



2007 International CES

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

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Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

Good afternoon. It's great to be here.

Since the day Walt Disney started this company, Disney has had one secret to its success: bringing the timelessness of great characters and powerful storytelling to the timeliness of the cutting edge. From the multi-plane camera that reinvented animation in 1942 to the mega-gigahertz processing of computer animation of today, Disney is a company where art challenges technology and technology inspires art. Artists are constantly seeking new ways to fulfill their creative visions. Technology provides them the tools to scale new imaginative heights.

Today, technology empowers the consumer more than ever before and we use it to deliver quality content in the most convenient and timely way possible, to every screen within reach and at a price that makes it a genuine value.

We are witnessing an explosion of media and Disney is both reaping the benefits of that explosion and acting as a catalyst by taking a technology-friendly approach.



I am proud to say we were the first company to put movies and TV shows on iTunes, helping to accelerate a consumer revolution. As suppliers of some of the best-branded and highest –quality content in the world, we both create and satisfy demand. And that takes us to so many of the fantastic devices you’ll find on display at CES: from cell phones and MP3 devices to Blu-ray players and HDTVs. And speaking of HDTV, we provide more hours of high definition programming than anyone else.

Now, I’d like to show you just some of the magic we create across the Walt Disney Company.

VIDEO

As you’ve just seen, Disney is a brand like no other. It stands for high quality entertainment that consumers enjoy, look for, and trust. In this crowded digital world, that trust is more important than ever.

Technological advances provide us tremendous opportunities to engage the consumer with more depth and breadth and in a more convenient and personal way. Think about a sports fan watching highlights of a NBA game on ESPN 360 while keeping one eye on *Monday Night Football*, a group of friends swapping gossip about *Grey’s Anatomy* on ABC.com or a young woman in Seoul, Korea watching *Desperate Housewives* on her 3G cell phone as she commutes to work. We’re making it possible to find and enjoy our great content quickly and easily.

Getting the balance right between convenience and pricing is a challenge facing all of us who create and distribute digital content, especially where piracy is concerned. From my perspective, the best way to combat piracy is to bring content to market on a well-timed and well-priced basis.

We have taken major steps in that direction, making our products available on nearly every electronic device. Through iTunes, ABC.com and DisneyChannel.com, our TV shows, movies and Disney animated shorts have been played or downloaded over 120 million times, expanding our audience and growing our business.

One of the most important steps this past year was our acquisition of Pixar Animation Studios. Pixar has pioneered 3-D technology and artistry to create blockbuster films and instant classics that revolutionized animation.

Its latest movie, *Ratatouille* is from Brad Bird, the director of *The Incredibles*. It is the most evolved and most gorgeous example of computer animation ever. And today, I’m proud to give you a first look at one of its scenes, even though the animation isn’t quite finished...

VIDEO

The *WALT* Disney Company



Save the date of June 29 to see *Ratatouille* when it comes to a theater near you.

Now let me turn to ABC, where creativity and technology have merged to create a worldwide phenomenon called *Lost*.

Lost has not only found a large audience but also an unusually engaged audience. And we have taken every opportunity to leverage that powerful enthusiasm to create the most successful multi-platform program ever.

Lost was one of the first series offered on iTunes and it is still going strong. ABC.com has been jam-packed with traffic from fans that come to download interactive podcasts, contribute their thoughts and theories to a Wiki or just watch the full episode we make available the next day. *Lost* episodes can be downloaded directly to cell phones almost anywhere in the world...even, presumably, on a desert island.

Since you've come to Vegas this week for a sneak peak into the future, we figured you deserved a sneak peak into the closely-guarded secret unveiled by the season's finale. Intrigued? Let's watch...

VIDEO

Ladies and gentlemen please welcome...Evangeline Lilly and Matthew Fox.

If you think viewers are hooked on *Lost*, that's nothing compared to people tuning into ESPN. I mean, sports fans are fanatics! Hence the name. These insatiable enthusiasts demand to be plugged into instantaneous information from any place, any time, through every device they own. ESPN, in other words, has demonstrated that sports is a killer app for consumer electronics.

With a front-row seat on the NBA, Major League Baseball, NASCAR, The Rose Bowl, World Cup soccer, and the NFL, avid sports fans come to the multiple platforms of ESPN to spend an amazing 2 hours a day.

VIDEO

Joining me now is a well-known sports *and* technology fanatic. Please welcome the host of *Monday Night Football* on ESPN in HD, Mike Tirico.

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Mike Tirico – *Host, Monday Night Football on ESPN in HD*

Thank you, Bob. Now that the NFL playoffs have started and the regular season is over, I have my Monday Nights totally free.

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

Well Mike, you've earned the time off. Congratulations to you and your Monday Night team because this first season was a remarkable success by any measure. But here is my favorite measure: not only did *Monday Night Football* reach record audiences, but every Monday this season, ESPN.com averaged 25 million page views.

Mike Tirico – *Host, Monday Night Football on ESPN in HD*

Well, that's right out of our playbook. We call it "*Monday Night Football* Surround" and the idea is to provide football fans the scope of the online content they would expect to see on a Super Bowl Sunday.

VIDEO

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

That's right. In Bristol, Connecticut, we have built a state-of-the-art epicenter of sports production, engineering and digital media...rivaled in scope and sophistication only by NASA and NORAD.

Mike Tirico – *Host, Monday Night Football on ESPN in HD*

Just so you know, Bob, it's a big Monday on ESPN. That means basketball fans are watching tonight's Big East match-up between rivals: Villanova and Georgetown in Washington D.C.

