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EURO DISNEY S.C.A.

Euro Disney S.C.A. announces a comprehensive proposal backed by The Walt Disney Company to improve the financial position of the Euro Disney Group and enable it to continue investing in the quality of the guest experience

- The proposed recapitalization plan backed by The Walt Disney Company ("Disney") totals approximately 1 billion euros and includes:
  - Cash infusion of approximately 420 million euros, made or guaranteed by Disney through capital increases of Euro Disney S.C.A. and of its principal operating subsidiary;
  - Conversion of 600 million euros of part of the debt owed to Disney into equity of Euro Disney S.C.A. and of its principal operating subsidiary;
  - Deferral of all amortization payments of loans granted by Disney until revised maturity in 2024 (currently 2028); and
  - Consolidation of the existing lines of credit granted by Disney maturing in 2014 (which has already been extended by Disney to 2015), 2017 and 2018 into a single 350 million euros revolving credit facility maturing in 2023.

  As a result of the contemplated capital increases of Euro Disney S.C.A. and in accordance with applicable regulations, Disney would be required to launch a tender offer on Euro Disney S.C.A. shares.
- This proposal, if implemented, would:
  - Improve the cash position of the Euro Disney Group by approximately 250 million euros;
  - Reduce the Euro Disney Group's indebtedness, currently exclusively owed to Disney, from 1,748 million euros to 998 million euros, reducing its net leverage ratio from approximately 15x to approximately 6x; and
  - Improve the Euro Disney Group's liquidity through interest savings and deferral of amortization of loans until final repayment in 2024.
- Euro Disney S.C.A. shareholders would have an opportunity to participate in the capital increases of Euro Disney S.C.A. alongside with Disney, at the same price.
- Euro Disney S.C.A.'s Supervisory Board has expressed unanimous support for this proposal.
- Implementation of the transactions comprising the proposal is subject to the approval by Euro Disney S.C.A.'s shareholders, the completion of the prior information and consultation process with the Workers' Council and the satisfaction of certain conditions described below.
- Provided that the conditions described in this press release are satisfied, the transactions contemplated by the proposal are expected to be completed in the first semester of calendar 2015.

The capital increases of Euro Disney S.C.A. and the anti-dilution protection mechanism described in this press release will be subject to a prospectus which will be submitted to the *Autorité des marchés financiers* for clearance (*visa*).

(Marne-la-Vallée, October 6, 2014) - Euro Disney S.C.A. announces a proposal backed by Disney for a 1 billion euro recapitalization which would improve the Euro Disney Group's financial position and enable it to continue investing in Disneyland Paris.

"*Disneyland Paris is Europe's number one tourist destination, but the ongoing economic challenges in Europe and our debt burden have significantly decreased operating revenues and liquidity.*" said Tom Wolber, président of Euro Disney S.A.S. "*This proposal to recapitalize the Euro Disney Group is essential to improve our financial health and enable us to continue making investments in the Resort that enhance the guest experience.*"

Euro Disney S.C.A.'s Supervisory Board unanimously supports this comprehensive proposal.

Commenting on this proposal, Virginie Calmels, Chairman of the Euro Disney S.C.A.'s Supervisory Board, said: "*The Supervisory Board of Euro Disney S.C.A. supports unanimously this proposal which would benefit the Euro Disney Group. With the backing of The Walt Disney Company, this proposal would reduce the Euro Disney Group's indebtedness and provide new means to invest in Disneyland Paris.*"

Disneyland Paris is Europe's number one tourist destination with more than 275 million visitors since its opening in 1992. In order to enhance the guest experience and increase guest spending, the Euro Disney Group has made continuous investments over the last five years in the renovation of the resort – including hotel renovations, adding unique entertainment, seasonal products and the recently-opened *Ratatouille* attraction. Despite these investments, Euro Disney S.C.A.'s financial performance has been negatively impacted primarily by the challenging economic conditions in Europe, which has constrained its ongoing ability to make regular and necessary investments while supporting its debt burden.

