



C the difference



A Faster, Richer Internet Experience

At speeds of up to 6 megabits per second, Comcast High-Speed Internet is not only faster than ever, it's also more fun. Last year, we added 30 new features to our Comcast.net portal, including new video, mail, gaming and music services, helping us to attract a record 1.7 million new high-speed Internet subscribers in 2004.

© life at full speed

Next Train Platform 1

Design: VSA Partners, Inc., Chicago Printing: Sandy Alexander, Inc.

www.cmcsa.com


www.comcast.com

www.cmcsk.com



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Philadelphia, PA 19102-2148
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© your own schedule

There's No Waiting with ON DEMAND

ON DEMAND is changing the way America watches television, enabling customers to choose from thousands of hours of programming whenever they wish. Customers used ON DEMAND an average of nearly 50 million times a month in 2004, helping us to increase customer satisfaction, drive new subscriber growth and improve retention.

Catch the Most High-Def Action

Comcast is the clear leader in high-definition (HD) television, providing customers with the widest and best choice of HD programming available, including local broadcast and regional sports networks and ON DEMAND content.

We also offer high-definition Digital Video Recorders, so customers can record their favorite HD shows.



© every detail



© What you want, you get.

Content That Stands Out in a Crowd

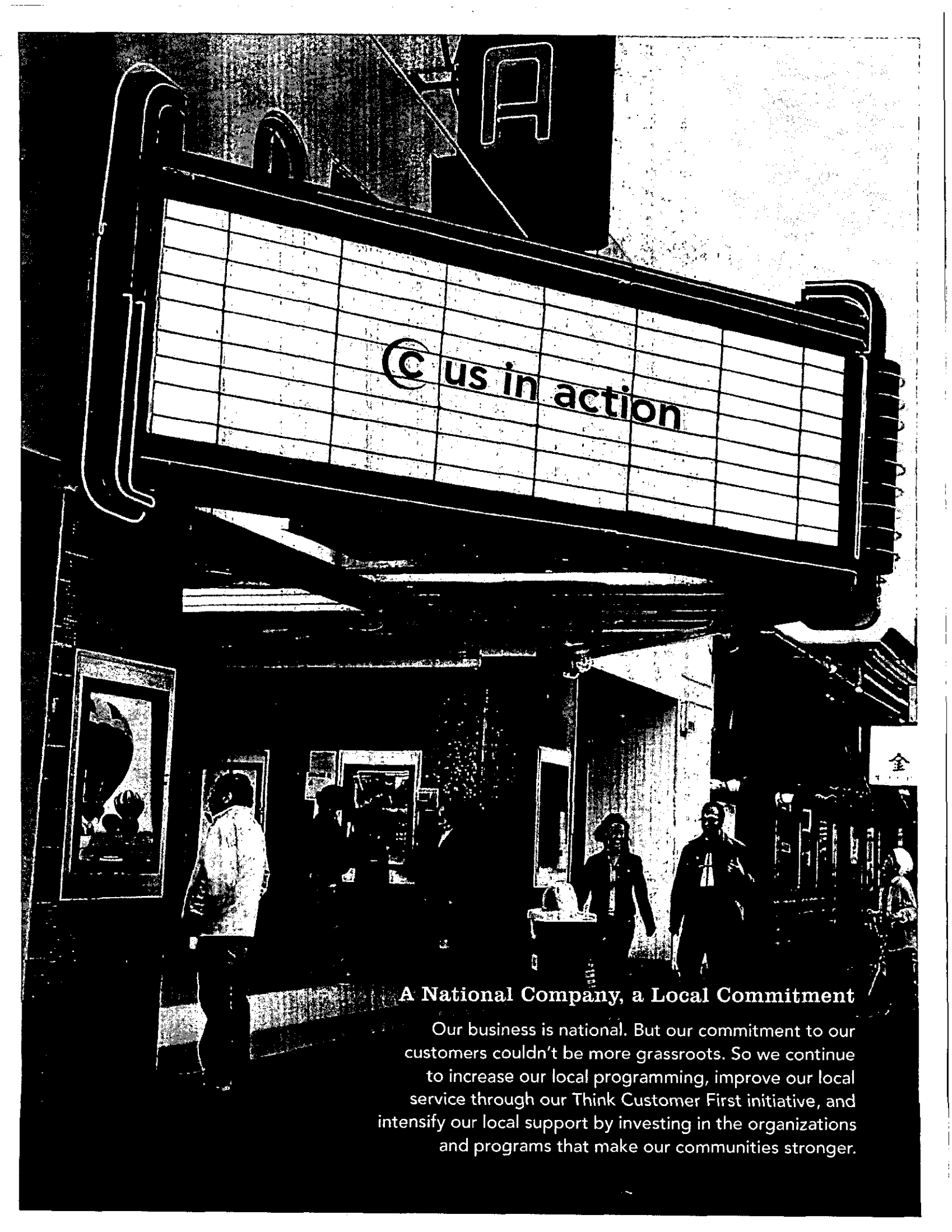
Comcast's cable networks continue to soar, providing viewers with unparalleled programming from the worlds of entertainment, fashion, golf, outdoor recreation, regional sports, videogaming and more. Our investment in MGM and launch of a new children's network will take our content offerings to even greater heights in 2005.



