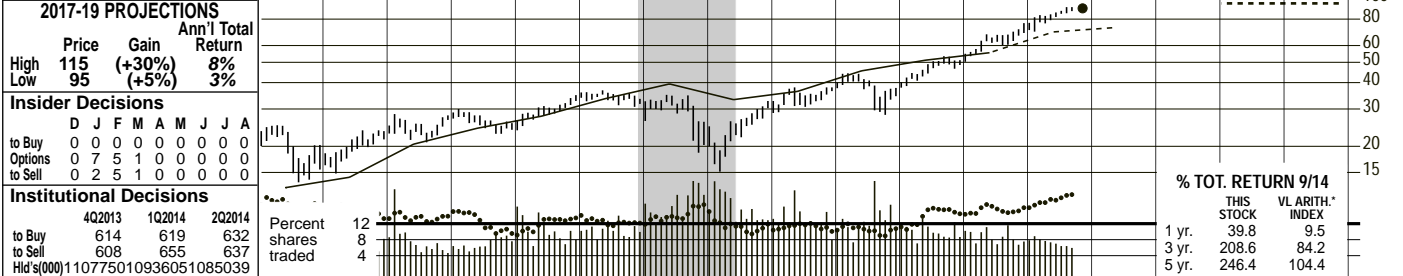


DISNEY (WALT) NYSE-DIS

RECENT PRICE **89.93** P/E RATIO **20.0** (Trailing: 21.6; Median: 16.0) RELATIVE P/E RATIO **1.09** DIV'D YLD **1.0%** VALUE LINE

TIMELINESS 3 Lowered 10/31/14	High: 23.8	28.4	30.0	34.9	36.8	35.0	32.8	38.0	44.3	53.4	76.5	91.2	Target Price Range
SAFETY 1 Raised 2/13/09	Low: 14.8	20.9	22.9	23.8	30.7	18.6	15.1	28.7	28.2	37.9	50.2	69.9	2017 2018 2019
TECHNICAL 3 Raised 10/24/14	LEGENDS 12.0 x "Cash Flow" p sh Relative Price Strength Options: Yes Shaded area indicates recession												
BETA 1.05 (1.00 = Market)													



1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
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	23.21	23.49	25.02	28.45	30.20	Revenues per sh ^A	34.20
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	3.79	4.26	4.63	6.00	6.35	"Cash Flow" per sh	8.05
.90	.66	.90	.98	.55	.66	1.09	1.31	1.61	1.92	2.26	1.82	2.07	2.54	3.13	3.38	4.35	4.70	Earnings per sh ^{A B}	6.50
.20	.20	.21	.21	.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	.95	Div'ds Decl'd per sh ^C	1.20
1.13	1.03	1.02	.89	.53	.51	.70	.91	.63	.80	.87	.96	1.11	2.02	2.10	1.55	2.00	1.90	Cap'l Spending per sh	1.85
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	21.22	22.09	25.24	28.00	30.30	Book Value per sh ^D	39.40
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	1762.2	1800.0	1800.0	1715.0	1710.0	Common Shs Outst'g ^E	1700.0
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	15.1	13.6	17.1	18.2		Avg Ann'l P/E Ratio	16.0
1.96	2.62	2.57	1.56	2.03	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	1.00		Relative P/E Ratio	1.00
.6%	.7%	.6%	.7%	1.0%	1.1%	.9%	.9%	1.0%	.9%	1.1%	1.5%	1.1%	1.0%	1.4%	1.3%	1.1%		Avg Ann'l Div'd Yield	1.2%

CAPITAL STRUCTURE as of 6/28/14																				
Total Debt \$16136 mill. Due in 5 Yrs \$11550 mill.																		Revenues per sh ^A		34.20
LT Debt \$12920 mill. LT Interest \$600 mill.																		Operating Margin		32.0%
(Total interest coverage: 41.9x)																		Depreciation (\$mill)		2600
(21% of Cap'l)																		Net Profit (\$mill)		11090
Leases, Uncapitalized: Annual rentals \$507 mill.																		Income Tax Rate		32.0%
																		Net Profit Margin		19.1%
Pension Assets-9/13 \$8.97 bill. Oblig. \$10.07 bill.																		Working Cap'l (\$mill)		7785
Pfd Stock None																		Long-Term Debt (\$mill)		12000
Common Stock 1,716,544,546 shs. as of 7/30/14																		Shr. Equity (\$mill)		67700
MARKET CAP: \$154 billion (Large Cap)																		Return on Total Cap'l		14.0%
																		Return on Shr. Equity		16.5%
CURRENT POSITION				2012	2013	6/28/14												Retained to Com Eq		13.5%
(SMILL.)																		All Div'ds to Net Prof		18%
Cash Assets				3387	3931	4090														
Receivables				6540	6967	7543														
Inventory (Avg Cst)				1537	1487	1425														
Other				2245	1724	2147														
Current Assets				13709	14109	15205														
Accts Payable				6393	6803	6379														
Debt Due				3614	1512	3216														
Other				2806	3389	3756														
Current Liab.				12813	11704	13351														

