

WALT DISNEY PRODUCTIONS



ANNUAL REPORT

TO SHAREHOLDERS AND EMPLOYEES FISCAL YEAR ENDED OCTOBER 2, 1965





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PARENT COMPANY

Walt Disney Productions
500 So. Buena Vista Street, Burbank, California
Produces motion pictures for theatrical and television distribution — operates Disneyland Park — operates Celebrity Sports Center — conducts ancillary activities.

DOMESTIC SUBSIDIARIES

Buena Vista Distribution Company, Inc.
Irving H. Ludwig — President
Distributes, syndicates and sells only the product of Walt Disney Productions comprised of 35mm theatrical film, 16mm film, television shows and records and albums.

Buena Vista International, Inc.
Edmund F. Clarke — President
Supervises the distribution of Walt Disney Productions 35mm theatrical film, 16mm film and television shows in foreign countries.

Walt Disney Music Company
James A. Johnson — President
Music Publishing — ASCAP affiliate.

Wonderland Music Company
James A. Johnson — President
Music Publishing — BMI affiliate.

WED Enterprises, Inc.
Orbin V. Melton — President
Imagineers, creates, designs and fabricates new projects.

STOCK TRANSFER AGENTS: Bank of America, N.T. & S.A., Los Angeles, California; Bankers Trust Company, New York, N.Y.

STOCK REGISTRARS: United California Bank, Los Angeles, California; First National City Bank, New York, N.Y.

STOCK EXCHANGES: The common stock of the Company is listed for trading on the New York and Pacific Coast Stock Exchanges.

AUDITORS: Price Waterhouse & Co., Los Angeles, California.

ANNUAL MEETING OF STOCKHOLDERS: First Tuesday in February at the offices of the Company, 500 South Buena Vista Street, Burbank, California.

This report is distributed for the information of stockholders and employees of the Company. It is not to be considered either as a prospectus or circular in connection with the purchase and/or sale of securities nor is it to be considered a part of the proxy soliciting material of the Company for the annual meeting of its stockholders.

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DIRECTORS

Walter E. Disney
Executive Producer in charge of all production

Roy O. Disney
President and Chairman of the Board, Member Executive Committee

George L. Bagnall
President — George Bagnall and Associates

Donn B. Tatum
Vice President — Administrative Assistant to President, Member Executive Committee

William H. Anderson
Vice President — Production and Studio Operations

E. Cardon Walker
Vice President — Marketing, Member Executive Committee

Gordon E. Youngman
Senior Partner, Youngman, Hungate and Leopold

S. Clark Beise
Chairman Executive Committee, Bank of America

CORPORATE OFFICERS

Roy O. Disney
President and Chairman of the Board

William H. Anderson
Vice President — Production and Studio Operations

E. Cardon Walker
Vice President — Marketing

Donn B. Tatum
Vice President — Administrative Assistant to President

Joseph W. Fowler
Vice President — Disneyland Operations

William E. Potter
Vice President — Administration — Florida Project

Bonar Dyer
Vice President — Industrial Relations

Oliver B. Johnston
Vice President — Merchandising

Spencer C. Olin
Vice President — General Attorney, Talent, Properties, Copyrights and Patents

Richard T. Morrow
Vice President — General Attorney, Corporate, Finance

Robert P. Foster
Vice President — Legal — Florida Project

Luther R. Marr
Secretary — Legal

Michael L. Bagnall
Assistant Secretary

Franklin Waldheim
Assistant Secretary and Eastern Counsel

Lawrence E. Tryon
Treasurer

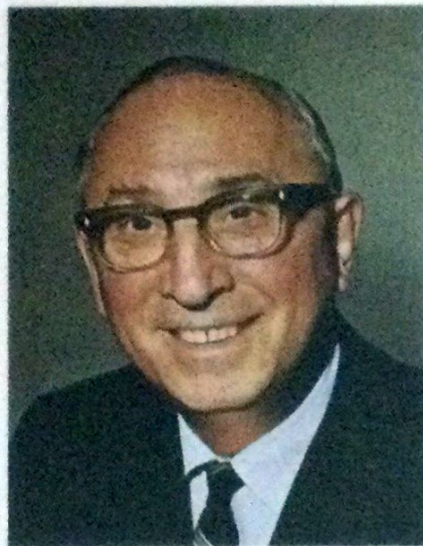
Orbin V. Melton
Assistant Treasurer

Donald A. Escen
Assistant Treasurer

Richard L. Johnson
Assistant Treasurer



Walt Disney



Roy O. Disney



Donn B. Tatum

The Disney Team: MANAGEMENT

With *Mary Poppins* scoring heavily at the boxoffice, with Disneyland moving into its second decade to a gratifying acceptance from press and public, and with the Florida and Mineral King projects announced and in the early planning stages, 1965 was a banner year, and 1966 is off to another promising start.

With the steady growth of the company there has been a mushrooming of the Disney activities so that in this letter, and later on in the report, we will try to give you a closer and more comprehensive look at every phase of our world-wide operations in a more dramatic and detailed manner than we have in the past.

Since 1955, our gross income has increased from \$24,000,000 to \$110,000,000, but of equal importance, diversification of activities has reduced the percentage of film rental income to gross income from approximately 75% to 48% this year. Stockholders' equity has risen from \$8,889,000 to \$53,125,000.

Today our own employees sell directly and supervise film distribution in about 90% of the world market as compared with ten years ago when we sold only the domestic market.

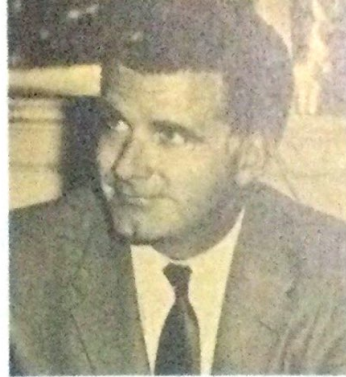
One of the most important elements in our own planning for the company's continuing success is our dependence on a close-knit management team. In an attempt to insure growth and prosperity for all things Disney, we have been developing a group of highly competent younger men. To their varied educational backgrounds, ranging from law and business administration, to sales and advertising, has been added the specific "Disney way" of conducting business.

Our concept is simple. We stay close to the fundamentals of entertainment for the family, or closely related activities. We produce and market product only for ourselves — no outsiders — thus giving us complete voice in its marketing. Since motion pictures are our main endeavor, we see to it that all ancillary activities — merchandise, music, records, television, serve the purpose of aiding motion picture marketing and exploitation. In turn, the motion pictures make the ancillary activities successful and profitable.

Whenever possible we turn to our own organization when advancement opportunities are offered. We have a large number of employees who have been with us for many years who are now our top key personnel, familiar with every aspect of our business. These men are in turn backed up by younger men, in training for better positions. This gives us a high degree of management interest and competence in our present activities and develops manpower for expansion and the development of new projects.



William H. Anderson



E. Cardon Walker

Three members of our top executive group are long-time employees who work directly with Walt and me in production, sales and administration, and are members of the Board of Directors, where they contribute their considerable experience and good judgment to the deliberations and decisions of our policy-making body. They are Donn B. Tatum, Vice President and Administrative Assistant to the President; William H. Anderson, Vice President in charge of Production and Studio Operations, and E. Cardon Walker, Vice President in charge of Marketing.

The Board's membership of eight also includes three outside executives whose independent views serve as a counter-checking influence for those of us who are involved in the day-to-day operations of the company, and as guides in the gearing of the company's economy to the nation and the world. These are George L. Bagnall of Beverly Hills, formerly an officer, successively, of several motion picture companies and now owner and President of George Bagnall & Associates, Inc., television syndicators; Gordon E. Youngman of Los Angeles, senior partner in the law firm of Youngman, Hungate & Leopold; and S. Clark Beise of San Francisco, Chairman of the Executive Committee of the Bank of America.

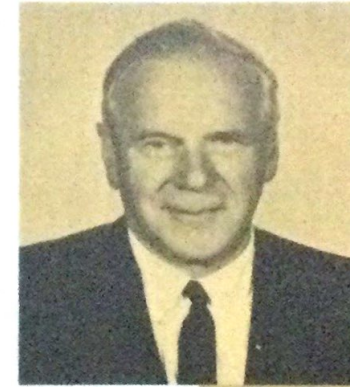
The diversified experiences of Messrs. Bagnall, Youngman and Beise, all noted experts in their respective fields, and with many years experience in and with the motion picture industry, are of inestimable value to Walt Disney Productions.

From the inception of our business in 1923 we have occupied a unique spot in the motion picture industry. Our product has always carried the banner name, Walt Disney, as producer, and all of it has reflected Walt Disney's attitudes and outlook on life, and his views on what constitutes entertainment. His philosophy is now thoroughly ingrained throughout our organization and in our key personnel in a way that insures its perpetuation. This has continued to be true of Disneyland, WED Enterprises, and other facets of the company's operations, and will continue to be true of our new Florida project and Mineral King.

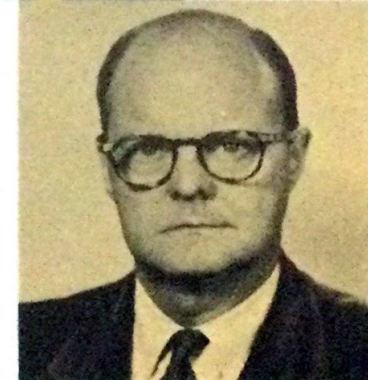
Just as the past ten years have seen very substantial growth and diversification in our business, I am confident that the forthcoming decade will see another period of substantial growth and expansion. We are convinced that, by maintaining a high-quality family product, and by continuing our idea of total marketing, we can continue to be one of the outstanding entertainment companies in the business.

Walt Disney

President and
Chairman of the Board



George L. Bagnall



Gordon E. Youngman



S. Clark Beise



The Disney Team: PRODUCTION

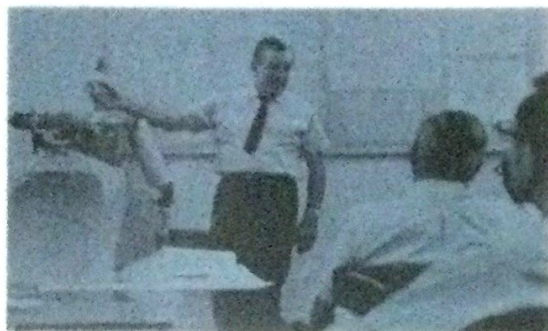
Recently someone pointed out that in the past ten years we have produced 52 feature length motion pictures, exactly twice the 26 features we made in our first three decades, since the day in 1923 when Roy and I went into business making cartoons.

Those who have followed our progress know that this figure is typical of what our imaginative staffs have accomplished in recent years, in all areas of our company. The success of *Mary Poppins* and our other films, the world-wide attraction of Disneyland Park, the impact of our color program on network television, and the popularity of our four shows at the New York World's Fair – these things give us confidence that what we do continues to have strong appeal and acceptance by the public.

Around here, however, we don't look backwards for very long. We keep moving forward, opening up new doors and doing new things, because we're *curious* . . . and curiosity keeps leading us down new paths. We're always exploring and experimenting. Right now, we are busy dreaming up ideas for our future motion picture productions, new stories for television, new adventures for Disneyland, and our biggest new adventure of all, "Disney World" in Florida.

Today we can begin all these exciting new projects because of the creative and experienced team we have gathered together at the Studio, at Disneyland and at WED Enterprises, the design organization for such things as Disneyland and our World's Fair projects.





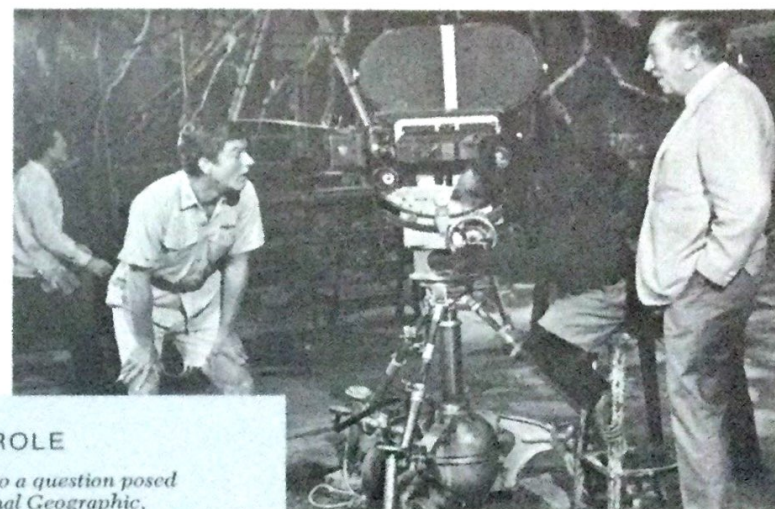
The whole thing here is the organization. Whatever we accomplish belongs to our entire group, a tribute to our combined effort. Look at Disneyland. That was started because we had the talent to start it, the talents of the organization. And our World's Fair shows — what we did was possible only because we already had the staff that had worked together for years, blending creative ideas with technical know-how.

People are always analyzing our approach to entertainment. Some reporters have called it the "special secret" of Disney entertainment. Well, we like a little mystery in our films, but there's really no secret about our approach. We're not out to make a fast dollar with gimmicks. We're interested in doing things that are fun — in bringing pleasure and especially laughter to people. And we have never lost our faith in *family* entertainment — stories that make people laugh, stories about warm and human things, stories about historic characters and events, and stories about animals.

And probably most important of all, when we consider a new project we really study it. Not just the surface idea, but everything about it. And when we go into that new project, we believe in it all the way. We have *confidence* in our ability to do it right. And we work hard to do the best possible job.

Right now, at the Studio, at Disneyland and at WED, we are working hard on many different projects — ideas and plans that excite our imaginations and challenge our skills. Speaking for myself and for our entire production team, we have never been more ready to carry out these exciting assignments.

WALT DISNEY



WALT'S ROLE

Responding to a question posed by the National Geographic, Walt Disney described in this way his role as the company's creative catalyst:

"You know, I was stumped one day when a little boy asked, 'Do you draw Mickey Mouse?' I had to admit I do not draw any more. 'Then you think up all the jokes and ideas?' 'No,' I said, 'I don't do that.' Finally, he looked at me and said, 'Mr. Disney, just what do you do?'"

"'Well,' I said, 'sometimes I think of myself as a little bee. I go from one area of the studio to another and gather pollen and sort of stimulate everybody.' I guess that's the job I do."

The pictures on this page illustrate "Walt's role" at the Studio, in Disneyland and at WED Enterprises.





"We keep moving forward, opening up new doors
and doing new things, because we're curious ...
we're always exploring and experimenting."

THE STUDIO: Versatility

The continuity of key personnel at Walt Disney Productions is unmatched in the entertainment industry. Many of the company's outstanding creative talents started with Walt when the animated cartoon was the company's only product. The key producers, directors, animators and other film craftsmen pictured on this and the two pages that follow have a combined tenure of 990 years working with Walt Disney, an average of 22 years per man.

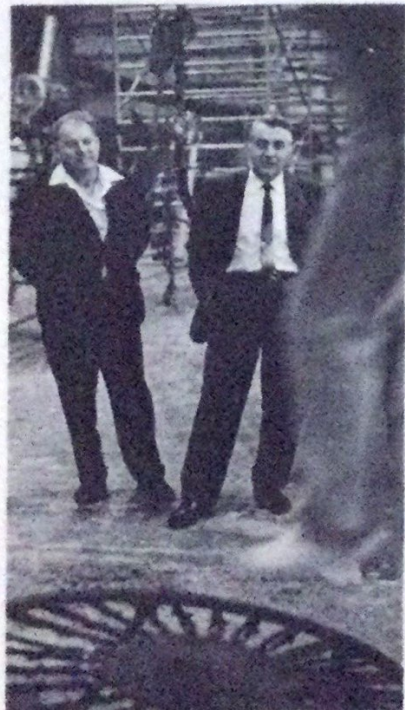
With Walt as the driving force, this team has produced more than 600 films and 1900 hours of television entertainment. In turn, their combined efforts have been recognized by more than 900 awards from organizations and governments throughout the world; 34 of these are the motion picture industry's highest honor, the Academy Award.

The reservoir and training ground for the company's creative staffs has always been the Studio. As the company proved its versatility by expanding from animated films to live-action production, television, films for school and industry, and the design of attractions for Disneyland and the New York World's Fair, the key creative personnel for each of these new ventures has invariably come from somewhere on "the lot." The company's artistic (and financial) success in each of these new ventures is a tribute to the versatility of those schooled in "the Disney way."

Today, "the lot" is busier than ever before, and the assignments Walt hands out call upon all the special skills of the organization, working in concert week after week and month after month, to achieve a two-hour *Mary Poppins* or one-hour show for Walt Disney's *Wonderful World of Color*.

The number of people working together to produce a combined live-action and animated cartoon scene, for example, would stagger the average movie-goer's imagination. A complex sequence like the Jolly Holiday number in *Mary Poppins* illustrates how all the talents of the Studio contribute to the final, team production.

