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 September 29, 2012 — 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 $78.3 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 1,772,122,139 shares of common stock outstanding as of November 14, 2012.

Documents Incorporated by Reference

Certain information required for Part III of this report is incorporated herein by reference to the proxy statement for the 2013 annual meeting of the Company's shareholders.

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, statements of comprehensive 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 September 29, 2012 and October 1, 2011, and the results of their operations and their cash flows for each of the three years in the period ended September 29, 2012 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 September 29, 2012, 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.

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
November 21, 2012

The following table summarizes the changes in each component of accumulated other comprehensive loss, net of tax [(1)] in Disney's shareholders' equity:

	Market Value Adjustments		Unrecognized Pension and Post-retirement Medical Expense	Foreign Currency Translation and Other	Accumulated Other Comprehensive Income, net of tax
	Investments	Cash Flow Hedges			
Balance at Oct 3, 2009	$ (2)	$ 20	$ (1,767)	$ 105	$ (1,644)
Unrealized gains (losses) arising during the period	8	(118)	(208)	(25)	(343)
Reclassifications of realized net (gains) losses to net income	1	(4)	109	—	106
Balance at Oct 2, 2010	7	(102)	(1,866)	80	(1,881)
Unrealized gains (losses) arising during the period	2	(72)	(915)	(37)	(1,022)
Reclassifications of realized net (gains) losses to net income	(3)	120	156	—	273
Balance at Oct 1, 2011	6	(54)	(2,625)	43	(2,630)
Unrealized gains (losses) arising during the period	4	38	(829)	(60)	(847)
Reclassifications of realized net (gains) losses to net income	(7)	(36)	220	34	211
Balance at Sept 29, 2012	$ 3	$ (52)	$ (3,234)	$ 17	$ (3,266)

(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.

12 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 and become exercisable ratably over a four-year period from the grant date. The following table summarizes contractual terms for our stock option grants:

Grant dates	Contractual Term
Prior to January 2005	10 years
January 2005 through December 2010	7 years
After December 2010	10 years

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.

The following table summarizes vesting terms for our RSUs:

Grant dates	Vesting Terms
RSUs:	
Prior to January 2009	50% on each of the second and fourth anniversaries of the grant date
Effective January 2009	Ratably over four years
Performance RSUs:	
Prior to January 2010	50% on each of the second and fourth anniversaries of the grant date subject to achieving market and/or performance conditions
Effective January 2010	Fully after three years, subject to achieving market and/or performance conditions

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. In March 2011, shareholders of the Company approved the 2011 Stock Incentive Plan, which increased the number of shares authorized to be awarded as grants by 64 million shares. In March 2012, shareholders of the Company approved an amendment to the 2011 Stock Incentive Plan, which increased the number of shares authorized to be awarded as grants by an incremental 15 million shares. As of September 29, 2012, the maximum number of shares available for issuance (assuming all the awards are in the form of stock options) was approximately 133 million shares and the number available for issuance assuming all awards are in the form of RSUs was approximately 67 million shares. The Company satisfies stock option exercises and vesting of RSUs with newly issued shares. Stock options and RSUs are generally forfeited by employees who terminate prior to vesting.

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 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 2012, 2011 and 2010, the weighted average assumptions used in the option-valuation model were as follows:

	2012	2011	2010
Risk-free interest rate	**2.0 %**	3.2 %	3.5 %
Expected volatility	**31 %**	28 %	32 %
Dividend yield	**1.56 %**	1.15 %	1.41 %
Termination rate	**2.7 %**	2.5 %	2.5 %
Exercise multiple	**1.41**	1.40	1.40

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 and stock options is recognized ratably over the service period of the award. Compensation expense for RSUs is based on 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. Effective January 2010, equity-based award grants generally provide continued vesting, in the event of termination, for employees that reach age 60 or greater, have at least ten years of service and have held the award for at least one year.

The impact of stock options/rights and RSUs on income for fiscal 2012, 2011 and 2010 was as follows:

	2012	2011	2010
Stock option/rights compensation expense [1]	$ **115**	$ 133	$ 142
RSU compensation expense	**310**	300	249
Total equity-based compensation expense [2]	**425**	433	391
Tax impact	**(145)**	(151)	(145)
Reduction in net income	$ **280**	$ 282	$ 246
Equity-based compensation expense capitalized during the period	$ **56**	$ 66	$ 79
Tax benefit reported in cash flow from financing activities	$ **122**	$ 124	$ 76

(1) Includes stock appreciation rights issued in connection with the acquisition of Playdom

(2) Equity-based compensation expense is net of capitalized equity-based compensation and excludes amortization of previously capitalized equity-based compensation costs. Amortization of previously capitalized equity-based compensation totaled $59 million, $57 million and $131 million in fiscal 2012, 2011 and 2010, respectively.

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

	2012	
	Shares	**Weighted Average Exercise Price**
Outstanding at beginning of year	**82**	$ **29.20**
Awards forfeited	**(3)**	**31.39**
Awards granted	**11**	**39.13**
Awards exercised	**(36)**	**27.77**
Awards expired/cancelled	—	—
Outstanding at end of year	**54**	**32.02**
Exercisable at end of year	**26**	**28.82**

The following tables summarize information about stock options vested and expected to vest at September 29, 2012 (shares in millions):

	Vested		
Range of Exercise Prices	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Years of Contractual Life
$ 0 — $20	2	$ 18.07	2.1
$21 — $25	5	22.72	2.2
$26 — $30	10	28.99	2.6
$31 — $35	8	33.17	3.1
$36 — $45	1	39.63	8.3
	26		

	Expected to Vest		
Range of Exercise Prices	Number of Options [(1)]	Weighted Average Exercise Price	Weighted Average Remaining Years of Contractual Life
$ 0 — $25	2	$ 20.78	3.3
$26 — $30	3	28.61	3.1
$31 — $35	4	31.18	7.3
$36 — $40	14	39.12	8.9
$41 — $50	1	46.28	9.6
	24		

(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):

	2012	
	Units	**Weighted Average Grant-Date Fair Value**
Unvested at beginning of year	**32**	$ **32.34**
Granted	**10**	**39.39**
Vested	**(12)**	**30.63**
Forfeited	**(3)**	**32.80**
Unvested at end of year	**27**	**35.49**

RSU grants totaled 10 million, 13 million, and 15 million in 2012, 2011 and 2010, respectively, and include 0.6 million shares, 0.4 million shares and 0.4 million shares of Performance RSUs in 2012, 2011 and 2010, respectively. Approximately 2.4 million of the unvested RSUs as of September 29, 2012 are Performance RSUs.

The weighted average grant-date fair values of options granted during 2012, 2011, and 2010 were $10.65, $10.96, and $9.43, respectively. The total intrinsic value (market value on date of exercise less exercise price) of options exercised and RSUs vested during 2012, 2011, and 2010 totaled $1,033 million, $969 million, and $830 million, respectively. The aggregate intrinsic values of stock options vested and expected to vest at September 29, 2012 were $614 million and $424 million, respectively.

As of September 29, 2012, there was $158 million of unrecognized compensation cost related to unvested stock options and $573 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 1.7 years for RSUs.

Compensation Discussion and Analysis

Compensation Objectives and Program Design

We use our executive compensation program to drive the creation of long-term shareholder value by:

- tying substantially all of our executive officers' total direct compensation to the attainment of financial objectives that align with both our annual and multi-year strategic and operational goals, thereby enabling us to build sustainable long-term shareholder value and position the Company for long-term success; and
- attracting and retaining high-caliber executives in a competitive market for talent.

This Compensation Discussion and Analysis explains the design and operation of our executive compensation program in the following sections.

- Roles and Responsibilities addresses the process used to make compensation decisions for our executive officers.
- Competitive Considerations addresses how we evaluate the competitive market for talent and use that evaluation in designing compensation packages.
- Compensation Mix addresses how we balance fixed and performance-based compensation to achieve our annual and long-term business objectives.
- Performance-Based Compensation addresses the specific design elements of our performance-based annual bonus and equity compensation programs that we use to align the compensation of our executive officers with the creation of sustainable long-term shareholder value.
- Fixed Compensation addresses base salary, benefits and perquisites and retirement plans.
- Other Considerations addresses the other policies and practices that impact our executive compensation program.

The specific compensation decisions for the named executive officers relating to fiscal 2012 are discussed in the section titled *Fiscal 2012 Decisions.*

Roles and Responsibilities

Compensation Committee

The Compensation Committee of our Board of Directors determines the compensation for our executive officers, including each of the named executive officers and evaluates the Company's overall compensation structure and programs.

Pursuant to its charter, the Committee's responsibilities include:

- reviewing and approving corporate goals and objectives relevant to compensation of the chief executive officer and other executive officers, and evaluating their performance in light of those goals and objectives;
- determining the compensation (including salaries, bonuses and equity awards) for our executive officers and other senior officers;
- reviewing and approving terms of all employment agreements with named executive officers and such other officers as it deems appropriate;
- evaluating and approving all grants of equity-based compensation; and
- reviewing and approving (or recommending approval to the Board where it deems appropriate) performance-based and equity-based incentive plans and reviewing other compensation policies presented to the Committee by the chief executive officer.

The Compensation Committee determines the compensation of the chief executive officer without management input, but is assisted in this determination by its independent compensation consultant (as described below) and reviews its determination with the Board of Directors (without members of management present).

In making determinations regarding the compensation for the other named executive officers, the Committee considers the recommendations of the chief executive officer and the input received from its independent compensation consultant. The Committee informs the Board of Directors of its deliberations regarding annual bonuses and equity incentive awards for the other named executive officers.

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The terms and conditions of Mr. Iger's employment agreement were approved by the independent Directors after considering the recommendation of the Committee. The Compensation Committee is responsible for approving the terms and conditions of the employment agreements with the other named executive officers who have such agreements.

The Committee meets regularly in executive session without management present to discuss compensation decisions and matters relating to the design and operation of the executive compensation program.

Management

The Chief Executive Officer's Role

The chief executive officer recommends the compensation, including the compensation provisions of employment agreements for those who have them, for the named executive officers (other than himself) and all other officers whose compensation is determined by the Compensation Committee. In making these recommendations, the chief executive officer evaluates the performance of each executive, considers his or her responsibilities and compensation in relation to other officers of the Company, and considers the competitive market for executive talent, using publicly-available and other information provided to him by the Company and information provided to the Committee by its compensation consultant.

Other Management Roles

Management also regularly:

- provides data, analysis and recommendations for the Compensation Committee's consideration regarding the Company's executive compensation programs and policies, preparing materials for the information of and review by the Committee;
- administers those programs and policies consistent with the direction of the Committee;
- provides an ongoing review of the effectiveness of the compensation programs, including competitiveness and alignment with the Company's objectives, and
- recommends changes to compensation programs if necessary to promote achievement of all program objectives.

Compensation Consultant

Consultant's Role

In May 2012, the Compensation Committee retained the firm of Frederic W. Cook & Co., Inc. as its compensation consultant to assist in its ongoing development and evaluation of compensation policies and practices and the Committee's determinations of compensation awards. The Committee's consultant:

- attends Committee meetings;
- meets with the Committee without management present;
- provides third-party data, advice and expertise on proposed executive compensation and executive compensation plan designs;
- reviews briefing materials prepared by management and outside advisers to management and advises the Committee on the matters included in these materials, including the consistency of proposals with the Committee's compensation philosophy and comparisons to programs at other companies; and
- prepares its own analysis of compensation matters, including positioning of programs in the competitive market and the design of plans consistent with the Committee's compensation philosophy.

Use of Consultant Input

The Committee considers input from the consultant as one factor in making decisions with respect to compensation matters, along with information and analyses it receives from management and its own judgment and experience. In particular, with respect to the positioning of compensation elements relative to the competitive market, the Committee considers the analyses in the context of the factors discussed under *"Competitive Considerations,"* below.

Consultant Independence

The Compensation Committee has adopted a policy requiring its consultant to be independent of Company management. The Committee performs an annual assessment of the consultant's independence to determine whether the consultant is independent. The Committee assessed Frederic W. Cook & Co. Inc.'s independence in May 2012 upon retention of the firm and again in November 2012 and confirmed on both occasions that the firm's work has not raised any conflict of interest and is independent under the policy.

During the part of fiscal 2012 that preceded May 2012, Pay Governance LLC served as the independent compensation consultant to the Committee. The Committee reviewed the independence of Pay

Governance LLC in November 2011 and, as discussed in the proxy statement for the 2012 Annual Meeting of shareholders, the Committee determined that Pay Governance LLC was independent.

Competitive Considerations

The Compensation Committee seeks to design our executive compensation program and contractual compensation arrangements in a manner that is competitive with, and reflects the dynamics of, the market in which we compete for talent. The Committee considers the competitive market for executive talent as one factor in determining the mix of compensation elements, the level of compensation and other specific terms of the compensation arrangements with the named executive officers, but it does not target compensation within a specific percentile of any set of peer companies.

In structuring our executive compensation program and in assessing performance, the Compensation Committee uses three separate peer groups for three separate and distinct purposes.

Peer Group	Purpose	Composition
Media Industry Peers	Evaluating compensation levels for the named executive officers	Disney and the five other major media companies: • CBS • Comcast • News Corp. • Time Warner • Viacom
General Industry Peers	Evaluating general compensation structure, policies and practices	25 similarly-sized global companies with a consumer orientation and/or strong brand recognition
Performance Peers	Evaluating performance of the Company relative to other companies in light of general economic trends	Standard & Poor's (S&P) 500

Media Industry Peers

Leading a global media and entertainment business of our size, scope, and complexity requires a unique blend of talents and abilities. As a company whose success is driven by consistently maintaining a high level of outstanding creative output, we believe that our senior executives, and, in particular, our chief executive officer, must both understand and be able to manage and contribute to that creative process. At the same time, our chief executive officer and other senior executives must have the ability and vision to manage multiple lines of business across several industry sectors on a global basis.

The pool of executives with the relevant skill set that meets these requirements is quite limited and most closely aligns with the base of experience and expertise reflected by the executives of the five other major media companies. As a result, we believe that these companies define the market for our senior executive talent. To attract and retain this talent, the Company must design compensation programs and offer employment agreements that are competitive within that market through compensation opportunities that are substantially linked to performance.

