at all times.

The Group has secured a significant source of long-term liquidity through:

- a €200 million bond issue maturing on 18 October 2017 and paying a coupon of 4.875%;
- a €100 million bond issue maturing on 7 May 2024 and paying a coupon of 3.504%;
- a €260 million revolving credit facility expiring on 6 May 2020, and another of €230 million expiring on 6 May 2021. Indeed, a second extension request was approved by the lenders in March 2016.

As of 30 September 2016, the Group's net financial debt stood at €370.3 million.

The Group's gross financial debt (see Note 6.11 to the consolidated financial statements) came to €405.1 million, broken down by maturity as follows:

(in millions of €)	Total	Less than 1 year	from 1 to 5 years	Over 5 years
Financial liabilities	405.1	66.5	238.2	100.3
Financial assets	34.8	29.6	5.3	
Net position	370.3	36.9	233.1	100.3

On the same date, the Group had:

- €230 million in medium-term loans which had not been utilised, consisting of an undrawn amount of €230 million expiring in May 2021, which may be drawn on the revolving credit facility at any time.

In addition, €97.9 million is available to CDA Financement on a strictly short-term basis in the form of bank overdrafts which have not been utilised, which are renewable on an annual basis and, not subject to covenants.

After the reporting date, on 31 December 2016, the Group has:

- €225million in undrawn medium-term loans
- €73.1million in overdrafts which had not been utilised.

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

It should also be noted that some of the credit facilities are subject to the banking covenant, which is described in Note 6.11 to the Consolidated Financial Statements.

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

5.1.2. 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 interest expense 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 Note 6.11 to the Consolidated Financial Statements.

5.1.3. 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.

5.1.4. 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.

5.2. LEGAL RISKS

5.2.1. 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 the Notes to the Consolidated Financial Statements (Chapter IV – Note 1.14).

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.

5.2.2. Litigation

As at 30 September 2016, 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 additional provisions required.

Provisions for legal disputes and litigation are described in detail in Chapter IV – 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.

5.3. OPERATIONAL RISKS

5.3.1. Lower visitor numbers due to poor weather conditions

Ski area operators deem a continuous lack of snow their most significant risk.

Compagnie des Alpes has acknowledged this risk through its choice of sites, which are always located at altitudes high enough to enjoy favourable long-term snow conditions. Snow-making and snow-quality programmes are a vital part of this strategy. Though it has not occurred for many years, the risk of a serious shortage of snow over a complete season can never be completely excluded.

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 affecting 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 weather-related risk.

5.3.2. The current real estate market

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

In each case, if possible the Group will encourage real estate operations that spur development projects with a positive impact on the outlook of Ski areas it operates. Transactions on the real estate market are only carried out if there is a direct link to the operation of the sites on which the Group conducts its principal business activities.

Consequently, CDA 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.

5.3.3. 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, rides attractions and 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 the current regulations and standards.

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

5.3.4. 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 managerial nature have been implemented.

Accident prevention experts from the Group's insurers and broker visit its sites regularly to monitor the prevention measures implemented.
The Group gives priority to safety and to the expenditures necessary to maintain facilities in perfect operating condition. In this regard, CDA has implemented an assessment and prevention process, which allows it to steer its policy in this area.

5.3.5. 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.

5.3.6 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 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 IT systems.

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.

5.4. INSURANCE – RISK COVER

The Group has entered into liability insurance programmes, civil liability programmes for de facto and de jure managers and property damage insurance, and cover for corresponding business interruption with leading insurance companies. All Group companies that are more than 50%-owned by the Group,
or for which the Group has responsibility for insurance, are covered by these programmes.
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 cover.

5.4.1. Liability insurance

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

5.4.2. Insurance policy covering damage to property and related business interruption

Taken out on 1 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.

2 CORPORATE GOVERNANCE

This chapter contains all elements of the report of the Chairman of the Board of Directors, prepared in accordance with the provisions of Article L. 225-37 of the French Commercial Code. Compagnie des Alpes looks to analyse and implement best practices in terms of corporate governance, in particular those laid down in the AFEP-MEDEF Corporate Governance Code, to which the Company refers.

1. COMPOSITION OF ADMINISTRATIVE AND MANAGEMENT BODIES

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

1.1. THE BOARD OF DIRECTORS AND COMMITTEES

1.1.1. Principles of Board and Committee composition

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

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

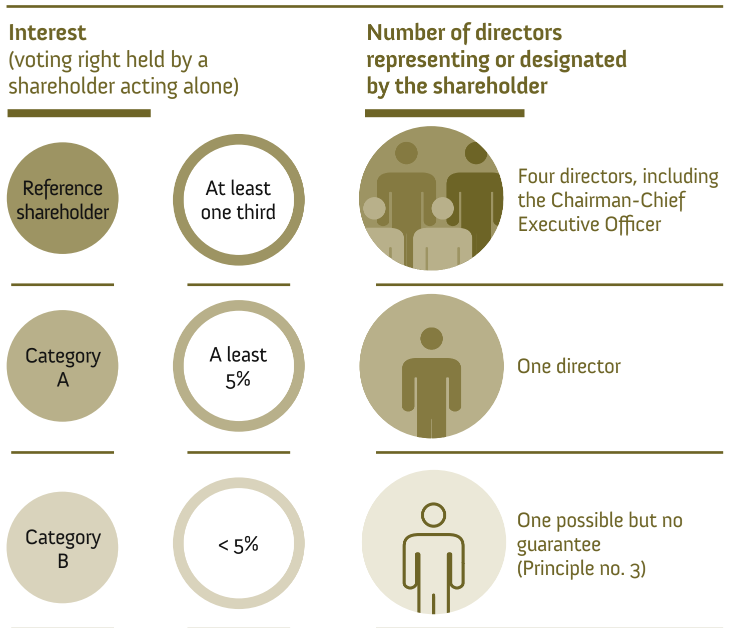
Given the presence of a reference shareholder (Caisse des Dépôts), the Charter is intended to promote a democratic, collective representation of shareholders and take into account corporate interests, mainly through the appointment of Independent Directors.

Principles of Board composition:

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

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

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



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

In principle, the number of Board members is set at 12 (set number of members), including at least 4 Independent directors.

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

The table below illustrates the rule defined below:

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

The composition of the Board of Directors has not changed during the fiscal year. The table below shows the mandates that were renewed by the Combined Ordinary and Extraordinary Shareholders' Meeting of 10 March 2016.

	Name/Company name	Date of end of term
Directors whose mandate was renewed during the Fiscal year	Banque Populaire Auvergne Rhône-Alpes	2018 AOSM*
	Crédit Agricole des Savoie	2018 AOSM
	Caisse des dépôts et Consignations	2018 AOSM

(*) Annual Ordinary Shareholders' Meeting.

Principles of Committee composition:

The Strategy Committee has six members, including (i) the Chairman and Chief Executive Officer who automatically chairs said Committee, (ii) a Director representing or designated by the reference shareholder, (iii) a director representing or designated by the second largest shareholder on the Board, and (iv) three Independent directors.

The Audit and Finance Committee has four non-executive members, who must all offer specific financial and accounting skills, including (i) a director representing or designated by the reference shareholder and who automatically chairs said Committee, (ii) a director representing or designated by the second largest shareholder on the Board, and (iii) two Independent directors.

The Appointments and Remuneration Committee has four non-executive members, including (i) a director representing or designated by the reference shareholder, and (ii) three 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 elected or co-opted as such. 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 5 "Compliance with corporate governance policies" of this Chapter).

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

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

(a) May not be an employee or corporate officer (other than director) of Compagnie des Alpes, may not be an employee of one of its subsidiaries, may not be an employee and/or director of a Compagnie des Alpes shareholder with a stake of greater than five percent (5%), nor have been so over the previous five years,

(b) May not have been a director of Compagnie des Alpes in the last twelve years,

(c) May not be a corporate officer in a company in which Compagnie des Alpes has direct or indirect board representation or in which an employee designated as such or a CDA corporate officer (at present or within the past five years) holds a board seat,

(d) May not be a client, supplier, commercial or investment banker for the CDA Group or for which the CDA Group represents a considerable proportion of business,

(e) May not have a close family tie with a corporate officer from a CDA Group company,

(f) May not have been the statutory auditor of a CDA Group company in the previous five years.

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

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

Review of directors' independence:

The Board has reviewed the qualification of each director against the independence criteria. At the end of this review it was found that, with the exception of Gilles Chabert (see below), the Independent Directors remain eligible for Independent director status.

Gilles Chabert, who has held his director mandate for over 14 years, will no longer be considered an Independent Director as of the term of his current mandate, i.e. at the end of the Shareholders' Meeting to be held in 2017.

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

- Caisse d'Épargne Rhône-Alpes holds less than 3% of the Company's share capital,
- it was appointed by the Shareholders' Meeting of 14 March 2013 following the resignation of Banque Populaire des Alpes,
- it acts as banker for the Group, but this commercial banking and financing activity does not represent a considerable proportion of business for either of the two parties. In particular, of the three banks on the Board of Directors, Caisse d'Épargne Rhône-Alpes represents the smallest share in the Group's total financing, or a share of only about 1%. It also represents the weakest share of banking operations,
- As Head of Audit of Caisse d'Épargne Rhône-Alpes, Mrs Marion Rouso is not involved, on behalf of Caisse d'Épargne Rhône-Alpes, in the negotiation of loans contracted by the Group with Caisse d'Épargne Rhône-Alpes. Lastly, Mrs Rouso does not participate in the Board of Director's decisions relating to Group debt when they have a link with Caisse d'Épargne Rhône-Alpes, as was the case in April 2014 when the Board of Directors, in respect of the regulated agreements and commitments referred to in Article L. 225-38 of the French Commercial Code, approved the signature of the syndicated loan agreement without Caisse d'Épargne Rhône-Alpes taking part in the vote in accordance with Article L. 225-40 of the French Commercial Code.

Financial and accounting expertise:

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

Balanced composition of corporate bodies:

The Board currently has three female members, representing one third of its membership: Noëlle Lenoir, Rachel Picard, and Marion Rouso.

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

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

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

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

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

The Company continued to implement this staggering procedure in 2016 by renewing in advance three mandates that were to expire in 2017, for a period of two years.

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.

Family ties: It should be noted that Bernard Blas, director and Vice-Chairman of the Board, is the father of Jean-François Blas, Associate Chief Executive Officer and member of the Executive Committee until May 2016. There are no family ties among the Board members and Executive Management.

1.1.2. CDA board of directors

Name/Company name	Date of birth	Position	Independent/ not independent	Audit and Finance Committee	Appointments and Remuneration Committee	Strategy Committee	Term of appoint-ment ends
Dominique MARCEL[1]	08/10/55	Chairman-Chief Executive Officer	No			Chairman	2017 AOSM*
Bernard BLAS	20/09/25	Vice-Chairman	No	Member		Member	2017 AOSM
Caisse des Dépôts et Consignations, represented by Antoine COLAS[2]	01/12/73	Director	No		Member	Member	2018 AOSM
Crédit Agricole des Savoie, represented by Jean-Yves BARNABON	05/04/54	Director	No				2018 AOSM
Banque Populaire Auvergne Rhône-Alpes[3], represented by Daniel KARYOTIS	09/02/61	Director	No				2018 AOSM
Caisse d'Epargne Rhône-Alpes, represented by Marion ROUSO	24/11/76	Director	Yes	Member			2019 AOSM
Gilles CHABERT	05/08/52	Director	Yes		Member	Member	2017 AOSM
Giorgio FRASCA	13/10/41	Director	Yes	Member	Chairman	Member	2017 AOSM
Antoine GOSSET-GRAINVILLE[1]	17/03/66	Director	No	Chairman			2017 AOSM
Noëlle LENOIR	27/04/48	Director	Yes		Member		2019 AOSM
Rachel PICARD	11/12/66	Director	Yes			Member	2019 AOSM
Francis SZPINER[1]	22/03/54	Director	No				2017 AOSM
Jacques MAILLOT	17/11/41	Non-voting member					2017

(*) Annual Ordinary Shareholders' Meeting.

(1) Director proposed by CDC.
(2) Reference shareholder.
(3) Banque Populaire des Alpes, Banque Populaire Loire et Lyonnais and Banque Populaire du Massif Central merged on 7 December 2016 and became Banque Populaire Auvergne Rhône-Alpes. It was represented by Mr Pascal Marchetti until mid-October 2016.

1.1.3. Expertise of members of the Board of Directors and other information

Directors present on the date of publication of this Report:

DOMINIQUE MARCEL

Chairman-Chief Executive Officer

Member of the Strategy Committee

■ Born on 8 October 1955

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.

■ Reappointed 14 March 2013 (first appointed 19 March 2009) – Term of office expires: 2017

Main position: Chairman and Chief Executive Officer, Compagnie des Alpes

Other mandates and duties within the Compagnie des Alpes Group:

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

Other mandates and duties outside the 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 Elysées (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.

Number of CDA shares held: 8,919

** Listed company*

BERNARD BLAS

Chairman of the Board of Directors

Member of the Strategy Committee and Audit and Finance Committee

■ Born on 20 September 1925

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

■ Reappointed on 14 March 2013 (first appointed to the Supervisory Board in October 2007) – Term of office expires: 2017

Main position: Director of Société Financière de Val d'Isère SA (Sofival), 29 bis rue d'Astorg – 75008 Paris

Other mandates and duties outside the Compagnie des Alpes Group:

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

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

› Chairman-Chief Executive Officer of Sofival (until 2016),

Number of CDA shares held: 300

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

ANTOINE GOSSET-GRAINVILLE

Director

Member of the Audit and Finance Committee

■ Born on 17 March 1966

A former student of École Nationale d'Administration (ENA) and graduate of the University of Paris IX Dauphine and Sciences Po, 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 Chief Executive Officer 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.

■ Appointed by the Shareholders' Meeting of 14 March 2013 (first appointed on 19 January 2011) – Term of office expires: 2017

Main position: Corporate lawyer and partner at the law firm BDGS Associés, 44 avenue des Champs-Elysées – 75008 Paris

Other mandates and duties outside the Compagnie des Alpes Group:

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

Number of CDA shares held: 300

** Listed company*

ANTOINE COLAS

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

Member of the Appointments and Remuneration Committee and Strategy Committee

■ Born on 1 December 1973

A graduate of Sciences Po and holder of a DESS in corporate law and taxation from the University of Paris II Assas, as well as the French bar exam certificate (CAPA), Antoine Colas joined Caisse des Dépôts in 2012 as an advisor to Jean-Pierre Jouyet, before being appointed as Head of the CDC Group's Development, Subsidiaries and Interests Department in September 2013. He was previously employed in roles including head of the AMF's listed company regulation division.

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

Main position: Head of the Development, Subsidiaries and Interests Department of the CDC Group, 56 rue de Lille – 75007 Paris

Other mandates and duties outside the Compagnie des Alpes Group:

› Director of BPIfrance Investissement, BPIfrance Participations and CDC Elan PME
› Permanent representative of CDC as Director of Transdev Group
› Permanent representative of CDC as Member of the Supervisory Board of Société Nationale Immobilière and of Services Conseil Expertises Territoires.

Number of CDA shares personally held: 0

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

FRANCIS SZPINER

Director

■ Born on 22 March 1954

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'Etudes Politiques de Paris since 2007.

■ Appointed on 14 March 2013 (first appointed as a member of the Supervisory Board on 17 January 2006) – Term of office expires: 2017

Main position: Lawyer at the law firm Szpiner Toby Ayela Semerdjian, 43 rue de Courcelles – 75008 Paris

Other mandates and duties:

› None

Number of CDA shares held: 745

JEAN-YVES BARNAVON

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

■ Born on 5 April 1954

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

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

Main position: Chief Executive Officer of Crédit Agricole des Savoie (cooperative), Avenue de la Motte Servolex – 73034 Chambéry Cedex

Other mandates and duties:

› Chairman of Crédit Agricole Financements Suisse (a Swiss public limited company)
› Permanent representative of Crédit Agricole des Savoie as Manager of CA Rhône-Alpes Investissement (civil partnership)
› Permanent representative of Crédit Agricole des Savoie as Chairman of Indosuez Wealth Management France (SA) and permanent representative of Crédit Agricole des Savoie as Director of Indosuez Wealth Group
› Permanent representative of Crédit Agricole des Savoie as Director of CA Technologies GIE (economic interest group), CA Home Loan SFH (until 17 September 2014), 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,
› Permanent representative of Crédit Agricole des Savoie as member of the Supervisory Board of CA Titres (SNC).

Number of CDA shares personally held: 0

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

GILLES CHABERT

Director

Member of the Appointments and Remuneration Committee and Strategy Committee

■ Born on 5 August 1952

Gilles Chabert is a National Ski Instructor (1977). Having spent the last 30 years on the Management Committee of the Syndicat National des Moniteurs du Ski Français (National Union of Ski Instructors, SNMSF), he became the group's president in 1994. He has been the driving force behind the creation of a formal place for ski instruction in Europe. In 2004, he joined the Compagnie des Alpes Supervisory Board as an independent member, before joining the Board of Directors – again as an Independent Director.

■ Reappointed on 14 March 2013 (first appointed as a member of the Supervisory Board on 30 August 2002) – Term of office expires: 2017

Main position: President of the SNMSF (Syndicat National des Moniteurs du Ski Français), Les Clôts – 38250 Villard de Lans

Other mandates and duties:

› Vice-Chairman of the Association des Moniteurs Professionnels de l'Arc Alpin
› Permanent representative of SNMSF as Vice-Chairman of France Montagnes
› Permanent representative of SNMSF on the Board of Directors of Association Nationale des Maires des Stations de Montagne et du Dauphiné Libéré
› Permanent representative of Conseil Supérieur de la Montagne on the Board of Directors of Conseil National de la Montagne,
› Joint manager of SCI Montagnette.

Other mandates formerly held by Gilles Chabert in the last five years:

› Director of Banque Populaire des Alpes.

Number of CDA shares held: 352

DANIEL KARYOTIS

Permanent representative of Banque Populaire Auvergne Rhône-Alpes

■ Born on 9 February 1961

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

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

Main position: Chief Executive Officer of Banque Populaire Auvergne Rhône-Alpes, 2 avenue du Grésivaudan, BP43 Corenc – 38707 La Tronche Cedex

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

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

Number of CDA shares personally held: 0

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

** Listed company*

MARION ROUSO

Permanent representative of Caisse d'Épargne Rhône-Alpes Independent director

Member of the Audit Committee

■ Born on 24 November 1976

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 Shareholders' Meeting of 12 March 2015 – Term of office expires: 2019

Main position: Chairwoman of the Audit Committee and member of the Executive Committee of Caisse d'Épargne Rhône-Alpes, 42 boulevard Eugène Deruelle BP 3276 – 69404 Lyon Cedex 03

Other mandates and duties:

› None

Number of CDA shares personally held: 0

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

RACHEL PICARD

Independent Director

Member of the Strategy Committee

■ Born on 11 December 1966

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.

■ Reappointed on 12 March 2015 (first appointed on 15 December 2009) – Term of office expires: 2019

Main position: Chief Executive Officer of Voyages SNCF, 2 place de la Défense – CNIT 1 – BP 440 – 92053 La Défense Cedex

Other mandates and duties:

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

Number of CDA shares held: 716

GIORGIO FRASCA

Independent director, member of the Audit and Finance Committee

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

■ Born on 13 October 1941– An Italian national

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.

■ Reappointed on 14 March 2013 (first appointed on 15 December 2009) – Term of office expires: 2017

Main position: Consultant, 1, Square du Capitaine Claude Barrès – 92200 Neuilly sur Seine.

Other mandates and duties:

› None

Number of CDA shares held: 300

NOËLLE LENOIR

Independent director

Member of the Appointments and Remuneration Committee

■ Born on 27 April 1948

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 president of the HEC's Europe Institute, where she is also an adjunct professor. She is also founding president of Cercle des Européens. During the course of her career she has held senior posts in the French government: Senate Administrator and then Honorary Member of the Council of State, she was notably the first woman to be appointed to the French Supreme Constitutional Court in 1992, and then served as Minister for European Affairs from 2002 to 2004. She served as an ethics officer at the French National Assembly from 2012 to 2014 until the creation of the High Authority for Transparency in Public Life. She has taught at Sciences Po, as well as at universities in France and abroad.

■ Reappointed on 12 March 2015 (first appointed on 14 March 2013) – Term of office expires: 2019.

Main position: Partner in the law firm Kramer Levin Naftalis & Frankel LLP, 47 avenue Hoche – 75008 Paris

Other mandates and duties:

› Director of Valeo*

Number of CDA shares held: 300

** Listed company*

JACQUES MAILLOT

Non-voting member

■ Born on 17 November 1941

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.

■ Appointed on 14 March 2013 – Term of office expires: 2017

Main position: Consultant, 33, rue Maurice Ripoche – 75014 Paris

Other mandates and duties:

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

Number of CDA shares held: 837

** Listed company*

Director having held a mandate on the Board of Directors during the 2015/2016 fiscal year

PASCAL MARCHETTI

Permanent representative of Banque Populaire des Alpes until 11 October 2016

■ Born on 13 June 1964

Pascal Marchetti joined the Banque Populaire Group in 1988. He worked in a number of different roles, before taking over as Chief Executive Officer of Banque Populaire des Alpes in March 2008. Pascal Marchetti represented Banque Populaire des Alpes on the Board of Directors of Compagnie des Alpes between 1 March 2008 and 11 October 2016.

Other mandates and duties:

› Permanent representative of Banque Populaire des Alpes as a director of Pramex, IBP, and Priam Banque Populaire GIE (economic interest group)
› Permanent representative of Banque Populaire des Alpes as Vice-Chairman of Banque de Savoie
› Director of Banque Palatine* and Coface*
› Member of the Supervisory Board of Naxicap Partners.

Mandates formerly held by Pascal Marchetti in the last five years:

› Permanent representative of Banque Populaire des Alpes as a director of Compagnie des Alpes (until mid-October 2016).

** Listed company*

1.1.4. Composition of Committees

Audit and Finance Committee

Antoine Gosset-Grainville Chairman
Bernard Blas member
Giorgio Frasca member (Independent director)
Marion Rouso member (Independent director since May 2015)

Appointments and Remuneration Committee

Giorgio Frasca Chairman (Independent director)
Antoine Colas member
Gilles Chabert member (Independent director)
Noëlle Lenoir member (Independent director)

Strategy Committee

Dominique Marcel Chairman
Antoine Colas member
Bernard Blas member
Gilles Chabert member (Independent director)
Rachel Picard member (Independent director)
Giorgio Frasca member (Independent director)

1.2. EXECUTIVE MANAGEMENT AND OTHER MANAGEMENT STRUCTURES

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

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

To meet its strategic demands, Group management has been divided into business functions: operational departments, covering the Group's two mainbusinesses, are responsible for interdisciplinary management, while other operational departments are responsible for managing the operating performance of the sites and the application of Group policies.

All managers in these Departments belong to the Group's Executive Committee, which currently comprises eight members, three of whom are women.

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

1.2.1. The Chairman and Chief Executive Officer

DOMINIQUE MARCEL

Chairman and Chief Executive Officer since 19 March 2009 (see 1.1.3. above).

1.2.2. The Deputy Chief Executive Officer

AGNÈS PANNIER-RUNACHER

Deputy Chief Executive Officer, since 28 January 2013

■ Born on 19 June 1974

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

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

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

Other mandates and duties within the Compagnie des Alpes Group:

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

Other mandates and duties outside the Group:

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

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

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

Number of CDA shares held at 30 September 2016:
3,484 shares of FCPE CDA Actionnariat (employee shareholders' fund), entirely invested in CDA shares.

** Listed company*

1.2.3. The Executive Committee

DOMINIQUE MARCEL

Chairman and Chief Executive Officer, since 19 March 2009 (see 1.1.3. above).

AGNÈS PANNIER-RUNACHER

Deputy Chief Executive Officer, since 28 January 2013 (see 1.2.3. above).

LAURENT CHELLE

Head of Ski Areas Development

- Appointed on 1 June 2016
- Joined the Group in December 2002

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

FRANÇOIS FASSIER

Head of Leisure Destination Operations

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

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.

DENIS HERMESSE

Group Chief Financial Officer, Head of finance, IT, risk and procurement.

- Joined the Group on 2 September 2015.

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.

SANDRA PICARD

Group Communications Head

- Appointed on 1 January 2011
- Joined the Group on 12 June 2006

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

DELPHINE PONS

Head of Group Development

- Appointed on 1 October 2013
- Joined the Group in May 2005

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

DAVID PONSON

Head of Ski area operations (connected ski area of Tignes/Val d'Isère, and 3 Vallées)

- Appointed on 1 January 2012
- Joined the Group in 1996

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. David is also President of the Savoie section of Domaines Skiables de France. On 1 June 2016, he was appointed Director of Operations for Ski Areas.

Have held positions within the Executive Committee during the fiscal year:

- **Jean-François Blas,** Deputy Chief Executive Officer, Director of Operations for Ski areas (Paradiski, Deux Alpes and Serre Chevalier) until May 2016,
- **Danièle Clergeot,** Deputy Chief Executive Officer in charge of the Marketing, Sales, Development and Products Department, until 31 December 2015,
- **Céline Lemercier,** Group Human Resources Director until February 2016.

1.3. ADDITIONAL INFORMATION RELATING TO DIRECTORS AND EXECUTIVE OFFICERS

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.

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.

Jean-François Blas, member of the Executive Committee between 19 March 2009 and 20 May 2016, is a corporate officer of Sofival, the company from which STVI (Val d'Isère) was purchased, which is also a shareholder of the Company.

He has promised:

- to comply with all points of the CDA Group Ethics Charter and to the governance rules of the Corporate Governance Charter (this commitment has also been made by Sofival);
- exclusivity in terms of professional activity, with no other professional activities except those resulting from the performance of his mandates and of the employment contract as Director in the CDA Group and of mandates in Sofival;
- confidentiality pertaining to information to which he was privy within the performance of his duties at CDA;
- abstention from any decision-making procedure in the CDA Group that might create a conflict of interest, or potential conflict of interest, between CDA and Sofival.

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.

With the exception of the appointments of Bernard Blas and Jean-François Blas related to acquisitions made from Sofival in October 2007, to the Company's knowledge there is no 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.

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 Note 8.1 of Chapter IV of the consolidated financial statements.

1.3.4. Share transactions involving Compagnie des Alpes executives

During the 2015/2016 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.

2. FUNCTIONING OF ADMINISTRATIVE AND MANAGEMENT BODIES

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 bylaws attribute expressly to shareholders' meetings, (ii) powers reserved exceptionally for the Board of Directors, and (iii) the provisions of the Charter, the Chairman and Chief Executive Officer is vested with extensive powers to act in any circumstances on behalf of the Company, within the limits of the purpose of the Company. The decisions of the Board of Directors that limit the powers of the Chairman and Chief Executive Officer cannot be enforced against third parties.

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

Certain decisions made by the Chairman and Chief Executive Officer concerning the Compagnie des Alpes Group cannot be adopted, and certain actions or commitments concerning the Group cannot be concluded by the Chairman and Chief Executive Officer, if they have not received prior approval or been given proxy by the Board of Directors.

These restrictions of power are described in article II.2.3. of the Charter, which requires the Board's prior approval for decisions on one of the following matters:

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

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

2.2. CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE BOARD'S WORK

The Chairman or, in the Chairman's absence, the Vice-Chairman 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 1.1.3 above, and whose tasks and method of functioning are specified in the Corporate Governance 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 assesses the work of the Statutory Auditors, whose selection process it approves when mandates are renewed, and whose independence it guarantees. 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 remuneration 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 bylaws, Board decisions are adopted in principle by simple majority of the members present, with the Chairman having the casting vote.

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

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

2.3. ACTIVITIES OF THE BOARD AND COMMITTEES IN FISCAL YEAR 2015/2016

In the course of the 2015/2016 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 twice.

The members' average attendance rate at Board and Committee meetings continued to rise and reached 89% (from 87% in 2014/2015 and 84% in 2013/2014).

The non-voting member and representatives of the Works Council and Statutory Auditors also attended Board meetings. During the fiscal year, the Board of Directors dealt in particular with the following matters:

- Budget and MTP 2016-2020
- Reports on the work of the various Committees

- Preparation of the annual financial statements for the fiscal year ended 30 September 2015
- Remuneration of executive officers
- Implementation of the share buyback programme
- Grants of performance shares
- Report on gender equality
- Authorisation of Chairman and Managing Director in relation to sureties, endorsements and guarantees
- Preparation of the Combined Ordinary and Extraordinary Shareholders' Meeting of 10 March 2016
- Examination of the half-year consolidated financial statements at 31 March 2016
- Development projects in France and internationally
- Strategy and international development.

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

The Audit and Finance Committee again planned and held four meetings in 2015/2016, 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 2015
- Fees paid to the Statutory Auditors and their networks
- Annual operations report of the Audit Department and three-year plan for 2016-2018
- 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 2016
- 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
- Renewal of the mandate of one of the co-statutory auditors
- Review of the Liquidity Charter
- Review of the activities of international Grévin sites

For its part, **the Appointments and Remuneration Committee** has considered the remuneration of the executive officers and the members of the Executive Committee, and the performance share plans. It reviewed the sections of the annual report relating to corporate governance and the implementation conditions of the performance plan.

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

- Budget and MTP 2016-2020
- Review of strategy and international development
- Development projects in France and internationally.

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

2.4. ASSESSMENT OF THE BOARD AND COMMITTEES

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

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

A formal assessment of the Board, focusing on the composition and functioning of the Board and Committees, was conducted at the end of the 2013/2014 Fiscal year, under the guidance of the Appointments and Remuneration Committee and with the assistance of an external consultant. The assessment involved a series of interviews and a questionnaire. The conclusions of the assessment, presented to the Board of Directors at the beginning of fiscal year 2014/2015, indicated that the Board is happy with its composition and functioning. The directors are of the view that the Board and its three Committees are functioning well and fulfilling the duties assigned to them under the Corporate Governance Charter, with a good level of compliance with the recommendations of the AFEP-MEDEF Code.

As several directors had expressed a wish to be in closer contact with the Executive Committee, a meeting was organised in the margins of the Board meeting held in January 2016, during which the directors had the opportunity to discuss with the members of the Executive Committee, ask them about their work, and note their excellent involvement in the implementation of the Group's strategy.

To satisfy the wishes expressed by the directors to better understand the work of the Committees, each Chairman henceforth reports on the work performed by their Committee upstream of the Board's meetings. Furthermore, in response to comments made by the directors, the Board decided to implement a system for staggering the terms of office of directors at the Shareholders' Meeting of 12 March 2015. This system was also implemented during the Shareholders' Meeting of 10 March 2016 and will continue until 2017.

3. REMUNERATION OF CORPORATE OFFICERS

3.1. EXECUTIVE MANAGEMENT

3.1.1. Remuneration policy for executive officers

The Board of Directors is responsible for determining the remuneration of Dominique Marcel, Chairman and Chief Executive Officer, and Agnès Pannier-Runacher, Deputy Chief Executive Officer, and bases its decisions on the advice and recommendations of the Appointments and Remuneration Committee.

In the interests of transparency and balance, these bodies ensure that the remuneration 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 remuneration that makes it possible to increase stability and motivation within the Company and reward performance.

Neither of the two executive officers has an employment contract. Their remuneration comprises:

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

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

They do not benefit from the performance share plans implemented within the Group.

They also do not receive any directors' fees for the mandates they hold at various Group companies or any exceptional remuneration.

Fixed remuneration:

The fixed part of the two executive officers' remuneration is determined by the Board, based on the recommendations of the Appointments and Remuneration Committee.

The remuneration of the Chairman and Chief Executive Officer 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 remuneration of the Chairman and Chief Executive Officer (€360,000) therefore has not changed since 2010. It has been reaffirmed at the same amount for the current fiscal year.

The annual fixed remuneration of the Deputy Chief Executive Officer was increased to €260,000 as of 1 January 2016 (this is the first increase in the remuneration of 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.

Variable remuneration:

The variable parts of the executive officers' remuneration are annual bonuses linked to the achievement of qualitative and quantitative targets set for a Fiscal year and may reach 50% of their respective fixed remuneration.

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 officers for the Fiscal year concerned.

Following the end of the fiscal year, the Appointments and Remuneration Committee assesses the achievement of these targets and, on the basis of its appraisal, the Board then decides to grant all or part of the variable part of the remuneration to the executive officers. The variable parts granted for a fiscal year are therefore released and paid during the following fiscal year.

The remuneration 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.

› Setting of 2015/2016 targets determining the granting of the variable part

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

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

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

› Granting of the variable part for 2015/2016

Based on the work and proposals of the Appointments and Remuneration Committee, the Board of Directors meeting on 8 December 2016:

- set the variable part due for the achievement of qualitative targets at **25%** of the basic annual salary, after noting that the targets had been met,
- set the variable part due for the achievement of quantitative targets at **25%** of the basic annual salary, having concluded that these targets had also been met.

As a result, the Board decided that the variable part of executive officers' remuneration linked to 2015/2016 results would be set at 50% of the basic annual salary. For fiscal year 2015/2016, the variable parts of Dominique Marcel and Agnès Pannier-Runacher amount to €180,000 and €127,500 respectively.

Conditional severance package

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

› Severance package for Dominique Marcel, Chairman and Chief Executive Officer

When his corporate mandate was renewed on 14 March 2013, the Board decided that the Chairman and Chief Executive Officer would benefit from severance pay that would be comparable, in terms of the conditions governing the granting and calculation of the payment, with that determined for the term of his previous mandate.

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

(a) if he leaves the Company permanently (being neither an employee nor a corporate officer of the Company or any Group companies) after:

- 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);
- his resignation within 12 months of a change of control (in which one or more persons, acting alone or together, come to acquire or hold control of the Company within the meaning of Article L. 233-3 of the French Commercial Code), to the exclusion of any other kind of departure (especially a resignation other than in the case cited above, involuntary retirement, or force majeure).

(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 ended 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.

The Company believes that the conditions of the Chairman and Chief Executive Officer's severance pay are in line with AFEP-MEDEF recommendations.

