COMPANY PROFILE

The Walt Disney Company

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COMPANY OVERVIEW

The Walt Disney Company (Walt Disney or 'the company'), together with its subsidiaries, is a diversified entertainment company. The company primarily operates in the US and Canada. It is headquartered in Burbank, California and employed approximately 166,000 people.

The company recorded revenues of $42,278 million during the financial year ended September 2012 (FY2012), an increase of 3.4% over FY2011. The operating profit of the company was $9,002 million in FY2012, an increase of 15.4% over FY2011. Its net profit was $5,682 million in FY2012, an increase of 18.2% over FY2011.

KEY FACTS

Head Office	The Walt Disney Company 500 South Buena Vista Street Burbank California 91521-0931 USA
Phone	1 818 560 1000
Fax	
Web Address	http://thewaltdisneycompany.com
Revenue / turnover (USD Mn)	42,278.0
Financial Year End	September
Employees	166,000
New York Stock Exchange Ticker	DIS

BUSINESS DESCRIPTION

The Walt Disney Company (Walt Disney or 'the company') is a media and entertainment company based in the US with operations spanning North America, Europe, Asia Pacific and Latin America.

The company operates through its five business segments: media networks, parks and resorts, studio entertainment, consumer products and interactive.

The media networks business segment of Walt Disney is comprised of international and domestic cable television networks, a domestic broadcast television network, television production operations, domestic and international television distribution, domestic television stations, domestic broadcast radio networks and stations, and publishing and digital operations.

The company's cable networks group operates the ESPN, Disney Channels Worldwide, ABC Family and SOAPnet networks. It also operates the UTV/Bindass networks in India. The cable networks group produces its own programs or acquires rights from third parties to air on its networks. Walt Disney also has interests in joint ventures that operate cable and broadcast programming services. The segment primarily sells programming to cable, satellite and telecommunications service providers. Walt Disney also sells advertising time on certain networks such as ESPN and ABC Family. Programming developed by the company's cable networks is also sold to third parties worldwide in pay and syndication markets, in digital versatile disc (DVD) format and also online to third party services.

Media networks segment's broadcasting business consists of domestic broadcast television (TV) network; TV production operations; television distribution and domestic television stations. The company's domestic broadcast TV network comprises of the ABC Television Network (ABC). This network has 239 affiliated stations operating under agreements and reaches 99% of the US TV households. The domestic broadcast TV network sells advertising space on ABC Television Network and also provides broadcast feed for some of Walt Disney's affiliated stations.

The TV production operations are engaged in the production of programs under the ABC Studios label. In addition, Walt Disney distributes this produced content worldwide in pay and syndication markets, in DVD and Blu-ray formats and also online through its internet sites such as ABC.com and to third party services. Its distribution groups also distribute programming aired on its cable networks.

The operations of domestic TV stations include eight TV stations. All of the company's TV stations are affiliated with the ABC and collectively reach 23% of TV households in the US. The stations broadcast three digital channels: local, ABC and syndicated programming; Live Well Network broadcast in standard definition; and Live Well Network broadcast in high definition. The television stations sell advertising time in television station programs.

The company also has an interest in a joint venture, Hulu that distributes content on the internet.

Walt Disney's parks and resorts business segment owns and operates Walt Disney World Resort in Florida, the Disneyland Resort in California, Aulani, a Disney Resort & Spa in Hawaii, the Disney Vacation Club, the Disney Cruise Line and Adventures by Disney. The company manages and has effective ownership interests of 51% in Disneyland Paris, 48% in Hong Kong Disneyland Resort and 43% in Shanghai Disney Resort. It also licenses the operations of the Tokyo Disney Resort in Japan. The company's Walt Disney Imagineering unit designs and develops new theme park concepts and attractions as well as resort properties. Walt Disney sells admissions to the theme parks and also offers room nights at the hotels; merchandise, food and beverage; and rents vacation club properties; and also offers cruise vacations.

The studio entertainment business segment produces and acquires live-action and animated motion pictures, direct-to-video content, musical recordings and live stage plays. Walt Disney distributes produced and acquired films (including its film and TV library) in the theatrical, home entertainment and TV markets under the Walt Disney Pictures, Pixar, and Marvel banners. The company also distributes films under the Touchstone Pictures banner. The company produces and distributes Indian movies worldwide through its UTV banner.

The consumer products business segment is engaged in dealing with licensees, publishers and retailers throughout the world to design, develop, publish, promote and sell products based on Disney characters and other intellectual property through its merchandise licensing, publishing and retail businesses. The segment also develops new intellectual property with the potential of also being used in the company's other businesses and operates an English language learning business (Disney English).

The interactive media business segment of the company creates and delivers branded entertainment and lifestyle content across interactive media platforms. The primary operating businesses of the Interactive Media Group are games which produce multi-platform games for global distribution, and online distribution. The company sells its content on wholesale basis, licenses, offers advertising time and sponsorships in addition to subscription services and in- game accessories.

HISTORY

Walt Disney's history can be traced back to 1923, when Walt Disney and Roy Disney set up Disney Brothers Studio in Hollywood, California. Plane Crazy, directed by Walt Disney, was the first cartoon produced by Disney studios in 1928.

In 1937, the studio produced its first animated feature film, Snow White and the Seven Dwarves. The company went public in 1940 and later went on to produce other classic animation films such as Pinocchio and Fantasia. In 1955, the Disney Land Theme Park was opened. Disney World opened in Florida in 1971.

The Bass family of Texas, in alliance with Roy Disney, acquired a controlling stake in the company in 1984. During the early 1980s, the company launched the Disney Channel and established theme park in Tokyo. In 1985, the company established Disney MGM studio. A year later, the business changed its name to the Walt Disney Company.

In the early 1990s, the company had a number of successes with animated films such as the Lion King. In 1992, Walt Disney continued its international expansion by opening Disneyland Paris. In 1996, the company bought Capital Cities/ABC for $19 billion which included 10 TV stations, 21 radio stations, seven daily newspapers and ownership positions in the cable networks A&E, Lifetime, History Channel and the sports network, ESPN. Later in 1998, it purchased web services from Starwave, a Seattle based software company. It also acquired 43% stake in internet search engine Infoseek for $70 million and launched the GO network, in 1999. Subsequently, the company bought the remaining 57% of Infoseek and formed GO.com, a web portal, which eventually became Walt Disney Internet Group.

In the early 2001, Walt Disney expanded its theme parks in Anaheim, the US and restructured its internet business. The company re-entered into a multi-year agreement with Eastman Kodak to make Kodak the exclusive imaging supplier of film and related products at Disney theme parks and resorts in the US and France as well as for the Disney Cruise Line in 2002. In the same year, Walt Disney, Bank One and Visa announced two multi-year, strategic alliances that created Disney-branded Visa card with Disney rewards, as well as provided Visa with joint marketing opportunities across Disney's various business units.