Fiscal Year 2014 results are expected to be negatively impacted due to lower attendance and room nights sold, plus a reduction in room inventory due to hotel room renovations.

Key Operating Statistics	Fiscal Year	
	2014	2013
Theme parks attendance (in millions)	**14.1 to 14.2**	14.9
Average spending per guest (in €)	**50.5 to 51.0**	48.14
Hotel occupancy rate	**75.0% to 76.0%**	79.3%
Average spending per room (in €)	**230.0 to 235.0**	235.01

Revenues for Fiscal Year 2014 are consequently expected to decline by 1% to 3% to between 1,270 and 1,295 million euros respectively compared to the prior year period. Operating costs are expected to grow at less than 1%. As a result, EBITDA is expected to be 110-120 million euros compared to 144 million euros in the prior year period. The Euro Disney Group's consolidated net loss is expected to be between 110 to 120 million euros versus a 78 million euros loss in the prior-year period.

Given the Euro Disney Group's expected results, debt service requirements and capital spending of approximately 160 million euros, the Euro Disney Group's cash and cash equivalents are expected to end the 2014 Fiscal Year between 45 and 55 million euros versus 78 million euros in the prior year, and the outstanding balance on its standby lines of credit is expected to be approximately 150 million euros versus 100 million euros in the prior year. Of this outstanding balance, 100 million euros was fully drawn as part of the 2012 refinancing and remains drawn to date.

The Euro Disney Group's gross debt is expected to be 1,748 million euros compared to 1,709 million euros in the prior-year period.

Euro Disney S.C.A. expects to record an approximate 470 million euro "statutory" impairment, under the French GAAP accounting rules, of its investment in Euro Disney Associés S.C.A., its principal operating subsidiary. This would be a non-cash charge in the standalone statutory financial statements of Euro Disney S.C.A. and would not impact the IFRS consolidated financial statements.

The estimates provided above in respect of Fiscal Year 2014 financial results are based on unaudited figures and will be updated when Euro Disney S.C.A. will release audited consolidated financial figures on November 5, 2014.

The implementation of the recapitalization proposal would increase the Euro Disney Group's cash position as well as its liquidity through a substantial reduction of the debt burden on Euro Disney S.C.A. by eliminating 600 million euros of debt and deferring amortization payments on 983 million euros of the remaining debt until the final repayment of such debt in December 2024. Interest on such debt would continue to be payable each semester at the current interest rate. Furthermore, as a result of this implementation, the equity of the Euro Disney Group would again become positive. Thus, if the recapitalization had occurred as of September 30, 2014, the Euro Disney Group's equity would have moved from a negative equity of 0.2 billion euros to a positive equity of 0.8 billion euros with an overall indebtedness of 1.7 billion euros before this implementation and 1.0 billion euros after.

The transactions contemplated in the Proposal would not entail any change of the provisions of the outstanding contracts between Disney and the Euro Disney Group (including those relating to the royalties, to the management fees and to the development fee), except for the financing agreements which would be amended in accordance with the terms of the Proposal.

Euro Disney S.C.A. shareholders would have an opportunity to participate in the capital increases of Euro Disney S.C.A. alongside with Disney, at the same price. This would be accomplished by giving Euro Disney S.C.A. shareholders:

- the opportunity to participate along with Disney in a 351 million euro preferential rights offering by Euro Disney S.C.A. at a subscription price of 1.00 euro per share, EDL Holding Company LLC guaranteeing the completion of such transaction by way of a backstop undertaking for the full subscription of such preferential rights offering; and
- the right to acquire their pro rata portion of the shares in Euro Disney S.C.A. subscribed by Disney through its debt-to-equity conversion at a price of 1.25 euro per share, *i.e.*, the price paid by Disney to subscribe such shares.

Euro Disney S.C.A. shareholders would also have the option to sell their shares to Disney after the completion of the capital increases of Euro Disney S.C.A. through a mandatory tender offer that would be initiated as required by laws and regulations. The proposal is made on the basis of a tender offer price of 1.25 euro per share.

