ROBINSON HARRIETT J
Form 4
August 31, 2009

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL
OMB Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
ROBINSON HARRIETT J
(Last) (First) (Middle)
4370 PEACHTREE ROAD, NE
(Street)
ATLANTA, GA 30319
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
GRAY TELEVISION INC [GTN]

3. Date of Earliest Transaction (Month/Day/Year)
08/27/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)
__X__ Director
_____ 10% Owner
_____ Officer (give title below)
_____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Class (GTN)								355,200	D	
Common Class A (GTN.A)	08/27/2009		P		1,000	A	$ 0.83	811,983	D	
Common Class (GTN)								848,350	I	Spouse
Common Class (GTN.A)								976,676	I	Spouse

Common Class (GTN)	109,750	I	Trustee for Children
Common Class A (GTN.A)	1,189,180	I	Trustee for Children
Common Class (GTN)	35,000	I	Delta Fire & Casualty Ins. Co.
Common Class A (GTN.A)	33,750	I	Delta Fire & Casualty Ins. Co.
Common Class (GTN)	10,000	I	Delta Life Ins. Co.
Common Class A (GTN.A)	135,795	I	Delta Life Ins. Co.
Common Class A (GTN.A)	221,706	I	Bankers Fidelity Life Ins. Co.
Common Class (GTN)	6,000	I	Georgia Casualty & Surety Co.
Common Class A (GTN.A)	132,354	I	Georgia Casualty & Surety Co.
Common Class (GTN)	50,000	I	Association Casualty Ins. Co.
Common Class A (GTN.A)	32,000	I	Association Casualty Ins. Co.
Common Class (GTN)	50,000	I	American Southern Ins. Co.
Common Class (GTN)	5,518 [(1)]	I	Spouse 401 K Plan
Common Class (GTN)	100,000	I	Gulf Capital Services, Ltd.
Common Class A	130,300	I	Gulf Capital Services,

(GTN.A) Ltd.

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price Derivati Security (Instr. 5
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Options - Common Stock (GTN)	$ 9.71 (2)							06/07/2005	06/07/2010	GTN	142,875 (2)	
Options - Common Stock (GTN)	$ 7.64							02/01/2010	02/01/2013	GTN	300,000	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROBINSON HARRIETT J 4370 PEACHTREE ROAD, NE ATLANTA, GA 30319	X			

Signatures

Dottie Boudreau by power of attorney	08/31/2009
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Held in 401K plan and based on plan statement as of 12/31/07.

(2) Reflects anti-dilution adjustment undertaken as a result of the spin-off completed on December 30, 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
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5
%

2
%

3
%

5
%

4
%
Per Capita Guest Spending
8
%

6
%

4
%

3
%

8
%

6
%
Hotels [1]

Occupancy
80
%

83
%

80
%

82
%

80
%

83
%
Available Room Nights (in thousands)
5,265

4,854

1,230

1,233

6,495

6,087

Per Room Guest Spending

$267

$253

$281

$273

$269

$257

(1) Per room guest spending consists of the average daily hotel room rate as well as guest spending on food, beverage and merchandise at the hotels. Hotel statistics include rentals of Disney Vacation Club units.

(2) Per capita guest spending and per room guest spending exclude the impact of foreign currency translation. The euro to U.S. dollar weighted average foreign currency exchange rate was $1.31 and $1.33 for the six months ended March 30, 2013 and March 31, 2012, respectively.

Costs and Expenses

Operating expenses include operating labor, which increased by $153 million from $1,879 million to $2,032 million, and cost of sales, which increased $31 million from $605 million to $636 million. Higher operating labor was primarily due to new guest offerings and labor cost inflation. The increase in cost of sales was driven by higher volumes. Operating expenses also increased due to other costs associated with new guest offerings, such as investments in systems infrastructure, fuel, entertainment and maintenance costs, and the absence of business interruption insurance proceeds related to Tokyo Disney Resort, which were collected in the prior year. The increase in other operating costs associated with new guest offerings was primarily due to the launch of the Disney Fantasy cruise ship and start up costs at Shanghai Disney Resort.

The increase in selling, general, administrative and other costs was due to investments in systems infrastructure, labor and other cost inflation and higher marketing costs associated with new guest offerings.

The increase in depreciation and amortization was driven by the Disney Fantasy and the expansion of Disney California Adventure.

Segment Operating Income

Segment operating income increased 24%, or $185 million, to $960 million due to an increase at our domestic operations.

Studio Entertainment

Operating results for the Studio Entertainment segment are as follows:

(in millions)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	% Change Better/ (Worse)
Revenues			
Theatrical distribution	$650	$359	81 %
Home entertainment	1,104	1,430	(23) %
TV/SVOD distribution and other	1,129	1,009	12 %
Total revenues	2,883	2,798	3 %
Operating expenses	(1,388)	(1,446)	4 %
Selling, general, administrative and other	(1,085)	(959)	(13) %
Depreciation and amortization	(58)	(64)	9 %
Operating Income	$352	$329	7 %

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Explanation of Responses:

MANAGEMENT’S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

Revenues

Higher theatrical distribution revenues were driven by the performance of Wreck-it Ralph, Oz The Great And Powerful and Lincoln in the current year compared to John Carter and The Muppets in the prior year.