Disney entered into a 10 year strategic alliance with Hewlett-Packard to develop new technologies and enhanced entertainment experiences, in 2003. In the following year, Walt Disney ended the partnership with Pixar after failing to reach an agreement on how to split future revenues. Comcast announced plans to acquire Walt Disney in a deal worth around $66 billion million in the same year. The offer was later turned down. At the end of 2004, the Children's Place Retail Stores and Walt Disney entered into an agreement for the Children's Place to acquire and operate the Disney Store retail chain in North America, which included 313 stores.

Mr. Henry Samueli and his wife, Orange County entrepreneurs and philanthropists, in 2005, purchased the Mighty Ducks of Anaheim, the National Hockey League Club based in Orange County, California from Walt Disney. During the mid 2005, the Monday Night Football moved to ESPN under an eight-year agreement with the National Football League. In the same year, Buena Vista Games (BVG), the interactive entertainment arm of Walt Disney, strengthened game development capabilities through the acquisition of Salt Lake City-based video game developer, Avalanche Software, and established a start-up development studio in Vancouver, Canada. Also in 2005, Walt Disney's internet group acquired Minds Eye, one of the leading interactive TV games' developers. The company and Verizon agreed for a long term programming contract for Disney and ESPN networks and services.

Walt Disney and Citadel Broadcasting Corporation combined ABC Radio, which included 22 radio stations and the ABC Radio Networks, with Citadel Broadcasting, in 2006. In the same year, the company acquired computer animation company, Pixar. The company launched Disney Mobile site, www.disneymobile.com in the US. Subsequently, Walt Disney acquired Hungama TV, an Indian children's TV channel, and also acquired an equity interest in media company, UTV Software Communications. Wenner Media acquired the US Weekly from Walt Disney, in the same year.

Later in 2006, Comcast and Walt Disney entered into a long-term distribution agreement that extended their relationship into the next decade for the 10 ABC-owned broadcast TV stations and Disney's leading networks and services including Disney Channel, ABC Family, Toon Disney, ESPN, ESPN2, ESPN Classic, ESPNEWS, ESPN HD and SOAPnet. In addition, Comcast launched ESPN Deportes, a stand-alone Spanish-language sports network, and the companies formalized their ESPN2 HD agreement. Comcast also acquired Walt Disney's stake in E! Networks. At the end of 2006, ESPN acquired NASN, the European channel dedicated to North American sports, from Setanta Sport Holdings and Benchmark Capital Europe.

In the early 2007, the Disney-ABC Television Group renamed its in-house production company, Touchstone Television, as the ABC Television Studio. The company announced its plans to expand cruise business by adding two new ocean liners, scheduled to be launched in 2011 and 2012. In the same year, the company spun-off its wholly owned subsidiary, ABC Radio Holdings, and subsequently merged it with a wholly-owned subsidiary of Citadel. The company acquired Club Penguin, one of the fastest-growing online virtual worlds for kids. At the end of the year, the company's international TV licensing arm, Disney-ABC International Television, entered a multi-year partnership with Russian state broadcaster, Channel One.

In 2008, the Walt Disney Studios announced the debut of Earth, the first feature-length nature documentary from its new production banner, Disneynature. Subsequently, the company launched Disney En Familia, a new Spanish-language magazine. During the same period, Walt Disney acquired an 18% interest in UTV Software Communications, a media company headquartered and publicly traded in India, for approximately $197 million. Further in the year, the company entered into agreements to acquire outstanding shares of Jetix Europe, a pan-European media company comprising TV channels, program distribution and consumer products businesses.

In 2009, Walt Disney studios entered into an exclusive long-term distribution agreement with DreamWorks Studios. Under the terms of the arrangement, Disney would handle distribution and marketing for approximately six DreamWorks films each year. In the same year, Walt Disney, through a subsidiary of ABC Enterprises, agreed to join NBC Universal, News Corporation and Providence Equity Partners as a joint venture partner and equity owner of Hulu, a leading online aggregator of video content. Subsequently, Disney Interactive Studios entered into an agreement to acquire Wideload Games, a Chicago-based producer and developer of original interactive entertainment. During the same period, the company completed its acquisition of Marvel Entertainment.

Walt Disney entered into an agreement to acquire Playdom, a company engaged in online social gaming business, in the first half of 2010. During the same period, the company announced the sale of Miramax Films to Filmyard Holdings for over $660 million, subject to certain adjustments. The sale was completed in the second half of 2010.

In 2011, Walt Disney and its Chinese joint venture partner, Shanghai Shendi Group, started work on the Shanghai Disney Resort following approval from the Chinese central government in Beijing.

The company and UTH Russia entered into an agreement to launch an ad-supported free-to-air Disney Channel in Russia, in 2011. Under the terms of the agreement, Walt Disney, through one of its subsidiaries, would acquire a 49% stake in the Seven TV network from UTH Russia. The transaction would increase Disney Channel's presence in Russia.

In January 2012, Walt Disney and Comcast announced a long-term distribution agreement that would deliver the company's sports, news and entertainment content to Comcast's Xfinity TV customers into the next decade on TV, online, on tablets and handheld devices. The new agreement enhances the multichannel business model and supports the companies' mutual goal to deliver video content to customers across multiple platforms using the latest technology and cloud innovation. The companies also agreed to collaborate over the term of the deal to create new, innovative viewing experiences for Xfinity TV customers. In the same month, Walt Disney announced its plan to acquire a controlling interest in UTV Software Communications in India. This acquisition expands the company's footprint significantly and allows it to build, monetize and brand multi-platform franchises, and deliver a rich library of content.

Walt Disney, the Ministry of Culture's China Animation Group, and Tencent, China's largest internet service provider, formed a partnership in April 2012 to create "The National Animation Creative Research and Development Cooperation," to advance the country's animation industry. In December 2012, the company acquired Lucasfilm, a fully-integrated entertainment company. Lucasfilm’s assets include its Star Wars franchise, operating businesses in live action film production, consumer products, animation, visual effects, and audio post production, as well as a substantial portfolio of entertainment technologies. This acquisition significantly enhances the company's ability to serve consumers with a broad variety of content.

In March 2013, the company unveiled the first image of a model of Shanghai Disney Resort, featuring the resort’s theme park, Shanghai Disneyland.

KEY EMPLOYEES

Name	Job Title	Board	Compensation
Robert A. Iger	Chairman and Chief Executive Officer	Executive Board	40227848 USD
Susan Arnold	Director	Non Executive Board	283209 USD
John S. Chen	Director	Non Executive Board	264451 USD
Judith L. Estrin	Director	Non Executive Board	265448 USD
Fred H. Langhammer	Director	Non Executive Board	284197 USD
Aylwin B. Lewis	Director	Non Executive Board	292005 USD
Monica C. Lozano	Director	Non Executive Board	279342 USD
Robert W. Matschullat	Director	Non Executive Board	294654 USD
Sheryl Sandberg	Director	Non Executive Board	274998 USD
Orin C. Smith	Independent Lead Director	Non Executive Board	307365 USD
Andy Bird	Chairman, Walt Disney International	Senior Management	
Alan Braverman	Senior Executive Vice President, General Counsel and Secretary	Senior Management	8299758 USD
Ronald L. Iden	Senior Vice President, Global Security	Senior Management	
Kevin Mayer	Executive Vice President, Corporate Strategy and Business Development	Senior Management	4207140 USD
Christine M. McCarthy	Executive Vice President, Corporate Real Estate, Sourcing, Alliances, and Treasurer	Senior Management	
Zenia Mucha	Executive Vice President, Chief Communications Officer	Senior Management	
Jayne Parker	Executive Vice President and Chief Human Resources Officer	Senior Management	3989117 USD
Jay Rasulo	Senior Executive Vice President and Chief Financial Officer	Senior Management	12201116 USD
Brent Woodford	Senior Vice President, Planning and Control	Senior Management	
George Bodenheimer	Executive Chairman, ESPN	Senior Management	
Bob Chapek	President, Disney Consumer Products	Senior Management	
Alan F. Horn	Chairman, the Walt Disney Studios	Senior Management	
James Pitaro	Co-President, Disney Interactive	Senior Management	
John Pleasants	Co-President, Disney Interactive	Senior Management	

