

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
2006 Annual Meeting Presentation**

The following measures 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 measures. These measures, as calculated by the Company, may not be comparable to similarly titled measures employed by other companies.

Diluted EPS before the cumulative effect of accounting changes and after the impact of Option Expense

The following table reconciles diluted EPS before the cumulative effect of accounting changes - as reported to pro forma diluted EPS before the cumulative effect of accounting changes and after option expense for each of the periods shown.

	<u>9/30/2002</u>	<u>9/30/2003</u>	<u>9/30/2004</u>	<u>10/1/2005 ⁽¹⁾</u>
Diluted EPS before the cumulative effect of accounting changes - as reported	\$0.60	\$0.65	\$1.12	\$1.24
Option Expense Impact	<u>(0.15)</u>	<u>(0.14)</u>	<u>(0.12)</u>	<u>0.00</u>
Pro forma Diluted EPS before the cumulative effect of accounting changes and after Option Expense	<u>\$0.45</u>	<u>\$0.51</u>	<u>\$1.00</u>	<u>\$1.24</u>
Percentage Increase		13%	96%	24%

⁽¹⁾ 2005 Diluted EPS before the cumulative effect of accounting change - as reported includes option expense impact

Free Cash Flow

The Company defines "Free Cash Flow" as cash provided by operations less investments in parks, resorts and other property.

(unaudited; in millions)	9/30/2002	9/30/2003	9/30/2004	10/1/2005
Cash provided by operations	\$2,286	\$2,901	\$4,370	\$4,269
Investments in parks, resorts and other property	(1,086)	(1,049)	(1,427)	(1,823)
Free cash flow	\$1,200	\$1,852	\$2,943	\$2,446

Cash provided by operations; investments in parks, resorts and other property; and free cash flow, excluding the impact of Euro Disney and Hong Kong Disneyland consolidation, are non-GAAP financial measures. The following table reconciles these

(unaudited; in millions)

	Before Euro Disney and Hong Kong Disneyland Consolidation	Euro Disney, Hong Kong Disneyland and Adjustments	Total
Fiscal 2004			
Cash provided by operations	\$4,283	\$87	\$4,370
Investments in parks, resorts and other property	(1,138)	(289)	(1,427)
Free cash flow	\$3,145	(\$202)	\$2,943

	Before Euro Disney and Hong Kong Disneyland Consolidation	Euro Disney, Hong Kong Disneyland and Adjustments	Total
Fiscal 2005			
Cash provided by operations	\$4,152	\$117	\$4,269
Investments in parks, resorts and other property	(1,112)	(711)	(1,823)
Free cash flow	\$3,040	(\$594)	\$2,446

The following table presents a summary of the Company's consolidated cash flows for each of the periods shown.

(unaudited; in millions)	9/30/2002	9/30/2003	9/30/2004	10/1/2005
Cash provided by operations	\$2,286	\$2,901	\$4,370	\$4,269
Cash used by investing activities	(3,176)	(1,034)	(1,484)	(1,691)
Cash provided (used) by financing activities	1,511	(1,523)	(2,701)	(2,897)
Increase (Decrease) in cash and cash equivalents	\$621	\$344	\$185	(\$319)
Cash and cash equivalents due to the initial consolidation of Euro Disney and Hong Kong Disneyland	-	-	274	-
Cash and cash equivalents, beginning of year	618	1,239	1,583	2,042
Cash and cash equivalents, end of year	\$1,239	\$1,583	\$2,042	\$1,723

Net borrowings

The Company defines "net borrowings" as total borrowings less cash and cash equivalents.

(unaudited; in millions)	<u>12/31/2001</u>	<u>12/31/2005</u>
Current portion of borrowings	\$780	\$2,754
Long-term portion of borrowings	<u>14,987</u>	<u>10,449</u>
Total borrowings	\$15,767	\$13,203
Cash and cash equivalents	<u>(845)</u>	<u>(1,819)</u>
Net borrowings	\$14,922	\$11,384
Less: net borrowings of Euro Disney and Hong Kong Disneyland and adjustments	<u>-</u>	<u>(2,570)</u>
Net borrowings excluding Euro Disney and Hong Kong Disneyland and adjustments	<u>\$14,922</u>	<u>\$8,814</u>
	Decrease	(\$6,108)
	Percentage Decrease	(41%)