

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended April 3, 2010**

Q2 10 and Q2 09

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 10	Q2 09	B / (W)
Parks and Resorts Revenue as reported	\$ 2,449	\$ 2,407	\$ 42 [REDACTED] 2%
Less: Euro Disney and Hong Kong Disneyland Revenue	(407)	(387)	(20) [REDACTED]
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,042	2,020	22 [REDACTED] 1%
Add: Royalties and management fees	7	-	7 [REDACTED]
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,049</u>	<u>\$ 2,020</u>	<u>\$ 29</u> [REDACTED]
 Parks and Resorts Operating Income as reported	 \$ 150	 \$ 171	 \$ (21) [REDACTED] (12%)
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	(83)	(81)	(2) [REDACTED]
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	233	252	(19) [REDACTED] (8%)
Add: Royalties and management fees	7	-	7 [REDACTED]
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	240	252	(12) [REDACTED]
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	(62)	(57)	(5) [REDACTED]
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>\$ 178</u>	<u>\$ 195</u>	<u>\$ (17)</u> [REDACTED]
 Margins including Euro Disney and Hong Kong Disneyland as reported	 6 1%	 7 1%	 (1 0%) [REDACTED]
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	11 4%	12 5%	(1 1%) [REDACTED]
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	11 7%	12 5%	(0 8%) [REDACTED]
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	8 7%	9 7%	(1 0%) [REDACTED]

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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		Change
	4/3/2010	3/28/2009	
Cash provided by operations	\$ 1,574	\$ 1,805	\$ (231)
Less: Investments in parks, resorts and other property	(500)	(458)	(42)
Free cash flow	<u>\$ 1,074</u>	<u>\$ 1,347</u>	<u>\$ (273)</u>
			(20%)
 Six Months ended			
	Six Months ended		Change
	4/3/2010	3/28/2009	
Cash provided by operations	\$ 2,489	\$ 2,067	\$ 422
Less: Investments in parks, resorts and other property	(807)	(749)	(58)
Free cash flow	<u>\$ 1,682</u>	<u>\$ 1,318</u>	<u>\$ 364</u>
			28%

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

	Quarter ended		Six Months ended	
	4/3/2010	3/28/2009	4/3/2010	3/28/2009
Cash provided by operations	\$ 1,574	\$ 1,805	\$ 2,489	\$ 2,067
Cash used in investing activities	(438)	(465)	(2,978)	(713)
Cash (used in) provided by financing activities	(1,265)	(1,766)	147	(986)
(Decrease) / increase in cash and cash equivalents	(129)	(426)	(342)	368
Cash and cash equivalents, beginning of period	3,204	3,795	3,417	3,001
Cash and cash equivalents, end of period	<u>\$ 3,075</u>	<u>\$ 3,369</u>	<u>\$ 3,075</u>	<u>\$ 3,369</u>

Net borrowings

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

	4/3/2010		Change
	4/3/2010	10/3/2009	
Current portion of borrowings	\$ 2,241	\$ 1,206	\$ 1,035
Long-term borrowings	11,000	11,495	(495)
Total borrowings	13,241	12,701	540
Less: cash and cash equivalents	(3,075)	(3,417)	342
Net borrowings	<u>\$ 10,166</u>	<u>\$ 9,284</u>	<u>\$ 882</u>

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	
	4/3/2010	3/28/2009	4/3/2010	3/28/2009
Segment operating income	\$ 1,757	\$ 1,526	\$ 3,332	\$ 2,970
Corporate and unallocated shared expenses	(91)	(92)	(163)	(172)
Restructuring and impairment charges	(71)	(305)	(176)	(305)
Other income	70	-	97	114
Net interest expense	(130)	(128)	(233)	(267)
Income before income taxes	1,535	1,001	2,857	2,340
Income taxes	(537)	(348)	(1,015)	(836)
Net income	<u>\$ 998</u>	<u>\$ 653</u>	<u>\$ 1,842</u>	<u>\$ 1,504</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		Six Months ended	
	4/3/2010	3/28/2009	4/3/2010	3/28/2009
Diluted EPS as reported ⁽¹⁾	\$ 0.48	\$ 0.33	\$ 0.93	\$ 0.78
Exclude:				
Restructuring and impairment charges	0.02	0.11	0.06	0.11
Other income ⁽²⁾	(0.02)	-	(0.03)	(0.04)
Diluted EPS excluding certain items ⁽³⁾	<u>\$ 0.48</u>	<u>\$ 0.43</u>	<u>\$ 0.95</u>	<u>\$ 0.85</u>

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

⁽²⁾ Other income for the current six months consists of gains on the sales of our investments in television services in Europe in the first quarter and Central Europe in the second quarter, and an accounting gain related to the acquisition of the Disney Stores in Japan in the second quarter. Other income for the prior-year six months consists of a gain on the sale of an investment in two pay television services in Latin America.

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