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

In fact, they just tipped off. And now, for the first time ever at CES, we're taking you to a live game...

VIDEO

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Mike Tirico – *Host, Monday Night Football on ESPN in HD*

Bob, you know that this game – or parts of it - will be consumed on computers; TVs, PDAs, mobile phones and iPods.

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

And of course the appetite for sports coverage does not stop at our borders. Not only can ESPN bring the game here to CES, look where else fans are enjoying it live...

ESPN in Israel...

VIDEO

ESPN's DOS service in Mexico and Latin America...

VIDEO

Our ESPN channel in Australia...

VIDEO

Our ESPN Network serving India and China...

VIDEO

And our ESPN Network servicing North and South Africa...

VIDEO

Fans in 102 countries on six continents can watch this game right now.

The global distribution of ESPN is not only wide, it is also increasingly deep. More and more people are watching ESPN in high-definition. In fact, sports fans are leading the charge among all consumers in the transition to LCD and plasma TVs.

VIDEO

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Mike Tirico – *Host, Monday Night Football on ESPN in HD*

That's right. And in this coming year, ESPN and ESPN2 will show more than 7,000 hours and more than 700 events in high definition.

VIDEO

ESPNRadio.com is the most listened to online sports radio destination and has more than 20 free original podcasts each week. Here's a quick one about the Georgetown – Villanova game with Jay Bilas.

VIDEO

Meanwhile on the cell phone, ESPN's WAP, or Wireless Application Protocol, gets 8 million unique visitors monthly who are treated to unique content like this...

VIDEO

The basic idea is, Bob, that we've got fans exactly where they want to be – surrounded in sports on every platform within eyeshot and arms reach.

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

Mike, let's switch from the handheld back to the laptop and check in on the big game on the ESPN.com site. With its array of proprietary technology, stats and features, ESPN.com has become the number one domestic sports site on the web. Here's the college basketball front page with a live update of our game.

VIDEO

Let's see who the fans think will win. SportsNation on ESPN.com started asking the question this morning...you can see Nevada clearly thinks the Hoyas have it locked up.

And here's another cool feature: the new MyESPN personalized page. Let me show you my My-ESPN:

VIDEO

The **WALT DISNEY** Company



Mike Tirico – *Host, Monday Night Football on ESPN in HD*

Let's go to our broadband product, ESPN360. It's where it all comes together, featuring a proprietary online video player and access to the Web's best sports video library.

VIDEO

Tonight's game is simulcast live on ESPN360 – available to more than 15 million homes. In fact, ESPN360 featured more than 200 live events just like this in 2006 alone.

But ESPN360 goes deeper. When college basketball fans want to know how Georgetown is going to do this year, they can get exclusive previews and analysis from ESPN commentators right here.

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

Let's take a quick look back at the game and the score for those of you here in Las Vegas with a keen interest. Remember: money you lose in Vegas, stays in Vegas!

VIDEO

Thank you, Mike. That was great.

You've seen Pixar, ABC, and ESPN and now it's time to look at what we are doing with our Disney brand.

We have a pretty successful Disney.com portal today, the leader in online family usage, but the site is basically a site map for all things Disney.

As we look at the world, we see an explosion of personal media experiences on the broadband Internet enabled computer. And we believe Disney.com has to serve the interests of online users by offering a robust, broad and deep online media and entertainment experience.

So, here for the first time is the new Disney.com, the digital doorway into Disney and both a destination and a portal into a vibrant, rich online entertainment experience for children, parents and people genuinely interested in Disney...

VIDEO

The **WALT DISNEY** Company



Paul Yanover – *Executive Vice President and Managing Director, Disney Online*

In *Pirates of the Caribbean Online*, we've created a digital version of the world of Jack Sparrow and his mates where fans can go and live the life of a pirate. You'll be able to crew up with your friends, captain a ship and battle on land and sea. And best of all, we're going to let you play this massively multiplayer online game for free for as long as you want.

Here's some never-before seen footage of the *Pirates Online* game...

VIDEO

Bob Iger – *President and Chief Executive Officer, The Walt Disney Company*

Thanks Paul, the whole thing is incredibly exciting, having all things Disney in one attractive and accessible place...

We plan to build more virtual worlds like *Pirates*, based on a broad range of our properties, where we will invite our guests to become a part of our stories. Imagine living in Buzz and Woody's toy universe; joining an epic adventure in the lands of *Narnia*; racing Lightning McQueen through Radiator Springs; sharing the superpowers of *The Incredibles* or entering the magic world of Cinderella and the other Disney princesses.

One of the richest and most memorable of the worlds we've created is the world of pirates. A driving force behind it is the most successful movie producer in the history of Hollywood and the man behind many hit TV shows. Please welcome my good friend...Jerry Bruckheimer.

VIDEO

As you can see, I'm really enthusiastic about all the great things we are doing and where technology is taking us. So much of what you have just seen is experienced over a new medium that barely existed a decade ago, but now is capable of capturing all the excitement and emotion of Disney's great entertainment content.

Our history of bringing our storytelling and our roster of characters to the frontiers of technology is unrivalled. Since the day Mickey dared to speak in a "talkie," Disney has boldly taken its content to the cutting edge. Wherever the path of unfolding technologies and imaginative new platforms may lead, Disney will be there.

This afternoon, I am here to reinforce the importance of our powerful partnership.

The **WALT DISNEY** Company



Year in and year out, we are proud to bring our creative content to your innovative products and I really appreciate the opportunity to bring a little bit of Disney to this great stage.

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