

«All or Nothing for Euro Disney?»

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Open Letter to the attention of
The Walt Disney Company (TWDC),
the Executive board of Euro Disney,
the Members of the supervisory board of Euro Disney
the Shareholders of Euro Disney
the Editorial department of newspapers and magazines
the Government of France

Munich, this 9th day of January 2015

"All or Nothing for Euro Disney?"

Ladies and Gentlemen:

Please help that at the next **shareholders' meeting of Euro Disney**
on 13/01/2015 after 12:00 at the Palais des Congrès
2 Place de la Porte Maillot, 75017 Paris

the resolutions on the proposed "Proposition Globale"(PG) are rejected or the requests are removed from the Agenda.

I believe, if adopted, these resolutions can lead to serious negative impacts on the companies of the Groupe Euro Disney and therefore on the shareholders, which could lead to the loss of real assets. (pdf 04)

The "Proposition Globale"(PG) published by Euro Disney on October 6, 2014, is presented as "Help for Euro Disney".

Euro Disney Associés S.C.A. should be relieved of some debts against the assignment of assets to the creditor "The Walt Disney Company" (TWDC) combined with capital increases.

These actions ("les opérations") are based on a **value for entire** Disneyland Paris (with all its attractions, 7 hotels, restaurants, other facilities and 3.6 million square meters of properties)
of only € 1,890 million according to my calculations.

(The value is mathematically calculated.)

Thus far, shareholders of Euro Disney have lost already 99% of their invested capital. Shareholders would lose additionally over 90% of their shares on the material assets through these measures proposed by PG.

My intentions are to achieve that the resolutions on "Proposition Globale" are rejected. At the same time, I would like to persuade the shareholders, the supervisory board, the executive board of Euro Disney and "The Walt Disney Company" that my proposed debt relief actions are fair, easy to realize, sensible and in any way effective from a promotional perspective! **(pdf 05)**

My proposed alternatives truly offer the possibility to help Euro Disney, provided "The Walt Disney Company" keeps its word and agrees to the debt relief at an equivalent value. Euro Disney should be afforded the opportunity of a "fresh start" without debt!

This Open Letter with its Annexes is a summary of all my written correspondence and personal meetings I had with executives of Euro Disney since 2003. This letter was created under the utmost deadline pressure. For this reason, I cannot assume any guarantee that it is complete. I wanted to send this Open Letter prior to publication as e-mail to the CEO of The Walt Disney Company for a personal statement and I asked management of Euro Disney for an e-mail address. My request was denied.

If it is not possible to translate everything into French and English in a timely manner, then the German texts are attached hereto in the Annex.

With kind regards,

Jürgen Freisler

Briefly, some information about myself:

For more than 20 years, I have been shareholder of Euro Disney and I am still holding approx. 30,000 shares together with friends and relatives.

Historical information: "Euro Disney"

During the 22 years since the opening of Disneyland Paris, the management company (Euro Disney S.A.S.) owned by "The Walt Disney Company" (TWDC) was unable to manage the parks in a manner to generate actual profits for Euro Disney. It was rather blamed on the enormous debt. Other leisure parks operate profitably.

Disneyland Paris grew bigger and bigger through investments while the value of shares decreased consistently. There were practically no profits reported, which were greater than the depreciations.

A cut in capital and the capital increase of 1994 in the ratio of 2:7, the 2nd capital increase of 2005 in the ratio of 5:13 and the conversion of shares in the ratio of 100:1 in 2007 make it impossible for any shareholder to get today an overview of the entire share development and the deterioration of the Euro Disney share.

Charts that cover such long periods are not found on the Internet.

From 1992 to date, the share price fluctuated between approx. € 500.00 and € 3.00.

During these 22 years, shareholders have lost more than 99% of their invested capital and this at a renowned company with a worldwide successful parent company!

During all those years, Euro Disney was presented as if it is short of being bankrupt. Shareholders sold their shares out of fear of losing everything.

This led to a share price at an all-time low, which has lost touch with reality.

Despite a "flyer" in 2003, a number of letters and faxes from 02/12/2007 to 12/24/2014 addressed to the presidents of Euro Disney, I was unable to achieve that the company assets for capital measures are shown as they are in reality.

No attention was paid to my information about the disadvantage to shareholders in capital increases and restructuring measures.

