

## Overview of the Shareholders Club Roundtable Discussion June 6, 2012 at 5 pm at the Pullman Bercy Hotel- Paris 12<sup>th</sup>

Antoine Jeancourt-Galignani, Chairman of the Euro Disney S.C.A. Supervisory Board, Lydie Boussard, Assistant Chief Counsel, Corporate & Finance and Olivier Lambert, Head of Investor Relations - Euro Disney S.C.A., would like to thank all the members of the Shareholders Club who participated in the roundtable.

This informal question and answer session covered the following subjects:

### Governance of Euro Disney S.C.A.

#### ● **Definition of a *Société en Commandites par Actions (S.C.A.)* - Partnership limited by shares**

- An S.C.A. has 4 main components :
  - **The Limited Partners:** These are all shareholders of Euro Disney SCA. They have the same rights and are subject to the same obligations as shareholders of a public limited liability company (S.A.)
  - **The General Partners:** Euro Disney S.C.A. has only one general partner, EDL Participations SAS, an indirect wholly-owned subsidiary of The Walt Disney Company (TWDC).  
The general partner has unlimited liability for all the debts and liabilities of the Company. Given this responsibility, which represents a risk, the law grants him the right to veto the resolutions that are presented at the Annual General Meeting, with the exception of the resolutions that address the mandates of the members of the Supervisory Board.  
Euro Disney S.C.A. General Partner appoints the *Gérant*.
  - **The *Gérant* (Management Company):** represents the governing body, management and administration of the Company, which is equivalent to the Board of Directors in a S.A.  
The *Gérant* is a legal entity, Euro Disney S.A.S., indirectly and wholly-owned by TWDC and is represented by Philippe Gas, CEO. He is surrounded by a management team (the Steering Committee) comprised of his direct reports who perform key functions in the Company.
  - **The Supervisory Board:** In contrast to a S.A., a S.C.A. has a control body called the Supervisory Board. The role of the Supervisory Board is different from the role of the Board of Directors. It does not appoint the *Gérant*, does not compensate it and does not approve the accounts.  
The Audit Committee and the Nominations Committee assist the Supervisory Board in its functions.

#### ● **Choice Status**

- The choice to be a S.C.A. was logical from the moment public authorities did not wish for TWDC to hold the majority of the Company's capital and wanted to open Euro Disney to retail investors and to reduce the risk of loss of control by a take-over bid given the major role TWDC plays in the development of the Euro Disney project (licensing agreement, etc.).

#### ● **Composition and missions of the Supervisory Board**

- In the beginning, in 1988, the Supervisory Board was composed of three members, which was too few. Today it is composed of 10 members, 8 of whom do not have any ties to TWDC. Two members of the Board are women, and by 2017, they should represent 40% of the members.
- The members of the Board offer a rich mix of specialties and interesting talents: financial expertise (in particular with Mr. Geslin and Ms. Calmels), expertise in media (in particular with Mr. Labro), expertise in the field of private-public relationship (in particular with Ms. Bernis), expertise in the tourism & hotel industry (in particular with Messrs. Robinson and Corbière), expertise in food distribution (with Mr. Bouché) and Disney<sup>®</sup> expertise in theme parks (with Messrs. Staggs and Rasulo).
- The Supervisory Board debates and discusses with TWDC without reservation and in the Company's best interests.
- The Board fully exercises its powers defined by law and may call on outside experts to carry out certain missions when necessary.
- The works of the Supervisory Board and the Audit Committee were presented at the last General Meeting. They are also detailed in a factual manner in the annual Reference Document of Euro Disney S.C.A.

## Work of the Supervisory Board

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### ● Company Performance

- The Board is particularly keen on the Company pursuing its objective of reaching a lasting level of profitability and that it endeavors in reducing its costs.
- It recognizes nevertheless that with large repayments of debt in recent years the debt burden has been reduced and the Company is now reimbursing the loans that carry the highest interest rates.
- The Supervisory Board has asked the *Gérant* to think about financial solutions that may allow it to pull out of the current situation of losses.