Name	Job Title	Board	Compensation
John Skipper	Co-Chairman, Disney Media Networks Group and President, ESPN	Senior Management	
Thomas O. Staggs	Chairman, Walt Disney Parks and Resorts	Senior Management	
Anne Sweeney	Co-Chairman, Disney Media Networks and President, Disney ABC Television Group	Senior Management	

KEY EMPLOYEE BIOGRAPHIES

Robert A. Iger

Board: Executive Board
Job Title: Chairman and Chief Executive Officer
Since: 2012
Age: 61

Mr. Iger has been the Chairman and Chief Executive Officer at Walt Disney since 2012. Prior to that, he served as the President and Chief Executive Officer from 2005 and the President and Chief Operating Officer from 2000 to 2005. Mr. Iger also served as the President at Walt Disney International and the Chairman at the ABC Group from 1999 to 2000. From 1974-98, he held a series of increasingly responsible positions at ABC and its predecessor Capital Cities/ABC culminating in service as the President at the ABC Network Television Group during 1993-94. Later, Mr. Iger served as the President and Chief Operating Officer at ABC from 1994 to 1999. Mr. Iger has been on the Board of Directors at Apple and Board Member at the US-China Business Council since 2011.

Susan Arnold

Board: Non Executive Board
Job Title: Director
Since: 2007
Age: 58

Ms. Arnold has been a Director at Walt Disney since 2007. Previously, she was the President of Global Business Units at Procter & Gamble from 2007 to 2009. Prior to that, Ms. Arnold was the Vice Chair at P&G Beauty and Health from 2006; the Vice Chair of P&G Beauty from 2004; and the President of Global Personal Beauty Care and Global Feminine Care from 2002. She has been a Director at McDonalds since 2008.

John S. Chen

Board: Non Executive Board
Job Title: Director
Since: 2004
Age: 57

Mr. Chen has been a Director at Walt Disney since 2004. Previously, he was the Chairman and Chief Executive Officer at Sybase, a software developer and a wholly-owned subsidiary of SAP. Prior to SAP's acquisition of Sybase in 2010, Mr. Chen had been the Chairman of the Board, Chief Executive Officer and President at Sybase since 1998. He joined Sybase in 1997 as the Chief

Operating Officer and served in that capacity until 1998. From 1995 to 1997, Mr. Chen was the President of the Open Enterprise Computing Division at Siemens Nixdorf and the Chief Executive Officer and Chairman at Siemens Pyramid, a subsidiary of Siemens Nixdorf. He has been a Director at Wells Fargo & Company since 2006.

Judith L. Estrin

Board: Non Executive Board
Job Title: Director
Since: 1998
Age: 58

Ms. Estrin has been a Director at Walt Disney since 1998. She is the Chief Executive Officer at JLABS (formerly Packet Design Management Company). Ms. Estrin served as the Chief Technology Officer and Senior Vice President at Cisco Systems from 1998 until 2000, and the President and Chief Executive Officer at Precept Software from 1995 until its acquisition by Cisco Systems in 1998.

Fred H. Langhammer

Board: Non Executive Board
Job Title: Director
Since: 2005
Age: 68

Mr. Langhammer has been a Director at Walt Disney since 2005. He is the Chairman, of Global Affairs at the Estee Lauder Companies, a manufacturer and marketer of cosmetics products. Prior to that, Mr. Langhammer was the Chief Executive Officer at the Estee Lauder Companies from 2000 to 2004; the President from 1995 to 2004; and the Chief Operating Officer from 1985 through 1999. He joined the Estee Lauder Companies in 1975 as the President of its operations in Japan. In 1982, Mr. Langhammer was appointed as the Managing Director of its operations in Germany. He has been a Director at Central European Media Enterprises since 2009. Mr. Langhammer was a Director at the Shinsei Bank from 2005 to 2009 and at AIG from 2006 to 2008.

Aylwin B. Lewis

Board: Non Executive Board
Job Title: Director
Since: 2004
Age: 58

Mr. Lewis has been a Director at Walt Disney since 2004. He has been the President and Chief Executive Officer at Potbelly Sandwich Works since 2008. Prior to that, Mr. Lewis was the President and Chief Executive Officer at Sears Holdings from 2005 to 2008. He also served as the Chief

Multibranding and Operating Officer at YUM! Brands and as the Chief Operating Officer at Pizza Hut. Mr. Lewis has been a Director at Starwood Hotels & Resorts Worldwide since January, 2013.

Monica C. Lozano

Board: Non Executive Board
Job Title: Director
Since: 2000
Age: 56

Ms. Lozano has been a Director at Walt Disney since 2000. She is the Chief Executive Officer and Chairman at impreMedia. In addition, Ms. Lozano is a Trustee at the University of Southern California. She has been a Director at Bank of America since 2006 and is a Director at the Rockefeller and Weingart Foundations.

Robert W. Matschullat

Board: Non Executive Board
Job Title: Director
Since: 2002
Age: 65

Mr. Matschullat has been a Director at Walt Disney since 2002. He is a private equity investor. Previously, Mr. Matschullat served as the Vice Chairman of the Board of Directors and Chief Financial Officer at the Seagram. Prior to joining Seagram, he was the Head of Worldwide Investment Banking and a Director at Morgan Stanley. Mr. Matschullat currently serves as a Lead Director at the Clorox and as a Director at Visa.

Sheryl Sandberg

Board: Non Executive Board
Job Title: Director
Since: 2010
Age: 43

Ms. Sandberg has been a Director at Walt Disney since 2010. She has also been the Chief Operating Officer at Facebook since 2008. From 2001 to 2008, Ms. Sandberg was the Vice President of Global Online Sales and Operations at Google. She is the former Chief of Staff at the US Treasury Department and previously served as a Management Consultant at McKinsey & Company and as an economist at the World Bank. Ms. Sandberg serves on several nonprofit boards including Women for Women International, and V-Day. She served as a Director at Starbucks from 2009 until 2012 and eHealth from 2006 to 2008.

