

<b>DISNEY (WALT)</b> NYSE-DIS	RECENT PRICE	<b>96.27</b>	P/E RATIO	<b>18.2</b> (Trailing: 19.6) Median: 16.0	RELATIVE P/E RATIO	<b>1.08</b>	DIV'D YLD	<b>1.5%</b>	<b>VALUE LINE</b>
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2018-20 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	130	(+35%)	9%
Low	105	(+10%)	4%

Insider Decisions											
	M	A	M	J	J	A	S	O	N		
To Buy	0	0	0	0	0	0	0	0	0		
Options	3	0	2	3	1	2	0	9	0		
To Sell	4	0	2	4	2	1	0	0	0		

% TOT. RETURN 12/15

Institutional Decisions				Percent shares traded		THIS STOCK INDEX		VL ARITH. INDEX	
to Buy	1Q2015	2Q2015	3Q2015			1 yr.	12.9	-6.9	
to Sell	746	705	688			3 yr.	119.0	37.7	
Hit's(000)	10588571	10570181	1020309			5 yr.	200.1	52.1	

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
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	28.71	32.79	33.75	Revenues per sh <sup>A</sup>	37.90
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	5.76	6.71	6.95	"Cash Flow" per sh	8.90
.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	4.26	4.90	5.50	Earnings per sh <sup>A B</sup>	7.35
.20	.21	.21	.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	Div'ds Decl'd per sh <sup>C</sup>	1.85
1.03	1.02	.89	.53	.51	.70	.91	.63	.80	.87	.96	1.11	2.02	2.10	1.55	1.95	2.67	2.00	Cap'l Spending per sh	2.00
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	26.45	27.83	30.50	Book Value per sh <sup>D</sup>	41.00
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	1700.0	1600.0	1660.0	Common Shs Outst'g <sup>E</sup>	1675.0
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	18.6	20.9		Avg Ann'l P/E Ratio	16.0
2.62	2.57	1.56	2.03	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.06		Relative P/E Ratio	1.00
.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%	1.8%		Avg Ann'l Div'd Yield	1.6%

<b>CAPITAL STRUCTURE as of 10/2/15</b>	31944	34285	35510	37843	36149	38063	40893	42278	45041	48813	52465	<b>56020</b>	<b>Revenues (\$mill) ^ A</b>	<b>63475</b>
Total Debt \$17336 mill. Due in 5 Yrs \$10925 mill.	17.8%	20.2%	23.3%	23.7%	20.3%	22.2%	23.5%	25.7%	25.8%	28.3%	29.7%	<b>30.0%</b>	<b>Operating Margin</b>	<b>32.0%</b>
LT Debt \$12773 mill. LT Interest \$600 mill. (Total interest coverage: NMF)	1339.0	1436.0	1431.0	1582.0	1631.0	1713.0	1841.0	1987.0	2192.0	2288.0	2354.0	<b>2380</b>	<b>Depreciating (\$mill)</b>	<b>2600</b>
(22% of Cap'l)	2729.0	3343.0	4014.0	4405.0	3408.0	4035.0	4839.0	5682.0	6136.0	7501.0	8382.0	<b>9185</b>	<b>Net Profit (\$mill)</b>	<b>12315</b>
Leases, Uncapitalized Annual rentals 4637 mill.	31.5%	34.2%	37.2%	36.6%	36.1%	35.1%	34.5%	33.3%	31.0%	34.6%	36.2%	<b>32.0%</b>	<b>Income Tax Rate</b>	<b>32.0%</b>
Pension Assets-10/15 \$9.42 bill.	8.5%	9.8%	11.3%	11.6%	9.4%	10.6%	11.8%	13.4%	13.6%	15.4%	16.0%	<b>16.4%</b>	<b>Net Profit Margin</b>	<b>19.4%</b>
Oblig. \$12.38 bill.	d323.0	d648.0	d77.0	75.0	2955.0	1225.0	1669.0	896.0	2405.0	1884.0	424.0	<b>750</b>	<b>Working Cap'1 (\$mill)</b>	<b>6185</b>

