**SIMPLIFIED CASH TENDER OFFER**

for the shares of

EURO DISNEY S.C.A.

initiated by

**EDL HOLDING COMPANY, LLC**
**EURO DISNEY INVESTMENTS S.A.S.**
and
**EDL CORPORATION S.A.S.**

presented by

BNP PARIBAS

# DRAFT OFFER DOCUMENT OF EDL HOLDING COMPANY, LLC, EURO DISNEY INVESTMENTS S.A.S. and EDL CORPORATION S.A.S.

**TERMS OF THE OFFER**

Price of the Offer

2.00 euros per Euro Disney S.C.A. share

Duration of the Offer

20 trading days[1]

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

This draft offer document (the "**Draft Offer Document**") was prepared and filed with the *Autorité des marchés financiers* (the "**AMF**") on March 30, 2017, in accordance with the provisions of Articles 231-13 and 231-18 of the AMF general regulation.

**THE OFFER AND THE DRAFT OFFER DOCUMENT REMAIN SUBJECT TO THE REVIEW OF THE AMF.**

This Draft Offer Document is available on the websites of the AMF (www.amf-france.org) and Euro Disney S.C.A. (http://corporate.disneylandparis.com) and may be obtained free of charge from:

| | |
|---|---|
| **EDL Corporation S.A.S.**<br>1 rue de la Galmy<br>77700 Chessy | **BNP Paribas**<br>4 rue d'Antin<br>75002 Paris |

Pursuant to Article 231-28 of the AMF general regulation, a description of the legal, financial and accounting characteristics of the Bidders will be made available to the public no later than the day preceding the opening of the Offer.

[1] The Offer will be open for 20 U.S. trading days. If the New York Stock Exchange and Euronext Paris are not open on the same days between the opening of the Offer and the last day on which the Offer is open, the timetable will be adjusted accordingly.

**Important Notices**

This Draft Offer Document remains subject to the review of the AMF.

Pursuant to Article L. 433-4 III of the French Monetary and Financial Code and Articles 237-14 to 237-19 of the AMF general regulation, in the event that the minority shareholders of Euro Disney S.C.A. represent, following the Offer, no more than 5% of the share capital or voting rights of Euro Disney S.C.A., the Bidders intend to implement, following this Offer or within a period of three months following it, a mandatory buy-out to allow the transfer of the shares of Euro Disney S.C.A. not tendered to the Offer in exchange for a consideration equal to the price offered in the Offer.

The Offer is exclusively made in France, the United Kingdom, the United States of America and in any jurisdiction legally permissible. This Draft Offer Document is not for distribution in countries other than France, the United Kingdom, the United States of America, or any other jurisdiction legally permissible. It will not be submitted to any regulator other than the AMF. Please refer to Section 3.10 of this Draft Offer Document with respect to certain restrictions concerning the Offer under laws other than French law.

This Draft Offer Document must be read in conjunction with all other documents published in connection with the Offer. In particular, a description of the legal, financial and accounting characteristics of the Bidders will be made available to the public no later than the day preceding the opening of the Offer.

The shareholders tendering their Company shares into the Offer in accordance with the Semi-Centralized Procedure (as described and defined in Section 3.5) will be eligible for payment of any additional cash amount under the same terms as described in Section 3.3.

However, the shareholders tendering their Company shares into the Offer in accordance with the Non-Centralized Procedure (as described and defined in Section 3.5) will not be eligible for such payment.

NOTICE TO UK READERS

IN THE UNITED KINGDOM, THE OFFER MAY ONLY BE COMMUNICATED IN CIRCUMSTANCES WHERE SECTION 21(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (THE “**FSMA**”) DOES NOT APPLY. ACCORDINGLY, IN THE UNITED KINGDOM, THE DRAFT OFFER DOCUMENT CAN BE MADE AVAILABLE ONLY TO AND IS DIRECTED ONLY AT (I) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**ORDER**”) OR (II) PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED IN ACCORDANCE WITH ARTICLE 43 OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”). ANY PERSON WHO IS IN THE UNITED KINGDOM AND IS NOT A RELEVANT PERSON SHOULD NOT ACT OR RELY ON THIS DOCUMENT OR ANY OF ITS CONTENTS.

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## 1 PRESENTATION OF THE OFFER

EDL Holding Company, LLC, a limited liability company organized under the laws of the state of Delaware, with its registered office at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, U.S.A. ("**EDL Holding**"), Euro Disney Investments S.A.S., a French *société par actions simplifiée* having its registered office at 1 rue de la Galmy, 77700 Chessy, registered with the Meaux Trade and Companies Registry under number 478 002 702 ("**EDI S.A.S.**") and EDL Corporation S.A.S., a French *société par actions simplifiée* having its registered office at 1 rue de la Galmy, 77700 Chessy, registered with the Meaux Trade and Companies Registry under number 478 001 621 ("**EDLC S.A.S.**", collectively with EDL Holding and EDI S.A.S., the "**Bidders**"), are indirect wholly-owned subsidiary of The Walt Disney Company ("**TWDC**") and irrevocably offer to the shareholders of Euro Disney S.C.A., a French *société en commandite par actions*, with its shares listed on Euronext Paris (ISIN code FR0010540740) and having its registered office at 1 rue de la Galmy, 77700 Chessy, registered with the Meaux Trade and Companies Registry under number 334 173 887 ("**Euro Disney S.C.A.**" or the "**Company**") to purchase all of the Company shares not already owned by the Bidders for a cash price per share equivalent to the price paid on February 15, 2017, by EDL Holding pursuant to a block trade agreement (the "**Block Trade Agreement**") entered into between EDL Holding as purchaser and Kingdom 5-KR-11, Ltd c/o Maples Corporate Services Limited, P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands ("**KH**") as seller, *i.e.*, €2.00 (two euros) per share (the "**Offer Price**"), subject to certain possible adjustments as further described below (the "**Offer**").

As of the date of this Draft Offer Document, the concert (the "**Concert**") comprised of the Bidders owns directly a total of 671,425,184[2] Company shares, representing 85.71% of the Company's share capital, distributed as follows:

- EDL Holding owns 320,400,604 Company shares;
- EDI S.A.S. owns 175,512,290 Company shares; and
- EDLC S.A.S. owns 175,512,290 Company shares.

As a result, the Offer is made for 111,749,275 Company shares[3], representing 14.27% of the Company's share capital based on a total of 783,364,900 shares outstanding.

There exists no equity security, financial instrument or right giving access to the capital or voting rights of the Company, immediately or in the future, other than the shares. There exists no Company shares with more than one voting right per share.

In accordance with the provisions of Article 231-13 of the AMF General Regulation, BNP Paribas (the "**Presenting Bank**"), acting as presenting bank and on behalf of the Bidders, filed the Draft Offer Document with the AMF on March 30, 2017. The Presenting Bank guarantees the content and the irrevocable nature of the undertakings of the Bidders with respect to the Offer.

The Offer will be conducted using the simplified procedure in accordance with the provisions of Articles 233-1 *et seq.* of the AMF General Regulation.

Pursuant to the provisions of Article 261-1 I of the general regulations of the AMF, the Supervisory Board of the Company, in a decision adopted on February 24, 2017, unanimously appointed the firm

[2] Excluding 10 Company shares owned by EDL Holding through its wholly-owned subsidiary EDL Participations.

[3] Excluding 190,441 treasury shares but including 10 Company shares owned by EDL Holding through its wholly-owned subsidiary EDL Participations.

Finexsi, Expert et Conseil Financier, 14 rue de Bassano 75116 Paris, France, RCS Paris 415 195 189, represented by Christophe Lambert and Olivier Peronnet, as independent financial expert in charge of certifying the fairness of the Offer Price and its acceptability with regard to the mandatory buy-out and delisting. The report of the independent expert will be presented in its entirety in the draft response document of Euro Disney S.C.A..

## 1.1 Context of the Offer

Euro Disney S.C.A. with its owned and controlled subsidiaries (the "**Group**") operates the Disneyland® Paris site (the "**Resort**") and its surrounding areas since April 12, 1992 (the "**Opening Day**"). The Resort is comprised of the Disneyland® Park and the Walt Disney Studios® Park (collectively the "**Theme Parks**"), seven themed hotels (the "**Hotels**") with approximately 5,800 rooms, two convention centers, the Disney Village® entertainment center, comprised of shopping and restaurant facilities, and Golf Disneyland®.

The Group's operating activities also include the development of the 2,230-hectare site, half of which is yet to be developed. The Resort is modeled on the concepts developed and used by TWDC for its own theme park and hotel infrastructure.

The Group's fiscal year begins on October 1 of a given year and ends on September 30 of the following year. The fiscal year for any given calendar year (the "**Fiscal Year**" or "**FY**") is the fiscal year that ends in that calendar year. For example, Fiscal Year 2016 is the fiscal year that ended on September 30, 2016.

During Fiscal Year 2015, the Group implemented the recapitalization and debt reduction plan announced, on October 6, 2014, which amounted to approximately €1 billion (the "**2014 Recapitalization Plan**"). The 2014 Recapitalization Plan aimed at improving the Group's financial situation and allowing it to keep investing in Disneyland Paris in order to improve the satisfaction of its guests.

The main elements of the 2014 Recapitalization Plan were as follows:

- Cash infusion of €422.8 million, through capital increases of the Company and Euro Disney Associés S.C.A. ("**EDA**"), its main operating subsidiary;

- Conversion of €600.0 million of debt owed to indirect subsidiaries of TWDC into equity through capital increases of the Company and of EDA (this conversion was performed at the debt's nominal value);

- Deferral of all amortization payments of loans granted by indirect subsidiaries of TWDC until a revised maturity date in December 2024 (previously 2028); and

- Repayment of €250.0 million drawn under the standby revolving credit facilities previously granted by TWDC maturing in 2015, 2017 and 2018, replaced by a single €350.0 million revolving credit facility maturing in December 2023.

The 2014 Recapitalization Plan has been challenged by the investment fund Charity & Investment Merger Arbitrage ("**CIMA**"), a minority shareholder that acquired Company shares following the announcement of the 2014 Recapitalization Plan and initiated the following proceedings:

- An appeal before the Court of Appeals of Paris against the clearance decision and visa granted by the AMF with respect to the mandatory public tender offer resulting from the 2014 Recapitalization Plan, which appeal was dismissed by the Court of Appeals of Paris on

September 8, 2015. Such decision has been appealed by CIMA before the French Supreme Court, (*cour de cassation*), where the matter is still pending) ;

- A criminal complaint with the national financial prosecutor in Paris alleging misappropriation of corporate assets, publication of inaccurate financial statements, and dissemination of false or misleading information. This was followed by a second and substantially similar complaint for the purpose of having an investigating judge appointed. The judge's investigation is currently on-going;

- A derivative action filed, on December 30, 2015, with the Commercial Court of Meaux against several TWDC subsidiaries including the Bidders on behalf of the Company requesting the payment of sums that, as previously alleged by CIMA, amount in the aggregate to approximately €930 million. This derivative action is based on allegations substantially similar to those referred to in CIMA's criminal complaints. In November 2016, the Commercial Court of Meaux ordered a stay of proceedings pending the outcome of the criminal complaint.

The Bidders, as named defendants in the derivative action, believe CIMA's claims have no merit.