Before one frame of film was in the camera, the talents of script-writers, live action and cartoon directors, sketch artists, color stylists, set designers, songwriters,





costume designers, make-up artists, hairdressers, choreographers, sound and special effects technicians, layout men, background artists and animators had prepared for the climactic moments.

The musical director, working with arrangers, had completed the orchestral and vocal arrangements and recorded both the "Jolly Holiday" and "Supercalifragilisticexpialidocious" songs with actors and full orchestra.

When finally the actors went before the cameras, a complete production crew was on the sound stage, including the director, assistant directors, cameramen and crew, art director and set directors, wardrobe staff, make-up artists, property masters, sound and lighting crews, electricians, special effects experts, and assorted carpenters, painters and other behind the camera personnel.

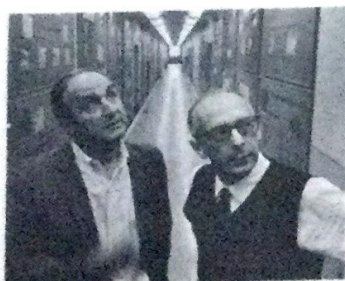
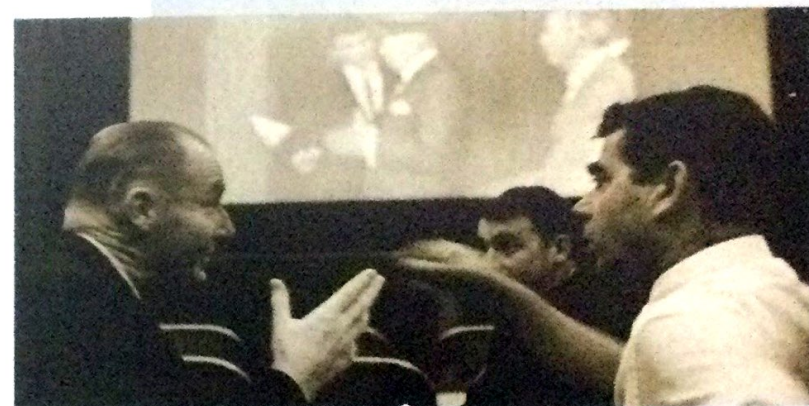
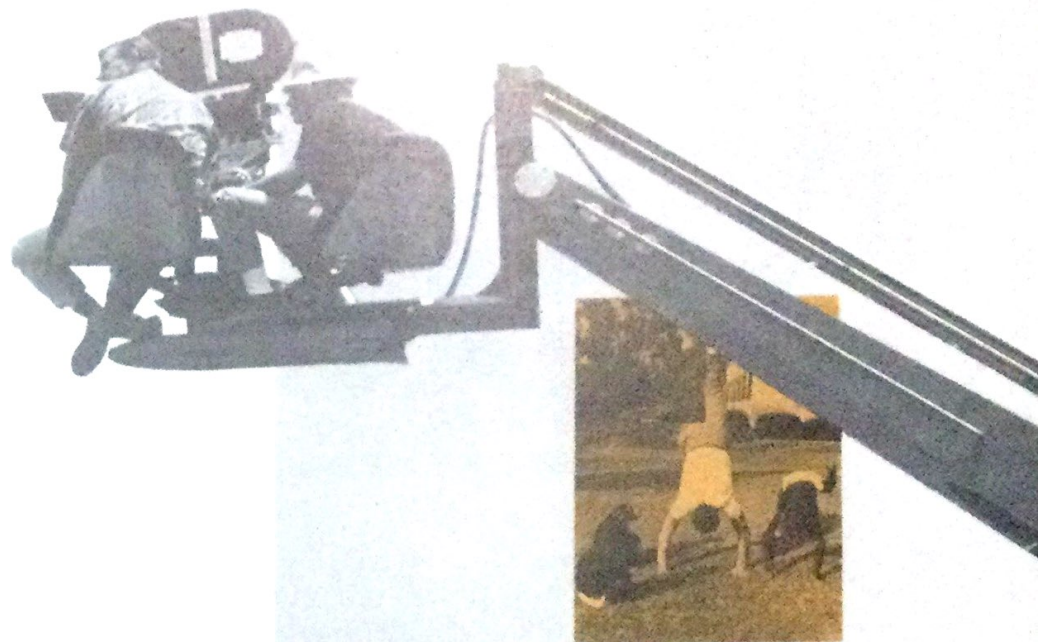
Performing before a sodium screen, a unique Disney-invented process used for such special scenes, the actors danced, sang and spoke their lines with invisible cartoon characters that would be added at a later date.

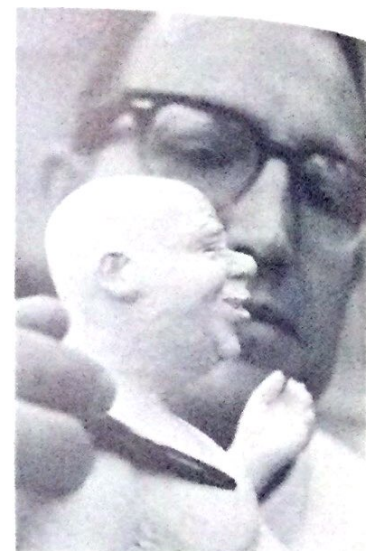
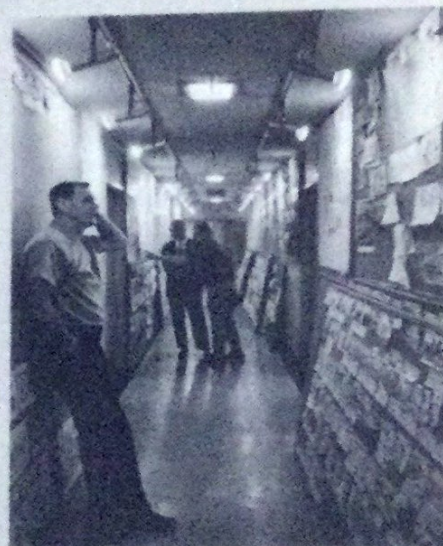
With the live-action scenes completed, the cartoon director and his staff began the long and arduous task of drawing layouts, painting backgrounds, and animating the cartoon characters who would appear on the screen with the very live Julie Andrews and Dick Van Dyke.

These drawings were then transferred to celluloid and hand painted, and each cartoon scene — complete with background and cels — was photographed in color by an animation crew, a frame at a time. As each cartoon scene was finished, it was printed into the live action scenes by technicians in the studio's process laboratory. The combination scenes were then added to the final reel by the film editor.

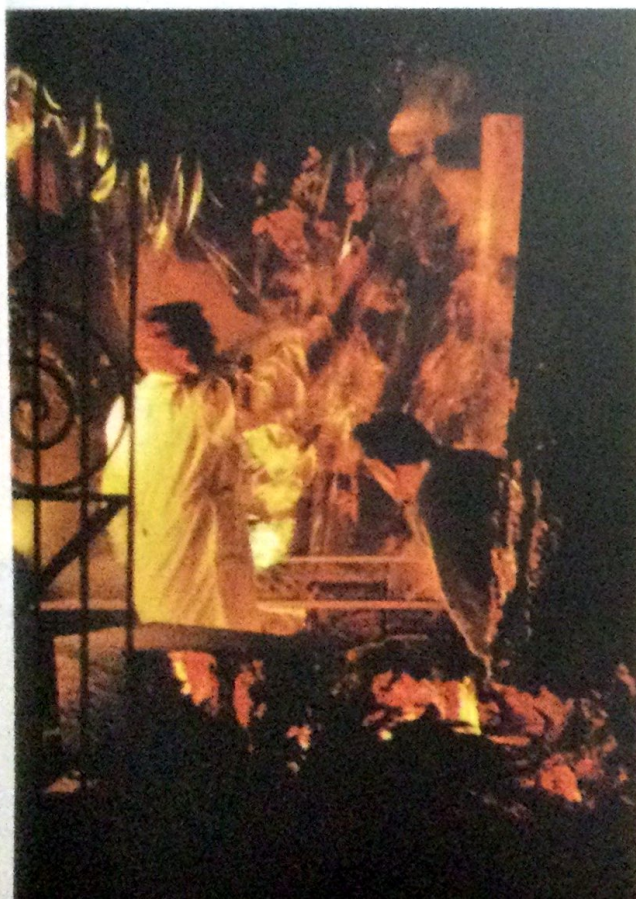
More than a year's time and dozens of the motion picture industry's outstanding production and technical talents went into the creation of this 23-minute sequence that thrilled theater audiences around the world.

The photographs on these pages illustrate the Disney creative team at work on productions for 1967 release.





WED: Imagineering



New Orleans in the 1850's... a hair-raising pirate raid on the Spanish Main... the "Small World" of childhood with all of its gaiety and excitement... buildings and transportation systems of the future... a huge and unique community devoted totally to family recreation and entertainment.

These are the newest elements of an ever-changing world of WED, where ideas become three-dimensional realities. Officially titled WED Enterprises, Inc. (the initials stand for Walt E. Disney), this is the master planning, architecture, engineering, research and development firm which became a subsidiary of Walt Disney Productions in February, 1965.

Shortly after WED was organized by Walt in 1952, he fashioned it into the versatile staff he needed to plan and design Disneyland. With WED, Walt literally added a new dimension to Disney entertainment. The abilities of those who had worked by his side for years in the two-dimensional world of films were rechanneled into the design of three-dimensional attractions for the Magic Kingdom.

They became project designers, sculptors, research and development technicians, model builders and interior decorators. He complemented these talents

by adding highly flexible architects, engineers and draftsmen who could design yesterday, tomorrow and the timeless world of fantasy.

WED's *Imagineers*, under Walt's personal direction, have designed all of Disneyland's attractions, as well as the quartet of popular Disney shows at the New York World's Fair. These successes for major American industry have given WED a new role, creating shows and corporate displays for companies inside Disneyland.

WED technicians have also developed the remarkable Audio-Animatronics system of three-dimensional animation, an application of space-age electronics for entertainment purposes. The WEDway "People-Mover" transportation system, a potential answer to intra-city transit problems, will soon be installed in the New Tomorrowland section of Disneyland.

WED's staff of 175 moved into newer and larger quarters in mid-1965. At the year's end, the WED staff was well into projects that will add \$45 million to Disneyland's capital investment in the next five years. And planning is underway for the new Disney World in central Florida.

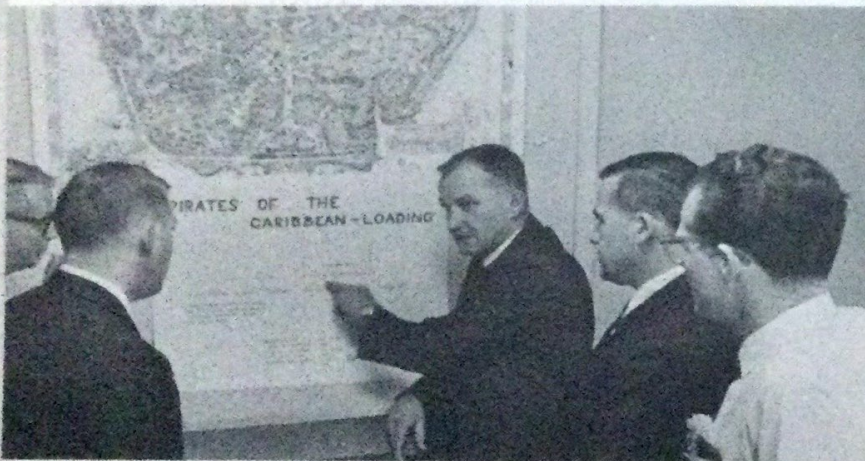
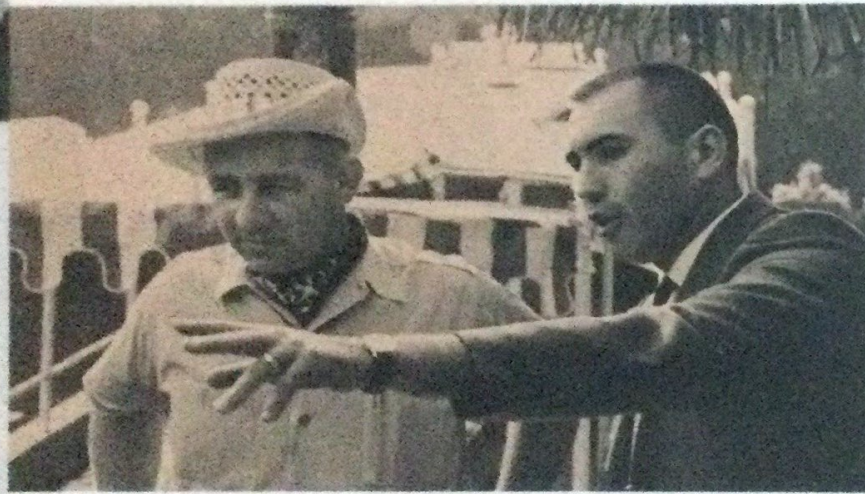


DISNEYLAND: *The Proving Ground*

No one ever built a "Disneyland" before Walt did it. It took personal and corporate courage to go ahead despite widespread predictions that Disneyland would be a "Hollywood spectacular"—a spectacular failure.

Today Disneyland has established new standards for an industry, outdoor recreation, that had few champions until the Magic Kingdom's success. It follows that Disneyland was, and continues to be, a pioneer in its concepts and in its operation. And in the course of entertaining more than 50 million visitors, Disneyland has been the most important "laboratory" that has ever existed in the business of outdoor recreation — the proving ground for new ideas, the training ground for a new generation of management and supervisory personnel.

The staff assembled originally at Disneyland, and augmented over the years, came from a wide variety of backgrounds. They had, however, one common inexperience: few were hampered by prior knowledge or notions about outdoor recreation. Disneyland's unique solutions to problems of operation, maintenance, construction, marketing, merchandising and food service have been proposed and implemented by Walt Disney and this staff. Almost without exception, top management and supervisory personnel have been with Disneyland since its opening.

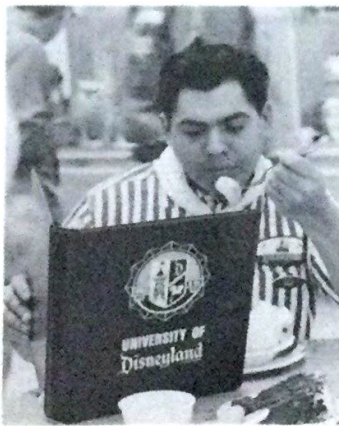
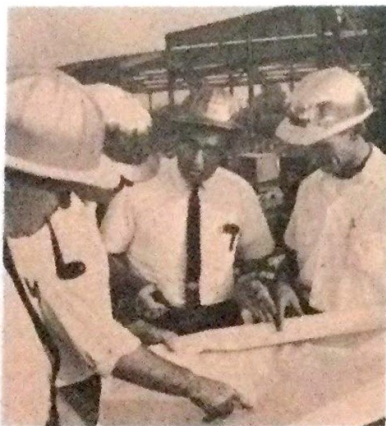
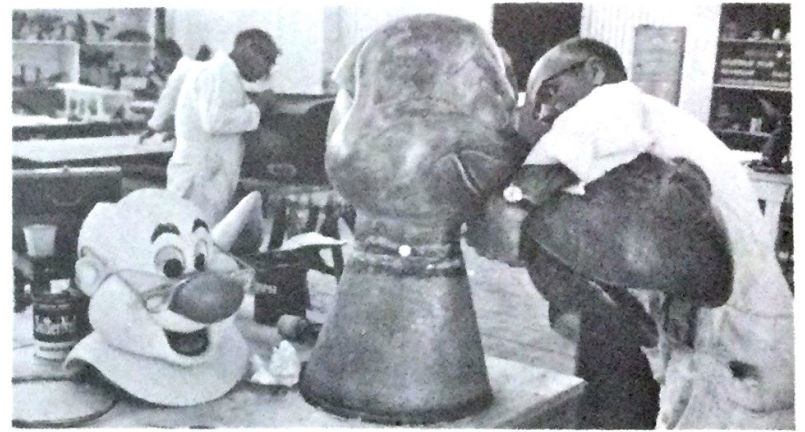




To perpetuate these key concepts, particularly methods of making the individual guest feel welcome in the midst of masses of people, Disneyland long ago established its own extensive "good host" training program. Before a new employee ever meets the public as a representative of Disney, he has "graduated" from the *University of Disneyland* – a school complete with faculty, textbooks and classes ranging from public speaking to personal manners. Its goal is to make each employee a true "ambassador" of Disneyland's warm and friendly spirit, and its motto is: "*We love to entertain kings and queens, but at Disneyland, every guest receives the VIP treatment.*" After 10 years and 50 million guests, Disneyland is famous the world over for its friendliness.

The experience provided by 10 years of Disneyland made possible the Disney success at the New York World's Fair. It is this experience, and the manpower that has lived it and managed it, that now makes possible the company's orderly progression into projects of such magnitude as Disney World in Florida.

We believe that no other organization today can approach the design and operation of an outdoor recreation attraction with the reservoir of trained and proven personnel already employed by Walt Disney Productions.