Lower home entertainment revenue reflected a 17% decrease from a decline in unit sales and a 5% decrease from lower net effective pricing including the impact of a higher current-year sales mix of catalog titles, which have a lower sales price than new releases. Net effective pricing is the wholesale selling price adjusted for discounts, sales incentives and returns. Significant titles in the current year included Brave, Wreck-it Ralph, Cinderella Diamond Release and Marvel's The Avengers while the prior year included Cars 2, The Lion King Diamond Release and Pirates of the Caribbean: On Stranger Tides.

The increase in TV/SVOD distribution and other revenue was driven by a SVOD sale of library titles in the current year, higher international TV distribution sales driven by the timing of title availabilities and the inclusion of revenues from Lucasfilm's special effects business.

Costs and Expenses

Operating expenses include a decrease of $48 million in film cost amortization, from $808 million to $760 million, driven by lower film cost write-downs due to John Carter in the prior-year period and lower home entertainment volume, partially offset by higher amortization due to increased theatrical distribution revenues. Operating expenses also include distribution costs and cost of goods sold, which decreased $10 million from $638 million to $628 million, driven by a decline in worldwide home entertainment sales volume, partially offset by higher theatrical distribution costs.

The increase in selling, general, administrative and other costs was due to higher theatrical marketing expenses.

The decrease in depreciation and amortization is due to lower amortization of intangible assets.

Segment Operating Income

Segment operating income increased 7% to $352 million primarily due to lower film cost write-downs and increases in our TV/SVOD and theatrical distribution businesses, partially offset by a decline in home entertainment.

Restructuring and impairment charges

The Company recorded restructuring charges of $12 million and $7 million related to Studio Entertainment in the current and prior-year six-month periods, respectively, for severance costs from organizational and cost structure initiatives.

Consumer Products

Operating results for the Consumer Products segment are as follows:

(in millions)	Six Months Ended [1] March 30, 2013	March 31, 2012	% Change Better/ (Worse)
Revenues			
Licensing and publishing	$1,047	$963	9 %
Retail and other	729	664	10 %
Total revenues	1,776	1,627	9 %
Operating expenses	(809)	(773)	(5) %
Selling, general, administrative and other	(352)	(336)	(5) %
Depreciation and amortization	(69)	(57)	(21) %
Operating Income	$546	$461	18 %

[1] Certain reclassifications have been made to the operating and selling, general and administrative expense amounts presented in the prior-year six-month period to conform to the current-year presentation. The reclassifications reflect, in part, changes to our organizational structure following leadership changes in the Consumer Products segment in early fiscal 2012. The amounts that will be reclassified for the remaining quarters of

the prior fiscal year are comparable to the amounts reclassified in the first and second quarters of the current period.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

Revenues

Licensing and publishing revenues increased 9% due to increases of 7% from licensing and 2% from publishing. The increase at licensing was due to a lower revenue share with Studio Entertainment reflecting a higher mix of revenues from properties subject to revenue share in the prior-year six month period driven by sales of Cars merchandise. Licensing revenue also increased due to the inclusion of Lucasfilm, the strength of Spider-Man, Mickey and Minnie, and Avengers merchandise and a licensee audit settlement. The increase at publishing was due to higher Marvel comic sales and an increase in the number of English language learning centers in China.

Retail and other revenue increased 10% due to our retail business driven by higher comparable store sales growth in North America, Japan and Europe, online sales in North America and Europe, and the benefit of store format changes in North America and Japan.

Costs and Expenses

Operating expenses included an increase of $20 million in cost of goods sold, from $327 million to $347 million, due to increased sales volume at our retail business. Operating expenses also increased 1% due to higher distribution and occupancy costs at our retail business and 1% due to the inclusion of Lucasfilm.

The increase in selling, general, administrative and other was primarily due to higher labor costs and the inclusion of Lucasfilm.

The increase in depreciation and amortization was due to higher amortization of intangible assets resulting from the acquisition of Lucasfilm.

Segment Operating Income

Segment operating income increased 18% to $546 million due to increases at our licensing and retail businesses.

Restructuring and impairment charges

The Company recorded restructuring charges of $2 million and $7 million related to Consumer Products in the current and prior-year six-month periods, respectively, for severance costs from organizational and cost structure initiatives.

Interactive

Operating results for the Interactive segment are as follows:

(in millions)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	% Change Better/ (Worse)
Revenues			
Game sales and subscriptions	$358	$347	3 %
Advertising and other	127	111	14 %
Total revenues	485	458	6 %
Operating expenses	(295)	(297)	1 %
Selling, general, administrative and other	(213)	(235)	9 %
Depreciation and amortization	(22)	(24)	8 %
Operating Loss	$(45)	$(98)	54 %

Revenues

The increase in game sales and subscriptions revenue is primarily due to a 6% increase from higher mobile game sales driven by more titles in the current six-month period and an increase of 5% due to the inclusion of revenues from Lucasfilm. These increases were partially offset by a 5% decrease due to a decline in licensed and self-published console game revenues.