Notwithstanding the foregoing, the 2014 Recapitalization Plan has been implemented (including the mandatory tender offer required therewith, following the dismissal of the CIMA's appeal by the Court of appeal of Paris on September 8, 2015). The 2014 Recapitalization Plan enabled the Group to launch a program to refurbish some of its major attractions and improve the guest experience in preparation of the upcoming celebration of Disneyland Paris's 25th anniversary in 2017. During Fiscal Year 2015, these refurbishments included the Space Mountain®: Mission 2 attraction in the Disneyland Park. During Fiscal Year 2016, they included the return of the Frozen sing-along show at Disneyland® Park and the launch of a new production, Mickey and the Magician, at the Walt Disney Studios® Park. Additionally, in Fiscal Year 2016, the Group completed refurbishments of "it's a small world" and Peter Pan's Flight, which re-opened in December 2015 and July 2016, respectively. Subsequently, refurbishment of Big Thunder Mountain was completed in December 2016 with Star Tours scheduled to be completed in March 2017.

However, the Resort had an exceptionally challenging Fiscal Year 2016. During that year, it was impacted by various external factors that have significantly affected the tourism business in the Paris region, including the aftermath of November 2015 events in Paris; severe weather conditions and floods; as well as political and social unrest in France, while the broader economic environment in Europe continued to be very challenging. In this adverse context, revenues of the Resort decreased 7%. This, together with the increase in costs driven by the Resort's future growth strategy of continually improving the guest experience plus the costs of additional security measures, resulted in a significant decrease in the Resorts' operating performance for Fiscal Year 2016 and creates a growth challenge for Fiscal Year 2017 and beyond, with significant growth necessary to get the business back on a satisfactory trajectory.

- Revenues for Fiscal Year 2016 were €1,278 million, a decrease of 7% compared to the prior year, the decrease being due to lower volumes, primarily resulting from the adverse tourism environment in Paris.

- Costs and expenses increased 5% to €1,520 million, driven by the Group's continued improvements to the quality of the guest experience, planned labor rate inflation and incremental security costs.

- Net loss at €858 million for the year included an impairment charge for the Group's assets of €565 million related to its long-lived assets which are mainly comprised of the theme parks and hotels, calculated in accordance with International Financial Reporting Standards ("**IFRS**").

- Separately, the Company prepared stand-alone statutory financial statements under French accounting principles (being different than IFRS principles) with the Company's primary assets being its investment in the equity of its subsidiary EDA. The Company performed an impairment test of its investment in EDA and recorded an impairment charge of €953 million.

- These impairments had no impact on the Group's or the Company's cash position or cash flows. However, as a result of the impairments and net losses for Fiscal Year 2016 recorded in the financial statements of Company and in EDA, the net equity (*capitaux propres*) of each of the Company and EDA as of September 30, 2016 has become less than 50% of share capital.

In accordance with Article L.225-248 and Article L.226-1 of the French Commercial Code and the Company's by-laws, the Company's shareholders will be consulted on March 31, 2017 about the Company's and EDA's pursuit of activities.

In this context, in November 2016, TWDC agreed to waive two years of royalty and management fees to provide the Group additional liquidity.

### 1.2 Reasons for the Offer and Bidders' Intentions for the Next Twelve Months

#### 1.2.1 Reasons for the Offer

Following discussions and negotiations between TWDC and KH, a shareholder owning 78,336,508 Company shares (approximately 10% of the Company shares at the time), KH submitted to TWDC on February 8, 2017 its best and final offer (the "**KH Offer**"), whereby it was offering to sell in an off-market block trade (the "**Block Trade**") to TWDC or one of its affiliates 70,502,859 Company shares (*i.e.*, 90% of its interest in the Company or approximately 9% of the Company's outstanding shares, hereafter the "**Block Shares**") at €2.00 per Company share, payable in TWDC re-issued treasury shares, with the number of TWDC shares corresponding to the purchase price being determined based on the fair market value (closing price on the New York Stock Exchange) of the TWDC shares and the prevailing euro/dollar exchange rate (as published by the European Central Bank) by close of business on the day preceding the closing date of the Block Trade. The number of TWDC shares was rounded down to the nearest whole number of TWDC shares, with the remainder paid in cash. The KH Offer was valid until 4:00PM Paris time on February 10, 2017. It was subject to certain conditions precedent that were satisfied on February 10, 2017 before opening of business in France. Attached to the Offer was a form of the Block Trade Agreement containing, among other things, a requirement that the TWDC shares delivered to KH be registered with the U.S. Securities and Exchange Commission; certain representations and warranties; an indemnity; provisions regarding a purchase price adjustment according to which, if within 366 days of the closing of the Block Trade EDL Holding or any of its affiliates was to acquire or become irrevocably committed and legally obligated to acquire from any third party that is not an affiliate of TWDC, in an arm's length transaction (including by way of a tender offer or squeeze-out) any Company shares at a price (in cash or in kind) exceeding €2.00 per Company share (the "**New Price per Share**", as adjusted, if applicable, for any stock split or reverse stock split), then upon closing of the purchase and sale of the Company shares so acquired, an additional cash amount for the Block Shares equal to the number of Block Shares times the excess of the New Price per Share over €2.00 would be paid in cash to the seller; and various other customary clauses. As discussed in this Draft Offer Document, any adjustment of the price paid pursuant to the Block Trade Agreement will also apply to shareholders tendering their shares into the Offer in accordance with the Semi-Centralized Procedure (as defined in Section 3.5), and, if applicable, to the shareholders whose shares will be acquired in the context of the Mandatory Buy-Out (as defined in Section 1.2.2.1 below)

On February 10, 2017, following the publication by the Company of financial information regarding its quarter ended on December 31, 2016 and its annual report (*Document de Référence*) regarding its Fiscal Year ended on September 30, 2016, TWDC accepted KH's offer and EDL Holding and KH entered into the Block Trade Agreement. Immediately thereafter (and before opening of business in France on February 10, 2017), TWDC announced the transactions described in this Draft Offer Document. The Block Trade closed on February 15, 2017. The number of shares owned by EDL Holding referred to in this Draft Offer Document includes the Company shares acquired in the Block Trade.

In this context, the Bidders are making the Offer to give all shareholders of the Company the opportunity to sell part or all of their Company shares for a cash price equivalent to the price provided for in the Block Trade Agreement.

### 1.2.2 Bidders' Intentions for the next twelve months

Sections 1.2.2.1 through 1.2.2.7 below discuss the Bidders' intentions for the next 12 months.

#### 1.2.2.1 *Strategy and industrial policy*

In light of the adverse environment in which the Group has been operating since the 2014 Recapitalization Plan, additional measures of a significant magnitude are necessary to enable the Group to continue its strategy of investing in the quality of its guests' experience and implementation of improvements to Disneyland® Paris. In conjunction with the Offer, the Bidders have announced their commitment to support a recapitalization of the Group in order to reduce debt and increase liquidity, and contribute to significant cash infusions by way of a rights offering (*augmentation de capital avec droits préférentiels de souscription*). Subject to the Company's Supervisory Board and shareholders' approval, TWDC is committed to support a recapitalization of up to €1.5 billion as described below:

- If the Company remains a listed company, TWDC would expect the recapitalization to take the form of a €1.23 billion rights offering by the Company, with each of the applicable TWDC subsidiaries subscribing for their pro-rata share of such rights offering, combined with a backstop of such rights offering (at the same price as the rights offering) by one or more of such subsidiaries, such backstop ensuring that the Company will be able to raise the full amount of the rights offering, combined with a direct €270 million cash investment in equity at the level of EDA, and contribution of the proceeds of the rights offering by the Company to EDA to maintain the ownership level of EDA by the Company at its current 82%. Proceeds would be used to enable the Group to continue implementation of improvements to Disneyland Paris, repay most or all of the Group's indebtedness and increase liquidity. The rights offering described above would be subject to clearance by the AMF of a Prospectus comprising a Note d'opération.

- If the shares owned by minority shareholders following the Offer represent no more than 5% of the Company's outstanding shares or voting rights, the Bidders intend to implement promptly (and in any event within a period of three months following the Offer), a mandatory buy-out procedure (the "**Mandatory Buy-Out**") and to delist the Company (together, the "**Mandatory Buy-Out and Delisting**")[4]. If the Company is delisted, TWDC would expect the recapitalization to be in the same amount (*i.e.* up to 1.5 billion) and to also consist entirely of equity contributions to the Group, but the allocation of such contributions between the

[4] For the purposes of this calculation, the shares owned by EDL Participations and the treasury shares owned by the Company itself will not be deemed to be owned by minority shareholders, given that (i) EDL Participations is a wholly-owned subsidiary of EDL Holding and (ii) the Supervisory Board of Euro Disney S.C.A. approved the retention by the Company of all of its treasury shares.

Company and its subsidiaries could vary compared to what is described above if the Company shares remain listed. The proceeds would be used for the same purposes as described above.

#### 1.2.2.2 *Company's governing bodies*

The Offer will have no consequence on the structure and role of the governing bodies of Euro Disney S.C.A. However, in case of a Mandatory Buy-Out and Delisting, Euro Disney S.C.A.'s Supervisory Board will no longer be required to comprise independent members and the composition of the Supervisory Board may change, to consist predominantly or exclusively of TWDC representatives.

#### 1.2.2.3 *Intentions with respect to employment*

The Bidders do not intend to amend the Company's strategy or plans with regards to employment matters.

The Offer will have no material consequence on employment matters. However, in case of a Mandatory Buy-Out and Delisting, the job description of a limited number of Company employees who are currently working primarily on matters related to the fact that the Company is a public company listed on Euronext Paris may be adjusted to have these employees redeployed within the Group and cover other matters after the need to comply with requirements applicable to public companies is no longer relevant.

#### 1.2.2.4 *Interest of Euro Disney S.C.A.'s shareholders in the Offer*

The Offer gives the shareholders of Euro Disney S.C.A. the opportunity to immediately liquidate part or all of their investment in the Company at a price per share equivalent to the price provided for in the Block Trade Agreement, which represents a 67%, 64%, 70% and 70% premium over the average trading price of the Company's stock over the one day, one month, three months and six months, respectively, preceding the announcement of the Offer.

#### 1.2.2.5 *Contemplated synergies*

The Offer is not expected to result in the creation of any synergies.

#### 1.2.2.6 *Dividend distribution policy*

No dividend has been distributed or paid in connection with Fiscal Years 1993 to 2016. Payment of dividends or any other distribution will depend on the financial results of the Group and its investment policy. The Offer will have no consequences in this respect. The Bidders do not anticipate that the Company will distribute any dividend in the foreseeable future.

#### 1.2.2.7 *Mandatory Buy-Out, merger and delisting*

No merger is contemplated.

If shares owned by minority shareholders following the Offer represent no more than 5% of the Company's share capital or voting rights[5], the Bidders intend to promptly (and in any event within 3 months of the closing of the Offer) request the AMF to implement the Mandatory Buy-Out and Delisting, which would consist of a mandatory buy-out procedure (*retrait obligatoire*) and delisting of the shares of Euro Disney S.C.A. in accordance with the provisions of Articles L. 433-4, III of the French Financial and Monetary Code and Articles 237-14 et seq. of the AMF General Regulation.

[5] See footnote 4 regarding the details of the calculation of that percentage.

