WALT DISNEY PRODUCTIONS ANNUAL REPORT 1979

DISNEYLAND: CELEBRATING THE FIRST QUARTER CENTURY.

FINANCIAL HIGHLIGHTS

(Thousands of dollars, except per share data)	1979	1978	Change
Revenues	**$796,773**	$741,143	+ 8%
Net income	**113,788**	98,385	+ 16%
Per share	**3.51**	3.04	
Cash dividends	**15,496**	10,273	+ 51%
Per share	**.48**	.32	
Additions to property, plant and equipment	**56,629**	45,367	+ 25%
Additions to film production costs	**44,436**	32,716	+ 36%
Stockholders equity	**961,062**	861,235	+ 12%
Per share	**29.76**	26.71	

STOCK TRANSFER AGENT AND REGISTRAR
Bank of America, N.T. & S.A., San Francisco

STOCK EXCHANGES
The Common stock of the Company is listed for trading on the New York, Pacific, and Swiss Stock Exchanges.

INDEPENDENT ACCOUNTANTS
Price Waterhouse & Co., West Los Angeles

ANNUAL MEETING OF STOCKHOLDERS
Second Wednesday in February

OTHER INFORMATION
A copy of the Company's annual report to the Securities and Exchange Commission (Form 10-K) will be furnished without charge to any stockholder upon written request to the Secretary, Walt Disney Productions, 500 S. Buena Vista Street, Burbank, California 91521.

Walt Disney Productions makes available to its stockholders a Dividend Reinvestment Plan. Those wishing a pamphlet about the plan should write to the Stockholder Relations Department, Walt Disney Productions, 500 S. Buena Vista Street, Burbank, California 91521.

ON THE COVER

Disneyland's Matterhorn takes on appearance of the real thing, towering over Sleeping Beauty's Castle, in this unique telephoto shot.

TO OUR SHAREHOLDERS, EMPLOYEES AND ASSOCIATES:

The past year was an outstanding one for Walt Disney Productions, not only because it was our 12th consecutive year of record revenues and earnings, but also because our future itself moved from the drawing boards to the physical state of becoming.

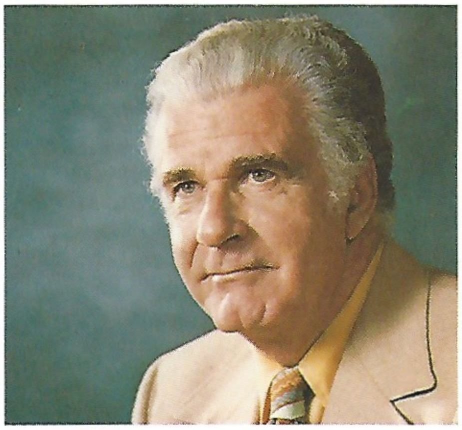
The promise of the new decade and beyond is exciting—as I am sure you will agree as you study the Company's accomplishments and aims as outlined in these pages.

The groundbreaking of EPCOT Center signals the birth of this new age and is a symbol of the great strides and new directions being taken in every area of the Company.

For the fiscal year ended September 30, 1979, revenues increased 8% to $796,773,000 while net income increased 16% to $113,788,000, or $3.51 per share.

The Board of Directors, at its meeting on November 20, 1979, increased the quarterly cash dividend from 12 cents to 18 cents per share, or an indicated annual dividend of 72 cents per share, an increase of 50% over the prior year. This is the fourth increase in the cash dividend in the past four years.

During 1979, the theme parks again proved their remarkable vitality and strength. Despite the gasoline crisis, both Disneyland and Walt Disney World established new revenue and operating income records, up 12 and 14%, respectively.



Attendance, which had declined significantly at the height of the fuel shortage, rebounded by the end of the year to the proximity of the all-time records established at both parks during the previous year.

Worldwide film rentals, including television, declined 11% for the fiscal year but we are confident of a strong improvement in these figures as we enter a new era of films with the release of "The Black Hole" in December and the powerful lineup of films scheduled for 1980.

The Consumer Products Division, which includes Character Merchandising and Publications, Records and Music Publishing and Educational Media, continued its strong performance with revenue increases of 13% for the fiscal year.

The year 1979 was also an important one for the Company on the international scene as we consummated the agreement for Tokyo Disneyland and began actual developmental operations. We also joined a very exclusive group of American companies which are listed on the Swiss Stock Exchange.

A further example of the growing diversification of the Company was provided when a Disney-Turner Construction Company joint venture was awarded the contract for development of a new PeopleMover System at the Houston International Airport.

We are aware, of course, that our nation faces potentially turbulent times, but as I said at the EPCOT groundbreaking ceremonies, "We have done our homework well...We know where we are going."

We have looked carefully—and continue to closely monitor—not only the creative aspects of all our new endeavors, but also the economic, the business and the marketing potentials. To further ensure our financial capabilities, in October we entered into an agreement for a $200 million, five-year revolving line of credit with the Bank of America.

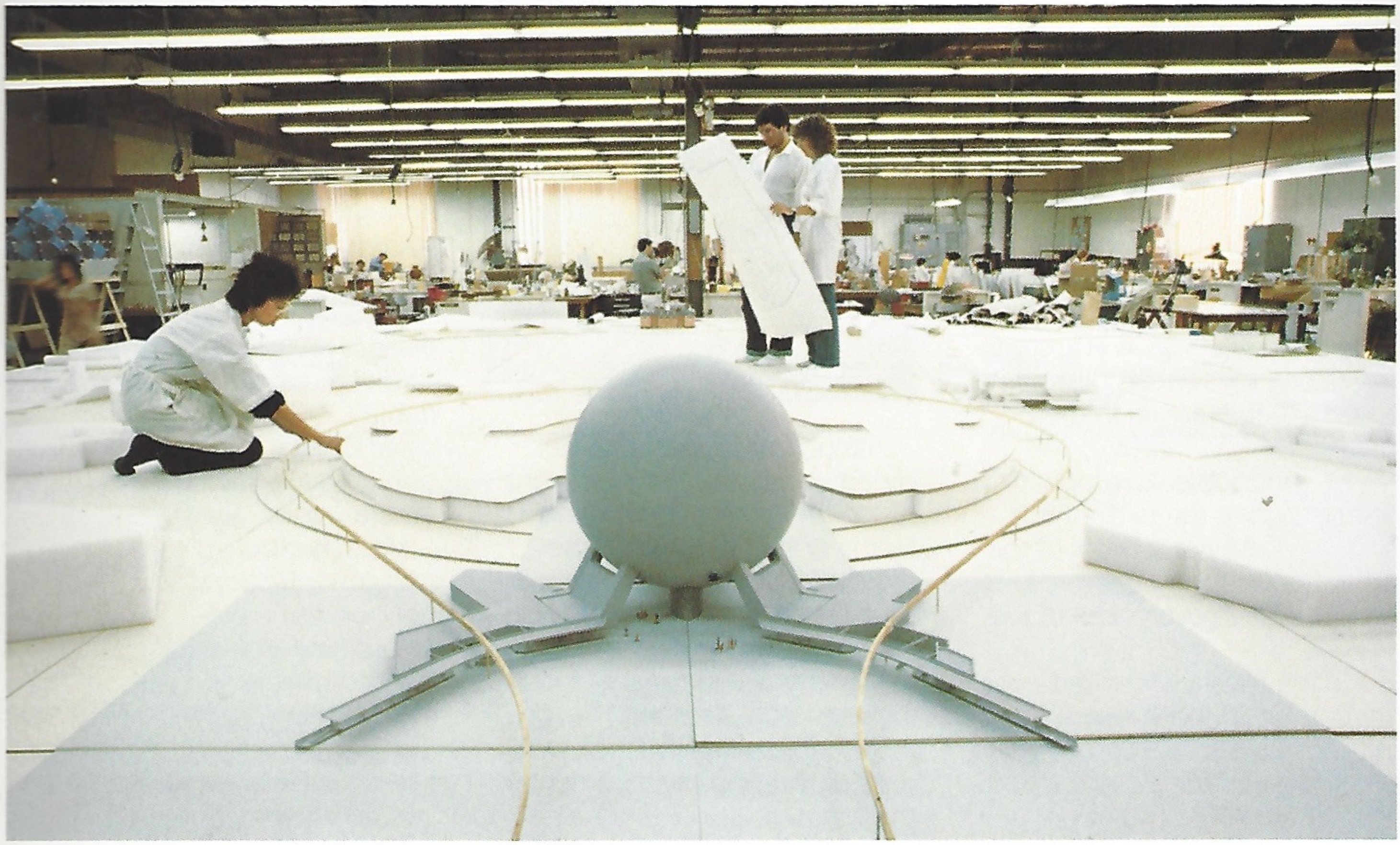
We look forward to the 1980s with a great deal of enthusiasm—on solid financial and artistic foundations and confident that we are on the threshold of a new era of Disney innovation, excitement and success.

November 26, 1979

Card Walker

Card Walker
President and
Chief Executive Officer

ENTERTAINMENT AND RECREATION



Finalized model version of EPCOT Center takes shape at WED Enterprises in Glendale, California, while physical restructuring of the actual landscape begins in Florida.

EPCOT CENTER: IT BEGINS

The traditional thumbs-up signal was given, the whistle sounded and the remarkable transformation of 450 acres of our Florida property into the largest private enterprise construction project in history was underway.

EPCOT Center, the dream first articulated — and named — by Walt Disney more than a decade ago, was launched October 1, with the four governors whose tenures span the Company's involvement in Florida officiating.

Glittering in the sun behind them towered a 160-foot replica of Spaceship Earth, the enormous geodesic dome that will dominate the $800 million EPCOT Center from the time it opens on October 1, 1982.

Former Governor, now Ambassador, Reubin Askew called it "the most exciting project in the world" and said its "message to the world is that it can be a better place if we learn to work together."

Haydon Burns, who served as governor when development of Walt Disney World began, said EPCOT represents "a genius that defies comparison." He added,

Symbolic groundbreaking of EPCOT Center is led by, from left, former Governors Claude Kirk and Reuben Askew, Card Walker; the current chief executive, Robert Graham, and former Governor Haydon Burns.

Artist's rendition presents EPCOT Center as it will look on opening day, October 1, 1982, its skyline dominated by the huge geodesic dome housing Spaceship Earth.

"I knew Walt Disney and his corporate family and I knew that he would — and they will now — bring it all to pass."

"This is the very essence of free enterprise," said Claude Kirk, whose term encompassed the construction of Walt Disney World. "It is proof positive that free enterprise is better than government."

Robert Graham, Florida's current chief executive, hailed EPCOT as "a commitment to the human spirit, to that quality that says we share this planet."

"This bold project," he said, "is nothing less than a repository of the hopes and aspirations of our children and our grandchildren."

"Now more than ever before, we know that this is a right and necessary step in the growth of Walt Disney Productions and, we believe, in the continuing growth of the State of Florida as the most important tourist destination in the whole world," Card told the gathering at the groundbreaking ceremony.

Huge, colorful balloons marked the sites of the various pavilions, and daytime fireworks punctuated the announcements of each of the nations involved in World Showcase.

During the past year, final agreements were signed with Exxon for the Energy Pavilion, General Motors for the Transportation Pavilion and Kraft Foods for the Land Pavilion.

In addition, the Company entered into advanced stages of negotiations with Coca Cola, American Express, General Electric, Eastman Kodak, CBS and American Telephone & Telegraph.

Various stages of negotiations for World Showcase involve the governments or business concerns from Mexico, Canada, Germany, Japan, Morocco, the United Kingdom, France, Costa Rica, Italy and Africa.

WALT DISNEY WORLD

Walt Disney World experienced another year of record revenues and operating income and its second best ever in attendance despite some anxious moments caused by the fuel crisis.

Major adjustments in operational procedures — including the installation of the innovative TeleTip information service for motorists — considerably softened the impact of the gasoline problems which beset other resorts, and the park ended the fiscal year with only a slight decline in attendance from the previous year's record high.

Attendance totaled 13,792,000, down 2% from the prior year's 14,071,000.

Higher per capita guest spending, resort hotel occupancy and overall sales resulted in an increase in revenues to $389,623,000 from $345,638,000.

And the promise for the new decade is even brighter as expansion development continues on schedule, including the new Walt Disney World Conference Center which is planned for a mid-year opening.

The Conference Center should considerably enhance Walt Disney World's growing reputation as one of the nation's most desirable business meeting sites, offering conference rooms, banquet facilities and a total of 140 villas for guests.

In addition, Big Thunder Mountain Railroad, a slightly larger version of what immediately became one of Disneyland's most popular features when it opened in September, is expected to be completed by late summer.

Special recognition of Walt Disney World's significant contributions in the areas of environmental and wildlife protection came from two quarters during the past year.

First, Discovery Island was admitted to membership in the prestigious American Association of Zoological Parks and Aquariums, the highly select organization which promotes the preservation of rare and endangered species.

And, the Company's Reedy Creek Utilities Company entered into a cooperative agreement with the United States Department of Energy to design, construct and operate the nation's first fully operational Solid Waste Energy Conservation facility.

Construction will begin in the spring, and when completed in mid-1981, the facility will convert approximately 100 tons of waste a day into usable energy and other commercial by-products — and provide about 10% of the hot water requirements for our entire Florida property.