C new possibilities

Comcast Digital Voice is Ready to Roll

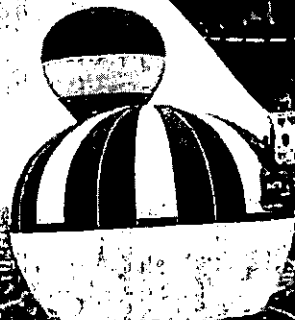
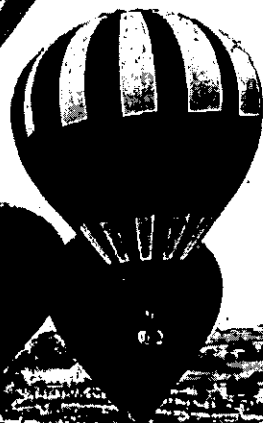
Comcast Digital Voice—our new IP phone service—relies on Comcast's high-speed data network rather than the Internet, enabling us to create a new industry standard for voice quality, reliability and features. We'll launch digital voice service in 20 markets in 2005, with full deployment targeted for the following year.



C us in action

A National Company, a Local Commitment

Our business is national. But our commitment to our customers couldn't be more grassroots. So we continue to increase our local programming, improve our local service through our Think Customer First initiative, and intensify our local support by investing in the organizations and programs that make our communities stronger.



Everywhere you look, Comcast gives customers more of what they want, when they want it, in every way that matters.

more choice

Expanding our video and online products with new content, applications and services.

more convenience

Investing in new technologies to make our products and services easier to use than ever.

more control

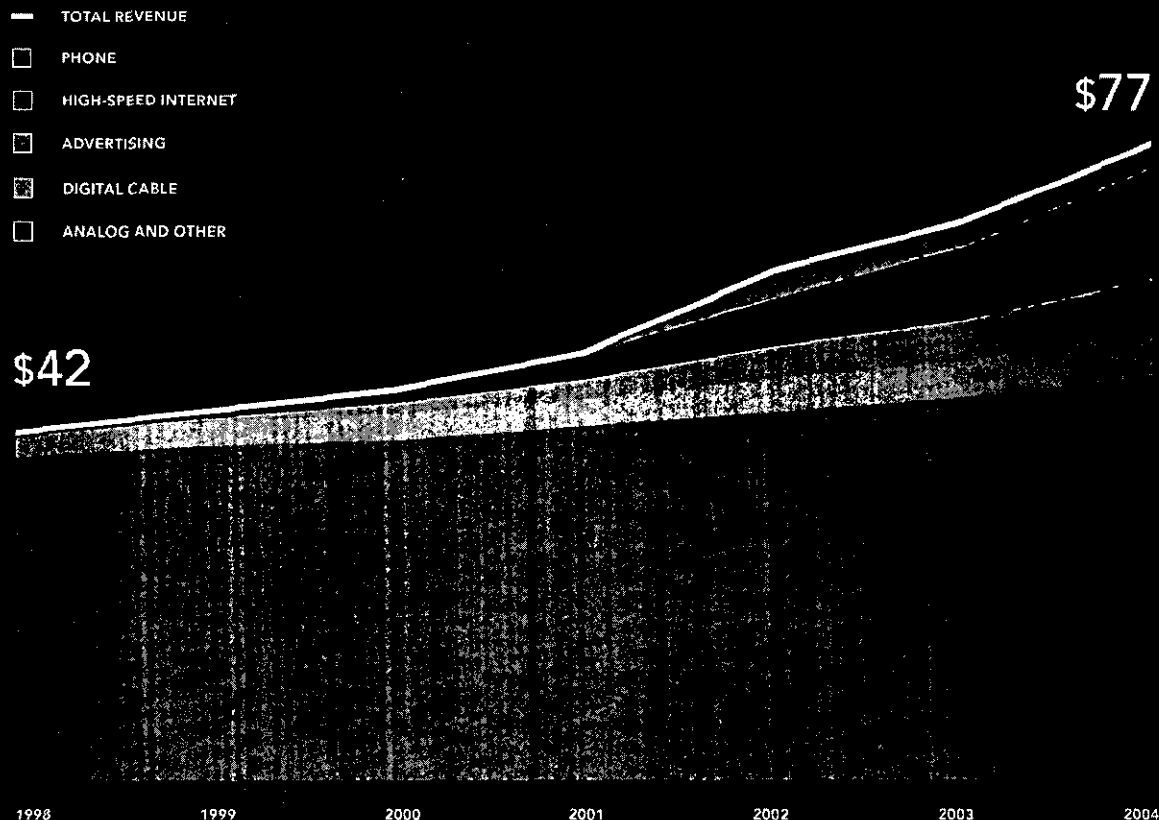
Allowing our customers to choose more of the programs they want to watch, when they want to watch them.

