Presentation of CDA Group

October 2015
CDA Group in a Nutshell

- **World leader in ski area management** with 11 leading ski areas including Tignes, Val d’Isère, Les Arcs, La Plagne and Méribel.

- **4th largest leisure park operator in Europe**, present in France, Belgium, the Netherlands and Germany with in particular Parc Astérix, Futuroscope, Grévin and the Walibi parks.

- 22.5 million visits, generating 693 M€ turnover in 2014, of which:
  - Ski areas: 13.5 millions days-skiers, 388 M€ turnover
  - Leisure parks: 9 millions visitors, 298 M€ turnover

- 4900 coworkers

- A listed company since 1994

- A subsidiary of Caisse des Depôts, a major public owned financial institution in France

- A profitable company
# Zoom on our Ski Resorts in France

## Connected Resort: Espace Killy

- **Tignes**
  - 1.6 million days-skiers
  - 150 km of slopes
  - 46 lifts

- **Val d’Isère**
  - 1.4 million days-skiers
  - 150 km of slopes
  - 52 lifts

## Connected Resort: Paradiski

- **Les Arcs**
  - 1.7 million days-skiers
  - 200 km of slopes
  - 73 lifts

- **Peisey Vallandry**
  - 2.9 million days-skiers
  - 262 km of slopes
  - 115 lifts

## Connected Resort: Les 3 Vallées

- **Méribel**
  - 1.0 million days-skiers
  - 150 km of slopes
  - 50 lifts

- **Les menuires**
  - 1.5 million days-skiers
  - 160 km of slopes
  - 36 lifts

- **Serre Chevalier Vallée**
  - 1.4 million days-skiers
  - 250 km of slopes
  - 64 lifts

- **LES2ALPES3600**
  - 1.3 million days-skiers
  - 225 km of slopes
  - 51 lifts

- **Flaine**
  - 1.4 million days-skiers
  - 265 km of slopes
  - 55 lifts
CDA Business Areas & Core Expertise in the Mountain Sector

Illustration: value chain of a mountain resort

- Mountain area (winter + summer)
  - Ski school & kids club
  - F&B outlets (mountain)
  - Ski shop
- Other leisure activities
- Accommodation
- Tour Operating & central booking system
- Other retail outlets
- “City” management

Extension:
- Perfect understanding of issues and main actors
- 9 real estate agencies in the Group (one in each resort) delivering more than 80% occupation rate
CDA BUSINESS AREAS & CORE EXPERTISE IN THE MOUNTAIN SECTOR

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A NECESSITY TO LEAVE OUR FOOTPRINT ABROAD

- To find growth-driver countries as our traditional markets are mostly mature, and accompany emerging sources of future international skiers
- To understand the specific expectations of emerging markets
- To guarantee with our partners excellent conditions of learning and turn beginners/children into loyal guests and ski addicts:
  - safety of pistes and infrastructures,
  - proven methodic and behavior of ski/snowboard instructors,
  - Innovative offers and no ski activities

Figure 2: Evolution of skier visits per regions (mio)
CDA is used to bring its expertise to foreign countries with a totally customized approach

- Global masterplan to renovate & reboost a famous resort in North Caucasus (Elbrus)
- Master-planning & operational advice for future developer of Brezovica ski resort in Kosovo
- Analysis of 4 existing ski resorts, development plan & recommendations
- Definition of national standards and rules for the development and management of ski resorts in Russia, for the Russian government

- Design of a new mountain resort in North Caucasus (Arkhyz)
- Rework on an existing ski area master plan (Veduchi)
- Analysis of ticketing and CRM strategy, processes and devices
- On-site training for lift operation and technical maintenance

On-site training for lift operation and technical maintenance
CDA IS A GROUP WITH SUPERLATIVE ABILITY TO RECRUIT, TRAIN AND KEEP THE BEST MOUNTAIN MANAGERS

A pool of 3 000 mountain experts, offering vast fields of expertise:
- Ski area development and master-planning
- Ski area operation
- Snow-making system development and management
- Tracks maintenance and grooming
- Lifts maintenance
- Security & first aids management
- Ticketing and control access system
- Human Resources, marketing & sales, finance, and legal

Strong capacity to mobilize and send our own experts all around the world to assist our strategic partners and clients in their specific topics: master planning, extension of ski areas, improvement of operations, etc.

