

CONSOLIDATED STATEMENTS OF INCOME
(in millions, except per share data)

	2019	2018	2017
Revenues:			
Services	\$ 60,542	\$ 50,869	\$ 46,843
Products	9,028	8,565	8,294
Total revenues	<u>69,570</u>	<u>59,434</u>	<u>55,137</u>
Costs and expenses:			
Cost of services (exclusive of depreciation and amortization)	(36,450)	(27,528)	(25,320)
Cost of products (exclusive of depreciation and amortization)	(5,568)	(5,198)	(4,986)
Selling, general, administrative and other	(11,541)	(8,860)	(8,176)
Depreciation and amortization	(4,160)	(3,011)	(2,782)
Total costs and expenses	<u>(57,719)</u>	<u>(44,597)</u>	<u>(41,264)</u>
Restructuring and impairment charges	(1,183)	(33)	(98)
Other income, net	4,357	601	78
Interest expense, net	(978)	(574)	(385)
Equity in the income (loss) of investees, net	(103)	(102)	320
Income from continuing operations before income taxes	<u>13,944</u>	<u>14,729</u>	<u>13,788</u>
Income taxes from continuing operations	(3,031)	(1,663)	(4,422)
Net income from continuing operations	<u>10,913</u>	<u>13,066</u>	<u>9,366</u>
Income from discontinued operations (includes income tax expense of \$35, \$0 and \$0, respectively)	671	—	—
Net income	<u>11,584</u>	<u>13,066</u>	<u>9,366</u>
Less: Net income from continuing operations attributable to noncontrolling and redeemable noncontrolling interests	(472)	(468)	(386)
Less: Net income from discontinued operations attributable to noncontrolling interests	(58)	—	—
Net income attributable to The Walt Disney Company (Disney)	<u><u>\$ 11,054</u></u>	<u><u>\$ 12,598</u></u>	<u><u>\$ 8,980</u></u>
Earnings per share attributable to Disney:			
Diluted ⁽¹⁾			
Continuing operations	\$ 6.27	\$ 8.36	\$ 5.69
Discontinued operations	0.37	—	—
	<u><u>\$ 6.64</u></u>	<u><u>\$ 8.36</u></u>	<u><u>\$ 5.69</u></u>
Basic ⁽¹⁾			
Continuing operations	\$ 6.30	\$ 8.40	\$ 5.73
Discontinued operations	0.37	—	—
	<u><u>\$ 6.68</u></u>	<u><u>\$ 8.40</u></u>	<u><u>\$ 5.73</u></u>
Weighted average number of common and common equivalent shares outstanding:			
Diluted	<u>1,666</u>	<u>1,507</u>	<u>1,578</u>
Basic	<u><u>1,656</u></u>	<u><u>1,499</u></u>	<u><u>1,568</u></u>

⁽¹⁾ Total may not equal the sum of the column due to rounding.

See Notes to Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS
(in millions, except per share data)

	September 28, 2019	September 29, 2018
<i>ASSETS</i>		
Current assets		
Cash and cash equivalents	\$ 5,418	\$ 4,150
Receivables	15,481	9,334
Inventories	1,649	1,392
Television costs and advances	4,597	1,314
Other current assets	979	635
Total current assets	28,124	16,825
Film and television costs	22,810	7,888
Investments	3,224	2,899
Parks, resorts and other property		
Attractions, buildings and equipment	58,589	55,238
Accumulated depreciation	(32,415)	(30,764)
	26,174	24,474
Projects in progress	4,264	3,942
Land	1,165	1,124
	31,603	29,540
Intangible assets, net	23,215	6,812
Goodwill	80,293	31,269
Other assets	4,715	3,365
Total assets	\$ 193,984	\$ 98,598
<i>LIABILITIES AND EQUITY</i>		
Current liabilities		
Accounts payable and other accrued liabilities	\$ 17,762	\$ 9,479
Current portion of borrowings	8,857	3,790
Deferred revenue and other	4,722	4,591
Total current liabilities	31,341	17,860
Borrowings	38,129	17,084
Deferred income taxes	7,902	3,109
Other long-term liabilities	13,760	6,590
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	8,963	1,123
Equity		
Preferred stock	—	—
Common stock, \$.01 par value, Authorized – 4.6 billion shares, Issued – 1.8 billion shares at September 28, 2019 and 2.9 billion shares at September 29, 2018	53,907	36,779
Retained earnings	42,494	82,679
Accumulated other comprehensive loss	(6,617)	(3,097)
Treasury stock, at cost, 19 million shares at September 28, 2019 and 1.4 billion shares at September 29, 2018	(907)	(67,588)
Total Disney Shareholders' equity	88,877	48,773
Noncontrolling interests	5,012	4,059
Total equity	93,889	52,832
Total liabilities and equity	\$ 193,984	\$ 98,598

