

Notes to Consolidated Financial Statements

Note 1: Organization and Business

We are a Pennsylvania corporation and were incorporated in December 2001. Through our predecessors, we have developed, managed and operated cable systems since 1963. We classify our operations in two reportable segments: Cable and Programming.

Our Cable segment is principally involved in the management and operation of cable systems in the United States. As of December 31, 2006, we served approximately 23.4 million video subscribers, 11 million high-speed Internet subscribers and 2.4 million phone subscribers. Our regional sports and news networks are included in our Cable segment because they derive a substantial portion of their revenues from our cable operations.

Our Programming segment operates our consolidated national programming networks: E!, Style, The Golf Channel, VERSUS (formerly known as OLN), G4 and AZN Television.

Our other businesses consist principally of Comcast Spectacor, which owns the Philadelphia Flyers, the Philadelphia 76ers and two large multipurpose arenas in Philadelphia, and manages other facilities for sporting events, concerts and other special events, and our corporate activities. We also own equity method investments in other programming networks.

Stock Split

On January 31, 2007, our Board of Directors approved a three-for-two stock split in the form of a 50% stock dividend (the "Stock Split") payable on February 21, 2007, to shareholders of record on February 14, 2007. The stock dividend was in the form of an additional 0.5 share for every share held and was payable in shares of Class A common stock on the existing Class A common stock and payable in shares of Class A Special common stock on the existing Class A Special common stock and Class B common stock with cash being paid in lieu of fractional shares. Our stock began trading ex-dividend on February 22, 2007. The number of shares outstanding and related prices, per share amounts, share conversions and share-based data have been adjusted to reflect the Stock Split for all periods presented.

Note 2: Summary of Significant Accounting Policies

Basis of Consolidation

The accompanying consolidated financial statements include (i) all of our accounts, (ii) all entities in which we have a controlling voting interest ("subsidiaries") and (iii) variable interest entities ("VIEs") required to be consolidated in accordance with generally accepted accounting principles in the United States ("GAAP"). We have eliminated all significant intercompany accounts and transactions among consolidated entities.

Our Use of Estimates

We prepare our consolidated financial statements in conformity with GAAP, which requires us to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates. Estimates are used when accounting for various items, such as allowances for doubtful accounts, investments, derivative financial instruments, asset impairment, nonmonetary transactions, certain acquisition-related liabilities, programming-related liabilities, pensions and other postretirement benefits, revenue recognition, depreciation and amortization, income taxes and legal contingencies.

Fair Values

We have determined the estimated fair value amounts presented in these consolidated financial statements using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented in these consolidated financial statements are not necessarily indicative of the amounts that we could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. We based these fair value estimates on pertinent information available to us as of December 31, 2006 and 2005.

Cash Equivalents

The carrying amounts of our cash equivalents approximate their fair value. Our cash equivalents principally consist of commercial paper, money market funds, U.S. government obligations and certificates of deposit with maturities of less than three months when purchased.

Investments

We review our investment portfolio each reporting period to determine whether a decline in the market value is considered to be other than temporary. If an investment is deemed to have experienced an other than temporary decline below its cost basis, we reduce the carrying amount of the investment to its fair market value. We charge the impairment to earnings and establish a new cost basis for the investment.

Purchases of or proceeds from the sale of trading securities are classified as cash flows from operating activities, while cash flows from all other investment securities are classified as cash flows from investing activities.

We classify unrestricted publicly traded investments as available-for-sale ("AFS") or trading securities and record them at fair value. For AFS securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of other comprehensive income (loss), except when we consider declines in value to be other than temporary. These other than temporary declines are recognized as a component of investment income (loss), net. For trading securities, we record unrealized

gains or losses resulting from changes in fair value between measurement dates as a component of investment income (loss), net. We recognize realized gains and losses associated with our fair value method investments using the specific identification method.

We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee's operating and financial policies. Equity method investments are recorded at original cost and adjusted to recognize our proportionate share of the investee's net income or losses after the date of investment, amortization of basis differences, additional contributions made and dividends received, and impairment charges resulting from adjustments to fair value. We generally record our share of the investee's net income or loss one quarter in arrears due to the timing of our receipt of such information.

If a consolidated subsidiary or equity method investee issues additional securities that change our proportionate share of the entity, we recognize the change as a gain or loss in our consolidated statement of operations. In cases where gain realization is not assured, we record the gain to additional capital.

Restricted publicly traded investments and investments in privately held companies are stated at cost and adjusted for any known decrease in value (see Note 6).

Property and Equipment

Property and equipment are stated at cost. We capitalize improvements that extend asset lives and expense other repairs and maintenance charges as incurred. For assets that are sold or retired, we remove the applicable cost and accumulated depreciation and, unless the gain or loss on disposition is presented separately, we recognize it as a component of depreciation expense.

We capitalize the costs associated with the construction of our cable transmission and distribution facilities and new service installations. Costs include all direct labor and materials, as well as various indirect costs.

We record depreciation using the straight-line method over estimated useful lives. Our significant components of property and equipment are as follows:

December 31 (in millions)	Useful Life	2006	2005
Cable transmission and distribution facilities	2–15 years	\$ 31,870	\$ 25,737
Buildings and building improvements	5–40 years	1,366	1,279
Land	—	163	148
Other	3–10 years	3,355	2,619
Property and equipment, at cost		36,754	29,783
Less: accumulated depreciation		(15,506)	(12,079)
Property and equipment, net		\$ 21,248	\$ 17,704

Intangible Assets

Cable franchise rights represent the value attributed to agreements with local authorities that allow access to homes in cable service areas acquired in connection with business combinations. We do not amortize cable franchise rights because we have determined that they have an indefinite life. We reassess this determination periodically for each franchise based on the factors included in Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). Costs we incur in negotiating and renewing cable franchise agreements are included in other intangible assets and are principally amortized on a straight-line basis over the term of the franchise renewal period.

Other intangible assets consist principally of franchise-related customer relationships acquired in business combinations, cable and satellite television distribution rights, cable franchise renewal costs, contractual operating rights, computer software, programming agreements and rights, patents and other technology rights, and noncompetition agreements. We record these costs as assets and amortize them on a straight-line basis over the term of the related agreements or estimated useful life.

Our Programming subsidiaries enter into multi-year license agreements with various cable and satellite distributors for distribution of their respective programming ("distribution rights"). We capitalize distribution rights and amortize them on a straight-line basis over the term of the related license agreements. We classify the amortization of these distribution rights as a reduction of revenue unless the Programming subsidiary receives, or will receive, an identifiable benefit from the cable or satellite system distributor separate from the fee paid for the distribution right, in which case we recognize the fair value of the identified benefit as an operating expense in the period in which it is received.

We capitalize direct development costs associated with internal-use software, including external direct costs of material and services, and payroll costs for employees devoting time to these software projects. We include these costs within other intangible assets and amortize them over a period not to exceed five years, beginning when the asset is substantially ready for use. We expense maintenance and training costs, as well as costs incurred during the preliminary project stage, as they are incurred. We capitalize initial operating system software costs and amortize them over the life of the associated hardware.

See Note 7 for the ranges of useful lives of our intangible assets.

Asset Impairments

Property and Equipment and Intangible Assets Subject to Amortization

We periodically evaluate the recoverability and estimated lives of our property and equipment and intangible assets subject to amortization in accordance with SFAS No. 144, "Accounting for the

Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"). Our evaluations occur whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or the useful life has changed, and they include analyses based on the cash flows generated by the underlying assets and profitability information, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows is less than the carrying amount of the asset, we recognize a loss for the difference between the fair value and the carrying value of the asset. Unless presented separately, the loss is included as a component of either depreciation expense or amortization expense, as appropriate.

Franchise Rights

We evaluate the recoverability of our franchise rights annually, or more frequently whenever events or changes in circumstances indicate that the assets might be impaired. We estimate the fair value of our cable franchise rights utilizing various valuation techniques, including discounted cash flow analysis, multiples of operating income before depreciation and amortization generated by the underlying assets, analyses of current market transactions and profitability information. If the value of our cable franchise rights determined by these evaluations is less than the carrying amount, we recognize an impairment charge for the difference between the estimated fair value and the carrying value of the assets. When we perform our impairment test, we group the recorded values of our various cable franchise rights into geographic regions. We evaluate these groups periodically to ensure impairment testing is performed at an appropriate level. We have not recorded any significant impairment charges as a result of our impairment testing.

Goodwill

Goodwill is the excess of the acquisition cost of an acquired entity over the fair value of the identifiable net assets acquired. We evaluate the recoverability of our goodwill annually, or more frequently whenever events or changes in circumstances indicate that the asset might be impaired. We perform the impairment assessment of our goodwill one level below the business segment level, except for our Cable business. In our Cable business, since components one level below the segment level are not separate reporting units and have similar economic characteristics, we aggregate the components into one reporting unit at the Cable segment level.

Asset Retirement Obligations

SFAS No. 143, "Accounting for Asset Retirement Obligations," as interpreted by Financial Accounting Standards Board ("FASB") Interpretation ("FIN") No. 47, "Accounting for Conditional Asset Retirement Obligations — an Interpretation of FASB Statement No. 143," requires that a liability be recognized for an asset retirement obligation in the period in which it is incurred if a reasonable estimate of fair value can be made.

Certain of our franchise and lease agreements contain provisions requiring us to restore facilities or remove property in the event

that the franchise or lease agreement is not renewed. We expect to continually renew our franchise agreements; however, a remote possibility exists that such agreements could terminate unexpectedly, which could result in us incurring significant expense in complying with the restoration or removal provisions under such agreements. No such liabilities have been recorded in our consolidated financial statements as the obligations related to the restoration and removal provisions contained in our agreements or any disposal obligations related to our properties are not material to our consolidated financial statements or cannot be reasonably estimated.

Revenue Recognition

Cable revenues are principally derived from subscriber fees received for our video, high-speed Internet and phone services ("cable services") and from advertising. We recognize revenues from cable services as the service is provided. We manage credit risk by screening applicants through the use of credit bureau data. If a subscriber's account is delinquent, various measures are used to collect outstanding amounts, including termination of the subscriber's cable service. We recognize advertising revenue at estimated realizable values when the advertising is aired. Installation revenues obtained from the connection of subscribers to our cable systems are less than related direct selling costs. Therefore, such revenues are recognized as connections are completed. Revenues earned from other sources are recognized when services are provided or events occur. Under the terms of our franchise agreements, we are generally required to pay to the local franchise authority up to 5% of our gross revenues earned from providing cable services within the local franchise area. We normally pass these fees through to our cable subscribers and classify the fees as a component of revenues.

Our Programming businesses recognize revenue from cable and satellite distributors as programming is provided, generally pursuant to multiyear distribution agreements. From time to time these agreements expire while programming continues to be provided to the operator based on interim arrangements while the parties negotiate new contractual terms. Revenue recognition is generally limited to current payments being made by the operator, typically pursuant to the prior contract terms, until a new contract is negotiated, sometimes with effective dates that affect prior periods. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

Advertising revenue for our Programming businesses is recognized in the period in which commercial announcements or programs are aired. In some instances, our Programming businesses guarantee viewer ratings for their programming. Revenue is deferred to the extent of an estimated shortfall in the ratings. Such shortfalls are primarily settled by providing additional advertising time, at which point the revenue is recognized.

Cable Programming Expenses

Cable programming expenses are the fees we pay to programming networks to license the programming we package, offer and distribute to our cable subscribers. Programming is acquired for distribution to our cable subscribers, generally pursuant to multiyear distribution agreements, with rates typically based on the number of subscribers that receive the programming. From time to time these contracts expire and programming continues to be provided based on interim arrangements while the parties negotiate new contractual terms, sometimes with effective dates that affect prior periods. While payments are typically made under the prior contract terms, the amount of our programming expenses recorded during these interim arrangements is based on our estimates of the ultimate contractual terms expected to be negotiated.

Our cable subsidiaries have received or may receive incentives from programming networks for the licensing of their programming. We classify the deferred portion of these fees within noncurrent liabilities and recognize the fees as a reduction of programming expenses (included in operating expenses) over the term of the contract.

Share-Based Compensation

Prior to January 1, 2006, we accounted for our share-based compensation plans in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25"), as permitted by SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), and accordingly did not recognize compensation expense for stock options with an exercise price equal to or greater than the market price of the underlying stock at the date of grant.

Effective January 1, 2006, we adopted SFAS No. 123R, "Share-Based Payment" ("SFAS No. 123R"), using the Modified Prospective Approach. Under the Modified Prospective Approach, the amount of compensation cost recognized includes: (i) compensation cost for all share-based payments granted prior to but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123 and (ii) compensation cost for all share-based payments granted or modified subsequent to January 1, 2006, based on the estimated fair value at the date of grant or subsequent modification date in accordance with the provisions of SFAS No. 123R.

SFAS No. 123R also required us to change the classification, in our consolidated statement of cash flows, of any income tax benefits realized upon the exercise of stock options or issuance of restricted share unit awards in excess of that which is associated with the expense recognized for financial reporting purposes. These amounts are presented as a financing cash inflow rather than as a reduction of income taxes paid in our consolidated statement of cash flows. See Note 10 for further details regarding the adoption of SFAS No. 123R.

Postretirement and Postemployment Benefits

We charge to operations the estimated costs of retiree benefits and benefits for former or inactive employees, after employment but before retirement, during the years the employees provide services (see Note 9).

Income Taxes

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and the expected benefits of utilizing net operating loss carryforwards. The impact on deferred taxes of changes in tax rates and laws, if any, applied to the years during which temporary differences are expected to be settled, is reflected in the consolidated financial statements in the period of enactment (see Note 11).

We account for income tax uncertainties that arise in connection with business combinations and those that are associated with entities acquired in business combinations in accordance with Emerging Issues Task Force ("EITF") Issue No. 93-7, "Uncertainties Related to Income Taxes in a Purchase Business Combination." Deferred tax assets and liabilities are recorded as of the date of a business combination and are based on our estimate of the ultimate tax basis that will be accepted by the various taxing authorities. Liabilities for contingencies associated with prior tax returns filed by the acquired entity are recorded based on our estimate of the ultimate settlement that will be accepted by the various taxing authorities. Estimated interest expense on these liabilities subsequent to the acquisition is reflected in our consolidated income tax provision. We adjust these deferred tax accounts and liabilities periodically to reflect revised estimated tax bases and any estimated settlements with the various taxing authorities. The effect of these adjustments is generally applied to goodwill except for post-acquisition interest expense, which is recognized as an adjustment of income tax expense.

Derivative Financial Instruments

We use derivative financial instruments for a number of purposes. We manage our exposure to fluctuations in interest rates by entering into instruments, which may include interest rate exchange agreements ("swaps"), interest rate lock agreements ("rate locks"), interest rate cap agreements ("caps") and interest rate collar agreements ("collars"). We manage our exposure to fluctuations in the value of some of our investments by entering into equity collar agreements ("equity collars") and equity put option agreements ("equity put options"). We are also a party to equity warrant agreements ("equity warrants"). We have issued indexed debt instruments ("Exchangeable Notes" and "ZONES") and have entered into prepaid forward sale agreements ("prepaid forward sales") whose value, in part, is derived from the market value of certain publicly traded common stock. We have also sold call options on some of our investments in equity securities. We use equity hedges to manage exposure to changes in equity prices associated with stock appreciation rights of acquired companies. These equity hedges are recorded at fair value based on market quotes.

For derivative instruments designated and effective as fair value hedges, such as fixed to variable swaps, changes in the fair value of the derivative instrument are substantially offset in the consolidated statement of operations by changes in the fair value of the hedged item. For derivative instruments designated as cash flow hedges, such as variable to fixed swaps and rate locks, the effective portion of any hedge is reported in other comprehensive income (loss) until it is recognized in earnings during the same period in which the hedged item affects earnings. The ineffective portion of all hedges is recognized each period in current earnings. Changes in the fair value of derivative instruments that are not designated as a hedge are recorded each period in current earnings.

When a derivative instrument designated as a fair value hedge is terminated, sold, exercised or has expired, any gain or loss is deferred and recognized in earnings over the remaining life of the hedged item. When a hedged item is settled or sold, the adjustment in the carrying amount of the hedged item is recognized in earnings. When hedged variable-rate debt is settled, the previously deferred effective portion of the hedge is written off similar to debt extinguishment costs.

Equity warrants and equity collars are adjusted to estimated fair value on a current basis with the result included in investment income (loss), net in our consolidated statement of operations.

Derivative instruments embedded in other contracts, such as our Exchangeable Notes, ZONES and prepaid forward sales, are separated into their host and derivative financial instrument components. The derivative component is recorded at its estimated fair value in our consolidated balance sheet, and changes in estimated fair value are recorded in investment income (loss), net in our consolidated statement of operations.

All derivative transactions must comply with our Board-authorized derivatives policy. We do not hold or issue any derivative financial instruments for speculative or trading purposes and are not a party to leveraged derivative instruments (see Note 8). We manage the credit risks associated with our derivative financial instruments through the evaluation and monitoring of the creditworthiness of the counterparties. Although we may be exposed to losses in the event of nonperformance by the counterparties, we do not expect such losses, if any, to be significant.

We periodically examine the instruments we use to hedge exposure to interest rate and equity price risks to ensure that the instruments are matched with underlying assets or liabilities, reduce our risks relating to interest rates or equity prices and, through market value and sensitivity analysis, maintain a high correlation to the risk inherent in the hedged item. For those instruments that do not meet the above criteria, variations in their fair value are reflected on a current basis in our consolidated statement of operations.

Securities Lending Transactions

We may enter into securities lending transactions in which we require the borrower to provide cash collateral equal to the value of the loaned securities, as adjusted for any changes in the value of the underlying loaned securities. Loaned securities for which we maintain effective control are included in investments in our consolidated balance sheet.

Note 3: Recent Accounting Pronouncements

SFAS No. 155

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments — an Amendment of FASB Statements No. 133 and 140" ("SFAS No. 155"). SFAS No. 155 allows financial instruments that contain an embedded derivative and that otherwise would require bifurcation to be accounted for as a whole on a fair value basis, at the holder's election. SFAS No. 155 also clarifies and amends certain other provisions of SFAS No. 133 and SFAS No. 140. This statement is effective for all financial instruments acquired or issued in fiscal years beginning after September 15, 2006. We do not expect SFAS No. 155 to have a material impact on our consolidated financial statements.

SFAS No. 157

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"). SFAS No. 157 defines fair value, establishing a framework for measuring fair value and expands disclosure about fair value measurements. SFAS No. 157 is effective for fiscal years beginning after November 15, 2007. We do not expect SFAS No. 157 to have a material impact on our consolidated financial statements.

SFAS No. 158

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" ("SFAS No. 158"). SFAS No. 158 requires companies to recognize in their statement of financial position an asset for a plan's overfunded status or a liability for a plan's underfunded status and to measure a plan's assets and its obligations that determine its funded status as of the end of the company's fiscal year. Additionally, SFAS No. 158 requires companies to recognize changes in the funded status of a defined benefit postretirement plan in the year that the changes occur and to report these in other comprehensive income (loss). The application of SFAS No. 158 did not have a material impact on our consolidated financial statements.

FASB Interpretation No. 48

In July 2006, the FASB issued FIN 48, "Accounting for Uncertainty in Income Taxes — an interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 clarifies the recognition threshold and measurement of a tax position taken on a tax return. FIN 48 is effective for fiscal years beginning after December 15, 2006. FIN 48 also requires expanded disclosure with respect to the uncertainty in

income taxes. We do not expect FIN 48 to have a material impact on our consolidated financial statements.

EITF Issue No. 06-1

In June 2006, the EITF reached a consensus on EITF Issue No. 06-1, "Accounting for Consideration Given by a Service Provider to Manufacturers or Resellers of Specialized Equipment Necessary for an End-Customer to Receive Service from the Service Provider" ("EITF 06-1"). EITF 06-1 provides guidance on the accounting for consideration given by a vendor to a customer. The provisions of EITF 06-1 will be effective for us as of December 31, 2007. We do not expect EITF 06-1 to have a material impact on our consolidated financial statements.

EITF Issue No. 06-3

In June 2006, the EITF reached a consensus on EITF Issue No. 06-3, "How Taxes Collected from Customers and Remitted to Governmental Authorities Should Be Presented in the Income Statement (That Is, Gross versus Net Presentation)" ("EITF 06-3"). EITF 06-3 provides that the presentation of taxes assessed by a governmental authority that is directly imposed on a revenue-producing transaction between a seller and a customer on either a gross basis (included in revenues and costs) or on a net basis (excluded from revenues) is an accounting policy decision that should be disclosed. The provisions of EITF 06-3 will be effective for us as of January 1, 2007. We do not expect EITF 06-3 to have a material impact on our consolidated financial statements.

SAB No. 108

In September 2006, the Securities Exchange Commission Staff issued Staff Accounting Bulletin No. 108, "Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in the Current Year Financial Statements" ("SAB No. 108"). SAB No. 108 requires the use of two alternative approaches in quantitatively evaluating materiality of misstatements. If the misstatement as quantified under either approach is material to the current year

financial statements, the misstatement must be corrected. If the effect of correcting the prior year misstatements, if any, in the current year income statement is material, the prior year financial statements should be corrected. In the year of adoption (fiscal years ending after November 15, 2006, or calendar year 2006 for us), the misstatements may be corrected as an accounting change by adjusting opening retained earnings rather than including the adjustment in the current year income statement. Upon completing our evaluation of the requirements of SAB No. 108, we determined it did not affect our consolidated financial statements.

Note 4: Earnings Per Share

Basic earnings for common stockholders per common share ("Basic EPS") is computed by dividing net income for common stockholders by the weighted-average number of common shares outstanding during the period.

Our potentially dilutive securities include potential common shares related to our stock options and restricted share units. Diluted earnings for common stockholders per common share ("Diluted EPS") considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an antidilutive effect. Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the option exercise price is greater than the average market price of our Class A common stock and our Class A Special common stock during the period (see Note 10).

Diluted EPS for 2006, 2005 and 2004 excludes approximately 116 million, 126 million and 154 million, respectively, of potential common shares related to our share-based compensation plans because the inclusion of the potential common shares would have an antidilutive effect.

The following table reconciles the numerator and denominator of the computations of Diluted EPS from continuing operations for the years presented (adjusted to reflect the Stock Split):

Year Ended December 31 (in millions, except per share data)	2006			2005			2004		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
Basic EPS	\$ 2,235	3,160	\$ 0.71	\$ 828	3,295	\$ 0.25	\$ 928	3,360	\$ 0.28
Effect of Dilutive Securities									
Assumed exercise or issuance of shares relating to stock plans		20			17			15	
Diluted EPS	\$ 2,235	3,180	\$ 0.70	\$ 828	3,312	\$ 0.25	\$ 928	3,375	\$ 0.28

Note 5: Acquisitions and Other Significant Events

Adelphia and Time Warner Transactions

In April 2005, we entered into an agreement with Adelphia Communications ("Adelphia") in which we agreed to acquire certain assets and assume certain liabilities of Adelphia (the "Adelphia Acquisition"). At the same time, we and Time Warner Cable Inc. and certain of its affiliates ("TWC") entered into several agreements in which we agreed to (i) have our interest in Time Warner Entertainment Company, L.P. ("TWE") redeemed, (ii) have our interest in TWC redeemed (together with the TWE redemption, the "Redemptions"), and (iii) exchange certain cable systems acquired from Adelphia and certain Comcast cable systems with TWC (the "Exchanges"). On July 31, 2006, these transactions were completed. We collectively refer to the Adelphia Acquisition, the Redemptions and the Exchanges as the "Adelphia and Time Warner transactions." Also in April 2005, Adelphia and TWC entered into an agreement for the acquisition of substantially all of the remaining cable system assets and the assumption of certain of the liabilities of Adelphia.

The Adelphia and Time Warner transactions, which are described in more detail below, resulted in a net increase of 1.7 million video subscribers, a net cash payment by us of approximately \$1.5 billion and the disposition of our ownership interests in TWE and TWC and the assets of two cable system partnerships.

The Adelphia and Time Warner transactions added cable systems located in 16 states (California, Colorado, Connecticut, Florida, Georgia, Louisiana, Maryland, Massachusetts, Minnesota, Mississippi, Oregon, Pennsylvania, Tennessee, Vermont, Virginia and West Virginia). We expect that the larger systems will result in economies of scale.

The Adelphia Acquisition

We paid approximately \$3.6 billion in cash for the acquisition of Adelphia's interest in two cable system partnerships and certain Adelphia cable systems and to satisfy certain related liabilities. Approximately \$2.3 billion of the amount paid was related to the acquisition of Adelphia's interest in Century — TCI California Communications, L.P. ("Century") and Parnassos Communications, L.P. ("Parnassos" and together with Century, the "Partnerships"). We held a 25% interest in Century and a 33.33% interest in Parnassos. Our prior interests in the Partnerships were accounted for as cost method investments. After acquiring Adelphia's interests in the Partnerships, we transferred the cable systems held by the Partnerships to TWC in the Exchanges, as discussed further below.

In addition to acquiring Adelphia's interest in Century and Parnassos, we acquired cable systems from Adelphia for approximately \$600 million in cash that we continue to own and operate.