This indemnity will only be paid in the event of a forced departure linked to a change of control or strategy. This general notion of forced departure must be viewed in the context of the nature of the company concerned and, in particular, its management methods and shareholder structure. For example, as a public limited company (société anonyme SA) with a Board of Directors, the Company believes that withdrawing or failing to renew the mandate, for reasons other than serious misconduct or gross negligence, would – in the absence of a change of control – necessarily reflect a strategic disagreement between the rest of the Board and/or the main shareholders and the Chairman and Chief Executive Officer. It also believes that under the AFEP-MEDEF interpretation of "forced departure", said departure may take the legal form of a formal resignation by the Chairman and Chief Executive Officer, especially after a change of control.

Severance pay will always be subject to individual and Group performance criteria, which rules out payment if the Company or Chief Executive Officer have failed, in line with AFEP-MEDEF recommendations.

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

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

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

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

A regulated, collective complementary retirement plan

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

- The defined-contributions pension plan (Article L. 242-1 of the French Social Security Code) benefits all of the staff of the headquarters entities, including executive officers, with no condition of presence or seniority. The defined contributions (individual accounts) are equal to 7% of the annual remuneration for each beneficiary (capped at five times the social-security ceiling, or €193,080 on an annual basis in 2016). 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 French Social Security Code), which is fully funded by Compagnie des Alpes, is open to corporate officers, senior managers 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 remuneration, less the pension received under the defined-contribution pension 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.

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

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 €52,973.

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

On the closing date of the fiscal year, the amount of the pension of Agnès Pannier-Runacher under the mixed complementary retirement plan is estimated at €56,119.

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

No granting of stock options and performance shares

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

3.1.2. Individual remuneration of executive officers

Information on the individual remuneration of executive officers is presented below:

- Remuneration tables drawn up in accordance with the standard presentation referred to in the AFEP-MEDEF Code, as specified and completed by AMF Guideline No. 2009-16 - Section 3.5 ("AMF classification").
- Summary tables presenting the individual remuneration elements due or awarded for the 2015/2016 Fiscal year, on which shareholders will be consulted at the next Shareholders' Meeting called to approve the financial statements for the Fiscal year ("Say on pay").

TABLE 1 OF THE AMF CLASSIFICATION – Summary of remuneration payable and stock options and shares granted to each executive officer (gross remuneration in €).

This first table summarises the total remuneration payable to executive officers for the Fiscal year ended 30 September 2016 and the previous fiscal year.

Dominique Marcel, Chairman-Chief Executive Officer	2014/2015	2015/2016
Rémuneration due for the fiscal year (see table 2)	564,867	565,567
Valuation of the options granted for the fiscal year (see table 4)	–	–
Valuation of the performance shares granted for the fiscal year (see table 6)	–	–
Total	**564,867**	**565,567**

Agnès Pannier-Runacher, Deputy Chief Executive Officer	2014/2015	2015/2016
Remuneration due for the fiscal year (see table 2)	377,301	405,409
Valuation of options granted for the fiscal year (see table 4)	–	–
Valuation of performance shares granted for the fiscal year (see table 6)	–	–
Total	**377,301**	**405,409**

TABLE 2 OF THE AMF CLASSIFICATION – Summary of remuneration (gross and in €) payable to each executive officer.

This second table shows the gross remuneration due to each executive officer for the Fiscal year ended 30 September 2016 and the previous Fiscal year, as well as the remuneration actually paid to them during these Fiscal years.

	Fiscal Year 2014/2015		Fiscal Year 2015/2016	
Dominique Marcel, Chairman-Chief Executive Officer	**owed**	**paid**	**owed**	**paid**
- fixed remuneration	360,000	360,000	360,000	360,000
- variable remuneration	180,000	180,000	180,000	180,000
- gross profit share	18,959	16,436	19,236	18,959
- exceptional remuneration	–	–	–	–
- directors' fees	–	–	–	–
- benefits in kind	5,908	5,908	6,331	6,331
Total	**564,867**	**562,344**	**565,567**	**565,289**

Agnès Pannier-Runacher, Deputy Chief Executive Officer	**owed**	**paid**	**owed**	**paid**
- fixed remuneration	240,000	240,000	255,000[1]	255,000[1]
- variable remuneration	120,000	120,000	127,500	120,000
- gross profit share	13,628	11,824	19,236	13,628
- exceptional remuneration	–	–	–	–
- directors' fees	–	–	–	–
- benefits in kind	3,673	3,673	3,673	3,673
Total	**377,301**	**375,497**	**405,409**	**392,301**

(1) Amount calculated prorata temporis from 1 January 2016, date when the fixed compensation was set at 260,000.

TABLE 4 OF THE AMF CLASSIFICATION – Stock options granted during the fiscal year to each executive 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 executive officer
N/A

TABLE 6 OF THE AMF CLASSIFICATION – Performance shares granted during the fiscal year to each executive 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 III, 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 III, Note 6.9 of the consolidated financial statements.

TABLE 11 OF THE AMF CLASSIFICATION – SItuation of the executive officers in the 2015/2016 fiscal year with regard to the AFEP-MEDEF Code

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

TABLEAU SYNTHETIQUE of remuneration elements due or awarded to Dominique Marcel, Chairman and Chief Executive Officer ("Say on pay")

Remuneration elements	Amounts due or awarded for fiscal year 2015/2016	Comments
Fixed remuneration	€360,000	Gross fixed remuneration for 2015/2016 (unchanged since 2009/2010)
Variable remuneration	€180,000	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	Dominique Marcel does not receive any multi-year variable remuneration.
Directors' fees	N/A	None of the executive officers of CDA receives directors' fees for the mandates held within the Group.
Exceptional remuneration	N/A	Dominique Marcel does not receive any exceptional remuneration.
Profit-sharing agreement	€19,236	Dominique Marcel benefits from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	As is the case for the other executive officers, 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. Please note: When Dominique Marcel's mandate was renewed, this commitment, which is subject to prior approval by the Board, was approved by the Shareholders' Meeting of 14 March 2013.
Non-competition indemnity	N/A	Dominique Marcel is not subject to a non-competition clause.
Complementary retirement plan	The actuarial obligation at 30 September 2016 was €873,424.	Dominique Marcel falls under the complementary retirement plan applicable to the Group's executive officers and senior managers. This comprises a defined-contribution plan and a defined-benefit plan that guarantees, upon retirement, a pension equal to 1% of his last annual remuneration (fixed + variable) per year of seniority, up to a maximum of 10% of this last remuneration. Please note: This is an earlier commitment previously approved by the Board that has been approved by the Shareholders' Meeting under related-party agreements and commitments.
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.

SUMMARY TABLE of remuneration elements due or awarded to Agnès Pannier-Runacher, Deputy Chief Executive Officer ("Say on pay")

Remuneration elements	Amounts due or awarded for the 2015/2016 fiscal year	Comments
Fixed remuneration	€255,000	Gross fixed remuneration for 2015/2016. It was raised to this amount at 1 January 2016 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.
Variable remuneration	€127,500	I.e. 50% of the basic annual salary. Information is provided above on the targets on which the variable part is dependent and how their achievement is assessed.
Multi-year variable remuneration	N/A	Agnès Pannier-Runacher does not receive any multi-year variable remuneration.
Directors' fees	N/A	None of the executive officers of CDA receives directors' fees for the mandates held within the Group.
Exceptional remuneration	N/A	Agnès Pannier-Runacher does not receive any exceptional remuneration.
Profit-sharing agreement	€19,236	Agnès Pannier-Runacher benefits from the profit-sharing agreement in force within CDA.
Stock option or performance share grants	N/A	As is the case for the other executive officers, Agnès Pannier-Runacher is not a beneficiary of the performance share plans.
Welcome or severance package	No payment	Agnès Pannier-Runacher will receive a severance package upon leaving the CDA Group as a result of dismissal (except in the case of serious misconduct or gross negligence). This will be equal to two years' compensation (last fixed + variable compensation), subject to the achievement of individual and Group performance criteria that have been verified by the Board. Please note: 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 is not subject to a non-competition clause.
Complementary retirement plan	The actuarial obligation at 30 September 2016 was €122,372	Agnès Pannier-Runacher falls under the complementary retirement scheme applicable to the Group's executive officers and senior managers. This comprises a defined-contribution plan and a defined-benefit plan that guarantees, upon retirement, a pension equal to 1 % of her last annual remuneration (fixed + variable) per year of seniority, up to a maximum of 10% of this last compensation. Please note: This commitment, which was subject to prior approval by the Board meeting of 18 December 2012, was approved by the Shareholders' Meeting of 14 March 2013.
Complementary health and pension plan	–	Agnès Pannier-Runacher is covered by the collective health and pension plan in operation at CDA, in the same way and under the same conditions as other employees.
Benefits of all kinds	€3,673	Agnès Pannier-Runacher has been allocated a company car.

3.2. BOARD OF DIRECTORS

3.2.1. Remuneration policy for Board members

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

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

Bernard Blas, Vice-Chairman of the Board, 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 are valued at €6,581, €2,960 and €1,600, respectively, i.e. a total of €11,141 for the 2015/2016 fiscal year.

Furthermore, the Board of Directors meeting of 14 March 2013 decided to grant Jacques Maillot remuneration of €1,500 per Board or Committee meeting attended for the services he provides in his new role as a non-voting member.

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.

3.2.2. Directors' fees and other remuneration (in €) received by non-executive executive officers (Table 3 of the AMF classification)

The directors' fees awarded for the 2015/2016 fiscal year amounted to €118,500 (amount including the remuneration paid to Jacques Maillot for his role as a non-voting member).

Directors' fees allotted for one fiscal year (in relation to the meetings held in this fiscal year) are paid in the next.

Directors and members of Committees	2014/2015 directors' fees	Other remuneration	2015/2016 directors' fees	Other remuneration
Dominique Marcel	N/A	See Section 3.1	N/A	See Section 3.1
Antoine Gosset-Grainville	15,000	–	12,000	–
Bernard Blas	16,500	11,141 (1)	16,500	11,141 (1)
Caisse des Dépôts et Consignations – Representative: **Antoine Colas**	15,000	–	13,500	–
Francis Szpiner	9,000	–	1,500	–
Crédit Agricole des Savoie – Representative: **Jean-Yves Barnavon**	10,500	–	3,000	–
Banque Populaire des Alpes – Representative: **Pascal Marchetti**	9,000	–	1,500	–
Caisse d'Epargne Rhône-Alpes – Representative: **Marion Rouso**	7,500	–	12,000	–
Gilles Chabert	16,500	–	10,500	–
Rachel Picard	10,500	–	9,000	–
Giorgio Frasca	19,500	–	18,000	–
Noëlle Lenoir	10,500	–	7,500	–
Total	**139,500**	**11,141**	**105,000**	**11,141**
Jacques Maillot	–	16,500	–	13,500
Total	**139,500**	**27,641**	**105,000**	**24,641**

(1) Remuneration for his position as Chairman of the Board of Directors of Valbus.

4. 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 officers no longer wished to receive these awards as of 2009/2010.

4.1. STOCK OPTIONS

The 34,536 stock options in circulation under Plan no. 12 (see Chapter IV, Note 6.9 to the consolidated financial statements) reached maturity in March 2016. None of these options was exercised before this date due to the strike price being higher than the current stock price.

On the date of publication of this Annual Report there were no stock options in circulation.

4.2. PERFORMANCE SHARES

Performance shares awarded for the 2015/2016 Fiscal year

Consequent to decisions of the Shareholders' Meeting of 13 March 2014, on 18 March 2016 Compagnie des Alpes implemented a new performance share plan (Plan no. 19), under which a total of 61,900 performance shares have been granted and distributed between 170 Group employees.

As with previous plans, shares will only be fully vested if the beneficiary remains at the Group (notwithstanding retirement) and has met a performance target after a two-year period.

For beneficiaries who are members of the Executive Committee, the shares initially awarded will be fully vested only:

(i) for half of the shares awarded, if the Group's financial targets, measured on the basis of ROCE growing over two years (2015/2016 and 2016/2017) relative to the previous two years, are achieved and;
(ii) for half of the shares awarded, if a qualitative performance criterion, relating to the contribution to the Group's strategic objectives and to the implementation of CDA's Business Plan, assessed over two years (2015/2016 and 2016/2017), has been met.

For other recipients, free shares will be fully vested only if a qualitative performance criterion 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 (2015/2016 and 2016/2017).

Assuming they are fully vested, these shares will then have to be held for at least two years by their beneficiaries.

These shares are recognised at fair value at the grant date, without subsequent revaluation. Fair value is determined by an actuarial calculation using the binomial options-pricing model, after taking into account the probability of the average time of participation of beneficiaries at the end of the vesting period. The resulting value per share is €13,690 for Plan no. 19.

Full vesting of performance shares granted under Plan no. 17

Following an assessment of the achievement of the performance criteria, 56,955 performance shares granted under Plan no. 17, implemented in 2015, were fully vested. The vesting of performance shares granted under Plan no. 17 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, measured on the basis of ROCE growing over two years (cumulated ROCE 2013/2014 and 2014/2015) relative to the previous two years (cumulated ROCE 2011/2012 and 2012/2013), had been achieved and;
(ii) for half of the shares awarded, if a qualitative performance criterion, relating to the contribution of each of the beneficiaries to the Group's strategic objectives, assessed over two years (2013/2014 and 2014/2015), had been 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 2015, 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 8,000 shares. The rest of the shares were delisted.

For the **other beneficiaries,** full vesting depended on each beneficiary's contribution to the Group and its managerial performance over the last two fiscal years. This contribution was assessed for each beneficiary by the Executive Management and a total of 43,575 shares became fully vested for 141 senior managers and other members of the Group's management. From their acquisition date, performance shares awarded under Plan no. 17 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 Note 6.9 of Chapter IV of the consolidated financial statements. The free shares granted within the Group are all Compagnie des Alpes shares.

A total of 108,475 rights to free shares remained in circulation on 30 September 2016. These shares will only be fully vested once the Board of Directors determines that the performance conditions have been achieved. They represent 0.48% of CDA's capital.

With the exception of the plans described above, there are no other potentially dilutive instruments.

4.3. STOCK OPTIONS GRANTED TO OR EXERCISED BY CORPORATE OFFICERS DURING THE FISCAL YEAR ENDED 30 SEPTEMBER 2016

N/A

4.4. STOCK OPTIONS GRANTED TO AND EXERCISED BY THE TEN LEADING EMPLOYEES (EXCL. CORPORATE OFFICERS) DURING THE FISCAL YEAR ENDED 30 SEPTEMBER 2016

N/A

4.5. PERFORMANCE SHARES GRANTED TO THE TEN LEADING EMPLOYEES (EXCL. CORPORATE OFFICERS) DURING THE FISCAL YEAR ENDED 30 SEPTEMBER 2016

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)	16,200	€13.69	19

4.6. EMPLOYEE PROFIT-SHARING

The policy of the Group is to link employees to the performance of the Group's companies. In this regard, all French companies of the Group that operate Ski areas as well as Leisure destinations have an employee profit-sharing or a stock-ownership agreement in force.

CDA, CDA-DS, CDA Management, CDA Productions, INGELO, CADEVI and CDA Ski-Diffusion have entered into employee profit-sharing agreements.
The total amounts to be paid by the Group for profit-sharing and stock-ownership are as follows:

Sums due for (in thousands of €)	2014/2015	2015/2016
Profit sharing	7,242	8,313
Stock ownership	3,589	4,465
Total	**10,831**	**12,778**

5. COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMANDATIONS

Compagnie des Alpes has decided to refer to the consolidated version of the AFEP-MEDEF Corporate Governance Code for Listed Companies dated November 2016, which can be viewed at: www.medef.com. In accordance with the "comply or explain" principle and the most recent recommendations of this code and the AMF, the table below indicates the recommendations of the code that are not applied by Compagnie des Alpes and explains the reasons for this.

Principles of the AFEP-MEDEF Code not followed by CDA	Detailed explanations:
At least two thirds of the members of the Audit and Finance Committee must be independent directors (Article 15.1).	Since May 2015, the Audit and Finance Committee of the CDA has consisted of four members, of which half (two directors) are independent. If the number of independent directors does not meet the threshold required by the AFEP-MEDEF Code, this is due to the presence of CDC (Caisse des Dépôts), reference shareholder within CDA, which justifies that this proportion may be slightly lower than that which must exist in companies with a widely-dispersed capital. The Audit Committee has been chaired, as provided for in the CDA Corporate Governance Charter, by a representative of CDC. It should be noted that the CDC chose to continue the nomination of Antoine Gosset-Grainville, who is no longer an employee of the CDC Group (as of 2012), as Chairman, in order to ensure the quality of the Committee's work. Furthermore, the executive officers of the Company do not occupy functions neither as members nor a fortiori as chair of the Committee. Lastly, it should be noted that only this Committee's composition is not entirely compliant with the AFEP-MEDEF Code, since that of the Board of Directors and the Appointments and Remuneration Committee comply.
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, (iv) 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.	In December 2013, CDA incorporated this principle relating to the holding of shares by executive officers into its Charter, leaving it up to the Board to specify the terms that would apply. As yet the Board has not defined these terms, in particular the number of shares that must be held by its executive officers (it should be noted that these executive officers do not benefit from performance share or stock option plans under which they would potentially be required to hold a quota of the shares resulting from these plans). Nevertheless, taking into account the number of shares in the Company now held by the Chairman-Chief Executive Officer (almost 9,000) and, given that the Deputy Chief Executive Officer has invested the whole amount she received via profit-sharing plans in, 2014/2015 and 2015/2016, in the investment fund consisting in the amount of 99% in CDA shares (and who will continue to do so for the current year), the Appointments and Remuneration Committee, which is aware of the difficulties for corporate officers of investing in Company shares in full compliance with the provisions of the French Monetary and Financial Code, has decided to delay the introduction of a more precise policy at this stage.

Principles of the AFEP-MEDEF Code not followed by CDA	Detailed explanations:
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 for its senior executives, 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 remuneration for each beneficiary (capped at five times the social-security ceiling, or €190,200 on an annual basis in 2015). 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 (76 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 remuneration, less the pension received under the defined-contribution pension 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. The potential rights, which do not increase with seniority, represent only 1% of the reference remuneration (maximum authorised by law: 3%) and the ceiling has been set at only 10% of the reference remuneration (maximum recommended by the AFEP-MEDEF Code: 45%). 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.

6. INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

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

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

6.1. INTERNAL CONTROL PROCEDURES

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

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

Internal control is an element of the Group's overall management system.
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.

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:

- 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.

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.

Group organisation

The Executive Management of the CDA Group decides on:

- organisation, responsibilities and the delegation of powers and/or signing authorities, as well as the authorisation to incur commitments;
- the objectives, policies and values of the Group.

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

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

Main Group charters

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

- The Corporate Governance Charter defines the areas in which Executive Management decisions are subject to prior approval by the Board of Directors, as well as the conditions for the granting of said approval. The Charter also states the missions and prerogatives of the different committees of the Board of Directors, particularly the Audit and Finance Committee. The Charter is available on the Group website: www.compagniedesalpes.com.
- The Ethics Charter states the values and principles of the Compagnie des Alpes Group. It serves as a guide for professional behaviour, reviews the basics of investment ethics, explains the risks of conflicts of interest, and defines appropriate behaviour. The Code is appended to senior managers' employment contracts. It is adjusted in line with regulatory developments.
- A charter for the use of IT resources. Like the Ethics Charter, it is being gradually applied to all Group employees.

Information and communication

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

These documents make up the Group Reference Documents, which are made available to all Group employees who are required to apply them.

A document management tool is administered by the Audit and Internal Control Department. It can be accessed via the Group intranet.

As an extension of the communication referred to above, 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.

Risk analysis and definition of controls

Since 2013, the CDA Group has been formalising its internal control system in greater detail and has gradually been extending this to all Group processes included in its process map, with priority being given to processes that impact on the main income statement items (sales, purchases, etc.) and that present certain operational risks linked to the processes.

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

- Flow diagram: schematic description of the macro-steps and steps involved in the process. This flow diagram is a standard document at Group level.
- Internal control guide: this guide translates the general internal control targets into targets specific to the process. It describes the controls to be implemented to ensure better control of each of the risks identified, at the level of each macro-step and 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.

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.

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 or ad-hoc missions conducted at entities.

6.2. PROCEDURES RELATIVE TO THE PRODUCTION OF ACCOUNTING AND FINANCIAL INFORMATION

Organisation and procedures

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

This department is responsible for the preparation and production of the separate 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 separate financial statements for their entity. The separate financial statements are prepared on the basis of the accounting principles in force in the country, and are restated at the consolidated level, if necessary, to respect the accounting principles laid down by the Group, which makes it possible to guarantee the consistency of the accounting principles used for the consolidated financial statements.
- The formats and tools for submitting information to be consolidated are identical for all consolidated entities.

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

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

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

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

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

The Management Control Department is responsible for coordinating the budgetary process and the five-year medium-term plan and for analysing the performance of the Group and its entities, in close collaboration with 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 with 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. This department produces all the financial analyses required by the Executive Management.

The Finance and Cash Department, the third department that makes up 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 separate financial statements.

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

Financial communication

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

6.3. RISK MANAGEMENT PROCEDURES

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

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

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

These procedures are based on:

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

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

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

Organisation

The Executive Management of the CDA Group decides on:

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

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

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.

In 2016, the Group Risk Committee 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 incidents that have occurred during the period, makes sure that action plans are being followed and are progressing, decides on the approaches to be taken and, if necessary, acts as an arbitrator.
Lastly, it takes decisions on certain risks that are not considered a priority, either as a result of the economic or social environment, changes in indicators or weak signals that require particular attention.

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

Specific case of crisis management

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

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

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

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

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

6.4. OVERSIGHT

Internal Audit

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.

Each year the audit plan is approved by the Executive Committee. An operations report is presented to the Audit and Finance Committee. 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. Tasks that were not included in the audit plan may be carried out at the request of the Chairman and Chief Executive Officer or the Audit and Finance Committee, especially where there is an imminent or identified risk.

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.).

6.5. CHANGES TO INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES IN 2015/2016

Changes to internal control procedures

The formalisation of the internal control procedures continued in 2015/2016.

In particular, the procedures were enhanced with technical guidelines co-developed with the operational departments. These guidelines are used during reviews between operational site staff with a view to sharing good practices and expertise.

7. REPORT OF THE STATUTORY AUDITORS,

drawn up in accordance with article l. 225-235 of the french commercial code, on the report of the chairman of the board of directors of compagnie des alpes sa.
Fiscal year ended 30 September 2016

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92400 Courbevoie

Dear Shareholders,

In our capacity as Statutory Auditors of Compagnie des Alpes SA and in accordance with the provisions of Article L. 225-235 of the French Commercial Code, we hereby present our report on the report prepared by the Chairman of your company as stipulated in the provisions of Article L. 225-37 of the French Commercial Code for the fiscal year ended 30 September 2016.

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

It is our duty:

- to give you our observations on the information provided in the Chairman's report concerning the internal control and risk management procedures used for the preparation and treatment of accounting and financial information; and

- to attest that this report includes all other information required by Article L. 225-37 of the French Commercial Code, although it is not our responsibility to verify the good faith of this information.

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

Information on procedures for internal control and risk management for the preparation and treatment of accounting and financial information

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

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

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

Other disclosures

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

Neuilly-sur-Seine and Courbevoie, 25 January 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Françoise Garnier-Bel

Mazars
Gilles Rainaut

3 NON-FINANCIAL REPORTING

Compagnie des Alpes attaches great importance to being a responsible company in relation to all the social, environmental and societal challenges associated with its activities. With just under 5,000 staff, the Group focuses on protection of the environment with its employees and partners. The Group endeavours to reduce the impact of its activities especially as concerns energy, water resource management and biodiversity, which are the main challenges of its environmental footprint. Furthermore, it inherits the land-use planning policy of the regions it operates in, and meets its responsibilities to regional authorities. It therefore accepts employment, social solidarity and development of regions as societal challenges in connection with its contribution to the economic and social fabric.

1. METHODOLOGY NOTE ON CSR REPORTING

1.1. REPORTING SCOPE

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

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

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

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

Changes in the scope of consolidation: concerning social reporting, sites joining (opening of new site/entity or acquisition of an existing site/entity) of sites exiting (closure or sale) the scope are included in reports if they are part of the workforce for a period of at least six months during the fiscal year. Chaplin By Grévin is therefore not included as it opened in April 2016. Grévin Seoul, opened in July 2015, is included in the environmental and societal information but excluded from the social scope due to problems encountered obtaining the necessary figures for the 2015/2016 fiscal year. As it employs 17 people, the site accounts for a very small part of the Group's activity.

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

Existence of reporting:	Social	Environmental	Societal
Ski areas			
ADS; DAL/SC2A/Pierre&Neige; GMDS; Méribel Alpina; SAP; SCV; SEVABEL; STGM; STVI/Valbus	Yes	Yes	Yes
CDA Ski Diffusion	Yes	No	No
DAI; Scivabel; Skigloo; SAG	No	No	No
Leisure destinations			
Belpark (Bellewaerde, Walibi Belgium & Aqualibi); Grévin Deutschland (Fort Fun site); France Miniature; Futuroscope/Futuroscope Destination; Musée Grévin (Paris); Grévin & Cie (Parc Astérix); Walibi Holland/Walibi Holiday Park; Avenir Land (Walibi Rhône Alpes)	Yes	Yes	Yes
CADEVI; CDA DL; Walibi World	Yes	No	No
CDA Brands; Immoflor NV; Premier Financial Services; HHH	No	No	No
International development			
CDA Productions (Workshops); Grévin Montreal; Grévin Prague; CDA Management	Yes	Yes	Yes
Grévin Seoul	No	Yes	Yes
By Grévin	No	No	No
CDA Management	Yes	No	No
Holdings and Support			
CDA (Boulogne Billancourt, Paris and Chambéry sites); CDA DS (Chambéry and Macôt site); INGELO	Yes	Yes	Yes
CDA Financement; CDHA; Loisirs Ré	No	No	No

1.2. DATA COLLECTED

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

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

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

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

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

1.3. COLLECTION PROCESS

Since 2016, the data reporting process has been the joint responsibility of the Group Human Resources Department and the Audit and Internal Control Department.

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

1.4. LIMITATIONS ON DATA COLLECTION AND RELIABILITY

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

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

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

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

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

2. GROUP WORKFORCE INFORMATION

2.1. KEY INDICATORS

WORKFORCE FOR FY 2015/2016 (permanent and non-permanent staff)	2016 Group	*of which France*	Excl. France	*of which Netherland*	*of which Belgium*	*of which Germany*	*of which Canada*	*of which Czech Rep.*	2015 Group	2014 Group
Ski areas	2,033	2,033	–	–	–	–	–	–	2,027	2,048
Leisure destinations	2,434	1,676	758	259	407	92	–	–	2,444	2,649
International development	67	31	35	–	–	–	21	15	83	79
Holdings and Support	134	134	–	–	–	–	–	–	151	147
TOTAL AVERAGE WORKFORCE (FTE*)	**4,668**	**3,874**	**793**	**259**	**407**	**92**	**21**	**15**	**4,705**	**4,923**
HR indicators by geographic segment at 30 September										
WORKFORCE AS AT 30/09	**4,739**	**2,767**	**1,972**	**1,169**	**587**	**168**	**30**	**18**	**4,580**	**5,025**
of which % women	45%	41%	50%	55%	41%	45%	57%	61%	44%	46%
of which % men	55%	59%	50%	45%	59%	55%	43%	39%	56%	54%
MANAGEMENT										
% managers	11%	17%	2%	1%	4%	2%	20%	17%	11%	11%
of which % female managers	43%	44%	38%	40%	28%	67%	67%	33%	33%	42%
of which % male managers	57%	56%	62%	60%	72%	33%	33%	67%	57%	58%
AVERAGE WORKFORCE	**4,668**	**3,874**	**793**	**259**	**407**	**92**	**21**	**15**	**4,705**	**4,923**
of which % permanent	41%	43%	35%	28%	34%	31%	100%	100%	43%	42%
of which % non-permanent	59%	57%	65%	72%	66%	69%			57%	58%
TRAINING**										
Number of training hours	67,172	53,060	14,112	2,328	11,245	204	105	320	74,573	75,575
Number of employees having attended at least one training programme	5,647	3,354	2,293	1,344	880	17	35	17	4,588	4,889
OCCUPATIONAL ACCIDENTS										
Occupational accident frequency	44.1	50	18.7	9.8	26.7	16.2	0	0	47.5	53.4
Number of occupational accidents that caused an employee's death	0	0	0	0	0	0	0	0	0	0
Number of travel accidents that caused an employee's death	0	0	0	0	0	0	0	0	0	0

**FTE = full-time equivalent.*
*** Data reported for the calendar year 2015 (covering FY 2015/2016) and 2014 (covering FY 2014/2015).*
These figures exclude training at GMDS (work was undertaken in 2015 to establish the reliability of the figures).

2.2. WORKFORCE

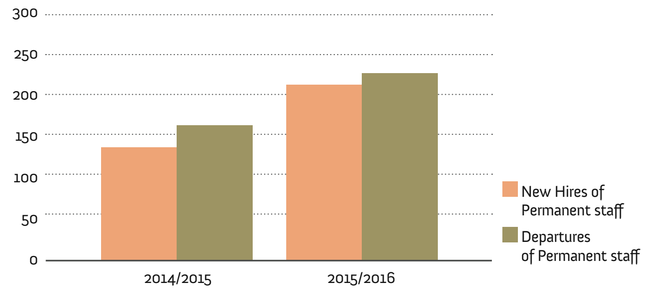
At 30 September 2016, the Group's total workforce was 4,739. The average workforce calculated over the fiscal year stabilised at 4,668 full-time equivalents, compared with 4,705 the previous year.

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

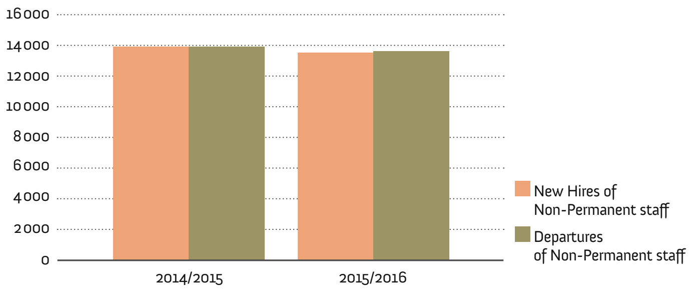
News hires are primarily temporary (seasonal for both businesses), which represented 59% of the Group's FTE workforce over the past year.

Due to the seasonal nature of our activities, the number of departures from the Group is more or less balanced out by the number of new hires.

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



NUMBER OF NEW HIRES/DEPARTURES OF NON-PERMANENT STAFF DURING THE FISCAL YEAR (EXCLUDING CONTRACTORS AND REPLACEMENT STAFF)



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 Lift Operators and Ski Areas. Nearly 89% of seasonal workers thus return from one season to the next, which explains why their seniority is significant.

Leisure destinations

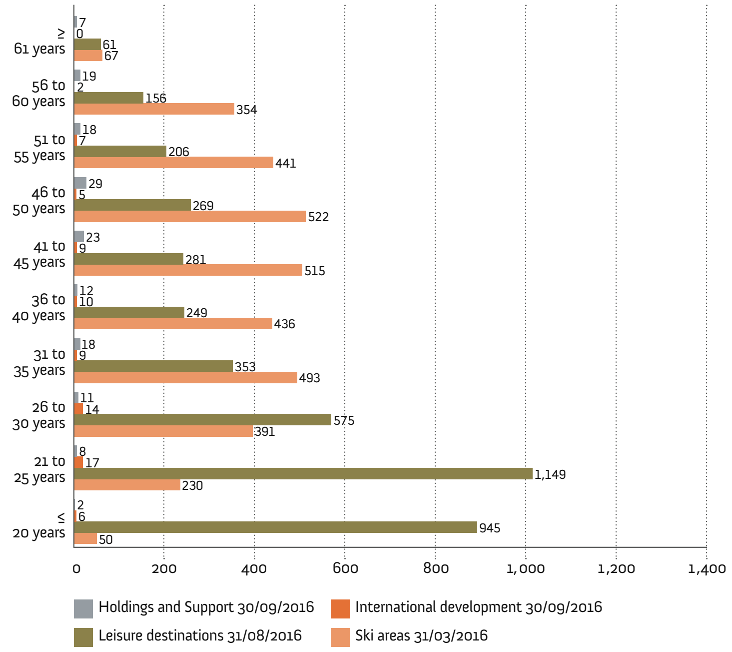
As regards Leisure destinations, seasonal workers' employment structure is more volatile, although a tendency towards greater stability has emerged in recent years.

For the 2015/2016 fiscal year, the average return rate among seasonal workers in Leisure destinations rose to 54%.

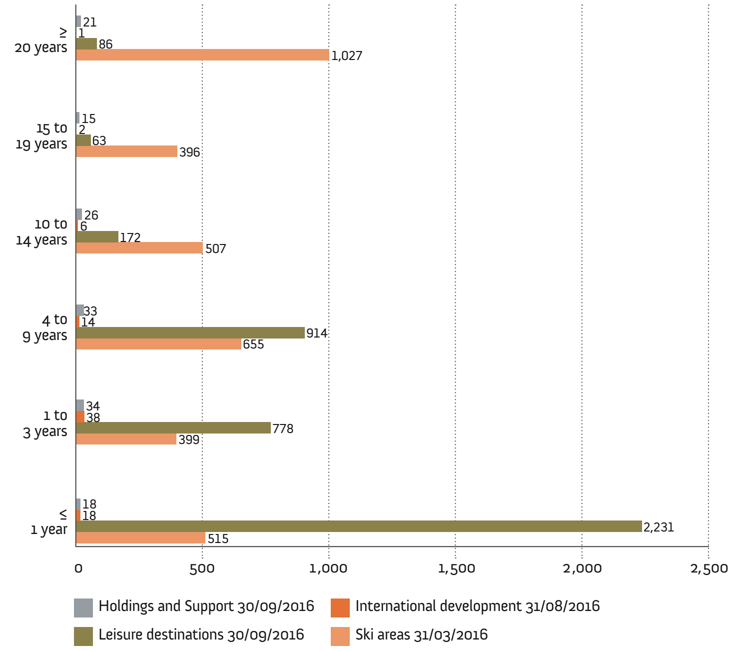
This compares with 53% in the previous year, and 48% two years ago.

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

AGE OF CDA GROUP PERSONNEL BY BUSINESS LINE WORKFORCE IN PEAK SEASON



SENIORITY OF CDA GROUP PERSONNEL BY BUSINESS LINE WORKFORCE IN HIGH SEASON



CDA employees have two distinguishing features:

- most are seasonal employees who have a suitable personality for the activity so they do not necessarily require specific initial training programmes;
- they really love working in the leisure sector.