### ● Transactions with TWDC

- Important transactions with TWDC and Euro Disney must be approved by the Supervisory Board. As an example, an audit mission was requested by the Supervisory Board and the Financial Audit Committee and accepted by the *Gérant*. The objective was to evaluate in an independent manner the various aspects of the budgetary management and the compliance with the procedures in a call for bids for the construction of Toy Story Playland. The committee controlled everything and did not detect anything abnormal. Ernst & Young also gave positive conclusions and no anomaly was found.
- When Disneyland® Paris opens a new attraction, this results in creative-related costs to adapt the concept to the French site. These costs are low compared to the total construction costs. EDLI, as the owner's and the project manager's representative, rebills these costs with no mark-up or other add fees or charges. They mainly represent the labor recruited by TWDC.

### ● Marketing Expenses

- Since 2005 when the new Marketing & Sales team arrived, Marketing has become more effective in quite a spectacular manner. Marketing spending is essential to generate important Resort Revenues.

## Selective Missions

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### ● Optimization of Food & Beverages purchase and procurement

- M. Bouché is a member of the Supervisory Board who has succeeded in the supermarket distribution. He questioned the optimization of food and beverages purchasing at Disneyland Paris.
- The Supervisory Board asked the *Gérant* to entrust him with the mission of evaluating the efficiency of the purchases and procurement of the food & beverage sector. The mission began three months ago.
- M. Bouché should report the findings of his study in September 2012.

### ● Professional Fees

- As part of its role, the Audit Committee reviews the missions of the internal and external audits, and recently asked the *Gérant* for authorization to conduct an internal audit mission on professional fees.

## Other works

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### ● Euro Disney S.C.A. share

- As far as the Supervisory Board knows the Group is not contemplating the idea of increasing its own equity by selling more shares.

### ● German Market

- The poor performance of the German market is a concern for the Supervisory Board. Despite of its size, its important presence on the Paris tourist market, its proximity and its dynamic economy, this market does not come to Disneyland Paris. This market continues to represent an opportunity for DLP and will be study closely.
- Marketing expenses are invested more heavily in countries that deliver better return.

## Positions of the Supervisory Board

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### ● Euro Disney Strategy

- This is a very ambitious long term strategy to construct a complete and varied tourist location in eastern Paris. The Board and the Management team have always believed in the project.
- Without discounts, the volume of visitors and revenue lost would have been greater than the impact of the discount strategy implemented since the start of the crisis.
- In the current economic contest, it is hardly conceivable to reduce the discounts offered to the Guests in a drastic manner. The Company has nonetheless decided to concentrate more specifically on improving average spending, which increased during the 1st semester of this year, while maintaining volumes. This performance in a time of crisis is very encouraging.

- **Management fee and Royalties**

- Their amounts are the result of a consensus defined at the beginning of the Euro Disney project and the Supervisory Board has no power to modify them.
- The license agreement contracted with TWDC is necessary and critical to operate Disneyland® Paris and it is legitimate to pay significant royalties for the right to use the Disney® brand.
- The management fee is statutory and also legitimate. The *Gérant's* right to receive payment of the portion of the base management fee in excess of 1% revenues is contingent upon the double condition that Euro Disney Associés S.C.A. has a positive consolidated net income before taxes and that it has the legal ability to distribute dividends. These conditions have not been met and the *Gérant's* fee is currently 1% of the Group's total revenues. It is important to point out that the Company has the possibility to defer payment of a part of the royalties and management fees, converted into subordinated long term debt, that allows it to preserve its Cash and continue to invest, even in a time of crisis.