The Redemptions

Our 4.7% interest in TWE was redeemed in exchange for 100% of the equity interests in a subsidiary of TWE holding cable systems

with a fair value of approximately \$600 million and approximately \$147 million in cash. Our 17.9% interest in TWC was redeemed in exchange for 100% of the capital stock of a subsidiary of TWC holding cable systems with a fair value of approximately \$2.7 billion and approximately \$1.9 billion in cash. Our ownership interests in TWE and TWC were accounted for as cost method investments.

We recognized a gain of approximately \$535 million, in the aggregate, on the Redemptions, which is included in investment income (loss), net.

The Exchanges

The estimated fair value of the cable systems we transferred to and received from TWC was approximately \$8.6 billion and \$8.5 billion, respectively. TWC made net cash payments aggregating approximately \$67 million to us for certain preliminary adjustments related to the Exchanges.

The cable systems we transferred to TWC included our previously owned cable systems located in Los Angeles, Cleveland and Dallas ("Comcast Exchange Systems") and the cable systems held by Century and Parnassos. The operating results of the Comcast Exchange Systems are reported as discontinued operations for all periods and are presented in accordance with SFAS No. 144 (see "Discontinued Operations" below).

As a result of the Exchanges, we recognized a gain on the sale of discontinued operations of \$195 million, net of tax of \$541 million and a gain on the sale of the Century and Parnassos cable systems of approximately \$111 million that is included within investment income (loss), net.

The cable systems that TWC transferred to us in the Exchanges included cable systems that TWC acquired from Adelphia in its asset purchase from Adelphia and TWC's Philadelphia cable system.

Purchase Price Allocation

The cable systems acquired in the Adelphia and Time Warner transactions were accounted for in accordance with SFAS No. 141, "Business Combinations" ("SFAS No. 141"). The results of operations for the acquired cable systems have been included in our consolidated financial statements since the acquisition date (July 31, 2006) and are reported in our Cable segment. As a result of the redemption of our investment in TWC and the exchange of the cable systems held by Century and Parnassos, we reversed deferred tax liabilities of approximately \$760 million, primarily related to the excess of tax basis of the assets acquired over the tax basis of the assets exchanged and reduced the amount of goodwill and other noncurrent assets that would have otherwise been recorded in the acquisition. Substantially all of the goodwill recorded is expected to be amortizable for tax purposes. The purchase price allocation is preliminary and subject to refinement as valuations are finalized. The weighted-average amortization period of the franchise-related customer relationship intangible assets acquired was seven years.

The following represents the purchase price allocation to assets acquired and liabilities assumed, exclusive of the cable systems held by Century and Parnassos and transferred to TWC, as a result of the Adelphia and Time Warner transactions:

(in millions)	2006
Property and equipment	\$ 2,692
Franchise-related customer relationships	1,648
Cable franchise rights	6,842
Goodwill	271
Other assets	111
Total liabilities	(397)
Net assets acquired	\$ 11,167

Discontinued Operations

As discussed above, the operating results of the Comcast Exchange Systems transferred to TWC are reported as discontinued operations for all periods and are presented in accordance with SFAS No. 144. The following represents the operating results of the Comcast Exchange Systems through the closing date of the Exchanges (July 31, 2006):

(in millions)	2006	2005	2004
Revenues	\$ 734	\$ 1,180	\$ 1,086
Income before income taxes	121	159	67
Income tax expense	(18)	(59)	(25)
Net income	\$ 103	\$ 100	\$ 42

Unaudited Pro Forma Information

The following unaudited pro forma information has been presented as if the Adelphia and Time Warner transactions occurred on January 1, 2005. This information is based on historical results of operations, adjusted for purchase price allocations and is not necessarily indicative of what the results would have been had we operated the entities since January 1, 2005.

Year Ended December 31 (in millions)	2006	2005
Revenues	\$ 26,616	\$ 23,672
Income from continuing operations	2,284	770
Income from discontinued operations, net of tax	103	100
Gain on discontinued operations, net of tax	195	—
Net Income	\$ 2,582	\$ 870
Basic earnings for common stockholders per common share	\$ 0.82	\$ 0.26
Diluted earnings for common stockholders per common share	\$ 0.81	\$ 0.26

Texas and Kansas City Cable Partnership

In July 2006, we initiated the dissolution of Texas and Kansas City Cable Partners ("TKCCP"), our 50%-50% cable system partnership with TWC. Once the dissolution was triggered, the non-triggering party had the right to choose and take full ownership of one of two pools of TKCCP's cable systems together with any debt allocated to such asset pool by the triggering partner. One pool consisted of cable systems serving Houston, Texas ("Houston Asset Pool") and the other pool consisted of cable systems serving Kansas City, south and west Texas, and New Mexico ("Kansas City Asset Pool").

In July 2006, we notified TWC of our election to dissolve TKCCP and the allocation of all of its debt, which totaled approximately \$2 billion as of July 1, 2006, to the Houston Asset Pool. In August 2006, TWC notified us that it selected the Kansas City Asset Pool and as a result, we were to receive the Houston Asset Pool. The \$2 billion of debt allocated to the Houston Asset Pool was required to be refinanced within 60 days of the August 1, 2006, selection date. This debt included \$600 million owed to each partner (for an aggregate of \$1.2 billion). We refinanced this debt in October 2006 (see Note 8). To be consistent with our management reporting presentation, the results of operations of the Houston Asset Pool have been reported in our Cable segment since August 1, 2006. The operating results of the Houston Asset Pool are eliminated in our consolidated financial statements (see Note 14).

In January 2007, the distribution of assets by TKCCP was completed and we received the Houston Asset Pool. We will account for the distribution of assets by TKCCP as a sale of our 50% interest in the Kansas City Asset Pool in exchange for acquiring an additional 50% interest in the Houston Asset Pool and expect to record a gain on this transaction.

E! Entertainment Television

In November 2006, we acquired the 39.5% of E! Entertainment Television (which operates the E! and Style programming networks) that we did not already own for approximately \$1.2 billion. We have historically consolidated the results of operations of E! Entertainment Television. We allocated the purchase price to intangibles and goodwill.

Susquehanna

In April 2006, we acquired the cable systems of Susquehanna Cable Co. and its subsidiaries ("Susquehanna") for a total purchase price of approximately \$775 million. The Susquehanna systems acquired are located primarily in Pennsylvania, New York, Maine, and Mississippi.

Prior to the acquisition, we held an approximate 30% equity ownership interest in Susquehanna that we accounted for as an equity method investment. On May 1, 2006, Susquehanna Cable Co. redeemed the approximate 70% equity ownership interest in Susquehanna held by Susquehanna Media Co., which resulted in Susquehanna becoming 100% owned by us.

The results of operations of the Susquehanna cable systems have been included in our consolidated financial statements since the acquisition date and are reported in our Cable segment. We allocated the purchase price to property and equipment, franchise-related customer relationship intangibles, nonamortizing cable franchise rights and goodwill. The acquisition of the Susquehanna cable systems was not significant to our consolidated financial statements for 2006.

Motorola

In March 2005, we entered into two joint ventures with Motorola under which we are developing and licensing next-generation programming access security (known as "conditional access") technology for cable systems and related products. One of the ventures will license such products to equipment manufacturers and other cable companies. The other venture will provide us greater participation in the design and development of conditional access technology for our cable systems. In addition to funding approximately 50% of the annual cost requirements, we have paid \$20 million to Motorola and have committed to pay up to \$80 million to Motorola over a four-year period based on the achievement of certain milestones. Motorola contributed licenses to conditional access and related technology to the ventures.

These two ventures are both considered VIEs and we have consolidated both of these ventures as we are considered the primary beneficiary. Accordingly, we have recorded approximately \$190 million in intangible assets, of which we recorded a charge of approximately \$20 million related to in-process research and development in 2005 that has been included in amortization expense.

Liberty Media Exchange Agreement

In July 2004, we exchanged approximately 120 million shares of Liberty Media Corporation ("Liberty Media") Series A common stock that we held, valued at approximately \$1.022 billion based upon the price of Liberty Media common stock on the closing date of the transaction with Liberty Media for 100% of the stock of Liberty's subsidiary, Encore ICCP, Inc. Encore's assets consisted of cash of approximately \$547 million, a 10.4% interest in E! Entertainment Television and 100% of International Channel Networks (which operates AZN Television). We also received all of Liberty Media's rights, benefits and obligations under the TCI Music contribution agreement, which resulted in the resolution of all pending litigation between Liberty Media and us regarding the contribution agreement. The exchange was structured as a tax-free transaction. We allocated the value of the shares exchanged in the transaction among cash, our additional investment in E! Entertainment Television, International Channel Networks and the resolution of the litigation related to the contribution agreement. The effects of our acquisition of the additional interest in E! Entertainment Television and our acquisition of International Channel Networks have been reflected in our consolidated statement of operations from the date of the transaction.

TechTV

In May 2004, we completed the acquisition of TechTV Inc. by acquiring all outstanding common and preferred stock of TechTV from Vulcan Programming Inc. for approximately \$300 million in cash. Substantially all of the purchase price has been recorded to intangible assets and is being amortized over a period of 2 to 22 years. On May 28, 2004, G4 and TechTV began operating as one network. The effects of our acquisition of TechTV have been reflected in our consolidated statement of operations from the date of the transaction. We have classified G4 as part of our Programming segment.

Gemstar

In March 2004, we entered into a long-term, non-exclusive patent license and distribution agreement with Gemstar-TV Guide International ("Gemstar") in exchange for a one-time payment of \$250 million to Gemstar. If our total subscribers exceed a specified threshold, we will be required to make additional one-time payments to Gemstar for each subscriber in excess of such threshold. This agreement allows us to utilize Gemstar's intellectual property and technology and the TV Guide brand and content on our interactive program guides. We have allocated the \$250 million amount paid based on the fair value of the components of the contract to various intangible and other assets, which are being amortized over a period of 3 to 12 years. In addition, we and Gemstar formed an entity to develop and enhance interactive programming guides.

Note 6: Investments

December 31 (in millions)	2006	2005
Fair value method		
Cablevision Systems Corporation	\$ 146	\$ 120
Discovery Holding Company	161	152
Embarq Corporation	69	—
Liberty Capital	490	—
Liberty Global	439	336
Liberty Interactive	539	—
Liberty Media	—	787
Sprint Nextel	493	614
Time Warner	1,052	994
Vodafone	61	54
Other	63	90
	3,513	3,147
Equity method, principally cable-related	5,394	2,823
Cost method, principally AirTouch as of December 31, 2006, and Time Warner Cable and AirTouch as of December 31, 2005	1,675	6,853
Total investments	10,582	12,823
Less current investments	1,735	148
Noncurrent investments	\$ 8,847	\$ 12,675

Fair Value Method

We hold unrestricted equity investments in publicly traded companies that we account for as AFS or trading securities. The net unrealized pretax gains on investments accounted for as AFS securities as of December 31, 2006 and 2005, of \$254 million and \$56 million, respectively, have been reported in our consolidated balance sheet principally as a component of accumulated other comprehensive income (loss), net of related deferred income taxes of \$89 million and \$19 million, respectively.

The cost, fair value and unrealized gains and losses related to our AFS securities are as follows:

Year Ended December 31 (in millions)	2006	2005
Cost	\$ 936	\$ 1,104
Unrealized gains	254	62
Unrealized losses	—	(6)
Fair value	\$ 1,190	\$ 1,160

Proceeds from the sales of AFS securities for the years ended December 31, 2006, 2005 and 2004 were \$209 million, \$490 million and \$67 million, respectively. Gross realized gains on these sales for the years ended December 31, 2006, 2005 and 2004 were \$59 million, \$18 million and \$10 million, respectively. Sales of AFS securities for the years ended December 31, 2006 and 2005 consisted principally of sales of Time Warner common stock.

As of December 31, 2006 and 2005, approximately \$1.879 billion and \$1.496 billion, respectively, of our fair value method securities support our obligations under our exchangeable notes or prepaid forward contracts.

Cablevision Systems Corporation

In June 2005, we, through a majority-owned partnership, entered into a prepaid forward sale that terminates in 2013 of approximately 5.1 million shares of Cablevision Systems Corporation ("Cablevision") Class A common stock for cash proceeds of \$114 million. We have designated the derivative component of the prepaid forward as a fair value hedge of the related Cablevision shares. Accordingly, the mark to market adjustment on 2.9 million of the Cablevision shares held by us and classified as AFS securities will be recorded to investment income (loss), net over the term of the prepaid forward.

Discovery Holding Company

In July 2005, we received 10 million shares of Discovery Holding Company ("Discovery") Series A common stock in connection with the spin-off by Liberty Media of Discovery. All of these shares collateralize a portion of our Liberty Media prepaid forward sales obligation that terminates in 2014.

Embarq Corporation

In May 2006, we received approximately 1.3 million shares of Embarq Corporation ("Embarq") common stock in connection with the spin-off by Sprint Nextel of Embarq, its local communications business. In the spin-off, each share of Sprint Nextel Corporation common stock received 0.05 shares of the new Embarq common stock. Of these shares, 100,000 shares collateralize our Sprint Nextel prepaid forward sales obligation that terminates in 2011.

Liberty Capital and Liberty Interactive

In May 2006, we received 25 million shares of Liberty Media Interactive ("Liberty Interactive") Series A common stock and 5 million shares of Liberty Media Capital ("Liberty Capital") Series A common stock in connection with Liberty Media's restructuring. In the restructuring, each share of Liberty Media Series A common stock received 0.25 shares of the new Liberty Interactive Series A common stock and 0.05 shares of Liberty Capital Series A common stock in exchange for each share of Liberty Media Series A common stock. All of these shares collateralize a portion of our Liberty Media prepaid forward sales obligation that terminates in 2014.

Liberty Global

In June 2004, we received approximately 11 million shares of Liberty Global, Inc. ("Liberty Global") Series A common stock in connection with its spin-off by Liberty Media. In the spin-off, each share of Liberty Media Series A common stock received 0.05 shares of the new Liberty Global Series A common stock. Approximately 5 million of these shares collateralize a portion of our Liberty Media prepaid forward sales obligation that terminates in 2014.

In December 2004, we sold 3 million shares of Liberty Global Series A common stock to Liberty Media in a private transaction for cash proceeds of \$128 million.

In February 2005, we entered into a prepaid forward sale that terminates in 2015 of approximately 2.7 million shares of Liberty Global Series A common stock for cash proceeds of \$99 million.

In September 2005, we received approximately 7.7 million shares of Liberty Global Series C common stock in connection with Liberty Global's special stock dividend. All of these shares collateralize a portion of our Liberty Media prepaid forward sales obligation that terminates in 2014 and a portion of our Liberty Global prepaid forward sales obligation that terminates in 2015.

Sprint Nextel

In March 2006, we received cash proceeds of \$62 million in connection with Sprint Nextel's redemption of all of its outstanding Seventh Series B Convertible Preferred Stock ("Sprint Preferred Stock"), including all 61,726 shares of Sprint Preferred Stock held by us. In connection with the redemption transaction, we recognized investment income of \$8 million.

Equity Method

Our recorded investments exceed our proportionate interests in the book value of the investees' net assets by \$984 million and \$1.210 billion as of December 31, 2006 and 2005, respectively (principally related to our investments in TKCCP (50% interest), Insight Midwest (50% interest), and MGM (20% interest)). A portion of this basis difference has been attributed to franchise-related customer relationships of some of the investees. This difference is amortized to equity in (loss) income of affiliates, net over a period of four years. The portion of the basis difference attributable to goodwill is tested for impairment annually, or more frequently whenever events or changes in circumstances indicate that the investment might be impaired.

SpectrumCo, LLC

SpectrumCo, LLC ("SpectrumCo"), a consortium of investors including us, was the successful bidder for 137 wireless spectrum licenses for approximately \$2.4 billion in the Federal Communications Commission's advanced wireless spectrum auction that concluded in September 2006. Our portion of the total cost to purchase the licenses was approximately \$1.3 billion. Based on its currently planned activities, we have determined that SpectrumCo is not a VIE. We account for this joint venture as an equity method investment based on its governance structure, notwithstanding our majority interest.

Dissolution of TKCCP

In October 2006, we contributed \$1.362 billion to TKCCP to refinance the outstanding bank and partnership debt of the Houston Asset Pool. We have historically accounted for our interest in TKCCP as an equity method investment. However, effective July 1, 2006 (the beginning of the month when dissolution was initiated), the economic return to us on our interest in TKCCP tracked the performance of the Houston Asset Pool, and we were no longer entitled to any benefits of ownership or responsible for the obligations of the Kansas City Asset Pool. As a result, we began reporting our share of the earnings and losses of TKCCP based solely on the operating results of the Houston Asset Pool. For segment reporting purposes, we have included the operating results of the Houston Asset Pool in our Cable segment. However, the operating results of the Houston Asset Pool are eliminated in our consolidated financial statements (see Note 14). On January 1, 2007, the distribution of assets of TKCCP was completed and we received the Houston Asset Pool (see Note 5).

MGM

In April 2005, we completed a transaction with a group of investors to acquire Metro-Goldwyn-Mayer Inc. We acquired a 20% economic interest for approximately \$250 million in cash.

DHC Ventures, LLC

In September 2004, we sold our 20% interest in DHC Ventures, LLC ("Discovery Health Channel") to Discovery Communications, Inc. for approximately \$149 million in cash and recognized a gain on the sale of approximately \$94 million to other income.

Cost Method

AirTouch Communications, Inc.

We hold two series of preferred stock of AirTouch Communications, Inc. ("AirTouch"), a subsidiary of Vodafone, that are recorded at \$1.451 billion and \$1.437 billion as of December 31, 2006 and 2005, respectively. The dividend and redemption activity of the AirTouch preferred stock is tied to the dividend and redemption payments associated with substantially all of the preferred shares issued by one of our consolidated subsidiaries, which is a VIE. The subsidiary has three series of preferred stock outstanding with an aggregate redemption value of \$1.750 billion. Substantially all of the preferred shares are redeemable in April 2020 at a redemption value of \$1.650 billion, with one of the series bearing a 9.08% dividend rate. The two redeemable series of subsidiary preferred shares are recorded at \$1.451 billion and \$1.437 billion, and such amounts are included in other noncurrent liabilities as of December 31, 2006 and 2005, respectively. The non-redeemable series of subsidiary preferred shares is recorded at \$100 million as of both December 31, 2006 and 2005, and such amounts are included in minority interest.

Investment Income (Loss), Net

Investment income (loss), net includes the following:

Year Ended December 31 (in millions)	2006	2005	2004
Interest and dividend income	\$ 178	\$ 112	\$ 160
Gains on sales and exchanges of investments, net	733	17	45
Investment impairment losses	(4)	(3)	(16)
Unrealized gains (losses) on trading securities and hedged items	339	(259)	378
Mark to market adjustments on derivatives related to trading securities and hedged items	(238)	206	(120)
Mark to market adjustments on derivatives	(18)	16	25
Investment income (loss), net	\$ 990	\$ 89	\$ 472

In connection with the Adelphia and Time Warner transactions, we recognized gains of approximately \$646 million, in the aggregate, on the Redemptions and the exchange of cable systems held by Century and Parnassos (see Note 5). These gains are included within the "Gains on sales and exchanges of investments, net" caption in the table above.

Note 7: Goodwill and Intangible Assets

The December 31, 2005 and 2004 Cable segment goodwill balances exclude \$720 million related to discontinued operations. The changes in the carrying amount of goodwill by business segment (see Note 14) for the periods presented are as follows:

(in millions)	Cable	Programming	Corporate and Other	Total
Balance, December 31, 2004	\$ 12,278	\$ 824	\$ 198	\$ 13,300
Settlements and adjustments	(50)	89	—	39
Acquisitions	45	53	61	159
Balance, December 31, 2005	12,273	966	259	13,498
Settlements and adjustments	(695)	7	—	(688)
Acquisitions	432	468	58	958
Balance, December 31, 2006	\$ 12,010	\$ 1,441	\$ 317	\$ 13,768

Settlements and adjustments are primarily related to certain pre-acquisition tax liabilities. Acquisitions in 2006 are primarily related to the Adelphia and Time Warner transactions, and the Susquehanna and E! Entertainment Television transactions.

The gross carrying amount and accumulated amortization of our intangible assets subject to amortization are as follows:

December 31 (in millions)	Useful Life	2006		2005	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Franchise-related customer relationships	4–11 years	\$ 4,954	\$ (3,188)	\$ 3,273	\$ (2,701)
Cable and satellite television distribution rights	5–11 years	1,267	(533)	1,333	(685)
Cable franchise renewal costs and contractual operating rights	10 years	982	(283)	863	(198)
Computer software	1–5 years	1,104	(515)	871	(252)
Patents and other technology rights	3–12 years	214	(62)	214	(62)
Programming agreements and rights	2–4 years	1,026	(782)	772	(520)
Other agreements and rights	2–22 years	877	(180)	427	(217)
Total		\$ 10,424	\$ (5,543)	\$ 7,753	\$ (4,635)

Estimated amortization expense for each of the next five years is as follows:

(in millions)	Estimated Amortization
2007	\$ 997
2008	751
2009	679
2010	561
2011	375

Note 8: Long-Term Debt

December 31 (in millions)	Weighted Average Interest Rate as of December 31, 2006	2006	2005
Commercial paper	5.42%	\$ 199	\$ 549
Term loan, due 2008	5.85%	185	—
Senior notes, due 2006–2007	6.93%	26,942	20,993
Senior subordinated notes, due 2006–2012	10.63%	202	349
ZONES due 2029	2.00%	747	752
Debt supporting Trust Preferred Securities, due 2027	9.65%	283	284
Exchangeable notes, due 2007	5.77%	49	46
Other, including capital lease obligations	—	368	398
Total debt		28,975	23,371
Less: current portion		983	1,689
Long-term debt		\$ 27,992	\$ 21,682

As of December 31, 2006, maturities of long-term debt outstanding were as follows:

(in millions)	Maturities
2007	\$ 983
2008	1,668
2009	2,249
2010	1,320
2011	1,767
Thereafter	20,988

Guarantee Structures

Comcast Corporation (our parent corporation) and a number of our wholly owned subsidiaries that hold substantially all of our cable assets have unconditionally guaranteed each other's debt securities and indebtedness for borrowed money, including amounts outstanding under our \$5.0 billion revolving bank credit facility. As of December 31, 2006, \$27.141 billion of our debt was included in this cross-guarantee structure.

Comcast Holdings Corporation ("Comcast Holdings"), our wholly owned subsidiary, is not part of the cross-guarantee structure. However, Comcast Corporation has unconditionally guaranteed Comcast Holdings' ZONES due October 2029 and its 10½% Senior Subordinated Debentures due 2012, which totaled \$683 million as of December 31, 2006. The Comcast Holdings guarantee is subordinate to the guarantees under the cross-guarantee structure.

Debt Borrowings

During 2006, we issued \$7.485 billion aggregate principal amount of senior notes as follows:

(in millions)	Principal
Floating-rate notes (LIBOR + 0.3%), due 2009	\$ 1,250
5.90% Senior notes, due 2016	1,000
6.50% Senior notes, due 2017	1,000
5.875% Senior notes, due 2018	900
6.45% Senior notes, due 2037	1,865
7.00% Senior notes, due 2055	1,470
	\$ 7,485

We used the net proceeds of these offerings for working capital and general corporate purposes, including the repayment of commercial paper obligations (see below), the Adelphia and Time Warner transactions, the refinancing of debt associated with the Houston Asset Pool, and the acquisition of the remaining portion of EI Entertainment Television that we did not already own (see Note 5).

Debt Repayments

During 2006, we repaid \$1.607 billion aggregate principal amount of senior notes and senior subordinated notes at their scheduled maturity dates as follows:

(in millions)	Principal
6.375% Senior notes	\$ 500
6.875% Senior notes	388
8.3% Senior notes	600
10.5% Senior subordinated notes	119
	\$ 1,607

During 2006, we also repaid \$350 million outstanding under our commercial paper program and \$82 million of other debt.

Commercial Paper

Our commercial paper program provides a lower cost borrowing source of liquidity to fund our short-term working capital requirements. The program allows for a maximum of \$2.25 billion of commercial paper to be issued at any one time. Our revolving bank credit facility supports this program. Amounts outstanding under the program are classified as long-term in our consolidated balance sheet because we have both the ability and the intent to refinance these obligations, if necessary, on a long-term basis with amounts available under our revolving bank credit facility.

Revolving Bank Credit Facility

We have a \$5.0 billion revolving bank credit facility due October 2010 (the "credit facility") with a syndicate of banks. The base rate, chosen at our option, is either London Interbank Offered Rate ("LIBOR") or the greater of the prime rate or the Federal Funds rate plus 0.5%. The borrowing margin is based on our senior unsecured debt ratings. As of December 31, 2006, the interest rate for

borrowings under the credit facility is LIBOR plus 0.35% based on our credit ratings.

Lines and Letters of Credit

As of December 31, 2006, we and certain of our subsidiaries had unused lines of credit totaling \$4.464 billion under various credit facilities and unused irrevocable standby letters of credit totaling \$377 million to cover potential fundings under various agreements.

