

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended July 3, 2010**

Q3 10 and Q3 09

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 (millions except margin percentages):

	Q3 10	Q3 09	B / (W)	
Parks and Resorts Revenue as reported	\$ 2,831	\$ 2,751	\$ 80	3%
Less: Euro Disney and Hong Kong Disneyland Revenue	(565)	(480)	(85)	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,266	2,271	(5)	0%
Add: Royalties and management fees	24	-	24	
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,290</u>	<u>\$ 2,271</u>	<u>\$ 19</u>	
Parks and Resorts Operating Income as reported	\$ 477	\$ 521	\$ (44)	-8%
Less: Euro Disney and Hong Kong Disneyland Operating Income / (Loss)	73	(2)	75	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	404	523	(119)	-23%
Add: Royalties and management fees	24	-	24	
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income / (Loss) and including royalties and management fees	428	523	(95)	
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	13	(13)	26	
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>\$ 441</u>	<u>\$ 510</u>	<u>\$ (69)</u>	
Margins including Euro Disney and Hong Kong Disneyland as reported	16.8%	18.9%	-2.1%	
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	17.8%	23.0%	-5.2%	
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	18.7%	23.0%	-4.3%	
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	19.3%	22.5%	-3.2%	

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Free cash flow, net borrowings, aggregate segment operating income, earnings per share excluding certain items, and Cable Networks operating income excluding the timing impact of deferred revenue recognition 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
	7/3/2010	6/27/2009	
Cash provided by operations	\$ 1,883	\$ 1,514	\$ 369
Less: Investments in parks, resorts and other property	(506)	(378)	(128)
Free cash flow	<u>\$ 1,377</u>	<u>\$ 1,136</u>	<u>\$ 241</u>
			<u>21%</u>

	Nine Months ended		Change
	7/3/2010	6/27/2009	
Cash provided by operations	\$ 4,372	\$ 3,581	\$ 791
Less: Investments in parks, resorts and other property	(1,313)	(1,127)	(186)
Free cash flow	<u>\$ 3,059</u>	<u>\$ 2,454</u>	<u>\$ 605</u>
			<u>25%</u>

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

	Quarter ended		Nine Months ended	
	7/3/2010	6/27/2009	7/3/2010	6/27/2009
Cash provided by operations	\$ 1,883	\$ 1,514	\$ 4,372	\$ 3,581
Cash used in investing activities	(485)	(397)	(3,463)	(1,110)
Cash used in financing activities	(1,522)	(1,358)	(1,375)	(2,344)
(Decrease) / increase in cash and cash equivalents	(124)	(241)	(466)	127
Cash and cash equivalents, beginning of period	3,075	3,369	3,417	3,001
Cash and cash equivalents, end of period	<u>\$ 2,951</u>	<u>\$ 3,128</u>	<u>\$ 2,951</u>	<u>\$ 3,128</u>

Net borrowings

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

	7/3/2010	10/3/2009	Change
Current portion of borrowings	\$ 1,823	\$ 1,206	\$ 617
Long-term borrowings	10,804	11,495	(691)
Total borrowings	12,627	12,701	(74)
Less: cash and cash equivalents	(2,951)	(3,417)	466
Net borrowings	<u>\$ 9,676</u>	<u>\$ 9,284</u>	<u>\$ 392</u>

Aggregate segment operating income

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

	Quarter ended		Nine Months ended	
	7/3/2010	6/27/2009	7/3/2010	6/27/2009
Segment operating income	\$ 2,537	\$ 1,849	\$ 5,869	\$ 4,819
Corporate and unallocated shared expenses	(119)	(96)	(282)	(268)
Restructuring and impairment charges	(36)	(21)	(212)	(326)
Other income	43	-	140	114
Net interest expense	(89)	(75)	(322)	(342)
Income before income taxes	2,336	1,657	5,193	3,997
Income taxes	(831)	(626)	(1,846)	(1,462)
Net income	<u>\$ 1,505</u>	<u>\$ 1,031</u>	<u>\$ 3,347</u>	<u>\$ 2,535</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		Nine Months ended	
	7/3/2010	6/27/2009	7/3/2010	6/27/2009
Diluted EPS as reported ⁽¹⁾	\$ 0.67	\$ 0.51	\$ 1.60	\$ 1.29
Exclude:				
Restructuring and impairment charges	0.01	0.01	0.07	0.11
Other income ⁽²⁾	(0.01)	-	(0.05)	(0.04)
Diluted EPS excluding certain items	<u>\$ 0.67</u>	<u>\$ 0.52</u>	<u>\$ 1.62</u>	<u>\$ 1.36</u>

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

(2) Other income for the current quarter included a gain on the sale of the *Power Rangers* property. Other income for the current nine months consists of gains on the sales of our investments in television services in Europe in the first and second quarters, an accounting gain related to the acquisition of the Disney Stores in Japan in the second quarter, and a gain on the sale of the *Power Rangers* property in the third quarter. Other income for the prior-year nine months consists of a gain on the sale of an investment in two pay television services in Latin America.

Cable Networks operating income excluding the timing impact of deferred revenue recognition/(deferral)

The following table reconciles reported Cable Networks operating income to Cable Network operating income excluding the timing impact of deferred revenue recognition/(deferral) (unaudited, in millions):

<u>Cable Networks</u>	Quarter ended		Change	
	7/3/2010	6/27/2009	\$	%
Operating income as reported	\$ 1,676	\$ 1,115	\$ 561	50.3%
Deferred affiliate revenue recognition/(deferral), net	344	(37)	381	nm
Operating income excluding the deferred revenue recognition	<u>\$ 1,332</u>	<u>\$ 1,152</u>	<u>\$ 180</u>	<u>15.6%</u>