During the capital measures of 2004/2005, the stock company **Euro Disney S.C.A. had to assign 18% of its assets to subsidiaries of TWDC in exchange of a debt relief worth a mere € 308.1 million.** Since, the shareholders hold only 82% of the shares of Euro Disney Associés S.C.A., which was newly established just for this purpose!

Back then, the total value of the company was assessed at approx. € 1,712 million, which I believe was much too low. All shareholders including the EDL Holding Company LLC owned by TWDC were disadvantaged. Whereby these disadvantages had thus far no negative effects because no dividends have been paid!

Personal meetings with the presidents and his chief financial officers on **09/21/2007 in Munich** and on **11/17/2014 at Euro Disney Headquarters in Chessy/Paris** have not led to any changes.

All my attempts and all my proposals to persuade the management of Euro Disney to withdraw "Proposition Globale" have failed.

Despite the request for a statement, to this day I have not received any indication that my perspective is wrong!

In my most recent fax to Euro Disney dated 12/24/2014, I asked for an e-mail address, which would allow me mailing my report before its publication to the CEO of "The Walt Disney Company". My request was denied.

Jürgen Freisler

The "Global Proposition" (PG) Page 1

(published by Euro Disney on the 06/10/2014)

From the reply of the President of Euro Disney on the 12/02/2014 per Fax it is to understand, that the "Proposition Global" has been designed neither by "The Walt Disney Company" (TWDC) nor by Euro Disney himself, but by an external financial advisor to Euro Disney on which obviously relied the Executives and the Board of Euro Disney.

The proposals in the "Global Proposition" (PG) are extremely complicated, incomprehensible and not at all well presented.

It is not clearly assumed which value is included in the measures for debt relief and the capital increase!

One gets the impression that it is not possible to clearly inform the shareholders!

The proposals should be a "financial aid for Euro Disney". In remaining debts of approx. € 1,000 million in the near future the same problems might appear again.

A.) Debt relief by value assignment:

The PG is presented to the shareholders as a package of measures. ("Les operations")

As a result, the author (advisor) of the PG has established a link between the value of the Company and the old share price (€ 3.50).

The following mathematical equation shows, that from the stock value the value of the firm automatically results. It relates to the operating company of Disneyland Paris, the Euro Disney Associés S.C.A.!

(Value of the company	- liabilities)	:	number of shares	=	Intrinsic value of a share
(€ 1,750 million	- € 1,750 million)	:	approx. 40 million	=	€ 0.00
(€ 1,890 million	- € 1,750 million)	:	approx. 40 million	=	€ 3.50
(€ 4,750 million	- € 1,750 million)	:	approx. 40 million	=	€ 75.00

Assuming a value of Disneyland Paris by example € 1,890 million, **31.8%** of the assets must be delivered for a debt of € 600 million.

Assuming a value of Disneyland Paris by example € 4,750 million, only **12.64%** of the assets must be issued for a debt of € 600 million.

For measures of debt relief and capital measures shall in no case, only a share price used as a basis, but it must be a timely determined, reality based value of the company.

On the basis of fire insurance documents which the replacement value is apparent, development plans from which land values can be derived, depreciation lists and bills of all investments from which the new value can be seen, etc., the basis for a report of this nature need to be.

The expert "(expert indépendant)" should have been ordered by the Supervisory Board ("Le Conseil de Surveillance") Euro Disney to determine this value!

I requested the content of this order, but I did not get it!

In my personal 6-hour discussion with the „expert independent“ on 11/19/2014 in Paris, I had the impression that he was not fully informed.

The report of the expert with the headline:

Capital increases reserved for the Euro Disney SAS Investment and EDL Corporation SAS ("Augmontations de Capital réservées à Euro Disney SAS Investment et EDL Corporation SAS) much written on 78 pages,

but, I can not find these all-important company's value for the Euro Disney Associés SAC.

In the "PG" no value for the company of Euro Disney Associés SCA can be seen, no other choice remains, than my calculated value of € 1,890 million ist the baseline.

(€ 1,750 million debts + equity value € 3.50 x approx. 40 million shares = € 1,890 million)

The "Global Proposition" (PG) Page 2

If you would completely deleverage the company Euro Disney Associés SCA on the basis of a value of € 1,750 million + € 140 million (value of all stocks) = € 1,890 million no more assets would be there.

This would mean that the superior holding company, Euro Disney SCA, which belongs to the shareholders would have no more property.

All shares still worth € 3.50 until then, would then be of course worthless!