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

› 1. Integration

Operational jobs require one-to-one training, which we provide to our seasonal workers. Most importantly, they must have a liking for contact with people, an ability to welcome and ensure the safety of our visitors, and offer them a unique experience. We therefore mainly recruit employees interested in our businesses, with a capacity to develop these qualities. Each year we offer a springboard to candidates who are often looking for their first job or retraining. For several years we have used an appropriate recruitment method that aims to spot talent and potential among the different applicant profiles. This method, based on a programme we call "STAR", is used by the majority of our Leisure parks. Once we have identified the key behaviour we are looking for in our employees, we assess the applicants by setting them relevant concrete exercises based on scenarios which have actually happened at our sites. During these group sessions, the operational managers take part in the exercises but are also, and most importantly, there to observe. It is these same managers who can determine whether or not the applicants exhibit the key behaviour we are looking for.
To a certain extent, these recruitment days are the first step in integrating our future employees before they are immersed in our business activities.

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

In 2015, we deployed a certified training programme before hiring, for the new seasonal workers of the Leisure destinations, in the form of a POEC (Préparation opérationnelle à l'emploi - operational preparation for collective employment). This programme is intended to enable teams to acquire the skills to improve hospitality at the parks and, most importantly, Very High Visitor Satisfaction.
At the end of the programme, which is in place at several sites (Parc Astérix, Walibi Rhône-Alpes and Futuroscope), successful candidates obtain a CCP certificate and a branch-level certificate of professional qualification (CQP) in one of the following three business lines: rides/installations, fast food and shop sales.

In Belgium, a collectively-managed training fund was created in 2012 for the occupational sector in which our sites operate. It gave 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). Actions specific to the region were also implemented: for example, in Val d'Isère, STVI (the ski area operating company) in partnership with other companies or local authorities, established a POEC plan, enabling first-time seasonal workers to acquire basic skills in tourism jobs. Collaboration with the resort's partners has been strengthened through the Val d'Isère Campus initiative which has over 200 trainees and some 20 member companies.
Discussions with the branch OPCA (Organisme Paritaire Collecteur Agréé – an accredited collection agency) during the 2015/2016 fiscal year have led to an agreement which aims to step up training initiatives whilst keeping to budget.

At headquarters, on the back of the work integration policy, the company has for over three years been providing support until graduation (from BAC to BAC+5) to employees who combine work and training. Seven students preparing for a variety of diplomas, such as the BTS for legal assistants, a Masters in International Management, a Masters in Sales and Marketing Management or a Mechanical Engineering degree, were welcomed in different holding companies in the 2015/2016 fiscal year. Most of our students join our holding companies on a two/three year training/work experience contract. They are all supervised by a tutor and most of our tutors have undergone specific "tutor" training to enable them to provide the best-possible support. Note that one of our students on a training/work experience contract has been given a permanent position within the Company.

› 2. Secure employment

Our activities are by nature seasonal. Nevertheless, since the collective agreement signed in 2011 on the stabilisation of employment for our seasonal workers, we have innovated to help them find employment all year round.
Within this agreement, CDA is developing internal cross-over programmes between the two business lines 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 consisting of organising contacts with local employers with complementary seasonality have met with more success. The Ski areas are pursuing their policy of collaboration with sub-contractors which has provided employment for seasonal workers during the summer in maintenance positions or other areas. Some activities (maintenance in particular) are also insourced which has enabled us to either offer our winter seasonal workers summer jobs or to offer permanent employment to workers on fixed-term contracts.

In terms of our Leisure destinations, at the end of each season at Parc Astérix we organise a job/training forum for our seasonal workers, presenting to them the professions of the Ski area activity, and the jobs on offer for the winter season.
This allows seasonal workers at the end of their contract to consider undertaking professional training in a chosen area or studying for a certificate to further their career.
The Walibi Rhône-Alpes park continues to form partnerships with neighbouring companies with complementary seasonality, enabling us to offer our seasonal workers employment over the winter period.
Chambéry Airport, whose requirements increase sharply in the winter, offers jobs to our seasonal workers. In the last few years, the Brioche Pasquier Group and Jambon d'Aoste have also notified us of their winter jobs vacancies.
In total, around twenty seasonal workers in Walibi Rhône-Alpes benefited from job opportunities, enabling them to work for most of the year.

› 3. Employability through the development of skills

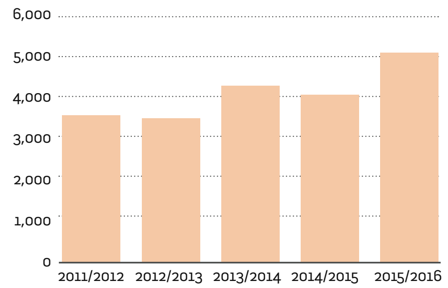
Finally, again with a view to stabilising employment, we develop employability by enabling staff to acquire and strengthen skills.
In this regard, Compagnie des Alpes is pursuing its training drive: while its FTE employees have fallen by 0.8%, the number of employees who underwent at least one training course rose by 23%.
As work is under way to establish the reliability of the GMDS training figures, these were not included in the scope of comparison.

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

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

We continue to support Group managers by proposing a range of training modules adapted to our culture, our specific needs and our business lines.
New modules are being considered in connection with topics of strategic importance for the Group, such as raising awareness of digital issues and working in project mode.

CHANGE IN NUMBER OF PERSONS WHO RECEIVED TRAINING



Individual and collective development

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

2.3. WAGE POLICY AND EMPLOYEE BENEFITS

	Managers		Supervisors		Workers Employees	
Average gross monthly salaries for permanent staff	Men	Women	Men	Women	Men	Women
Leisure destinations in France	€ 4,428	€ 3,947	€ 2,647	€ 2,497	€ 2,135	€ 1,979
Ski areas	€ 5,609	€ 5,103	€ 3,320	€ 3,199	€ 2,813	€ 2,712

Wage policy is largely decentralised. Obligatory annual negotiations are held in France at site level, which, in addition, offer all the specific profit-sharing and stock ownership agreements. However, a Group savings plan is in place for every employee with a French employment contract (with the exception of Futuroscope and STVI employees). In this system, Management sets the contribution every year, and each subsidiary may also decide to introduce additional contributions. All the Group's French employees are covered by supplementary health insurance on a compulsory (permanent employees) or optional (non-permanent employees) basis.
A compulsory pension plan is also in place for all French employees.

There are three collective bargaining agreements in France:

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

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

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

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

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

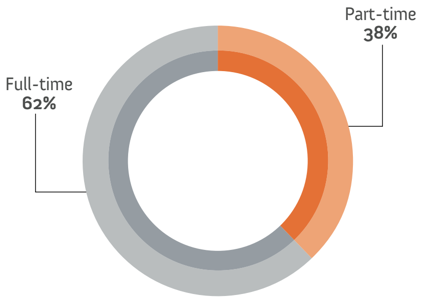
Conversely, in Canada, the Group's complementary health, insurance and retirement plans are key to employees' social protection. The guarantees of these complementary plans were determined at a competitive level in relation to national standards.

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

2.4. WORKTIME ORGANISATION

The sites comply with the laws applicable in their country with regard to worktime organisation.
At 30 September 2016, the breakdown of the Group's full-time and part-time employees was as follows:

BREAKDOWN OF THE GROUP'S FULL-TIME AND PART-TIME EMPLOYEES 30 SEPTEMBER 2016



2.5. EMPLOYEE REPRESENTATION

Staff representative bodies in 2015/2016

In France, employee representation is handled entirely by 329 staff representatives and 26 trade union representatives (excluding health, safety and working conditions committees).

Controlled sites abroad (full consolidation scope) have 16 staff representatives and two trade union representatives.

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

Renewal of Staff Representative Bodies

In France, eight companies (including six Ski areas and two Leisure destinations) renewed the positions of staff representatives in the 2015/2016 fiscal year.

Group Works Council

CDA's Group Works Council met three times in the 2015/2016 fiscal year. This forum for sharing information mainly concerns the Group's strategy and development. It helps facilitate labour relations at Group level.

The Europe-wide Works Council, which was set up in 2014, met twice in the 2015/2016 fiscal year. At these meetings, the staff representatives were able to look at the organisation and workings of this council, which is still in its infancy. They decided to prioritise the quality of work life of the Group's employees, and specifically to identify the causes and effects of psychosocial risks. They were also updated on the Group's social, economic and financial situation.

2.6. COLLECTIVE BARGAINING AGREEMENTS

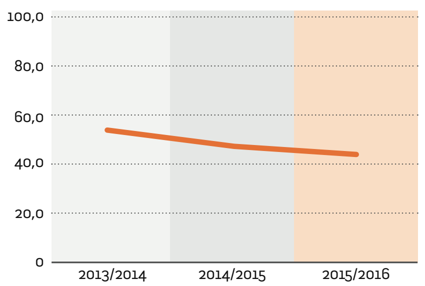
During the 2015/2016 fiscal year, the Group entered into 42 agreements, most of which related to compensation, profit sharing and organisation of work. These agreements mainly concern obligatory annual negotiations (31 agreements and in particular an agreement on health and safety at work relating to the health insurance provided in the management contract).

2.7. STAFF HEALTH AND SAFETY

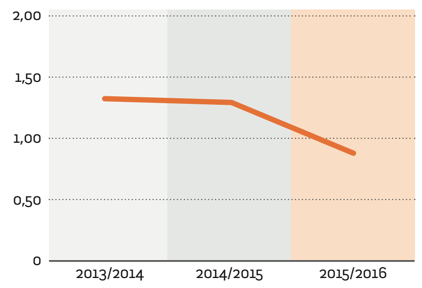
In compliance with the law of 31 December 1991 and the decree of 5 November 2001, professional risk evaluation documents (personnel health and safety) are compiled and updated regularly on French sites. They include risk identification by business line and job position as well as action plans. Each company 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 Ski areas, occupational accidents are mainly falls when moving about on skis, as well as slips and falls when walking (owing to weather conditions). For Leisure destinations, occupational accidents occur most often when working at heights, moving about within parks, or working in catering services.

CHANGE IN THE OCCUPATIONAL ACCIDENT FREQUENCY – GROUP



CHANGE IN THE RATE OF SEVERITY OF OCCUPATIONAL ACCIDENTS – GROUP



Quality of work life and psychosocial risk prevention:

An analysis of work life quality was conducted for the headquarters in the last fiscal year. On this occasion, an action plan was discussed with the employee representative bodies and the management. Measures continue to be implemented regarding management support, communication and work organisation. The relocation of the Paris and Chambéry teams will also be an opportunity to change work habits and facilitate communication (particularly with a move to an open plan office) in order to ensure staff behaviour is appropriate for the changes taking place in the company.

The Ski areas pursued actions relating to QWL and the prevention of psychosocial risks in the 2015/2016 fiscal year. Some of the areas conducted a preliminary assessment to allow them to take any corrective action required.

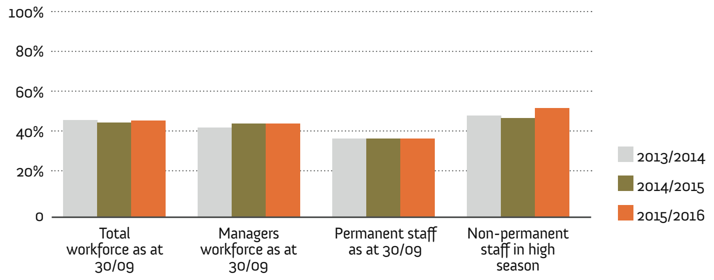
2.8. PROMOTING WOMEN IN THE CDA GROUP

As of 30 September 2016, the percentage of women in relation to total workforce was:

Percentage Women	Group	Leisure destinations	Ski areas
Total workforce as at 30/09/2016	45%	51%	22%
Managers as at 30/09/2016	43%	49%	32%
Permanent staff as at 30/09/2016	36%	45%	23%
Non-permanent staff in high season	52%	54%	19%

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

CHANGE IN THE % OF WOMEN IN THE GROUP



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

2.9. PROMOTION AND COMPLIANCE WITH THE STIPULATIONS OF THE BASIC INTERNATIONAL LABOUR ORGANISATION CONVENTIONS

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

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

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

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

2.10. CONSOLIDATED EMPLOYEE DATA – FRANCE

France	30/09/2016	30/09/2015
Workforce		
Total workforce in France (1)	2,767	2,633
Percentage of women	41%	41%
Percentage of men	59%	59%
Workforce by age (2)		
≤ 20 years	139	NA
21 to 25 years	370	457
26 to 30 years	337	298
31 to 35 years	306	563
36 to 40 years	279	NA
41 to 45 years	363	737
46 to 50 years	366	NA
51 to 55 years	308	NA
56 to 60 years	262	NA
≥ 61 years	37	578
Workforce by seniority (2)		
< 1 year	431	469
1 to 3 years	486	463
4 to 9 years	854	472
10 to 14 years	229	NA
15 to 19 years	208	NA
≥ 20 years	559	1,229
Average workforce (3)	3,874	3,917
Number of permanent employees (all on open-ended contracts)	1,658	1,743
Number of non-permanent employees	2,216	2,174
New hires (4)		
Number of hires per open-ended contract	127	91
Number of hires per fixed-term contract	9,207	9,884
Departures (5)		
Number of terminations	90	104
Number of breaches of contract	18	NA
Number of resignations	184	200
Number of contract expirations	9,128	9,484
Number of retirements	39	NA
Number of departures for other reasons	40	87
Hours worked and overtime		
Legal work week (full-time)	35	35
Number of hours worked (in thousands)	6,462	6,536
Number of overtime hours (in thousands)	103	108
Absenteeism		
Absenteeism rate (all absences included)	3.97%	4.11%
Number of absentee days	40,290	42,022
of which sick leave days	20,017	23,049
of which occupational accidents, travel accidents, or occupational disease	6,580	7,971
of which other reasons	13,693	11,003

(1) All employees at 30 September, all types of employment contract.
(2) The age and seniority levels were expanded in 2015/2016. Due to this change, not all of the correspondences with 2014/2015 could be established.
(3) Sum of monthly workforce divided by 12 months.
NB: average monthly workforce: No. of hours paid monthly / 151.67.
(4) Excluding contractors and replacement staff.
(5) Excluding contractors and replacement staff.

France	30/09/2016	30/09/2015
Remuneration		
Gross total wage bill (in millions of €)	132.5	132.2
Employer social security contributions (in millions of €)	60.3	58.5
N-1 incentive bonuses paid in N		
Gross amount (in millions of €)	8.2	7.1
Average amount per employee (in €)	2,108	1,823
N-1 profit-sharing paid in N		
Gross amount (in millions of €)	3.6	3.2
Average amount per employee (in €)	931	809
Labour relations		
Number of staff representatives (6)	313	314
Number of trade union representatives	24	27
Collective bargaining agreements signed during the fiscal year	37	53
Hygiene and safety conditions at work		
Number of occupational accidents with leave of more than 24 hours	322	337
Number of deaths following occupational accident	0	0
Number of declared occupational diseases	3	3
Rate of severity (7)	0.99	1.42
Frequency rate (8)	49.8	51.6
Training (9)		
Number of persons who received training	3,354	3,649
Number of training hours	53,060	61,468
Number of training hours per employee (10)	13.7	15.7
Employment of disabled workers		
Number of disabled employees in the fiscal year	108	115
Number of disabled workers hired during the fiscal year	30	40
Company welfare		
Works Council budget for company welfare (in millions of €)	1.0	1.0
Subcontracting		
Amount paid towards subcontracting (in millions of €)	32	30

(6) Number of staff representatives excluding health, safety and working conditions committees.
*(7) Number of working days of leave after occupational accident * 1,000 / number of hours worked.*
*(8) Number of accidents with leave * 1,000,000 / number of hours worked.*
(9) Data reported for the calendar year 2015 (covering fiscal year 2015/2016) and 2014 (covering fiscal year 2014/2015). These figures exclude training at GMDS (work was undertaken in 2015 to establish the reliability of the figures).
(10) Total number of training hours divided by the average workforce.

2.11. CONSOLIDATED EMPLOYEE DATA – GROUP

Group	30/09/2016	30/09/2015
Workforce		
Total workforce (1)	4,739	4,580
Percentage of women	45%	44%
Percentage of men	55%	56%
Workforce by age (2)		
≤ 20 years	664	NA
21 to 25 years	956	1,491
26 to 30 years	613	584
31 to 35 years	436	800
36 to 40 years	378	NA
41 to 45 years	437	929
46 to 50 years	455	NA
51 to 55 years	389	NA
56 to 60 years	332	NA
≥ 61 years	79	776
Workforce by seniority (2)		
< 1 year	1,958	1,900
1 to 3 years	685	724
4 to 9 years	987	596
10 to 14 years	325	NA
15 to 19 years	211	NA
≥ 20 years	573	1,360
Average workforce (3)	4,668	4,705
Number of permanent employees (all on open-ended contracts)	1,932	2,015
Number of non-permanent employees	2,736	2,690
New hires (4)		
Number of hires per open-ended contract	206	133
Number of hires per fixed-term contract	12,811	13,210
Departures (5)		
Number of terminations	146	144
Number of breaches of contract	24	NA
Number of resignations	250	274
Number of contract expirations	12,565	12,779
Number of retirements	44	NA
Number of departures for other reasons	45	118
Hours worked and overtime		
Number of hours worked (in thousands)	7,919	7,964
Number of overtime hours (in thousands)	107	111
Absenteeism		
Absenteeism rate (all absences included)	4.22%	4.18%
Number of absentee days	51,649	51,337
of which sick leave days	26,323	26,972
of which occupational accidents, travel accidents, or occupational disease	7,037	8,516
of which other reasons	18,288	15,850

(1) All employees at 30 September, all types of employment contract.
(2) The age and seniority levels were expanded in 2015/2016. Due to this change, not all of the correspondences with 2014/2015 could be established.
(3) Sum of monthly workforce divided by 12 months.
NB: average monthly workforce: No. of hours paid monthly/number of statutory working hours.
(4) Excluding contractors and replacement staff.
(5) Excluding contractors and replacement staff.

Group	30/09/2016	30/09/2015
Remuneration		
Gross total wage bill (in millions of €)	157.5	155.6
Employer social security contributions (in millions of €)	67.1	65.3
N-1 incentive bonuses paid in N		
Gross amount (in millions of €)	8.3	7.2
Average amount per employee (in €)	1,782	1,539
N-1 profit-sharing paid in N		
Gross amount (in millions of €)	4.5	3.6
Average amount per employee (in €)	957	763
Labour relations		
Number of staff representatives (6)	329	332
Number of trade union representatives	26	30
Collective bargaining agreements signed during the fiscal year	42	55
Hygiene and safety conditions at work		
Number of occupational accidents with leave of more than 24 hours	349	378
Number of deaths following occupational accident	0	0
Number of declared occupational diseases	3	5
Rate of severity (7)	0.87	1.26
Frequency rate (8)	44.1	47.5
Training (9)		
Number of persons who received training	5,647	4,588
Number of training hours	67,172	74,573
Number of training hours per employee (10)	14.4	15.9
Employment of disabled workers		
Number of disabled employees in the fiscal year	120	115
Number of disabled workers hired during the fiscal year	42	42
Company welfare		
Works Council budget for company welfare (in millions of €)	1.0	1.0
Subcontracting		
Amount paid towards subcontracting (in millions of €)	42	38

(6) Number of staff representatives excluding health, safety and working conditions committees.
*(7) Number of working days of leave after occupational accident * 1,000 / number of hours worked.*
*(8) Number of accidents with leave * 1,000,000 / number of hours worked.*
(9) Data reported for the calendar year 2015 (covering the 2015/2016 fiscal year) and 2014 (covering the 2014/2015 fiscal year). These figures exclude training at GMDS (work was undertaken in 2015 to establish the reliability of the figures).
(10) Total number of training hours divided by the average workforce.

3. GROUP ENVIRONMENTAL INFORMATION

The main objective of the Group's subsidiaries is to develop and manage areas of outstanding natural beauty in order to offer amazing leisure activities. As such, the Group considers the environment to be an intangible asset, particularly in the ski areas, and continues to work towards containing its environmental impact. The three key challenges it faces relate to energy, water and biodiversity.

A summary of the main environmental indicators is shown in Section 3.7.

NB: the Group's environmental information can be grouped according to three profiles: Leisure Destinations (eight) which offer outdoor activities, Ski Areas (nine) and tertiary sites (seven) which include offices, workshops and Musée Grévin sites (see 1.1. Reporting scope).

3.1. ENVIRONMENTAL ORGANISATION

Certifications and classifications

For several years now, all the Ski areas of the CDA Group have adopted the QSE procedure (Quality-Safety-Environment) aimed at establishing an Integrated Management System (IMS) based on the Quality ISO 9001, Safety OHSAS 18001 and Environment ISO 14001 standards.

ISO 14001 certification is based on three requirements: regulatory compliance, protection of the environment by the prevention or reduction of impacts (pollution, nuisances, etc.) and ongoing improvements in environmental performance. Beyond this regulatory framework related to the environment, the Integrated Management Systems put in place are today a tool of reference for Ski areas in order to identify, manage, monitor and control environmental issues. Thanks to environmental management systems which have been in place for many years, six Ski areas maintained their ISO 14001 certification while three included environmental initiatives as key objectives in their quality systems (ISO 9001).

With the emulation of good practices in mind, the Group sites turned their attention to complementary programmes:

- In 2014, Société des Téléphériques de Val d'Isère (STVI) obtained ISO 50001 certification for energy management, a first for a ski area. STVI is aiming to reduce its energy consumption by 15% over three years.
- In 2015, Société des Téléphériques de la Grande Motte (STGM) became the first Green Globe certified ski lift operator in the world. This international certification, specific to the tourism sector, is based on 41 criteria relating to sustainable development.
- In autumn 2016, Grand Massif Domaine Skiable, which connects five 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.
- Other Group entities, such as La Société des Téléphériques de Val d'Isère (STVI), continue to adopt the same approach.
- Some Leisure destinations have ISO 9001 certification (Parc Astérix), have initiated ISO 50001 procedures (Futuroscope) or are working towards obtaining the tourist accommodation Ecolabel (Ecolabel hébergement touristique).

Organisation

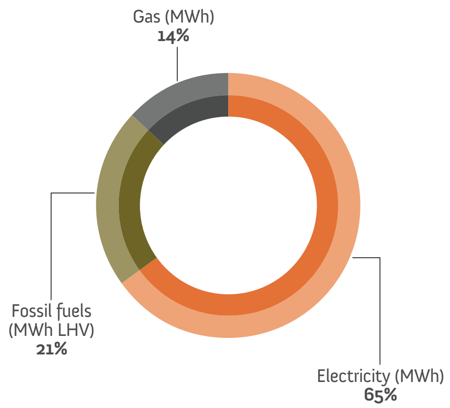
The QSE managers of Ski areas form a committee responsible for fostering the sharing of experience between the sites, and sharing of the problems and solutions of Ski Areas. Over the last fiscal year, three QSE committee meetings were held. As well as a systematic review of regulatory developments on environmental issues, they also tackled topics such the progress of the sustainable development certifications and the management of chemical products. This committee is intended to be opened to 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). Depending on the size and activity of the site, environmental issues are not always handled by a dedicated person within the organisation.

The Group's subsidiaries run employee initiatives to raise awareness of environmental protection issues such as waste sorting, eco-driving of grooming machines, green behaviour, and the use of chemical products. Specific environmental training totalled 874 hours in the fiscal year.

At 30 September 2016, the Group had 20 facilities classified for environmental protection, including 4 subject to authorisation and 4 others being registered in prefectures. At the Ski areas, these are mainly stores for the explosives required to trigger preventive avalanches, operated in collaboration with the departmental services for land restoration in mountain areas, and cooling towers for snow-making. For Leisure destinations, the facilities classified for environmental protection are, for example, for looking after aquatic animals for Parc Astérix, kennels and the operation of a cogeneration plant at Futuroscope.

3.2. ENERGY AND GREENHOUSE GAS EMISSIONS

BREAKDOWN OF GROUP ENERGY SOURCES (MWH)

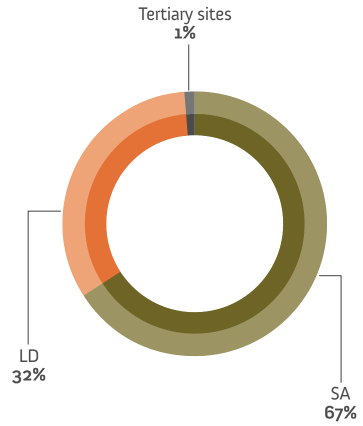


Electricity represents the Group's main energy challenge, representing almost two-thirds of consumption, and is used mainly to operate the ski lifts and rides.

Electricity

Total Group electricity consumption[1] rose to 163 GWh in 2015/2016, of which 67% was consumed by the Ski areas.

BREAKDOWN OF ELECTRICITY CONSUMED



Of the seven Ski areas that use electricity to make snow, ski lifts account for over three-quarters of total electricity consumption.

- The power consumed by the ski lifts depends on several factors: the number of days the resort is open, the opening/closure of certain sectors and visitor numbers. Due to the lack of snow this year, some Ski areas began their season late, which meant the ski lifts consumed less electricity.
- Snow-making related consumption is closely linked to the weather conditions and levels of natural snowfall at the beginning of the season. This remained stable in 2015-2016.

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

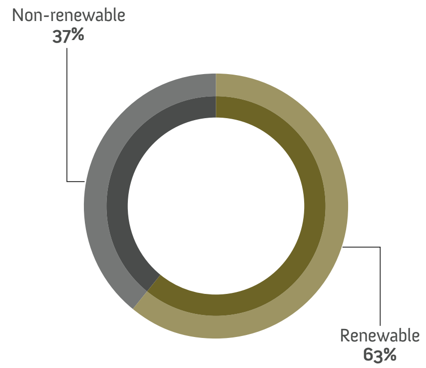
The Leisure destinations account for around 32% of the Group's total electricity consumption, mainly in summer. Here too, the consumption is dependent on activity levels, and relates to the number of days open and any site enhancement work taking place. Electricity consumption at the Leisure destinations remained stable this year.

Source of the electricity

At Group level, electricity from renewable sources represents 63% of electricity consumed:

This proportion of renewable electricity

ORIGIN OF ELECTRICITY CONSUMED



enables Compagnie des Alpes to control its greenhouse gas emissions (GHG), saving approximately 8,802 tonnes of CO2 equivalent emissions, which equates to a reduction of 20% when compared to the Group's total greenhouse gas emissions before renewable energies are taken into the equation.

In 2013/2014, a renewable 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 2015-2016, 92% of the electricity consumed by the Group's Ski areas came from renewable sources.

In the Leisure destinations, this figure was 4%. 100% of the electricity consumed at Fort Fun and the Grévin Museum in Prague comes from renewable sources thanks to contracts with local suppliers.

Finally, the Group's new offices in Paris and Chambéry are powered by a municipal heating network which includes a large percentage of renewable energy.

Some of our sites also produce renewable energy:

- Having installed solar panels in 2011 (112 MWh generated), Futuroscope stepped up its environmental actions in 2015 with the commissioning of a cogeneration plant in the park enclosure. This plant produces both electricity and heat from natural gas. 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. The ultimate aim is to reduce greenhouse gas emissions. The park reduced these by 7 GWh in the fiscal year as a direct result of producing its own energy, 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) which produced 826 KWh in the first six months.
- Walibi Belgium has solar panels on the roofs of three buildings (installed capacity of 0.25 MW), 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.
- All the Gazex systems at Samoëns and Serre-Chevalier, for example, are self-powered by solar panels.

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

- the regrouping of the Paris and Chambéry offices at more energy-efficient sites. At Chambéry, the windows of the new building have been treated with a special coating to reduce heat entry in summer and thus save on air conditioning costs;
- rationalisation of our ski lifts to allow us to cover the same ski area with fewer machines;
- the installation of LEDs throughout and presence-sensing devices, turning down heating and shutting off equipment at night, the purchase of energy-efficient equipment, the installation of sensors on some of the workshop doors which cut off the heating when opened;
- installing heat recovery devices in the machinery and transformer to heat the industrial premises;
- regulating the speed of ski lifts depending on the traffic. In some cases, the queue can

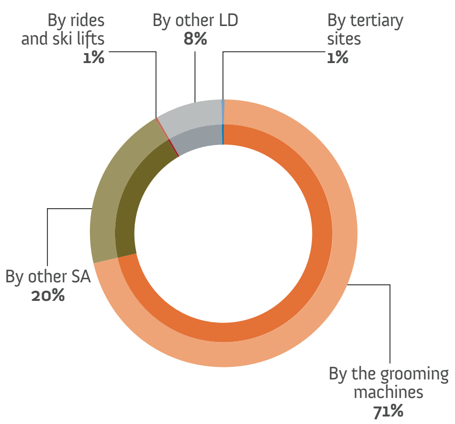
1 excluding consumption at Grévin Prague and the Paris headquarters, because there are no individual electricity meters in place and consumption fell due to the relocation of the Paris office.

be scanned and the speed automatically regulated accordingly;
- installing frequency drives for snow-making;
- conducting energy diagnostics in the buildings;
- and temporarily shutting off the electric transformers in the Ski areas in the summer, where possible.

Fossil fuels: fuel and gas consumption

The Group's facilities need 5,407 cu.m. of fuel to run, 92%of which is diesel. Diesel is mainly used for grooming machines, which account for 71% of total group consumption of fossil fuels. Then comes "other" consumption, which mainly concerns vehicles and heating buildings. The fuel consumed by the grooming machines depends very much on the

DIESEL CONSUMPTION



weather. However, the Group has been working to optimise the grooming process for several years now, mainly by training the drivers and using GPS and radars to shorten the journeys.

In terms of road transport, eight Ski areas out of nine and two Leisure destinations out of eight have provided shuttles for their employees in order to limit the use of personal vehicles and help them get to work. Some sites can provide accommodation for some of their seasonal workers while others encourage them to use the ski lifts at the foot of the valley (e.g.: the funicular at Les Arcs, the Venosc gondola lift) to travel to their workplace. The other sites benefit from an in-town location or are close to public transport. Although still limited, the number of electric vehicles in our fleet grew by 30% to a total of 74, 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.

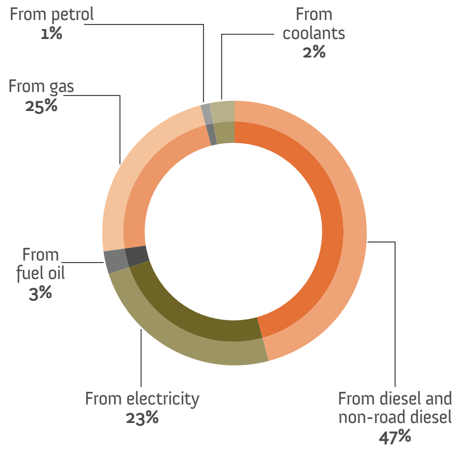
Fuel oil consumption, mainly used to heat buildings (90%), is falling. Fuel oil accounts for only 5% of total consumption.

Finally, gas is mainly consumed by Leisure destinations, which account for 98% of the 34 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 59% of the total gas consumption. However the energy is not only produced to meet the Park's needs. It is also supplied to neighbouring companies and premises.

Breakdown of greenhouse gas (GHG) emissions

The calculation of emissions was made on scopes 1, 2 and partially on scope 3: fuel used

BREAKDOWN OF GHG EMISSIONS



for all Group vehicles, whether leased or owned, was included.

The bulk of emissions into the air are due to the consumption of fossil fuels (76%), mainly for grooming, which accounts for 33% of the Group's emissions, as outlined above. While electricity is Compagnie des Alpes' main energy source, related emissions only account for 23% of total GHG emissions(1), 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.

The Group's GHG emissions, detailed in the table in Section 3.6, totalled 33,694 tonnes equivalent of CO_2, split almost equally between the Ski areas (47%) and the Leisure destinations (51%) for the 2015/2016 fiscal year.
NB: the figures are established in accordance with article 75 of Act 2010-788 of 12 July 2010 (the "Grenelle II" Act) and using the emission factors of version 7.5.1. of the Bilan Carbone

When calculated in skier- or summer visitor-days, the total emission of the Group's Ski areas is 1.15kg of equivalent CO_2 per skier-day, which is the equivalent of a 9-kilometre journey in a car (based on 130g of CO_2/km).
According to a Bilan Carbone exercise conducted in 2010 by ten French ski resorts, more than 80% of the greenhouse gas emissions generated by ski activities, and recorded at the resorts, is from the skiers' journey to the site and energy consumption in the buildings (tourism-related residential buildings and tertiary sites).

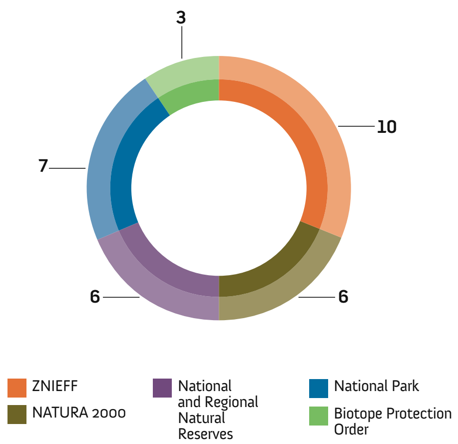
Similarly, total emissions from the Leisure destinations activities is 2.31 kg equivalent CO_2 per visitor, this time equivalent to an 18-kilometre car journey (based on 130g of CO_2/km). In the Leisure destinations, there is less information available about the Scope 3 GHG emissions. However, much of the GHG emissions relating to the use of our services are generated by the transport of people.

1 Excluding consumption at Grévin Prague and the Paris headquarters, because there are no individual electricity meters in place and consumption fell due to the relocation of the Paris office.

3.3. BIODIVERSITY AND SOIL USE

This section relates to the Ski areas and 8 Leisure destinations only. It does not include the museums or tertiary sites which do not have a significant impact on biodiversity.

In total, the Group has 32 protected areas in the sites it operates.
All Ski areas and three Leisure destinations have Natura 2000 or ZNIEFF (Natural area of interest for ecology, flora and fauna) protected areas or natural parks.
Because they are located in a natural environment, there are threatened or protected species in each of the Group's Ski areas.



Biodiversity protection is therefore a major environmental challenge for Compagnie des Alpes.