1965: BIGGEST

PICTURE
YEAR
FAIR



MARY
POPPINS

A year ago as the picture opened throughout the United States and Canada, we were saying in the Annual Report that *Mary Poppins* is . . . Supercalifragilisticexpialidocious! Now we can say that *Mary Poppins* is also Supercalifragilisticexpialigethisch! for German audiences, Superantipessimisticextriainmaginoso! in Italy, Superoptimopsisktoppipang-fenomenomenalisk! in Sweden, Super . . . well, you get the idea. *Mary Poppins* is something special that has taken the whole world by international agreement.

It began with a record-breaking engagement at Grauman's Chinese Theatre in Hollywood, toppled more marks at New York's Radio City Music Hall and went on from there across

the sea to win the hearts of Europe, South America, Central America, Africa, Australia and the Middle East. As calendar 1965 closed, the lady with the umbrella was flying off to the Far East for the first time, opening in Japan early in December.

A year ago we were saying it was too early to estimate the picture's ultimate gross income. Now we can say that based on its 1965 performance, *Mary Poppins* will gross more than \$45 million on her first trip around the world. And by the end of 1966, few nations on the globe will have missed *Mary Poppins*; 200 million people will have thrilled to her Disney magic.



It was called a Tencennial, in honor of Disneyland's Tenth Anniversary. And if any celebration ever scored a tenstrike, this was the one.

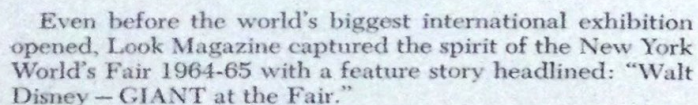
In the year just ended, attendance at Disneyland soared over six million for the first time to a record 6,356,238. That's an increase of more than 400,000 visitors over the Park's best previous year, 1964, and a staggering 67.3% higher than attendance in the first fiscal year a decade ago.

Two new attractions — the dramatic "Great Moments with Mr. Lincoln" show in the new Opera House on Main Street, and the elegant 1890 restaurant, the Plaza Inn — played a major role in bringing record numbers of people to the Park, as did the biggest line-up of nighttime entertainment ever presented by Disneyland.

In the face of the World's Fair and its appeal for travelers to go East instead of West, Disneyland's own promotion and publicity achieved record levels. More newspaper space and radio-TV time than ever before was devoted by the nation's newsmen to singing the Magic Kingdom's praises.

On a continuing basis, much of the attention was generated by the first "Miss Disneyland," Tencennial ambassador of good will Julie Reihm, who toured Latin America, Europe, Asia, Australia and cities across the U.S.A. handing out "honorary citizen of Disneyland" decrees to presidents, mayors, governors and premiers.

During 1965, Disneyland also welcomed its 50 millionth guest, bringing total attendance to 51,326,980 through October 2.



Even before the world's biggest international exhibition opened, Look Magazine captured the spirit of the New York World's Fair 1964-65 with a feature story headlined: "Walt Disney — GIANT at the Fair."

The boldest predictions, however, could not have foreseen the way four Disney shows would dominate this 600-acre showcase of "Man's Achievements in an Expanding Universe." In attractions for General Electric, Ford, Pepsi-Cola and the State of Illinois, Walt Disney entertainment was easily the Fair's common language — the bridge that linked industry with the general public.

On an average day, attendance at the four Disney shows

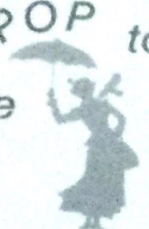
exceeded 128,000 people. Ninety-one percent of the Fair's paid attendance — 46,871,236 people — visited the four Disney attractions.

The company's World's Fair success is many-faceted. First, 10,308,230 guests paid for a happy cruise through *It's A Small World* — 4.8 million in 1964 and 5.4 million in 1965. Second, all four of the shows, in one form or another, will go on working for the company as additions to Disneyland.

And significantly, Walt's assist in the corporate competition for public favor paid off so handsomely for General Electric that when the *Carousel of Progress* moves to Disneyland in 1967, G.E. will move right along as its sponsor.

1966

MOTION PICTURES

In 1966
watch these
exciting motion
pictures ^{POP} to the
top like  did

THAT DARN CAT • THE UGLY DACHSHUND
WINNIE THE POOH • BAMBI
BULLWHIP GRIFFIN • LT. ROBIN CRUSOE, U.S.N.
THE FIGHTING PRINCE OF DONEGAL • FOLLOW ME BOYS

That Darn Cat — kicking off the 1966 feature line-up — is showing signs in its initial engagements of becoming one of the company's most successful motion pictures.

Since opening to rave reviews in England during October, the Hayley Mills comedy has been equaling *Parent Trap* business, our best money maker in the British Isles before *Mary Poppins*.

But the biggest news *That Darn Cat* is making stems from its American debut — a booking in New York City's highly selective Radio City Music Hall. Not only is the Music Hall the world's largest theatre, with 6,200 seats; it's also a much sought after showcase for every producer. *Darn Cat's* run has not only been profitable, but has set the picture up for prime bookings throughout the United States.

And that's just the beginning. For 1966 from Walt Disney, there's also . . .

Christmas '65 Hayley Mills, Dean Jones, Dorothy Provine, Roddy McDowall, Neville Brand and Ed Wynn star in a hilarious cliffhanger about a slippery Siamese that becomes the only clue to a kidnapping . . . and leads the F.B.I. on the funniest screen chase since the *Keystone Kops*.



February **DACHSHUND**
 stars Dean Jones, Suzanne
 Pleshette and Charlie Ruggles
 in a laugh-riot about a
 Great Dane that thinks he's a
 Dachsie. **WINNIE THE POOH**
 introduces A. A. Milne's
 famous characters just
 as you remember them.



THE UGLY DACHSHUND

An All-Cartoon Featurette

Winnie the Pooh and the honey tree



Easter The timeless story of
 a little fawn who survives
 many perilous adventures,
BAMBI returns to the
 nation's screens with all
 its wonderful woody
 characters and atmosphere

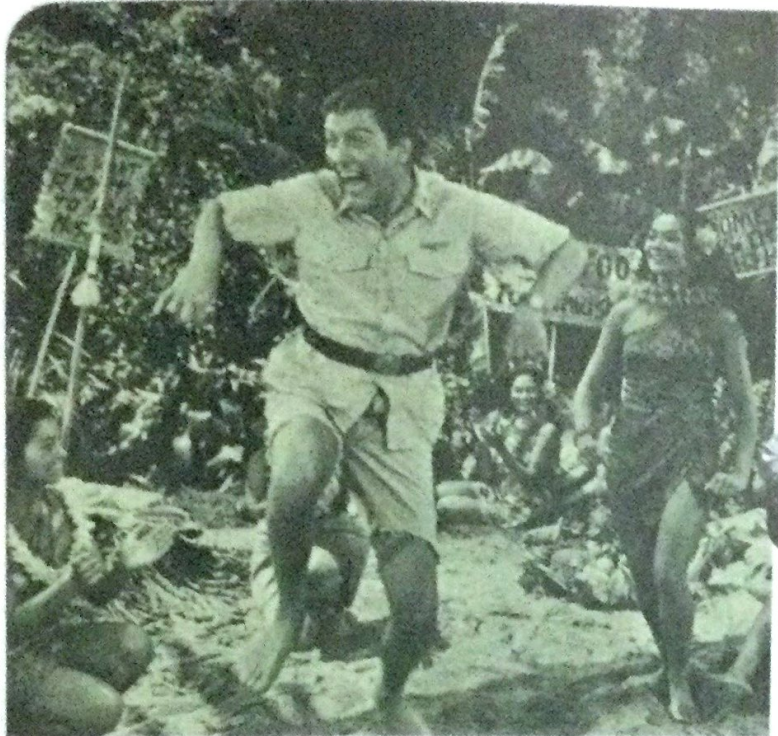


BAMBI



BULLWHIP GRIFFIN

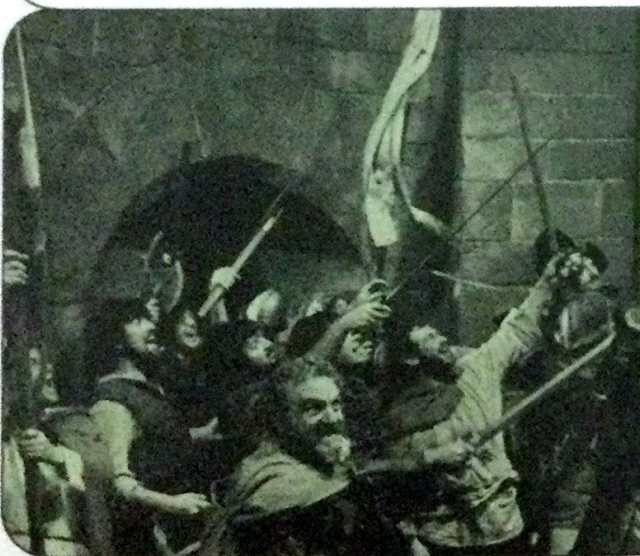
June Starring
 Roddy McDowall,
 Suzanne Pleshette and
 Karl Malden, this
 tongue-in-cheek comedy
 adventure has action,
 romance, intrigue
 and broad Flubber-type
 humor. It's a
 bigger-than-life farce
 about the gold rush days.
 Co-starring Harry
 Guardino, Richard Haydn
 and Hermione Baddeley.



July It's a panic from beginning to end, with Dick Van Dyke, as a Navy pilot marooned on a South Sea island. Nancy Kwan is his "Girl Wednesday," Akim Tamiroff her "tatha" and head head hunter. And there's a scene stealing chimp named Dink as Dick's Simian companion.



LT. ROBIN CRUSOE, U.S.N.

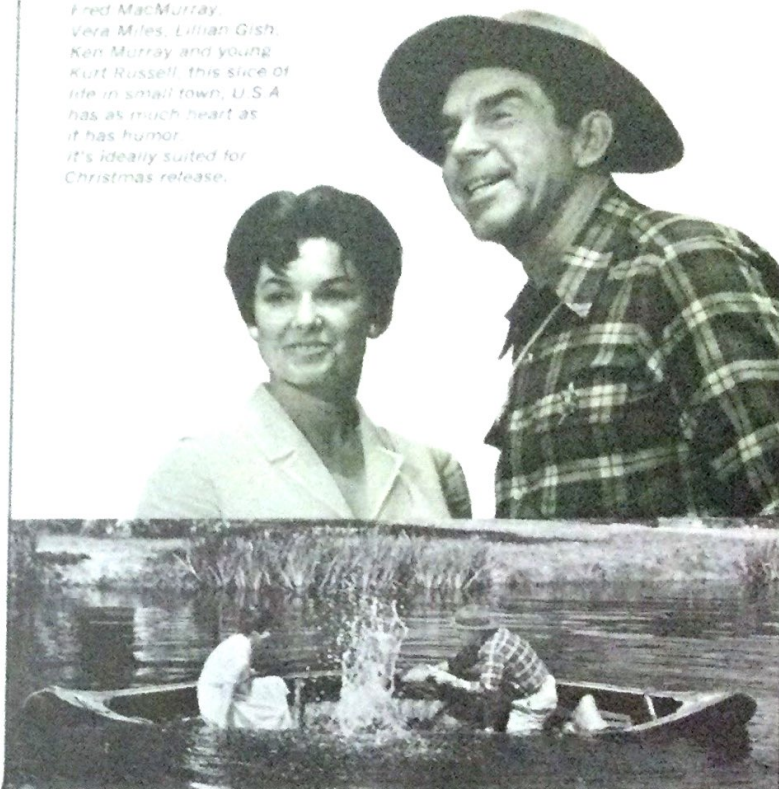


Fall The swashbuckling story about a fiery Irish prince who battles the English for his beloved land. Talented young Peter McEnery teams with beautiful Susan Hampshire in the action packed adventure.

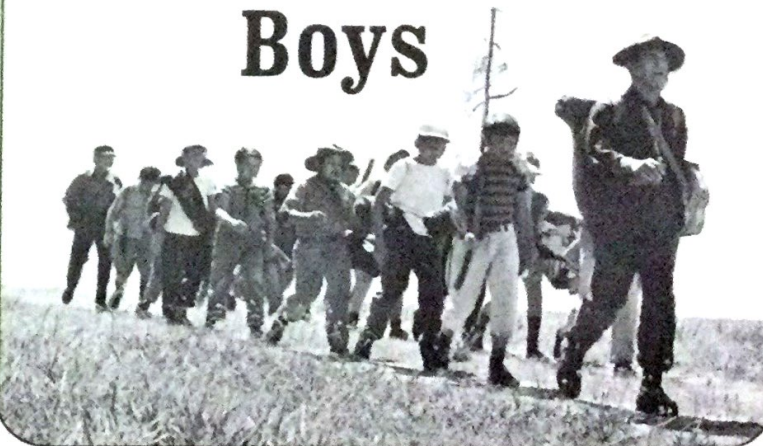
The Fighting Prince of Donegal



Christmas Starring Fred MacMurray, Vera Miles, Lillian Gish, Ken Murray and young Kurt Russell, this slice of life in small town, U.S.A. has as much heart as it has humor. It's ideally suited for Christmas release.



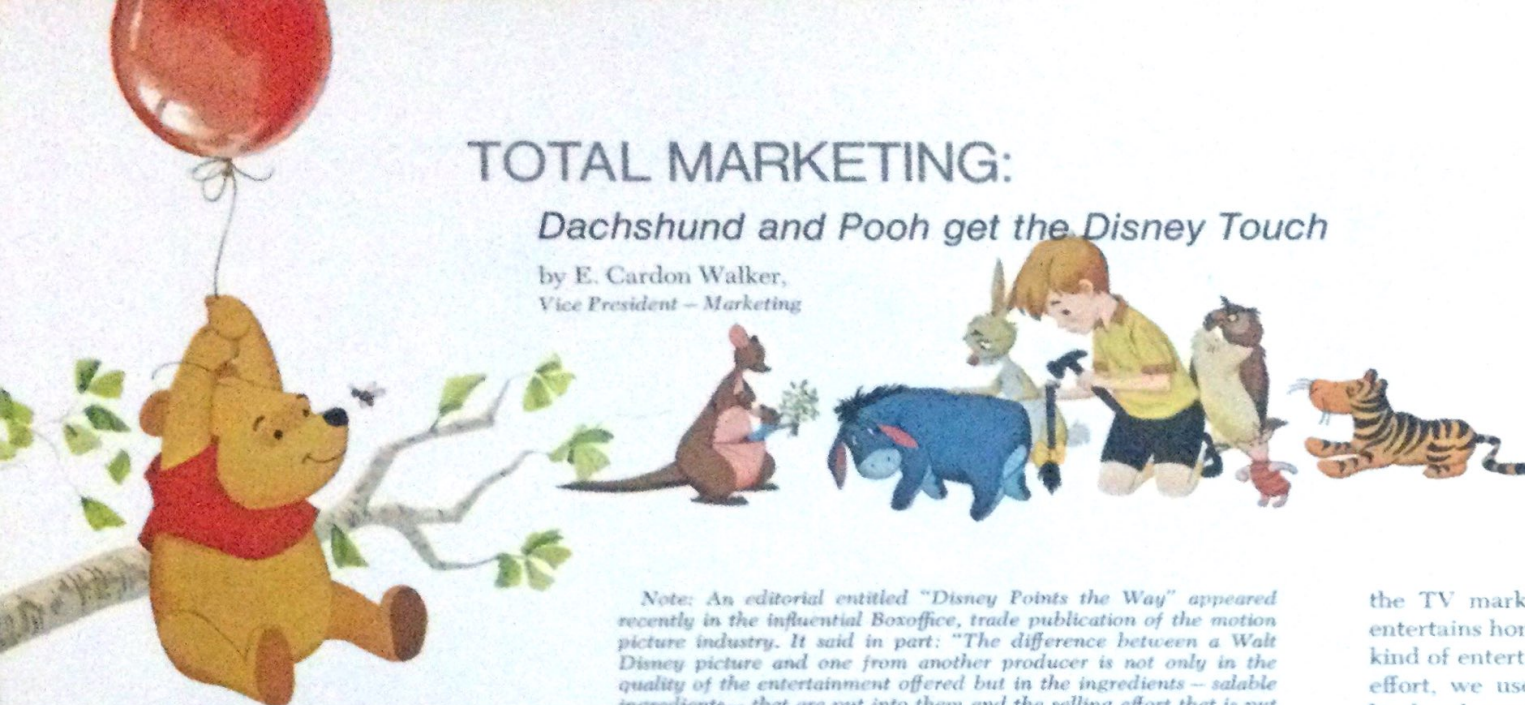
Follow Me, Boys



TOTAL MARKETING:

Dachshund and Pooh get the Disney Touch

by E. Cardon Walker,
Vice President - Marketing



Note: An editorial entitled "Disney Points the Way" appeared recently in the influential Boxoffice, trade publication of the motion picture industry. It said in part: "The difference between a Walt Disney picture and one from another producer is not only in the quality of the entertainment offered but in the ingredients - salable ingredients - that are put into them and the selling effort that is put behind them before and during production and after the pictures go into release. The Disney name has substantial draw in itself; but the Disney organization doesn't rest on that laurel. It goes all-out in virtually every conceivable way to create audiences for each of its pictures." To demonstrate how a Disney theatrical release is marketed, Card Walker describes a typical all-out sales effort in the following article.