Orin C. Smith

Board: Non Executive Board
Job Title: Independent Lead Director
Since: 2012
Age: 70

Mr. Smith has been the Independent Lead Director at Walt Disney since 2012. Previously, he served as the President and Chief Executive Officer at Starbucks from 2000 to 2005. Mr. Smith joined Starbucks as the Vice President and Chief Financial Officer in 1990, became the President and Chief Operating Officer in 1994, and a Director at Starbucks in 1996. Prior to joining Starbucks, he spent 14 years at Deloitte & Touche. Mr. Smith has been a Director at Nike since 2004. He served as a Director at Washington Mutual from 2005 until 2012. He also serves on the Board of Directors at Conservation International and the University of Washington Foundation Board and is the Chairman at the Starbucks Foundation Board.

Andy Bird

Board: Senior Management
Job Title: Chairman, Walt Disney International

Mr. Bird serves as the Chairman, Walt Disney International at the company. He joined Walt Disney in 2004. Prior to joining the company, Mr. Bird spent nearly a decade with Time Warner, joining in 1994 as the Senior Vice President and General Manager at Turner Entertainment Networks. He was the President of TBS International. Between 1989 and 1994, Mr. Bird held a number of positions in radio and television in Europe.

Alan Braverman

Board: Senior Management
Job Title: Senior Executive Vice President, General Counsel and Secretary
Age: 64

Mr. Braverman serves as the Senior Executive Vice President, General Counsel and Secretary at Walt Disney. Previously, he was the Executive Vice President and General Counsel at ABC and Deputy General Counsel at Walt Disney. In 1996, prior to Disney's acquisition of ABC, Mr. Braverman was the Senior Vice President and General Counsel at ABC and also served as the Vice President and General Counsel. He joined ABC, in 1993, as the Vice President and Deputy General Counsel.

Ronald L. Iden

Board: Senior Management
Job Title: Senior Vice President, Global Security
Since: 2004

Mr. Iden has been the Senior Vice President, Global Security at Walt Disney since 2004. He joined the company from the California Office of Homeland Security, where he was appointed by and served under Governor Arnold Schwarzenegger. Prior to working for the State, Mr. Iden spent 25 years at the Federal Bureau of Investigation holding a variety of roles, culminating in his appointment to lead the FBI's Los Angeles Field Office as Assistant Director.

Kevin Mayer

Board: Senior Management
Job Title: Executive Vice President, Corporate Strategy and Business Development
Since: 2005
Age: 50

Mr. Mayer has been the Executive Vice President, Corporate Strategy and Business Development at Walt Disney since 2005. He rejoined the company from L.E.K. Consulting, where he was a Partner and Head of the Global Media and Entertainment practice. Prior to joining L.E.K., Mr. Mayer held various positions at interactive and internet businesses. He was the Chairman and Chief Executive Officer at Clear Channel Interactive. Mr. Mayer also served as the Executive Vice President. He first joined Walt Disney in 1993 as the Manager, Strategic Planning.

Christine M. McCarthy

Board: Senior Management
Job Title: Executive Vice President, Corporate Real Estate, Sourcing, Alliances, and Treasurer
Age: 57

Ms. McCarthy serves as the Executive Vice President, Corporate Real Estate, Sourcing, Alliances at Walt Disney and has been the Treasurer since 2000. From 1997 to 2000, she was the Executive Vice President and Chief Financial Officer at Imperial Bancorp. Ms. McCarthy held various finance and planning positions at First Interstate Bancorp from 1981 to 1996 and also served as the Executive Vice President in Finance.

Zenia Mucha

Board: Senior Management
Job Title: Executive Vice President, Chief Communications Officer

Ms. Mucha serves as the Executive Vice President, Chief Communications Officer at Walt Disney. She originally joined the company in 2001, as the Senior Vice President, Communications, for the ABC Broadcast Group and the ABC Television Network. Prior to joining Walt Disney, Ms. Mucha served as the Director of Communications and Senior Policy Advisor to New York State Governor, George Pataki. She previously served as the Communications Director for the US Senator Alfonse D’Amato. Ms. Mucha originally joined Senator D’Amato’s team in 1982 as a Press Representative.

Jayne Parker

Board: Senior Management
Job Title: Executive Vice President and Chief Human Resources Officer
Since: 2009
Age: 51

Ms. Parker has been the Executive Vice President and Chief Human Resources Officer at Walt Disney since 2009. Previously, she served as the Senior Vice President of Human Resources, Diversity and Inclusion at Walt Disney Parks and Resorts worldwide. Ms. Parker also served as a Member at the Walt Disney Parks and Resorts Executive Committee. She joined Disney in 1988 and held positions of increasing responsibility, including Manager and Director at Disney University, Director and Vice President of Organization Improvement and Vice President of Organization and Professional Development. Prior to joining Disney, Ms. Parker was a Consultant at Wilson Learning.

Jay Rasulo

Board: Senior Management
Job Title: Senior Executive Vice President and Chief Financial Officer
Since: 2010
Age: 56

Mr. Rasulo has been the Senior Executive Vice President and Chief Financial Officer at Walt Disney since 2010. He most recently served as the Chairman at Walt Disney Parks and Resorts. Currently, Mr. Rasulo is a Member of Board of Directors at the Los Angeles Philharmonic Association and a Member of the Board of Governors at the Boys and Girls Clubs of America. He joined Disney in 1986 as the Director, Strategic Planning and Development and later became the Senior Vice President, Corporate Alliances. Mr. Rasulo then led Disney Regional Entertainment before moving to Paris as the President, Euro Disney prior to eventually becoming its Chairman and Chief Executive Officer in 2000. Prior to joining Disney, he held positions at Chase Manhattan Bank and at the Marriott.

Brent Woodford

Board: Senior Management
Job Title: Senior Vice President, Planning and Control
Since: 2005

Mr. Woodford has been the Senior Vice President, Planning and Control at Walt Disney since 2005. Previously he was the Senior Vice President, Corporate Controllership at the company. Prior to joining Disney in 2003, Mr. Woodford was the Vice President, Controller at Yum! Brands, a spin-off from PepsiCo, and the Controller at PepsiCo's international restaurant division, and spent 10 years with the PepsiCo and Yum! organizations. He was also an Equity Securities Analyst at A.G. Edwards & Sons and served in the audit practice at KPMG in its Dallas and London offices.

George Bodenheimer

Board: Senior Management
Job Title: Executive Chairman, ESPN
Since: 2012

Mr. Bodenheimer has been the Executive Chairman, ESPN at Walt Disney since 2012. He oversaw all multimedia sports assets at Walt Disney from 2003 to 2011 and was the Co-Chairman at Disney Media Networks from 2004 to 2011. Mr. Bodenheimer also served in various positions at Walt Disney including Added President, ABC Sports duties; the President, ESPN; the Executive Vice President, Sales and Marketing; the Senior Vice President, Sales and Marketing; and the Senior Vice President, Affiliate Sales and Marketing. He joined ESPN in the Administration Department in 1981.