At 10:32 a. m. on Monday, October 22, eight-year-old Kurt Miller of Baltimore walked through turnstiles and became Walt Disney World's 100 millionth guest. He receives lifetime pass from WDW Vice President Bob Allen, Center, while father, Kent Miller, looks on.

REVENUES

	1979	1978	1977	1976	1975
Admissions and rides	**$121,276,000**	$114,687,000	$100,792,000	$ 93,367,000	$ 80,456,000
Merchandise sales	**101,856,000**	86,860,000	72,906,000	64,492,000	54,460,000
Food sales	**95,203,000**	84,319,000	73,245,000	67,279,000	57,120,000
Lodging	**54,043,000**	44,972,000	39,902,000	36,107,000	31,712,000
Participant and other rentals	**9,994,000**	9,574,000	9,220,000	10,342,000	8,998,000
Other	**7,251,000**	5,226,000	4,453,000	3,799,000	3,588,000
Total revenues	**$389,623,000**	$345,638,000	$300,518,000	$275,386,000	$236,334,000
Theme park total attendance	**13,792,000**	14,071,000	13,057,000	13,107,000	12,515,000

DISNEYLAND

The opening of Big Thunder Mountain Railroad and the remarkable recovery from the fuel crisis highlighted the year at Disneyland.

Big Thunder officially opened September 15, and by November 1 nearly a half-million guests had already thrilled to this, the park's 59th attraction.

Attendance, which had dropped off 15% during the height of the gasoline pinch in late spring, rebounded to within a percentage point of the previous year's all-time record and was posting even more significant increases as the new year began.

Total attendance was 10,760,000 as compared to the previous year's 10,807,000.

Total revenues, boosted primarily by higher per capita guest spending, reached a new high of $177,730,000, up from $158,274,000, as Disneyland prepared for its giant 25th anniversary celebration in 1980.

"Family Reunion" will be the theme for the special year-long birthday party, and what a reunion it promises to be—for the millions of guests as well as for the thousands of members of the Disney family.

REVENUES

	1979	1978	1977	1976	1975
Admissions and rides	**$ 75,758,000**	$ 70,909,000	$ 65,913,000	$ 57,013,000	$ 53,360,000
Merchandise sales	**60,235,000**	49,312,000	39,485,000	32,862,000	27,881,000
Food sales	**35,865,000**	32,710,000	29,700,000	26,046,000	23,086,000
Participant and other rentals	**5,266,000**	4,676,000	4,784,000	5,352,000	5,487,000
Other	**606,000**	667,000	673,000	1,200,000	538,000
Total revenues	**$177,730,000**	$158,274,000	$140,555,000	$122,473,000	$110,352,000
Theme park total attendance	**10,760,000**	10,807,000	10,678,000	10,211,000	10,062,000
Celebrity Sports Center and Walt Disney Travel Co.	**$ 3,726,000***	$ 4,532,000	$ 4,092,000	$ 3,754,000	$ 2,980,000

*Celebrity Sports Center was sold in March, 1979.

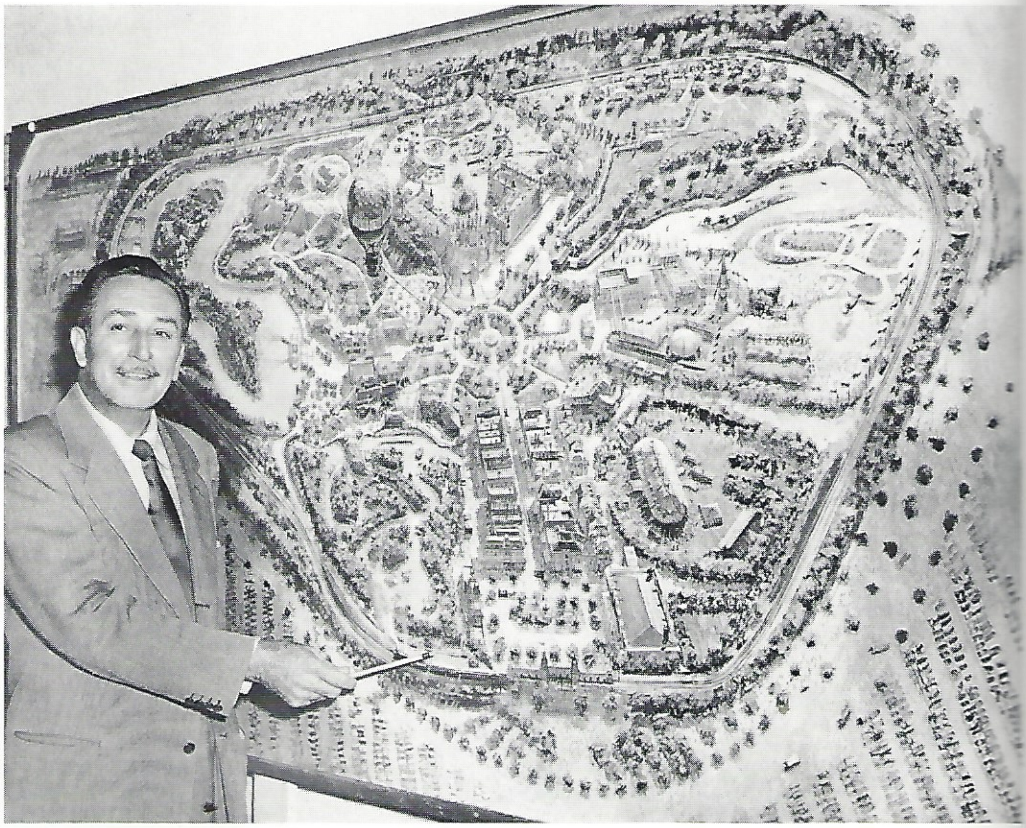
While the official anniversary is July 17, the celebration will receive an appropriate kickoff New Year's Day at Pasadena's famed Tournament of Roses Parade, which will feature a colorful Disneyland entertainment section.

Highlights of the year will include the park's largest-ever public celebration—the gala anniversary party in July—as well as its biggest "private party" in April, honoring former Presidents, foreign dignitaries, key journalists, businessmen and others who have contributed so much over the years to making Disneyland truly "the happiest place on earth."

Traveling shows, major television features, special newspaper supplements and theatrical film clips will carry the invitations to people around the world to "come home" for their reunion.

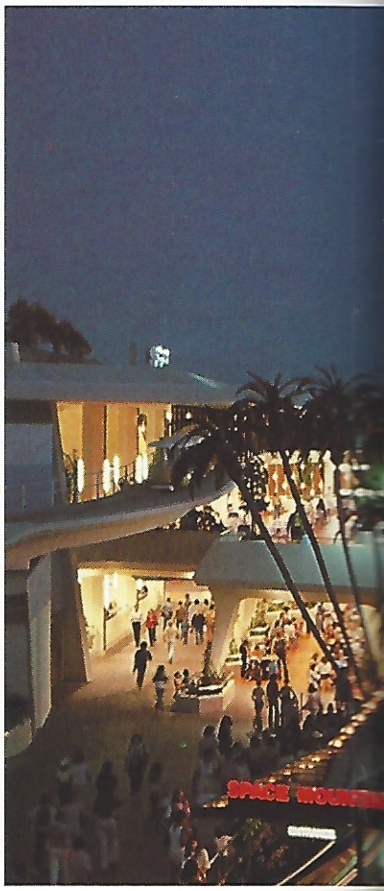
And waiting to greet them will be the greatest array of entertainment and special events ever amassed at America's oldest (and still newest) theme park.

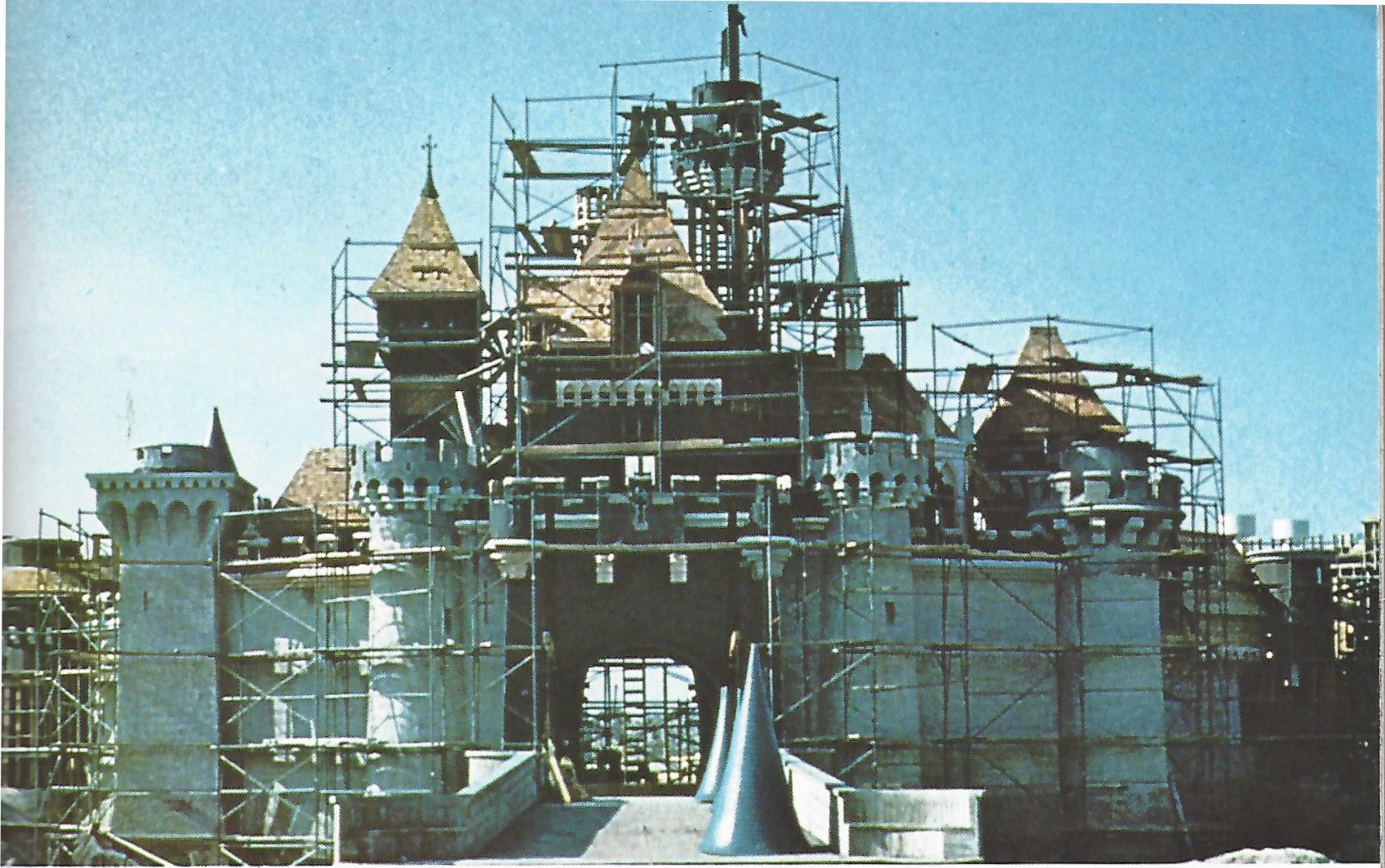
Big Thunder Mountain Railroad, Disneyland's 59th attraction, opened September 15 and immediately became one of the park's most popular features. Within six weeks, nearly a half-million guests enjoyed its thrills.



Walt outlines his plans for a theme park in rural Orange County.

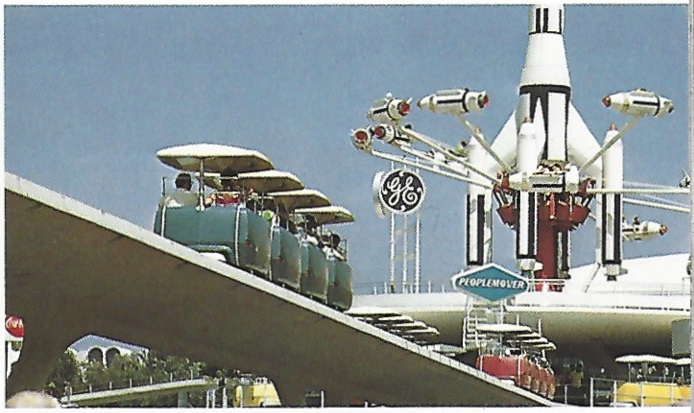
Land is cleared and construction begins on what is to become a national landmark.





Sleeping Beauty's Castle takes shape in 1955.