Higher advertising and other revenue was primarily due to a new licensing agreement for Disney branded mobile phones and content in Japan.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

Costs and Expenses

Operating expenses included a $7 million decrease in product development costs from $154 million to $147 million and a $5 million increase in cost of sales from $143 million to $148 million. Lower product development costs were driven by a decrease at our console game business, partially offset by increases at our social and mobile game businesses.

The decrease in selling, general, administrative and other costs is due to lower acquisition accounting expenses at our social games business.

Segment Operating Loss

Segment operating loss decreased from $98 million to $45 million driven by improved results at our mobile and social games businesses.

Restructuring and impairment charges

The Company recorded restructuring charges of $6 million and $8 million related to Interactive in the current and prior-year six-month periods, respectively, primarily for severance costs from organizational and cost structure initiatives.

OTHER FINANCIAL INFORMATION

Corporate and Unallocated Shared Expenses

Corporate and unallocated shared expenses are as follows:

(in millions)	Quarter Ended March 30, 2013	Quarter Ended March 31, 2012	% Change Better/ (Worse)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	% Change Better/ (Worse)
Corporate and unallocated shared expenses	$(129)	$(120)	(8)%	$(252)	$(227)	(11)%

The increase in Corporate and unallocated shared expenses in the current quarter and six-month period was driven by the timing of allocations to operating segments and higher charitable contributions.

Net Interest Expense

Net interest expense is as follows:

(in millions)	Quarter Ended March 30, 2013	Quarter Ended March 31, 2012	% Change Better/ (Worse)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	% Change Better/ (Worse)
Interest expense	$(83)	$(126)	34%	$(175)	$(242)	28%
Interest and investment income	29	31	(6)%	49	57	(14)%
Net interest expense	$(54)	$(95)	43%	$(126)	$(185)	32%

The decrease in net interest expense for the quarter and six-month period was primarily due to lower effective interest rates.

Income Taxes

The effective income tax rate is as follows:

	Quarter Ended March 30, 2013	Quarter Ended March 31, 2012	Change Better/ (Worse)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	Change Better/ (Worse)
Effective Income Tax Rate	28.8%	34.6%	5.8 ppt	28.9%	33.3%	4.4 ppt

The decrease in the effective income tax rate for the current quarter and six-month period was primarily due to favorable tax adjustments related to pre-tax earnings in prior years.

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Explanation of Responses:

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

Noncontrolling Interests

Net income attributable to noncontrolling interests is as follows:

(in millions)	Quarter Ended March 30, 2013	Quarter Ended March 31, 2012	% Change Better/ (Worse)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	% Change Better/ (Worse)
Net income attributable to noncontrolling interests	$108	$83	(30) %	$164	$140	(17) %

The increase in net income attributable to noncontrolling interests for the quarter was due to improved operating results at ESPN.

The increase in net income attributable to noncontrolling interests for the six-month period was due to increased earnings at ESPN, partially offset by the impact of start up costs at Shanghai Disney Resort.

Net income attributable to noncontrolling interests is determined on income after royalties and management fees, financing costs and income taxes.

FINANCIAL CONDITION

The change in cash and cash equivalents is as follows:

(in millions)	Six Months Ended March 30, 2013	Six Months Ended March 31, 2012	% Change Better/ (Worse)
Cash provided by operations	$3,304	$3,546	(7) %
Cash used in investing activities	(2,990)	(2,781)	(8) %
Cash provided by/(used in) financing activities	310	(226)	nm
Impact of exchange rates on cash and cash equivalents	(59)	7	nm
Increase in cash and cash equivalents	$565	$546	3 %

Operating Activities

Cash provided by operating activities decreased 7% to $3.3 billion for the current six-month period compared to $3.5 billion in the prior-year six-month period. The decrease was primarily due to higher cash payments at Corporate, Studio Entertainment, Parks and Resorts and Media Networks. The increase in cash payments at Corporate was driven by higher income tax payments and timing of accounts payable disbursements. The increase in cash payments at Studio Entertainment was due to higher investment in film production spending and timing of participation payments. The increase in cash payments at Parks and Resorts was driven by higher operating labor due to new guest offerings and labor cost inflation, while the increase in cash payments at Media Networks was primarily due to higher investment in television programming and production. These decreases were partially offset by higher operating cash receipts from higher revenues at Parks and Resorts, Media Networks and Consumer Products.

Film and Television Costs

The Company's Studio Entertainment and Media Networks segments incur costs to acquire and produce feature film and television programming. Film and television production costs include all internally produced content such as live-action and animated feature films, animated direct-to-video programming, television series, television specials, theatrical stage plays or other similar product. Programming costs include film or television product licensed for a specific period from third parties for airing on the Company's broadcast and cable networks and television stations. Programming assets are generally recorded when the programming becomes available to us with a corresponding increase in programming liabilities. Accordingly, we analyze our programming assets net of the related liability.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

The Company's film and television production and programming activity for the six months ended March 30, 2013 and March 31, 2012 are as follows:

	Six Months Ended	
(in millions)	March 30, 2013	March 31, 2012
Beginning balances:		
Production and programming assets	$5,217	$5,031
Programming liabilities	(812)	(866)
	4,405	4,165
Spending:		
Film and television production	1,942	1,714
Broadcast programming	3,142	2,966
	5,084	4,680
Amortization:		
Film and television production	(1,610)	(1,588)
Broadcast programming	(2,903)	(2,596)
	(4,513)	(4,184)
Change in film and television production and programming costs	571	496
Other non-cash activity	51	181
Ending balances:		
Production and programming assets	5,800	5,559
Programming liabilities	(773)	(717)
	$5,027	$4,842

Investing Activities

Investing activities consist principally of investments in parks, resorts and other property and acquisition and divestiture activity.

