

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
March 30, 2019**

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 from continuing operations to free cash flow (unaudited, in millions):

	Quarter Ended		Change
	March 30, 2019	March 31, 2018	
Cash provided by operations - continuing operations	\$ 3,915	\$ 4,526	\$ (611)
Less: Investments in parks, resorts and other property	(1,195)	(1,063)	(132)
Free cash flow	\$ 2,720	\$ 3,463	\$ (743)
			(21)%

	Six Months Ended		Change
	March 30, 2019	March 31, 2018	
Cash provided by operations - continuing operations	\$ 6,014	\$ 6,763	\$ (749)
Less: Investments in parks, resorts and other property	(2,390)	(2,044)	(346)
Free cash flow	\$ 3,624	\$ 4,719	\$ (1,095)
			(23)%

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

	Quarter Ended		Six Months Ended	
	March 30, 2019	March 31, 2018	March 30, 2019	March 31, 2018
Cash provided by operations - continuing operations	\$ 3,915	\$ 4,526	\$ 6,014	\$ 6,763
Cash used in investing activities - continuing operations	(11,347)	(2,762)	(12,683)	(3,805)
Cash provided by / (used in) financing activities - continuing operations	13,107	(2,298)	12,696	(2,882)
Cash used in operations - discontinued operations	(35)	—	(35)	—
Impact of exchange rates on cash, cash equivalents and restricted cash	119	34	75	55
Change in cash, cash equivalents and restricted cash	5,759	(500)	6,067	131
Cash, cash equivalents and restricted cash, beginning of period	4,463	4,695	4,155	4,064
Cash, cash equivalents and restricted cash, end of period	<u>\$ 10,222</u>	<u>\$ 4,195</u>	<u>\$ 10,222</u>	<u>\$ 4,195</u>

Aggregate segment operating income

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

	Quarter Ended		Six Months Ended	
	March 30, 2019	March 31, 2018	March 30, 2019	March 31, 2018
Income from continuing operations before income taxes	\$ 7,237	\$ 3,928	\$ 10,668	\$ 7,673
Add/(subtract):				
Corporate and unallocated shared expenses	279	194	440	344
Restructuring and impairment charges	662	13	662	28
Other income	(4,963)	(41)	(4,963)	(94)
Interest expense, net	143	143	206	272
Amortization of 21CF and Hulu intangible assets and fair value of step-up on film and television costs	105	—	105	—
Vice impairment	353	—	353	—
Segment Operating Income	<u>\$ 3,816</u>	<u>\$ 4,237</u>	<u>\$ 7,471</u>	<u>\$ 8,223</u>

EPS excluding certain items affecting comparability

The following table reconciles reported EPS from continuing operations 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 March 30, 2019:					
As reported	\$ 7,237	\$ (1,647)	\$ 5,590	\$ 3.53	81 %
Exclude:					
Other income, net ⁽⁴⁾	(4,963)	1,142	(3,821)	(2.48)	
Restructuring and impairment charges ⁽⁵⁾	662	(152)	510	0.33	
Vice Impairment	353	(81)	272	0.18	
Amortization of 21CF and Hulu intangible assets and fair value of step-up on film and television costs	105	(24)	81	0.05	
Excluding certain items affecting comparability	<u>\$ 3,394</u>	<u>\$ (762)</u>	<u>\$ 2,632</u>	<u>\$ 1.61</u>	(13)%
Quarter Ended March 31, 2018:					
As reported	\$ 3,928	\$ (813)	\$ 3,115	\$ 1.95	
Exclude:					
One-time net benefit from the new U.S. Federal Income Tax Legislation (Tax Act)	—	(134)	(134)	(0.09)	
Other income, net ⁽⁴⁾	(41)	11	(30)	(0.02)	
Restructuring and impairment charges	13	(3)	10	0.01	
Excluding certain items affecting comparability	<u>\$ 3,900</u>	<u>\$ (939)</u>	<u>\$ 2,961</u>	<u>\$ 1.85</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) Other income, net for the current quarter includes a non-cash gain recognized in connection with the acquisition of a controlling interest in Hulu, LLC (Hulu) (\$4.9 billion) and insurance recoveries on a legal matter (\$46 million). Other income in the prior-year quarter includes insurance recoveries on a legal matter (\$38 million).

(5) Reflects severance and related charges and equity based compensation costs in connection with the acquisition and integration of Twenty-First Century Fox (21CF) (\$662 million).

(in millions, except EPS)	Pre-Tax Income/ Loss	Tax Benefit/ Expense ⁽¹⁾	After-Tax Income/ Loss ⁽²⁾	EPS ⁽³⁾	Change vs. prior year period
Six Months Ended March 30, 2019:					
As reported	\$ 10,668	\$ (2,292)	\$ 8,376	\$5.42	12 %
Exclude:					
Other income, net ⁽⁴⁾	(4,963)	1,142	(3,821)	(2.52)	
One-time net benefit from the Tax Act	—	(34)	(34)	(0.02)	
Restructuring and impairment charges ⁽⁵⁾	662	(152)	510	0.33	
Vice impairment	353	(81)	272	0.18	
Amortization of 21CF and Hulu intangible assets and fair value of step-up on film and television costs	105	(24)	81	0.05	
Excluding certain items affecting comparability	<u>\$ 6,825</u>	<u>\$ (1,441)</u>	<u>\$ 5,384</u>	<u>\$3.45</u>	(8)%
Six Months Ended March 31, 2018:					
As reported	\$ 7,673	\$ (85)	\$ 7,588	\$4.86	
Exclude:					
One-time net benefit from the Tax Act	—	(1,691)	(1,691)	(1.10)	
Other income, net ⁽⁴⁾	(94)	23	(71)	(0.05)	
Restructuring and impairment charges	28	(6)	22	0.01	
Excluding certain items affecting comparability	<u>\$ 7,607</u>	<u>\$ (1,759)</u>	<u>\$ 5,848</u>	<u>\$3.73</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⁾ Other income, net for the current six-month period includes a non-cash gain recognized in connection with the acquisition of a controlling interest in Hulu (\$4.9 billion) and insurance recoveries on a legal matter (\$46 million). Other income in the prior-year six-month period included a gain from the sale of property rights (\$53 million) and insurance recoveries on a legal matter (\$38 million).

⁽⁵⁾ Reflects severance and related charges and equity based compensation costs in connection with the acquisition and integration of Twenty-First Century Fox (21CF) (\$662 million).