Ability to welcome your staff in our own ski resorts and contribute to on-field and theoretical training sessions

Development of career paths for all CDA staff
ILLUSTRATIONS

Ski Area detailed master plan (winter / summer)

Detailed analysis of mountain resorts & recommendations
THE LESSONS OF OUR EXPERIENCE AT ROSA KHUTOR (SOCHI-RUSSIA) REGARDING THE RUSSIAN MARKET
A CDA MANAGEMENT OF ROSA KHUTOR (SOCHI) DURING 4 YEARS FOR THE SUCCESS OF OLYMPIC GAMES 2014

- 4 years of technical and management assistance, with 2 managers permanently based on site in Sochi, drawing on the expertise of the whole CDA group
- A ski resort and an organization built from scratch
- A challenging ski area: steep slopes, uncertain snow cover, unstable terrain… and a resort under the spotlight!
- The will to make Rosa Khutor a year round leading destination, complying with international standards.

The ski resort opened in time and hold successfully all test events from 2011
- Rosa Khutor welcomed 30 disciplines of the WOG
- Project was praised by the media, the athletes and politics
- Rosa is now a nationally acclaimed destination, performing extremely well in winter (+700.000 day visits) and in summer (+500.000 visitors).
A Favorable Context in Russia and in the Sochi Region

First Russia shares with European traditional ski countries a true culture of snow sports.

The ski practice fits rather well a clear incline for risk taking and vibrant outdoor experiences.

The success of the Sochi Olympic games drastically enhances the attractiveness and the credibility of the region.

Before Rosa Khutor, no proper offer was existing for demanding guests, forced to choose between limited snow parks, outdated domestic resorts or international destinations.

From 2009, Rosa Khutor was built from scratch, in a rather smart way in spite of huge Olympic requirements and a few drawbacks...
MAKE THE BEST OF THE EXISTING MOUNTAIN, VALUE THE SITE

Refuse standardization, keep a local flavor: beside classic pistes, free-ride is authorized, powder snow is made available… meeting the expectations of the young generation of Russian skiers and snowboarders.

But emphasize international standards of equipment and operation: Let alone the Olympic legacy, boasting one of the world’s most powerful snowmaking system, insane number of grooming machines, a 1600 m vertical drop, international brands such as CDA, hotel chains…, a (somewhat exaggerated) 100 km of pistes… the resort and guests pride themselves on competing with the best international ski resorts…
EXPECTATIONS CLOSE TO EUROPEAN ONES... TO BE FULFILLED
**Consider No Ski Activity and Summer Season**

- Pedestrians and excursionists represent a huge volume of guests in Russia (8,000 guests per day last summer at Rosa Khutor): Scenic view, fresh air, quality of the environment, outdoor experiences…
- Design straightforward a no ski activities master plan

![Graph showing various aspects of visitors' preferences.]

- Olympic objects: 24.6%
- Mountainous air: 17.9%
- Atmospere: 11.9%
- Architecture of the lower base: 11.6%
- Animation: 4.8%
- Excursions: 5.1%
- Good service in restaurants/cafes: 2.9%
- Affordable price for lifts: 2.1%

It's hard to say...
CONSIDER NO SKI ACTIVITY AND SUMMER SEASON

✔ No ski winter and summer masterplan of activities performed by CDA
MAKE THE RESORT ACCESSIBLE AND SMART

- Physical access to the resort should be optimized
- Positioning should be in line with the market
- Sales platform, adequate communication in the resort should be implemented.
CREATE EMOTIONS FOR ALL

