



**Part II Organizational Action** (continued)

**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Sections 351, 368 and 358 of the Code.

**18** Can any resulting loss be recognized? ▶ Please see attached.

**19** Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ Please see attached.

**Sign Here** Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *John Stowell* Date ▶ April 19, 2019  
Print your name ▶ JOHN STOWELL Title ▶ SVP - CORPORATE TAX

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

## **The Walt Disney Company**

*Attachment to Form 8937 (Report of Organizational Actions Affecting Basis of Securities)*

### Question 14

On March 20, 2019 (the “**Effective Date**”), The Walt Disney Company (formerly known as TWDC Holdco 613 Corp.) (“**New Disney**”), TWDC Enterprises 18 Corp. (formerly known as The Walt Disney Company) (“**Old Disney**”), Twenty-First Century Fox, Inc. (“**21CF**”) and the other entities noted below entered into the following transactions.

First, at 12:01 a.m. (New York City time), WDC Merger Enterprises I, Inc. merged with and into Old Disney, with Old Disney continuing as the surviving corporation and as a wholly owned subsidiary of New Disney (the “**Disney Merger**”). Pursuant to the Disney Merger, each share of Old Disney common stock issued and outstanding immediately prior to the Disney Merger was converted into one share of New Disney common stock.

Second, at 12:02 a.m. (New York City time), WDC Merger Enterprises II, Inc. merged with and into 21CF, with 21CF continuing as the surviving corporation and as a wholly owned subsidiary of New Disney (the “**21CF Merger**” and, together with the Disney Merger, the “**Mergers**”). Pursuant to the 21CF Merger, each share of 21CF class A common stock and class B common stock issued and outstanding immediately prior to the 21CF Merger (other than (i) certain treasury shares and (ii) the hook stock shares) was exchanged for consideration, payable in either cash, New Disney common stock or a combination thereof.

### Question 15

Except for the discussion under Question 19 below, the following discussion does not address the application or the consequences of the Mergers to persons who actually or constructively owned both 21CF common stock and Old Disney common stock immediately prior to the Mergers. The application and the consequences of the rules described below to a U.S. Holder who owned shares of both 21CF common stock and Old Disney common stock immediately prior to the Mergers may differ from the application and the consequences of such rules to a U.S. Holder who owned solely 21CF common stock or solely Old Disney common stock immediately prior to the Mergers. U.S. Holders who owned shares of both 21CF common stock and Old Disney common stock immediately prior to the Mergers should consult their tax advisors regarding the application and the consequences of the rules below to them, in light of their particular circumstances.

For purposes of this Form 8937, the term “U.S. Holder” has the meaning assigned in the joint proxy statement/prospectus, dated June 28, 2018 (as supplemented, the “**Joint Proxy Statement/Prospectus**”), which is available on Disney’s website at <https://thewaltdisneycompany.com/investor-relations/>.

### *Basis Consequences of the Disney Merger*

The tax basis in each share of New Disney common stock received in the Disney Merger generally is equal to the tax basis of the share of Old Disney common stock exchanged therefor.

### *Basis Consequences of the 21CF Merger*

The aggregate tax basis of the New Disney common stock received in the 21CF Merger (including any fractional share deemed received and exchanged for cash) generally is equal to the aggregate tax basis of the 21CF common stock exchanged therefor, decreased by the amount of any cash received (excluding any cash received in lieu of a fractional share of New Disney common stock) and increased by the amount of any gain recognized as a result of the 21CF Merger (excluding any gain recognized with respect to cash received in lieu of a fractional share of New Disney common stock). Additionally, the aggregate tax basis of the New Disney common stock is allocated pro rata across the shares of New Disney common stock received in the 21CF Merger such that each share of New Disney common stock has an identical, averaged basis. For further information regarding the circumstances in which gain is recognized and the determination of gain, please see the section entitled “Material United States Federal Income Tax Consequences” on page 311 of the Joint Proxy Statement/Prospectus.

A former U.S. Holder of 21CF common stock who received cash in lieu of a fractional share of New Disney common stock will be treated as having received such fractional share pursuant to the 21CF Merger and then as having sold such fractional share to New Disney for cash.

### Question 16

For purposes of calculating the basis of New Disney common stock received in the 21CF Merger, the gain (if any) recognized is determined by reference to the fair market value of the New Disney common stock and the amount of cash received in the 21CF Merger. Although U.S. federal income tax laws do not specify how to determine fair market value, one approach is to utilize the volume weighted average trading price of New Disney common stock on the NYSE on the Effective Date. Using this approach, the fair market value of each share of New Disney common stock received in the 21CF Merger was \$109.45.

### Question 18

Subject to the discussion under Question 19 below, generally no loss may be recognized pursuant to the Mergers, except that a former U.S. Holder of 21CF common stock may recognize loss with respect to any cash received in lieu of a fractional share of New Disney common stock.

### Question 19

The Mergers were completed on March 20, 2019. Thus, the reportable year for the Mergers for each U.S. Holder is the taxable year of the holder that includes March 20, 2019.

As described in the Joint Proxy Statement/Prospectus, Section 304 of the Internal Revenue Code of 1986, as amended (the “Code”), applies to the 21CF Merger if, immediately after the Mergers, former 21CF shareholders, in the aggregate, owned stock of New Disney possessing 50% or more of the total combined voting power or 50% or more of the total combined value of all classes of stock of New Disney.

It is not possible to calculate with certainty the exact percentage of New Disney stock that was owned by former 21CF shareholders immediately after the Mergers due to the incompleteness of the information that is reasonably available. Accordingly, New Disney took the position for information reporting and withholding purposes that Section 304 of the Code applies to the 21CF Merger. If Section 304 of the Code applies to the 21CF Merger, any cash paid to a former 21CF shareholder may be treated either as a dividend or as a payment in exchange for the shareholder’s 21CF common stock for U.S. federal income tax purposes depending on the holder’s particular circumstances, which would alter the basis consequences described above.

For further discussion of the U.S. federal income tax consequences of the Mergers, please see the section entitled “Material United States Federal Income Tax Consequences” on page 311 of the Joint Proxy Statement/Prospectus. Because individual circumstances may differ, New Disney shareholders should consult their tax advisors regarding the specific tax consequences of the Mergers to them in light of their particular circumstances, including the applicability and effect of Section 304 of the Code.