As regards soil use, only a very small part of the concession is used (the slopes cover an average of 9% of the total area in six of the Group's Ski areas[1]), with the remainder left in its natural state or used outside the winter season by farmers, mainly for pasture.
The Leisure destinations also have a natural environment that they can use to increase visitors' enjoyment: on average, more than a third of their sites are preserved in their natural state with forest or marshland areas.
The concrete surface area of Leisure destinations only represents 25% of the total surface area (at six out of eight sites[2]).
A range of approaches and local measures intended to ensure harmony and protection of biodiversity have been initiated by various parts of the Group.

Following the success of the Flaine Observatory, the Group is developing nature observatories in each of its Ski areas.
The Group now has an Observatory in each of its nine 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, water 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 critical analysis of repair and compensation measures undertaken during development projects, but also to optimise works based on habitats and reproduction periods.

The Observatory also provides a discussion forum for a number of stakeholders:

- the French National Forestry Office: protection of wetlands, plants, birdlife and galliforme display and breeding areas, etc.
- the French National Hunting and Wildlife Office: quiet areas, movement of marmots, etc.;
- the Haute-Savoie Natural Species Conservatory (ASTERS): awareness, respect for Natural Reserves, etc.;
- the Vanoise Natural Park: protection of the black grouse;
- farmers, shepherds: opening land to grazing, natural clearing, installing water points, premises, a concerted clearing of the undergrowth to provide mating areas for black grouse and to encourage pastoralism;
- the biodiversity endowment fund, and the "Save your logo" operation at Val d'Isère to protect the golden eagle, the resort mascot;
- Partnership with the French National Research Institute of Science and Technology for Agriculture and Environment (IRSTEA) as part of the ALP'GRAIN programme to ensure the use of local seeds.

A number of other initiatives have been run alongside these:
- continuation of the policy to gradually reduce the number of ski lifts, pylons and overhead power lines to ensure they blend more effectively into the landscape, especially in summer, right from their design phase. Some sites are experimenting with growing vegetation on rooftops to help them better integrate into the landscape,
- an acoustic study to ascertain the presence of grouse, and their activity, thus ensuring that operations take account of the local fauna and flora and reproduction cycles.
- the introduction of hives: partnership with a beekeeping association and the organisation of four visitor educational events about bees, insects and honey,
- the resorts are monitoring the Rhaponticum scariosum in collaboration with the French National Forestry Office (ONF)
- removing seeds to be resown with local seeds after work is completed,
- burying cables to protect birds or installing bird observation systems on cable sections of sensitive ski lifts.

Ski areas also contribute to protecting biodiversity zones by showing protected areas on piste maps or by creating off-piste corridors to direct skiers away from habitats and seedling zones.

Lastly, Ski areas raise their customers' awareness of biodiversity protection:

- In les Menuires, Sevabel has created a wetland trail with information panels;
- Grand Massif offers a fun trail for children to discover wildlife;
- in the summer, at La Plagne, SAP displays information on fauna and flora for its customers.

The Leisure destinations also work with partners on matters of land use and biodiversity protection:

- farmers: grazing or sale of hay (Walibi Holland, Bellewaerde, Parc Astérix);
- the Picardy Natural Spaces Conservatory and the Oise-Pays de France Natural Park (Parc Astérix).

1 Does not include STVI, SCV, Meribel Alpina. 2 Does not include Grévin et Cie (Parc Astérix) or Walibi Holland.

Some parks also raise visitor awareness with biodiversity teaching material:

- Parc Astérix has created a “discovery trail”: this is a hiking trail for hotel guests to enable them to discover local flora and fauna. The site includes, for example, the Morrière forest, which is home to protected plant species, such as the marsh Saint John’s wort;
- France Miniature has created installations about its gardens and insect diversity.

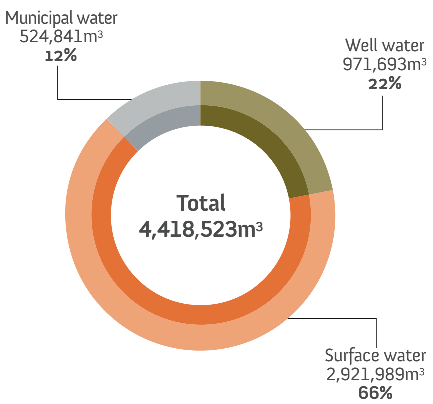
Finally, the Leisure destinations with animals help safeguard protected species and conduct research.

The dolphinarium at Parc Astérix cooperates on the design, implementation and execution of scientific projects, notably with the French National Veterinary School of Alfort.

The Bellewaerde site contributes directly to protecting endangered species:

- In 2014, the park began a breeding programme for Amur leopards, an endangered species of which only around 70 survive worldwide in the wild. The birth of three leopard cubs at Bellewaerde in May 2016 provided a unique contribution to the international breeding programme.
- Since 2012, Bellewaerde has also been contributing intensely to the European breeding programme for the European bison, Europe’s largest mammal. For the first time, three of Bellewaerde’s European bison will be reintroduced into the wild (in the Southern Carpathian Mountains) as part of the rewilding programme run in collaboration with Rewilding Europe and WWF Romania which aims to create a viable population of at least 300 animals.

3.4. WATER MANAGEMENT



Compagnie des Alpes’ activities are heavily dependent on water resources. However, municipal water accounts for only 12% of all water usage. Most water used is surface water (66%) and the remainder is well water (22%).

- In Ski areas, water is mainly used for snow-making. Indeed, this accounts for 72% of the Group’s total water usage.
- In Leisure destinations, it is used for the rides (pools, watering), pools for animals, as well as in the restaurants and toilets for visitors.
- In tertiary sites, water consumption is considered negligible in volume terms at Group level (0.2%).

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 (five out of nine Ski areas and four out of eight Leisure destinations).

62% of the water consumed by Leisure destinations comes from wells. This is followed by municipal water, and to a lesser extent, surface water.

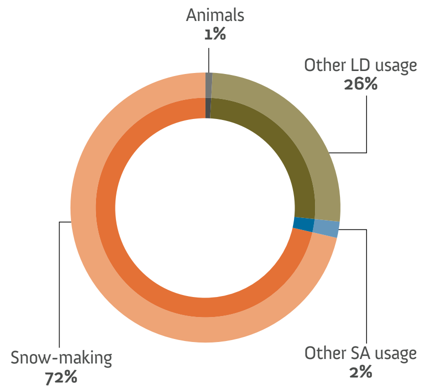
Leisure destinations try to limit their water consumption in various ways such as detecting leaks (installing sub-meters, for example), installing aerated, self-closing or infrared taps and dual flush toilets, and collecting rainwater for sanitary use or to water the sites.

The Bellewearde park also has a treatment plant that treats water from animal pools and attractions. Once treated, the water used is similar in composition to household wastewater and is discharged via private sewage systems.

In accordance with laws on water, certain wells, such as those at Futuroscope, require authorisation, and the annual amounts drawn are capped. Leisure destinations also remain alert to local restrictions, especially in the summer.
In Ski areas, man-made snow is used to protect the Group from the impact of a shortage of natural snow on the ski business, especially at the beginning and end of a season.

Ski areas limit their use of municipal water by favouring surface water catchment and overflow recovery systems. Surface waters accounts for 91% of the water used to make snow. As water is most

BREAKDOWN OF WATER CONSUMPTION



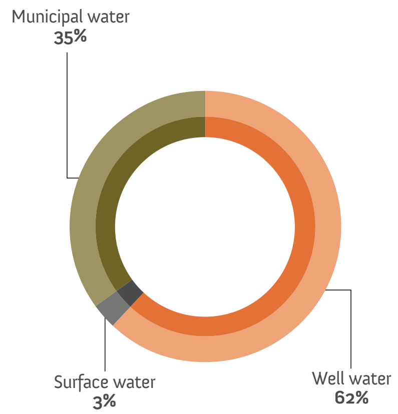
needed when water levels in streams and rivers are at their lowest, CDA Ski resorts have made a particular effort to build hillside water catchment systems, which enable autumn rainwater and water from snow melts to be stored. Group companies monitor water abstraction in order to maintain the biodiversity downstream of the water abstraction.

Man-made snow is simply water that has been crystallised at low temperatures. No chemical transformation or additive is used. Water taken from the natural environment for the purpose is restored when the snow melts.

For several years, the Ski areas have employed slope preparation and grooming techniques that limit the amount of snow necessary for skiing while maintaining very high service standards.

The work done to achieve ideal slope profiles and ensure a good covering of grass also helps reduce the amount of snow necessary for a slope to be opened. Snow-making machines are becoming more modern: the snow produced is “drier” and requires less water for an equivalent production volume.

LEISURE DESTINATIONS: ORIGIN OF WATER CONSUMED



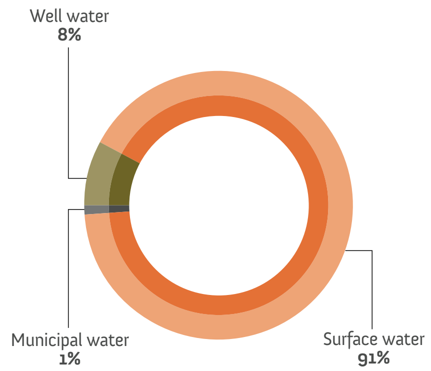
3.5. ADAPTING TO THE CONSEQUENCES OF CLIMATE CHANGE

The effects of climate change are beginning to be felt in different ways, particularly in the Ski areas with a shorter glacier skiing season and, above all, a shorter period of natural snowfall and uncertainty regarding temperatures for the production of artificial snow.

Ski areas must therefore adapt by guaranteeing the start and end of the season by producing artificial snow when temperatures allow. Production networks have therefore adapted to the capacity required. An intensive study on this is under way.

Grooming techniques are also evolving in order to optimise snow quality and increase its useful life. The need for grooming takes a range of parameters into account: weather forecasts, a precise calculation of snow volumes considered necessary, satellite or radar measurements of snow thickness. The orientation of the slopes is also examined and ski run and trail works carried out to allow the resort to reduce the volume of snow required to create suitable skiing conditions. Lastly, there are initiatives in place to distribute visitor numbers evenly over the Ski area.
Ski areas are also expanding their activities in the summer to include MTB, green tourism and glacier walking, fun non-ski activities and

ORIGIN OF WATER FOR SNOW-MAKING



packages with partner resorts. Events are also run to introduce visitors to what happens at a ski resort. They can discover what a slope manager does or how a grooming machine works, attend an AVD (avalanche victim detector) workshop, meet a dog handler, visit a snow-making factory, attend a chairlift evacuation demonstration, etc.

Different options are being considered at the Leisure destinations, with their current and future capacity to reduce energy requirements also being taken into account. In practice, this means looking into diversifying their energy sources to include solar panels and cogeneration plants.

Finally, climate change is likely to impact on the cost of road travel and potentially travel costs for visitors as the vast majority travel to the resorts by car. To counteract this, Compagnie des Alpes sites have been experimenting with communal travel options, which include:

- a partnership with Helvecie to offer reduced-price coach travel from Geneva to the Grand Massif;
- eligibility for special reduced price travel to the resort on production of a public transport card;
- free shuttles between the resorts, shuttle from the valley (La Plagne) or Paris (Parc Astérix), public transport to take visitors between the park and the park hotels (Futuroscope);
- introduction of a Snow Express (direct TGV train from Paris with a shuttle service to the Val d’Isère resort); - incorporating a “car share” section on the website, to help people to find car shares, with car share areas and stops in the valley.

3.6. WASTE, POLLUTION AND MANAGING CONSUMABLES

Household waste

At “tertiary” sites (museums and workshops, holdings and support companies), waste mainly consists of paper/cardboard and glass. The quantity is considered negligible (0.2%). All the sites practice separate waste collection in the offices, sort the main types of waste generated and run waste-sorting awareness campaigns for visitors. These initiatives help to highlight the importance of the circular economy.

In all activities, some of the waste which is recycled is not weighed, because it may be re-used, recovered by a specialist contractor or handled by the public authorities. For example, the animal pools are cleaned every year and the sludge is recovered by specialised contractors, but is not usually weighed. 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.

At the Ski areas and Leisure destinations, waste is generated during two different periods:

- Maintenance period in which renovation, repair and construction work is undertaken: The volume of waste this activity generates varies enormously from one year to the next and from one site to another, especially according to the investment programmes in place.

In the Ski areas, the waste generated during the maintenance period comes from maintenance work on ski lifts (metal) and ski run and trail work (wood, organic waste and possibly rock and rubble). The metal generated from the dismantling of a piece of equipment is collected for recycling or re-use by the manufacturer or a specialist third party.

- 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). This waste is mainly dealt with by regional authorities and sent to waste treatment plants to be sorted and recycled. For Leisure destinations, waste is mainly generated during the on-season, and comes from restaurants and shops: paper/cardboard, glass, household waste, as well as the upkeep of green spaces.

Actions to combat food waste increasingly focus on food waste recycling, as is the case at Parc Astérix, for example. Futuroscope has introduced food waste collection and recycling at the staff restaurant, which allowed it to promote different ways to reduce food waste and encourage other catering units to consider the issue. It has also trailed some innovative practices such as sending dehydrated organic waste to an insect farm which breeds fly larva to produce proteins for inclusion in the animal food chain and green chemistry.

Hazardous waste

All hazardous waste is collected and treated by approved contractors. Hazardous waste only accounts for 7% of total Group waste by weight. This percentage falls significantly when account is taken of the fact that most of the non-hazardous waste is not weighed.

The Ski areas produce 81% of the hazardous waste, 41% (by weight) of which is hydrocarbon sludge from the periodic draining of hydrocarbon separator tanks, most of which is re-processed to produce heat. This is followed by solvents and hydraulic oil from ski lift engines (17%), soiled packaging (especially 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.

Pollution

Action to tackle noise nuisance is dealt with under point 4.1 “Effect on local communities”.

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.

There are Group-wide rules in place governing the storage of chemical and inflammable products: aerosols stored in secured metal cabinets, general use of drip trays, specific bins, etc.

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

Paper

In view of its activities, Compagnie des Alpes’ consumption of raw materials is low and relates to the use of paper for administrative purposes, financial communication and above all for commercial purposes for the printing of tickets, maps, flyers, posters and catalogues. Paper purchased and used internally represents 11% of paper generated, compared with 89% used for external communications.

As a general rule, Group entities try to limit their paper usage through digitisation: digitised maps in Ski areas, recyclable passes, online sales, email confirmations, paperless tickets and exchange coupons, communication with visitors through Facebook, Instagram, and development of smartphone applications, etc., in addition to digital archiving, double-sided printing for tertiary works and reducing the number of printers. Total paper consumption fell by 27% over the year.

It should also be noted that 44% of paper consumed by the Group is recycled or certified as coming from sustainably managed forests.

3.7. CONSOLIDATED ENVIRONMENTAL DATA

	2014/2015	2015/2016	Change (N/N-1)
Electricity consumption (GWh)	**154**	**163**	**6%**
of which renewable	94	103	10%
Fossil fuel consumption (cu.m.)	**5,113**	**5,407**	**6%**
of which diesel and non-road diesel	4 658	4 969	7%
of which petrol	150	147	-2%
of which fuel oil	305	290	-5%
Fossil fuel gas consumption (GWh)	**30**	**34**	**14%**
Consumption of coolants (kg)	**344**	**222**	**-35%**
GHG by emission source (CO_2 tonnes equivalent)	**32,118**	**33,694**	**5%**
including electricity	7,873	7,607	-3%
of which diesel and non-road diesel	14,765	15,753	7%
of which petrol	419	411	-2%
of which fuel oil	969	925	-5%
including gas	7,324	8,383	13%
of which coolants	768	614	-20%
Water consumption (cu.m.)	**4,138,096**	**4,418,523**	**7%**
well water	704,273	971,693	38%
surface water	2,965,355	2,921,989	-1%
municipal water	468,468	524,841	12%
Paper consumption (tonnes)	**581**	**422**	**-27%**
Weighed waste production (tonnes)	**5,444**	**4,744**	**-13%**
of which non-hazardous	5,173	4,411	-15%
of which hazardous	271	333	23%

4. SOCIETAL ASPECTS

4.1. REGIONAL IMPACT

CDA Group sites lie at the heart of regions in which they operate, maintaining very special relationships with local entities. CDA is the top, or main, employer in the local ecosystems which makes it a first-rate partner.

Economic development and employment

The presence of CDA subsidiaries in the area encourages direct employment, of which many are seasonal workers and local people (see 2.2. Workforce). It also generates indirect employment: shops, transport, estate agents, ski classes, partnerships with local cultural and commercial brands and by the activity generated among local companies: maintenance, servicing, catering, etc. For example, for every euro a skier spends on the ski lifts, they spend another seven at the resort.

The Ski areas take part in resort studies (on appeal and positioning), contribute to the tools available (by installing a CRM system for example) and market the resorts (help to fund Tourist Offices and are members of Atout France or France Montagne), creating economic benefits for the entire region and local stakeholders. .
They strive to guarantee access to the ski slopes in winter, to offer quality skiing and to extend access periods. In the summer, they help maintain the tourist areas to encourage the development of different activities. They contribute to the building and maintenance of resort access roads, primarily through their funding of the Tarentaise road system and RN 90, and also support the municipal infrastructures used by visitors by financing the local and regional shuttles and accommodation.

Leisure destinations are contributing to the success of regional tourism through their involvement in regional structures, notably tourism boards. Likewise, Futuroscope was involved in the creation of a “Negotiation and Customer Relations” BTS diploma for the Futuroscope area.

Through various levies and taxes (regional economic contribution or equivalent abroad of €10.8 million; “Mountain Act” tax of €17.3 million, and other licence fees, rental payments, local contractual taxes and contributions totalling over €23 million), the Group is a major contributor to resources used by regional authorities for site development and social solidarity.

Foncière Renovation Montagne

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.
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.

Through the Foncière Rénovation Montagne initiative, Compagnie des Alpes is trying to create a knock-on effect which encourages local municipalities and owners to put their renovated properties back into the sales circuit.

Since the start of the initiative, 465 properties have been purchased and renovated and a further 24 have been purchased for renovation.

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 and commercial partners, associations and social partners. CDA Group subsidiaries are present or active in local associations, both those related to the environment, and owner and neighbour associations.
Most Leisure destinations organise events with people living in the neighbourhood which offer a great opportunity for discussion and the exchange of views. Reduced entry is often offered to locals, either permanently or on an ad hoc basis.

A site priority is to study and reduce the noise pollution that may be generated by its activities. All Group sites regularly measure noise, and specific measures have been taken: the grooming schedule adapted according to time of day and by route, quieter snow guns 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.

The Group companies support local aid initiatives and humanitarian and charity partnerships:

- Sport: support for local athletes, ski clubs and regional or federal committees, races (Futuroscope Marathon), world climbing championship. local rugby, football and ice-hockey teams, etc.
- Culture: film festival, Zoological Society of London
- Helping the sick (Petits Princes in collaboration with the SNELAC, Téléthon), taking part in the 22nd “Gala de l’espoir” of the Ligue contre le cancer – Comité de Paris),
- Welcoming underprivileged children (Parc Astérix: 1,000 from Picardy, and Walibi Belgium: Arc-en-ciel and Vlajo),
- Donation of old uniforms to an association supporting the victims of the earthquake in Nepal.

4.2. SAFETY/SECURITY MEASURES

For the CDA Group, the security and integrity of its employees and customers are priorities (see also 2.7. Employee health and safety). Before the start of each season, forums are organised to welcome new employees and distribute as necessary booklets or welcome guides that set out these priorities. It is also a good opportunity to tell employees about the low season activities and corporate strategy and explain what they can do to increase the “very high satisfaction” of customers.

Training is dispensed on customer hospitality and safety and also operational procedures, preventive measures (movement and postures, working at heights, using chemical products, etc.), and procedures to follow in the event of an incident. In the 2015/2016 fiscal year, a total of 26,039 hours of safety at work training was provided.

CDA Group subsidiaries are particularly attentive to:

- equipment, ski lifts and attractions working properly (periodic and systematic monitoring);
- compliance with safety rules;
- compliance with food safety regulations in the catering business (HACCP rules, bacterial analysis, staff training, etc.);
- water quality used in operations: snow-making, bathing water;
- the health of animals (veterinary check-ups);
- customer information: posters, panels, signage, safety in dangerous areas, etc.

In addition to all these practices, Group sites undertake specific preventive measures, such as the development of quiet or family skiing areas, safety measures for embarking the chair lift (ESF agreement, elevators for children, carpet, school at headquarters, installing guard rails, etc.), raising awareness about the risk of avalanches and the use of victim detection equipment (ARVA Park, for instance), internal development of lap bar restraints on rollercoasters, ensuring greater safety for visitors.

Finally, certain sites have directly undertaken actions to raise awareness of disability and improve access for people with a disability. Futuroscope has the national Tourism & Handicap certification (label national Tourisme et Handicap) for people with motor disability, mental disorders and hearing impairment.
Alongside this, Futuroscope’s “Eyes Wide Shut” (“Les yeux grands fermés”) ride, operated in partnership with the association of the same name, for example, raises visitors’ awareness on the issue of visual impairment.

4.3. ETHICS

Internal control and fraud

To prevent all forms of corruption and encourage good 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 system has strengthened the application of best practices and employees’ vigilance to fraud (see Chapter II.6.5.). This procedure helps prevent fraud.

Management of suppliers and subcontractors

The Group has adopted a pilot Purchasing policy which lays down the key principles which apply to each of its entities.

As part of this local commitment, the CDA Group chooses recognised local suppliers if possible, who share the same values in terms of risk prevention and respect for the environment.

Where appropriate, contracts include environmental protection clauses and a prevention plan, possibly with a prevention-safety-environment guide.

For example, the Serre-Chevalier site has integrated an environmental charter into the prevention plans produced with external companies. In addition, procurement departments are helping to eliminate the most hazardous chemical products by refusing them or limiting them in orders. The Group contracts also include intellectual property and license protection clauses.
In addition to internal measures, contract clauses signed by CDA Group subsidiaries reflect the CDA Group’s commitment to not participating in concealed employment practices or those that fail to comply with regulations.

Subcontracting is mainly used for maintenance work: trail work and ski lifts for Ski areas, and ride maintenance, security of access and upkeep of green spaces for the Leisure destinations.

The Group pays particular attention to the compliance and safety levels of themed items sold in Leisure destination stores. Audits are notably conducted at toy-maker factories, on their social commitments (child labour, remuneration, hourly volumes, health/safety, environment, etc.) and their quality systems (control of raw materials, manufacturing process, etc.).

5. REPORT OF INDEPENDENT THIRD-PARTY BODY,

on the consolidated social, environmental and societal information contained in the management report.
Fiscal year ended 30 September 2016.

Mazars
61, rue Henri Regnault
92075 La Défense Cedex

Dear Shareholders,

In our capacity as an independent, third-party body, member of the Mazars network, Statutory Auditors of Compagnie des Alpes, accredited by COFRAC Inspection under no. 3-1058[1], we hereby present our report on the consolidated social, environmental and societal information provided in the management report (hereinafter referred to as "CSR Information"), prepared for the fiscal year ended 30 September 2016 pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code.

Responsibility of the company

It is the responsibility of the Board of Directors to prepare a management report containing the CSR Information stipulated in Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the procedures used by the company (hereinafter the "Standards"), which are summarised in the management report and are available on request at the company's headquarters.

Independence and quality control

Our independence is defined by regulations, the code of ethics of the profession and by the provisions of Article L. 822-11 of the French Commercial Code. In addition, we have set up a quality control system that includes documented policies and procedures to ensure compliance with the rules of ethics and professional auditing standards applicable in France, as well as applicable laws and regulations.

Responsibility of the Independent Third-Party Body

It is our responsibility, on the basis of our audit tasks, to:
- attest that the management report contains the required CSR Information or explication for any omission, pursuant to the third subparagraph of Article R. 225-105 of the French Commercial Code (Certificate of CSR Information Disclosure);
- express a conclusion with moderate assurance that the CSR Information taken as a whole is, in all material aspects, presented fairly in accordance with the Standards adopted (Reasoned opinion on the fairness of the CSR Information).

Our work was conducted by a team of four people over approximately eight weeks, from July 2016 to December 2016.
We conducted the work described below in accordance with applicable professional auditing standards in France and the order of 13 May 2013 which defines the procedures according to which the independent third-party body shall conduct its duties, and concerning the reasoned opinion on the fairness of the information, in accordance with international standard, ISAE 3000[2].

I - Certificate of CSR Information Disclosure

Based on interviews with the department heads concerned, we took note of the presentation of the company's guidelines for sustainable development, depending on the social and environmental consequences of its operations and on its societal commitments and, where appropriate, the resulting actions or programmes.
We compared the CSR Information given in the management report against the list stipulated by Article R. 225-105-1 of the French Commercial Code. In the event that consolidated information has been omitted, we verified that explanations had been provided in accordance with the provisions of the third subparagraph of Article R. 225-105 of the French Commercial Code.

We verified that the CSR Information covered the consolidation scope, namely the company and its subsidiaries within the meaning of Article L. 233-1, and the companies controlled by it within the meaning of Article L. 233-3 of the French Commercial Code within the limits specified in the methodology note given in section 3.1 of the management report.
Based on our audit, and taking into account the limits mentioned above, we attest that the required CSR Information has been disclosed in the management report.

1 the scope of which is available on www.cofrac.fr.
2 ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

II - Reasoned opinion on the fairness of the CSR Information

Nature and scope of the audit

We conducted approximately 20 interviews with the people responsible for preparing CSR Information within the departments charged with the process of collecting information, and, where appropriate, those responsible for internal control procedures and risk management, in order to:
- assess the appropriateness of the Standards in terms of their relevance, exhaustiveness, reliability, neutrality and clarity, taking the best practices of the sector into consideration, wherever appropriate;
- verify that a process has been set up to collect, compile, process and check the CSR Information to ensure its completeness and consistency, and to take note of the internal control and risk management procedures relative to the preparation of CSR Information.

As concerns the CSR Information that we considered most important[3]:
- in the Group Legal Department, the Audit and Internal Control Department and the Human Resources Department, we consulted documentary sources and held interviews to corroborate qualitative information (organisation, policies and measures), we implemented analytical procedures and verified, based on surveys, the calculations and consolidation of data, and checked their coherence and consistency with other information contained in the management report;
- using a representative sample of entities that we selected based on their activity, their contribution to consolidated indicators, their geographical location and a risk analysis, we conducted interviews to verify that procedures were correctly applied, and conducted detailed tests on samples to verify the calculations made and compare the data against the supporting documents.

The selected sample represents an average of 30% of the FTE workforce and between 23% and 60% of the quantitative environmental information.
For the other consolidated CSR Information, we assessed its coherence based on our knowledge of the company.
Lastly, we assessed the relevance of the explanations given for the total or partial absence of certain information.
We consider that the sampling methods and size of the samples that we adopted by exercising our professional judgment enable us to express a conclusion with moderate assurance; a higher level of assurance would have required more extensive verification. Due to the use of sampling techniques and other limitations inherent to all information systems and internal control systems, the risk of not detecting a material misstatement in the CSR Information cannot be completely eliminated.

Conclusion

Based on our audit, we have not identified any material misstatements that call to question the fact that the CSR Information, taken as a whole, has been fairly presented, in compliance with the Standards.

La Défense, Paris, January 25, 2017

L'organisme tiers indépendant **Mazars SAS**	Gilles Rainaut *Partner*	Edwige Rey *CSR & Sustainable Development Partner*

3 Total workforce broken down according to gender, age, category and type of contract; Average workforce, FTE; Absenteeism rate; Occupational accident frequency rate; Occupational accident severity rate; Total number of training hours; Water consumption; Energy consumption (electricity, fossil fuels and gas); Direct and indirect GHG emissions; Qualitative information on biodiversity; Measures taken to promote consumer health and safety.
4 Grand Massif Domaine Skiable; Les Arcs Domaine Skiable; Parc Astérix; Musée Grévin (Paris); Bellewaerde; Futuroscope.

4 FINANCIAL INFORMATION

1. CONSOLIDATED FINANCIAL STATEMENTS

1.1. FINANCIAL STATEMENTS

INCOME STATEMENT (in thousands of €)	Notes	Actual 30/09/2016	Actual 30/09/2015
SALES	5.1	720,179	695,919
Other operating income		2,268	2,209
Production transferred to inventory		-266	8,319
Consumables used		-85,484	-90,032
External services		-138,234	-134,710
Taxes other than on income		-33,440	-34,689
Payroll costs and employee profit-sharing		-245,989	-244,099
Other operating expenses and income		-35,028	-34,111
EBITDA	5.2	184,006	168,806
Amortisation, depreciation and provisions		-111,668	-110,584
Other operating income and expenses		750	8,699
Net operating income		73,087	66,921
Gross borrowing cost		-15,690	-16,595
Income on cash and cash equivalents		-334	112
Net borrowing cost	5.3	-16,024	-16,483
Other financial income and expenses	5.3	-3,286	-1,605
Income tax expense		-18,205	-17,996
Share of net income of associates	5.5	4,775	4,141
Income, ongoing operations		40,347	34,978
Income, discontinued operations	5.6	-25	-23
Net income		40,322	34,955
Minority interest in earnings		-6,886	-4,922
Net income (Group share)		33,436	30,033
Earnings per share (Group share)	5.7	€ 1.38	€ 1.24
Diluted earnings per share (Group share)	5.7	€ 1.37	€ 1.23

STATEMENT OF COMPREHENSIVE INCOME (in thousands of €)	Actual 30/09/2016	Actual 30/09/2015
Net profit at fair value, before tax		
Available-for-sale financial assets	35	280
Cash flow hedges	-209	1,212
Translation differences	858	-1,026
Impact of operations under the equity method	-364	-24
Tax effect of these items	72	-405
SUBTOTAL: Items that may be reclassified to profit or loss	392	37
Actuarial gains (losses) on employee benefits	-6,048	-2,504
Tax effect of these items	2,223	863
Subtotal: Items that may be reclassified to profit or loss	-3,825	-1,641
Profit for the period	40,322	34,955
Total income recognised for the period	36,889	33 351
Attributable to owners of the company	30,289	28,522
Attributable to non-controlling interests	6,600	4,829

ASSETS (in thousands of €)	Notes	Actual 30/09/2016	Actual 30/09/2015
Goodwill	6.1	283,572	283,572
Intangible assets	6.2	74,347	76,887
Property, plant and equipment	6.3	372,826	339,223
Concession assets	6.3	549,814	535,757
Investments in associates	6.4	70,768	68,153
Non-current financial assets	6.5	27,715	16,570
Deferred tax assets	6.12	9,096	6,614
Non-current assets		**1,388,138**	**1,326,776**
Inventories	6.6	21,753	20,700
Accounts receivable	6.7	42,562	45,894
Other receivables		9,142	8,204
Current taxes		9,313	9,608
Current financial assets		58	1,110
Cash and cash equivalents	6.8	34,813	39,125
Current assets		**117,641**	**124,641**
Assets held for sale			
Total assets		**1,505,779**	**1,451,417**

LIABILITIES (in thousands of €)	Notes	30/09/2016	30/09/2015
Shareholders' equity			
Share capital	6.9	185,363	185,031
Additional paid-in capital	6.9	257,596	257,596
Reserves	6.9	312,303	291,944
Shareholders' equity (Group share)		**755,262**	**734,571**
Minority interests		50,441	47,986
Total shareholders' equity		**805,704**	**782,557**
Non-current provisions	6.10	53,901	44,198
Non-current financial liabilities	6.11	338,613	332,080
Deferred tax liabilities	6.12	19,842	19,929
Non-current liabilities		**412,356**	**396,207**
Current provisions	6.10	22,535	19,875
Current financial liabilities	6.11	66,478	68,646
Operating liabilities	6.13	147,469	133,320
Current taxes		3,127	808
Other debt	6.13	48,111	50,004
Current liabilities		**287,719**	**272,653**
Liabilities held for sale			
Total shareholders' equity and liabilities		**1,505,779**	**1,451,417**

STATEMENT OF CASH FLOWS (in thousands of €)	Notes	Actual 30/09/2016	Actual 30/09/2015
Cash flows from operating activities	7.1	**185,672**	**164,772**
Acquisitions of property, plant and equipment and intangible assets	7.2	-158,972	-137,369
Disposal of property, plant and equipment and intangible assets	7.2	5,366	2,417
Net capital expenditure		**-153,605**	**-134,952**
Acquisition of non-current financial assets and other		-2,498	-4,078
Disposal of non-current financial assets			35,252
Repayment of financial receivables linked to disposals			16,825
Loans or repayments of financial advances		-10,245	
Net financial investments		**-12,743**	**47,999**
Cash flows from investing activities		**-166,348**	**-86,953**
CDA capital increase			
Minority interest in capital increase of subsidiaries			469
Change in capital			**470**
Dividends paid to CDA shareholders		-9,698	-8,463
Dividends paid and to be paid to minority interests in subsidiaries		-4,126	-3,167
Change in borrowings	7.3	**5,285**	**-79,641**
Repayment of borrowings		-3,547	-80,290
New borrowings		8,832	649
Gross interest paid		**-15,645**	**-16,608**
Change in sundry receivables and payables		**1,125**	**-1,362**
Cash flows from financing activities		**-23,032**	**-108,771**
Impact of other movements		**255**	**-150**
Impact of discontinued operations		**-26**	**-2,523**
Change in cash position over the reporting period		**-3,479**	**-33,623**
Net cash position at beginning of reporting period		**-13,991**	**19,632**
Net cash position at reporting date	7.4	**-17,470**	**-13,991**

SHAREHOLDERS' EQUITY (GROUP SHARE) (in thousands of €)	Share capital	Additional paid-in capital	Consolidated reserves	Net income (Group share)	Fair value reserves	Translation adjustments	Total shareholders' equity
Position at 30 September 2014	185,032	257,797	247,698	25,393	-722	-574	714,624
CDA capital increase	331						
Appropriation of earnings for the prior reporting period			25,393	-25,393			
Dividend payout			-8,463				-8,463
Net income for the period (Group share)				30,033			30,033
Other changes		-202	-1,441		1,020	-1,000	-1,623
Position at 30 September 2015	185,032	257,595	263,187	30,033	298	-1,574	734,571
CDA capital increase	331						331
Appropriation of earnings for the prior reporting period			30,033	-30,033			
Dividend payout			-9,698				-9,698
Net income for the period (Group share)				33,436			33,436
Other changes			-3,835		-391	848	-3,378
Position at 30 September 2016	185,032	257,595	279,687	33,436	-93	-726	755,262

At 30 September 2016, the share capital was made up of 24,317,726 shares.