A notice informing the public of the Mandatory Buy-Out and Delisting will be published by the Bidders in a newspaper carrying legal notices ("*journal d'annonces légales*"). The amount of the compensation, which will be equal to the Offer Price, will be paid to a blocked account opened for this purpose with BNP Paribas Securities Services designated as centralizing agent for the purpose of the compensation operations in connection with the Mandatory Buy-Out and Delisting.

Euroclear France will close the trading code of the Company's shares and the accounts of the affiliates. Euroclear France will issue to these affiliates the balance statement of their Company's shares account. After issuance of such balance statement by Euroclear France, BNP Paribas Securities Services will credit the custody account-keeping institutions with the amount of the compensation. Such custody account-keeping institutions will in turn credit the accounts of the holders of the Company's shares.

The Company's shares will be delisted from the regulated market of Euronext Paris on the date the Mandatory Buy-Out and Delisting is implemented, such date being determined by the AMF.

In compliance with Article 237-6 of the AMF general regulation, unallocated funds of the compensation will be kept by BNP Paribas Securities Services for 10 years from the date of implementation of the Mandatory Buy-Out and Delisting, and eventually transferred to the *Caisse des Dépôts et Consignations* at the end of this period. If these funds are not requested by their legal beneficiaries after thirty years, the French Republic will automatically become the legal beneficiary of such funds.

In the event where the Mandatory Buy-Out and Delisting cannot be implemented under the conditions set out above, the Bidders reserve their right, if they later come to hold, directly or indirectly, in concert, at least 95% voting rights of the Company, to file with the AMF a draft buyout offer (*projet d'offre publique de retrait*) followed, in the event where the minority shareholders hold no more than 5% of the share capital or voting rights following the buyout offer, by a mandatory buy-out (*retrait obligatoire*) of the shares of the Company, in accordance with Articles 236-1 et seq. and 237-1 et seq. of the AMF general regulation.

### 1.3 Other agreements that may have a material impact on the outcome of the Offer

Except as disclosed in this Draft Offer Document, none of the Bidders is a party to any agreement likely to have a significant impact on the consideration of the Offer or its results and is not aware of the existence of such agreements.

## 2 BIDDERS' CORPORATE DECISIONS WITH RESPECT TO THE OFFER

The Bidders have no multi-members corporate governance body and their respective authorized representatives have the power and authority to represent and bind them for purposes of the Offer.

## 3 TERMS AND CONDITIONS OF THE OFFER

On March 30, 2017, the Presenting Bank, acting on behalf of the Bidders, filed the Draft Offer with the AMF in the form of a simplified cash tender offer (*offre publique d'achat simplifiée*).

In accordance with Article 231-13 of the AMF general regulation, the Presenting Bank guarantees the content and the irrevocable nature of the undertakings of the Bidders.

The Bidders are jointly and severally responsible for the Offer. However, the Bidders have agreed among themselves that their obligations in connection with the Offer will be fulfilled solely and entirely by EDL Holding (it being understood that this agreement does not limit their joint and several liability vis-à-vis third parties). As a result, all shares tendered into the Offer will be purchased by EDL Holding (which was also the purchaser of the Block Trade).

The Offer Document, when approved by the AMF, together with the document entitled "Other Information" relating, in particular, to the legal, financial and accounting characteristics of the Bidders, will be made available to the public free of charge on behalf of the Bidders at the offices of EDI S.A.S., the Presenting Bank and the securities services' provider (*i.e.*, Exane S.A., hereafter "**Exane**"), no later than the day before the opening of the Offer. These documents will also be made available on the websites of the AMF (www.amf-france.org) and Euro Disney S.C.A. (http://corporate.disneylandparis.com).

Prior to the opening of the Offer, the AMF will publish a notice on the opening of the Offer and Euronext Paris will publish a notice on the terms of the Offer, including a timetable for the Offer.

### 3.1 Number and Nature of Shares Sought in the Offer

As of March 29, 2017, the Concert comprised of EDL Holding, EDI, S.A.S. and EDLC S.A.S. owns directly a total of 671,425,184[6] Company shares, which, in accordance with Article 223-11 of the AMF general regulation, represents 85.71% of the Company's share capital.

The Offer relates to all of the existing shares that are not already owned directly by the Concert, excluding 190,441 treasury shares, but including 10 Company shares owned by EDL Participations S.A.S., a direct wholly owned subsidiary of EDL Holding, *i.e.*, to the best of the Bidders' knowledge, 111,749,275 Company shares[7] representing 14.27% of Company's share capital.

As of the date of this Draft Offer Document, to the best of the Bidders' knowledge, there are no other securities, nor any other financial instrument or right giving immediate or future access to the Company's share capital and voting rights, other than the shares.

The Bidders reserve their right to purchase Company shares, by way of on-market or off-market acquisitions, at the Offer Price, in accordance with Article 231-38 of the AMF general regulation during the offer period (*période d'offre*) (as defined in Article 231-2 6° of the AMF general regulation).

### 3.2 Terms of the Offer

The Bidders are offering to the Company's shareholders to pay in cash €2.00 per Company share.

### 3.3 Adjustments to the Terms of the Offer

If within 366 days of the closing of the Block Trade, *i.e.*, by no later than February 16, 2018, EDL Holding or any of its affiliates acquires from any third party that is not an affiliate of TWDC, in an arm's length transaction (including by way of a tender offer or squeeze-out), any Company shares at a New Price Per Share (in cash or in kind) exceeding €2.00 per Company share (as adjusted for any stock split or reverse stock split), resulting in the obligation for EDL Holding to pay an additional cash amount to KH in accordance with the Block Trade Agreement, then upon closing of the purchase and sale of the Company shares so acquired, the Bidders will pay an additional cash amount to each shareholder having tendered Company shares into the Offer in accordance with the Semi-Centralized Procedure (as defined in Section 3.5) in an amount per Company share identical to the additional cash amount per Company share paid to KH pursuant to the Block Trade Agreement, which will be equal to the number of Company shares so tendered times the excess of the New Price per Share over €2.00 (as adjusted for any stock split or reverse stock split).

[6] Excluding 10 shares owned by EDL Holding through its wholly-owned subsidiary EDL Participations.
[7] Including 10 shares owned by EDL Holding through its wholly-owned subsidiary EDL Participations.

The shareholders tendering their Company shares into the Offer in accordance with the Semi-Centralized Procedure (as described and defined in Section 3.5 below) will be eligible for payment of any additional cash amount under the same terms as described above.

However, the shareholders tendering their Company shares into the Offer in accordance with the Non-Centralized Procedure (as described and defined in Section 3.5 below) will not be eligible for such payment.

Such additional cash amount will also be paid, if applicable, in the event of the Mandatory Buy-Out, to shareholders whose shares will be purchased in the context of such Mandatory Buy-Out.

For the avoidance of doubt, notwithstanding the foregoing, the issuance of new Company shares (including in connection with the recapitalization described in this Draft Offer Document) will not result in any adjustment of the Offer Price or the price of the Block Trade.

### 3.4 Conditions to the Offer

The Offer is not subject to any condition relating to a minimum number of shares being tendered into the Offer. In addition, the Offer is not subject to any antitrust or any other regulatory condition.

### 3.5 Procedures for Tendering Shares

The shares tendered into the Offer must be free and clear of any pledge, lien, security interest, encumbrance, claim or restriction of any nature whatsoever. The Bidders reserve the right, in their sole discretion, to reject any and all shares they determine to be ineligible for tender.

The Offer will remain open for a number of trading days in France corresponding to 20 U.S. business days.

Shareholders may participate in the Offer by tendering their shares in accordance with the following procedures:

- Holders of Company shares held in an account managed by a financial intermediary (including traders, banks and financial institutions) must instruct their financial intermediary to tender their shares into the Offer in accordance with the standard forms provided by their financial intermediary no later than the last day on which the Offer is open.

- Company shares held in registered form must be converted and held in bearer form to be tendered to the Offer. Therefore, holders of shares held in registered form who wish to tender Company shares into the Offer will have to ask for the conversion of these shares to hold them in bearer form as soon as possible. They will therefore lose the benefits attached to the registered form for those shares then converted into bearer form.

- No commission will be paid by the Bidders to the financial intermediaries through which the shareholders tender their shares into the Offer.

- Shareholders' brokerage fees will be reimbursed by EDL Holding under the conditions set out in Section 3.9 below.

This Offer is governed by French law. Any disagreement or dispute of any nature concerning the present Offer will be brought before the relevant courts.

The acquisition of shares in connection with the Offer will take place, in accordance with applicable law, through Exane, a buying market member, acting as intermediary on behalf of the Bidders.

Shareholders of the Company who wish to tender their shares into the Offer may do so in accordance with either of the following procedures:

- Non-centralized procedure (the "**Non-Centralized Procedure**") : the shareholders may sell their shares on the market, in which case settlement and delivery of the transferred shares (including payment of the price therefor) will take place on the second trading day following the execution of the orders, and trading fees (including the brokerage fees and corresponding VAT) relating to such transactions will be borne entirely by the selling shareholders. The shareholders choosing this procedure will not be eligible for payment, if any, of the additional cash amount referred to in section 3.3 above; or

- Semi-centralized procedure (the "**Semi-Centralized Procedure**"): the shareholders may sell their shares in the semi-centralized procedure carried out by Euronext Paris, in which case settlement and delivery of the transferred shares (including payment of the price therefor) will take place following completion of the semi-centralization procedure, after the last day on which the Offer is open. The shareholders choosing this procedure (and only shareholders choosing this procedure) will be eligible for payment, if any, of the additional cash amount referred to in Section 3.3 above.

EDL Holding will reimburse the trading fees (brokerage fees and corresponding VAT) incurred by the selling shareholders of shares tendered in the semi-centralized procedure up to (i) in the case of orders to tender shares for an aggregate purchase price of €3,333 or less, €10 per transaction and (ii) in the case of orders to tender shares for an aggregate purchase price in excess of €3,333, 0.30% of such purchase price, subject to a cap of €100 per transaction; it being specified however that, if the Offer is annulled for any reason, the shareholders of the Company may not seek any reimbursement. Only shareholders whose shares are registered in an account on the day preceding the opening of the Offer may receive reimbursement of these trading fees from EDL Holding.

The requests for reimbursement of the fees mentioned above will be accepted and processed by the financial intermediaries for a period of 25 trading days from the last day on which the Offer is open.

### 3.6 Publication of Offer Results

The AMF will publish the final results of the Offer at the latest nine (9) trading days after the last day on which the Offer is open and Euronext Paris will indicate the date and conditions of the delivery of shares and payment of the purchase price in a notice.

No interest will be owed for the period from the tendering of the shares into the Offer until the date of settlement and delivery of the Offer.