MAJOR PRODUCTS AND SERVICES

The Walt Disney Company (Walt Disney or 'the company'), together with its subsidiaries, is a diversified entertainment company. The company's key products and services include the following:

Products:

Television programs
Motion pictures
Plays
Musical recordings
Books
Magazines
Video games

Character-based merchandises:

Toys
Apparels
Accessories
Footwear
Home furnishings
Home decor
Cosmetics
Stationery
Consumer electronics

Services:

Entertainment program broadcasting
Radio networks
Radio stations
Resorts
Vacation club
Cruise line
Theme parks

Brands:

Disney
ABC
ESPN

REVENUE ANALYSIS

Overview

The company recorded revenues of $42,278 million during the financial year ended September 2012 (FY2012), an increase of 3.4% over FY2011. In FY2012, the US and Canada, the company's largest geographic market, accounted for 75.1% of the total revenues.

Walt Disney generates revenues through five business segments: media networks (46% of the total revenues in FY2012), parks and resorts (30.6%), studio entertainment (13.8%), consumer products (7.7%) and interactive (2%)*.

*Percentages are rounded off.

Revenues by segment

In FY2012, the media networks segment recorded revenues of $19,436 million, an increase of 3.9% over FY2011.

The parks and resorts segment recorded revenues of $12,920 million in FY2012, an increase of 9.5% over FY2011.

The studio entertainment segment recorded revenues of $5,825 million in FY2012, a decrease of 8.3% compared to FY2011.

The consumer products segment recorded revenues of $3,252 million in FY2012, an increase of 6.7% over FY2011.

The interactive segment recorded revenues of $845 million in FY2012, a decrease of 14% compared to FY2011.

Revenues by geography

The US and Canada, Walt Disney's largest geographical market, accounted for 75.1% of the total revenues in FY2012. Revenues from the US and Canada reached $31,770 million in FY2012, an increase of 3% over FY2011.

Europe accounted for 14.7% of the total revenues in FY2012. Revenues from Europe reached $6,223 million in FY2012, a decrease of 3.6% compared to FY2011.

Asia Pacific accounted for 7.1% of the total revenues in FY2012. Revenues from Asia Pacific reached $2,990 million in FY2012, an increase of 18.8% over FY2011.

Latin America and other accounted for 3.1% of the total revenues in FY2012. Revenues from Latin America and other reached $1,295 million in FY2012, an increase of 20.7% over FY2011.

SWOT ANALYSIS

The Walt Disney Company (Walt Disney or 'the company'), together with its subsidiaries, is a diversified entertainment company. The significant customer reach of the company's cable networks operations provides competitive edge over its peers. In addition, the strong market penetration lends greater stability to the company's operations and provides better revenue growth prospects. However, intense competition threatens to erode the company's market share in its different lines of business.

Strengths	**Weaknesses**
Cable networks operations enjoys significant reach Strong brand portfolio Diversified entertainment businesses	Concentration of operation in the US and Canada
Opportunities	**Threats**
Increased focus on expanding presence in emerging economies Positive outlook for gaming market	Competitive pressure Increasing piracy could impact revenues

Strengths

Cable networks operations enjoys significant reach

The company's cable network business enjoys significant reach. Walt Disney's cable networks group operates the ESPN, Disney Channels Worldwide, ABC Family and SOAPnet networks. ESPN is a multimedia, multinational sports entertainment company that operates eight 24-hour domestic TV sports networks. ESPN networks reach customers in 190 countries and territories in 11 languages. ESPN has distribution agreements with 27 international sports networks which further enhances its appeal adding positively to its ability to reach a large audience. The company's ESPN cable network had a subscriber base of 98 million in the US at the end of FY2012. During the same period, ESPN2, ESPNEWS, ESPNU, and ESPN Classic had 98 million, 74 million, 73 million, and 31 million subscribers, respectively. In addition, according to Walt Disney, ESPN Radio Network is the largest sports radio network in the US and is carried on more than 350 stations.

The company's Disney Channels Worldwide cable network operates Disney Channel, Disney Junior, Disney XD, Disney Cinemagic, Hungama and Radio Disney. Disney Channel has a strong competitive advantage as it is one of the two dominant cable networks for children, the other being Nickelodeon. Disney Channel airs original and acquired series and movie programming targeting children and families and had a subscriber base of 253 million globally in FY2012. Disney XD airs live-action and animated programs and has presence in 130 countries worldwide. During FY2012, Disney XD had 175 million subscribers globally. In addition, Disney Junior had 125 million subscribers globally at the end of FY2012. Moreover, Walt Disney's ABC Family and SOAPnet TV networks had a subscriber base of 97 million and 66 million respectively.

The A&E Television Networks (AETN), part of the company's cable network operations, includes A&E, HISTORY, BIO, H2, History En Espanol, Lifetime, Lifetime Movie Network (LMN), and Lifetime Real Women. Internationally, A&E programming is distributed in over 150 countries through joint ventures and distribution agreements with affiliates. During FY2012, A&E, Lifetime Television, and HISTORY TV networks had 98 million subscribers each, while LMN, BIO, H2, and Lifetime Real Women had 84 million, 69 million, 68 million, and 16 million subscribers, respectively.

Significant customer reach of cable networks operations provides a competitive advantage that is not easily replicable. The company's content, which is produced, is distributed across a wide base of subscribers around the world. The large subscriber base therefore enables higher margins for the company. The company's large customer reach also highlights Walt Disney's appeal. Such appeal facilitates better bargaining power with multi-channel video programming distributors (MVPDs), the primary revenue source for Walt Disney. Additionally, the companies which have high reach enjoy higher pricing for the advertisement sales on the channel. Accordingly, the company's large subscriber base and reach provide stability to the company's operations.

Strong brand portfolio

The company has a strong brand portfolio. The company has built a collection of some of the world’s best media brands including Disney, ESPN, ABC, Pixar, Marvel, and Lucasfilm that provide enormous opportunities for the company to continue to create high-quality content. Disney's ability to monetize its characters and franchises across multiple platforms--movies, home video sales, merchandising, and theme parks—is unparalleled in the media industry. Also, Disney's theme parks and resorts are not easily replicable, considering the tie-ins with its other business lines. ESPN is a leader in sports programming. It holds a dominant position in college and pro football programming in the US. Further, the company’s ABC brand delivered three of the fall season’s top 10 scripted series, including Modern Family, the number one comedy on television; Grey’s Anatomy, television’s top-rated broadcast drama; and Once Upon a Time, a hit in its second season. Also, Good Morning America officially became the country’s top morning show, and ABC News and ABC-owned stations covered the year’s most important events.

Moreover, the acquisitions of Pixar and Marvel, also added to the company’s repository of strong brands. Pixar bolstered the company’s animation business. The Walt Disney Studios has witnessed massive success at global box office records with Marvel’s ‘The Avengers’, the year’s number one hit as well as the third-highest grossing film of all time, with more than $1.5 billion, the estimates indicate. Meanwhile, Disney Pixar’s Brave, Disney’s Frankenweenie, and Walt Disney Animation Studios’ Wreck-It Ralph demonstrated the company’s diverse creative successes. Further, the recent success of Iron Man 3, is an indicator of the company’s strong brand portfolio.

Further, with the acquisition of Lucasfilm and its Star Wars franchise in 2012, the company can significantly enhance its ability to serve consumers with a broad variety of the highest-quality content. The company plans to release a new feature film Star Wars Episode 7 in 2015, with more feature films planned, along with television programming, games and merchandise, and an expanded Star Wars presence in the company's parks around the world. The company's strong brand portfolio enables it to attract customers.

