

**Reconciliation of Non-GAAP Financial Measures
To Corresponding GAAP Financial Measures
December 29, 2012**

Free cash flow, net borrowings, 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
	12/29/2012	12/31/2011	
Cash provided by operations	\$ 1,144	\$ 1,734	\$ (590)
Less: Investments in parks, resorts and other property	(545)	(634)	89
Free cash flow	<u>\$ 599</u>	<u>\$ 1,100</u>	<u>\$ (501)</u>
			<u>(46)%</u>

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

	Quarter ended	
	12/29/2012	12/31/2011
Cash provided by operations	\$ 1,144	\$ 1,734
Cash used in investing activities	(2,465)	(978)
Cash provided by/(used in) financing activities	1,136	(130)
Impact of exchange rates on cash and cash equivalents	5	(45)
Increase / (decrease) in cash and cash equivalents	(180)	581
Cash and cash equivalents, beginning of period	3,387	3,185
Cash and cash equivalents, end of period	<u>\$ 3,207</u>	<u>\$ 3,766</u>

Net borrowings

The following table presents the calculation of total borrowings and net borrowings (unaudited, in millions):

	12/29/2012	9/29/2012	Change
Current portion of borrowings	\$ 4,815	\$ 3,614	\$ 1,201
Long-term borrowings	12,633	10,697	1,936
Total borrowings	17,448	14,311	3,137
Less: cash and cash equivalents	(3,207)	(3,387)	180
Net borrowings	<u>\$ 14,241</u>	<u>\$ 10,924</u>	<u>\$ 3,317</u>

Aggregate segment operating income

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

	Quarter ended	
	12/29/2012	12/31/2011
Segment operating income	\$ 2,380	\$ 2,444
Corporate and unallocated shared expenses	(123)	(107)
Restructuring and impairment charges	-	(6)
Other income / (expense), net	(102)	-
Net interest expense	(72)	(90)
Hulu Equity Redemption charge	(55)	-
Income before income taxes □	2,028	2,241
Income taxes	(590)	(720)
Net income	\$ 1,438	\$ 1,521

Earnings per share excluding certain items

The following table reconciles reported earnings per share to earnings per share excluding certain items (unaudited):

	Quarter ended	
	12/29/2012 ⁽¹⁾	12/31/2011
Diluted EPS as reported	\$ 0.77	\$ 0.80
Exclude:		
Other income/(expense), net ⁽²⁾	0.04	-
Hulu Equity Redemption charge	0.02	-
Tax benefit from prior-year foreign earnings indefinitely reinvested outside the United States	(0.04)	-
Diluted EPS excluding certain items	\$ 0.79	\$ 0.80

⁽¹⁾ The following table reconciles the effective tax rate in EPS as reported to the effective tax rate in EPS excluding certain items (dollars in millions).

	Pre-Tax Income/(Loss)	Tax Benefit/ (Expense)	After-Tax Income/(Loss)	Effective Tax Rate
As reported	\$ 2,028	\$ (590)	\$ 1,438	29.1%
Exclude:				
Other income/(expense), net	(102)	55	(47)	
Hulu Equity Redemption charge	(55)	20	(35)	
Tax benefit from prior-year foreign earnings indefinitely reinvested outside the United States	-	64	64	
Excluding items affecting comparability	2,185	(729)	1,456	33.4%

⁽²⁾ Other income/(expense), net for the current year includes the Celador litigation charge (\$321 million) partially offset by the gain on the sale of our interest in ESPN STAR Sports (\$219 million).