SHAREHOLDERS' EQUITY - NON-CONTROLLING INTERESTS (in thousands of €)	Consolidated reserves	Net income for the period	Total shareholders' equity
Position at 30 September 2014	40,894	4,490	45,384
Appropriation of earnings for the prior reporting period	4,490	-4,490	
Dividend payout to non-controlling interests in subsidiaries	-3,189		-3,189
Non-controlling interests in earnings		4,922	4,922
Other changes (1)	869		869
Position at 30 September 2015	43,064	4,922	47,986
Appropriation of earnings for the prior reporting period	4,922	-4,922	
Dividend payout to non-controlling interests in subsidiaries	-4,126		-4,126
Non-controlling interests in earnings		6,886	6,886
Other changes	-306		-306
Position at 30 September 2016	43,554	6,886	50,441

1.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 i s Compagnie des Alpes, whose headquarters are located at 50-52 boulevard Haussmann, 75009 Paris.

The full-year 2015/2016 consolidated financial statements were approved by the Board of Directors on 8 December 2016, which authorised their publication. Figures are in thousands of euros, unless otherwise indicated.

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 2016 were drawn up in conformity with the international financial reporting standards (IAS/IFRS), as adopted by the European Union at 30 September 2016, and in accordance with the historical cost convention, with the exception of certain financial assets and liabilities, which were valued at their fair value, as required under IFRS.

The standards whose application is mandatory from 1 October 2015 did not have a significant impact on the Group's consolidated financial statements.

The new standards, interpretations and amendments to existing standards applicable to periods beginning on or after 1 January 2016, which the Group chose not to apply early, are as follows:

- IFRS 5: change in the disposal procedures of an asset or group of assets;
- IFRS 7: within the scope of the management authorisations, clarification of the conditions for the recovery of disposed financial assets and obligation to report on the transfer of assets;
- IAS 19: assessment of the concept of active market based on the corporate bonds of the entire monetary zone;
- Amendment to IAS 16 and IAS 38: clarification on acceptable amortisation methods.

Their application will however not have a significant 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 Management to calculate the value of assets and liabilities at the reporting date and the income and expense items for the year. The actual results may differ from these estimates.

The main sources of uncertainty relating to the key assumptions and estimates concern goodwill (Note 6.1), estimates of the value of associate companies and the recognition of deferred tax assets (Note 6.12).

• 1.1. Consolidation methods

The companies in which the Group has exclusive control are fully consolidated. Associates 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 associates are accounted for using the equity method, and initially recognised at their acquisition cost.
The Group's interest in associates includes goodwill (net of accumulated impairment) as identified at the time of acquisition.

The Group presents its share of net income of associates 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 1 October 2015 to 30 September 2016 for all companies, except for Groupe Compagnie du Mont-Blanc consolidated using the equity method over the period from 1 September 2015 to 31 August 2016.

• 1.3. Translation of financial statements and foreign-currency transactions

The financial statements of foreign subsidiaries are translated into the presentation currency (euro) by applying the following methods:

- the balance sheet (including goodwill) is translated at the closing rate;
- the statement of comprehensive income is translated at the average exchange rate for the period;
- all resulting translation gains or losses are recognised in a separate component of shareholders' equity.

Translation gains or losses resulting from the translation of net investments in foreign operations and loans and other currency instruments designated as hedges on said investments are recognised in shareholders' equity upon consolidation.

• 1.4. Operating segments

The operating segments are presented on the same basis as those used in the internal reporting provided to the Group's executive management:

- **Ski areas:** this business mainly consists in the operation of ski lifts and maintenance of ski runs and trails.
- **Leisure destinations:** this segment covers the operation of theme parks, combined amusement and animal parks, water parks and tourist sites. Its sales figures include admission tickets, restaurants, shops and accommodation.
- **International development:** this segment includes (i) the operations connected with the development of new wax museums abroad (Grévin, Chaplin's World By Grévin) as well as wax figure production (CDA Productions), and (ii) consultancy services abroad (CDA Management).
- **Holdings and Support:** this segment comprises holding companies and subsidiaries that provide operational support, and includes CDA SA and CDA-DS, its finance subsidiary CDA Financement, its reinsurance subsidiary Loisirs-Ré, and the subsidiaries INGELO and CDHA.

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 acquisition 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 date of acquisition.

Goodwill arising from the acquisition of a subsidiary is recognised under the item "goodwill". Goodwill arising from the acquisition of an associate is recognised under the item "investments in associates".

The Group is allowed 12 months from the acquisition 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. Sales

Sales of tickets (lift passes, admission fees to parks) are recognised in the reporting period in which visitors use the facilities of the Compagnie des Alpes Group. Prepaid tickets that will be used during the following period are only recognised in income when used for admission to a site. Unused prepaid tickets are recognised as deferred income.

Services are recognised in income when the service is rendered.

• 1.7. EBITDA

EBITDA is the key line item used by the Group to represent the operating performance of its various activities. It includes the income and expense items that are directly related to current operations, and is calculated before the cost of holding assets (amortisation and depreciation), other operating income and expenses, net financial income and income tax.

• 1.8. Other operating income and expenses

The items comprising operating income that are not directly related to current operations (because of their nature, frequency and/or relative significance) are recognised in "other operating income and expenses". These mainly include:

- capital gains or losses from the disposal of shareholdings;
- costs generated by the temporary closure of a site;
- restructuring costs;
- any other income or expense item that is easily identifiable, unusual, significant, and not directly related to current operations.

• 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 carrying amount 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 shares outstanding during the period, adjusted for the impact of all dilutive instruments.

• 1.11. Other performance measures used

The operating cash flow, net industrial investment 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 companies consolidated by the equity method, 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 companies consolidated by the equity method 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 cashflow"[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 lines, 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 borrowings of the cash and cash equivalents.

• 1.12. Intangible assets

The intangible assets acquired appear on the balance sheet at their amortised cost.

1 The changes in the operating working capital requirement are not taken into account.

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:

	Duration
Buildings	20 to 30 years old
Improvements	10 to 20 years old
Ski lifts	15 to 30 years old
Ski run and trail works	40 years old
Rides	10 to 40 years old
Equipment (other than ski lifts and rides)	5 to 40 years old
Other items of property, plant and equipment (including theme decor and wax figures in Musée Grévin)	3 to 10 years old

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 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 carrying amount.

- 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 1 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 1 June 1998 to 31 May 2020.

Concession granted by the municipality of Peisey-Nancroix for the period from 1 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 1 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 1 December 1990 to 31 May 2017 (27 years), and extended on 11 August 2000 for four years to 31 May 2021, then on 29 March 2016 for ten years to 31 May 2031.

– Méribel Alpina:

Concessions respectively granted by the municipality of Les Allues for the period from 18 December 1989 to 17 December 2019 (30 years), extended until 31 May 2034, and by the municipality of Brides-les-Bains for the period from 30 June 1992 to 17 December 2019 (27 years).

– Grand Massif Domaines Skiables (GMDS):

Concession granted by the department of Haute-Savoie, amended by an additional clause, for the period from 9 January 1989 to 8 January 2019 (30 years).

Concession for the operation of new 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 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 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 lifts and ski runs granted by the municipality of Samoëns, for the period from 1 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 lifts and the ski area for the period from 1 December 2004 to 30 August 2034 (30 years).

Concession granted by the Syndicat Intercommunal de Gestion et d'Exploitation des Domaines d'Hiver et d'Été de Serre Chevalier 1400-1500 (SIGED, grouping of several municipalities) for the operation of ski lifts and ski runs for the period from 1 November 1998 to 31 October 2018 (20 years). This contract was a request made by SIGED for early termination on 31 October 2017.

Concession granted by the Syndicat Intercommunal à Vocation Unique du Prorel (single-purpose grouping of municipalities) for operation and management of the Massif du Prorel facilities for the period from 15 December 2006 to 31 October 2034.

– Société des Téléphériques de Val d'Isère (STVI) – Val d'Isère:

Concession granted in May 1982 by the municipality of Val d'Isère, initially for a 30-year period (expiring in 2012) and extended in 1991 for 8 years (until July 2020), and again in 2014 for 12 years (until July 2032).

Concession granted in September 1970 by the municipality of Bonneval s/Arc, initially for a 30-year period and extended in 1994 for an additional 18 years to 16 December 2019.

– Deux Alpes Loisirs (DAL) – Les Deux Alpes:

Concession granted on 21 June 1993 by the municipality of Mont-de-Lans for a 30-year period (until 2023).

Concession granted on 14 January 1994 by the municipality of Venosc for a 30-year period (until 2024).

Concession granted on 21 September 1993 by the municipality of Saint Christophe-en-Oisans for a 30-year period (until 2023).

› The agreements of equity affiliates are as follows:

– Compagnie du Mont-Blanc (CMB) – Chamonix

Concession signed on 5 December 2013 with the municipality of Chamonix for the Chamonix ski areas, for a 40-year period ending 5 December 2053.

Concession signed on 6 January 1989 with the municipality of Chamonix for Aiguille du Midi, for a 40-year period ending 31 December 2028.

Concessions for the operation of the Tramway du Mont-Blanc and Train du Montenvers granted by the department of Haute-Savoie in 1988 and 1998 for 30-and 25-year periods ending 31 December 2018 and 31 December 2023, respectively.

Concession for the operation of Houches/Saint-Gervais (through its 72.5%-owned subsidiary, LHSG) for a 30-year period from 1 December 2011 to 30 November 2041.

– Société des Remontées Mécaniques de Megève (SRMM) – Megève

Concession for the operation of the downstream sector Princesse, signed on 10 December 2002 by the municipality of Demi-Quartier, for a 30-year period, ending on 9 December 2032.

Concession for the Crêtes du Mont d'Arbois and the upstream sector Princesse, signed on 10 March 1989 by the municipality of Saint-Gervais, for a 30-year period, ending on 9 March 2019.

Concession for Mont d'Arbois, Rocharbois and Rochebrune, signed on 15 April 1993 by the municipality of Megève, for a 30-year period ending on 14 April 2023.

– Société d'Exploitation des Remontées Mécaniques de Morzine Avoriaz (SERMA) – Morzine/Avoriaz:

The company operates a concession granted by the municipality of Morzine, which runs to 13 June 2032, and a concession granted by the municipality of Montriond, which runs to 30 June 2022.

– Domaine Skiable de Valmorel (DSV) – Valmorel:

The company operates a concession granted by the Communauté de Communes de la Vallée d'Aigueblanche (grouping of several municipalities), which runs to 2 June 2023.

– Domaine Skiable de La Rosière (DSR) – La Rosière:

The company operates a concession granted by the municipality of La Rosière, which runs to 11 December 2032.

> Pursuant to these agreements, and depending on the case, the operating companies either pay a concession fee or a municipal tax and departmental tax (known as the "Mountain Law tax"), or both. These fees and levies are based on sales of ski lift passes and calculated as a contract-specific percentage.

By way of exception within the CDA Group, the municipalities of Saint-Martin de Belleville, Val d'Isère and Tignes retain responsibility for the ski run service, for which SEVABEL, STVI and STGM pay a special fee.

Moreover, under the different contracts signed by the Group, CDA subsidiaries may enter into agreements on investment budgets. Such agreements are variable and can be reviewed, mainly with regard to their term, amount and nature, depending on the contract and implementation opportunities.

In light of certain lease contracts signed by the Leisure destinations, these investment budget agreements may concern all of the Group's subsidiaries.

› Real estate development concessions

– ADS and SAP have concessions for real estate development granted respectively by the municipality of Bourg-Saint-Maurice and the Syndicat Intercommunal de la Grande Plagne (grouping of several municipalities).

– Through its 99.9%-owned subsidiary SCIVABEL, SEVABEL also holds the development concession for the Reberty urban development zone (ZAC de Reberty) at Les Menuires.

– GMDS, with its 99.99%-owned subsidiary Société d'Aménagement Arve-Giffre (SAG), also owns land in Flaine in the Grand Massif. This real-estate company is managed under a tourism-development arrangement with the Syndicat Intercommunal de Flaine (grouping of several municipalities).

The projected development costs are recognised pro rata to the building permits sold, upon signing of the deed of sale.

› Leisure park concessions

– Concession for the highway interchange giving access to Parc Astérix

Parc Astérix has a private interchange on the A1 motorway, which provides direct access to the park: this concession was granted by SANEF, the company operating the A1 motorway, for a period of 99 years (from 1987 to 2086).

The right to operate this concession is accounted for as an intangible asset of Grévin & Cie (see Note 6.2), which pays a fee to SANEF for the passage of each vehicle through the toll plaza. This fee corresponds to the highway toll that is not paid when vehicles use the Parc Astérix interchange.

› Licensing agreement with Editions Albert-René (publisher of the Astérix comic books)

In 1986, a licensing agreement was concluded with Editions Albert-René for the legal duration of the copyright, which is 70 years after the death of the last surviving author.

This agreement guarantees Grévin & Cie the right to use the comic strip characters and world in its theme parks, in France and abroad.

An amendment signed in March 1996 set the licensing fee at 3% of sales excluding VAT of Parc Astérix, with a minimum fee of €1.7 million.

• 1.15. Impairment of assets

Definition of cash-generating units and allocation of assets

An asset's recoverable amount is the higher of its fair value less selling costs and its value in use. The recoverable amount of property, plant and equipment and intangible assets is tested when events, market developments or internal factors indicate a risk of a permanent loss of value.

It is tested at least once a year, at the reporting date, for assets with an indefinite useful life (category limited to goodwill, brands and trademarks).

As goodwill and the main items of property, plant and equipment and intangible assets relate to operation of the sites, these are allocated to groups of cash-generating units, which equate to the sites on which the Group's strategic development is focused.

An impairment loss is recognised if the recoverable amount of the asset or group of assets tested is lower than its carrying amount.

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 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 at maturity: grouping together all the Ski areas whose arbitration regarding operation and investments is pooled in a single decision-making body;
- Leisure parks portfolio: grouping together all the Leisure parks whose arbitration regarding operation and investments is pooled in a single decision-making body.

- International development portfolio: grouping together all the Grévin museums abroad and Chaplin's World, whose arbitration regarding operation and investments is pooled in a single decision-making body. As these development activities are activities that are created, they do not have goodwill associated with them.

Procedures for determining the recoverable amount

The recoverable amount of groups of CGUs, as defined above, corresponds to the sum of the values in use of the CGUs comprising the groups of CGUs, which is determined by discounting projections of future cash flows from operating the sites based on the medium-term plans (five years) approved by the Group's executive management and presented to the Strategy Committee and to the Board of Directors, and using a terminal value based on the forecast future standardised cash flows to perpetuity generated by the asset under consideration.

For the CGUs operated under concession agreements (Ski areas) or leases (Leisure parks), the CDA Group manages these contracts on a going concern basis (both in terms of site management and in terms of capital expenditure to maintain/increase its business).

The Group has never been confronted with a company operating a concession (Ski areas) or lease (Leisure parks) having to cease operations due to the expiration of its contract. Accordingly, the Group measures the recoverable amount of the groups of CGUs on the assumption that its concession-holding activities will continue beyond the end of the concession, in light of the extensions already obtained in the past. The daily management and investment policy are therefore implemented with a view to maintaining or increasing the appeal of the leisure park or ski area concerned.

• 1.16. Financial assets

Financial assets are divided into three major categories:

- assets held to maturity are recognised in the balance sheet at an amortised cost. These assets mainly comprise bonds, term deposits and loans to unconsolidated companies;
- financial assets held for trading, i.e., short-term holdings, and assets designated at fair value through profit or loss when initially recognised are measured at fair value. Fair value is offset in profit or loss. These are mainly short-term investments that do not meet the criteria for cash equivalents (investment periods greater than three months);
- shareholdings in unconsolidated companies are recognised in available-for-sale financial assets, which are generally valued at cost, 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 is recognised when there is an objective indication that the amounts due may not be recovered. Any impairment 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 borrowings".

• 1.20. Treasury stock

The purchase of treasury stock is recorded at acquisition cost with a corresponding reduction in shareholders' equity. Treasury stock sale proceeds are credited to shareholders' equity, and not recognised in the income statement.

• 1.21. Provisions

Provisions for retirement bonuses

The CDA Group's commitments with respect to retirement benefits derive from legal obligations and collective bargaining agreements applicable in the countries in which Group subsidiaries operate.

In France, company commitments to permanent or seasonal employees are reflected either in premiums paid to insurance companies or in provisions. If the premium paid by a company only partly covers its commitments, a provision is funded for the remainder.

The commitments are calculated for all Group employees in France, except for seasonal workers in the Leisure destinations segment, where turnover is extremely high. It is thus considered unlikely that these workers will still be employed by the Group when they retire.

The total of these commitments is determined on the basis of the current salaries of employees by calculating the bonuses that will be paid to employees upon retirement, having regard to their seniority at that date.

Gains and losses resulting from changes in actuarial assumptions, plus the impact of regulatory changes, are recognised in shareholders' equity.

Supplementary pension benefits granted to executives of certain subsidiaries are revalued each year.

In other countries where the CDA Group operates (Germany, the Netherlands and Belgium in particular), retiring employees receive no retirement package from their employer. Therefore, no provision is required. However, companies contribute each year to provident funds (pension funds).
The absence of the Group's obligations with respect to these contracts is verified each year.

Other provisions

Provisions are recognised when, at the end of the reporting period, the Group has an obligation to a third party arising from a past event that is certain or likely to lead to an outflow of resources to the third party, with no equivalent consideration received. These provisions are estimated in accordance with their nature, with the most likely assumptions taken into account.

Provisions for restructuring costs are recognised once the Group has a formal, detailed restructuring plan that has been communicated to the relevant parties.

• 1.22. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred (less fees and issue or redemption premiums, these adjustments being factored into the calculation of the effective interest rate).

Borrowings are subsequently recognised at amortised cost. Any difference between the income (net of transaction costs) and the redemption value is recognised in the income statement over the duration of the loan, in accordance with the effective interest rate method.

• 1.23. Derivatives and hedging transactions

The Group's use of derivatives such as interest-rate swaps, caps or other equivalent futures contracts is designed to hedge against interest-rate and foreign exchange risk.

For each cash flow hedge, the hedged financial liability is recognised in the balance sheet at amortised cost. Changes in the value of the derivative are recognised in shareholders' equity. To the extent that financial expenses and income from the hedged item affect profit or loss in a given reporting period, the financial expenses and income from the derivative recognised in shareholders' equity for the same reporting period are transferred to profit or loss.

When a derivative does not meet the criteria for hedge accounting, changes in fair value are recognised in profit or loss.

• 1.24. Income tax and deferred taxes

Group income taxes are determined in accordance with tax laws in force in the country where the income is taxable.

Deferred taxes

A temporary difference between the carrying amount of an asset or liability and its tax base gives rise to recognition of deferred tax by means of the liability method, using the most recent income tax rates enacted (or substantively enacted). A deferred tax liability is recognised for all taxable temporary differences.

No deferred tax assets are recognised with respect to tax loss carryforwards unless it is likely they will be recovered within a reasonable time-frame (likelihood is calculated on the basis of available forecasts).

Deferred tax assets and liabilities are offset for each tax entity.

The income-tax expense is recognised in profit or loss unless it concerns items that were recognised directly in shareholders' equity. In this case, it is also recognised in shareholders' equity.

• 1.25. Share-based payments

The Group has put in place equity-settled payment arrangements (stock options and bonus shares). The fair value of services rendered by employees in exchange for stock options and bonus shares is recognised in payroll costs. The total amount expensed over the vesting period is determined on the basis of the fair value of the options granted, as measured by the binomial model.
At each reporting date, the Group re-examines the number of options that will likely be eligible for exercise. When appropriate, it recognises the impact of its revised estimates in profit or loss, with a corresponding entry in equity.

2. MANAGEMENT OF CAPITAL AND RISKS

• 2.1. Capital management

The Group's primary objective for its capital management is to maintain a good credit risk rating and healthy capital ratios, in order to safeguard the long-term financing of its business and optimise shareholder value.

Accordingly, the Group monitors the performance of its net debt-to-equity ratio. In its calculation of net debt, the Group includes loans and borrowings bearing interest plus cash and cash equivalents. Shareholders' equity includes convertible preference shares, Group share of capital and unrealised gains and losses recognised directly in shareholders' equity.

The Group manages its capital structure and makes adjustments as economic conditions change. The Group may modify dividend payments to shareholders, return part of the capital or issue new shares.

• 2.2. Risk management

Cash-flow risk and risk of changes in value due to interest-rate fluctuations

The Group does not hold significant interest-bearing assets. The Group is exposed to interest-rate risk on its medium- and long-term borrowings. 79% of the Group's debt is fixed-rate debt (mostly bonds) and 21% is floating-rate debt. As regards its floating-rate debt, the Group manages its interest-rate risk by using interest-rate caps and floating-for-fixed swaps (see Note 6.11).

With current hedged positions at 30 September 2016 and the change in debt taken into account, the exposure of gross debt to interest-rate risk at 30 September 2016 and its projected change in 2016/2017 may be summarised as follows:

	30/09/2016	30/09/2017
Unhedged gross debt	8.3%	20.2%
Hedged gross debt	91.7%	79.8%

Hedged debt includes fixed-rate borrowings and the hedged portion of floating-rate debt.

At 30 September 2015, unhedged debt represented 7.6% of Group debt.

Should benchmark rates (1-month and 3-month EURIBOR, EONIA) increase or decrease by 1% compared to the closing rate on 30 September 2016, the impact on interest expense over the whole of 2015/2016, taking into account the Company's debt profile, would have been as follows:

(in millions of €)	Impact on the 2015/2016 income before tax	
	On interest	On the valuation of hedging instruments
Impact of +1% change in interest rates	-0.12	0.32
Impact of -1% change in interest rates	0.29	-0.32

Foreign exchange risk

Most of the Group's international business activities are in the euro zone (with the exception of the operations in the Czech Republic, Canada, Korea and Switzerland, which are not material in terms of the Group's non-current assets). Investments in foreign subsidiaries are made in local currencies: the portion of balance sheet assets sensitive to variations in foreign exchange rates is 2.5%, exposed to fluctuations in local currencies against the euro.

As such, the Group currently sees its exposure to foreign exchange risk as not significant.

In April and May 2015, the Group established three CCS (cross currency swaps) to hedge foreign exchange risk on the following loans to its Czech and Korean subsidiaries:

- CZK 98,000,000,
- KRW 8,000,000,000,
- KRW 6,300,000,000.

This year, the Group has put in place the following two hedging instruments:

- Two CCS (cross currency swaps) in January and September 2016 to hedge foreign exchange risk on loans granted to its Canadian subsidiary:
  - CAD 750,000
  - CAD 2,500,000.

- A Flexiterme in December 2015, maturing on 28 September 2016, to hedge foreign exchange risk related to the acquisition of capital expenditure in the USA by a subsidiary (USD 1,008,375).

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.

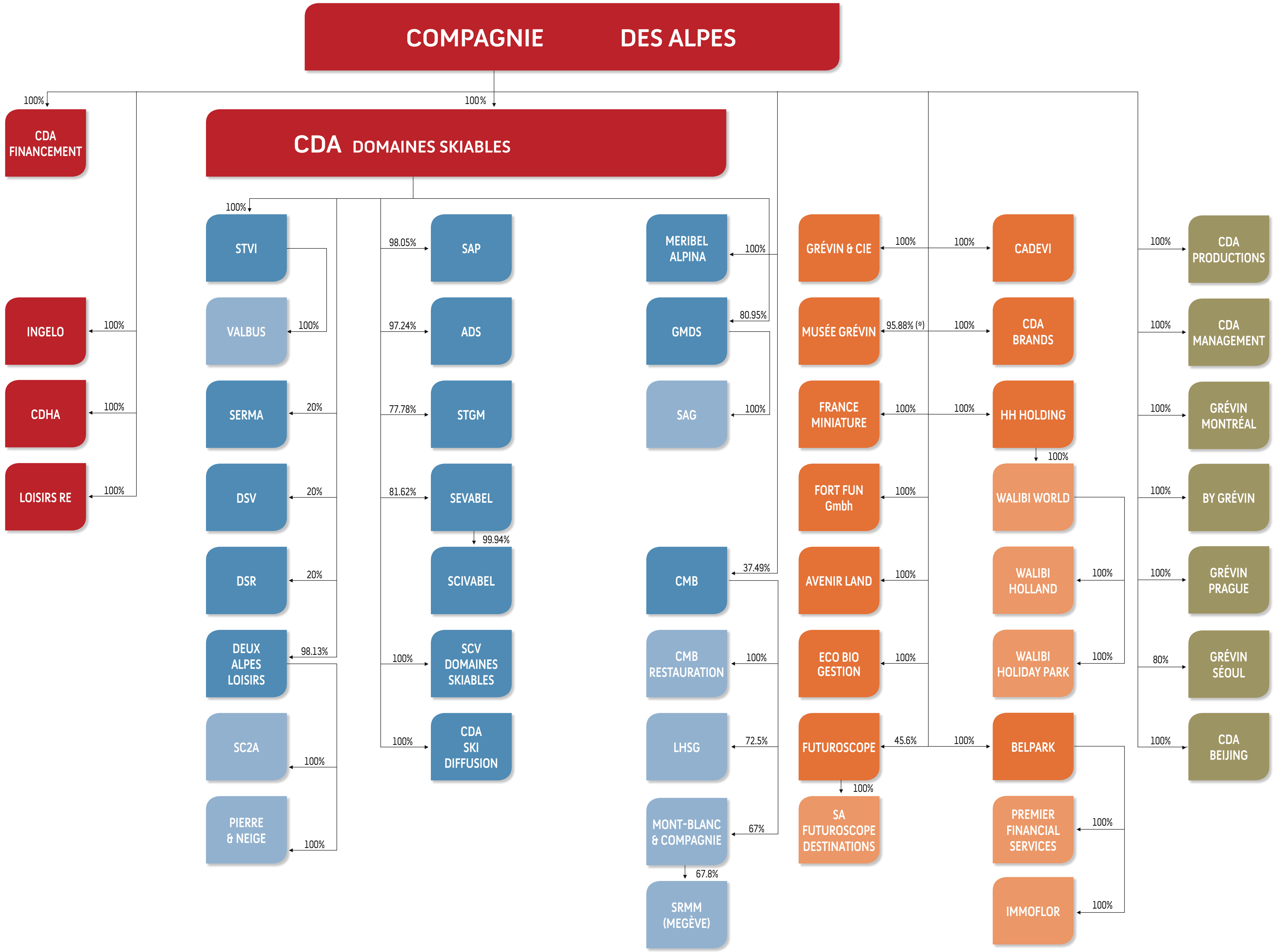
Credit risk

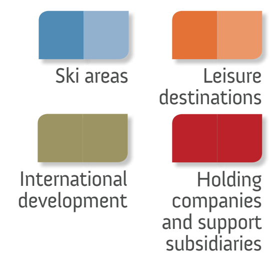
The Group has no major concentration of credit risk. Most of its business is carried out with end-customers (B2C sales). These customers pay in cash, or by bank check or bank card, before the service is provided. Furthermore, the Group has implemented policies to ensure that the intermediate customers 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 2016, the Group had €230 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.

3. STRUCTURE OF THE COMPAGNIE DES ALPES GROUP AT 30 SEPTEMBER 2016





The percentages indicated above correspond to the percentage of capital held.
(*) Compagnie des Alpes owns 97.89% of the double voting rights of Musée Grévin.

4. SCOPE OF CONSOLIDATION

4.1. Changes in consolidation scope during the year

The changes in the scope of consolidation in 2015/2016 correspond to the consolidation of CDA DL in the scope of consolidation and the establishment of CDA Beijing Ltd, a wholly owned subsidiary, whose capital was not yet paid-up at 30 September 2016.

4.2. List of consolidated companies by consolidation method and business segment at 30/09/2016

Parent company : Compagnie des Alpes – 50-52, boulevard Haussman – 75009 Paris

SKI AREAS	Consolidation method (1)	Legal structure	% share-holding
STGM 73320 Tignes	FC	SA	77.78
ADS 73700 Bourg-Saint-Maurice	FC	SA	97.28
SAP 3210 Macôt-La-Plagne	FC	SA	98.05
SEVABEL 73440 St-Martin-de-Belleville	FC	SAS	81.62
SCIVABEL 73440 St-Martin-de-Belleville	FC	SCI	81.62
Méribel Alpina 73550 Méribel-les-Allues	FC	SAS	100
Grand Massif Domaines Skiables – 74300 Flaine	FC	SA	80.95
SAG 74300 Flaine	FC	SA	80.95
SCV Domaine Skiable 05330 St Chaffrey	FC	SA	100
STVI 73150 Val d'Isère	FC	SAS	100
VALBUS 73150 Val d'Isère	FC	SAS	100
SERMA 74110 Morzine	EA	SAS	20
DSV 73420 Valmorel	EA	SAS	20
DSR 73700 Montvalezan	EA	SAS	20
Groupe Cie du Mont-Blanc 74400 Chamonix	EA	SA	37.49
Deux Alpes Loisirs (DAL) 38860 Mont-de-Lans	FC	SA	98.25
SC2A 38860 Mont-de-Lans	FC	SA	98.25
Pierre et Neige 38860 Mont-de-Lans	FC	SA	98.25
CDA SKI DIFFUSION 75009 Paris	FC	SAS	100

LEISURE DESINATIONS	Consolidation method (1)	Legal structure	% share-holding
Grévin & Cie 60128 Plailly	FC	SA	100
Musée Grévin 75009 Paris	FC	SA	95.88
France Miniature 78990 Élancourt	FC	SAS	100
Harderwijk Hellendoorn Holding Harderwijk – The Netherlands	FC	BV	100
Fort Fun Bestwig/Hochsauerland – Germany	FC	GmbH	100
Walibi World Biddinghuizen – The Netherlands	FC	BV	100
Walibi Holland Biddinghuizen – The Netherlands	FC	BV	100
Walibi Holiday Park Biddinghuizen - The Netherlands	FC	BV	100
Belpark BV 8902 Ieper – Belgium	FC	BV	100
Immoflor NV 8902 Ieper – Belgium	FC	NV	100
Premier Financial Services 8902 Ieper – Belgium	FC	BV	100
CDA Brands 75009 Paris	FC	SAS	100
CADEVI 75009 Paris	FC	SAS	100
Avenir Land 38630 Les Avenières	FC	SAS	100
Parc Futuroscope 86130 Jaunay Clan	FC	SA	45.55
Futuroscope Destination 86130 Jaunay Clan	FC	SA	45.55
CDA DL 60128 Plailly	FC	SA	100

HOLDINGS & SUPPORTS	Consolidation method (1)	Legal structure	% share-holding
CDA Financement 75009 Paris	FC	SNC	100
CDA-DS 75009 Paris	FC	SAS	100
Loisirs Ré L – 1633 Senninberg (GDL)	FC	SA	100
INGELO 73000 Chambéry	FC	SAS	100
CDHA 75009 Paris	FC	SAS	100

(1) FC = Full consololidation
EA = Equity accounted

INTERNATIONAL DeVELOPMENT	Consolidation method (1)	Legal structure	% share-holding
CDA Management 75009 Paris	FC	SAS	100
CDA Productions 75009 Paris	FC	SAS	100
Grévin Montréal Montréal, QC, Canada	FC	Inc.	100
Musée Grévin Prague CZ - 110 00 Praha 1	FC	s.o.r.	100
Musée Grévin Séoul Seoul 04523 Korea	FC	Corpor.	80
BY GREVIN Genève – Switzerland	FC	SA	100
CDA Beijing China - Beijing	FC	LTD	100

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:

- sales;
- EBITDA and EBITDA margin – EBITDA measures the current operating performance of the segments (sales – 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. Sales

Sales in the Ski areas segment mainly consist of sales of ski lift passes (approximately 96% of business line sales).

Sales in the Leisure destinations segment mainly comprise sales of admission tickets (about 56% of business line sales), with the remainder coming from restaurants, stores, merchant services and various ancillary businesses.

Sales in the International development segment primarily consist of the sale of admission tickets and project management services.

Performance by geographic segment is presented for the businesses in France and outside France based on the destination of sales recorded.

(in thousands of €)

Geographic segment	Ski areas	Leisure destinations	International development	Holdings and Support	30/09/2016	30/09/2015
France	409,601	210,430	37	12	620,080	602,104
Excl. France		91,001	9,098		100,099	93,815
Total at 30/09/2016	409,601	301,431	9,135	12	720,179	
Total at 30/09/2015	394,134	295,266	6,306	213		695,919

• 5.2. EBITDA by business segment

EBITDA breaks down as follows:

(in thousands of €)	Ski areas		Leisure destinations		International development		Holdings and Support		Total	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015
Sales	409,601	394,134	301,431	295,266	9,135	6,306	12	213	720,179	695,919
EBITDA	**146,758**	**137,486**	**68,157**	**60,419**	**-8,652**	**-4,429**	**-22,257**	**-24,669**	**184,006**	**168,806**
Operating margin (EBITDA/sales)	35.8%	34.9%	22.6%	20.5%	NS	NS	NS	NS	25.5%	24.3%

Figures for capital expenditure by segment are also shown below, together with the proportion of sales they account for.

(in thousands of €)	Ski areas		Leisure destinations		International development		Holdings and Support		Total	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015	30/09/2016	30/09/2015
Net capital expenditure	**84,090**	**72,537**	**58,970**	**47,367**	**7,444**	**13,316**	**3,101**	**1,731**	**153,605**	**134,951**
Capital expenditure as a proportion of sales	20.5%	18.4%	19.6%	16.0%	81.5%	NS	NS	NS	21.3%	19.4%

A breakdown of these items is given in the analysis of consolidated results.

• 5.3. Borrowing cost and other financial income and expenses

(in thousands of €)	30/09/2016	30/09/2015
Interest on borrowings	-15,690	-16,595
Other financial income and expenses	-428	52
Income on cash and cash equivalents	94	60
Net borrowing cost	**-16,024**	**-16,483**
Losses on financial transactions	-617	-560
Other financial income	-393	274
Financial provisions/reversals	-2,276	-1,319
Other financial income and expenses	**-3,286**	**-1,605**

• 5.4. Income tax expense

Income tax expense breaks down as follows:

(in thousands of €)	30/09/2016	30/09/2015
Current taxes	-17,891	-15,869
Deferred taxes	-314	-2,127
Total	**-18,205**	**-17,996**

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 group, but before tax and adjustments for goodwill impairment losses).