more care

Leveraging our local presence to enhance customer service and improve the communities in which we live and work.

more growth

We've grown by becoming a bigger and more important part of our customers' lives. By expanding that relationship with new products and services, we can build on this success for years to come.



Monthly Revenue per Cable Subscriber

Brian L. Roberts

Chairman and Chief Executive Officer



2004 OPERATING HIGHLIGHTS

- Increased revenues 10.7% to \$20.3 billion.
- Increased operating cash flow⁽¹⁾ 17.6% to \$7.5 billion.
- Increased consolidated operating income 48.8% to \$2.9 billion.
- Generated nearly \$2.0 billion of free cash flow.⁽¹⁾
- Added a record 1.7 million new high-speed Internet subscribers.
- Added 1 million new digital cable subscribers.
- Repurchased \$1.3 billion of common stock.

⁽¹⁾ See definitions on page 16.

Dear Comcast Shareholders, Employees and Friends:

If you want a sneak preview of the future, just step into a Comcast digital home anywhere in America.

We are “personalizing” television—empowering our customers to watch what they want, when they want it. That’s a choice they made 567 million times last year, and we expect to exceed 1 billion ON DEMAND views in 2005.

We are revolutionizing the high-speed Internet experience—rolling out more valuable enhancements to our service in the past year than any other company, making *Comcast.net* the most popular broadband portal in the nation.

We are launching a world-class, IP-powered phone service—Comcast Digital Voice—expanding our suite of products with a communications service that will be second to none.

We are embracing the latest technologies—developing exciting, new integrated products that will fundamentally change our customers’ entertainment and communications experience...and we’re just getting started.

The strategy is working, as we demonstrated in 2004 by surpassing \$20 billion in consolidated revenues for the first time in our history, while generating record operating and free cash flows.⁽¹⁾

We believe no other company is better positioned to *innovate, differentiate and lead* this rapidly evolving industry. All of this will help us deliver greater value to both customers and shareholders for years to come. I’d like to devote this year’s shareholders’ letter to explaining the major reasons why.

1. Our powerful technology platform gives us a competitive advantage.

We invested billions of dollars over the past several years to upgrade our infrastructure to full two-way capability, providing us with the bandwidth to continuously enhance our services, launch exciting new consumer products and integrate new technologies as they emerge.

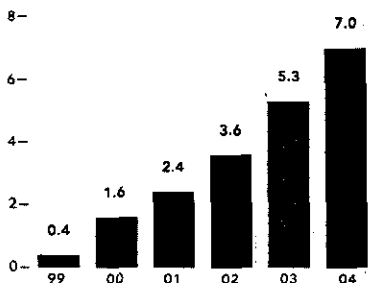
Today, that upgrade is complete and the massive investment is behind us. The network we've built is robust, scalable and has enormous capacity to sustain our growth for years to come. Most importantly, it can handle video, data and voice transmissions simultaneously, giving us a powerful competitive advantage as these services rapidly converge within the digital home.

This time "convergence" is real—as anyone who attended the 2005 Consumer Electronics Show can attest. Comcast is in an enviable position to capitalize on this trend and expand our product offerings, while focusing capital investments on revenue-generating opportunities.

2. We're driving product differentiation through continuous innovation.

Led by Steve Burke, Comcast's Chief Operating Officer, we have already developed a successful track record as a "new products company." In fact, new products have generated the majority of our recent growth, helping us drive average revenue per cable customer to more than \$77 per month in 2004, compared with \$42 only six years ago.

