

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
December 28, 2013**

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
	12/28/2013	12/29/2012	
Cash provided by operations	\$ 1,212	\$ 1,144	\$ 68
Investments in parks, resorts and other property	(658)	(545)	(113)
Free cash flow	\$ 554	\$ 599	\$ (45)
			(8)%

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

	Quarter Ended	
	12/28/2013	12/29/2012
Cash provided by operations	\$ 1,212	\$ 1,144
Cash used in investing activities	(527)	(2,465)
Cash (used in)/provided by financing activities	(237)	1,136
Impact of exchange rates on cash and cash equivalents	18	5
Increase/(decrease) in cash and cash equivalents	466	(180)
Cash and cash equivalents, beginning of period	3,931	3,387
Cash and cash equivalents, end of period	\$ 4,397	\$ 3,207

Aggregate segment operating income

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

	Quarter Ended	
	12/28/2013	12/29/2012
Segment operating income	\$ 3,020	\$ 2,380
Corporate and unallocated shared expenses	(116)	(123)
Restructuring and impairment charges	(19)	—
Other income/(expense), net	6	(102)
Interest income/(expense), net	49	(72)
Hulu Equity Redemption charge	—	(55)
Income before income taxes	2,940	2,028
Income taxes	(1,036)	(590)
Net income	\$ 1,904	\$ 1,438

Earnings per share excluding certain items

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

	Quarter Ended		Change
	December 28, 2013	December 29, 2012	
Diluted EPS as reported	\$ 1.03	\$ 0.77	34%
Exclude:			
Tax benefit from prior-year foreign earnings indefinitely reinvested outside the United States ⁽¹⁾	—	(0.04)	
Other income/(expense), net ⁽²⁾	—	0.04	
Hulu Equity Redemption charge ⁽³⁾	—	0.02	
Restructuring and impairment charges ⁽⁴⁾	0.01	—	
Diluted EPS excluding certain items	<u>\$ 1.04</u>	<u>\$ 0.79</u>	32%

(1) The prior-year quarter 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).

(2) The prior-year quarter includes the Celador litigation charge (\$321 million pre-tax), partially offset by the gain on the sale of our interest in ESPN STAR Sports (\$219 million pre-tax and before noncontrolling interest).

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

(4) Charges for the current quarter totaled \$19 million (pre-tax), primarily for an investment impairment and severance and contract termination costs.