

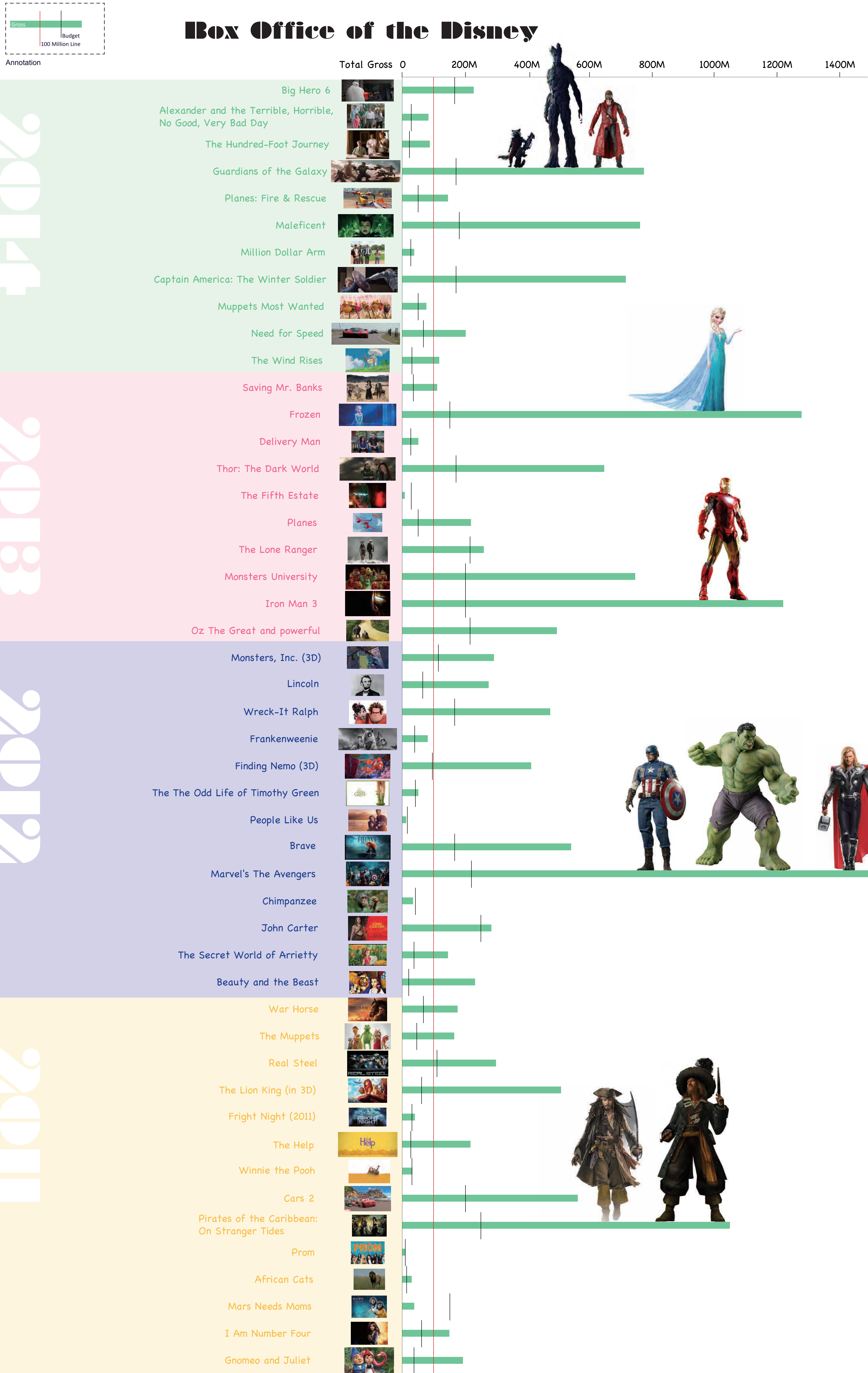
Disney

THE LAND OF MOVIE

The Walt Disney Company is a leading media and entertainment conglomerate. The company is divided into five major business segments: Media Networks (including the ABC network), Parks and Resorts, Studio Entertainment (including Pixar and Marvel), Consumer Products and Interactive Media. Under the leadership of its new CEO, Bob Iger, Disney has renewed its emphasis on its core strategy of creating and distributing attractive content for children and syndicating this content through its various entertainment channels. For example, when Disney produces a new movie, it continues to capitalize on the characters in the movie long after it has left the box office. Before the movie leaves theaters, the company will have already released a line of complementary toys and action figures. This is followed by the release of the movie on DVD and - depending on its popularity - a presence in Disney's theme parks or its own television show.

