

Financial Analysis Behind the Magic at Walt Disney World Resort



Stephanie Janik

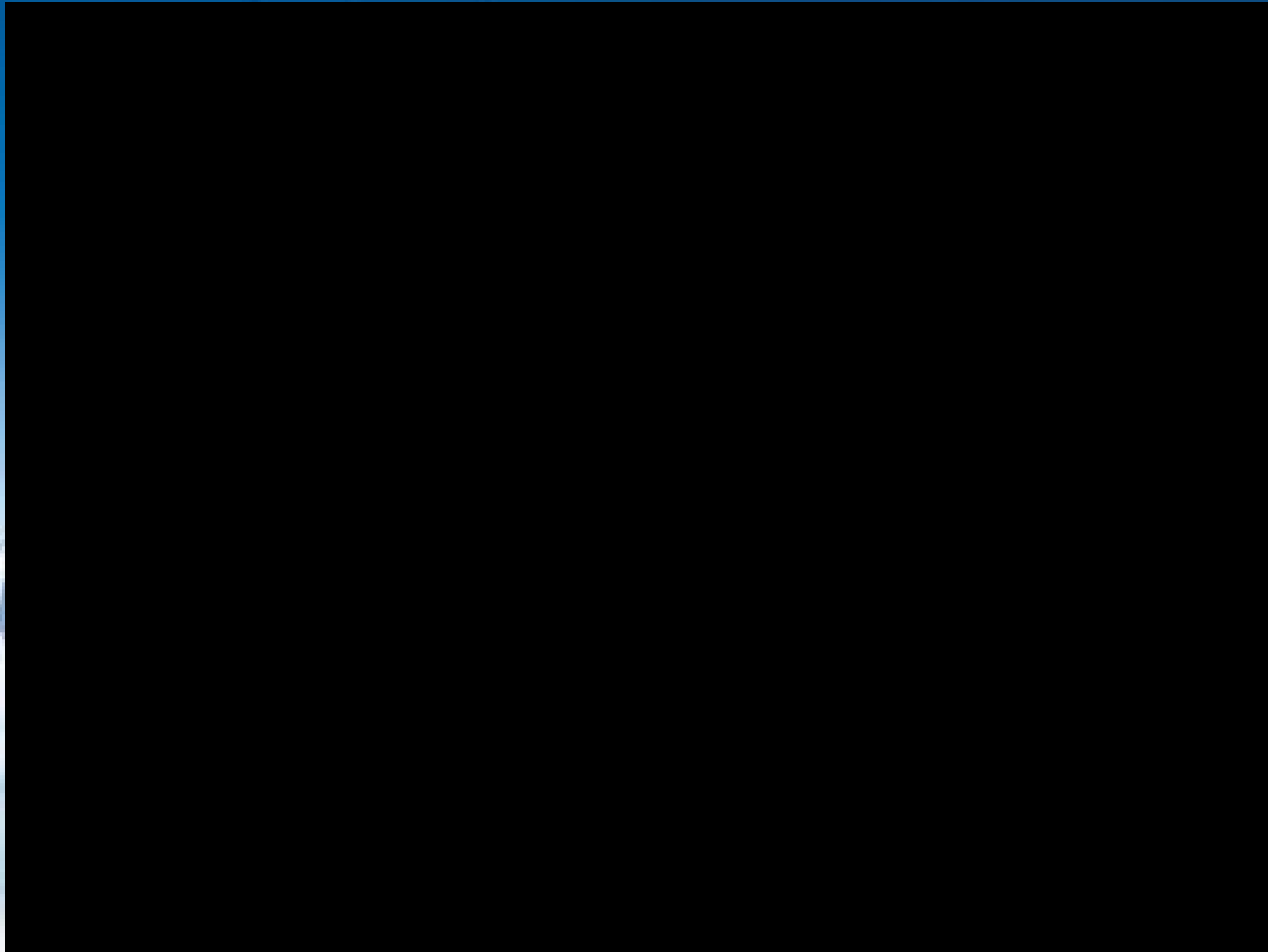
Vice President
Operations Finance
Walt Disney World Resort

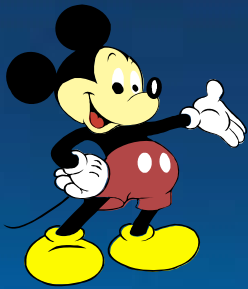


Kevin Lansberry

Vice President
Downtown Disney Operations
Walt Disney World Resort

What does Disney do?





