Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
March 31, 2012

Free cash flow, net borrowings, aggregate segment operating income, and earnings per share excluding certain items 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		
	3/31/2012	4/2/2011	Change
Cash provided by operations	$ 1,812	$ 1,949	$ (137)
Less: Investments in parks, resorts and other property	(1,477)	(632)	(845)
Free cash flow	$ 335	$ 1,317	$ (982)
			-75%

	Six Months ended		
	3/31/2012	4/2/2011	Change
Cash provided by operations	$ 3,546	$ 3,068	$ 478
Less: Investments in parks, resorts and other property	(2,111)	(1,845)	(266)
Free cash flow	$ 1,435	$ 1,223	$ 212
			17%

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

	Quarter ended		Six Months ended	
	3/31/2012	4/2/2011	3/31/2012	4/2/2011
Cash provided by operations	$ 1,812	$ 1,949	$ 3,546	$ 3,068
Cash used in investing activities	(1,803)	(675)	(2,781)	(1,556)
Cash used in financing activities	(96)	(1,306)	(226)	(1,207)
Impact of exchange rates on cash and cash equivalents	52	87	7	67
(Decrease) / Increase in cash and cash equivalents	(35)	55	546	372
Cash and cash equivalents, beginning of period	3,766	3,039	3,185	2,722
Cash and cash equivalents, end of period	$ 3,731	$ 3,094	$ 3,731	$ 3,094

Net borrowings

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

	3/31/2012	10/1/2011	Change
Current portion of borrowings	$ 3,447	$ 3,055	$ 392
Long-term borrowings	12,582	10,922	1,660
Total borrowings	16,029	13,977	2,052
Less: cash and cash equivalents	(3,731)	(3,185)	(546)
Net borrowings	$ 12,298	$ 10,792	$ 1,506

Aggregate segment operating income

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

	Quarter ended		Six Months ended	
	3/31/2012	4/2/2011	3/31/2012	4/2/2011
Segment operating income	$ 1,945	$ 1,773	$ 4,389	$ 3,981
Corporate and unallocated shared expenses	(120)	(122)	(227)	(234)
Restructuring and impairment charges	(38)	-	(44)	(12)
Other income	184	-	184	75
Net interest expense	(95)	(83)	(185)	(178)
Income before income taxes	1,876	1,568	4,117	3,632
Income taxes	(650)	(558)	(1,370)	(1,288)
Net income	$ 1,226	$ 1,010	$ 2,747	$ 2,344

Earnings per share excluding certain items

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

	Quarter ended		Six Months ended	
	3/31/2012	4/2/2011	3/31/2012	4/2/2011
Diluted EPS as reported (1)	$ 0.63	$ 0.49	$ 1.43	$ 1.16
Exclude:				
Restructuring and impairment charges (2)	0.01	-	0.02	(0.01)
Other income (3)	(0.06)	-	(0.06)	0.02
Diluted EPS excluding certain items (4)	$ 0.58	$ 0.49	$ 1.38	$ 1.17

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

(2) Restructuring and impairment charges for the current quarter and six months were $38 million and $44 million, respectively, primarily for severance and other costs. Restructuring and impairment charges for the prior-year six months were $12 million and consist of a $9 million impairment charge related to the sale of assets and severance and other costs that were recorded in the first quarter of the prior year. The impairment charge included assets that had tax basis significantly in excess of the book value and resulted in a $31 million tax benefit on the restructuring and impairment charges.

(3) Other income for the current quarter and six-months consists of the UTV Gain ($184 million). Other income for the prior-year six months consists of gains on the sales of Miramax and BASS ($75 million) in the first quarter. The tax effect on these gains exceeded the pretax benefit and resulted in a $32 million after tax loss.

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