The Company's investments in parks, resorts and other property for the six months ended March 30, 2013 and March 31, 2012 are as follows:

Investments in parks, resorts and other property	Six Months Ended	
(in millions)	March 30, 2013	March 31, 2012
Media Networks		
Cable Networks	$67	$55
Broadcasting	24	24
Total Media Networks	91	79
Parks and Resorts		
Domestic	481	1,445
International	359	310
Total Parks and Resorts	840	1,755
Studio Entertainment	27	33
Consumer Products	14	26
Interactive	6	10
Corporate	141	208
	$1,119	$2,111

Capital expenditures for the Parks and Resorts segment are principally for theme park and resort expansion, new rides and attractions, cruise ships, recurring capital and capital improvements, and systems infrastructure. The decrease at our

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

domestic parks and resorts operations was due to the final progress payment in the prior-year period for the Disney Fantasy cruise ship and also reflected significant spending in the prior-year period for the expansion of Disney California Adventure and for the construction of Disney's Art of Animation Resort. These decreases were partially offset by higher current-year spending on construction of the Shanghai Disney Resort.

Capital expenditures at Media Networks primarily reflect investments in facilities and equipment for expanding and upgrading broadcast centers, production facilities and television station facilities.

Capital expenditures at Corporate primarily reflect investments in corporate facilities, information technology and other equipment.

Other Investing Activities

During the current six-month period, acquisitions totaled $2.3 billion due to the acquisition of Lucasfilm and proceeds from dispositions totaled $345 million due to the sale of our 50% equity interest in ESPN STAR Sports. In the prior-year six-month period, acquisitions totaled $726 million primarily due to the acquisition of an incremental 43% interest in UTV and a 49% interest in a television broadcast business in Russia.

Financing Activities

Cash provided by financing activities was $310 million in the current six-month period compared to cash used in financing activities of $226 million in the prior-year six-month period. Cash provided by financing activities in the current six-month period includes net proceeds from borrowings of $2.8 billion and payments for the repurchase of common stock of $1.9 billion and dividends of $1.3 billion. The increase in cash from financing activities of $536 million versus the prior-year six-month period was primarily due to increased net borrowings of $941 million, partially offset by higher dividends of $248 million and higher repurchases of common stock of $225 million.

During the six months ended March 30, 2013, the Company's borrowing activity was as follows:

	September 29, 2012	Additions	Payments	Other Activity	March 30, 2013
Commercial paper borrowings	$2,050	$—	$(245)	$—	$1,805
U.S. medium-term notes	10,117	3,778	(750)	5	13,150
European medium-term notes and other foreign currency denominated borrowings [(1)]	1,315	100	(32)	(155)	1,228
Other [(2)]	562	—	(13)	(66)	483
Hong Kong Disneyland borrowings	267	—	—	4	271
Total	$14,311	$3,878	$(1,040)	$(212)	$16,937

(1) The other activity is primarily the impact of foreign currency translation as a result of the strengthening of the U.S. dollar against the Japanese yen.

(2) The other activity is primarily market value adjustments for debt with qualifying hedges.

The Company's bank facilities as of March 30, 2013 were as follows:

(in millions)	Committed Capacity	Capacity Used	Unused Capacity
Bank facility expiring March 2014	$1,500	$—	$1,500
Bank facility expiring February 2015	2,250	—	2,250
Bank facility expiring June 2017	2,250	—	2,250
Total	$6,000	$—	$6,000

At September 29, 2012, the Company had two bank facilities, each for $2.25 billion, which are used to support commercial paper borrowings. On March 15, 2013, the Company entered into a new $1.5 billion 364-day credit agreement with a syndicate of lenders. These bank facilities allow for borrowings at LIBOR-based rates plus a spread, which depends on the Company's public debt rating and can range from 0.23% to 1.93%. The Company also has the ability to issue up to $800 million of letters of credit under the facility expiring in February 2015, which if utilized, reduces available borrowings under

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

this facility. As of March 30, 2013, $246 million of letters of credit were outstanding, of which none were issued under this facility.

The Company may use commercial paper borrowings up to the amount of its unused bank facilities, in conjunction with term debt issuance and operating cash flow, to retire or refinance other borrowings before or as they come due.

On November 28, 2012, the Company declared a $0.75 per share dividend ($1.3 billion) related to fiscal 2012 for shareholders of record on December 10, 2012, which was paid on December 28, 2012. The Company paid a $0.60 per share dividend ($1.1 billion) during the second quarter of fiscal 2012 related to fiscal 2011.

During the six months ended March 30, 2013, the Company repurchased 37 million shares of its common stock for $1.9 billion. As of March 30, 2013, the Company had remaining authorization in place to repurchase 195 million additional shares. The repurchase program does not have an expiration date.

