

**Reconciliation of Non-GAAP Measures  
To Corresponding GAAP Measures  
FYE 1998 to FYE 2004**

Free cash flow is not a measure of performance defined by, or calculated in accordance with, generally accepted accounting principles (GAAP). This measure should not be considered in isolation of, or as a substitute for, the corresponding GAAP measure. This measure, 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 net cash flows provided by operating activities to free cash flow (unaudited, in millions):

|  | FYE<br>9/30/1998 | FYE<br>9/30/1999 | FYE<br>9/30/2000 | FYE<br>9/30/2001 | FYE<br>9/30/2002 | FYE<br>9/30/2003 | FYE<br>9/30/2004 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Cash flows provided by operations                      | \$ 1,780         | \$ 2,568         | \$ 3,755         | \$ 3,048         | \$ 2,286         | \$ 2,901         | \$ 4,370         |
| Less: Investments in parks, resorts and other property | <u>(2,314)</u>   | <u>(2,134)</u>   | <u>(2,013)</u>   | <u>(1,795)</u>   | <u>(1,086)</u>   | <u>(1,049)</u>   | <u>(1,427)</u>   |
| Free cash flow   | <u>\$ (534)</u>  | <u>\$ 434</u>    | <u>\$ 1,742</u>  | <u>\$ 1,253</u>  | <u>\$ 1,200</u>  | <u>\$ 1,852</u>  | <u>\$ 2,943</u>  |

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

|  | FYE<br>9/30/1998 | FYE<br>9/30/1999 | FYE<br>9/30/2000 | FYE<br>9/30/2001 | FYE<br>9/30/2002 | FYE<br>9/30/2003 | FYE<br>9/30/04  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|
| Cash provided by operations  | \$ 1,780         | \$ 2,568         | \$ 3,755         | \$ 3,048         | \$ 2,286         | \$ 2,901         | \$ 4,370        |
| Cash used by investing activities  | (2,330)          | (2,290)          | (1,091)          | (2,015)          | (3,176)          | (1,034)          | (1,484)         |
| Cash provided by/(used by) financing activities  | <u>360</u>       | <u>9</u>         | <u>(2,236)</u>   | <u>(1,257)</u>   | <u>1,511</u>     | <u>(1,523)</u>   | <u>(2,701)</u>  |
| Increase/(decrease) in cash and cash equivalents   | (190)            | 287              | 428              | (224)            | 621              | 344              | 185             |
| Cash and cash equivalents due to the initial consolidation of Euro Disney and Hong Kong Disneyland |                  |                  |                  |                  |                  |                  | 274             |
| Cash and cash equivalents, beginning of period   | 317              | 127              | 414              | 842              | 618              | 1,239            | 1,583           |
| Cash and cash equivalents, end of period   | <u>\$ 127</u>    | <u>\$ 414</u>    | <u>\$ 842</u>    | <u>\$ 618</u>    | <u>\$ 1,239</u>  | <u>\$ 1,583</u>  | <u>\$ 2,042</u> |