ZONES

At maturity, holders of our 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES") are entitled to receive in cash an amount equal to the higher of the principal amount of the outstanding ZONES of \$1.807 billion or the market value of 24,124,398 shares of Sprint Nextel common stock and 1,205,049 shares of Embarq common stock. Prior to maturity, each ZONES is exchangeable at the holder's option for an amount of cash equal to 95% of the aggregate market value of one share of Sprint Nextel common stock and 0.05 shares of Embarq common stock.

We separate the accounting for the ZONES into derivative and debt components. We record the change in the fair value of the derivative component of the ZONES (see Note 6) and the change in the carrying value of the debt component of the ZONES as follows:

Year Ended December 31, 2006 (in millions)	Debt Component	Derivative Component	Total
Balance at beginning of year	\$ 568	\$ 184	\$ 752
Change in debt component to interest expense	28	—	28
Change in derivative component to investment income (loss), net	—	(33)	(33)
Balance at end of year	\$ 596	\$ 151	\$ 747

Interest Rates

Excluding the derivative component of our Exchangeable Notes due 2007 and the ZONES whose changes in fair value are recorded to investment income (loss), net, our effective weighted-average interest rate on our total debt outstanding was 7.07% and 7.32% as of December 31, 2006 and 2005, respectively. As of December 31, 2006 and 2005, accrued interest was \$501 million and \$422 million, respectively.

Interest Rate Risk Management

We are exposed to the market risk of adverse changes in interest rates. To manage the volatility relating to these exposures, our policy is to maintain a mix of fixed-rate and variable-rate debt and to enter into various interest rate derivative transactions as described below.

Using swaps, we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. Rate locks are sometimes used to hedge the risk that the cash flows related to the interest payments on an anticipated issuance or assumption of fixed-rate debt may be adversely affected by interest rate fluctuations.

The following table summarizes the terms of our existing swaps:

(in millions)	Notional Amount	Maturities	Average Pay Rate	Average Receive Rate	Estimated Fair Value
As of December 31, 2006					
Fixed to Variable Swaps	\$ 3,200	2008–2014	7.2%	5.9%	\$ (103)
As of December 31, 2005					
Fixed to Variable Swaps	\$ 3,600	2006–2014	6.5%	6.0%	\$ (97)

The notional amounts of interest rate instruments, as presented in the above table, are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The estimated fair value approximates the proceeds or payments to settle the outstanding contracts. Swaps and rate locks represent an integral part of our interest rate risk management program. The effect of our interest rate derivative financial instruments was to increase our interest expense by approximately \$39 million in 2006, and to decrease our interest expense by approximately \$16 million and \$66 million in 2005 and 2004, respectively.

We have entered into rate locks to hedge the risk that the cash flows related to the interest payments on an anticipated issuance or assumption of fixed-rate debt may be adversely affected by interest-rate fluctuations. Upon the issuance or assumption of fixed-rate debt, the value of the rate locks is being recognized as an adjustment to interest expense, similar to a deferred financing cost, over the same period in which the related interest costs on the debt are recognized in earnings (approximately 11 years remaining, unless earlier retired). The unrealized pretax losses on cash flow hedges as of December 31, 2006 and 2005, of \$185 million and

\$203 million, respectively, have been reported in our balance sheet as a component of accumulated other comprehensive income (loss), net of related deferred income taxes of \$65 million and \$71 million, respectively.

Estimated Fair Value

Our debt had estimated fair values of \$28.923 billion and \$25.305 billion as of December 31, 2006 and 2005, respectively. The estimated fair value of our publicly traded debt is based on quoted market values for that debt. Interest rates that are currently available to us for issuance of debt with similar terms and remaining maturities are used to estimate fair value for debt issues for which quoted market prices are not available.

Debt Covenants

Some of our loan agreements require that we maintain financial ratios based on debt, interest and operating income before depreciation and amortization, as defined in the agreements. We were in compliance with all financial covenants for all periods presented.

Note 9: Pension, Postretirement and Other Employee Benefit Plans

We sponsor two pension plans that together provide benefits to substantially all former employees of a previously acquired company. As of December 31, 2006, future benefits for both plans have been frozen. Total pension expense recognized for the years ended December 31, 2006, 2005 and 2004, was \$8 million, \$8 million and \$9 million, respectively.

Our postretirement medical benefits cover substantially all of our employees who meet certain age and service requirements. The majority of eligible employees participate in the Comcast Postretirement Healthcare Stipend Program (the "Stipend Plan"), and a small number of eligible employees participate in legacy plans of acquired companies. The Stipend Plan provides an annual stipend for reimbursement of healthcare costs to each eligible employee based on years of service. Based on the benefit design of the Stipend Plan, we are not exposed to the cost of increasing healthcare, since the amounts under the Stipend Plan are fixed at a predetermined amount. Postretirement expense recognized for the years ended December 31, 2006, 2005 and 2004, was \$29 million, \$25 million and \$23 million, respectively.

The following table provides condensed information relating to our pension benefits and postretirement benefits for the periods presented:

Year Ended December 31 (in millions)	2006		2005	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Benefit obligation	\$ 184	\$ 280	\$ 194	\$ 247
Fair value of plan assets	\$ 122	\$ —	\$ 98	\$ —
Plan funded status and recorded benefit obligation	\$ (62)	\$ (280)	\$ (96)	\$ (236)
Portion of benefit obligation not yet recognized as a component of net periodic benefit cost	\$ 12	\$ (4)	\$ 18	—
Discount rate	5.75%	6.00%	5.50%	5.75%
Expected return on plan assets	7.00%	N/A	7.00%	N/A

We sponsor various retirement investment plans that allow eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified guidelines. We match a percentage of the employees' contributions up to certain limits. Expenses related to these plans amounted to \$125 million, \$115 million and \$100 million for the years ended December 31, 2006, 2005 and 2004, respectively.

We also maintain unfunded, nonqualified deferred compensation plans, which were created for key executives, other members of management and nonemployee directors (each a "Participant"). The amount of compensation deferred by each Participant is based on Participant elections. Account balances of Participants are credited with income based generally on a fixed annual rate of interest. Participants will be eligible to receive distributions of the amounts credited to their account balance based on elected deferral periods that are consistent with the plans and applicable tax law. Interest

expense recognized under the plans totaled \$50 million, \$40 million and \$33 million for the years ended December 31, 2006, 2005 and 2004, respectively. The unfunded obligation of the plans total \$554 million and \$469 million as of December 31, 2006 and 2005, respectively. We have purchased life insurance policies to fund a portion of this unfunded obligation. As of December 31, 2006, the cash surrender value of these policies, which are included in "Other Assets," was approximately \$40 million.

Note 10: Stockholders' Equity

Preferred Stock

We are authorized to issue, in one or more series, up to a maximum of 20 million shares of preferred stock. We can issue the shares with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other

special or related rights as our Board of Directors shall from time to time fix by resolution.

Common Stock

Our Class A Special common stock is generally nonvoting. Holders of our Class A common stock in the aggregate hold 66 $\frac{2}{3}$ % of the aggregate voting power of our common stock. The number of votes that each share of our Class A common stock will have at any given time will depend on the number of shares of Class A common stock and Class B common stock then outstanding. Each share of our Class B common stock is entitled to 15 votes, and all shares of our Class B common stock in the aggregate have 33 $\frac{1}{3}$ % of the voting power of all of our common stock. The 33 $\frac{1}{3}$ % aggregate voting power of our Class B common stock will not be diluted by additional issuances of any other class of our common stock. Our Class B common stock is convertible, share for share, into Class A or Class A Special common stock, subject to certain restrictions.

Board-Authorized Share Repurchase Program

During 2006, 2005 and 2004, we repurchased approximately 113 million, 119 million and 70 million shares, respectively (adjusted to reflect the Stock Split), of our Class A Special common stock for aggregate consideration of \$2.347 billion, \$2.290 billion and \$1.328 billion, respectively, pursuant to our Board-authorized share repurchase program.

The maximum dollar value of shares remaining that may be repurchased under the program is approximately \$3 billion as of December 31, 2006. We expect repurchases to continue from time to time in the open market or in private transactions, subject to market conditions.

The following table summarizes our share activity for the periods presented (adjusted to reflect the Stock Split):

Common Stock	Class A	Class A Special	Class B
Balance, January 1, 2004	2,036,280,835	1,331,386,738	9,444,375
Stock compensation plans	1,537,284	8,153,658	—
Employee Stock Purchase Plan	1,702,427	—	—
Repurchases of common stock	—	(70,401,353)	—
Balance, December 31, 2004	2,039,520,546	1,269,139,043	9,444,375
Stock compensation plans	3,586,731	2,975,453	—
Employee Stock Purchase Plan	1,943,700	—	—
Repurchases of common stock	—	(118,680,437)	—
Balance, December 31, 2005	2,045,050,977	1,153,434,059	9,444,375
Stock compensation plans	13,140,825	9,362,105	—
Employee Stock Purchase Plan	2,166,158	—	—
Repurchases of common stock	—	(113,071,157)	—
Balance, December 31, 2006	2,060,357,960	1,049,725,007	9,444,375

Comcast Option Plans

We maintain stock option plans for certain employees under which fixed-price stock options may be granted and the option price is generally not less than the fair value of a share of the underlying stock at the date of grant. Under our stock option plans, approximately 236 million shares (adjusted to reflect the Stock Split) of our Class A and Class A Special common stock are reserved for issuance upon the exercise of options, including those outstanding as of December 31, 2006. Option terms are generally 10 years, with options generally becoming exercisable between two and nine and one half years from the date of grant.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions summarized in the following table. Expected volatility is based on a blend of implied and historical volatility of our Class

A common stock. We use historical data on exercises of stock options and other factors to estimate the expected term of the options granted. The risk-free rate is based on the U.S. Treasury yield curve in effect at the date of grant.

The following table summarizes the weighted-average fair values at date of grant (adjusted to reflect the Stock Split) of a Class A common stock option granted under our stock option plans and the related weighted-average valuation assumptions:

	2006	2005	2004
Fair value	\$ 7.30	\$ 8.67	\$ 7.63
Dividend yield	0%	0%	0%
Expected volatility	26.9%	27.1%	28.6%
Risk-free interest rate	4.8%	4.3%	3.5%
Expected option life (in years)	7.0	7.0	7.0

The following table summarizes the activity of our stock option plans for the year ended December 31, 2006 (adjusted to reflect the Stock Split):

	Options (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Class A Common Stock				
Outstanding as of January 1, 2006	121,240	\$ 24.73		
Granted	18,594	\$ 18.12		
Exercised	(12,222)	\$ 19.18		
Forfeited	(4,113)	\$ 19.76		
Expired	(1,722)	\$ 26.10		
Outstanding as of December 31, 2006	121,777	\$ 24.43	5.5	\$ 812.3
Exercisable as of December 31, 2006	67,297	\$ 28.33	3.6	\$ 343.1
Class A Special Common Stock				
Outstanding as of January 1, 2006	76,948	\$ 20.90		
Exercised	(10,545)	\$ 15.31		
Forfeited	(95)	\$ 21.75		
Expired	(1,707)	\$ 23.96		
Outstanding as of December 31, 2006	64,601	\$ 21.75	3.5	\$ 410.6
Exercisable as of December 31, 2006	57,081	\$ 21.95	3.4	\$ 353.1

We also maintain a deferred stock option plan for certain employees and directors that provided the optionees with the opportunity to defer the receipt of shares of our Class A or Class A Special common stock that would otherwise be deliverable upon exercise by the optionees of their stock options. As of December 31, 2006, approximately 2.0 million shares (adjusted to reflect the Stock Split) of Class A Special common stock were issuable under exercised options, the receipt of which was irrevocably deferred by the optionees pursuant to our deferred stock option plan.

Stock Option Liquidity Program

During 2004, we repurchased 16.6 million options (adjusted to reflect the Stock Split) from various nonemployee holders of stock options under a stock option liquidity program, targeted primarily to employees of a previously acquired company. The former option holders received \$37 million for their options under the program. A financial counterparty we engaged in connection with the stock option liquidity program funded the cost of the program through the simultaneous purchase by the counterparty of new stock options from us that had similar economic terms as the options being purchased by us from the option holders. As of December 31, 2006, 13.9 million options remain outstanding, with a weighted-average exercise price of \$30.89 per share (adjusted to reflect the Stock Split), and these options will expire over the course of the next six years.

Restricted Stock Plan

We maintain a restricted stock plan under which certain employees and directors ("Participants") may be granted restricted share unit awards in our Class A or Class A Special common stock (the "Restricted Stock Plan"). Under our Restricted Stock Plan, approximately 40 million shares (adjusted to reflect the Stock Split) of our Class A and Class A Special common stock are reserved for issuance pursuant to awards under the plan, including those outstanding as of December 31, 2006. Awards of restricted share units are valued by reference to shares of common stock that entitle Participants to receive, upon the settlement of the unit, one share of common stock for each unit. The awards vest annually, generally over a period not to exceed five years from the date of the award, and do not have voting rights.

The following table summarizes the weighted-average fair value at date of grant (adjusted to reflect the Stock Split) and the compensation expense recognized related to restricted share unit awards:

	2006	2005	2004
Weighted-average fair value	\$ 19.98	\$ 22.13	\$ 20.73
Compensation expense recognized (in millions)	\$ 62	\$ 57	\$ 33

The following table summarizes the activity of the Restricted Stock Plan for the year ended December 31, 2006 (adjusted to reflect the Stock Split):

	Number of Nonvested Share Unit Awards (in thousands)	Weighted- Average Grant Date Fair Value
Class A Common Stock		
Nonvested awards as of		
January 1, 2006	8,474	\$21.70
Granted	7,539	\$19.98
Vested	(1,635)	\$21.90
Forfeited	(894)	\$20.76
Nonvested awards as of		
December 31, 2006	13,484	\$20.78
Class A Special Common Stock		
Nonvested awards as of		
January 1, 2006	104	\$24.46
Vested	(103)	\$24.75
Nonvested awards as of		
December 31, 2006	1	\$18.31

As of December 31, 2006, approximately 605,000 and 145,000 shares (adjusted to reflect the Stock Split) of Class A common stock and Class A Special common stock, respectively, were issuable under vested restricted share unit awards, the receipt of which was irrevocably deferred by Participants pursuant to the Restricted Stock Plan.

Share-Based Compensation

Effective January 1, 2006, we adopted SFAS No. 123R using the Modified Prospective Approach. SFAS No. 123R revises SFAS No. 123 and supersedes APB No. 25. SFAS No. 123R requires the cost of all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values at grant date, or the date of later modification, over the requisite service period. In addition, SFAS No. 123R requires unrecognized cost (based on the amounts previously disclosed in our pro forma footnote disclosure) related to options vesting after the date of initial adoption to be recognized in the financial statements over the remaining requisite service period.

Under the Modified Prospective Approach, the amount of compensation cost recognized includes: (i) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123 and (ii) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant date fair value estimated in accordance with the provisions of SFAS No. 123R. Prior to the

adoption of SFAS No. 123R, we recognized the majority of our share-based compensation costs using the accelerated recognition method. We recognize the cost of previously granted share-based awards under the accelerated recognition method and recognize the cost of new share-based awards on a straight-line basis over the requisite service period. The incremental pretax share-based compensation expense recognized due to the adoption of SFAS No. 123R for the year ended December 31, 2006, was \$126 million. Total share-based compensation expense recognized under SFAS No. 123R, including the incremental pretax share-based compensation expense, was \$190 million, with an associated tax benefit of \$66 million for the year ended December 31, 2006. Prior to the adoption of SFAS No. 123R, we recognized share-based compensation expense of \$67 million and \$44 million with associated tax benefits of \$25 million and \$16 million for the years ended December 31, 2005 and 2004, respectively. The amount of share-based compensation capitalized or related to discontinued operations was not material to our consolidated financial statements.

Cash received from option exercises under all share-based payment arrangements for the year ended December 31, 2006, was \$372 million. The total intrinsic value (market value on date of exercise less exercise price) of options exercised for the years ended December 31, 2006, 2005 and 2004, was \$180 million, \$59 million and \$88 million, respectively. The tax benefit realized from stock options exercised for the years ended December 31, 2006, 2005 and 2004, was \$62 million, \$19 million and \$30 million, respectively.

As of December 31, 2006, there was \$207 million of total unrecognized, pretax compensation cost related to nonvested stock options. This cost is expected to be recognized over a weighted-average period of approximately two and one half years.

The total fair value of restricted share units vested during the years ended December 31, 2006, 2005 and 2004, was \$32 million, \$28 million and \$7 million, respectively. As of December 31, 2006, there was \$177 million of total unrecognized pretax compensation cost related to nonvested restricted share unit awards. This cost is expected to be recognized over a weighted-average period of approximately two and one half years.

SFAS No. 123R also required us to change the classification, in our consolidated statement of cash flows, of any tax benefits realized upon the exercise of stock options or issuance of restricted share unit awards in excess of that which is associated with the expense recognized for financial reporting purposes. These amounts are presented as a financing cash inflow rather than as a reduction of income taxes paid in our consolidated statement of cash flows. The excess cash tax benefit classified as a financing cash inflow for the year ended December 31, 2006, was \$33 million.

Prior to January 1, 2006, we accounted for our share-based compensation plans in accordance with the provisions of APB No. 25, as permitted by SFAS No. 123, and accordingly did not recognize compensation expense for stock options with an exercise price equal to or greater than the market price of the underlying stock at the date of grant. Had the fair-value-based method as prescribed by SFAS No. 123 been applied, additional pretax compensation expense of \$166 million and \$283 million would have been recognized for the years ended December 31, 2005 and 2004, respectively. The pretax compensation expense includes the expense related to discontinued operations, which for each of the years ended December 31, 2005 and 2004, was \$4 million. Had the fair-value-based method as prescribed by SFAS No. 123 been applied, the effect on net income and earnings per share would have been as follows (adjusted to reflect the Stock Split):

(in millions, except per share data)	2005	2004
Net income, as reported	\$ 928	\$ 970
Add: Share-based compensation expense included in net income, as reported above, net of related tax effects	42	27
Less: Share-based compensation expense determined under fair value-based method for all awards, net of related tax effects	(150)	(206)
Pro forma, net income	\$ 820	\$ 791
Basic earnings for common stockholders per common share:		
As reported	\$ 0.28	\$ 0.29
Pro forma	\$ 0.25	\$ 0.24
Diluted earnings for common stockholders per common share:		
As reported	\$ 0.28	\$ 0.29
Pro forma	\$ 0.25	\$ 0.23

On December 23, 2004, the Compensation Committee of our Board of Directors approved the acceleration of vesting of all unvested options granted prior to January 1, 2003, to purchase shares of our Class A Special common stock having an exercise price of \$22.67 (adjusted to reflect the Stock Split) or greater and held by current employees. Options with respect to approximately 23.3 million shares (adjusted to reflect the Stock Split) of our Class A Special common stock were subject to this acceleration. This acceleration was effective as of December 31, 2004, except for those holders of incentive stock options ("ISOs"), who were given the opportunity to decline the acceleration of an option if such acceleration would have the effect of changing the status of the

option for federal income tax purposes from an ISO to a nonqualified stock option. Because these options had exercise prices in excess of current market values (were "underwater") and were not fully achieving their original objectives of incentive compensation and employee retention, the acceleration may have had a positive effect on employee morale, retention and perception of option value. The acceleration also took into account the fact that in December 2004, we completed the repurchase of stock options held by certain nonemployees for cash (including underwater options) under a stock option liquidity program (see above), and that no such offer (nor any other "solution" for underwater options) was made to current employees. The acceleration had no effect on reported net income, an immaterial impact on pro forma net income in 2005 and an approximate \$39 million, net of tax, impact on pro forma net income in 2004. The impacts of the acceleration are reflected in the pro forma amounts above. This acceleration eliminated the future compensation expense we would have otherwise recognized in our statement of operations with respect to these options subsequent to the adoption of SFAS No. 123R.

Note 11: Income Taxes

We join with our 80% or more owned subsidiaries in filing consolidated federal income tax returns. E! Entertainment filed separate consolidated federal income tax returns for periods prior to our obtaining 100% ownership, which occurred in November 2006 (see Note 5). Income tax (expense) benefit consists of the following components:

Year Ended December 31 (in millions)	2006	2005	2004
Current (expense) benefit			
Federal	\$ (887)	\$ (590)	\$ (120)
State	(77)	(123)	(208)
	(964)	(713)	(328)
Deferred (expense) benefit			
Federal	(301)	(66)	(536)
State	(82)	(94)	63
	(383)	(160)	(473)
Income tax (expense) benefit	\$ (1,347)	\$ (873)	\$ (801)

Our effective income tax (expense) benefit differs from the federal statutory amount because of the effect of the following items:

Year Ended December 31 (in millions)	2006	2005	2004
Federal tax at statutory rate	\$ (1,258)	\$ (602)	\$ (610)
State income taxes, net of federal benefit	(132)	(105)	(20)
Nondeductible losses from joint ventures and equity in net (losses) income of affiliates, net	18	(24)	(9)
Adjustments to prior year income tax accrual and related interest	97	(105)	(157)
Other	(72)	(37)	(5)
Income tax (expense) benefit	\$ (1,347)	\$ (873)	\$ (801)

Our net deferred tax liability consists of the following components:

December 31 (in millions)	2006	2005
Deferred tax assets:		
Net operating loss carryforwards	\$ 309	\$ 331
Differences between book and tax basis of long-term debt	177	191
Nondeductible accruals and other	742	904
	1,228	1,426
Deferred tax liabilities:		
Differences between book and tax basis of property and equipment and intangible assets	\$ 25,527	\$ 23,712
Differences between book and tax basis of investments	2,633	4,442
Differences between book and tax basis of indexed debt securities	720	644
	28,880	28,798
Net deferred tax liability	\$ 27,652	\$ 27,372

We recorded \$(27) million and \$319 million of deferred income tax liabilities (assets) in 2006 through income from discontinued operations and gain on discontinued operations, respectively. We decreased net deferred income tax liabilities by \$474 million in 2006, principally in connection with the Adelphia and Time Warner transactions, the acquisition of the interest in E! Entertainment Television that we did not already own and Susquehanna (see Note 5).

We recorded an increase (decrease) of \$79 million, \$2 million and \$(12) million to net deferred income tax liabilities in 2006, 2005 and 2004, respectively, in connection with unrealized gains (losses) on marketable securities, cash flow hedges and other amounts that are included in accumulated other comprehensive income (loss).

Net deferred tax liabilities included in current liabilities are related primarily to our current investments. We have federal net operating loss carryforwards of \$178 million and various state carryforwards that expire in periods through 2026. The determination of the state net operating loss carryforwards is dependent upon the subsidiaries' taxable income or loss, apportionment percentages and other respective state laws that can change from year to year and impact the amount of such carryforward.

In 2006, 2005 and 2004, income tax benefits attributable to share-based compensation of approximately \$60 million, \$35 million and \$80 million, respectively, were allocated to stockholders' equity.

In the ordinary course of business, our tax returns, including those of acquired subsidiaries, are subject to examination by various taxing authorities.

In December 2004, the Internal Revenue Service concluded an examination of the tax returns of MediaOne Group, Inc., a subsidiary acquired in our 2002 acquisition of AT&T Corp.'s cable business, for the period of 1996 through 2000. We received a notice of adjustment disallowing certain deductions, principally a \$1.5 billion breakup fee paid by MediaOne in 1999. The National Office of the IRS has issued a Technical Advice Memorandum that is adverse to us. We do not agree with the adjustment. We have received a final assessment and are in the process of preparing an appeal. In November 2005, we made a payment of \$557 million to reduce the accruing of interest on the pending assessment. If we are successful in part or full, all or some of the funds would be refundable. If the IRS prevails, there would be no material effect on our consolidated results of operations for any period.

During 2005, the IRS proposed the disallowance of noncash interest deductions taken on the ZONES (see Note 8). The National Office of the IRS has issued a Technical Advice Memorandum that is adverse to us. We have recognized a cumulative federal tax benefit of \$523 million through December 31, 2006, which will reverse and become payable upon the maturity or retirement of the ZONES; we have recorded this amount as a deferred tax liability. If the IRS's position is sustained, the income tax benefits previously recognized would be disallowed, and interest would be assessed on amounts disallowed. Accordingly, the amounts recorded as deferred taxes would become payable. We do not agree with the IRS's position and have appealed. The ultimate resolution of this issue is not expected to have a material effect on our consolidated results of operations for any period.

Other examinations of our tax returns may result in future tax and interest assessments by the taxing authorities, and we have accrued a liability when we believe that it is probable that we will be assessed. Differences between the estimated and actual amounts determined upon ultimate resolution, individually or in the aggregate, are not expected to have a material adverse effect on our consolidated financial position but could possibly be material.

to our consolidated results of operations or cash flows of any one period.

Note 12: Statement of Cash Flows — Supplemental Information

In 2006, we began presenting our cash overdrafts resulting from checks drawn on zero balance accounts ("book overdrafts") within accounts payable and accrued expenses related to trade creditors. Previously, these book overdrafts were included within cash and cash equivalents. The financial statements reflect this revised presentation in prior periods. Accordingly, the reported amounts of our cash and cash equivalents and accounts payable and accrued expenses related to trade creditors increased as of December 31, 2005, 2004 and 2003, by \$254 million, \$341 million and \$189 million, respectively, and net cash provided by operating activities decreased by \$87 million in 2005 and increased by \$152 million in 2004.