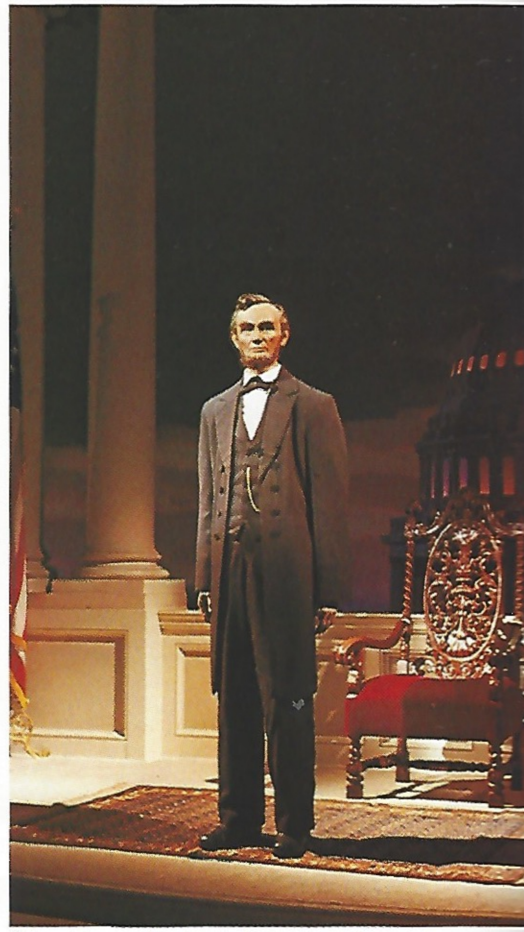
Space Mountain becomes a new Disneyland landmark in 1977.



WEDway PeopleMover makes its debut in 1967.

It's definitely a young people's park—of all ages.

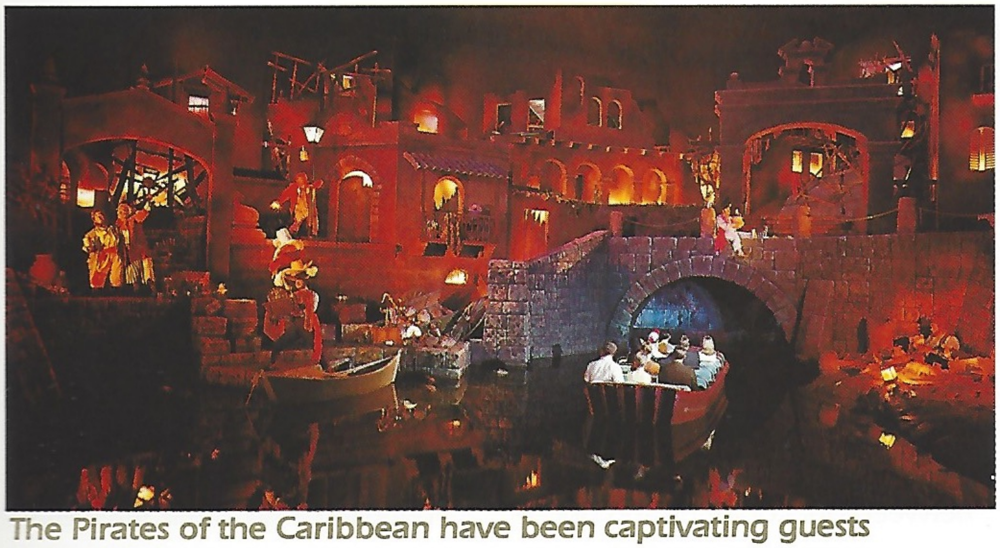
Walt Disney officiates at 1966 opening of Small World.


Mr. Lincoln has inspired and thrilled millions since 1965.


Magical quality of Disneyland thrives after 25 years.

Dazzling Electrical Parade begins long run in 1972.

Big Thunder Mountain Railroad becomes instant hit in 1979.



The Pirates of the Caribbean have been captivating guests since 1967.

Transformation of this 600-acre peninsula on Tokyo Bay into the Company's first international theme park venture has begun. Tokyo Disneyland is scheduled to open in 1983.

TOKYO DISNEYLAND

A landmark expansion of the Company's growing international influence was marked on April 30 with the signing of agreements for the development of Tokyo Disneyland.

After four years of discussions and negotiations, the Company and the Oriental Land Company formalized contracts for the $300 million project to be situated near the center of one of the world's most populous and affluent areas.

Tokyo Disneyland is scheduled to open in 1983 on a 600-acre site located on a landfill peninsula on Tokyo Bay.

Under terms of the final agreement, Walt Disney Productions will assume responsibility for the design and master planning as well as provide guidance on all construction and operational aspects of the project. Complete financing of the project will be the responsibility of the Japanese interests and the Company will receive a royalty percentage of the gross revenues from admissions, food and beverage and merchandise.

At the signing ceremony, Card Walker called the agreement a "milestone" for the Company and said it was "appropriate that our first overseas theme park venture should be in Japan because of the warm and strong friendship and business ties between our countries and our peoples."

"This exciting new project will not only provide a Disney experience for millions of Japanese and visitors to Japan, but will also be an important new achievement for the Disney organization.

"We look forward to working with our Japanese partners in bringing this important project to reality."

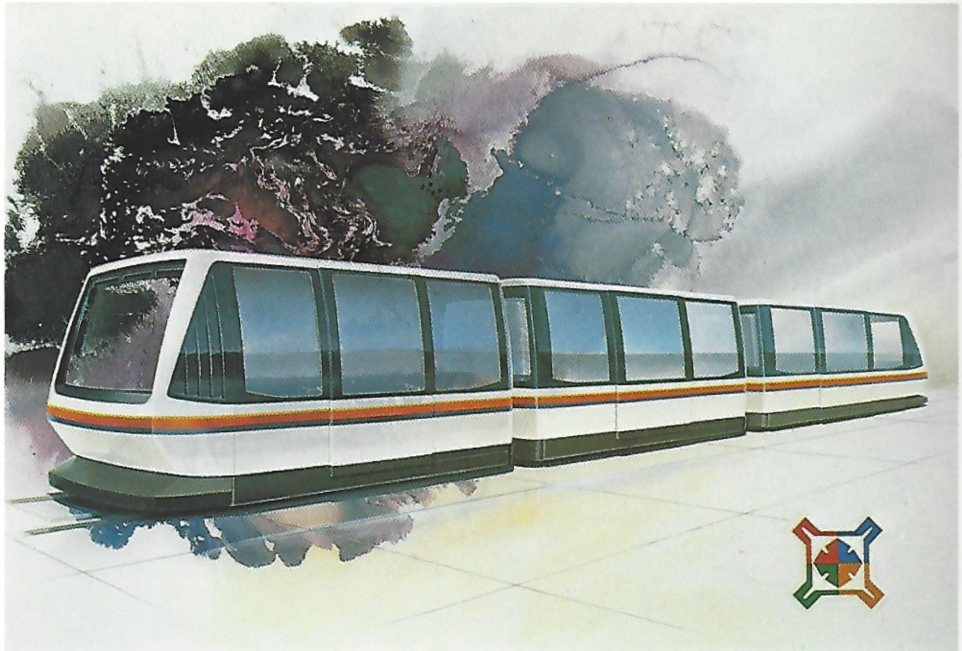
Matsumoto Takahashi, president of Oriental Land Company, called the agreement the "culmination of a long-standing dream."

"It is our intention to build a new, unique Disney entertainment experience, introducing new technology and creativity that will be enjoyed by people the world over," he said.

The major stockholders of Oriental Land Co., Ltd. are two of Japan's leading business concerns — the Mitsui Real Estate Development Co., Ltd., and Keisei Electric Railway Co., Ltd.

As the new fiscal year began, teams of Disney and Oriental Land Company representatives were already deep in the planning and developmental stages of work.

When completed, Tokyo Disneyland will consist of five major themed areas — Adventureland, Fantasyland, Westernland, Tomorrowland and the World Bazaar — all within an hour's traveling time for more than 30 million people.



The unique, incredibly efficient and safe WEDway PeopleMover was chosen by the Houston, Texas, City Council to replace the present transportation system at the Houston International Airport.

COMMUNITY TRANSPORTATION SERVICES

The Disney-developed WEDway PeopleMover, proven remarkably efficient at Walt Disney World, will make its debut as a mode of public transportation in mid-1981.

A bid submitted as a joint venture of the Company and the Turner Construction Company was chosen by the City Council of Houston, Texas, over bids from four other major companies to replace the current system at the Houston International Airport.

Cost to the city will be approximately $13 million, with the final price dependent on various options available to the city.

The unique PeopleMover uses linear induction motors and will propel six three-car trains over a 7,500-foot route between the airport's three terminals, hotel and parking area.

Among advantages of the system are silent, non-polluting operation, energy efficiency, an outstanding safety record and a 99.8% reliability performance during four years of operation at Walt Disney World in Florida. More than 18 million passengers have been carried some 16-million passenger miles. The absence of an exposed power rail contributes to its safety record. It is the only system of its kind in commercial operation using the linear induction motor.

The PeopleMover achieves smooth, quiet operation through the use of tubular rails without joints and a power propulsion system with no moving parts, resulting in smoothness in acceleration and deceleration.

The Houston installation represents the first time that a Disney-developed system has been made available for use outside Walt Disney World and Disneyland.

The Company now expects to pursue other opportunities in cities throughout the United States through the Community Transportation Services Division.

The PeopleMover, incidentally, is the only one of 10 people-moving systems evaluated by the Urban Mass Transportation Administration to achieve total operating and maintenance cost of only nine cents per passenger mile, and UMTA has certified the system for use in federally funded urban transit programs.

MOTION PICTURES AND TELEVISION

During the first year of the new decade, our film schedule symbolizes our determination to broaden the audience for Disney motion pictures.

"The Black Hole" leads off a 1980 release and production schedule representing the most diverse selection of films in our recent history. A wide variety of story subjects is included, with most stars new to the Disney Studio. A greater share of the teenage and young adult film market is our goal for the 1980s.

During this past year, a period of structuring the foundation for the new decade, worldwide film rentals, including television, declined 11%.

Television revenues, however, increased by 11% for the fiscal year, reflecting the Company's increased involvement in Pay Television as an additional market for our product.

REVENUES

	1979	1978	1977	1976	1975
Theatrical					
Domestic	**$ 49,594,000**	$ 69,010,000	$ 58,723,000	$ 60,535,000	$ 61,224,000
Foreign	**57,288,000**	57,912,000	36,585,000	39,790,000	37,584,000
Television					
Worldwide	**27,903,000**	25,213,000	22,750,000	18,808,000	13,720,000
Total revenues	**$134,785,000**	$152,135,000	$118,058,000	$119,133,000	$112,528,000

Foreign film rentals achieved revenues of $57,288,000, nearly matching last year's all-time record. The growing foreign acceptance and appreciation of Disney animation is one of the primary reasons for this remarkable performance.

Domestic film rentals, which faced a difficult comparison with the excellent results of the prior year, declined 28% for the fiscal year.

In addition to "The Black Hole," our schedule for 1980 includes "The Watcher in the Woods," "The Last Flight of Noah's Ark," "Herbie Goes Bananas," "Midnight Madness," and the reissue of "Sleeping Beauty" and "Lady and the Tramp."

For "The Watcher in the Woods," Co-producer Tom Leetch has developed a haunting suspense film for all ages. Bette Davis, Carroll Baker, Lynn-Holly Johnson and David McCallum star in this thriller about the mystical possession of a teenage girl by unknown forces. An exclusive engagement begins April 2 at Manhattan's Ziegfeld Theatre, with a national release to follow in May and June.

Maximilian Schell, commander of a massive derelict spacecraft in "The Black Hole," stands amid some of his ominous creations. Four Academy Award winners contributed to design and execution of film's spectacular special effects.

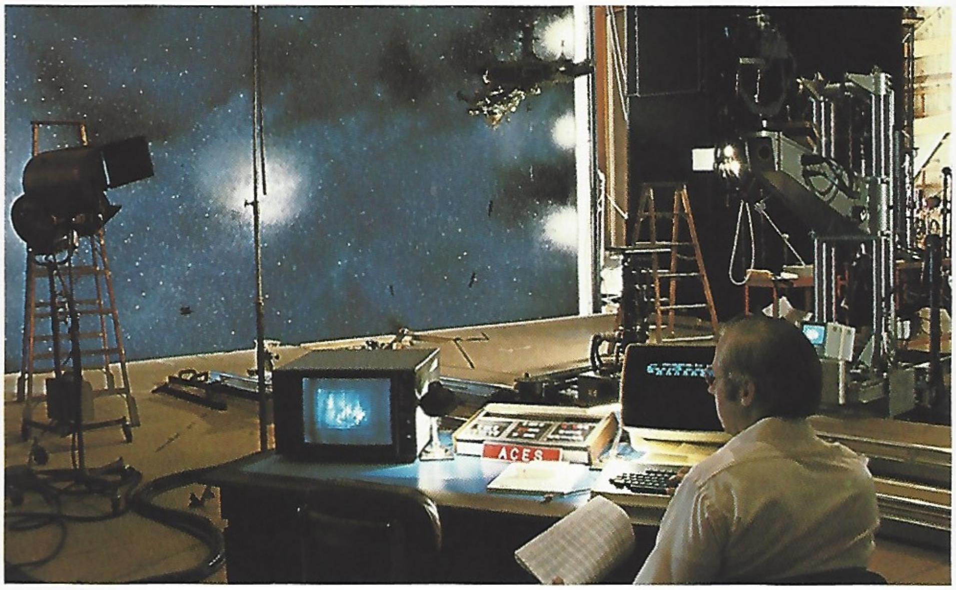
Co-producer Jan Williams chose Hawaiian locations for "The Last Flight of Noah's Ark," a summer release in the great tradition of "Swiss Family Robinson." Suspense, danger and triumphant exhilaration confront four travelers when their battered B-29 crash lands on a deserted speck in the South Pacific. Elliott Gould, Genevieve Bujold, Ricky Schroder and Tammy Lauren are the voyagers who convert the plane into a boat for escape.