We believe that the Company's financial condition is strong and that its cash balances, other liquid assets, operating cash flows, access to debt and equity capital markets and borrowing capacity, taken together, provide adequate resources to fund ongoing operating requirements and future capital expenditures related to the expansion of existing businesses and development of new projects. However, the Company's operating cash flow and access to the capital markets can be impacted by macroeconomic factors outside of its control. In addition to macroeconomic factors, the Company's borrowing costs can be impacted by short- and long-term debt ratings assigned by independent rating agencies, which are based, in significant part, on the Company's performance as measured by certain credit metrics such as interest coverage and leverage ratios. As of March 30, 2013, Moody's Investors Service's long- and short-term debt ratings for the Company were A2 and P-1, respectively, with stable outlook; Standard & Poor's long- and short-term debt ratings for the Company were A and A-1, respectively, with stable outlook; and Fitch's long- and short-term debt ratings for the Company were A and F1, respectively, with stable outlook. The Company's bank facilities contain only one financial covenant, relating to interest coverage, which the Company met on March 30, 2013, by a significant margin. The Company's bank facilities also specifically exclude certain entities, such as Disneyland Paris, Hong Kong Disneyland Resort and Shanghai Disney Resort, from any representations, covenants or events of default.

COMMITMENTS AND CONTINGENCIES

Legal Matters

As disclosed in Note 11 to the Condensed Consolidated Financial Statements, the Company has exposure for certain legal matters, and the disclosure set forth in Note 11 relating to certain legal matters is incorporated herein by reference.

Guarantees

See Note 11 to the Condensed Consolidated Financial Statements for information regarding the Company's guarantees.

Tax Matters

As disclosed in Note 9 to the Consolidated Financial Statements in the 2012 Annual Report on Form 10-K, the Company has exposure for certain tax matters.

Contractual Commitments

See Note 14 to the Consolidated Financial Statements in the 2012 Annual Report on Form 10-K for information regarding the Company's contractual commitments.

OTHER MATTERS

Accounting Policies and Estimates

We believe that the application of the following accounting policies, which are important to our financial position and results of operations, require significant judgments and estimates on the part of management. For a summary of our significant accounting policies, including the accounting policies discussed below, see Note 2 to the Consolidated Financial Statements in the 2012 Annual Report on Form 10-K.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS — (continued)

Film and Television Revenues and Costs

We expense film and television production, participation and residual costs over the applicable product life cycle based upon the ratio of the current period's revenues to the estimated remaining total revenues (Ultimate Revenues) for each production. If our estimate of Ultimate Revenues decreases, amortization of film and television costs may be accelerated. Conversely, if our estimate of Ultimate Revenues increases, film and television cost amortization may be slowed. For film productions, Ultimate Revenues include revenues from all sources that will be earned within ten years from the date of the initial theatrical release. For television series, Ultimate Revenues include revenues that will be earned within ten years from delivery of the first episode, or if still in production, five years from delivery of the most recent episode, if later.

With respect to films intended for theatrical release, the most sensitive factor affecting our estimate of Ultimate Revenues (and therefore affecting future film cost amortization and/or impairment) is theatrical performance. Revenues derived from other markets subsequent to the theatrical release (e.g., the home entertainment or television markets) have historically been highly correlated with the theatrical performance. Theatrical performance varies primarily based upon the public interest and demand for a particular film, the popularity of competing films at the time of release and the level of marketing effort. Upon a film's release and determination of the theatrical performance, the Company's estimates of revenues from succeeding windows and markets are revised based on historical relationships and an analysis of current market trends. The most sensitive factor affecting our estimate of Ultimate Revenues for released films is the extent of home entertainment sales achieved. Home entertainment sales vary based on the number and quality of competing home video products, as well as the manner in which retailers market and price our products.

With respect to television series or other television productions intended for broadcast, the most sensitive factor affecting estimates of Ultimate Revenues is the program's rating and the strength of the advertising market. Program ratings, which are an indication of market acceptance, directly affect the Company's ability to generate advertising revenues during the airing of the program. In addition, television series with greater market acceptance are more likely to generate incremental revenues through the eventual sale of the program rights in the syndication, international and home entertainment markets. Alternatively, poor ratings may result in a television series cancellation, which would require the immediate write-off of any unamortized production costs. A significant decline in the advertising market would also negatively impact our estimates.

We expense the cost of television broadcast rights for acquired movies, series and other programs based on the number of times the program is expected to be aired or on a straight-line basis over the useful life, as appropriate. Amortization of those television programming assets being amortized on a number of airings basis may be accelerated if we reduce the estimated future airings and slowed if we increase the estimated future airings. The number of future airings of a particular program is impacted primarily by the program's ratings in previous airings, expected advertising rates and availability and quality of alternative programming. Accordingly, planned usage is reviewed periodically and revised if necessary. We amortize rights costs for multi-year sports programming arrangements during the applicable seasons based on the estimated relative value of each year in the arrangement. The estimated values of each year are based on our projection of revenues over the contract period, which include advertising revenue and an allocation of affiliate revenue. If the annual contractual payments related to each season approximate each season's relative value, we expense the related contractual payment during the applicable season. If planned usage patterns or estimated relative values by year were to change significantly, amortization of our sports rights costs may be accelerated or slowed.

