

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended  
March 29, 2008

Commission File Number 1-11605

The **WALT DISNEY** Company

Incorporated in Delaware

I.R.S. Employer Identification  
No. 95-4545390

500 South Buena Vista Street, Burbank, California 91521

(818) 560-1000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer  Accelerated filer   
Non-accelerated filer (do not check if smaller reporting company)  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

There were 1,905,181,794 shares of common stock outstanding as of May 5, 2008.

## PART I. FINANCIAL INFORMATION

### Item 1: Financial Statements

#### THE WALT DISNEY COMPANY CONDENSED CONSOLIDATED STATEMENTS OF INCOME (unaudited; in millions, except per share data)

	Quarter Ended		Six Months Ended	
	March 29, 2008	March 31, 2007	March 29, 2008	March 31, 2007
Revenues	\$ 8,710	\$ 7,954	\$ 19,162	\$ 17,535
Costs and expenses	(6,812)	(6,441)	(15,231)	(14,348)
Gains on sales of equity investments	—	—	—	1,052
Net interest expense	(147)	(130)	(270)	(287)
Equity in the income of investees	144	121	267	242
Income from continuing operations before income taxes and minority interests	1,895	1,504	3,928	4,194
Income taxes	(712)	(582)	(1,471)	(1,591)
Minority interests	(50)	(3)	(74)	(8)
Income from continuing operations	1,133	919	2,383	2,595
Discontinued operations, net of tax	—	12	—	37
Net income	<u>\$ 1,133</u>	<u>\$ 931</u>	<u>\$ 2,383</u>	<u>\$ 2,632</u>
Diluted earnings per share:				
Earnings per share, continuing operations	0.58	0.43	1.21	1.22
Earnings per share, discontinued operations	—	0.01	—	0.02
Earnings per share	<u>\$ 0.58</u>	<u>\$ 0.44</u>	<u>\$ 1.21</u>	<u>\$ 1.24</u>
Basic earnings per share:				
Earnings per share, continuing operations	0.60	0.45	1.26	1.27
Earnings per share, discontinued operations	—	0.01	—	0.02
Earnings per share <sup>(1)</sup>	<u>\$ 0.60</u>	<u>\$ 0.46</u>	<u>\$ 1.26</u>	<u>\$ 1.28</u>
Weighted average number of common and common equivalent shares outstanding:				
Diluted	<u>1,960</u>	<u>2,129</u>	<u>1,974</u>	<u>2,138</u>
Basic	<u>1,883</u>	<u>2,039</u>	<u>1,893</u>	<u>2,049</u>

(1) Earnings per share may not equal the sum of the column due to rounding.

*See Notes to Condensed Consolidated Financial Statements*

**THE WALT DISNEY COMPANY**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(unaudited; in millions, except per share data)

	March 29, 2008	September 29, 2007
<i>ASSETS</i>		
Current assets		
Cash and cash equivalents	\$ 3,860	\$ 3,670
Receivables	5,595	5,032
Inventories	841	641
Television costs	646	559
Deferred income taxes	862	862
Other current assets	592	550
Total current assets	12,396	11,314
Film and television costs	4,878	5,123
Investments	1,154	995
Parks, resorts and other property, at cost		
Attractions, buildings and equipment	31,248	30,260
Accumulated depreciation	(16,035)	(15,145)
	15,213	15,115
Projects in progress	1,159	1,147
Land	1,185	1,171
	17,557	17,433
Intangible assets, net	2,473	2,494
Goodwill	22,094	22,085
Other assets	1,739	1,484
	\$ 62,291	\$ 60,928
<i>LIABILITIES AND SHAREHOLDERS' EQUITY</i>		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 5,399	\$ 5,949
Current portion of borrowings	2,861	3,280
Unearned royalties and other advances	2,996	2,162
Total current liabilities	11,256	11,391
Borrowings	12,929	11,892
Deferred income taxes	2,321	2,573
Other long-term liabilities	3,851	3,024
Minority interests	1,146	1,295
Commitments and contingencies		
Shareholders' equity		
Preferred stock, \$.01 par value		
Authorized - 100 million shares, Issued - none	-	-
Common stock, \$.01 par value		
Authorized - 3.6 billion shares, Issued - 2.6 billion shares at March 29, 2008 and at September 29, 2007	24,602	24,207
Retained earnings	26,381	24,805
Accumulated other comprehensive loss	(122)	(157)
	50,861	48,855
Treasury stock, at cost, 698.8 million shares at March 29, 2008 and 637.8 million shares at September 29, 2007	(20,073)	(18,102)
	30,788	30,753
	\$ 62,291	\$ 60,928

*See Notes to Condensed Consolidated Financial Statements*

