

Hong Kong Disneyland
Comparison between Hong Kong and Paris

Summary

	<u>HKD</u>	<u>DLP</u>
Total site area	180 ha of which 126 for Phase 1	1,950 ha of which 500 for Phase 1 (including 250 for public infrastructure)
Land Premium	\$4 billion for Phase 1 \$2.812 billion for Phase 2	Permitted to buy at agricultural land prices
Attendance at opening	5.2 m	10.5 m
Disney Initial shareholding	43%	49%
Disney Required Minimum holding	33% of initial share capital for life of project	17% for 5 years
Debt/equity ratio	60 : 40	76 : 24
WD's royalties (% of revenues)	Admission : 10%) Participant : 10%) Merchandise : 5%) Food & Beverage : 5%) Hotel : 5%)) Same as HK
Base Management Fee	2%	3% for years 1-5 6% from year 6
Variable Management Fee	2-8% of EBITDA (5% at Base Case)	0-50% of pre-tax cash flow above a pre-determined threshold

Government Support

Cash Grant	\$0	\$250 million (1986 prices, French francs 200 million)
Loan	\$5.6 billion (1999 prices) @6.75 - 8.5% over 25 years from opening	\$6 billion (1986 prices) @7.85% over 20 years from drawdown
Tax Concessions	Nil	VAT at 5.5% instead of 18.6%. Accelerated Depreciation
Infrastructure	MTR extension Approach roads Water, Drainage, Sewage, Pier	MTR extension plus high speed rail station Approach roads Water, Drainage, Sewage, Solid Waste