DISCOVERY COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	Year Ended December 31,		
	2014	2013	2012
Operating Activities			
Net income	$ 1,137	$ 1,077	$ 945
Adjustments to reconcile net income to cash provided by operating activities:			
Equity-based compensation expense	78	190	154
Depreciation and amortization	329	276	117
Content amortization and impairment expense	1,557	1,190	865
(Gain) loss on dispositions	(31)	(19)	6
Remeasurement gain on previously held equity interests	(29)	(92)	—
Equity in (earnings) losses of investee companies, net of cash distributions	(1)	(4)	106
Deferred income tax (benefit) expense	(181)	83	(70)
Launch amortization expense	11	18	20
Loss from hedging instruments, net	—	55	—
Other, net	33	32	12
Changes in operating assets and liabilities, net of business combinations:			
Receivables, net	6	(120)	(59)
Content rights	(1,683)	(1,426)	(1,091)
Accounts payable and accrued liabilities	138	106	171
Equity-based compensation liabilities	(81)	(64)	(45)
Income tax receivable	40	(5)	(11)
Other, net	(5)	(12)	(21)
Cash provided by operating activities	1,318	1,285	1,099
Investing Activities			
Purchases of property and equipment	(120)	(115)	(77)
Business acquisitions, net of cash acquired	(372)	(1,861)	(149)
Hedging instruments, net	—	(55)	—
Proceeds from dispositions	45	28	—
Distributions from equity method investees	61	47	17
Investments in equity method investees, net	(177)	(28)	(404)
Other investing activities, net	(5)	(3)	(30)
Cash used in investing activities	(568)	(1,987)	(643)
Financing Activities			
Borrowings from debt, net of discount	415	1,198	992
Borrowings under revolving credit facility, net	38	—	—
Commercial paper, net	229	—	—
Debt issuance cost	(6)	(12)	(11)
Principal repayments of capital lease obligations	(19)	(32)	(22)
Repurchases of stock	(1,422)	(1,305)	(1,380)
Cash proceeds from equity-based plans, net	44	73	119
Other financing activities, net	(13)	(7)	(3)
Cash used in financing activities	(734)	(85)	(305)
Effect of exchange rate changes on cash and cash equivalents	(57)	(6)	2
Net change in cash and cash equivalents	(41)	(793)	153
Cash and cash equivalents, beginning of period	408	1,201	1,048
Cash and cash equivalents, end of period	$ 367	$ 408	$ 1,201

The accompanying notes are an integral part of these consolidated financial statements.