

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
December 31, 2005**

Q106 and Q105

Parks and Resorts

Parks and Resorts margins excluding Euro Disney and Hong Kong Disneyland and including the impact of royalties and management fees are not a measure of performance defined by, or calculated in accordance with generally accepted accounting policies (GAAP). These measures are based on revenue and operating income excluding Euro Disney and Hong Kong Disneyland and including the impact of royalties and management fees, 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 the resulting margins excluding Euro Disney and Hong Kong Disneyland and including the impact of royalties and management fees (unaudited, in millions):

	<u>12/31/2005</u>	<u>12/31/2004</u>	<u>Change</u>
Parks and Resorts Revenue	\$ 2,402	\$ 2,118	\$ 284
Less: Euro Disney and Hong Kong Disneyland Revenue and adjustments ⁽¹⁾	<u>(404)</u>	<u>(369)</u>	<u>(35)</u>
Parks and Resorts Revenue excluding Euro Disney and Hong Kong Disneyland Revenue and including the impact of royalties and management fees	<u>\$ 1,998</u>	<u>\$ 1,749</u>	<u>\$ 249</u>
	<u>12/31/2005</u>	<u>12/31/2004</u>	<u>Change</u>
Parks and Resorts Operating Income	\$ 375	\$ 249	\$ 126
Euro Disney and Hong Kong Disneyland Operating (Income) / Loss and adjustments ⁽¹⁾	<u>(16)</u>	<u>6</u>	<u>(22)</u>
Parks and Resorts Operating Income excluding Euro Disney and Hong Kong Disneyland Operating Income, including the impact of royalties and management fees	<u>\$ 359</u>	<u>\$ 255</u>	<u>\$ 104</u>
Margins	<u>18.0%</u>	<u>14.6%</u>	<u>3.4%</u>

(1) Adjustments reflect the recognition of royalties and management fees eliminated in consolidation

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Free cash flow is not a measure of performance defined by, or calculated in accordance with generally accepted accounting principles (GAAP). This

Free cash flow

The following table presents a reconciliation of the Company's consolidated cash flows provided by operations to free cash flow (unaudited, in

	Quarter ended		\$ Change
	12/31/2005	1/1/2005	
Cash provided by operations	\$ 579	\$ 156	\$ 423
Less: Investments in parks, resorts and other property	(203)	(347)	144
Free cash flow	<u>\$ 376</u>	<u>\$ (191)</u>	<u>\$ 567</u>

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

	Quarter ended	
	12/31/2005	1/1/2005
Cash provided by operations	\$ 579	\$ 156
Cash used by investing activities	(109)	(239)
Cash (used by) provided by financing activities	(374)	207
Increase in cash and cash equivalents	96	124
Cash and cash equivalents due to the initial consolidation of Euro Disney and Hong Kong Disneyland	-	-
Cash and cash equivalents, beginning of period	<u>1,723</u>	<u>2,042</u>
Cash and cash equivalents, end of period	<u>\$ 1,819</u>	<u>\$ 2,166</u>