Some investors have expressed reservations about using some of these companies as a point of reference because the companies are effectively controlled by a single shareholder. The Compensation Committee understands these concerns, but believes it is constrained by the competitive reality that these companies set the market for the talent we need. Accordingly, the Committee believes it cannot fulfill its most important responsibility – attracting and maintaining the highest level of senior executive leadership – without offering a compensation structure that is competitive within this market. Both the most recent employment agreement with our chief executive officer and our compensation philosophy and decisions with respect to all the named executive officers have been and continue to be affected and significantly influenced by this market dynamic.

General Industry Peers

While the Compensation Committee closely monitors the compensation policies and practices of the other Media Industry Peers, it also recognizes that it is important to understand and be familiar with general compensation structure, policies and practices reflected by the broader market in which we compete for talent. Consequently, the Committee uses a larger peer group to evaluate these general matters and to understand that market for that purpose. During fiscal 2012, in response to investor feedback, the Compensation Committee adjusted the criteria it uses for selecting this group. The General Industry Peer group now consists of companies that have:

- A consumer orientation and/or strong brand recognition;
- A global presence and operations;
- Annual revenue no less than half and no more than twice our annual revenue; and
- A market capitalization no less than one-quarter and no more than four times our market capitalization.

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In addition, this peer group includes companies that did not meet the revenue test, but that were included in the peer groups used by one or more of the Media Industry Peers. As a result, the General Industry Peer group now consists of the following 25 companies:

- Accenture
- Amazon.com
- AT&T
- CBS
- Cisco Systems
- Coca-Cola
- Comcast
- Dell
- DirecTV
- EMC Corp.
- General Electric
- Google
- Hewlett-Packard
- Intel
- Johnson & Johnson
- Kimberly-Clark
- Microsoft
- News Corp.
- Oracle
- PepsiCo
- Procter & Gamble
- Sprint Nextel
- Time Warner
- Verizon Communications
- Viacom

Performance Peers

The Compensation Committee believes that the performance of the S&P 500 most appropriately reflects the economic conditions that can affect the overall performance of the diverse array of businesses that we operate, and therefore has adopted this measure both to evaluate generally the performance of the Company and its executives and, more specifically, as the basis for the performance test for performance-based restricted stock unit awards. These awards vest only if, and to the extent that, our stock price performance (in terms of total shareholder return) and operating performance (in terms of earnings per share) exceed thresholds measured relative to the performance of the S&P 500. The Committee believes that the Media Industry Peers and the General Industry Peers, while useful for the purposes for which they are used, are not appropriate for this purpose because their performance does not best reflect the overall economic conditions to which our various businesses are subject.

Compensation Mix

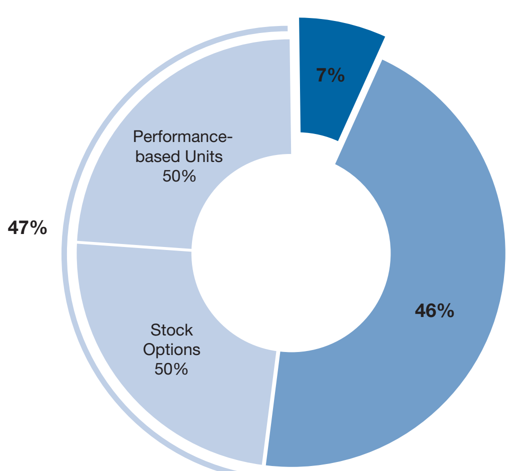
The Compensation Committee believes that a substantial portion of the total compensation opportunity of our senior executives should be tied to achieving goals and objectives that should drive performance and be structured to align with the creation of sustainable long-term shareholder value. The Committee also believes that compensation for more senior executive officers, including the named executive officers, should be more heavily weighted toward performance dependent elements than is the case for less senior officers because the performance of these officers is more likely to have a strong and direct impact on shareholder value creation.

The following charts show the percentage of the total direct compensation (constituting base salary and performance-based bonus plus the grant-date fair value of regular annual equity awards) awarded to Mr. Iger and the other named executive officers (NEOs) that is variable with performance (performance-based bonus and equity awards) versus fixed (salary).

CEO
2012 Total Direct Compensation Mix

93% of CEO 2012 compensation is considered performance-based

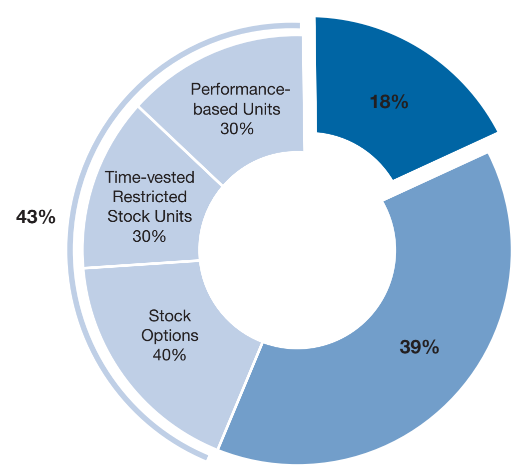
- Long-term Performance-based Compensation
- Annual Performance-based Compensation
- Fixed Compensation



Other NEOs
2012 Average Total Direct Compensation Mix

82% of other NEOs 2012 average compensation is considered performance-based

- Long-term Performance-based Compensation
- Annual Performance-based Compensation
- Fixed Compensation



Performance-based Compensation

The Compensation Committee links substantially all of the compensation of the senior executives to the Company's performance in two ways:

- an annual bonus opportunity based on attaining financial goals and other important Company objectives that are established by the Committee to motivate those executives to achieve meaningful annual growth in light of prevailing economic conditions and to create sustainable long-term shareholder value; and
- equity-based compensation, the realizable value of which varies directly with the market price of the Company's common stock and which includes restricted stock unit awards all (for awards to the chief executive officer after 2011) or a portion of which (for other senior executives) are subject to performance tests based on the Company's stock price and earnings per share in addition to a test to assure deductibility under Section 162(m) of the Internal Revenue Code.

Annual Performance-based Bonus

Our annual performance-based bonus opportunities are designed to motivate performance that drives the creation of long-term shareholder value by the setting of annual performance ranges that the Committee believes will motivate performance that promotes sustained growth.

The following chart explains how the Compensation Committee establishes these annual performance-based bonus opportunities:

<table>
<tr><th colspan="2">Set Target Bonuses</th></tr>
<tr><td>Timing
Early in the fiscal year</td><td>Purpose
Establish a target bonus opportunity, appropriate to the competitive market, that will be used in calculating final bonus awards

Process
• Committee approves target bonus opportunity for each named executive officer
• Takes into account:
  • Minimums in employment agreement
  • Recommendation of the chief executive officer (except with respect to his own target bonus opportunity)
  • Nature and responsibility of the named executive officer's position
  • Competitive market data and conditions
  • Other factors that the Compensation Committee deems appropriate</td></tr>
<tr><th colspan="2">Set Financial Performance Ranges</th></tr>
<tr><td>Timing
Early in the fiscal year</td><td>Purpose
Establish financial performance ranges (giving consideration to economic conditions) at a level the Compensation Committee believes will, if achieved, result in meaningful annual growth and promote sustained long-term shareholder value

Process
• Committee receives recommendations from management on:
  • Which financial performance measures to use
  • How each measure should be weighted
  • Appropriate performance range for each recommended financial measure
• Committee reviews recommendations with management and the Committee's compensation consultant
• Committee evaluates proposed measures, weightings and performance ranges in light of expected economic conditions and establishes measures, weightings and ranges to promote sustained growth in shareholder value
• Committee discusses determinations with the Board of Directors and takes the views of the Board into account in making final determinations</td></tr>
</table>

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Set Other Performance Objectives	
Timing Early in the fiscal year	Purpose Establish qualitative performance factors that are important to drive long-term growth beyond purely financial measures. Process • Committee receives recommendations from chief executive officer on non-quantitative performance goals • Committee selects goals following discussion with chief executive regarding company-wide performance objectives
Measure Performance and Determine Award	

Timing
After fiscal year end
	Purpose
	Determine bonus awards based primarily on financial performance but also recognizing non-quantitative performance factors.
	
	Process
	• The Compensation Committee multiplies an amount equal to 70% of the target bonus opportunity by a factor reflecting actual performance on each of the financial performance measures compared to the ranges set at the beginning of the year.
	  • Committee exercises judgment regarding the impact of changes in accounting principles and extraordinary, unusual or infrequently occurring events.
	  • The factor for each performance measure is zero if the threshold level of a performance range is not met and varies from 35% at the bottom of the range to 200% at the top of the range.
	• The Committee then multiplies the remaining 30% of the target bonus opportunity by a factor to reflect the Committee's assessment of each named executive officer's performance against the other performance objectives and overall contribution to the Company's success.
	  • This factor may range from 0% to a maximum that, when combined with the tentative award amount based on financial performance measures, will not, except in special circumstances such as unusual challenges or extraordinary successes, result in a bonus that exceeds 200% of the target bonus opportunity.
	  • The Committee considers the recommendation of the chief executive officer (other than with respect to his own bonus).
	  • The Committee may consider the nature and impact of events that resulted in adjustments to the financial performance measures.
	• All bonus awards for the named executive officers are also subject to a test specifically designed to assure that the awards are eligible for deductibility under Section 162(m) of the Internal Revenue Code, which is in addition to the performance measures described above.
	• The Committee has the discretion, in appropriate circumstances, to award a bonus less than the amount determined by the steps set out above, including discretion to award no bonus at all.

Equity-based Compensation

Our long-term incentive program provides for the award of both time- and performance-based restricted stock units as well as options to purchase shares of the Company's common stock to participating employees, including the named executive officers. The program is designed to provide incentives to create and maintain shareholder value over a multi-year period by making annual awards where the actual pay delivery depends on and is directly related to sustained changes in the market price of the Company's common stock.

Award Mix

Each annual award is a combination of options and restricted stock units, determined as follows.

Chief executive officer. Pursuant to his employment agreement, each award to Mr. Iger beginning with the award in fiscal 2012 is in the following form:

- Performance-based restricted stock units: 50% of the grant-date fair value of the award
- Stock options: 50% of the grant-date fair value of the award.

The Compensation Committee determined that it was appropriate to require that all of Mr. Iger's equity awards be performance-based because of the significant impact that his leadership has on our overall performance. Options reward executives only if and to the extent that our financial performance leads to stock price appreciation and the stock unit awards to Mr. Iger reward him only if specified financial performance measures are met. Given the risk profile associated with these types of awards, the Committee determined that the options and stock units should each constitute 50% of each annual award.

Other named executive officers. The mix of options and restricted stock unit awards for other named executive officers is normally as follows:

- Stock options: 40% of the grant-date fair value of the award
- Time-based restricted stock units: 30% of the grant-date fair value of the award
- Performance-based restricted stock units: 30% of the grant-date fair value of the award.

The Committee weighted the awards slightly more toward restricted stock units because these awards reflect fluctuations in the market price of the Company's common stock from the grant-date market price and thus tie compensation more closely to changes in shareholder value at all levels compared to options, whose intrinsic value changes with shareholder value only when the market price of the Company's common stock is above the exercise price. In addition, the weighting toward restricted stock unit awards enables the Committee to deliver equivalent value with use of fewer authorized shares.

The Compensation Committee may in the future adjust the mix of award types or approve different award types as part of the overall long-term incentive program. Awards made in connection with a new, extended or expanded employment relationship may involve a different mix of restricted stock units and options depending on the Committee's assessment of the total compensation package being offered.

Stock Option Award Practices

Exercise Prices. The Compensation Committee will not grant stock options with exercise prices below the fair market price of the Company's common stock on the date of grant. The Company defines fair market price as the average of the high and low stock prices on the date of grant, which may be higher or lower than the closing price on that day. The Committee believes that the average of high and low prices is a better representation of the fair market price on the date of grant and tends to be less volatile than the closing price.

The Committee will not reduce the exercise price of stock options without shareholder approval except in connection with adjustments to reflect recapitalizations, stock or extraordinary dividends, stock splits, mergers, spin-offs and similar events permitted by the relevant plan.

Executives (like all employees covered by the Company's insider trading compliance policy) are not permitted to engage in any transaction that would have the effect of hedging the economic risk of ownership of the Company's securities, nor to pledge any Company securities as collateral for any indebtedness.

As a result of these features, executives receive value from stock options only if and to the extent the market price of the Company's common stock when an executive exercises an award exceeds the market price on the date of grant.

Vesting and Exercise Periods. Stock options are generally scheduled to vest proportionately over four years after the awards are made and generally remain exercisable for seven years (for awards made in 2005 through 2009) or ten years (for all other awards) after the date of the award. If the participant is age 60 or older and has at least ten years of service at the date of retirement, options awarded after March 2011 (and awarded at least one year before retirement), continue to vest and remain exercisable until the earlier of five years after retirement and the original expiration date (except that this does not apply for certain employees outside the United States). Options awarded between December 2009 and March 2011 continue to vest and remain exercisable for three, instead of five, years in these circumstances.

Restricted Stock Units Awards

All restricted stock units awarded to the named executive officers (including time-based units) are subject to a test to assure deductibility under Section 162(m) of the Internal Revenue Code. Units designated as performance-based have an additional test tied to the Company's relative stock price and operational performance as described below.

Vesting periods. Performance-based units vest three years after the award date, subject to the performance test described below. All other restricted

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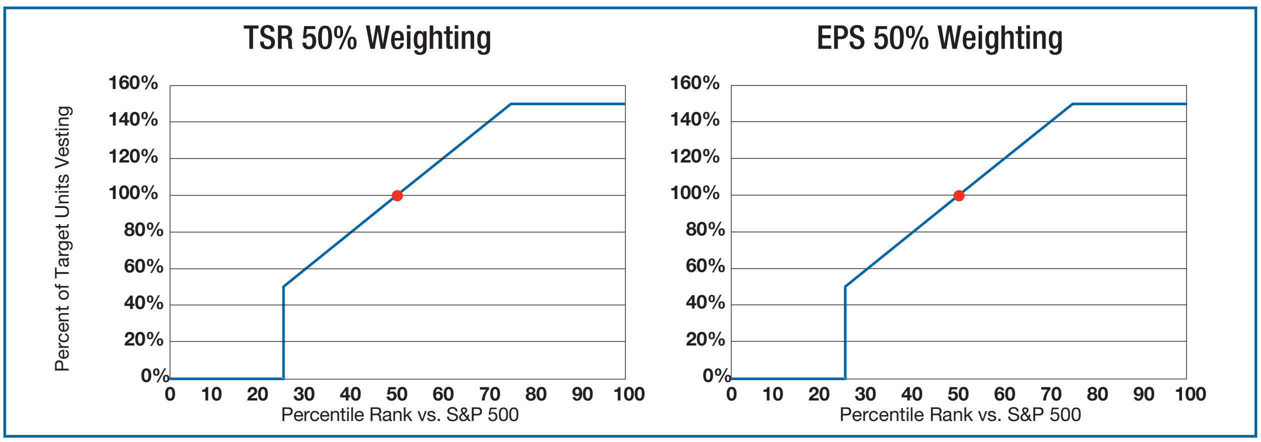
stock units vest 25% per year beginning on the first anniversary of the award date.