### 3.7 Indicative Timetable for the Offer

Prior to the opening of the Offer, the AMF and Euronext Paris will publish an opening notice and a notice announcing the terms and timetable of the Offer. The timetable below is provided on an indicative basis only:

| | |
|---|---|
| February 10, 2017 | Press release announcing the Block Trade; the intention to make the Offer; and the statement of support by TWDC for a subsequent recapitalization plan of the Company. |
| February 24, 2017 | Appointment of Finexsi as independent expert. |

| | |
|---|---|
| March 29, 2017 | Review by the Company's Supervisory Board of the independent expert's report and draft Response Document. |
| March 30, 2017 | Filing with the AMF of the Bidders' Draft Offer Document.<br><br>Public posting of the Bidders' Draft Offer Document on the AMF's website (www.amf-france.org) and on the Company's website (http://corporate.disneylandparis.com).<br><br>Posting on the Company's website of the Bidders' press release containing the main terms of the draft Offer.<br><br>Filing with the AMF of the Company's draft Response Document.<br><br>Public posting of the Company's draft Response Document on the AMF's website (www.amf-france.org) and on the Company's website (http://corporate.disneylandparis.org).<br><br>Posting on the Company's website of its press release containing the main terms of its draft Response Document. |
| March 31, 2017 | Formal meeting of the Works' Council of the Company to be provided with the Draft Offer Document and the Company's draft response document. |
| April 5, 2017 | Presentation by TWDC to the Works' Council of the Company. |
| April 25, 2017 | AMF clearance decision of the Offer, which will indicate the visa number of (i) the Offer Document and (ii) the Response Document.<br><br>Posting on the AMF's and the Company's websites of (i) the Bidders' Offer Document, (ii) the Company's Response Document, (iii) the "Other Information" document, containing legal, accounting and financial information regarding the Bidders and (iv) the "Other Information" document, containing legal, accounting and financial information regarding the Company.<br><br>Publication by the Company of a press release informing the public of the availability of (i) the Bidders' Offer Document, (ii) the Company's Response Document, (iii) the "Other Information" document, containing legal, accounting and financial characteristics of the Bidders and (iv) the "Other Information" document, containing legal, accounting and financial characteristics of the Company. |
| April 26, 2017 | Opening of the Offer. |
| May 23, 2017[8] | Last day on which the Offer is open. |
| May 29, 2017 | Publication of a notice announcing the final results of the Offer by the AMF. |

[8] The Offer will be open for 20 U.S. trading days. If the New York Stock Exchange and Euronext Paris are not open on the same days between the opening of the Offer and the last day on which the Offer is open, the timetable will be adjusted accordingly.

| | |
|---|---|
| May 31, 2017 | Settlement and delivery of the Tender Offer. |
| Starting on June 8, 2017 | If applicable, Mandatory Buy-Out and Delisting. |

## 3.8 Costs and Financing of the Offer

### 3.8.1 Costs of the Offer

If all the existing Company shares that the Concert does not already own (excluding the treasury shares held by the Company and including the 10 shares owned by EDL Participations S.A.S.) were tendered into the Offer, the maximum cost of the Offer (excluding any fees and expenses) would amount in the aggregate to €223,498,550.

Expenses incurred by the Bidders in connection with the Offer (including fees of external financial, legal and accounting advisers and of any experts and other consultants, as well as communication and publication costs, among others) are estimated at approximately €4,300,000 (excluding tax).

### 3.8.2 Financing of the Offer

The Offer is expected to be financed with cash on hand available to EDL Holding.

## 3.9 Remuneration of Brokers – Assumption of Costs

EDL Holding will reimburse the trading fees (brokerage fees and corresponding VAT) incurred by the selling shareholders of shares tendered in the Semi-Centralized Procedure up to (i) in the case of orders to tender shares for an aggregate purchase price of €3,333 or less, €10 per transaction and (ii) in the case of orders to tender shares for an aggregate purchase price in excess of €3,333, 0.30% of such purchase price, subject to a cap of €100 per transaction; it being specified however that, if the Offer is annulled for any reason, the shareholders of the Company may not seek any reimbursement of these trading fees from the Bidders.

Only shareholders whose shares are registered in an account on the day preceding the opening of the Offer may receive reimbursement from the Bidders for these trading fees.

The requests for reimbursement of the fees mentioned above will be accepted and processed by the financial intermediaries for a period of 25 business days from the last day on which the Offer is open.

## 3.10 Restrictions Concerning the Offer under laws other than French law

The Offer is exclusively made in France, the United Kingdom, the United States of America and in any jurisdiction permissible. This Draft Offer Document is not for distribution in countries other than France, United Kingdom, the United States of America and in any jurisdiction permissible. It will not be submitted to any regulator other than the French *Autorité des marchés financiers*.

This Draft Offer Document and any other document relating to the Offer do not constitute an offer to buy or sell financial instruments or a solicitation of such an offer in any country where such an offer or solicitation would be illegal, nor is it addressed to anyone to whom such an offer or solicitation could not be validly made. The Company's shareholders residing outside of France, the United Kingdom, the United States of America or any other jurisdiction permissible, may participate in the Offer only if, and to the extent that, such a participation is authorized by the local law to which they are subject.

The distribution of this Draft Offer Document and of any other document related to the Offer and participation in the Offer may be subject to specific restrictions, pursuant to laws and regulations in force in certain jurisdictions.

All persons in possession of this Draft Offer Document must familiarize themselves and comply with applicable legal restrictions. Failure to comply with such restrictions may constitute a violation of securities laws and rules in certain jurisdictions. The Bidders decline any responsibility in the event of a violation of any applicable legal restrictions by any person.

The Offer is not addressed to, or directed at, persons subject to such restrictions, whether directly or indirectly, and may not be accepted by any person from a country in which the acceptance of the Offer by such person is prohibited by applicable laws or would require the submission of this document to any regulator or any other formalities.

*United Kingdom*

In the United Kingdom, the Offer may only be communicated in circumstances where section 21(1) of the Financial Services and Markets Act 2000 (the "**FSMA**") does not apply. Accordingly, in the United Kingdom, the Draft Offer Document can be made available only to and is directed only at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (ii) persons to whom it may lawfully be communicated in accordance with Article 43 of the Order (all such persons together being referred to as "**Relevant Persons**"). Any person who is in the United Kingdom and is not a Relevant Person should not act or rely on this document or any of its contents.

## 3.11 Tax Regime of the Offer

Under current French laws and regulations, the following outline summarizes the tax consequences that are likely to be applied to shareholders participating in the Offer.

Shareholders participating in the Offer should note that this information is only a summary, presented for general information purposes, of the tax regime applicable under current legislation.

The regulations mentioned herein could be affected by possible legislative and regulatory modifications that could have retroactive effects or could apply to the current year or fiscal period, or by possible changes in their interpretation by French Tax Authorities.

The tax information below does not constitute an exhaustive description of all the tax effects that could be relevant for shareholders participating in the Offer. Such persons are urged to consult with their usual tax advisor concerning the tax regime applicable to their own situation.

Persons who are not tax residents of France must comply with the tax legislation applicable in the jurisdiction of which they are tax residents and, where applicable, with the provisions of any tax treaties signed between France and the relevant jurisdiction.

### 3.11.1 French resident shareholders holding shares as part of their private estate and who do not trade on the markets on a usual basis

The following developments do not apply to individuals who trade on the markets on a usual basis and who are urged to consult with their usual tax advisor concerning the tax regime applicable to their own situation.

**(a) Standard tax regime**

*(i) Personal income tax*

Pursuant to Articles 150-0 A *et seq*. and 200 A of the French General Tax Code (*code Général des Impôts*, "**CGI**"), net capital gains resulting from the sale of securities and assimilated rights by individuals are, subject to exceptions, taken into account for the purposes of the determination of the net global income subject to the progressive income tax rate scale, after application of a rebate pursuant to Article 150-0 D of the CGI, which is equal to:

a) 50% of their amount where the shares have been held for at least two years and less than eight years, at the date of the disposal;

b) 65% of their amount where the shares have been held for at least eight years, at the date of the disposal.

Subject to exceptions, this period is computed as from the share subscription date or acquisition date.

Shareholders recognizing capital losses or with reportable net capital losses are urged to consult their usual tax advisor to analyze the conditions of use of these capital losses.

The sale of the Company's shares may terminate any potential tax deferral from which the holders of these shares could have benefited with respect to prior transactions.

*(ii) Social security deductions*

Net capital gains resulting from the sale of securities are also subject to social contributions, without the application of the rebate described above, at a total rate of 15.5%, broken down as follows:

- the general social contribution (contribution sociale généralisée, "CSG"), at a rate of 8.2%;
- the contribution for social debt repayment (contribution pour le remboursement de la dette sociale, "CRDS"), at a rate of 0.5%;
- the social levy, at a rate of 4.5%;
- an additional contribution to the social levy, at a rate of 0.3%; and
- a solidarity levy, at a rate of 2%.

Apart from the CSG, which is deductible at up to 5.1% from the total taxable income of the year during which it is paid, these social contributions are not deductible from taxable income.

*(iii) Exceptional contribution on high income earners*

Article 223 *sexies* of the CGI provides that taxpayers who are liable to income tax can be subject to an exceptional contribution on high income applicable when the reference income for tax purposes of the relevant taxpayer exceeds certain thresholds.

This contribution is calculated by applying a rate of:

- 3% to the extent of the portion of reference income which is comprised between €250,001 and €500,000 for taxpayers who are single, widowed, separated or divorced and to the extent of the portion of reference income which is comprised between €500,001 and €1,000,000 for taxpayers subject to joint taxation.

- 4% to the extent of the portion of reference income exceeding €500,000 for taxpayers who are single, widowed, separated or divorced and to the extent of the portion of reference income exceeding €1,000,000 for taxpayers subject to the joint taxation.

The reference income for tax purposes of a tax household, which is mentioned above, is defined in accordance with No. 1 of IV of Article 1417 of the CGI, without application of the "*quotient*" rules defined under Article 163-0 A of the CGI. The reference income includes the net capital gains resulting from the transfer of shares realized by the relevant taxpayers, before the application of the rebate mentioned in paragraph 3.11.1 (a) (i) .

**(b) Shares held under a share savings plan (*plan d'épargne en actions*, "PEA")**

Persons holding Company's shares as part of a PEA can participate in the Offer.

Subject to certain conditions, the PEA allows (i) during the life-time of the PEA, an exemption of capital gains and subject to certain conditions, dividends and other income, generated by the investment made through the PEA from personal income tax and social security contributions provided, in particular, that such income and capital gains are retained within the PEA and (ii) at the time of the closing of the PEA (if it occurs more than five years after the opening date of the PEA, including as a result of a partial withdrawal occurring after five years and before eight years) or at the time of a partial withdrawal of funds from the PEA (if such withdrawal occurs more than eight years after the opening date of the PEA), an exemption of the net gain realized since the opening of the plan. In addition, such net gain is not taken into account for the calculation of the exceptional contribution on high incomes described above, but remains subject to social contributions described in paragraph 3.11.1 (a) (ii) above (provided however, that the effective tax rate of these social contributions may vary depending on the date of realization of the relevant gain).

Specific provisions, not described in this Draft Offer Document, are applicable in case of realization of capital losses, closing of the plan before the end of the fifth year following the opening of the PEA, or exit from the PEA in the form of an annuity. The relevant persons are urged to consult their usual tax advisor.

3.11.2 French resident companies subject to corporate income tax and for which the Company's shares do not qualify as equity investment (*titres de participation*) or assimilated securities

Capital gains realized upon the sale of shares in the Offer are included in the taxable income subject to corporate income tax at the ordinary tax rate of 33 1/3%, increased by the social contribution of 3.3% (Article 235 ter ZC of the CGI), which is assessed on the amount of corporate income tax reduced by a discount that cannot exceed €763,000 per twelve-month period.

Capital losses incurred on the sale of shares in the Offer are deductible from taxable income of the legal entity.

Furthermore, it is specified that the sale of the Company's shares in the Offer would result in the termination any potential tax deferral from which the holders of these shares could have benefited with respect to prior transactions.