The reconciliation between income tax and consolidated companies, including income pre-tax income is shown below:

(in thousands of €)	30/09/2016	30/09/2015
Net income before tax	**58,527**	**52,953**
Current tax rate	33.33%	33.33%
Theoretical tax expense	19,509	17,649
Effects of:		
Difference between actual tax rate and theoretical rate	1,175	666
Non-deductible expenses/non-taxable revenue	637	-1,693
Interim tax losses on sold companies not recognised in assets		1,540
Other tax loss carryforwards not recognised in assets	1,397	1,214
Activation of losses from previous years	-2,920	
Income from associates recognised net of tax	-1,592	-1,380
Total income tax	**18,205**	**17,996**

Tax loss carryforwards and indefinitely deferred depreciation for which no deferred tax was recognised stood at €38.2 million at 30 September 2016 (of which €17 million relate to foreign subsidiaries in the startup phase or that were recently opened) and equate to a deferred tax asset of €10.2 million.

• 5.5. Share of net income of associates

(in million of €)

Companies	Country	Balance sheet total	Sales	Net income	EBITDA	Share of net income of associates
2015						
Groupe Cie du Mont-Blanc	France	181.8	73.7	7.0	25.9	2.6
SERMA (Avoriaz)	France	79.5	37.4	6.7	15.6	1.3
DSV (Valmorel)	France	24.0	11.2		2.5	
DSR (La Rosière)	France	20.7	9.3	1.0	3.2	
Total						**4.2**
2016						
Groupe Cie du Mont-Blanc	France	232.0	94.9	8.2	34.1	3.1
SERMA (Avoriaz)	France	83.7	38.4	7.0	16.4	1.4
DSV (Valmorel)	France	23.6	11.3	0.1	2.8	
DSR (La Rosière)	France	19.7	10.1	1.3	3.9	0.3
Total						**4.8**

• 5.6. Discontinued operations

Discontinued operations in the period account for the remaining costs relating to the business of Eco Bio Gestion before its acquisition by Compagnie des Alpes SA on 25 June 2016.

• 5.7. Earnings (Group share) per share and Diluted earnings per share

Earnings (Group share) amounted to €33,436 thousand.

(in thousands of €)	2016	2015
Net income (Group share)	33,436	30,033
Number of shares outstanding	24,317,726	24,274,151
Earnings per share (Group share)	**1.38**	**1.24**
Earnings per share (Group share) used to calculate diluted earnings per share (1)	33,436	30,033
Number of shares outstanding	24,317,726	24,274,151
Adjustment to factor in the dilutive effect of performance share plans	108,475	111,830
Diluted earnings per share (Group share)	**1.37**	**1.23**

(1) In keeping with the AMF recommendation, no adjustment is made to earnings.

• 5.8. Operating ROCE

For 2015/2016, the reconciliation between the Group ROCE and the operational ROCE of the sites was as follows:

(in thousands of €)	Ski and leisure destinations	Rest of the group	Group total
Net operating income	93,500	-20,413	73,087
Theoretical tax (at 33.33%)	-31,164	6,803	-24,360
After tax net operating income	62,336	-13,609	48,727
Assets used excluding goodwill	785,364	8,504	793,868
Operating ROCE on sites	**7.9%**		**6.1%**

6. NOTES TO THE BALANCE SHEET

• 6.1. Goodwill

Net goodwill breaks down as follows:

(in thousands of €)	Gross amount	Impairment	Net amount
At 30/09/2014	**305,013**	**-13,063**	**291,950**
Changes in the scope of consolidation	-8,378		-8,378
Other changes			
At 30/09/2015	**296,635**	**-13,063**	**283,572**
Changes in the scope of consolidation			
Other changes			
At 30/09/2016	**296,635**	**-13,063**	**283,572**

At 30 September 2016, net goodwill was distributed by major Group business unit, as follows:

(in thousands of €)	30/09/2016	30/09/2015
Ski areas	132,155	132,155
Leisure parks	151,417	151,417
International development		
Total	**283,572**	**283,572**

Procedures for carrying out goodwill 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 brainstorming regarding its main sites.
The 2017-2021 business plans, used as a basis for impairment testing, whilst still based on realistic assumptions already made in the past, contain the adjustments needed for continued profitable growth in the Leisure destinations segment and the maintenance of margins in the Ski areas segment:

- cost reductions;
- more selective investment and priority to spending on increasing appeal in the Leisure destinations segment.

Beyond the five-year period of the plan, the terminal value is calculated on the basis of cash flows to perpetuity using an average growth rate of between 1% and 2% (this being adjusted on the basis of the specific outlook for each entity and its positioning). This growth rate is considered reasonable for the leisure sector in the medium and long term.

Impairment test results

The tests carried out on the Ski areas and Leisure destinations operating segments indicated a marked rise in Group valuations. As a result, no depreciation has been recognised over the past two years.

The International development segment includes recently opened companies or companies in the startup phase:
the valuations include the action plans implemented and their expected outcome in the medium and long term (five-year plans). These plans are complemented with ten-year plans at the site level increasing the value of the assets. These items did not show an impairment loss at 30 September 2016.

› Overall sensitivity to the WACC and to the growth rate to perpetuity:

Sensitivity tests are conducted by varying the basic assumptions underpinning the business plan (change in sales volume) or the discount rate.

It should be noted that impairment tests are now carried out at the segment level in order to reflect the measurement of value creation, the monitoring of performance and the level of strategic decision-making within the Group.

› Overall sensitivity of tests to the WACC and to the growth rate

Ski areas (excluding companies accounted for under the equity method)

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €476 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.2%	683.5	543.3	429.7
	1.7%	838.0	663.5	525.6
	2.2%	1,039.6	815.4	643.8

Leisure destinations

The table below shows the positive difference between the values in use and the values tested (consolidated cost price of €484 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.5%	446.3	338.0	251.7
	2.0%	569.4	432.2	325.8
	2.5%	733.6	553.3	418.4

International development

The table below shows the difference between the values in use and the values tested (consolidated cost price of €6.7 million).

		Discount rate		
		5.5%	6.0%	6.5%
LT growth rate	1.5%	9.3	2.8	-2.4
	2.0%	17.6	9.2	2.6
	2.5%	27.9	16.8	8.5

This business segment includes parks in the startup phase in new geographic segments. While no goodwill was recognised, the sensitivity analysis nevertheless shows that the difference between the value in use and the value to be tested is smaller than in the core sites of the Group. This points to the risk inherent to these new markets combined with the recent opening of sites in which the "Grévin" brand is yet to take root; the startup plans of these sites expect losses during the initial three to five years before EBITDA can turn positive.

For the Group as a whole, the sensitivity analyses presented indicate that the recoverable amount for the three operating segments and the "Holdings and Support" 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). The results of these additional tests supported the absence of impairment at 30 September 2016.

• 6.2. Intangible assets

Intangible assets break down as follows:

(in thousands of €)	30/09/2015	Acquisitions	Disposals	Increases	Reversals	Translation adjustments	Other changes	30/09/2016
Gross amount								
Use rights	98,508						-5,070	93,438
Business intangibles	8,925						-446	8,479
Musée Grévin trademark	9,000							9,000
Walibi trademark	20,300							20,300
Highway interchange concession Parc Astérix	6,273						-1	6,272
Cinematographic films and works		1,336	-1,642				13,565	13,259
Other intangible assets	43,249	6,904	-1,034			2	-7,428	41,693
Subtotal: gross amount	**186,255**	**8,240**	**-2,676**			**2**	**620**	**192,441**
Depreciation and impairment								
Use rights	-60,657			-2,559			-8,645	-71,861
Business intangibles	-7,167			-102			117	-7,152
Highway interchange concession Parc Astérix	-1,981			-64			279	-1,766
Cinematographic films and works				-2,233	1,598		-8,003	-8,638
Other intangible assets	-39,563			-6,383	1,017		16,252	-28,677
Subtotal: depreciation and impairment	**-109,368**			**-11,341**	**2,615**			**-118,094**
Net amount	**76,887**	**8,240**	**-2,676**	**-11,341**	**2,615**	**2**	**620**	**74,347**

The investments for the year mostly represent the rights on cinematographic films and works (of about €3.4 million) in Futuroscope, the purchase and development of new software at the Group level amounting to €2.8 million and intangible assets in progress amounting to €3 million.

For the Group, continued installation of the new accounting software totalling €1.2 million, as well as €1.2 million in intangible assets in progress at CDA.

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 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 €)	30/09/2015	Acquisitions	Disposals	Increases	Reversals	Other	30/09/2016
Gross amount							
Land and improvements	47,500	1,153	-17			39	48,675
Ski run and trail works	108,595	3,031	-1,088			8,501	119,039
Snow-making	146,903	729	-53			4,290	151,869
Buildings, offices, shops, other spaces	345,656	9,542	-717			7,412	361,893
Ski lifts	771,361	11,736	-8,957			36,604	810,744
Grooming machines	42,027	5,334	-6,634			-27	40,700
Rides	333,840	30,236	-3,577			18,184	378,684
Materials and equipment	116,026	12,401	-6,289			4,296	126,435
Other items of property, plant and equipment	87,762	3,393	-2,486			558	89,226
Property, plant and equipment in progress	69,506	69,749	-447			-78,984	59,824
Advances and down-payments on non-current assets	602	2,573				-602	2,573
Subtotal: gross amount	**2,069,778**	**149,877**	**-30,265**			**272**	**2,189,661**
Amortisation, depreciation,							
Land and improvements	-17,523			-1,175	4		-18,694
Ski run and trail works	-53,312			-3,608	1 079	-1	-55,842
Snow-making	-95,191			-7,508	47		-102,652
Buildings, offices, shops, other spaces	-207,091			-12,594	110		-219,575
Ski lifts	-453,927			-31,890	8 742	2,626	-474,449
Grooming machines	-26,797			-5,980	6 084		-26,693
Rides	-182,049			-17,994	1 934	19	-198,090
Materials and equipment	-133,389			-14,200	6 112	-49	-141,526
Other items of property, plant and equipment	-25,519			-5,415	1 608	-173	-29,499
Subtotal: depreciation	**-1,194,798**			**-100,365**	**25 720**	**2,421**	**-1,267,021**
Net amount	**874,980**	**149,877**	**-30,265**	**-100,365**	**25 720**	**2,693**	**922,640**
Gross amount of directly-owned assets	868,603	81,090	-15,280			3,173	937,585
Depreciation of directly-owned assets	-529,380			-49,488	11 679	2,429	-564,760
Net amount of directly-owned assets	**339,223**	**81,090**	**-15,280**	**-49,488**	**11 679**	**5,602**	**372,826**
Gross amount of concession assets	1,201,176	68,787	-14,985			-2,902	1,252,076
Depreciation of concession assets	-665,419			-50,877	14 041	-7	-702,262
Net amount of concession assets	**535,757**	**68,787**	**-14,985**	**-50,877**	**14 041**	**-2,909**	**549,814**
Net amount at 30/09/2015	**874,980**	**149,877**	**-30,265**	**-100,365**	**25 720**	**2,693**	**922,640**

Acquisitions of property, plant, and equipment over the reporting period were as follows:

- in the Ski areas segment (€84.6 million), this related to the completion of capital expenditure programmes prior to the 2015/2016 season and to the initial work for the coming season. This capital expenditure mainly related to the installation of new ski lifts (€48.3 million), snow-making equipment (€5 million) and ski run and trail work (€16.8 million including grooming machines), as well as €14.5 million in miscellaneous investments (buildings, garages, equipment, etc.);
- in the Leisure destination segment (€57.6 million), this breaks down into investments to step up appeal (€40 million) and investments for maintenance and miscellaneous investments (€17.6 million);
- in the International development segment (€7.4 million), investments related to the creation of the Musée Chaplin's World By Grévin (€6.9 million) and new waxworks in the existing museums (€0.5 million);
- finally, the "Other" column includes the reclassification of non-current assets in progress as operating assets and asset retirement (primarily the disassembled ski lifts).

(en milliers d'euros) Geographic segment		Ski areas	Leisure destinations	International Development	Holding and supports	30/09/2016	30/09/2015
France		632,124	192,797	437	4,899	830,257	794,610
o/w assets held under concession		549,814				549,814	535,757
o/w which assets on lease finance			2,676			2,676	
Europe (excl. France)			130,026	36,703		166,729	157,257
TOTAL property, plant and equipment and intangible assets		**632,124**	**322,823**	**37,140**	**4,899**	**996,986**	**951,867**
Intangible assets	*Note 6.2*	18,193	51,182	439	4,533	74,347	76,887
Property, plant and equipment	*Note 6.3*	613,931	271,641	36,702	366	922,640	874,980
Total property, plant and equipment and intangible assets in the balance sheet		**632,124**	**322,823**	**37,140**	**4,899**	**996,986**	**951,867**

6.4. Investments in associates

(in thousands of €)	30/09/2016	30/09/2015
Value of securities at beginning of reporting period	**68,153**	**65,966**
Change in scope of consolidation and miscellaneous	-364	-23
Net income for the period	4,775	4,141
Dividends paid	-1,796	-1,931
Value of securities at period reporting	**70,768**	**68,153**

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 value of the Group's shareholding. Therefore, its value for the Group is assessed on the basis of its value in use (public service arrangements for Chamonix, which have been renewed until 2053). For information purposes, the difference between the stock market value of CMB at 30 September 2016 and its cost price was positive at €7.6 million. On the basis of the share price at 8 November 2016, this difference was positive at €12.8 million.

6.5. Other non-current financial assets

(in thousands of €)	30/09/2016	30/09/2015
Available-for-sale financial assets (non-consolidated shareholdings)	**10,009**	**8,758**
Loans and receivables associated with shareholdings	15,934	6,720
Deposits and guarantees	2,062	1,082
Other financial assets	556	439
Gross amount	18,552	8,241
Impairment	-846	-429
Non-current financial assets (net)	**17,706**	**7,812**
Total non-current financial assets	**27,715**	**16,570**

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 and the 20% stake (representing €1.5 million) acquired in the capital of Jardin d'Acclimatation.

The main non-consolidated investment securities are as follows:

(in thousands of €)	Activities	Percentage shareholding 30/09/2016	Cost price at 30/09/2016	Closing date for data furnished	Sales	Shareholders' equity (including net income)	Net income for most recent ended reporting period	Current account advances	Impact on provisions in the net financial income
Directly or indirectly controlled companies									
Serre Chevalier Immobilier	Real estate agency	100%	100	30/09/2015	154	108	39		
ADS Immobilier	Real estate agency	100%	210	30/09/2015	503	124	22	215	
SNC Gestion locative Les Montagnes de l'Arc	Lease conveyancing	99.9%		30/09/2016	305	-681	-252	944	-251
SARL Paradiskitour	Real estate agency	99%	8	30/09/2016	4,100	796	102		
Les balcons de Chantelle	Real estate agency	100%	1	30/09/2016	1	-14	-15	2,004	
Serre Chevalier BAIL	Lease conveyancing	100%		30/09/2015	258	-23	-230		-286
2 Alpes Immobilier	Real estate agency	100%	100	30/09/2015	219	164	66		
Flaine Immobilier	Real estate agency	90%	145	30/09/2015	432	389	37		
Office Immobilier de La Plagne	Real estate agency	100%	114	30/09/2015	2,750	761	29		
Val d'Isère Immobilier	Real estate agency	100%	10	30/09/2016	263			185	-251
SCI 2001	Lease conveyancing	60%	4	31/12/2015	15	18	10		
SNC Bâtiments de service	Construction	99%		30/09/2016	307	175	175	1,320	173
SAP Location	Lease conveyancing	99.9%		30/11/2015	727	-550	-566		-645
Services et Restauration des Arcs	Food services	100%		30/09/2016	1,153	-854	-1,035	900	-1,125
Agence Immobilière de la Vallée de Belleville	Real estate agency	100%	938	30/09/2015	1,632	472	2		
SCI Altilac	Lease conveyancing	25%	500	31/12/2015	76	1,649	-271		
SAP Invest	Construction	98%		30/04/2016	88	23	-53	5,799	-52
Sub-total			**2,130**		**12,983**	**2,557**	**-1,940**	**11,367**	**-2,437**

(in thousands of €)	Percentage shareholding 30/09/2016	Cost price at 30/09/2016	Shareholders' equity (including net income)	Net income for most recent ended reporting period
Non-controlled companies				
Foncière Rénovation Montagne	9.6%	785		
Foncière Les Écrins	7.7%	277	3,524	28
Foncière Les Arcs	11.09%	147	1,296	57
Foncière La Plagne	6.25%	152	1,819	38
Foncière Les Menuires	11.77%	141	698	10
SAS 2CO Immo	45%	1,611	3,483	-97
Skigloo	49%	490	1,706	-295
Meribel Privé (Compagnie Immobilière des 2 Savoie)	99%	100	1	
Palais des Congrès	20%	132	930	-284
Plagne Rénov	15%	137	519	-19
SAGEST Tignes Développement	9.98%	75	1,768	212
SAEM Funiflaine	25%		94	-58
Renovarc	14.99%	45	293	-10
Jardin d'Acclimatation	20%	1,548	DA	DA
Lodge & Sap Mountain	6.22%	1,200	DA	DA
Mac Earth		360	DA	DA
Divers		679		
Total		10,009		

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 €)	30/09/2016	30/09/2015
Gross amount	4,358	5,130
Impairment		
Land bank	4,358	5,130
Gross amount	363	363
Impairment	-313	-313
Parking areas	50	50
Gross amount	17,593	15,739
Impairment	-248	-219
Inventories of raw materials, supplies and goods	17,345	15,520
Total	21,753	20,700

The land banks are mainly held by ADS (Les Arcs/Peisey Vallandry) and SAG (Flaine). These companies develop sites for subsequent sale.

Inventories of raw materials, supplies and goods relate to either the Ski areas segment (spare parts for lifts), the Leisure destinations segment (shop inventories, restaurants and costumes) or to the International development segment (ongoing waxwork production by CDA Productions for Grévin operations in France and abroad).

6.7. Accounts receivable

(in thousands of €)	30/09/2016	30/09/2015
Advances and down-payments	3,375	2,418
Trade receivables	16,398	19,692
Tax and payroll receivables	22,343	21,144
Other accounts receivable	1,771	3,580
Impairment	-1,325	-940
Total	42,562	45,894

6.8. Cash and cash equivalents

(in thousands of €)	30/09/2016	30/09/2015
Investment funds	4,004	6,907
Time deposits	2,750	5,000
Demand deposits	27,423	26,546
Cash	636	672
Total	34,813	39,125

6.9. Shareholders' equity

Treasury stock

At 30 September 2016, the Group held 24,747 CDA shares, purchased at an average price of €16.65 per share for a total of €412 thousand.

Stock options

There are 108,475 performance shares (representing 0.48% of the share capital) that had not yet vested at 30 September 2016. All the outstanding options and grants are settled by share buybacks on the market. At 30 September 2016, the remaining stock of bonus shares totalled €99 thousand. The main terms of the stock option and performance share plans at 30 September 2016 are described below:

Performance share plans*	Plan no. 15	Plan no. 16	Plan no. 17	Plan no. 18	Plan no. 19
Date of Shareholders' Meeting	18/03/10	15/03/2012	15/03/2012	13/03/2014	10/03/2016
Implementation date	15/03/2012	14/03/2013	13/03/2014	08/04/2015	18/03/2016
Number of shares that may be subscribed for at inception	58,593	61,900	56,955	59,925	61,900
O.w. senior managers/corporate officers					
Number of beneficiaries	142	143	165	166	170
Date of vesting of performance shares	14/03/2014	13/03/2015	13/03/2016	08/04/2017	18/03/2018
Number of performance shares vested**	43,129	43,830	43,575		
Expired or cancelled stock options/performance shares	15,464	18,070	13,380	9,750	3,600
Outstanding stock options/performance shares				50,175	58,300

** Grant of which is based on economic factors.*
*** Two-year holding period after vesting date.*

The total change in performance share awards can be summarised as follows:

Grants of performance shares	30/09/2016	30/09/2015
Rights granted at beginning of reporting period	111,830	114 505
Rights granted	61,900	59,925
Rights expired	-21,680	-18,770
Rights exercised	-43,575	-43,830
Grants adjustments		
Rights granted at reporting date	108,475	111,830

The expense recognised for stock option and performance share plan awards was €409 thousand at 30 September 2016 (compared to €535 thousand at 30 September 2015).

› Plan no. 19

Plan no. 19 was implemented following approval by the Board of Directors on 18 March 2016. This plan consisted of 61,900 performance shares and involved 170 beneficiaries. Detailed information on the stock options and performance shares can be found in Chapter V 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. 19 at 30 September 2016 was €13.69 (compared to €14.75 in the prior reporting period for Plan no. 18).

The main factors used to calculate the expense 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)	-0.443%
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:

(in thousands of €)	30/09/2015	Net income: Increases	Net income: Reversals	Currency change	Changes in the scope of consolidation	Other	30/09/2016
Post-employment benefits	39,134	1,775	-1,373			6,458	45,994
Other non-current contingencies	5,064	883	-791	5		2,746	7,907
Total	**44,198**	**2,658**	**-2,164**	**5**		**9,204**	**53,901**

Provisions for "Other non-current risks" notably covered provisions for site renovation (representing €3.7 million) and for litigation relating to the acquisition of shareholdings. They also include the provisions set aside in connection with long-service awards (representing €1.3 million) and depreciation charges (representing €1.6 million).

› Provisions for post-employment benefits

Provisions for retirement packages for employees working in the Ski areas business line account for the bulk of "post-employment benefits".

These provisions are calculated including social security charges on the basis of an average retirement age of 62. The discount rate used was 0.8% at 30 September 2016, compared with 2% at 30 September 2015. The balance sheet amounts are determined as follows:

(in thousands of €)	30/09/2016	30/09/2015
Present value of financed obligations	53,337	45,442
Fair value of plan assets	-7,343	-6,308
Liability recognised in the balance sheet	**45,994**	**39,134**

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 €)	30/09/2016	30/09/2015
Current service cost	2,917	2,743
Financial cost	935	970
Return on plan assets	-135	-155
Reduction/discontinue operations	-934	
Total amount included in employee benefits expense	**2,783**	**3,558**

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 €)	30/09/2016	30/09/2015
Current service cost	-2,917	-2,743
Financial cost	-935	-970
Return on assets	135	155
Actuarial gains and losses	-6,458	-2,507
Benefits paid	960	1,002
Reduction/discontinue operations	934	
Other	1,421	1,075
Total	**-6,860**	**-3,988**

Actuarial gains and losses for the fiscal year mainly result from changes in the discount rate (0.8% compared to 2% at 30 September 2015).

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:

(in thousands of €)	30/09/2015	Résultat: Increases	Résultat: Reversals	Changes in the scope of consolidation	Other	30/09/2016
Provision for major repairs	8,429	4,996	-2,771			10,654
Lawsuits and disputes	1,733		-5			1,728
Other ordinary contingencies	9,713	6,056	-2,986		-2,630	10,153
Total	**19,875**	**11,052**	**-5,762**		**-2,630**	**22,535**

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 to ongoing lawsuits, redundancy costs and the remainder of the double rent. A provision of €2.6 million for renovation of the site was reclassified as non-current provisions.

6.11. Borrowings

Breakdown of gross borrowings and net debt

(in thousands of €)	30/09/2016			30/09/2015		
	Non-current	Current	Total	Non-current	Current	Total
Bonds	298,877		298,877	298,257		298,257
Borrowings from credit institutions	33,470	3,235	36,705	30,906	3,414	34,320
Other borrowings and similar debt	54		54	46	497	544
Lease finance	2,652		2,652			
Accrued interest		10,878	10,878		10,833	10,833
Bank credit balances and similar		52,283	52,283		53,118	53,118
Employee profit-sharing	3,388	0	3,388	2,771	768	3,539
Miscellaneous	170	84	254	100	16	116
Financial debt	**338,613**	**66,478**	**405,091**	**332,080**	**68,646**	**400,726**
Cash			34,813			39,125
Net debt			370,278			361,602

Structure of borrowings

(in millions of €)	30/09/2016		30/09/2015	
	Amount	Rate	Amount	Rate
Fixed-rate borrowings	317.8	79.0%	316.7	79.0%
Floating-rate borrowings	83.7	20.1%	80.4	20.1%
Shareholdings and miscellaneous	3.6	0.9%	3.6	0.9%
Total	**405.1**	**100.0%**	**400.7**	**100.0%**

Borrowings break down by maturity as follows:

(in millions of €)	Total	- 1 year	from 1 to 2 years	from 2 to 3 years	from 3 to 4 years	from 4 to 5 years	+ 5 ans
30/09/2016	405.1	66.5	205	2.8	1.5	29	100.3
30/09/2015	400.7	68.6	3.8	202.3	2.3	23.9	99.8

› Bonds

Following the €200 million bond issue implemented in 2010 (with coupon at 4.875% and maturity in October 2017), CDA carried out a €100 million bond issue on the Euro PP market in May 2014, with coupon at 3.504% and ten-year maturity.

At 30 September 2016, the fair value of these two issues was as follows:

- 2010 bond issue: €205.2 million;
- 2014 bond issue: €113.1 million;

An ownership clause provides for holders of the 2010 bond to be fully reimbursed should (i) Caisse des Dépôts no longer holds at least 33.34% of the share capital and voting rights in CDA, or (ii) one or more persons, other than the CDC, acting together acquire at least 33.33% of the share capital and voting rights in CDA, this option is open for a period of 45 days following the publishing of this information on Euroclear or Clearstream.

The holders of the 2014 bond have the same option should (i) Caisse des Dépôts no longer hold at least 33.34% of the share capital and voting rights in CDA, or (ii) one or more persons, other than the CDC, acting together acquire a portion of the share capital and voting rights in CDA that exceeds the portion held directly or indirectly by CDC.

› Revolving credit facility

The Group has a revolving credit facility for a maximum amount of €260 million and expiring on 6 May 2020 and of €230 million expiring on 6 May 2021, the second extension having been solicited and granted by the lenders in March 2016.

The expenses incurred for the issues have been deducted from the value of the borrowings and amortised over its term.

The fair-value impact of hedging instruments is recognised under borrowings from credit institutions (€0.4 million).

The revolving credit facility arranged by the Group requires the following financial covenant to be respected:

	Covenant	Ratio at 30/09/2016
Consolidated net debt/Consolidated EBITDA	< 3.50	2.01

This covenant is reviewed twice a year, on 31 March and 30 September. The total amount of authorised borrowings governed by these provisions stood at €260 million under the revolving credit facility, of which only €30 million had been drawn down at 30 September 2016. At 30 September 2016, this ratio was respected.

An ownership clause stipulates that the revolving credit facility must be fully reimbursed should Caisse des Dépôts no longer hold at least 33.34% of the share capital and/or the voting rights in CDA, or if one or more persons, other than the CDC, acting together acquire at least 33.34% of the share capital and voting rights in CDA, if within 15 days thereafter the borrower and the Agent, acting on the instructions of all lenders, do not agree on changes to be made to the loan agreements.

› Other borrowings

Among the other borrowings of the Group, three 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; the balance of this loan at 30 September 2016 amounted to €1 million.

An ownership clause stipulates that in the event of a change in the control of Futuroscope within the meaning of Article L. 233-3 of the French Commercial Code, as it was at the time of signing the contract, a borrowing of €2 million taken in 2014 at the fixed-rate of 1.95% for a period of five years and whose balance at 30 September was €1 million, could become payable immediately.

An ownership clause stipulates that a loan of €5 million with a floating-rate of EONIA +0.35% taken in 2004 by SAP for a 15-year period; the balance of this borrowing at 30 September 2016 amounted to €1 million, will 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.

There are two covenants for this loan based on the annual financial statements of SAP:

- the net borrowing/net position ratio after appropriation of earnings remains less than 1.25;
- the net borrowing/EBITDA ratio remains less than 4.

Hedging instruments

The Group arranged interest rate hedging instruments (borrowings-backed) for its floating-rate commitments.

At 30 September 2016, €50 million of the floating-rate borrowings was hedged. The hedging instruments used are a fixed-rate swap and a cap:

- cap representing €25 million of the debt covered (at 1.25%, expiring in 2017);
- swap representing €25 million of the debt covered (at 0.80%, expiring in 2018).

30/09/2016 in millions of €	Financial assets (a)		Financial liabilities (b)		Exposure of the net debt before hedging (c)=(a)-(b)		Interest-rate hedging instruments (d)		Exposure of the net debt after hedging(e)=(c)+(d)	
	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate	Fixed-rate	Floating-rate
Less than 1 year	26.21	3.36	-12.8	-53.67	13.40	-50.31		25.00	13.40	-25.31
From 1 to 2 years		5.25	-204.09	-0.91	-204.09	4.34		25.00	-204.09	29.34
From 2 to 3 years			-2.13	-0.68	-2.13	-0.68			-2.13	-0.68
From 3 to 4 years			-1.17	-0.28	-1.17	-0.28			-1.17	-0.28
From 4 to 5 years			-0.82	-28.20	-0.82	-28.20			-0.82	-28.20
Over 5 years			-100.34		-100.34				-100.34	
Total	**26.21**	**8.61**	**-321.36**	**-83.74**	**-295.15**	**-75.13**		**50.00**	**-295.15**	**-25.13**

Information on interest rates

(in € millions)	At 30/09/2016		At 30/09/2015	
	Montant	%	Montant	%
Fixed-rate borrowings	317.8	4.58%	316.7	4.55%
Floating-rate borrowings	83.7	2.52%	80.4	3.20%
Shareholdings and miscellaneous	3.6		3.6	
Total	**405.1**	**4.17%**	**400.7**	**4.29%**

• 6.12. Deferred taxes

Total deferred tax assets in the balance sheet	9,096
Total deferred tax liabilities in the balance sheet	-19,842
Net deferred tax position	**-10,746**

(In thousands of €)	Tax loss carryforwards	Special depreciation allowances	Temporary differences	Restatements	Total deferred tax
Net position at 30/09/14	**12,456**	**-24,023**	**13,469**	**-15,041**	**-13,139**
Increases	326	-1,265	2,639	5,886	7,586
Decreases	-2,969	987	-1,662	-4,118	-7,762
Net position at 30/09/2015	**9,813**	**-24,301**	**14,446**	**-13,273**	**-13,315**
Increases	3,349	-637	2,614	-255	5,072
Decreases	-2,854	294	-910	967	-2,503
Net position at 30/09/2016	**10,308**	**-24,643**	**16,150**	**-12,560**	**-10,746**

Deferred tax assets are normally recovered over a period of five to ten years.

• 6.13. Operating liabilities and other debt

(in thousands of €)	30/09/2016	30/09/2015
Trade and related payables	66,527	57,239
Tax and payroll payables	61,737	58,013
Other operating liabilities	19,205	18,068
Subtotal "Operating liabilities"	**147,469**	**133,320**
Dettes sur immobilisations	24,937	25,788
Autres dettes diverses	2,647	1,318
Comptes de régularisation	20,527	22,898
Subtotal "Other debt"	**48,111**	**50,004**
Total	**195,580**	**183,325**

7. INFORMATION ON THE STATEMENT OF CASH FLOWS

• 7.1. Cash flows from operating activities

(in thousands of €)	30/09/2016	30/09/2015
Net income (Group share)	33,436	30,033
Minority interests in net income	6,887	4,922
Comprehensive net income	**40,322**	**34,955**
Amortisation, depreciation and provision increases and reversals	116,612	116,622
Gains or losses on disposal	-540	-10,454
Share of net income of associates	-4,775	-4,141
Dividends received from associates	2,150	2,250
Other	858	-80
Operating cash flow after net borrowing cost and tax	**154,627**	**139,152**
Net borrowing cost	16,024	16,483
Tax expense (including deferred taxes)	18,210	18,000
Operating cash flow before net borrowing cost and tax	**188,860**	**173,635**
Change in accounts receivable and payable	16,379	1,883
Other elements of cash timing differences	-3,439	4,967
Tax paid	-16,129	-15,713
Cash flows from operating activities	**185,672**	**164,772**

Details on the net income of equity affiliates can be found in Note 5.5, with commentary on the net borrowing cost in Note 5.3.

• 7.2. Acquisition of property, plant and equipment and intangible assets

(in thousands of €)		30/09/2016	30/09/2015
Acquisition of intangible assets	*Note 6.2*	8,240	8,142
Acquisitions of property, plant and equipment and intangible assets (net of subsidies)	*Note 6.3*	149,877	127,099
Acquisitions of property, plant and equipment and intangible assets		**158,116**	**135,241**
s in debt on non-current assets		855	2,128
Acquisitions of property, plant and equipment and intangible assets in the statement of cash flows		**158,972**	**137,369**
Sale price of intangible assets			-150
Sale price of property, plant and equipment		-5,627	-1,942
Receivables associated with asset disposals		261	-325
Disposal of non-current assets in the statement of cash flows		**-5,366**	**-2,417**

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 €)	30/09/2016	30/09/2015
Borrowings in the consolidated balance sheet from the previous fiscal year	**400,727**	**455,513**
Borrowings from credit institutions	3,085	-79,144
Lease finance	2,652	
Other borrowings and similar debt	-522	-567
Other	70	70
Change in borrowings in the statement of cash flows	**5,285**	**-79,641**
Change in the half-yearly bank credit balances	-835	25,178
Miscellaneous	-19	-323
Total change (all borrowings)	**4,431**	**-54,787**
Miscellaneous (financial instruments)	-67	
Borrowings in the consolidated balance sheet from the fiscal year	**405,091**	**400,727**

7.4. Net cash

(in thousands of €)		30/09/2016	30/09/2015
Cash assets in the balance sheet	*Note 6.8*	**34,813**	**39,125**
Bank credit balances and similar	*Note 6.11*	52,283	53,118
Net cash position in the statement of cash flows		**-17,470**	**-13,993**

8. OTHER DISCLOSURES

8.1. Related parties

The Group considers the following to be related parties:

- all fully consolidated companies and associates;
- 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 associates

Dealings between the parent company and its subsidiaries, joint ventures and associates 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.
CDA SA's operating income 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 1.4.

