

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 27, 2004

COMCAST CORPORATION

(Exact name of registrant as specified in its charter)

Pennsylvania

000-50093

27-0000798

(State or other
jurisdiction of
incorporation)

(Commission file
number)

(IRS 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

Item 2.02. Results of Operations and Financial Condition

On October 27, 2004, Comcast Corporation ("Comcast") issued a press release reporting the results of its operations for the three and nine months ended September 30, 2004. The press release is attached hereto as Exhibit 99.1. Comcast does not intend for this Item 2.02 or Exhibit 99.1 to be treated as "filed" under the Securities Exchange Act of 1934, as amended, or incorporated by reference into its filings under the Securities Act of 1933, as amended.

Item 9.01. Exhibits

Exhibit 99.1 Comcast Corporation press release dated October 27, 2004.

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.

Dated: October 27, 2004

COMCAST CORPORATION

By: /s/ Lawrence J. Salva

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

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.

COMCAST CORPORATION

Table 1

Condensed Consolidated Statement of Operations (Unaudited)
(amounts in millions, except per share data)

	Three Months Ended September 30, 2004		Nine Months Ended September 30, 2004	
	2004	2003	2004	2003
Revenues	\$5,098	\$4,546	\$15,072	\$13,606
Operating expenses	1,837	1,703	5,500	5,267
Selling, general and administrative expenses	1,401	1,211	4,027	3,667
Operating Cash Flow	1,860	1,632	5,545	4,672
Depreciation	869	774	2,480	2,370
Amortization	305	365	868	1,090
Operating Income	686	493	2,197	1,212
Interest expense	(435)	(565)	(1,419)	(1,579)
Investment income (loss), net	89	(178)	231	(407)
Equity in net losses of affiliates	(29)	(17)	(66)	(33)
Other income	63	25	82	60
	(312)	(735)	(1,172)	(1,959)
Income (Loss) from Continuing Operations before Income Taxes and Minority Interest	374	(242)	1,025	(747)
Income tax (expense) benefit	(156)	103	(466)	231
Income (Loss) from Continuing Operations Before Minority Interest	218	(139)	559	(516)
Minority interest (income) expense	2	(14)	(12)	(85)
Income (Loss) from Continuing Operations	220	(153)	547	(601)
Income from discontinued operations, net of tax (1)	-	39	-	168
Gain on discontinued operations, net of tax (1)	-	3,290	-	3,290
Net Income	\$220	\$3,176	\$547	\$2,857
Basic and Diluted earnings (loss) per common share				
Income (loss) from continuing operations	\$0.10	(\$0.07)	\$0.24	(\$0.27)
Income from discontinued operations	-	0.02	-	0.08
Gain on discontinued operations	-	1.46	-	1.46
Net Income per common share	\$0.10	\$1.41	\$0.24	\$1.27
Basic weighted average number of common shares outstanding	2,234	2,257	2,249	2,256

Diluted weighted average number of
common shares outstanding 2,243 2,257 2,259 2,256

- 1) On September 17, 2003, the Company completed the sale of its approximate 57% interest in QVC, Inc. Accordingly, the results of QVC have been presented as discontinued operations.

COMCAST CORPORATION
TABLE 2
Condensed Consolidated Balance Sheet (Unaudited)
(dollars in millions)

	September 30, 2004	December 31, 2003
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$717	\$1,550
Investments	2,256	2,493
Accounts receivable, net	940	907
Other current assets	469	453
Total current assets	4,382	5,403
INVESTMENTS	13,096	14,818
PROPERTY AND EQUIPMENT, NET	18,656	18,473
FRANCHISE RIGHTS	51,071	51,050
GOODWILL	14,334	14,841
OTHER INTANGIBLE ASSETS, net	4,196	3,859
OTHER NONCURRENT ASSETS, net	709	715
	\$106,444	\$109,159
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$1,023	\$1,251
Accrued expenses and other current liabilities	4,152	4,563
Deferred income taxes	614	679
Current portion of long-term debt	1,116	734
Current portion of exchangeable debt	2,012	2,427
Total current liabilities	8,917	9,654
LONG-TERM DEBT, less current portion	21,124	21,944
LONG-TERM EXCHANGEABLE DEBT, less current portion	979	1,891
DEFERRED INCOME TAXES	26,414	25,900
OTHER NONCURRENT LIABILITIES	7,354	7,716
MINORITY INTEREST	458	392
STOCKHOLDERS' EQUITY	41,198	41,662
	\$106,444	\$109,159

COMCAST CORPORATION
TABLE 3
Condensed Consolidated Statement of Cash Flows (Unaudited)
(dollars in millions)

