



**The Walt Disney Company and The Jim Henson Company Sign Agreement for Disney to buy the  
“Muppets” and “Bear in the Big Blue House”**

***Deal includes worldwide distribution and merchandising rights***

**BURBANK AND HOLLYWOOD, Calif., Feb. 17, 2004** – The Walt Disney Company (NYSE: DIS) and The Jim Henson Company today announced that they have entered into an agreement under which Disney will acquire the beloved “Muppets” and “Bear in the Big Blue House” properties from Henson.

The transaction includes all Muppet assets, including the Kermit, Miss Piggy, Fozzie Bear, Gonzo and Animal characters, the Muppet film and television library, and all associated copyrights and trademarks, as well as all the “Bear in the Big Blue House” characters, television library, copyrights and trademarks. The parties have signed a binding purchase agreement and expect the transaction to close within two months, subject to receiving the necessary regulatory clearances. The transaction does not include the “Sesame Street” characters, such as Big Bird and Elmo, which are separately owned by Sesame Workshop. The deal also includes non-exclusive production and consulting agreements under which Henson will develop potential new programming featuring the “Muppets” and “Bear in the Big Blue House” for Disney.

Brian Henson, who with his sister Lisa is co-chair and co-chief executive officer of The Jim Henson Company, said, “This new and very important relationship will enable our two companies to combine our respective talents and resources in ways that will fully realize the tremendous potential of the Muppet and Bear franchises. Michael Eisner’s long-standing passion and respect for the Muppets gives me and my family even more confidence in Disney as a partner.”

Lisa Henson said, “In the months before his death in 1990, my father Jim Henson pursued extensive discussions with The Walt Disney Company based on his strong belief that Disney would be a perfect home for the Muppets. As such, the deal we announced today is the realization of my father’s dream, and ensures that the Muppet characters will live, flourish and continue to delight audiences everywhere, forever. My brothers and sisters—Brian, Cheryl, John, Heather—and I are so proud to have the Muppets living under the same roof as Walt Disney’s own timeless characters. We could not possibly be more pleased.”

“Since the time I worked with Jim Henson on the first Muppets TV special in the 1960s, it was obvious to me that his characters would make a deep imprint on the hearts of families worldwide, and this announcement is the culmination of a long-time desire to welcome them into The Walt Disney Company,” said Michael Eisner, Disney chairman and chief executive officer.

“Kermit and Miss Piggy are well-known and beloved around the world and will have an opportunity to be seen and loved by millions more well into the future through Disney’s distribution channels at home and abroad, including home video, family television programming and consumer products, in addition to the existing theme park presence at Walt Disney World and Disneyland Resort. We are honored that the Henson family has agreed to pass on to us the stewardship of these cherished assets. We are also pleased that this transaction puts us in a position to work with the Henson company on future projects,” Mr. Eisner said.

Disney, which owns broadcast and cable networks reaching over 120 million households worldwide, operates or licenses theme parks on three continents, and offers home video and consumer products worldwide, is planning to re-launch the Muppets with new TV specials and series. Disney also expects to expand and enhance the global licensing and home video initiatives based on this new production for the Classic Muppets, the infant/preschool property Muppet Babies, and Bear in the Big Blue House.

The Jim Henson Company, which was purchased by the Henson family in July 2003 from the German media company EM.TV, will retain all other assets of the company including Jim Henson's Creature Shop and ownership and rights to all other characters and entertainment properties in The Jim Henson Company's extensive film and television library, including *Fraggle Rock*, *Farscape*, *Dark Crystal*, *Labyrinth*, *Storyteller*, *The Hoobs*, and various other properties. The Jim Henson Company will also actively pursue partnerships and other strategic arrangements to exploit these and other existing and new properties and to build their value over the long term.

#### FORWARD-LOOKING STATEMENTS

This press release contains various "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 regarding the proposed transaction between the The Walt Disney Company (the "Company") and The Jim Henson Company and involving risks and uncertainties related to the occurrence of future events. These forward-looking statements are based on management's current expectations, assumptions, estimates and projections about the current economic environment, the Company and its industry. Certain factors that could cause actual events not to occur as expressed in the forward-looking statement include, but are not limited to, (i) the failure to obtain the necessary antitrust or foreign regulatory clearances and (ii) satisfaction of various other closing conditions contained in the definitive asset purchase agreement. Other potential risks and uncertainties are discussed in the Company's reports and other documents filed with the Securities and Exchange Commission from time to time. The Walt Disney Company assumes no obligation to update the forward-looking information. Such forward looking statements are based upon many estimates and are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of management of the Company. Inclusion of such forward-looking statements herein should not be regarded as a representation by the Company that the statements will prove to be correct.



The Jim Henson Company has remained an established leader in family entertainment for over 50 years and is recognized worldwide as an innovator in puppetry, animatronics and digital animation. Best known as creators of the world famous Muppets, Henson has received over 50 Emmy Awards and nine Grammy Awards. Recent credits include the Emmy® nominated "Sid the Science Kid," "Dinosaur Train," "Wilson & Ditch: Digging America" and "Pajanimals." Features include "The Dark Crystal," "Labyrinth," "MirrorMask," and "Unstable Fables" and television productions include "Fraggle Rock" and the sci-fi cult series "Farscape."

With additional locations in New York and London, The Jim Henson Company is headquartered in Los Angeles on the historic Charlie Chaplin lot, complete with soundstage and postproduction facilities. Independently owned and operated by the five adult children of founder Jim Henson, the Company is also home to Jim Henson's Creature Shop™, a pre-eminent character-building and visual effects group with international film, television and advertising clients, as well as Henson Recording Studios, one of the music industry's top recording facilities known for its world-class blend of state-of-the-art and vintage equipment. The Company's Henson Alternative brand has recently launched the national tour of "Stuffed and Unstrung," a live puppet improvisational show named one of the top 10 "Best Stage Shows of 2010" by *Entertainment Weekly*.

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