The **WALT DISNEY** Company

Organizational Overview

Studio Entertainment

Walt Disney Studios
Television Production
& Distribution

Consumer Products

Disney Catalog
Licensing

The Walt Disney Company

Media Networks

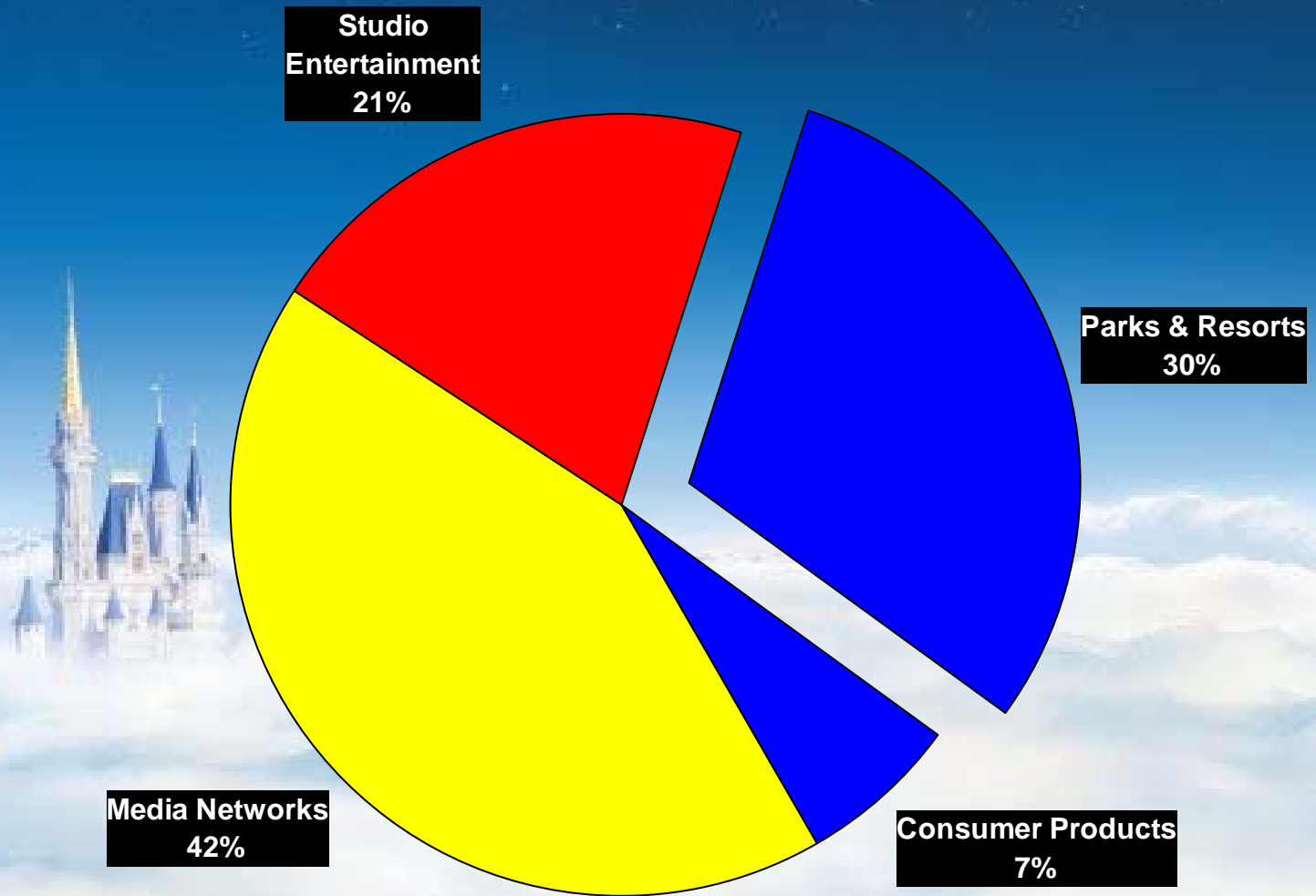
ABC Television Network
Cable/International Networks
ESPN