Those of us who market the Disney product around the world are faced with a significant assignment with every theatrical release. In our publicity, advertising and promotion, we must make our work measure up to the standards Walt has set with the entertainment itself.

To meet this challenge, we have developed a marketing approach we believe is unique in the entertainment business. For the past dozen years, we have supported our motion picture product through this "total marketing" concept. Every division and facility of the company plays an important role in our all-out effort to sell each release.

The Disney way of marketing really began about a dozen years ago, when we set up our own distribution company, Buena Vista, because old-line distributors told us that certain of our pictures (notably *The Living Desert*) would not do well commercially. We started fresh, uninhibited by old marketing ways. Our approach has been characterized by new thinking and new uses of old promotional mediums.

Television, perhaps, is the prime example. The company chose not to fight the new medium, but to join it, entering

the TV market with a show of our own that not only entertains home audiences, but also showcases the Disney kind of entertainment. Today, in addition to our major TV effort, we use our own comic strips, music, recordings, books, character merchandising - even Disneyland Park - to boost our theatrical releases through a variety of tie-ins. Since we control every facet of our business and handle only our own product, we can select and schedule exactly how these activities will support and serve our overall effort. The result is a coordinated, planned program.

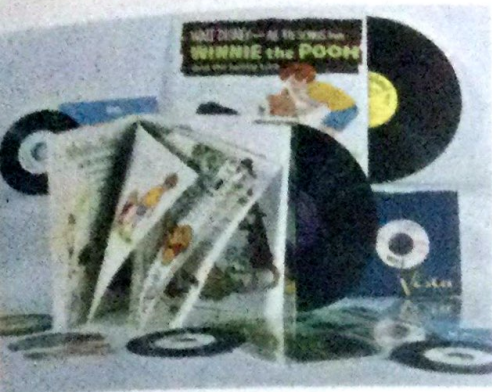
A strong example of our comprehensive campaigns is the current one for *The Ugly Dachshund* and *Winnie the Pooh*. We expect to create more than *three billion* "impressions" through use of major means of communication.

Both films will receive strong backing on network and local television. Our saturation will include advertising buys on network programs, personal appearances by *Dachshund* stars like Susan Pleshette and Dean Jones, and editorial film clips supplied to local stations across the entire country. Another big boost will come through our own network show, Walt Disney's *Wonderful World of Color*, and our two syndicated shows, *Zorro* and *Mickey Mouse Club*.

Our stars, recordings and specially prepared material will make up a strong radio campaign, and in print media, publicity and advertising will blanket the entire spectrum, from daily trade publications to monthly slick magazines.

Our sales effort, however, is just beginning when the "usual" communications media have been extensively covered. In the case of the *Dachshund-Pooh* marketing, our character merchandising division is playing a key role.





Early in 1966, the Pooh characters are taking part in a 21-city tour, travelling on the company's own turbo-jet. The staff at Disneyland has prepared full-size costumes, and specially trained people will wear them to depict the picture's animated stars—Eeyore, Rabbit, Owl, Kanga, Roo and Winnie the Pooh. We have lined-up television programs, local advertising tie-ins, fashion shows and personal appearances, including many at Sears, Roebuck stores.

Sears is a sizeable contributor to and participant in this typical tie-in advertising campaign. Their participation goes back many months, beginning with the introduction of special Sears-made Pooh junior styles in a children's fashion show held here at the Studio. A hundred of the nation's most important fashion editors were flown in for the event, and responded with enthusiastic stories and reviews that reached about 80,000,000 readers.

In addition to Sears, National Biscuit Company and Kal Kan Pet Food are among the major national companies participating in *Dachshund-Pooh* tie-ins. Nabisco will spend \$400,000 promoting Rice-Honey and Wheat-Honey cereals in fifty top markets across the U.S.A. Six million packages will offer Pooh premiums. "Brutus," the Great Dane star of *The Ugly Dachshund*, will also get star-billing from Kal-Kan in its "very important dog" campaign in television commercials and national magazine advertising.

Through our licensee, Western Publishing Company, 3,500,000 *Winnie the Pooh* items will appear on retail shelves, ranging from publications (19 in all) to games (14), puzzles and coloring books. Forty-two other Disney licensees will produce millions of toys, games and other children's merchandise which, in addition to generating ad-

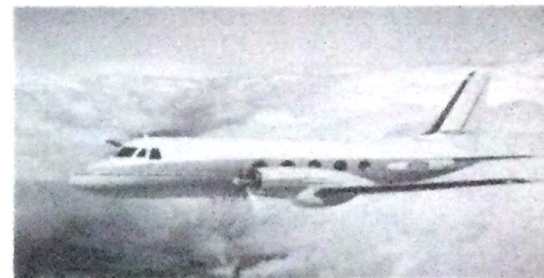
ditional revenue for the company, promote the picture too.

Fifty million readers will see our Pooh newspaper cartoon strips distributed by King Features in the Sunday comics of 55 large metropolitan dailies. And a substantial advertising and promotion campaign will back a variety of Pooh records released by our Music Company—albums, singles, and our popular read-along storytellers.

The entire campaign received two exciting kick-offs during the 1965 holiday season. First, all the Pooh characters were featured in the new Disneyland Christmas attraction, "Fantasy on Parade." And then on New Year's Day, the characters joined Walt, the Grand Marshall, in the Tournament of Roses Parade in Pasadena. More than 100,000,000 TV viewers in the United States, Canada and Western Europe were tuned in "live," and when press and radio coverage are added in, we feel this single activity was a remarkable show-case.

Dachshund and *Pooh* are getting thorough marketing treatment, but no more attention than any other Disney release. Some pictures, like *Mary Poppins*, lend themselves naturally to saturation publicity campaigns. Others run more to tie-ins, similar to the unprecedented nine-page ad layout in *Look Magazine* featuring *That Darn Cat* and several national advertisers.

These are examples of our "total marketing" approach to selling each theatrical release. We call it a "big circle," in that it touches every phase of the company's operation. Our philosophy is simple: while the Disney name is a great draw, no one really knows what any picture can do at the box office. By giving each product "the works," we strive to achieve the maximum potential for every release.





1968

TELEVISION

WONDERFUL WORLD OF COLOR It has been more than eleven years since Walt Disney took the big step into the television field with a weekly anthology series of major quality that was then a complete innovation for the growing medium. Though the series, critically adjudged one of the finest on TV, never has been in the studio's profit picture, it was Walt's original thinking that television entertainment could be used effectively to promote theatrical releases — and Disneyland Park.

This has been well substantiated by the vast audiences that have followed the format under the titles of *Disneyland* and *Walt Disney Presents* to its present form as one of television's most respected, high-rated and award-winning programs, Walt Disney's *Wonderful World of Color*.

The show has broad prestige values and serves the company in many ways. It keeps the Disney name continuously before an audience well in excess of 50,000,000 every week. For twelve seasons now it has been a favorite with the public, and very few television shows are around that can match this record. It also figures regularly among the nation's top-rated programs and at the time of this report it was in third place.

Walt Disney's *Wonderful World of Color* has played

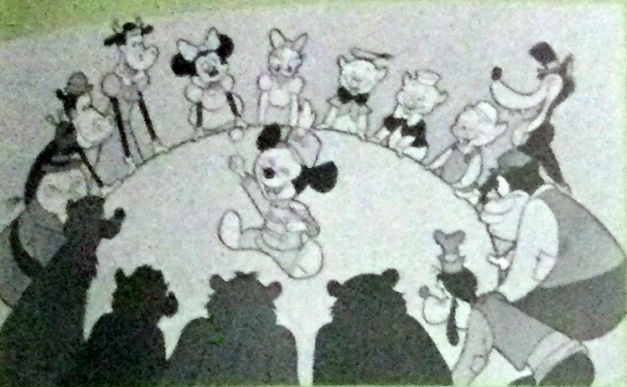
a significant role in stimulating color broadcasting throughout the industry and boosting color television set sales since its debut on the NBC-TV Network in 1961. The series' continued success has prompted the National Broadcasting Company to officially extend the program's contract through the 1967-68 season.

The current year still has a host of prime shows to be aired. In the realm of swashbuckling adventure, there is "The Legend of Young Dick Turpin," a two-parter filmed on location in England, the story of a Robin Hood-type highwayman of the 18th Century, starring David Weston in the title role.

Beautiful dancing, lilting music and deeply moving drama are combined to perfection in the two-part "Ballerina," starring the Royal Danish Ballet, and introducing captivating Mette Honningen.

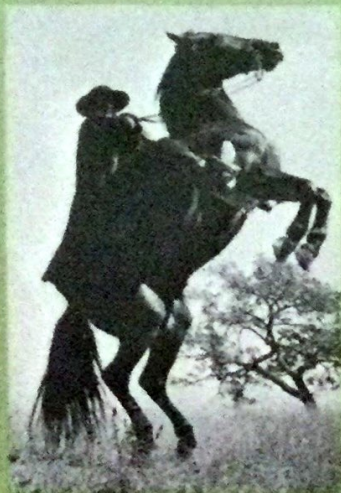
Among the traditionally appealing nature shows will be the endearing story of a young antelope, "Run, Light Buck, Run," and the tale of an orphaned coyote who is trained to be an old Navajo Indian's sheep dog in "The Coyote Who Wasn't." Cartoon character, Professor Ludwig Von Drake, returns for two daffy animated and live-action hours, "Music For Everybody" and "Nature's Strangest Odd-Balls."





MICKEY MOUSE CLUB The award-winning, highly rated, incomparable *Mickey Mouse Club*, originally created for network airing, has been enjoying a most impressive showing in the biggest markets since the start of its syndication in 1962. Presented as a three-year offering to individual markets, the show at one time reached a peak of more than 100 outlets and continues its strong showing across the country.

ZORRO The lively *Zorro* series, originally created as a top-rated network show, and a highly-successful performer in South America and Australia, is now in U.S. syndication and has been sold in almost every major market from coast to coast. Key situations carrying the program in prime-time slots in New York, Chicago, Philadelphia, Boston, Cleveland, Detroit and Los Angeles report that the series has boosted their ratings as much as 50 per cent over last year.



CELEBRITY SPORTS CENTER



The company's initial operation in the sports field, Celebrity Sports Center in Denver, Colorado, continues to be an important training ground for personnel and a laboratory for learning from the sports-minded public.

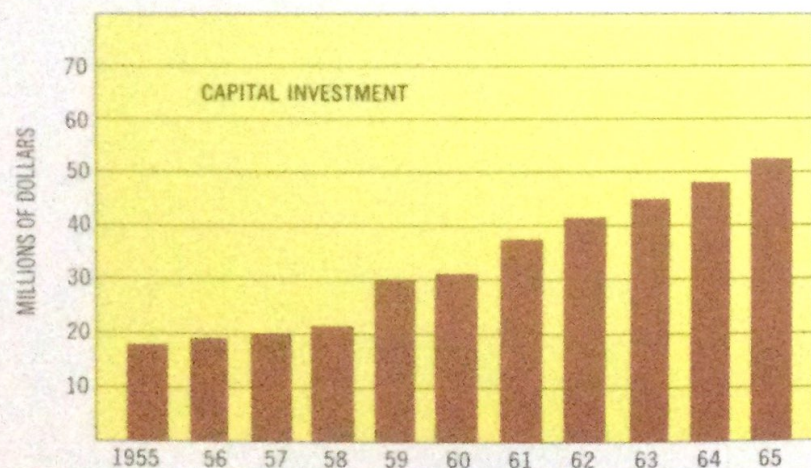
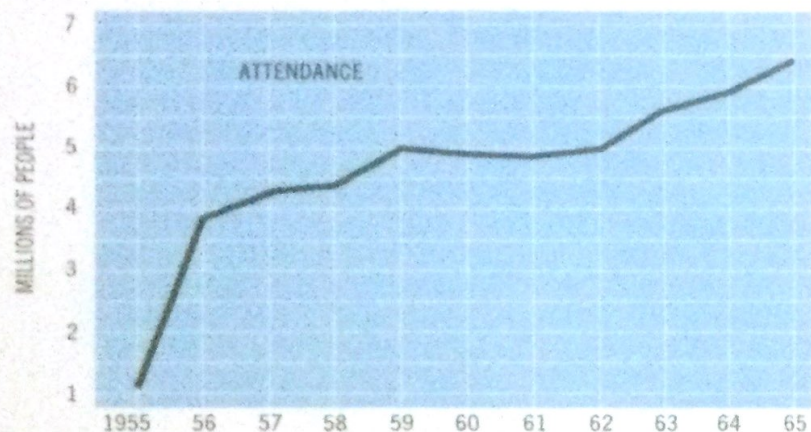
This unique facility has become a center for sports participants and enthusiasts. Celebrity has also been the site for national bowling tournaments, NCAA and AAU swim meets, and Olympic exhibitions.

As 1966 begins, the staff at Celebrity has had several months experience with its elaborate new slot car raceway, the longest known tracks in the nation. This fast growing model car racing sport covers 13,500 square feet at the Center, and is considered an important adjunct to the 80 bowling lanes, indoor 50-meter swimming pool, and other recreational attractions.

Additionally, the operation of restaurant facilities for the sports participant at Celebrity provides the company with important background in this unique kind of food operation.



1966 DISNEYLAND



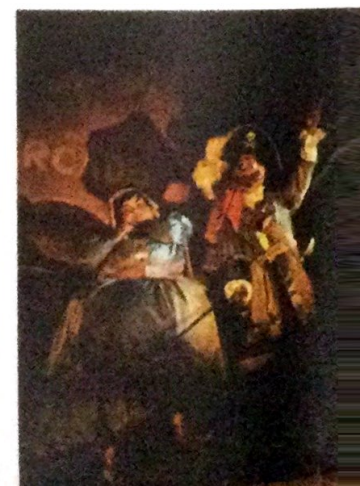
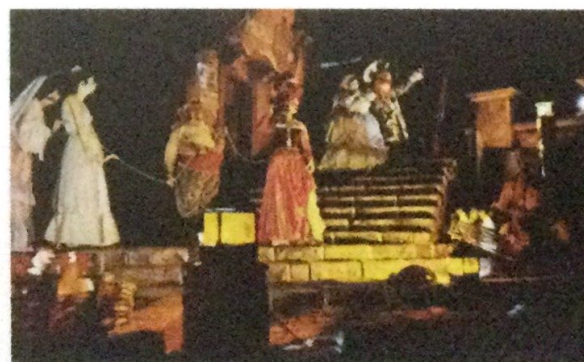
Those rumors you may have heard are true: Walt is running out of building room inside the 20-foot high earthen berm surrounding Disneyland. So this year the problem is being remedied; the berm is being moved out. As a result in terms of new attractions, 1966 will be the Magic Kingdom's most exciting year since opening.

Now under construction, scheduled to open this summer, are four major additions that will increase the investment in Disneyland by \$20 million, exceeding, in this one year alone, the entire cost of Disneyland on opening day a decade ago.

Disneyland's new attraction line-up for 1966 includes two popular shows returning from hit runs at the New York World's Fair.

IT'S A SMALL WORLD radiates the excitement and enchantment of children everywhere as boat-riding visitors set sail on "the happiest cruise that ever sailed 'round the world." Dressed in the festive costumes of many lands, 300 children "come to life" through the magic of Audio-Animatronics, joining animals and toys to sing and dance in colorful international settings. Walt and the WED staff have added new areas to the ride, making it even longer than at the World's Fair. Outside the building, the world's happiest clock — 30-feet high — will actually "perform" the time every 15 minutes, calling guests' attention to *Small World's* permanent home in a new area of Fantasyland.