Next summer Cloris Leachman, Harvey Korman and Charles Martin Smith travel to South America when "Herbie Goes Bananas." Since debuting for Disney in 1969, Herbie the Love Bug's three previous films have returned more than $100 million to the Studio.

After seeing their award-winning cinema school work, we signed Michael Nankin and David Wechter, both 24, to a development contract — part of a plan we have initiated to bring promising new talent to Disney. Their first feature film, "Midnight Madness," will be released through Buena Vista Distribution Co.

In September 1979, two families demonstrated extreme bravery while attempting three times and finally succeeding in crossing the East German border in a homemade balloon. Immediately upon seeing news reports of the daring escape, we negotiated exclusive rights to the story. As yet untitled, the film of their triumphant ordeal will begin production in 1980 for Co-producer Tom Leetch.

A new era for Disney animation has officially begun as the majority of work on "The Fox and the Hound" is assumed by the studio's youthful artists. A fox and puppy grow up as friends, but soon realize that nature intends them to be enemies.



A team of technicians from WED Enterprises and Disney Studio developed the film industry's most advanced computerized motion-control camera — Automated Camera Effects System (ACES) — to accomplish the complex miniature effects in "The Black Hole."

The remarkable story of two families and their airborne escape from East Germany will be subject of theatrical film to be produced this year.

An old country manor house deep in a forest is shrouded in fear and mystery by "The Watcher in the Woods," posing a personal kind of terror for Lynn-Holly Johnson, Bette Davis and Kyle Richards.

On the occasion of its twenty-fifth anniversary, "Lady and the Tramp" returns to theatres.

In "The Last Flight of Noah's Ark," Elliott Gould, Ricky Schroder, Genevieve Bujold and Tammy Lauren must rely on ingenuity and courage when their plane crashes on a deserted island and they must convert it into a boat for escape.

European locations will provide the setting for "Condorman," the adventure of a comic book writer who assumes his character's identity in order to bring a beautiful Russian defector through the Iron Curtain. Jan Williams will co-produce when filming starts in April.

"The Devil and Max Devlin" is a contemporary fantasy that catches a self-centered man in a conflict—he can save his own soul from the devil only by selling out on the only true friends he's ever known. Stephen Stern is set to direct for Co-producer Jerry Courtland.

A brain trust of superior IQ's cons the government in "Money to Burn" when they hit on a scheme to steal millions of dollars from the United States Mint. Jan Williams will co-produce this comedy.

Harvey Korman is a cruise ship captain and Cloris Leachman an amorous passenger when both encounter the Love Bug in "Herbie Goes Bananas," the fourth in this successful series.

"Midnight Madness" pits college rivals in all-night treasure hunt, starring Eddie Deezen, Maggie Roswell, Brad Wilkin, Stephen Furst, David Naughton and Debra Clinger.

Television production takes on equally exciting potential for the 1980s as we complete a restructuring process that promises new prominence in a medium we helped pioneer.

Under the direction of Bill Yates, Vice President-Television, an overall rebuilding and expansion program is well underway, especially in the area of new product development.

New series development in particular is high on the list of priorities as we move into our second quarter-century of continuous television broadcasting.

Among the original feature-length television films in various stages of planning or production are:

□ "The Carol Johnston Story," based on an award-winning Walt Disney Educational Media Company featurette, the remarkable and inspiring true story of a collegiate gymnast with one arm who has become a champion.

□ "The Movers," the hilarious story of a group of college students who form their own moving company to finance their educations.

A preview of "The Black Hole" was included in Disney's television tribute to movie special effects when Joseph Bottoms portrayed the invincible "Major Effects."

□ "Teenage Mother," a realistic and contemporary drama which deals unstintingly with modern problems.

□ "Small & Frye," a comedy about a detective who suddenly finds himself a half-foot tall, thanks to a mysterious meteor shower.

□ "Scoop!," Co-producers Tom Leetch and Kevin Corcoran combine a dozen misfit kids with a veteran newspaperman who tries to turn them all into first-rate reporters. Together they become involved in a major museum heist, a murder and a series of narrow escapes.

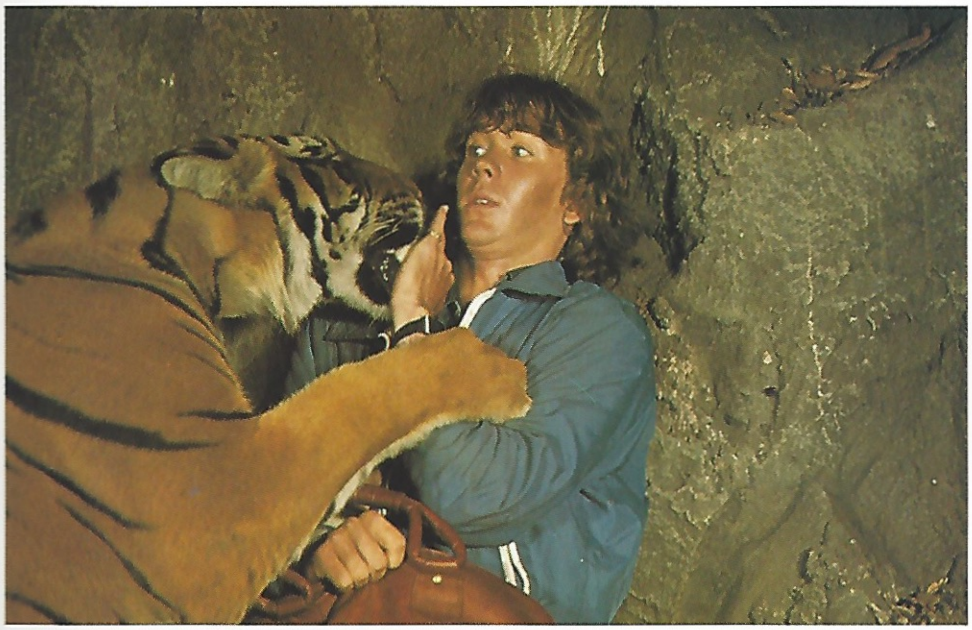
Of special note for the coming season will be the Disneyland 25th Anniversary Show, which will be aired over CBS.

"Disney's Wonderful World" highlights for the coming year will include some of the Company's classics — "Old Yeller," "Treasure Island," "Saludos Amigos," "The Shaggy Dog" and "Herbie Rides Again."

Ron Miller

Ron Miller
Executive Vice President,
Production and Creative Affairs

Investigative Reporter Sharon Gless finds her life endangered when she attempts to solve a murder in "The Kids Who Knew Too Much."



In the thrilling adventure "Sultan and the Rock Star," Tim Hutton portrays a teenage performer who saves a tiger from extinction by helping it outwit a merciless hunter.

When their plane crash lands in the Canadian wilderness, Bush Pilot Doug McClure and a 14-year-old boy face a struggle for survival in "Strange Companion."

CONSUMER PRODUCTS

Consumer products continued to make strong gains during the year and the extensive "Black Hole" campaign already underway promises to bolster that performance substantially during the current period.

Character Merchandising, Publications, Records and Music Publishing and the Educational Media divisions of the Company recorded an overall increase of 13% in revenues, to $90,909,000, and 20% in operating income, to $44,822,000.

The most significant growth in Character Merchandising and Publications during the fiscal year was in the foreign market where licensing continued to expand.

During the past year, the Walt Disney Educational Media Company (WDEMCO) increased its revenues by 18% to $29,240,000, introducing a vast array of new educational media products, including an award-winning motivational series, "The Truly Exceptional," narrated by Jill Kinmont Boothe and featuring four remarkable people who have overcome physical disabilities;

REVENUES

	1979	1978	1977	1976	1975
Educational media	**$29,240,000**	$24,809,000	$20,714,000	$17,743,000	$15,809,000
Character merchandising	**24,787,000**	21,359,000	17,743,000	21,058,000	20,811,000
Publications	**18,985,000**	15,045,000	12,861,000	11,090,000	9,907,000
Records and music publishing	**16,129,000**	17,218,000	13,858,000	12,173,000	10,203,000
Other	**1,768,000**	2,133,000	1,426,000	1,086,000	1,082,000
Total revenues	**$90,909,000**	$80,564,000	$66,602,000	$63,150,000	$57,812,000

and an original animated film on alcohol, "Understanding Alcohol Use and Abuse." WDEMCO also introduced 105 new filmstrips and multimedia materials for classroom use, including media on math, reading, school and holiday safety, and life-skills.

WDEMCO complemented its original productions by negotiating a long-term exclusive agreement for the distribution rights to all instructional materials produced by the Cousteau Society.

The year also marked the successful introduction of Disney Schoolhouse, a line of low-cost instructional materials for classroom teachers. These new teaching aids featuring Disney characters were used in an estimated 35,000 classrooms in their inaugural year.

Sixteen-millimeter film rentals jumped sharply, due largely to WDEMCO's expanded direct rental programs for schools, churches, and community organizations.

Records and Music Publishing revenues were down slightly, primarily due to a decrease in mail order sales, a portion of the business the Company decided more than a year ago to de-emphasize.

Card Walker and Vince Jefferds, Vice President, Marketing, Consumer Products Division, review campaign for "The Black Hole" products.

Record sales, however, were up from the previous year — a phenomenon in the severely financially distressed industry — largely because of the popularity of the "Mickey Mouse Disco" album.

Vast array of "The Black Hole" character merchandise items includes publications, toys, wearing apparel, games and records.

Composer-conductor John Barry completes scoring of "The Black Hole" as matching scenes appear on screen.

By the time "The Black Hole" went into general release in late December, numerous character merchandise items, publications, records and education products were already on the market.

Publication schedules call for more than 2 million copies of the novelization of the film, in addition to coloring books, posters and more than 8 million comics and children's books.

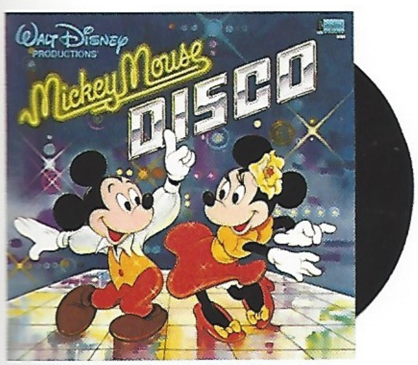
Thirty-five licensed manufacturers are producing "Black Hole" character merchandising. The Mego Corp. is spending $1 million in tie-in advertising in support of its toys based on the space epic. An additional $500,000 in advertising support is being provided by other licensees.

A life-sized, talking, three-dimensional model of the robot V.I.N.CENT. was being displayed in more than 350 major department stores nationally to further boost sales.

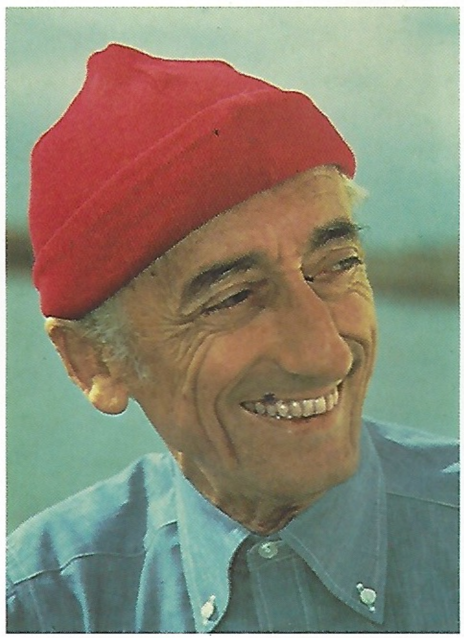
A record album of the film's soundtrack, composed by John Barry—whose other credits include the music for "Born Free" and "Goldfinger"—was released by Disneyland-Vista Records, as well as a number of children's records and story-teller albums based on the film.

As the Company pioneered stereophonic sound with the initial "Fantasia" album decades ago, so it is pioneering digital motion picture sound tracks with "The Black Hole" album, the first in history to use this revolutionary technology.

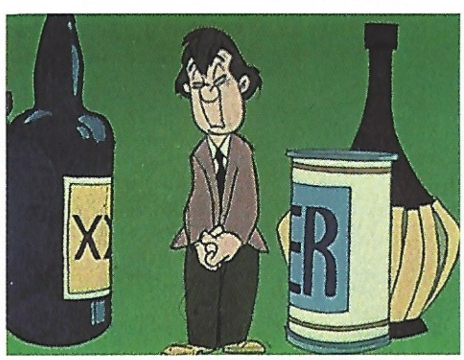
WDEMCO is producing lesson plans and teacher guides to help classes take advantage of the documentary television special, "Black Holes in Space," and is also marketing a special 8mm film clip of "The Black Hole."



"Mickey Mouse Disco" album captured a large audience.