However, companies with turnover (net of tax) below €7,630,000, and with a fully paid-up capital which has been continuously held for at least 75% of the fiscal year by individuals or by companies which comply with the above mentioned conditions, benefit from a reduced corporate income tax rate of 15%, within the limit of a taxable income of €38,120 per twelve-month period. These companies are also exempt from the social contribution of 3.3%.

Furthermore, the Finance Act for 2017 introduces a progressive reduction of the corporate income tax rate – 28% instead of 33.1/3% – for the fiscal year opened on or after January 1st 2017, for small and medium-sized enterprises. This measure will be extended to all companies by 2020. Between 2017 and 2020, the conditions for applying the reduced tax rate depend on the level of turnover and taxable income of the company.

Shareholders are urged to consult with their usual tax advisor in order to determine the tax rate applicable to them in light of their personal situation.

Legal entities holding shares of the Company as participating interests *(titres de participation)* or as shares registered under a special account "securities falling under long-term capital gains regime" are urged to consult their usual tax advisor in order to determine the tax regime applicable to their particular situation.

#### 3.11.3 Shareholders who are not French tax residents

Shareholders who are not French tax residents are invited to analyze their specific tax situation with their usual tax advisor, in particular in order to take into account the applicable tax regime in France and in the jurisdiction of which they are tax residents.

#### 3.11.4 Shareholders subject to a different tax regime

Shareholders subject to a tax regime other than those mentioned above and who participate in the Offer (in particular, taxpayers with securities transactions beyond simple portfolio management and who have booked their shares as assets on their commercial balance sheet or legal entities subject to corporate income tax which hold their shares as participating interests *(titres de participation)* or assimilated securities) are urged to consult with their usual tax advisor about the specific tax regime applicable to their situation.

#### 3.11.5 Registration tax or tax on financial transactions

Pursuant to article 726 of the CGI, no transfer tax is due in France in respect of the transfer of shares of a listed company having its registered office in France, unless the transfer is evidenced or reported in a deed signed in France or abroad. In that case, the transfer of shares is subject to a transfer tax of a proportional rate of 0.1%, based on the value of the highest transfer price or the fair market value of shares, subject to certain exceptions set forth in II of article 726 of the CGI. Pursuant to Article 1712 of the CGI, the transfer tax applicable as the case may be, will be due by the transferee (unless provided otherwise in the deed). However, pursuant article to 1705 of the CGI, all the parties to the deed or agreement will be held jointly and severally liable to the payment of such transfer tax vis-à-vis the French Tax Authorities.

Transactions on the shares of the Company realized in 2017 will not be subject to the financial transaction tax set out in article 235 ter ZD of the CGI. The possible application of the financial transaction tax to share transfers that will be realized in subsequent years will depend on the market capitalization of the Company as of December 1 of the preceding year.

## 4 ELEMENTS FOR ASSESSMENT OF THE OFFER

The elements for assessment of the Offer Price contained below have been prepared by the Presenting Bank on behalf of the Bidders. For these purposes, the Presenting Bank used valuation methods on the basis of (i) publicly available information pertaining to the Company and its business sector, (ii) the

FY2017-FY2026 long-term plan of the Company (the "**Business Plan**"), and (iii) information received through discussions with the Company's management.

It was not part of the Presenting Bank's scope of work to verify the above-mentioned sources, nor verify the assets or liabilities of the Company.

The information, figures and analyses contained in this Draft Offer Document other than historical data reflect forward-looking information, expectations and assumptions involving risks, uncertainties and other factors, as to which there can be no guarantee, and which may cause actual facts or results to be materially different from what is discussed in this Draft Offer Document.

## 4.1 Valuation methods

### 4.1.1 Selected valuation methods

The Offer Price has been assessed through a multi-criteria approach using the following valuation methods:

- Analysis of the share price;
- Discounted future cash-flows; and
- Multiples of comparable peer companies.

### 4.1.2 Indicative price references

**Analysis of the Block Trade:** on February 10, 2017, TWDC announced the acquisition of 90% of KH's interest in the Company, representing approximately 9% of Euro Disney S.C.A.'s outstanding shares. The price for the transaction is equivalent to €2.00 per Company share and paid in shares of TWDC common stock, based on TWDC's closing price as of February 14, 2017 (i.e. $110.33) and 1.0623 €/$ exchange rate (source: ECB as of February 14, 2017), through re-issued treasury shares[9]. TWDC shares were registered with the SEC and admitted to listing on NYSE prior to closing and therefore immediately tradable and fully fungible with other TWDC shares. At the time of closing (i.e. February 15, 2017), KH held approximately 1.36 million TWDC shares, representing a 0.1% stake.

**TWDC – Share price analysis**

| Reference (as of 14-Feb-17) | VWAP (USD / share) | % premium (discount) |
|---|---|---|
| **KH - acquisition price** | **110.3** | |
| Spot | 110.3 | - |
| Last month | 109.3 | 1% |
| Last 3 months | 104.8 | 5% |
| Last 6 months | 99.4 | 11% |
| Last 9 months | 98.9 | 12% |
| Last 12 months | 99.1 | 11% |

**TWDC – Liquidity analysis**

| Reference (as of 14-Feb-17) | Avg daily volumes (m) | % avg daily volumes |
|---|---|---|
| **KH - # of shares** | **1.36** | |
| Spot | 4.77 | 28% |
| Last month | 7.48 | 18% |
| Last 3 months | 8.04 | 17% |
| Last 6 months | 7.68 | 18% |
| Last 9 months | 7.61 | 18% |
| Last 12 months | 7.57 | 18% |

[9] In lieu of issuing a fractional share, a small amount of cash ($77.42) was paid to KH at closing.

**Analysts' target prices:** analysts' target prices are not a valuation method as such, since each analyst performs his/her own valuation based on publicly available information and different valuation methods that the Bidders are not in a position to verify. Moreover, published target prices rely on the perception of the Company's strategy and prospects that are not necessarily consistent with the latest plans of the Company or developments regarding the competitive environment surrounding the Company and its operational and financial performance. Finally, only one financial analyst currently follows the stock, Oddo & Cie. Therefore, the target price should be considered only as an indicative value and cannot serve as a reference in itself.

The following table shows the target prices published by Oddo & Cie before and after announcement of the contemplated Offer:

| Analyst | Analyst's name | Date of review | Recommendation | Target price (€) | Share price @ reco. (€) |
|---|---|---|---|---|---|
| **Oddo & Cie** | Harold De Decker | 10-Feb-17 after announcement | Neutral | 2.00 | 1.99 |
| **Oddo & Cie** | Harold De Decker | 11-Nov-16 before announcement | Reduce | 0.60 | 1.14 |

Oddo & Cie's target price was €0.60 per share before announcement of the contemplated Offer.

**Net book value of assets:** the net book value of assets accounts for contributions in kind and in cash by the Company's shareholders, and the historical accumulation of the Company's earnings, excluding its future prospects. For information purposes, the book value of the consolidated shareholders' equity was €(0.15) per share as of September 30, 2016, and is estimated at €(0.24) per share as of March 31, 2017.

4.1.3 Excluded valuation methods

**Net asset value:** this method consists of re-assessing at market value the assets and liabilities entered into the company's balance sheet, taking into account the existence or not of unrealized gains on the assets, liabilities or off-balance sheet items. This method is relevant primarily for diversified holding companies or companies that hold a large number of assets – in particular real estate assets or assets not used in operations – and there is likely to be a significant difference between the historical value of these assets recorded on the balance sheet compared to their immediately realisable economic value. This method is also relevant when used as part of a winding-up approach since it factors in liquidation costs.

Within the Company, real estate assets that may contribute to re-assessing the Company's net asset value consist of Theme Parks, Hotels, Disney Village facilities, land rights and investment properties:

- Theme Parks and Disney Village facilities were specifically designed for the model developed under the Disney brand, and as such, cannot be sold and developed separately. Should a sale-and-leaseback transaction be considered, the resulting rents would significantly burden the Company's financial results, which already recorded losses over the past few years;

- Similarly, the Hotels should be regarded as inseparable from the Theme Parks as they have been developed to be an integral part of the guest experience and a key driver for marketing offerings. From a business continuity perspective, their interconnection with the Theme Parks makes the net asset value approach irrelevant. The cash-flows and financial aggregates from these activities have been captured in the Business Plan prepared by the Company and used for the purpose of the valuation;

- Finally, the land rights and the investment properties cash-flows have also been captured in the Business Plan prepared by the Company and used for the purpose of the valuation.

Accordingly, the Presenting Bank believes that this method is not applicable to assess the value of the Offer.

**Discounted dividend flows (or "returns method"):** this method consists of the valuation of the Company's equity by relying on assumptions of future dividend distributions based on a business plan. These future flows to shareholders are discounted at the cost of equity. This method is only relevant for companies that have a substantial ability to pay dividends in a regular and predictable manner. Accordingly, the Presenting Bank believes that this method is not relevant to assess this Offer since no dividend has been distributed or paid by the Company since the Fiscal Year 1993.

**Multiples of comparable transactions:** the Presenting Bank believes that this method is not applicable since there are no recent transactions involving companies directly comparable to the Company.

### 4.2 Information and data used in the valuation methods

#### 4.2.1 Annual earnings for the Fiscal Year 2016

Revenues for FY2016 were €1,278 million, a decrease of 7% compared to the prior year. The decrease was due to lower volumes, primarily resulting from the adverse tourism environment in Paris.

Resort revenues for FY2016 decreased 7% to €1,267 million, compared to the previous year. Theme Parks revenues decreased 10% to €722 million due to a 10% decrease in attendance. The decrease in attendance was due to fewer guests visiting from all the Group's key European markets. Hotels and Disney Village® revenues decreased 4% to €505 million due to a 2 percentage point decrease in Hotel occupancy, a 1% decrease in average spending per room and a 2% decrease in Disney Village revenues. The decrease in Hotel occupancy resulted from fewer guests visiting from most key European markets, partially offset by more guests visiting from France and Germany. The decrease in average spending per room was due to lower daily room rates, partly offset by higher spending on food and beverage. The decrease in Disney Village revenues was attributed to lower Resort volumes.

Revenues generated by the real estate development operating segment increased by €4 million to €11 million due to higher land sale activity. Given the nature of the Group's real estate development activity, the number and the size of transactions vary from one year to the next.

Direct operating costs increased 4% compared to the prior year due to continuing enhancements to the guest experience, including new shows, attraction improvements and Hotel refurbishments, as well as labor and other operating cost increases. These increases were partly offset by a decrease in certain costs associated with lower Resort volumes. In addition, the Group incurred incremental security costs during the year compared to the prior Fiscal Year. Marketing and sales expenses increased 5% compared to the prior year due to increased media campaigns and technology initiatives. General and administrative expenses increased 10% compared to the prior year, reflecting higher labor costs and new technology initiatives.

The deterioration of the operating results of the Group for FY2016, which were caused by the headwinds faced by the tourism industry in Paris, generated the need for the Group to perform an impairment test of all its long-lived assets. As a result, the Group recorded a charge of €565 million in the year[10]. The impairment charge had no impact on the Group's cash position or cash flows.

Net financial charges decreased 17% compared to the prior year, mainly due to lower interest expense on borrowings as a direct result of the 2014 Recapitalization Plan.

[10] The Company received an unqualified opinion from its auditor for the FY2016 financial statements, taken as a whole.