The following table summarizes our cash payments for interest and income taxes:

Year Ended December 31 (in millions)	2006	2005	2004
Interest	\$ 1,880	\$ 1,809	\$ 1,898
Income taxes	\$ 1,284	\$ 1,137	\$ 205

During 2006, we:

- exchanged investments for cable systems in the Redemptions with a fair value of approximately \$3.2 billion and cable systems for cable systems in the Exchanges with a fair value of approximately \$8.5 billion (see Note 5), which are considered noncash investing activities
- acquired an additional equity interest with a fair value of \$21 million and recorded a liability, for a corresponding amount in connection with our achievement of certain subscriber launch milestones, which is considered a noncash investing and operating activity
- in connection with the Susquehanna transaction (see Note 5), we assumed a \$185 million principal amount variable-rate term loan due 2008, which is considered a noncash financing and investing activity

During 2005, we:

- settled through noncash financing and investing activities approximately \$1.347 billion related to our Exchangeable Notes by delivering the underlying securities to the counterparties upon maturity of the instruments, and the equity collar agreements related to the underlying securities were exercised
- acquired \$170 million of intangible assets and incurred a corresponding liability in connection with the formation of the ventures in the Motorola transaction, which is considered a noncash investing and financing activity
- acquired an equity method investment with a fair value of \$91 million and incurred a corresponding liability, which is considered a noncash investing and financing activity
- acquired an additional equity interest with a fair value of \$45 million and recorded a liability for a corresponding amount in connection with our achievement of certain subscriber launch milestones, which is considered a noncash investing and operating activity

During 2004, we:

- settled through noncash financing and investing activities approximately \$1.944 billion related to our Exchangeable Notes by delivering the underlying securities to the counterparties upon maturity of the instruments, and the equity collar agreements related to the underlying securities were exercised
- received noncash consideration of approximately \$475 million in connection with the Liberty Media Exchange Agreement (see Note 5), which is considered a noncash investing activity
- acquired cable systems through the assumption of \$68 million of debt, which is considered a noncash investing and financing activity
- issued shares of G4 with a value of approximately \$70 million in connection with the acquisition of TechTV (see Note 5), which is considered a noncash financing and investing activity
- received federal income tax refunds of approximately \$591 million

Note 13: Commitments and Contingencies

Commitments

Our programming networks have entered into license agreements for programs and sporting events that are available for telecast. In addition, we, through Comcast Spectacor, have employment agreements with both players and coaches of our professional sports teams. Certain of these employment agreements, which provide for payments that are guaranteed regardless of employee injury or termination, are covered by disability insurance if certain conditions are met.

Certain of our subsidiaries support debt compliance with respect to obligations of certain cable television partnerships and investments in which we hold an ownership interest (see Note 6). The obligations expire between May 2008 and March 2011. Although there can be no assurance, we believe that we will not be required to meet our obligations under such commitments. The total notional amount of our commitments was \$965 million as of December 31, 2006, at which time there were no quoted market prices for similar agreements.

The following table summarizes our minimum annual commitments under programming license agreements of our programming networks and our minimum annual rental commitments for office space, equipment and transponder service agreements under noncancelable operating leases:

December 31, 2006 (in millions)	Program License Agreements	Operating Leases
2007	\$ 381	\$ 292
2008	343	268
2009	273	223
2010	284	147
2011	285	106
Thereafter	2,338	578

The following table summarizes our rental expense charged to operations:

Year Ended December 31 (in millions)	2006	2005	2004
Rental expense	\$ 273	\$ 212	\$ 184

Contingencies

We and the minority owner group in Comcast Spectacor each have the right to initiate an exit process under which the fair market value of Comcast Spectacor would be determined by appraisal. Following such determination, we would have the option to acquire the 24.3% interest in Comcast Spectacor owned by the minority owner group based on the appraised fair market value. In the event

we do not exercise this option, we and the minority owner group would then be required to use our best efforts to sell Comcast Spectacor. This exit process includes the minority owner group's interest in Comcast SportsNet.

A minority owner of G4 is entitled to trigger an exit process whereby on May 10, 2009 (the fifth anniversary of the closing date), and on each successive anniversary of the closing date or the occurrence of certain other defined events, G4 would be required to purchase the minority owner's 15% interest at fair market value (as determined by an appraisal process). The minority owners in certain of our technology development ventures also have rights to trigger an exit process after a certain period of time based on the fair value of the entities at the time the exit process is triggered.

At Home Cases

Litigation has been filed against us as a result of our alleged conduct with respect to our investment in and distribution relationship with At Home Corporation. At Home was a provider of high-speed Internet services that filed for bankruptcy protection in September 2001. Filed actions are: (i) class action lawsuits against us, AT&T (the former controlling shareholder of At Home and also a former distributor of the At Home service) and others in the United States District Court for the Southern District of New York, alleging securities law violations and common law fraud in connection with disclosures made by At Home in 2001; and (ii) a lawsuit brought in the United States District Court for the District of Delaware in the name of At Home by certain At Home bondholders against us, Brian L. Roberts (our Chairman and Chief Executive Officer and a director), Cox (Cox is also an investor in At Home and a former distributor of the At Home service) and others, alleging breaches of fiduciary duty relating to March 2000 agreements (which, among other things, revised the distributor relationships), and seeking recovery of alleged short-swing profits pursuant to Section 16(b) of the Exchange Act (purported to have arisen in connection with certain transactions relating to At Home stock effected pursuant to the March 2000 agreements).

In the Southern District of New York actions (item (i) above), the court dismissed all claims. The plaintiffs' appealed this decision, and the Court of Appeals for the Second Circuit denied the plaintiffs' appeal. The plaintiffs petitioned the Court of Appeals for rehearing. The Delaware case (item (ii) above) was transferred to the United States District Court for the Southern District of New York. The court dismissed the Section 16(b) claims, and the breach of fiduciary duty claim, for lack of federal jurisdiction. The Court of Appeals for the Second Circuit denied the plaintiffs' appeal from the decision dismissing the Section 16(b) claims, and the U.S. Supreme Court denied the plaintiffs' petition for a further appeal. The plaintiffs recommenced the breach of fiduciary duty claim in Delaware Chancery Court. The Court has set a trial date in October 2007.

Under the terms of our 2002 acquisition of AT&T Corp.'s cable business, we are contractually liable for 50% of any liabilities of AT&T in the actions described in items (i) and (ii) above (in which we are also a defendant).

We deny any wrongdoing in connection with the claims that have been made directly against us, our subsidiaries and Brian L. Roberts, and are defending all of these claims vigorously. The final disposition of these claims is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations of any one period. Further, no assurance can be given that any adverse outcome would not be material to our consolidated financial position.

AT&T — TCI Cases

In June 1998, class action lawsuits were filed by then-shareholders of Tele-Communications, Inc. ("TCI") Series A TCI Group Common Stock ("Common A") against AT&T and the directors of TCI relating to the acquisition of TCI by AT&T, alleging that former members of the TCI board of directors breached their fiduciary duties to Common A shareholders by agreeing to transaction terms whereby holders of the Series B TCI Group Common Stock received a 10% premium over what Common A shareholders received.

In connection with the TCI acquisition (completed in early 1999), AT&T agreed under certain circumstances to indemnify TCI's former directors for certain liabilities, potentially including those incurred in connection with this action. Under the terms of our acquisition of AT&T Corp.'s cable business, (i) we agreed to indemnify AT&T for certain liabilities, potentially including those incurred by AT&T in connection with this action, and (ii) we assumed certain obligations of TCI to indemnify its former directors, potentially including those incurred in connection with this action.

In October 2006 these lawsuits were settled. We agreed to contribute approximately \$44 million to the settlement. This amount was paid in November 2006 and did not have a material impact on our results of operations for the year ended December 31, 2006. The settlement was approved in February 2007.

Patent Litigation

We are a defendant in several unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and also in certain of these cases we expect that any potential liability would be in part or in whole the responsibility of our equipment vendors pursuant to applicable contractual indemnification provisions. To the extent that the allegations in these lawsuits can be analyzed by us at this stage of their proceedings, we believe the claims are without merit and intend to defend the actions vigorously. The final disposition of these claims is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations of any one period. Further, no

assurance can be given that any adverse outcome would not be material to our consolidated financial position.

Antitrust Cases

We are defendants in two purported class actions originally filed in the United States District Courts for the District of Massachusetts and the Eastern District of Pennsylvania, respectively. The potential class in the Massachusetts case is our subscriber base in the "Boston Cluster" area, and the potential class in the Pennsylvania case is our subscriber base in the "Philadelphia and Chicago clusters," as those terms are defined in the complaints. In each case, the plaintiffs allege that certain subscriber exchange transactions with other cable providers resulted in unlawful "horizontal market restraints" in those areas and seek damages pursuant to antitrust statutes, including treble damages.

As a result of recent events in both cases relating to the procedural issue of whether the plaintiffs' claims could proceed in court or, alternatively, whether the plaintiffs should be compelled to arbitrate their claims pursuant to arbitration clauses in their subscriber agreements, it has become more likely that these cases will proceed in court. Our motion to dismiss the Pennsylvania case on the pleadings was denied, and the plaintiffs have moved to certify a class action. We are opposing the plaintiffs' motion and are proceeding with class discovery. We have moved to dismiss the Massachusetts case. The Massachusetts case was recently transferred to the Eastern District of Pennsylvania and plaintiffs are seeking to consolidate it with the Pennsylvania case.

We believe the claims in these actions are without merit and are defending the actions vigorously. The final disposition of these claims is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations of any one period. Further, no assurance can be given that any adverse outcome would not be material to our consolidated financial position.

Other

We are subject to other legal proceedings and claims that arise in the ordinary course of our business. The amount of ultimate liability with respect to such actions is not expected to materially affect our financial position, results of operations or liquidity.

Note 14: Financial Data by Business Segment

Our reportable segments consist of our Cable and Programming businesses. In evaluating the profitability of our segments, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management. Assets are not allocated to segments for management reporting. Our financial data by business segment is as follows:

(in millions)	Cable ^{(a)(b)}	Programming ^(c)	Corporate and Other ^{(d)(e)}	Eliminations ^{(e)(f)}	Total
2006					
Revenues ^(g)	\$ 24,100	\$ 1,053	\$ 355	\$ (542)	\$ 24,966
Operating income (loss) before depreciation and amortization ^(h)	9,704	241	(357)	(146)	9,442
Depreciation and amortization	4,657	166	80	(80)	4,823
Operating income (loss)	5,047	75	(437)	(66)	4,619
Capital Expenditures	4,244	16	31	104	4,395
2005					
Revenues ^(g)	\$ 19,987	\$ 919	\$ 315	\$ (146)	\$ 21,075
Operating income (loss) before depreciation and amortization ^(h)	7,947	272	(302)	155	8,072
Depreciation and amortization	4,346	154	71	(20)	4,551
Operating income (loss) ⁽ⁱ⁾	3,601	118	(373)	175	3,521
Capital Expenditures	3,409	16	38	158	3,621
2004					
Revenues ^(g)	\$ 18,230	\$ 787	\$ 332	\$ (128)	\$ 19,221
Operating income (loss) before depreciation and amortization ^(h)	6,940	269	(310)	281	7,180
Depreciation and amortization	4,102	162	105	(18)	4,351
Operating income (loss) ⁽ⁱ⁾	2,838	107	(415)	299	2,829
Capital Expenditures	3,394	17	21	228	3,660

(a) For the years ended December 31, 2006, 2005 and 2004, Cable segment revenues were derived from the following services:

	2006	2005	2004
Video	62.6%	64.6%	67.0%
High-speed Internet	20.7	18.8	16.1
Phone	3.8	3.1	3.4
Advertising	6.4	6.4	6.6
Other	6.5	7.1	6.9
Total	100.0%	100.0%	100.0%

(b) Our regional sports and news networks (Comcast SportsNet, Comcast SportsNet Mid-Atlantic, Comcast SportsNet Chicago, Comcast SportsNet West, Cable Sports Southeast, MountainWest Sports Network and CN8 – The Comcast Network) are included in our Cable segment. To be consistent with our management reporting presentation, beginning August 1, 2006, the Cable segment also includes the operating results of the cable systems serving Houston, Texas held in the TKCCP (see Note 5). The operating results of the cable systems serving Houston, Texas are reversed in the Eliminations column to reconcile to our consolidated financial statements.

(c) Programming includes our consolidated national programming networks: E!, Style, The Golf Channel, VERSUS, G4 and AZN Television.

(d) Corporate and Other includes Comcast Spectacor, a portion of operating results of our less than wholly owned technology development ventures (see “(e)” below), corporate activities and all other businesses not presented in our Cable or Programming segments.

(e) We consolidate our less than wholly owned technology development ventures, which we control or of which we are considered the primary beneficiary. These ventures are with various corporate partners, such as Motorola and Gemstar. The ventures have been created to share the costs of development of new technologies for set-top boxes and other devices. The results of these entities are included within Corporate and Other. Cost allocations are made to the Cable segment based on our percentage ownership in each entity. The remaining net costs related to the minority corporate partners are included in Corporate and Other.

(f) Included in the Eliminations column are intersegment transactions that our segments enter into with one another. The most common types of transactions are the following:

- our Programming segment generates revenue by selling cable network programming to our Cable segment, which represents a substantial majority of the revenue elimination amount
- our Cable segment receives incentives offered by our Programming segment when negotiating programming contracts that are recorded as a reduction of programming expenses
- our Cable segment generates revenue by selling the use of satellite feeds to our Programming segment

(g) Non-U.S. revenues were not significant in any period. No single customer accounted for a significant amount of our revenue in any period.

(h) To measure the performance of our operating segments, we use operating income before depreciation and amortization, excluding impairment charges related to fixed and intangible assets, and gains or losses from the sale of assets, if any. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance, the operating performance of our operating segments, and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. This measure should not be considered a substitute for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with GAAP.

(i) To be consistent with our management reporting presentation, the 2005 and 2004 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2004 (see Note 10). The total adjustments are reversed in the Eliminations column to reconcile to our consolidated 2005 and 2004 amounts. For the years ended December 31, 2005 and 2004, the adjustments reducing operating income (loss) before depreciation and amortization by segment were as follows:

(in millions)	2005	2004
Cable	\$ 116	\$ 180
Programming	1	(4)
Corporate and Other	49	107
Total	\$ 166	\$ 283

Note 15: Quarterly Financial Information (Unaudited)

(in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
2006					
Revenues	\$ 5,595	\$ 5,908	\$ 6,432	\$ 7,031	\$ 24,966
Operating income	1,004	1,173	1,224	1,218	4,619
Income from continuing operations	438	399	969	429 ^(a)	2,235
Income from discontinued operations	28	61	14	—	103
Gain on discontinued operations	—	—	234	(39) ^(a)	195
Net income	\$ 466	\$ 460	\$ 1,217	\$ 390	\$ 2,533
Basic earnings for common stockholders per common share ^(c)					
Income from continuing operations	\$ 0.14	\$ 0.13	\$ 0.31	\$ 0.14	\$ 0.71
Income from discontinued operations	0.01	0.02	—	—	0.03
Gain on discontinued operations	—	—	0.07	(.01)	0.06
Net income	\$ 0.15	\$ 0.15	\$ 0.38	\$ 0.13	\$ 0.80
Diluted earnings for common stockholders per common share ^(c)					
Income from continuing operations	\$ 0.14	\$ 0.13	\$ 0.31	\$ 0.14	\$ 0.70
Income from discontinued operations	0.01	0.02	—	—	0.03
Gain on discontinued operations	—	—	0.07	(0.01)	0.06
Net income	\$ 0.15	\$ 0.15	\$ 0.38	\$ 0.13	\$ 0.79
2005					
Revenues	\$ 5,074	\$ 5,301	\$ 5,284	\$ 5,416	\$ 21,075
Operating income	829	1,002	841	849	3,521
Income from continuing operations	122	401	198	107	828
Income from discontinued operations	21	29	24	26	100
Net income	\$ 143	\$ 430	\$ 222	\$ 133 ^(b)	\$ 928
Basic earnings for common stockholders per common share ^(c)					
Income from continuing operations	\$ 0.04	\$ 0.12	\$ 0.06	\$ 0.03	\$ 0.25
Income from discontinued operations	—	0.01	0.01	0.01	0.03
Net income	\$ 0.04	\$ 0.13	\$ 0.07	\$ 0.04	\$ 0.28
Diluted earnings for common stockholders per common share ^(c)					
Income from continuing operations	\$ 0.04	\$ 0.12	\$ 0.06	\$ 0.03	\$ 0.25
Income from discontinued operations	—	0.01	0.01	0.01	0.03
Net income	\$ 0.04	\$ 0.13	\$ 0.07	\$ 0.04	\$ 0.28

(a) Includes adjustments reducing estimated gains recorded on transactions that closed in the third quarter of 2006.

(b) Includes refinement to our effective tax rate in the fourth quarter of 2005.

(c) Adjusted to reflect the Stock Split

Note 16: Condensed Consolidating Financial Information

Comcast Corporation and five of our cable holding company subsidiaries, Comcast Cable Communications, LLC ("CCCL"), Comcast Cable Communications Holdings, Inc. ("CCHH"), Comcast MO Group, Inc. ("Comcast MO Group"), Comcast Cable Holdings, LLC ("CCH"), and Comcast MO of Delaware, LLC ("Comcast MO of Delaware") fully and unconditionally guaranteed each other's debt securities. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the "Combined CCHMO Parents."

In September 2005, Comcast Corporation unconditionally guaranteed Comcast Holdings' ZONES due October 2029 and its 10 5/8% Senior Subordinated Debentures due 2012, both of which were issued by Comcast Holdings; accordingly, we have added Comcast Holdings' condensed consolidated financial information for all periods presented. Our condensed consolidating financial information is as follows:

Condensed Consolidating Balance Sheet

As of December 31, 2006

(in millions)	Comcast Parent	CCCL Parent	CCHH Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Assets								
Cash and cash equivalents	\$ 77	\$ —	\$ —	\$ —	\$ —	\$ 1,162	\$ —	\$ 1,239
Investments	—	—	—	—	—	1,735	—	1,735
Accounts receivable, net	—	—	—	—	—	1,450	—	1,450
Other current assets	15	1	—	—	—	762	—	778
Total current assets	92	1	—	—	—	5,109	—	5,202
Investments	—	—	—	—	—	8,847	—	8,847
Investments in and amounts due from subsidiaries eliminated upon consolidation	62,622	31,152	37,757	41,151	23,984	1,895	(198,561)	—
Property and equipment, net	17	—	1	—	—	21,230	—	21,248
Franchise rights	—	—	—	—	—	55,927	—	55,927
Goodwill	—	—	—	—	—	13,768	—	13,768
Other intangible assets, net	—	—	—	—	—	4,881	—	4,881
Other noncurrent assets, net	176	16	20	—	31	289	—	532
Total assets	\$ 62,907	\$ 31,169	\$ 37,778	\$ 41,151	\$ 24,015	\$ 111,946	\$ (198,561)	\$ 110,405
Liabilities and Stockholders' Equity								
Accounts payable and accrued expenses related to trade creditors	\$ 11	\$ —	\$ —	\$ —	\$ —	\$ 2,851	\$ —	\$ 2,862
Accrued expenses and other current liabilities	616	247	83	106	69	1,911	—	3,032
Deferred income taxes	—	—	—	—	—	563	—	563
Current portion of long-term debt	—	600	—	242	—	141	—	983
Total current liabilities	627	847	83	348	69	5,466	—	7,440
Long-term debt, less current portion	15,358	4,397	3,498	3,046	683	1,010	—	27,992
Deferred income taxes	4,638	—	—	—	887	21,564	—	27,089
Other noncurrent liabilities	1,117	46	—	—	76	5,237	—	6,476
Minority interest	—	—	—	—	—	241	—	241
Stockholders' Equity								
Common stock	35	—	—	—	—	—	—	35
Other stockholders' equity	41,132	25,879	34,197	37,757	22,300	78,428	(198,561)	41,132
Total stockholders' equity	41,167	25,879	34,197	37,757	22,300	78,428	(198,561)	41,167
Total liabilities and stockholders' equity	\$ 62,907	\$ 31,169	\$ 37,778	\$ 41,151	\$ 24,015	\$ 111,946	\$ (198,561)	\$ 110,405

Condensed Consolidating Balance Sheet

As of December 31, 2005

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Assets								
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 947	\$ —	\$ 947
Investments	—	—	—	—	—	148	—	148
Accounts receivable, net	—	—	—	—	—	1,008	—	1,008
Other current assets	16	—	—	—	—	669	—	685
Current assets of discontinued operations	—	—	—	—	—	60	—	60
Total current assets	16	—	—	—	—	2,832	—	2,848
Investments	—	—	—	—	—	12,675	—	12,675
Investments in and amounts due from subsidiaries eliminated upon consolidation	53,103	29,562	36,042	40,482	22,742	955	(182,886)	—
Property and equipment, net	11	—	2	—	3	17,688	—	17,704
Franchise rights	—	—	—	—	—	48,804	—	48,804
Goodwill	—	—	—	—	—	13,498	—	13,498
Other intangible assets, net	—	—	—	—	4	3,114	—	3,118
Other noncurrent assets, net	122	21	23	—	43	426	—	635
Other noncurrent assets of discontinued operations, net	—	—	—	—	—	4,118	—	4,118
Total assets	\$ 53,252	\$ 29,583	\$ 36,067	\$ 40,482	\$ 22,792	\$ 104,110	\$ (182,886)	\$ 103,400
Liabilities and Stockholders' Equity								
Accounts payable and accrued expenses related to trade creditors	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,239	\$ —	\$ 2,239
Accrued expenses and other current liabilities	447	224	113	127	89	1,482	—	2,482
Deferred income taxes	—	—	—	—	—	2	—	2
Current portion of long-term debt	—	620	—	995	—	74	—	1,689
Current liability of discontinued operations	—	—	—	—	—	112	—	112
Total current liabilities	447	844	113	1,122	89	3,909	—	6,524
Long term-debt, less current portion	8,243	4,988	3,498	3,318	981	654	—	21,682
Deferred income taxes	3,470	—	—	—	811	23,089	—	27,370
Other noncurrent liabilities	873	54	—	—	50	5,943	—	6,920
Minority interest	—	—	—	—	—	657	—	657
Noncurrent liabilities of discontinued operations	—	—	—	—	—	28	—	28
Stockholders' Equity								
Common stock	36	—	—	—	—	—	—	36
Other stockholders' equity	40,183	23,697	32,456	36,042	20,861	69,830	(182,886)	40,183
Total stockholders' equity	40,219	23,697	32,456	36,042	20,861	69,830	(182,886)	40,219
Total liabilities and stockholders' equity	\$ 53,252	\$ 29,583	\$ 36,067	\$ 40,482	\$ 22,792	\$ 104,110	\$ (182,886)	\$ 103,400

Condensed Consolidating Statement of Operations

For the Year Ended December 31, 2006

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 24,966	\$ —	\$ 24,966
Management fee revenue	526	193	298	298	8	—	(1,323)	—
	526	193	298	298	8	24,966	(1,323)	24,966
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	9,010	—	9,010
Selling, general and administrative	256	193	298	298	16	6,776	(1,323)	6,514
Depreciation	8	—	—	—	2	3,818	—	3,828
Amortization	—	—	—	—	4	991	—	995
	264	193	298	298	22	20,595	(1,323)	20,347
Operating income (loss)	262	—	—	—	(14)	4,371	—	4,619
Other Income (Expense)								
Interest expense	(776)	(400)	(325)	(259)	(68)	(236)	—	(2,064)
Investment income (loss), net	—	—	—	—	34	956	—	990
Equity in net income (losses) of affiliates	2,867	1,509	1,900	2,069	1,266	(138)	(9,597)	(124)
Other income (expense)	—	—	—	—	—	173	—	173
	2,091	1,109	1,575	1,810	1,232	755	(9,597)	(1,025)
Income (loss) from continuing operations before income taxes and minority interest	2,353	1,109	1,575	1,810	1,218	5,126	(9,597)	3,594
Income tax (expense) benefit	180	143	114	90	26	(1,900)	—	(1,347)
Income (loss) from continuing operations before minority interest	2,533	1,252	1,689	1,900	1,244	3,226	(9,597)	2,247
Minority interest	—	—	—	—	—	(12)	—	(12)
Income from continuing operations	2,533	1,252	1,689	1,900	1,244	3,214	(9,597)	2,235
Income from discontinued operations, net of tax	—	—	—	—	—	103	—	103
Gain on discontinued operations, net of tax	—	—	—	—	—	195	—	195
Net Income	\$ 2,533	\$ 1,252	\$ 1,689	\$ 1,900	\$ 1,244	\$ 3,512	\$ (9,597)	\$ 2,533

