

Euro Disney S.C.A. Combined General Meeting - February 21, 2008
Speech of Karl L. Holz, Chairman and Chief Executive Officer of
Euro Disney S.A.S.

Ladies and Gentlemen. Hello and welcome to Disneyland[®] Resort Paris. I am pleased to see you again this year at our Annual General Meeting.

It's the occasion for me and for the entire management team to take stock of our 15th Anniversary year.

In a few moments, our Chief Financial Officer will walk you through the past year's financial performance.

Then, I will talk to you about our vision, our strategy, and multiple plans we're pursuing to drive this business towards profitability.

I will also talk about key elements of our marketing sales strategy which contributed to the record number of Guests who visited in 2007.

I will briefly discuss the new attractions we launched during our 15th Anniversary year, including Disney/Pixar's Cars Race Rally, Crush's Coaster¹ and Disney[®]'s *Once Upon a Dream Parade*.

I will also share with you the key to our success. I'm talking of course about our Cast Members, whose goal it is to provide a memorable Guest experience.

Finally, I'll share with you our new advertising campaign and talk about what's next.

We will also of course answer your questions at the end of our presentations.

In 2008, the celebration continues big time, I promise! But first, it's my pleasure to introduce our Chief Financial Officer, Ignace Lahoud.

¹ Respectively inspired by Disney/Pixar's *Finding Nemo* and *Cars*

Thank you, Ignace.

Ladies, Gentlemen. Please allow me to continue my presentation in English.

As you've seen, we've made solid progress this year.

Our performance clearly shows we are on the right track.

2007 was a Positive Year and we delivered on all our Key Business Drivers.

Attendance rose 13%, to a record-breaking 14.5 million visits.

Our Hotel Occupancy Rate increased 6 percentage points, to reach 89.3%.

Hotel Per Room Spending rose more than 10% and Guest Spending in the Parks increased slightly.

2007 was an encouraging year that reflected the momentum of our growth strategy and the launch of our 15th Anniversary celebration.

Three years ago, Euro Disney went through a financial and legal restructuring in order to provide liquidity, protect against business volatility, and raise funds for investments in core assets that would enhance the Resort experience.

Our growth strategy is clearly On the Right Track and gaining momentum, with seven straight quarters of revenue growth.

Our strategy, coupled with solid execution by our management team, is delivering.

We are focused on:

- 1) Driving Results Towards Profitability**
- 2) Providing a High-Quality Guest Experience and**
- 3) Investing in the Development of our Cast Members.** This balanced approach to this business considers the long-term expectations of all shareholders.

Let's get more specific about how we're working to Drive Results Towards Profitability.

We are creating strong demand for a Disney[®] vacation experience by providing new and compelling content. Guests are always seeking new experiences.

We drove results with a highly effective marketing and sales strategy that broke down perceived barriers, such as affordability, flexibility and convenience, while creating the urgency to visit.

In 2007, major incentives spurred parents to come and see just how easy and affordable it is to experience Disneyland® Resort Paris with young children.

A choice of three unique Annual Passes drove local demand by providing a high-value offering for repeat visitors.

The “Kids Under 7” offer allowed children under seven years old to stay in Disney® Hotels and visit the Theme Parks for free, clearly driving interest from distant markets.

Guests enjoyed *Tailor Made Dreams*, the flexibility program that gives them the ability to add on extra hotel nights, meal plans, transportation options, shows or an excursion to Paris.

We broadcast a highly effective advertising campaign that focused on families in core and selected markets.

Guests were encouraged to stay longer and enjoy the magic, the excitement and shared family moments – all key themes of our consumer communications.

The 2007 “Red Carpet” campaign was everywhere – in streets, in the metro, in print and on television. It featured iconic Disney characters welcoming Guests to the 15th Anniversary celebration.

Locally, fleets of tourist buses in Paris served as moving canvasses for the Anniversary festivities – not to mention the countless billboards and the entire Montparnasse metro station corridor completely outfitted in whimsical 15th Anniversary imagery.

In a 2007 commercial that aired all over Europe, a magic carpet flew in search of a young girl and her family to invite them to the party.

As you saw in the introductory video, TF1 in France broadcast a series of short television programs featuring 15 European celebrities sharing their childhood dreams.

New media was a special focus in 2007. Guests could download online brochures, view the 15th Anniversary blog, or play interactive games on the special 15th Anniversary website.

A mega-billboard in Paris featured young Guests expressing their own special dreams in an innovative interactive communication.

We strove to leverage potential in all markets – local, distant, existing and emerging.

We have adapted sales efforts to changes in distribution networks by investing in processes that enable growth in all channels.

In 2007, we strengthened our sales strategy by giving Guests greater choices in where and how to purchase a Disney® vacation experience.

