

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended April 1, 2006**

Q206 and Q205

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)

	Q2 FY06	Q2 FY05	Change	
Parks and Resorts Revenue as reported	\$ 2,251	\$ 2,096	\$ 155	
Less Euro Disney and Hong Kong Disneyland Revenue	(314)	(303)	(11)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	1,937	1,793	144	8%
Add Royalties and management fees	9	-	9	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 1,946</u>	<u>\$ 1,793</u>	<u>\$ 153</u>	
Parks and Resorts Operating Income as reported	\$ 214	\$ 183	\$ 31	
Less Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	(78)	(44)	(34)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and excluding royalties and management fees	292	227	65	29%
Add Royalties and management fees	9	-	9	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	301	227	74	
Add Equity in the Income / (Loss) of Euro Disney and Hong Kong Disneyland	(58)	14	(72)	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>243</u>	<u>241</u>	<u>2</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	9.5%	8.7%	0.8%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	15.1%	12.7%	2.4%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	15.5%	12.7%	2.8%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	12.5%	13.4%	(0.9%)	
Total equity based compensation expense as a percentage of Parks and Resorts Revenue	0.6%	0.7%	(0.1%)	

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Free cash flow

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

	Quarter ended		\$ Change
	4/1/2006	4/2/2005	
Cash provided by operations	\$ 1,602	\$ 972	\$ 630
Less: Investments in parks, resorts and other property	(259)	(426)	167
Free cash flow	<u>\$ 1,343</u>	<u>\$ 546</u>	<u>\$ 797</u>

>100%

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

	Quarter ended	
	4/1/2006	4/2/2005
Cash provided by operations	\$ 1,602	\$ 972
Cash used by investing activities	(274)	(450)
Cash (used by) provided by financing activities	(1,116)	(747)
Increase in cash and cash equivalents	212	(225)
Cash and cash equivalents due to the initial consolidation of Euro Disney and Hong Kong Disneyland	-	-
Cash and cash equivalents, beginning of period	<u>1,819</u>	<u>2,166</u>
Cash and cash equivalents, end of period	<u>\$ 2,031</u>	<u>\$ 1,941</u>

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Free cash flow

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

	Six Months ended		\$ Change
	4/1/2006	4/2/2005	
Cash provided by operations	\$ 2,181	\$ 1,128	\$ 1,053
Less: Investments in parks, resorts and other property	(462)	(773)	311
Free cash flow	<u>\$ 1,719</u>	<u>\$ 355</u>	<u>\$ 1,364</u>

>100%

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

	Six Months ended	
	4/1/2006	4/2/2005
Cash provided by operations	\$ 2,181	\$ 1,128
Cash used by investing activities	(383)	(689)
Cash (used by) provided by financing activities	(1,490)	(540)
Increase in cash and cash equivalents	308	(101)
Cash and cash equivalents due to the initial consolidation of Euro Disney and Hong Kong Disneyland	-	-
Cash and cash equivalents, beginning of period	<u>1,723</u>	<u>2,042</u>
Cash and cash equivalents, end of period	<u>\$ 2,031</u>	<u>\$ 1,941</u>