Parks & Resorts

Walt Disney World Resort
Disneyland Resort
Tokyo Disney Resort
Disneyland Paris
Hong Kong Disneyland
(equity investment)
Disney Vacation Club
Disney Cruise Line
Adventures by Disney
Walt Disney Imagineering
Disney Regional Entertainment

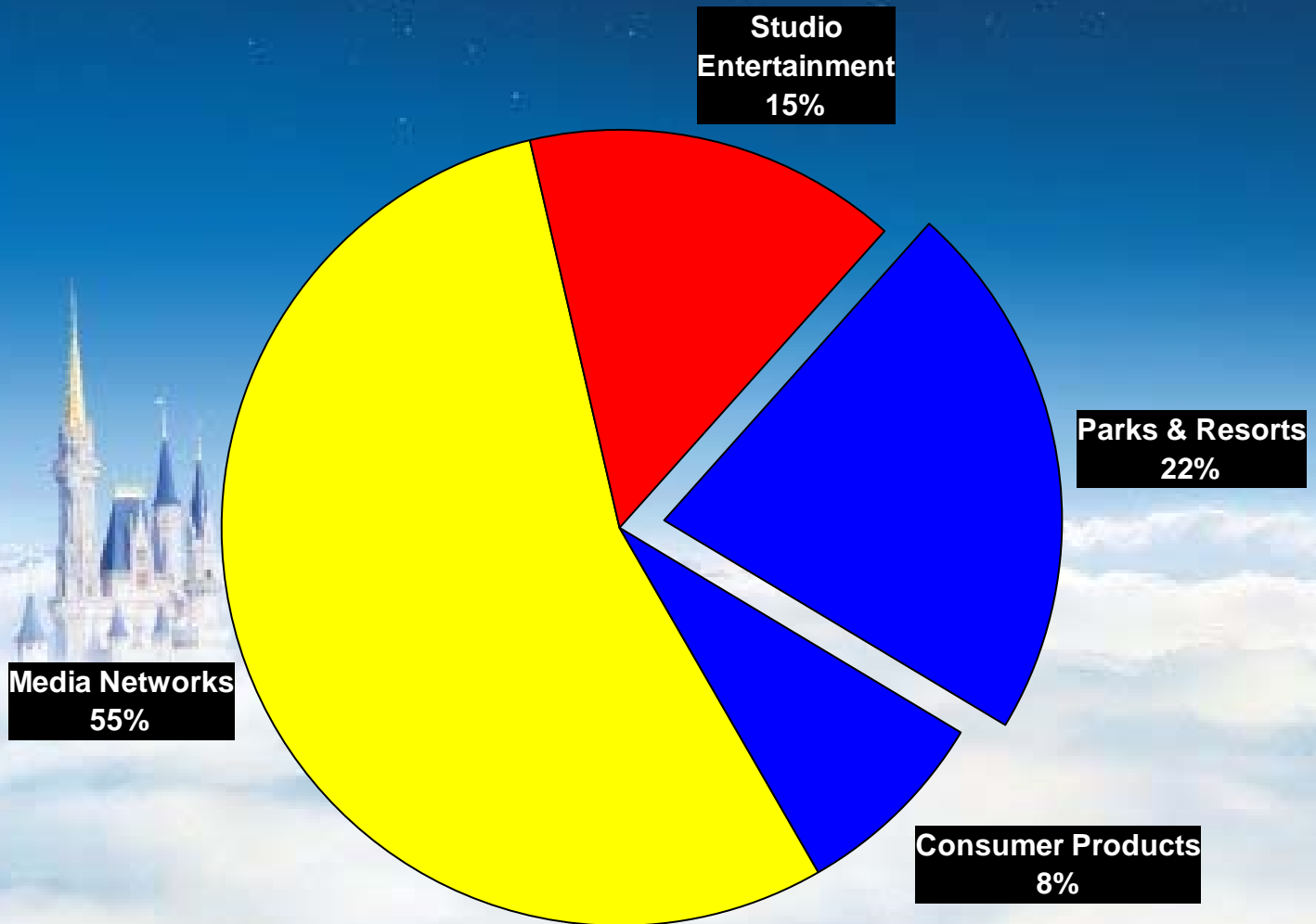
The *WALT DISNEY* Company

FY 2007 Segment Revenues: \$35.5 Billion



The *WALT DISNEY* Company

FY 2007 Segment Operating Income: \$7.8 Billion



**Magic
Kingdom®
Park**



Disney's
Contemporary
Resort

Bay Lake

Seven Seas
Lagoon

Disney's
Polynesian
Resort

Disney's Palm
& Magnolia
Golf Courses

Disney's
Fort Wilderness Homes
& Campground

WALT DISNEY WORLD®

RESORT • FLORIDA

1971

To Orlando (20 miles)

St. Rd. 535



Lake
Buena
Vista

To Tampa

© Disney

Magic Kingdom Park

Disney's Grand Floridian Beach Resort

Disney's Wedding Pavilion

Disney's Polynesian Resort



Disney's Contemporary Resort

Bay Lake

River Country

Disney's Fort Wilderness Homes & Campground

Disney's Wilderness Lodge

Monorail

Walt Disney World Speedway

Walt Disney World Dolphin

Walt Disney World Swan

Epcot

Disney-MGM Studios

Disney's BoardWalk

Disney's Port Orleans Resort

Disney's Yacht & Beach Club Resorts

Disney's Old Key West Resort

Disney's Dixie Landings Resort

Disney's Saratoga Springs Resort

Disney Village Marketplace

Lake Buena Vista

Pleasure Island

Planet Hollywood

Disney's Caribbean Beach Resort

Disney's Pop Century

Disney's Sports Complex