For FY2016, the net loss of the Group increased to €858 million from €102 million in the prior year. Net loss attributable to owners of the parent and non-controlling interests amounted to €705 million and €153 million, respectively. Excluding the impairment charge of €565 million in the current year and the €24 million gain for the early termination of a lease agreement in the prior year, the net loss increased €167 million.

#### 4.2.2 Quarter ended on December 31, 2016

During the quarter ended December 31, 2016, the Group continued its refurbishment program in preparation of the upcoming celebration of Disneyland® Paris' 25th Anniversary. The Group notably completed the refurbishment of *Big Thunder Mountain* which re-opened in December 2016. Completed renovations, which also include *"it's a small world"* and *Peter Pan's Flight* in the prior year, have enhanced the park's offerings and contributed to positive guest feedback (e.g. guest satisfaction measures).

During that quarter, Resort revenues totaled €345 million, an increase of 3% compared to the first quarter of FY2016 and an increase of 1% compared to the first quarter of FY2015. Theme Parks revenues increased 3% to €194 million due to a 6% increase in attendance as the prior-year quarter was impacted by a four-day closure of the parks following the November 2015 events in Paris. This increase in attendance was partially offset by a 3% decrease in average spending per guest compared with the prior-year quarter. The increase in attendance was primarily driven by more guests visiting from France and the United Kingdom, partially offset by fewer guests visiting from Belgium and the Netherlands. The decrease in average spending per guest was primarily due to lower average ticket rates. Hotels and Disney Village® revenues increased 4% to €141 million mainly due to a 3 percentage point increase in Hotel occupancy. The increase in Hotel occupancy reflected more guests visiting from the United Kingdom, partially offset by fewer guests staying at the Hotels from Belgium and France.

Real Estate revenues increased €5 million to €9 million due to higher land sale activity. Given the nature of the Group's real estate development activity, the number and size of transactions vary from one period to the next.

As discussed above in 4.2.1, the Group reported a €565 million impairment charge in accordance with IFRS. Separately, each Fiscal Year the Company prepares statutory financial statements under French accounting principles which are different than IFRS principles. On that basis, in FY2016 statutory financial statements prepared under French accounting principles, the Company recorded a €953 million impairment charge related to its investment in EDA.

In January 2017, Disneyland Paris launched the *Season of the Force*. For this event, which lasted until March 2017, Walt Disney Studios® Park presented a nighttime spectacular which transported guests to the heart of the *Star Wars Saga*. This show combined live entertainment, special effects and an epic sound and light show projected on the park's most iconic building. Throughout the day, guests were also able to see heroes from the world of *Star Wars* as part of a number of events for the celebration of the galactic saga.

On March 26, 2017, Disneyland Paris kicked off its 25th Anniversary celebration, which features a new nighttime spectacular, a new daytime parade and exclusive shows. Enhanced attractions were also launched for the celebration, including *Star Wars Hyperspace Mountain* and *Star Tours: The Adventures Continue*.

#### 4.2.3 Retained Business Plan

The most recent long-term business plan for the Group was prepared in February 2017 on the basis of the three-year plan presented to the Supervisory Board of the Company on November 9, 2016. This

FY2017-FY2026 Business Plan updated the Group's previous business plan to reflect the deterioration in the Group's performance over FY2016 (7% decrease in revenues vs. previous year) and the resulting lower expected starting point in FY2017. This led mainly to a more conservative view of the Fiscal Years 2017 and 2018. The full recovery following November 2015 events in Paris (in terms of volumes and revenues) is expected by FY2021.

#### 4.2.3.1 *Revenues*

*Resorts*

The Business Plan projects a 10-year revenue growth of +4% CAGR thanks to higher rates (e.g. Hotel rehabilitations, A&E[11]) and higher volumes (e.g. attacks recovery, improved economic environment).

*Real Estate*

The Real Estate development operating segment manages the real estate development and expansion of the 2,230-hectare property including and surrounding the Resort. Real Estate development revenue includes sale and lease of the land purchased, ground lease income from third-party developers and conceptual design services related to third-party development.

Pursuant to the Main Agreement[12] signed by the Company and public authorities, the development of the Resort is executed in six successive phases, with deadlines agreed in advance. If such minimum development deadlines are not met or amended (the next of which is on December 31, 2022), the acquisition rights for the remaining undeveloped land may expire. Also, any acquisition rights for undeveloped land not included in a development phase or approved by 2030 will expire. As of March 31, 2017, all minimum development deadlines have been met and no land rights have expired unused.

The three first phases (1989-2013) developed approximately half of the available area. As part of Phase IV (started in 2014), the Company is currently developing Villages Nature, (eco-tourism project), Theme Parks and Hotels expansions, access infrastructures, residential and office constructions, shopping mall extensions and new public facilities. The development of phases V and VI is scheduled to be made between 2021 and 2030. The development (and therefore exploitation of the land) will continue beyond 2030.

Forecasted cash-flows from the Real Estate development operating segment are included in the Business Plan used for the purpose of the valuation exercise (discounted future cash-flows and multiple of comparable peer companies). The Business Plan projected Real Estate revenue to decline at an 8% compounded annual rate over the 10-year period and a cumulative gross margin of approximately €105 million over the period.

#### 4.2.3.2 *Operating Expenses*

The Business Plan projected a 10-year operating expenses ("opex") growth of +3% CAGR, mainly driven by higher revenue and volume-related costs, inflationary cost growth, and guest experience / entertainment-related costs (to support revenue growth). This level of growth represents a slowdown compared to the 8% annual growth experienced over the last three years.

#### 4.2.3.3 *Royalty and Management Fees ("**RMF**") waiver*

In November 2016, TWDC agreed to waive two years of RMF, commencing with the €21 million

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[11] A&E : "Attractions and Entertainment".

[12] The Main Agreement provides the Group the right, subject to certain conditions, to acquire the land necessary for the expansion of the Resort from the Public Development Department (*Etablissement Public d'Aménagement* or "**EPA**").

payment for the fourth quarter of FY2016. The objective was to provide the Company with liquidity above its remaining undrawn standby revolving credit facility ("**RCF**").

The RMF waiver will have a positive pre-tax and non-discounted impact of €88 million in FY2017 (full year impact, of which €51 million for the second half of FY2017) and €69 million in FY2018 (nine-month impact).

4.2.3.4 *Capital Expenditures*

The Business Plan estimated the 10-year capital expenditures ("capex") spending at €2.1 billion, which includes major investments in hotel rehabilitations at the Hotel New York and the Disneyland Hotel, as well as Marvel-themed A&E at the Walt Disney Studios. Average annual capex of €210 million is in line with recent investment levels and will allow it to continue efforts to catch-up on asset maintenance following years of underinvestment, as well as to improve guest experience.

4.2.3.5 *Financing*

Based on near-term projections, the Company is able to operate within the €350 million RCF through FY2018, largely enabled by the 2-year RMF waiver granted by TWDC, which provides a positive pre-tax impact of €88 million in FY2017 (full year impact, of which €51 million for the second half of FY2017) and €69 million in FY2018 (nine-month impact).

Cash needs will exceed the RCF by more than €300 million (with a peak in FY2023), and the current Business Plan does not provide the funds necessary to repay the €350 million RCF due in FY2024 or the €1 billion of debt due in FY2025 to TWDC.

4.2.3.6 *Extrapolation by the Presenting Bank over FY2027-FY2030*

The Presenting Bank has performed an extrapolation of the Business Plan beyond the explicit period (FY2017-FY2026), over FY2027-FY2030, in order to achieve normative levels:

- Revenues: linear decrease of growth towards a normative level of 2.00% (in line with the perpetual growth rate used in the discounted future cash-flows method);

- EBITDA margin: linear increase of EBITDA margin towards a normative level of 15.0% (long-term historical average over FY2007-FY2013) compared to an EBITDA margin of 11.3% in the last year of the Business Plan (i.e. in FY2026);

- Capex (respectively D&A[13]): linear decrease of capex (respectively D&A) in percentage of revenue towards a normative level of 6.5% (representing €150 million in FY2030); and

- Working Capital: linear decrease of working capital in percentage of revenue towards normative level of (23)% (quarterly average based on LTM[14] revenues over FY2014-FY2016) compared to a working capital in percentage of revenue of (22)% in the last year of the Business Plan (i.e. in FY2026).

4.2.3.7 *Corporate tax rate*

Based on the *projet de loi de finances 2017*, the corporate tax rate will decrease from 34.4% currently to 28.9% from the first fiscal year starting from 1 January 2020, and will be therefore effective from FY2021 for the Company.

[13] D&A : "Depreciation and Amortization".
[14] LTM : "Last Twelve Months".

### 4.2.4 Net debt and transition from enterprise value to equity value

#### 4.2.4.1 *Enterprise value to equity value adjustments*

Some adjustments are required to convert the Company enterprise value into the value of the Company equity. Notably, the following adjustments were made:

- Decreasing the enterprise value, the net consolidated financial debt of €1,110 million calculated as (i) €1,190 million of financial debt plus (ii) €10 million of financial leases minus (iii) €90 million of cash and cash equivalents, on the basis of the projected financial statements as of March 31, 2017;

- Increasing the enterprise value, the equity investments in resort and real estate companies at market value for €99 million;

- Increasing the enterprise value, the other financial assets for €41 million, including cash advances to Les Villages Nature de Val d'Europe, on the basis of the projected financial statements as of March 31, 2017;

- Decreasing the enterprise value, the retirement obligation liabilities for €56 million after tax, on the basis of the projected financial statements as of March 31, 2017;

- Decreasing the enterprise value, the other provisions for €31million including provisions related to the Company's obligation to fund its equity investments for €16 million, on the basis of the projected financial statements as of March 31, 2017;

- Decreasing the enterprise value, the minority interests in Centre de Congrès Newport (consolidated as a special purpose financing entity in which the Company has no ownership) for €10 million, on the basis of the projected financial statements as of March 31, 2017; and

- Minority interests in EDA were subtracted from the enterprise value, for a total amount of 18% of the net enterprise value (as the Company only holds 82% of EDA) calculated using the valuation methods retained by the Presenting Bank.

#### 4.2.4.2 *Tax losses carried forward*

No deferred tax assets arising from tax losses have been recorded in the financial statements of the Company (as per the Business Plan, the Company will be loss-making throughout FY2017-FY2026). Therefore, tax losses carried forward have been valued separately using the same parameters as the discounted future cash-flows method.

Taxes have been modelled on the basis of the Earnings Before Interest & Taxes (the "EBIT")[15]. It has been assumed that the accumulated tax loss of €2,678 million as of September 30, 2016, can be carried forward with no time limitation and can be used every year on the EBIT of the current year up to a maximum of €1 million plus 50% of the taxable base exceeding €1 million. The corporate tax rate will decrease from 34.4% currently to 28.9% from the first fiscal year starting from 1 January 2020 (*projet de loi de finances 2017*), and will be effective therefore from FY2021 for the Company.

Based on the assumptions retained, tax losses carried forward have been valued at €174 million (representing €0.18 per share).

[15] EBIT calculated as EBITDA minus fiscal depreciation and amortization

### 4.2.5 Number of shares

The number of the Company outstanding shares as of the date of this Draft Offer Document, used for the valuation, is equal to 783,174,459, broken down as follows:

- Total number of shares of 783,364,900;
- Net of 190,441 treasury shares (as of February 23, 2017, and flat since then) as per a liquidity contract with Oddo & Cie.

There are no dilutive instruments recorded on the share capital of the Company.

