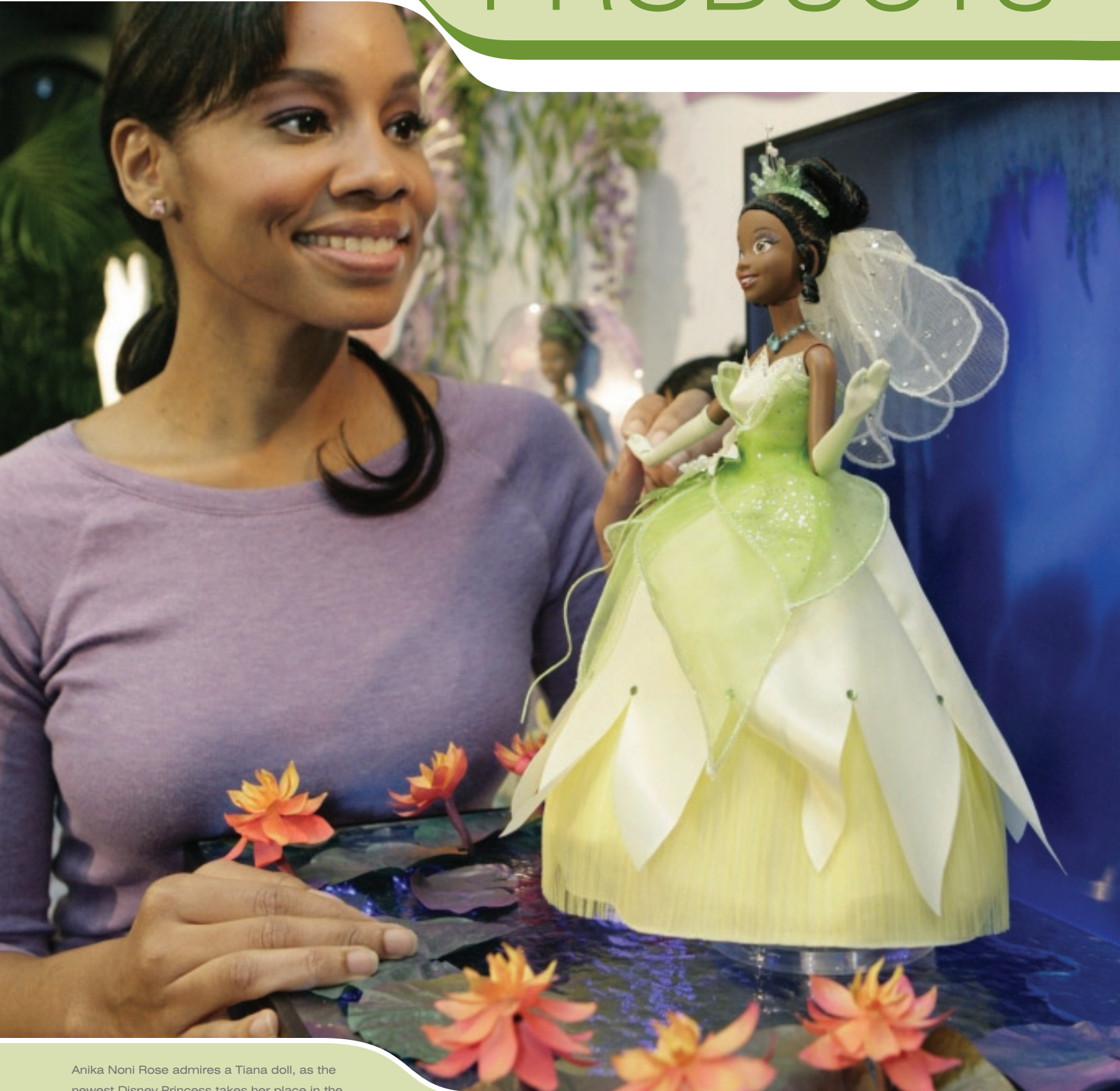


CONSUMER PRODUCTS



Anika Noni Rose admires a Tiana doll, as the newest Disney Princess takes her place in the royal court with an entire suite of products.



DCP broke new ground in 2009 with an array of product introductions that build on the newest technology and latest lifestyle trends to capture the imaginations of children and families around the world. New products included Disney's first netbook computer for kids, our first interactive online book initiative, and the development of a suite of products inspired by Princess Tiana, Disney's first new princess in more than 10 years. Additionally, DCP's global stationery, home furnishings and healthy food initiatives continued to expand into new markets, including Russia, Latin America, and the Middle East.