Disney's All Star Sports Resort

Disney's All Star Music Resort

Disney's All Star Movies Resort

Disney's Animal Kingdom



Blizzard Beach

Disney's Animal Kingdom Lodge

Walt Disney World

RESORT • FLORIDA

Today

To Orlando (20 miles)

St. Rd. 535



International Drive

To Airport (30 miles)

Osceola Parkway

To Tampa

© Disney

The Guest Experience

Inspiration

Consideration

Arrival

Resort Stay

Theme Park Experience

Departure

Memories

Inspiration



Inspiration and Consideration

Walt Disney World.
Book Your Vacation

My Disney Vacation Tickets & Reservations Log In

Customize Your Trip

Disney's Pop Century Resort
Total: \$1,277.84

Disney's All-Star Sports Resort
Total: \$1,277.84

Disney's Port Orleans Resort - Riverside
Total: \$1,443.24

Experience a Resort that celebrates the fads, fashions and dances of American pop culture that have captivated the world through the decades.

[Take the Virtual Tour](#)

[View Resort Web Site](#)

Room Type

Standard Room	-\$27.12
Preferred Room	Included

All rooms have two double beds or one king-size bed, table and chairs, vanity area with sink and mirror, and a full bathroom. Preferred View Rooms are located near the main pool, food court, transportation, playground and laundry facilities. Disabled accessible rooms are available. Amenities include a wall safe, voice mail and data port on phone. Hairdryer, iron and ironing board, and refrigerator are available upon request.

