

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
March 29, 2014**

Free cash flow, 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
	March 29, 2014	March 30, 2013	
Cash provided by operations	\$ 2,527	\$ 2,160	\$ 367
Less: Investments in parks, resorts and other property	(701)	(574)	(127)
Free cash flow	\$ 1,826	\$ 1,586	\$ 240
			15%

	Six Months Ended		Change
	March 29, 2014	March 30, 2013	
Cash provided by operations	\$ 3,739	\$ 3,304	\$ 435
Investments in parks, resorts and other property	(1,359)	(1,119)	(240)
Free cash flow	\$ 2,380	\$ 2,185	\$ 195
			9%

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

	Quarter Ended		Six Months Ended	
	March 29, 2014	March 30, 2013	March 29, 2014	March 30, 2013
Cash provided by operations	\$ 2,527	\$ 2,160	\$ 3,739	\$ 3,304
Cash used in investing activities	(484)	(525)	(1,011)	(2,990)
Cash (used in)/provided by financing activities	(2,201)	(826)	(2,438)	310
Impact of exchange rates on cash and cash equivalents	(161)	(64)	(143)	(59)
Change in cash and cash equivalents	(319)	745	147	565
Cash and cash equivalents, beginning of period	4,397	3,207	3,931	3,387
Cash and cash equivalents, end of period	<u>\$ 4,078</u>	<u>\$ 3,952</u>	<u>\$ 4,078</u>	<u>\$ 3,952</u>

Aggregate segment operating income

The following table presents a reconciliation of segment operating income to net income (unaudited, in millions):

	Quarter Ended		Six Months Ended	
	March 29, 2014	March 30, 2013	March 29, 2014	March 30, 2013
Segment operating income	\$ 3,353	\$ 2,509	\$ 6,373	\$ 4,889
Corporate and unallocated shared expenses	(155)	(129)	(271)	(252)
Restructuring and impairment charges	(48)	(61)	(67)	(61)
Other income/(expense), net	(37)	10	(31)	(92)
Interest income/(expense), net	62	(54)	111	(126)
Hulu Equity Redemption charge	—	—	—	(55)
Income before income taxes	3,175	2,275	6,115	4,303
Income taxes	(1,119)	(654)	(2,155)	(1,244)
Net income	<u>\$ 2,056</u>	<u>\$ 1,621</u>	<u>\$ 3,960</u>	<u>\$ 3,059</u>

Earnings per share excluding certain items

The following table reconciles reported EPS to EPS excluding certain items (unaudited):

	Quarter Ended		Six Months Ended	
	March 29, 2014	March 30, 2013	March 29, 2014	March 30, 2013
Diluted EPS as reported	\$ 1.08	\$ 0.83	\$ 2.11	\$ 1.60
Exclude:				
Favorable tax adjustments related to pre-tax earnings of prior years	—	(0.06)	—	(0.06)
Restructuring and impairment charges ⁽¹⁾	0.02	0.02	0.03	0.02
Tax benefit from prior-year foreign earnings indefinitely reinvested outside the United States ⁽²⁾	—	—	—	(0.04)
Hulu Equity Redemption charge ⁽³⁾	—	—	—	0.02
Other income/(expense), net ⁽⁴⁾	0.01	—	0.01	0.04
Diluted EPS excluding certain items	<u>\$ 1.11</u>	<u>\$ 0.79</u>	<u>\$ 2.15</u>	<u>\$ 1.58</u>

(1) Charges for the current quarter and six-month period totaled \$48 million and \$67 million (pre-tax), respectively, primarily for severance costs. Charges for the prior-year quarter and six-month period totaled \$61 million, primarily for severance costs.

(2) The prior-year six month period includes a tax benefit due to an increase in prior-year earnings from foreign operations indefinitely reinvested outside the United States and subject to tax rates lower than the federal statutory income tax rate (\$64 million).

(3) Our share of expense associated with an equity redemption at Hulu LLC (\$55 million pre-tax).

(4) Significant items in the current quarter and six-month period include a loss from Venezuelan foreign currency translation (\$143 million pre-tax and before noncontrolling interest), a gain on the sale of property (\$77 million pre-tax) and a portion of a gain related to a settlement of an affiliate contract dispute (\$29 million pre-tax). Significant items in the prior-year six-month period includes the Celador litigation charge (\$321 million pre-tax) and a gain on the sale of our interest in ESPN STAR Sports (\$219 million pre-tax and before noncontrolling interest).