

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
Quarter Ended September 27, 2008**

**Q408 and Q407**

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 including 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):

	Q408	Q407	Change	
Parks and Resorts Revenue as reported	\$ 2,969	\$ 2,787	\$ 182	
Less: Euro Disney and Hong Kong Disneyland Revenue	(688)	(588)	(100)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,281	2,199	82	4%
Add: Royalties and management fees	71	67	4	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,352</u>	<u>\$ 2,266</u>	<u>\$ 86</u>	
Parks and Resorts Operating Income as reported	\$ 412	\$ 430	\$ (18)	
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	104	64	40	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	308	366	(58)	-16%
Add: Royalties and management fees	71	67	4	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	379	433	(54)	
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	-	(30)	30	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>379</u>	<u>403</u>	<u>(24)</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	13.9%	15.4%	-1.5%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	13.5%	16.6%	-3.1%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	16.1%	19.1%	-3.0%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	16.1%	17.8%	-1.7%	

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
Year Ended September 27, 2008**

**FY08 and FY07**

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 including 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):

	FY08	FY07	Change	
Parks and Resorts Revenue as reported	\$ 11,504	\$ 10,626	\$ 878	
Less: Euro Disney and Hong Kong Disneyland Revenue	(2,332)	(1,895)	(437)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	9,172	8,731	441	5%
Add: Royalties and management fees	82	80	2	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 9,254</u>	<u>\$ 8,811</u>	<u>\$ 443</u>	
Parks and Resorts Operating Income as reported	\$ 1,897	\$ 1,710	\$ 187	
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	144	23	121	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	1,753	1,687	66	4%
Add: Royalties and management fees	82	80	2	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	1,835	1,767	68	
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	(36)	(95)	59	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>1,799</u>	<u>1,672</u>	<u>127</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	16.5%	16.1%	0.4%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	19.1%	19.3%	-0.2%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	19.8%	20.1%	-0.3%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	19.4%	19.0%	0.4%	

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
September 27, 2008**

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 continuing operations to free cash flow (unaudited, in millions)

	Year ended		Change
	9/27/2008	9/29/2007	
Cash provided by continuing operations	\$ 5,446	\$ 5,398	\$ 48
Less: Investments in parks, resorts and other property	(1,578)	(1,566)	(12)
Free cash flow	<u>\$ 3,868</u>	<u>\$ 3,832</u>	<u>\$ 36</u>
			<u>1%</u>

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

	Year ended	
	9/27/2008	9/29/2007
Cash provided by continuing operations	\$ 5,446	\$ 5,398
Cash used by continuing investing activities	(2,162)	(618)
Cash used by continuing financing activities	(3,953)	(3,619)
	(669)	1,161
Net cash provided by operating activities of discontinued operations	-	23
Net cash used by investing activities of discontinued operations	-	(3)
Net cash provided by financing activities of discontinued operations	-	78
(Decrease)/increase in cash and cash equivalents	(669)	1,259
Cash and cash equivalents, beginning of year	3,670	2,411
Cash and cash equivalents, end of year	<u>\$ 3,001</u>	<u>\$ 3,670</u>

Net borrowings

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

	9/27/2008	9/29/2007	Change
	Current portion of borrowings	\$ 3,529	\$ 3,280
Long-term borrowings	11,110	11,892	(782)
Total borrowings	14,639	15,172	(533)
Less: cash and cash equivalents	(3,001)	(3,670)	669
Net borrowings	<u>\$ 11,638</u>	<u>\$ 11,502</u>	<u>\$ 136</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	
	9/27/2008	9/29/2007	9/27/2008	9/29/2007
Segment operating income	\$ 8,456	\$ 7,811	\$ 1,744	\$ 1,812
Corporate and unallocated shared expenses	(471)	(497)	(153)	(145)
Other income / (expense)	(59)	1,004	(91)	-
Net interest expense	(524)	(593)	(113)	(163)
Income from continuing operations before income taxes and minority interests	7,402	7,725	1,387	1,504
Income taxes	(2,673)	(2,874)	(490)	(521)
Minority interests	(302)	(177)	(137)	(100)
Income from continuing operations	4,427	4,674	760	883
Income (loss) from discontinued operations, net of tax	-	13	-	(6)
Net income	<u>\$ 4,427</u>	<u>\$ 4,687</u>	<u>\$ 760</u>	<u>\$ 877</u>

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
September 27, 2008**

Earnings per share excluding certain items

The following table presents a reconciliation of earnings per share to earnings per share excluding certain items (unaudited)

	Year Ended		Change
	9/27/2008	9/29/2007	
Diluted EPS	\$ 2.28	\$ 2.25	1%
Exclude			
Gains on sales of E! Entertainment and Us Weekly in fiscal 2007	2.28	(0.31) 1.94	18%
Other (income)/expense <sup>(1)</sup>	0.02	0.01	100%
Favorable resolution of prior-year income tax matters	(0.03)	(0.03)	0%
Discontinued Operations	-	(0.01)	nm
Diluted EPS excluding certain items <sup>(2)</sup>	<u>\$ 2.27</u>	<u>\$ 1.92</u>	18%
	Quarter ended		Change
	9/27/2008	9/29/2007	
Diluted EPS	\$ 0.40	\$ 0.44	(9)%
Exclude			
Other (income)/expense <sup>(1)</sup>	0.03	-	nm
Favorable resolution of prior-year income tax matters	-	(0.02)	nm
Diluted EPS excluding certain items	<u>\$ 0.43</u>	<u>\$ 0.42</u>	2%

<sup>(1)</sup> Other (income)/expense for the current year consists of an accounting gain related to the acquisition of the Disney Stores in North America (\$18 million pre-tax), a gain on the sale of movies.com (\$14 million pre-tax) in the third quarter and a bad debt charge for a receivable from Lehman Brothers (\$91 million pre-tax) in the fourth quarter. Other (income)/expense for the prior year consists of an equity-based compensation plan modification charge.

<sup>(2)</sup> Diluted EPS excluding certain items may not equal the sum of the column due to rounding.