To build on this momentum, Steve and his team are committed to creating products and services that go beyond our competitors' offerings and deliver greater value by giving our customers superior choice, convenience and control.



Comcast High-Speed Internet Growth
(subscribers in millions, adjusted for acquisitions)

COMCAST HIGH-SPEED INTERNET Strengthening Our No. 1 Position in the U.S.

We didn't just make our No. 1 broadband Internet service faster in 2004, we supercharged its capabilities by adding 30 new built-for-broadband features and services—including video mail, a digital photo suite, a new Kids' channel, Games On Demand, expanded music and video downloads, and more.

Customers love the enhancements, driving record new subscriber growth and satisfaction. More than 90% of customers we surveyed said they would recommend Comcast High-Speed Internet to family or friends.

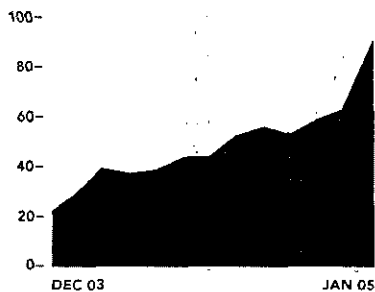
In January 2005, we once again increased our two residential speed tiers—to 4 and 6 megabits per second. And we'll continue to roll out new features throughout the year, including video instant messaging, as we begin to converge video, data and voice services across our two-way network.

Our high-speed Internet service is a perfect example. To strengthen our position as the No. 1 provider of broadband Internet service in the U.S., we have added many exciting features to give our customers the fastest, richest and most personalized high-speed Internet experience available. During 2004, these innovations helped us to attract a record 1.7 million new high-speed Internet customers, driving a 38.5% increase in revenues from this product to \$3.1 billion.

Led by market-changing innovations like our ON DEMAND service, we're making similar strides in digital television. During 2004, nearly 1 million new subscribers signed up for Comcast Digital Cable, giving us nearly 8.7 million digital customers at year-end, or 40% of our total subscriber base.

We're also winning more high-definition (HD) customers by offering the broadest choice of HD programming, including more local broadcast and sports channels than our competitors. In early 2005, we surpassed 1 million HD set-top boxes in customers' homes, and the demand for this service continues to accelerate as sales of HDTV sets grow. Digital video recorders (DVRs) are also in high demand, with more than 180,000 installations during the fourth quarter alone.

This year we'll make our first big step toward all-digital television by beginning digital simulcasts of our analog channel offerings. This will enable us to provide 100% digital-quality pictures across every single channel in our lineup and give us the flexibility to roll out advanced new services that meet the needs of different consumers.



ON DEMAND Views per Month
(in millions)

ON DEMAND Targeting 1 Billion Views in 2005

Forget about TV schedules. With ON DEMAND, Comcast customers pick the programs they want to watch, when they want to watch them. With incredible ease and control.

The innovative service has been an instant hit with Comcast customers — and a powerful product differentiator for our digital cable offering. Based on current usage, we expect to exceed 1 billion ON DEMAND views in 2005, as we roll this service out to all of our cable systems.

By the end of 2005, Comcast Digital Cable subscribers will be able to choose from up to 10,000 continuously updated television programs, movies and shows — most available at no extra charge. This includes a growing library of Select On Demand content addressing a wide range of customer interests — from aerobics to landscaping.

3. We're distinguishing our content with unique, cutting-edge programming.

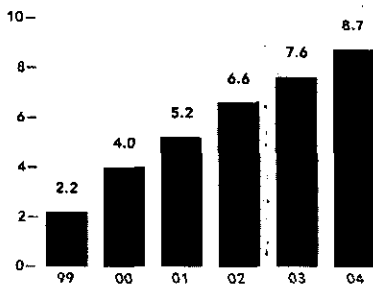
Comcast owns and operates many of the hottest and most successful cable networks today, including E! Entertainment Television, Style, The Golf Channel, Outdoor Life Network, G4, International Channel Networks and Comcast SportsNet. We're also a founding investor in TV One, a new network aimed at African American viewers.

During 2004, these top brands achieved record revenue and cash flow as we continued to expand our networks' original programming, helping us to attract loyal and passionate viewers in highly desirable demographic segments.