THE PRIMEVAL WORLD, viewed from trains of the Santa Fe & Disneyland Railroad, will present the fantastic age when dinosaurs thundered over the land and roamed the swamps and marshes. These giant brontosaurus,





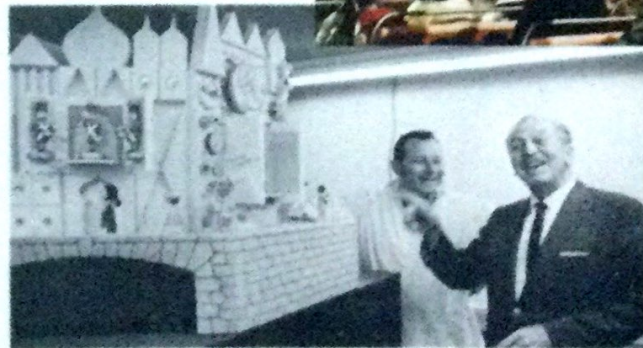
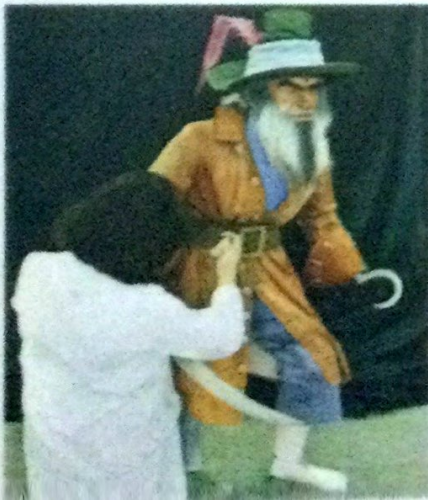
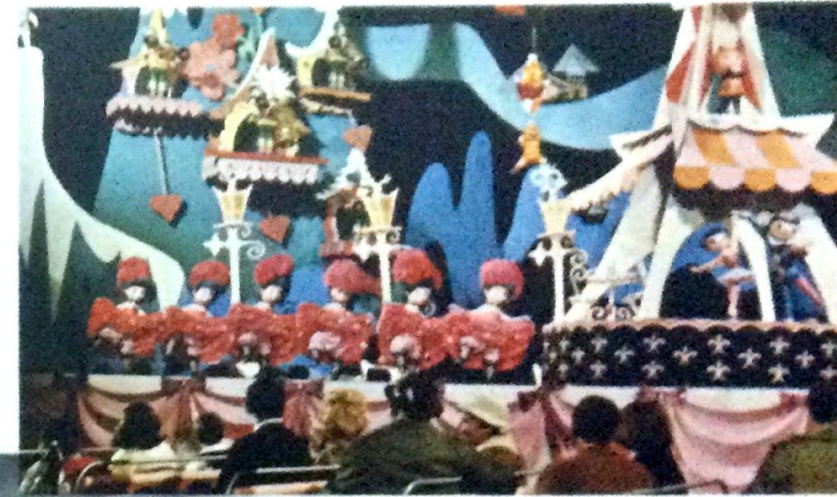
stegosaurus and tyrannosaurus return from their starring role in Walt Disney's Magic Skyway ride for Ford at the Fair.

Two fascinating new adventures from the pages of yester-year will also be ready for Disneyland audiences in time for summer's peak attendances.

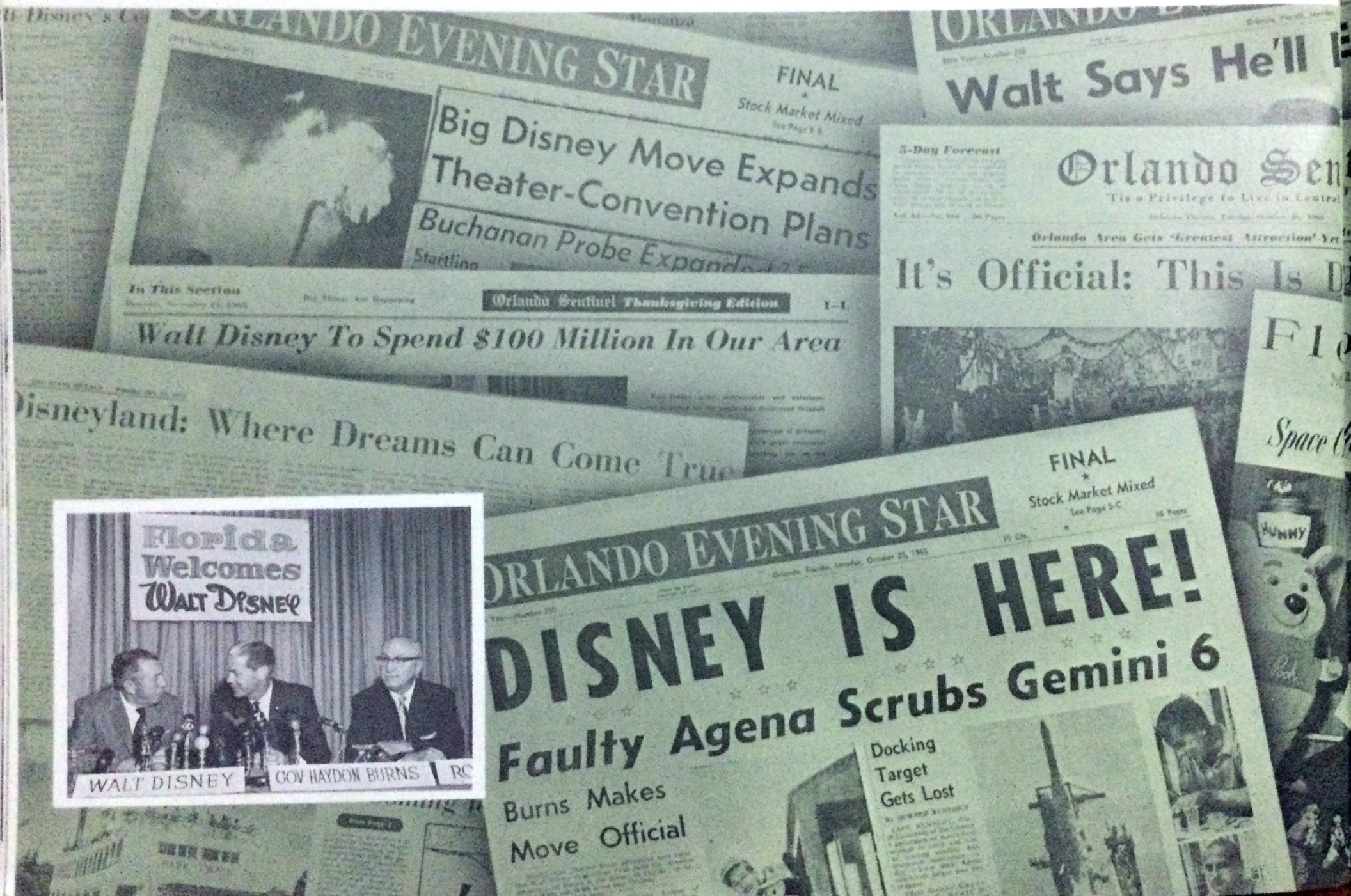
NEW ORLEANS SQUARE will invite visitors to journey back a century to the golden years of old New Orleans — city of winding streets and sheltered courtyards, quaint shops and coffee houses. French and Creole traditions provided the inspiration for this new area, which includes a Terrace Restaurant where guests may dine by moonlight all day long, overlooking the Blue Bayou Lagoon. Here is the Queen city of the Delta in the colorful heyday of the steamboat, overflowing year-round with the excitement of Mardi Gras.

THE PIRATES OF THE CARIBBEAN — the longest adventure and quite possibly the single most exciting attraction conceived for the Park — will bring to life an infamous crew of thieves and cutthroats. Guests will board flat-bottom boats, plunge down a steep waterfall, and sail with the lusty buccaneers as they storm and loot a port town, auction its fair maidens... and climax their plunder by setting the whole town ablaze. This robust tale of pirates who sailed the Spanish Main will be brought to life through Audio-Animatronics.

"Disneyland," Walt has said, "will never be completed." By year's end the Magic Kingdom will represent an investment of \$73 million, a four-fold increase over its \$17 million beginning. The accompanying graphs illustrate the correlation between growth in investment and attendance in Disneyland.



"When we consider a new project, we really study it. And when we go into that new project, we



believe in it all the way."



PROJECT FLORIDA: A Whole New Disney World

Since the very beginnings of the company, Walt Disney and his creative staff have devoted their energies to making each current project a success. At the same time, each new project has been a proving ground and stepping stone to the next major venture. And always, that next assignment has been something bigger, something even more challenging to Walt and his team — and even more exciting to the public.

By the time Disneyland's \$20 million expansion for 1966 is complete and opened to the public, and its \$18 million New Tomorrowland for 1967 is far along in construction, plans will already be well advanced for a totally different kind of Disney land. Unquestionably, it is the biggest, most ambitious project ever undertaken by Walt Disney Productions.

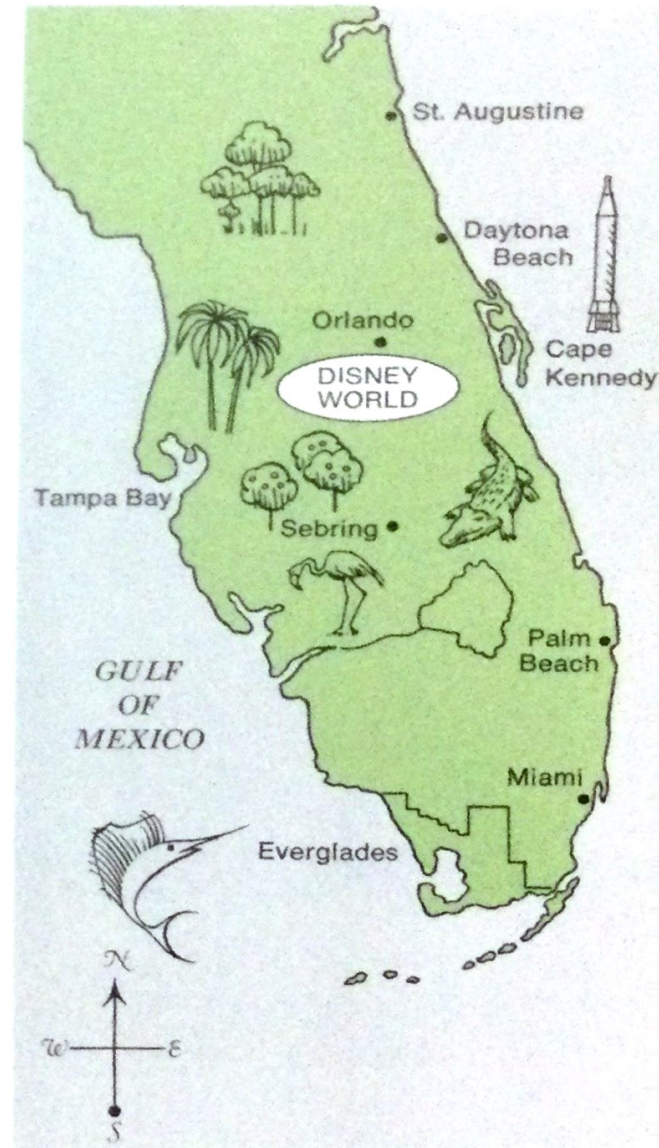
For years, Walt had envisioned a whole new Disney world of entertainment... a completely new kind of vacation and recreation wonderland... an entire community designed for total family enjoyment.

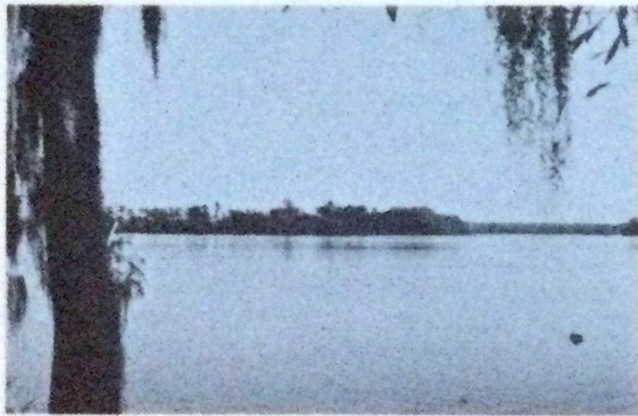
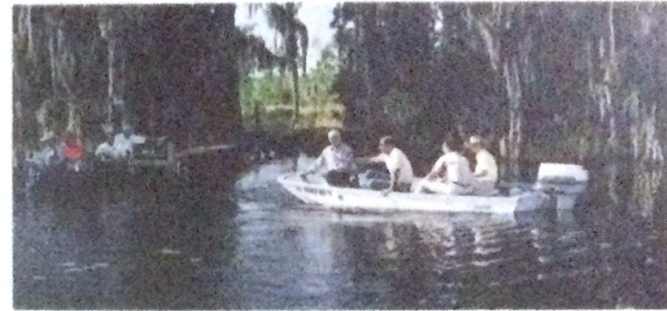
His idea required an expansive area that would permit full control of its environment to avoid encroachment by incongruous elements. Walt also wanted plenty of room for future expansion to satisfy growing public needs.

The first big job was to find just the right spot for this "new world" of recreation and entertainment. Considerable study eventually pin-pointed central Florida as ideally suited for such a project. Some of the reasons:

- Florida attracts about 15 million tourists annually. By 1970, this figure is expected to top 20 million. It will unquestionably retain its position as the nation's most popular state for tourists, many of whom would flock to a Disney recreation community.
- Some 82 per cent of Florida's tourists travel by automobile, a factor that would contribute significantly to the success of the project.
- At least 82 per cent of incoming motorists travel to central Florida or through that area to reach the southern section of the peninsula.
- Some 93 per cent of Florida's tourists live east of the Rocky Mountains. Two widely separated Disney attractions (about 3,000 miles apart) would complement each other by attracting two different audiences.

Sheathed in necessary obscurity, Disney representatives set





out in early 1964 to obtain control of a large area straddling the line separating Orange and Osceola counties. Located between the cities of Orlando and Kissimmee, the site is at the crossing point of several east-west, north-south highways widely traveled by tourists and residents.

By October of 1965, they had put together 27,443 acres — almost 43 square miles — at a cost of just over \$5 million. This size would permit plenty of future expansion and would assure control of its perimeter. The picturesque area features several lakes, stands of pine, orange groves and stately cypress trees.

The question most often asked throughout Florida is, "When will it open?" Basically, two key areas of decision and planning remain before Project Florida can become reality:

(1) The company's final determination to proceed with the project. A number of major problems still stand in the way of this decision. Primarily, these problems are state and local in nature within the state of Florida. The most important involves the application of state taxes. Such questionable areas as municipal charters, zoning, roads, water control, fire protection and applications of licensing must also be clarified to the company's satisfaction.

To this date, the company has accomplished a major and important real estate acquisition. Negotiating for purchase and clearing title to each individual parcel required nearly two years time. Because this has been accomplished, the value of the land has increased significantly. The company's investment would be a successful one simply as a massive real estate venture.

To further enhance its value, certain engineering studies are already under way. Primarily, this first phase involves water control, a basic improvement of the real estate. These engineering projects will ensure maximum usage of the land for any further development.

(2) Development of a concept for the Disney World attrac-



tion by Walt and the staff at WED Enterprises. In anticipation that all problems will be resolved to the company's satisfaction, preliminary concepts are now under way, but the process is a time consuming one.

"It will take at least a year-and-a-half to design it," Walt says, "and another year-and-a-half to build it. But we've still got a lot of work to do before we can even begin to think about starting construction."

Walt predicts that, when it is in full operation, the \$100 million community will not be just an over-night stopping point, but will be a destination for many of the millions of visitors who flow into Florida each year. It will also become a favorite vacation mecca for Floridians because of its centralized location.

Studies indicate that the project will eventually draw up to 6.2 million guests annually (50 million in its first decade of full operation) and will require 3000-4000 employees.

Reports also show that a theme park and its related activities will add as much as \$1.3 billion to the economy of Florida's Orange and Osceola counties in the ten years following its opening. This experience parallels Disneyland's impact upon Anaheim and Orange County, California.

As the year ended, Disney representatives and officials of state and local governments in Florida continued to work together to resolve problems standing in the way of the company's final determination to move ahead with the project.

These areas of cooperation between governmental units and the Disney organization were discussed during a mid-November meeting in Orlando when Governor Haydon Burns of Florida, Walt, and Roy, along with members of their staffs, met with approximately 750 of the State's top officials, dignitaries and business leaders.

Governor Burns assured Walt at that time of the State's cooperation and outlined the problems facing Walt Disney Pro-

ductions. He then explained how these considerations are being handled.

"Walt Disney has proposed a truly unique project in terms of size, scope, purpose, imaginative concepts and all other aspects," he told the group. "This fact makes it impossible to fit their enterprise into any of the usual new-industry categories. Therefore, it requires careful attention and cooperation on the state and local government levels."

"Mr. Disney and his representatives have sought clarification of certain existing laws and statutes that pertain to their planned project," he continued. "They have also asked for our help in obtaining reasonable and logical assurances of cooperation for the proposed undertaking."

Governor Burns said that all requests by Walt Disney Productions were being handled through channels established by existing Florida laws and precedents. He emphasized that Walt Disney Productions had not asked for nor been granted any special privileges.

The governor gave his pledge to work with the Florida state legislature in matters requiring legislative action.

Calling him Florida's "Man of the Decade," the governor then introduced Walt, who was given a standing ovation.

Walt outlined his preliminary ideas for the new Disney World and concluded by expressing his "deep appreciation" to Governor Burns and the people of Florida for their interest and enthusiasm about the project. He also thanked all levels of government for the speedy action and exceptional cooperation in dealing with the various matters that had to be resolved.

Following the business session, Walt, Roy and Governor Burns met with representatives of the news media in what was said to be the largest and friendliest press conference in Florida's history. More than 350 reporters, photographers and television newsmen were present for the session.