"The Truly Exceptional," featuring four remarkable people who have overcome physical disabilities, will be narrated by Jill Kinmont Boothe for WDEMCO, which has also become exclusive distributor for instructional materials produced by The Jacques Cousteau Society.



"Understanding Alcohol Use and Abuse" is the original animated feature produced by WDEMCO for classroom use.

FINANCIAL REVIEW

SUMMARY OF OPERATIONS*

	1979	Change	1978	Change	1977
Revenues	$796,773	+8%	$741,143	+18%	$629,825
Operating income (before corporate expenses)	205,695	+4%	197,540	+17%	169,500
Corporate expenses	20,220	−1%	20,523	+11%	18,494
Interest income (net)	28,413	+128%	12,468	+97%	6,341
Taxes on income	100,100	+10%	91,100	+21%	75,400
Net income	113,788	+16%	98,385	+20%	81,947
Per share	$3.51		$3.04		$2.53

*In thousands of dollars, except per share data.

Revenues and operating income improved in 1979 due to the excellent results posted in the Entertainment and Recreation and Consumer Products business segments. In addition to improved operating results, net income was enhanced by a significant increase in interest income and a lower effective rate of taxes on income. The financial statements and notes provide information about operating results, financial position and changes therein for the fiscal years 1979 and 1978. Also, operating results are discussed by business segment in the forepart of this report together with summaries of revenues for the last five years.

ANALYSIS OF OPERATIONS

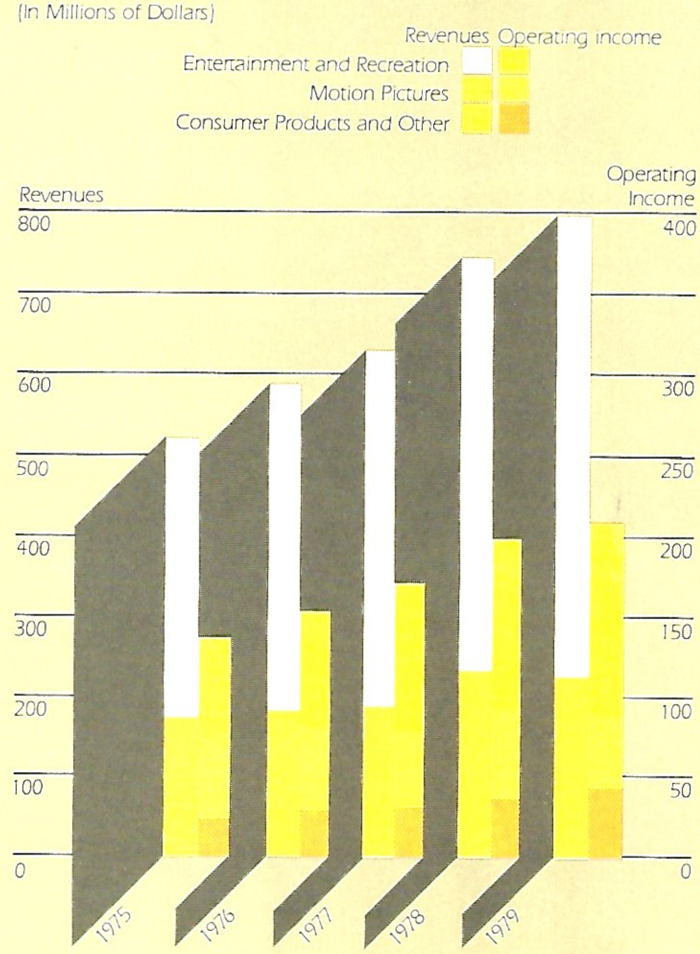
An analysis of the financial results for fiscal years 1979 and 1978 by business segment and corporate expense is presented below to assist the reader in an understanding and evaluation of the material changes in the various items in the Summary of Operations By Business Segments (page 38) (Tables are in thousands of dollars).

Entertainment and Recreation

	1979	Change	1978	Change	1977
Revenues	$571,079	+12%	$508,444	+14%	$445,165
Operating income	120,644	+14%	105,952	+15%	92,062
Theme park attendance-combined	24,552	−1.3%	24,878	+4.8%	23,735

Revenues and operating income increased in 1979 due to an 11% increase in theme park per capita guest spending at both Disneyland and Walt Disney World, increased occupancy and per capita guest spending at the resort hotels at Walt Disney World and increased occupancy and food and merchandise sales at Lake Buena Vista, including the Walt Disney World Village. Theme park per capita guest spending was influenced by admission media price increases averaging 8% at Disneyland in May 1979 and 6% at Walt Disney World in June 1978 and April 1979. Food and merchandise prices have been increased in most areas in

REVENUES AND OPERATING INCOME
(In Millions of Dollars)



order to maintain existing gross profit margins. The increases in occupancy have resulted from the expansion of the Polynesian Resort Hotel and the opening of the Fairway Villas in Lake Buena Vista.

Costs and expenses of operations in 1979 increased due primarily to increases in labor costs and costs of goods sold. Higher labor costs are attributable to an increase in the average labor rate (including employee benefits) for the year of 7.9% at Disneyland and 10.3% at Walt Disney World and to an increase in labor hours paid of 4.5% at Walt Disney World, while Disneyland experienced a decrease in labor hours of .9%. The increase in costs of goods sold is attributable to the increase in sales; the gross profit margins for food and merchandise have remained substantially unchanged for the year. In addition, the overall operating margins have been maintained.

Revenues and operating income increased in 1978 due to increased attendance and per capita guest spending at both Disneyland and Walt Disney World, increased occupancy and per capita guest spending at the resort hotels at Walt Disney World, and expanded business activities at Lake Buena Vista, including the Walt Disney World Village. Theme park per capita guest spending was influenced by admission media price increases averaging 6% at Walt Disney World in June 1978. Theme park and resort hotel costs and expenses in 1978 increased primarily due to increases in labor costs which are attributable to higher union rates and the number of man-hours worked. Gross profit margins for food and merchandise activities were maintained. Overall operating margins decreased slightly in the theme parks and resort hotels.

Motion Pictures

	1979	Change	1978	Change	1977
Revenues	$134,785	−11%	$152,135	+29%	$118,058
Operating income . . .	40,229	−26%	54,119	+17%	46,094

Revenues and operating income were down significantly in 1979 despite a near record performance in foreign theatrical distribution and record high television revenues. Domestic theatrical distribution experienced the lowest revenues in three years as the Christmas and Summer releases were unable to produce the much higher grosses realized in the prior year. This year's foreign theatrical program almost equalled the prior year when the success of "The Rescuers" so dominated the entire market. The record television revenues were enhanced by the Company's first full-year participation in Pay Television.

Costs and expenses of operations declined in 1979 due to significantly less amortization of film negative costs that was partially offset by additional distribution expense. The reduction in amortization is due to lower production costs applicable to the current year's new theatrical releases. In addition, the Company has written down the cost of "The Small One" and "Unidentified Flying Oddball" to their expected net realizable values in the current year. The increase in distribution expense is attributable to proportionately higher costs to distribute motion pictures in the foreign market.

Theatrical revenues reached record levels in 1978, led by the high grosses realized from the initial release of "Pete's Dragon," the first reissue of "The Jungle Book" and the outstanding success of "The Rescuers" in the foreign market, far exceeding what the picture had done domestically a year earlier. The Company's television revenues increased due primarily to additional theatrical features made available for television viewing, as well as feature motion pictures that were made specifically for television. Amortization of negative costs was up significantly in 1978, due in part to higher production costs applicable to new theatrical releases in 1978, as well as higher television production costs. In addition, during 1978 the Company wrote down the cost of producing the New Mickey Mouse Club television program to its expected net realizable value. Domestic and foreign distribution expense increased in 1978 due primarily to the growth in the theatrical business.

Consumer Products and Other

	1979	Change	1978	Change	1977
Revenues	$90,909	+13%	$80,564	+21%	$66,602
Operating income . . .	44,822	+20%	37,469	+20%	31,344

Both the character merchandising and publications and educational media divisions of the Company continued to contribute gains in 1979 in both revenues and operating income, while records and music publishing was down slightly. The most significant gain was realized in the foreign market where publications activities continued to benefit from an ongoing program of developing new product that is gradually introduced into new territories around the world. A gradual increase in license fees of approximately 20% has also contributed to better results during the past two years. An improvement in operating margins also contributed to higher operating income for the business segment.

The character merchandising and publications, records and music publishing, and educational media divisions all produced improved operating results in 1978. The most significant growth in 1978 was experienced with character merchandising and publications, particularly in the foreign market where licensing activities continued to expand (due in part to the theatrical success of "The Rescuers") and new product (including that which has been successful in this country in past years) was being introduced in publications activities.

General and Administrative Expense

	1979	Change	1978	Change	1977
Amount	$17,830	+4%	$17,212	+3%	$16,754
Percent of revenues	2%		2%		3%

Corporate general and administrative expenses actually increased by approximately 13% or $2.2 million. In addition to the normal increases in labor, materials and services, significant increases are due to the expansion of various functions and services, particularly in the corporate finance, employee relations and management information services divisions. These increases have been partially offset by the pre-tax gain of approximately $1.9 million realized from the sale of the Celebrity Sports Center in Denver, Colorado, in March 1979. In addition, non-recurring costs of approximately $300,000 (net) were incurred in the closing of a Japanese theatrical film distribution subsidiary, non-productive activities during a strike at the Mapo Division and an absence of Independence Lake administrative project costs.

Design Projects Abandoned

	1979	Change	1978	Change	1977
Amount	$2,390	−28%	$3,311	+90%	$1,740

At the close of each fiscal quarter, management evaluates projects in the concept and design stages which have been in progress for varying periods of time. Those which are determined to have no future use are abandoned.

Interest Income – Net

	1979	Change	1978	Change	1977
Amount	$28,413	+128%	$12,468	+97%	$6,341

The Company has realized net interest income (after interest expense) from short term investments, such income being dependent upon fluctuations in interest rates and the amount of such investments. (See discussion under total assets below.) Interest expense amounted to $27,000, $2,017,000 and $278,000 for fiscal years 1979, 1978 and 1977, respectively. The increase in interest expense in 1978 was due to a tax settlement with the Internal Revenue Service for fiscal years 1974 and 1975.

Taxes on Income

	1979	Change	1978	Change	1977
Amount	$100,100	+10%	$91,100	+21%	$75,400
Percent of income before taxes on income	46.8%		48.1%		47.9%

The lower income tax rate in 1979 reflected a reduction in the corporate federal income tax rate as provided for in the Revenue Act of 1978. A full explanation of the provisions for taxes on income for 1979 and 1978 is given in Note 3 of Notes to Consolidated Financial Statements.

HIGHLIGHTS OF FINANCIAL GROWTH

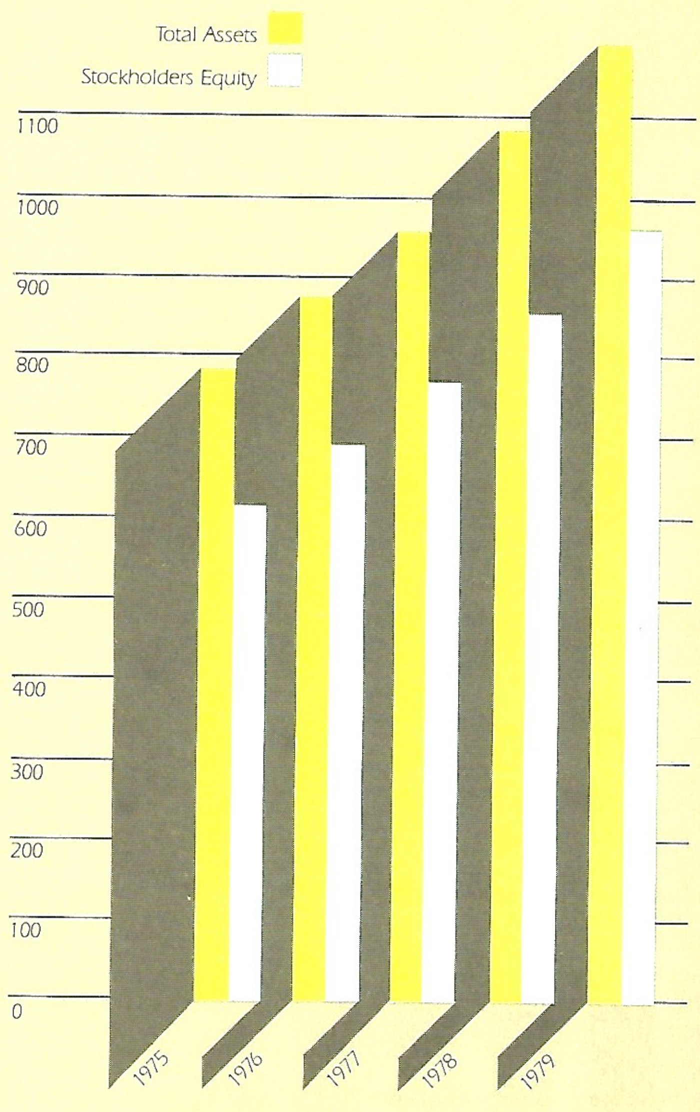
(tables are in thousands of dollars, except per share data)

Total assets. The Company's total assets continue to grow well above the one billion dollar mark. The increase in assets of 10.5% in 1979 is reflected predominantly in short term investments as well as in film production costs and property, plant and equipment.