Diversified entertainment businesses

Walt Disney has diversified entertainment businesses. The company's media networks segment engaged in the operation of domestic broadcast TV network; TV production operations; domestic and international TV distribution; domestic TV stations; domestic and international broadcast radio networks; domestic radio stations; and publishing and digital operations. The segment encompasses the ESPN, Disney Channels Worldwide, ABC Family and SOAPnet networks. It also includes the ABC Television Network. Walt Disney's parks and resorts segment owns and operates the Walt Disney World Resort in Florida; the Disneyland Resort in California, Aulani; a Disney Resort & Spa in Hawaii; the Disney Vacation Club; the Disney Cruise Line; and Adventures by Disney. The company manages and has ownership interests in Disneyland Paris, Hong Kong Disneyland Resort and Shanghai Disney Resort. It also licenses the operations of the Tokyo Disney Resort in Japan.

Similarly, the company's studio entertainment segment produces and acquires live-action and animated motion pictures, direct-to-video content, musical recordings and live stage plays. The segment distributes produced and acquired films (including its film and TV library) in the theatrical, home entertainment and TV markets under the Walt Disney Pictures, Pixar, and Marvel banners. The company also distributes films under the Touchstone Pictures banner. The company produces and distributes Indian movies worldwide through its UTV banner. Walt Disney's consumer products segment develops relationships with licensees, publishers and retailers throughout the world to design, develop, publish, promote and sell products based on Disney characters and other intellectual property through its merchandise licensing, publishing and retail businesses.

Moreover, the company, through its interactive media segment offers branded entertainment and lifestyle content across interactive media platforms. Walt Disney offers content through multi-platforms such as tablets, mobile and online. Significant multi-platform presence provides sustainable source of revenues as customers continue to prefer viewing content across all the platforms.

Through its broad portfolio of entertainment business, Walt Disney is able to target diverse customer segments. Through this, the company will be able to effectively cater to a varied customer base there by enhancing the ability to attract large customer base. Furthermore, the company's businesses are complementary in nature. The popularity of content can be used for the company's theme park, retail and merchandise segments to drive appeal for these products and services there by providing opportunities for incremental revenue growth.

Walt Disney maintains a well-balanced revenue stream in terms of its segments. For instance, in FY2012, media networks, Walt Disney's largest segment, generated 46% of its overall revenues. This was followed by parks and resorts (30.6%), studio entertainment (13.8%), consumer products

(7.7%), and interactive media (2%). Diversified entertainment businesses help the company to cope with a downturn in any particular business.

Weaknesses

Concentration of operation in the US and Canada

Walt Disney is highly dependent on the US and Canada for its revenues. Although, the company has presence across North America, South America, Europe, and Asia Pacific, it generates majority of its revenues from the US and Canadian markets. Walt Disney generated about 75.1% of its total revenues from the US and Canada in FY2012, which does not truly reflect its global footprint. It demonstrates geographic concentration, which increases its business risk by making it vulnerable to economic and political uncertainties in the particular market.

Further, the company's global competitor, News Corporation has generated significant amount of revenues from its international operations. News Corporation, a media company based in the US, recorded approximately 43.9% of its total revenues (fiscal year ended June 2012) from international regions including Europe, and Australasia and other regions.

Concentrating on matured markets such as the US and Canada increases the country specific risks to the company and restricts its growth opportunities compared to its competitors.

Opportunities

Increased focus on expanding presence in emerging economies

Walt Disney is focused on increasing its presence in emerging economies such as China and India. In FY2011, the company and Shanghai Shendi (Group) Co.,(Shendi) entered into agreement to build and operate Shanghai Disney Resort through a joint venture between the company and Shendi, in which Shendi owns a 57% interest and the company owns 43%. In March 2013, the company unveiled the first image of a model of Shanghai Disney Resort, featuring the resort’s theme park, Shanghai Disneyland. Earlier, in April 2012, Walt Disney, the Ministry of Culture's China Animation Group and Tencent, China's largest internet service provider, formed a partnership named "The National Animation Creative Research and Development Cooperation" to advance China's animation industry. As part of the initiative, the company would provide its expertise in storytelling from concept creation and story development to market research. This partnership would enhance the company's position in the Chinese animation industry.

The company has also invested in India. In January 2012, Walt Disney acquired UTV Software Communications, a media and entertainment company based in India. This acquisition positioned the company to become the India’s leading film studio and TV producer. The deal also added six of the country’s most popular entertainment, news, and film channels to the company’s portfolio, making it one of India's premier broadcasters as well, reaching more than 100 million viewers every week. The UTV deal also positioned the company as a significant player in the digital media space. The company's increased focus on expanding in emerging economies such as China and India increased Walt Disney's geographic footprint and will further enhance its subscribers base and market share.

Positive outlook for gaming market

The gaming market is expected to grow rapidly in the years to come. According to the industry estimates, the global gaming market reached $70.5 billion in 2011 and is expected to reach $117.9 billion in 2015, representing a compound annual growth rate (CAGR) of 13.7% during 2011-15. In the overall global market, Asia-Pacific region is expected to grow rapidly. The increase in high speed internet connectivity, sophisticated gaming techniques, efficient hardware compatibility, increased disposable incomes, are the drivers of growth for the gaming industry. In particular, the mobile gaming market is gaining traction. According to industry estimates, the mobile gaming market is expected to increase from $12.3 billion in sales in 2012 to $15.2 billion by 2015. The rising popularity of smartphones and tablets are the growth drivers for the mobile gaming market.

The company has been increasing its focus on gaming industry. During 2012, Disney's Where's My Water became the leading mobile game in 96 countries, and the various versions of the game was downloaded more than 100 million times. In FY2012, the company launched five leading mobile games and also had tremendous success with its first branded social game, Marvel: Avengers Alliance, which garnered critical acclaim and millions of players worldwide. Further, in 2013, the company plans to launch Disney Infinity, a new gaming platform for people to play all Disney properties any time, any place, across devices to create their own unique gaming adventures. Positive outlook for gaming market will enable the company to enhance its revenues in the years to come.

Threats

Competitive pressure

The company operates in highly competitive markets. Walt Disney's media network business competes for viewers primarily with other TV and cable networks, independent TV stations and other media, such as digital versatile discs (DVDs), video games and the internet. Its TV and radio stations primarily compete for viewers in individual market areas. The growth in the number of networks distributed multi-channel video service providers (MVSPs) resulted in increased competitive pressures for advertising revenues for both the company's broadcasting and cable networks. The company's cable networks also faces competition from other cable networks for carriage by MVSPs. In addition, the media network business competes for the acquisition of sports and other programming. The market for programming is very competitive, particularly for sports programming. Moreover, its internet web sites and digital products compete with other web sites and entertainment products in their respective categories.

