

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
September 29, 2007**

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 tables present reconciliations of the Company's consolidated cash provided by continuing operating activities to free cash flow (unaudited, in millions):

	Year ended		\$ Change
	9/29/2007	9/30/2006	
Cash provided by continuing operating activities	\$ 5,398	\$ 5,960	\$ (562)
Less: Investments in parks, resorts and other property	(1,566)	(1,292)	(274)
Free cash flow	<u>\$ 3,832</u>	<u>\$ 4,668</u>	<u>\$ (836)</u>
			<u>-18%</u>

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

	Year ended	
	9/29/2007	9/30/2006
Cash provided by continuing operating activities	\$ 5,398	\$ 5,960
Cash used by continuing investing activities	(618)	(220)
Cash used by continuing financing activities	(3,619)	(5,166)
	1,161	574
Net cash provided by operating activities of discontinued operations	23	98
Net cash used in investing activities of discontinued operations	(3)	(7)
Net cash provided by financing activities of discontinued operations	78	23
	1,259	688
Increase in cash and cash equivalents	2,411	1,723
Cash and cash equivalents, beginning of year		
Cash and cash equivalents, end of year	<u>\$ 3,670</u>	<u>\$ 2,411</u>

Net borrowings

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

	9/29/2007	9/30/2006	\$ Change
Current portion of borrowings	\$ 3,280	\$ 2,682	\$ 598
Long-term borrowings	11,892	10,843	1,049
Total borrowings	15,172	13,525	1,647
Less: cash and cash equivalents	(3,670)	(2,411)	(1,259)
Net borrowings	<u>\$ 11,502</u>	<u>\$ 11,114</u>	<u>\$ 388</u>

Aggregate segment operating income

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

	Year ended		Quarter ended	
	9/29/2007	9/30/2006	9/29/2007	9/30/2006
Segment operating income	\$ 7,827	\$ 6,361	\$ 1,818	\$ 1,599
Corporate and unallocated shared expenses	(497)	(522)	(145)	(163)
Amortization of intangible assets	(16)	(11)	(6)	(3)
Equity-based compensation plan modification charge	(48)	—	—	—
Gains on sales of equity investments and business	1,052	70	—	—
Restructuring and impairment (charges) and other credits, net	—	18	—	—
Net interest expense	(593)	(592)	(163)	(151)
Income from continuing operations before income taxes and minority interests	7,725	5,324	1,504	1,282
Income taxes	(2,874)	(1,837)	(521)	(428)
Minority Interests	(177)	(183)	(100)	(82)
Income from continuing operations	4,674	3,304	883	772
Income (loss) from discontinued operations, net of tax	13	70	(6)	10
Net income	<u>\$ 4,687</u>	<u>\$ 3,374</u>	<u>\$ 877</u>	<u>\$ 782</u>

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Earnings per share excluding certain items

The following tables reconcile reported earnings per share to earnings per share excluding certain items (unaudited):

	Year Ended		Change
	9/29/2007	9/30/2006	
Diluted EPS	\$ 2.25	\$ 1.64	37%
Exclude:			
Discontinued Operations	(0.01)	(0.03)	nm
Gains on sales of equity investments and business	(0.31)	(0.02)	nm
Equity-based compensation plan modification charge	0.01	—	nm
Non-taxable gain on deemed termination of Pixar distribution agreement	—	(0.02)	nm
Favorable adjustments related to prior-year income tax matters	(0.03)	(0.02)	50%
Impairment of Pixar related sequel projects	—	0.01	nm
Diluted EPS excluding certain items <sup>(1)</sup>	<u>\$ 1.92</u>	<u>\$ 1.55</u>	24%

	Quarter ended		Change
	9/29/2007	9/30/2006	
Diluted EPS	\$ 0.44	\$ 0.36	22%
Exclude:			
Discontinued Operations	—	—	nm
Gains on sales of equity investments and business	—	—	nm
Equity-based compensation plan modification charge	—	—	nm
Non-taxable gain on deemed termination of Pixar distribution agreement	—	—	nm
Favorable adjustments related to prior-year income tax matters	(0.02)	—	nm
Impairment of Pixar related sequel projects	—	—	nm
Diluted EPS excluding certain items	<u>\$ 0.42</u>	<u>\$ 0.36</u>	17%