All restricted stock unit awards made since December 2009 continue to vest according to the original vesting schedule (including satisfaction of performance conditions other than, in some cases, the test to ensure that the compensation is deductible pursuant to Section 162(m)) following retirement if the awards were made at least one year before retirement and the participant is age 60 or greater and has at least ten years of service at the date of retirement (except that the extended vesting does not apply for certain employees outside the United States).

Performance Tests on Performance-based Units Awarded After Fiscal 2012. The Compensation Committee adjusts performance tests for future grants of restricted stock units from time to time in response to changes in the competitive environment, feedback from investors and to ensure that the program meets the objective of providing clear incentives tied to the creation of long-term shareholder value.

In November 2012, in response to investor feedback, the Committee revised the performance test for units awarded beginning in January 2013. Under the revised approach, half of the performance-based restricted stock units will vest three years after the grant date subject to a test based solely on TSR relative to the performance of the S&P 500 over three years. The other half will also have a three-year vesting, but will be subject to a test based solely on earnings per share (EPS) growth over three years relative to the performance of the S&P 500. Under each test, the number of units that vest will depend on the Company's percentile rank for each performance measure relative to the S&P 500, as shown below:



Under this test, the total number of units that could vest is 150% of the target number of units awarded, but performance on one measure would not affect the number of units that vest based on the other measure. In other words each measure could potentially deliver no more than 75% of the total target units.

EPS for the Company is adjusted as the Committee deems appropriate in its sole discretion (i) to exclude the effect of extraordinary, unusual and/or nonrecurring items and (ii) to reflect such other factors as the Committee deems appropriate to fairly reflect earnings per share growth. Adjustments to the diluted EPS from continuing operations of S&P 500 companies will not normally be made because the Committee has no reason to believe that the average of adjustments across the S&P 500 companies would result in an amount that is significantly different from the reported amount.

Prior Performance Tests. Units awarded in fiscal 2012 were awarded in January 2012 and were subject to the test in effect at that time. Those awards were not divided into separate portions and the percentage of target units that would vest at the conclusion of the three-year vesting period would be determined as follows:

First Performance Test	Second Performance Test (if applicable)	Percent of Target Units Vesting*
TSR below 25th percentile	EPS below 50th percentile	0%
	EPS 50th percentile or higher	50%
TSR equal to 25th percentile to 49th percentile	EPS below 50th percentile	50% to 99%
	EPS 50th percentile or higher	75% to 99%
TSR equal to 50th percentile to 75th percentile	Not applicable	100% to 150%
TSR 75th percentile and above	Not applicable	150%

* The percent of units vesting varies within ranges in a linear manner from the low end of the range to the high end of the range based on the Company's TSR percentile.

Mr. Iger's employment agreement provides that restricted stock units awarded after October 2, 2011, will have the performance test (described immediately above) for units awarded in fiscal 2012 unless the Committee revises the test in a way that does not materially diminish the value of the grant to Mr. Iger or the opportunity for such awards to become vested. Although the new performance test established by the Committee in November 2012 as described above does diminish the opportunity for such awards to vest, Mr. Iger has voluntarily agreed to accept awards that are subject to the newly established performance test. Separately, the Committee determined that the value of the awards to Mr. Iger in fiscal 2013 and 2014 would be adjusted to provide an equivalent probability of vesting as measured by the accounting cost of his awards such that the accounting cost of awards would be equivalent to the cost of awards under the test that was in effect for fiscal 2012.

Units that were awarded prior to 2012 had performance tests and other vesting provisions as described in our proxy statements for the years in which the awards were issued. The vesting conditions selected by the Committee at the time of an award of restricted stock units other than the annual award may be different than those imposed on annual awards.

Timing of Awards

Equity awards are made by the Compensation Committee only on dates the Committee meets. Committee meetings are normally scheduled well in advance and are not scheduled with an eye to announcements of material information regarding the Company. The Committee may make an award with an effective date in the future contingent on commencement of employment, execution of a new employment agreement or some other subsequent event.

Risk Management Considerations

The Compensation Committee believes that our annual performance-based bonus and equity programs create incentives to enhance long-term shareholder value. Several elements of the program are designed to promote the creation of long-term value and thereby discourage behavior that leads to excessive risk:

- The financial metrics used to determine the amount of an executive's bonus are measures the Committee believes drive long-term shareholder value. The Committee sets ranges for these measures intended to encourage success without encouraging excessive risk taking to achieve short-term results. In addition, the overall bonus is not expected to exceed two times the target amount, no matter how much financial performance exceeds the ranges established at the beginning of the year.
- The measures used to determine whether performance-based stock units vest are based on one to four years of performance for awards granted before 2010, with all subsequent awards based on three years of performance. The Committee believes that the longer performance periods encourage executives to attain sustained performance over several periods, rather than performance in a single period.
- Stock options become exercisable over a four-year period and remain exercisable for up to ten years (seven years for options issued from 2005 to 2009) from the date of grant, encouraging executives to look to long-term appreciation in equity values.
- Named executive officers are required to acquire within five years of becoming an executive officer, and hold as long as they are executive officers of the Company, shares (including restricted stock units) having a value of at least three times their base salary amounts, or five times in the case of the chief

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executive officer. To the extent these levels have not been reached, these officers are required to retain ownership of shares representing at least 75% of the net after-tax gain (100% in the case of the chief executive officer) realized on exercise of options for a minimum of 12 months. Based on holdings of units and shares on January 7, 2013, each named executive officer complied with the minimum holding requirement on that date.

- If the Company is required to restate its financial results due to material noncompliance with financial reporting requirements under the securities laws as a result of misconduct by an executive officer, applicable law permits the Company to recover incentive compensation from that executive officer (including profits realized from the sale of Company securities). In such a situation, the Board of Directors would exercise its business judgment to determine what action it believes is appropriate. Action may include recovery or cancellation of any bonus or incentive payments made to an executive on the basis of having met or exceeded performance targets during a period of fraudulent activity or a material misstatement of financial results if the Board determines that such recovery or cancellation is appropriate due to intentional misconduct by the executive officer that resulted in performance targets being achieved that would not have been achieved absent such misconduct.

Each of these elements of the compensation program other than the share retention requirements apply to all of the senior executives of the Company, and all but the share retention requirements and performance tests for equity awards apply to all participants in the program.

At the Compensation Committee's request, management conducted its annual assessment of the risk profile of our compensation programs, which included an inventory of the compensation programs at each of the Company's segments, and an evaluation of whether any program contained elements that created risks that could have a material adverse impact on the Company. Management provided the results of this assessment to Frederic W. Cook & Co., Inc., which evaluated the findings and reviewed them with the Committee. As a result of this review, the Committee determined that the risks arising from the Company's policies and practices are not reasonably likely to have a material adverse effect on the Company.

Fixed Compensation

Two elements of compensation for our executive officers are not performance-based: base salary and benefits and perquisites, including pension benefits.

Base Salary

Base salary provides fixed compensation to an individual that reflects his or her job responsibilities, experience, value to the Company, and demonstrated performance.

Salaries or minimum salaries for each named executive officer are established in their employment agreements. These salaries or minimum salaries and the amount of any increase over minimums are determined by the Compensation Committee based on its subjective evaluation of a variety of factors, including:

- the nature and responsibility of the position;
- the impact, contribution, expertise and experience of the individual executive;
- competitive market information regarding salaries to the extent available and relevant;
- the importance of retaining the individual along with the competitiveness of the market for the individual executive's talent and services; and
- the recommendations of the chief executive officer (except in the case of his own compensation).

Generally, the Compensation Committee reviews base salaries annually.

Benefits and Perquisites

The employment agreement for each named executive officer provides that he or she is eligible to participate in the employee benefits and perquisites generally made available to our senior executives. Thus, the named executive officers receive benefits the Company provides to its salaried employees generally, which include:

- health care coverage;
- life and disability insurance protection;
- reimbursement of certain educational expenses;
- access to favorably priced group insurance coverage;
- complimentary access to the Company's theme parks and some resort facilities and discounts on Company merchandise and resort facilities; and
- Company matching of gifts to qualified charitable organizations.

We provide these benefits to help alleviate the financial costs and loss of income arising from illness, disability or death, to encourage ongoing education in job-related areas, to allow employees to take advantage of reduced insurance rates available for group policies and to encourage contributions to qualified charitable organizations.

In addition to the benefits provided to our salaried employees generally, the named executive officers receive benefits and perquisites that are substantially the same as those offered to other officers of the Company at or above the level of vice president, including:

- a fixed monthly payment for costs of owning and maintaining an automobile or, through fiscal 2012 (and thereafter for the term of any lease existing at the end of fiscal 2012), the option of receiving an automobile supplied by the Company (including insurance, maintenance and fuel);
- relocation assistance;
- eligibility for annual reimbursement of up to $450 for health club membership or exercise equipment and reimbursement of up to $1,500 for an annual physical examination; and
- personal use of tickets acquired by the Company for business entertainment when they become available because no business use has been arranged.

Named executive officers (as well as some other senior executives) are also entitled to receive the following additional benefits and perquisites: basic financial planning services, enhanced excess liability coverage, increased relocation assistance, and an increased automobile benefit.

The Company pays the cost of security services and equipment for the chief executive officer in an amount that the Board of Directors believes is reasonable in light of his security needs and, in the interest of security, requires the chief executive officer to use corporate aircraft for all personal travel. Other senior executive officers are also permitted at times to use corporate aircraft for personal travel at the discretion of the chief executive officer.

Retirement Plans

We maintain defined benefit and defined contribution retirement programs for our salaried employees in which the named executive officers participate. These programs aim to recruit and retain talent by helping provide financial security into retirement and rewarding and motivating tenure.

In addition to these tax-qualified defined benefit plans, we also maintain non-qualified defined benefit plans in which the named executive officers participate. All tax-qualified defined benefit plans have a maximum compensation limit and a maximum annual benefit, which limit the benefit to participants whose compensation exceeds these limits. To provide retirement benefits commensurate with salary levels, the non-qualified plans provide benefits to key salaried employees, including the named executive officers, using substantially the same formula for calculating benefits as is used under the tax-qualified plans but on compensation in excess of the compensation limitations and maximum benefit accruals for tax-qualified plans. Additional information regarding the terms of retirement programs for the named executive officers is included in *"Compensation Tables — Pension Benefits"* beginning on page 44.

Other Considerations

Employment Agreements

We enter into employment agreements with our senior executives when the Compensation Committee determines that an employment agreement is necessary or appropriate to attract or retain an executive or where an employment agreement is consistent with our practices with respect to other similarly situated employees.

With respect to the named executive officers, the Company has entered into employment agreements with Mr. Iger (for a term through June 30, 2016), Mr. Rasulo (for a term through January 31, 2015), Mr. Braverman (for a term through September 30, 2013), Mr. Mayer (for a term through January 31, 2017) and Ms. Parker (for a term through January 31, 2017).

Other material terms of the employment agreements with the named executive officers are described under *"Fixed Compensation"* above and *"Fiscal 2012 Decisions"* and *"Compensation Tables — Payments and Rights on Termination,"* below.

Tax deductibility

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public corporations for compensation over $1 million paid for any fiscal year to the corporation's chief executive officer and up to three other executive officers (other than the chief financial officer) whose compensation must be included in this proxy statement because they are our most highly compensated executive officers. Section 162(m) exempts qualifying performance-based compensation from the deduction limit, however, if certain requirements are met. The Compensation Committee has structured awards to executive officers under the Company's annual performance-based bonus program and equity awards program to qualify for this exemption. However, the Committee believes that shareholder interests are best served if its discretion and flexibility in awarding compensation is not restricted, even though some compensation awards may result in non-deductible compensation expenses. Therefore, the Committee has approved salaries for executive officers that were not fully deductible because of Section 162(m) at the time of approval and retains the right to authorize payments or take other actions that can result in the payment of compensation that is not deductible for income tax purposes.

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Fiscal 2012 Decisions

The following is a discussion of the specific decisions made by the Compensation Committee in fiscal 2012 or with respect to fiscal 2012 compensation for the named executive officers. The Company delivered excellent financial results in fiscal 2012, driving total shareholder return (TSR) of 76% for the year, exceeding the average of our direct competitors and more than 2.5 times the return of the S&P 500. The Compensation Committee strongly believes in pay for performance and that the Company's ongoing success is in large part due to the contributions of the senior management team under the leadership of our CEO, Robert A. Iger. Thus, Mr. Iger's compensation in 2012 (and that of the other executives discussed in this proxy statement) reflects these outstanding financial results.

In making its decisions, the Committee considered the results of the shareholder advisory vote on executive compensation at the 2012 Annual Meeting of shareholders and the views of shareholders received in connection with that vote and subsequent engagement with them. These views influenced the Committee's decisions to redesign the performance test for restricted stock unit awards, to reassess and better explain the peer groups used in its compensation deliberations, and to provide the overview of the compensation decisions as set forth on pages 1 to 6. The Committee remains committed to an ongoing dialogue with our shareholders regarding compensation matters.

Employment Agreements

Employment Agreement with Mr. Iger

For the reasons explained more fully at pages 9 and 10, during 2011, the Board of Directors concluded that it was overwhelmingly in the best interests of the Company and our shareholders to persuade Mr. Iger to extend his tenure with the Company. Early in the fiscal year, the Compensation Committee recommended to the Board of Directors, and the Board (excluding Mr. Iger) approved, the terms of an amended and restated employment agreement for Mr. Iger, effective October 2, 2011. This new agreement adjusted the term of Mr. Iger's employment with the Company and the structure and level of his compensation.