Condensed Consolidating Statement of Operations

For the Year Ended December 31, 2005

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 21,075	\$ —	\$ 21,075
Management fee revenue	457	174	278	278	8	—	(1,195)	—
	457	174	278	278	8	21,075	(1,195)	21,075
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	7,513	—	7,513
Selling, general and administrative	204	174	278	278	15	5,736	(1,195)	5,490
Depreciation	3	—	—	—	3	3,407	—	3,413
Amortization	—	—	—	—	10	1,128	—	1,138
	207	174	278	278	28	17,784	(1,195)	17,554
Operating income (loss)	250	—	—	—	(20)	3,291	—	3,521
Other Income (Expense)								
Interest expense	(371)	(477)	(329)	(306)	(101)	(211)	—	(1,795)
Investment income (loss), net	—	—	—	—	(16)	105	—	89
Equity in net income (losses) of affiliates	1,007	1,372	605	804	977	43	(4,850)	(42)
Other income (expense)	—	—	—	—	—	(53)	—	(53)
	636	895	276	498	860	(116)	(4,850)	(1,801)
Income (loss) from continuing operations before income taxes and minority interest	886	895	276	498	840	3,175	(4,850)	1,720
Income tax (expense) benefit	42	167	115	107	48	(1,352)	—	(873)
Income (loss) from continuing operations before minority interest	928	1,062	391	605	888	1,823	(4,850)	847
Minority interest	—	—	—	—	—	(19)	—	(19)
Income from continuing operations	\$ 928	\$ 1,062	\$ 391	\$ 605	\$ 888	\$ 1,804	\$ (4,850)	\$ 828
Income from discontinued operations, net of tax	—	—	—	—	—	100	—	100
Net Income	\$ 928	\$ 1,062	\$ 391	\$ 605	\$ 888	\$ 1,904	\$ (4,850)	\$ 928

Condensed Consolidating Statement of Operations

For the Year Ended December 31, 2004

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 19,221	\$ —	\$ 19,221
Management fee revenue	416	161	253	253	8	—	(1,091)	—
	416	161	253	253	8	19,221	(1,091)	19,221
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	7,036	—	7,036
Selling, general and administrative	168	161	253	253	13	5,248	(1,091)	5,005
Depreciation	2	—	—	—	3	3,192	—	3,197
Amortization	—	—	—	—	11	1,143	—	1,154
	170	161	253	253	27	16,619	(1,091)	16,392
Operating income (loss)	246	—	—	—	(19)	2,602	—	2,829
Other Income (Expense)								
Interest expense	(289)	(474)	(348)	(399)	(98)	(266)	—	(1,874)
Investment income (loss), net	—	—	—	—	100	372	—	472
Equity in net income (losses) of affiliates	998	1,170	310	569	997	(216)	(3,909)	(81)
Other income (expense)	—	—	—	—	—	397	—	397
	709	696	(38)	170	999	287	(3,909)	(1,086)
Income (loss) from continuing operations before income taxes and minority interest	955	696	(38)	170	980	2,889	(3,909)	1,743
Income tax (expense) benefit	15	166	122	140	6	(1,250)	—	(801)
Income (loss) from continuing operations before minority interest	970	862	84	310	986	1,639	(3,909)	942
Minority interest	—	—	—	—	—	(14)	—	(14)
Income from continuing operations	970	862	84	310	986	1,625	(3,909)	928
Income from discontinued operations, net of tax	—	—	—	—	—	42	—	42
Net Income	\$ 970	\$ 862	\$ 84	\$ 310	\$ 986	\$ 1,667	\$ (3,909)	\$ 970

Condensed Consolidating Statement of Cash Flows

For the Year Ended December 31, 2006

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Operating Activities								
Net cash provided by (used in) operating activities	\$ 90	\$ (240)	\$ (226)	\$ (224)	\$ 20	\$ 7,198	\$ —	\$ 6,618
Financing Activities								
Proceeds from borrowings	7,474	—	—	—	—	23	—	7,497
Retirements and repayments of debt	(350)	(619)	—	(988)	(27)	(55)	—	(2,039)
Repurchases of common stock	(2,347)	—	—	—	—	—	—	(2,347)
Issuances of common stock	410	—	—	—	—	—	—	410
Other	33	—	—	—	—	(8)	—	25
Net cash provided by (used in) financing activities	5,220	(619)	—	(988)	(27)	(40)	—	3,546
Investing Activities								
Net transactions with affiliates	(5,272)	859	226	1,212	(3)	2,978	—	—
Capital expenditures	(8)	—	—	—	—	(4,387)	—	(4,395)
Cash paid for intangible assets	—	—	—	—	—	(306)	—	(306)
Acquisitions, net of cash acquired	—	—	—	—	—	(5,110)	—	(5,110)
Proceeds from sales and restructuring of investments	47	—	—	—	10	2,663	—	2,720
Purchases of investments	—	—	—	—	—	(2,812)	—	(2,812)
Proceeds from sales (purchases) of short-term investments, net	—	—	—	—	—	33	—	33
Other	—	—	—	—	—	(2)	—	(2)
Net cash provided by (used in) investing activities	(5,233)	859	226	1,212	7	(6,943)	—	(9,872)
Increase in cash and cash equivalents	77	—	—	—	—	215	—	292
Cash and cash equivalents, beginning of year	—	—	—	—	—	947	—	947
Cash and cash equivalents, end of year	\$ 77	\$ —	\$ —	\$ —	\$ —	\$ 1,162	\$ —	\$ 1,239

Condensed Consolidating Statement of Cash Flows

For the Year Ended December 31, 2005

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Operating Activities								
Net cash provided by (used in) operating activities	\$ 61	\$ (256)	\$ (204)	\$ (387)	\$ (110)	\$ 5,731	\$ —	\$ 4,835
Financing Activities								
Proceeds from borrowings	3,972	—	—	—	—	6	—	3,978
Retirements and repayments of debt	—	(700)	—	(1,628)	(13)	(365)	—	(2,706)
Repurchases of common stock	(2,313)	—	—	—	—	—	—	(2,313)
Issuances of common stock	93	—	—	—	—	—	—	93
Other	—	—	—	—	—	15	—	15
Net cash provided by (used in) financing activities	1,752	(700)	—	(1,628)	(13)	(344)	—	(933)
Investing Activities								
Net transactions with affiliates	(1,813)	956	204	2,015	123	(1,485)	—	—
Capital expenditures	—	—	—	—	—	(3,621)	—	(3,621)
Cash paid for intangible assets	—	—	—	—	—	(281)	—	(281)
Acquisitions, net of cash acquired	—	—	—	—	—	(199)	—	(199)
Proceeds from sales and restructuring of investments	—	—	—	—	—	861	—	861
Purchases of investments	—	—	—	—	—	(306)	—	(306)
Proceeds from sales (purchases) of short-term investments, net	—	—	—	—	—	(86)	—	(86)
Other	—	—	—	—	—	(116)	—	(116)
Net cash provided by (used in) investing activities	(1,813)	956	204	2,015	123	(5,233)	—	(3,748)
Increase in cash and cash equivalents	—	—	—	—	—	154	—	154
Cash and cash equivalents, beginning of year	—	—	—	—	—	793	—	793
Cash and cash equivalents, end of year	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 947	\$ —	\$ 947

Condensed Consolidating Statement of Cash Flows

For the Year Ended December 31, 2004

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Operating Activities								
Net cash provided by (used in) operating activities	\$ 482	\$ (143)	\$ (155)	\$ (478)	\$ 8	\$ 6,368	\$ —	\$ 6,082
Financing Activities								
Proceeds from borrowings	620	—	400	—	—	10	—	1,030
Retirements and repayments of debt	(300)	(561)	(400)	(306)	—	(756)	—	(2,323)
Repurchases of common stock	(1,361)	—	—	—	—	—	—	(1,361)
Issuances of common stock	113	—	—	—	—	—	—	113
Other	8	—	—	—	—	17	—	25
Net cash provided by (used in) financing activities	(920)	(561)	—	(306)	—	(729)	—	(2,516)
Investing Activities								
Net transactions with affiliates	438	704	155	784	(8)	(2,073)	—	—
Capital expenditures	—	—	—	—	—	(3,660)	—	(3,660)
Cash paid for intangible assets	—	—	—	—	—	(615)	—	(615)
Acquisitions, net of cash acquired	—	—	—	—	—	(296)	—	(296)
Proceeds from sales and restructuring of investments	—	—	—	—	—	228	—	228
Purchases of investments	—	—	—	—	—	(156)	—	(156)
Proceeds from sales (purchases) of short-term investments, net	—	—	—	—	—	(13)	—	(13)
Proceeds from settlement of contract of acquired company	—	—	—	—	—	26	—	26
Other	—	—	—	—	—	(26)	—	(26)
Net cash provided by (used in) investing activities	438	704	155	784	(8)	(6,585)	—	(4,512)
Decrease in cash and cash equivalents	—	—	—	—	—	(946)	—	(946)
Cash and cash equivalents, beginning of year	—	—	—	—	—	1,739	—	1,739
Cash and cash equivalents, end of year	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 793	\$ —	\$ 793

Reconciliation of Non-GAAP Measures

Reconciliation of 2006 Operating Income to Operating Cash Flow

(in millions)

Operating Income	\$ 4,619
Depreciation and Amortization	4,823
Operating Cash Flow ^(a)	\$ 9,442

(a) Operating Cash Flow (as presented above) is defined as operating income before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses on sale of assets, if any.

Calculation of 2006 Free Cash Flow

(in millions)

Net Cash Provided by Operating Activities	\$ 6,618
Capital Expenditures	(4,395)
Cash Paid For Intangible Assets	(306)
Nonoperating Items, Net of Tax	706
Free Cash Flow ^(a)	\$ 2,623

(a) Free Cash Flow (as presented above) is defined as "Net Cash Provided by Operating Activities" (as stated in our Consolidated Statement of Cash Flows) reduced by capital expenditures and cash paid for intangible assets; and increased by any payments related to certain nonoperating items, net of estimated tax benefits (such as income taxes on investment sales, and nonrecurring payments related to income tax and litigation contingencies of acquired companies).

Reconciliation of Cable Segment Pro Forma, "As Adjusted" Financial Data

(in millions)	Cable	Pro Forma Adjustments ^(a)	Cable Pro Forma	Pro Forma % Growth	% Growth
2006					
Revenue	\$ 24,100	\$ 2,239	\$ 26,339	12%	21%
Operating Expenses (excluding depreciation and amortization)	14,396	1,432	15,828		
Operating Cash Flow	\$ 9,704	\$ 807	\$ 10,511	15%	22%
Depreciation and Amortization	4,657	608	5,265		
Operating Income	\$ 5,047	\$ 199	\$ 5,246		
2005					
Revenue	\$ 19,987	\$ 3,569	\$ 23,556		
Operating Expenses (excluding depreciation and amortization)	11,924	2,384	14,308		
Stock option adjustment ^(b)	116	—	116		
Operating Cash Flow	\$ 7,947	\$ 1,185	\$ 9,132		
Depreciation and Amortization	4,346	1,134	5,480		
Operating Income	\$ 3,601	\$ 51	\$ 3,652		

(a) Pro forma results adjust only for certain acquisitions and dispositions, including Susquehanna Communications (April 2006), the Adelphia and Time Warner transactions (July 2006) and the dissolution of the Texas and Kansas City cable partnership (effective January 1, 2007). Cable segment results are presented as if the transactions noted above were effective on January 1, 2005.

(b) To be consistent with our management reporting, the 2005 Cable segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005.

Market for the Registrant's Common Equity

Our Class A common stock is listed on the Nasdaq Global Select Market under the symbol CMCSA and our Class A Special common stock is listed on the Nasdaq Global Select Market under the symbol CMCSK. There is no established public trading market for our Class B common stock. Our Class B common stock can be converted, on a share for share basis, into Class A or Class A Special common stock. The following table sets forth, for the indicated periods, the high and low sales prices of our Class A and Class A Special common stock (adjusted to reflect the Stock Split).

	Class A		Class A Special	
	High	Low	High	Low
2006				
First Quarter	\$ 18.97	\$ 16.90	\$ 18.87	\$ 16.73
Second Quarter	22.37	17.45	22.27	17.33
Third Quarter	24.77	20.67	24.74	20.64
Fourth Quarter	28.94	24.17	28.69	24.14
2005				
First Quarter	\$ 23.00	\$ 20.69	\$ 22.77	\$ 20.33
Second Quarter	22.69	20.37	22.47	19.80
Third Quarter	21.54	19.16	21.25	18.82
Fourth Quarter	19.56	17.20	19.24	17.01

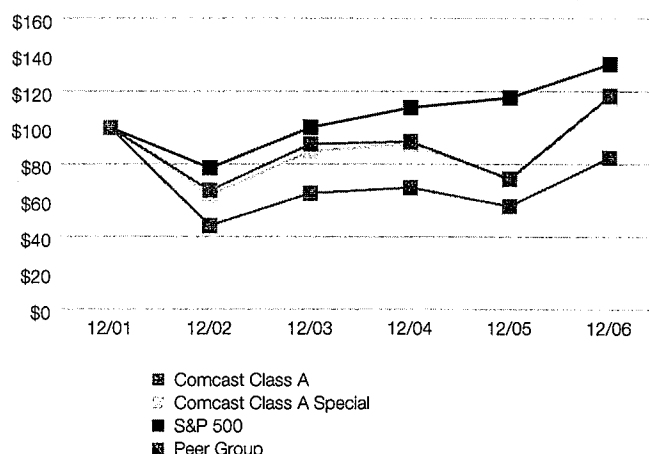
We have not declared and paid any cash dividends on our Class A, Class A Special or Class B common stock in our last two fiscal years and do not intend to do so for the foreseeable future.

As of December 31, 2006, there were 921,275 record holders of our Class A common stock, 2,266 record holders of our Class A Special common stock and three record holders of our Class B common stock.

Stock Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return on our Class A common stock and Class A Special common stock during the five years ended December 31, 2006, with the cumulative total return on the Standard & Poor's 500 Stock Index and with a selected peer group consisting of us and other companies engaged in the cable, telecommunications and media industries. This peer group consists of Cablevision Systems Corporation (Class A), Time Warner Inc., The DirecTV Group Inc. and EchoStar Communications Corp. The comparison assumes \$100 was invested on December 31, 2001, in our Class A common stock and Class A Special common stock and in each of the following indices and assumes the reinvestment of dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
Among Comcast Corporation, the S&P 500 Index and a Peer Group



(In dollars)	2002	2003	2004	2005	2006
Comcast Class A	65	91	92	72	118
Comcast Class A Special	63	87	91	71	116
S&P 500 Stock Index	78	100	111	117	135
Peer Group Index	46	64	67	57	84

Selected Financial Data

Year Ended December 31 (in millions, except per share data)	2006	2005	2004	2003	2002
Statement of Operations Data					
Revenues	\$ 24,966	\$ 21,075	\$ 19,221	\$ 17,330	\$ 7,997
Operating income	4,619	3,521	2,829	1,938	948
Income (loss) from continuing operations	2,235	828	928	(222)	(452)
Discontinued operations ^{(a)(b)}	298	100	42	3,462	178
Net income (loss)	2,533	928	970	3,240	(274)
Basic earnings (loss) for common stockholders per common share^(c)					
Income (loss) from continuing operations	\$ 0.71	\$ 0.25	\$ 0.28	\$ (0.07)	\$ (0.27)
Discontinued operations ^{(a)(b)}	0.09	0.03	0.01	1.02	0.11
Net income (loss)	\$ 0.80	\$ 0.28	\$ 0.29	\$ 0.95	\$ (0.16)
Diluted earnings (loss) for common stockholders per common share^(c)					
Income (loss) from continuing operations	\$ 0.70	\$ 0.25	\$ 0.28	\$ (0.07)	\$ (0.27)
Discontinued operations ^{(a)(b)}	0.09	0.03	0.01	1.02	0.11
Net income (loss)	\$ 0.79	\$ 0.28	\$ 0.29	\$ 0.95	\$ (0.16)
Balance Sheet Data (at year end)					
Total assets	\$ 110,405	\$ 103,400	\$ 105,035	\$ 109,348	\$ 113,485
Long-term debt	27,992	21,682	20,093	23,835	27,956
Stockholders' equity	41,167	40,219	41,422	41,662	38,329
Statement of Cash Flows Data					
Net cash provided by (used in):					
Operating activities	\$ 6,618	\$ 4,835	\$ 6,082	\$ 2,686	\$ 2,518
Financing activities	3,546	(933)	(2,516)	(7,048)	(1,005)
Investing activities	(9,872)	(3,748)	(4,512)	5,239	(1,125)

(a) In July 2006, in connection with the transactions with Adelphia and Time Warner, we transferred our previously owned cable systems located in Los Angeles, Cleveland and Dallas to Time Warner Cable. These cable systems are presented as discontinued operations for the years ended on or before December 31, 2006 (see Note 5 to our consolidated financial statements).

(b) In September 2003, we sold our interest in QVC to Liberty Media Corporation. QVC is presented as a discontinued operation for the years ended on and before December 31, 2003.

(c) Adjusted to reflect the Stock Split.

Board of Directors and Corporate Executives

Board of Directors

S. Decker Anstrom
President and
Chief Operating Officer
Landmark Communications, Inc.

Kenneth J. Bacon
Executive Vice President
Housing and
Community Development
Fannie Mae

Sheldon M. Bonovitz
Chairman and
Chief Executive Officer
Duane Morris LLP

Edward D. Breen
Chairman and
Chief Executive Officer
Tyco International, Ltd.

Julian A. Brodsky
Non-Executive Vice Chairman

Joseph J. Collins
Chairman
Aegis, LLC
Retired Chairman and
Chief Executive Officer
Time Warner Cable

J. Michael Cook
Retired Chairman and
Chief Executive Officer
Deloitte & Touche LLP

Jeffrey A. Honickman
Chief Executive Officer
Pepsi-Cola and
National Brand Beverage, Ltd.

Brian L. Roberts
Chairman and CEO

Ralph J. Roberts
Founder
Chairman, Executive and
Finance Committee

Dr. Judith Rodin
President
The Rockefeller Foundation

Michael I. Sovern
Chairman
Sotheby's Holdings, Inc.

Corporate Executives

Brian L. Roberts
Chairman and
Chief Executive Officer

Ralph J. Roberts
Founder
Chairman, Executive and
Finance Committee

John R. Alchin
Executive Vice President and
Co-Chief Financial Officer

Stephen B. Burke
Executive Vice President and
Chief Operating Officer
President, Comcast Cable

David L. Cohen
Executive Vice President

Lawrence S. Smith
Executive Vice President and
Co-Chief Financial Officer

Amy L. Banse
Senior Vice President
Interactive Media
President
Comcast Interactive Media

Arthur R. Block
Senior Vice President,
General Counsel and
Secretary

Mark A. Coblitz
Senior Vice President
Strategic Planning

Robert S. Pick
Senior Vice President
Corporate Development

Lawrence J. Salva
Senior Vice President,
Chief Accounting Officer and
Controller

C. Stephen Backstrom
Vice President
Taxation

Payne D. Brown
Vice President
Strategic Initiatives

Karen Dougherty Buchholz
Vice President
Administration

Joseph F. DiTrollo
Vice President
Financial Operations

Marlene S. Dooner
Vice President
Investor Relations

William E. Dordelman
Vice President
Finance

Kamal Dua
Vice President
Internal Audit and
General Auditor

Leonard J. Gatti
Vice President
Financial Reporting

Gregg M. Goldstein
Vice President
Corporate Development

Kerry Knott
Vice President
Government Affairs

Charisse R. Lille
Vice President
Human Resources

Kenneth Mikalauskas
Vice President
Finance

Marc A. Rockford
Vice President and
Senior Deputy General Counsel

D'Arcy F. Rudnay
Vice President
Corporate Communications

Joseph W. Waz, Jr.
Vice President
External Affairs and
Public Policy Counsel

Division Executives

Comcast Cable

Stephen B. Burke
President

David A. Scott
Executive Vice President
Finance and Administration

David N. Watson
Executive Vice President
Operations

Madison Bond
Executive Vice President
Content Acquisition

David A. Juliano
Executive Vice President
Marketing and
Product Development

John D. Schanz
Executive Vice President
National Engineering and
Technology Operations

Tony G. Werner
Executive Vice President and
Chief Technology Officer

Catherine Avgiris
Senior Vice President and
General Manager
Voice Services

Greg R. Butz
Senior Vice President
Product Development
General Manager
Media Services

Douglas Gaston
General Counsel

Suzanne L. Keenan
Senior Vice President
Customer Service and
Comcast University

Charisse R. Lille
Senior Vice President
Human Resources

Kevin M. Casey
President
Northern Division

William Connors
President
Midwest Division

Michael A. Doyle
President
Eastern Division

Bradley P. Dusto
President
Western Division

John H. Ridall
President
Southern Division

William E. Stemper
President
Comcast Business Services

Charles W. Thurston
President
Comcast Spotlight

Comcast Programming

Jeff Shell
President

Joseph M. Donnelly
Chief Financial Officer

David T. Cassaro
President
Comcast Network
Advertising Sales

Ted Harbert
President and CEO
Comcast Entertainment Group

Gavin Harvey
President
VERSUS

David Manougian
Chief Executive Officer
The Golf Channel

Diane L. Robina
President
Emerging Networks

Rod Shanks
President
AZN

Neal Tiles
President
G4

Sandy Wax
President and General Manager
PBS KIDS Sprout

Jack L. Williams
President
Comcast Sports
Management Services
President and
Chief Executive Officer
Comcast SportsNet

Comcast Interactive Media

Amy L. Banse
President

Samuel H. Schwartz
Executive Vice President
Strategy and Development

Comcast Spectacor

Edward M. Snider
Chairman

Fred A. Shabel
Vice Chairman

Peter A. Luukko
President

Sanford Lipstein
Executive Vice President
Finance and
Chief Financial Officer

Philip I. Weinberg
Executive Vice President and
General Counsel

Shareholder Information

Corporate Headquarters

Comcast Corporation
1500 Market Street
Philadelphia, PA 19102-2148
215-665-1700
www.comcast.com

Stock Listings

Comcast's stock trades on the Nasdaq Global Select Market under the following trading symbols:
Class A common stock: CMCSA
Class A Special common stock: CMCSK

Stock Transfer Agent and Registrar

Computershare Trust Co., N.A.
P.O. Box 43091
Providence, RI 02940-3091
Domestic: 888-883-8903
TTD Domestic: 800-952-9245
International: 781-575-4730
www.computershare.com/comcast

Shareholder Services

Please contact our Stock Transfer Agent and Registrar with inquiries concerning shareholder accounts of record, stock transfer matters, information on Book Entry ownership, account consolidations or lost certificates.

To eliminate duplicate mailings, please contact Computershare (if you are a registered shareholder) or your broker (if you hold your stock through a brokerage firm).

If you wish to receive all shareholder information exclusively online, you can register by going to www.cmcsa.com or www.cmcsk.com and following the instructions under Enroll for E-Delivery on our Shareholder Services page.

Investor Relations

Comcast Investor Relations
1500 Market Street
Philadelphia, PA 19102-2148
866-281-2100

www.cmcsa.com or www.cmcsk.com

To e-mail Investor Relations, go to our Web site and click on Contact Investor Relations.

2006 Annual Report on Form 10-K

This Annual Report to Shareholders contains much of the information that is included in the 2006 Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission. For a copy of Comcast's Form 10-K for the year ended December 31, 2006, visit our Investor Relations Web site (www.cmcsa.com or www.cmcsk.com) or call our Investor Relations Hotline toll-free at 866-281-2100. Other printed information is also available through this hotline.

Stock Split

On January 31, 2007, our Board of Directors approved a three-for-two stock split in the form of a 50% stock dividend (the "Stock Split") payable on February 21, 2007, to shareholders of record on February 14, 2007. The number of shares outstanding and related amounts presented in this Annual Report to Shareholders have been adjusted to reflect the Stock Split for all periods presented.

2007 Annual Meeting of Shareholders

Pennsylvania Convention Center
One Convention Center Place
1101 Arch Street
Philadelphia, PA 19107
May 23, 2007
9 a.m. Eastern Time

Legal Counsel

Davis Polk & Wardwell, New York, NY

Independent Registered Public Accounting Firm

Deloitte & Touche LLP, Philadelphia, PA



1500 Market Street
Philadelphia, PA 19102-2148
215-665-1700
www.comcast.com

EXHIBIT G

COMCAST CORPORATION FORM 10-K



FORM 10-Q

COMCAST CORP - CMCSA

Filed: October 26, 2007 (period: September 30, 2007)

Quarterly report which provides a continuing view of a company's financial position

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FINANCIAL INFORMATION

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PART I:

FINANCIAL INFORMATION

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EX-32 (SECTION 906 CERTIFICATIONS)

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2007
OR

☐ Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Transition Period from _____ to _____
Commission File Number 001-32871



COMCAST CORPORATION
(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of
incorporation or organization)

27-0000798
(I.R.S. Employer
Identification No.)

1500 Market Street, Philadelphia, PA 19102-2148
(Address of principal executive offices)
(Zip Code)

Registrant's telephone number, including area code: (215) 665-1700

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days.

Yes ☐ No ☒

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes ☐ No ☒

As of September 30, 2007, there were 2,077,828,113 shares of our Class A Common Stock, 985,898,792 shares of our Class A Special Common Stock and 9,444,375 shares of our Class B Common Stock outstanding.

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This Quarterly Report on Form 10-Q is for the three and nine months ended September 30, 2007. This Quarterly Report modifies and supersedes documents filed prior to this Quarterly Report. The Securities and Exchange Commission ("SEC") allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report. Throughout this Quarterly Report, we refer to Comcast Corporation as "Comcast;" Comcast and its consolidated subsidiaries as "we," "us" and "our;" and Comcast Holdings Corporation as "Comcast Holdings."

