

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
June 30, 2007**

Free cash flow, earnings per share from continuing operations excluding certain items related to dispositions and acquisitions, and aggregate segment operating income are not measures of performance defined by, or calculated in accordance with generally a

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):

	Quarter ended		Change
	6/30/2007	7/1/2006	
Cash provided by continuing operating activities	\$ 1,126	\$ 1,456	\$ (330)
Less: Investments in parks, resorts and other property	(440)	(307)	(133)
Free cash flow	<u>\$ 686</u>	<u>\$ 1,149</u>	<u>\$ (463)</u>
			<u>-40%</u>
	Nine Months ended		Change
	6/30/2007	7/1/2006	
Cash provided by continuing operating activities	\$ 3,825	\$ 3,575	\$ 250
Less: Investments in parks, resorts and other property	(986)	(767)	(219)
Free cash flow	<u>\$ 2,839</u>	<u>\$ 2,808</u>	<u>\$ 31</u>
			<u>1%</u>

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

	Quarter ended		Nine Months ended	
	6/30/2007	7/1/2006	6/30/2007	7/1/2006
Cash provided by continuing operating activities	\$ 1,126	\$ 1,456	\$ 3,825	\$ 3,575
Cash provided (used) by continuing investing activities	(545)	740	405	359
Cash provided (used) by continuing financing activities	699	(2,291)	(3,281)	(3,793)
	<u>1,280</u>	<u>(95)</u>	<u>949</u>	<u>141</u>
Net cash provided (used) by operating activities of discontinued operations	(33)	12	29	74
Net cash used in investing activities of discontinued operations	(3)	(1)	(3)	(3)
Net cash provided by financing activities of discontinued operations	38	6	78	18
	<u>1,282</u>	<u>(78)</u>	<u>1,053</u>	<u>230</u>
Cash and cash equivalents, beginning of period	2,182	2,031	2,411	1,723
Cash and cash equivalents, end of period	<u>\$ 3,464</u>	<u>\$ 1,953</u>	<u>\$ 3,464</u>	<u>\$ 1,953</u>

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Earnings per share from continuing operations excluding certain items related to dispositions and acquisitions

The following tables reconcile reported earnings per share from continuing operations to earnings per share excluding certain items related to dispositions and acquisitions (unaudited):

	Quarter ended		Change
	6/30/2007	7/1/2006	
Diluted EPS from continuing operations as reported	\$ 0.58	\$ 0.51	14%
Exclude:			
Non-taxable gain on deemed termination of Pixar distribution agreement	—	(0.02)	nm
Impairment of Pixar related sequel projects	—	0.01	nm
Diluted EPS from continuing operations excluding certain items related to dispositions and acquisitions	<u>\$ 0.58</u>	<u>\$ 0.50</u>	16%

	Nine Months ended		Change
	6/30/2007	7/1/2006	
Diluted EPS from continuing operations as reported	\$ 1.80	\$ 1.25	44%
Exclude:			
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
Impairment of Pixar related sequel projects	—	0.01	nm
Diluted EPS from continuing operations excluding certain items related to dispositions and acquisitions ⁽¹⁾	<u>\$ 1.50</u>	<u>\$ 1.21</u>	24%

⁽¹⁾ Diluted EPS from continuing operations excluding certain items related to dispositions and acquisitions may not equal the sum of the column due to rounding.

Aggregate segment operating income

The following table presents a reconciliation of aggregate segment operating income to income from continuing operations before income taxes and minority interests (unaudited, in millions):

	Quarter ended		Nine Months ended	
	6/30/2007	7/1/2006	6/30/2007	7/1/2006
Segment operating income	\$ 2,289	\$ 1,999	\$ 6,009	\$ 4,762
Corporate and unallocated shared expenses	(115)	(120)	(352)	(359)
Amortization of intangible assets	(4)	(3)	(10)	(8)
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	—	18
Net interest expense	(143)	(133)	(430)	(441)
Income from continuing operations before income taxes and minority interests	<u>\$ 2,027</u>	<u>\$ 1,761</u>	<u>\$ 6,221</u>	<u>\$ 4,042</u>

**Reconciliation of Non-GAAP Financial Measures
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Quarter Ended June 30, 2007**

Q307 and Q306

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):

	Q307	Q306	Change	
Parks and Resorts Revenue as reported	\$ 2,904	\$ 2,730	\$ 174	
Less: Euro Disney and Hong Kong Disneyland Revenue	(497)	(426)	(71)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,407	2,304	103	4%
Add: Royalties and management fees ⁽¹⁾	-	27	(27)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees ⁽¹⁾	\$ 2,407	\$ 2,331	\$ 76	
Parks and Resorts Operating Income as reported	\$ 621	\$ 549	\$ 72	
Less: Euro Disney and Hong Kong Disneyland Operating Income	14	8	6	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	607	541	66	12%
Add: Royalties and management fees ⁽¹⁾	-	27	(27)	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and including royalties and management fees ⁽¹⁾	607	568	39	
Add: Equity in the Loss of Euro Disney and Hong Kong Disneyland	(1)	(14)	13	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	606	554	52	
Margins including Euro Disney and Hong Kong Disneyland as reported	21.4%	20.1%	1.3%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	25.2%	23.5%	1.7%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	25.2%	24.4%	0.8%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	25.2%	23.8%	1.4%	

(1) Excludes \$6 million of royalties and management fees at Hong Kong Disneyland that were paid after the third quarter of fiscal 2007. The royalties and management fees will be included in the fourth quarter of fiscal 2007.