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

FORM 10-K

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

For the Fiscal Year Ended October 3, 2009 — Commission File Number 1-11605

The Walt Disney Company

Incorporated in Delaware
500 South Buena Vista Street, Burbank, California 91521
(818) 560-1000

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

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, $.01 par value	New York Stock Exchange

Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes ✓ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No ✓

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 and (2) has been subject to such filing requirements for the past 90 days.

Yes ✓ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ✓ No

Indicate by check mark if disclosure of delinquent filers pursuant to Rule 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [___]

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 ✓

The aggregate market value of common stock held by non-affiliates (based on the closing price on the last business day of the registrant's most recently completed second fiscal quarter as reported on the New York Stock Exchange-Composite Transactions) was $31.9 billion. All executive officers and directors of the registrant and all persons filing a Schedule 13D with the Securities and Exchange Commission in respect to registrant's common stock have been deemed, solely for the purpose of the foregoing calculation, to be "affiliates" of the registrant.

There were 1,865,010,858 shares of common stock outstanding as of November 20, 2009.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of The Walt Disney Company

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, shareholders' equity and cash flows present fairly, in all material respects, the financial position of The Walt Disney Company and its subsidiaries (the Company) at October 3, 2009 and September 27, 2008, and the results of their operations and their cash flows for each of the three years in the period ended October 3, 2009 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of October 3, 2009, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express opinions on these financial statements and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

As discussed in Notes 2 and 3 to the consolidated financial statements, the Company changed its method of accounting for uncertainty in income taxes in 2008 and its method of accounting for pension and other postretirement benefit plans in 2007 and 2009.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PRICEWATERHOUSECOOPERS LLP

Los Angeles, California
December 2, 2009

12 *Shareholders' Equity*

As of the filing date of this report, the Board of Directors had not yet declared a dividend related to fiscal 2009. The Company paid a $648 million dividend ($0.35 per share) during the second quarter of fiscal 2009 related to fiscal 2008. The Company paid a $664 million dividend ($0.35 per share) during the second quarter of fiscal 2008 related to fiscal 2007. The Company paid a $637 million dividend ($0.31 per share) during the second quarter of fiscal 2007 related to fiscal 2006.

During fiscal 2009, the Company repurchased 5 million shares of Disney common stock for $138 million. During fiscal 2008, the Company repurchased 139 million shares of Disney common stock for $4.5 billion. During fiscal 2007, the Company repurchased 202 million shares of Disney common stock for $6.9 billion. On May 1, 2007, the Board of Directors of the Company increased the share repurchase authorization to a total of 400 million shares. As of October 3, 2009, the Company had remaining authorization in place to repurchase 179 million additional shares. The repurchase program does not have an expiration date.

In April 2008, the Company redeemed $1.3 billion of convertible senior notes. Pursuant to the redemption, substantially all of the notes were converted into 45 million shares of the Company's common stock.

The par value of the Company's outstanding common stock totaled approximately $26 million.

The Company also has 1.0 billion shares of Internet Group stock at $.01 par value authorized. No shares are issued and outstanding.

Accumulated other comprehensive income (loss), net of tax [(1)], is as follows:

	October 3, 2009	September 27, 2008
Market value adjustments for hedges and investments	**$ 18**	$ 78
Foreign currency translation and other	**105**	137
Unrecognized pension and postretirement medical expense	**(1,767)**	(296)
Accumulated other comprehensive loss [(1)]	**$ (1,644)**	$ (81)

(1) Accumulated other comprehensive income(loss) and components of other comprehensive income(loss) are recorded net of tax using a 37% estimated statutory tax rate.

13 *Equity-Based Compensation*

Under various plans, the Company may grant stock options and other equity-based awards to executive, management, and creative personnel. The Company's approach to long-term incentive compensation contemplates awards of stock options and restricted stock units (RSUs). Certain RSUs awarded to senior executives vest based upon the achievement of market and/or performance conditions (Performance RSUs).

