

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
December 29, 2018**

Free cash flow, aggregate segment operating income, and diluted earnings per share (EPS) excluding certain items affecting comparability 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 |
|--|----------------------|----------------------|----------|
| | December 29, 2018 | December 30, 2017 | |
| Cash provided by operations | \$ 2,099 | \$ 2,237 | \$ (138) |
| Less: Investments in parks, resorts and other property | (1,195) | (981) | (214) |
| Free cash flow | \$ 904 | \$ 1,256 | \$ (352) |
| | | | (28)% |

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

| | Quarter Ended | |
|--|----------------------|----------------------|
| | December 29, 2018 | December 30, 2017 |
| Cash provided by operations | \$ 2,099 | \$ 2,237 |
| Cash used in investing activities | (1,336) | (1,043) |
| Cash used in financing activities | (411) | (584) |
| Impact of exchange rates on cash, cash equivalents and restricted cash | (44) | 21 |
| Change in cash, cash equivalents and restricted cash | 308 | 631 |
| Cash, cash equivalents and restricted cash, beginning of period | 4,155 | 4,064 |
| Cash, cash equivalents and restricted cash, end of period | \$ 4,463 | \$ 4,695 |

Aggregate segment operating income

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

| | Quarter Ended | |
|---|----------------------|----------------------|
| | December 29, 2018 | December 30, 2017 |
| Income before income taxes | \$ 3,431 | \$ 3,745 |
| Add/(subtract): | | |
| Corporate and unallocated shared expenses | 161 | 150 |
| Restructuring and impairment charges | — | 15 |
| Other income | — | (53) |
| Interest expense, net | 63 | 129 |
| Segment Operating Income | <u>\$ 3,655</u> | <u>\$ 3,986</u> |

EPS excluding certain items affecting comparability

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

| (in millions, except EPS) | Pre-Tax Income/Loss | Tax Benefit/ Expense ⁽¹⁾ | After-Tax Income/ Loss ⁽²⁾ | EPS ⁽³⁾ | Change vs. prior year period |
|---|------------------------|--|---|--------------------|------------------------------------|
| Quarter Ended December 29, 2018: | | | | | |
| As reported | \$ 3,431 | \$ (645) | \$ 2,786 | \$ 1.86 | (36)% |
| Exclude: | | | | | |
| One-time net benefit from new U.S. federal income tax legislation (Tax Act) ⁽⁴⁾ | — | (34) | (34) | (0.02) | |
| Excluding certain items affecting comparability | <u>\$ 3,431</u> | <u>\$ (679)</u> | <u>\$ 2,752</u> | <u>\$ 1.84</u> | (3)% |
| Quarter Ended December 30, 2017: | | | | | |
| As reported | \$ 3,745 | \$ 728 | \$ 4,473 | \$ 2.91 | |
| Exclude: | | | | | |
| One-time net benefit from the Tax Act ⁽⁵⁾ | — | (1,557) | (1,557) | (1.00) | |
| Gain from sale of property rights | (53) | 12 | (41) | (0.03) | |
| Restructuring and impairment charges | 15 | (3) | 12 | 0.01 | |
| Excluding certain items affecting comparability | <u>\$ 3,707</u> | <u>\$ (820)</u> | <u>\$ 2,887</u> | <u>\$ 1.89</u> | |

(1) Tax benefit/expense adjustments are 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) Amount reflects the benefit of adjusting the estimate of the remeasurement of our net deferred tax liability to new statutory rates (Deferred Remeasurement) and the one-time tax on certain accumulated foreign earnings (Deemed Repatriation Tax).

(5) Amount reflects a benefit from the Deferred Remeasurement, partially offset by a charge from accruing the Deemed Repatriation Tax.