You should carefully review the information contained in this Quarterly Report and particularly consider any risk factors that we set forth in this Quarterly Report and in other reports or documents that we file from time to time with the SEC. In this Quarterly Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify these so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of those words, and other comparable words. You should be aware that those statements are only our predictions. In evaluating those statements, you should specifically consider various factors, including the risks outlined below. Actual events or our actual results may differ materially from any of our forward-looking statements.

Our businesses may be affected by, among other things, the following:

- all of the services offered by our cable systems face a wide range of competition that could adversely affect our future results of operations
- programming expenses are increasing, which could adversely affect our future results of operations
- we are subject to regulation by federal, state and local governments, which may impose costs and restrictions
- we may face increased competition because of technological advances and new regulatory requirements, which could adversely affect our future results of operations
- we face risks arising from the outcome of various litigation matters
- acquisitions and other strategic transactions present many risks, and we may not realize the financial and strategic goals that were contemplated at the time of any transaction
- our Class B common stock has substantial voting rights and separate approval rights over a number of potentially material transactions and, through his beneficial ownership of the Class B common stock, our Chairman and CEO has considerable influence over our operations

PART I: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheet
(Unaudited)

(in millions, except share data)	September 30, 2007	December 31, 2006
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,949	\$ 1,239
Investments	65	1,735
Accounts receivable, less allowance for doubtful accounts of \$185 and \$157	1,598	1,450
Other current assets	785	778
Total current assets	<u>5,397</u>	<u>5,202</u>
Investments	6,223	8,847
Property and equipment, net of accumulated depreciation of \$18,816 and \$15,506	23,213	21,248
Franchise rights	58,080	55,927
Goodwill	14,549	13,768
Other intangible assets, net of accumulated amortization of \$6,582 and \$5,543	5,092	4,881
Other noncurrent assets, net	617	532
	<u>\$ 113,171</u>	<u>\$ 110,405</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses related to trade creditors	\$ 3,014	\$ 2,862
Accrued expenses and other current liabilities	2,926	3,032
Deferred income taxes	—	563
Current portion of long-term debt	764	983
Total current liabilities	<u>6,704</u>	<u>7,440</u>
Long-term debt, less current portion	30,340	27,992
Deferred income taxes	26,570	27,089
Other noncurrent liabilities	7,404	6,476
Minority interest	265	241
Commitments and Contingencies (Note 11)		
Stockholders' Equity		
Preferred stock—authorized, 20,000,000 shares; issued, zero	—	—
Class A common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 2,443,288,863 and 2,425,818,710; outstanding, 2,077,828,113 and 2,060,357,960	24	24
Class A Special common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 1,056,833,556 and 1,120,659,771; outstanding, 985,898,792 and 1,049,725,007	11	11
Class B common stock, \$0.01 par value—authorized, 75,000,000 shares; issued and outstanding, 9,444,375	—	—
Additional capital	42,318	42,401
Retained earnings	7,145	6,214
Treasury stock—365,460,750 Class A common shares and 70,934,764 Class A Special common shares	(7,517)	(7,517)
Accumulated other comprehensive income (loss)	(93)	34
Total stockholders' equity	<u>41,888</u>	<u>41,167</u>
	<u>\$ 113,171</u>	<u>\$ 110,405</u>

See notes to condensed consolidated financial statements.

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COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007

**Condensed Consolidated Statement of Operations
(Unaudited)**

(in millions, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues	\$ 7,781	\$ 6,432	\$ 22,881	\$ 17,935
Costs and Expenses				
Operating (excluding depreciation)	2,759	2,274	8,272	6,477
Selling, general and administrative	2,093	1,721	5,905	4,610
Depreciation	1,291	963	3,768	2,748
Amortization	247	250	816	699
	6,390	5,208	18,761	14,534
Operating income	1,391	1,224	4,120	3,401
Other Income (Expense)				
Interest expense	(571)	(530)	(1,689)	(1,502)
Investment income (loss), net	158	857	458	935
Equity in net (losses) income of affiliates, net	(12)	(65)	(49)	(86)
Other income (expense)	(1)	96	513	194
	(426)	358	(767)	(459)
Income from continuing operations before income taxes and minority interest	965	1,582	3,353	2,942
Income tax expense	(421)	(610)	(1,400)	(1,126)
Income from continuing operations before minority interest	544	972	1,953	1,816
Minority interest	16	(3)	32	(10)
Income from continuing operations	560	969	1,985	1,806
Income from discontinued operations, net of tax	—	14	—	103
Gain on discontinued operations, net of tax	—	234	—	234
Net income	\$ 560	\$ 1,217	\$ 1,985	\$ 2,143
Basic earnings per common share				
Income from continuing operations	\$ 0.18	\$ 0.31	\$ 0.64	\$ 0.57
Income from discontinued operations	—	—	—	0.03
Gain on discontinued operations	—	0.07	—	0.07
Net income	\$ 0.18	\$ 0.38	\$ 0.64	\$ 0.67
Diluted earnings per common share				
Income from continuing operations	\$ 0.18	\$ 0.31	\$ 0.63	\$ 0.57
Income from discontinued operations	—	—	—	0.03
Gain on discontinued operations	—	0.07	—	0.07
Net income	\$ 0.18	\$ 0.38	\$ 0.63	\$ 0.67

See notes to condensed consolidated financial statements.

Table of ContentsCOMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007**Condensed Consolidated Statement of Cash Flows
(Unaudited)**

(in millions)	Nine Months Ended September 30,	
	2007	2006
OPERATING ACTIVITIES		
Net income	\$ 1,985	\$ 2,143
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	3,768	2,748
Amortization	816	699
Depreciation and amortization on discontinued operations	—	139
Share-based compensation expense	161	145
Noncash interest expense (income), net	80	69
Equity in net losses (income) of affiliates, net	49	86
(Gains) losses on investments and noncash other (income) expense, net	(860)	(959)
Gain on discontinued operations	—	(797)
Proceeds from sale of trading securities	603	—
Noncash contribution expense	11	10
Minority interest	(32)	10
Deferred income taxes	160	911
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Change in accounts receivable, net	(51)	(136)
Change in accounts payable and accrued expenses related to trade creditors	10	385
Change in other operating assets and liabilities	(592)	(238)
Net cash provided by (used in) operating activities	6,108	5,215
FINANCING ACTIVITIES		
Proceeds from borrowings	3,610	5,970
Redemptions and repayments of debt	(1,529)	(2,222)
Repurchases of common stock	(1,852)	(1,882)
Issuances of common stock	404	133
Other	51	7
Net cash provided by (used in) financing activities	684	2,006
INVESTING ACTIVITIES		
Capital expenditures	(4,584)	(3,051)
Cash paid for intangible assets	(313)	(227)
Acquisitions, net of cash acquired	(1,277)	(3,839)
Proceeds from sales of investments	1,123	2,519
Purchases of investments	(129)	(471)
Proceeds from sales (purchases) of short-term investments, net	52	15
Other	46	(3)
Net cash provided by (used in) investing activities	(5,082)	(5,057)
Increase (decrease) in cash and cash equivalents	1,710	2,164
Cash and cash equivalents, beginning of period	1,239	947
Cash and cash equivalents, end of period	\$ 2,949	\$ 3,111

See notes to condensed consolidated financial statements.

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)****Note 1: Condensed Consolidated Financial Statements****Basis of Presentation**

We have prepared these unaudited condensed consolidated financial statements based upon Securities and Exchange Commission (“SEC”) rules that permit reduced disclosure for interim periods.

These financial statements include all adjustments that are necessary for a fair presentation of our results of operations and financial condition for the periods shown, including normal, recurring accruals and other items. The results of operations for the interim periods presented are not necessarily indicative of results for the full year.

For a more complete discussion of our accounting policies and certain other information, refer to our annual financial statements for the preceding fiscal year as filed with the SEC.

Stock Split

In January 2007, our Board of Directors approved a three-for-two stock split in the form of a 50% stock dividend (the “Stock Split”), which was paid on February 21, 2007 to shareholders of record on February 14, 2007. The stock dividend was in the form of an additional 0.5 share for every share held and was payable in shares of Class A common stock on the existing Class A common stock and payable in shares of Class A Special common stock on the existing Class A Special common stock and Class B common stock with cash being paid in lieu of fractional shares. The number of shares outstanding and related prices, per share amounts, share conversions and share-based data have been adjusted to reflect the Stock Split for all prior periods presented.

Reclassifications

Certain reclassifications have been made in our segment presentation to be consistent with our management reporting presentation (see Note 12).

Note 2: Recent Accounting Pronouncements**SFAS No. 159**

In February 2007, the Financial Accounting Standards Board (“FASB”) issued Statement of Financial Accounting Standards (“SFAS”) No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities” (“SFAS No. 159”). SFAS No. 159 provides the option to report certain financial assets and liabilities at fair value, with the intent to mitigate volatility in financial reporting that can occur when related assets and liabilities are recorded on different bases. This statement is effective for us beginning January 1, 2008. We do not expect SFAS No. 159 will have a material impact on our consolidated financial statements.

FASB Interpretation No. 48

In July 2006, the FASB issued Financial Interpretation No. 48, “Accounting for Uncertainty in Income Taxes—an Interpretation of FASB Statement No. 109” (“FIN 48”). FIN 48 clarifies the recognition threshold and measurement of a tax position taken on a tax return. FIN 48 also requires expanded disclosure with respect to the uncertainty in income taxes. Effective January 1, 2007, we adopted the provisions of FIN 48. See Note 9 for further details regarding the adoption of this interpretation.

EITF Issue No. 06-10

In March 2007, the Emerging Issues Task Force (“EITF”) reached a consensus on EITF Issue No. 06-10, “Accounting for Deferred Compensation and Postretirement Benefit Aspects of Collateral Assignment Split-Dollar Life Insurance Arrangements” (“EITF 06-10”). EITF 06-10 provides that an employer should recognize a

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liability for the postretirement benefit related to collateral assignment split-dollar life insurance arrangements in accordance with either SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," or APB No. 12, "Omnibus Opinion." We will adopt the provisions of EITF 06-10 as of January 1, 2008 and do not expect it to have a material impact on our consolidated financial statements.

Note 3: Earnings Per Share

Basic earnings per common share ("Basic EPS") is computed by dividing income from continuing operations for common stockholders by the weighted-average number of common shares outstanding during the period.

Our potentially dilutive securities include potential common shares related to our stock options and restricted share units. Diluted earnings per common share ("Diluted EPS") considers the impact of potentially dilutive securities except in periods in which there is a loss because the inclusion of the potential common shares would have an antidilutive effect.

Diluted EPS for the three and nine months ended September 30, 2007 excludes approximately 56 million and 42 million potential common shares, respectively, and Diluted EPS for the three and nine months ended September 30, 2006 excludes approximately 122 million and 141 million potential common shares, respectively, related to our share-based compensation plans, because the inclusion of the potential common shares would have an antidilutive effect.

The table below reconciles the numerator and denominator of the computations of Diluted EPS from continuing operations for the periods presented:

	Three Months Ended September 30,					
	2007			2006		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
(in millions, except per share data)						
Basic EPS	\$ 560	3,087	\$ 0.18	\$ 969	3,144	\$ 0.31
Effect of Dilutive Securities:						
Assumed exercise or issuance of shares relating to stock plans		31			19	
Diluted EPS	\$ 560	3,118	\$ 0.18	\$ 969	3,163	\$ 0.31

	Nine Months Ended September 30,					
	2007			2006		
	Income	Shares	Per Share Amount	Income	Shares	Per Share Amount
(in millions, except per share data)						
Basic EPS	\$ 1,985	3,108	\$ 0.64	\$ 1,806	3,171	\$ 0.57
Effect of Dilutive Securities:						
Assumed exercise or issuance of shares relating to stock plans		37			15	
Diluted EPS	\$ 1,985	3,145	\$ 0.63	\$ 1,806	3,186	\$ 0.57

Note 4: Acquisitions and Other Significant Events**Texas and Kansas City Cable Partnership**

In July 2006, we initiated the dissolution of Texas and Kansas City Cable Partners ("TKCCP"), our 50%-50% cable system partnership with Time Warner Cable ("TWC"). On January 1, 2007, the distribution of assets by TKCCP was completed and we received the cable system serving Houston, Texas ("Houston Asset Pool") and TWC received the cable systems serving Kansas City, south and west Texas, and New Mexico ("Kansas City Asset Pool"). We accounted for the distribution of assets by TKCCP as a sale of our 50% interest in the Kansas City Asset Pool in exchange for acquiring an additional 50% interest in the Houston Asset Pool. This transaction

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resulted in an increase of approximately 700,000 video subscribers. The estimated fair value of the 50% interest of the Houston Asset Pool we received was approximately \$1.1 billion and resulted in a pretax gain of approximately \$500 million, which is included in other income (expense). We recorded our 50% interest in the Houston Asset Pool as a step acquisition in accordance with SFAS No. 141, "Business Combinations." The valuation of assets acquired and the estimated gain are based on preliminary valuations. Refinements may occur as these valuations are finalized. The results of operations for the Houston Asset Pool have been included in our consolidated financial statements since the date of the distribution of assets by TKCCP (January 1, 2007) and are reported in our Cable segment (effective August 1, 2006). The exchange of our 50% interest in the Kansas City Asset Pool for TWC's 50% interest in the Houston Asset Pool is considered a noncash investing activity.

Adelphia and Time Warner Transactions

In July 2006, we completed transactions with Adelphia and Time Warner that resulted in a net increase of approximately 1.7 million video subscribers, a net cash payment by us of approximately \$1.5 billion, the disposition of our ownership interests in TWC and Time Warner Entertainment ("TWE") and the assets of two cable system partnerships, and the transfer of our previously owned cable systems in Los Angeles, Cleveland and Dallas ("Comcast Exchange Systems"). We collectively refer to these transactions as the "Adelphia and Time Warner transactions."

The operating results of the Comcast Exchange Systems transferred to TWC are reported as discontinued operations and are presented in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." As a result of the exchange, we recognized a gain on the sale of discontinued operations of \$234 million, net of tax of \$563 million. The table below presents the operating results of the Comcast Exchange Systems for the three and nine months ended September 30, 2006:

(in millions)	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2006
Revenues	\$ 109	\$ 734
Income before income taxes	\$ 23	\$ 121
Income tax expense	\$ 9	\$ 18
Income from discontinued operations	\$ 14	\$ 103

Unaudited Pro Forma Information

The following unaudited pro forma information has been presented as if the Adelphia and Time Warner transactions and the TKCCP transaction each occurred on January 1, 2006. This information is based on historical results of operations, adjusted for purchase price allocations, and is not necessarily indicative of what the results would have been had we operated the cable systems since January 1, 2006.

(in millions, except per share data)	Three Months Ended September 30, 2006	Nine Months Ended September 30, 2006
Revenues	\$ 6,898	\$ 20,259
Income from continuing operations	\$ 959	\$ 1,817
Income from discontinued operations, net of tax	\$ 14	\$ 103
Gain on discontinued operations, net of tax	\$ 234	\$ 234
Net income	\$ 1,207	\$ 2,154
Basic EPS	\$ 0.38	\$ 0.68
Diluted EPS	\$ 0.38	\$ 0.68

Other Acquisitions

In August 2007, we acquired the cable system of Patriot Media serving approximately 81,000 video subscribers in central New Jersey. In June 2007, we acquired Rainbow Media Holdings LLC's 60% interest in Bay Area SportsNet and its 50% interest in Sports Channel New England, expanding our regional sports networks. The completion of this transaction resulted in our 100% ownership in Sports Channel New England and 60% ownership in Bay Area SportsNet. The results of operations of Patriot Media, Bay Area SportsNet and Sports Channel New England have

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been included in our consolidated financial statements since their acquisition dates and are reported in our Cable segment. In April 2007, we acquired Fandango, an online entertainment site and movie-ticket service. The results of operations of Fandango have been included in our consolidated financial statements since the acquisition date and are reported in Corporate and Other. None of these acquisitions were material to our consolidated financial statements for the three and nine months ended September 30, 2007.

Note 5: Investments

(in millions)	September 30, 2007	December 31, 2006
Fair value method		
Cablevision Systems Corporation	\$ 179	\$ 146
Discovery Holding Company	289	161
Embarq Corporation	6	69
GSI Commerce	—	48
Liberty Capital	624	490
Liberty Global	612	439
Liberty Interactive	480	539
Sprint Nextel	38	493
Time Warner Inc.	—	1,052
Vodafone	—	61
Other	7	15
	<u>2,235</u>	<u>3,513</u>
Equity method, primarily cable-related and SpectrumCo, LLC	2,375	5,394
Cost method, primarily AirTouch	<u>1,678</u>	<u>1,675</u>
Total investments	6,288	10,582
Less: current investments	<u>65</u>	<u>1,735</u>
Noncurrent investments	<u>\$ 6,223</u>	<u>\$ 8,847</u>

The cost, fair value and unrealized gains related to our available-for-sale securities are presented in the table below. The decreases from December 31, 2006 to September 30, 2007 are primarily the result of the sale of all of the remaining shares in Time Warner Inc. held by us during the nine months ended September 30, 2007.

(in millions)	September 30, 2007	December 31, 2006
Cost	\$ 49	\$ 936
Unrealized gains	<u>33</u>	<u>254</u>
Fair value	<u>\$ 82</u>	<u>\$ 1,190</u>

Texas and Kansas City Cable Partnership

We accounted for our interest in TKCCP, totaling approximately \$3.0 billion, as an equity method investment through January 1, 2007, the date the Houston Asset Pool was distributed to us (see Note 4).

Insight Midwest Partnership

In April 2007, we and Insight Communications ("Insight") agreed to divide the assets and liabilities of Insight Midwest, LP ("Insight Midwest"), a 50%-50% cable system partnership with Insight. Under the terms of the agreement, we will receive cable systems serving approximately 690,000 video subscribers in Illinois and Indiana, together with approximately \$1.34 billion of debt allocated to those cable systems ("Comcast Asset Pool"). Insight will receive cable systems serving approximately 650,000 video subscribers, together with approximately \$1.26 billion of debt allocated to those cable systems ("Insight Asset Pool"). We will continue to account for our interest in Insight Midwest as an equity method investment until the Comcast Asset Pool is distributed to us. Closing of

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the transaction is subject to customary government and other approvals and is expected on or about January 1, 2008. The debt allocated to us will be repaid upon closing of the transaction. Effective April 1, 2007, we are reporting our share of the earnings and losses of Insight Midwest based solely on the operating results of the Comcast Asset Pool.

Investment Income (Loss), Net

The table below presents the components of investment income (loss), net:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Interest and dividend income	\$ 35	\$ 55	\$ 126	\$ 136
Gains on sales and exchanges of investments, net	49	745	148	753
Investment impairment losses	(1)	—	(4)	—
Unrealized gains (losses) on trading securities and hedged items	1	81	493	82
Mark to market adjustments on derivatives related to trading securities and hedged items	76	(22)	(343)	(46)
Mark to market adjustments on derivatives	(2)	(2)	38	10
Investment income (loss), net	\$ 158	\$ 857	\$ 458	\$ 935

Note 6: Goodwill

The changes in the carrying amount of goodwill by business segment for the nine months ended September 30, 2007 are presented in the table below:

(in millions)	Cable	Programming	Corporate and Other	Total
Balance, December 31, 2006	\$ 12,010	\$ 1,441	\$ 317	\$ 13,768
Settlements or adjustments	185	(8)	(79)	98
Acquisitions	528	—	155	683
Balance, September 30, 2007	\$ 12,723	\$ 1,433	\$ 393	\$ 14,549

Settlements or adjustments are primarily a result of valuation refinements related to the Adelphia and Time Warner transactions and the adoption of FIN 48. Acquisitions are primarily related to the acquisition of the Houston Asset Pool, Patriot Media and various smaller acquisitions.

Note 7: Long-Term Debt**Borrowings**

During the nine months ended September 30, 2007, we issued approximately \$3.6 billion principal amount of debt. In August 2007, we issued \$3.0 billion of notes consisting of \$1.0 billion principal amount of 6.30% notes due 2017 and \$2.0 billion principal amount of 6.95% notes due 2037. We used the net proceeds of these offerings for working capital and general corporate purposes, including the repayment of commercial paper obligations. In May 2007, we issued \$575 million principal amount of 6.625% notes due 2056. We used the net proceeds of this offering for the repayment of certain debt obligations, working capital and general corporate purposes.

Redemptions and Repayments

During the nine months ended September 30, 2007, we redeemed or repaid approximately \$1.5 billion principal amount of our debt. In February 2007, we redeemed \$186 million principal amount of 8.15% notes due 2032. In March 2007, we redeemed \$268 million principal amount of 9.65% debt supporting trust preferred securities due 2027. In April 2007, we repaid a \$185 million term loan due 2008. In May 2007, we repaid all \$600 million

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principal amount of 8.375% notes at maturity. During the nine months ended September 30, 2007, we also repaid approximately \$200 million of amounts outstanding under our commercial paper program. These redemptions and repayments were funded with available cash and with the proceeds from the May 2007 notes offering.

Note 8: Stockholders' Equity

Share-Based Compensation

Effective January 1, 2006, we adopted SFAS No. 123R, "Share-Based Payment" ("SFAS No. 123R"), which requires the cost of all share-based payments to employees to be recognized in the financial statements based on their fair values at grant date, or the date of later modification, over the requisite service period.

In connection with the Stock Split, all outstanding share-based awards were modified as required under the terms of our equity plans. This modification did not change the fair value of outstanding awards. Prior to this modification, compensation costs related to awards granted before the adoption of SFAS No. 123R were recognized under an accelerated recognition method. As a result of the Stock Split modification, the remaining unrecognized compensation costs related to all awards are recognized on a straight-line basis over the remaining requisite service period. The impact of this change was not material to our consolidated financial statements.

In March 2007, 12.5 million stock options and 4.9 million restricted share units ("RSUs") were granted related to our annual management grant program. The fair values associated with these grants were \$9.47 per stock option and \$25.44 per RSU.

Compensation expense recognized related to stock options and RSU awards is summarized in the table below:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Stock options	\$ 23	\$ 31	\$ 67	\$ 98
Restricted share units	21	18	55	47

As of September 30, 2007, there was \$279 million and \$271 million of unrecognized pretax compensation cost related to nonvested stock options and nonvested RSUs, respectively.

Effective with the March 2007 grant, we are granting net-settled stock options instead of stock options exercised with a cash payment. In net-settled stock options, an employee receives the number of shares equal to the number of options being exercised less the number of shares necessary to satisfy the cost to exercise the options and, if applicable, taxes due on exercise based on the fair value of the shares on the exercise date. Net-settled stock options will result in fewer shares issued into the market and no cash proceeds will be received by us upon exercise of options. In July 2007, we offered holders of non-qualified stock options the opportunity to convert their outstanding options to net-settled stock options. As of September 30, 2007, over half of our 177 million total outstanding stock options were designated net-settled stock options.

Comprehensive Income

Our total comprehensive income for the three and nine months ended September 30, 2007 and 2006 is presented in the table below:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Net income	\$ 560	\$ 1,217	\$ 1,985	\$ 2,143
Unrealized (losses) gains on marketable securities	—	40	(2)	12
Reclassification adjustments for losses (gains) included in net income	42	(39)	138	8
Cumulative translation adjustments	(1)	—	(9)	—
Comprehensive income	\$ 601	\$ 1,218	\$ 2,112	\$ 2,163

Note 9: Income Taxes

We adopted the provisions of FIN 48 on January 1, 2007. FIN 48 prescribes the recognition threshold and measurement attribute for the financial statement recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. As a result of this adoption, we recognized a \$35 million decrease in our reserves for uncertain tax positions, a \$25 million increase in goodwill, a \$60 million increase in retained earnings and a reclassification of approximately \$960 million between deferred income taxes and other noncurrent liabilities to conform with the balance sheet presentation requirements of FIN 48. Our total uncertain tax positions as of January 1, 2007 were \$2.1 billion, excluding the federal benefits on state tax positions that have been recorded as deferred income taxes; this amount includes a \$500 million tax payment for which we are seeking a refund. If we were to recognize the tax benefit for such positions, approximately \$550 million would impact our effective tax rate.

We file a consolidated federal income tax return and income tax returns with various states. Our federal and state income tax return examinations, with limited exceptions, have been completed through 1999. The Internal Revenue Service ("IRS") and various states are currently conducting examinations of our income tax returns for the years 2000 through 2004. The IRS has proposed certain adjustments primarily related to certain financing transactions. We are currently disputing those proposed adjustments, but if the adjustments are sustained, such adjustments would not have a material impact on our effective tax rate. In addition, the statutes of limitations could expire for certain of our state tax returns over the next 12 months, which could result in favorable adjustments to our uncertain tax positions. Such adjustments are not expected to have a material impact on our effective tax rate.

We classify interest and penalties, if any, associated with our uncertain tax positions as a component of income tax expense. As of January 1, 2007, we had accrued approximately \$700 million of interest associated with our uncertain tax positions. For the three and nine months ended September 30, 2007, we recognized \$26 million and \$78 million, respectively, of interest, net of deferred tax benefit, within income tax expense.