<b>Pfd Stock</b> None <b>Common Stock</b> 1,653,177,887 shs. <b>as of 11/18/15</b>	10157	10843	11892	11110	11495	10130	10922	10697	12776	12676	12773	<b>12500</b>	<b>Long-Term Debt (\$mill)</b>	<b>12000</b>
	26210	31820	30753	32323	33734	37519	37385	39759	45429	44958	44525	<b>50660</b>	<b>Shr. Equity (\$mill)</b>	<b>68675</b>
	8.2%	8.4%	10.0%	10.8%	8.1%	8.9%	10.4%	11.6%	10.8%	13.0%	14.7%	<b>14.5%</b>	<b>Return on Total Cap'l</b>	<b>15.5%</b>

	10.4%	10.5%	13.1%	13.6%	10.1%	10.8%	12.9%	14.3%	13.5%	16.7%	18.8%	18.0%	Return on Shr. Equity	18.0%
MARKET CAP: \$159 billion (Large Cap)	8.5%	8.9%	11.0%	11.6%	8.2%	9.0%	10.9%	11.6%	10.6%	13.3%	11.9%	13.5%	Retained to Com Eq	13.5%

CURRENT POSITION (\$MILL.)	2013	2014	10/2/15
Cash Assets	3931	3421	4269
Receivables	6967	7822	8019
Inventory (Avg Cst)	1487	1574	1571
Other	1724	2359	2899
Current Assets	14109	15176	16758
Accts Payable	6803	7595	7844
Debt Due	1512	2164	4563
Other	3389	3533	3927
Current Liab.	11704	13292	16334

ANNUAL RATES	Past 7 Yrs.	Past 5 Yrs.	Est'd '13-'15 to '18-'20
of change (per sh)	10.0%	5.0%	5.0%
Revenues	13.5%	13.5%	9.5%
"Cash Flow"	15.0%	15.5%	12.0%
Earnings	18.0%	26.5%	10.0%
Dividends	8.0%	7.0%	9.0%
Book Value			

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Dec.Per	Mar.Per	Jun.Per	Sep.Per	
2012	10779	9629	11088	10782	42278
2013	11341	10554	11578	11568	45041
2014	12309	11649	12466	12389	48813
2015	13391	12461	13101	13512	52465
2016	<b>14750</b>	<b>13390</b>	<b>13780</b>	<b>14100</b>	<b>56020</b>

Fiscal Ends	EARNINGS PER SHARE <sup>A B</sup>					Full Fiscal Year
	Dec.Per	Mar.Per	Jun.Per	Sep.Per		
2012	.80	.63	1.01	.69	3.13	
2013	.77	.83	1.01	.77	3.38	
2014	1.03	1.08	1.28	.87	4.26	
2015	1.27	1.23	1.45	.95	4.90	
2016	1.45	1.40	1.50	1.15	5.50	

Calendar	QUARTERLY DIVIDENDS PAID <sup>c</sup>						Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per			
2012	.60	--	--	.75			1.35
2013	--	--	--	--			--
2014	.86	--	--	--			.86
2015	1.15	--	.66	--			1.81
2016	.71						

<p><b>BUSINESS:</b> The Walt Disney Company operates Media Networks, incl. ABC and ESPN (44% of '15 revs.); Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Hollywood Studios, Animal Kingdom), and a cruise line (31%); Studio Entertainment (14%); Consumer Products (9%); and Interactive Media (2%). Earns Tokyo Disneyland royalties. Manages Disneyland Paris</p>	<p>and Hong Kong Disneyland. Acq. Pixar, 5/06; Marvel, 12/09; Lucas-Films, 12/12. Div. ABC Radio, 6/07. '15 depr. rate: 4.7%. Employs 185,000. Laurene Powell Jobs Trust owns 7.8% of stock; off. and dir., less than 1% (1/16 proxy). Chairman/CEO: Robert A. Iger. Inc.: DE. Address: 500 S. Buena Vista St., Burbank, CA 91521-7320. Tel.: 818-560-1000. Internet: <a href="http://www.thewaltdisneycompany.com">www.thewaltdisneycompany.com</a>.</p>
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**The Walt Disney Company likely started fiscal 2016 on a strong note.** (Fiscal year began October 4th.) The media conglomerate has focused on leveraging its branded content and franchises, and maximizing new technologies. And we expect management's efforts continued to bolster totals in the December period. Note: First-quarter results were scheduled to be released after we went to press with this report.

