

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
March 31, 2007**

Free cash flow, net borrowings, aggregate segment operating income, and earnings per share excluding certain items related to dispositions 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 tables present reconciliations of the Company's consolidated cash flows provided by operations to free cash flow (unaudited, in millions):

	Quarter ended		Change
	3/31/2007	4/1/2006	
Cash provided by operations	\$ 2,244	\$ 1,602	\$ 642
Less: Investments in parks, resorts and other property	(301)	(259)	(42)
Free cash flow	<u>\$ 1,943</u>	<u>\$ 1,343</u>	<u>\$ 600</u>
			45%

	Six Months ended		Change
	3/31/2007	4/1/2006	
Cash provided by operations	\$ 2,760	\$ 2,181	\$ 579
Less: Investments in parks, resorts and other property	(546)	(462)	(84)
Free cash flow	<u>\$ 2,214</u>	<u>\$ 1,719</u>	<u>\$ 495</u>
			29%

The following table presents a summary of the Company's consolidated cash flows (unaudited, in millions):

	Quarter ended		Six Months ended	
	3/31/2007	4/1/2006	3/31/2007	4/1/2006
Cash provided by operations	\$ 2,244	\$ 1,602	\$ 2,760	\$ 2,181
Cash (used) provided by investing activities	(286)	(274)	950	(383)
Cash used by financing activities	(2,213)	(1,116)	(3,939)	(1,490)
Increase (decrease) in cash and cash equivalents	(255)	212	(229)	308
Cash and cash equivalents, beginning of period	2,437	1,819	2,411	1,723
Cash and cash equivalents, end of period	<u>\$ 2,182</u>	<u>\$ 2,031</u>	<u>\$ 2,182</u>	<u>\$ 2,031</u>

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Net borrowings

The following table presents the calculation of net borrowings (in millions):

	3/31/07 (unaudited)	9/30/2006	Change
Current portion of borrowings	\$ 2,399	\$ 2,682	\$ (283)
Long-term borrowings	10,290	10,843	(553)
Total borrowings	12,689	13,525	(836)
Less: cash and cash equivalents	(2,182)	(2,411)	229
Net borrowings	<u>\$ 10,507</u>	<u>\$ 11,114</u>	<u>\$ (607)</u>

Aggregate segment operating income

The following table presents a reconciliation of aggregate segment operating income to income before income taxes and minority interests (unaudited, in millions):

	Quarter ended		Six Months ended	
	3/31/2007	4/1/2006	3/31/2007	4/1/2006
Segment operating income	\$ 1,789	\$ 1,434	\$ 3,783	\$ 2,813
Corporate and unallocated shared expenses				
	(132)	(138)	(238)	(242)
Amortization of intangible assets	(3)	(2)	(6)	(5)
Equity-based compensation plan modification charge	—	—	(48)	—
Gains on sales of equity investments and business	—	—	1,052	70
Net interest expense	(130)	(145)	(287)	(308)
Income before income taxes and minority interests	<u>\$ 1,524</u>	<u>\$ 1,149</u>	<u>\$ 4,256</u>	<u>\$ 2,328</u>

Earnings per share excluding certain items related to dispositions

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

	Six Months ended		Change
	3/31/2007	4/1/2006	
Diluted EPS as reported	\$ 1.24	\$ 0.74	68%
Exclude:			
Gains on sales of equity investments and business	(0.31)	(0.02)	
Equity-based compensation plan modification charge	0.01	—	
Diluted EPS excluding certain items related to dispositions	<u>\$ 0.94</u>	<u>\$ 0.72</u>	31%

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Year-to-Date March 31, 2007**

Q207 and Q206

Parks and Resorts Margins

Parks and Resorts margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees, Parks and Resorts margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees, and Parks and Resor

The following table presents reconciliations of Parks and Resorts revenue, operating income and margins as described above (unaudited, in millions except margin percentages):

	Q207	Q206	Change	
Parks and Resorts Revenue as reported	\$ 4,935	\$ 4,653	\$ 282	
Less: Euro Disney and Hong Kong Disneyland Revenue	(810)	(729)	(81)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	4,125	3,924	201	5%
Add: Royalties and management fees	13	21	(8)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 4,138</u>	<u>\$ 3,945</u>	<u>\$ 193</u>	
Parks and Resorts Operating Income as reported	\$ 659	\$ 589	\$ 70	
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	(55)	(51)	(4)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and excluding royalties and management fees	714	640	74	12%
Add: Royalties and management fees	13	21	(8)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	727	661	66	
Add: Equity in the Income / (Loss) of Euro Disney and Hong Kong Disneyland	(64)	(63)	(1)	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>663</u>	<u>598</u>	<u>65</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	13.4%	12.7%	0.7%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	17.3%	16.3%	1.0%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	17.6%	16.8%	0.8%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	16.0%	15.2%	0.8%	

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Quarter Ended March 31, 2007**

Q207 and Q206

Parks and Resorts Margins

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The following table presents reconciliations of Parks and Resorts revenue, operating income and margins as described above (unaudited, in millions except margin percentages):

	Q207	Q206	Change	
Parks and Resorts Revenue as reported	\$ 2,446	\$ 2,251	\$ 195	
Less: Euro Disney and Hong Kong Disneyland Revenue	(372)	(314)	(58)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,074	1,937	137	7%
Add: Royalties and management fees	6	10	(4)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,080</u>	<u>\$ 1,947</u>	<u>\$ 133</u>	
Parks and Resorts Operating Income as reported	\$ 254	\$ 214	\$ 40	
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	(57)	(78)	21	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and excluding royalties and management fees	311	292	19	7%
Add: Royalties and management fees	6	10	(4)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	317	302	15	
Add: Equity in the Income / (Loss) of Euro Disney and Hong Kong Disneyland	(45)	(58)	13	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>272</u>	<u>244</u>	<u>28</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	10.4%	9.5%	0.9%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	15.0%	15.1%	-0.1%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	15.2%	15.5%	-0.3%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	13.1%	12.5%	0.6%	