Costs of film and television productions are subject to regular recoverability assessments, which compare the estimated fair values with the unamortized costs. The net realizable values of television broadcast program licenses and rights are reviewed using a daypart methodology. A daypart is defined as an aggregation of programs broadcast during a particular time of day or programs of a similar type. The Company's dayparts are: primetime, daytime, late night, news, and sports (includes network and cable). The net realizable values of other cable programming assets are reviewed on an aggregated basis for each cable channel. Individual programs are written-off when there are no plans to air or sublicense the program. Estimated values are based upon assumptions about future demand and market conditions. If actual demand or market conditions are less favorable than our projections, film, television and programming cost write-downs may be required.

Revenue Recognition

The Company has revenue recognition policies for its various operating segments that are appropriate to the circumstances of each business. See Note 2 to the Consolidated Financial Statements in the 2012 Annual Report on Form 10-K for a summary of these revenue recognition policies.

We reduce home entertainment and software product revenues for estimated future returns of merchandise and for customer programs and sales incentives. These estimates are based upon historical return experience, current economic trends and projections of customer demand for and acceptance of our products. If we underestimate the level of returns and concessions in a particular period, we may record less revenue in later periods when returns exceed the estimated amount. Conversely, if we overestimate the level of returns and concessions for a period, we may have additional revenue in later periods when returns and concessions are less than estimated.

We recognize revenues from advance theme park ticket sales when the tickets are used. For non-expiring, multi-day tickets, we recognize revenue over a five-year time period based on estimated usage, which is derived from historical usage patterns. If actual usage is different than our estimated usage, revenues may not be recognized in the periods the related services are rendered. In addition, a change in usage patterns would impact the timing of revenue recognition.

Pension and Postretirement Medical Plan Actuarial Assumptions

The Company's pension and postretirement medical benefit obligations and related costs are calculated using a number of actuarial assumptions. Two critical assumptions, the discount rate and the expected return on plan assets, are important elements of expense and/or liability measurement, which we evaluate annually. Refer to the 2012 Annual Report on Form 10-K for estimated impacts of changes in these assumptions. Other assumptions include the healthcare cost trend rate and employee demographic factors such as retirement patterns, mortality, turnover and rate of compensation increase.

The discount rate enables us to state expected future cash payments for benefits as a present value on the measurement date. A lower discount rate increases the present value of benefit obligations and increases pension expense. The guideline for setting this rate is a high-quality long-term corporate bond rate. The Company's discount rate was determined by considering the average of pension yield curves constructed of a large population of high-quality corporate bonds. The resulting discount rate reflects the matching of plan liability cash flows to the yield curves.

To determine the expected long-term rate of return on the plan assets, we consider the current and expected asset allocation, as well as historical and expected returns on each plan asset class. A lower expected rate of return on pension plan assets will increase pension expense.

Goodwill, Intangible Assets, Long-Lived Assets and Investments

The Company is required to test goodwill and other indefinite-lived intangible assets for impairment on an annual basis and if current events or circumstances require, on an interim basis. Goodwill is allocated to various reporting units, which are generally an operating segment or one level below the operating segment. The Company compares the fair value of each reporting unit to its carrying amount to determine if there is potential goodwill impairment. If the fair value of a reporting unit is less than its carrying value, an impairment loss is recorded to the extent that the fair value of the goodwill within the reporting unit is less than the carrying value of the goodwill.

To determine the fair value of our reporting units, we generally use a present value technique (discounted cash flow) corroborated by market multiples when available and as appropriate. We apply what we believe to be the most appropriate valuation methodology for each of our reporting units. The discounted cash flow analyses are sensitive to our estimates of future revenue growth and margins for these businesses. We include in the projected cash flows an estimate of the revenue we believe the reporting unit would receive if the intellectual property developed by the reporting unit that is being used by other reporting units was licensed to an unrelated third party at its fair market value. These amounts are not necessarily the same as those included in segment operating results. We believe our estimates of fair value are consistent with how a marketplace participant would value our reporting units.

In times of adverse economic conditions in the global economy, the Company's long-term cash flow projections are subject to a greater degree of uncertainty than usual. If we had established different reporting units or utilized different valuation methodologies or assumptions, the impairment test results could differ, and we could be required to record impairment charges.

The Company is required to compare the fair values of other indefinite-lived intangible assets to their carrying amounts. If the carrying amount of an indefinite-lived intangible asset exceeds its fair value, an impairment loss is recognized. Fair values of other indefinite-lived intangible assets are determined based on discounted cash flows or appraised values, as appropriate.