	1979	Change	1978	Change	1977
Total assets	$1,196,424	+10%	$1,083,141	+12%	$964,475

Short term investments of $346,100,000 at September 30, 1979 ($278,281,000 – 1978) consist primarily of Bankers Acceptances, negotiable Certificates of Deposit, commercial paper and various United States Government issues. They have an average maturity of 86 days and a weighted average yield at cost of 10.59% (8.23% – 1978). It is contemplated that an undesignated amount of these funds may be used to finance the EPCOT Center project (see Note 2 of Notes to Consolidated Financial Statements).

TOTAL ASSETS AND STOCKHOLDERS EQUITY
(In Millions of Dollars)



Financial position. With the Company's steady growth in earnings, working capital provided from operations has increased by 70% since 1974 and by 9% to $162,029,000 in 1979.

	1979	Change	1978	Change	1977
Working capital provided from operations	$162,029	+9%	$148,081	+11%	$133,096

The Company is virtually debt-free and has had no borrowings since 1975 against an available unsecured revolving line of credit increased to $200,000,000 in October 1979.

Cash dividends. The Company's basic dividend policy is to consider periodic dividend increases to its stockholders consistent with earnings growth and its need for funds to support future growth. The Board of Directors has tripled the quarterly cash dividend rate in the past two years and, at its November 20, 1979 meeting, again increased the quarterly cash dividend to $.18 per share (or an annual rate of $.72 per share).

	1979	Change	1978	Change	1977
Cash dividends	$15,496	+51%	$10,273	+117%	$4,725
Percent of net income	13.6%		10.4%		5.8%
Per share	$ .48		$ .32		$ .15

Property, plant and equipment and motion picture additions. The Company continues to build for the future by increasing its capacity to grow and expand. The Big Thunder Railway, which opened in September 1979 at Disneyland, is the most recent attraction introduced in the Company's theme parks. The increase in property, plant and equipment additions in 1979 is primarily attributable to the continuing design effort of the EPCOT Center project. The increase in motion picture additions in 1979 is attributable to the major production effort on "The Black Hole."

	1979	Change	1978	Change	1977
Additions to property, plant and equipment					
EPCOT Center	$16,666	+187%	$ 5,797	+43%	$ 4,041
Other	39,963	+1%	39,570	−2%	40,476
Additions to film production costs	$44,436	+36%	$32,716	−6%	$34,699

The Company currently anticipates that expenditures during Fiscal 1980 will approximate $240,000,000; $160,000,000 for the EPCOT Center, $40,000,000 for other property, plant and equipment and $40,000,000 for motion picture production. Other property, plant and equipment includes expenditures to nearly complete the Big Thunder Railway attraction at Walt Disney World and to complete the Club Villas and Conference Center at Lake Buena Vista.

Stockholders equity. Total stockholders equity increased 12% in 1979 and has increased at the compounded average rate of 11.4% per year for the last five years.

	1979	Change	1978	Change	1977
Stockholders equity	$961,062	+12%	$861,235	+12%	$771,206
Per share	$29.76		$26.71		$23.97

Market price and dividend data. The principal market for trading Walt Disney Productions common stock is the New York Stock Exchange. Market data (adjusted for stock dividends) and dividend data by fiscal quarters for the past two years were:

1979

	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Price per share:				
High	$44-1/8	$44-1/8	$40-3/8	$42-1/2
Low	35-1/2	36-3/8	33	33-1/2
Dividend per share	$ .12	$ .12	$ .12	$ .12

1978

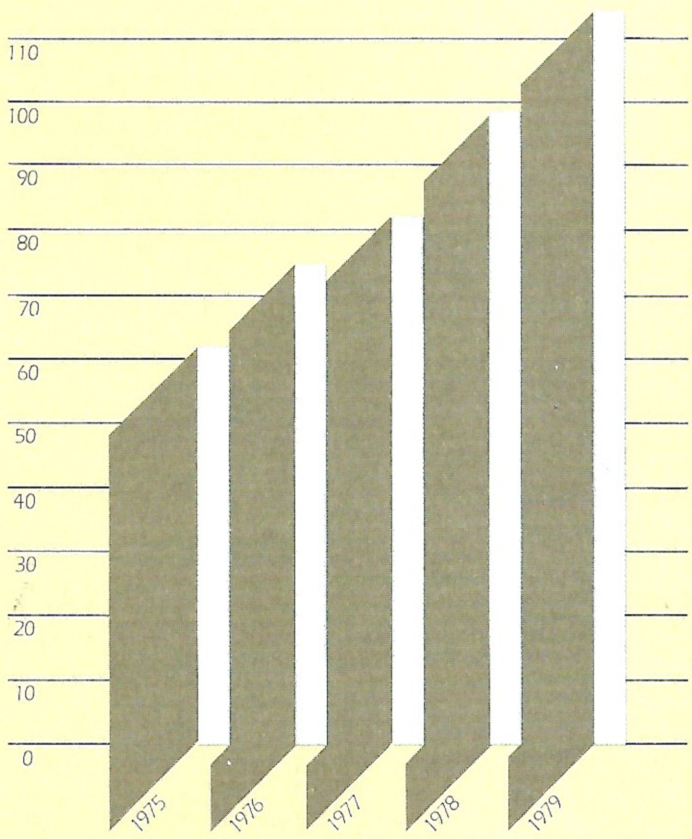
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Price per share:				
High	$42-1/8	$39-3/4	$45-1/4	$47-1/8
Low	33-1/8	31-3/4	31-1/2	39-1/4
Dividend per share	$ .08	$ .08	$ .08	$ .08

Magnitude of taxes paid. The Company incurred in excess of $132,000,000 in taxes — on income, property and employment — in fiscal year 1979. This tax burden has increased 67% in just three years.

	1979	Change	1978	Change	1977
Income, property and employment taxes	$132,900	+12%	$118,500	+29%	$91,700
Percent of income before taxes	54%		55%		53%

In addition to these taxes, which are absorbed by the Company, $63,800,000 was collected from customers and guests or withheld from employees and passed on to various governmental agencies during fiscal year 1979. As a result of these various taxing requirements, the Company filed close to 2,000 tax returns during the current year.

NET INCOME (In Millions of Dollars)



WALT DISNEY PRODUCTIONS AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

	Year Ended September 30	
	1979	1978
Revenues		
Entertainment and recreation	$571,079,000	$508,444,000
Motion pictures	134,785,000	152,135,000
Consumer products and other	90,909,000	80,564,000
Total revenues	796,773,000	741,143,000
Costs and Expenses of Operations		
Entertainment and recreation	450,435,000	402,492,000
Motion pictures	94,556,000	98,016,000
Consumer products and other	46,087,000	43,095,000
Total costs and expenses of operations	591,078,000	543,603,000
Operating Income Before Corporate Expenses		
Entertainment and recreation	120,644,000	105,952,000
Motion pictures	40,229,000	54,119,000
Consumer products and other	44,822,000	37,469,000
Total operating income before corporate expenses	205,695,000	197,540,000
Corporate Expenses (Income)		
General and administrative	17,830,000	17,212,000
Design projects abandoned	2,390,000	3,311,000
Interest income — net	(28,413,000)	(12,468,000)
Total corporate expenses (income)	(8,193,000)	8,055,000
Income Before Taxes on Income	213,888,000	189,485,000
Taxes on income (note 3)	100,100,000	91,100,000
Net Income	$113,788,000	$ 98,385,000
Earnings Per Share	$3.51	$3.04

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

Balance at beginning of the year	$326,911,000	$257,899,000
Net income for the year	113,788,000	98,385,000
Dividends		
Cash (48¢ and 32¢)	(15,496,000)	(10,273,000)
Stock (1.5% or 475,723 common shares)		(19,100,000)
Balance at end of the year	$425,203,000	$326,911,000

See notes to consolidated financial statements and summary of significant accounting policies

WALT DISNEY PRODUCTIONS AND SUBSIDIARIES CONSOLIDATED BALANCE SHEET

	September 30 1979	September 30 1978
ASSETS		
Current Assets		
Cash	$ 8,790,000	$ 9,318,000
Short term investments, at cost which approximates market (note 2)	346,100,000	278,281,000
Accounts receivable, net of allowances	37,122,000	26,708,000
Inventories		
Film production costs (note 1)	38,278,000	32,453,000
Merchandise, materials and supplies	41,874,000	39,404,000
Prepaid expenses	8,977,000	8,284,000
Total current assets	481,141,000	394,448,000
Film Production Costs — Non-Current (note 1)	47,610,000	40,822,000
Property, Plant and Equipment, at cost		
Entertainment attractions, buildings and equipment	882,137,000	853,381,000
Less accumulated depreciation	(310,750,000)	(275,758,000)
	571,387,000	577,623,000
Construction and design projects in progress		
EPCOT Center (note 2)	29,889,000	13,223,000
Other	30,907,000	26,151,000
Land	16,264,000	16,888,000
	648,447,000	633,885,000
Other Assets (note 4)	19,226,000	13,986,000
	$1,196,424,000	$1,083,141,000
LIABILITIES AND STOCKHOLDERS EQUITY		
Current Liabilities		
Accounts payable, payroll and other accrued liabilities	$ 74,591,000	$ 65,059,000
Taxes on income (note 3)	45,177,000	48,615,000
Total current liabilities	119,768,000	113,674,000
Long Term Liabilities and Non-Current Advances (notes 2 and 4)	18,616,000	11,393,000
Deferred Taxes on Income and Investment Credits (note 3)	96,978,000	96,839,000
Commitments and Contingencies (note 6)		
Stockholders Equity (note 4)		
Preferred shares, no par		
Authorized — 5,000,000 shares, none issued		
Common shares, no par		
Authorized — 75,000,000 shares		
Issued and outstanding — 32,299,431 and 32,246,251 shares	535,859,000	534,324,000
Retained earnings	425,203,000	326,911,000
	961,062,000	861,235,000
	$1,196,424,000	$1,083,141,000

See notes to consolidated financial statements and summary of significant accounting policies

WALT DISNEY PRODUCTIONS AND SUBSIDIARIES
CONSOLIDATED STATEMENT
OF CHANGES IN FINANCIAL POSITION

	Year Ended September 30	
	1979	1978
Financial Resources Were Provided by:		
Operations		
Net income	**$113,788,000**	$ 98,385,000
Expenses not affecting working capital		
Depreciation	**40,439,000**	39,014,000
Amortization of prepaid pension costs	**726,000**	500,000
Amortization of film production costs, non-current	**5,309,000**	6,975,000
Design projects abandoned	**1,628,000**	2,408,000
Deferred taxes on income and investment credits	**139,000**	799,000
Working capital provided from operations	**162,029,000**	148,081,000
Increase in long term liabilities and non-current advances	**8,501,000**	1,858,000
Proceeds from exercise of stock options and tax benefits	**1,535,000**	1,917,000
	172,065,000	151,856,000
Financial Resources Were Used for:		
Additions to property, plant and equipment		
EPCOT Center	**16,666,000**	5,797,000
Other	**39,963,000**	39,570,000
Additions to non-current film production costs	**44,436,000**	32,716,000
Transfers to current film production costs	**(32,339,000)**	(16,872,000)
Decrease in long term liabilities and non-current advances	**1,278,000**	1,246,000
Cash dividends	**15,496,000**	10,273,000
Prepaid pension funding	**1,975,000**	1,535,000
Other	**3,991,000**	263,000
	91,466,000	74,528,000
Increase in Working Capital	**$ 80,599,000**	$ 77,328,000
Increase (Decrease) in Components of Working Capital:		
Cash	**$ (528,000)**	$ (1,426,000)
Short term investments	**67,819,000**	114,147,000
Accounts receivable, net of allowances	**10,414,000**	3,876,000
Inventories	**8,295,000**	(10,517,000)
Prepaid expenses	**693,000**	(1,526,000)
Accounts payable, payroll and other accrued liabilities	**(9,532,000)**	(14,168,000)
Taxes on income	**3,438,000**	(13,058,000)
	$ 80,599,000	$ 77,328,000

See notes to consolidated financial statements and summary of significant accounting policies.

WALT DISNEY PRODUCTIONS AND SUBSIDIARIES
DESCRIPTION OF THE BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

WALT DISNEY PRODUCTIONS is a diversified international company engaged in family entertainment and operates in three business segments:

Entertainment and Recreation

The Company operates an amusement theme park, "Disneyland," in California and wholly owned subsidiaries operate a destination resort, "Walt Disney World," in Florida. In addition to an amusement theme park, the Walt Disney World complex includes three hotels, camping, golfing and other recreational facilities, a shopping village and other lodging accommodations.

Motion Pictures

The Company produces motion pictures for theatrical and television distribution, including both network and independent television station broadcasting. The Company distributes its filmed product through its own distribution company in the United States and through foreign subsidiaries in certain countries and independent distribution companies throughout the rest of the world.

Consumer Products and Other

The Company licenses the name Walt Disney, its characters, its literary properties and its songs and music to various manufacturers, retailers, printers and publishers. The Company also produces, manufactures and distributes phonograph recordings, 8 millimeter prints of excerpts from its film library, 16 millimeter prints of product taken from the film library or developed on educational subjects, and a broad range of teaching aids. These activities are conducted through the character merchandising, publications, records and music publishing, and educational media divisions and subsidiaries of the Company.