Inspired by achievements in our European resorts,

Elbruz 5621m (RU).
Summit Area.
Ultimate experience of the high altitude

Aiguille du Midi/Step into the void (Chamonix– FR)

Rosa Khutor Extreme park (Sochi – RU)
**RUSSIA: A LINKING POINT BETWEEN EUROPE AND ASIA**

- Although a genuine Russian atmosphere is still present in Krasnaya Polyana, main expectations do not drastically differ from European skiers.
- Snowboarders represent up to 50% of the traffic, that implies specific design of pistes.
- The average maturity of skiers is still limited so a properly managed and smart project, even not ticking all boxes, has good chances to be a success. Novelty and surprising infrastructures are of the utmost importance in Russia.
- The ski market in Russia will continue its expansion (3.5 millions skiers now. +10%/year), fostered by new exciting large projects under development (Arkhyz, Elbrus…)
- Ski resorts in Sochi are a perfect MICE destination, and traffic in summer is in average higher than in winter, a ride in gondola with panoramic view being the main reason for visiting the resort… like many Asian resorts!
- Due to economic downturn and international context, most Russian skiers plan to visit domestic ski resorts in the short term.
- With a favorable currency rate and top-notched infrastructures, Sochi is now a great option for European/international advanced skiers.
- Like in many Asian resorts, mountain projects in Russia are funded and developed by large companies with no real experience in the ski business. Projects encompasses large real estate programs. Successful Russian resorts (RK, Arkhyz) have paid a specific attention to the quality and the management of the ski area!
**IN ASIA**

Skiing is mostly perceived as a pure fun/leisure activity, implying less personal commitment in the activity and a specific model of consumption (big traffic from neighboring megacities during short peak periods).

Like in Russia, most resorts and recent large-scale projects are similar to “destinations”, meaning:

- a single developer (generally a large group) building on a “consolidated model”.
- investing significant CAPEX in “greenfield” projects
- boasting multi-activities and a year-round opening,
- skiing possibilities being sometimes quite limited due to topography and necessity to implement extensive water-consuming snow making systems.

Vanke Lake Songhua – just opened in China
Large projects under development in China… betting on a tremendous increase in ski participation fostered by the State and the Beijing 2022 OG.
And all boasting many year-round activities.

Construction have started at Thaiwoo (Chongli)

Very significant development plans at Beidahu (upper picture) and Genting secret garden (lower)
JAPAN

A partnership between CDA and the group Macearth aims at:
- Improving the guest experience in the resorts and diversifying activities
- Optimizing the existing ageing infrastructures
- Increasing staff know-how and profitability
- Implementing an efficient sale and marketing strategy
A slowdown of the ski market (6.4 millions days-skiers) a bit concerning, because:

- Skiing is heavily concentrated on short winter periods
- Since 1975 and the first resort’s opening, skiing is still a matter of fun for WE, evenings and after-work parties, that makes this model fragile.
- Competition is much higher for operators, that must guarantee a huge carrying capacity of their lift systems.
- This harsh seasonality should be combatted through the attraction of many more international guests staying in the best Korean resorts.
- The smart legacy of the OG (and still a quite low participation rate of 5%) are positive factors.
INDIA

- Current skiing population is limited to high-end segments and the golden youth.
- Sightseeing, shopping and status are the main criteria for the choice of destination.
- The upper middle class is expected to start massively ski and outdoor activities. 50 millions Indians are expected to travel abroad by 2020.
- Existing ski areas (Gulmarg, Manali, Auli) in spite of recent developments boast limited infrastructure and mostly unprepared slopes only ideal for reckless free-riders. They are profitable.
- Indian will very positively consider domestic ski resorts as soon as safety is guaranteed (and accesses improved)
- Summer potential of Indian mountains is huge. Thousands of visitors daily in Gulmarg and Manali in spite of poor amenities.

Gulmarg’s top station 4100m

Manali/Solang’s lift bottom station
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One step beyond...