	Nine Months Ended September 30,	
	2004	2003
OPERATING ACTIVITIES		
Net cash provided by operating activities from continuing operations	\$4,435	\$2,519
FINANCING ACTIVITIES		
Proceeds from borrowings	1,354	9,377
Retirements and repayments of debt	(2,289)	(13,675)

Repurchases of common stock	(1,007)	
Other, net	64	(3)
Net cash used in financing activities from continuing operations	(1,878)	(4,301)
INVESTING ACTIVITIES		
Capital expenditures	(2,610)	(3,093)
Proceeds from restructuring of TWE investment		2,100
Proceeds from sales of investments and assets held for sale	200	5,852
Acquisitions, net of cash acquired	(296)	(39)
Additions to intangibles and other noncurrent assets	(572)	(139)
Other, net	(112)	(159)
Net cash (used in) provided by investing activities from continuing operations	(3,390)	4,522
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(833)	2,740
CASH AND CASH EQUIVALENTS, beginning of period	1,550	505
CASH AND CASH EQUIVALENTS, end of period	\$717	\$3,245

TABLE 4
Calculation of Free Cash Flow (Unaudited)
(dollars in millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2004	September 30, 2003	September 30, 2004	September 30, 2003
Operating Cash Flow	1,860	1,632	5,545	4,672
Interest, Net (1)	403	559	1,309	1,627
Cash paid for Income Taxes	39	14	189	67
Capital Expenditures	878	1,081	2,610	3,093
Free Cash Flow (2)	\$540	(\$22)	\$1,437	(\$115)

(1) Includes interest expense net of interest income and excludes non-cash interest and subsidiary preferred dividends.

(2) Excludes items necessary to reconcile Free Cash Flow to Net Cash Provided By Operating Activities less capital expenditures. These items amounted to \$384 million and (\$251) million for the three months ended September 30, 2004 and 2003 and \$388 million and (\$459) million for the nine months ended September 30, 2004 and 2003. These items are highlighted in footnotes 4 and 5 on Table 7-B.

COMCAST CORPORATION
TABLE 5

Pro Forma Financial Data by Business Segment (Unaudited) (1)
(dollars in millions)

	Cable (2)	Content (3)	Corporate and Other	Total
			(4)	
Three Months Ended September 30, 2004				
Revenues	\$4,844	\$207	\$47	\$5,098
Operating Cash Flow	\$1,858	\$62	(\$60)	\$1,860
Operating Income (Loss)	\$746	\$20	(\$80)	\$686
Operating Cash Flow Margin	38.4%	30.2%	NM	36.5%
Capital Expenditures (5)	\$871	\$4	\$3	\$878
Three Months Ended September 30, 2003				
Revenues	\$4,378	\$158	\$14	\$4,550
Operating Cash Flow	\$1,622	\$58	(\$46)	\$1,634
Operating Income (Loss)	\$536	\$26	(\$67)	\$495
Operating Cash Flow Margin	37.1%	36.9%	NM	35.9%
Capital Expenditures (5)	\$1,045	\$3	\$33	\$1,081
Nine Months Ended September 30, 2004				
Revenues	\$14,334	\$582	\$161	\$15,077
Operating Cash Flow	\$5,499	\$208	(\$160)	\$5,547
Operating Income (Loss)	\$2,327	\$92	(\$220)	\$2,199
Operating Cash Flow Margin	38.4%	35.8%	NM	36.8%

Capital Expenditures (5)	\$2,578	\$14	\$18	\$2,610
Nine Months Ended September 30, 2003				
Revenues	\$12,995	\$462	\$159	\$13,616
Operating Cash Flow	\$4,643	\$155	(\$121)	\$4,677
Operating Income (Loss)	\$1,344	\$59	(\$186)	\$1,217
Operating Cash Flow Margin	35.7%	33.6%	NM	34.3%
Capital Expenditures (5)	\$3,045	\$10	\$38	\$3,093

- (1) See Non-GAAP and Other Financial Measures in Table 7. Historical financial data by business segment, as required under generally accepted accounting principles, is available in the Company's quarterly report on Form 10-Q. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.
- (2) Pro forma financial data excludes the results of the 314,000 cable subscribers sold to Bresnan Communications in March 2003 and excludes the results of the net reduction of 16,000 subscribers associated with the cable system exchange with Insight Communications in February 2003. Pro forma financial data includes the results of the 30,000 cable subscribers acquired from US Coastal Cable in April 2004.
- (3) Content includes our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, Outdoor Life Network, G4techTV and International Channel Networks.
- (4) Corporate and Other includes Comcast-Spectacor, the Company's domestic wireline telecommunications business, international wireless operations, Corporate and elimination entries. Prior to the first quarter of 2004, Comcast-Spectacor was included in Content, which now only consists of our national networks. For all periods presented, Comcast-Spectacor is included in Corporate and Other. In addition, beginning in the third quarter of 2004, Comcast-Spectacor includes the operating results of its investment in a sports-event related business.
- (5) Our Cable segment's capital expenditures are comprised of the following categories:

	3Q04	3Q03	YTD 9/30/04	YTD 9/30/03
Customer Premise Equipment (CPE)	\$392	\$381	\$1,022	\$1,148
Scalable Infrastructure	152	92	383	227
Line Extensions	84	62	225	173
Upgrades	198	376	738	1,135
Support Capital	45	134	210	362
Total	\$871	\$1,045	\$2,578	\$3,045

CPE includes costs incurred at the customer residence to secure new customers, revenue units and additional bandwidth revenues (e.g. digital converters). Scalable infrastructure includes costs, not CPE or network related, to secure growth of new customers, revenue units and additional bandwidth revenues or provide service enhancements (e.g. headend equipment). Line extensions include network costs associated with entering new service areas (e.g. fiber/coaxial cable). Upgrades include costs to enhance or replace existing fiber/coaxial cable networks, including recurring betterments. Support capital includes costs associated with the replacement or enhancement of non-network assets due to obsolescence and wear out (e.g. non-network equipment, land, buildings and vehicles).

COMCAST CORPORATION

TABLE 6

Pro Forma Data - Cable Segment Components (Unaudited) (1) (2)
(dollars in millions, except average monthly revenue per subscriber data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	2003	2004	2003
Revenues:				
Video (3)	\$3,222	\$3,025	\$9,655	\$9,051
High-Speed Internet	808	586	2,269	1,626
Phone	173	188	528	618
Advertising	319	276	918	797
Other (4)	161	152	481	450
Franchise Fees	161	151	483	453
Total Revenues	\$4,844	\$4,378	\$14,334	\$12,995

Operating Cash Flow	\$1,858	\$1,622	\$5,499	\$4,643
Operating Income	\$746	\$536	\$2,327	\$1,344
Operating Cash Flow Margin	38.4%	37.1%	38.4%	35.7%
Capital Expenditures	\$871	\$1,045	\$2,578	\$3,045
Operating Cash Flow, Net of Capital Expenditures	\$987	\$577	\$2,921	\$1,598

				Growth vs. 2Q04	Growth vs. 3Q03
	3Q04	2Q04	3Q03		
Video					
Homes Passed (000's)	40,500	40,300	39,900	0.5%	1.5%
Basic Subscribers (000's)	21,487	21,479	21,470	-	0.1%
Basic Penetration	53.0%	53.3%	53.9%		
Quarterly Net Basic Subscriber Additions (000's)	9	-96	1	NM	NM
Digital Subscribers (000's)	8,405	8,064	7,281	4.2%	15.4%
Digital Penetration	39.1%	37.5%	33.9%		
Quarterly Net Digital Subscriber Additions (000's)	341	206	319	65.5%	6.9%
Monthly Average Video Revenue per Basic Subscriber	\$50.00	\$50.30	\$46.95	-0.6%	6.5%
Monthly Average Total Revenue per Basic Subscriber	\$75.15	\$74.94	\$67.97	0.3%	10.6%
High-Speed Internet					
"Available" Homes (000's)	38,060	37,323	33,435	2.0%	13.8%
Subscribers (000's)	6,554	6,005	4,862	9.1%	34.8%
Penetration	17.2%	16.1%	14.5%		
Quarterly Net Subscriber Additions (000's)	549	327	473	68.2%	16.2%
Monthly Average Revenue per Subscriber	\$42.91	\$43.52	\$42.25	-1.4%	1.6%
Phone					
"Available" Homes (000's)	9,978	9,766	9,382	2.2%	6.3%
Subscribers (000's)	1,213	1,225	1,312	-1.0%	-7.5%
Penetration	12.2%	12.5%	14.0%		
Quarterly Net Subscriber Additions (000's)	-12	-22	-55	47.1%	78.4%
Monthly Average Revenue per Subscriber	\$47.18	\$47.71	\$46.99	-1.1%	0.4%
Total Revenue Generating Units (000's) (5)	37,659	36,773	34,925	2.4%	7.8%

(1) See Non-GAAP and Other Financial Measures in Table 7. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

(2) Pro forma financial and subscriber data excludes the results of the 314,000 cable subscribers sold to Bresnan Communications in March 2003 and excludes the results of the net reduction of 16,000 subscribers associated with the cable systems exchange with Insight Communications in February 2003. Pro forma financial and subscriber data includes the results of the 30,000 cable subscribers acquired from US Coastal Cable in April 2004. Pro forma subscriber data includes 54,000 subscribers acquired in various small acquisitions during the periods presented. The impact of these acquisitions on our segment operating results was not material.