The following summary of the Company's significant accounting policies is presented as an integral part of the financial statements.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its domestic and foreign subsidiaries, all wholly owned.

REVENUE RECOGNITION

Generally, revenue is recorded when the earning process is substantially complete and goods have been delivered or services performed. Revenue from entertainment and recreation activities is received principally in cash; revenue from participant/sponsors at the theme parks (which will include the EPCOT Center) is recorded over the period of the applicable agreements. Revenue from the theatrical distribution of motion pictures is recognized when motion pictures are exhibited domestically and when revenues are reported from foreign distributors; revenue from television licensing agreements is generally recorded when the film is contractually available to the licensee and certain other conditions are met.

FILM PRODUCTION COSTS AND AMORTIZATION

Costs of completed theatrical and television film productions (negative costs), together with applicable capitalized exploitation costs, are amortized by charges to income in the proportion that gross revenue recognized by the Company during the year for each production bears to the estimated total gross revenue to be received. Estimates of total gross revenue are reviewed periodically and amortization is adjusted accordingly. When unamortized cost exceeds the estimated producers share of film rentals, the carrying value of the film is adjusted to net realizable value.

INVENTORIES

Costs of merchandise, materials and supplies inventories are generally determined on the moving average basis and the retail method and are stated at the lower of cost or market.

PROPERTY, PLANT AND EQUIPMENT

The Company, at any one point in time, will have a number of projects in the concept, design, or construction phases related to entertainment attractions, buildings and equipment. All projects in progress are evaluated on a continuing basis and, upon completion, costs of major replacements and betterments are capitalized. When it is determined that a project in progress has no future use, the costs of such project are charged to income under the caption "Design Projects Abandoned."

Depreciation is provided principally on the straight line method using estimated service lives ranging from four to fifty years. Depreciation and maintenance and repairs are charged either directly to costs and expenses as incurred or to film production costs which are then amortized against income. The cost and related accumulated depreciation of property sold or retired are removed from the accounts, and any resulting gain or loss is recorded in income.

TAXES ON INCOME

Taxes are provided on all revenue and expense items included in the consolidated statement of income, regardless of the period in which such items are recognized for income tax purposes, except for items representing a permanent difference between pretax accounting income and taxable income. Investment tax credits, accounted for by the deferral method, are amortized as a reduction of the provision for taxes on income over the average service lives of the related assets.

STOCK OPTIONS

Proceeds from the sale of common stock issued under stock option plans are accounted for as capital transactions, and no charges or credits are made to income in connection with the plans.

EARNINGS PER SHARE

Earnings per common and common equivalent share are computed on the basis of the average number of shares outstanding during each year, retroactively adjusted to give effect to all stock splits and stock dividends. It is assumed that all dilutive stock options are exercised at the beginning of each year and that the proceeds are used to purchase shares of the Company's common stock at the average market price during the year.

NOTE 1

Inventories — Film Production Costs:

Inventories of theatrical and television film productions consist of the following components:

	1979	1978
Released, less amortization	$33,237,000	$34,979,000
Completed, not yet released	16,913,000	6,677,000
In process	35,738,000	31,619,000
	85,888,000	73,275,000
Less: Non-current film production costs	47,610,000	40,822,000
Current film production costs	$38,278,000	$32,453,000

Non-current film production costs include costs of theatrical and television films in process of production, portions of completed theatrical film costs allocated to television and portions of completed television film costs allocated to foreign markets.

NOTE 2

EPCOT Center Project:

On October 1, 1979, the Company began construction of the EPCOT Center at Walt Disney World, a complex involving two major themed areas, Future World and World Showcase. The official opening is expected to be in October 1982 and the costs of the EPCOT Center are currently estimated at $800,000,000.

WED Enterprises, the Company's design division, is responsible for the engineering, master planning and imagineering for the EPCOT Center. Marketing costs related to the project are expensed as incurred and are included in Corporate General and Administrative Expense. The Company has entered into agreements totaling approximately $75,000,000 at September 30, 1979 for site development, construction management services for the entire project and architectural/engineering services.

It is contemplated that an undesignated amount of the proceeds from short term investments held by the Company may be used to fund the project, together with cash generated from future operations and payments by participants/sponsors. Participation fees received from EPCOT participants of $6,245,000 at September 30, 1979 are included in Long Term Liabilities and Non-Current Advances.

NOTE 3

Taxes on Income:

The provision for taxes on income is composed of the following:

	1979	1978
Currently payable		
— Federal	$ 88,275,000	$75,506,000
— State	10,280,000	8,298,000
— Foreign	4,935,000	3,975,000
Deferred		
— Federal	790,000	6,619,000
— State	(280,000)	602,000
— Investment credits amortized	(3,900,000)	(3,900,000)
	$100,100,000	$91,100,000

The significant components of deferred taxes on income included in the provision for taxes on income are as follows:

	1979	1978
Excess of tax over book depreciation	$3,650,000	$6,262,000
Difference between investment credits claimed for tax purposes and amortization under deferral method for financial reporting purposes	270,000	(988,000)
Other	(7,310,000)	(1,953,000)
Total provision for deferred taxes on income	$(3,390,000)	$3,321,000

The difference between the U.S. federal income tax rate and the Company's effective income tax rate is explained below:

	1979	1978
Federal income tax rate	46.5%	48.0%
State income taxes, net of federal income tax benefit	2.5	2.4
Reduction in taxes resulting from:		
Investment tax credits	(1.8)	(2.1)
Other	(.4)	(.2)
Effective income tax rate	46.8%	48.1%

Net deferred taxes of $6,431,000 at September 30, 1979 ($9,959,000 — 1978) are included in taxes on income shown under current liabilities on the balance sheet.

Deferred investment tax credits amount to $16,941,000 at September 30, 1979 ($16,671,000 — 1978).

NOTE 4

Employee Benefits:

The Company contributes to various domestic trusteed pension plans under union and industry-wide agreements. Contributions are based on the hours worked by or gross wages paid to covered employees.

The Company has pension plans covering substantially all of its domestic employees not covered by union or industry pension plans. The plans are funded by Company and employee payments to a trust administered by a bank. At June 30, 1979, the date of the latest actuarial evaluation, the market value of the fund's assets exceeded the actuarially computed vested benefits by $6,938,000. The Company had prepaid a total of $8,346,000 to the trust, which represents the actuarially computed past service liability of the plans determined as of June 30, 1978. The unamortized prepaid amounts through September 30, 1979, are deferred in other assets and are being amortized over periods ranging to ten more years.

The Company has also established a non-qualified and unfunded key employee retirement plan providing for Company and domestic employee contributions. The amount accrued as a long term liability under this plan was $9,267,000 at September 30, 1979 ($7,380,000 — 1978); the actuarially computed unrecorded past service liability at the date of the latest determination was approximately $5,700,000.

The aggregate amount expensed for all of these plans was $5,822,000 and $4,995,000 for fiscal years 1979 and 1978, respectively, including amortization of actuarially computed prior service costs, where applicable, over periods ranging to thirty-three more years.

Stock options are granted to key executive, management and creative personnel at prices equal to market price at date of grant. The options and prices set forth below have been adjusted, where applicable, for all subsequent stock splits and stock dividends.

Transactions under the plans during fiscal year 1979 were as follows:

	Number of Shares	
	Options Granted	Available For Grant
Outstanding September 30, 1978 ($20.77 to $46.72 per share)	**675,368**	34,320
Options terminated	**(25,598)**	25,598
Options granted ($37.69 and $40.19 per share)	**55,650**	(55,650)
Options exercised (average $20.72 per share)	**(53,180)**	
Outstanding September 30, 1979 ($20.77 to $46.72 per share)	**652,240**	4,268

Options are exercisable beginning not less than one year after date of grant. Qualified options expire five years after date of grant and non-qualified options expire ten years after date of grant. At September 30, 1979, 9,325 shares granted under the 1967 plan were exercisable at $43.52 to $46.72 per share and 369,846 shares granted under the 1973 plan were exercisable at $20.77 to $40.81 per share.

Under the Company's 1967 and 1973 stock option plans, $1,102,000 was received in fiscal year 1979 ($1,365,000 — 1978) and credited to common shares for 53,180 and 65,610 option shares exercised in fiscal years 1979 and 1978, respectively. Income tax benefit from sale of option shares by employees of $433,000 was credited to common shares in fiscal year 1979 ($552,000 — 1978).

The Company established, effective in 1976, an Employee Stock Ownership Plan (ESOP) for salaried employees, under the terms of the Tax Reduction Act of 1975. The Act allows the Company to claim an additional 1% of the Company's qualified capital investments as an investment tax credit if such an amount is paid to a trust which then purchases shares of the Company's stock in the open market for the employees' benefit. Under the Plan, $455,800 and $450,600 have been used to purchase 12,845 and 10,730 shares of stock, relating to fiscal years 1978 and 1977, respectively.

NOTE 5

Information About The Company's Operations In Different Business Segments:

The Company operates in three business segments: Entertainment and Recreation, Motion Pictures and Consumer Products and Other. These business segments are described on page 33 of this report.

The Consolidated Statement of Income presents the revenue and operating income by business segment. Additional financial information relative to business segments follows:

Total revenues of $796,773,000 ($741,143,000 — 1978) included foreign revenues (considered as export sales) related to the following geographic areas:

	1979	1978
Europe	**$71,628,000**	$66,824,000
Western Hemisphere (excluding the United States)	**19,947,000**	18,545,000
Other	**13,289,000**	11,202,000
	$104,864,000	$96,571,000

Capital expenditures and depreciation expense of property, plant and equipment by business segment were:

	Capital Expenditures	Depreciation Expense
1979		
Entertainment and recreation	$ 54,804,000	$ 39,053,000
Motion pictures	1,541,000	805,000
Consumer products and other	42,000	411,000
Corporate	242,000	170,000
	$ 56,629,000	$ 40,439,000
1978		
Entertainment and recreation	$ 43,705,000	$ 37,936,000
Motion pictures	1,428,000	705,000
Consumer products and other	32,000	241,000
Corporate	202,000	132,000
	$ 45,367,000	$ 39,014,000

Amortization expense of film production costs (classified under Motion Pictures) was $31,823,000 and $40,088,000 for fiscal years 1979 and 1978, respectively.

Identifiable assets by business segment were:

	1979	1978
Entertainment and recreation	$ 684,856,000	$ 676,038,000
Motion pictures	113,269,000	95,979,000
Consumer products and other	23,221,000	20,978,000
Corporate	375,078,000	290,146,000
	$1,196,424,000	$1,083,141,000

Corporate assets are principally cash and short term investments.

NOTE 6

Commitments and Contingencies:

Pursuant to an agreement for the use of the name of Walt Disney, Retlaw Enterprises, Inc. (a company owned by the family of the late Walter E. Disney) earned royalties of approximately $6,557,000 and $5,707,000 from the Company for fiscal years 1979 and 1978, respectively; in accordance with such name agreement, the amount in fiscal year 1979 included $3,505,000 ($3,219,000 — 1978) as a participation by Retlaw of 5% in the profits, as defined in that agreement, of certain Walt Disney World operations.

In October 1979, the Company executed an agreement with a bank for an unsecured five year revolving line of credit of $200,000,000 at the prime rate. Under the line of credit, the Company is required to pay a fee on the unused portion of the commitment and maintain certain compensating balances.

The Company's subsidiary, Buena Vista Distribution Co., is a defendant with other motion picture distributors in a number of private treble damage actions asserting claims under the federal anti-trust laws. These actions, which seek damages aggregating hundreds of millions of dollars, are in various stages of pre-trial proceedings. The Company has denied the material allegations of the complaints in these actions, and in the opinion of management and counsel, the Company will not suffer any material liability by reason thereof.

NOTE 7

Operations by Quarter (Unaudited):

A summary of certain information pertaining to operating results for each quarter of fiscal years 1979 and 1978 is shown below (in thousands of dollars, except for per share data).

	December 31	March 31	June 30	September 30
1979				
Revenues				
Entertainment and recreation	$106,327	$122,178	$161,937	$180,637
Motion pictures	26,543	39,487	29,057	39,698
Consumer products and other	21,802	25,020	20,855	23,232
Total revenues	$154,672	$186,685	$211,849	$243,567
Operating income before corporate expenses				
Entertainment and recreation	$ 14,633	$ 21,497	$ 36,038	$ 48,476
Motion pictures	8,104	11,622	7,610	12,893
Consumer products and other	10,696	12,700	10,901	10,525
Total operating income before corporate expenses	$ 33,433	$ 45,819	$ 54,549	$ 71,894
Income before taxes on income	$ 34,107	$ 48,043	$ 57,201	$ 74,537
Net income	$ 18,007	$ 25,743	$ 30,101	$ 39,937
Earnings per share	$ .56	$ .79	$ .93	$1.23
1978				
Revenues				
Entertainment and recreation	$ 90,490	$110,111	$136,602	$171,241
Motion pictures	26,896	41,189	36,023	48,027
Consumer products and other	19,720	18,620	19,733	22,491
Total revenues	$137,106	$169,920	$192,358	$241,759

Operating income before corporate expenses				
Entertainment and recreation	\$ 10,215	\$ 19,211	\$ 29,579	\$ 46,947
Motion pictures	7,897	17,800	10,275	18,147
Consumer products and other	9,527	9,372	9,498	9,072
Total operating income before corporate expenses	\$ 27,639	\$ 46,383	\$ 49,352	\$ 74,166
Income before taxes on income	\$ 25,753	\$ 44,228	\$ 47,234	\$ 72,270
Net income	\$ 13,353	\$ 23,028	\$ 24,534	\$ 37,470
Earnings per share	\$ .41	\$ .71	\$ .76	\$1.16

NOTE 8

Replacement Cost Information (Unaudited):

The Company has experienced the normal effects of inflation in recent years. By improving productivity, controlling costs and increasing selling prices, where competitive conditions permit, the Company has sought to lessen the impact of inflation. The Company does not anticipate that its future cash flow will be significantly affected by capital expenditures for replacement of plant and equipment.

