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

Parks and Resorts Margins Q3 11 versus Q3 10

Parks and Resorts margins excluding Disneyland Paris, Hong Kong Disneyland and Shanghai Disney Resort (International Theme Parks) and excluding royalties and management fees, Parks and Resorts margins excluding International Theme Parks and including royalties and management fees, and Parks and Resorts margins including International Theme Parks 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 International Theme Parks' revenue and operating income and either including or excluding the impact of royalties and management fees, and including International Theme Parks 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 11	Q3 10	B / (W)	
Parks and Resorts Revenue as reported	$ 3,170	$ 2,831	$ 339	12%
Less: International Theme Parks Revenue	(608)	(565)	(43)	
Parks and Resorts Revenue excluding International Theme Parks Revenue and royalties and management fees	2,562	2,266	296	13%
Add: Royalties and management fees	29	24	5	
Parks and Resorts Revenue excluding International Theme Parks Revenue and including royalties and management fees	$ 2,591	$ 2,290	$ 301	
Parks and Resorts Operating Income as reported	$ 519	$ 477	$ 42	9%
Less: International Theme Parks Operating Income / (Loss)	54	73	(19)	
Parks and Resorts Operating Income excluding International Theme Parks Operating Income and excluding royalties and management fees	465	404	61	15%
Add: Royalties and management fees	29	24	5	
Parks and Resorts Operating Income excluding International Theme Parks Operating Income / (Loss) and including royalties and management fees	494	428	66	
Add: Equity in the Income (Loss) of International Theme Parks	-	13	(13)	
Parks and Resorts Operating Income including International Theme Parks under the equity method of accounting	$ 494	$ 441	$ 53	
Margins including International Theme Parks as reported	16 4%	16 8%	-0 4%	
Margins excluding International Theme Parks and excluding royalties and management fees	18 1%	17 8%	0 3%	
Margins excluding International Theme Parks and including royalties and management fees	19 1%	18 7%	0 4%	
Margins including International Theme Parks under the equity method of accounting	19 1%	19 3%	-0 2%	

Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
July 2, 2011

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 7/2/2011	Quarter ended 7/3/2010	Change
Cash provided by operations	$ 1,822	$ 1,883	$ (61)
Less: Investments in parks, resorts and other property	(716)	(506)	(210)
Free cash flow	$ 1,106	$ 1,377	$ (271)
			(20)%

	Nine Months ended 7/2/2011	Nine Months ended 7/3/2010	Change
Cash provided by operations	$ 4,890	$ 4,372	$ 518
Less: Investments in parks, resorts and other property	(2,561)	(1,313)	(1,248)
Free cash flow	$ 2,329	$ 3,059	$ (730)
			(24)%

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

	Quarter ended		Nine Months ended	
	7/2/2011	7/3/2010	7/2/2011	7/3/2010
Cash provided by operations	$ 1,822	$ 1,883	$ 4,890	$ 4,372
Cash used in investing activities	(611)	(485)	(2,167)	(3,463)
Cash used in financing activities	(825)	(1,414)	(2,032)	(1,155)
Impact of exchange rates on cash and cash equivalents	39	(108)	106	(220)
Increase / (Decrease) in cash and cash equivalents	425	(124)	797	(466)
Cash and cash equivalents, beginning of period	3,094	3,075	2,722	3,417
Cash and cash equivalents, end of period	$ 3,519	$ 2,951	$ 3,519	$ 2,951

Net borrowings

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

	7/2/2011	10/2/2010	Change
Current portion of borrowings	$ 4,062	$ 2,350	$ 1,712
Long-term borrowings	9,176	10,130	(954)
Total borrowings	13,238	12,480	758
Less: cash and cash equivalents	(3,519)	(2,722)	(797)
Net borrowings	$ 9,719	$ 9,758	$ (39)

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	
	7/2/2011	7/3/2010	7/2/2011	7/3/2010
Segment operating income	$ 2,731	$ 2,537	$ 6,712	$ 5,869
Corporate and unallocated shared expenses	(101)	(119)	(335)	(282)
Restructuring and impairment charges	(34)	(36)	(46)	(212)
Other income	-	43	75	140
Net interest expense	(88)	(89)	(266)	(322)
Income before income taxes	2,508	2,336	6,140	5,193
Income taxes	(845)	(831)	(2,133)	(1,846)
Net income	$ 1,663	$ 1,505	$ 4,007	$ 3,347

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	
	7/2/2011	7/3/2010	7/2/2011	7/3/2010
Diluted EPS as reported (1)	$ 0.77	$ 0.67	$ 1.93	$ 1.60
Exclude:				
Restructuring and impairment charges (2)	0.01	0.01	-	0.07
Other income (3)	-	(0.01)	0.02	(0.05)
Diluted EPS excluding certain items	$ 0.78	$ 0.67	$ 1.95	$ 1.62

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

(2) Restructuring and impairment charges for the current quarter totaled $34 million primarily for severance and facilities costs at our Studio Entertainment and Interactive Media segments. Restructuring and impairment charges for the prior-year quarter totaled $36 million and were primarily for the closure of five ESPN Zone locations.

Restructuring and impairment charges for the current nine months totaled $46 million and consist of severance and facilities costs totaling $36 million and a $10 million impairment charge related to the sale of assets. The impairment charge related to assets that had tax basis significantly in excess of the book value, resulting in a $44 million tax benefit on the restructuring and impairment charges. Restructuring and impairment charges for the prior-year nine months totaled $212 million and were related to organizational and cost structure initiatives primarily at our Studio Entertainment and Media Networks segments. Impairment charges were $126 million and consisted of write-offs of capitalized costs primarily related to abandoned film projects and the closure of a studio production facility and the closure of the ESPN Zones which was recorded in the third quarter of the prior year. Restructuring charges were $86 million and primarily reflected severance costs.

(3) Other income for the current nine months consists of gains on the sales of Miramax and BASS ($75 million). The tax effect on these gains exceeded the pretax benefit resulting in a $32 million net loss. Other income for the prior-year 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* in the third quarter which collectively totaled $140 million.