

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
Quarter Ended December 27, 2008**

Q109 and Q108

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 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 as described above (unaudited, in millions except margin percentages):

	Q109	Q108	Change
Parks and Resorts Revenue as reported	\$ 2,665	\$ 2,772	\$ (107)
Less: Euro Disney and Hong Kong Disneyland Revenue	(531)	(581)	50
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and royalties and management fees	2,134	2,191	(57)
Add: Royalties and management fees	-	7	(7)
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including royalties and management fees	<u>\$ 2,134</u>	<u>\$ 2,198</u>	<u>\$ (64)</u>
Parks and Resorts Operating Income as reported	\$ 382	\$ 505	\$ (123)
Less: Euro Disney and Hong Kong Disneyland Operating Income	37	60	(23)
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and excluding royalties and management fees	345	445	(100)
Add: Royalties and management fees	-	7	(7)
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income and including royalties and management fees	345	452	(107)
Add: Equity in the Income (Loss) of Euro Disney and Hong Kong Disneyland	2	9	(7)
Parks and Resorts Operating Income including Euro Disney and Hong Kong Disneyland under the equity method of accounting	<u>347</u>	<u>461</u>	<u>(114)</u>
Margins including Euro Disney and Hong Kong Disneyland as reported	14.3%	18.2%	-3.9%
Margins excluding Euro Disney and Hong Kong Disneyland and excluding royalties and management fees	16.2%	20.3%	-4.1%
Margins excluding Euro Disney and Hong Kong Disneyland and including royalties and management fees	16.2%	20.6%	-4.4%
Margins including Euro Disney and Hong Kong Disneyland under the equity method of accounting	16.3%	21.0%	-4.7%

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Free cash flow, net borrowings, and aggregate segment operating income 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
	12/27/2008	12/29/2007	
Cash provided by operations	\$ 262	\$ 662	\$ (400)
Less: Investments in parks, resorts and other property	(291)	(249)	(42)
Free cash flow	<u>\$ (29)</u>	<u>\$ 413</u>	<u>\$ (442)</u>

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

	Quarter ended	
	12/27/2008	12/29/2007
Cash provided by operations	\$ 262	\$ 662
Cash used in investing activities	(578)	(324)
Cash provided / (used) by financing activities	1,110	(594)
Increase / (decrease) in cash and cash equivalents	794	(256)
Cash and cash equivalents, beginning of period	3,001	3,670
Cash and cash equivalents, end of period	<u>\$ 3,795</u>	<u>\$ 3,414</u>

Net borrowings

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

	12/27/2008	9/27/2008	Change
Current portion of borrowings	\$ 3,771	\$ 3,529	\$ 242
Long-term borrowings	12,232	11,110	1,122
Total borrowings	16,003	14,639	1,364
Less: cash and cash equivalents	(3,795)	(3,001)	(794)
Net borrowings	<u>\$ 12,208</u>	<u>\$ 11,638</u>	<u>\$ 570</u>

Aggregate segment operating income

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

	Quarter ended	
	12/27/2008	12/29/2007
Segment operating income	\$ 1,444	\$ 2,248
Corporate and unallocated shared expenses	(80)	(92)
Other income	114	-
Net interest expense	(139)	(123)
Income before income taxes and minority interests	1,339	2,033
Income taxes	(488)	(759)
Minority interests	(6)	(24)
Net income	<u>\$ 845</u>	<u>\$ 1,250</u>