

**Reconciliation of Non-GAAP Financial Measures  
To Corresponding GAAP Financial Measures  
June 29, 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 to free cash flow (unaudited, in millions):

	Quarter Ended		Change
	June 29, 2019	June 30, 2018	
Cash (used in)/ provided by operations - continuing operations	\$ (1,748)	\$ 3,679	\$ (5,427)
Less: Investments in parks, resorts and other property	(1,177)	(1,220)	43
Free cash flow	\$ (2,925)	\$ 2,459	\$ (5,384)
			>(100%)

	Nine Months Ended		Change
	June 29, 2019	June 30, 2018	
Cash provided by operations - continuing operations	\$ 4,266	\$ 10,442	\$ (6,176)
Less: Investments in parks, resorts and other property	(3,567)	(3,264)	(303)
Free cash flow	\$ 699	\$ 7,178	\$ (6,479)
			(90)%

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

	Quarter Ended		Nine Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Cash (used in)/ provided by operations - continuing operations	\$ (1,748)	\$ 3,679	\$ 4,266	\$ 10,442
Cash used in investing activities - continuing operations	(1,102)	(1,338)	(13,785)	(5,143)
Cash (used in)/ provided by financing activities - continuing operations	(163)	(2,099)	12,533	(4,981)
Cash provided by operations - discontinued operations	355	—	320	—
Cash used in financing activities - discontinued operations	(179)	—	(179)	—
Impact of exchange rates on cash, cash equivalents and restricted cash	(28)	(106)	47	(51)
Change in cash, cash equivalents and restricted cash	(2,865)	136	3,202	267
Cash, cash equivalents and restricted cash, beginning of period	10,222	4,195	4,155	4,064
Cash, cash equivalents and restricted cash, end of period	\$ 7,357	\$ 4,331	\$ 7,357	\$ 4,331

### 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		Nine Months Ended	
	June 29, 2019	June 30, 2018	June 29, 2019	June 30, 2018
Income from continuing operations before income taxes	\$ 2,018	\$ 3,854	\$ 12,686	\$ 11,527
Add/(subtract):				
Corporate and unallocated shared expenses	238	192	678	536
Restructuring and impairment charges	207	—	869	28
Other income/(expense), net	123	—	(4,840)	(94)
Interest expense, net	411	143	617	415
Amortization of 21CF and Hulu intangible assets and fair value of step-up on film and television costs <sup>(1)</sup>	779	—	884	—
Impairment of equity investments	185	—	538	—
Segment Operating Income	<u>\$ 3,961</u>	<u>\$ 4,189</u>	<u>\$ 11,432</u>	<u>\$ 12,412</u>

<sup>(1)</sup> For the quarter ended June 29, 2019, amortization of intangible assets, step-up film and television costs and intangibles related to Twenty First Century Fox (21CF) equity investees was \$490 million, \$274 million and \$15 million, respectively. For the nine-months ended June 29, 2019, amortization of intangible assets, step-up of film and television costs and intangibles related to 21CF investees was \$562 million, \$307 million and \$15 million, respectively.

### 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 <sup>(1)</sup>	After-Tax Income/ Loss <sup>(2)</sup>	EPS <sup>(3)</sup>	Change vs. prior year period
Quarter Ended June 29, 2019:					
As reported	\$ 2,018	\$ (395)	\$ 1,623	\$ 0.79	(59)%
Exclude:					
Amortization of 21CF and Hulu intangible assets and fair value step-up on film and television costs <sup>(4)</sup>	779	(168)	611	0.34	
Restructuring and impairment charges <sup>(5)</sup>	207	(48)	159	0.09	
Impairment of equity investments	185	(42)	143	0.08	
Other income, net <sup>(6)</sup>	123	(28)	95	0.05	
Excluding certain items affecting comparability	<u>\$ 3,312</u>	<u>\$ (681)</u>	<u>\$ 2,631</u>	<u>\$ 1.35</u>	(28)%
Quarter Ended June 30, 2018:					
As reported	\$ 3,854	\$ (795)	\$ 3,059	\$ 1.95	
Exclude:					
One-time net benefit from the new U.S. Federal Income Tax Legislation (Tax Act)	—	(110)	(110)	(0.07)	
Excluding certain items affecting comparability	<u>\$ 3,854</u>	<u>\$ (905)</u>	<u>\$ 2,949</u>	<u>\$ 1.87</u>	

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

<sup>(2)</sup> Before noncontrolling interest share.

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

<sup>(4)</sup> Intangible asset amortization was \$490 million, step-up amortization was \$274 million and amortization of intangible assets related to 21CF equity investees was \$15 million.

<sup>(5)</sup> Reflects severance and equity-based compensation charges related to the acquisition and integration of 21CF (\$207 million).

<sup>(6)</sup> Reflects an adjustment to the non-cash gain that was recorded in the second quarter of the current year in connection with the acquisition of a controlling interest in Hulu, LLC (\$123 million).

(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 period
Nine Months Ended June 29, 2019:					
As reported	\$ 12,686	\$ (2,687)	\$ 9,999	\$ 5.98	(12)%
Exclude:					
Other income, net <sup>(4)</sup>	(4,840)	1,114	(3,726)	(2.30)	
One-time net benefit from the Tax Act	—	(34)	(34)	(0.02)	
Amortization of 21CF and Hulu intangible assets and fair value step-up on film and television costs <sup>(5)</sup>	884	(191)	693	0.43	
Restructuring and impairment charges <sup>(6)</sup>	869	(200)	669	0.42	
Impairment of equity investments	538	(123)	415	0.26	
Excluding certain items affecting comparability	<u>\$ 10,137</u>	<u>\$ (2,121)</u>	<u>\$ 8,016</u>	<u>\$ 4.75</u>	(15)%
Nine Months Ended June 30, 2018:					
As reported	\$ 11,527	\$ (880)	\$ 10,647	\$ 6.81	
Exclude:					
One-time net benefit from the Tax Act	—	(1,801)	(1,801)	(1.17)	
Other income, net <sup>(4)</sup>	(94)	23	(71)	(0.05)	
Restructuring and impairment charges	28	(6)	22	0.01	
Excluding certain items affecting comparability	<u>\$ 11,461</u>	<u>\$ (2,664)</u>	<u>\$ 8,797</u>	<u>\$ 5.60</u>	

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

<sup>(2)</sup> Before noncontrolling interest share.

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

<sup>(4)</sup> Other income, net for the current nine-month period includes a non-cash gain recognized in connection with the acquisition of a controlling interest in Hulu, LLC (\$4.8 billion) and insurance recoveries on a legal matter (\$46 million). Other income in the prior-year nine-month period included a gain from the sale of property rights (\$53 million) and insurance recoveries on a legal matter (\$38 million).

<sup>(5)</sup> Intangible asset amortization was \$562 million, step-up amortization was \$307 million and amortization of intangible assets related to 21CF equity investees was \$15 million.

<sup>(6)</sup> Reflects severance and equity-based compensation charges related to the acquisition and integration of 21CF (\$869 million).