**The company seems well positioned for the year ahead.** All told, we look for the entertainment giant to post healthy top- and bottom-line comparisons this year, albeit at a slightly slower clip than its fiscal 2015 gains. Specifically, Disney has experienced some difficulties at its cable and broadcasting networks. To wit, ESPN's variable revenues and high fixed costs, as well as recent subscriber losses, are liable to weigh on its media networks' results in the near term.

**Will the "Force Awaken" the Studio Entertainment's results?** *Star Wars Episode VII* broke box office records during its opening weekend (and in the ensuing weeks surpassed Disney's previous top-

over the next 3 to 5 years. And even though the board raised the semiannual dividend by 7%, this equity offers modest long-term total return possibilities.

*Orly Seidman* *February 5, 2016*

and Hong Kong Disneyland. Acq. Pixar, 5/06; Marvel, 12/09; LucasFilms, 12/12. Div. ABC Radio, 6/07. '15 depr. rate: 4.7%. Employs 185,000. Laurene Powell Jobs Trust owns 7.8% of stock; off. and dir., less than 1% (1/16 proxy). Chairman/CEO: Robert A. Iger. Inc.: DE. Address: 500 S. Buena Vista St., Burbank, CA 91521-7320. Tel.: 818-560-1000. Internet: [www.thewaltdisneycompany.com](http://www.thewaltdisneycompany.com).

grossing film *Frozen*). Even though the movie was released in mid-December, we believe that thanks to advance ticket sales and the related merchandising push, the Jedi franchise lifted the studio's first-quarter tally. Disney recently announced that it was delaying the release of the next *Star Wars* film (to December, 2017), which was met with mixed reviews, and causing some to question whether the next installment will be able to drive revenues further down the road. Over the past few years, Disney has turned its attention to releasing fewer, yet more profitable, films.

**The stock has given back some ground in the past few months.** In fact, the issue has slipped about 15% in value since our November review, and has fallen one notch in our Timeliness Ranking System. Even so, DIS shares are ranked to outperform the broader market averages in the coming year. That said, the blue chip holds limited appreciation potential over the next 3 to 5 years. And even though the board raised the semiannual dividend by 7%, this equity offers modest long-term total return possibilities.

Only Seidman February 5, 2016

(A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks.	'04, 4c; '05, (9c); '06, 3c; '07, 32c; '08, 2c; '09, 6c; '10, (4c); '11, (2c). Excl. disc. ops.: '07, 1c.	May. (C) Div'ds hist. paid in mid-Jan. Initiated semi-annual dividend in July '15. Two div'ds	<b>Company's Financial Strength</b> <b>Stock's Price Stability</b>	A++ 85
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(B) Dil. egs. Excl. nonrecurring gains/(losses): '99, (4c): '00, 2c: '01, (\$1.00): '02, 8c: '03, (4c):	Excl. loss from interest in Disney Internet Group: '00, 35c. Next egs. report due early	paid in calendar 2012. (D) Incl. intang., in fiscal '15: \$35.0 bill., \$21.87/sh. (E) In millions.	Price Growth Persistence Earnings Predictability	100 90
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<p>'04, 4¢; '05, (9¢); '06, 3¢; '07, 32¢; '08, 2¢; '09, 6¢; '10, (4¢); '11, (2¢). Excl. disc. ops.: '07, 1¢. Excl. loss from interest in Disney Internet Group: '00, 35¢. Next eas. report due early</p>	<p>May. (C) Div'ds hist. paid in mid-Jan. Initiated semi-annual dividend in July '15. Two div'ds paid in calendar 2012. (D) Incl. intang., in fiscal '15: \$35.0 bill., \$21.87/sh. (E) In millions.</p>	<p><b>Company's Financial Strength</b> A++  <b>Stock's Price Stability</b> 85  <b>Price Growth Persistence</b> 100  <b>Earnings Predictability</b> 90</p>
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Company's Financial Strength	A++
Stock's Price Stability	85
Price Growth Persistence	100
Earnings Predictability	90

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