

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
July 2, 2016**

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
	July 2, 2016	June 27, 2015	
Cash provided by operations	\$ 3,624	\$ 2,808	\$ 816
Less: Investments in parks, resorts and other property	(1,135)	(1,156)	21
Free cash flow	\$ 2,489	\$ 1,652	\$ 837
			51%

	Nine Months Ended		Change
	July 2, 2016	June 27, 2015	
Cash provided by operations	\$ 9,386	\$ 7,581	\$ 1,805
Less: Investments in parks, resorts and other property	(3,691)	(3,061)	(630)
Free cash flow	\$ 5,695	\$ 4,520	\$ 1,175
			26%

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

	Quarter Ended		Nine Months Ended	
	July 2, 2016	June 27, 2015	July 2, 2016	June 27, 2015
Cash provided by operations	\$ 3,624	\$ 2,808	\$ 9,386	\$ 7,581
Cash used in investing activities	(1,188)	(1,228)	(4,226)	(3,055)
Cash used in financing activities	(2,110)	(896)	(4,091)	(3,241)
Impact of exchange rates on cash and cash equivalents	(114)	46	(111)	(231)
Change in cash and cash equivalents	212	730	958	1,054
Cash and cash equivalents, beginning of period	5,015	3,745	4,269	3,421
Cash and cash equivalents, end of period	<u>\$ 5,227</u>	<u>\$ 4,475</u>	<u>\$ 5,227</u>	<u>\$ 4,475</u>

### Aggregate segment operating income

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

	Quarter Ended		Nine Months Ended	
	July 2, 2016	June 27, 2015	July 2, 2016	June 27, 2015
Segment operating income	\$ 4,456	\$ 4,120	\$ 12,545	\$ 11,147
Corporate and unallocated shared expenses	(159)	(146)	(457)	(441)
Restructuring and impairment charges	(44)	—	(125)	—
Interest expense, net	(70)	(12)	(161)	(62)
Vice Gain <sup>(1)</sup>	—	—	332	—
Infinity Charge <sup>(2)</sup>	—	—	(147)	—
Income before income taxes	4,183	3,962	11,987	10,644
Income taxes	(1,471)	(1,323)	(4,089)	(3,533)
Net income	\$ 2,712	\$ 2,639	\$ 7,898	\$ 7,111

<sup>(1)</sup> During the nine months ended July 2, 2016, the Company recognized its share of a net gain recognized by A&E Television Networks (A&E) in connection with an acquisition of an interest in Vice Group Holding, Inc. (Vice Gain)

<sup>(2)</sup> The Infinity Charge was primarily due to an inventory write-down. The charge also included severance and other asset impairments and was reported in "Cost of products" in the Condensed Consolidated Statement of Income.

### EPS excluding certain items affecting comparability

The following table reconciles reported EPS to EPS excluding certain items affecting comparability for the current quarter and nine months.

(unaudited, in millions, except EPS)	Pre-Tax Income/Loss	Tax Benefit/ Expense <sup>(1)</sup>	After-Tax Income /Loss <sup>(2)</sup>	EPS <sup>(3)</sup>	Change vs. prior year
Quarter Ended July 2, 2016:					
As reported	\$ 4,183	\$ (1,471)	\$ 2,712	\$ 1.59	10%
Exclude:					
Restructuring and impairment charges <sup>(4)</sup>	44	(2)	42	0.03	
Excluding certain items affecting comparability	\$ 4,227	\$ (1,473)	\$ 2,754	\$ 1.62	12%
Nine Months Ended July 2, 2016:					
As reported	\$ 11,987	\$ (4,089)	\$ 7,898	\$ 4.63	17%
Exclude:					
Vice Gain	(332)	122	(210)	(0.13)	
Infinity Charge	147	(54)	93	0.06	
Restructuring and impairment charges <sup>(4)</sup>	125	(36)	89	0.05	
Excluding certain items affecting comparability	\$ 11,927	\$ (4,057)	\$ 7,870	\$ 4.61	17%

<sup>(1)</sup> Tax benefit/expense adjustments are determined using the tax rate applicable to the items affecting comparability.

<sup>(2)</sup> Net income is before noncontrolling interest share.

<sup>(3)</sup> EPS is net of noncontrolling interest share, where applicable. Total may not equal the sum of the column due to rounding.

<sup>(4)</sup> Charges for the quarter primarily consisted of asset impairments in connection with shutting down certain international film production operations. Charges for the nine month period were driven by asset impairments and contract termination and severance costs.