1967

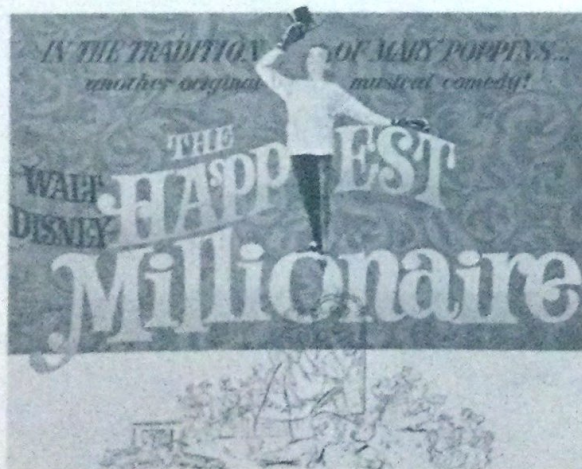
MOTION PICTURES



Monkeys Go Home!



Snow White and the Seven Dwarfs



For the first time in Disney history, the company is in the enviable position of being able to plan a release schedule for the next two years. And if the outlook for 1966 is excellent, 1967 is getting set to equal or top it.

First up to bat in '67 will be *The Gnomobile*, a wonderful whimsical story about a lumber tycoon and his grandchildren. Along with two, small male gnomes, he combs the towering Redwood forest in search of a girl gnome to perpetuate the species. Like *Poppins*, this is a picture only Walt could make, with its special photographic techniques and animal actors brought to life by WED's Audio-Animatronic magic. Three times Oscar winner Walter Brennan stars with Tom Lowell, Karen Dotrice and Matthew Garber in this highly imaginative feature.

Monkeys Go Home! — the hilarious story of an American bachelor who inherits an olive ranch in France and beats the local labor problem by



importing four female chimps to harvest the crop — will be our Easter '67 attraction. Dean Jones, Maurice Chevalier and Yvette Mimieux head up the cast of this romantic comedy.

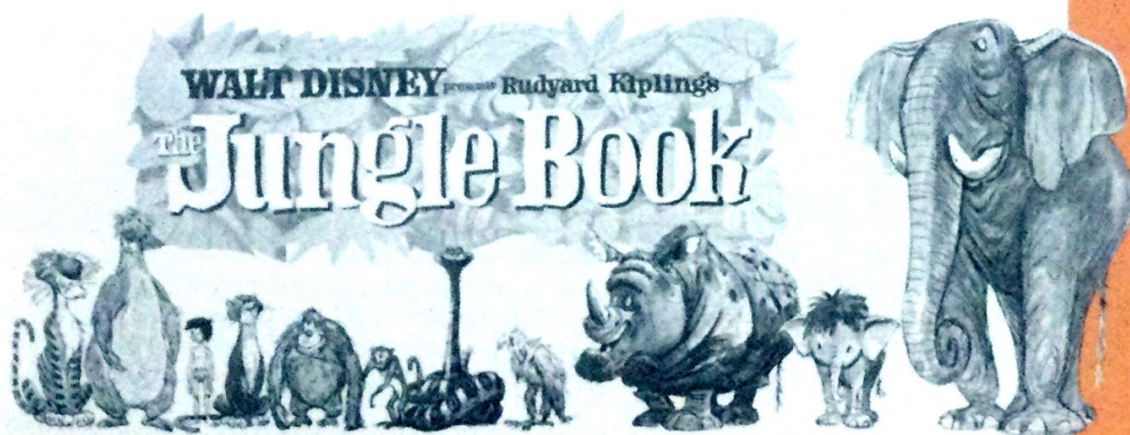
Judging by the sequences that have been completed, *The Jungle Book* will be one of the funniest full length cartoons ever made. Walt is giving the Kipling classic the Disney twist as the animals try their darndest to get the man cub, Mowgli, out of the jungle. Thirteen rollicking tunes, plus the voices of Phil Harris, Louis Prima, Sebastian Cabot, Sterling Holloway and Frank Fontaine, add to the fun in this hilarious cartoon feature.

The Happiest Millionaire — perhaps the most exciting future property on the lot — is already receiving a big spoonful of *Mary Poppins* medicine. Walt has assigned the same screenwriters, songwriters and many other talents from the team nominated for 13 Academy Awards, and winner of five *Poppins*' gold Oscars. *The Happiest Millionaire* is a light-hearted musical comedy about an eccentric Philadelphia millionaire who collects oddball pets — and people. A top *Poppins*-type cast is now being assembled for this lavish song, dance and laugh production.

And in the realm of re-releases of ageless Disney standards, 1967 audiences will see two of the company's most successful films — the delightful cartoon classic *Snow White and the Seven Dwarfs*, and the wacky and preposterous *The Shaggy Dog*.

Snow White, the feature that put Walt in big business in the first place, has been making the European rounds during 1965. And once again on its fifth release, audiences young and old have been adopting it as their own, of our time, just as people have since its first time around in 1937. In Holland, the newspaper *Het Parool* reported "the popularity of *Snow White* exceeds, at this moment, James Bond."

Teen-age fads being what they are, *The Shaggy Dog* could be a "sleeper" again, just as it was in 1959 when it recorded a gross return nine times the picture's cost.



TELEVISION

Production has been underway for some time on the 1966-67 programming for Walt Disney's *Wonderful World of Color*. The new season will encompass all the successful ingredients of comedy, adventure, drama and excitement that have made the Disney anthology series a running favorite with family audiences.

In preparation is "Pablo and the Dancing Chihuahua," the story of a frisky pet who tags after a Mexican lad, following him into a series of thrilling escapades along the Arizona-Mexico border.

"My Family Is A Menagerie" will be a two-part show concerning a beautiful widow with a talent for taming wild animals.



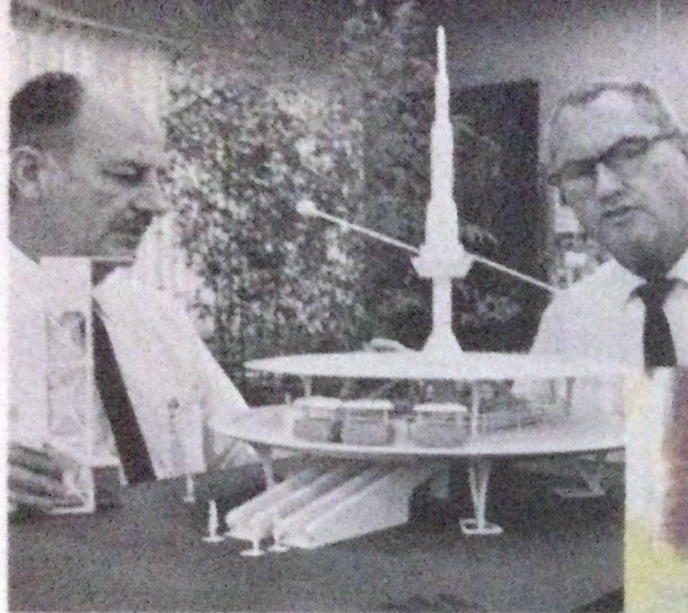
Filmed in Mexico and the Florida Everglades, "El Blanco" follows the adventures of a wily white stallion, and in the remote Arizona desert country, "Joker, The Amiable Ocelot" lives up to his name as the playful pet of a lonely war veteran.

"The Lonesome Cougar of Carbon County" stars a kooky cat named Charlie who is reared in a lumberjack camp, where he becomes as adept at logging as his human pals.

Nez Perce Indian country on the Washington-Oregon border is the setting for the story of a courageous horse and his efforts to win a difficult race in "The Appaloosa Horse Story." A remote island off the California coast is the dramatic location for the touching novelette, "Not So Lonely Lighthouse Keeper."

"The 101 Problems of Hercules" is the tale of an alert, itinerant sheep dog. And the thrills of sailplane flying will be excitingly documented in "The Boy Who Flew With Condors."

That intrepid copyboy, Gallegher, will return for more stirring adventures as he heeds the call of the road in the four-parter, "Gallegher Goes West." And the entertaining and educational shows, "Man On Wheels" and "The Little Ranger's Guide To Nature" will effectively combine the mediums of animation and live-action.



1967

DISNEYLAND



NEW TOMORROWLAND

The word for 1967 at Disneyland is *Tomorrowland* — a *New Tomorrowland*.

When Disneyland's present "realm of the future" was designed in the early 1950's, Early Bird, Gemini and Apollo were space age terms of the distant future. Even the household word "astronaut" was still to be coined.

Times — and tomorrows — have changed dramatically. So recently Walt and the WED staff have taken a new look at Tomorrowland. To research ideas, they visited Houston, Huntsville and Cape Kennedy, discussing the latest space age wonders with astronauts and scientists, including Dr. Wernher Von Braun.

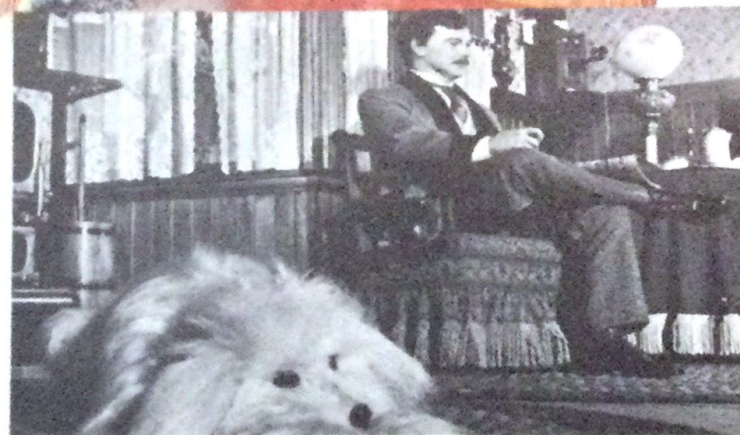
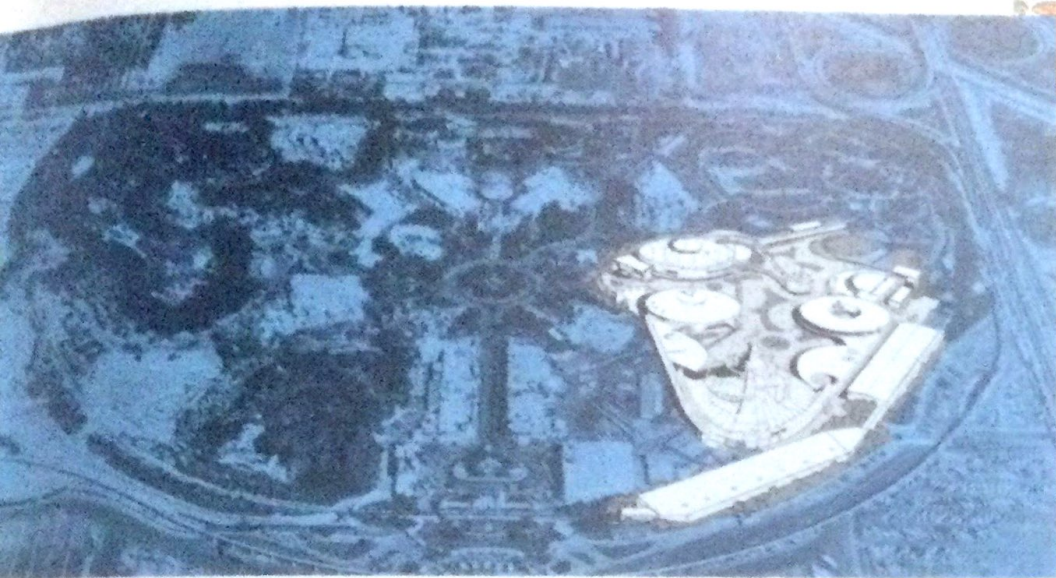
The result: a decision to close the entire Tomorrowland section of Disneyland in the Fall of 1966 for complete re-development — the re-building and enlarging of an entire area of Disneyland to provide for dramatic and exciting *new* attractions and exhibits.

In New Tomorrowland, a towering structure will serve as spaceport and theme center. Inside, guests will board four-passenger "rocket ships" to experience the sensation of racing through distant space. Spiraling upwards as high as an 18-story building, the "Tomorrowland Mountain" will be the highest point in the Magic Kingdom, a magnet visible for miles.

This new area of the Park will also showcase the WEDway "People Mover," demonstrating its versatility in varied transit situations. The WEDway's continuously moving cars will carry guests on a scenic tour throughout New Tomorrowland — even weaving in and out of new exhibits sponsored by some of America's leading companies.

The catalyst for New Tomorrowland is American industry. Based on their success in attracting people, and communicating with the public, through Disney



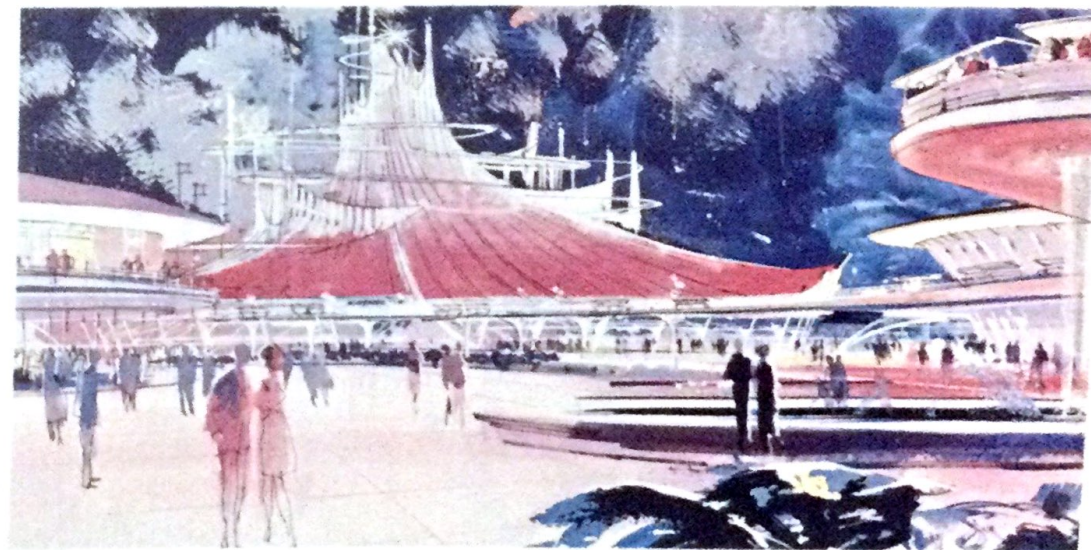


shows at the New York World's Fair and in Disneyland, several of the country's industrial giants are planning new or expanded exhibits in this new "world of the future."

Foremost among the newcomers is General Electric. That company's popular WED-created "Carousel of Progress," which attracted 15.8 million people at the Fair, will move into a brand new, circular pavilion in the Magic Kingdom. In making the announcement, David W. Burke, Manager of Public Relations at G. E.'s New York headquarters, commented on the Park's stature: "Disneyland attracts its visitors from all over the United States and the world and thus is an excellent locale for an exhibit by a national and international company such as General Electric," he said.

Three present Disneyland lessees are also discussing expansion of their already popular attractions — Douglas Aircraft's "Flight to the Moon," the Bell System's "America the Beautiful," and Monsanto's "Hall of Chemistry." Additionally, the WEDway has attracted the attention of Goodyear, a company with extensive background and interest in transportation. And several other major corporations not now participants in the Park have expressed strong interest in Tomorrowland exhibits.

New Tomorrowland represents an investment of approximately \$18 million. The area is now in design at WED Enterprises and is scheduled to open in Summer, 1967. And if present plans materialize, New Tomorrowland will receive a major television launching. On his trip to the Cape and the manned space flight headquarters in Houston, Walt took along a special projects team that is now developing a space spectacular for the *Wonderful World of Color*.



The President's Letter

Net profit after taxes of Walt Disney Productions and its wholly-owned domestic subsidiaries for the fiscal year (52 weeks) ended October 2, 1965 was \$11,378,778, representing \$6.08 per share on the 1,870,097 shares outstanding at the fiscal year end. This compares with last year's (53 weeks) net profit of \$7,057,435, equal to \$3.96 per share on the 1,784,410 shares then outstanding. Provision for income taxes of \$10,150,000 was made for 1965 and \$5,692,000 for 1964.

During the fiscal year 1965 the company's gross revenues reached a record high totaling \$109,947,068, an increase of \$23,295,960.

Theatrical and television revenues rose to \$60,893,929 as against \$46,136,050, an increase of \$14,757,879. Publications, merchandising, music and records revenue increased from \$7,756,832 to \$13,632,371. These increases in revenues resulted from the overwhelming public acceptance of MARY POPPINS.

Disneyland Park and other entertainment activities amounted to \$35,420,768 as compared to last year's revenues of \$32,758,226. This increase of \$2,662,542 represents additional revenues due to increased attendance at the Park.

Four regular quarterly cash dividends totaling 40¢ per share and aggregating \$736,798 were declared during the year and paid to stockholders on January 1, April 1, July 1 and October 1, 1965. On January 1, 1965 a 3% stock dividend declared November 20, 1964 was paid to stockholders of record December 3, 1964 pursuant to which 53,628 shares of common stock were issued. The Board of Directors at its regular quarterly meeting held on November 11, 1965 declared a quarterly cash dividend of 10¢ per share and a 3% stock dividend each payable January 1, 1966 to stockholders of record December 1, 1965.

On September 15 of this year the company paid the Prudential Insurance Company of America \$2,500,000 against its long-term obligation with them. This payment together with prior payments aggregates \$7,500,000 paid during the past three years, reducing the balance to \$7,500,000.

