



Comcast Reports Third Quarter 2004 Results

- **Cable Revenue Increased 10.6% to \$4.844 Billion**
- **Delivers Record New Product Growth Led by High-Speed Internet Subscriber Additions of 549,100**
- **Digital Cable Subscribers Increased 341,000 to 8.4 Million**
- **Cable Operating Cash Flow Increased 14.6% to \$1.858 Billion**
- **Consolidated Operating Income Increased 39.0% to \$686 Million**

PHILADELPHIA, Oct. 27 /PRNewswire-FirstCall/ -- Comcast Corporation(Nasdaq: CMCSA, CMCSK) today reported results for the quarter ended September 30, 2004. Comcast will discuss third quarter results on a conference call and webcast today at 8:30 AM Eastern Time. A live broadcast of the conference call will be available on the investor relations website at <http://www.cmcsa.com> and <http://www.cmcsk.com>.

Brian L. Roberts, Chairman and CEO of Comcast Corporation, said, "We reached record levels of new video and high-speed Internet service additions this quarter, confirming that we have successfully transformed Comcast into a new products company. Our high-speed Internet service led the way, adding over 549,000 subscribers - the highest level of quarterly high-speed Internet additions in the Company's history. We also posted strong growth in Digital Cable as we continue to extend our video offering to include ON DEMAND, HDTV and DVRs. We added 341,000 new digital subscribers this quarter and installed more than 200,000 HDTV set-top boxes in customers' homes. Interest in our ON DEMAND service continues to grow. Customers are selecting ON DEMAND content more than 50 million times each month and early indications suggest strong demand for our DVR product. Our strong unit growth this quarter reflects the increasing appeal of our services, as we deliver differentiated products and a better experience to our customers.

"We are also reporting strong financial results. We generated \$540 million of Free Cash Flow this quarter through the combination of Operating Cash Flow growth and capital expenditure declines as our two-way networks are now 98% upgraded. We continue to make investments to support our growth and product differentiation strategy, while returning capital to shareholders. This year we have repurchased over \$1 billion of our stock and cash settled more than \$600 million of debt securities that were otherwise exchangeable into our stock. At the same time, in the last quarter alone, we announced several transactions that will enable us to offer a growing array of choices for movies, regional and national sports and children's programming, as well as video mail and other broadband features and applications. All of these will provide our customers more choice and control - on TV, on Comcast.net and ON DEMAND."

Comcast Cable Results

Cable results are presented on a pro forma basis. Pro forma cable results adjust only for significant acquisitions and dispositions and are presented as if the acquisitions and dispositions were effective on January 1, 2003. Please refer to Table 7-A for a reconciliation of pro forma data.

For the quarter ended September 30, 2004, Comcast Cable reported revenue of \$4.844 billion representing a 10.6% increase from the third quarter of 2003. Video revenue increased 6.6% from the third quarter of 2003, driven by a 5.5% increase in average monthly revenue per basic subscriber and an increase in digital revenue. During the third quarter, Comcast Cable added 341,000 digital cable subscribers to end the period with over 8.4 million subscribers, or 39.1% of basic subscribers. Basic subscribers of 21.5 million remained essentially unchanged from a year ago but increased 8,500 from the prior quarter. Included in the basic subscriber results for the quarter was the loss of an estimated 10,000 subscribers as a result of the severe hurricane season experienced in parts of Florida and other Southeastern states.

Growth in video revenue also reflects increasing consumer demand for new digital features, including Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs). During the third quarter, pay-per-view revenues increased nearly 32% to more than \$100 million, driven by more movie and event purchases through the Comcast ON DEMAND service. Increasing demand for HDTV and the accelerating rollout of DVRs is also contributing to digital growth. At the end of the third quarter, Comcast had nearly 870,000 set-top boxes in customers' homes offering HDTV and/or DVR service.

During the third quarter of 2004 Comcast Cable added a record 549,100 High-Speed Internet subscribers to end the quarter with more than 6.5 million subscribers. Revenues for this service increased 37.9% from the third quarter of 2003 to \$808 million reflecting strong subscriber growth and stable average monthly revenue per subscriber of \$42.91. Comcast High-Speed Internet service is now available to 94% of the Company's footprint, or 38 million homes.

