

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
December 31, 2011**

Free cash flow, net borrowings, aggregate segment operating income, earnings per share excluding certain items and revenue excluding Studio Entertainment segment revenue are not measures of performance defined by, or calculated in accordance with, generally accepted accounting principles (GAAP). These measures should not be considered in isolation, or as a substitute for the corresponding GAAP financial measure. These measures, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.

Free cash flow

The following table presents a reconciliation of the Company's consolidated cash provided by operations to free cash flow (unaudited, in millions):

	Quarter ended		Change
	12/31/2011	1/1/2011	
Cash provided by operations	\$ 1,734	\$ 1,119	\$ 615
Less: Investments in parks, resorts and other property	(634)	(1,213)	579
Free cash flow	<u>\$ 1,100</u>	<u>\$ (94)</u>	<u>\$ 1,194</u>
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The following table presents a summary of the Company's consolidated cash flows (unaudited, in millions):

	Quarter ended	
	12/31/2011	1/1/2011
Cash provided by operations	\$ 1,734	\$ 1,119
Cash used in investing activities	(978)	(881)
Cash (used in) provided by financing activities	(130)	99
Impact of exchange rates on cash and cash equivalents	(45)	(20)
Increase in cash and cash equivalents	581	317
Cash and cash equivalents, beginning of period	<u>3,185</u>	<u>2,722</u>
Cash and cash equivalents, end of period	<u>\$ 3,766</u>	<u>\$ 3,039</u>

Net borrowings

The following table presents the calculation of total borrowing and net borrowings (unaudited, in millions):

	12/31/2011	10/1/2011	Change
Current portion of borrowings	\$ 3,160	\$ 3,055	\$ 105
Long-term borrowings	<u>11,226</u>	<u>10,922</u>	<u>304</u>
Total borrowings	14,386	13,977	409
Less: cash and cash equivalents	(3,766)	(3,185)	(581)
Net borrowings	<u>\$ 10,620</u>	<u>\$ 10,792</u>	<u>\$ (172)</u>

Aggregate segment operating income

The following table presents a reconciliation of segment operating income to net income (unaudited, in millions):

	Quarter ended	
	12/31/2011	1/1/2011
Segment operating income	\$ 2,444	\$ 2,208
Corporate and unallocated shared expenses	(107)	(112)
Restructuring and impairment charges	(6)	(12)
Other income	-	75
Net interest expense	(90)	(95)
Income before income taxes	2,241	2,064
Income taxes	(720)	(730)
Net income	<u>\$ 1,521</u>	<u>\$ 1,334</u>

Earnings per share excluding certain items

The following table reconciles reported earnings per share to earnings per share excluding certain items (unaudited):

	Quarter ended	
	12/31/2011	1/1/2011
Diluted EPS as reported ⁽¹⁾	\$ 0.80	\$ 0.68
Exclude:		
Restructuring and impairment charges	-	(0.01)
Other income ⁽²⁾	-	0.02
Diluted EPS excluding certain items ⁽³⁾	<u>\$ 0.80</u>	<u>\$ 0.68</u>

⁽¹⁾ Reflects amounts attributable to shareholders of The Walt Disney Company, i.e. after deduction of noncontrolling (minority) interests.

⁽²⁾ Other income for the prior-year quarter consists of gains on the sales of Miramax and BASS (\$75 million).

⁽³⁾ Diluted EPS excluding certain items may not equal the sum of the column due to rounding.

Revenue excluding Studio Entertainment segment revenue

The following table reconciles reported revenue to revenue excluding Studio Entertainment segment revenue (unaudited):

	Quarter ended		Change %
	12/31/2011	1/1/2011	
Revenue as reported	\$ 10,779	\$ 10,716	1%
Exclude:			
Studio Entertainment segment revenue	(1,618)	(1,932)	(16)%
Revenue excluding Studio Entertainment segment revenue	<u>\$ 9,161</u>	<u>\$ 8,784</u>	4%