Similarly, Walt Disney's theme parks and resorts as well as Disney Cruise Line and Disney Vacation Club compete with other forms of entertainment, lodging, tourism and recreational activities. The studio entertainment businesses compete with all forms of entertainment. A significant number of companies produce and/or distribute theatrical and TV films, exploit products in the home entertainment market, provide pay TV programming services and sponsor live theater. In the consumer products segment, Walt Disney's online sites and products compete with a wide variety of other online sites and products. Its video game business competes primarily with other publishers of video game software and other types of home entertainment. The company's key competitors include CBS, Fox Entertainment Group, Time Warner, Viacom, Liberty Media, Lions Gate Entertainment, News Corporation, Oriental Land, Carnival Corporation, Marriott International, Starwood Hotels and Resorts Worldwide, and Brunswick.

Competition in each of these areas may divert consumers from the company's creative or other products, or to other products or other forms of entertainment, which could reduce its revenue or increase marketing costs. Such competition may also reduce, or limit growth in, prices for Walt Disney's products and services, including advertising rates and subscription fees at its media networks, parks and resorts admissions and room rates, and prices for consumer products from which the company derives license revenues.

Increasing piracy could impact revenues

Piracy of motion pictures, television programming, and video content poses significant challenges to several of the company's businesses. Technological advances allowing the unauthorized dissemination of motion pictures, television programming and other content in unprotected digital formats, including through the internet, increases the threat of piracy. Such technological advances make it easier to create, transmit and distribute high quality unauthorized copies of such content. As a result of piracy, Hollywood faced a crisis as its most important revenue stream, DVD sales, which declined by more than 20% during 2006-2011. Similarly, according to Cable and Satellite Broadcasting Association of Asia, lack of market transparency and tolerance for illegal connections to cable systems have resulted in big losses in many Asian countries.

The proliferation of unauthorized copies and piracy of the company's products or the products it licenses from third parties will reduce Walt Disney's revenues. In addition, developments in software or devices that circumvent encryption technology increase the threat of unauthorized use and distribution of digital broadcast satellite programming signals.

TOP COMPETITORS

The following companies are the major competitors of The Walt Disney Company

Fox Entertainment Group, Inc.
Liberty Media Corporation
Viacom Inc.
Time Warner Inc.
CBS Corporation
Lions Gate Entertainment Corp.
News Corporation
Oriental Land Co., Ltd.
Carnival Corporation & plc
Marriott International, Inc.
Starwood Hotels & Resorts Worldwide, Inc.
Brunswick Corporation

COMPANY VIEW

A statement by Robert A. Iger, the Chairman and Chief Executive Officer of the Walt Disney Company is given below. The statement has been taken from the company's 2012 annual report.

Fiscal 2012 was an exciting year of record performance, as well as innovation and creativity, at The Walt Disney Company. For the second year in a row Disney achieved record net income, revenue, and earnings per share. In fiscal 2012, net income for our shareholders was a record $5.7 billion, an increase of 18% over last year, and revenue was a record $42.3 billion, up 3% from last year. Diluted earnings per share increased 24% to a record $3.13.

Our success was driven by improved results in each of our businesses and reflects the strength of our entire portfolio. It's also the result of our long-term strategy and the significant investments we've made over the last several years to ensure that we continue to find new ways to capture the imagination of millions with entertainment experiences that exceed expectations and become cherished memories.

We have built an amazing collection of some of the world's best media brands – Disney, ESPN, ABC, Pixar, Marvel, and now Lucasfilm – that provide enormous opportunities for us to continue to create high-quality content and unparalleled experiences. In a world cluttered with a growing number of entertainment choices, people look for the quality brands they know and love. And today, whether they're looking for the best in sports, television, or family entertainment of any kind, hundreds of millions of people are looking to our company and its wonderful array of high quality entertainment.

Our remarkably successful acquisitions of Pixar and Marvel, in particular, have proven our unique ability to nurture strong brands and expand fantastic creative content to its fullest potential and maximum value. Pixar also reinvigorated our animation, and we're seeing a tremendous creative resurgence as a result. Building on the success of Tangled, Disney's Wreck-It Ralph has drawn great reviews as well as record audiences. Wreck-It Ralph delivered the highest grossing opening weekend in Disney Animation history and also became the 75th Disney film to cross the $100 million domestic box office threshold, with more than $175 million to date.

Each of our strategic acquisitions has generated tremendous new opportunities and creative potential across our entire company, and we are thrilled to add Lucasfilm and its beloved Star Wars franchise, with its universe of more than 17,000 characters, inhabiting several thousand planets, spanning 20,000 years. Star Wars offers infinite inspiration and opportunities, and we're already moving forward on a new feature film to continue the epic saga. Star Wars Episode 7 will be in theaters in 2015, with more feature films planned – along with television programming, games and merchandise, and an expanded Star Wars presence in our parks around the world.

Over the last seven years we have focused on three key strategic priorities that have been critical to our success: creating exceptionally high-quality content for families, making that content more engaging and accessible through the innovative use of technology, and growing our brands and businesses in markets around the world. And this has been another year of great achievement for our businesses in these key areas.

On December 16th, Walt Disney Imagineering (WDI) celebrated 60 years of incomparable creativity. Originally founded to bring Disney's great storytelling to life with immersive experiences in ways that had never even been imagined before, WDI was the genesis of our parks and resorts business around the world. And 2012 saw the opening of some of WDI's finest work yet – including the phenomenal new Cars Land at Disney California Adventure, which completed the transformation of that park into a worthy neighbor to Disneyland and an extraordinary experience in its own right. We also launched our fourth cruise ship, the incredible Disney Fantasy, and opened two new areas in Hong Kong Disneyland, along with the first phase of our historic expansion of Fantasyland in Walt Disney World to take storytelling in this iconic location to a whole new level. This year we made significant progress toward our goal of opening our first Disney destination in mainland China, and our Imagineers continue the development and construction of our Shanghai Disney Resort to bring our vision to life.

The Walt Disney Studios smashed global box office records with Marvel's The Avengers, the year's #1 hit as well as the third-highest grossing film of all time, with more than $1.5 billion. Meanwhile, Disney Pixar's Brave, Disney's Frankenweenie, and Walt Disney Animation Studios' Wreck-It Ralph demonstrated the creative excellence and rich diversity of our animation efforts. Each of these movies earned both a Golden Globe and an Oscar nomination for the year's best animated feature, something we are obviously quite proud of. We are also incredibly proud to distribute Steven Spielberg's Lincoln, which premiered in November to sold-out crowds and critical acclaim and also earned 12 Oscar nominations, including a nod for best picture of the year. Together these films contributed to a record year for our studio at the domestic box office.

In 2013 we'll release Marvel's Iron Man 3 in May and Thor: The Dark World in November. Disney's fantastical Oz The Great and Powerful will whirl into theaters in March, and in July superstar Johnny Depp will saddle up in The Lone Ranger. We're also looking forward to Disney Pixar's Monsters University in June, and Frozen, based on Hans Christian Andersen's The Snow Queen and predicted to be the "coolest" comedy-adventure to ever hit the big screen, will be in theatres in November. We'll end the year with Saving Mr. Banks, the story behind one of our most beloved classics, Mary Poppins, starring Tom Hanks as Walt Disney.