Advertising revenue increased 15.5% from the third quarter of 2003 to \$319 million, reflecting growth of over 10% in local

advertising and growth of 20% in regional/national advertising as a result of an increase in political advertising during the third quarter and the ongoing success of our regional interconnect strategy.

As expected, cable phone revenue declined 8.6% from the third quarter of 2003 to \$173 million, the result of a 7.5% decrease in subscribers to 1.2 million and stable average monthly revenue per subscriber of \$47.18. Cable phone results continue to reflect the Company's focus on profitability, not unit growth, of its circuit-switched telephone business as it begins the transition to offer cable phone service using VoIP. Excluding cable phone revenue, which is expected to continue to decline through 2004, total revenue for Comcast Cable increased 11.5% from the third quarter of 2003 to \$4.671 billion.

Cable operating income before depreciation and amortization (Operating Cash Flow) grew 14.6% from the third quarter of 2003 to \$1.858 billion, reflecting strong revenue growth, offset by the impact of hurricane-related costs estimated at \$10-\$15 million and higher operating and marketing expenses associated with the record number of new service additions in the quarter.

Cable capital expenditures declined nearly 17% to \$871 million compared to the \$1.045 billion in the third quarter of 2003. The decline in cable capital expenditures reflects the near-completion of the Company's cable network upgrade. Comcast Cable finished the third quarter with nearly 98% of its cable network upgraded to provide advanced services.

For the nine months ended September 30, 2004, Comcast Cable reported revenue of \$14.334 billion, a 10.3% increase from the same period in 2003. Comcast Cable Operating Cash Flow grew 18.4% from the nine months ended September 30, 2003 to \$5.499 billion. Video revenue increased 6.7% from the same period in 2003, driven by a 5.7% increase in average monthly revenue per basic subscriber and an increase in digital revenue, primarily reflecting a 1.1 million increase in the number of digital cable subscribers. Comcast High-Speed Internet service revenues increased 39.6% from the nine months ended September 30, 2003 to \$2.269 billion reflecting the addition of 1.7 million new subscribers and unchanged average monthly revenue per subscriber of \$42.59. Advertising revenue increased 15.1% from the year-ago period to \$918 million. As expected, cable phone revenue declined 14.6% from 2003 to \$528 million, the result of a 7.5% decrease in subscribers and 5.3% decrease in average monthly revenue per subscriber to \$47.31.

Cable capital expenditures for the nine months ended September 30, 2004 declined 15.3% to \$2.578 billion compared to the \$3.045 billion in the prior year. The decline in cable capital expenditures reflects the near-completion of the Company's cable network upgrade.

Content

Comcast's content segment consists of the national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, Outdoor Life Network, G4techTV and the recently acquired International Channel Networks.

Comcast's content segment reported third quarter 2004 revenue of \$207 million, a 30.6% increase from the third quarter of 2003 reflecting increases in distribution and advertising revenue for all the networks. The Content segment reported Operating Cash Flow of \$62 million in the third quarter of 2004, a 7% increase above the third quarter of 2003 reflecting higher development and marketing expenses for signature events and other original programming.

For the nine months ended September 30, 2004, Comcast's content segment increased revenue 26.0% to \$582 million and increased Operating Cash Flow 34.0% to \$208 million.

Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. In the third quarter of 2004, we reported Corporate and Other revenue of \$47 million and an Operating Cash Flow loss of \$60 million as compared to revenue of \$14 million and an Operating Cash Flow loss of \$46 million in the third quarter of 2003. Beginning in the third quarter of 2004, Comcast-Spectacor includes the operating results of its investment in a sports event-related business.

For the nine months ended September 30, 2004, Corporate and Other revenue remained relatively unchanged at \$161 million and Operating Cash Flow loss increased to \$160 million from the nine months ended September 30, 2003.

Consolidated Results

Comcast sold its 57% ownership interest in QVC in September 2003. QVC's results, prior to its sale, are presented as discontinued operations. Consolidated amounts primarily reflect the results of the cable division as discussed above.

For the three months ended September 30, 2004, the Company reported consolidated revenues of \$5.098 billion, a 12.1% increase from the \$4.546 billion reported in the same period of 2003. Consolidated Operating Cash Flow increased to \$1.860 billion or 14.0%, in the third quarter of 2004, from the \$1.632 billion reported in the same prior year period. Operating income

increased 39.0% to \$686 million in the third quarter of 2004 compared to operating income of \$493 million in the third quarter of 2003.