## 4.3 Retained valuation methods

### 4.3.1 Analysis of the share price

The Company ordinary shares are admitted for trading on Euronext Paris (Compartment B of Eurolist) under the ISIN FR0010540740.

The following table shows the closing share price of the Company as of February 9, 2017, and of the average share prices (average of closing prices weighted by daily volumes traded) for the periods preceding February 9, 2017 (last day prior to the contemplated Offer announcement) set forth below (source: Factset):

**Absolute and relative share price performance**

| (In EUR per share) | Share price | | | Performance | |
|---|---|---|---|---|---|
| As of 09/02/17 | Min. | Vol. wght. avg. | Max. | Absolute perf. | Rel. to SBF 120 |
| Spot | -- | 1.20 | -- | -- | -- |
| 1-month | 1.18 | 1.22 | 1.24 | - | 0.8% |
| 3-month | 1.06 | 1.17 | 1.24 | 5.3% | (1.3%) |
| 6-month | 1.06 | 1.18 | 1.25 | (3.2%) | (11.2%) |
| 9-month | 1.06 | 1.19 | 1.27 | (2.4%) | (13.7%) |
| 12-month | 1.06 | 1.20 | 1.28 | (5.5%) | (26.5%) |
| 2017 | 1.17 | 1.21 | 1.24 | 0.8% | 1.6% |
| 2016 | 1.06 | 1.20 | 1.31 | (6.2%) | (10.9%) |

NB: Weighted average and performance based on closing share price

**Trading volumes statistics**

| (In EUR per share) | Daily volumes | | | Rotation | |
|---|---|---|---|---|---|
| As of 09/02/17 | Average '000 | Wght. avg. share price | Vol. in EURm* | Over capital | Over free float |
| Spot | 40 | 1.20 | 0.05 | 0.01% | 0.02% |
| Last month | 49 | 1.22 | 0.06 | 0.01% | 0.03% |
| Last 3 months | 69 | 1.17 | 0.08 | 0.01% | 0.04% |
| Last 6 months | 117 | 1.18 | 0.14 | 0.01% | 0.06% |
| Last 9 months | 94 | 1.19 | 0.11 | 0.01% | 0.05% |
| Last 12 months | 85 | 1.20 | 0.10 | 0.01% | 0.05% |

* Based on weighted average closing share price

### 4.3.2 Discounted future cash-flows

This method consists of an evaluation of the value of the Company's capital employed (intrinsic value) by discounting forecast free cash-flows generated by such capital employed. The value attributable to the Company's shareholders is obtained by deducting the amount of the Company's net debt (as described in Section 4.2.4.1) from the value of capital employed and adjusting for the interests of minority shareholders in EDA (also as described in Section 4.2.4.1).

Valuation has been performed as of March 31, 2017 and enterprise value has been obtained by discounting future free cash-flows at the cost of capital. It includes (i) the discounted value of cash-flows over the FY2017-FY2030 period as well as (ii) the terminal value determined at the end of this period by discounting a normalized cash-flow to perpetuity. The free cash-flows used have been determined on the basis of the financial assumptions referenced in Section 4.2.3.

The enterprise value excludes the present value of the future tax benefits implied from the net operating loss usage (as described in Section 4.2.4.2), which have been valued separately using the same parameters as the discounted future cash-flows method.

#### 4.3.2.1 *Cost of capital*

The retained methodology for the cost of capital computation is the direct approach, on the basis of:

- a specific risk-free rate of 0.32% (based on euro long-term yield to maturity, source: Bloomberg – 3-month average);
- a risk premium for equity markets in Europe of 9.42% (source: Bloomberg – 3-month average);
- an unlevered beta of 0.82 based on the betas from peers (source: Global Barra), weighted 60% for theme parks & ski resorts and 40% for hotels; and
- a country risk premium of 0.44% (based on the average of a 10-year yield spread and a 10-year yield spread regression between the French and German bonds).

The cost of capital of the Company comes out at 8.52%.

#### 4.3.2.2 *Terminal value*

Terminal value is determined using the Gordon Shapiro approach and is based on a perpetual growth rate estimated as of FY2030 by considering market specificities: the selected perpetual growth rate is 2.00%, consistent with long-term inflation estimates published by the Economic Intelligence Unit.

The EBITDA margin retained as hypothesis for the terminal value is 15.0%, in line with its historical average over FY2007-FY2013.

#### 4.3.2.3 *Sensitivities and Results*

The central values have been computed using 8.50% cost of capital and 2.00% perpetual growth rate. Sensitivity analyses obtained on enterprise value and equity value per share using this method were carried out on the cost of capital and on the perpetual growth rate:

- Cost of capital between 8.00% and 9.00%; and
- Perpetual growth rate ("PGR") between 1.75% and 2.25%.

**Sensitivity on enterprise value – €m**

| | | Cost of capital | | | | |
|---|---|---|---|---|---|---|
| | | 9.50% | 9.00% | 8.50% | 8.00% | 7.50% |
| PGR | 1.50% | 610 | 695 | 793 | 909 | 1,047 |
| | 1.75% | 640 | 730 | 835 | 960 | 1,108 |
| | 2.00% | 672 | 768 | 881 | 1,015 | 1,175 |
| | 2.25% | 707 | 809 | 930 | 1,074 | 1,249 |
| | 2.50% | 744 | 853 | 983 | 1,139 | 1,330 |

**Sensitivity on equity value per share – €**

| | | Cost of capital | | | | |
|---|---|---|---|---|---|---|
| | | 9.50% | 9.00% | 8.50% | 8.00% | 7.50% |
| PGR | 1.50% | (0.34) | (0.24) | (0.11) | 0.03 | 0.20 |
| | 1.75% | (0.31) | (0.20) | (0.06) | 0.09 | 0.27 |
| | 2.00% | (0.27) | (0.15) | (0.01) | 0.15 | 0.35 |
| | 2.25% | (0.23) | (0.10) | 0.04 | 0.22 | 0.43 |
| | 2.50% | (0.19) | (0.05) | 0.11 | 0.30 | 0.52 |

On the basis of this analysis, the value of a Company share is within a range that is comprised between €(0.20) and €0.22 per share with a central value at €(0.01) per share, including €0.18 value per share for tax losses carried forward.

For illustrative purposes, a valuation has been performed excluding the benefits of the RMF waiver in the second half of FY2017 and in FY2018, which leads to a range that is comprised between €(0.30) and €0.12 per share with a central value at €(0.11) per share (enterprise value impact of the RMF waiver of €97 million, i.e. €0.10 per share).

Although the outcome of the derivative action filed by CIMA is uncertain and the Bidders believe the claims have no merit, the Presenting Bank has performed a sensitivity analysis utilizing the discounted cash-flows method and theoretical computations which assume, strictly for illustrative purposes only, recovery by the Company of all or some of the royalties, management fees and development fees in dispute to assess the potential impact on valuation, based on the following scenarios:

*CIMA derivative action*

- the full payment in FY2018 of the €930 million claim (€610 million post tax) for the fees paid from 1992 to 2014, plus the payment of €124 million (€82 million post tax) for the fees paid in 2015 and 2016, for a total amount of €1,055 million (€692 million post tax), representing an increase of €1.00 per share (of which €0.18 per share stems from the higher value of tax losses carried forward due to a faster utilization); or

- the payment in FY2018 of €920 million (€603 million post tax) based on the assumption above (i.e. 1992-2014 as well as 2015 and 2016) and the fact that the Company only holds a 82% interest in EDA since 2005 (EDA being the entity paying the fees), representing an increase of €0.87 per share (of which €0.16 per share stems from the higher value of tax losses carried forward due to a faster utilization).

*CIMA derivative action taking into account the three-year statute of limitation*

- the payment in FY2018 of €337 million (€221 million post tax) for the fees paid during the period where the claim is supposed not to be subject to the three-year time limit (i.e. 2012-2014 as well as 2015 and 2016), representing an increase of €0.31 per share (of which €0.05 per share stems from the higher value of tax losses carried forward due to a faster utilization); or

- the payment in FY2018 of €277 million (€181 million post tax) based on the assumption above (i.e. 2012-2014 as well as 2015 and 2016) and the fact that the Company only holds a 82% interest in EDA since 2005, representing an increase of €0.25 per share (of which €0.03 per share stems from the higher value of tax losses carried forward due to a faster utilization).

The assumptions mentioned above would lead to a theoretical value between €0.85 per share and €0.99 per share based on CIMA derivative action, or between €0.24 to €0.29 per share based on CIMA derivative action with the application of the three-year statute of limitation compared to the central value of €(0.01) per share resulting from the discounted future cash-flows method as detailed in Section 4.3.2.

In addition, the Presenting Bank has performed a theoretical computation based on the discounted future cash-flows method using the same assumptions as described in Section 4.3.2 and the repayment to the Company of all amounts in excess of 2.5% of Theme Parks revenues (level of royalties on which the CIMA derivative action is based it being noted that TWDC and its subsidiaries are under no obligation to agree to any such reduced rates, which therefore are purely theoretical and have been considered only for the sake of argument) going forward, representing an increase of €0.93 per share split as follows:

- an increase of €0.88 per share due reintegration of the amount of fees in excess of 2.5% of Theme Parks revenues; and

- an increase of €0.05 per share due to the higher value of tax losses carried forward (faster utilization).

The assumptions mentioned above (both for past and future adjustments) would lead to a theoretical value between €1.77 per share and €1.90 per share based on CIMA claim, or between €1.16 to €1.22 per share based on CIMA claim with the three-year statute of limitation.

The Presenting Bank therefore considers that the offer price fully takes into account the theoretical value of the CIMA derivative action, particularly in light of the uncertainty of any recovery. It should be emphasized that this sensitivity analysis performed by the Presenting Bank does not purport to evaluate the legal merits of these claims or the prospects of any recovery.

### 4.3.3 Multiples of comparable peer companies

This method consists of determining the value of a Company share by applying to its forecasted financial aggregates, the multiples observed with respect to a series of comparable listed companies. There are no listed companies that are directly comparable to the Company in terms of activities, size, margins, geographical location and allocation of assets. Accordingly, the Presenting Bank has selected a mixed sample of companies, reflecting the Company's range of activities or similar activities, consisting of eight companies that operate theme parks or ski resorts and six hotel companies. To reflect the blended business exposure of the Company, the retained multiples are weighted averages of the theme parks & ski resorts sample for 60% and of the hotels sample for 40%.

The methodology applied focuses on the Enterprise Value/EBITDA multiples. These multiples consider the operating performances of the various companies in the sample. Such multiples are not influenced by discrepancies in capital structure nor in the rules applied for depreciation and amortization.

For the purposes of the comparable multiples valuation method, the enterprise value of comparable companies has been calculated on the basis of the market capitalisation plus last available net financial debt plus minority interests plus unfunded pension liabilities minus equity securities of companies accounted for using the equity method minus current assets available for sale. EBITDA forecasts were estimated using consensus of financial analysts.

#### 4.3.3.1 *Theme parks & ski resorts sample*

**Cedar Fair**

Cedar Fair is a US company that owns and manages theme parks in North America. The company specialises in complexes that include rides, water parks and sometimes hotels and campsites. Its market capitalisation stood at €3.6 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.2 billion and net earnings were €161 million.

