

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
September 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
	9/28/2013	9/29/2012	
Cash provided by operations	\$ 2,735	\$ 1,535	\$ 1,200
Less: Investments in parks, resorts and other property	(987)	(933)	(54)
Free cash flow	\$ 1,748	\$ 602	\$ 1,146
			>100 %

	Year Ended		Change
	9/28/2013	9/29/2012	
Cash provided by operations	\$ 9,452	\$ 7,966	\$ 1,486
Less: Investments in parks, resorts and other property	(2,796)	(3,784)	988
Free cash flow	\$ 6,656	\$ 4,182	\$ 2,474
			59%

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

	Quarter Ended		Year Ended	
	9/28/2013	9/29/2012	9/28/2013	9/29/2012
Cash provided by operations	\$ 2,735	\$ 1,535	\$ 9,452	\$ 7,966
Cash used in investing activities	(1,014)	(1,289)	(4,676)	(4,759)
Cash used in financing activities	(1,778)	(1,305)	(4,214)	(2,985)
Impact of exchange rates on cash and cash equivalents	56	72	(18)	(20)
Increase / (decrease) in cash and cash equivalents	(1)	(987)	544	202
Cash and cash equivalents, beginning of period	3,932	4,374	3,387	3,185
Cash and cash equivalents, end of period	3,931	3,387	3,931	3,387

Aggregate segment operating income

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

	Quarter Ended		Year Ended	
	9/28/2013	9/29/2012	9/28/2013	9/29/2012
Segment operating income	\$ 2,484	\$ 2,339	\$ 10,724	\$ 9,964
Corporate and unallocated shared expenses	(164)	(140)	(531)	(474)
Restructuring and impairment charges	(93)	(49)	(214)	(100)
Other income/(expense), net	23	55	(69)	239
Net interest expense	(26)	(91)	(235)	(369)
Hulu Equity Redemption charge	—	—	(55)	—
Income before income taxes	2,224	2,114	9,620	9,260
Income taxes	(681)	(724)	(2,984)	(3,087)
Net income	<u>1,543</u>	<u>1,390</u>	<u>6,636</u>	<u>6,173</u>

Earnings per share excluding certain items

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

	Quarter Ended		Year Ended	
	Sept. 28, 2013	Sept. 29, 2012	Sept. 28, 2013	Sept. 29, 2012
Diluted EPS as reported	\$ 0.77	\$ 0.68	\$ 3.38	\$ 3.13
Exclude:				
Favorable tax adjustments related to pre-tax earnings in prior years	—	—	(0.06)	—
Tax benefit from prior-year foreign earnings indefinitely reinvested outside the United States	(0.02)	—	(0.06)	—
Restructuring and impairment charges ⁽¹⁾	0.03	0.02	0.07	0.03
Other income/(expense), net ⁽²⁾	(0.01)	(0.03)	0.03	(0.09)
Hulu Equity Redemption charge ⁽³⁾	—	—	0.02	—
Diluted EPS excluding certain items ⁽⁴⁾	<u>\$ 0.77</u>	<u>\$ 0.68</u>	<u>\$ 3.39</u>	<u>\$ 3.07</u>

⁽¹⁾ Charges for the current year totaled \$214 million and consisted of \$186 million of severance and contract and lease termination charges (of which \$79 million was recorded in the current quarter) and \$28 million of intangible and other asset impairment charges (of which \$14 million was recorded in the current quarter). Charges for the prior year totaled \$100 million and consisted of \$78 million of severance and lease termination charges (of which \$35 million was recorded in the fourth quarter of the prior year), and \$22 million for intangible and other asset impairment charges (of which \$14 million was recorded in the fourth quarter of the prior year).

⁽²⁾ The current year includes a charge related to the Celador litigation (\$321 million), partially offset by gains on the sale of our 50% interest in ESPN STAR Sports and various businesses (\$252 million, of which \$23 million was recorded in the current quarter). The prior year includes a non-cash gain recorded in connection with the acquisition of a controlling interest in UTV Software Communications Limited (\$184 million) and the recovery of a receivable from Lehman Brothers that was written off in 2008 as a result of the Lehman bankruptcy (\$79 million, of which all was recorded in the prior-year quarter), partially offset by a net charge related to the refinancing of Disneyland Paris borrowings (\$24 million, of which all was recorded in the prior-year quarter).

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

⁽⁴⁾ May not equal the sum of the rows due to rounding.