

<b>DISNEY (WALT)</b> NYSE-DIS	RECENT PRICE <b>115.18</b>	P/E RATIO <b>19.5</b> (Trailing: 20.8 Median: 16.0)	RELATIVE P/E RATIO <b>0.97</b>	DIV'D YLD <b>1.4%</b>	<b>VALUE LINE</b>
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2020-22 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	135	(+15%)	6%
Low	110	(-5%)	1%

Insider Decisions										40	
	J	J	A	S	O	N	D	J	F		
to Buy	0	0	0	0	0	0	0	0	0		
Options	0	10	1	0	10	1	7	15	3		
to Sell	0	0	0	0	0	3	2	1	3		

% TOT. RETURN 3/17

Institutional Decisions				Percent shares traded		THIS STOCK INDEX	
	2Q2016	3Q2016	4Q2016				
to Buy	830	828	915			1 yr.	15.9
to Sell	783	795	811			3 yr.	47.3
Hld's (000)	938707	909837	962026			5 yr.	176.9

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	34.77	<b>36.20</b>	<b>37.65</b>	Revenues per sh <sup>A</sup>	<b>40.50</b>
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	7.45	<b>7.90</b>	<b>8.25</b>	"Cash Flow" per sh	<b>9.40</b>
.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	5.73	<b>5.90</b>	<b>6.35</b>	Earnings per sh <sup>A B</sup>	<b>7.60</b>
.21	.21	.21	.21	.24	.27	.31	.35	.35	.35	.40	.60	.75	.86	1.81	1.42	<b>1.56</b>	<b>1.72</b>	Div'ds Decl'd per sh <sup>C</sup>	<b>2.10</b>
.89	.53	.51	.70	.91	.63	.80	.87	.96	1.11	2.02	2.10	1.55	1.95	2.67	2.98	<b>3.00</b>	<b>3.00</b>	Cap'l Spending per sh	<b>3.00</b>
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	27.04	<b>28.35</b>	<b>30.80</b>	Book Value per sh <sup>D</sup>	<b>41.25</b>
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	1600.0	<b>1575.0</b>	<b>1570.0</b>	Common Shs Outst'g <sup>E</sup>	<b>1550.0</b>
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	17.7	<b>Bold figures are Value Line estimates</b>		Avg Ann'l P/E Ratio	<b>16.0</b>
1.56	2.03	1.60	1.15	1.09	.92	.94	.85	.83	1.00	.95	.87	.96	.98	1.05	.93			Relative P/E Ratio	<b>1.00</b>
.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%	1.4%			Avg Ann'l Div'd Yield	<b>1.7%</b>

<b>CAPITAL STRUCTURE as of 12/31/16</b>	35510	37843	36149	38063	40893	42278	45041	48813	52465	55632	<b>57000</b>	<b>59100</b>	Revenues (\$mill) ^	<b>62750</b>
Total Debt \$20490 mill. Due in 5 Yrs \$11275 mill.	23.3%	23.7%	20.3%	22.2%	23.5%	25.7%	25.8%	28.3%	29.7%	30.4%	<b>31.5%</b>	<b>32.0%</b>	Operating Margin	<b>33.0%</b>
LT Debt \$14792 mill. LT Interest \$600 mill. (Total interest coverage: NMF)	1491.0	1582.0	1631.0	1713.0	1841.0	1987.0	2192.0	2288.0	2354.0	2527.0	<b>2600</b>	<b>2625</b>	Depreciation (\$mill)	<b>2800</b>
(24% of Cap'l)	4014.0	4405.0	3408.0	4035.0	4839.0	5682.0	6136.0	7501.0	8382.0	9391.0	<b>9840</b>	<b>10365</b>	Net Profit (\$mill)	<b>11780</b>
Leases, Uncapitalized Annual rentals \$77.0 mill.	37.2%	36.6%	36.1%	35.1%	34.5%	33.3%	31.0%	34.6%	36.2%	34.2%	<b>32.0%</b>	<b>32.0%</b>	Income Tax Rate	<b>32.0%</b>
Pension Assets-10/16 \$10.41 bill.	11.3%	11.6%	9.4%	10.6%	11.8%	13.4%	13.6%	15.4%	16.0%	16.9%	<b>16.9%</b>	<b>17.6%</b>	Net Profit Margin	<b>18.8%</b>
Obliga. \$14.48 bill.	47.7%	75.0	295.0	129.0	166.0	89.0	240.0	188.0	424.0	124.0	<b>124</b>	<b>175</b>	Working Cap'n/(\$mill)	<b>58</b>

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	13.1%	13.6%	10.1%	10.8%	12.9%	14.3%	13.5%	16.7%	18.8%	21.7%	22.0%	21.5%	Return on Shr. Equity	18.5%
MARKET CAP: \$182 billion (Large Cap)	11.0%	11.6%	8.2%	9.0%	10.9%	11.6%	10.6%	13.3%	11.9%	16.4%	16.5%	16.0%	Retained to Com Eq	13.5%