The Company tests long-lived assets, including amortizable intangible assets, for impairment whenever events or changes in circumstances (triggering events) indicate that the carrying amount may not be recoverable. Once a triggering event has occurred, the impairment test employed is based on whether the intent is to hold the asset for continued use or to hold the asset for sale. The impairment test for assets held for use requires a comparison of cash flows expected to be generated over the useful life of an asset group against the carrying value of the asset group. An asset group is established by identifying the lowest

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level of cash flows generated by the group of assets that are largely independent of the cash flows of other assets and could include assets used across multiple businesses or segments. If the carrying value of the asset group exceeds the estimated undiscounted future cash flows, an impairment would be measured as the difference between the fair value of the group's long-lived assets and the carrying value of the group's long-lived assets. The impairment is allocated to the long-lived assets of the group on a pro rata basis using the relative carrying amounts, but only to the extent the carrying value of each asset is above its fair value. For assets held for sale, to the extent the carrying value is greater than the asset's fair value less costs to sell, an impairment loss is recognized for the difference. Determining whether a long-lived asset is impaired requires various estimates and assumptions, including whether a triggering event has occurred, the identification of the asset groups, estimates of future cash flows and the discount rate used to determine fair values. If we had established different asset groups or utilized different valuation methodologies or assumptions, the impairment test results could differ, and we could be required to record impairment charges.

The Company has cost and equity investments. The fair value of these investments is dependent on the performance of the investee companies, as well as volatility inherent in the external markets for these investments. In assessing potential impairment of these investments, we consider these factors, as well as the forecasted financial performance of the investees and market values, where available. If these forecasts are not met or market values indicate an other-than-temporary decline in value, impairment charges may be required.

Allowance for Doubtful Accounts

We evaluate our allowance for doubtful accounts and estimate collectability of accounts receivable based on our analysis of historical bad debt experience in conjunction with our assessment of the financial condition of individual companies with which we do business. In times of domestic or global economic turmoil, our estimates and judgments with respect to the collectability of our receivables are subject to greater uncertainty than in more stable periods. If our estimate of uncollectible accounts is too low, costs and expenses may increase in future periods, and if it is too high, costs and expenses may decrease in future periods.

Contingencies and Litigation

We are currently involved in certain legal proceedings and, as required, have accrued estimates of the probable and estimable losses for the resolution of these claims. These estimates have been developed in consultation with outside counsel and are based upon an analysis of potential results, assuming a combination of litigation and settlement strategies. It is possible, however, that future results of operations for any particular quarterly or annual period could be materially affected by changes in our assumptions or the effectiveness of our strategies related to these proceedings. See Note 11 to the Condensed Consolidated Financial Statements for more detailed information on litigation exposure.

Income Tax Audits

As a matter of course, the Company is regularly audited by federal, state and foreign tax authorities. From time to time, these audits result in proposed assessments. Our determinations regarding the recognition of income tax benefits are made in consultation with outside tax and legal counsel where appropriate and are based upon the technical merits of our tax positions in consideration of applicable tax statutes and related interpretations and precedents and upon the expected outcome of proceedings (or negotiations) with taxing and legal authorities. The tax benefits ultimately realized by the Company may differ from those recognized in our future financial statements based on a number of factors, including the Company's decision to settle rather than litigate a matter, relevant legal precedent related to similar matters and the Company's success in supporting its filing positions with taxing authorities.

MARKET RISK

The Company is exposed to the impact of interest rate changes, foreign currency fluctuations, commodity fluctuations and changes in the market values of its investments.

Policies and Procedures

In the normal course of business, we employ established policies and procedures to manage the Company's exposure to changes in interest rates, foreign currencies, and commodities using a variety of financial instruments.

Our objectives in managing exposure to interest rate changes are to limit the impact of interest rate volatility on earnings and cash flows and to lower overall borrowing costs. To achieve these objectives, we primarily use interest rate swaps to

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manage net exposure to interest rate changes related to the Company's portfolio of borrowings. By policy, the Company targets fixed-rate debt as a percentage of its net debt between minimum and maximum percentages.

Our objective in managing exposure to foreign currency fluctuations is to reduce volatility of earnings and cash flow in order to allow management to focus on core business issues and challenges. Accordingly, the Company enters into various contracts that change in value as foreign exchange rates change to protect the U.S. dollar equivalent value of its existing foreign currency assets, liabilities, commitments and forecasted foreign currency revenues and expenses. The Company utilizes option strategies and forward contracts that provide for the purchase or sale of foreign currencies to hedge probable, but not firmly committed, transactions. The Company also uses forward and option contracts to hedge foreign currency assets and liabilities. The principal foreign currencies hedged are the euro, British pound, Japanese yen and Canadian dollar. Cross-currency swaps are used to effectively convert foreign currency denominated borrowings to U.S. dollar denominated borrowings. By policy, the Company maintains hedge coverage between minimum and maximum percentages of its forecasted foreign exchange exposures generally for periods not to exceed four years. The gains and losses on these contracts offset changes in the U.S. dollar equivalent value of the related exposures. The economic or political conditions in a country could reduce our ability to hedge exposure to currency fluctuations in the country or our ability to repatriate revenue from the country.

Our objectives in managing exposure to commodity fluctuations are to use commodity derivatives to reduce volatility of earnings and cash flows arising from commodity price changes. The amounts hedged using commodity swap contracts are based on forecasted levels of consumption of certain commodities, such as fuel oil and gasoline.

It is the Company's policy to enter into foreign currency and interest rate derivative transactions and other financial instruments only to the extent considered necessary to meet its objectives as stated above. The Company does not enter into these transactions or any other hedging transactions for speculative purposes.