Note 10: Statement of Cash Flows—Supplemental Information

As of December 31, 2006, we began presenting our cash overdrafts resulting from checks drawn on zero balance accounts ("book overdrafts") within accounts payable and accrued expenses related to trade creditors. Previously, these book overdrafts were included within cash and cash equivalents. Our financial statements reflect this revised presentation for 2006. Accordingly, the reported amounts of our cash and cash equivalents and accounts payable and accrued expenses related to trade creditors increased as of September 30, 2006 by \$337 million and net cash provided by operating activities for the nine months ended September 30, 2006 increased by \$83 million.

The table below presents the cash payments we made for interest and income taxes during the three and nine months ended September 30, 2007 and 2006:

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Interest	\$ 646	\$ 542	\$ 1,724	\$ 1,452
Income taxes	\$ 792	\$ 200	\$ 1,439	\$ 611

During the nine months ended September 30, 2007, we:

- exchanged our 50% interest in the Kansas City Asset Pool for TWC's 50% interest in the Houston Asset Pool, which is considered a noncash investing activity
- settled the remaining outstanding \$49 million face amount of exchangeable notes by delivering approximately 1.8 million of the 2.2 million underlying Vodafone ADRs to the counterparty, which is considered a noncash financing and investing activity
- entered into capital leases totaling \$46 million, which is considered a noncash investing and financing activity

Note 11: Commitments and Contingencies**Commitments**

Certain of our subsidiaries support debt compliance with respect to obligations of certain cable television partnerships and investments in which we hold an ownership interest (see Note 5). The obligations expire between May 2008 and March 2011. Although there can be no assurance, we believe that we will not be required to meet our obligations under such commitments. The total notional amount of our commitments was \$965 million as of September 30, 2007, at which time there were no quoted market prices for similar agreements.

Contingencies**At Home Cases**

Litigation has been filed against us as a result of our alleged conduct with respect to our investment in and distribution relationship with At Home Corporation. At Home was a provider of high-speed Internet services that filed for bankruptcy protection in September 2001. Filed actions are: (i) class action lawsuits against us, AT&T (the former controlling shareholder of At Home and also a former distributor of the At Home service) and others in the United States District Court for the Southern District of New York, alleging securities law violations and common law fraud in connection with disclosures made by At Home in 2001; and (ii) a lawsuit brought in the United States District Court for the District of Delaware in the name of At Home by certain At Home bondholders against us, Brian L. Roberts (our Chairman and Chief Executive Officer and a director), Cox (Cox is also an investor in At Home and a former distributor of the At Home service) and others, alleging breaches of fiduciary duty relating to March 2000 agreements (which, among other things, revised the distributor relationships), and seeking recovery of alleged short-swing profits under Section 16(b) of the Securities Exchange Act of 1934 (purported to have arisen in connection with certain transactions relating to At Home stock effected under the March 2000 agreements).

In the Southern District of New York actions (item (i) above), the court dismissed all claims. The plaintiffs appealed this decision, and the Court of Appeals for the Second Circuit denied the plaintiffs' appeal and a subsequent petition for rehearing. Plaintiffs are seeking a further appeal to the U.S. Supreme Court against AT&T and its directors, but not us. The Delaware case (item (ii) above) was transferred to the United States District Court for the Southern District of New York. The court dismissed the Section 16(b) claims, and the breach of fiduciary duty claim for lack of federal jurisdiction. The Court of Appeals for the Second Circuit denied the plaintiffs' appeal from the decision dismissing the Section 16(b) claims, and the U.S. Supreme Court denied the plaintiffs' petition for a further appeal. The plaintiffs recommenced the breach of fiduciary duty claim in Delaware Chancery Court. In October 2007, the parties reached an agreement in principal to settle the litigation in exchange for a payment of \$40 million from each of Comcast and Cox. The settlement is subject to Bankruptcy Court approval. As a result, we recorded this \$40 million to selling, general and administrative expenses in our results of operations for the three and nine months ended September 30, 2007.

Under the terms of our 2002 acquisition of AT&T Corp.'s cable business, we are contractually liable for 50% of any liabilities of AT&T in the action described in item (i) above (in which we are also a defendant).

We deny any wrongdoing in connection with the claims that have been made directly against us, our subsidiaries and Brian L. Roberts, and are defending all of these claims vigorously. The final disposition of these claims is not expected to have a material effect on our consolidated financial position, but could possibly be material to our consolidated results of operations of any one period. Further, no assurance can be given that any adverse outcome would not be material to our consolidated financial position.

Patent Litigation

We are a defendant in several unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and also in certain of these cases we expect that any potential liability would be in part or in whole the responsibility of our equipment vendors pursuant to applicable contractual indemnification provisions. To the extent that the

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allegations in these lawsuits can be analyzed by us at this stage of their proceedings, we believe the claims are without merit and intend to defend the actions vigorously. The final disposition of these claims is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations of any one period. Further, no assurance can be given that any adverse outcome would not be material to our consolidated financial position.

Antitrust Cases

We are defendants in two purported class actions originally filed in the United States District Courts for the District of Massachusetts and the Eastern District of Pennsylvania, respectively. The potential class in the Massachusetts case is our subscriber base in the “Boston Cluster” area, and the potential class in the Pennsylvania case is our subscriber base in the “Philadelphia and Chicago Clusters,” as those terms are defined in the complaints. In each case, the plaintiffs allege that certain subscriber exchange transactions with other cable providers resulted in unlawful “horizontal market restraints” in those areas and seek damages pursuant to antitrust statutes, including treble damages.

Our motion to dismiss the Pennsylvania case on the pleadings was denied and classes of “Philadelphia Cluster” and “Chicago Cluster” subscribers were certified. Our motion to dismiss the Massachusetts case, which was recently transferred to the Eastern District of Pennsylvania, was also denied.

We believe the claims in these actions are without merit and are defending the actions vigorously. The final disposition of these claims is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations of any one period. Further, no assurance can be given that any adverse outcome would not be material to our consolidated financial position.

Other

We are subject to other legal proceedings and claims that arise in the ordinary course of our business. The amount of ultimate liability with respect to such actions is not expected to materially affect our financial position, results of operations or liquidity.

Note 12: Financial Data by Business Segment

Our reportable segments consist of our Cable and Programming businesses. In evaluating the profitability of our segments, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management. Assets are not allocated to segments for management reporting. Our financial data by business segment is as follows:

(in millions)	Cable(a)(b)(c)	Programming(d)	Corporate and Other(e)(f)	Eliminations(f)(g)	Total
Three months ended September 30, 2007					
Revenues(h)	\$ 7,400	\$ 330	\$ 96	\$ (45)	\$ 7,781
Operating income (loss) before depreciation and amortization(i)	2,975	97	(97)	(46)	2,929
Depreciation and amortization	1,473	46	27	(8)	1,538
Operating income (loss)	1,502	51	(124)	(38)	1,391
Capital Expenditures	1,492	8	26	—	1,526
Three months ended September 30, 2006					
Revenues(h)	\$ 6,298	\$ 259	\$ 59	\$ (184)	\$ 6,432
Operating income (loss) before depreciation and amortization(i)	2,498	87	(94)	(54)	2,437
Depreciation and amortization	1,157	41	18	(3)	1,213
Operating income (loss)	1,341	46	(112)	(51)	1,224
Capital Expenditures	1,173	5	34	(15)	1,197
Nine months ended September 30, 2007					
Revenues(h)	\$ 21,728	\$ 966	\$ 354	\$ (167)	\$ 22,881
Operating income (loss) before depreciation and amortization(i)	8,799	237	(284)	(48)	8,704
Depreciation and amortization	4,384	139	79	(18)	4,584
Operating income (loss)	4,415	98	(363)	(30)	4,120
Capital Expenditures	4,521	22	41	—	4,584
Nine months ended September 30, 2006					
Revenues(h)	\$ 17,166	\$ 771	\$ 261	\$ (263)	\$ 17,935
Operating income (loss) before depreciation and amortization(i)	6,930	196	(222)	(56)	6,848
Depreciation and amortization	3,269	123	67	(12)	3,447
Operating income (loss)	3,661	73	(289)	(44)	3,401
Capital Expenditures	2,913	18	49	71	3,051

(a) For the three and nine months ended September 30, 2007 and 2006, Cable segment revenues were derived from the following services:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Video	59.4%	62.6%	60.9%	63.2%
High-speed Internet	21.9	20.9	21.8	20.4
Phone	6.4	3.9	5.7	3.5
Advertising	5.5	5.8	5.1	5.8
Other	6.8	6.8	6.5	7.1
Total	100%	100%	100%	100%

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QUARTER ENDED SEPTEMBER 30, 2007

- (b) Our regional sports and news networks (Comcast SportsNet, Comcast SportsNet Mid-Atlantic, Comcast SportsNet Chicago, Comcast SportsNet West, Cable Sports Southeast, MountainWest Sports Network, CN8-The Comcast Network, Sports Channel New England and Bay Area SportsNet) are included in our Cable segment. To be consistent with our management reporting presentation, beginning August 1, 2006, the Cable segment also included the operating results of the Houston Asset Pool (see Note 4). The operating results of the Houston Asset Pool are reversed in the Elimination column for the three and nine months ended September 30, 2006 to reconcile to our consolidated financial statements.
- (c) The 2006 Cable segment and Corporate and Other amounts have been adjusted for segment reclassifications to be consistent with our 2007 management reporting presentation. The adjustments resulted in the reclassification of revenue for the three and nine months ended September 30, 2006 of \$14 million and \$39 million, respectively, and the reclassification of operating income (loss) before depreciation and amortization of \$9 million and \$25 million, respectively, from our Cable segment to Corporate and Other.
- (d) The Programming segment includes our consolidated national programming networks (E!, Style, The Golf Channel, VERSUS, G4 and AZN Television) and other entertainment-related businesses.
- (e) Corporate and Other includes Comcast Spectacor, Comcast Interactive Media, a portion of operating results of our less than wholly owned technology development ventures (see “(f)” below), corporate activities and all other businesses not presented in our Cable or Programming segments.
- (f) We consolidate our less than wholly owned technology development ventures, which we control or of which we are considered the primary beneficiary. These ventures are with various corporate partners, such as Motorola and Gemstar. The ventures have been created to share the costs of development of new technologies for set-top boxes and other devices. The results of these entities are included within Corporate and Other. Cost allocations are made to the Cable segment based on our percentage ownership in each entity. The remaining net costs related to the minority corporate partners are included in Corporate and Other.
- (g) Included in the Eliminations column are intersegment transactions that our segments enter into with one another. The most common types of transactions are the following:
- our Programming segment generates revenue by selling cable network programming to our Cable segment, which represents a substantial majority of the revenue elimination amount
 - our Cable segment receives incentives offered by our Programming segment when negotiating programming contracts that are recorded as a reduction of programming expenses
 - our Cable segment generates revenue by selling the use of satellite feeds to our Programming segment
- (h) Non-U.S. revenues were not significant in any period. No single customer accounted for a significant amount of our revenue in any period.
- (i) To measure the performance of our operating segments, we use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets, and gains or losses from the sale of assets, if any. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance, the operating performance of our operating segments, and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. This measure should not be considered a substitute for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with GAAP.

Note 13: Condensed Consolidating Financial Information

Comcast Corporation and five of our cable holding company subsidiaries, Comcast Cable Communications, LLC ("CCCL"), Comcast Cable Communications Holdings, Inc. ("CCCH"), Comcast MO Group, Inc. ("Comcast MO Group"), Comcast Cable Holdings, LLC ("CCH"), and Comcast MO of Delaware, LLC ("Comcast MO of Delaware"), fully and unconditionally guarantee each other's debt securities. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the "Combined CCHMO Parents."

Comcast Corporation unconditionally guarantees Comcast Holdings' ZONES due October 2029 and its 10⁵/₈% Senior Subordinated Debentures due 2012, both of which were issued by Comcast Holdings. Accordingly, we have included Comcast Holdings' condensed consolidated information for all periods presented. Our condensed consolidating financial information is presented below:

Comcast Corporation
Condensed Consolidating Balance Sheet
September 30, 2007

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
ASSETS								
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,949	\$ —	\$ 2,949
Investments	—	—	—	—	—	65	—	65
Accounts receivable, net	—	—	—	—	—	1,598	—	1,598
Other current assets	14	1	—	—	—	770	—	785
Total current assets	14	1	—	—	—	5,382	—	5,397
Investments	—	—	—	—	—	6,223	—	6,223
Investments in and amounts due from subsidiaries eliminated upon consolidation	68,125	31,992	39,289	42,375	25,359	1,971	(209,111)	—
Property and equipment, net	119	—	1	—	—	23,093	—	23,213
Franchise rights	—	—	—	—	—	58,080	—	58,080
Goodwill	—	—	—	—	—	14,549	—	14,549
Other intangible assets, net	—	—	—	—	—	5,092	—	5,092
Other noncurrent assets, net	246	12	18	—	30	311	—	617
Total assets	\$ 68,504	\$ 32,005	\$ 39,308	\$ 42,375	\$ 25,389	\$ 114,701	\$ (209,111)	\$ 113,171
LIABILITIES AND STOCKHOLDERS' EQUITY								
Accounts payable and accrued expenses related to trade creditors	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ 3,013	\$ —	\$ 3,014
Accrued expenses and other current liabilities	595	233	50	42	75	1,931	—	2,926
Deferred income taxes	—	—	—	—	—	—	—	—
Current portion of long-term debt	—	348	—	325	—	91	—	764
Total current liabilities	596	581	50	367	75	5,035	—	6,704
Long-term debt, less current portion	18,775	4,072	3,498	2,719	985	291	—	30,340
Deferred income taxes	6,176	—	—	—	936	19,458	—	26,570
Other noncurrent liabilities	1,069	22	—	—	116	6,197	—	7,404
Minority interest	—	—	—	—	—	265	—	265
Stockholders' Equity								
Common stock	35	—	—	—	—	—	—	35
Other stockholders' equity	41,853	27,330	35,760	39,289	23,277	83,455	(209,111)	41,853
Total stockholders' equity	41,888	27,330	35,760	39,289	23,277	83,455	(209,111)	41,888
Total liabilities and stockholders' equity	\$ 68,504	\$ 32,005	\$ 39,308	\$ 42,375	\$ 25,389	\$ 114,701	\$ (209,111)	\$ 113,171

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COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007

Comcast Corporation
Condensed Consolidating Balance Sheet
December 31, 2006

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
ASSETS								
Cash and cash equivalents	\$ 77	\$ —	\$ —	\$ —	\$ —	\$ 1,162	\$ —	\$ 1,239
Investments	—	—	—	—	—	1,735	—	1,735
Accounts receivable, net	—	—	—	—	—	1,450	—	1,450
Other current assets	15	1	—	—	—	762	—	778
Total current assets	92	1	—	—	—	5,109	—	5,202
Investments	—	—	—	—	—	8,847	—	8,847
Investments in and amounts due from subsidiaries eliminated upon consolidation	62,622	31,152	37,757	41,151	24,250	1,629	(198,561)	—
Property and equipment, net	17	—	1	—	—	21,230	—	21,248
Franchise rights	—	—	—	—	—	55,927	—	55,927
Goodwill	—	—	—	—	—	13,768	—	13,768
Other intangible assets, net	—	—	—	—	—	4,881	—	4,881
Other noncurrent assets, net	176	16	20	—	31	289	—	532
Total assets	\$ 62,907	\$ 31,169	\$ 37,778	\$ 41,151	\$ 24,281	\$ 111,680	\$ (198,561)	\$ 110,405
LIABILITIES AND STOCKHOLDERS' EQUITY								
Accounts payable and accrued expenses related to trade creditors	\$ 11	\$ —	\$ —	\$ —	\$ —	\$ 2,851	\$ —	\$ 2,862
Accrued expenses and other current liabilities	616	247	83	106	69	1,911	—	3,032
Deferred income taxes	—	—	—	—	—	563	—	563
Current portion of long-term debt	—	600	—	242	—	141	—	983
Total current liabilities	627	847	83	348	69	5,466	—	7,440
Long term-debt, less current portion	15,358	4,397	3,498	3,046	949	744	—	27,992
Deferred income taxes	4,638	—	—	—	887	21,564	—	27,089
Other noncurrent liabilities	1,117	46	—	—	76	5,237	—	6,476
Minority interest	—	—	—	—	—	241	—	241
Stockholders' Equity								
Common stock	35	—	—	—	—	—	—	35
Other stockholders' equity	41,132	25,879	34,197	37,757	22,300	78,428	(198,561)	41,132
Total stockholders' equity	41,167	25,879	34,197	37,757	22,300	78,428	(198,561)	41,167
Total liabilities and stockholders' equity	\$ 62,907	\$ 31,169	\$ 37,778	\$ 41,151	\$ 24,281	\$ 111,680	\$ (198,561)	\$ 110,405

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Three Months Ended September 30, 2007

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 7,781	\$ —	\$ 7,781
Management fee revenue	159	55	85	85	—	—	(384)	—
	159	55	85	85	—	7,781	(384)	7,781
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	2,759	—	2,759
Selling, general and administrative	67	55	85	85	4	2,181	(384)	2,093
Depreciation	—	—	—	—	—	1,291	—	1,291
Amortization	—	—	—	—	—	247	—	247
	67	55	85	85	4	6,478	(384)	6,390
Operating income (loss)	92	—	—	—	(4)	1,303	—	1,391
Other Income (Expense)								
Interest expense	(284)	(87)	(80)	(56)	(24)	(40)	—	(571)
Investment income (loss), net	5	—	—	—	33	120	—	158
Equity in net (losses) income of affiliates, net	682	406	420	456	388	(50)	(2,314)	(12)
Other income (expense)	(1)	—	—	—	—	—	—	(1)
	402	319	340	400	397	30	(2,314)	(426)
Income (loss) from continuing operations before income taxes and minority interest	494	319	340	400	393	1,333	(2,314)	965
Income tax (expense) benefit	66	31	28	20	(2)	(564)	—	(421)
Income (loss) from continuing operations before minority interest	560	350	368	420	391	769	(2,314)	544
Minority interest	—	—	—	—	—	16	—	16
Net Income (loss)	\$ 560	\$ 350	\$ 368	\$ 420	\$ 391	\$ 785	\$ (2,314)	\$ 560

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COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Three Months Ended September 30, 2006

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 6,432	\$ —	\$ 6,432
Management fee revenue	137	49	74	74	2	—	(336)	—
	137	49	74	74	2	6,432	(336)	6,432
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	2,274	—	2,274
Selling, general and administrative	64	49	74	74	5	1,791	(336)	1,721
Depreciation	1	—	—	—	—	962	—	963
Amortization	—	—	—	—	—	250	—	250
	65	49	74	74	5	5,277	(336)	5,208
Operating income (loss)	72	—	—	—	(3)	1,155	—	1,224
Other Income (Expense)								
Interest expense	(210)	(96)	(80)	(62)	(26)	(56)	—	(530)
Investment income (loss), net	—	—	—	—	49	808	—	857
Equity in net (losses) income of affiliates, net	1,307	376	736	777	337	(83)	(3,515)	(65)
Other income (expense)	—	—	—	—	—	96	—	96
	1,097	280	656	715	360	765	(3,515)	358
Income (loss) from continuing operations before income taxes and minority interest	1,169	280	656	715	357	1,920	(3,515)	1,582
Income tax (expense) benefit	48	39	29	21	(7)	(740)	—	(610)
Income (loss) from continuing operations before minority interest	1,217	319	685	736	350	1,180	(3,515)	972
Minority interest	—	—	—	—	—	(3)	—	(3)
Income from continuing operations	1,217	319	685	736	350	1,177	(3,515)	969
Income from discontinued operations, net of tax	—	—	—	—	—	14	—	14
Gain on discontinued operations, net of tax	—	—	—	—	—	234	—	234
Net Income (loss)	\$ 1,217	\$ 319	\$ 685	\$ 736	\$ 350	\$ 1,425	\$ (3,515)	\$ 1,217

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COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Nine Months Ended September 30, 2007

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 22,881	\$ —	\$ 22,881
Management fee revenue	467	160	248	248	—	—	(1,123)	—
	467	160	248	248	—	22,881	(1,123)	22,881
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	8,272	—	8,272
Selling, general and administrative	212	160	248	248	13	6,147	(1,123)	5,905
Depreciation	3	—	—	—	—	3,765	—	3,768
Amortization	—	—	—	—	—	816	—	816
	215	160	248	248	13	19,000	(1,123)	18,761
Operating income (loss)	252	—	—	—	(13)	3,881	—	4,120
Other Income (Expense)								
Interest expense	(795)	(276)	(241)	(178)	(71)	(128)	—	(1,689)
Investment income (loss), net	7	—	5	—	(14)	460	—	458
Equity in net (losses) income of affiliates, net	2,333	1,261	1,631	1,747	1,137	(103)	(8,055)	(49)
Other income (expense)	1	—	—	—	—	512	—	513
	1,546	985	1,395	1,569	1,052	741	(8,055)	(767)
Income (loss) from continuing operations before income taxes and minority interest	1,798	985	1,395	1,569	1,039	4,622	(8,055)	3,353
Income tax (expense) benefit	187	98	84	62	34	(1,865)	—	(1,400)
Income (loss) from continuing operations before minority interest	1,985	1,083	1,479	1,631	1,073	2,757	(8,055)	1,953
Minority interest	—	—	—	—	—	32	—	32
Net Income (loss)	\$ 1,985	\$ 1,083	\$ 1,479	\$ 1,631	\$ 1,073	\$ 2,789	\$ (8,055)	\$ 1,985

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Nine Months Ended September 30, 2006

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenues								
Service revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 17,935	\$ —	\$ 17,935
Management fee revenue	383	142	224	224	6	—	(979)	—
	383	142	224	224	6	17,935	(979)	17,935
Costs and Expenses								
Operating (excluding depreciation)	—	—	—	—	—	6,477	—	6,477
Selling, general and administrative	189	142	224	224	12	4,798	(979)	4,610
Depreciation	6	—	—	—	2	2,740	—	2,748
Amortization	—	—	—	—	4	695	—	699
	195	142	224	224	18	14,710	(979)	14,534
Operating income (loss)	188	—	—	—	(12)	3,225	—	3,401
Other Income (Expense)								
Interest expense	(532)	(303)	(244)	(198)	(72)	(153)	—	(1,502)
Investment income (loss), net	—	—	—	—	74	861	—	935
Equity in net (losses) income of affiliates, net	2,367	1,159	1,470	1,599	967	(86)	(7,562)	(86)
Other income (expense)	—	—	—	—	—	194	—	194
	1,835	856	1,226	1,401	969	816	(7,562)	(459)
Income (loss) from continuing operations before income taxes and minority interest	2,023	856	1,226	1,401	957	4,041	(7,562)	2,942
Income tax (expense) benefit	120	111	86	69	4	(1,516)	—	(1,126)
Income (loss) from continuing operations before minority interest	2,143	967	1,312	1,470	961	2,525	(7,562)	1,816
Minority interest	—	—	—	—	—	(10)	—	(10)
Income from continuing operations	2,143	967	1,312	1,470	961	2,515	(7,562)	1,806
Income from discontinued operations, net of tax	—	—	—	—	—	103	—	103
Gain on discontinued operations, net of tax	—	—	—	—	—	234	—	234
Net Income (loss)	\$ 2,143	\$ 967	\$ 1,312	\$ 1,470	\$ 961	\$ 2,852	\$ (7,562)	\$ 2,143

COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007Comcast Corporation
Condensed Consolidating Statement of Cash Flows
For the Nine Months Ended September 30, 2007

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Operating Activities								
Net cash provided by (used in) operating activities	\$ (430)	\$ (211)	\$ (172)	\$ (198)	\$ 6	\$ 7,113	\$ —	\$ 6,108
Financing Activities								
Proceeds from borrowings	3,595	—	—	—	—	15	—	3,610
Retirements and repayments of debt	(200)	(600)	—	(226)	—	(503)	—	(1,529)
Repurchases of common stock	(1,852)	—	—	—	—	—	—	(1,852)
Issuances of common stock	404	—	—	—	—	—	—	404
Other	6	—	—	(8)	—	53	—	51
Net cash provided by (used in) financing activities	1,953	(600)	—	(234)	—	(435)	—	684
Investing Activities								
Net transactions with affiliates	(1,572)	811	172	432	(6)	163	—	—
Capital expenditures	(28)	—	—	—	—	(4,556)	—	(4,584)
Cash paid for intangible assets	—	—	—	—	—	(313)	—	(313)
Acquisitions, net of cash acquired	—	—	—	—	—	(1,277)	—	(1,277)
Proceeds from sales of investments	—	—	—	—	—	1,123	—	1,123
Purchases of investments	—	—	—	—	—	(129)	—	(129)
Proceeds from sales (purchases) of short-term investments, net	—	—	—	—	—	52	—	52
Other	—	—	—	—	—	46	—	46
Net cash provided by (used in) investing activities	(1,600)	811	172	432	(6)	(4,891)	—	(5,082)
Increase (decrease) in cash and cash equivalents	(77)	—	—	—	—	1,787	—	1,710
Cash and cash equivalents, beginning of period	77	—	—	—	—	1,162	—	1,239
Cash and cash equivalents, end of period	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,949	\$ —	\$ 2,949

Comcast Corporation
Condensed Consolidating Statement of Cash Flows
For the Nine Months Ended September 30, 2006

(in millions)	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Operating Activities								
Net cash provided by (used in) operating activities	\$ 95	\$ (168)	\$ (196)	\$ (234)	\$ 47	\$ 5,671	\$ —	\$ 5,215
Financing Activities								
Proceeds from borrowings	5,960	—	—	—	—	10	—	5,970
Retirements and repayments of debt	(550)	(619)	—	(988)	(27)	(38)	—	(2,222)
Repurchases of common stock	(1,882)	—	—	—	—	—	—	(1,882)
Issuances of common stock	133	—	—	—	—	—	—	133
Other	7	—	—	—	—	—	—	7
Net cash provided by (used in) financing activities	3,668	(619)	—	(988)	(27)	(28)	—	2,006
Investing Activities								
Net transactions with affiliates	(3,800)	787	196	1,222	(9)	1,604	—	—
Capital expenditures	(5)	—	—	—	—	(3,046)	—	(3,051)
Cash paid for intangible assets	—	—	—	—	—	(227)	—	(227)
Acquisitions, net of cash acquired	—	—	—	—	—	(3,839)	—	(3,839)
Proceeds from sales of investments	47	—	—	—	10	2,462	—	2,519
Purchases of investments	—	—	—	—	—	(471)	—	(471)
Proceeds from sales (purchases) of short-term investments, net	—	—	—	—	—	15	—	15
Other	—	—	—	—	—	(3)	—	(3)
Net cash provided by (used in) investing activities	(3,758)	787	196	1,222	1	(3,505)	—	(5,057)
Increase (decrease) in cash and cash equivalents	5	—	—	—	21	2,138	—	2,164
Cash and cash equivalents, beginning of period	—	—	—	—	—	947	—	947
Cash and cash equivalents, end of period	\$ 5	\$ —	\$ —	\$ —	\$ 21	\$ 3,085	\$ —	\$ 3,111

ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**Overview**

We are the largest cable operator in the United States and offer a variety of consumer entertainment and communications products and services. As of September 30, 2007, our cable systems served approximately 24.2 million video subscribers, 12.9 million high-speed Internet subscribers and 4.1 million phone subscribers and passed approximately 48.3 million homes in 39 states and the District of Columbia. We classify our operations in two reportable segments: Cable and Programming. Our Cable segment manages and operates our cable systems, including video, high-speed Internet and phone services ("cable services"). The majority of our Cable segment revenue is earned from monthly subscriptions for these cable services. Other revenue sources include advertising and the operation of our regional sports and news networks. The Cable segment generates approximately 95% of our consolidated revenues. Our Programming segment consists of our six national programming networks, E!, Style, The Golf Channel, VERSUS, G4, and AZN Television, and other entertainment-related businesses. Revenue from our Programming segment is earned primarily from advertising revenues and from monthly per subscriber license fees paid by cable and satellite distributors.

