

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
June 30, 2012**

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		Change
	6/30/2012	7/2/2011	
Cash provided by operations	\$ 2,885	\$ 1,822	\$ 1,063
Less: Investments in parks, resorts and other property	(740)	(716)	(24)
Free cash flow	<u>\$ 2,145</u>	<u>\$ 1,106</u>	<u>\$ 1,039</u>
			<u>94%</u>

	Nine Months ended		Change
	6/30/2012	7/2/2011	
Cash provided by operations	\$ 6,431	\$ 4,890	\$ 1,541
Less: Investments in parks, resorts and other property	(2,851)	(2,561)	(290)
Free cash flow	<u>\$ 3,580</u>	<u>\$ 2,329</u>	<u>\$ 1,251</u>
			<u>54%</u>

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

	Quarter ended		Nine Months ended	
	6/30/2012	7/2/2011	6/30/2012	7/2/2011
Cash provided by operations	\$ 2,885	\$ 1,822	\$ 6,431	\$ 4,890
Cash used in investing activities	(689)	(611)	(3,470)	(2,167)
Cash used in financing activities	(1,454)	(825)	(1,680)	(2,032)
Impact of exchange rates on cash and cash equivalents	(99)	39	(92)	106
Increase in cash and cash equivalents	643	425	1,189	797
Cash and cash equivalents, beginning of period	3,731	3,094	3,185	2,722
Cash and cash equivalents, end of period	<u>\$ 4,374</u>	<u>\$ 3,519</u>	<u>\$ 4,374</u>	<u>\$ 3,519</u>

Net borrowings

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

	6/30/2012	10/1/2011	Change
Current portion of borrowings	\$ 2,569	\$ 3,055	\$ (486)
Long-term borrowings	12,454	10,922	1,532
Total borrowings	15,023	13,977	1,046
Less: cash and cash equivalents	(4,374)	(3,185)	(1,189)
Net borrowings	<u>\$ 10,649</u>	<u>\$ 10,792</u>	<u>\$ (143)</u>

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	
	6/30/2012	7/2/2011	6/30/2012	7/2/2011
Segment operating income	\$ 3,236	\$ 2,731	\$ 7,625	\$ 6,712
Corporate and unallocated shared expenses	(107)	(101)	(334)	(335)
Restructuring and impairment charges	(7)	(34)	(51)	(46)
Other income	-	-	184	75
Net interest expense	(93)	(88)	(278)	(266)
Income before income taxes	3,029	2,508	7,146	6,140
Income taxes	(993)	(845)	(2,363)	(2,133)
Net income	<u>\$ 2,036</u>	<u>\$ 1,663</u>	<u>\$ 4,783</u>	<u>\$ 4,007</u>

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	
	6/30/2012	7/2/2011	6/30/2012	7/2/2011
Diluted EPS as reported	\$ 1.01	\$ 0.77	\$ 2.44	\$ 1.93
Exclude:				
Restructuring and impairment charges ⁽¹⁾	-	0.01	0.02	-
Other income ⁽²⁾	-	-	(0.06)	0.02
Diluted EPS excluding certain items ⁽³⁾	<u>\$ 1.01</u>	<u>\$ 0.78</u>	<u>\$ 2.39</u>	<u>\$ 1.95</u>

⁽¹⁾ Restructuring and impairment charges for the current quarter and nine months were \$7 million and \$51 million, respectively, primarily for severance and other related costs. Restructuring and impairment charges for the prior-year quarter and nine months were \$34 million and \$46 million, respectively, primarily for severance and facilities costs. The nine months also included an impairment charge related to the sale of assets. The impairment charge included assets that had tax basis significantly in excess of the book value and resulted in a \$44 million tax benefit on the restructuring and impairment charges.

⁽²⁾ Other income for the current nine-months consists of a non-cash gain recorded in connection with the acquisition of a controlling interest in UTV Software Communication Limited (\$184 million). Other income for the prior-year nine months consists of gains on the sales of Miramax and BASS (\$75 million). The tax effect on these gains exceeded the pretax benefit and resulted in a \$32 million after tax loss.

⁽³⁾ Diluted EPS excluding certain items may not equal the sum of the column due to rounding.