A more detailed description of the proposal and the conditions which must be satisfied for it to be implemented, including a description of the possibility for Disney to withdraw its support of the proposal if a specific condition is not satisfied prior to the end of November 2014, can be found under "Details of the Proposal" in this press release.

DETAILS OF THE PROPOSAL

Capital increases by Euro Disney S.C.A. ("ED S.C.A.").

ED S.C.A. rights offering

The proposal backed by Disney (the "Proposal") contemplates that ED S.C.A. would raise 351 million euros in capital through a rights offering (the "Rights Offering"). All existing shareholders of ED S.C.A. (as of the day immediately preceding the launch of the Rights Offering) would be issued preferential subscription rights permitting them to subscribe, only on an irreducible basis, with a subscription parity of 9 newly issued shares for every 1 share held, at a subscription price of 1 euro per share (the "Subscription Price"). This Subscription Price represents a discount of 20% compared to the ED S.C.A. share price as of close of business on October 3, 2014 adjusted for the issuance of the new shares as contemplated by the Proposal, often called the theoretical ex-right price ("TERP"), which is equal to 1.25 euro per share.

EDL Holding Company LLC, a wholly-owned subsidiary of Disney holding approximately 39.8% of ED S.C.A.'s outstanding shares, would exercise all of its preferential subscription rights. In addition, it would guarantee the full subscription of the Rights Offering by agreeing to subscribe at the Subscription Price for any shares that would not be subscribed by other rights holders upon exercise on an irreducible basis of their preferential subscription rights. ED S.C.A. would therefore be assured that it would raise the full amount of the Rights Offering. Approximately 12 million euros of the capital raised in the Rights Offering would be expected to be used for transaction costs.

Conversion of ED S.C.A. debt owned by Disney into ED S.C.A. shares

Euro Disney Investments S.A.S. and EDL Corporation S.A.S., both wholly-owned subsidiaries of Disney, would subscribe for new ED S.C.A. shares issued in reserved capital increases (the "Reserved Capital Increases") at a price of 1.25 euro per share (the "Conversion Price"), being equal to TERP.

Payment of Conversion Price would be made through set-off against a debt of 492 million euros owed by ED S.C.A. to Euro Disney Investments S.A.S. and EDL Corporation S.A.S. following the sale by Euro Disney Investments S.A.S. and EDL Corporation S.A.S. to ED S.C.A. of receivables in the same amount, previously owed by Euro Disney Associés S.C.A. to them.

Upon completion of the transactions contemplated by the Proposal and as further described in this press release, ED S.C.A. shareholders would be offered the opportunity to purchase, pro-rata to their shareholding, part of the shares issued by ED S.C.A. in the Reserved Capital Increases at the Conversion Price, in order to provide them with ability to participate in such transactions on a *pari passu* basis, and at the same price as Euro Disney Investments S.A.S. and EDL Corporation S.A.S.

Mandatory tender offer

Immediately following closing of the capital increases by ED S.C.A. described above, a presenting bank would file with the French *Autorité des marchés financiers* on behalf of EDL Holding Company LLC, Euro Disney Investments S.A.S. and EDL Corporation S.A.S., a tender offer (the "Mandatory Tender Offer") on all of the shares of ED S.C.A. not already owned by subsidiaries of Disney at a price per share (the "Tender Offer Price") equal to the highest price paid by them in the transactions described above[1], *i.e.*¸ 1.25 euro per share (being the Conversion Price). The Mandatory Tender Offer would not be voluntary on the part of EDL Holding Company LLC, Euro Disney Investments S.A.S. and EDL Corporation S.A.S., and is included in the Proposal only because it would be required as a result of the increase in ownership of ED S.C.A. share capital. This increase would result from the conversion into ED S.C.A. shares of part of the debt held by Euro Disney Investments S.A.S. and EDL Corporation S.A.S. as described

[1] EDL Holding Company LLC, Euro Disney Investments S.A.S. and EDL Corporation S.A.S. have not acquired, directly or indirectly, any ED S.C.A. shares during the last 12 months and do not intend to acquire any ED S.C.A. shares prior to the completion of the transactions contemplated in the proposal other than as described in this press release.

above and, if applicable, the ED S.C.A. shares subscribed by EDL Holding Company LLC pursuant to its guarantee of a full subscription for the Rights Offering as described above.