WELCOMING TIANA AND SOME NEW FAIRY STORIES TOO...

The Disney Princess franchise welcomed its newest princess, Tiana, with the release of *The Princess and the Frog*, and honored Disney's first fairytale princess with the Diamond Collection release of *Snow White and the Seven Dwarfs* from the Disney Vault on Blu-ray hi-def and DVD. DCP launched dazzling product lines inspired by these two princess films and their colorful characters, from award-winning toys like the *Princess and the Frog* "Just One Kiss" Tiana doll, to home furnishings and décor and upscale apparel for juniors,

Disney Consumer Products (DCP) extends the Disney brand to a wide-range of merchandise through its licensing and publishing operations and the Disney Store and DisneyStore.com. DCP strengthened its position among the world's leading licensors in 2009, translating award-winning Disney content into products for all ages at retail year-round.

Disney apparel is at the forefront of global fashion trends and continues to resonate with consumers of all ages.



couture bridal wear from the Kirstie Kelly for Disney's Fairy Tale Weddings line and high-end jewelry and accessories. With more than 235 million Princess books already sold worldwide, the Disney Princess franchise will mark its 10th anniversary in 2010 with all new content and welcome yet another member of nobility into its royal court when Walt Disney Pictures' *Rapunzel* comes to the screen for Holiday 2010.

The high-flying Disney Fairies franchise continued its strong growth with Company-wide support, including a best-selling collection of books and magazines, a thriving lifestyle merchandising program, a Web site and virtual world, an attraction at Walt Disney World and original content from Walt Disney Studios and Disney Channel. Additionally, an array of new products was released globally in 2009 inspired by the second installment in the Disney Fairies DVD series, *Tinker Bell and the Lost Treasure*. All this new content, attractions and product lines reinforce Disney Fairies as a leading brand choice among six-to-nine-year-old girls.



Children around the world connect with Disney through apparel that fits their lifestyle.

BUZZ IS BACK! LIGHTNING TO CHASE!

Last year, DCP began to reignite our popular *Toy Story* franchise in retail stores following the theatrical re-releases of *Toy Story 1* and *2* in 3-D, introducing the popular characters to a new generation of kids through a refreshed line of merchandise and setting the stage for the global debut of *Toy Story 3* in summer 2010. DCP is focused on toys that merge interactivity and Animatronics, bringing Buzz Lightyear, Woody and other key characters to life like never before. The new "definitive" toy collection released in time for the 2009 holiday season represents the most authentic replicas of the film's characters ever created.

Disney electronics leverage the latest technologies to bring beloved Disney characters to life in exciting new ways.

Beyond toys, DCP has developed light-up apparel and home décor, an assortment of collectible figures and food, personal care goods, stationery and party items.

Disney•Pixar's *Cars* has quickly become a leading boys franchise for DCP, feeding into boys' classic play patterns and fueling imaginations with new products and content that extend the storyline from film to books and into the home with a lifestyle merchandising program. To date, the *Cars* franchise boasts





94 million books sold worldwide, a home décor line featuring light up bedding, and a thriving toys and youth electronics product line resulting in more than 150 million *Cars* die-cast vehicles sold. Disney's live-action film slate for 2010 will bring excitement to the boys' merchandise offering, delivering high-impact and innovative product lines for all ages inspired by the 3D action adventure, *Tron: Legacy*, and the epic movie adventure inspired by the popular video game, *Prince of Persia*.

ESPECIALLY FOR THE LITTLE ONES...

From infant to preschool, DCP's product lines spanning cradle to kindergarten have expanded into new categories and channels of distribution. In 2009, Disney launched a series of product lines giving moms and infants compelling ways to connect with key Disney franchises, including Winnie the Pooh-themed organic cotton apparel, the upscale German-engineered Mickey I'coo Targo stroller and other offerings like organic animal crackers and fresh fruit as part of Disney's healthy food initiative.

The success of Disney Channel's multicultural animated preschool series *Handy Manny* has quickly been matched with merchandise success at retail. DCP's Handy Manny product line expanded in 2009 with new toys including the award-winning *Fix It Right Manny's Motorcycle*, apparel, accessories, books, a magazine, home furnishings, stationery and food products. The *Mickey Mouse Clubhouse* (MMCH) product line has also flourished and now includes apparel, home furnishings and décor, stationery and food and personal care products. In 2009, the MMCH toy line expanded to include an award-winning train set that lays its own track, Mickey's Magic Choo Choo. Combined, *Mickey Mouse Clubhouse* and *Handy Manny* have accounted for more than 18 million books sold globally.