BUSINESS: The Walt Disney Company operates Media Networks, incl. ABC and ESPN (45% of '13 revs.); Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Hollywood Studios, Animal Kingdom), and a cruise line (31%); Studio Entertainment (13%); Consumer Products (8%); and Interactive Media (3%). Earns Tokyo Disneyland royalties. Manages Disneyland Paris and Hong Kong Disneyland. Acq. Pixar, 5/06; Marvel, 12/09; Lucas-Films, 12/12. Div. ABC Radio, 6/07. '13 depr. rate: 4.9%. Employs 175,000. Laurene Powell Jobs Trust owns 7.5% of stock; off. and dir., less than 1% (1/14 proxy). Chairman/CEO: Robert A. Iger. Inc.: DE. Addr.: 500 S. Buena Vista St., Burbank, CA 91521-7320. Tel.: 818-560-1000. Internet: www.thewaltdisneycompany.com.

ANNUAL RATES						Past 10 Yrs		Past 5 Yrs		Est'd '11-'13 to '17-19	
of change (per sh)						6.5%	5.5%	6.0%			
Revenues						12.0%	8.5%	11.5%			
"Cash Flow"						15.0%	9.5%	13.5%			
Earnings						11.0%	13.5%	13.0%			
Dividends						7.0%	7.0%	9.5%			
Book Value											

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) ^A				Full Fiscal Year
	Dec.Per	Mar.Per	Jun.Per	Sep.Per	
2011	10716	9077	10675	10425	40893
2012	10779	9629	11088	10782	42278
2013	11341	10554	11578	11568	45041
2014	12309	11649	12466	12326	48750
2015	12875	12725	12850	13180	51630

Fiscal Year Ends	EARNINGS PER SHARE ^{A B}				Full Fiscal Year
	Dec.Per	Mar.Per	Jun.Per	Sep.Per	
2011	.68	.49	.78	.59	2.54
2012	.80	.63	1.01	.69	3.13
2013	.77	.83	1.01	.77	3.38
2014	1.03	1.08	1.28	.96	4.35
2015	1.10	1.15	1.35	1.10	4.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2010	.35	--	--	--	.35
2011	.40	--	--	--	.40
2012	.60	--	--	.75	1.35
2013	--	--	--	--	--
2014	.86	--	--	--	.86

The Walt Disney Company's fiscal 2014 likely had a happy ending. (Fiscal year ended September 27th.) Full-year results were scheduled to be released shortly after we went to press. All told, the media conglomerate has posted healthy top- and bottom-line advances across its business segments for much of the year, and we believe it concluded the September quarter in fine fashion. Beyond the success of its Studio Entertainment, the company seemed to be operating on all cylinders over the last few months. Better affiliate and advertising revenues supported results at Media Networks. And its hefty investments in Parks & Resorts have begun to bear fruit. Its Interactive segment grew exponentially over the past few quarters, thanks to the performance of new gaming platform *Disney Infinity*, and will likely become a greater contributor to revenues and profits going forward.

The company is well positioned for next year, too. While we are cautiously optimistic about its studios' year-to-year comparisons (discussed below), other positive trends should bolster totals. What's more, management's ongoing investments in technological improvements should help expand its market reach, thanks to enhanced digital distribution and ought to enable Disney to better leverage its content library. All told, we look for the top and bottom lines to expand at a 5%-10% clip in fiscal 2015.

Will the company be able to follow the success of *Frozen*? The *Arrendale* princesses have spurred much of Disney's recent success. And even though box office comparisons may suffer somewhat, the Marvel superheroes and return of some Pixar characters to the silver screen should pick up some of the slack. Too, the company has already begun to promote the next episode of *Star Wars*, which is scheduled to be released at the end of calendar 2015 (this will be the first installment since Disney acquired Lucasfilms in 2012). **These shares appear to be fairly valued at this juncture.** The stock has had a nice run of late. DIS shares have climbed about 30% in value since the start of fiscal 2014. That said, much of the good news we anticipate 3 to 5 years hence is already reflected in the recent quotation.

Orly Seidman
November 7, 2014