Update

View/Change Ticket Selection

3 Day Magic Your Way Ticket with Park Hopper® Option included

Walt Disney Travel Company Guest Services



Financial Analysis Concepts: Inspiration and Consideration

- Pricing Theory
- Revenue Management
- Marketing and Sales Analysis

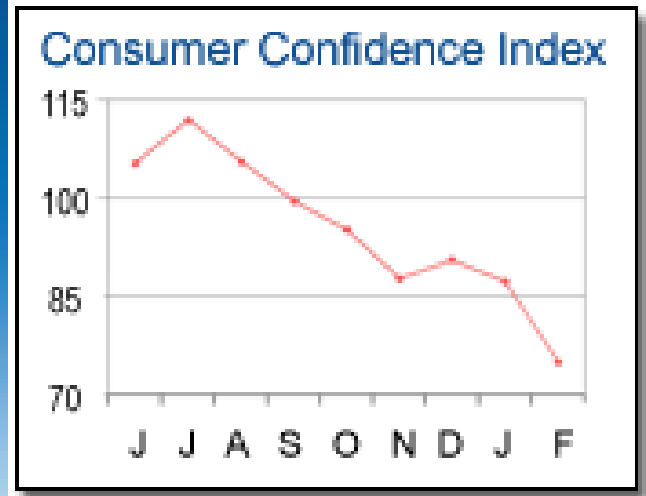


Financial Analysis & Metrics: Marketing and Sales

- External Factors
 - Consumer Confidence & Economic Indicators
 - Competitive Environment
- Internal Factors
 - Awareness and Consideration
 - Marketing and Sales Spend as a % of Revenue
 - Mix of Media Channel (Traditional v. New)
 - Mix of Sales Channel

External Factors

- The Consumer Confidence Index continued to decline, dropping from 87.3 in January to a five-year low of 75.0 in February



- Inflation soared in January pushed by higher fuel/energy, food and medical costs. The increase drove the annual inflation rate to it's highest rate in 25 years
- The housing market continued to be negative with sales of existing homes falling to the lowest level in a decade and median prices for homes dropping for the fifth straight month

Arrival and Resort Stay



Disney's Magical Express

- Capital Investment
- Operating Costs



- Incremental Resort Room Nights
- Incremental Theme Park Attendance
- Incremental Revenue and Operating Income

Financial Analysis & Metrics: Arrival and Resort Stay

- Average Daily Room Rate
 - Occupancy
 - Average Length of Stay
- 
- Revenue per Room
 - Cost of Sales / Inventory Management
 - Labor Productivity
 - Operating Income and Margin Analysis

Theme Park Experience



Theme Park Experience



Financial Analysis & Metrics: Theme Park Experience

- Revenue per Attendee
 - Current Trip Individuals
- 
- Visits per Guest
 - Incremental Operating Income and Margin

Departure



Financial Analysis & Metrics: Departure

- Income Statements (Profit & Loss)
- Balance Sheet
- Internal Controls / Sarbanes Oxley Compliance



Memories and . . . Inspiration



Financial Analysis & Metrics: New Business Opportunities

- Net Present Value
 - Internal Rate of Return
- 
- Strategic Value and Cannibalization
 - Return on Invested Capital

Management Audit

Planned Work / FAM Accounting

Inventory Finance

Food & Beverage

Annual Pricing – Theme Parks and Resorts

Theme Parks Finance

Capital and Financial Planning

Advisory & Assurance

Strategic Pricing (Resorts, Theme Parks, Food & Beverage and Merchandise)

Resorts
Finance

Sales

New Business Development

Food & Beverage

Disney's Hollywood Studios

Human Resources

Resort Pricing

Information Technology

Merchandise

Resort Accounting

Disney Vacation Club

Products and Services

Promotional Pricing

Financial Systems

Marketing

Sports and Recreation



Questions?