Upscale Disney fashions for kids and tweens offer limitless ways for timeless Disney characters to be a part of a child's day.

Disney has created a new way to play with the Zippity high-energy learning system, the first interactive TV-based gaming system for preschoolers.



TAKING TECHNOLOGY TO NEW PLACES... INCLUDING THE BEDTIME STORY

As entertainment and technology continue to converge, DCP launched several initiatives that support Disney's competitive position and utilize a host of emerging technologies. Last year, Disney Publishing Worldwide (DPW) launched Disney Digital Books, a cutting-edge online service offering children access to the fun of reading Disney books in an interactive environment. Merging the interactivity of the Web with the fun and adventure of reading, Disney Digital Books launched with a vast library of over 500 Web-based titles in this subscription-based online experience.

Launched in 2009, Disney Digital Books is a fully interactive, online library for children featuring more than 500 titles for all reading levels.

Last year, the Disney Netpal, a netbook computer for children that's fun, Web-safe and easy to use, launched to rave reviews and represents the next phase in Disney's efforts to enhance kids' experience with technology through innovative product. Developed with parents and kids in mind, the Disney Netpal is durable and offers a unique Disney user interface. The Ultimate Buzz Lightyear robot resulted in many smiling faces during the holiday season, proving that interactive toys take the play experience to the next level. Ultimate Buzz is powered by seven motors enabling the robot toy to walk, talk, turn, salute and speak more than 100 phrases.



Disney Consumer Products builds on the newest technology and latest lifestyle trends to capture the imaginations of children and families.

As the world's leading publisher of children's books, DPW has been expanding its product offerings for several years, most recently in 2008 with Disney English in China. In just over one year since the launch of Disney English, seven English Language learning centers have opened in Shanghai, with thousands of children enrolled in DPW's immersive language learning programs. 2010 will see rapid



expansion of Disney English from Shanghai to Beijing, as well as other tier one and two cities across the nation. In addition to this, class programs and teaching tools will be expanded making Disney English a key line of business for Disney in China.

DON'T FORGET THE ADULTS

DCP has come of age as a lifestyle brand with offerings in high-end fashion, home furnishings, décor and stationery available globally. Disney was recognized by *Women's Wear Daily* as one of the top 100 fashion brands for the fourth consecutive year and continues turning heads with recent fashion collaborations in high-end apparel and accessories with renowned designers such as Jean Charles de Castelbajac, Dolce & Gabbana and Tom Binns. Fashion collections inspired by director Tim Burton's *Disney's Alice in Wonderland* will launch at high-end retailers in fashion centers such as Paris, Milan and New York in early 2010, appealing to fashion-conscious consumers, tastemakers and celebrities.



Disney continues to extend the sass and fun of Miss Piggy and The Muppets into the lives of fans with toys, apparel and more.

2009 also introduced several new offerings to Disney collectors, including upscale Disney pens by Retro 51 that are manufactured with sustainable materials; a new line of vinyl collectibles featuring Mickey Mouse, Stitch and other iconic Disney characters; and an expanded art collection from Thomas Kinkade featuring moments from classic Disney films. Disney Store's limited edition Snow White collector's doll sold out almost immediately, generating anticipation for the Princess Tiana limited edition doll releasing spring 2010.

A STORE LIKE YOU'VE NEVER SEEN

Disney Store Worldwide announced a highly interactive new store design in 2009, branded "Imagination Park." Poised to redefine the Disney retail experience starting in 2010, the new Disney Store will utilize the latest technology, showcase classic and new Disney content, and offer high-quality product to create a one-of-a-kind retail experience. Disney Store has a presence in the United States and Canada, Europe, and Japan, with more than 350 locations worldwide. Disney Store brings together a comprehensive assortment of exclusive Disney role play costumes, toys, apparel, stationery, and seasonal products to provide the "best 30 minutes of a child's day." Complementing Disney Store product offerings, DisneyStore.com began offering merchandise previously available only at Disney Parks and Resorts, in addition to its line of customizable products for the entire family. Disney Store and DisneyStore.com's range of unique products inspired by favorite Disney characters, films and franchises continued to expand, allowing families everywhere to take home a piece of the Disney magic.

Alice In Wonderland-inspired adult fashions were previewed last year at a top fashion trade show.