

DISNEY (WALT) NYSE-DIS

RECENT PRICE **33.60** P/E RATIO **12.2** (Trailing: 14.0 Median: 19.0) RELATIVE P/E RATIO **0.87** DIV'D YLD **1.2%** VALUE LINE

TIMELINESS 3 Lowered 4/29/11
SAFETY 1 Raised 2/13/09
TECHNICAL 3 Lowered 11/11/11
BETA 1.05 (1.00 = Market)

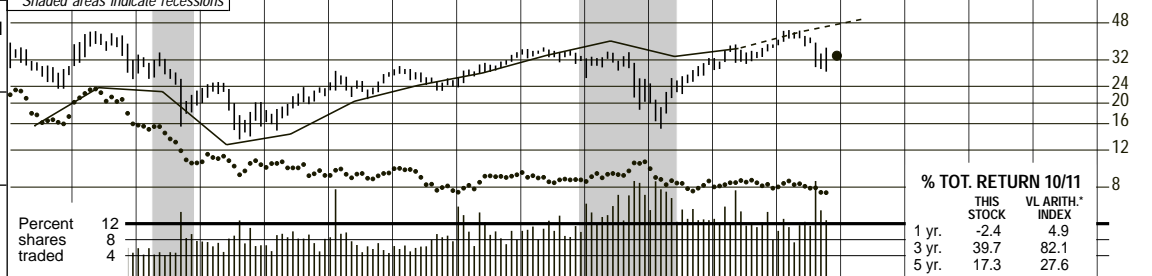
High: 43.9 34.8 25.2 23.8 28.4 30.0 34.9 36.8 35.0 32.8 38.0 44.3
 Low: 26.0 15.5 13.5 14.8 20.9 22.9 23.8 30.7 18.6 15.1 28.7 28.2

LEGENDS
 — 12.0 x "Cash Flow" p sh
 ... Relative Price Strength
 3-for-1 split 7/98
 Options: Yes
 Shaded areas indicate recessions

2014-16 PROJECTIONS
 Price Gain Ann'l Total
 High 80 (+140%) 25%
 Low 65 (+95%) 19%

Insider Decisions
 D J F M A M J J A
 to Buy 0 0 0 0 0 0 0 0 1
 Options 0 9 4 2 0 0 0 2 0
 to Sell 4 5 3 3 0 0 0 2 0

Institutional Decisions
 4Q2010 1Q2011 2Q2011
 to Buy 416 470 459
 to Sell 576 541 547
 Hld's(000) 124568012784281253380



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
7.70	10.50	11.10	11.21	11.34	12.09	12.52	12.40	13.23	15.05	15.91	16.61	18.10	20.76	19.88	20.07	22.70	24.45	Revenues per sh ^A	33.15
1.15	1.32	1.51	1.52	1.30	1.98	1.89	1.06	1.19	1.70	2.03	2.32	2.81	3.28	2.77	3.03	3.65	4.20	"Cash Flow" per sh	6.10
.84	.74	.92	.90	.66	.90	.98	.55	.66	1.09	1.31	1.61	1.92	2.26	1.82	2.07	2.50	3.10	Earnings per sh ^{A B}	4.70
.12	.14	.17	.20	.20	.21	.21	.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.45	Div'ds Decl'd per sh ^C	.71
.57	.86	.95	1.13	1.03	1.02	.89	.53	.51	.70	.91	.63	.80	.87	.96	1.11	1.75	1.20	Cap'l Spending per sh	1.25
4.23	7.96	8.54	9.46	10.16	11.65	11.23	11.48	11.63	12.77	13.06	15.42	15.67	17.73	18.55	19.78	21.95	23.25	Book Value per sh ^D	29.45
1573.2	2022.0	2025.0	2050.0	2064.0	2069.0	2019.0	2042.0	2045.0	2043.0	2007.2	2064.0	1962.2	1822.9	1818.3	1896.9	1800.0	1800.0	Common Shs Outst'g ^E	1600.0
20.4	27.2	27.4	37.6	46.0	39.5	30.4	37.2	28.0	21.8	20.4	17.1	17.8	14.2	12.5	15.7	15.4		Avg Ann'l P/E Ratio	15.0
1.37	1.70	1.58	1.96	2.62	2.57	1.56	2.03	1.60	1.15	1.09	.92	.94	.85	.83	.99	.96		Relative P/E Ratio	1.00
.7%	.7%	.7%	.6%	.7%	.6%	1.5%	1.0%	1.1%	.9%	.9%	1.0%	.9%	1.1%	1.5%	1.1%	1.0%		Avg Ann'l Div'd Yield	1.0%

CAPITAL STRUCTURE as of 7/2/11
 Total Debt \$13.238 bill. Due in 5 Yrs \$7.559 bill.
 LT Debt \$9.176 bill. LT Interest \$500 mill.

