

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
September 28, 2019**

Free cash flow, diluted earnings per share (EPS) excluding certain items affecting comparability and total segment operating income 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 Company uses free cash flow (cash provided by operations less investments in parks, resorts and other property), among other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures. Management believes that information about free cash flow provides investors with an important perspective on the cash available to service debt obligations, make strategic acquisitions and investments and pay dividends or repurchase shares.

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

	Quarter Ended		Year Ended	
	Sept. 28, 2019	Sept. 29, 2018	Sept. 28, 2019	Sept. 29, 2018
Cash provided by operations - continuing operations	\$ 1,718	\$ 3,853	\$ 5,984	\$ 14,295
Cash used in investing activities - continuing operations	(1,311)	(193)	(15,096)	(5,336)
Cash used in financing activities - continuing operations	(12,997)	(3,862)	(464)	(8,843)
Cash provided by operations - discontinued operations	302	—	622	—
Cash provided by investing activities - discontinued operations	10,978	—	10,978	—
Cash used in financing activities - discontinued operations	(447)	—	(626)	—
Impact of exchange rates on cash, cash equivalents and restricted cash	(145)	26	(98)	(25)
Change in cash, cash equivalents and restricted cash	(1,902)	(176)	1,300	91
Cash, cash equivalents and restricted cash, beginning of period	7,357	4,331	4,155	4,064
Cash, cash equivalents and restricted cash, end of period	<u>\$ 5,455</u>	<u>\$ 4,155</u>	<u>\$ 5,455</u>	<u>\$ 4,155</u>

The following table presents a reconciliation of the Company’s consolidated cash provided by operations to free cash flow (in millions):

	Quarter Ended			Year Ended		
	Sept. 28, 2019	Sept. 29, 2018	Change	Sept. 28, 2019	Sept. 29, 2018	Change
Cash provided by operations - continuing operations	\$ 1,718	\$ 3,853	\$ (2,135)	\$ 5,984	\$ 14,295	\$ (8,311)
Investments in parks, resorts and other property	(1,309)	(1,201)	(108)	(4,876)	(4,465)	(411)
Free cash flow	<u>\$ 409</u>	<u>\$ 2,652</u>	<u>\$ (2,243)</u>	<u>\$ 1,108</u>	<u>\$ 9,830</u>	<u>\$ (8,722)</u>

Diluted EPS excluding certain items affecting comparability – The Company uses diluted EPS excluding certain items to evaluate the performance of the Company’s operations exclusive of certain items affecting comparability of results from period to period. The Company believes that information about diluted EPS exclusive of these items is useful to investors, particularly where the impact of the excluded items is significant in relation to reported earnings, because the measure allows for comparability between periods of the operating performance of the Company’s business and allows investors to evaluate the impact of these items separately from the impact of the operations of the business.

The following table reconciles reported diluted EPS from continuing operations to diluted EPS excluding certain items affecting comparability for the fourth quarter:

(in millions except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense <sup>(1)</sup>	After-Tax Income/ Loss <sup>(2)</sup>	Diluted EPS <sup>(3)</sup>	Change vs. prior year period
Quarter Ended September 28, 2019:					
As reported	\$ 1,258	\$ (344)	\$ 914	\$ 0.43	(72)%
Exclude:					
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs <sup>(4)</sup>	711	(164)	547	0.30	
Other income, net <sup>(5)</sup>	483	(112)	371	0.21	
Restructuring and impairment charges <sup>(6)</sup>	314	(73)	241	0.13	
Excluding certain items affecting comparability	<u>\$ 2,766</u>	<u>\$ (693)</u>	<u>\$ 2,073</u>	<u>\$ 1.07</u>	(28)%
Quarter Ended September 29, 2018:					
As reported	\$ 3,202	\$ (783)	\$ 2,419	\$ 1.55	
Exclude:					
Gain on sale of real estate	(507)	134	(373)	(0.25)	
Impairment of equity investments <sup>(7)</sup>	210	(49)	161	0.11	
One-time impact from the Tax Act	—	100	100	0.06	
Restructuring and impairment charges	5	(1)	4	—	
Excluding certain items affecting comparability	<u>\$ 2,910</u>	<u>\$ (599)</u>	<u>\$ 2,311</u>	<u>\$ 1.48</u>	

(1) Tax benefit/expense is determined using the tax rate applicable to the individual item affecting comparability.

(2) Before noncontrolling interest share.

(3) Net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

(4) Intangible asset amortization was \$481 million and step-up amortization was \$230 million for assets recorded in connection with the TFCF acquisition and consolidation of Hulu.

(5) Reflects a charge for the extinguishment of a portion of the debt originally assumed in the TFCF acquisition (\$511 million), partially offset by a gain on the deemed settlement of preexisting relationships with TFCF pursuant to our acquisition accounting (\$28 million).

(6) Primarily severance related to the acquisition and integration of TFCF.