<sup>(1)</sup> Diluted EPS excluding certain items related to dispositions and acquisitions may not equal the sum of the column due to rounding

**PARKS AND RESORTS**  
**Reconciliation of Non-GAAP Financial Measures**  
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**Quarter Ended September 29, 2007**

**Q407 and Q406**

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 Resorts margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting are not measures of performance defined by, or calculated in accordance with generally accepted accounting principles (GAAP). These measures are based on revenue and operating income excluding Euro Disney and Hong Kong Disneyland's revenues and operating income and either including or excluding the impact of royalties and management fees, and including Euro Disney and Hong Kong Disneyland under the equity method of accounting, which are also non-GAAP financial measures, and should not be considered in isolation, or as a substitute for the corresponding GAAP financial measures. These measures, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.

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

	Q407	Q406	Change	
Parks and Resorts Revenue as reported	\$ 2,787	\$ 2,542	\$ 245	
Less: Euro Disney and Hong Kong Disneyland Revenue	(588)	(518)	(70)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,199	2,024	175	9%
Add: Royalties and management fees <sup>(1)</sup>	67	33	34	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees <sup>(1)</sup>	<u>\$ 2,266</u>	<u>\$ 2,057</u>	<u>\$ 209</u>	
Parks and Resorts Operating Income as reported	\$ 430	\$ 396	\$ 34	
Less: Euro Disney and Hong Kong Disneyland Operating Income	64	64	-	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	366	332	34	10%
Add: Royalties and management fees <sup>(1)</sup>	67	33	34	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and including royalties and management fees <sup>(1)</sup>	433	365	68	
Add: Equity in the Loss of Euro Disney and Hong Kong Disneyland	(30)	5	(35)	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>403</u>	<u>370</u>	<u>33</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	15.4%	15.6%	-0.2%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	16.6%	16.4%	0.2%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	19.1%	17.7%	1.4%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	17.8%	18.0%	-0.2%	

(1) The fourth quarter of fiscal 2007 includes the recognition of royalties and management fees deferred during the third quarter of fiscal 2007 that were subject to conditional deferrals.

**PARKS AND RESORTS**  
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**Fiscal Year Ended September 29, 2007**

**Fiscal 2007 and 2006**

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 Resorts margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting are not measures of performance defined by, or calculated in accordance with generally accepted accounting principles (GAAP). These measures are based on revenue and operating income excluding Euro Disney and Hong Kong Disneyland's revenues and operating income and either including or excluding the impact of royalties and management fees, and including Euro Disney and Hong Kong Disneyland under the equity method of accounting, which are also non-GAAP financial measures, and should not be considered in isolation, or as a substitute for the corresponding GAAP financial measures. These measures, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.

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

	FY07	FY06	Change	
Parks and Resorts Revenue as reported	\$ 10,626	\$ 9,925	\$ 701	
Less: Euro Disney and Hong Kong Disneyland Revenue	(1,895)	(1,673)	(222)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	8,731	8,252	479	6%
Add: Royalties and management fees	80	81	(1)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 8,811</u>	<u>\$ 8,333</u>	<u>\$ 478</u>	
Parks and Resorts Operating Income as reported	\$ 1,710	\$ 1,534	\$ 176	
Less: Euro Disney and Hong Kong Disneyland Operating Income	23	21	2	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	1,687	1,513	174	12%
Add: Royalties and management fees	80	81	(1)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and including royalties and management fees	1,767	1,594	173	
Add: Equity in the Loss of Euro Disney and Hong Kong Disneyland	(95)	(72)	(23)	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>1,672</u>	<u>1,522</u>	<u>150</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	16.1%	15.5%	0.6%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	19.3%	18.3%	1.0%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	20.1%	19.1%	1.0%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	19.0%	18.3%	0.7%	