Item 3. Quantitative and Qualitative Disclosures about Market Risk. See Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures – We have established disclosure controls and procedures to ensure that the information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that such information is accumulated and made known to the officers who certify the Company's financial reports and to other members of senior management and the Board of Directors as appropriate to allow timely decisions regarding required disclosure.

Based on their evaluation as of March 30, 2013, the principal executive officer and principal financial officer of the Company have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) are effective.

There have been no changes in our internal controls over financial reporting during the second quarter of fiscal 2013 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings

Celador International Ltd. v. American Broadcasting Companies, Inc. On May 19, 2004, an affiliate of the creator and licensor of the television program, “Who Wants to be a Millionaire,” filed an action against the Company and certain of its subsidiaries, including American Broadcasting Companies, Inc. and Buena Vista Television, LLC, alleging it was damaged by defendants improperly engaging in certain intra-company transactions and charging merchandise distribution expenses, resulting in an underpayment to the plaintiff. On July 7, 2010, the jury returned a verdict for breach of contract against certain subsidiaries of the Company, awarding plaintiff damages of $321 million, including agreed upon pre-judgment interest. On December 3, 2012, the Court of Appeals affirmed the judgment against the Company. On December 31, 2012, the Company filed a petition for rehearing en banc, which was denied on February 26, 2013. The Company paid $321 million in satisfaction of the judgment in the third quarter of fiscal 2013.

ITEM 1A. Risk Factors

The Private Securities Litigation Reform Act of 1995 (the Act) provides a safe harbor for “forward-looking statements” made by or on behalf of the Company. We may from time to time make written or oral statements that are “forward-looking,” including statements contained in this report and other filings with the Securities and Exchange Commission and in reports to our shareholders. All forward-looking statements are made on the basis of management’s views and assumptions regarding future events and business performance as of the time the statements are made and the Company does not undertake any obligation to update its disclosure relating to forward looking matters. Actual results may differ materially from those expressed or implied. Such differences may result from actions taken by the Company, including restructuring or strategic initiatives (including capital investments or asset acquisitions or dispositions), as well as from developments beyond the Company’s control, including: changes in domestic and global economic conditions, competitive conditions and consumer preferences; adverse weather conditions or natural disasters; health concerns; international, political or military developments; and technological developments. Such developments may affect travel and leisure businesses generally and may, among other things, affect the performance of the Company’s theatrical and home entertainment releases, the advertising market for broadcast and cable television programming, expenses of providing medical and pension benefits, demand for our products and performance of some or all company businesses either directly or through their impact on those who distribute our products. Additional factors are discussed in the 2012 Annual Report on Form 10-K under the Item 1A, “Risk Factors.”

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information about Company purchases of equity securities that are registered by the Company pursuant to Section 12 of the Exchange Act during the quarter ended March 30, 2013:

Period	Total Number of Shares Purchased [1]	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs [2]
December 30, 2012 – January 31, 2013	6,024,197	$51.18	5,466,500	206 million
February 1, 2013 – February 28, 2013	6,223,936	54.64	6,150,000	200 million
March 1, 2012 – March 30, 2013	4,232,152	56.11	4,162,787	195 million
Total	16,480,285	53.76	15,779,287	195 million

(1) 700,998 shares were purchased on the open market to provide shares to participants in the Walt Disney Investment Plan (WDIP) and Employee Stock Purchase Plan (ESPP). These purchases were not made pursuant to a publicly announced repurchase plan or program.

(2) Under a share repurchase program implemented effective June 10, 1998, the Company is authorized to repurchase shares of its common stock. On March 22, 2011, the Company's Board of Directors increased the repurchase authorization to a total of 400 million shares as of that date. The repurchase program does not have an expiration date.

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ITEM 6. Exhibits
See Index of Exhibits.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

THE WALT DISNEY COMPANY
(Registrant)

By: /s/ JAMES A. RASULO
James A. Rasulo,
Senior Executive Vice President and Chief Financial Officer

May 7, 2013
Burbank, California

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INDEX OF EXHIBITS

Number and Description of Exhibit (Numbers Coincide with Item 601 of Regulation S-K)		Document Incorporated by Reference from a Previous Filing or Filed Herewith, as Indicated below
4.1	364-Day Credit Agreement dated as of March 15, 2013	Exhibit 10.1 to the Current Report on Form 8-K of the Company dated March 20, 2013
10.1	Amended and Restated Executive Performance Plan	Annex A to the Proxy Statement for the 2013 Annual Meeting of the Registrant
12.1	Statement Regarding Ratio of Earnings to Fixed Charges	Filed herewith
31(a)	Rule 13a-14(a) Certification of Chief Executive Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31(b)	Rule 13a-14(a) Certification of Chief Financial Officer of the Company in accordance with Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32(a)	Section 1350 Certification of Chief Executive Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002*	Furnished
32(b)	Section 1350 Certification of Chief Financial Officer of the Company in accordance with Section 906 of the Sarbanes-Oxley Act of 2002*	Furnished
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended March 30, 2013 formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Income, (ii) the Condensed Consolidated Statements of Comprehensive Income, (iii) the Condensed Consolidated Balance Sheets, (iv) the Condensed Consolidated Statements of Cash Flows, (v) the Condensed Consolidated Statements of Equity and (vi) related notes	Filed

* A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.