For the three months ended September 30, 2004, the Company reported consolidated net income of \$220 million or \$0.10 per share compared to a consolidated net loss from continuing operations of \$153 million or a loss of \$0.07 per share in the third quarter of 2003. For the nine months ended September 30, 2004, the Company reported consolidated net income of \$547 million or \$0.24 per share compared to a consolidated net loss from continuing operations of \$601 million or a loss of \$0.27 per share in the nine months ended September 30, 2003. Please refer to the "Reconciliation of Net Income to Free Cash Flow" in Table 7-B at the end of this release and the Company's Form 10-Q for further details on items affecting net income.

As previously announced in July 2004, Comcast exchanged its 120 million shares of Liberty Media common stock for 100% ownership in a subsidiary of Liberty Media that primarily held a 100% ownership interest in International Channel Networks, a 10.4% ownership interest in E! Entertainment Television and \$547 million in cash. This transaction results in Comcast owning 60.5% of E! Entertainment Television.

Share Repurchase Program

During the third quarter, Comcast repurchased \$502 million or 18.4 million shares of its common stock under its stock repurchase program. Comcast expects such repurchases to continue to occur from time to time in the open market or in private transactions, subject to market conditions.

During the third quarter the Company elected to redeem for \$209 million in cash, a debt issue that was exchangeable into Comcast Class A Special Common Stock, eliminating the need to issue 7.6 million additional shares.

Starting in December 2003, the inception of the program, through October 2004, the Company has repurchased \$1.1 billion of its Class A Special Common Stock or 38.9 million shares under its \$2 billion share repurchase program. Including the \$609 million paid in cash to redeem several debt issues exchangeable into Comcast common stock, the Company has invested \$1.7 billion in its common stock and related securities.

Financial Guidance 2004:

Comcast Cable Reaffirms:

- Revenue growth of approximately 10%
- OCF of approximately \$7.5 billion or 18% growth
- The number of basic cable subscribers is expected to remain at approximately 21.5 million
- The number of cable phone subscribers may decline by up to 100,000
- Capital expenditures of between \$3.3 and \$3.4 billion

Comcast Cable Updates:

- Digital Cable subscriber net additions of approximately 1 million, representing the top end of the previous guidance range of between 700,000 and 1 million net additions
- High-speed Internet subscriber net additions of between 1.6 and 1.7 million, an increase from original guidance of between 1.5 and 1.6 million net additions

Comcast Content Segment Reaffirms:

- Revenue growth of at least 20%
- OCF growth of at least 30%

Other Financial Guidance Reaffirmed:

- Consolidated Free Cash Flow of \$2 billion

This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual events or our actual results to differ materially from those expressed in any such forward-looking statements. Readers are directed to Comcast's periodic and other reports filed with the Securities and Exchange Commission for a description of such risks and uncertainties.

In this discussion we sometimes refer to financial measures that are not presented according to generally accepted accounting principles (GAAP). Certain of these measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission (SEC) regulations; those rules require the supplemental explanation and reconciliation provided in Table 7 of this release. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

Comcast Corporation will host a conference call with the financial community today October 27, 2004 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at <http://www.cmcsa.com> or <http://www.cmcsk.com>. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on

October 27, 2004. Those parties interested in participating via telephone should dial (847) 413-2408. A telephone replay will begin immediately following the call until October 28, 2004 at midnight ET. To access the rebroadcast, please dial (630) 652-3000 and enter passcode number 9980173#. To automatically receive Comcast financial news by email, please visit <http://www.cmcsa.com> or <http://www.cmcsk.com> and subscribe to e-mail Alerts.

Comcast Corporation (<http://www.comcast.com>) is principally involved in the development, management and operation of broadband cable networks and in the provision of programming content. The Company is the largest provider of cable and broadband services in the United States, serving more than 21 million cable television subscribers and more than 6 million high-speed Internet customers. The Company's content businesses include Comcast SportsNet, Comcast-Spectacor, E! Entertainment Television, Style Network, G4techTV, The Golf Channel, International Channel Networks and Outdoor Life Network. Comcast Class A common stock and Class A Special common stock trade on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.