In compliance with Securities and Exchange Commission requirements, the Company has presented replacement cost information in its Form 10-K Report (a copy of which is available upon request). In issuing its requirements, the Commission expressed caution and warning concerning inconsistency, lack of comparability, and simplistic use of the replacement cost data. Further, the Company does not believe that the required techniques and related calculations produce meaningful data because of the highly theoretical nature of and the imprecisions inherent in the replacement cost exercise and the subjectivity necessarily involved in making those estimates. In addition, the requirement ignores circumstances, such as exist with the Company, where existing capacity can be maintained on a cost competitive basis by a comprehensive maintenance and refurbishment program.

Regardless of the reservations expressed above, the Company has sought conscientiously to formulate the replacement cost data in accordance with the SEC's requirements. The disclosure contains specific information with respect to estimates of the current replacement cost of the productive capacity of the Company and its subsidiaries as of September 30, 1979 and September 30, 1978 together with related amounts of costs and expenses on the basis of replacement cost for the years then ended.

Report of Independent Accountants

Price Waterhouse & Co.

1880 CENTURY PARK EAST
WEST LOS ANGELES, CALIFORNIA 90067

November 19, 1979

To the Board of Directors and Stockholders
of Walt Disney Productions

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, retained earnings and changes in financial position present fairly the financial position of Walt Disney Productions and its subsidiaries at September 30, 1979 and 1978, and the results of their operations and the changes in their financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied. Our examinations of these statements were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co

FIVE YEAR REVIEW (Dollar amounts and shares in thousands, except per share data)

SUMMARY OF OPERATIONS BY BUSINESS SEGMENTS	1979	1978	1977	1976	1975
Revenues					
Entertainment and recreation	$ 571,079	$508,444	$445,165	$401,613	$349,666
Motion pictures	134,785	152,135	118,058	119,133	112,528
Consumer products and other	90,909	80,564	66,602	63,150	57,812
Total revenues	$ 796,773	$741,143	$629,825	$583,896	$520,006
Operating Income Before Corporate Expenses					
Entertainment and recreation	$ 120,644	$105,952	$ 92,062	$ 70,423	$ 60,987
Motion pictures	40,229	54,119	46,094	53,801	53,055
Consumer products and other	44,822	37,469	31,344	27,700	21,020
Total operating income before corporate expenses	205,695	197,540	169,500	151,924	135,062
Corporate Expenses (Income)					
General and administrative	17,830	17,212	16,754	12,113	9,964
Design projects abandoned	2,390	3,311	1,740	3,182	6,702
Interest (income) expense — net	(28,413)	(12,468)	(6,341)	(3,570)	2,655
Total corporate expenses (income)	(8,193)	8,055	12,153	11,725	19,321
Income Before Taxes on Income	213,888	189,485	157,347	140,199	115,741
Taxes on income	100,100	91,100	75,400	65,600	54,000
Net Income	$ 113,788	$ 98,385	$ 81,947	$ 74,599	$ 61,741
Earnings per Share	$3.51	$3.04	$2.53	$2.30	$1.91
Cash Dividends per Share	$ .48	$ .32	$ .15	$ .12	$ .12
Average number of common and common equivalent shares outstanding during the year	32,426	32,397	32,373	32,418	32,278
FINANCIAL POSITION					
Current assets less current liabilities	$ 361,373	$280,774	$203,446	$114,156	$ 51,356
Property, plant and equipment — net of depreciation	648,447	633,885	629,940	623,542	616,660
Other non-current assets	66,836	54,808	44,641	54,507	40,632
	1,076,656	969,467	878,027	792,205	708,648
Less other non-current liabilities	115,594	108,232	106,821	99,823	89,905
Stockholders equity	$ 961,062	$861,235	$771,206	$692,382	$618,743
Stockholders equity per share	$29.76	$26.71	$23.97	$21.55	$19.31
CERTAIN CHANGES IN FINANCIAL POSITION					
Working capital provided from operations	$ 162,029	$148,081	$133,096	$128,699	$117,244
Additions to property, plant and equipment	56,629	45,367	44,517	43,708	42,565
Additions to film production costs	44,436	32,716	34,699	35,559	22,137
Cash dividends	15,496	10,273	4,725	3,659	3,553
OTHER DATA					
Stockholders at close of year	65,000	66,000	65,000	61,000	59,000
Employees at close of year	21,000	21,000	19,000	19,000	17,000

See notes to consolidated financial statements and summary of significant accounting policies.

PARENT COMPANY

WALT DISNEY PRODUCTIONS
500 S. Buena Vista Street, Burbank, California
Produces motion pictures for theatrical and television distribution — operates Disneyland Park — conducts ancillary activities.

BOARD OF DIRECTORS

CAROLINE LEONETTI AHMANSON,
Business woman, civic leader and philanthropist

WILLIAM H. ANDERSON,
Independent Producer

ROY E. DISNEY,
Chairman of the Board,
Shamrock Broadcasting Co., Inc.
(radio and television broadcasting)

PHILIP M. HAWLEY,
President, Carter Hawley Hale Stores, Inc.
(retail merchandising)

RONALD W. MILLER,
Executive Vice President-
Production and Creative Affairs

RICHARD T. MORROW,
Vice President-General Counsel

DONN B. TATUM,
Chairman of the Board

E. CARDON WALKER,
President and Chief Executive Officer

RAYMOND L. WATSON,
President, The Newport Development Co.
(land development)

DIRECTOR EMERITUS

GORDON E. YOUNGMAN

MEMBERS OF EXECUTIVE COMMITTEE

RONALD W. MILLER
DONN B. TATUM
E. CARDON WALKER

MEMBERS OF AUDIT COMMITTEE

CAROLINE LEONETTI AHMANSON
ROY E. DISNEY
RAYMOND L. WATSON

MEMBERS OF COMPENSATION COMMITTEE

CAROLINE LEONETTI AHMANSON
PHILIP M. HAWLEY
RAYMOND L. WATSON

CORPORATE OFFICERS

Donn B. Tatum
Chairman of the Board

E. Cardon Walker
President and Chief Executive Officer

Ronald W. Miller
Executive Vice President-Production and Creative Affairs

Michael L. Bagnall
Vice President-Finance

Carl G. Bongirno
Vice President-EPCOT

Barton K. Boyd
Vice President-Retail Merchandising

Ronald J. Cayo
Vice President-Business Affairs

Robert W. Gibeaut
Vice President-Studio Operations

Vincent H. Jefferds
Vice President-Marketing-
Consumer Products Division

Jack B. Lindquist
Vice President-Marketing-
Disneyland and Walt Disney World-
Outdoor Recreation

Luther R. Marr
Vice President-Corporate and
Stockholder Affairs

Richard T. Morrow
Vice President-General Counsel

Richard A. Nunis
Vice President-Operations-Disneyland
and Walt Disney World-Outdoor Recreation

Howard M. Roland
Vice President-Construction Contract
Administration and Purchasing

Franklin Waldheim
Vice President and Eastern Counsel

William Allen Jones
Treasurer

Doris A. Smith
Secretary

Bruce F. Johnson
Controller

Neal E. McClure
Assistant Secretary

Leland L. Kirk
Assistant Secretary-Treasurer

Donald A. Escen
Assistant Treasurer and Assistant Controller

Douglas E. Houck
Assistant Controller

Donald E. Tucker
Assistant Controller

PRINCIPAL DOMESTIC SUBSIDIARIES

BUENA VISTA DISTRIBUTION CO., INC.
Irving H. Ludwig — President
Distributes, syndicates and sells domestically 35mm theatrical film, television programs and records.

BUENA VISTA INTERNATIONAL, INC.
Harold P. Archinal — President
Supervises the distribution of 35mm theatrical film, 16mm film and television programs in foreign countries.

LAKE BUENA VISTA COMMUNITIES, INC.
E. Cardon Walker — President
Edward L. Moriarty — Vice President-Operations
Owns the community of Lake Buena Vista, operates the Walt Disney World Village and leases townhouses, residences and hotel sites.

WALT DISNEY EDUCATIONAL MEDIA COMPANY
E. Cardon Walker — President
James P. Jimirro — Executive Vice President
Distributes 16mm film, audio-visual educational materials and 8mm home movies.

WALT DISNEY MUSIC COMPANY (ASCAP affiliate)
WONDERLAND MUSIC COMPANY, INC. (BMI affiliate)
E. Cardon Walker — Chairman of the Board
Vincent H. Jefferds — Executive Vice President
Gary Krisel — Vice President-General Manager
Music Publishing.

WALT DISNEY TRAVEL CO., INC.
Jack B. Lindquist — President
Markets wholesale and retail tour packages.

WALT DISNEY WORLD CO.
Donn B. Tatum — Chairman of the Board
E. Cardon Walker — President
Richard A. Nunis — Executive Vice President
Robert C. Allen — Vice President-Walt Disney World
James P. Armstrong — Vice President-Resorts and Food Administration
Carl G. Bongirno — Vice President-Treasurer
Edward B. Crowell — Vice President-Facilities
Robert K. Matheison — Vice President-Operations
Larry L. Pontius — Vice President-Marketing
James P. Passilla — Vice President-Employee Relations
Howard M. Roland — Vice President-Construction Contract Administration and Purchasing
Philip N. Smith — Vice President-Legal and Secretary
C. Ray Maxwell — Controller
Operates Walt Disney World.

PRINCIPAL DOMESTIC DIVISIONS

DISNEYLAND
E. Cardon Walker — President
Richard A. Nunis — Executive Vice President
Michael L. Bagnall — Vice President-Administration
Ronald K. Dominquez — Vice President-Operations
James P. Passilla — Vice President-Employee Relations
Larry L. Pontius — Vice President-Marketing
Doris A. Smith — Secretary
Robert J. Risteen — Treasurer
Nancy E. Mize — Controller
Operates Disneyland Park.

WED ENTERPRISES
Carl G. Bongirno — President
John C. Hench — Senior Vice President
Orlando C. Ferrante — Vice President-Manufacturing and Production
Martin A. Sklar — Vice President-Creative Development
Frank P. Stanek — Vice President-Tokyo Disneyland Administration
John F. Zovich — Vice President-Engineering
Michael L. Bagnall — Secretary-Treasurer
Master plans, designs and engineers for outdoor entertainment projects.

FOREIGN SUBSIDIARIES WITH PRINCIPAL MARKETING EXECUTIVES

Distribute, sell and license Walt Disney products in foreign territories.

AUSTRALIA
Walt Disney Productions Pty. Limited
Walter A. Granger
Music publishing.

BELGIUM
Walt Disney Productions (Benelux) S.A.
Andre Vanneste
Character merchandising, publications, 8mm home movies and educational materials.

CANADA
Walt Disney Music of Canada Limited
James K. Rayburn
Records and music publishing.

DENMARK
Walt Disney Productions A/S Denmark
Gunnar Mansson
Character merchandising and publications.

FRANCE
Walt Disney Productions (France) S.A.
Armand Bigle, Richard Dassonville
35mm theatrical film, 16mm film, audio-visual educational materials, 8mm home movies, character merchandising, publications, records and music publishing.

GERMANY
Walt Disney Productions (Germany) GmbH
Horst Koblischek
Character merchandising, publications, 8mm home movies and music publishing.

ITALY
Creazioni Walt Disney S.p.A.I.
Antonio Bertini
Character merchandising, publications, educational materials, 8mm home movies and records.

JAPAN
Walt Disney Enterprises of Japan Ltd.
Matsuo Yokoyama
Character merchandising, publications, 8mm home movies and music publishing.

Walt Disney Productions Japan, Ltd.
Yosaku Seki, Mamoru Morita
35mm theatrical film supervision, travel and tour sales.

SPAIN
Walt Disney Iberica, S.A.
Enrique Stuyck
Character merchandising and publications.

SWEDEN
Walt Disney Productions A/B
Abbe Drisin
35mm theatrical film, 8mm home movies and publications.

UNITED KINGDOM
Walt Disney Productions Limited
Gustave A. Zelnick, Monty Mendelson, Terry Byrne, Keith Bales
35mm theatrical film, 16mm film, audio-visual educational materials, 8mm home movies, character merchandising, publications, records and music publishing.