

McCarthy Christine M
 Form 4
 January 05, 2007

FORM 4

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

OMB APPROVAL

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 McCarthy Christine M

2. Issuer Name and Ticker or Trading Symbol
 WALT DISNEY CO/ [DIS]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 500 SOUTH BUENA VISTA STREET
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 01/03/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 EVP-Corp Fin. & RE & Treasurer

BURBANK, CA 915210964
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Disney Common Stock	01/03/2007		M		6,338 (1) \$ 34.26	D	
Disney Common Stock	01/03/2007		F		2,447 (2) \$ 34.26	D	
Disney Common Stock					1,708.26 (3)	I	By 401(k)

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

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(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. Amount or Number of Shares
Phantom Stock Unit Award	(4)	01/03/2007		M	6,338	(5) 01/03/2007	Disney Common Stock	6,338

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McCarthy Christine M 500 SOUTH BUENA VISTA STREET BURBANK, CA 915210964			EVP-Corp Fin. & RE & Treasurer	

Signatures

By: Joseph M. Santaniello (POA on file) 01/05/2007

**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) Vesting of shares connected with grant under The Walt Disney Company's 2002 Executive Performance Plan and Amended and Restated 1995 Stock Incentive Plan, previously reported on a Form 3 dated July 8, 2005. Includes dividend equivalents credited with respect to the award, pursuant to the terms thereof.
 - (2) The 2,447 shares reported as a disposition represent an automatic reduction of shares issued to the reporting person to discharge withholding tax obligations of reporting person and do not constitute an actual sale or other open-market transaction.
 - (3) Shares held in The Walt Disney Company Stock Fund as of January 4, 2007. The fund is one investment option in the 401(k) Plan and contains Company matching contributions.

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(4) Converts at 1-for-1.

(5) Stock Unit Award vested as to 50% on January 3, 2007 and is scheduled to vest as to the remaining 50% on January 3, 2009.

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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