At 30 September 2016, outstanding financial claims of CDA Financement, a subsidiary of Compagnie des Alpes, towards the controlled companies totalled €236.1 million. Outstanding controlled company investments with CDA Financement stood at €160.2 million.

Associate entities

Cash flows between Compagnie des Alpes SA 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, CDA became the reference shareholder of Futuroscope, along with the Vienne department and CDC, which is also a direct and indirect shareholder.

This partnership described in the 2011 Registration Document (page 176) continued to flourish in 2015/2016.

Licencing: The licencing 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 sales, weighted according to the percentage of share capital held by Caisse des Dépôts in Compagnie des Alpes at 1 January of each fiscal year. The resulting expense for the year was €575 thousand.

8.1.3. Members of the Executive Committee and of the Board of Directors

Foncière Rénovation Montagne: company founded in April 2013 by Caisse des Dépôts, Banque Populaire des Alpes, Caisse d'Epargne Rhône Alpes, Crédit Agricole des Savoie and CDA, dedicated to financing the renovation of mountain tourist accommodation.

The purpose of this real estate company is to invest in local real estate in order to acquire ageing accommodation, renovate it and renew its appeal. These accommodation facilities are then put back on the rental market for sale in the medium term for leasing purposes, in order to keep them on the market. The goal is to create a knock-on effect on the other stakeholders to create virtuous dynamics of growth for the mountain economy.

Compensation awarded to members of the Executive Committee and the Board of Directors

Total compensation made to principal executives for their Group activities as stipulated in IAS 24.16 are as follows:

FY 2015/2016 (in thousands of €)		
Board of Directors		
Group Executive Committee	7,080	
Short-term benefits	3,337	
Salary components		*1,892*
Other short-term components		*1,446*
Post-employment benefits	635	
End of work contract packages*	3,019	
Share-based payments	88	

** Set on the basis of theoretical maxima.*

8.2. Headcount

	30/09/2016	30/09/2015
Average headcount		
France	3,874	3,917
Europe (excl. France)	793	788
Total average headcount	**4,667**	**4,705**

At 30 September 2016, headcount broke down as follows:

- Ski areas: 22.1%
- Leisure destinations: 73.1%
- International development: 1.7%
- Holdings and Support: 3.1%

8.3. Off-balance sheet commitments

Operating leases and leasing contracts

The CDA Group's lease commitments at 30 September 2016 were as follows:

(in thousands of €)	Total	< 1 year	from 1 to 5 years	> 5 years
Operating leases	168,745	11,841	44,422	112,482
Leasing contracts	11,932	1,861	8,533	1,538
Total	**180,677**	**12,202**	**46,955**	**62,020**

Other commitments

(in thousands of €)	30/09/2016	30/09/2015
Guarantees and sureties	4,482	2,513
Other	28,336	19,854
Commitments given	**32,818**	**22,367**
Representations and warranties received		
Sureties received	6,917	7,740
Commitments received	**6,917**	**7,740**

The commitments given and received include:

- the real estate commitments of the Deux Alpes Loisirs Group: its subsidiary SC2A (formerly Deux Alpes Voyages) provided a guarantee to cover up to €8 million in current lease payments and Deux Alpes Loisirs gave a commitment for €0.2 million to buy back apartments;
- a funding approval for €6.6 million was given by CDA Financement to SAP Invest;
- 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 2016, these commitments amounted to the relatively low figure of €17.8 million, given the number of transactions currently being carried out.

- the sureties received primarily relate to guarantees of €6.0 million given to ADS on land deals;
- a bank guarantee and parent company guarantee at first request of CHF750 thousand each, given for the By Grévin site;
- a parent company guarantee at first request given to the City of Paris for Jardin d'Acclimatation in the amount of €20.5 thousand until 31 December 2016 and €123 thousand from 1 January to 31 December 2017.

When acquiring Futuroscope (in January 2011), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it in the event of inspection by tax, parafiscal, social, customs, social security, and other bodies.
These representations and warranties remain in force until the corresponding legal and regulatory terms expire.

8.4. Events after the reporting date

Operations for refinancing the €200 million bond issue maturing in October 2017 began during the last quarter of 2016.

1.3. REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS
Fiscal year ended 30 September 2016.

PricewaterhouseCoopers Audit
63, rue de Villiers
92200 Neuilly-sur-Seine

Mazars
61, rue Henri Regnault
92400 Courbevoie

Dear Shareholders,
COMPAGNIE DES ALPES
50-52-boulevard Haussmann
75009 PARIS

Dear Shareholders,

Pursuant to the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the fiscal year ended 30 September 2016 on:
- the audit of the accompanying consolidated financial statements of Compagnie des Alpes;
- the basis for our assessment;
- the special inspection required by law.

The consolidated financial statements have been approved by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion on the consolidated financial statements

We carried out our audit in accordance with standards of professional practice in France. This requires us to carry out our work in such a manner as to obtain reasonable assurance that the consolidated financial statements are free of material misstatements. An audit consists of examining, by sampling or other means of selection, the evidence underpinning the amounts and information in the consolidated financial statements. It also consists of assessing the accounting principles applied and material assumptions used, as well as the overall presentation of the financial statements. We feel that the audit evidence we collected provides a sufficient and adequate basis for our opinion.

We certify that, as per the IFRS as adopted by the European Union, the annual consolidated financial statements give a true and fair view of the assets and liabilities, financial position and earnings of the consolidated entities.

II - The basis for our assessment

In accordance with the provisions of Article L. 823-9 of the French Commercial Code pertaining to the basis for our assessment, we would draw attention to the following:

Accounting estimates

At each reporting date, the Company systematically carries out impairment tests on goodwill and assets with limited and indefinite useful lives, in line with the procedures described in Note 1.15 to the consolidated financial statements. We have examined the procedures used for impairment testing, as well as the cash flow forecasts and assumptions used, and we have checked that Notes 1.15 and 6.1 provide the appropriate disclosures regarding these matters.

Accounting principles

As part of our assessment of the accounting principles applied by your company, we have ensured that Note 1.14 to the consolidated financial statements provides appropriate disclosures regarding the accounting treatment used for concession agreements and leasing contracts.

These assessments represent part of our audit of the consolidated financial statements as a whole, and have thus contributed to our opinion as expressed in the first part of this report.

III - Special check

We also carried out, in accordance with standards of professional practice in France, the special check required by law on the disclosures in the group management report.

We have no comment to make regarding their fairness and consistency with the consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, 25 January 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Françoise Garnier-Bel

Mazars
Gilles Rainaut

2. SEPARATE FINANCIAL STATEMENTS

2.1. SEPARATE BALANCE SHEET, INCOME STATEMENT AND STATEMENT OF CASH FLOWS AT 30 SEPTEMBER 2016

BALANCE SHEET ASSETS	30/09/2016			30/09/2015
(in thousands of €)	Gross	Amortisation, depreciation and provisions	Net	
Intangible assets	12,775	8,274	4,501	3,292
Property, plant and equipment	2,851	1,626	1,225	492
Non-current financial assets	889,602	40,537	849,065	840,251
Non-current assets	**905,228**	**50,437**	**854,791**	**844,035**
Inventories				
Accounts receivable	10,439		10,439	14,018
Cash position	24,468		24,468	24,269
Current assets	**34,907**		**34,907**	**38,287**
Prepaid expenses	1,508		1,508	2,044
Total assets	**941,643**	**50,437**	**891,206**	**884,366**

BALANCE SHEET LIABILITIES (in thousands of €)	30/09/2016	30/09/2015
Share capital	185,363	185,031
Issue premium and merger premium	263,018	263,018
Legal reserve	15,671	15,033
Other reserves	2,255	2,587
Retained earnings	71,568	69,141
Net income for the period	13,379	12,763
Regulated provisions		
Shareholders' equity	**551,254**	**547,573**
Provisions for contingencies and charges	5,542	3,728
Provisions for contingencies and charges	**5,542**	**3,728**
Borrowings	310,923	310,740
Operating liabilities	23,311	22,067
Other liabilities and adjustment accounts	176	258
Liabilities	**334,410**	**333,065**
Total shareholders' equity and liabilities	**891,206**	**884,366**

INCOME STATEMENT

(in thousands of €)	30/09/2016	30/09/2015
Sales (excl. VAT)	**27,008**	**29,566**
Other income and expense transfers		21
Provision reversals	2,069	2,500
Operating income	**29,077**	**32,087**
Purchases and external costs	11,935	13,488
Taxes other than on income	1,202	1,394
Payroll and social security charges	18,641	20,814
Amortisation and depreciation	1,911	1,371
Provisions	3,684	2,620
Other expenses	124	2,583
Operating expenses	**37,497**	**42,270**
Operating income	**- 8,420**	**-10,183**
Net financial income	**14,740**	**31,826**
Income from ordinary activities before tax	**6,320**	**21,643**
Net extraordinary income	**-225**	**-16,324**
Income tax	7,284	7,444
Net income	**13,379**	**12,763**

STATEMENT OF CASH FLOWS

(in thousands of €)	30/09/2016	30/09/2015
Net income	**13,379**	**12,763**
Amortisation, depreciation and provision increases and reversals (incl. impairment)	6,976	1,432
Gains and losses on disposal	934	-1,460
Dividends received	-32,613	-27,570
Operating cash flow	**-11,324**	**-14,835**
Changes in WCR	5,083	-4,126
Restatement of financial expenses and write-offs	13,660	13,635
Cash flows from operating activities	**7,419**	**-5,326**
Acquisitions of property, plant and equipment and intangible assets	-3,985	-1,765
Dividends received	32,443	27,570
Acquisitions of non-current financial assets	-5,848	-5,752
Disposal and redemption of non-current financial assets	-6,845	19,699
Cash flows from investing activities	**15,765**	**39,752**
New borrowings and intra-group loans		
Repayment of borrowings and intra-group loans	243	-542
Change in overdrafts		
Payment of financial expenses and write-offs	-13,634	-13,635
Changes in sundry receivables and payables	-53	4
Dividends awarded to shareholders	-9,698	-8,467
Cash flows from financing activities	**-23,142**	**-22,640**
Change in cash position	**42**	**11,786**
Cash position at beginning of reporting period	24,200	12,414
Cash position at reporting date	**24,242**	**24,200**
Change in cash position	**42**	**11,786**

2.2. NOTES TO THE SEPARATE FINANCIAL STATEMENTS OF COMPAGNIE DES ALPES AT 30 SEPTEMBER 2016

These notes to the separate financial statements of Compagnie des Alpes SA for the 12-month period ended 30 September 2016 contain additional information on the balance sheet (total assets of €891,206 thousand) and the income statement (net income of €13,379 thousand).

1. KEY EVENTS DURING THE REPORTING PERIOD

The Group relocated its headquarters from Boulogne to 50-52 Boulevard Haussmann, Paris.

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 carrying amount.

2.5. Post-employment benefits

The obligations of Compagnie des Alpes with respect to post-employment benefits are measured and recognised off balance sheet.

The calculation method complies with the company's collective arrangements that came into force on 1 July 2009.

The obligation is calculated on the basis of current salaries (fixed salary and bonuses), including benefits to be paid when employees retire, and taking into account seniority at retirement date. The assumption of voluntary retirement at the age of 62 was taken as the most probable. The benefits reflect a number of coefficients and assumptions (anticipated life expectancy, changes in the benefit calculation basis, inflation, etc.).

The discount rate is based on the performance of the 10-year iBOXX at 0.8% per annum. for the reporting period ended 30 September 2016 (2.0% at 30 September 2015).

3. NOTES 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 €)	At 30/09/2015	Increases	Decreases	At 30/09/2016
Intangible assets	10,227	2,718	-170	12,775
Depreciation of intangible assets	-6,935	-1,509	170	-8,274
Net total	**3,292**	**1,209**		**4,501**

(in thousands of €)	At 30/09/2015	Increases	Decreases	At 30/09/2016
Property, plant and equipment	4,042	1,292	-2,483	2,851
Depreciation of tangible assets	-3,550	-402	2,326	-1,626
Net total	**492**	**890**	**-157**	**1,225**

Capital expenditure mainly relates to IT development carried out by CDA (principally ticketing software for the leisure parks and the roll out of new financial software throughout the Group). Asset retirements involve the Boulogne office arrangements and furniture that were not moved to Haussmann.

3.2. Non-current financial assets

The changes in non-current financial assets can be summarised as follows:

(in thousands of €)	At 30/09/2015	Augmentations	Diminutions	At 30/09/2016
Shareholdings	876,512	3,825	-21,637	858,700
Shareholdings in non-consolidated companies	4,044	2,048	-26	6,066
Related receivables (and accrued interest not yet due)	17,280	6,097		23,377
Accrued dividends		170		170
Deposits and guarantees	288	308	-242	354
Treasury stock	492	4,583	-4,664	411
Outstanding cash for the market-making agreement	533		-9	524
Gross total	**899,149**	**17,031**	**-26,578**	**889,602**
Impairment of shareholdings	-58,898	-15,560	33,921	-40,537
Impairment of related receivables				
Impairment of treasury stock				
Net total	**840,251**	**1,471**	**7,343**	**849,065**

The increase in shareholdings is due to the recapitalisation of CDA Productions for €2.6 million, France Miniature for €1.1 million and CDADL for €0.125 million.

Disposals relate to the removal of the securities of Eco Bio Gestion, which were fully transferred to the balance sheet of Compagnie des Alpes. In return, we reversed the impairment of securities in the amount of €21.6 million.

Furthermore, in 2015/2016, shareholdings were impaired under provisions in the amount of €15.6 million and were reversed in the amount of €12.3 million.

The change in non-consolidated securities includes a minority stake of €1,548 thousand in Jardin d'Acclimatation and €500 thousand in Lodge & Spa Mountain.

The change in related receivables reflects the investment of parts of the proceeds of the Euro PP bond issue with CDA Financement (updated to €15 million) on the one hand, and the €5 million advance granted to By Grévin on the other hand.

Financial information Subsidiaries and shareholdings	Legal structure	Date last completed reporting period date	Equity interest at 30/09/2015 capital détenue au 30/09/2015 (direct and indirect)	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	Sales (excl. VAT) (a)	Net income (a)	Dividends paid to CDA during the reporting period	Gross carrying amount of securities	Net book value of securities
SUBSIDIARIES (AT LEAST 50% OF SHARE CAPITAL HELD BY THE COMPANY)													
MÉRIBEL PRIVÉ - n° SIREN 443 140 694 – 75009 PARIS	SAS	30/09/2016	100.00%	90		5				10		198	98
BY GREVIN© – GENEVA – Switzerland	SA	30/09/2016	100.00%	184		-1,018	6,000		3,739	-974		513	513
CDA-DS – n° SIREN 477 855 787 – 75009 PARIS	SAS	30/09/2016	100.00%	298,531		97,817				26,953	24,000	318,531	318,531
GRÉVIN & CIE – n° SIREN 334 240 033 – 60 128 PLAILLY	SA	30/09/2016	100.00%	52,913		8,122				3,985	3,262	114,541	114,541
CDA FINANCEMENT – n° SIREN 482 940 616 – 75009 PARIS	SNC	30/09/2016	100.00%	1,010		795	15,000	260,000		779	850	1,015	1,015
CDA PRODUCTIONS – n° SIREN 421 155 458 – 75009 PARIS	SAS	30/09/2016	100.00%	664		-1,571			2,537	-2,658		8,038	
MUSÉE GRÉVIN – n° SIREN 552 067 811 – 75009 PARIS	SA	30/09/2016	95.88%	4,603		2,001			10,814	441	1,448	30,061	30,061
FRANCE MINIATURE – n° SIREN 348 677 196 – 78990 ÉLANCOURT	SAS	30/09/2016	100.00%	1,809		-494			3,202	-198		6,012	1,100
HARDERWIJK HELLENDOORN HOLDING – NL 3840 - HARDERWIJK – The Netherlands	BV	30/09/2016	100.00%	252		103,590				-3,310		105,478	105,478
GRÉVIN DEUTSCHLAND – D 59909 BESTWIG/HOCHSAUERLAND – Germany	GmbH	30/09/2016	100.00%	2,601		2,172			5,910	342		11,180	3,000
BELPARK – B 8902 IEPER – Belgium	BV	30/09/2016	100.00%	97,164		27,591			52,916	6,294		142,546	142,546
SOCIÉTÉ DU PARC DU FUTUROSCOPE – n° SIREN 444 030 902 86130 JAUNAY CLAN	SA	30/09/2016	45.55%	6,504		21,014			98,792	4,882	1,094	28,593	28,593
CDA BRANDS – n° SIREN 383 926 532 –75009 PARIS	SAS	30/09/2016	100.00%	713		24,903				1,188	500	16,850	16,850
AVENIR LAND – n° SIREN 311 285 068 – 38630 LES AVENIÈRES	SAS	30/09/2016	100.00%	915		4,062			11,204	405		16,038	11,241
CDA MANAGEMENT – n° SIREN 500 244 140 –75009 PARIS	SAS	30/09/2016	100.00%	331		-743			1,190	-692		1 974	1,974
CADEVI – N° SIREN 484 066 949 – 75009 PARIS	SAS	30/09/2016	100.00%	500		4			1,422	53		490	490
LOISIRS RE – L 8070 BERTRANGE – GD Luxembourg	SA	30/09/2016	100.00%	2,075								2,075	2,075
CDHA – n° SIREN 534 738 224 – 75009 PARIS	SAS	30/09/2016	100.00%	100		101			135	88	140	100	100
CDA DL – n° SIREN 534 737 432 – 60128 PLAILLY	SAS	30/09/2016	100.00%	85						-18		125	125
INGELO – n° SIREN 534 870 803 – 73000 CHAMBÉRY	SAS	30/09/2016	100.00%	100		689			5,694	670	170	100	100
MUSÉE GRÉVIN MONTRÉAL (c) – MONTREAL QC – Canada	Inc	30/09/2016	100.00%	11,913		-5,140	69		1,741	-1,636		13,312	7,514
MUSÉE GRÉVIN PRAGUE(c) – PRAHA – Czech Republic	Sro	30/09/2016	100.00%	11,023		-7,870	639		1,176	-2,738		10,903	2,736
MUSÉE GRÉVIN SEOUL(c) – SEOUL 04523 – Korea	Corporation	30/09/2016	80.00%	4,879		-6,279			1,293	-3,972		3,683	3,136
SHAREHOLDINGS (10% TO 50% OF SHARE CAPITAL HELD BY THE COMPANY)													
CMB – n° SIREN 605 520 584 – 74400 CHAMONIX (1)	SA	31/08/2016	37.49%	2,581		31,595			94,885	3,084	1,149	26,557	26,557
2CO IMMO – 05330 SAINT-CHAFFREY	SAS	NC	45.00%	3,580		NC			NC	NC		1,611	1,611
JARDIN D'ACCLIMATATION – 75116 PARIS	SA	31/12/2015	20.00%	7,737		2,320			9,493	-3,877		1,547	1,547
FONCIÈRE RÉNOVATION MONTAGNE – 75013 PARIS	SAS		9.60%	8,184		NC	937		NC	NC		785	785
LODGE & SPA MOUNTAIN – 73790 TOURS EN SAVOIE	SAS			15,128		NC			NC	NC		1,200	1,200
OTHERS												710	710
											Total	864,766	824,227

(1) Consolidated data of the subgroup.
(a) Most recent reporting period ended 30/09/16 for consolidated companies.
(b) Principal amount.
() Conversion for €1: CHF 1.0876 - CAD 1.469- CZK: 27.021 - KRW: 1,229.76.

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. Market-making agreement and treasury stock

Treasury stock and cash allocated to the market-making agreement are classified as "non-current financial assets".

Pursuant to the share buyback programme authorised by the Combined Ordinary and Extraordinary Shareholders' Meeting of 10 March 2016, CDA's market-making agreement consisted of the following at 30 September 2016:

- 18,577 shares representing a gross carrying amount of €313 thousand;
- cash of €523 thousand (principal and accrued interest).

Regarding the CDA stock price which stood at €17.00 at 30 September 2016, no impairment loss was recognised.

3.5. Accounts receivable

The "accounts receivable" line item stood at €10,439 thousand. It comprised:

- trade receivables: €1,464 thousand
- tax and payroll receivables (VAT and CICE): €1,375 thousand
- intra-group current accounts of tax consolidated subsidiaries: €7,429 thousand
- sundry receivables: €171 thousand

3.6. Prepaid expenses

The prepaid expenses of €1,508 thousand included:

- doperating expenses of €387 thousand;
- financial expenses connected with the arrangement of two bond issues in 2010 and 2014 (amounting to €867 thousand) and issue premiums for the 2010 bond issue only (totalling €254 thousand). These costs are expensed on a straight-line basis over the term of the bond.

3.7. Share capital

At 30 September 2016, the share capital consisted of 24,317,726 ordinary shares with no stated nominal value.

The financial statements of Compagnie des Alpes and its subsidiaries are fully consolidated by Caisse des Dépôts (CDC).

3.8. Change in shareholders' equity

The change in shareholders' equity breaks down as follows:

(in thousands of €)	Share capital	Issue premium and merger premium	Reserves	Retained earnings	Net income	Regulated provisions	Shareholders' equity
Net income at 30 September 2014	185,031	263,018	17,484	75,024	2,715		543,272
Appropriation of earnings at 30/09/2014			136	2,579	-2,715		
Dividend payout				-8,462			-8,462
Capital increase							
Increases and reversals of regulated provisions					12,763		12,763
Net income at 30/09/2015	185,031	263,018	17,620	69,141	12,763		547,573
Net income at 30 September 2015			638	12,125	-12,763		
Appropriation of earnings at 30/09/2015				-9,698			-9,698
Dividend payout	332		-332				
Capital increase					13,379		13,379
Increases and reversals of regulated provisions	185,363	263,018	17,926	71,568	13,379		551,254

The Shareholders' Meeting of 10 March 2016 approved the dividend distribution of €9,698 thousand during the appropriation of income for the reporting period ended 30 September 2015.

3.9. Provisions for contingencies and charges

(in thousands of €)	At 30/09/2015	Increase	Decrease	At 30/09/2016
Provision for non-enforcement of appeal for Fort Fun	120			120
Provisions for legal disputes and litigation				
Provision for affiliate risks	1,733	906	-733	1,906
Provision for relocation	1 620		-1 457	163
Provision for contingencies	255	3,178	-255	3,178
Provisions for charges		175		175
Total	3,728	4,259	-2,445	5,542

Reversal of €733 thousand in provisions for affiliate risks is attributable to the full transfer of Eco Bio Gestion and provision of €906 thousand covers the negative net position of CDA Productions. Provisions for relocation in the amount of €1.6 million at 30 September 2015 were reversed in 2015/2016, for the costs incurred. The provision of €3,178 thousand involves various risks and charges (including €2 million as accrued charges for the previous reporting period).

3.10. Borrowings

Change in borrowings (in thousands of €)	At 30/09/2015	Increases	Decreases	At 30/09/2016
Bonds	300,000			300,000
Accrued interest not yet due on bonds	10,671	10,697	-10,671	10,697
Bank overdrafts (incl. intra-group)	69	157		226
Total	310,740	10,854	-10,671	310,923

Maturities of the company's borrowings break down as follows:

Maturities of borrowings (in thousands of €)	Total	Maturity at less than one year	Maturity between 1 to 2 years	Maturity between 2 to 3 years	Maturity between 3 to 4 years	Maturity between 4 to 5 years	Maturity of over 5 years
Bonds	300,000		200,000				100,000
Interest on bonds	10,697	10,697					
Bank overdrafts (incl. intra-group)	226	226					
Total	310,923	10,923	200,000				100,000

The two bond issues (for €200 million in 2010 and €100 million in 2014) are accompanied by a shareholder clause stipulating that the direct or indirect shareholding of Caisse des Dépôts in Compagnie des Alpes S.A 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 bond issues 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 30/09/2016
Consolidated net debt/Consolidated EBITDA	< 3.50	2.01

At 30 September 2016, this ratio was respected.

3.11. Operating liabilities

Operating liabilities break down as follows:

(in thousands of €)	30/09/2016	30/09/2015
Trade payables	4,977	6,309
Liabilities towards staff and social security bodies	7,112	8,127
Tax liabilities (VAT and other taxes)	1,366	289
Tax consolidation current accounts	7,326	7,342
Corporate tax liabilities	2,120	
Other debt	410	
Total	**23,311**	**22 067**

4. NOTES ON THE INCOME STATEMENT

4.1. Sales

Sales amounted to €27,008 thousand. 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

The policy to control the expenses of the headquarters led to a decline of €4.8 million in the company's operating expenses compared with the previous Fiscal year.

4.3. Net financial income

(in thousands of €)	30/09/2016	30/09/2015
Dividends	32,615	27,569
Income on financial receivables	298	284
Subtotal dividends and Income on financial receivables	**32,913**	**27,853**
Interest expense on loans and cash pools		-18
Interest expense (bonds)	-13,914	-13,874
Subtotal Financing costs	**-13,914**	**-13,892**
Merger deficit	-809	
Reversal of financial provisions	13,016	20,965
Impairment of non-current financial assets	-16,466	-3,100
Subtotal: provisions and impairment (net)	**-4,259**	**17,865**
Foreign exchange gains (losses)		-1
Net financial income	**14,740**	**31,825**

Dividends amounted to €32.6 million compared to €27.6 million in 2015.

The merger deficit was attributable to the full transfer of Eco Bio Gestion and was partially offset by the reversal of €733 thousand in provisions for risks recorded in the net financial income.

In 2015/2016, shareholdings (including provisions for additional risks) were impaired under provisions in the amount of €16,466 thousand and under reversals in the amount of €13,016 thousand.

4.4. Net extraordinary income

Net extraordinary income amounted to -€225 thousand versus -€16.3 million for the previous fiscal year. At 30 September 2015, it included the income from the disposal of Centres Attractifs Jean Richard (Mer de Sable), Safari Africain Port-Saint-Père (Planète Sauvage) and Parc Agen (Walibi Sud-Ouest).

4.5. Income tax

For the fiscal year ended 30 September 2016, 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
- CADEVI
- SCV Domaines Skiables (Serre Chevalier)
- CDA Productions
- Avenir Land (Walibi Rhône-Alpes)
- Société d'Aménagement de la station de La Plagne (SAP)
- Arcs Domaine Skiable (ADS)
- Eco Bio Gestion
- CDA Ski Diffusion
- CDA Management
- CDHA
- INGELO
- CDA DL
- Val d'Isère Téléphériques
- Valbus
- CDA Brands
- Serre Chevalier Bail
- Val d'Isère Immo.

The tax consolidation regime of Compagnie des Alpes is based on the general principle of financial neutrality. Each subsidiary member of the tax group states income tax as if the subsidiary were not consolidated, and the parent company declares the total income tax of the tax group.

The tax group reported taxable earnings of €17.3 million. The tax group incurred income tax of €6.4 million.

In light of the tax contributed by the tax consolidated subsidiaries (€13.7 million), the accounting income generated by the tax group totalled €7.3 million.

5. OFF-BALANCE SHEET COMMITMENTS

The commitments given include:

- the sureties given on the rents from Prague and Montreal (for €2 million);
- a bank guarantee and parent company guarantee at first request of CHF750 thousand each, given for the By Grévin site;
- a parent company guarantee at first request given to the City of Paris for Jardin d'Acclimatation in the amount of €20.5 thousand until 31 December 2016 and €123 thousand from 1 January to 31 December 2017.

The commitments received are as follows:

- when acquiring Futuroscope (in January 2011), the sellers provided Compagnie des Alpes with representations and warranties indemnifying it (for €15.7 million) for post-transaction damages.
These representations and warranties remain in force until the corresponding legal and regulatory terms expire.

6. EVENTS AFTER THE REPORTING DATE

Operations for refinancing the €200 million bond issue maturing in October 2017 began during the last quarter of 2016.

7. EARNINGS AND OTHER KEY INFORMATION OVER THE PAST FIVE REPORTING PERIODS

DESCRIPTION (Amount in €)	30/09/2012	30/09/2013	30/09/2014	30/09/2015	30/09/2016
SHARE CAPITAL AT REPORTING DATE					
a) Share capital	184,379,151	184,701,775	185,030,527	185,030,527	185,362,679
b) Ordinary shares outstanding	24,188,697	24,231,022	24,274,151	24,274,151	24,317,726
c) Convertible bonds outstanding					
OPERATING AND FINANCIAL REVIEW OF THE REPORTING PERIOD					
a) Sales	28,869,878	31,746,385	27,738,692	29,565,808	27,007,717
b) Net income before tax, profit-sharing, amortisation, depreciation and provisions	10,838,373	11,033,535	5,099,261	-11,040,791	10,527,492
c) Income tax	-7,238,246	-7,973,023	-7,731,142	-7,444,803	-7,284,000
d) Net income after tax, profit-sharing, amortisation, depreciation and provisions	9,586,783	-5,312,334	2,715,156	12,763,210	13,379,298
e) Distributed earnings	16,909,220		8,462,393	9,697,908	NA
RESULTS PER SHARE					
a) Net income after tax, profit-sharing, but before amortisation, depreciation and provisions	0.75	0.78	0.53	-0.15	0.73
b) Net income after tax, profit-sharing, amortisation, depreciation and provisions	0.40	-0.22	0.11	0.53	0,55
c) Dividend per share	0.70		0.35	0.40	NA
PERSONNEL					
a) Average headcount	106	114	126	125	109
b) Total payroll for the reporting period	11,569,172	11,771,361	12,824,147	14,300,916	13,871,806
c) Amounts paid in employee benefits over the reporting period	6,292,118	6,547,939	6,602,823	7,124,136	5,735,114

2.3. REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

Fiscal year ended 30 September 2016.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92400 Courbevoie

Dear Shareholders
COMPAGNIE DES ALPES
50-52-boulevard Haussmann
75009 PARIS

Pursuant to the assignment entrusted to us by your Shareholders' Meeting, we hereby present our report for the fiscal year ended 30 September 2016 on:

- the audit of the accompanying annual financial statements of Compagnie des Alpes;
- the basis for our assessment;
- the specific verifications and disclosures required by law.

The annual financial statements have been adopted by the Board of Directors. It is our responsibility, on the basis of our audit, to express an opinion on these financial statements.

I - Opinion on the annual financial statements

We carried out our audit in accordance with standards for professional practice in France. This requires us to carry out our work in such a manner as to obtain reasonable assurance that the annual financial statements are free of material misstatements. An audit consists of examining, by sampling or other means of selection, the evidence underpinning the amounts and information in the annual financial statements. It also consists of assessing the accounting principles applied and material assumptions used, as well as the overall presentation of the financial statements. We feel that the audit evidence we collected provides a sufficient and adequate basis for our opinion.

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.

II - The basis for our assessment

In accordance with the provisions of Article L. 823-9 of the French Commercial Code pertaining to the basis for our assessment, we would draw attention to the following:

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. On the basis of the information communicated to us, we have reviewed the method used and the calculations made by the company, and we have assessed the resulting measurements.

These assessments represent part of our audit of the annual financial statements as a whole, and have contributed to our opinion as expressed in the first part of this report.

III - Special checks and disclosures

We also carried out, in accordance with standards for professional practice in France, the special checks required by law.

We have no comments to make regarding the fairness and consistency with the annual financial statements of the disclosures in the management report of the Board of Directors and in the documents provided to shareholders on the financial position and the annual financial statements.

With respect to the disclosures made pursuant to the provisions of Article L. 225-102-1 of the French Commercial Code on the compensation and benefits paid to corporate officers as well as the commitments made to them, we checked their consistency with the financial statements or with the data used to prepare these financial statements and, as the case may be, with the items received by the company from companies controlling the company or controlled by it. On the basis of this work, in our opinion these disclosures are accurate and fair.

In accordance with the law, we have determined that the information on the non-controlling and controlling shareholdings and the identity of holders of the share capital or voting rights has been published in the management report.

Neuilly-sur-Seine and Courbevoie, 25 January 2017

The Statutory Auditors

PricewaterhouseCoopers Audit
Françoise Garnier-Bel

Mazars
Gilles Rainaut

5 OTHER INFORMATION

1. INFORMATION ON COMPAGNIE DES ALPES

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.
Term:
The duration of the company is fixed at 99 years starting from the registration date; hence, the company will expire on 12 February 2088.
RCS Business registration:
The company is registered with the Paris Trade and Companies Registry (RCS) under number 349 577 908.
Business type:
7010 Z (Activities at headquarters).
Place where legal documents can be consulted:
Headquarters.
Headquarters telephone number:
+33 (0)1 46 84 88 00.
Fiscal year:
From 1 October to 30 September.

1.1.1. Corporate purpose (Article 2 of the bylaws)

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, and real estate operation, similar to or related directly or indirectly, in whole or in part, with the stated corporate purpose.

1.1.2. Rights attached to shares (Articles 6 and 8.4. of the bylaws)

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.

1.1.3. Appropriation of earnings (Articles 21 and 22 of the bylaws)

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 bylaws, 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.

1.1.4. Shareholders' Meetings (Articles 14 to 18 of the bylaws)

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.

1.1.5. Crossing ownership thresholds (Article 8.5. of the bylaws)

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 falls 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.

1.1.6. Potentially key factors in the event of a takeover bid

Potentially key factors in the event of a public offer for the Company's shares as referred-to in Article L. 225-100-3 of the French Commercial Code are set out in this document as indicated below:

- Shareholder structure of the Company: Chapter V. 3.1;
- Restrictions under the Company's bylaws 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 II.1.3.2. and Chapter V. 3.3;
- Direct or indirect shareholdings in Company capital of which the Company is aware pursuant to Articles L. 233-7 and L. 233-12: Chapter V. 3.1;
- Rules applicable to the appointment and replacement of directors, and to changes in Company bylaws: Chapter II.1.1.1;
- Powers of the Board of Directors, in particular for the issue and purchase of stock: Chapter V.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 II.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 two bond issues of 2010 and 2014 as well as the syndicated loan agreement contain an ownership clause given in the Note to the consolidated financial statements (Chapter IV, Note 6.11), as well as certain bilateral lines of credit;
- The licensing agreement for use of the corporate names "Caisse des Dépôts et Consignations" and "Group 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.

2. SHARE CAPITAL

At 30 September 2016, Compagnie des Alpes share capital stood at €185,362,679.26. It comprised 24,317,726 fully-paid no par value shares. These shares comprise 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.