The comparability of our results of operations for the three and nine months ended September 30, 2007 is impacted by the dissolution of the Texas and Kansas City Cable Partnership ("TKCCP") in January 2007 and the Adelphia and Time Warner transactions in July 2006. The TKCCP dissolution resulted in the acquisition of a cable system serving approximately 700,000 video subscribers in Houston, Texas and a significant nonoperating gain recognized in connection with the divestiture of our portion of the partnership's investment in cable systems serving Kansas City, south and west Texas, and New Mexico. The Adelphia and Time Warner transactions resulted in the acquisition of cable systems serving approximately 2.8 million video subscribers, significant nonoperating gains and the disposition of our previously owned cable systems located in Los Angeles, Cleveland and Dallas, which are presented as discontinued operations in 2006. Other highlights and business developments for the nine months ended September 30, 2007 include the following:

- consolidated revenue growth of 27.6% and consolidated operating income growth of 21.1%, both driven by results in our Cable segment
- Cable segment revenue growth of 26.6% and growth in operating income before depreciation and amortization of 27.0%, both driven by growth from acquisitions, as well as growth in revenue generating units ("RGUs") and the success of our triple play offering
- repurchase of approximately 70 million shares of our Class A Special common stock pursuant to our Board-authorized share repurchase program for approximately \$1.85 billion; in October 2007 the Board of Directors authorized a \$7 billion addition to the existing share repurchase program
- acquisitions of (i) Fandango, an online entertainment site and movie-ticket service, which closed in April 2007, (ii) Rainbow Media Holdings LLC's 60% interest in Bay Area SportsNet and its 50% interest in Sports Channel New England, expanding our regional sports networks, which closed in June 2007, (iii) the cable system of Patriot Media serving subscribers in central New Jersey, which closed in August 2007 (refer to Note 4 to our consolidated financial statements for information about acquisitions and other significant events)
- agreement to divide the assets and liabilities of the Insight Midwest partnership that, upon closing of the transaction, will result in our 100% ownership of cable systems serving subscribers in Illinois and Indiana; this transaction is subject to closing conditions, including government and other approvals, and is expected to close on or about January 1, 2008

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QUARTER ENDED SEPTEMBER 30, 2007

The discussion below provides further details of these highlights and insights into our consolidated financial statements.

Consolidated Operating Results

	Three Months Ended September 30,		Increase / (Decrease)	Nine Months Ended September 30,		Increase / (Decrease)
(in millions)	2007	2006		2007	2006	
Revenues	\$ 7,781	\$ 6,432	21.0%	\$ 22,881	\$ 17,935	27.6%
Costs and expenses						
Operating, selling, general and administrative (excluding depreciation)	4,852	3,995	21.4	14,177	11,087	27.9
Depreciation	1,291	963	34.0	3,768	2,748	37.1
Amortization	247	250	(0.6)	816	699	16.8
Operating income	1,391	1,224	13.6	4,120	3,401	21.1
Other income (expense) items, net	(426)	358	n/m	(767)	(459)	67.3
Income from continuing operations before income taxes and minority interest	965	1,582	(39.0)	3,353	2,942	14.0
Income tax expense	(421)	(610)	(30.9)	(1,400)	(1,126)	24.4
Income from continuing operations before minority interest	544	972	(44.1)	1,953	1,816	7.5
Minority interest	16	(3)	n/m	32	(10)	n/m
Income from continuing operations	560	969	(42.3)	1,985	1,806	9.9
Income from discontinued operations, net of tax	—	14	n/m	—	103	n/m
Gain (loss) on discontinued operations	—	234	n/m	—	234	n/m
Net income	\$ 560	\$ 1,217	(54.0)%	\$ 1,985	\$ 2,143	(7.4)%

All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

Consolidated Revenues

Our Cable and Programming segments accounted for substantially all of the increases in consolidated revenues for the three and nine months ended September 30, 2007 compared to the same periods in 2006. Cable segment and Programming segment revenues are discussed separately below in "Segment Operating Results." The remaining changes relate to our other business activities, primarily Comcast Spectacor and growth in Comcast Interactive Media.

Consolidated Operating, Selling, General and Administrative Expenses

Our Cable and Programming segments accounted for substantially all of the increases in consolidated operating, selling, general and administrative expenses for the three and nine months ended September 30, 2007 compared to the same periods in 2006. Cable segment and Programming segment operating, selling, general and administrative expenses are discussed separately below in "Segment Operating Results." The remaining increases relate to our other business activities, including expanding our Comcast Interactive Media business, the

settlement of litigation in October 2007 (see Note 11), and player contract termination costs at Comcast Spectacor in January 2007.

Consolidated Depreciation and Amortization

The increases in depreciation expense for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily a result of the effects of capital expenditures and the depreciation associated with our newly acquired cable systems.

The increase in amortization expense for the nine months ended September 30, 2007 compared to the same period in 2006 is primarily a result of the increase in the amortization expense of our franchise-related customer relationship intangible assets associated with our newly acquired cable systems.

Segment Operating Results

Certain adjustments have been made to our 2006 segment presentation to conform to our 2007 management reporting presentation. See Note 12 to our consolidated financial statements for further discussion of these adjustments.

To measure the performance of our operating segments, we use operating income before depreciation and amortization, excluding impairment charges related to fixed and intangible assets, and gains or losses from the sale of assets, if any. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance and the operating performance of our operating segments, and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. Because we use this metric to measure our segment profit or loss, we reconcile it to operating income, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States ("GAAP") in the business segment footnote to our consolidated financial statements (see Note 12). You should not consider this measure a substitute for operating income (loss), net income (loss), net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

Cable Segment Operating Results

The comparability of the results of operations of our Cable segment is impacted by the acquisition of the cable system serving Houston, Texas in January 2007, the Adelphia and Time Warner transactions in July 2006, and other smaller cable acquisitions. For segment reporting purposes we have included the operating results of the Houston cable system beginning August 1, 2006. We collectively refer to the cable systems acquired in these transactions as the "newly acquired cable systems." The newly acquired cable systems accounted for approximately \$415 million and \$2.5 billion of increased revenues for the three and nine months ended September 30, 2007, respectively.

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COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q QUARTER ENDED SEPTEMBER 30, 2007

The tables below present our Cable segment operating results:

(in millions)	Three Months Ended September 30,		Increase/(Decrease)	
	2007	2006	\$	%
Video	\$ 4,395	\$ 3,946	\$ 449	11.4%
High-speed Internet	1,624	1,315	309	23.5
Phone	470	246	224	91.3
Advertising	407	365	42	11.0
Other	296	238	58	24.6
Franchise fees	208	188	20	10.6
Revenues	7,400	6,298	1,102	17.5
Operating expenses	2,615	2,229	386	17.3
Selling, general and administrative expenses	1,810	1,571	239	15.3
Operating income before depreciation and amortization	\$ 2,975	\$ 2,498	\$ 477	19.1%

(in millions)	Nine Months Ended September 30,		Increase/(Decrease)	
	2007	2006	\$	%
Video	\$ 13,222	\$ 10,857	\$ 2,365	21.8%
High-speed Internet	4,740	3,507	1,233	35.2
Phone	1,243	609	634	104.1
Advertising	1,119	992	127	12.4
Other	788	677	111	16.9
Franchise fees	616	524	92	17.7
Revenues	21,728	17,166	4,562	26.6
Operating expenses	7,741	6,097	1,644	27.0
Selling, general and administrative expenses	5,188	4,139	1,049	25.4
Operating income before depreciation and amortization	\$ 8,799	\$ 6,930	\$ 1,869	27.0%

Cable Segment Revenues

Video Our video revenues continue to grow due to rate increases, subscriber growth in our digital cable services, including the demand for digital features such as ON DEMAND, DVR and HDTV, and the addition of our newly acquired systems. During the nine months ended September 30, 2007, we added approximately 2.0 million digital cable subscribers, while the number of basic subscribers remained relatively unchanged. Our newly acquired cable systems contributed approximately \$235 million and \$1.6 billion to our video revenue growth for the three and nine months ended September 30, 2007, respectively. As of September 30, 2007, approximately 61% of our 24.2 million video subscribers subscribed to at least one of our digital cable services. In addition, our average monthly video revenue per video subscriber increased to \$60.92 during the nine months ended September 30, 2007. We expect that the rate of subscriber and revenue growth will continue to slow as the market continues to mature and competition increases.

High-Speed Internet The increases in high-speed Internet revenue for the three and nine months ended September 30, 2007 compared to the same periods in 2006 reflect an increase in subscribers and the addition of our newly acquired cable systems. During the nine months ended September 30, 2007, we added approximately 1.3 million high-speed Internet subscribers. Our newly acquired systems contributed approximately \$95 million and \$533 million to our high-speed Internet revenue growth for the three and nine months ended September 30, 2007, respectively. Average monthly revenue per subscriber has remained relatively stable. We expect that the rate of subscriber and revenue growth will continue to slow as the market continues to mature and competition increases.

Phone We offer two phone services, Comcast Digital Voice, our IP-enabled phone service, and our circuit-switched local phone service. Revenues increased as a result of subscriber growth in our Comcast Digital Voice service, partially offset by the loss of circuit-switched subscribers. During the nine months ended September 30, 2007, we added approximately 1.9 million Comcast Digital Voice subscribers. Our newly acquired systems contributed approximately \$20 million and \$73 million to our phone revenue growth for the three and nine months ended September 30, 2007, respectively. We expect the number of phone subscribers will grow as we continue to expand Comcast Digital Voice into new markets. We expect the number of subscribers to our circuit-switched local phone service will continue to decrease as our marketing efforts are now focused on Comcast Digital Voice.

Advertising The increases in advertising revenue for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily due to the addition of our newly acquired cable systems. Absent the growth from the newly acquired systems, advertising revenue grew slightly, reflecting continued weakness across the television advertising market and a decline in political advertising.

Other We also generate revenues from our regional sports and news networks, video installation services, commissions from third-party electronic retailing and fees for other services, such as providing businesses with data connectivity and networked applications. The increases in other revenue for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily a result of the regional sports network acquisitions of Bay Area SportsNet and Sports Channel New England.

Franchise Fees The increases in franchise fees collected from our cable subscribers for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily a result of the increases in our revenues upon which the fees apply.

Cable Segment Operating Expenses

Operating expenses increased primarily as a result of growth in the number of subscribers to our cable services and the addition of our newly acquired cable systems. For the three and nine months ended September 30, 2007, our newly acquired cable systems contributed approximately \$145 million and \$900 million, respectively, to our increases in Cable segment operating expenses. The remaining increases were primarily a result of costs associated with the delivery of these services and additional personnel to handle service calls and provide customer support.

Cable Segment Selling, General and Administrative Expenses

Selling, general and administrative expenses increased primarily as a result of growth in the number of subscribers to our cable services and the addition of our newly acquired systems. For the three and nine months ended September 30, 2007, our newly acquired cable systems contributed approximately \$80 million and \$560 million, respectively, to our increases in Cable segment selling, general and administrative expenses. The remaining increases were primarily a result of additional employees needed to provide customer and other administrative services, as well as additional marketing costs associated with attracting new subscribers.

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QUARTER ENDED SEPTEMBER 30, 2007**Programming Segment Operating Results**

The tables below present our Programming segment operating results:

(in millions)	Three Months Ended September 30,		Increase/(Decrease)	
	2007	2006	\$	%
Revenues	\$ 330	\$ 259	\$ 71	27.2%
Operating, selling, general and administrative expenses	233	172	61	35.6
Operating income before depreciation and amortization	\$ 97	\$ 87	\$ 10	10.7%

(in millions)	Nine Months Ended September 30,		Increase/(Decrease)	
	2007	2006	\$	%
Revenues	\$ 966	\$ 771	\$ 195	25.3%
Operating, selling, general and administrative expenses	729	575	154	26.9
Operating income before depreciation and amortization	\$ 237	\$ 196	\$ 41	20.4%

Programming Segment Revenues

The increases in revenues for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily a result of increases in advertising and license fee revenues. For the three and nine months ended September 30, 2007, approximately 11% and 13%, respectively, of our Programming segment revenues were generated from our Cable segment. For the three and nine months ended September 30, 2006, approximately 12% and 11%, respectively, of our Programming segment revenues were generated from our Cable segment. These amounts are eliminated in our consolidated financial statements but are included in the amounts presented above.

Programming Segment Operating, Selling, General and Administrative Expenses

The increases in expenses for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily a result of an increase in the production of and programming rights costs for new and live-event programming for our programming networks, including the PGA TOUR on The Golf Channel.

Consolidated Other Income (Expense) Items

(in millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Interest expense	\$ (571)	\$ (530)	\$ (1,689)	\$ (1,502)
Investment income (loss), net	158	857	458	935
Equity in net (losses) income of affiliates, net	(12)	(65)	(49)	(86)
Other income (expense)	(1)	96	513	194
Total	\$ (426)	\$ 358	\$ (767)	\$ (459)

Interest Expense

The increases in interest expense for the three and nine months ended September 30, 2007 compared to the same periods in 2006 are primarily the result of an increase in our average debt outstanding.

Table of Contents**COMCAST CORPORATION AND SUBSIDIARIES — FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2007*****Investment Income (Loss), Net***

The components of investment income (loss), net for the three and nine months ended September 30, 2007 and 2006 are presented in a table in Note 5 to our consolidated financial statements.

Other Income (Expense)

Other income for the nine months ended September 30, 2007 consists primarily of a gain of approximately \$500 million on the sale of our 50% interest in the Kansas City Asset Pool in connection with the TKCCP transaction. Other income for the nine months ended September 30, 2006, consists primarily of \$154 million of gains on the sales of investment assets and a \$35 million gain on the sale of one of our equity method investments.

Income Tax Expense

Income tax expense for the three and nine months ended September 30, 2007 reflects an income tax rate higher than the federal statutory rate primarily as a result of state income taxes and interest on uncertain tax positions. New tax legislation was enacted in the state of Michigan in July 2007 that required us to record additional deferred state income tax expense and liabilities related to differences between our recorded book and tax bases, primarily related to our acquired indefinite-lived intangible assets. This legislation was amended in September 2007, which allowed us to record an equivalent deferred tax asset. As a result, the Michigan legislation did not impact our tax expense during the period. We expect our 2007 annual effective tax rate to be in the range of 40% to 45%. Income tax expense for the three and nine months ended September 30, 2006 reflects an income tax rate higher than the federal statutory rate primarily due to state income taxes and adjustments to prior year accruals, including related interest.

Discontinued Operations

The operating results of our previously owned cable systems located in Los Angeles, Dallas and Cleveland, reported as discontinued operations for the three and nine months ended September 30, 2006, include one month and seven months of operations, respectively, as the closing date of the transaction was July 31, 2006. As a result of the transaction, we recognized a gain on the sale of these systems of \$234 million, net of tax of \$563 million.

Liquidity and Capital Resources

Our businesses generate significant cash flow from operating activities. The proceeds from monetizing our nonstrategic investments have also provided us with a significant source of cash flow. We believe that we will be able to meet our current and long-term liquidity and capital requirements, including fixed charges, through our cash flows from operating activities, existing cash, cash equivalents and investments; through available borrowings under our existing credit facilities; and through our ability to obtain future external financing. We anticipate continuing to use a substantial portion of our cash flow to fund our capital expenditures, invest in business opportunities and repurchase our stock.

Operating Activities

Net cash provided by operating activities was \$6.1 billion for the nine months ended September 30, 2007, reflecting an increase of approximately \$900 million compared to the same period in 2006. The \$6.1 billion is the result of operating income before depreciation and amortization of \$8.7 billion and proceeds from the sale of trading securities of \$603 million, reduced by interest and income tax payments of \$3.1 billion. The remaining amount relates primarily to noncash changes in operating accounts based on accrual accounting and noncash expenses, such as share-based compensation.

Proceeds from the sale of trading securities are presented within cash provided by operating activities in accordance with generally accepted accounting principles. These amounts are not related to operations but result from the sales of investments. During the nine months ended September 30, 2007, we made cash payments for interest totaling \$1.7 billion and cash payments for income taxes totaling \$1.4 billion. Our tax payments include \$376 million related to the settlement of federal tax audits.

Financing Activities

Net cash provided by financing activities was \$684 million for the nine months ended September 30, 2007 and consisted primarily of cash proceeds received from borrowings of \$3.6 billion and the issuance of shares, primarily under our share-based compensation plans, of \$404 million. These cash inflows were partially offset by our debt repayments of \$1.5 billion and repurchases of approximately 70 million shares of our Class A Special common stock for \$1.85 billion (recognized on a settlement date or cash basis).

We have in the past made and may from time to time in the future make optional repayments on our debt obligations depending on various factors, such as market conditions. These repayments may include repurchases of our outstanding public notes and debentures.

Available Borrowings Under Credit Facilities

We traditionally maintain significant availability under our lines of credit and commercial paper program to meet our short-term liquidity requirements. As of September 30, 2007, amounts available under these facilities totaled approximately \$4.7 billion.

Share Repurchase Program

As of September 30, 2007, the maximum dollar value of shares that may be repurchased under our Board-authorized share repurchase program is approximately \$1.2 billion. We expect such repurchases to continue from time to time in the open market or in private transactions, subject to market conditions. In October 2007, the Board of Directors authorized a \$7 billion addition to the existing share repurchase program, increasing the maximum dollar value of shares available to approximately \$8.2 billion.

See Note 7 to our consolidated financial statements for further discussion of our financing activities.

Investing Activities

Net cash used in investing activities was \$5.1 billion for the nine months ended September 30, 2007 and consisted primarily of capital expenditures of \$4.6 billion, cash paid for intangible assets of \$313 million and acquisitions of \$1.3 billion. These cash outflows were partially offset by proceeds received from the sale of investments of \$1.1 billion.

Our most significant recurring investing activity has been capital expenditures and we expect that this will continue in the future.

Cash and Cash Equivalents

Our available cash and cash equivalents have increased to \$2.9 billion as of September 30, 2007 from \$1.2 billion as of December 31, 2006. We anticipate using a portion of this amount to retire the debt allocated to us in the Insight transaction (see Note 5).

Critical Accounting Judgments and Estimates

The preparation of our consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and contingent liabilities. We base our judgments on historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making estimates about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe our judgments and related estimates associated with the valuation and impairment testing of our cable franchise rights and the accounting for income taxes and legal contingencies are critical in the preparation of our financial statements.

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QUARTER ENDED SEPTEMBER 30, 2007**

We evaluate the unit of account used to test for impairment of our cable franchise rights periodically to ensure testing is performed at an appropriate level. Prior to 2007, we used our cable regions as the unit of account. Frequent reorganizations of our regions and further management centralization of our cable operations led us to conclude that our cable divisions are more reflective of how we manage and operate the assets and, therefore, are the appropriate unit of account. Consequently, effective April 1, 2007 (our annual impairment testing date), we changed the unit of account to cable divisions from cable regions. We tested for impairment at the region level prior to combining our 29 regions into 5 divisions to confirm that no impairment existed prior to the change.

For a full discussion of our accounting judgments and estimates that we have identified as critical in the preparation of our consolidated financial statements, please refer to our 2006 Form 10-K.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes to the information required under this item from what was disclosed in our 2006 Form 10-K.

ITEM 4: CONTROLS AND PROCEDURES*Conclusions regarding disclosure controls and procedures*

Our chief executive officer and our co-chief financial officers, after evaluating the effectiveness of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this report, have concluded, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, that our disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION**ITEM 1: LEGAL PROCEEDINGS**

Refer to Note 11 to our consolidated financial statements of this Quarterly Report on Form 10-Q for a discussion of recent developments related to our legal proceedings.

ITEM 1A: RISK FACTORS

There have been no significant changes from the risk factors previously disclosed in Item 1A of our 2006 Form 10-K.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

A summary of our repurchases during the three months ended September 30, 2007, under our Board-authorized share repurchase program, on a trade-date basis, is presented in the table below. In October 2007, the Board of Directors authorized a \$7 billion addition to the existing share repurchase program, increasing the maximum dollar value of shares available for repurchase under the program to approximately \$8.2 billion.

Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Total Dollars Purchased Under the Program	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program(a)
July 1-31, 2007	9,667,599	\$ 27.61	9,667,599	\$ 266,899,837	\$ 1,489,233,171
August 1-31, 2007	9,224,032	\$ 25.22	9,224,032	232,600,860	\$ 1,256,632,311
September 1-30, 2007	4,044,032	\$ 24.85	4,044,032	100,499,296	\$ 1,156,133,015
Total	22,935,663	\$ 26.16	22,935,663	\$ 599,999,993	\$ 1,156,133,015

- (a) In 2006, the Board of Directors authorized a \$5 billion addition to the existing share repurchase program. Under the authorization, we may repurchase shares in the open market or in private transactions, subject to market conditions. As of September 30, 2007, the maximum dollar value of shares that is available under our Board-authorized share repurchase program was approximately \$1.2 billion. The share repurchase program does not have an expiration date.

ITEM 6: EXHIBITS

- (a) Exhibits required to be filed by Item 601 of Regulation S-K:

- 31 Certifications of Chief Executive Officer and Co-Chief Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certifications of Chief Executive Officer and Co-Chief Financial Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMCAST CORPORATION

/s/ LAWRENCE J. SALVA

Lawrence J. Salva
Senior Vice President, Chief Accounting Officer
and Controller
(Principal Accounting Officer)

Date: October 26, 2007

CERTIFICATION

I, Brian L. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comcast Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2007

/s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Chief Executive Officer

I, Michael J. Angelakis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comcast Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2007

/s/ MICHAEL J. ANGELAKIS

Name: Michael J. Angelakis
Co-Chief Financial Officer

I, John R. Alchin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comcast Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 26, 2007

/s/ JOHN R. ALCHIN

Name: John R. Alchin
Co-Chief Financial Officer

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT

October 26, 2007

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

The certification set forth below is being submitted in connection with the quarterly report on Form 10-Q of Comcast Corporation (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Brian L. Roberts, the Chief Executive Officer, Michael J. Angelakis, the Co-Chief Financial Officer and John R. Alchin, the Co-Chief Financial Officer of Comcast Corporation, each certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Comcast Corporation.

/s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Chief Executive Officer

/s/ MICHAEL J. ANGELAKIS

Name: Michael J. Angelakis
Co-Chief Financial Officer

/s/ JOHN R. ALCHIN

Name: John R. Alchin
Co-Chief Financial Officer

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