

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended January 2, 2010**

Q1 10 and Q1 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):

	Q1 10	Q1 09	B / (W)	
Parks and Resorts Revenue as reported	\$ 2,662	\$ 2,665	\$ (3)	(0.1)%
Less: Euro Disney and Hong Kong Disneyland Revenue	(527)	(531)	4	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,135	2,134	1	0.0%
Add: Royalties and management fees	-	-	-	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,135</u>	<u>\$ 2,134</u>	<u>\$ 1</u>	
Parks and Resorts Operating Income as reported	\$ 375	\$ 382	\$ (7)	(1.8)%
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	3	37	(34)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	372	345	27	7.8%
Add: Royalties and management fees	-	-	-	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	372	345	27	
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	(13)	2	(15)	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>359</u>	<u>347</u>	<u>12</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	14.1%	14.3%	(0.2%)	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	17.4%	16.2%	1.2%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	17.4%	16.2%	1.2%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	16.8%	16.3%	0.5%	

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
January 2, 2010**

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
	1/2/2010	12/27/2008	
Cash provided by operations	\$ 915	\$ 262	\$ 653
Less: Investments in parks, resorts and other property	(307)	(291)	(16)
Free cash flow	<u>\$ 608</u>	<u>\$ (29)</u>	<u>\$ 637</u>

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

	Quarter ended	
	1/2/2010	12/27/2008
Cash provided by operations	\$ 915	\$ 262
Cash used in investing activities	(2,540)	(248)
Cash provided by financing activities	1,412	780
(Decrease) / increase in cash and cash equivalents	(213)	794
Cash and cash equivalents, beginning of period	<u>3,417</u>	<u>3,001</u>
Cash and cash equivalents, end of period	<u>\$ 3,204</u>	<u>\$ 3,795</u>

Net borrowings

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

	1/2/2010	10/3/2009	Change
Current portion of borrowings	\$ 2,642	\$ 1,206	\$ 1,436
Long-term borrowings	11,189	11,495	(306)
Total borrowings	13,831	12,701	1,130
Less: cash and cash equivalents	(3,204)	(3,417)	213
Net borrowings	<u>\$ 10,627</u>	<u>\$ 9,284</u>	<u>\$ 1,343</u>

Aggregate segment operating income

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

	Quarter ended	
	1/2/2010	12/27/2008
Segment operating income	\$ 1,575	\$ 1,444
Corporate and unallocated shared expenses	(72)	(80)
Restructuring and impairment charges	(105)	-
Other income	27	114
Net interest expense	(103)	(139)
Income before income taxes	1,322	1,339
Income taxes	(478)	(488)
Net income	<u>\$ 844</u>	<u>\$ 851</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	
	1/2/2010	12/27/2008
Diluted EPS attributable to Disney as reported	\$ 0.44	\$ 0.45
Exclude:		
Restructuring and impairment charges	0.03	-
Other income ⁽¹⁾	(0.01)	(0.04)
Diluted EPS attributable to Disney excluding certain items ⁽²⁾	<u>\$ 0.47</u>	<u>\$ 0.41</u>

⁽¹⁾ Other income for the current quarter consists of a gain on the sale of an investment in a television services in Europe. Other income for the prior-year quarter consists of a gain on the sale of our investment in two pay television services in Latin America.

⁽²⁾ Diluted EPS attributable to Disney excluding certain items may not equal the sum of the column due to rounding.