Film syndication and merchandising is more volatile than Disney's other sources of revenue. Success in this segment is determined by Disney's ability to produce hit movies--a difficult task with unpredictable results. A blockbuster movie can significantly boost revenues for years to come, but a pricey flop can also lead to extended lower sales. Disney has added to its movie-making assets through a series of acquisitions, including the \$7.4 billion purchase of Pixar, maker of Cars and Toy Story in 2006. It added Marvel in 2009 at a cost of \$4.2 billion and last year it added Lucasfilm, maker of the Star Wars films, in a deal valued at \$4.1 billion. These purchases bring immeasurable benefits to Disney's Studio Entertainment, making it the land of movie.

Box Office of the Disney



The Walt Disney Studios

Walt Disney Animation Studios

P X A R

Pixar Animation Studios



Touchstone Pictures

Touchstone Pictures

MARVEL

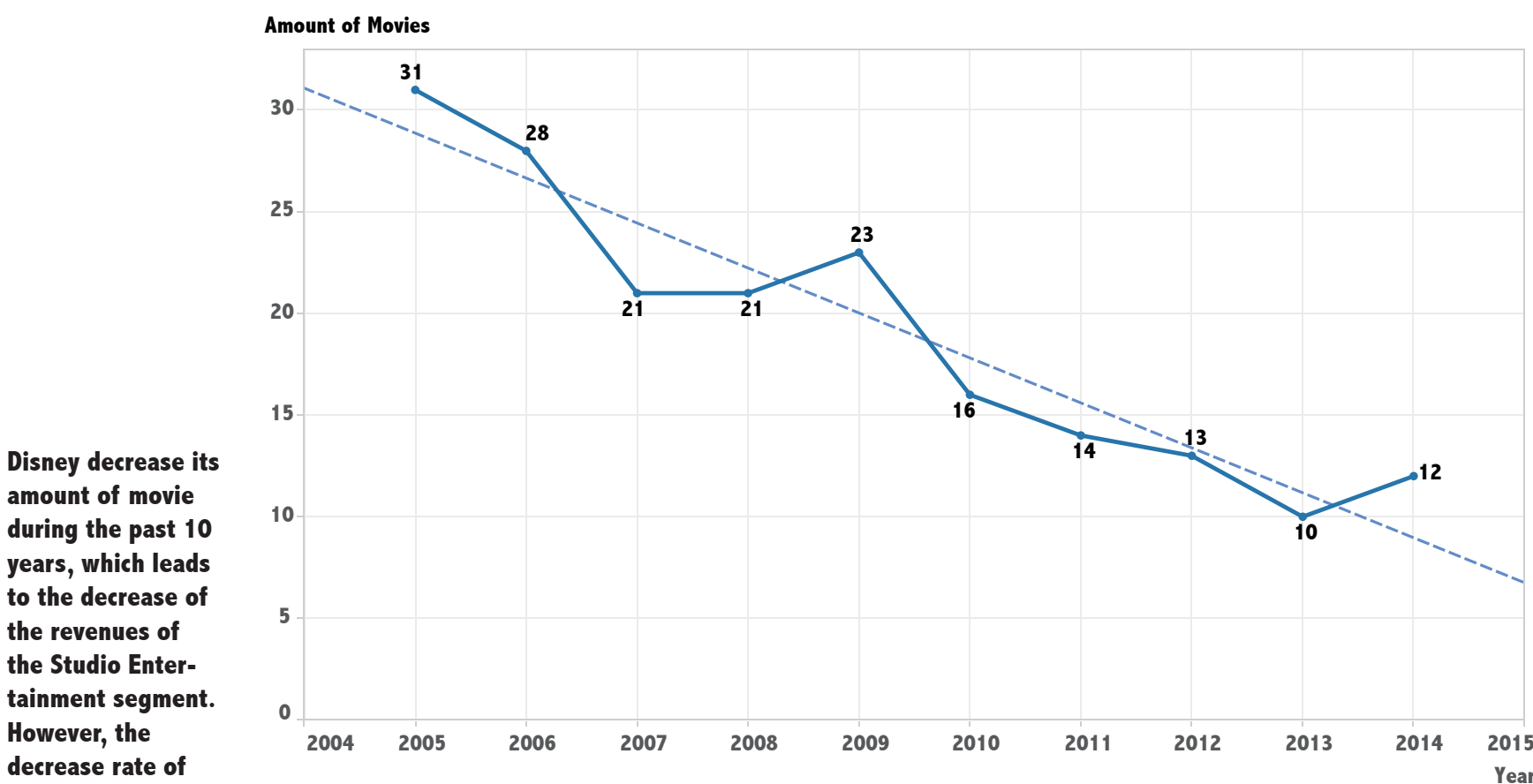
Marvel Studios

Distribution of Genre

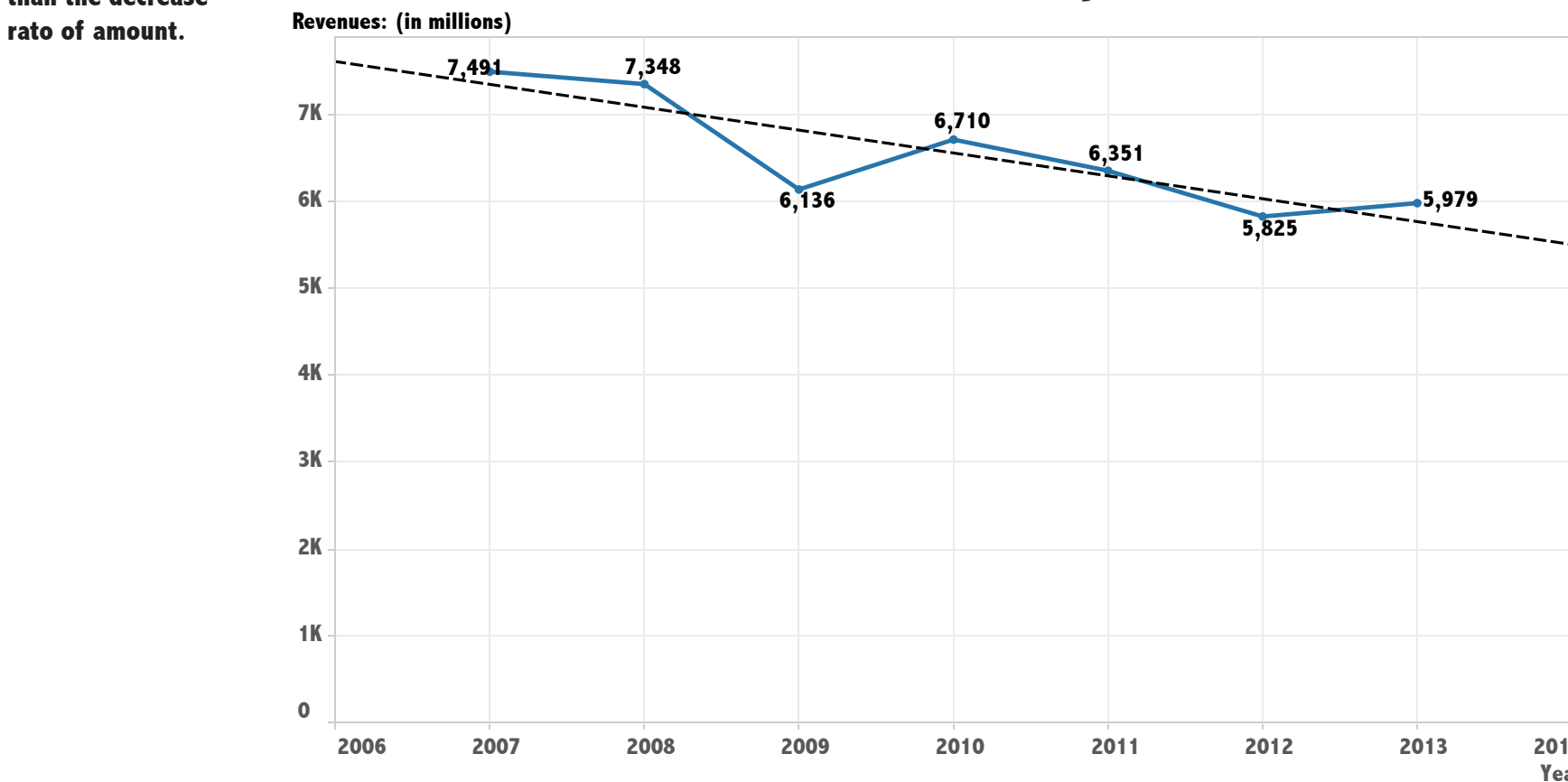
During the last 4 years, Disney has released 48 movies, which can be divided into 19 genres. Among all of them, animation takes part more than one third of them.