B.) Capital increase for the shareholders of ED SCA in the ratio 1: 9

With investment costs of about € 7,200 to € 10,800 million (for the 7 hotels and many restaurants with full equipment, 2 parks with all the attractions, golf course, development costs, etc.) and the value of land with 3.6 million square meters € 2,300 - € 3,500 million € yields a value of € 9,500 million to € 14,300 million. Only the half of the low value of € 9,500 million would result in a property value of approximately € 4,750 million. This estimated value is the basis for my examples.

The capital increase in ratio 1:9 for the shareholders proposed by the PG is in my opinion unjust in the highest degree .

The shareholders which do not take part at the capital increase are practically deleveraged. They loose 90% of their real property of Euro Disney Associés S.C.A. The property of all old shareholders is sold as a much too low price to new investors.

The example shows how the distribution of property changes.

Example:

It is assumed to a value of the firm of € 4,750 million

The distribution of property looks like this:

Shareholder wealth:		wealth of investors:	
€ 4,750 million -90%	+ € 475 million	€ 4,750 million -10%	+ € 4,275 million
€ 1,750 million dept -90%	- € 175 million	€ 1,750 dept -10%	- € 1,575 million
cash 10% fr.app. € 360 mio.	+ € 36 million	cash 90% from € 360 mio	+ € 324 million
Wealth distribution	= € 336 million		= € 3.024 million
Total assets:			€ 3,360 million

The shareholders assume that the total package („Les Opérations“) represents an equitable solution!

A delivrage and a capital increase on the base of a value for the company Euro Disney Associés S.C.A. of only € 1,890 million can't be a just solution, because the value of the firm is fixed much to low!

The shareholders can not see this in the PG, because there are no figures for the value of the company.

I have informed the chiefs of Euro Disney several times about the mistake, but they do not change their minds!

As a loyal shareholder for many years, I feel deeply disadvantaged and deceived!

My proposal of complete debt relief for Euro Disney

Current effective share distribution on ED ASS S.C.A. since 2005

Shareholdings in	Euro Disney S.C.A. Holding	Euro Disney Associés S.C.A. Management Company	
EDL Holding, (TWDC as shareholder)	39.80%	thereof 82% =	32.63%
TWDC through subsidiaries (since 2005)		2 x 9% =	18.00%
Kingdom 5 KR-134 Ltd (Prinz Alwaleed)	10.00%	thereof 82% =	8.20%
Invesco Ltd	6.00%	thereof 82% =	4.92%
All other shareholders	44,20%	thereof 82% =	36,25%
Total:	100.00%	100.00%	TWDC 50.63%

As the parent company of Euro Disney, "The Walt Disney Company" has suggested in "Proposition Globale" to forgive Euro Disney Associés S.C.A. the debt. In exchange, the subsidiaries of TWDC will receive shares in this company. If the company is valued at a real price, then Euro Disney can become completely debt-free and therefore, it can "begin anew" without debt.

Any capital increase is not necessary for the shareholders!

Approach:

As creditor of Euro Disney Associés S.C.A., TWDC transfers all claims to the two subsidiaries Euro Disney Investment S.A.S. and EDL Corporation S.A.S.! (This is also planned in PG.)

1. Old debt from 2004/2005	€ 308.1 million
2. Current debt approx.	€ 1,750.0 million
<u>3. Newly taken out loan:</u>	<u>€ 200.0 million</u>
Total debt	€ 2,258.1 million

The two subsidiaries receive direct shares in Euro Disney Associés S.C.A. in exchange for the amount of approx. € 2,258.1 million (same as currently but with other figures).

For an amount of e.g. € 4,750 million, the estimated current value of Euro Disney Associés S.C.A., the holding of Euro Disney S.C.A., which belongs to all shareholders, receives the sum in equivalent shares.

The relationship of share distribution is calculated based on this value relationship.

E.g. € 2,258.1 million : € 4,750 million equals 32.22% : 67.78%

In order to have the power to act, the following resolutions will have to be adopted at the shareholders' meeting:

1.) The supervisory board of Euro Disney will be commissioned together with the representatives of the major shareholders, the management of Euro Disney, the expert Ledouble and Mr. Jürgen Freisler to enter into an agreement with the creditor of Euro Disney, which is TWDC, which determines a true value for Euro Disney Associés S.C.A. This company value serves as the basis for the total discharge of debt in the amount of approx. € 2,258.1 million.

