

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended April 2, 2011**

Parks and Resorts Margins Q2 11 versus Q2 10

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 (millions except margin percentages):

	Q2 11	Q2 10	B / (W)	
Parks and Resorts Revenue as reported	\$ 2,630	\$ 2,449	\$ 181	7%
Less: Euro Disney and Hong Kong Disneyland Revenue	(435)	(407)	(28)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,195	2,042	153	7%
Add: Royalties and management fees	8	7	1	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,203</u>	<u>\$ 2,049</u>	<u>\$ 154</u>	
Parks and Resorts Operating Income as reported	\$ 145	\$ 150	\$ (5)	-3%
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	(70)	(83)	13	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	215	233	(18)	-8%
Add: Royalties and management fees	8	7	1	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	223	240	(17)	
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	(51)	(62)	11	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>\$ 172</u>	<u>\$ 178</u>	<u>\$ (6)</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	5.5%	6.1%	-0.6%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	9.8%	11.4%	-1.6%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	10.1%	11.7%	-1.6%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	7.8%	8.7%	-0.9%	

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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
	4/2/2011	4/3/2010	
Cash provided by operations	\$ 1,949	\$ 1,574	\$ 375
Less: Investments in parks, resorts and other property	(632)	(500)	(132)
Free cash flow	<u>\$ 1,317</u>	<u>\$ 1,074</u>	<u>\$ 243</u>
			<u>23%</u>

	Six Months ended		Change
	4/2/2011	4/3/2010	
Cash provided by operations	\$ 3,068	\$ 2,489	\$ 579
Less: Investments in parks, resorts and other property	(1,845)	(807)	(1,038)
Free cash flow	<u>\$ 1,223</u>	<u>\$ 1,682</u>	<u>\$ (459)</u>
			<u>-27%</u>

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

	Quarter ended		Six Months ended	
	4/2/2011	4/3/2010	4/2/2011	4/3/2010
Cash provided by operations	\$ 1,949	\$ 1,574	\$ 3,068	\$ 2,489
Cash used in investing activities	(675)	(438)	(1,556)	(2,978)
Cash (used in) provided by financing activities	(1,306)	(1,167)	(1,207)	259
Impact of exchange rates on cash and cash equivalents	87	(98)	67	(112)
Increase / (Decrease) in cash and cash equivalents	55	(129)	372	(342)
Cash and cash equivalents, beginning of period	3,039	3,204	2,722	3,417
Cash and cash equivalents, end of period	<u>\$ 3,094</u>	<u>\$ 3,075</u>	<u>\$ 3,094</u>	<u>\$ 3,075</u>

Net borrowings

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

	4/2/2011	10/2/2010	Change
Current portion of borrowings	\$ 4,084	\$ 2,350	\$ 1,734
Long-term borrowings	8,688	10,130	(1,442)
Total borrowings	12,772	12,480	292
Less: cash and cash equivalents	(3,094)	(2,722)	(372)
Net borrowings	<u>\$ 9,678</u>	<u>\$ 9,758</u>	<u>\$ (80)</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	
	4/2/2011	4/3/2010	4/2/2011	4/3/2010
Segment operating income	\$ 1,773	\$ 1,757	\$ 3,981	\$ 3,332
Corporate and unallocated shared expenses	(122)	(91)	(234)	(163)
Restructuring and impairment charges	-	(71)	(12)	(176)
Other income	-	70	75	97
Net interest expense	(83)	(130)	(178)	(233)
Income before income taxes	1,568	1,535	3,632	2,857
Income taxes	(558)	(537)	(1,288)	(1,015)
Net income	<u>\$ 1,010</u>	<u>\$ 998</u>	<u>\$ 2,344</u>	<u>\$ 1,842</u>

Earnings per share excluding certain items

The following table reconciles reported earnings per share to earnings per share excluding certain items (unaudited):

	Six Months ended	
	4/2/2011	4/3/2010
Diluted EPS as reported ⁽¹⁾	\$ 1.16	\$ 0.93
Exclude:		
Restructuring and impairment charges ⁽²⁾	(0.01)	0.06
Other income ⁽³⁾	0.02	(0.03)
Diluted EPS excluding certain items ⁽⁴⁾	<u>\$ 1.17</u>	<u>\$ 0.95</u>

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

⁽²⁾ Restructuring and impairment charges for the current six months totaled \$12 million and consist of a \$9 million impairment charge related to the sale of assets and severance and other costs. The impairment charge related to assets that had tax basis significantly in excess of the book value, resulting in a \$31 million tax benefit on the restructuring and impairment charges. Restructuring and impairment charges for the prior-year six months totaled \$176 million and were related to organizational and cost structure initiatives primarily at our Studio Entertainment and Media Networks segments. Impairment charges were \$96 million and consisted of write-offs of capitalized costs primarily related to abandoned film projects and the closure of a studio production facility. Restructuring charges were \$80 million and reflected primarily severance and related costs.

⁽³⁾ Other income for the current six months consists of gains on the sales of Miramax and BASS (\$75 million) in the first quarter. The tax effect on these gains exceeded the pretax benefit resulting in a \$32 million net loss. Other income for the prior-year six months consists of gains on the sales of our investments in television services in Europe in the first and second quarters and an accounting gain related to the acquisition of the Disney Stores in Japan in the second quarter which collectively totaled \$97 million.

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