The fairness of the Tender Offer Price would be opined on by an independent expert, who has been appointed by the Supervisory Board of ED S.C.A. on October 5, 2014 for that purpose, and subject to the approval of the *Autorité des marchés financiers*.

The Supervisory Board of ED S.C.A. would issue a formal opinion to the ED S.C.A.'s shareholders with respect to the Mandatory Tender Offer following its receipt of the report of the independent expert.

Euro Disney Associés S.C.A. capital increase

Immediately following the completion of the capital increases by ED S.C.A., Euro Disney Associés S.C.A. ("EDA S.C.A."), its principal operating subsidiary, would implement a capital increase of 1 billion euros through an increase of the nominal value of its shares, whereby all existing shareholders of EDA S.C.A. (*i.e.*, ED S.C.A., Euro Disney Investments S.A.S. and EDL Corporation S.A.S.) would subscribe pro-rata to their respective share ownership as follows:

- ED S.C.A. would subscribe for an aggregate subscription amount of 820 million euros. 328 million euros of which would be paid by ED S.C.A. in cash using substantially all of the net proceeds of the Rights Offering (*i.e.*, after deduction of transaction costs). ED S.C.A. would pay the remaining 492 million euros of such subscription amount by way of set-off against the 492 million euros of the EDA S.C.A. debt acquired by ED S.C.A. from Euro Disney Investments S.A.S. and EDL Corporation S.A.S.;

- Euro Disney Investments S.A.S. would subscribe to for an aggregate subscription amount of 90 million euros. 36 million euros of which would be paid by Euro Disney Investments S.A.S. in cash. Euro Disney Investments S.A.S would pay the remaining 54 million euros of such subscription amount by way of set-off against part of the debt owed by EDA S.C.A. to Euro Disney Investments S.A.S.;

- similarly, EDL Corporation S.A.S. would subscribe for an aggregate subscription amount of 90 million euros. 36 million euros of which would be paid by EDL Corporation S.A.S. in cash. EDL Corporation S.A.S. would pay the remaining 54 million euros of such subscription amount by way of set-off against part of the debt owed by EDA S.C.A. to EDL Corporation S.A.S.

As a result of these steps, EDA S.C.A. would receive 400 million euros in cash and reduce its debt by 600 million euros, while the nominal value of the share capital of EDA S.C.A. would be increased by 1 billion euros.

Consolidation and extension of lines of credit

Existing lines of credit granted by Disney to EDA S.C.A. maturing in 2015[2] (100 million euro principal amount, bearing interest at EURIBOR per annum), September 30, 2017 (100 million euro principal amount, bearing interest at EURIBOR + 2% per annum) and September 30, 2018 (150 million euro principal amount, bearing interest at EURIBOR per annum), with 150 million euros of principal currently drawn and outstanding, would be fully repaid by EDA S.C.A. upon completion of the transactions described in the preceding paragraph and replaced by a new undrawn line of credit with a 350 million euro principal amount, bearing interest at EURIBOR + 2% per annum and maturing on December 15, 2023.

Re-profiling of term loans amortization

Existing term loans granted by Euro Disney Investments S.A.S. and by EDL Corporation S.A.S. to EDA S.C.A. maturing on September 30, 2028, the principal amount of which would be approximately 983 million euros after the debt-to-equity conversions described above, would be amended to eliminate all intermediary amortization payments prior to the final repayment of such loans and change the maturity date from September 30, 2028 to December 15, 2024. Interest on such debt would continue to be payable each semester at the current interest rate. The conversion into

[2] This line of credit was scheduled to expire on September 30, 2014 but has been extended until September 30, 2015.

equity of part of the existing term loans (in an amount of 239 million euros) combined with the elimination of all intermediary amortization payments of these loans through maturity would reduce debt principal payments for the Euro Disney Group by 750 million euros until final maturity in December 2024. The weighted average life of the amended term loans would be approximately 10 years versus approximately 9 years currently.