We leveraged strong alliances with transportation and distribution partners in order to enhance visibility, increase demand and optimize our costs.

As Europe's #1 tourist destination, Disneyland® Resort Paris has unique appeal.

However, combining it with other regional offerings provides an opportunity for the Resort to reach out to more Guests and benefit from the larger French tourism industry.

After all, we are in the heart of Europe.

Once at the Resort, Guests are immersed in a magical world of storytelling, and the focus is on providing a high-quality Guest experience.

Two new attractions debuted at the Walt Disney Studios® Park this past year.

Crush's Coaster, inspired by *Finding Nemo*, is our newest family thrill ride. Walt Disney Imagineering designed an innovative roller-coaster that uses gravity and weight distribution to create unexpected twists and turns through the East Australian Current.

New computer imaging technology, sophisticated lighting and sound effects bring to life the fantastic underwater world of Nemo.

Also with our Imagineers behind the wheel, the animated world of the film *Cars* has come to life for the first time in a Disney Park. Designed for the youngest of drivers, the attraction takes place in Radiator Springs, the small desert town featured in the movie, which we recreated using replicas of storefronts, shops and neon signs.

These attractions anchor a new area in the Walt Disney Studios® Park called *Toon Studio*. The colorful cartoon setting also features new Disney® character meet-and-greet opportunities and photo locations.

During our 15th Anniversary celebration, Guests discovered high-caliber live entertainment at every turn. *Disney's Once Upon a Dream Parade* was specifically created for the 15th Anniversary celebration. The eight unique parade floats were crafted in Europe and feature famous dream moments from the most beloved Disney stories ever.

Guests had even more opportunities to interact with their favorite Disney characters, many of which choo-choo'd down Main Street several times a day on the new *Disney Characters' Express*.

Guests also reveled in the interactive fun of *High School Musical On Tour*, a new show for the whole family at the Walt Disney Studios® Park.

Inspired by the most successful TV movie franchise in Disney history, *High School Musical On Tour* was performed by a multi-talented cast of entertainers who recreated the world of East High and invited Guests to join in the fun by shooting basketballs or singing along as the whole street turned into one big party.

The celebration continued each evening with *Candleabration*, a lively song-and-dance finale set against the backdrop of Sleeping Beauty Castle.

With the success of our 15th Anniversary celebration, we were focused on maintaining quality as attendance rose.

We drove Guest satisfaction by reducing wait times, increasing attraction availability, improving the food and beverage experience, and offering unique merchandise innovations.

That being said, we also recognize we have room for improvement. I know quality is something you care very much about, and I assure you it's one of our priorities.

The Extra Magic Hours initiative increased the attractiveness of staying in a Disney Hotel by giving Hotel Guests extra hours in the Disneyland® Park before opening.

It is clear that providing a high-quality family vacation experience is an ongoing priority at Disneyland® Resort Paris.

Guests expect a lot from us and we intend to continue exceeding their expectations. That's why we Invest in the Development of our Cast Members.

All the strategies and planning would not come to fruition without them. They are responsible for making Disneyland Resort Paris the Place Where Dreams Come True!

We receive more than 70,000 spontaneous job applications each year. Further, 90% of our 12,300 Cast Members have permanent contracts.

I am impressed by how diverse, open and adaptable our Cast Members are. They are pioneers in a truly international workplace.

Fifteen years ago, when Disneyland Resort Paris first opened, the Internet wasn't in any household, the European Union hadn't been formally established, and "international" companies were "bicultural," not "multicultural."

Yet, from the very beginning our Cast Members have succeeded in providing great quality service in an incredibly diverse, international and multicultural environment.

Nowhere is this more vividly displayed than in our "Pioneers" photo taken last April with Goofy. The photo, taken on Main Street, commemorates the more than 2,300 Cast Members who have worked at the Resort since prior to its opening. That's one in five employees who have been with us the full 15 years or more.

Our Cast members are as diverse as the Guests they serve. In fact, just two weeks ago, we were awarded the 5th annual Cultural Diversity Trophy by human resource professionals, supported through the *State Agency for Equal Opportunity*. This recognizes our Company's commitment to diversity in the workplace.

Our Cast Members represent 100 nationalities and speak 19 different languages. The diversity extends to the 500 trades and professions represented at the Resort, from glass blowers and technicians to performers, chefs and support staff.

Gender equality has been a trademark of our company from the beginning, with a balance of men and women surpassing regional and national rates.

The Group supports its more than 300 disabled Cast Members through the *Mission Handicap* department, and we continue to adapt positions to Cast Members with special needs.

And for our Guests, we are committed to ensure the best accessibility for everyone at the Resort. I know that this is a very important point for many of you.

51 of our 54 attractions are currently available to Guests with no autonomous mobility, and we strive for improvements every day through tests, trainings, and operational solutions.