See Notes to Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	2019	2018	2017
<i>OPERATING ACTIVITIES</i>			
Net income from continuing operations	\$ 10,913	\$ 13,066	\$ 9,366
Depreciation and amortization	4,160	3,011	2,782
Gain on acquisitions and dispositions	(4,794)	(560)	(289)
Deferred income taxes	117	(1,573)	334
Equity in the (income) / loss of investees	103	102	(320)
Cash distributions received from equity investees	754	775	788
Net change in film and television costs and advances	(542)	(523)	(1,075)
Equity-based compensation	711	393	364
Other	206	441	503
Changes in operating assets and liabilities, net of business acquisitions:			
Receivables	55	(720)	107
Inventories	(223)	(17)	(5)
Other assets	932	(927)	(52)
Accounts payable and other accrued liabilities	191	235	(368)
Income taxes	(6,599)	592	208
Cash provided by operations - continuing operations	<u>5,984</u>	<u>14,295</u>	<u>12,343</u>
<i>INVESTING ACTIVITIES</i>			
Investments in parks, resorts and other property	(4,876)	(4,465)	(3,623)
Acquisitions	(9,901)	(1,581)	(417)
Other	(319)	710	(71)
Cash used in investing activities - continuing operations	<u>(15,096)</u>	<u>(5,336)</u>	<u>(4,111)</u>
<i>FINANCING ACTIVITIES</i>			
Commercial paper borrowings/(payments), net	4,318	(1,768)	1,247
Borrowings	38,240	1,056	4,820
Reduction of borrowings	(38,881)	(1,871)	(2,364)
Dividends	(2,895)	(2,515)	(2,445)
Repurchases of common stock	—	(3,577)	(9,368)
Proceeds from exercise of stock options	318	210	276
Contributions from / sales of noncontrolling interests	737	399	17
Acquisition of noncontrolling and redeemable noncontrolling interests	(1,430)	—	—
Other	(871)	(777)	(1,142)
Cash used in financing activities - continuing operations	<u>(464)</u>	<u>(8,843)</u>	<u>(8,959)</u>
<i>CASH FLOWS FROM DISCONTINUED OPERATIONS</i>			
Cash provided by operations - discontinued operations	622	—	—
Cash provided by investing activities - discontinued operations	10,978	—	—
Cash used in financing activities - discontinued operations	(626)	—	—
Cash used in discontinued operations	<u>10,974</u>	<u>—</u>	<u>—</u>
Impact of exchange rates on cash, cash equivalents and restricted cash	<u>(98)</u>	<u>(25)</u>	<u>31</u>
Change in cash, cash equivalents and restricted cash	1,300	91	(696)
Cash, cash equivalents and restricted cash, beginning of year	4,155	4,064	4,760
Cash, cash equivalents and restricted cash, end of year	<u>\$ 5,455</u>	<u>\$ 4,155</u>	<u>\$ 4,064</u>
Supplemental disclosure of cash flow information:			
Interest paid	\$ 1,142	\$ 631	\$ 466
Income taxes paid	<u>\$ 9,259</u>	<u>\$ 2,503</u>	<u>\$ 3,801</u>

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