- **Euro Disney perspectives**

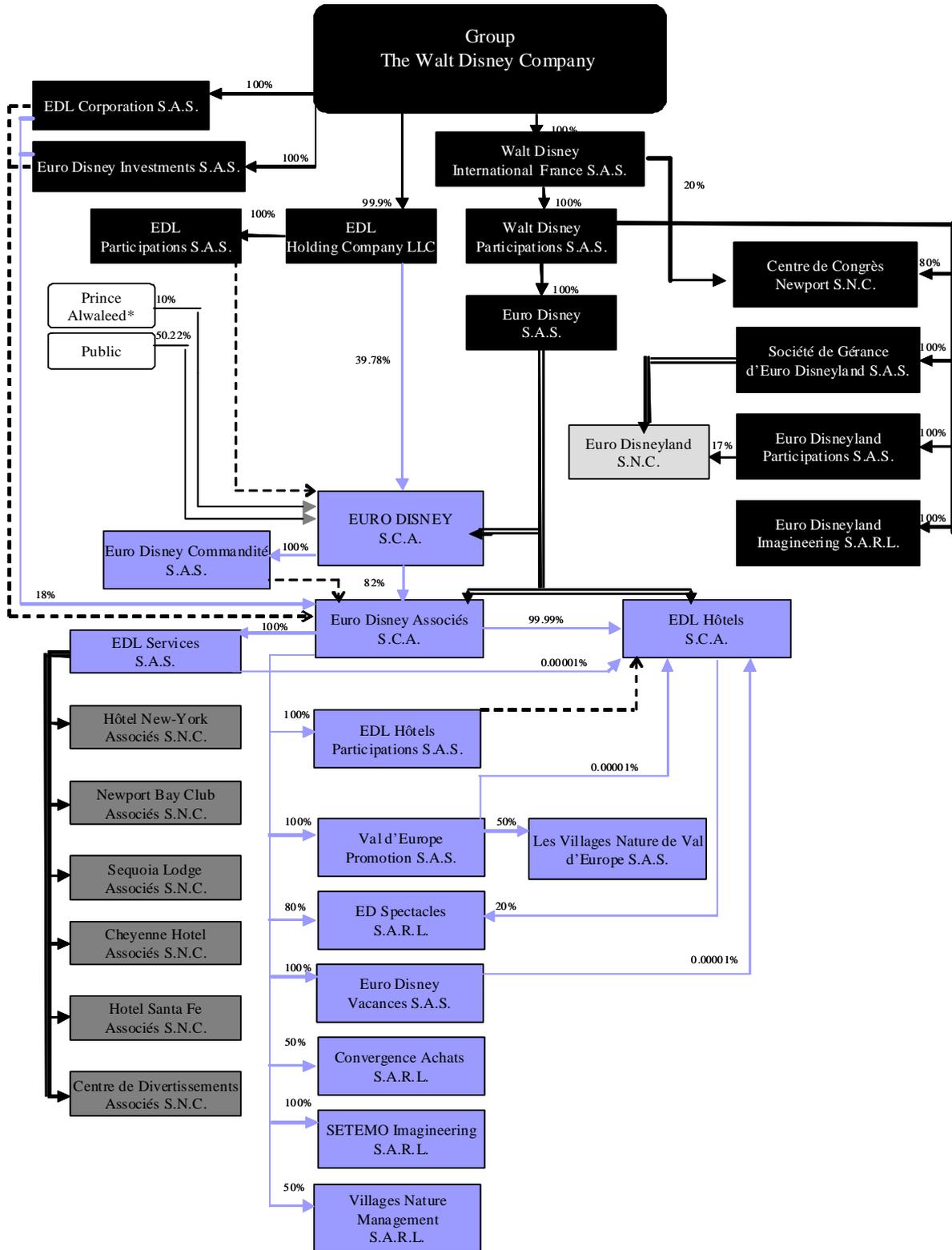
- The Supervisory Board does not approve the budget, but is informed on said budget and communicates any possible comments to the *Gérant*. The Supervisory Board should soon be informed of the Company strategic 5-year plan.
- The Company forward-looking information are not communicated to Shareholders and the French market Authority (AMF) very strictly controls the type of information an issuer can give out.
- Euro Disney is a major project and the signature of the 8<sup>th</sup> amendment to the Main Agreement proves the confidence of all stakeholders and to what point all is yet to come.
- The Management team is carrying out a growth strategy that makes sense and has brought results between 2005 and 2008 with a return to growth in 2008. Since 2009, the Company also resisted well to the economic crisis.

### **Group's Organizational structure**

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- The Reference Document of Euro Disney S.C.A. shows a simplified organizational chart of the structure of the Group which still displays the essential elements. The organizational chart of the Group is simpler today than it was in the past.
- Most of the subsidiaries have no employees or operational activities and therefore do not generate meaningful expenses. The usefulness of the subsidiaries is frequently questioned and some companies are dissolved when they are no longer of use to the Group. Subsidiaries can also be created to support new projects. (For example, *Les Villages Nature de Val d'Europe S.A.S.*)
- All the subsidiaries of the Group are subject to French law and are registered in France.

Group's legal structure (updated in 2012)



- Direct and/or indirect subsidiaries of TWDC
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- Phase IA Financing Company
- Phase IB Financing Companies
- Ownership (%)
- Management (Gérance)
- General Partnership

\* via KINGDOM 5-KR-134.Ltd, a company whose shares are held by trusts for the benefit of Prince Alwaleed and his family.