2.) The supervisory board and executive board of ED are commissioned to determine the amount of the capital increases needed for Euro Disney Associés S.C.A., so that the debt of approx. € 2,258.1 million can be compensated with shares on ASS S.C.A.

TWDC is not only creditor but in its totality, it is a very **large major shareholder**. Therefore, another valuation besides e.g. € 4,750 million will have a relatively low impact on TWDC (**pdf 06**).

A debt-free "new start" for Euro Disney would also mean for Walt Disney and for Euro Disney an image gain and advertising effectiveness, which would be unsurpassed by anything else.

This would have a large positive impact on the financing of the **project "Village Nature"**.

"Alles oder Nichts für Euro Disney?"

Jürgen Freisler - jf@dia-spezial.de

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Effektive "Participations" an der Associés S.A.C. bei einer Totalentschuldung gemäß meinem Vorschlag

Altschulden aus 2004/2005:	308,1	Millionen €	siehe auch 02 und 05
derzeitige Schulden:	1.750,0	Millionen €	
neuer Kredit angenommen:	200,0	Millionen €	
	<u>2.258,1</u>	Millionen €	

«Tout ou Rien pour Euro Disney?«

"All or Nothing for Euro Disney?"

ED I S.A.S. EDL C S.A.S.	ED ASS SCA	Faktor 100:(1+2)	Aktionäre 44,2% an ED SCA in %	Invesco 6,0% an ED SCA in %	Prinz Alwaleed 10,0% an ED SCA in %	EDL Holding 39,8% an ED SCA in %	ED I S.A.S. EDL C S.A.S.	TWDC gesamt	theoretischer Aktienwert
in Millionen 1	in Millionen 2	3	4	5	6	7	in % 8	in % 7+8	(2-1):40
2.258,1	1.750	0,02494948	19,30	2,62	4,37	17,38	56,34	73,72	-12,70
2.258,1	1.890	0,02410742	20,14	2,73	4,56	18,13	54,44	72,57	-9,20
2.258,1	2.250	0,02218229	22,06	2,99	4,99	19,86	50,09	69,95	-0,20
2.258,1	2.750	0,01996765	24,27	3,29	5,49	21,85	45,09	66,94	12,30
2.258,1	3.250	0,01815508	26,08	3,54	5,90	23,48	41,00	64,48	24,80
2.258,1	3.750	0,0166442	27,59	3,74	6,24	24,84	37,58	62,43	37,30
2.258,1	4.250	0,01536547	28,86	3,92	6,53	25,99	34,70	60,69	49,80
2.258,1	4.750	0,0142692	29,96	4,07	6,78	26,98	32,22	59,20	62,30
2.258,1	5.250	0,01331895	30,91	4,20	6,99	27,83	30,08	57,91	74,80
2.258,1	5.750	0,01248736	31,74	4,31	7,18	28,58	28,20	56,78	87,30
2.258,1	6.250	0,01175351	32,47	4,41	7,35	29,24	26,54	55,78	99,80
2.258,1	6.750	0,01110112	33,12	4,50	7,49	29,82	25,07	54,89	112,30
2.258,1	7.250	0,01051735	33,70	4,58	7,63	30,35	23,75	54,10	124,80
2.258,1	7.750	0,00999191	34,23	4,65	7,74	30,82	22,56	53,38	137,30
2.258,1	8.250	0,00951647	34,70	4,71	7,85	31,25	21,49	52,74	149,80
2.258,1	8.750	0,00908422	35,13	4,77	7,95	31,64	20,51	52,15	162,30
2.258,1	9.250	0,00868953	35,53	4,82	8,04	31,99	19,62	51,61	174,80
2.258,1	9.750	0,00832771	35,89	4,87	8,12	32,32	18,80	51,12	187,30
2.258,1	10.250	0,00799482	36,22	4,92	8,19	32,61	18,05	50,67	199,80
2.258,1	10.750	0,00768752	36,53	4,96	8,26	32,89	17,36	50,25	212,30
2.258,1	11.250	0,00740297	36,81	5,00	8,33	33,15	16,72	49,86	224,80
2.258,1	11.750	0,00713873	37,07	5,03	8,39	33,38	16,12	49,50	237,30
2.258,1	12.250	0,0068927	37,32	5,07	8,44	33,61	15,56	49,17	249,80
2.258,1	12.750	0,00666307	37,55	5,10	8,50	33,81	15,05	48,86	262,30