(Total interest coverage: 15.8x) (18% of Cap'l)
Leases, Uncapitalized: Annual rentals \$421 million.
Pension Assets-10/10 \$5.68 bill. **Oblig.** \$8.08 bill.

Pfd Stock None
Common Stock 1,856,004,398 shs. as of 8/2/11

MARKET CAP: \$62.4 billion (Large Cap)

25269	25329	27061	30752	31944	34285	35510	37843	36149	38063	40900	44000	Revenues (\$mill) ^A	53000
18.1%	13.1%	14.0%	17.1%	17.8%	20.2%	23.3%	23.7%	20.3%	22.2%	23.0%	24.5%	Operating Margin	26.5%
1754.0	1042.0	1077.0	1210.0	1339.0	1436.0	1491.0	1582.0	1631.0	1713.0	1830	1900	Depreciation (\$mill)	2150
2058.0	1121.0	1354.0	2268.0	2729.0	3343.0	4014.0	4405.0	3408.0	4035.0	4695	5655	Net Profit (\$mill)	7635
32.9%	41.1%	34.8%	35.2%	31.5%	34.2%	37.2%	36.6%	36.1%	35.1%	35.0%	35.1%	Income Tax Rate	36.0%
8.1%	4.4%	5.0%	7.4%	8.5%	9.8%	11.3%	11.6%	9.4%	10.6%	11.5%	12.9%	Net Profit Margin	14.4%
810.0	30.0	d355.0	d1690	d323.0	d648.0	d77.0	75.0	2955.0	1225.0	100	1240	Working Cap'l (\$mill)	2090
8940.0	12467	10643	9395.0	10157	10843	11892	11110	11495	10130	10000	10000	Long-Term Debt (\$mill)	12000
22672	23445	23791	26081	26210	31820	30753	32323	33734	37519	39475	41820	Shr. Equity (\$mill)	47120
7.0%	3.7%	4.7%	7.0%	8.2%	8.4%	10.0%	10.8%	8.1%	8.9%	10.0%	11.5%	Return on Total Cap'l	13.5%
9.1%	4.8%	5.7%	8.7%	10.4%	10.5%	13.1%	13.6%	10.1%	10.8%	11.0%	13.5%	Return on Shr. Equity	16.0%
7.1%	3.0%	3.9%	7.0%	8.5%	8.9%	11.0%	11.6%	8.2%	9.0%	10.0%	11.5%	Retained to Com Eq	14.0%
21%	38%	32%	19%	18%	16%	16%	15%	19%	16%	16%	14%	All Div'ds to Net Prof	15%

CURRENT POSITION 2009 2010 7/2/11 (\$MILL.)

Cash Assets	3417	2722	3519
Receivables	4854	5784	6212
Inventory (Avg Cst)	1271	1442	1542
Other	2347	2277	2370
Current Assets	11889	12225	13643
Accts Payable	5616	6109	5602
Debt Due	1206	2350	4062
Other	2112	2541	3102
Current Liab.	8934	11000	12766

BUSINESS: The Walt Disney Company operates Media Networks (45% of '10 revs.), incl. ABC and ESPN; Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Disney's Hollywood Studios), and a cruise line (28%); Studio Entertainment (18%); Consumer Products (7%); and Interactive Media (2%). Earns Tokyo Disneyland royalties. Manages Disneyland Resort