Term of New Agreement

The term of Mr. Iger's prior employment agreement ended January 31, 2013 and the new agreement extends through June 30, 2016. The new agreement provides that Mr. Iger will serve as chief executive officer and chairman of the Board of Directors from the date of the 2012 Annual Meeting of shareholders to March 31, 2015, and as chairman of the Board of Directors from April 1, 2015, through June 30, 2016.

Compensation Structure and Levels

In its negotiations with Mr. Iger, the Compensation Committee determined that the desired extension was possible only on the basis of an agreement that fairly reflected the market for his unique set of experience and talents, and on terms that would be competitive to those of the chief executive officers of the other Media Industry Peers. With advice from the Committee's independent compensation consultant, the Committee structured a compensation package that ties over 90% of Mr. Iger's compensation to the Company's performance based on parameters that the Committee and the Board of Directors determined were favorable to the Company when compared to the terms of the employment agreements for the chief executive officers of other Media Industry Peers. Specifically:

First, Mr. Iger was given a minimum annual salary of $2.5 million, the only fixed compensation in the agreement.

Second, Mr. Iger was given an opportunity to earn an annual performance-based cash bonus with a target bonus opportunity of $12 million for each of fiscal 2012 through fiscal 2015 and $6 million in fiscal 2016. As described above, the amount of the cash bonus actually earned by Mr. Iger in any given fiscal year is contingent on how the Company performs against financial goals established by the Committee for each fiscal year and on how the Committee assesses Mr. Iger's leadership in driving the Company towards the attainment of other non-quantifiable goals that it has established.

Third, Mr. Iger was given an opportunity to realize value through annual equity award grants with a minimum grant date fair value of $15.5 million in each of fiscal 2012 through fiscal 2015 and $6 million in fiscal 2016. The key aspect of this compensation element is that, unlike under his former employment agreement, all of these equity awards are performance-based, with 50% of the grant value being delivered in the form of options and 50% in the form of performance-tested restricted stock unit awards.

Finally, consistent with the Committee's decision to phase out the Family Income Assurance Plan, the new agreement specifies that Mr. Iger is no longer eligible for this benefit. No named executive officer is now eligible for this benefit.

As thus structured, the compensation that may actually be earned by Mr. Iger during his remaining tenure with us is almost entirely dependent on the actual performance of the Company, and the target award levels provided in the agreement were well within the range of the awards to chief executive officers of the other Media Industry Peers at the time of the agreement. Specifically, the sum of Mr. Iger's annual base salary and target bonus opportunity was below the sum of the median salary and target bonus for the other Media Industry Peers at the time, and his annual equity award opportunity was below the 75th percentile of the target equity awards when up-front awards to other peer company executives were spread across the terms of their agreements.

Employment Agreements with Mr. Mayer and Ms. Parker

During fiscal 2012, the Compensation Committee approved the terms of new employment agreements with Mr. Mayer and Ms. Parker, which were subsequently negotiated and agreed to in fiscal 2013. These agreements were effective retroactive to October 1, 2012 for Mr. Mayer and September 1, 2012 for Ms. Parker.

These new agreements provide for a minimum annual base salary of $900,000 for Mr. Mayer and $700,000 for Ms. Parker beginning January 1, 2013, and in both cases provide that the target for calculating their annual performance-based bonus opportunities will be 125% of their annual base salary at the end of the preceding fiscal year. These agreements also provide in both cases that the target award value of their annual long-term incentive compensation award will, subject to the determination of the Committee, be twice their annual base salary at the end of the preceding fiscal year.

Other material terms of the new employment agreements with Mr. Mayer and Ms. Parker are described under "*Performance Based Compensation — Equity Based Compensation*," "*Other Considerations — Employment Agreements*" above and "*Compensation Tables — Payments and Rights on Termination*," beginning on page 46.

Base Salary

The employment agreement of each named executive officer sets forth a minimum base salary for him or her and provides for adjustment by the Compensation Committee. The minimum base salary provided by each agreement, the salary for calendar 2011 and the salary approved by the Committee for calendar 2012 are set forth below:

Named Executive Officer	Minimum Salary Required by Agreement	Calendar 2011 Salary	Calendar 2012 Salary
Robert A. Iger	$2,500,000	$2,000,000[1]	$2,500,000
James A. Rasulo	1,400,000	1,450,000	1,500,000
Alan N. Braverman	1,100,000	1,200,000	1,240,000
Kevin A. Mayer	900,000[2]	746,750	769,000
M. Jayne Parker	700,000[3]	625,000	650,000

1 Through October 1, 2011. From October 1, 2011 to the end of the calendar year, Mr. Iger's annual base salary was $2,500,000 as required by his new employment agreement.
2 Pursuant to his new employment agreement, effective January 1, 2013; his minimum base salary under his prior employment agreement was $700,000.
3 Pursuant to her new employment agreement, effective January 1, 2013; her minimum base salary under her prior employment agreement was $550,000.

Annual Performance-Based Bonuses

Target Bonus Opportunities

In November 2011, the Compensation Committee approved the following target bonus opportunities for the named executive officers for fiscal 2012:

Named Executive Officer	Minimum Target Required by Agreement	Target Bonus Opportunity
Robert A. Iger	$12,000,000	$12,000,000
James A. Rasulo	200% of fiscal year-end salary	200% of fiscal year-end salary
Alan N. Braverman	200% of fiscal year-end salary	200% of fiscal year-end salary
Kevin A. Mayer	125% of fiscal year-end salary	125% of fiscal year-end salary
M. Jayne Parker	100% of fiscal year-end salary	125% of fiscal year-end salary

The Committee increased Ms. Parker's target bonus opportunity from the contractual minimum of 100% of fiscal year-end base salary in light of her extraordinary performance, and subsequently increased the contractual minimum in her new employment agreement to 125% of fiscal year-end base salary.

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Financial Performance Measures

In November 2011, the Compensation Committee selected the financial performance measures and established the performance ranges and weightings shown below for fiscal 2012. The performance measures and relative weightings were the same as were used in fiscal 2011. The Committee set the range for each of these measures at higher levels than in fiscal 2011, reflecting a desire to encourage continued growth in these measures even as the economic climate remained uncertain. Accordingly, on average, the lower end of the ranges for the four measures increased by approximately 25%, and on average the upper end of the ranges increased by approximately 9%. The Committee determined that performance below the threshold level of each range represented performance at a level that, in light of planned business operations and expected conditions for the year, represented marginal performance and that the maximum of each range represented exceptional performance in light of these conditions and expectations. The relative widths of the ranges were consistent with, though narrower, than the ranges set for fiscal 2011.

Performance Measure	Performance Range ($ in millions except per share amounts)	Weight
Operating income	$7,760 - $10,670	.250
Return on invested capital*	7.9% - 11.1%	.250
After-tax free cash flow**	$2,181 - $5,749	.214
Earnings per share	$2.23 - $3.32	.286

* For purposes of the annual performance-based bonuses, "return on invested capital" was defined as the aggregate segment operating income less corporate and unallocated shared expenses and income tax expense, divided by average net assets (including net goodwill) invested in operations, all on an equity basis (i.e., including Euro Disney, Hong Kong Disneyland and Shanghai Disney Resort on a basis that reflects actual ownership percentage rather than on a consolidated basis).

** For purposes of the annual performance-based bonuses, "after-tax free cash flow" was defined as cash provided by operations less investments in parks, resorts and other properties, all on an equity basis (i.e., including Euro Disney, Hong Kong Disneyland and Shanghai Disney Resort on a basis that reflects actual ownership percentage rather than on a consolidated basis).

Other Performance Factors

In November 2011, the Compensation Committee approved the other Company-wide performance factors for fiscal 2012 based on the recommendation of Mr. Iger and the strategic objectives of the Company:

- Foster quality, creativity and innovation in how we create, market and distribute all of our products
- Improve support and cooperation for our international organization to drive long-term growth opportunities
- Manage efficiency across all areas of spending
- Invest in our people including an emphasis on diversity, leadership and improved communications
- Achieve or exceed economic profit and free cash flow goals

The Committee specified that these factors would be considered in light of the impact of macroeconomic factors on the Company and segment performance.

Measuring Performance and Determining Bonus Awards

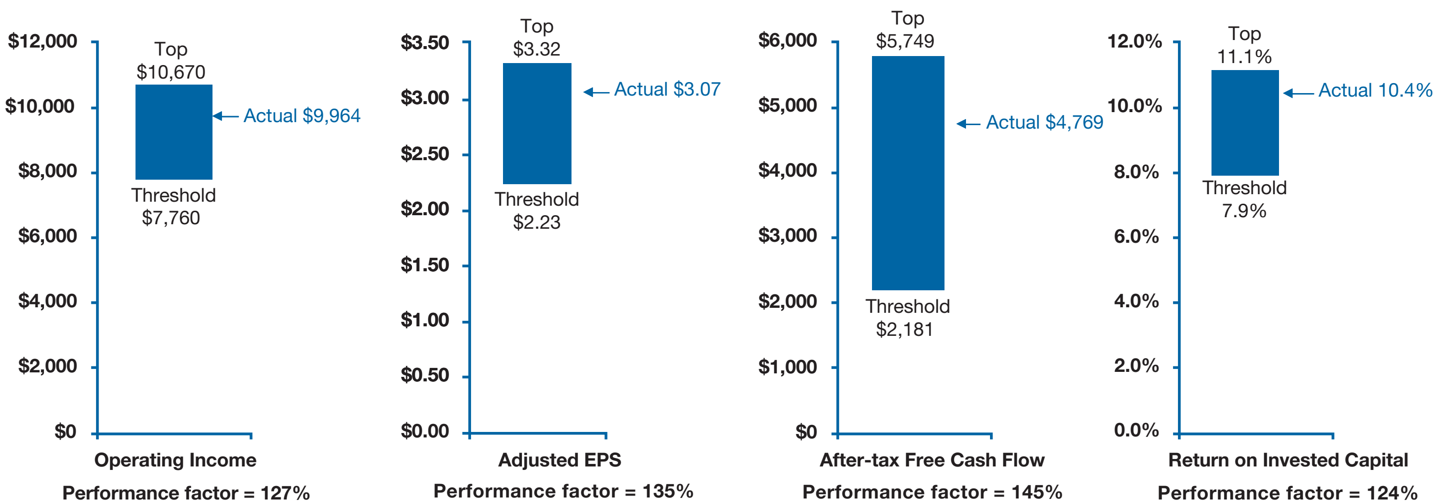
Financial Performance

Following the end of the fiscal year, the Compensation Committee reviewed the overall performance of the Company. By almost any measure, fiscal 2012 was an outstanding year, with the Company achieving record revenue, net income and earnings per share. The Company also delivered outstanding shareholder returns in fiscal 2012 for the one, three and five-year measurement periods. Data detailing this performance is set forth in the Proxy Summary beginning on page 1.

The overall outstanding performance for fiscal 2012 was reflected in our performance against the four financial measures used to determine 70% of each named executive officer's bonus award. Compared to fiscal 2011:

- Operating income grew 12.9%
- Adjusted earnings per share grew 20.9%
- After-tax free cash flow grew 27.6%
- Return on invested capital grew by 70 basis points to 10.4%

The following chart shows our actual performance with respect to each of these measures relative to the ranges established at the beginning of the fiscal year and the resulting performance factor used in calculating the aggregate financial performance goal multiple used in determining bonus awards. (Dollars in millions except per share amounts.)



In comparing actual performance for fiscal 2012 to the performance ranges, the Compensation Committee excluded the impacts of a gain on the acquisition of a business, recovery on a legal claim and restructuring and impairment charges in determining the adjusted actual performance. The amounts disclosed above reflect these adjustments.

Other Performance Factors and Bonus Calculation

Based on our outstanding performance in fiscal 2012 and its evaluation of the contribution of each named executive officer to this performance, the Compensation Committee determined that it was reasonable and appropriate to award bonuses that were larger than the bonus awards made in fiscal 2011. In making this determination, the Committee considered Mr. Iger's recommendations with respect to each named executive officer (other than himself) and the following accomplishments of each executive officer.

Robert A. Iger	Mr. Iger's continued clear articulation of and execution on our long-term growth strategy, including acquisition activity, contributed substantially to the record levels of revenue, net income, earnings per share and operating cash flow achieved in fiscal 2012 as well as to our long-term record of superior performance. Key accomplishments in fiscal 2012 included: • returns on long-term investments including the opening of Cars Land at California Adventure, expansion at Hong Kong Disneyland and the launch of the second new cruise ship; • the strong box office results for Marvel's *The Avengers* demonstrating the success of the Marvel acquisition; • launch of the Disney Channel in key emerging markets; • negotiation of the acquisition of Lucasfilm, which closed at the end of December; • continued strengthening of key Disney brands in the United States and internationally as measured by independent studies; and • continued expansion of the distribution of the Company's high-quality programming across platforms.

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James A. Rasulo	Mr. Rasulo achieved important successes in his role as our chief financial officer and served as a key advisor on critical matters across our business. Key accomplishments in fiscal 2012 included: • significant capital market activity including $3 billion of company financing at historically low rates and the refinancing of Euro Disney; • development of a company-wide technology strategy; • strategically important merger and acquisition activity including international Disney Channel expansion and negotiation of the acquisition of Lucasfilm; and • development of strategic initiatives relating to international expansion in locations worldwide.
Alan N. Braverman	Mr. Braverman provided superior management of our legal function and led the legal department in shaping key positions and supporting important Company activity on a variety of fronts. Key accomplishments in fiscal 2012 included: • leadership of successful U.S. Supreme Court appeal on a key regulatory matter; • formulation of the Company's strategy on key litigations regarding protection of intellectual property rights; • management of due diligence efforts in negotiation of the acquisition of Lucasfilm; and • clarifying and strengthening the organization of the legal department.
Kevin A. Mayer	Mr. Mayer led our efforts in developing and implementing our strategic approach in a range of important areas during the year. Key accomplishments in fiscal 2012 included: • establishment of strategies for development of mobile applications; • execution on the Company's strategy for international growth, including development of opportunities in Germany, China and India; and • leadership of an array of merger and acquisition activity including increasing the Company's interest in A&E Television Networks and Hulu, investment in a business expanding the distribution of Disney Channel in Germany, and negotiation of the acquisition of Lucasfilm.
M. Jayne Parker	Ms. Parker provided exceptionally strong leadership of the human resources function during the year, supporting corporate and segment leadership in a wide variety of talent planning and human resource development functions. Key accomplishments in fiscal 2012 included: • completion of a second company-wide employee survey showing improvement on a range of areas addressed following the first survey; • support for a restructuring of the organization of the consumer products segment increasing efficiency and integration of this business; • development of cost-saving initiatives in human resources program administration and benefit and perquisite programs; and • promotion of a long-term health-care strategy designed to improve services, promote health and wellness and lower growth in costs.

In light of these accomplishments, the Compensation Committee established the individual performance factors set forth below for each of the named executive officers. The Committee then calculated final fiscal year 2012 bonuses for the named executive officers as follows, rounding as the Committee determined appropriate:

		Company Performance Amount			Individual Performance Amount			
Named Executive Officer	Target Bonus	70% of Target	Multiple	Subtotal	30% of Target	Multiple	Subtotal	Calculated Bonus Amount (Rounded)
Robert A. Iger	$12,000,000	$8,400,000	132%	$11,123,016	$3,600,000	150%	$5,400,000	$16,520,000
James A. Rasulo	3,000,000	2,100,000	132%	2,772,000	900,000	145%	1,303,000	4,075,000
Alan N. Braverman	2,480,000	1,736,000	132%	2,291,520	744,000	145%	1,078,480	3,370,000
Kevin A. Mayer	961,441	673,009	132%	888,371	288,432	145%	418,629	1,307,000
M. Jayne Parker	812,500	568,750	132%	750,750	243,750	145%	354,250	1,105,000

Long-Term Incentive Compensation

The Compensation Committee made its annual equity awards to the named executive officers in January 2012 with the values shown below.

In determining the annual grants of restricted stock units and options for each named executive officer, the Committee considered the minimums required by (in the case of Mr. Iger and Mr. Braverman) or targets set forth in their employment agreements, where applicable, and our overall long-term incentive guidelines for all executives, which attempt to balance, in the context of the competitive market for executive talent, the benefits of incentive compensation tied to performance of the Company's common stock with the dilutive effect of equity compensation awards. The Committee also considered Mr. Iger's recommendations for the other named executive officers.

Named Executive Officer	Minimum or Target Value In Agreement	Equity Award Value
Robert A. Iger	$15,500,000	$15,500,000
James A. Rasulo	4,500,000	4,500,000
Alan N. Braverman	2,500,000	2,500,000
Kevin A. Mayer	1,510,000	1,510,000
M. Jayne Parker	None	1,400,000

In the Committee's determinations, options were valued based on the grant-date fair-value used for accounting and disclosure purposes. Both time- and performance-based restricted stock units were valued based on the grant-date share price multiplied by the number of target shares granted. However, performance-based restricted stock units have higher expense when calculated using the "Monte Carlo" simulation, which is required for accounting and disclosure purposes. This method was not used by the Committee because the minimum or target values in employment agreements were not based on this methodology, but it is reflected in the grant values disclosed in the Summary Compensation Table on page 37.

The number of shares of the Company's common stock subject to each restricted stock unit award and option is reflected in the Fiscal 2012 Grants of Plan Based Awards table on page 39 below. The allocation of options, restricted stock unit awards and performance-based restricted stock unit awards was consistent with the equity award policies described under *"Performance-Based Compensation — Equity-Based Compensation"* above.

Benefits and Perquisites

During fiscal 2012, the only change in benefits and perquisites available to the named executive officers was the adoption of the Company's employee charitable gift matching program, under which the Company matches gifts to approved charitable organizations made by any full-time salaried employee up to a total of $15,000 per calendar year.

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Deductibility of Compensation

Awards to executive officers under the Management Incentive Bonus Program and the long-term incentive program include a test specifically designed to ensure that the awards are fully deductible under Section 162(m) of the Internal Revenue Code. As required by Section 162(m), the criterion established must not be certain of being achieved at the time it is set. The regulations under Section 162(m) specifically indicate that a test based on profitability is not assured of being attained. Accordingly, satisfaction of a performance test based on adjusted net income (in addition to the other performance tests described above) is a pre-requisite to the payment of bonuses under the Management Incentive Bonus Program and the vesting of restricted stock unit awards. Adjusted net income means net income adjusted, as appropriate, to exclude the following items or variances: change in accounting principles; acquisitions; dispositions of a business; asset impairments; restructuring charges; extraordinary, unusual or infrequent items; and extraordinary litigation costs and insurance recoveries. For the one-year period ending at the end of fiscal 2012, the adjusted net income target was $3.6 billion, and the Company achieved adjusted net income of $5.6 billion. Net income was adjusted by reducing it to reflect a gain on the acquisition of a business and recovery on a legal claim ($166 million) and increasing it to reflect restructuring and impairment charges ($70 million). Therefore, bonuses earned in fiscal 2012 and restricted stock units vesting based on fiscal 2012 results are deductible under Section 162(m).

Compensation Committee Report

The Compensation Committee has:

(1) reviewed and discussed the Compensation Discussion and Analysis included in this proxy statement with management; and
(2) based on this review and discussion, recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement relating to the 2013 Annual Meeting of shareholders.

Members of the Compensation Committee

Susan E. Arnold (Chair)
John S. Chen
Fred H. Langhammer
Aylwin B. Lewis

Compensation Tables

Fiscal 2012 Summary Compensation Table

The following table provides information concerning the total compensation earned in fiscal 2010, fiscal 2011 and fiscal 2012 by the chief executive officer, the chief financial officer and the three other persons serving as executive officers at the end of fiscal 2012 who were the most highly compensated executive officers of the Company in fiscal 2012. These five officers are referred to as the named executive officers in this proxy statement. Information regarding the amounts in each column follows the table.

Name and Principal Position	Fiscal Year	Salary	Stock Awards[1]	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings[2]	All Other Compensation	Total
Robert A. Iger Chairman and Chief Executive Officer	2012	$2,500,000	$9,532,500	$7,750,008	$16,520,000	$3,124,640	$800,700	$40,227,848
	2011	2,000,000	8,100,073	4,800,008	15,500,000	2,071,385	962,932	33,434,398
	2010	2,000,000	7,359,060	4,399,991	13,460,000	1,600,480	798,433	29,617,964
James A. Rasulo Senior Executive Vice President and Chief Financial Officer	2012	1,487,500	3,010,525	1,800,010	4,075,000	1,791,533	36,548	12,201,116
	2011	1,436,538	2,936,333	1,740,007	3,750,000	1,190,059	21,205	11,074,142
	2010	1,350,769	2,809,839	1,680,005	3,700,000	963,953	30,556	10,535,122
Alan N. Braverman Senior Executive Vice President, General Counsel and Secretary	2012	1,230,000	1,672,514	1,000,003	3,370,000	970,913	56,328	8,299,758
	2011	1,186,538	1,620,086	960,004	3,100,000	853,475	73,102	7,793,205
	2010	1,133,654	3,027,854[3]	880,002	3,030,000	640,105	56,395	8,768,010
Kevin A. Mayer Executive Vice President, Corporate Strategy and, Business Development	2012	763,552	1,010,249	604,001	1,307,000	486,821	35,517	4,207,140
	2011	740,894	1,019,278	604,005	1,207,000	313,052	20,085	3,904,314
	2010	716,827	1,137,357	679,999	1,590,000	249,821	20,160	4,394,164
M. Jayne Parker Executive Vice President and Chief Human Resources Officer	2012	643,750	936,625	560,005	1,105,000	705,057	38,680	3,989,117
	2011	625,000	911,337	540,002	1,010,000	441,259	38,205	3,565,803
	2010	556,634	802,861	480,005	850,000	300,774	27,501	3,017,775

1 Stock awards for each fiscal year include awards subject to performance conditions that were valued based on the probability that performance targets will be achieved. Assuming the highest level of performance conditions are achieved, the grant date stock award values would be as follows:

	Mr. Iger	Mr. Rasulo	Mr. Braverman	Mr. Mayer	Ms. Parker
2012	$11,625,000	$3,375,028	$1,875,015	$1,132,566	$1,050,028
2011	9,000,082	3,262,593	1,800,096	1,132,531	1,012,597
2010	8,250,068	3,150,044	3,206,060	1,275,064	900,068

2 As described more fully under "Change in Pension Value and Nonqualified Deferred Compensation Earnings" below, the changes in pension value in fiscal 2010, fiscal 2011 and fiscal 2012 were driven largely by changes in the discount rate applied to calculate the present value of future pension payments.

3 The amount reported for fiscal 2010 includes $1,556,000 relating to an award of 50,000 restricted stock units scheduled to vest through 2014 awarded to Mr. Braverman in fiscal 2010 as provided in an employment agreement entered into in fiscal 2009 and upon Mr. Braverman's assumption of new duties in fiscal 2010.

Salary. This column sets forth the base salary earned during each fiscal year, none of which was deferred.

Stock Awards. This column sets forth the grant date fair value of the restricted stock unit awards granted to the named executive officers during each fiscal year as part of the Company's long-term incentive compensation program. The grant date fair value of these awards was calculated by multiplying the number of units awarded by the average of the high and low trading price of the Company's common stock on the grant date, subject to valuation adjustments for restricted stock unit awards subject to performance-based vesting conditions other than the test to assure deductibility under Section 162(m) of the Internal Revenue Code. The valuation adjustments, which reflect the fact that the number of shares received on vesting varies based on the level of performance achieved, were determined using a Monte Carlo

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simulation that determines the probability that the performance targets will be achieved. The grant date fair value of the restricted stock unit awards granted during fiscal 2012 is also included in the Fiscal 2012 Grants of Plan Based Awards table on page 39.

Option Awards. This column sets forth the grant date fair value of options to purchase shares of the Company's common stock granted to the named executive officers during each fiscal year. The grant-date fair value of these options was calculated using the binomial option pricing model. The assumptions used in estimating the fair value of these options are set forth in footnote 12 to the Company's Audited Financial Statements for fiscal 2012. The grant date fair value of the options granted during fiscal 2012 is also included in the Fiscal 2012 Grants of Plan Based Awards table on page 39.

Non-Equity Incentive Plan Compensation. This column sets forth the amount of compensation earned by the named executive officers under the Company's Management Incentive Bonus Program during each fiscal year. A description of the Company's annual performance-based bonus program is included in the discussion of *"Performance Based Compensation"* in the *"Compensation Objectives and Program Design"* section, and the determination of performance-based bonuses for fiscal 2012 is described in the discussion of *"Annual Performance Bonus for Named Executive Officers"* in the *"Fiscal 2012 Decisions"* section, of the *Compensation Discussion and Analysis*, beginning on page 31.

Change in Pension Value and Nonqualified Deferred Compensation Earnings. This column reflects the aggregate change in the actuarial present value of each named executive officer's accumulated benefits under all defined benefit plans, including supplemental plans, during each fiscal year. The amounts reported in this column vary with a number of factors, including the discount rate applied to determine the value of future payment streams. As a result of a reduction in prevailing interest rates in the credit markets since late 2008, the discount rate used pursuant to pension accounting rules to calculate the present value of future payments decreased from 5.25% for fiscal 2010 to 3.85% for fiscal 2012 driving the substantial increases in the present value of future payments reported for fiscal 2010, fiscal 2011 and fiscal 2012. The increase in pension value resulting from the change in the discount rate does not result in any increase in the benefits payable to participants under the plan.

None of the named executive officers was credited with earnings on deferred compensation other than Mr. Iger, whose earnings on deferred compensation, which are disclosed below under "Deferred Compensation," were not payable at above market rates and therefore are not reported in this column.

All Other Compensation. This column sets forth all of the compensation for each fiscal year that we could not properly report in any other column of the table, including:

- the incremental cost to the Company of perquisites and other personal benefits;
- the amount of Company contributions to employee savings plans; and
- the dollar value of insurance premiums paid by the Company with respect to excess liability insurance for the named executive officers.

In accordance with the SEC interpretations of its rules, this column also sets forth the incremental cost to the Company of certain items that are provided to the named executive officers for business purposes but which may not be considered integrally related to his or her duties.

The following table sets forth the incremental cost to the Company of each perquisite and other personal benefit that exceeded the greater of $25,000 or 10% of the total amount of perquisites and personal benefits for a named executive officer in fiscal 2012.

	Personal Air Travel	Security	Other	Total
Robert A. Iger	$190,439	$574,331	$30,105	$794,875
James A. Rasulo	—	—	30,662	30,662
Alan N. Braverman	—	—	50,486	50,486
Kevin A. Mayer	—	—	29,700	29,700
M. Jayne Parker	—	—	32,830	32,830

The incremental cost to the Company of the items specified above was determined as follows:

- Personal air travel: the actual catering costs, landing and ramp fees, fuel costs and lodging costs incurred by flight crew plus a per hour charge based on the average hourly maintenance costs for the aircraft during the year for flights that were purely personal in nature, and a pro rata portion of catering costs where personal guests accompanied a named executive officer on flights that were business in nature. Where a personal flight coincided with the repositioning of an aircraft following a business flight, only the incremental costs of the flight compared to an immediate repositioning of the aircraft are included. As noted on page 29, above, Mr. Iger is required for security reasons to use corporate aircraft for all of his personal travel.
- Security: the actual costs incurred by the Company for providing security equipment and services.

The "Other" column in the table above includes, to the extent a named executive officer elected to receive any of these benefits, the incremental cost to the Company of the vehicle benefit, personal air travel where the cost to the Company was less than $25,000, up to $15,000 in matching gifts to approved charitable organizations pursuant to the Company's employee matching gift program, reimbursement of up to $450 for health club membership or exercise equipment and reimbursement of expenses for financial consulting.

The named executive officers also were eligible to receive the other benefits described in *the Compensation Discussion and Analysis* under the discussion of *"Fixed Compensation"* in the *"Compensation Objectives and Program Design"* section, which involved no incremental cost to the Company or are offered through group life, health or medical reimbursement plans that are available generally to all of the Company's salaried employees.

Fiscal 2012 Grants of Plan Based Awards Table

The following table provides information concerning the range of awards available to the named executive officers under the Company's Management Incentive Bonus Program for fiscal 2012 and information concerning the option grants and restricted stock unit awards made to the named executive officers during fiscal 2012. Additional information regarding the amounts reported in each column follows the table.

			Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
		Grant Date	Threshold	Target	Maximum	Threshold	Target	Maximum	All Other Option Awards: Number of Securities Underlying Options	Exercise or Base Price of Option Awards	Grant Date Closing Price of Shares Underlying Options	Grant Date Fair Value of Stock and Option Awards
Robert A. Iger		1/18/12							732,079	$38.75	$39.02	$7,750,008
		1/18/12				100,000	200,000	300,000				9,532,500[1]
			$4,200,000	$12,000,000	$24,000,000							
James A. Rasulo		1/18/12							170,032	$38.75	$39.02	$1,800,010
	(A)	1/18/12					34,839					1,350,011
	(B)	1/18/12				17,419	34,839	52,258				1,660,514[1]
			$1,050,000	$3,000,000	$6,000,000							
Alan N. Braverman		1/18/12							94,462	$38.75	$39.02	$1,000,003
	(A)	1/18/12					19,355					750,006
	(B)	1/18/12				9,677	19,355	29,032				922,508[1]
			$868,000	$2,480,000	$4,960,000							
Kevin A. Mayer		1/18/12							57,055	$38.75	$39.02	$604,001
	(A)	1/18/12					11,691					453,027
	(B)	1/18/12				5,845	11,691	17,536				557,222[1]
			$336,504	$961,441	$1,922,883							
M. Jayne Parker		1/18/12							52,899	$38.75	$39.02	$560,005
	(A)	1/18/12					10,839					420,011
	(B)	1/18/12				5,419	10,839	16,258				516,614[1]
			$284,375	$812,500	$1,625,000							

[1] Stock awards for fiscal 2012 subject to performance conditions in addition to the test to assure deductibility under Section 162(m) were valued based on the probability that performance targets will be achieved. Assuming the highest level of performance conditions are achieved, the grant date fair values for performance-based stock awards made in fiscal 2012 would be $11,625,000, $2,025,017, $1,125,009, $679,539 and $630,017 for Mr. Iger, Mr. Rasulo, Mr. Braverman, Mr. Mayer and Ms. Parker, respectively.

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Grant date. The Compensation Committee made the annual grant of stock options and restricted stock unit awards for fiscal 2012 on January 18, 2012. The Compensation Committee approved awards under the Management Incentive Bonus Program on November 27, 2012.

Estimated Possible Payouts Under Non-equity Incentive Plan Awards. As described in the *Compensation Discussion and Analysis*, the Compensation Committee sets the target bonus opportunity for the named executive officers at the beginning of the fiscal year under the Company's Management Incentive Bonus Program and the Amended and Restated 2002 Executive Performance Plan, and the actual bonuses for the named executive officers may, except in special circumstances such as unusual challenges or extraordinary successes, range from 35% to 200% of the target level based on the Compensation Committee's evaluation of financial and other performance factors for the fiscal year. The bonus amount may be zero if actual performance (including the Section 162(m) test) is below the specified threshold level or less than the calculated amounts if the Compensation Committee otherwise decides to reduce the bonus. As addressed in the discussion of Fiscal 2012 Decisions in the *Compensation Discussion and Analysis*, the employment agreements of Mr. Iger, Mr. Rasulo, Mr. Braverman, Mr. Mayer and Ms. Parker require that the target bonus opportunity used to calculate the bonus opportunity (but not the actual bonus awarded) be at least the amount specified in each agreement. This column shows the range of potential bonus payments for each named executive officer from the threshold to the maximum based on the target range set at the beginning of the fiscal year. The actual bonus amounts received for fiscal 2012 are set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table.

Estimated Future Payouts Under Equity Incentive Plan Awards. This column sets forth the number of restricted stock units awarded to the named executive officers during fiscal 2012 that are subject to the test to assure eligibility for deduction under Section 162(m) and/or to performance tests as described below. These include units awarded to each of the named executive officers as part of the annual grant in January 2012. Each of Mr. Iger's awards are subject to both the test to assure eligibility under Section 162(m) and the performance tests described in the *Compensation Discussion and Analysis* under the heading *"Performance-based Compensation — Equity-based Compensation."* The units in row A for each of the other named executive officers are subject to the test to assure eligibility under Section 162(m) and the units in row B are subject to this test as well as the performance tests described below.

The vesting dates for all of the outstanding restricted stock unit awards held by the named executive officers as of the end of fiscal 2012 are set forth in the Fiscal 2012 Outstanding Equity Awards at Fiscal Year-end table below.

In each of the cases described above, all units subject to only the Section 162(m) test (Row A) vest if that test is met (plus any shares received as dividend equivalents prior to vesting), and none of the units vest if the test is not met. This amount is shown in the "target" column for Row A.

In the case of units subject to the performance tests in addition to the Section 162(m) test (all of Mr. Iger's units and the units in Row B for other named executive officers), none of the units vest if the Section 162(m) test is not met and units vest as follows if the Section 162(m) test is met:

- If the total shareholder return test is below the 25th percentile and the earnings per share test is below the 50th percentile, none of the units vest.
- If the total shareholder return equals or exceeds the 25th percentile or earnings per share equals or exceeds the 50th percentile, the named executive officer will receive a number of shares equal to the percentage of shares that are subject to additional performance tests as set forth in the table on page 27 (plus, in each case, any shares received as dividend equivalents prior to vesting). For example, the total number of shares vesting would equal the number in the "threshold" column if, on the measurement date, the total shareholder return test is met at the 25th percentile, at the number in the "target" column if the total shareholder return test is met at the 50th percentile, and at the number in the "maximum" column if the total shareholder return equals or exceeds the 75th percentile.

(When dividends are distributed to shareholders, dividend equivalents are credited in an amount equal to the dollar amount of dividends on the number of units held on the dividend record date divided by the fair market value of the Company's shares of common stock on the dividend distribution date. Dividend equivalents vest only when, if and to the extent that the underlying units vest.)

All Other Option Awards: Number of Securities Underlying Options. This column sets forth the options to purchase shares of the Company's common stock granted to the named executive officers as part of the annual grant in January 2012. The vesting dates for these options are set forth in the Fiscal 2012 Outstanding Equity Awards at Fiscal Year-End table below. These options are scheduled to expire ten years after the date of grant.

Exercise or Base Price of Option Awards; Grant Date Closing Price of Shares Underlying Options. These columns set forth the exercise price for each option grant and the closing price of the Company's common stock on the date of grant. The exercise price is equal to the average of the high and low trading price on the grant date, which may be higher or lower than the closing price on the grant date.

Grant Date Fair Value of Stock and Option Awards. This column sets forth the grant date fair value of the stock and option awards granted during fiscal 2012 calculated in accordance with applicable accounting requirements. The grant date fair value of all restricted stock unit awards and options is determined as described on pages 37 and 38, above.

Fiscal 2012 Outstanding Equity Awards at Fiscal Year-End Table

The following table provides information concerning outstanding unexercised options and unvested restricted stock unit awards held by the named executive officers as of September 29, 2012. Additional information regarding the amounts reported in each column follows the table.

		Option Awards				Stock Awards			
		Number of Securities Underlying Unexercised Options						Equity Incentive Plan Awards	
	Grant Date	Exercisable	Unexercisable	Option Exercise Price	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested	Number of Unearned Units That Have Not Vested	Market Value of Unearned Units That Have Not Vested
Robert A. Iger	1/31/2008	1,000,000	1,000,000(A)	$29.51	1/31/2015	—	—	—	—
	1/14/2009	360,000	120,000(B)	20.81	1/14/2016	—	—	112,694(C)	$5,891,633
	1/13/2010	232,789	232,789(D)	31.12	1/13/2020	—	—	217,727(E)	11,382,762
	1/26/2011	109,419	328,260(F)	39.65	1/26/2021	—	—	207,465(G)	10,846,292
	1/18/2012	—	732,079(H)	38.75	1/18/2022	—	—	300,000(I)	15,684,000
James A. Rasulo	1/9/2008	105,264	—	$29.90	1/9/2015	—	—	—	—
	1/14/2009	84,000	28,000(B)	20.81	1/14/2016	8,847(J)	$462,506	17,449(J)	$912,246
	1/13/2010	88,883	88,884(D)	31.12	1/13/2020	—	—	83,133(E)	4,346,181
	1/26/2011	39,664	118,995(F)	39.65	1/26/2021	—	—	75,208(G)	3,931,848
	1/18/2012	—	170,032(H)	38.75	1/18/2022	—	—	87,098(K)	4,553,457
Alan N. Braverman	1/9/2008	84,211	—	$29.90	1/9/2015	—	—	—	—
	10/2/2008	—	—	—	—	—	—	52,742(L)	$2,757,357
	1/14/2009	88,000	29,334(B)	20.81	1/14/2016	—	—	27,548(C)	1,440,190
	1/13/2010	—	—	—	—	—	—	26,037(M)	1,361,218
	1/13/2010	46,558	46,558(D)	31.12	1/13/2020	—	—	43,547(E)	2,276,632
	1/26/2011	21,884	65,652(F)	39.65	1/26/2021	—	—	41,495(G)	2,169,374
	1/18/2012	—	94,462(H)	38.75	1/18/2022	—	—	48,388(K)	2,529,699
Kevin A. Mayer	1/14/2009	—	20,134(B)	$20.81	1/14/2016	—	—	18,908(C)	$988,517
	1/13/2010	35,976	35,977(D)	31.12	1/13/2020	—	—	33,650(E)	1,759,232
	1/26/2011	13,768	41,307(F)	39.65	1/26/2021	—	—	26,106(G)	1,364,841
	1/18/2012	—	57,055(H)	38.75	1/18/2022	—	—	29,228(K)	1,528,014
M. Jayne Parker	1/22/2004	7,200	—	$24.64	1/22/2014	—	—	—	—
	1/10/2007	6,000	—	34.27	1/10/2014	—	—	—	—
	1/9/2008	7,579	—	29.90	1/9/2015	—	—	—	—
	1/14/2009	12,857	4,286(B)	20.81	1/14/2016	933(J)	$48,778	1,839(J)	$ 96,154
	1/13/2010	25,395	25,396(D)	31.12	1/13/2020	—	—	23,753(E)	1,241,831
	1/26/2011	12,309	36,930(F)	39.65	1/26/2021	—	—	23,342(G)	1,220,334
	1/18/2012	—	52,899(H)	38.75	1/18/2022	—	—	27,098(K)	1,416,657

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Number of Securities Underlying Unexercised Options: Exercisable and Unexercisable. These columns set forth, for each named executive officer and for each grant made to the officer, the number of shares of the Company's common stock that can be acquired upon exercise of outstanding options. The vesting schedule for each option with unexercisable shares is shown under *"Vesting Schedule,"* below with options identified by the letter following the number of shares underlying options that are unexercisable. The vesting of options held by the named executive officers may be accelerated in the circumstances described under *"Payments and Rights on Termination,"* below.

Number; Market Value of Shares or Units of Stock That Have Not Vested. These columns set forth the number and market value, respectively, of shares of the Company's common stock underlying each restricted stock unit award held by each named executive officer that is not subject to performance-based vesting conditions nor the test to assure eligibility for deduction pursuant to Section 162(m). The number of shares includes dividend equivalent units that have accrued for dividends payable through September 29, 2012. The market value is equal to the number of shares underlying the units multiplied by the closing market price of the Company's common stock on Friday, September 28, 2012, the last trading day of the Company's fiscal year. The vesting schedule for each grant is shown below, with grants identified by the letter following the number of shares underlying the grant. The vesting of restricted stock unit awards held by the named executive officers may be accelerated in the circumstances described under *"Payments and Rights on Termination,"* below.

Number; Market Value of Unearned Units That Have Not Vested. These columns set forth the maximum number and market value, respectively, of shares of the Company's common stock underlying each restricted stock unit award held by each named executive officer that is subject to performance-based vesting conditions and/or the test to assure eligibility for deduction pursuant to Section 162(m), except that the number of units and market value for units granted January 13, 2010 are the actual amount that vested based on the satisfaction of the related performance test on December 13, 2012 (excluding dividend equivalent units vesting after September 29, 2012). The number of shares includes dividend equivalent units that have accrued for dividends payable through September 29, 2012. The market value is equal to the number of shares underlying the units multiplied by the closing market price of the Company's common stock on Friday, September 28, 2012, the last trading day of the Company's fiscal year. The vesting schedule and performance tests and/or the test to assure eligibility under Section 162(m) are shown in *"Vesting Schedule,"* below.

Vesting Schedule. The options reported above that are not yet exercisable and restricted stock unit awards that have not yet vested are scheduled to become exercisable and vest as set forth below.

(A) Options granted January 31, 2008 in connection with the extension of Mr. Iger's employment agreement: The remaining unexercisable options are scheduled to become exercisable on January 31, 2013.

(B) Options granted January 14, 2009, the remaining unexercisable options became exercisable on January 14, 2013.

(C) Restricted stock units granted January 14, 2009 subject to performance tests. The remaining units vested on January 14, 2013.

(D) Options granted January 13, 2010: One half of the remaining unexercisable options became exercisable on January 13, 2013 and one half will become exercisable on January 13, 2014.

(E) Restricted stock units granted January 13, 2010 subject to performance tests. Approximately 13% of the remaining units vested on January 13, 2013 and approximately 13% are scheduled to vest on January 13, 2014, subject to determination that the test to assure eligibility under Section 162(m) was satisfied. The remaining units vested on January 13, 2013, as a result of the satisfaction of the applicable performance tests on December 13, 2012.

(F) Options granted January 26, 2011: One-third of the remaining unexercisable options become exercisable on each of January 26, 2013, 2014 and 2015.

(G) Restricted stock units granted January 26, 2011 subject to performance tests. Approximately 11% of the remaining units are scheduled to vest on each of January 26, 2013, 2014 and 2015, in each case (other than units vesting on January 26, 2013, for which the test was satisfied on November 27, 2012) subject to determination that the test to assure eligibility under Section 162(m) was satisfied. Approximately 67% of the units remaining are scheduled to vest on January 26, 2014, subject to determination that the test to assure eligibility under Section 162(m) was satisfied and also subject to satisfaction of a total shareholder return or earnings per share test described in prior proxy statements, with the number of units vesting depending on the level at which the tests were satisfied. The amount shown is the maximum number of units that could vest.

(H) Options granted January 18, 2012: One-fourth of the options become exercisable on each of January 18, 2013, 2014, 2015 and 2016.

(I) Restricted stock units granted January 18, 2012: The units are scheduled to vest on January 18, 2015 subject to determination that the test to assure eligibility under Section 162(m) was satisfied and also subject to satisfaction of the total shareholder return or earnings per share test described under *"Compensation Discussion and Analysis — Compensation Objectives and Program Design — Performance-based Compensation — Equity-based Compensation,"* above, with the number of units vesting depending on the level at which the tests were satisfied. The amount shown is the maximum number of units that could vest.

(J) Restricted stock units granted January 14, 2009, half of which were subject to performance tests: The remaining units vested on January 14, 2013, including the portion subject to performance tests as a result of the satisfaction of the applicable performance tests on November 30, 2012.

(K) Restricted stock units granted January 18, 2012 subject to performance tests: 10% of the units vest on each of January 18, 2013, 2014, 2015 and 2016, in each case (other than units vesting on January 18, 2013, for which the test was satisfied on November 27, 2012) subject to determination that the test to assure eligibility under Section 162(m) was satisfied. The remaining units vest January 18, 2015 subject to determination that the test to assure eligibility under Section 162(m) was satisfied and also subject to satisfaction of the total shareholder return or earnings per share test described under "Compensation Discussion and Analysis — Compensation Objectives and Program Design — Performance-based Compensation — Equity-based Compensation," above, with the number of units vesting depending on the level at which the tests were satisfied. The amount shown is the maximum number of units that could vest.

(L) Restricted units awarded to Mr. Braverman on October 2, 2008 in connection with the execution of his employment agreement. The remaining units vested on October 2, 2012 and were subject to the test to assure eligibility under Section 162(m), which was satisfied on November 27, 2012.

(M) Restricted stock units awarded to Mr. Braverman on January 13, 2010 pursuant to his employment agreement in connection with his assumption of new responsibilities. The remaining units are scheduled to vest on January 13, 2014, subject to the test to assure eligibility under Section 162(m).

Fiscal 2012 Option Exercises and Stock Vested Table

The following table provides information concerning the exercise of options and vesting of restricted stock unit awards held by the named executive officers during fiscal 2012.

	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
Robert A. Iger	1,798,831	$26,562,709	192,180	$7,433,221
James A. Rasulo	304,000	5,029,480	53,715	2,093,833
Alan N. Braverman	389,000	6,799,901	65,326	2,516,655
Kevin A. Mayer	108,344	1,535,597	24,299	938,821
M. Jayne Parker	19,200	290,296	8,253	320,848

The value realized on the exercise of options is equal to the amount per share at which the named executive officer sold shares acquired on exercise (all of which occurred on the date of exercise) minus the exercise price of the option times the number of shares acquired on exercise of the options. The value realized on the vesting of stock awards is equal to the closing market price of the Company's common stock on the date of vesting times the number of shares acquired upon vesting. The number of shares and value realized on vesting includes shares that were withheld at the time of vesting to satisfy tax withholding requirements.

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Equity Compensation Plans

The following table summarizes information, as of September 29, 2012, relating to equity compensation plans of the Company pursuant to which grants of options, restricted stock, restricted stock units or other rights to acquire shares of the Company's common stock may be granted from time to time.

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders[1]	81,218,854[2]	$32.02[3]	132,598,653[4]
Equity compensation plans not approved by security holders	—	—	—
Total	81,218,854[2]	$32.02[3]	132,598,653[4]

1 These plans are the Company's 2011 Stock Incentive Plan, The Walt Disney Company/Pixar 1995 Stock Plan, and The Walt Disney Company/Pixar 2004 Equity Incentive Plan (Disney/Pixar Plans were assumed by the Company in connection with the acquisition of Pixar).

2 Includes an aggregate of 27,476,588 restricted stock units and performance-based restricted stock units. Also includes options to purchase an aggregate of 8,456,988 shares, at a weighted average exercise price of $27.13 and 251,894 restricted stock units, in each case granted under plans assumed by the Company in connection with the acquisition of Pixar, which plans were approved by the shareholders of Pixar prior to the Company's acquisition.

3 Weighted average exercise price of outstanding options; excludes restricted stock units and performance-based restricted stock units.

4 Includes 569,594 securities available for future issuance under plans assumed by the Company in connection with the acquisition of Pixar, which plans were approved by the shareholders of Pixar prior to the Company's acquisition. Assumes all awards are made in the form of options. Each award of one restricted stock unit under the 2011 Stock Incentive Plan reduces the number of shares available under the plan by two, so the number of securities available for issuance will be smaller to the extent awards are made as restricted stock units.

Pension Benefits

The Company maintains a tax-qualified, noncontributory retirement plan, called the Disney Salaried Pension Plan D (formerly known as the Disney Salaried Retirement Plan), for salaried employees who commenced employment before January 1, 2012 and who have completed one year of service. Benefits are based on a percentage of total average monthly compensation multiplied by years of credited service. For service years after 2012, average monthly compensation includes overtime, commission and regular bonus and is calculated based on the highest five consecutive years of compensation during the ten-year period prior to termination or retirement, whichever is earlier. For service years prior to 2012, average monthly compensation considers only base salary, benefits were based on a somewhat higher percentage of average monthly compensation, and benefits included a flat dollar amount based solely on years and hours of service. Retirement benefits are non-forfeitable after three years of vesting service (five years of vesting service prior to 2012) or at age 65 after one year of service. Actuarially reduced benefits are paid to participants whose benefits are non-forfeitable and who retire before age 65 but on or after age 55.

In calendar year 2012, the maximum compensation limit under a tax-qualified plan was $250,000 and the maximum annual benefit that may be accrued under a tax-qualified defined benefit plan was $200,000. To provide additional retirement benefits for key salaried employees, the Company maintains a supplemental nonqualified, unfunded plan, the Amended and Restated Key Plan, which provides retirement benefits in excess of the compensation limitations and maximum benefit accruals under tax-qualified plans. Under this plan, benefits are calculated in the same manner as under the Disney Salaried Pension Plan D, including the differences in benefit determination for years before and after January 1, 2012, described above, except as follows:

- starting on January 1, 2017, average annual compensation used for calculating benefits under the plans for any participant will be capped at the greater of $1,000,000 and the participant's average annual compensation determined as of January 1, 2017;
- benefits for named executive officers are limited to the amount the executive officer would have received had the plan in effect prior to its January 1, 2012 amendment continued without change; and
- deferred amounts of base salary for years prior to 2006 and equity compensation paid in lieu of bonus are recognized for purposes of determining applicable retirement benefits.

Company employees (including two of the named executive officers) who transferred to the Company from ABC, Inc. after the Company's acquisition of ABC are also eligible to receive benefits under the Disney Salaried Pension Plan A (formerly known as the ABC, Inc. Retirement Plan) and a Benefits Equalization Plan which, like the Amended and Restated Key Plan, provides eligible participants retirement benefits in excess of the compensation limits and maximum benefit accruals that apply to tax-qualified plans. A term of the 1995 purchase agreement between ABC, Inc. and the Company provides that employees transferring employment to coverage under a Disney pension plan will receive an additional benefit under Disney plans equal to (a) the amount the employee would receive under the Disney pension plans if all of his or her ABC service were counted under the Disney pension less (b) the combined benefits he or she receives under the ABC plan (for service prior to the transfer) and the Disney plan (for service after the transfer). Both Mr. Iger and Mr. Braverman transferred from ABC, and each receives a pension benefit under the Disney plans to bring his total benefit up to the amount he would have received if all his years of service had been credited under the Disney plans. (The effect of these benefits is reflected in the present value of benefits under the Disney plans in the table below.)

As of the end of fiscal 2012, Mr. Iger, Mr. Rasulo and Mr. Braverman were eligible for early retirement. The early retirement reduction is 50% at age 55, decreasing to 0% at age 65.

Fiscal 2012 Pension Benefits Table

The following table sets forth the present value of the accumulated pension benefits that each named executive officer is eligible to receive under each of the plans described above.

Name	Plan Name		Number of Years of Credited Service at Fiscal Year End	Present Value of Accumulated Benefit at Fiscal Year End
Robert A. Iger	Disney Salaried Pension Plan D		13	$ 940,442
	Disney Amended and Restated Key Plan		13	6,905,052
	Disney Salaried Pension Plan A		25	1,046,011
	Benefit and Equalization Plan of ABC, Inc.		25	8,258,252
		Total		$17,149,757
James A. Rasulo	Disney Salaried Pension Plan D		27	$ 1,250,214
	Disney Amended and Restated Key Plan		27	5,586,374
		Total		$6,836,588
Alan N. Braverman	Disney Salaried Pension Plan D		10	$ 912,531
	Disney Amended and Restated Key Plan		10	2,796,855
	Disney Salaried Pension Plan A		9	284,899
	Benefit and Equalization Plan of ABC, Inc.		9	1,588,385
		Total		$ 5,582,670
Kevin A. Mayer	Disney Salaried Pension Plan D		15	$ 547,545
	Disney Amended and Restated Key Plan		15	1,060,651
		Total		$ 1,608,196
M. Jayne Parker	Disney Salaried Pension Plan D		24	$ 958,266
	Disney Amended and Restated Key Plan		24	994,279
		Total		$ 1,952,545

These present values assume that each named executive officer retires at age 65 for purposes of the Disney Salaried Pension Plan D and the Amended and Restated Key Plan and age 62 for purposes of the Disney Salaried Pension Plan A, and the Amended and Restated Benefit Equalization Plan of ABC, Inc. Age 65 is the normal retirement age under each of the plans and is also the age at which unreduced benefits are payable, except the earliest age at which unreduced benefits are payable under the ABC plans is age 62 for service years prior to 2012. The values also assume straight life-annuity payment for an unmarried participant. Participants may elect other actuarially reduced forms of payment, such as joint and survivor benefits and payment of benefits for a period certain irrespective of the death of the participant. The present values were calculated using the 3.85% discount rate assumption set forth in footnote 10 to the Company's Audited Financial Statements for fiscal 2012 and using actuarial factors including RP2000 white collar combined mortality table projected 20 years for males and females. The present values reported in the table are not available as lump sum payment under the plans.

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Fiscal 2012 Nonqualified Deferred Compensation Table

The Company does not currently permit the deferral of current compensation of any named executive officer on a basis that is not tax qualified, but from 2000 through 2005, $500,000 per year of Mr. Iger's annual base salary was deferred. The following table sets forth the earnings on the deferred amount in fiscal 2012 and the aggregate balance of Mr. Iger's deferral account, including accumulated earnings, as of September 29, 2012.

Aggregate Earnings in Last Fiscal Year	Aggregate Balance at Last Fiscal Year End
$62,997	$3,888,741

Mr. Iger's employment agreement provides that the deferred compensation will be paid, together with interest at the applicable federal rate for mid-term treasuries, reset annually, no later than 30 days after he is no longer subject to the provisions of Section 162(m) of the Internal Revenue Code (or at such later date as is necessary to avoid the imposition of an additional tax on Mr. Iger under Section 409A of the Internal Revenue Code). The interest rate is adjusted annually in March and the weighted average interest rate for fiscal 2012 was 1.65%. There were no additions during the fiscal year to the deferred amount by either the Company or Mr. Iger other than these earnings and no withdrawals during the fiscal year. Because the earnings accrued during fiscal 2012 and previous fiscal years were not "above market" or preferential, these amounts are not reported in the Fiscal 2012 Summary Compensation Table.

Potential Payments and Rights on Termination or Change in Control

Our named executive officers may receive compensation in connection with the termination of their employment. This compensation is payable pursuant to (a) the terms of compensation plans applicable by their terms to all participating employees and (b) the terms of employment agreements with each of our named executive officers.

The termination provisions serve a variety of purposes including providing the benefits included in equity incentive plans to the executive and his or her family in the event of his or her death or disability, defining when the executive may be terminated with cause and receive no further compensation, and clearly defining rights in the event of a termination in other circumstances.

The termination provisions are designed to further align the executives' interests with long-term shareholder growth by providing that, in those circumstances in which bonus payments are made and equity awards vest after termination, the payments and awards are (except in the case of vesting of restricted stock unit awards following termination due to death or disability) subject to the same performance measures (other than the test to assure deductibility under Section 162(m)) as apply if there had been no termination.

The availability, nature and amount of this compensation differ depending on whether employment terminates because of:

- death or disability;
- the Company's termination of the executive pursuant to the Company's termination right or the executive's decision to terminate because of action the Company takes or fails to take;
- the Company's termination of the executive for cause; or
- expiration of an employment agreement, retirement or other voluntary termination.

The compensation that each of our named executive officers may receive under each of these termination circumstances is described below, including quantification of the amount each executive would have been eligible to receive assuming a termination at the end of fiscal 2012 under the circumstances described.

It is important to note that the amounts set forth below are based on the assumptions set forth above and, as a result, do not predict the actual compensation that would be received by our named executive officers in the circumstances described below. In those circumstances, the compensation received would be a function of a number of factors that are unknowable at this time, including: the date of the executive's termination of employment; the executive's base salary at the time of termination; the executive's age and service with the Company at the time of termination; and, because many elements of the compensation are performance-based pursuant to the Company's compensation philosophy described in *Compensation Discussion and Analysis*, above, the future performance of the Company. In addition, although the Company has entered into individual agreements with each of our named executive officers, in connection with a particular termination of employment the Company and the named executive officer may mutually agree on severance terms that vary from those provided in his or her pre-existing agreement.

In each of the circumstances described below, our named executive officers are eligible to receive earned, unpaid salary through the date of termination and benefits that are unconditionally accrued as of the date of termination pursuant to policies applicable to all employees. In Mr. Iger's case, this includes the deferred salary and interest earned on these deferred amounts as described under *"Deferred Compensation,"* above. This earned compensation is not described or quantified below because these amounts represent earned, vested benefits that are not contingent on the termination of employment, but we do describe and quantify benefits that continue beyond the date of termination that are in addition to those provided for in the applicable benefit plans. The executive's accrued benefits include the pension benefits described under *"Pension Benefits,"* above, which become payable to all participants who have reached retirement age. Because they have reached retirement age under the plans, Mr. Iger, Mr. Rasulo and Mr. Braverman each would have been eligible to receive these early retirement benefits if their employment had terminated at the end of fiscal 2012. Because the pension benefits available to Mr. Iger, Mr. Rasulo and Mr. Braverman upon termination do not differ from those described above under "*Pension Benefits*" except in ways that are equally applicable to all salaried employees, the nature and amount of their pension benefits are not described or quantified below.