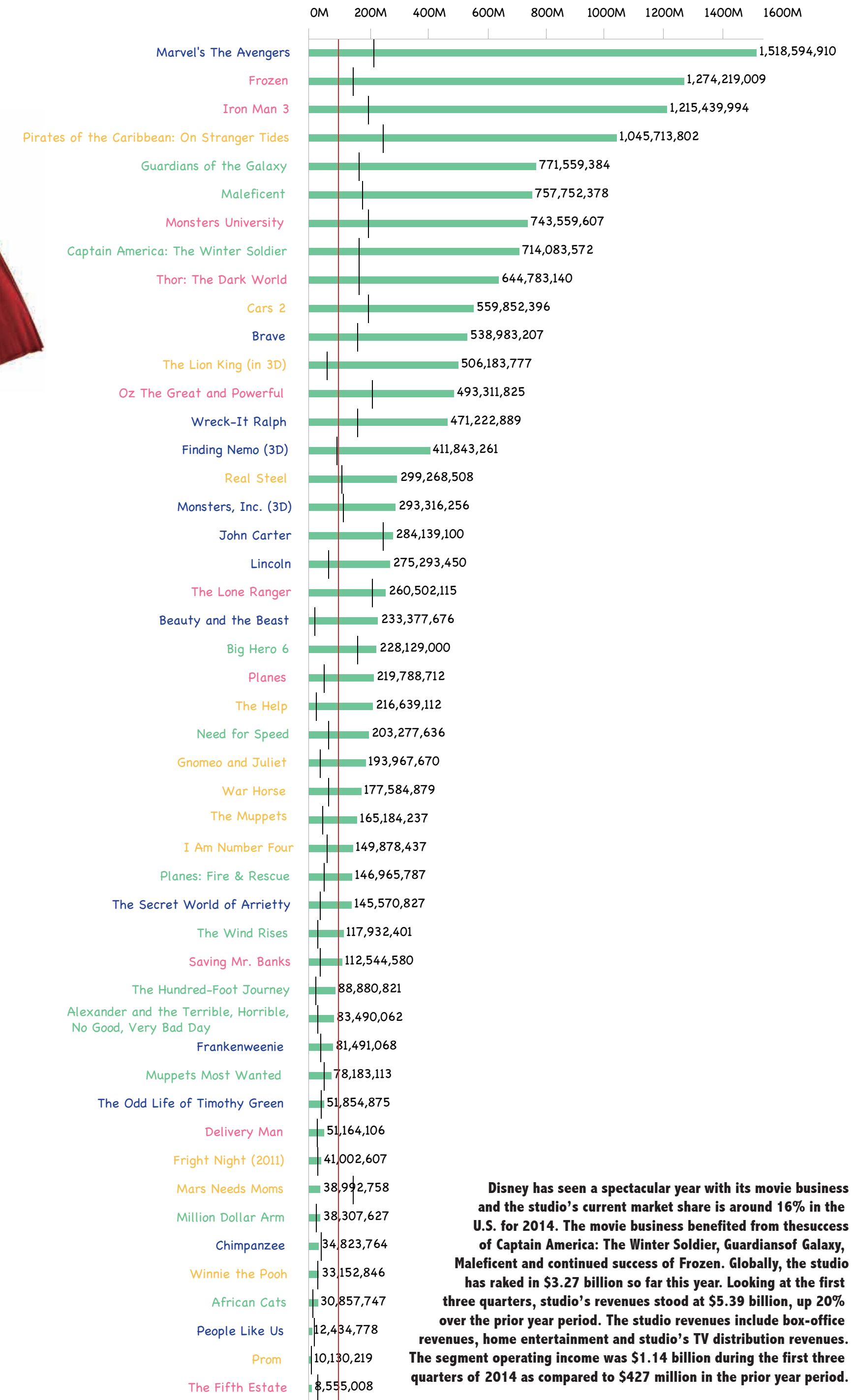
Release Amount



Revenues Change of Year



Rank by Gross



Disney has seen a spectacular year with its movie business and the studio's current market share is around 16% in the U.S. for 2014. The movie business benefited from the success of Captain America: The Winter Soldier, Guardians of Galaxy, Maleficent and continued success of Frozen. Globally, the studio has raked in \$3.27 billion so far this year. Looking at the first three quarters, studio's revenues stood at \$5.39 billion, up 20% over the prior year period. The studio revenues include box-office revenues, home entertainment and studio's TV distribution revenues. The segment operating income was \$1.14 billion during the first three quarters of 2014 as compared to \$427 million in the prior year period.