Stock options are generally granted at exercise prices equal to or exceeding the market price at the date of grant. Effective in January 2003, options became exercisable ratably over a four-year period from the grant date, while options granted prior to January 2003 generally vest ratably over five years. Effective in the second quarter of 2005, options granted generally expire seven years after the grant date, while options granted prior to the second quarter of 2005 generally expire ten years after the grant date. At the discretion of the Compensation Committee of the Company's Board of Directors, options can occasionally extend up to 15 years after date of grant. Effective in January 2009, RSUs (excluding Performance RSUs) vest ratably over a four-year period from the date of grant, while RSUs granted prior to January 2009 and Performance RSUs generally vest 50% on each of the second and fourth anniversaries of the grant date. Stock options and RSUs are generally forfeited by employees who terminate prior to vesting. Shares available for future option and RSU grants at October 3, 2009 totaled 83 million. Starting March 2009 for our primary plan, each share granted subject to a stock option award reduces the number of shares available by one share while each share granted subject to a RSU award reduces the number of shares available by two shares. The Company satisfies stock option exercises and vesting of RSUs with newly issued shares.

Each year, during the second quarter, the Company awards stock options and restricted stock units to a broad-based group of management and creative personnel (the Annual Grant). The fair value of options is estimated based on the binomial valuation model. The binomial valuation model takes into account variables such as volatility, dividend yield, and the risk-free interest rate. The binomial valuation model also considers the expected exercise multiple (the multiple of exercise price to grant price at which exercises are expected to occur on average) and the termination rate (the probability of a vested option being cancelled due to the termination of the option holder) in computing the value of the option.

In fiscal years 2009, 2008 and 2007, the weighted average assumptions used in the option-valuation model were as follows:

	2009	2008	2007
Risk-free interest rate	2.0 %	3.6 %	4.5 %
Expected volatility	47 %	29 %	26 %
Dividend yield	1.19 %	1.02 %	0.79 %
Termination rate	7.5 %	7.5 %	7.4 %
Exercise multiple	1.39	1.39	1.38

Although the initial fair value of stock options is not adjusted after the grant date, changes in the Company's assumptions may change the value of, and therefore the expense related to, future stock option grants. The assumptions that cause the greatest variation in fair value in the binomial valuation model are the expected volatility and expected exercise multiple. Increases or decreases in either the expected volatility or expected exercise multiple will cause the binomial option value to increase or decrease, respectively.

The volatility assumption considers both historical and implied volatility and may be impacted by the Company's performance as well as changes in economic and market conditions.

Compensation expense for RSUs (excluding Performance RSUs) and stock options is recognized ratably over the vesting period of the award. Compensation expense for RSUs is based upon the market price of the shares underlying the awards on the grant date. Compensation expense for Performance RSUs reflects the estimated probability that the market and/or performance conditions will be met and is recognized ratably over the service period of the award.

The impact of stock options and RSUs on income for fiscal 2009, 2008 and 2007 was as follows:

	2009	2008	2007
Stock option compensation expense	**$ 229**	$ 214	$ 213
RSU compensation expense	**228**	188	158
	457	402	371
Equity-based compensation plan modification charge [(1)]	**—**	—	48
Total equity-based compensation expense [(2)]	**457**	402	419
Tax impact	**(169)**	(149)	(155)
Reduction in net income	**$ 288**	$ 253	$ 264
Tax benefit reported in cash flow from continuing financing activities	**$ 4**	$ 47	$ 116

(1) In anticipation of the ABC Radio transaction, the Company needed to determine whether employee equity-based compensation awards would be adjusted for the dilutive impact of the transaction on outstanding employee awards. Certain of the Company's plans required such adjustments to be made on an equitable basis. All other plans permitted such adjustments to be made. In order to treat all employees consistently with respect to the ABC Radio transaction (and other similar future transactions), the Company amended the plans such that all plans require equitable adjustments for such transactions. In connection with these amendments, the Company was required to record a non-cash charge of $48 million in the first quarter of fiscal 2007 representing the estimated fair value of this modification with respect to vested equity-based employee compensation awards.