Paris and Hong Kong Disneyland. Acq. ABC Inc., 2/96; Pixar, 5/06; Marvel, 12/09. Spun off ABC Radio, 6/07. '10 depr. rate: 4.7%. Has 149,000 employees. Dir., Steven P. Jobs, owned 7.3% of stock; FMR LLC, 5.1%; Off./Dir., 7.6% (1/11 proxy). CEO: Robert A. Iger. Inc.: DE. Address: 500 S. Buena Vista St., Burbank, CA 91521-7320. Tel.: 818-560-1000. Internet: www.disney.com.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '08-'10 to '14-'16

Revenues of change (per sh)	6.0%	6.5%	8.5%
"Cash Flow"	6.5%	13.0%	12.5%
Earnings	9.5%	15.0%	15.0%
Dividends	5.5%	9.5%	12.5%
Book Value	6.0%	8.5%	8.0%

Disney probably achieved solid earnings growth in the fiscal fourth quarter (ended September 30th), despite some temporary adverse factors affecting the ESPN network. We believe strength at the Media Networks buoyed the top and bottom lines. However, the comparison likely suffered a bit, partly from the timing of deferred revenue at ESPN. Also, ESPN programming and production costs were likely inflated, due to sports rights contractual increases, as well as costs for the startup of its new ACC contract and Longhorn Network.

ly weak, given strong sales during 2010. **Parks and Resorts income has also been benefiting from pricing actions.** Hotel rates were recently up mid-single-digit percentages. Park ticket prices have been on the upswing, too. Management is sacrificing resort occupancy and park attendance somewhat, targeting improved long-term profitability. In fact, during the fourth quarter, reservations were pacing down 2%, year over year.

QUARTERLY REVENUES (\$ mill.)^A

Fiscal Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2008	10452	8710	9236	9445	37843
2009	9599	8087	8596	9867	36149
2010	9739	8580	10002	9742	38063
2011	10716	9077	10675	10432	40900
2012	11000	9800	11500	11700	44000

The board has announced plans to replace CEO Robert Iger in June, 2016. As of the March, 2012 shareholder meeting, due to the planned retirement of John E. Pepper, Mr. Iger will take up the reins as chairman in addition to his CEO role.

The bringing in house of Marvel distribution should assist studio profits. Disney's upcoming theatre slate includes Dreamworks' *War Horse* in December, *John Carter of Mars* due out in March, *The Avengers* in May, and Pixar release *Brave* in June. Declining DVD demand may inhibit profits, though.

EARNINGS PER SHARE^{A B}

Fiscal Year Ends	Dec.Per	Mar.Per	Jun.Per	Sep.Per	Full Fiscal Year
2008	.63	.58	.62	.43	2.26
2009	.41	.43	.52	.46	1.82
2010	.47	.48	.67	.45	2.07
2011	.68	.49	.78	.55	2.50
2012	.70	.72	.94	.74	3.10

Advertising rate hikes are likely supporting Media Network profits. During the September quarter, ABC scatter (spot) pricing had been trending more than 25% above upfront (advance) levels. Plus, ad sales at ESPN and ABC Family were pacing higher than last year. ABC syndication revenues may well be relative-

Disney shares are an appealing long-term holding. Capital spending will remain aloft in 2012, given projects such as the redesign of California Adventure and another cruise ship, adding an additional \$500 million in revenue. Moreover, it is currently constructing Shanghai Disneyland, on tap for 2015.

QUARTERLY DIVIDENDS PAID^C

Cal-endar	Mar.Per	Jun.Per	Sep.Per	Dec.Per	Full Year
2007	.31	--	--	--	.31
2008	.35	--	--	--	.35
2009	.35	--	--	--	.35
2010	.35	--	--	--	.35
2011	.40	--	--	--	.40

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks. (B) Dil. egs. Excl. nonrec. gains/(losses): '95, 2c; '96, (9c); '97, 4c; '98, 1c; '99, (4c); '00, 2c; '01, (\$1.00); '02, 8c; '03, (4c); '04, 4c; '05, (9c); '06, 3c; '07, 32c; '08, 2c; '09, 6c; '10, (4c); Q3'11, (1c). Excl. income from disc. ops.: '07, 1c. Excl. loss from interest in Disney Internet Group: '00, 35c. Next egs. report due early Feb. (C) Dividends historically paid in mid-Jan. (D) Incl. intang., at 10/2/10: \$29.2 bill., \$16.24/sh. (E) In mill., adj. for stock split.

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