We also enhanced our digital television offering by partnering with Sony Pictures and other investors to acquire Metro-Goldwyn-Mayer (MGM), giving our customers access to a rich library of more than 7,000 movies and 30,000 classic TV shows. Our investment of \$257 million will enable us to create new networks and expand our ON DEMAND content, including a fresh selection of up to 200 movie titles and 100 TV shows every month—at no additional charge to our customers.

Working with the National Football League, we created the ON DEMAND sensation NFL Replay, which attracted more than 8 million views during the 2004–05 NFL season. We also expanded our regional sports presence, which now includes regional sports networks and team channels in Atlanta, Baltimore/Washington, Central California, Chicago, Dallas and Philadelphia.

High-quality children's content also plays a big part in our programming strategy. During 2005, through a partnership with HIT Entertainment, PBS and Sesame Workshop, we will introduce PBS Kids Sprout, a new 24-hour network and companion ON DEMAND service for preschool kids, featuring perennial favorites like "Sesame Street," "Bob the Builder" and many more.



Comcast Digital Cable Growth
(subscribers in millions, adjusted for acquisitions)

COMCAST DIGITAL CABLE: Investing to Drive Innovation

Comcast Digital Cable is the hub for a growing number of digital media and entertainment products. To help speed this evolution and increase our opportunities for product differentiation and growth, we're investing in new technologies and alliances, including:

- A joint venture with Gemstar-TV Guide to develop next-generation interactive program guides.
- A partnership with TiVo to provide a best-in-class DVR experience.
- The co-purchase of Liberate Technologies to develop cable "middleware," accelerating the development of new interactive products.
- Joint ventures with Motorola to develop and license next-generation cable technologies.
- An alliance with Microsoft to test new set-top box software in select markets.

4. We're launching Comcast Digital Voice—a new growth engine.

We launched Comcast Digital Voice in three markets in late 2004. By year-end, we will be marketing this service to roughly 15 million homes in 20 markets. And by the end of 2006, we'll be able to deliver the service to approximately 40 million homes across our national footprint. We are targeting to achieve a 20% penetration of these homes, or nearly 8 million subscribers, within five years, creating a substantial new revenue opportunity.

Our goal is to deliver a superior phone service—one that delivers the quality, reliability and simplicity of traditional wireline service, plus all of the exciting features that an IP-based service makes possible. Over time, this will include services that integrate video, data and voice—such as videophone and unified messaging—to continuously differentiate Comcast Digital Voice and create a unique digital communications experience in the home.

Comcast has the people and experience to make it happen. We already serve nearly 1.2 million circuit-switched phone customers. We have an experienced staff of more than 1,000 employees dedicated to voice services. And we have the network management, field operations, back-office and customer care teams in place to hit the ground running.

5. We're reinventing cable advertising for the digital age.

By simplifying cable advertising buying and making it more targeted than broadcast media, Comcast aims to become the preferred choice of national and local advertisers. Last year, revenues from our advertising business grew 15.7% to nearly \$1.3 billion, driven by our successful regional interconnect strategy and a strong year from political advertising.



THINK CUSTOMER FIRST: Customer Satisfaction Improves Across the Board

Comcast is managed as a local business, and we're working to build upon that advantage in every way possible. That includes sharpening our marketing focus to meet customer needs in different markets and elevating customer service to new levels.

During 2004, we took big steps toward achieving these goals through "Think Customer First," our comprehensive program to provide a better customer experience—and maximize customer satisfaction—at every point of contact with our company.

While we're still in the early innings of this long-term game plan, we've consistently raised customer satisfaction scores across each of the five key metrics we measure each month—ranging from our product reliability and on-time performance to how well we make every customer feel like a valued customer.

Comcast is leading the drive to create more one-to-one marketing solutions through the "personalization" of cable advertising. For example, during 2004, we introduced new Adtag™ and Adcopy™ technologies across 18 of our top 25 markets, giving advertisers the ability to target specific audiences and customize ads in ways broadcast television can't match. Longer term, we're working on new concepts to help advertisers tap into the enormous potential of our interactive capabilities and our growing ON DEMAND audience.

6. We're financially strong and have a sustainable growth model.

Multiple products now drive our growth. During 2004, we demonstrated the strength of that business model by increasing revenues by nearly 11%, boosting operating cash flow⁽¹⁾ by nearly 18% and generating nearly \$2 billion of free cash flow⁽¹⁾. We also finished the year with the strongest balance sheet and the greatest financial flexibility in our history.

By continuing to launch new and enhanced products, we believe we have the potential to achieve double-digit revenue and operating cash flow⁽¹⁾ growth for years to come, without significant reinvestment in our network infrastructure. We expect this will contribute to free cash flow⁽¹⁾ growth of 35-45% in 2005.

