

CONSOLIDATED STATEMENTS OF INCOME

(in millions, except per share data)	2006	2005	2004
Revenues	\$ 34,285	\$ 31,944	\$ 30,752
Costs and expenses	(28,807)	(27,837)	(26,704)
Gains on sale of equity investment and businesses	70	26	—
Restructuring and impairment (charges) and other credits, net	18	(32)	(64)
Net interest expense	(592)	(597)	(617)
Equity in the income of investees	473	483	372
Income before income taxes, minority interests and the cumulative effect of accounting change	5,447	3,987	3,739
Income taxes	(1,890)	(1,241)	(1,197)
Minority interests	(183)	(177)	(197)
Income before the cumulative effect of accounting change	3,374	2,569	2,345
Cumulative effect of accounting change	—	(36)	—
Net income	<u>\$ 3,374</u>	<u>\$ 2,533</u>	<u>\$ 2,345</u>
Earnings per share before the cumulative effect of accounting change:			
Diluted	<u>\$ 1.64</u>	<u>\$ 1.24</u>	<u>\$ 1.12</u>
Basic	<u>\$ 1.68</u>	<u>\$ 1.27</u>	<u>\$ 1.14</u>
Cumulative effect of accounting change per share	<u>\$ —</u>	<u>\$ (0.02)</u>	<u>\$ —</u>
Earnings per share:			
Diluted	<u>\$ 1.64</u>	<u>\$ 1.22</u>	<u>\$ 1.12</u>
Basic	<u>\$ 1.68</u>	<u>\$ 1.25</u>	<u>\$ 1.14</u>
Average number of common and common equivalent shares outstanding:			
Diluted	<u>2,076</u>	<u>2,089</u>	<u>2,106</u>
Basic	<u>2,005</u>	<u>2,028</u>	<u>2,049</u>

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

(in millions, except per share data)	September 30, 2006	October 1, 2005
<i>Assets</i>		
<i>Current assets</i>		
Cash and cash equivalents	\$ 2,411	\$ 1,723
Receivables	4,707	4,585
Inventories	694	626
Television costs	415	510
Deferred income taxes	592	749
Other current assets	743	652
Total current assets	9,562	8,845
Film and television costs	5,235	5,427
Investments	1,315	1,226
Parks, resorts and other property, at cost		
Attractions, buildings and equipment	28,843	27,570
Accumulated depreciation	(13,781)	(12,605)
	15,062	14,965
Projects in progress	913	874
Land	1,192	1,129
	17,167	16,968
Intangible assets, net	2,907	2,731
Goodwill	22,505	16,974
Other assets	1,307	987
	\$ 59,998	\$ 53,158
<i>Liabilities and Shareholders' Equity</i>		
<i>Current liabilities</i>		
Accounts payable and other accrued liabilities	\$ 5,917	\$ 5,339
Current portion of borrowings	2,682	2,310
Unearned royalties and other advances	1,611	1,519
Total current liabilities	10,210	9,168
Borrowings	10,843	10,157
Deferred income taxes	2,651	2,430
Other long-term liabilities	3,131	3,945
Minority interests	1,343	1,248
Commitments and contingencies (Note 14)		
<i>Shareholders' equity</i>		
Preferred stock, \$.01 par value		
Authorized — 100 million shares, Issued — none	—	—
Common stock, \$.01 par value		
Authorized — 3.6 billion shares,		
Issued — 2.5 billion shares at September 30, 2006 and 2.2 billion at October 1, 2005	22,377	13,288
Retained earnings	20,630	17,775
Accumulated other comprehensive loss	(8)	(572)
	42,999	30,491
Treasury stock, at cost, 436.0 million shares at September 30, 2006 and 192.8 million shares at October 1, 2005	(11,179)	(4,281)
	31,820	26,210
	\$ 59,998	\$ 53,158

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