CURRENT POSITION (\$MILL.)	2015	2016	12/31/16	16%	15%	19%	16%	16%	19%	22%	20%	37%	25%	25%	26%	All Div'ds to Net Prof	28%	
Cash Assets	4269	4610	3736	<b>BUSINESS:</b> The Walt Disney Company operates Media Networks, incl. ABC and ESPN (43% of '16 revs.); Parks and Resorts: Disneyland, Walt Disney World (Magic Kingdom, Epcot, Hollywood Studios, Animal Kingdom), and a cruise line (30%); Studio Entertainment (17%); Consumer Products and Interactive Media (10%). 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. '16 depr. rate: 4.7%. Employs 195,000. Off. and dir., less than 1% of common stock; Vanguard, 5.5% (1/17 proxy). Chairman/CEO: Robert A. Iger, Inc.: DE. Address: 500 S. Buena Vista St., Burbank, CA 91521-7320. Telephone: 818-560-1000. Internet: www.thewaltdisneycompany.com.						
Receivables	8019	9065	9878															
Inventory (Avg Cst)	1571	1390	1299															
Other	2899	1901	1752															
Current Assets	16758	16966	16665															
Accts Payable	7844	9130	9979	<b>Will The Walt Disney Company's</b> tent. Over the last few years, the company														
Debt Due	4563	3687	5698															
Other	3927	4025	3640															
Current Liab.	16334	16842	19317															

ANNUAL RATES	Past 7 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '20-'22
of change (per sh)	10.5%	9.0%	4.0%
Revenues	12.5%	15.5%	6.0%
"Cash Flow"	14.0%	18.5%	7.5%
Earnings	19.0%	30.0%	7.5%
Dividends	7.0%	6.5%	7.0%
Book Value			

Fiscal Year Ends	QUARTERLY REVENUES (\$ mill.) <sup>A</sup>				Full Fiscal Year
	Dec.Per	Mar.Per	Jun.Per	Sep.Per	
2014	12309	11649	12466	12389	48813
2015	13391	12461	13101	13512	52465
2016	15244	12969	14277	13142	55632
2017	14784	13436	14750	14030	57000
2018	15000	14575	14850	14675	59100

Fiscal Year Ends	EARNINGS PER SHARE <sup>A B</sup>					Full Fiscal Year
	Dec.Per	Mar.Per	Jun.Per	Sep.Per		
2014	1.03	1.08	1.28	.87	4.26	
2015	1.27	1.23	1.45	.95	4.90	
2016	1.73	1.30	1.59	1.10	5.73	
2017	1.55	1.40	1.70	1.25	5.90	
2018	1.75	1.45	1.75	1.40	6.35	

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>c</sup>				Full Year
	Mar.Per	Jun.Per	Sep.Per	Dec.Per	
2013	--	--	--	--	--
2014	.86	--	--	--	.86
2015	1.15	--	.66	--	1.81
2016	.71	--	.71	--	1.42
2017	.78	--	--	--	--

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**Will The Walt Disney Company's growth begin to moderate this year?** The media conglomerate got off to a sluggish start in fiscal 2017 (year ended September 30th). In fact, the company experienced softness in all of its categories, save for its Parks & Resorts segment. In all, share earnings decreased 10%, to \$1.55, for the December period, on a 3% revenue decline. That said, some of the soft comparisons may be due to the tremendous gains Disney experienced in the year-ago period, spurred by the box office success of *Star Wars Episode VII*. And we imagine the tailwinds from the *Jedi* franchise and *Frozen* merchandising will continue to subside, but the reboot of *Beauty and the Beast*, and a strong summer movie slate may offset some of that decline in the back half of the year. Even so, we look for the top and bottom lines to eke out 2%-3% gains for fiscal 2017. On the other hand, we think the pace will pick up again next year, and share net will climb 5%-10%, on a 3%-5% revenue advance.

Over the last few years, the company has expanded its Parks & Resorts segment, opening Shanghai Disney, and will likely further expand its international and domestic theme parks in the coming months. Too, we imagine the company will focus on technological innovation, especially to support its Media Networks division. Disney plans to launch a new *ESPN* streaming service, with the help of its *BAMTech* partnership, and we would not be surprised if the company concentrated on strengthening its mobile capabilities or multiplatform opportunities to capture cord-cutting viewers. Meanwhile, the board will likely also use funds to improve shareholder returns through stock repurchases and dividends.

**These quality shares are fairly valued at this juncture.** Although *DIS* stock has trended up nicely over the past few months, it is ranked to perform in tandem with the broader market averages in the year ahead. Furthermore, much of the good news we anticipate from the mature

**The company is strategically investing in its business.** Indeed, Disney has been bolstering its core brands and company out to 2020-2022 is already baked into the recent quotation.

*Orly Seidman* *May 5, 2017*

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*Orly Seidman* *May 5, 2017*

<p><b>A) Fiscal year ends Saturday closest to Sept. 30th. Fiscal 2009 contained 53 weeks.</b></p>	<p>'06, 3¢; '07, 32¢; '08, 2¢; '09, 6¢; '10, (4¢); '11, (2¢). Excl. disc. ops.: '07, 1¢. Next eqs. report</p>	<p>paid in calendar 2012. Initiated semi-annual dividend in July '15.</p>	<p><b>Company's Financial Strength</b> <b>Stock's Price Stability</b></p>	<p>A++ 90</p>
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<b>(B)</b> Dil. eg.s. Excl. nonrecurring gains/(losses): '01, (\$1.00); '02, 8¢; '03, (4¢); '04, 4¢; '05, (9¢);	due early May. <b>(C)</b> Div'ds hist. paid in mid-Jan. Two div'ds	<b>(D)</b> Incl. intang., in fiscal '16: \$34.8 bill., \$21.75/sh. <b>(E)</b> In millions.	<b>Price Growth Persistence</b> <b>Earnings Predictability</b>	100 100
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Company's Financial Strength	A++
Stock's Price Stability	90
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