

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended October 1, 2011**

Parks and Resorts Margins Q4 11 versus Q4 10

Parks and Resorts margins excluding Disneyland Paris, Hong Kong Disneyland and Shanghai Disney Resort (International Theme Parks) and excluding royalties and management fees, Parks and Resorts margins excluding International Theme Parks and including royalties and management fees, and Parks and Resorts margins including International Theme Parks 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 International Theme Parks' revenue and operating income and either including or excluding the impact of royalties and management fees, and including International Theme Parks 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 (millions except margin percentages):

	Q4 11	Q4 10	B / (W)	
Parks and Resorts Revenue as reported	\$ 3,129	\$ 2,819	\$ 310	11%
Less: International Theme Parks Revenue	(697)	(615)	(82)	
Parks and Resorts Revenue excluding International Theme Parks Revenue and royalties and management fees	2,432	2,204	228	10%
Add: Royalties and management fees	20	29	(9)	
Parks and Resorts Revenue excluding International Theme Parks Revenue and including royalties and management fees	<u>\$ 2,452</u>	<u>\$ 2,233</u>	<u>\$ 219</u>	
Parks and Resorts Operating Income as reported	\$ 421	\$ 316	\$ 105	33%
Less: International Theme Parks Operating Income / (Loss)	145	117	28	
Parks and Resorts Operating Income excluding International Theme Parks Operating Income and excluding royalties and management fees	276	199	77	39%
Add: Royalties and management fees	20	29	(9)	
Parks and Resorts Operating Income excluding International Theme Parks Operating Income / (Loss) and including royalties and management fees	296	228	68	
Add: Equity in the Income (Loss) of International Theme Parks	42	31	11	
Parks and Resorts Operating Income including International Theme Parks under the equity method of accounting	<u>\$ 338</u>	<u>\$ 259</u>	<u>\$ 79</u>	
Margins including International Theme Parks as reported	13.5%	11.2%	2.3%	
Margins excluding International Theme Parks and excluding royalties and management fees	11.3%	9.0%	2.3%	
Margins excluding International Theme Parks and including royalties and management fees	12.1%	10.2%	1.9%	
Margins including International Theme Parks under the equity method of accounting	13.8%	11.6%	2.2%	

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Year Ended October 1, 2011**

Parks and Resorts Margins Q411 YTD versus Q410 YTD

Parks and Resorts margins excluding Disneyland Paris, Hong Kong Disneyland and Shanghai Disney Resort (International Theme Parks) and excluding royalties and management fees, Parks and Resorts margins excluding International Theme Parks and including royalties and management fees, and Parks and Resorts margins including International Theme Parks 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 International Theme Parks' revenue and operating income and either including or excluding the impact of royalties and management fees, and including International Theme Parks 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 (millions except margin percentages):

	Q411 YTD	Q410 YTD	B / (W)	
Parks and Resorts Revenue as reported	\$ 11,797	\$ 10,761	\$ 1,036	10%
Less: International Theme Parks Revenue	(2,278)	(2,114)	(164)	
Parks and Resorts Revenue excluding International Theme Parks Revenue and royalties and management fees	9,519	8,647	872	10%
Add: Royalties and management fees	57	61	(4)	
Parks and Resorts Revenue excluding International Theme Parks Revenue and including royalties and management fees	<u>\$ 9,576</u>	<u>\$ 8,708</u>	<u>\$ 868</u>	
Parks and Resorts Operating Income as reported	\$ 1,553	\$ 1,318	\$ 235	18%
Less: International Theme Parks Operating Income / (Loss)	159	110	49	
Parks and Resorts Operating Income excluding International Theme Parks Operating Income and excluding royalties and management fees	1,394	1,208	186	15%
Add: Royalties and management fees	57	61	(4)	
Parks and Resorts Operating Income excluding International Theme Parks Operating Income / (Loss) and including royalties and management fees	1,451	1,269	182	
Add: Equity in the Income (Loss) of International Theme Parks	(7)	(31)	24	
Parks and Resorts Operating Income including International Theme Parks under the equity method of accounting	<u>\$ 1,444</u>	<u>\$ 1,238</u>	<u>\$ 206</u>	
Margins including International Theme Parks as reported	13.2%	12.2%	1.0%	
Margins excluding International Theme Parks and excluding royalties and management fees	14.6%	14.0%	0.6%	
Margins excluding International Theme Parks and including royalties and management fees	15.2%	14.6%	0.6%	
Margins including International Theme Parks under the equity method of accounting	15.1%	14.2%	0.9%	