On February 20, 1965, subsequent to the annual meeting at which time the purchase agreement with WED Enterprises, Inc. was approved by 96% of those stockholders eligible to vote, the purchase of certain assets (including audio-animatronic patents in the amount of \$2,655,455), organization and corporate name of WED Enterprises, Inc. was consummated for approximately \$4,000,000.

During the year the company acquired 27,443 acres of land for approximately \$5,000,000 in Orange and Osceola counties, Florida. Many legal and other problems, which are currently in the process of solution, need to be resolved prior to the company commencing actual development of the property.

The company has been awarded a three-year temporary permit by the U.S. Forest Service, during which time, the company will conduct intensive studies to formulate a definitive plan for the development of "Mineral King" in the Sequoia National Forest, California.

Our agreement with the National Broadcasting Company to telecast "Walt Disney's Wonderful World of Color" has been extended and is now in effect through the television year ending in September, 1968.

The company expended \$8,026,384 for capital additions during the past year. Installation of new attractions at Disneyland Park — Great Moments With Mr. Lincoln and The Plaza Inn — together with the acquisition of certain WED assets comprise the major portion of these disbursements.

Due to public acceptance evidenced by increasing annual attendance at Disneyland Park and our confidence that such trends will continue, the company, commencing in 1966, will embark upon the largest capital expansion and improvement program in the history of Disneyland. This program calls for approximately \$45,000,000 to be spent over the next five years.

The dividend policy established by the Board of Directors in 1957, of paying 40¢ in cash and 3% stock annually depending on earnings and other pertinent factors, is likely to continue in the foreseeable future. Since 1957 the company has issued 336,462 shares

of its common stock as stock dividends totaling \$11,850,422 which represents the market value at the various dates the stock dividends were declared.

Several charts appearing on this page illustrate the soundness of the policy in light of the company's growth over the past five years.

The future provides many opportunities for growth and expansion in all areas of our business. If these opportunities are to be met the need for a financially strong company cannot be over-emphasized. The company today is in the strongest financial position in its history.

Many of the plans for the future are more fully explained in other parts of this report.

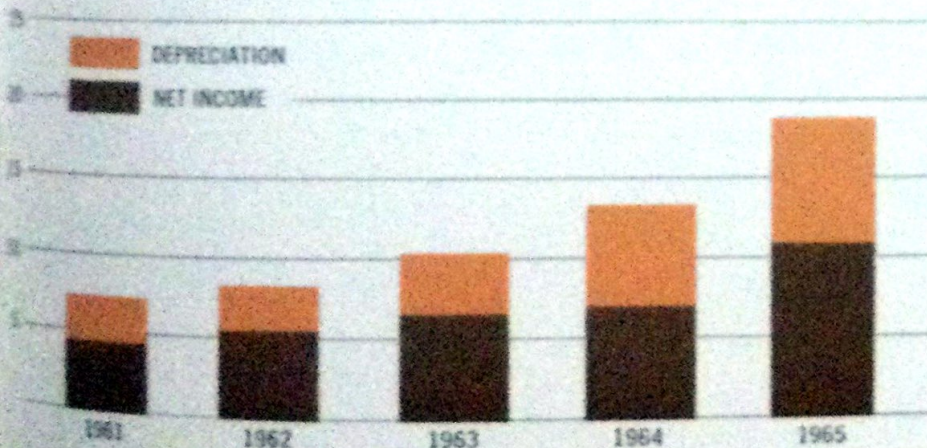
While last year was the most successful year in the company's history, the current year should prove to be another good year for the company.

December 15, 1965
Burbank, Calif.

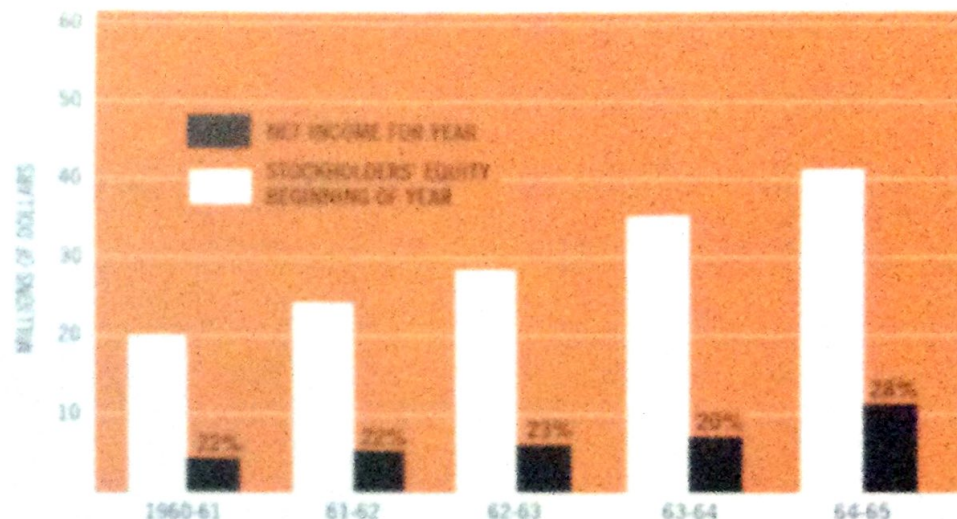
Ray D. Disney.

President and
Chairman of the Board

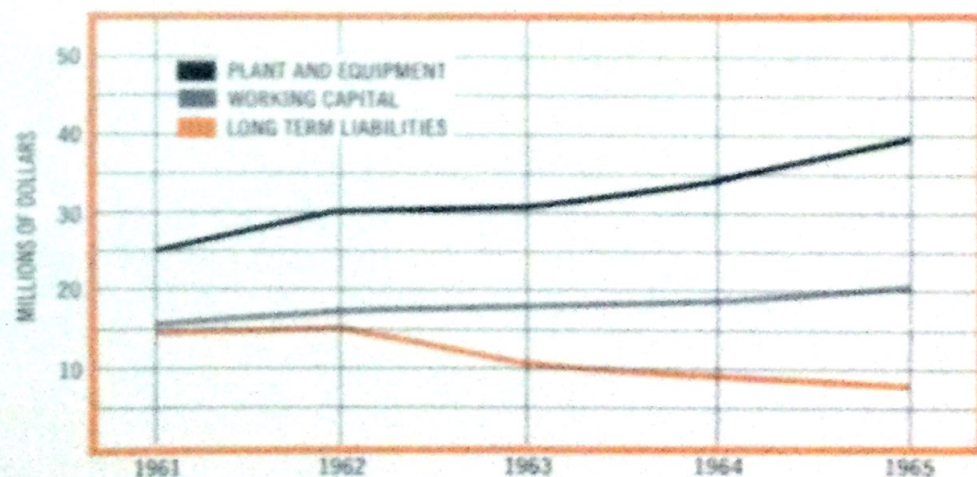
CASH FLOW SUMMARY



RETURN ON INVESTED CAPITAL



COMPARISON OF PLANT AND EQUIPMENT, WORKING CAPITAL AND LONG TERM LIABILITIES



WALT DISNEY PRODUCTIONS

CONSOLIDATED BALANCE SHEET

Assets

CURRENT ASSETS

	October 2 1965	October 3 1964
Cash (including \$4,700,000 time deposits in 1965)	\$10,586,918	\$ 2,653,925
Commercial notes, at cost	2,000,000	
Accounts receivable	3,635,804	2,742,028
Inventories, at the lower of cost or market (note 2)		
Completed productions, less amortization	9,137,477	12,341,914
Productions in process	15,737,226	10,830,987
Story rights and pre-production costs	1,008,608	1,245,824
Merchandise, materials and supplies	1,394,564	1,905,382
Total current assets	<u>43,500,597</u>	<u>31,720,060</u>

PLANT AND EQUIPMENT, AT COST

Entertainment attractions and facilities, less accumulated depreciation of \$22,657,207 and \$18,106,479	17,621,120	17,982,734
Buildings and equipment, less accumulated depreciation of \$8,570,733 and \$8,177,938	10,775,757	9,859,420
Land (note 3)	11,405,551	6,463,796
	<u>39,802,428</u>	<u>34,305,950</u>

OTHER ASSETS

Patents, at cost (less amortization)	2,505,142	
Investments in foreign subsidiaries not consolidated (note 1)	165,673	164,423
Cash surrender value of insurance on lives of officers	599,325	558,746
Sundry other assets and deferred charges	1,581,197	1,133,475
	<u>4,851,337</u>	<u>1,856,644</u>
	<u>\$88,154,362</u>	<u>\$67,882,654</u>

See notes to the financial statements on pages 36 and 37.

AND DOMESTIC SUBSIDIARIES

Liabilities and Stockholders Equity

CURRENT LIABILITIES

	October 2 1965	October 3 1964
Current portion of unsecured note	\$ 1,250,000	\$ 1,250,000
Current portion of secured notes	302,302	
Accounts payable	5,841,571	3,051,249
Advance under contract	1,000,000	1,000,000
Payroll and employee benefits	2,426,709	1,881,566
Property, social security and other taxes	1,836,851	1,731,332
Estimated federal income taxes (note 4)	9,269,418	4,584,606
Total current liabilities	<u>21,926,851</u>	<u>13,498,753</u>

DEFERRED CREDITS

Unearned deposits and rentals	2,426,128	1,588,916
Estimated deferred federal income taxes (note 4)	1,825,000	1,850,000
	<u>4,251,128</u>	<u>3,438,916</u>

LONG TERM LIABILITIES

Unsecured note, less current portion (note 3)	6,250,000	8,750,000
Secured notes, less current portion (note 3)	1,792,728	
Deferred compensation	808,607	701,163
	<u>8,851,335</u>	<u>9,451,163</u>

STOCKHOLDERS EQUITY, per accompanying statement

Invested capital (note 6)	22,841,809	19,340,377
Accumulated earnings (notes 3 and 6)	30,283,239	22,153,445
	<u>53,125,048</u>	<u>41,493,822</u>
	<u>\$88,154,362</u>	<u>\$67,882,654</u>

See notes to the financial statements on pages 36 and 37.

Consolidated Statement of Income

	Year Ended	
	October 2 1965	October 3 1964
INCOME (note 7)		
Theatrical and television films	\$ 60,893,929	\$46,136,050
Disneyland Park and other entertainment activities	35,420,768	32,758,226
Other — publications, merchandising, music and records	13,632,371	7,756,832
Total income	<u>109,947,068</u>	<u>86,651,108</u>
 COSTS AND EXPENSES		
Amortization of theatrical and television production costs (note 2)	12,704,528	14,520,450
Distribution costs — prints, advertising, etc.	20,101,158	15,477,171
Costs of Disneyland Park and other entertainment activities	31,491,545	25,967,233
Costs applicable to other income	9,747,134	5,820,753
General, administrative and selling expenses	11,239,874	10,234,079
Interest	682,635	804,591
Stories and pre-production costs abandoned	2,451,416	1,077,396
Estimated federal income taxes (note 4)	10,150,000	5,692,000
Total costs and expenses	<u>98,568,290</u>	<u>79,593,673</u>
 NET INCOME FOR THE YEAR	<u><u>\$ 11,378,778</u></u>	<u><u>\$ 7,057,435</u></u>
 EARNINGS PER SHARE	 \$ 6.08	 \$ 3.96

See notes to the financial statements on pages 36 and 37.

Opinion of Independent Accountants

PRICE WATERHOUSE & CO.

To the Board of Directors and Stockholders of Walt Disney Productions

In our opinion, the accompanying consolidated balance sheet and the related statements of consolidated income and stockholders equity present fairly the financial position of Walt Disney Productions and domestic subsidiaries at October 2, 1965 and the results of their operations for the year (52 weeks), in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

PRICE WATERHOUSE & CO.

Los Angeles, California
December 15, 1965

AROUND THE DISNEY WORLD AS WE GO TO PRESS:

NEW YORK CITY — Throughout England, where it had its first openings, and in the United States, *That Darn Cat* is setting box office records that promise to surpass all Disney films except *Mary Poppins* in theatre attendance. In its first five weeks at the Radio City Music Hall where it opened on December 2nd, *Darn Cat's* box office performance topped even *Mary Poppins'* Music Hall business for the comparable (but non-Christmas season) period. Opening in 250 additional theatres across America on Christmas Day, *That Darn Cat* quickly leaped high on the holiday lists in key cities coast-to-coast.

BUENOS AIRES, ARGENTINA — Launched with a spectacular publicity campaign, *Mary Poppins* made its debut in this South American nation by breaking an all-time record. In its first two days, net receipts exceeded any other film's road-show performance at the box office.

BURBANK, CALIFORNIA — As the year began, Fred MacMurray, Tommy Steele, Leslie Ann Warren and John Davidson were set to play in *The Happiest Millionaire*, Walt's big *Mary Poppins* style musical-comedy now in preparation for 1967 release.

DURAND, MICHIGAN — This community (population: 3,400) had a place in the TV spotlight New Year's Day when its high school band was seen and heard by 100,000,000 in the Rose Parade. The young musicians won their spot in the Parade by capturing the Disneyland National Marching Band Contest — judged "best in the land" at playing and marching to *Mary Poppins* and other Disney music.

SYDNEY, AUSTRALIA — *Mary Poppins* is setting all-time box office records throughout Australia. Playing in Metro theatres in leading cities of this country, *Poppins* is proving one of the greatest attractions in the annals of films here. At Metro's Kings Cross in Sydney, playing in its 34th week, it grossed 5948 pounds. In its 30th week at Metro's Bourke Street, in Melbourne, a 6514 pound gross was recorded. In Metro's theatres in Adelaide, Brisbane and Perth all-time records were established. In its 6th week in Adelaide, gross was 9977 pounds; 7344 pounds in the 7th week at Brisbane; and 7213 pounds in the 6th week at Perth.

PASADENA, CALIFORNIA — 1966 got off on the right foot for all Disney fans when Walt ushered in the new year by leading 63 floats, 22 bands and 12,000,000 blossoms in the role of Grand Marshall of the Tournament of Roses Parade. It was a big Disney-day, with Mickey Mouse at Walt's side, Disney characters marching and riding on floats, bands playing music from Disney films, and the Parade's overall theme — "It's A Small World" — mirroring the attraction of the same name opening at Disneyland this summer.



TOKYO, JAPAN — Following the lead of Emperor Hirohito himself, the people of Japan are flocking to see *Mary Poppins* in its first play dates at Tokyo and Osaka. Along with other members of the Imperial family, the Emperor and Empress attended the Charity Premiere of *Poppins*, where audience reaction was great. The Emperor and Empress were highly pleased.

DISNEYLAND — Despite heavy December rains, the Park enjoyed another great Christmas season, attracting 428,507 people in the five weeks ended Jan. 1. The increase: 11.2% over the corresponding 1964 period. Major attraction: *Fantasy on Parade*, an all-new 40-minute performing show on parade, featuring Disney characters from Snow White to Winnie the Pooh. The Park's eighth annual New Year's Eve Party brought out 17,527 paying \$7.50 (advance sale) and \$10.00 at the box office.

LONDON, ENGLAND — 1965 bowed out with Disney motion pictures ranked first and third out of the Top Ten General Releases throughout the United Kingdom, according to Kinematograph Weekly. It's no surprise that *Mary Poppins* won the top spot, but the third place picture is a remarkable entry: *Snow White and the Seven Dwarfs*. This was *Snow White's* fourth release in England — playing, as all Disney cartoon classics do — to a new generation of theatre goers every seven years.

Peter Pan opened here during the holidays playing top Rank Theatres and indications are it will gross 300,000 pounds in the United Kingdom. On its first release here in July, 1953 it grossed 175,000 pounds, which at that time was regarded as excellent.

Stockholders Equity

	Year Ended	
	October 2 1965	October 3 1964
INVESTED CAPITAL		
Balance at beginning of year	\$19,340,377	\$16,992,236
Market value of shares issued as stock dividend (53,628 and 51,844 shares respectively) (note 6).	2,512,186	2,202,112
Proceeds from exercise of stock options (32,059 and 4,823 shares respectively) (note 6)	989,246	146,029
Balance at end of year	<u>22,841,809</u>	<u>19,340,377</u>
ACCUMULATED EARNINGS		
Balance at beginning of year	22,153,445	18,005,532
Net income for the year	11,378,778	7,057,435
Less — Dividends paid		
In cash	(736,798)	(707,410)
In stock	(2,512,186)	(2,202,112)
Balance at end of year (notes 3 and 6)	<u>30,283,239</u>	<u>22,153,445</u>
TOTAL STOCKHOLDERS EQUITY	<u><u>\$53,125,048</u></u>	<u><u>\$41,493,822</u></u>
REPRESENTED BY		
Common shares (\$2.50 par value)		
Authorized	3,000,000	3,000,000
Issued and outstanding	1,870,097	1,784,410

See notes to the financial statements on pages 36 and 37.

Notes to the Financial Statements

Note 1 PRINCIPLES OF CONSOLIDATION

The accounts of domestic subsidiaries, all wholly-owned, have been consolidated in the accompanying financial statements and all significant intercompany transactions have been eliminated.