On the stage, Disney productions continue to wow audiences and critics alike. Disney's new smash hit musical, Newsies, has played to packed houses since its March debut, breaking Broadway box office records to turn a profit faster than any previous Disney production and earning two Tony Awards in the process. Meanwhile, Peter and the Starcatcher earned another five Tony Awards, The Lion King celebrated its 15th anniversary by officially becoming the highest grossing show in Broadway history, and fans around the world got a chance to see new productions of Mary Poppins, including the first-ever performance in Spanish.

Technology remains one of our key priorities because it is transforming virtually every part of our business. As consumers change the way they use media and interact with the world around them, they create even more opportunities for us to connect and engage them in new ways.

In 2012, we re-imagined our online presence with the launch of the new Disney.com. It's the digital gateway for all things Disney, designed with the next generation of Disney fans in mind, offering a rich experience for users that is consistent as they move from one platform to another. During 2012, Disney's Where's My Water? became the #1 mobile game in 96 countries, and the various versions of the game have been downloaded more than 100 million times. Fiscal 2012 was actually a rather transformative year for our interactive business. We launched five #1 mobile games and also had tremendous success with our first branded social game, Marvel: Avengers Alliance, which garnered critical acclaim and millions of players worldwide. And 2013 promises to be even more exciting as we reinvent the way video games tell stories with the highly anticipated launch of Disney Infinity, an extraordinary new gaming platform that lets people play with all of the Disney properties any time, any place, across devices to create their own unique gaming adventures.

We're also incredibly proud of the continued success of our broadcast and cable networks. ESPN remains the world's undisputed leader in sports programming, bringing more sports coverage to more people in more ways than ever before. Whether sports fans are watching NFL games, Wimbledon, the NBA, the Indy 500, Major League Baseball, college sports, or sports news – on television, online, or on a hand-held device – most of them watch ESPN. The revolutionary WatchESPN service now allows fans in more than 46 million U.S. homes to watch ESPN online, on-the-go from their tablets and mobile devices, and through Xbox.

ABC delivered three of the fall season's top ten scripted series, including Modern Family, the #1 comedy on television; Grey's Anatomy, television's top-rated broadcast drama; and Once Upon a Time, a breakout hit in its second season. Good Morning America officially became the country's top morning show, and ABC News and our ABC-owned stations did stellar work covering the year's most important events. From the 2012 election to the devastation of natural disasters, these teams told the stories that mattered in ways that revealed the power, importance, and humanity behind them.

In 2012 Disney Channel took the top spot among kids 2-11 for the first time ever, and continued its winning streak as the #1 network among kids and tweens in the U.S. Disney Channel delivered the top three TV series among kids 2-11 for the year, as well as the top six shows among kids 6-11, and the top three shows among tweens (9-14). Building on the successful Disney Junior programming block on Disney Channel, in March we launched a 24-hour Disney Junior channel in the U.S. for preschoolers. Disney Junior content is a big hit with these viewers, who have made Doc McStuffins cable's top-rated show and Sofia the First: Once Upon a Princess cable's highest rated telecast of all time among this young audience.

Disney Channel has been a touchstone for our brand in homes around the world, introducing Disney to new markets with each new channel we launch. On New Year's Eve 2011 we launched our first free-to-air Disney Channel in Russia, reaching more than 40 million homes, or approximately 75% of Russian viewers. We followed that success in January 2012 with the launch of a free satellite Disney Channel in Turkey, expanding our reach from 1.5 million homes in that country to 11 million. We now have 108 Disney Channels in 34 languages reaching more than 426 million homes in 166 different markets around the world. When you add the extended reach of our partners around the world, Disney and Marvel branded kids television content is now available in almost one billion homes.

As the world's largest licensor, Disney is able to extend our storytelling beyond the screen, taking our beloved characters into the daily lives of millions of people. A wide array of merchandise based on some of the world's most iconic franchises such as Mickey Mouse, Disney Princesses, Cars, and Marvel's The Avengers is available in innovative online and retail environments that continue the Disney experience, and take fans even deeper into the stories they love. Disney is also the world's leading children's publisher, using digital technology to create dynamic new reading experiences. In fiscal 2012, we launched a line of digital learning opportunities, based on our successful Disney English Learning Centers in China, to help parents everywhere use their children's favorite characters to share their love of learning. We also expanded our growing Disney Baby brand across North America and are poised to grow it internationally in the coming year.

Our high-quality content translates into new businesses and new markets around the world, and we continue to see enormous growth potential in emerging countries. There is a rapidly growing middle class in these markets, with rising disposable income, and a desire for the kind of family entertainment Disney creates. In addition to continuing to expand our presence in both China and Russia, this year we also made our largest investment in India to date, acquiring UTV to become India's leading film studio and TV producer. The deal also added six of the country's most popular entertainment, news, and film channels to our portfolio, so we're now one of India's premier broadcasters as well, reaching more than 100 million viewers every week. The UTV deal also positioned us as a significant player in the digital media space, thanks to India games, the number one mobile gaming company in this market.

We believe that acting responsibly is an integral part of our brand, and are committed to being a good corporate citizen around the world. We published our first Corporate Citizenship report in 2008, and in 2012 we added specific, quantifiable targets to measure our progress in a variety of areas, from reducing our environmental impact and ensuring respectful workplaces to promoting the well-being of kids and families. In June we continued our partnership with parents to make healthier living easier and more fun for families, and became the first major media company to set standards for food advertising on programming targeted to kids. Disney took the first step in this direction in 2006, with our landmark nutrition guidelines, and we are proud to continue to lead the industry forward.

We are also proud of our legacy of supporting those who serve our country, and are committed to continuing that effort. In March we launched Heroes Work Here, a company-wide effort to support U.S. veterans and military families. The initiative included assistance to veterans transitioning from active service to civilian life, public service announcements on our broadcast and cable networks, and a commitment to hire at least 1,000 military veterans – a goal I am very pleased to note we have already surpassed.

By all accounts and any measure, 2012 was an extraordinary year for The Walt Disney Company, and we are well positioned for continued growth and success in the new year. Our achievements are a testament to the commitment and tireless work of our incredibly talented employees around the world. The strength of our company truly does come from the character and integrity of our people, and I am grateful to have such amazing men and women at Disney.

On behalf of everyone at Disney, I thank you for your continued support and confidence. You can count on us to continue creating fantastic family entertainment and doing what it takes to deliver extraordinary experiences and create shareholder value.

LOCATIONS AND SUBSIDIARIES

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ESPN – New York 2 Penn Plaza 17th Floor New York New York 10121 USA	ESPN – Texas 400 East Las Colinas Blvd Suite 1033 Irving Texas 75039 USA
Disneyland Resort Anaheim California 92802-3232 USA	Tokyo Disney Resort 1-1 Maihama Urayasu-shi Chiba-ken 279-8511 JPN
Marvel Entertainment, LLC 135 W. 50th Street 7th Floor New York New York 10020 USA	Marvel Entertainment International Ltd. 3 Queen Caroline Street London W6 9PE England GBR

Playdom, Inc 395 Page Mill Road 2nd Floor Palo Alto California 94306 USA	Walt Disney Animation Studios 2100 Riverside Drive Burbank California 91506 USA

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