

**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 ⁽¹⁾ | <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% |

⁽¹⁾ 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
To Corresponding GAAP Financial Measures
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 ⁽¹⁾ | 67 | 33 | 34 | |
| Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees ⁽¹⁾ | <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 ⁽¹⁾ | 67 | 33 | 34 | |
| Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and including royalties and management fees ⁽¹⁾ | 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
Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
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% | |