2.1. CHANGE IN THE SHARE CAPITAL OF THE COMPANY OVER THE LAST FIVE YEARS

With the decision dated 14 March 2016, the Chief Executive Officer Director recognised the capital increase following the outcome of Plan no. 17, by creating 43,575 new shares. The share capital remained unchanged in the 2015/2016 fiscal year.

Date	Transaction type	Amount of changes in capital		Consecutive amounts of capital	Number of shares comprising the capital
		Nominal value	Prime		
30 September 2010	Share capital at end of fiscal year		–	183,836,427.02	24,117,497
21 March 2011	Full vesting of free shares	276,423.55	–	184,112,850.57	24,153,761
19 March 2012	Full vesting of free shares	266,300.83	–	184,379,151.40	24,188,697
18 March 2013	Full vesting of free shares	322,623.73	–	184,701,775.13	24,231,022
17 March 2014	Full vesting of free shares	328,752.24	–	185,030,527.37	24,274,151
14 March 2016	Full vesting of free shares	332,151.89	–	185,362,679.26	24,317,726
30 September 2016	**Share capital at reporting date**	**–**	**–**	**185,362,679.26**	**24,317,726**

2.2. TREASURY STOCK

At 30 September 2016, the Company owned 24,747 shares of treasury stock, valued at €412,037.

2.2.1. Share buybacks

From 1 October 2015 to 30 September 2016, 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 21 May 2015 by the Board of Directors on the basis of the authorisation given to it by the Shareholders' Meeting of 12 March 2015;
- a new share buyback programme, implemented by the Board on 19 May 2016, pursuant to the new authorisation given to it by the Shareholders' Meeting of 10 March 2016.

The latter authorisation was granted to the Board of Directors for a new period of 18 months.

Pursuant to Articles 241-1 to 241-6 of the AMF General Regulation and European Regulation (EC) No. 596/2014 of 16 April 2014, this document outlines the goals and procedures of the programme, identical to those of the previous programme, namely:

- ensuring the market-making on the secondary market or the liquidity of the Compagnie des Alpes share by an investment-service provider under a market-making agreement, in compliance with an AMF recognised ethics charter;
- holding, selling or transferring the aforesaid shares by any means, especially through exchange or delivery of securities, particularly in the framework of acquisitions or the issuance of securities giving access to capital;
- attributing shares to employees and corporate officers of the Company, or of companies or groups to which the Company is related, under the conditions and in accordance with procedures provided for by law, especially through income from Company acquisitions, stock options, the award of free shares, a Group or company savings plan, or an optional plan for an employee-employer savings partnership.

During the 2015/2016 fiscal year, the share buyback programme was used for the market-making of the share under the market-making agreement in force - see below.

2.2.2. Market-making agreement

The market-making agreement signed with Natixis in May 2015 expired on 30 September 2016.

At that date, the means provided in the liquidity account were as follows:

- 18,577 Compagnie des Alpes shares
- €273,408.39.

On 4 October 2016, and for an initial period of one year, which can be renewed by tacit consent, the new market-making agreement was granted to Oddo & Cie. This market-making agreement, compliant with the ethics charter of the AMAFI approved by the AMF with the decision dated 8 March 2011, is, as was the case for the previous agreement, fully dedicated to the management of the Compagnie des Alpes securities, as above. The above-mentioned means provided in securities and cash were transferred and allocated to the new liquidity account opened with Oddo & Cie.

During the 2015/2016 fiscal year, under these two successive market-making agreements, 276,403 shares were purchased and 285,787 shares were sold.

2.2.3. Share awards to employees

In 2014/2015, the Company bought back 50,000 of its own shares for free share awards to employees under performance plans. Of the package of 50,000 shares, 43,380 were transferred to a total of 117 employees under Plan no. 16 that matured on 13 March 2015.

In 2015/2016, the Company did not proceed with any share buybacks for free share awards to employees under performance plans.

At 30 September 2016, the Company owned 6,170 shares allocated for the same purpose.

2.2.4. Annual summary of buybacks

The share buyback programme results, from 1 October 2015 to 30 September 2016, are illustrated below:

Position at 30 September 2016	
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)	24,747
Carrying amount of portfolio at 30 September 2016 (in thousands of €)	412
Portfolio market value at 30 September 2016 (in thousands of €) (2)	420

(1) of which 18,577 allocated to the market-making agreement and 6,170 shares allocated for awards to employees.
(2) on the basis of the stock price of €17 per share at 30 September 2016.

Accumulated gross transactions at 30 September 2016	Purchases	Sales	Transferts
Number of shares	276,403	285,787	–
Average transaction price (in €)	14.42	14.38	–
Average exercise price (in €)	16.23	16.01	–
Amounts (in thousands of €)	4,485	4,575	–

It must be noted that the Company did not use derivative instruments.

2.3. AUTHORISATIONS TO INCREASE SHARE CAPITAL

All of the current authorisations regarding share capital increases are those given by the Extraordinary Shareholders' Meeting of 10 March 2016 for a duration of 26 months. All the current authorisations are therefore valid until May 2018.

The powers conferred upon the Board of Directors for increasing share capital, and the use of those powers where applicable, are set out in the summary table below:

Purpose of the powers	Date of the ESM	Deadline	Maximum amount authorised	Utilisations	Unutilised authorisation balance at 30/09/2016
Authorisation to award performance shares to employees and Group Corporate Officers	10/03/2016 (17th resolution)	26 months (until 10/05/2018)	1% of capital on the day of award decision, in addition to a maximum of 7% of the capital for all outstanding free shares and stock options	None	1% of the capital on the day of the Board's decision / Balance of the maximum limit: 6.55% (number of awarded free shares representing 0.4% of the capital)
Powers to increase capital with preferential subscription rights (issues reserved for shareholders)	10/03/2016 (18th resolution)	26 months (until 10/05/2018)	Shares: €90 million; Debt securities: €100 million	None	Shares: €90 million; Debt securities: €100 million
Powers to increase capital with elimination of preferential subscription rights, by public offering	10/03/2016 (19th resolution)	26 months (until 10/05/2018)	Shares: €45 million (with priority period) or €35 million (with no priority period); Debt securities: €100 million	None	Shares: €45 million (with priority period) or €18 million (with no priority period) Debt securities: €100 million
Powers to increase capital without preferential subscription rights, by private placement offering	10/03/2016 (20th resolution)	26 months (until 10/05/2018)	Shares: powers as above, within a maximum of 20% of share capital Debt securities: €100 million	None	Shares: powers as above, within a maximum of 20% of share capital Debt securities: €100 million
Powers to increase capital without preferential subscription rights to pay contributions in kind with shares	10/03/2016 (21st resolution)	26 months (until 10/05/2018)	10% of capital (currently €18.5 million)	None	10% of capital (currently €18.5 million)
Powers to increase the capital through the incorporation of additional paid-in capital, reserves, profits or others	10/03/2016 (22nd resolution)	26 months (until 10/05/2018)	Shares: €30 million	None	Shares: €30 million
Powers to increase capital by employee issue under the Group savings plan	10/03/2016 (23rd resolution)	26 months (until 10/05/2018)	703,000 shares (2.9% of share capital, i.e. currently €5.4 million)	None	703,000 shares (2.9% of share capital, i.e. currently €5.4 million)
Total cash limit of all authorisations and powers combined	10/03/2016 (24th resolution)		Shares: €90 million; Debt securities: €200 million		Shares: €90 million; Debt securities: €200 million

The only authorisation used by the Board during the fiscal year is the one granted for awarding free shares in the Company (17th resolution), 61,900 performance shares thus being awarded as part of Plan no. 19 implemented on 21 January 2016.

2.4. POTENTIAL SHARE CAPITAL

At 30 September 2016, the potential capital represented 0.45% of the share capital, in the form of 108,475 outstanding entitlements to free shares.

3. SHAREHOLDER STRUCTURE

3.1. CHANGE IN SHAREHOLDER STRUCTURE AND VOTING RIGHTS

Shareholders	30/09/2014		30/09/2015		30/09/2016	
	Number of shares	%	Number of shares	%	Number of shares	%
Caisse des Dépôts	9,615,579	39.61%	9,615,579	39.61%	9,615,579	39.54%
Sofival	2,110,806	8.70%	2,110,806	8.70%	2,110,806	8.68%
Crédit Agricole des Savoie	1,681,985	6.93%	1,681,985	6.93%	1,681,985	6.92%
Banque Populaire Auvergne Rhône-Alpes	1,204,473	4.96%	1,204,473	4.96%	1,204,473	4.95%
Caisse d'Epargne Rhône-Alpes	723,486	2.98%	723,486	2.98%	723,486	2.98%
Public and miscellaneous including:	8,937,822	36.82%	8,937,822	36.82%	8,981,397	36.93%
French UCITS	1,749,577	7.21%	1,768,829	7.29%	1,869,925	7.69%
incl. FCP CDA Actionnariat (employee shareholders' fund)	341,022	1.40%	327,000	1.35%	334,500	1.38%
Financial intermediaries outside France	4,954,470	20.41%	4,604,161	18.97%	4,105,648	16.88%
including M & G Investments (Prudential)	2,215,122	9.13%	1,113,238	4.59%	224,251	0.92%
Individual shareholders	1,738,740	7.16%	1,849,984	7.62%	2,131,111	8.76%
Treasury stock*	50,177	0.21%	34,131	0.14%	31,401	0.13%
Total	**24,274,151**	**100%**	**24,274,151**	**100%**	**24,317,726**	**100%**

**Non-voting shares: % in capital and theoretical voting rights. All other % given below relate to capital and actual voting rights.*

During the fiscal year, the primary-shareholder structure underwent no major change.

Free float also remained stable.

In 2015/2016, the portion of the capital owned by foreign intermediaries continued to fall in favour of the French institutional shareholding, which was up by more than 1%.

Individual shareholding, in French hands for the vast majority, increased by more than one point to 8.7%, excluding employees (1.2%).

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.

3.2. ENTITIES OR PERSONS WITH CONTROLLING CAPACITY

The Caisse des Dépôts, being the reference shareholder with a 39.54% 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 II (1.1.1.) above, which, given the presence of a reference shareholder (Caisse des Dépôts), are intended to promote a democratic, collective representation of shareholders and take adequate account of corporate interests, mainly through the appointment of at least four independent directors.

The Caisse des Dépôts has only four seats out of a total of twelve on the Board, one out of four on the Audit and Finance Committee, one out of four on the Appointments and Remuneration Committee, and two out of six on the Strategy Committee.

The composition of each corporate body ensures the Company is not controlled in a detrimental way.

To the best of the Company's knowledge, there are no agreements or commitments binding one or more shareholders that could lead to a subsequent change of control.

3.3. 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.

3.4. PORTION OF THE COMPANY'S SHARE CAPITAL PLEDGED AS SECURITY OR SUBJECT TO OTHER RESTRICTIONS

To the best of the Company's knowledge, no CDA share was pledged or was subject to other restrictions at 30 September 2016.

3.5. DEVELOPMENT OF THE INDIVIDUAL SHAREHOLDER BASE

Created in September 2005, the Shareholders' Club is designed to disseminate information about the Group to Compagnie des Alpes shareholders. Club membership is free of charge and accessible to any shareholder owning at least one registered share.

It offers several services to members (CDA newsletter, invitations to meetings and conferences) and, provided the shareholder owns at least 200 shares at 30 September of the relevant year, provides commercial offers on ski lift passes or entry tickets for Group parks.

Further information on membership can be downloaded from the CDA website or obtained directly from the Company headquarters.

Compagnie des Alpes was also the first French midcap to create a Shareholders' Advisory Committee (see 6.3 below).

3.6. 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 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 1.38% of CDA share capital at 30 September 2016, compared with 1.35% at the close of the previous reporting period.

Besides, senior management staff as well as certain other Group managers are eligible for stock option plans and/or performance share awards implemented by CDA.

3.7. COMPANY 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 II (1.1.2.). The Compagnie des Alpes Corporate Governance Charter includes a stipulation that directors must hold a minimum quota of shares, described in Chapter II (1.1.1).

Senior officer shareholding in the share capital of the issuer

The number of shares owned by each senior officer is given in Chapter II (1.1.1).

Trading of Company shares by directors and persons related to them, corporate officers and other managers covered by the French 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 French 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 net income, as well as on quarterly information.

4. REGULATED AGREEMENTS

STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS.

Shareholders' Meeting called to approve the financial statements for the fiscal year ended 30 September 2016.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92400 Courbevoie

Aux actionnaires,
COMPAGNIE DES ALPE
50-52-boulevard Haussmann
75009 PARIS

Dear Shareholders,

As Statutory Auditors of the Company, we hereby present to you our report on regulated agreements and commitments.

It is our duty to inform you, based on the information provided to us, of the basic features, terms and procedures and justification, in terms of interest for the Company, of the agreements and commitments brought to our attention, or that we identified in the course of our work, without having to comment on their utility or validity or look for other agreements or commitments. It is your responsibility, pursuant to the provisions of Article R. 225-31 of the French Commercial Code, to assess the benefits accruing from these agreements and commitments when considering their approval.

In addition, where applicable, we are required to communicate the information provided for in Article R. 225-31 of the French Commercial Code regarding the performance, during the past fiscal year, of any agreements already approved by the Shareholders' Meeting.

For this mission we have applied due diligence that we consider to be in compliance with the professional standards of the French Statutory Auditors' association (Compagnie Nationale des Commissaires aux Comptes). This due diligence consisted of verifying the consistency of the information provided us with the information in the underlying documentation from which it was taken.

AGREEMENTS AND COMMITMENTS SUBMITTED FOR APPROVAL TO THE SHAREHOLDERS' MEETING

We hereby inform you that we have not been advised of the existence of any agreements or commitments authorised during the fiscal year and requiring the approval of the Shareholders' Meeting under Article L. 225-38 of the French Commercial Code.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE SHAREHOLDERS' MEETING

a) that continued to be performed during the past fiscal year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements that had already been approved in previous fiscal years continued to be performed in the reporting period ended.

Services agreement with Société du Parc du Futuroscope

On 29 October 2015, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the implementation of a services agreement with the Parc du Futuroscope ("Futuroscope").

CDA, the reference shareholder of Futuroscope, has the structure, experience, organisation and resources that make for its reputed and long-standing expertise in administrative, financial, technical and operational fields. This allows it to offer reliable and efficient support to its subsidiaries in the above mentioned areas.

Futuroscope has stated its desire to avail 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 1 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 1 October 2014.

The resulting proceeds for your Company for the 2015/2016 fiscal year was €900 thousand.

Refinancing – establishment of a new syndicated loan agreement

On 30 April 2014, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the signing of a credit agreement, wherein the Company acted as debtor alongside the borrower – its subsidiary CDA-Financement – as well as guarantor of a syndicated loan of a maximum of €260 million composed of a revolving credit facility maturing in 2020, and a €230 million facility maturing on 6 May 2021, as the second extension was requested and granted by the lenders in March 2016.

CDA-Financement's borrowing exposure corresponding to the company's guarantee commitment totalled €30 million at 30 September 2016.

Implementation of the Foncière Rénovation Montagne project

On 12 April 2013, the Board of Directors of Compagnie des Alpes (CDA) decided to authorise the implementation of the Foncière Rénovation Montagne (Mountain Real Estate Refurbishment) project and the signing of the related contracts.

Thus, in April 2013, Caisse des Dépôts, Banque Populaire des Alpes (BPA), Caisse d'Épargne Rhône Alpes (CERA), Crédit Agricole des Savoie (CAS) and CDA jointly established Foncière Rénovation Montagne, a company dedicated to the financing and refurbishment of mountain tourism accommodation.

On that date, the share capital of Foncière Rénovation Montagne was 48.8% held by Caisse des Dépôts, 16% held by BPA, 16% held by CERA, 9.6% held by CAS and 9.6% held by CDA.

In this context, local real estate companies were established. They are owned by Foncière Rénovation Montagne (the majority shareholder) as well as by local public and private stakeholders (resorts/valleys) such as the ski lift companies and local authorities, via relevant Mixed Economy Companies.

As at 30 September 2016:

- CDA holds a 9.6% stake in Foncière Rénovation Montagne, representing an investment of €786 thousand;
- CDA's investments in the equity of the four local real estate companies amount to €281 thousand (unchanged from 30 September 2015):
  – Foncière des Ecrins: €111 thousand, or 3.1% of the share capital,
  – Foncière les Arcs: €59 thousand, or 4.5% of the share capital,
  – Foncière les Menuires: €56 thousand or 7.7% of the share capital,
  – Foncière la Plagne: €55 thousand or 3.0% of the share capital.
- The current account advances granted to Foncière Rénovation Montagne and the local real estate companies amount to €937 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 1 January of each fiscal year.

The resulting expense for your Company for the reporting period was €575 thousand.

Inclusion of Dominique Marcel, Chairman-Chief Executive Officer, in a pension plan combining defined contributions and defined benefits

The inclusion of Dominique Marcel in a pension plan combining defined contributions and defined benefits was authorised by the Board of Directors on 19 March 2009, and by the Supervisory Board on 30 September 2008.
As Chairman-Chief Executive Officer, Dominique Marcel is covered by a Group supplemental pension plan for Group Executive Management. This comprises a defined-benefit plan and a defined-contribution plan.

The actuarial obligation at 30 September 2016 was €881 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 2016 was €143 thousand.

b) not performed during the past fiscal years

Furthermore, we were informed of the continued existence of the following agreements and commitments, already approved by the Shareholders' Meeting in prior fiscal year, that were not performed during the past fiscal year.

Renewal of the severance package due or likely to be paid to Dominique Marcel in the event of the termination of his tenure as Chairman-Chief Executive Officer of Compagnie des Alpes

On 31 January 2013, the Board of Directors of Compagnie des Alpes (CDA) decided to renew the severance package of the Chairman-Chief Executive Officer of CDA due or likely to be paid to Dominique Marcel in the event of the termination of his tenure.

Dominique Marcel shall receive severance pay from the company, in case of his permanent departure from the company (the corporate officer remaining neither an employee nor a corporate officer of the company or of any Group company) as a result of:
- revocation or non-renewal of his position as Chairman-Chief Executive Officer, except in case of serious misconduct or gross negligence (as defined by the French Labour Code);
- or his resignation within 12 months of a change of control (in which one or more persons, acting alone or together, come to acquire or hold control of the Company within the meaning of Article L. 233-3 of the French Commercial Code), to the exclusion of any other kind of departure (especially a resignation other than in the case cited above, involuntary retirement, or force majeure).

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 Dominique Marcel exceeds 30% of the maximum amount awardable;
- 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 an office is renewed.

The amount of this severance pay shall be twice 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.

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

No severance payment was made in respect of the period ended 30 September 2016.

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 Offcier 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 2016.

Neuilly-sur-Seine and Courbevoie, 25 January 2017

The Statutory Auditors	**PricewaterhouseCoopers Audit** Françoise Garnier-Bel	**Mazars** Gilles Rainaut

5. STOCK MARKET INFORMATION

5.1. CONTEXT

The Compagnie des Alpes IPO took place on 18 November 1994, with the share priced at €11.90 (adjusted for the 2:1 stock split in 2007 and various trading transactions). The Company's stock is listed in Segment B (Mid-caps) of Euronext. It is listed on the CAC All-Tradable (formerly SBF 250), CAC Mid & Small (formerly CAC Mid & Small 190), and CAC Small (formerly CAC Small 90). The former CAC Mid 100, an index which included CDA, was replaced by the CAC Mid 60 which no longer included CDA.

Since 26 May 2010, CDA stock benefits from the "long-only" Deferred Settlement Service (Service de Réglement 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.

5.2. THE MARKET IN THE COMPANY'S SHARES DURING FY 2015/2016

Over the last three years, volumes had increased significantly from an average of 8,000 shares per day in 2012-2013 to more than 13,000 shares in 2015/2016.

During this period, the price increased from a low of €13.01 in January to a high of €19.0 in July.

At the close of the fiscal year on 30 September 2016, Compagnie des Alpes shares were trading at €17.0 and the market capitalisation of the Company was €413 million.

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 1 October 2016, Compagnie des Alpes announced it had transferred the market-making agreement to Oddo.

Oddo & Cie
12, bd de la Madeleine
75440 Paris Cedex 09

6. DISCLOSURE POLICY

Compagnie des Alpes endeavours to disseminate financial information that is comprehensive, true, fair and transparent. As it is a listed company, this information is termed "regulated" information.

Disclosure of financial information is governed by laws and regulations that require all listed companies to provide a complete, accurate, true and fair view of their financial position.

Compagnie des Alpes makes a variety of periodical and permanent publications available to the public, participates in individual and institutional shareholder meetings, and responds promptly to all shareholder and investor requests.

These personalised interactions are made so as to fully comply with the rules promoting equal access to information. The Compagnie des Alpes share is also routinely monitored by four leading French analyst firms.

To step up its communication actions, the Group set up a new forum for its shareholders: http://espace-actionnaires.compagniedesalpes.com/.
This move is part and parcel of the Company's efforts to ensure, to the utmost extent, free-flowing and transparent communication of information to its shareholders.

6.1. 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 inFrench and/or English:

- Registration Document ; Annual Financial Report;
- Half-year Financial Reports;
- Quarterly sales;
- Financial information and press releases, which are published by the approved publishing service provider, EchosWire, in accordance with the European Union Transparency Directive;
- Notes of any corporate-finance transactions filed with the AMF.

The Company also makes the bylaws, the Corporate Governance Charter, and other documents available to the public, such as:
- an illustrated brochure summarising 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.

6.2. PRESS RELEASES

The following information has been published since 1 October 2015:

22 October 2015
FY 2014/2015 sales: +5.0% - Activity up for all the Group's businesses
Ski areas: a year of sales growth despite a difficult start
Leisure destinations: for the 2nd year, a clear increase that validates the strategy
International development: Grévin International moves more gradually than expected

15 December 2015
2014/2015 annual results
A good year that confirms the strength of the repositioning strategy undertaken in 2013

15 January 2016
Semi-annual assessment of the Compagnie des Alpes market-making agreement signed with Natixis

21 January 2016
A 1st quarter growth of 3.3%, on a like-for-like basis
Ski areas: a positive first quarter: +1.1%
Leisure destinations: a trend that is set to continue +7%
International development: new contracts in China

21 April 2016
Buoyant activity was up by +6.2% in the 1st half of the year, including +5.6% for Ski areas
Ski areas: set for a good fiscal year thanks to the 2nd quarter with a significant increase in sales and the number of visitors
Leisure destinations: for the 3rd consecutive fiscal year, business was up by more than 10% in the 1st half of the year
International development: new references

30 April 2015
Start of the market-making agreement with Natixis

23 May 2016
Appointments within Compagnie des Alpes to accelerate growth in the Ski areas

24 May 2016
1st half of 2015/2016
Further improvement in results confirm ramp-up of model

6 June 2016
Details on international partners

30 June 2016
Semi-annual assessment of the Compagnie des Alpes market-making agreement signed with Natixis

21 July 2016
Sales for the first 9 months of FY 2015/2016 - Up on a like-for-like basis: +3.8%
Ski areas: confirmation of a good season
Leisure destinations: continued positive activity despite a weighing external environment
International development: the new Chaplin's World By Grévin site received good acclaim

27 September 2016
The renewal of the Jardin d'Acclimatation concession is awarded to the LVMH - Compagnie des Alpes consortium by the city of Paris

1 October 2016
Start of the market-making agreement with ODDO

20 October 2016
Annual sales up by 4.4%, on a like-for-like basis - 4th quarter sales growth of 6.5%: great dynamic for Leisure destinations and International development
Ski areas: year marked by rise in skier-days, which helped to increase sales by 3.9%
Leisure destinations: the efficiency of the strategy conducted over the past three years is confirmed in 2015/2016
International development: the Group actively prepares for its development in Asia

13 December 2016
2015/2016 annual results: Backed by excellent results boosting its strategy, the Compagnie des Alpes is set to accelerate its international development.

All of these press releases may be read and downloaded from the Group website, www.compagniedesalpes.com.

The Compagnie des Alpes website provides timely information for shareholders. Official documents and all press releases in French and English may be downloaded from the following web address: http://www.compagniedesalpes.com/fr/amf.asp

6.3. 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.

This year, this committee wished to renew itself and decided to expand by inviting new professional skills and expertise. Therefore, it is now composed of 8 qualified, representative members. The list of members is available on the Group website.

The committee convened thrice during the year, on 8 October 2015, 19 February 2016 and 7 July 2016. 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. 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.

6.5. PUBLIC MEETINGS

Senior managers of Compagnie des Alpes regularly take part in meetings to present the Group in Paris and other parts of France. The dates of these meetings are announced in advance on the Company's website.

By way of illustration, Compagnie des Alpes in collaboration with F2iC, participated in meetings dedicated to individual shareholders on 7 June 2016 in Lyon and on 22 September 2016 in Paris.

6.6. 2016/2017 CALENDAR

Thursday 19 January 2017
FY 2016/2017 Q1 sales

Thursday 9 March 2017
Annual Shareholders' Meeting in Paris

Thursday 20 April 2017
FY 2016/2017 Q2 sales

Tuesday 23 May 2017
First-half results of FY 2016/2017

Thursday 20 July 2017
FY 2016/2017 Q3 sales

Thursday 19 October 2017
FY 2016/2017 annual sales

Thursday 12 December 2017
FY 2016/2017 annual income statement

7. PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND FINANCIAL STATEMENTS AUDIT

7.1. RESPONSIBLE PERSONS

Person responsible for the Registration Document and the Annual Financial Report

Dominique Marcel,
Chairman and Chief Executive Officer,

Certification by the person responsible

"I hereby certify that, to my knowledge, and after taking all reasonable measures to that end, the information contained in this Registration Document duly reflects reality and that no information is omitted that could affect its import.

I hereby certify that, to my knowledge, the financial statements contained herein have been drawn up in accordance with the applicable accounting standards and give a true and fair view of the assets, financial position, and earnings of the Company and of the group of companies included in the consolidation. I also certify that the management report included in this Registration Document gives a true picture of the business performance, earnings, and financial position of the Company and of the group of companies included in consolidation, as well as a description of the major risks and uncertainties faced by those companies.

I have obtained a letter from the statutory auditors attesting to the completion of their assignment, in which they indicate that they have verified the information on the financial position and financial statements contained in this Registration Document and that they have read the Registration Document in its entirety."

Disclosure managers

Denis Hermesse, Chief Financial Officer
50-52, boulevard Haussmann
75009 Paris
Tel.: +33 (0)1 46 84 88 00

Investor contacts

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celine.bellon@compagniedesalpes.fr

7.2. PERSONS RESPONSIBLE FOR THE FINANCIAL STATEMENTS AUDIT AND FEES

Identity of the Statutory Auditors

PricewaterhouseCoopers Audit SA
63, rue de Villiers
92200 Neuilly-sur-Seine

Incumbent Statutory Auditor, represented by Mrs Françoise Garnier.
Registered with the *Compagnie régionale des commissaires aux comptes de Versailles.*
Reappointed on 15 March 2012. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2016/2017 financial statements.

M. Yves Nicolas
63, rue de Villiers
92200 Neuilly-sur-Seine

Substitute Statutory Auditor.
Registered with the *Compagnie régionale des commissaires aux comptes de Versailles.*
Reappointed on 15 March 2012. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2016/2017 financial statements.

Cabinet Mazars
Exaltis
61, rue Henri Régnault
92075 Paris La Défense Cedex

Incumbent Statutory Auditor, represented by Mr Gilles Rainaut.
Registered with the *Compagnie régionale des commissaires aux comptes de Versailles.*
Reappointed on 10 March 2016. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2020/2021 financial statements.

Mme Virginie Chauvin
Exaltis
61, rue Henri Régnault
92075 Paris La Défense Cedex

Substitute Statutory Auditor.
Registered with the *Compagnie régionale des commissaires aux comptes de Versailles.*
Appointed on 10 March 2016, replacing Mr Raymond Pétroni whose term of appointment expired recently. Term of appointment ends at the close of the Ordinary Shareholders' Meeting called to approve the FY 2020/2021 financial statements.

FEES PAID TO STATUTORY AUDITORS AND THE MEMBERS OF THEIR NETWORK

	Mazars				PricewaterhouseCoopers Audit S.A.			
	Amounts		%		Amounts		%	
Amounts (in thousands of €)	2016	2015	2016	2015	2016	2015	2016	2015
Audit								
Statutory audit, certification, examination of separate and consolidated financial statements								
Issuer	184	**190**	25%	**26%**	184	**179**	33%	**31%**
Fully consolidated subsidiaries	441	**457**	60%	**64%**	363	**360**	64%	**63%**
Services other than the certification of financial statements								
Issuer	77	**61**	10%	**8%**	19	**36**	3%	**6%**
Fully consolidated subsidiaries	36	**11**	5%	**1%**	–	**–**	–	**–**
Subtotal	**738**	**719**	**100%**	**99%**	**566**	**575**	**100%**	**100%**

8. REFERENCE TABLE TO THE REGISTRATION DOCUMENT

Regulation (EC) No. 809-2004 of the European Commission of April 29, 2004

In accordance with Regulation (EC) No. 809-2004 of the European Commission of April 29, 2004 (the "Regulation"), the numbers of the sections 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)
XII	**Trends**		
1.	Primary trends affecting production, sales, inventory, selling costs and selling prices since the end of the past reporting period up to the date of the Registration Document	1/2.2	53
2.	Known trends, uncertainties, demands, commitments, or events reasonably likely to significantly influence prospects for the issuer, at least for the current reporting period	1/2; 1/2.2; 1/3.3	52-53; 57
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	2/1	64-78
2.	Conflicts of interest in executive, management, supervisory, and general management bodies	2/1.3.2.	78
	- 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	2/1.3.2.	78
	- 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	2/3	81-87
2.	Total amounts provisioned or otherwise recognized by the issuer or its subsidiaries for pension, retirement or other benefit payments	2/3; 4/1.2 Note 8	81-87 156
XVI	**Functioning of executive and management bodies**		
1.	End of current tenure of current executive, management, and supervisory body members	2/1.1.2	67
2.	Information on service contracts binding members of executive, management, or supervisory bodies of the issuer or to one of its subsidiaries	2/1.3.3.	78
3.	Information on the issuer's audit committee and compensation committee	2/1.1.4; 2/2.2	74; 79-80
4.	Compliance with current corporate governance policies	2/2; 2/5	78-80; 90-91
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	3/2.1; 3/2.2	100; 101-103
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	2/1.1.3; 2/1.2.2; 2/3; 2/4	68-74; 75; 81-89
3.	Agreement providing for employee investment in the issuer's share capital	2/4	88-89

Annex I to EC Regulation no. 809-2004		Registration Document	
		Chapter(s) / Section(s)	Page(s)
XVIII	**Primary shareholders**		
1.	Name of any nonmember 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	5/3.1	178
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	5/3.2	179
4.	Agreement that, if implemented, could bring about a change of control of the Company	N/A	N/A
XIX	**Transactions with related parties**	**4/1.2; Note 8.1; 5/4**	**156; 180-181**
XX	**Financial information on assets, financial position, and earnings of the issuer**		
1.	Historical financial information	4	123-170
2.	Pro-forma financial information and description of restructuring effects	N/A	N/A
3.	Annual financial statements (separate and consolidated financial statements)	4	123-170
4.	Verification of annual historical financial information		
	4.1. Statement attesting that the historical financial information has been verified	4/1.3; 4/2.3	158; 171
	4.2. Other information within the Registration Document verified by the statutory auditors	2/7; 5/4	96; 180
	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	30/09/2016	
6.	Interim and other financial information	N/A	N/A
7.	Dividend payment policy		
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8.	Legal and arbitration proceedings	1/5.2.2.	60-61
9.	Significant changes in the financial or business climate transpiring since the end of the prior fiscal year	N/A	N/A
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	5/2	175-177
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	1.3. Number, book value, and par value of shares held by the issuer or its subsidiaries	5/2.2	176
	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	5/2.3	177
	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	5/2	175

Annex I to EC Regulation no. 809-2004		Registration Document	
		Chapter(s) / Section(s)	Page(s)
2.	Incorporation and by-laws		
	2.1. Issuer corporate purpose	5/1.1.1.	174
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	2.3. Rights, privileges, and restrictions attached to each category of existing shares	5/1.1.2.	174
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	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	5/1.1.5.	174-175
	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**		
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2.	Attestation concerning information from third parties	N/A	N/A
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XXV	**Information on shareholdings**	1/4.7	
	Information on companies in which the issuer holds a percentage of share capital likely to significantly impact its asset accretion, financial position, or earnings	4/1.2 Note 3; 4/1.2 Note 4.2; 4/2.2 Note 3.2	56; 136-137 138-139 163-165

9. 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	**Annual financial statements of the Company**	**4/2.1**	**159-161**
II	**Consolidated financial statements of the Group**	**4/1.1**	**124-128**
III	**Management report including as a minimum the information mentioned in Articles L. 225-100, L. 225-102, L. 225-100-3, and L. 225-211 subparagraph 2 of the Commercial Code**		
1.	Information referred-to in Articles L. 225-100 and L. 225-102 of the Commercial Code: - Sales trend analysis - Analysis of results - Financial situation analysis - Key indicators of human and environmental resources - Principal risks and uncertainties - Powers in process of being granted regarding capital increases	 1/3.1.2. 1/3; 1/4 1/3 3 1/5 5/2.3	 54-55 54-57; 58-59 54-57 97-119 59-61 177
2.	Information referred-to in Article L. 225-100-3 of the Commercial Code: - Potentially key factors in the event of a takeover bid	 5/1.1.6.	 175
3.	Information referred-to in Article L. 225-211 of the Commercial Code: - Share buyback by the Company	 5/2.2	 176
IV	**Statement of persons responsible for the Annual Financial Report**	**5/7.1**	**186**
V	**Report of the statutory auditors on the annual and consolidated financial statements**	**4/2.3; 4/1.3**	**171; 158**
VI	**Statutory Auditors' compensation**	**5/7.2**	**187**
VII	**Report of the Chairman of the Board of Directors on the composition, preparation and organization of work of the Supervisory Board and on the procedures for internal control and risk management**	**2**	**63-95**
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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 44 to 58, 118 to 152, and 153 to 165 of the Registration Document for 2014/2015, filed with AMF on 29 January 2016 under number D16-0044.
- The management report, consolidated financial statements, separate financial statements and relevant auditors' reports shown on pages 44 to 59, 118 to 154, and 155 to 167 of the Registration Document for 2013/2014, filed with AMF on 29 January 2015 under number D15-0043.

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