Anti-dilution protection mechanism – Right to acquire ED S.C.A. shares

Following completion of the Mandatory Tender Offer, Euro Disney Investments S.A.S. and EDL Corporation S.A.S. would offer to each shareholder of ED S.C.A. (other than other subsidiaries of Disney) who would own at least one ED S.C.A. share on the trading day preceding the opening of the subscription period for the Rights Offering the right to acquire, pro-rata to his shareholding, part of the ED S.C.A. shares issued to Euro Disney Investments S.A.S. and EDL Corporation S.A.S., at the same price per share as the Conversion Price (the "Right to Acquire ED S.C.A. Shares"). The number of ED S.C.A. shares an eligible shareholder would be entitled to acquire would be determined on the basis of the lower of the number of shares held by such shareholder (i) on the settlement and delivery date of the Rights Offering and (ii) on the date of the publication by the *Autorité des marchés financiers* of the final results of the Mandatory Tender Offer (or the settlement and delivery date in case of centralization) (the "Tender Offer Completion Date").

The Right to Acquire ED S.C.A. Shares would be personal to the eligible ED S.C.A. shareholders and could not be assigned or transferred. This right would be exercisable for 30 days from the Tender Offer Completion Date, and, if not exercised, it would expire automatically.

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CONDITIONS TO THE PROPOSAL

The operations described in the Proposal are to be considered as a single package. Disney may decide to withdraw its support for the Proposal if all the following transactions and procedures have not occurred or have not been implemented, as the case may be, by March 31, 2015 at the latest: (i) the prior information and consultation with the Workers' Council on the transactions contemplated by the Proposal, (ii) the issuance of a clearance (*visa*) by the *Autorité des marchés financiers* on the prospectus relating to the Rights Offering, the Reserved Capital Increases and the Right to Acquire ED S.C.A. Shares, and (iii) the passing of the resolutions required for the implementation of the transactions contemplated by the Proposal, in particular by ED S.C.A.'s shareholders' meeting, EDL Holding Company LLC having already indicated that it will vote in favor of such resolutions.

In addition, Disney may decide to withdraw its support for the Proposal if the independent expert appointed by ED S.C.A. in connection with the Mandatory Tender Offer has not confirmed, prior to the end of November 2014, through the issuance of a comfort letter, the fairness of the Tender Offer Price, as at the date of such letter. This comfort letter would be prepared on the basis of the same methodology as the one that would be used by such expert to issue its fairness opinion in the context of the Mandatory Tender Offer process.

Public Disclosure and Regulatory Matters

The transactions outlined in this press release would be described in further details in a prospectus consisting of the ED S.C.A.'s Reference Document for Fiscal Year 2014 and a *Note d'Opération*, which would be submitted to the *Autorité des marchés financiers* for its *visa*¸ in anticipation of the offering of ED S.C.A. shares to be issued in the Rights Offering, the listing of ED S.C.A. shares issued in the Reserved Capital Increases and in the offering of ED S.C.A. shares in connection with the Right to Acquire ED S.C.A. Shares.

Such prospectus would state that offers and sales of the new ED S.C.A. Shares may not be made in the United States of America, in Australia, in Canada or in Japan.

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Indicative Timetable and Milestones

The timetable for the implementation of the transactions contemplated by the Proposal will depend on the timing for the completion of the following milestones:

- Workers' Council Opinion: the proposed recapitalization and Euro Disney Group's debt reduction plan is subject to completion of the Workers' Council information and consultation process which was initiated today during a meeting with the Workers' Council.
- Shareholders' Approval: a general meeting of ED S.C.A.'s shareholders will be convoked with at least 35 days advanced notice. Detailed information regarding the matters to be submitted to the shareholders' meeting (including reports from the *Gérant* and the Supervisory Board) will be made available online at least 21 days prior to the meeting's scheduled date.