**Compagnie des Alpes**

Compagnie des Alpes is a French company which owns and manages ski resorts and theme parks through its subsidiary Grevin & Cie. Its market capitalisation stood at €475 million as of March 24, 2017. For the financial year ended September 30, 2016, sales amounted to €720 million and net earnings were €33 million.

**Merlin Entertainment**

Merlin Entertainment is a UK company that owns and operates theme parks through three groups: Midway Attractions, Legoland Parks and Resort Theme Parks. Its market capitalisation stood at €5.7 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.8 billion and net earnings were €257 million.

**Oriental Land**

Oriental Land Company is a Japanese company listed in Tokyo. It is engaged in the operation of theme parks, specifically the Tokyo Disney Resort, and hotels. It is also involved in the management and operation of the Disney Resort railway line. Its market capitalisation stood at €17.7 billion as of March 24, 2017. For the financial year ended March 31, 2016, sales amounted to €3.5 billion and net earnings were €558 million.

**Parques Reunidos**

Parques Reunidos is a Spanish company that operates amusement parks, zoos and nature parks, water parks and leisure facilities. Its market capitalisation stood at €1.3 billion as of March 24, 2017. For the financial year ended September 30, 2016, sales amounted to €579 million and net earnings were €4 million.

**Seaworld**

Seaworld is a US company specialising in the operation of leisure water parks. The company also exploits its brand through media, entertainment and spin-off products. Its market capitalisation stood at €1.5 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.2 billion and net losses were €(11) million.

**Six Flags**

Six Flags is a US company that owns and operates regional theme parks, mainly in the US. Its market capitalisation stood at €5.0 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.2 billion and net earnings were €107 million.

**Vail Resorts**

Vail Resorts is a US company which owns and operates ski resorts in the USA, luxury hotels under the brand RockResorts and other accommodation assets near ski resorts. Its market capitalisation stood at €6.9 billion as of March 24, 2017. For the financial year ended July 31, 2016, sales amounted to €1.4 billion and net earnings were €135 million.

The table below shows the average multiples observed in the sample considered based on the one-month average closing prices as of March 24, 2017:

**Multiples for theme parks & ski resorts**

| All data in EUR Currency<br>Calendarized as of 30/9 | Market cap. | EV | EV/EBITDA 2017e | 2018e | 2019e |
|---|---|---|---|---|---|
| Cedar Fair | 3,560 | 4,904 | 10.5x | 9.9x | 9.5x |
| Compagnie des Alpes | 475 | 845 | 4.3x | 4.1x | 4.1x |
| Merlin Entertainments | 5,737 | 6,938 | 12.4x | 11.0x | 10.0x |
| Oriental Land | 17,721 | 15,704 | 12.5x | 11.7x | 11.0x |
| Parques Reunidos | 1,276 | 1,842 | 8.9x | 8.1x | 7.7x |
| SeaWorld Entertainment | 1,518 | 2,907 | 8.4x | 7.9x | NA |
| Six Flags Entertainment | 5,040 | 6,787 | 13.3x | 12.3x | 11.7x |
| Vail Resorts | 6,919 | 8,041 | 14.2x | 12.9x | NA |
| **Average** | | | **10.6x** | **9.8x** | **9.0x** |
| **Median** | | | **11.4x** | **10.5x** | **9.8x** |

#### 4.3.3.2 *Hotel sample*

**Accor**

Accor is a French company which owns and operates hotels in more than 90 countries under brands such as Raffles, Sofitel, Fairmont, Pullman, Novotel, Adagio, Ibis and others. Its market capitalisation stood at €10.7 billion as of March 24, 2017. For the financial year ended December 31, 2016[16], sales amounted to €5.6 billion and net earnings were €266 million.

**InterContinental Hotel Group**

InterContinental Hotel Group is a UK company which owns and manages hotels through its international brands such as InterContinental Hotels & Resorts, Crowne Plaza Hotels & Resorts, Hotel Indigo, Holiday Inn and others. The hotels are owned, managed or franchised. Its market capitalisation stood at €8.8 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.6 billion and net earnings were €374 million.

**Melia Hotels International**

Melia Hotels International is a Spanish company that owns and manages hotels under its international brands such as Gran Melia, Paradisus, Melia, Innside, Tryp by Wyndham and others. Its market capitalisation stood at €2.8 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.8 billion and net earnings were €101 million.

**Millennium & Copthorne Hotels**

Millennium & Copthorne Hotels is a UK company that owns and manages hotels under its international brands Grand Millennium, Millennium, Copthorne and Kingsgate. Its market capitalisation stood at €1.7 billion as of March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.1 billion and net earnings were €95 million.

**NH Hotel Group**

NH Hotel Group is a Spanish company that owns and manages hotels under its European brands such as NH Collection, NH Hotels, Nhow and Hesperia. Its market capitalisation stood at €1.5 billion as of

[16] FY2016 consolidated figures, including discontinued operations.

March 24, 2017. For the financial year ended December 31, 2016, sales amounted to €1.4 billion and net earnings were €33 million.

**Whitbread**

Whitbread is a UK company involved in the operation of hotels, restaurants and coffee shops. Whitbread provides its services through several international brands such as Premier Inn, Costa, Hub by Premier Inn, Beefeater Grill, Brewers Fayre or Table Table. Its market value amounts to €8.2 billion as of March 24, 2017. For the financial year ended March 3, 2016, sales amounted to €4.0 billion and the net earnings were €537 million.

The table below shows the average multiples observed in the sample considered based on the one-month average closing prices as of March 24, 2017:

**Multiples for hotels**

| All data in EUR Currency<br>Calendarized as of 30/9 | Market cap. | EV | EV/EBITDA 2017e | EV/EBITDA 2018e | EV/EBITDA 2019e |
|---|---|---|---|---|---|
| Accor | 10,700 | 12,186 | 10.2x | 9.5x | NA |
| InterContinental Hotels | 8,780 | 9,974 | 12.8x | 12.1x | 11.4x |
| Melia Hotels Intl | 2,834 | 2,988 | 9.9x | 9.1x | 8.6x |
| Millennium & Copthorne | 1,711 | 2,614 | 9.7x | 9.4x | 8.9x |
| NH Hotel Group | 1,463 | 2,027 | 9.4x | 8.3x | 7.7x |
| Whitbread | 8,176 | 9,604 | 10.1x | 9.4x | 8.8x |
| **Average** | | | **10.3x** | **9.6x** | **9.1x** |
| **Median** | | | **10.0x** | **9.4x** | **8.8x** |

4.3.3.3 *Sensitivities and Results*

The assumptions retained for the multiples of comparable peer companies approach are the following:

- Retained multiples: 2017 and 2018 EBITDA multiples weighted based on the 60% / 40% proportion mentioned above;

- Retained multiples applied to EBITDA excluding RMF waiver (to avoid valuing the RMF waiver perpetually);

- Enterprise value to equity value adjustments as per the methodology described in Section 4.2.4.1;

- Value adjusted for both (i) the intrinsic value of tax losses carried forward as per the methodology described in Section 4.2.4.2 and (ii) the intrinsic value of the RMF waiver.

On the basis of the assumptions described above, the value of a Company share is comprised within a range of:

- €(0.43) to €(0.34) per share (sensitivity +/- 1.0x EBITDA), with a central value at €(0.38) per share based on 2017 EBITDA multiples; and

- €0.23 to €0.48 per share (sensitivity +/- 1.0x EBITDA), with a central value at €0.35 per share based on 2018 EBITDA multiples.

| Samples | Theme Parks | | Hotels | |
|---|---|---|---|---|
| | 2017e | 2018e | 2017e | 2018e |
| Average EV / EBITDA | 10.6x | 9.8x | 10.3x | 9.6x |
| Weighting | 60% | | 40% | |

| In €m | Weighted average - 2017e | | | Weighted average - 2018e | | |
|---|---|---|---|---|---|---|
| | Min | Central | Max | Min | Central | Max |
| Retained multiples | 9.5x | 10.5x | 11.5x | 8.7x | 9.7x | 10.7x |
| EBITDA excl. RMF waiver | | 41 | | | 117 | |
| **Implied Entreprise value** | **388** | **429** | **470** | **1,016** | **1,133** | **1,249** |
| EV-Eq. adjustments / TLCF | (892) | | | | | |
| Value of RMF waiver | 97 | | | | | |
| **Equity value (100%)** | **(407)** | **(366)** | **(325)** | **221** | **338** | **455** |
| **Equity value (82% stake)** | **(334)** | **(300)** | **(266)** | **181** | **277** | **373** |
| NOSH | 783 | | | | | |
| **Equity value per share (€)** | **(0.43)** | **(0.38)** | **(0.34)** | **0.23** | **0.35** | **0.48** |

However, since most of these peers are substantially larger than the Company, have different geographic exposures and/or have different profitability/growth profiles to that of the Company, the relevance of this valuation method is limited.

## 4.4 Summary

The price offered by the Bidders for each Company share is €2.00. On the basis of the valuation methods described above, the Offer Price represents the following premiums:

| Method | | Value (€) | Implied premium Min | Implied premium Central | Implied premium Max |
|---|---|---|---|---|---|
| DCF | Excl. RMF waiver | (0.30) **(0.11)** 0.12 | N/M | N/M | N/M |
| | Incl. RMF waiver | (0.20) **(0.01)** 0.22 | N/M | N/M | N/M |
| Share price as of 09-Feb-2017 | Spot | **1.20** | | 67% | |
| | VWAP 1m | 1.18 **1.22** 1.24 | 69% | 64% | 61% |
| | VWAP 3m | 1.06 **1.17** 1.24 | 89% | 70% | 61% |
| | VWAP 6m | 1.06 **1.18** 1.25 | 89% | 70% | 60% |
| | VWAP 9m | 1.06 **1.19** 1.27 | 89% | 68% | 57% |
| | VWAP 12m | 1.06 **1.20** 1.28 | 89% | 67% | 56% |
| Trading multiples | 2017e xEBITDA | (0.43) **(0.38)** (0.34) | N/M | N/M | N/M |
| | 2018e xEBITDA | 0.23 **0.35** 0.48 | N/M | 465% | 320% |
| *Analyst Target Price (indicative)* | | *0.60* | | *233%* | |

Previous offer price: €1.25

Tender Offer Price: €2.00

Block trade (KH): €2.00

Incl. (i) €0.18 per share value for TLCF and (ii) €0.10 per share value for RMF waiver

# 5 PERSONS RESPONSIBLE FOR THE OFFER DOCUMENT

## 5.1 For the Bidders

*"To our knowledge, the information contained in this Draft Offer Document is in accordance with the facts and nothing has been omitted which could make it misleading."*

EDL Holding Company, LLC
By : Spencer Neumann, Executive Vice President

"*To our knowledge, the information contained in this Draft Offer Document is in accordance with the facts and nothing has been omitted which could make it misleading.*"

EDL Corporation S.A.S.
By: Philippe Coen, President

"*To our knowledge, the information contained in this Draft Offer Document is in accordance with the facts and nothing has been omitted which could make it misleading.*"

Euro Disney Investments S.A.S.
By: Philippe Coen, President

## 5.2 For the presentation of the Offer

*"In accordance with Article 231-18 of the AMF general regulation, BNP Paribas in its capacity as presenting bank for the Offer, declares that, to its knowledge, the presentation of the Offer it has examined on the basis of the information provided by the Bidders, and the criteria for determining the proposed price, are in accordance with the facts and nothing has been omitted which could make it misleading."*

BNP Paribas
By: