



The
WALT DISNEY
Company

2019 Annual Meeting of Shareholders

MARCH 7, 2019

Disney Speakers:

Bob Iger

Chairman and Chief Executive Officer

Alan Braverman

Senior Executive Vice President, General Counsel and Secretary



PRESENTATION

[VIDEO]

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

Good morning. That video is certainly a nice way to kick off this morning.

Now as many of you know, we hold our shareholder meeting in a different city every year, and this year we are in a place with a deep connection to our company. Walt Disney spent what he called the best years of his childhood just a couple of hundred miles away in Marceline, and he opened his first animation studio in Kansas City, all of which makes being here today quite special. By the way, we have some folks from Marceline here this morning. Thanks for coming.

Let me just give you a sense for the agenda this morning.

I am going to cover a few topics, and then our General Counsel, Alan Braverman, is going to conduct the business portion of the meeting. Then I am going to return to share some exciting things with you, and then we'll open the floor to questions.

As many of you I think know it's been a busy, productive, but also quite a successful year at Disney, and we're proud of what we accomplished and certainly optimistic about what lies ahead.

We're in the final stages of our acquisition of 21st Century Fox and we expect to gain final regulatory approval soon. We look forward to welcoming the 21st Century Fox businesses to Disney along with their wealth of proven management talent.

Our new corporate structure is designed to integrate these assets and maximize their long-term value. We spent most of this year on integration planning so that we will hit the ground running as soon as the deal closes.



We've also had our share of creative success this past year. We released some of the most successful movies of the year in fact, generating more than \$7.3 billion in total global box office. 2018 was actually the second time our Studio delivered more than \$7 billion in box office and we remain the only Studio to ever do so.

That kind of success is the result of talent, vision, passion and courage, the qualities that define the leaders and storytellers of The Walt Disney Studios and across our company.

It's vitally important that the stories that we tell reflect the world around us, which is critical to our ability to thrive in a changing market. Historic Oscar-winning successes like Marvel's *Black Panther* and *Bao* are two obvious examples of the power and the importance of including and encouraging a variety of voices and perspectives.

And we're committed to greater gender inclusion as well. In fact, it's an integral part of our commitment to diversity at all levels of our workforce, to ensure that we have the best people in every role.

Now speaking of hiring the best people, we employ almost 10,000 military veterans and we spend millions annually with veteran-owned businesses. And that's a great story, we have spoken about it often at various shareholder meetings, and we are certainly very proud of it. Thank you.

In terms of financial performance, we delivered record results in Fiscal 2018. Revenue was up 8%, to a record \$59.4 billion, net income rose 40% to a record \$12.6 billion and earnings per share increased 47% to an all-time high of \$8.36.

Over the last ten years, we've delivered an average annual shareholder return of almost 24%-that's about six percentage points higher than the S&P 500. As a result, our total shareholder return for the last decade is 732% compared to 400% for the S&P 500 during the same period.

This sustained performance reflects the strength of our strategy. It also reflects our willingness to make bold moves and our commitment to creativity, to innovation and of course to excellence. Above all, our results reflect the collective talent and dedication of more than 200,000 cast



members around the world and we continue to create new opportunities for their growth and advancement.

Last fall we launched a groundbreaking initiative to provide free tuition for every Disney hourly cast member in the country so that they can access the education they need to build the careers they want from vocational skills to undergraduate and graduate degrees.

We call this program Disney Aspire, and we've committed up to \$150 million to fund it over the next five years and we'll add up to \$25 million more each year after that.

About 40% of our 85,000 hourly employees have signed up for Disney Aspire in just the first six months. Thousands are already taking classes, free of charge and we're adding more every day. I'm incredibly proud of this program and nothing would make me happier than if we had 100% of our eligible cast members take full advantage of this opportunity to advance their careers and pursue their dreams.

At this meeting last year, we committed \$100 million, along with some great creativity, to improve the experience for young patients and their families at children's hospitals around the world. We'll unveil the first phase of this initiative just this next month in Texas at Texas Children's Hospital based actually in Houston.

We also continue to reduce our environmental impact around the world. For example, our recent decision to ban plastic straws and stirrers in all of our locations means almost 200 million fewer of those items will be thrown away each year. We're also in the process of getting rid of other plastic items and getting rid of polystyrene cups as well and we're working on a program to recycle plastic bottles from our Parks and Resorts into our consumer products.

Our new solar facility in Florida is now online, and will generate enough clean energy to power two of the four parks at Walt Disney World, which eliminates almost 60,000 tons of greenhouse gas emissions in the process. That's roughly equivalent to taking almost 10,000 cars off the road.



Our Parks & Resorts present the most obvious opportunities to reduce our environmental footprint, but all of our businesses are actively engaged in efforts to minimize our environmental impact, even as we grow our operations around the world.

Before we move on to the business agenda, I'd like to acknowledge three long-time board members who are retiring this year: Aylwin Lewis, John Chen, and Fred Langhammer. I want to thank them all for their service during a transformational and extremely successful era in our company's history.

And I also want to introduce our current Board of Directors starting with our lead director, Susan Arnold. In addition to Susan, we have Mary Barra, Safra Catz, Francis deSouza, Michael Froman, Mel Lagomasino, Mark Parker and our incoming board member, Derica Rice who could not be with us today. Derica is the Executive Vice President of CVS Health and President of CVS Caremark.

At this time, I'd like to ask the Board to stand and be recognized.

(Applause)

I also want to acknowledge a very special guest that comes to our Annual Shareholders Meeting every year and that's Roy P. Disney. Roy, please stand. (Applause) Always nice to have a Disney in the house.

Thank you all for coming today.

I am going to come back in just a few minutes. First I am going to turn the stage over to our Secretary and General Counsel to conduct the business portion of our meeting. When he's done with the official business, I'll be back to share some pretty exciting things that we're working on and then I will take your questions.

Please welcome our General Counsel Alan Braverman.



Alan Braverman — *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you, Bob and good morning

This meeting has been duly called and is being conducted in conformity with the laws of Delaware and the Company's charter and bylaws.

If you have already voted by proxy, you don't need to vote again now. If you haven't yet voted, or if you want to change your vote, you can do that here today. Please raise your hand if you need a ballot to vote. We will have someone collecting any ballots today at the end of the business portion of the meeting.

Copies of the rules of the meeting were provided at the registration table, and we would ask that everyone please respect the rules.

We have five items on the agenda today, including two shareholder proposals.

I will introduce each of the three items and the shareholder representatives will present the two shareholder proposals.

Then, the polls will close, and we will hear a preliminary report from the Inspector of Elections and adjourn the business portion of the meeting.

The Company has retained Broadridge Investor Communications Solutions as the Inspector of Elections for this meeting. I would now like to introduce, Belinda Massafra, a representative of Broadridge, and ask her to report on the number of outstanding shares present and voting today.

Belinda Massafra — *Representative, Broadridge*

Thank you, Mr. Braverman.



As of the close of business on January 7, 2019, the record date for this meeting, there were 1,490,678,790 shares of common stock outstanding, each of which is entitled to one vote. There are at least 1,303,621,247 shares of common stock represented by proxy at this meeting, which represents at least 87% of the total number of shares entitled to vote.

Alan Braverman — *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. Based on this report, I declare that a quorum is present, that this meeting is qualified to proceed, and that the polls are now open.

The first item is the election of nine members of the Board of Directors.

Each director holds office for a term of one year.

Those nominated for election at this meeting are Susan Arnold, Mary Barra, Safra Catz, Francis deSouza, Michael Froman, Bob Iger, Mel Lagomasino, Mark Parker, and Derica Rice.

The Board recommends a vote “For” the election of all of these nominees.

The next item is the ratification of the appointment of PricewaterhouseCoopers LLP as the Company’s independent registered accountants for the current fiscal year, as recommended by the Audit Committee of the Board of Directors.

Bob Barrett, a representative of PwC, is here today to respond to any questions.

The Board recommends a vote “For” the ratification of the appointment of PricewaterhouseCoopers as the Company’s independent registered accountants for fiscal 2019.

The next item is an advisory vote on executive compensation. We are seeking advisory shareholder approval of the compensation of our named executive officers, and the Board recommends a vote “For” this proposal.



The next item is a shareholder proposal presented by Zevin Asset Management. The full text of the proposal is set forth in the proxy statement. I understand that Sister Barbara Jennings, a representative of the shareholder, is here to present this proposal, and I would like to invite her to do so. I would ask that she limit the presentation to five minutes at most.

Sister Barbara Jennings — *Shareholder Representative*

Thank you Mr. Chairperson. My name is Sister Barbara Jennings. I'm a Sister of St. Joseph. I live here in St. Louis. Zevin Asset Management is located in Boston. I hereby move proposal #4 -- #1 in your book, which asks your company to provide a comprehensive report on its lobbying expenditures, including indirect funding of lobbying through trade associations.

As shareholders, we encourage transparency and accountability in the use of staff time and corporate funds used to influence legislation, both directly and indirectly. As such, we remain concerned that Disney's disclosure of lobbying lacks transparency and accountability. Disney does not issue a comprehensive report of its own direct lobbying. That data is scattered among federal and state regulators and is difficult to obtain. Disney also fails to provide comprehensive disclosure of its memberships and payments to trade associations as well as the portions of those dues payments used for lobbying.

Given Disney's lack of disclosure, shareholders remain concerned that company assets could be used for objectives that are contrary to Disney's long-term mission, interests and that might ultimately harm share value. Disney has attracted negative media attention in some of these areas. Investors are especially concerned about risk arising when trade associations and coalitions supported by Disney lobby on issues which are contrary to Disney's belief and values.

For example, Disney is reportedly a member of the United States Chamber of Commerce. Our company and its Board should be alarmed that the chamber actively sought to undermine the Paris agreement on climate change, despite leadership from Disney.

Disney is also listed as a member of the National Restaurant Association. This group has spent millions on the state level over sick leave policies and worked with the controversial American



Legislative Exchange Council to stop local measures to enact paid sick leave laws. Consumers would be alarmed to learn that such lobbying is enabled by Disney.

Disney is a member of the Florida Retail Federation, a lobbying group that has recently pushed for draconian felony penalties for petty theft crimes in Florida. Such activity is not only potentially at odds with the company's long-term interests and objectives, it also endangers Disney's reputation.

This proposal is not about limiting lobbying for legitimate Disney advantage. It's about transparency and managing the risk associated with undisclosed, unexamined political activity. Publicly available data currently does not provide a complete picture of Disney's lobbying expenditures. We ask you to vote for this proposal, asking Disney to be more transparent. Thank you.

Alan Braverman — *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. Thank you for those comments. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

The next item is a shareholder proposal presented by James McRitchie. The full text of the proposal is set forth in the proxy statement. And I understand that Sister Janet Kuciejczyk, a representative of the shareholder is here to present this proposal, and I would like to ask her to do so at this time. Again, please limit your comments to five minutes at most.

Sister Janet Kuciejczyk — *Shareholder Representative*

My name is Sister Janet Kuciejczyk. I am a Sister of St. Joseph, and I live in St. Louis. I am presenting proposal 2 in your book, the report on cybersecurity and data privacy on behalf of James McRitchie.



Disney links senior executive compensation to various performance metrics. Cybersecurity and data privacy are vitally important issues to Disney. They should be integrated, as appropriate, into senior executive compensation to incentivize leadership, to reduce needless risk, enhance financial performance and increase accountability. In its opposition statement, Disney argues their current program allows the compensation committee to incentivize those executives with direct responsibility for data security and data privacy on an individual basis. Although senior executives may not have direct responsibility for data security and privacy, they are responsible for managing the work of those who do. Let me give you an example.

Legally, parents might be charged with child endangerment if they do not properly vet the babysitter or go over what to do in an emergency. If parents do not ask the babysitter the right questions or discuss likely contingencies, they are liable.

High-profile cyber-attacks and allegations have given the entertainment industry an image problem. Disney has adopted systems to address these issues. However, we have seen at companies like Equifax, Facebook, Target and many others, even the best plans can be improved. Disney's opposition statement evidenced a Board that is too willing to assign blame and reluctant to accept responsibility for a critically important risk. Shareholders prefer not to hear about costly breaches in data security and privacy in the media. Please vote for proposal 2 in your books to protect children and better ensure cybersecurity and data privacy. Thank you.

Alan Braverman — *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you. The Board of Directors has recommended a vote against this proposal for the reasons set out in the proxy statement.

If anyone has not yet voted, and you are holding a ballot, please raise your hand and we will have someone coming through the audience to collect your ballot.

The polls will now close, and I would ask like to ask the Inspector of Elections to give us her report based on proxies received at the opening of the polls at today's meeting.



Inspector, may we have your report?

Belinda Massafra — *Representative, Broadridge*

Thank you, Mr. Braverman.

For item 1, the election of directors, we have received proxies voting for each director representing at least 94% of the votes cast.

For item 2, ratification of the appointment of PricewaterhouseCoopers, we have received proxies for 97% of shares voting to approve the appointment.

For item 3 relating to executive compensation, we have received proxies for 57% of shares voting to approve the advisory resolution.

For item 4 relating to disclosure of lobbying policies and activities, we have received proxies for 39% of shares voting to approve the proposal.

For item 5 relating to the use of cybersecurity and data privacy metrics in determining executive compensation, we have received proxies for 26% of the shares voting to approve the proposal.

And that concludes my report.

Alan Braverman — *Senior Executive Vice President, General Counsel and Secretary, The Walt Disney Company*

Thank you.

Based on that report, and subject to the counting of ballots presented at this meeting and final confirmation of voting results by the Inspector of Elections, I declare that all of the nominees for election to the Board have been duly elected, that the appointment of PricewaterhouseCoopers



has been duly ratified, that the advisory resolution on executive compensation is approved, and that neither of the shareholder proposals was approved.

That concludes the business portion of the meeting, which is now adjourned.

We hope you'll enjoy today's presentation.

Bob Iger — *Chairman and Chief Executive Officer, The Walt Disney Company*

[VIDEO]

Now for the entertainment portion of our meeting. ESPN created that video because St. Louis is such a huge sports town and it certainly illustrates why ESPN remains the undisputed leader in sports. No one serves fans better. Now ESPN+ takes that commitment to a whole new level with a compelling collection of content including great original programming and a rapidly expanding mix of live sports events.

ESPN+ amassed more than 2 million subscribers in less than a year. Sports fans are drawn to premier events on ESPN+ from UFC, Top Rank Boxing Major League Baseball, the NHL, MLS Soccer and Italy's Serie A Soccer, along with thousands of college sports matchups.

Building our direct-to-consumer business remains one of our top priorities as a company. We're investing in technology and in content to deliver great, great streaming experiences. The success of ESPN+ certainly bodes well for our Disney+ service, which is going to be launching just later this year.

The teams creating original programming for Disney+ are basically the same teams behind the successes at Disney, Pixar, Marvel and Lucasfilm. We look forward to adding National Geographic to the mix of great library and original content for the Disney+ service.

We're going to be showcasing Disney+ along with an incredible collection of iconic content and original programming at an Investor Day taking place on April 11th in Los Angeles.



Now turning to our Parks & Resorts, I have some exciting news to share with you today.

We're nearing completion of *STAR WARS*: Galaxy's Edge in Anaheim and in Orlando, which are by far the largest lands that we have ever built. The excitement and anticipation for these lands is unbelievable. In light of the tremendous demand, we're going to let guests explore both lands a bit earlier than originally planned.

I am happy to announce that *STAR WARS*: Galaxy's Edge is going to open up in Disneyland on May 31st and in Disney World on August 29th.

On opening day, we'll transport guests to a galaxy far, far away to live their own *STAR WARS* adventure exploring the planet Batuu and mingling with famous and infamous characters hanging out at the cantina, building a droid or flying the fastest hunk of junk in the galaxy in our phenomenal *Millennium Falcon*: Smugglers Run attraction.

And that's just the first phase!

We're going to have a second big opening later in the year when we debut the land's second big E-Ticket attraction, which we are calling *Star Wars*: Rise of the Resistance. This is the most technologically advanced and immersive attraction that we have ever imagined. We're pushing the limits of imagination and innovation. We'll actually blur the lines for our Guests between fantasy and reality and put them right in the middle of the rebellion and give them an active role in a fight against the First Order.

No one has ever attempted anything of this magnitude and so it's somewhat daunting even by our standards, but we're really proud of what we're building at *Star Wars*: Galaxy's Edge. Words simply can't do it justice – which is why I brought you an exclusive video peek at just what we're building. Enjoy!

[VIDEO]



Soon after we bought Lucasfilm in late 2012, I met with the Imagineers and we started the planning process and the development process to actually create these lands, and they asked me, “What did I want the Star Wars lands to be?” And I said one thing: “Make sure they’re ambitious.” And I think they certainly have taken that word seriously.

As you know, Walt Disney famously said that Disneyland would never be completed as long as there is imagination left in the world, and we apply that same view to all of our parks and resorts around the world.

So, with that in mind, let me just give you a sense of what’s going on. We’re currently transforming Epcot. We’re adding a TRON-inspired roller coaster in the Magic Kingdom in Orlando that’s just like the one in Shanghai, for those of you who have visited Shanghai Disneyland. We’re also building a new Marvel-themed land at Disney California Adventure and we’re creating our first-ever *Zootopia*-themed land in Shanghai. We’re opening a Marvel-themed hotel and adding more Star Wars and Frozen content at Disneyland Paris. And then in Hong Kong, we’re reimagining the castle and we’re expanding the Marvel presence, and adding a new Frozen experience as well. We’re also bringing *Beauty and the Beast* to Tokyo Disneyland and we’re building a *Toy Story*-themed hotel there. Our plans for Tokyo DisneySea also include a new hotel at Tokyo DisneySea. And we’re also extremely excited about three spectacular new cruise ships that are on their way, and we’ll soon have a second island destination in the Bahamas for our cruise ship guests to enjoy.

All of this adds up to the biggest expansion our Parks and resorts team has ever created.

Earlier, I talked about our Studio’s incredible performance. Believe it or not, our 2019 slate may be even better starting with *CAPTAIN MARVEL*, which is our first female superhero movie. It premiered earlier this week to strong reviews and you’ll have a chance to see what all the buzz is about when it opens in theaters a few hours from now, tonight.

Next up is Tim Burton’s *DUMBO*, a live action remake of a Disney classic. We’ll follow that with *AVENGERS: END GAME*, the highly-anticipated, gigantic conclusion of the *AVENGERS*



story before releasing *ALADDIN*, another reinterpretation of an animated favorite. After *ALADDIN* comes *TOY STORY 4*, another very charming and humorous *TOY STORY* movie.

Take a look.

[VIDEO]

You can see that is quite a line-up, but we are only half way through the year. The year is so strong, I bought a few other things that I thought you would enjoy seeing.

Now back in 1994 when we launched *THE LION KING*, it became an instant Disney classic with great characters, a compelling story, and unforgettable music. Our live action version continues this tradition, thanks to the brilliant vision of director Jon Favreau, the genius behind Disney's *THE JUNGLE BOOK*. Once again, he's using innovative technology to elevate storytelling to a new level-something we do a lot at Disney.

This movie is still in production but I brought an exclusive scene to share with you today. It's not a trailer, it's a scene. Now it's a bit unfinished as you can see but it's also breathtaking and I know it will blow people away when it comes out this summer. Exclusive first clip from the *Lion King*.

[VIDEO]

Love to show you more of that film. You will have to wait just a little bit.

Yesterday we announced that the sequel to Disney's *MALEFICENT* will be in theaters this year instead of 2020 as planned. So I thought I would show you an exclusive first look at *MALEFICENT: MISTRESS OF EVIL*.

[VIDEO]



Our first trailer for the long-awaited sequel to *FROZEN* was seen more than 116 million times in the first 24 hours. But it's never been released in big theaters, only on small screens-until right now. So take a look at trailer for *Frozen 2* on the big screen.

[VIDEO]

When you look at all the phenomenal movies we're releasing this year, it's hard to imagine all that creativity, all that wonderful storytelling, all of that technical genius in just one Company. That is really something that could only happen at Disney.

But believe it or not, we actually left something out of our 2019 collection. We are going to close the year with *STAR WARS: Episode IX*.

J.J. Abrams is back in the director's chair doing a fantastic job of bringing 40 years of iconic Skywalker storytelling to a satisfying close. Filming is complete and editing has just begun, so we don't have finished footage to show you, but we knew we couldn't come here empty-handed when it came to STAR WARS. So, J.J. put together a special piece just for you. Take a look.

[VIDEO]

Quite a year. By the way, all the movies you've seen today will be available on Disney+ within its first year of launch.

Our Studio, like our entire Company, has benefitted tremendously from the creativity and innovation of Pixar, Marvel, of course Disney and Star Wars, and we're really excited that James Cameron's *AVATAR* will soon be coming to Disney as part of the 21st Century Fox acquisition.

It's the biggest grossing movie of all time, and that's saying something in a world that includes the Marvel Cinematic Universe and of course *STAR WARS*. If you've seen the original movie, or visited *PANDORA: THE WORLD OF AVATAR* at Disney World's Animal Kingdom, you can appreciate how fantastic this franchise is and how thrilled we are to be part of its future and to



continue our relationship with Jim Cameron, especially with the series of new AVATAR films he's currently working on.

Jim was kind enough to share a very early glimpse at the next generation of AVATAR storytelling and we thought you'd like to be the first to see it.

[VIDEO]

The next AVATAR movie will be in theaters in late 2020 and I suspect we'll have a lot more to show at our next year's annual shareholders meeting.

We started this morning with a video showcasing The Walt Disney Company. As we prepare to welcome 21st Century Fox, it seems only fitting to end this presentation with a look at the valuable assets and great storytelling that will soon be part of our company.

[VIDEO]

When you consider everything you've seen today, plus 21st Century Fox, it's an unbelievable collection of creative brilliance that speaks to our rich legacy, our exciting present and a future that seems limitless.

And, I'm reminded in countless ways every day what a profound privilege it is to lead this phenomenal organization and to work with so many incredibly creative, talented and dedicated people.

Now, I'll be happy to take your questions. As always, if you want to be heard, please line up at one of the numbered stations in the aisles and wait to be recognized. We're going to try to get as many people in as possible so, to be fair to everyone, I'm going to ask you to be relatively brief and to please refrain from airing personal grievances. If you've got a personal concern that you would like to raise, please let one of the staff members here know, and they will connect you with someone who can address it.

**Forward-Looking Statements**

Management believes certain statements in this presentation may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made. Management does not undertake any obligation to update these statements. Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments or asset acquisitions or dispositions), as well as from developments beyond the Company’s control, including:

- changes in domestic and global economic conditions, competitive conditions and
- consumer preferences;
- adverse weather conditions or natural disasters;
- health concerns;
- international, political, or military developments; and
- technological developments.

Such developments may affect entertainment, travel and leisure businesses generally and may, among other things, affect:

- the performance of the Company’s theatrical and home entertainment releases;
- the advertising market for broadcast and cable television programming;
- demand for our products and services;
- expenses of providing medical and pension benefits;
- income tax expense;
- performance of some or all company businesses either directly or through their impact on those who distribute our products; and
- completion of the pending transaction with 21st Century Fox.

Additional factors are set forth in the Company’s Annual Report on Form 10-K for the year ended September 29, 2018 under Item 1A, “Risk Factors,” and subsequent reports.

Reconciliations of non-GAAP measures to closest equivalent GAAP measures can be found at www.disney.com/investors.