The accounts of foreign subsidiaries have not been consolidated. These companies produce and distribute pictures, carry on the company's character merchandising business and publish music in various foreign countries. At October 2, 1965 these subsidiaries had total assets of \$2,265,000 and net assets of \$671,000. The company's equity in these net assets exceeded the carrying value of its investments therein by approximately \$505,000. During the year ended October 2, 1965 the net income of these unconsolidated subsidiaries amounted to approximately \$175,000 and the dividends received from them totaled \$148,000.

Note 2 INVENTORIES AND FILM AMORTIZATION

Costs of completed theatrical and television productions are amortized by charges to income in the proportion that the producer's share of income (less distribution, print, employee participation and advertising costs) received by the company for each production bears to the estimated total of such income to be received. Such estimates of total income are reviewed periodically and amortization is adjusted accordingly.

Note 3 LONG TERM LIABILITIES

The unsecured note is payable in installments to 1971 with interest payable currently at 5.9% per annum. The agreement underlying the note contains a minimum working capital requirement of \$15,000,000 for the company and its domestic subsidiaries. The loan agreement also contains provisions under which \$12,904,793 of the \$30,283,239 accumulated earnings at October 2, 1965 is restricted as to the payments of cash dividends.

The secured notes are payable in installments with varying maturities to 1975 with interest payable currently at rates varying from 4% to 6% per annum. These notes are secured by land costing \$3,445,000.

Note 4 ESTIMATED FEDERAL INCOME TAXES

The company's income tax returns for the fiscal years 1957 through 1962 are currently under examination. Provision has been made in the financial statements for all additional taxes believed to be payable for all open years.

Depreciation on Disneyland Park and certain other assets has been computed on the double declining balance method for federal income tax purposes and on the straight line method for financial statement purposes. The excess of the aggregate provisions for federal income taxes shown on financial statements over the liabilities shown on tax returns with respect to these assets for years through October 2, 1965 is included under the caption

"Estimated Deferred Federal Income Taxes" on the accompanying balance sheet.

Note 5 PENSION PLANS

In 1963 the company adopted a pension plan for qualified employees of Walt Disney Productions and its domestic subsidiaries. The plan is funded by company and employee contributions to a trust administered by a bank. The unrecorded liability for past service costs has been actuarially computed at \$896,000 as of October 2, 1965. During the current year a total of \$295,000 was paid, of which \$117,000 was for past service costs.

The company also contributes to various union and industry pension plans, for which all past service costs have been paid.

Note 6 STOCKHOLDERS EQUITY

Under the provisions of the company's stock option incentive plan, 69,278 shares of authorized but unissued common stock are reserved for issue to executive and management personnel at prices not less than 95% of the fair market value of the stock at the date of granting the option (adjusted for stock dividends paid). Options expire five years from the dates granted and are exercisable in equal annual installments commencing one year after the date granted. The number of shares under options outstanding, after increases to reflect the 3% stock dividends paid in 1963, 1964 and 1965 was as follows:

Option Price per Share	October 3, 1964		Exercised in 1965	October 2, 1965	
	Out- standing	Exercis- able		Out- standing	Exercis- able
\$31.94	86,522	41,294	27,268	59,254	36,643
\$24.67	14,815	6,246	4,791	10,024	5,687
	<u>101,337</u>	<u>47,540</u>	<u>32,059</u>	<u>69,278</u>	<u>42,330</u>

A 3% stock dividend declared on November 20, 1964 was paid on January 1, 1965 to holders of record on December 3, 1964. This resulted in a \$2,512,186 transfer to invested capital from accumulated earnings. A 3% stock dividend was declared on November 11, 1965, payable January 1, 1966 to holders of record on December 1, 1965.

Note 7 METHOD OF ACCOUNTING FOR REVENUE

The company records foreign income at the time of receipt of remittances in United States dollars or at the time of expenditures of foreign currencies abroad for the account of the company. At October 2, 1965 and October 3, 1964, there were at current rates of exchange approximately \$3,839,000 and \$2,420,000 (before film production cost amortization and income taxes) in foreign countries representing income which has not been recorded as assets or as income in the accompanying statements.

A TEN YEAR SUMMARY — IN THOUSANDS OF DOLLARS

FISCAL YEARS ENDED SEPTEMBER 30	1965	1964	1963	1962	1961	1960
OPERATIONS:						
Total income	109,947	86,651	81,922	75,612	70,248	50,931
Costs and expenses						
Amortization of production costs	12,705	14,520	16,146	15,586	19,226	14,619
Interest	682	805	1,170	916	1,575	1,497
Other costs and expenses	75,031	58,577	51,932	48,196	39,659	37,322
Estimated federal income taxes	10,150	5,692	6,100	5,650	5,322	(1,300)
Total costs and expenses	98,568	79,594	75,348	70,348	65,782	52,138
Minority interest in net income of Disneyland, Inc.						135
Net income (loss)	11,379	7,057	6,574	5,264	4,466	(1,342)
Net income (loss) per share	6.08	3.96	3.81	3.14	2.75	(.83)
Number of common shares	1,870	1,784	1,728	1,675	1,626	1,626
FINANCIAL CONDITION:						
Current assets	43,501	31,720	34,326	31,921	31,648	38,840
Current liabilities	21,927	13,499	16,204	14,861	15,466	21,278
Net working capital	21,574	18,221	18,122	17,060	16,182	17,562
Plant and equipment less accumulated depreciation	39,802	34,306	30,979	30,193	25,005	26,511
Other assets	4,851	1,857	1,515	1,469	2,469	746
Unearned deposits and rentals	(2,426)	(1,589)	(1,840)	(2,273)	(2,071)	(2,087)
Long term liabilities	(8,851)	(9,451)	(11,798)	(15,505)	(15,360)	(20,397)
Minority interest in Disneyland, Inc.						
Estimated deferred federal income taxes	(1,825)	(1,850)	(1,980)	(1,920)	(1,800)	(1,725)
Stockholders equity	53,125	41,494	34,998	29,024	24,425	20,610
Net worth per common share	28.41	23.25	20.26	17.33	15.02	12.68
STOCKHOLDERS EQUITY REPRESENTED BY:						
Invested capital	22,842	19,340	16,992	15,584	13,808	13,808
Accumulated earnings	30,283	22,154	18,006	13,440	10,617	6,802
Total stockholders equity	53,125	41,494	34,998	29,024	24,425	20,610

1959	1958	1957	1956
8,432	48,577	35,778	27,565
13,402	13,726	12,284	11,327
989	560	339	489
30,323	26,365	15,380	11,285
1,900	3,925	3,850	1,841
50,614	44,576	31,853	24,942
418	136	276	
1,400	3,865	3,649	2,623
215	2.51	2.44	2.01
1,521	1,537	1,494	1,306

30,945	30,401	23,838	18,990
27,625	15,032	15,091	14,323
13,319	15,369	8,747	4,667
21,899	18,275	17,124	3,466
864	684	749	4,702
(1,785)	(2,382)	(2,361)	(729)
(5,295)	(6,591)	(2,373)	(593)
(7,633)	(1,215)	(1,079)	
(2,000)	(1,935)	(1,825)	
24,398	22,205	18,982	11,513
15.43	14.45	12.71	8.82

12,710	11,281	10,268	6,000
11,888	10,924	8,714	5,513
24,398	22,205	18,982	11,513

FUNDS AVAILABLE -- FUNDS APPLIED

	Year Ended	
	October 2 1965	October 3 1964
FUNDS AVAILABLE		
Net income for the year	\$11,378,778	\$ 7,057,435
Depreciation and patent amortization	7,473,529	6,459,445
Proceeds from exercise of stock options	989,246	146,029
Long term secured notes payable	1,792,728	
	<u>\$21,634,281</u>	<u>\$13,662,909</u>

FUNDS APPLIED		
Additions to land	\$ 5,062,788	
Additions to plant and equipment	8,026,384	\$ 9,787,749
Payment on Prudential long term note	2,500,000	2,500,000
Patents purchased	2,655,455	
Cash dividends	736,798	707,410
Other	(699,583)	568,156
Increase in working capital	3,352,439	99,594
	<u>\$21,634,281</u>	<u>\$13,662,909</u>

A Year-round Recreation Facility in the High Sierra

"We are all very grateful for the confidence that Secretary of Agriculture Orville Freeman, his associates and the Forest Service have shown in us and our plan for the development of Mineral King," Walt said on getting the news. "It is a challenge and a responsibility that we enthusiastically accept."

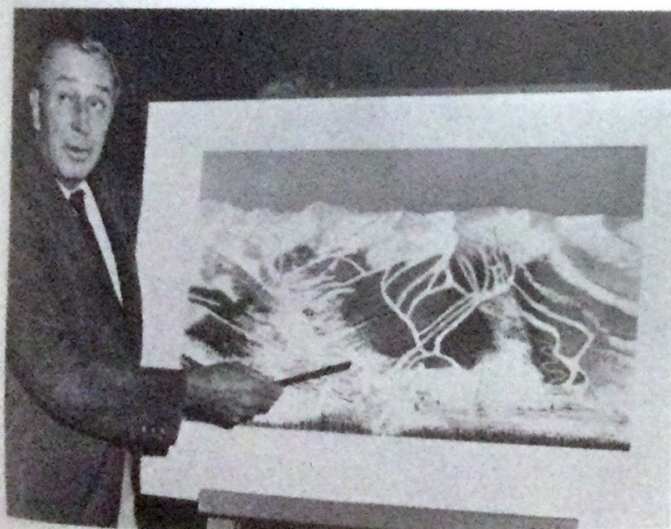
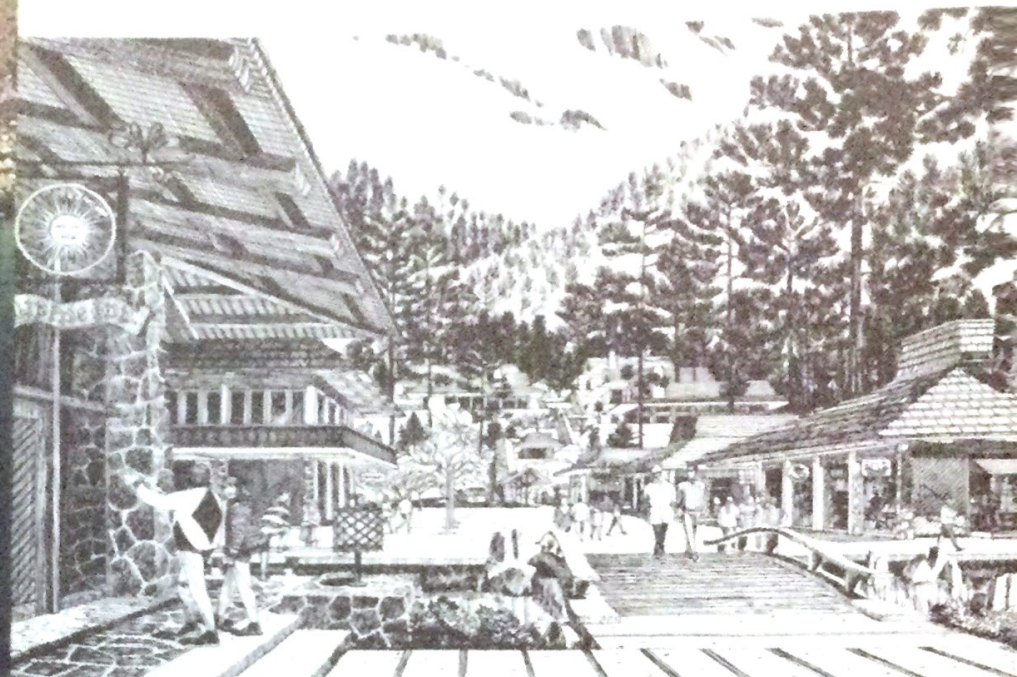
Walt's plan for the picturesque area, located about equidistant from the Los Angeles and San Francisco population centers, provides for year-round recreational activities by people of all ages and athletic abilities. The company's entire approach has been based on the absolute necessity to preserve the site's natural beauty and alpine character.

Present plans call for 14 ski lifts, many serving guests throughout the year. Some of the lifts will be used in the warm months by sightseers, campers, hikers and wild-life students. In addition to Mineral King Village and ski lifts, the Disney plan includes a series of ten restaurants in the valley and atop surrounding peaks. There will also be two large hotels, a heliport and auxiliary facilities.

[illegible]

According to Forest Service procedures, the preliminary permit granted to Walt Disney Productions in December is for a maximum period of three years. This time is given to finalize plans, make on-site studies and obtain satisfactory commitments for construction of the new road.

When the plan is accepted and commitment for the highway assured, the Forest Service will issue a 30-year term permit for up to 80 acres on which facilities will be built. (Another 28.5 acres, already owned outright by Disney interests, have been set aside for future expansion.) The long-term permit can be granted at any time during the initial three-year period. Building cannot begin

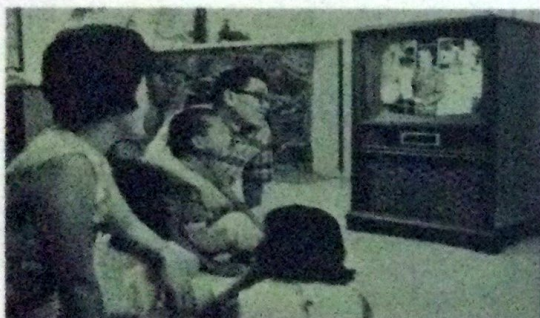


however, until the Forest Service has issued this term permit.

During the closing days of the year, Walt proceeded with plans to send a team of surveyors and engineers to Mineral King for field surveys, gathering information needed before work begins on the village. According to Walt, "Right now it looks as if the first facilities to go up would be a beginners' ski lift from the village, a lift for advanced skiers to Lookout Peak, and a lift for intermediate skiers on Miners Ridge, in that order."

As one means of preserving Mineral King's exceptional scenic beauty, Walt will exclude automobiles from the valley proper. Guests will park in a 2500-vehicle parking area at the entrance and will be taken into the valley by a high-capacity public conveyance.

Further, the area's natural character will be preserved by camouflaging ski lifts, situating the village so that it will not be seen from the valley entrance, and putting service areas in a 60,000 square foot underground facility beneath the village. In these plans, Walt is working with the award-winning firm, Ladd & Kelsey, Architects, of Pasadena, California. Ladd & Kelsey prepared the preliminary plan for Mineral King Village and associated facilities, as submitted to the Forest Service in the company's application in August, 1965.



SUMMARY



On the pages of this Annual Report, we have attempted to give you an insight into the wide and growing world of Walt Disney Productions. Our focus has been on *product* — motion pictures, television, Disneyland, films for school and industry, publications, records. But our focus could just as accurately have been on *people*.

The penetration of Disney product, world-wide, is such that we believe people the world over *do* understand an international language, one that knows no ocean and no iron curtain . . . a language that forms an invisible common bond. For people everywhere *look to the name Walt Disney for the finest in family entertainment*.

As calendar year 1966 began, an event previously disassociated with the company has brought this unique Disney rapport with people everywhere into dramatic focus. That event was the Tournament of Roses in Pasadena, California.

As the Parade's Grand Marshall rode past 1,750,000 people lining the streets of Pasadena on New Year's Day, an audience estimated at more than 100,000,000 people gathered by way of television in communities scattered throughout the U.S.A. and in all the major nations of Western Europe.

For the first time, via the Early Bird satellite, the unique celebration of one American community was being telecast live to nations across the Atlantic. Here was deserved acknowledgement that the Rose Parade is indeed one of America's most spirited traditional events.

Yet the behind the scenes story of this telecast involves more than a parade or an all-American pastime. That the parade was televised across the sea is commentary that the Grand Marshal is truly a citizen of the entire world.

The City of Pasadena has long dominated the eyes and minds of North America on January 1. Its Rose Parade and Rose Bowl football game attract America's largest television audience on New Year's Day. Two networks beam the Parade coast-to-coast, and viewers watch it all across Canada.

For this year's event, the Tournament of Roses made an all-out effort to interest foreign nations in its Parade. Inquiries across Western Europe, however, revealed there was little knowledge of, and little interest in, the event. Across the Atlantic, nations and people remained uninformed that not even apple pie is as American as the rose on the first day of each new year.

Pasadena officials determined to find some way to interest the world in their show. To do so, they reasoned, required the association with some *one person* who could attract audiences of Europe as well as America, whatever the show.

In setting out to find that individual, the Tournament of Roses solicited the opinions of television officials in America and in foreign lands. What man, they asked, would best serve as the catalyst, bringing together family audiences of Europe and America, each in their own homes? And what man would attract a mass audience — enough viewers to interest television officials in bringing the Rose Parade into their own home nations?

International agreements are few, and usually fraught with political overtones. But Pasadena officials found general agreement that one man *is* known by more men, women and children around the world than perhaps any other individual. That man is Walt Disney.

And that is how "It's A Small World" became the theme, and Walt Disney the Grand Marshall, of Pasadena's 1966 Tournament of Roses Parade.



LOOK TO THE NAME *WALT DISNEY* FOR THE FINEST IN FAMILY ENTERTAINMENT