Before their visit, disabled Guests can learn more about adapted facilities and services on our website, in our brochures or through our reservation center.

Cast Members at the Toll Plaza are trained to hand out informational packets when they spot handicapped stickers, including our new Guide for disabled visitors.

Cast Members at park entry turnstiles invite disabled guests to pass directly to City Hall to collect the Easy Access Cards that allow disabled Guests to avoid queue lines in both Parks. These Cards are available at several locations to facilitate their ability to collect the Card.

Guest satisfaction has, and always will be, a function of the talent, skill and dedication of our Cast Members. That's why we are committed to providing Cast Members with the support and training needed to deliver the excellent service for which Disney is known.

We invest 4.5% of annual payroll in training and have a Disney University where Cast Members can choose among 400 development classes. Training provides Cast Members the opportunity to hone skills, gain new ones, or obtain certification in their discipline. In fact, 70% of managers have risen to their position through internal promotions.

Just as we are committed to our Cast Members and Guests, they too express a particular attachment to the Disney® product, values and brand.

It is a priority for us to uphold the outstanding reputation afforded the Disney name by continuously enhancing our commitment to corporate responsibility, especially to the families and children who are our biggest fans.

For instance, the spectacular Designer Princesses project mobilized 25 leading European fashion designers, the world-renowned Christie's auction house, UNICEF and Disneyland® Resort Paris around a common goal – that of raising funds and awareness for children's causes. Designer Princesses garnered widespread media coverage, raised awareness and funds, and enhanced our brand within all key markets.

We are guided by the philosophy that being a good corporate citizen is not just the right thing to do, it is good for business too.

For instance, after negotiating with our suppliers to lower their prices, we adopted eco-friendly recycled paper.

We installed low-consumption light bulbs, presence detectors on rolling sidewalks, and water-saving output regulators in our Parks and Hotels, clearly helping the environment and our bottom line.

These efforts represent only a few of the ways we aim to serve the interests of our various stakeholders. As you have heard, a great deal of progress has been made on multiple fronts.

The 15th Anniversary celebration has resonated strongly with our Cast Members and Guests, so much so that we are extending it into the coming year. In 2008, *the Celebration Continues... Big Time!* Let's see how, in this sneak peek of the great products we have in store.

As you can see from the video, there's much more thrills and laughter to come in 2008.

The excitement continues with two new enhancements to the Walt Disney Studios® Park.

*The Twilight Zone Tower of Terror™*² dares Guests to board a mysterious hotel freight elevator that hurtles them through the “fourth dimension” as they plummet 13 floors. This iconic attraction is expected to set a new benchmark for thrill seekers in Europe!

Also debuting at the Walt Disney Studios Park is *Stitch Live!*, based on the Disney® animated film *Lilo & Stitch*. The mischievous, animated character Stitch will match wits with the audience in a live, interactive experience.

The Walt Disney Studios now boasts unique sets that give it a new look and feel while enriching the immersive experience so unique to our Parks.

We are committed to developing our Resort and the surrounding areas.

Imagining, creating, developing and growing is, and always will be, top of mind for us.

We constantly work to enhance the parks experience by developing new attractions and entertainment that keep Guests coming back for more.

We are also focused on adding to our hospitality offering by exploring potential hotel opportunities.

The performance of the Resort represents an opportunity to consider additional convention facilities and enhance the Disney® Village as well.

The Group continues to study larger projects such as Village Nature, in association with *Pierre & Vacances*. The project is a complex and dynamic opportunity and a final decision will likely occur beyond a one-year horizon.

Val d'Europe has emerged as a vibrant economic hub East of Paris. Its broadly diversified economic base has attracted some 21,000 residents, generated more than 20,000 jobs, and drawn more than 1,000 businesses.

² Inspired by The Twilight Zone®, a registered trademark of CBS, Inc. All Rights Reserved.

Val d'Europe's shopping centers, including la Vallée Village Outlet Shopping, draw visitors from the entire region and throughout Europe. These shopping experiences have become an important part of the tourism landscape.

It is clear that Disneyland® Resort Paris is a multi-day vacation destination with enormous potential. The Resort has something for everyone. We certainly intend to leverage that appeal by pursuing growth in existing markets while investing in emerging markets such as Eastern Europe.

We have a great product, a magical product, a product that drives emotional connections.

It is important to recognize that whether it be events, celebrations, attractions or entertainment, we are a business which works and plans all the time – today, tomorrow, and for the years to come.

Our strategies and tactics are working, and we are focused on continuing to build on the momentum that drives this business.

We have made progress in our journey towards profitability.

This management team will continue to address this business in a balanced fashion, with a long-term view, and we will always consider the expectations of our shareholders.

We are committed to a promising future.

Thank you very much for your time.