Death and Disability

The employment agreement of each named executive officer provides that if he or she dies or his or her employment terminates because of disability during the term of the agreement, he or she (or his or her estate) will receive a bonus for any fiscal year that had been completed at the time of his or her death or termination of employment due to disability but for which the bonus had not yet been paid. The amount of the bonus will be determined by the Compensation Committee using the same criteria used for determining a bonus as if the executive remained employed.

In addition to the compensation and rights in the employment agreements described above, pursuant to the terms of the Amended and Restated 2011 Stock Incentive Plan (which we refer to as the 2011 Plan) and award agreements thereunder, all options awarded to a participant (including the named executive officers) become fully exercisable upon the death or disability of the participant and remain exercisable for 18 months in the case of death and 12 months (or 18 months in the case of participants who are eligible for immediate retirement benefits) in the case of disability, and all restricted stock units awarded to the participant under the 2011 Plan will, to the extent the units had not previously been forfeited, fully vest and become payable upon the death or disability of the participant.

The following table sets forth the value of the estimated payments and benefits each of our named executive officers would have received under our compensation plans and their employment agreements or compensation arrangements if their employment had terminated at the close of business on the last day of fiscal 2012 as a result of death or disability. The value of option acceleration is equal to the difference between the $52.28 closing market price of shares of the Company's common stock on September 28, 2012 (the last trading day in fiscal 2012) and the weighted average exercise price of options with an exercise price less than the market price times the number of shares subject to such options that would accelerate as a result of termination. The value of restricted stock unit acceleration is equal to the $52.28 closing market price of shares of the Company's common stock on September 28, 2012 multiplied by the number of units that would accelerate as a result of termination, which, for performance-based units, is equal to the target number of units.

	Cash Payment[1]	Option Acceleration	Restricted Stock Unit Acceleration
Robert A. Iger	$16,520,000	$45,528,996	$33,345,605
James A. Rasulo	4,075,000	6,565,683	11,344,765
Alan N. Braverman	3,370,000	4,015,728	10,982,277
Kevin A. Mayer	1,307,000	2,688,639	4,595,742
M. Jayne Parker	1,105,000	1,854,501	3,161,498

[1] This amount is equal to the bonus awarded to the named executive officers with respect to fiscal 2012 and set forth in the "Non-Equity Incentive Plan Compensation" column of the Fiscal 2012 Summary Compensation Table.

Termination Pursuant to Company Termination Right or by Executive for Good Reason

The employment agreement of each named executive officer provides that if his or her employment is terminated by the Company pursuant to the Company's termination right (as described below) or by the named executive officer with good reason (as described below), he or she will receive, in addition to salary and benefits through the date his or her employment is terminated, a bonus for any fiscal year that had been completed at the time of his or her termination of employment but for which the bonus had not yet been paid. The amount of the bonus will be determined by the Compensation Committee using the same criteria used for determining a bonus if the executive remained employed.

In addition, the employment agreement of each named executive officer provides that he or she will receive the following compensation and rights conditioned on his or her executing a mutual release of liability and (except in the case of Mr. Iger) agreeing to provide the Company with certain consulting services for a period of six months after his or her termination (or, if less, for the remaining term of his or her employment agreement) pursuant to a form of consulting agreement attached to the employment agreement.

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- A lump sum payment to be made six months and one day after termination equal to the base salary the named executive officer would have earned had he or she remained employed during the term of his or her consulting agreement or, in the case of Mr. Iger, equal to the base salary he would have earned had he remained employed until the original scheduled expiration date of his employment agreement.
- In the case of the named executive officers other than Mr. Iger, if the consulting agreement was not terminated as a result of his or her material breach of the consulting agreement, a further lump sum payment to be made six months and one day after termination of employment equal to the base salary the named executive officer would have earned had he or she remained employed after the termination of his or her consulting agreement and until the original scheduled expiration date of his or her employment agreement.
- A bonus for the year in which he or she is terminated equal to a pro-rata portion of a target bonus amount determined in accordance with his or her employment agreement.
- All options that had vested as of the termination date or were scheduled to vest prior to the original scheduled expiration date of his or her employment agreement (or within three months thereafter) will remain or become exercisable as though the named executive officer were employed until the original scheduled expiration date of his or her employment agreement and will remain exercisable until the earlier of (a) the scheduled expiration date of the options and (b) three months (or in the case of Mr. Iger, Mr. Rasulo and Mr. Braverman, 18 months, as provided in the Company's equity compensation plans for any person who would be eligible for immediate retirement benefits) after the original scheduled expiration date of his or her employment agreement. As a result of the terms of options awards to all employees, for named executive officers who would be over 60 years of age and have more than 10 years of service as of the original expiration date of their employment agreement, options granted after December 2009 (and awarded at least one year before retirement), will continue to vest for (and remain exercisable) until the earlier of the expiration date of the option and three years (five years for options granted after March 2011) after the original scheduled expiration date of the employment agreement. In addition, if Mr. Iger's employment is terminated after April 1, 2015, any options granted to him less than one year prior to the date of termination will continue to vest and remain exercisable until the expiration date of the option.
- All restricted stock units that were scheduled to vest prior to the original scheduled expiration date of his or her employment agreement will (subject to satisfaction of applicable performance criteria) vest as though the named executive officer were employed until the original scheduled expiration date of his or her employment agreement, except that any test to assure deductibility of compensation under Section 162(m) will be waived for any units scheduled to vest after the fiscal year in which the termination of employment occurs unless application of the test is necessary to preserve deductibility. As a result of the terms of restricted stock unit awards to all employees, for named executive officers who would be over 60 years of age and have more than 10 years of service as of the original expiration date of their employment agreement, restricted stock units awarded after December 2009 (and awarded at least one year before retirement) will (subject to satisfaction of applicable performance criteria) continue to vest through the end of the vesting schedule. In addition, if Mr. Iger's employment is terminated after April 1, 2015, any restricted stock units awarded to him less than one year prior to the date of termination will (subject to satisfaction of applicable performance criteria) continue to vest according to their original terms.

Under their employment agreements, the Company has the right to terminate the named executive officer's employment subject to payment of the foregoing compensation in its sole, absolute and unfettered discretion for any reason or no reason whatsoever. A termination for cause does not constitute an exercise of this right and would be subject to the compensation provisions described below under "*Termination for Cause*."

Termination by a named executive officer for good reason means a termination by the named executive officer following notice given to the Company within three months of his or her having actual notice of the occurrence of any of the following events (except that the Company will have 30 days after receipt of the notice to cure the conduct specified in the notice):

(i) a reduction in the named executive officer's base salary, annual target bonus opportunity or (where applicable) annual target long-term incentive award opportunity;

(ii) the removal of the named executive officer from his or her position (including in the case of Mr. Iger, the failure to elect or reelect him as a member of the Board of Directors or his removal from the position of Chairman);

(iii) a material reduction in his or her duties and responsibilities (other than, in the case of Mr. Iger, as contemplated in his employment agreement);

(iv) the assignment to him or her of duties that are materially inconsistent with his or her position or duties or that materially impair his or her ability to function in his or her office;

(v) relocation of his or her principal office to a location that is more than 50 miles outside of the greater Los Angeles area and, in the case of Mr. Iger, that is also more than 50 miles from Manhattan; or

(vi) a material breach of any material provision of his or her employment agreement by the Company.

Termination for good reason also includes any occurrence after a change in control (as defined in the 2011 Plan) that would constitute a triggering event. The 2011 Plan provides that if, within 12 months following a change in control of the Company as defined in the 2011 Plan, a "triggering event" occurs, any outstanding options, restricted stock units, performance-based restricted stock units or other plan awards will generally become fully vested and, in certain cases, paid to the plan participant. A triggering event is defined to include: (a) a termination of employment by the Company other than for death, disability or "cause;" or (b) a termination of employment by the participant following a reduction in position, pay or other "constructive termination." Under the 2011 Plan cause has the same meaning as in the named executive officer's employment agreement, if applicable, as defined below under "*Termination for Cause*" or, if there is no employment agreement or the named executive officer would have greater rights under the following definition, cause means conviction for or pleading to a felony under state or Federal law, willful gross misconduct or material breach of an agreement with the Company with respect to confidentiality, noncompetition, non-solicitation or a similar restrictive covenant. Under the terms of the 2011 Plan, payments under awards that become subject to the excess parachute tax rules may be reduced under certain circumstances.

The employment agreement of each named executive officer provides that he or she is not required to seek other employment to obtain compensation to offset the amounts payable by the Company as described above, and compensation resulting from subsequent employment will not be offset against amounts described above.

The following table quantifies benefits each of our named executive officers would have received if their employment had been terminated at the end of fiscal 2012 by the Company pursuant to its termination right or by the executive with good reason.

The table quantifies the benefits of continued vesting and exercisability of options by setting forth the difference between the $52.28 closing market price of shares of the Company's common stock on September 28, 2012 and the weighted average exercise price of options with an exercise price less than the market price times the number of shares subject to the options that would become exercisable despite the termination. However, as described above, options do not become immediately exercisable absent a change in control. The actual value realized from the exercise of the options by a named executive officer when they become exercisable may therefore be more or less than the amount shown below depending on changes in the market price of the Company's common stock pending actual vesting of the options.

The table also quantifies the benefits of continued vesting of restricted stock units by setting forth an amount equal to the $52.28 closing market price of shares of the Company's common stock on September 28, 2012 times the target number of units that will (subject to satisfaction of applicable performance criteria) vest despite the termination. However, as described above, restricted stock units do not immediately vest absent a change in control (in which case, the target number of units vests). The actual value of restricted stock units realized by a named executive officer absent a change in control may again be more or less than the amount shown below depending on changes in the market price of the Company's common stock pending actual vesting of the restricted stock units and depending on the number of units that will vest, which depends on the extent to which performance tests are satisfied.

	Cash Payment[1]	Option Valuation	Restricted Stock Unit Valuation
Robert A. Iger			
No change in control	$25,895,000	$45,528,996	$33,345,605
Change in control	25,895,000	45,528,996	33,345,605
James A. Rasulo			
No change in control	$7,575,000	$5,990,549	$10,899,419
Change in control	7,575,000	6,565,683	11,344,765
Alan N. Braverman			
No change in control	$4,610,000	$4,015,728	$10,982,277
Change in control	4,610,000	4,015,728	10,982,277
Kevin A. Mayer			
No change in control[2]	$4,639,996	$2,688,639	$4,595,742
Change in control	4,639,996	2,688,639	4,595,742
M. Jayne Parker			
No change in control	$3,921,667	$1,854,501	$3,161,498
Change in control	3,921,667	1,854,501	3,161,498

[1] This amount is equal to the bonus awarded to the named executive officers with respect to fiscal 2012 and set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table, plus the lump sum payments based on salary through the end of the employment term as described above.

[2] In the case of Mr. Mayer, the amount is based on his new employment agreement, which was signed in November 2012 and was effective as of October 1, 2012, which was after the close of the fiscal year on September 29, 2012. Under his prior employment agreement, the cash payment would have been $1,309,137, and there would be no value to the options and restricted stock units.

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Termination for Cause

The employment agreement of each named executive officer provides that, if his or her employment is terminated by the Company for cause, he or she will only be eligible to receive the compensation earned and benefits vested through the date of termination, including any rights he or she may have under his or her indemnification agreement with the Company or the equity plans of the Company.

"Termination for Cause" is defined in Mr. Iger's employment agreement as termination by the Company due to (i) conviction of a felony or the entering of a plea of nolo contendere to a felony charge; (ii) gross neglect, willful malfeasance or willful gross misconduct in connection with his employment which has had a material adverse effect on the business of the Company and its subsidiaries, unless he reasonably believed in good faith that such act or non-act was in, or not opposed to, the best interests of the Company; (iii) his substantial and continual refusal to perform his duties, responsibilities or obligations under the agreement that continues after receipt of written notice identifying the duties, responsibilities or obligations not being performed; (iv) a violation that is not timely cured of any Company policy that is generally applicable to all employees or all officers of the Company that he knows or reasonably should know could reasonably be expected to result in a material adverse effect on the Company; (v) any failure (that is not timely cured) to cooperate, if requested by the Board, with any investigation or inquiry into his or the Company's business practices, whether internal or external; or (vi) any material breach that is not timely cured of covenants relating to non-competition during the term of employment and protection of the Company's confidential information.

"Termination for Cause" is defined in Mr. Rasulo's, Mr. Braverman's, Mr. Mayer's, and Ms. Parker's employment agreement as termination by the Company due to gross negligence, gross misconduct, willful nonfeasance or willful material breach of the agreement by the executive unless, if the Company determines that the conduct or cause is curable, such conduct or cause is timely cured by the executive.

Expiration of Employment Term; Retirement

Each of the named executive officers is eligible to receive earned, unpaid salary and unconditionally vested accrued benefits if his or her employment terminates at the expiration of his or her employment agreement or he or she otherwise retires, but except as described below they are not contractually entitled to any additional compensation in this circumstance. If Mr. Iger retires at June 30, 2016, which is the stated expiration date of his employment agreement, he will be entitled to receive his full target bonus award of $6 million for the then current fiscal year, subject only to the satisfaction of the performance objectives applicable to assure that the bonus is deductible for federal income tax purposes as performance-based compensation.

Unless a longer period applies to options granted after December 2009, a named executive officer who is eligible to receive retirement benefits immediately following his or her termination of employment may exercise any then vested and outstanding options until the earlier of 18 months following such termination or until their original expiration date. Options and restricted stock units awarded after December 2009 (and awarded at least one year before retirement), subject to the attainment of any applicable performance conditions, continue to vest for three years (five years in the case of options awarded after March 2011) after retirement (and options remain exercisable until the earlier of three or five years after retirement and the original expiration date) if the named executive officer was age 60 or greater and had at least ten years of service at the date of retirement, except that this rule does not apply for certain employees outside the United States. In addition, in the event that he retires at June 30, 2016, which is the stated expiration date of his employment agreement, all options and restricted stock units awarded to Mr. Iger after October 2, 2011 will, subject to the satisfaction of applicable performance criteria, continue to vest and in the case of options remain exercisable following his retirement according to their original vesting schedule and expiration date.