Provided that the conditions described above are satisfied, the transactions contemplated by the Proposal are expected to be completed in the first semester of calendar 2015.

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This press release must not be published, released or distributed, directly or indirectly, in the United States of America, Canada, Japan or Australia. This press release and the information contained herein do not constitute an offer to sell or subscribe, nor the solicitation of an order to purchase or subscribe, securities in the United States of America or in any other country.

This press release does not constitute an offer to sell securities, or a solicitation of an offer to buy securities, in the United States of America. Securities may not be offered or sold in the United States of America absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities of Euro Disney S.C.A. described herein have not been and will not be registered under the Securities Act, or the laws of any State, and may not be offered or sold within the United States or to a U.S. Person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable State laws. Euro Disney S.C.A. does not intend to register any portion of the offering in the United States or conduct a public offering of securities in the United States.

The securities of Euro Disney S.C.A. described herein have not been offered, directly or indirectly, to the public in France. Any offer of such securities or distribution of any offering material relating to such securities will be made only to (i) persons providing investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors acting for their own account as defined under articles L. 411-2 et D. 411-1 of the French Monetary and Financial Code and in accordance with articles L. 411-1 et L. 411-2 of the French Monetary and Financial Code.

In member states of the European Economic Area which have implemented Directive 2003/71/EC (as amended) (the "Prospectus Directive") other than France, this press release and any offer if made subsequently are directed exclusively at persons who are "qualified investors" and acting for their own account within the meaning of the Prospectus Directive and any relevant implementing measures in the relevant member state.

This press release is not an invitation nor an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA"). This press release is directed only at (i) persons outside the United Kingdom, (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (iii) persons referred to in Article 49(2) (a) to (d) of the Order (high net worth entities, non-registered associations, etc.) and (iv) other persons to whom this document may be lawfully communicated (all persons listed in (i), (ii), (iii) and (iv) above being referred to as "Relevant Persons"). The securities of Euro Disney S.C.A. described herein are available only to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person must not act or rely on this document or any of its contents.

The release, publication or distribution of this press release in certain jurisdictions may be restricted by laws or regulations. Persons in such jurisdictions into which this press release is released, published or distributed must inform themselves about and comply with such laws or regulations.

If implemented, the Mandatory Tender Offer described in this document would not be made directly or indirectly in or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, the United States of America and could only be accepted outside the United States of America.

Cautionary Note on Forward-Looking Statements

Except for historical information, all other information herein consists of forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements include statements regarding the future financial and operating results of Euro Disney S.C.A. and The Walt Disney Company, are not guaranties of future performance and involve certain risks, uncertainties and assumptions that are difficult to assess. For a more complete list and description of such risks and uncertainties, refer to (i) the 2013 Reference Document of Euro Disney S.C.A. for the fiscal year ended September 30, 2013 as filed with the Autorité des marchés financiers ("AMF") on January 16, 2014, as well as other filings by Euro Disney S.C.A. with the AMF, and (ii) The Walt Disney Company's Annual Report on Form 10-K for the fiscal year ended September 28, 2013 as filed with the U.S. Securities and Exchange Commission ("SEC") on November 20, 2014, as well as other filings by The Walt Disney Company with the SEC.

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Next Scheduled Release: Financial Results for Fiscal Year 2014 on November 5, 2014

Additional Financial Information can be found on the internet at http://corporate.disneylandparis.com

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Code Bloomberg:	**EDL: FP**

The Group operates Disneyland® Paris which includes: Disneyland® Park, Walt Disney Studios® Park, seven themed hotels with approximately 5,800 rooms (excluding approximately 2,300 additional third-party rooms located on the site), two convention centers, the Disney Village®, a dining, shopping and entertainment centre, and golf courses. The Group's operating activities also include the development of the 2,230-hectare site, half of which is yet to be developed. Euro Disney S.C.A.'s shares are listed and traded on Euronext Paris.