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
October 1, 2011**

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
	10/1/2011	10/2/2010	
Cash provided by operations	\$ 2,104	\$ 2,206	\$ (102)
Less: Investments in parks, resorts and other property	(998)	(797)	(201)
Free cash flow	<u>\$ 1,106</u>	<u>\$ 1,409</u>	<u>\$ (303)</u>
			<u>(22)%</u>

	Year ended		Change
	10/1/2011	10/2/2010	
Cash provided by operations	\$ 6,994	\$ 6,578	\$ 416
Less: Investments in parks, resorts and other property	(3,559)	(2,110)	(1,449)
Free cash flow	<u>\$ 3,435</u>	<u>\$ 4,468</u>	<u>\$ (1,033)</u>
			<u>(23)%</u>

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

	Quarter ended		Year ended	
	10/1/2011	10/2/2010	10/1/2011	10/2/2010
Cash provided by operations	\$ 2,104	\$ 2,206	\$ 6,994	\$ 6,578
Cash used in investing activities	(1,119)	(1,060)	(3,286)	(4,523)
Cash used in financing activities	(1,201)	(1,508)	(3,233)	(2,663)
Impact of exchange rates on cash and cash equivalents	(118)	133	(12)	(87)
Increase / (Decrease) in cash and cash equivalents	(334)	(229)	463	(695)
Cash and cash equivalents, beginning of period	3,519	2,951	2,722	3,417
Cash and cash equivalents, end of period	<u>\$ 3,185</u>	<u>\$ 2,722</u>	<u>\$ 3,185</u>	<u>\$ 2,722</u>

Net borrowings

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

	10/1/2011	10/2/2010	Change
Current portion of borrowings	\$ 3,055	\$ 2,350	\$ 705
Long-term borrowings	10,922	10,130	792
Total borrowings	13,977	12,480	1,497
Less: cash and cash equivalents	(3,185)	(2,722)	(463)
Net borrowings	<u>\$ 10,792</u>	<u>\$ 9,758</u>	<u>\$ 1,034</u>

Aggregate segment operating income

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

	Quarter ended		Year ended	
	10/1/2011	10/2/2010	10/1/2011	10/2/2010
Segment operating income	\$ 2,113	\$ 1,717	\$ 8,825	\$ 7,586
Corporate and unallocated shared expenses	(124)	(138)	(459)	(420)
Restructuring and impairment charges	(9)	(58)	(55)	(270)
Other income	-	-	75	140
Net interest expense	(77)	(87)	(343)	(409)
Income before income taxes	1,903	1,434	8,043	6,627
Income taxes	(652)	(468)	(2,785)	(2,314)
Net income	<u>\$ 1,251</u>	<u>\$ 966</u>	<u>\$ 5,258</u>	<u>\$ 4,313</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		Year ended	
	10/1/2011	10/2/2010	10/1/2011	10/2/2010
Diluted EPS as reported ⁽¹⁾	\$ 0.58	\$ 0.43	\$ 2.52	\$ 2.03
Exclude:				
Restructuring and impairment charges ⁽²⁾	-	0.02	-	0.09
Other income ⁽³⁾	-	-	0.02	(0.05)
Diluted EPS excluding certain items ⁽⁴⁾	<u>\$ 0.59</u>	<u>\$ 0.45</u>	<u>\$ 2.54</u>	<u>\$ 2.07</u>

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

⁽²⁾ Restructuring and impairment charges for the current quarter totaled \$9 million primarily for radio FCC license impairments. Restructuring and impairment charges for the prior-year quarter totaled \$58 million and were primarily for severance and related costs and write-offs related to the closure of a studio production facility.

Restructuring and impairment charges for the current year totaled \$55 million and consisted of severance and facilities costs totaling \$39 million, a \$10 million impairment charge related to the sale of assets and \$6 million for the radio FCC license impairment. The assets that were sold had tax basis significantly in excess of the book value, resulting in a \$44 million tax benefit on the restructuring and impairment charges. Restructuring and impairment charges for the prior year totaled \$270 million and were related to organizational and cost structure initiatives primarily at our Studio Entertainment and Media Networks segments. Impairment charges were \$132 million and consisted of write-offs of capitalized costs primarily related to abandoned film projects and the closure of a studio production facility and the ESPN Zones. Restructuring charges were \$138 million and primarily reflected severance costs.

⁽³⁾ Other income for the current year consists of gains on the sales of Miramax and BASS (\$75 million). The tax effect on these gains exceeded the pretax benefit resulting in a \$32 million net loss. Other income for the prior year consists of gains on the sales of our investments in television services in Europe (\$75 million), an accounting gain related to the acquisition of the Disney Stores in Japan (\$22 million), and a gain on the sale of the Power Rangers property (\$43 million).

⁽⁴⁾ Diluted EPS excluding certain items may not equal the sum of the column due to rounding.