(2) Equity-based compensation expense is net of capitalized equity-based compensation and includes amortization of previously capitalized equity-based compensation costs. Capitalized equity-based compensation totaled $13 million, $55 million and $103 million in 2009, 2008 and 2007, respectively.

The following table summarizes information about stock option transactions (shares in millions):

	2009		2008		2007	
	Shares	**Weighted Average Exercise Price**	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of year	**171**	**$ 28.37**	177	$ 27.36	212	$ 25.85
Awards forfeited	**(3)**	**29.69**	(4)	29.49	(5)	27.71
Awards granted	**17**	**21.29**	30	30.12	25	34.22
Awards exercised	**(7)**	**17.66**	(27)	21.79	(53)	24.52
Awards expired/cancelled	**(8)**	**34.23**	(5)	44.12	(2)	56.00
Outstanding at end of year	**170**	**26.79**	171	28.37	177	27.36
Exercisable at end of year	**111**	**26.62**	101	27.72	108	27.07

The following tables summarize information about stock options vested and expected to vest at October 3, 2009 (shares in millions):

	Vested		
Range of Exercise Prices	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Years of Contractual Life
$ 0 — $ 15	7	10.38	2.6
$ 16 — $ 20	9	18.25	4.4
$ 21 — $ 25	32	23.81	3.3
$ 26 — $ 30	35	29.04	2.9
$ 31 — $ 35	20	33.65	2.5
$ 36 — $ 40	4	39.85	0.7
$ 41 — $ 45	3	42.21	1.0
$ 46 — $185	1	117.30	0.4
	111		

	Expected to Vest		
Range of Exercise Prices	Number of Options (1)	Weighted Average Exercise Price	Weighted Average Remaining Years of Contractual Life
$ 0 — $ 15	1	13.37	3.8
$ 16 — $ 20	12	20.68	6.3
$ 21 — $ 25	4	24.43	3.7
$ 26 — $ 30	24	29.26	5.6
$ 31 — $ 35	11	33.94	4.5
	52		

(1) Number of options expected to vest is total unvested options less estimated forfeitures.

The following table summarizes information about RSU transactions (shares in millions):

	2009		2008		2007	
	Units	**Weighted Average Grant-Date Fair Value**	Units	Weighted Average Grant-Date Fair Value	Units	Weighted Average Grant-Date Fair Value
Unvested at beginning of year	**28**	**$ 29.95**	27	$ 29.01	23	$ 25.74
Granted	**15**	**20.89**	11	29.92	12	34.22
Vested	**(8)**	**31.20**	(7)	26.45	(6)	26.20
Forfeited	**(2)**	**26.61**	(3)	29.69	(2)	27.78
Unvested at end of year	**33**	**25.82**	28	29.95	27	29.01

RSU grants include 3.0 million shares, 2.3 million shares and 1.4 million shares of Performance RSUs in 2009, 2008 and 2007, respectively. Approximately 7.4 million shares of the unvested RSUs as of October 3, 2009 are Performance RSUs.

The weighted average grant-date fair values of options granted during 2009, 2008 and 2007 were $7.43, $8.25 and $9.27, respectively. The total intrinsic value (market value on date of exercise less exercise price) of options exercised and RSUs vested during 2009, 2008 and 2007 totaled $252 million, $529 million, and $735 million, respectively. The aggregate intrinsic values of stock options vested and expected to vest at October 3, 2009 were $306 million and $100 million, respectively.

As of October 3, 2009, there was $315 million of unrecognized compensation cost related to unvested stock options and $446 million related to unvested RSUs. That cost is expected to be recognized over a weighted-average period of 1.7 years for stock options and 1.9 years for RSUs.

Cash received from option exercises for 2009, 2008 and 2007 was $119 million, $591 million and $1.3 billion, respectively. Tax benefits realized from tax deductions associated with option exercises and RSU activity for 2009, 2008 and 2007 totaled $90 million, $183 million and $267 million, respectively.