(7) Reflects impairments of Vice Group Holding, Inc. and Villages Nature (\$157 million and \$53 million, respectively).

The following table reconciles reported diluted EPS from continuing operations to diluted EPS excluding certain items affecting comparability for the year:

(in millions except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense <sup>(1)</sup>	After-Tax Income/ Loss <sup>(2)</sup>	Diluted EPS <sup>(3)</sup>	Change vs. prior year period
Year Ended September 28, 2019:					
As reported	\$ 13,944	\$ (3,031)	\$ 10,913	\$ 6.27	(25)%
Exclude:					
Other income, net <sup>(4)</sup>	(4,357)	1,002	(3,355)	(2.01)	
One-time impact from the Tax Act	—	(34)	(34)	(0.02)	
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs <sup>(5)</sup>	1,595	(355)	1,240	0.74	
Restructuring and impairment charges <sup>(6)</sup>	1,183	(273)	910	0.55	
Impairment of equity investments <sup>(7)</sup>	538	(123)	415	0.25	
Excluding certain items affecting comparability	<u>\$ 12,903</u>	<u>\$ (2,814)</u>	<u>\$ 10,089</u>	<u>\$ 5.77</u>	(19)%
Year Ended September 29, 2018:					
As reported	\$ 14,729	\$ (1,663)	\$ 13,066	\$ 8.36	
Exclude:					
One-time impact from the Tax Act	—	(1,701)	(1,701)	(1.11)	
Other income, net <sup>(4)</sup>	(601)	158	(443)	(0.30)	
Impairment of equity investments <sup>(7)</sup>	210	(49)	161	0.11	
Restructuring and impairment charges	33	(7)	26	0.02	
Excluding certain items affecting comparability	<u>\$ 14,371</u>	<u>\$ (3,262)</u>	<u>\$ 11,109</u>	<u>\$ 7.08</u>	

(1) Tax benefit/expense is determined using the tax rate applicable to the individual item affecting comparability.

(2) Before noncontrolling interest share.

(3) Net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

(4) Other income, net for fiscal 2019 includes a non-cash gain recognized in connection with the acquisition of a controlling interest in Hulu (\$4.8 billion), insurance recoveries on a legal matter (\$46 million) and a gain on the deemed settlement of preexisting relationships with TFCF pursuant to our acquisition accounting (\$28 million), partially offset by a charge for the extinguishment of portion of the debt originally assumed in the TFCF acquisition (\$511 million). Other income for fiscal 2018 included gains from the sale of real estate and property rights (\$560 million), insurance proceeds related to a legal matter (\$38 million) and an adjustment to a fiscal 2017 non-cash gain (\$3 million).

(5) Intangible asset amortization was \$1,043 million, step-up amortization was \$537 million and amortization of intangible assets related to TFCF equity investees was \$15 million for assets recorded in connection with the TFCF acquisition and consolidation of Hulu.

(6) Reflects severance and accelerated equity-based compensation charges related to the acquisition and integration of TFCF.

(7) Impairment of equity investments for fiscal 2019 primarily reflects impairments of Vice Group Holding, Inc. and an investment in a cable channel at A+E Television Networks (\$353 million and \$170 million, respectively). Impairment of equity investments for fiscal 2018 reflects impairments of Vice Group Holding, Inc. and Villages Nature (\$157 million and \$53 million, respectively).

**Total segment operating income** – The Company evaluates the performance of its operating segments based on segment operating income, and management uses total segment operating income as a measure of the performance of operating businesses separate from non-operating factors. The Company believes that information about total segment operating income assists investors by allowing them to evaluate changes in the operating results of the Company’s portfolio of businesses separate from non-operational

factors that affect net income, thus providing separate insight into both operations and the other factors that affect reported results.

A reconciliation of income from continuing operations before income taxes to total segment operating income is as follows (in millions):

	Quarter Ended		% Change Better/ (Worse)	Year Ended		% Change Better/ (Worse)
	Sept. 28, 2019	Sept. 29, 2018		Sept. 28, 2019	Sept. 29, 2018	
Income from continuing operations before income taxes	\$ 1,258	\$ 3,202	(61)%	\$ 13,944	\$ 14,729	(5)%
Add/(subtract):						
Corporate and unallocated shared expenses	309	208	(49)%	986	744	(33)%
Restructuring and impairment charges	314	5	>(100)%	1,183	33	>(100)%
Other income (expense), net	483	(507)	nm	(4,357)	(601)	>100 %
Interest expense, net	361	159	>(100)%	978	574	(70)%
Amortization of TFCF and Hulu intangible assets and fair value step-up on film and television costs	711	—	nm	1,595	—	nm
Impairment of equity investments	—	210	nm	538	210	>(100)%
Total Segment Operating Income	<u>\$ 3,436</u>	<u>\$ 3,277</u>	5 %	<u>\$ 14,867</u>	<u>\$ 15,689</u>	(5)%