

EURO DISNEY LOSES 800.000 VISITORS IN ONE YEAR



Euro Disney announces a recapitalization of EUR 1 billion by its American head office, Walt Disney Company. This proposal aims to improve the financial situation of the European subsidiary and allow it to pursue its investments.

The group has been suffering from the very beginning because of great debts. In recent years the recession led to the drop in the number of visitors. Attendance at both parks of the Marne-la-Vallée close to Paris has dropped significantly in 2014 - the fiscal year of 2014 (ended September 30th) **recorded between 14.1 and 14.2 million visitors, which is 700.000 to 800.000 less than in the previous year.** 2013 was however a year that already had been marked by a decline of more than one million entries.

If the average spending of visitors rose from EUR 50.5 to EUR 51 in 2014, against EUR 48.14 in 2013, the hotel occupancy rate has also declined from 79.3% to between 75-76%. The average spending per hotel room was EUR 235.01 in 2013. Revenues for the fiscal year are expected to decline 1% to 3% compared to the last year, which was ranging between EUR 1.270 and 1.295 million. Growth in operating costs should remain contained at less than 1%. Consequently, the Ebitda is expected to be between EUR 110 and 120 million, down from EUR 144 million in the previous year. Consolidated net losses of Euro Disney Group are expected to be between EUR 110 and 120 million, while they were EUR 78 million the previous year.

The implementation of the recapitalization proposal would improve the cash position of Euro Disney Group as well as its liquidity by a reduction in interest expense on its debt to the result of the cancellation of EUR 600 million of debt, as well as the postponement of repayment of the remaining debt in the amount of EUR 983 million. Until the final repayment of the debt in December 2024, interest on this debt will continue to be payable semiannually in to current rate interest.

This implementation would improve the equity of Euro Disney, which would again become positive. The group also says that if the recapitalization had occurred on September 30, 2014, shareholders' equity of Euro Disney would be moved from a negative net worth of ER 0.2 billion euros with a net positive position of EUR 0.8 billion for a total debt of about EUR 1.7 billion, before its implementation and in the order of EUR 1 billion thereafter.

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