We'll employ this free cash flow in two primary ways: reinvesting in our business to drive future growth and returning capital to our shareholders. During 2004, for example, we invested approximately \$600 million to increase our presence and drive product innovation, and our outstanding team continues to evaluate new opportunities, such as our strategic partnerships with Motorola and TiVo, both announced in March 2005. (See sidebar on page 12.)



COMMUNITY INVESTMENT: Strengthening Communities, Enriching Lives

We invest in community programs to make a positive difference in the lives of the people who live and work there. That means getting personally involved and working with local leaders and business partners toward real and sustainable change.

Each year, we invest our time, money and hearts into programs that matter most to the people we serve, culminating on Comcast Cares Day. Last year, 30,000 of our employees and their family members donated more than 180,000 hours of volunteer service to improve communities from coast to coast.

Our partnership with City Year, the preeminent national youth service organization, is another excellent example of our community commitment. Since 2002, Comcast has teamed with City Year to support leadership training programs that encourage young people to engage in community service and develop their skills and potential.

We also repurchased \$1.3 billion in common stock during 2004, and we redeemed for cash several debt issues that were exchangeable into Comcast stock at a cost of \$609 million, effectively increasing the return of capital to shareholders to nearly \$2 billion during the year.

7. We have a world-class team that knows how to win.

My father, Ralph Roberts, founded Comcast on the principles of integrity, teamwork and excellence, establishing a culture that today combines the best practices of the world's most innovative corporations with the entrepreneurial spirit that has been the heartbeat of our company from the beginning. As a result, we've been able to recruit and develop many of the finest talents in our industry and provide them with an environment in which they can thrive.

Over the past five years alone, this outstanding team has helped us lead a complete transformation of our company in which we doubled our revenues, integrated one of the largest acquisitions in business history, completely upgraded our cable network, expanded our digital cable business, built the nation's No. 1 broadband Internet service and laid the groundwork for our launch into digital voice communications.

It could not be a greater honor or pleasure to lead such a dedicated group of individuals, and it's because of them that I believe Comcast will continue to innovate, differentiate and lead...elevating us to even higher levels of performance. There's never been a better team—or a more exciting time—to make it happen.

Sincerely,



Brian L. Roberts
Chairman and Chief Executive Officer
Comcast Corporation

March 30, 2005

THE CLOSER YOU LOOK, THE MORE YOU'LL "C THE DIFFERENCE."

The annual report you're reading is full of facts and figures that demonstrate our business strategy is on the right track. But if you really want to evaluate our potential, I'd encourage you to experience our new products and customer service firsthand, and to keep track of our progress at www.comcast.com. I think you'll see there really is a Comcast difference—and it's getting bigger every day.

COMCAST CORPORATION is the nation's leading provider of cable, entertainment and communications products and services. With 21.5 million cable customers and 7 million high-speed Internet customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content.

The Company's content networks and investments include E! Entertainment Television, Style Network, The Golf Channel, Outdoor Life Network, G4, International Channel Networks, TV One and regional sports and news networks. The Company also has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia.

Financial Highlights

Comcast Corporation and Subsidiaries

(Dollars in millions)

	2004	2003
Revenues	\$ 20,307	\$ 18,348
Operating cash flow	7,531	6,392
Depreciation and amortization	4,623	4,438
Operating income	2,908	1,954
Income (loss) from continuing operations	970	(218)
Discontinued operations ⁽¹⁾	—	3,458
Net income	970	3,240
Cash and short-term investments	2,007	4,043
Total assets	104,694	109,159
Long-term debt	20,093	23,835

⁽¹⁾In September 2003 we sold our interest in QVC, Inc. to Liberty Media Corporation. QVC is presented as discontinued operations for all periods.

Comprehensive financial reporting is also contained in Comcast's Annual Report on Form 10-K and in our Proxy Statement. We invite you to refer to those documents for a more detailed discussion of our performance.

We define Operating Cash Flow as operating income before depreciation and amortization and impairment charges, if any, related to fixed and intangible assets and gains or losses from the sale of assets, if any.

We define Free Cash Flow as Operating Cash Flow less net interest, cash paid for taxes, and capital expenditures. Reconciliation of this item appears on page 76.

This report may contain forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could significantly affect actual results from those expressed in any such forward-looking statements. Readers are directed to Comcast's Annual Report on Form 10-K for a description of such risks and uncertainties.

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