(3) Video revenues consist of our basic, expanded basic, premium, pay-per-view, equipment and digital services.

(4) Other revenues include installation revenues, guide revenues, commissions from electronic retailing, other product offerings, commercial data services and revenues of our digital media center and regional sports programming networks.

(5) The sum total of all basic video, digital video, high-speed Internet and phone customers, excluding additional outlets.

COMCAST CORPORATION
TABLE 7
Non-GAAP and Other Financial Measures

Operating Cash Flow is the primary basis used to measure the operational strength and performance of our businesses. Free Cash Flow is an additional performance measure used as an indicator of our ability to repay debt, make

investments and return capital to investors, principally through stock repurchases. We use Debt Excluding Exchangeables as a measure of debt that will require cash from future operations or financings. We also adjust certain historical data on a pro forma basis following significant acquisitions or dispositions to enhance comparability.

Operating Cash Flow is defined 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. As such, it eliminates the significant level of non-cash depreciation and amortization expense that results from the capital intensive nature of our businesses and intangible assets recognized in business combinations, and is unaffected by our capital structure or investment activities. Our management and Board of Directors use this measure in evaluating our consolidated operating performance and the operating performance of all of our operating segments. This metric is used to allocate resources and capital to our operating segments and is a significant component of our annual incentive compensation programs. We believe that Operating Cash Flow is also useful to investors as it is one of the bases for comparing our operating performance with other companies in our industries, although our measure of Operating Cash Flow may not be directly comparable to similar measures used by other companies.

As Operating Cash Flow is the measure of 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 (GAAP), in the business segment footnote of our quarterly and annual financial statements. Therefore, we believe our measure of Operating Cash Flow for our business segments is not a "non-GAAP financial measure" as contemplated by Regulation G adopted by the Securities and Exchange Commission. Consolidated Operating Cash Flow is a non-GAAP financial measure.

Free Cash Flow, which is a non-GAAP financial measure, is defined as Operating Cash Flow less net interest, cash paid for taxes, and capital expenditures. As such, it is unaffected by fluctuations in working capital levels from period to period. It can also be computed as cash provided by operating activities less capital expenditures adjusted for the change in operating assets and liabilities, net of acquisitions. We believe that Free Cash Flow is also useful to investors as it is one of the bases for comparing our operating performance with other companies in our industries, although our measure of Free Cash Flow is accrual-based and may not be comparable to similar measures used by other companies.

Debt Excluding Exchangeables, which is a non-GAAP financial measure, refers to the aggregate amount of our consolidated debt and capital lease obligations less the amount of notes that are collateralized by securities that we own.

Pro forma data is used by management to evaluate performance when significant acquisitions or dispositions occur. Historical data reflects results of acquired businesses only after the acquisition dates while pro forma data enhances comparability of financial information between periods by adjusting the data as if the acquisitions (or dispositions) occurred at the beginning of the prior year. Our pro forma data is only adjusted for the timing of acquisitions and does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. We believe our pro forma data is not a non-GAAP financial measure as contemplated by Regulation G.

Operating Cash Flow and Free Cash Flow should not be considered as substitutes 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. Debt Excluding Exchangeables should not be considered as a substitute for Total Debt. Additionally, in the opinion of management, our pro forma data is not necessarily indicative of future results or what results would have been had the acquired businesses been operated by us after the assumed earlier date.

Following are quantitative reconciliations of Free Cash Flow, Debt Excluding Exchangeables, Consolidated Operating Cash Flow, and, although not required by Regulation G, reconciliations of business segment Operating Cash Flow and pro forma data.

COMCAST CORPORATION
TABLE 7-A continued

Reconciliation of Historical and Pro Forma Data by Business Segment
(Unaudited)
(dollars in millions)

	Historical (1)		Adjustments (2)		
	Cable Content	Corporate and Other	Corporate and Other	Corporate and Other	Pro forma
Three Months Ended September 30, 2004					
Revenues	\$4,844	\$207	\$47	\$5,098	-
Operating expenses (excluding depreciation and					\$5,098

amortization)	2,986	145	107	3,238	-	-	3,238
Operating Cash Flow	\$1,858	\$62	(\$60)	\$1,860	-	-	\$1,860
Depreciation and amortization	1,112	42	20	1,174	-	-	1,174
Operating income (loss)	\$746	\$20	(\$80)	\$686	-	-	\$686
Capital expenditures	\$871	\$4	\$3	\$878	-	-	\$878

Adjustments (2)

Three Months Ended	Corporate and				Corporate and		Pro
September 30, 2003	Cable	Content	Other	Total	Cable	Other	forma
Revenues	\$4,374	\$158	\$14	\$4,546	\$4	-	\$4,550
Operating expenses (excluding depreciation and amortization)	2,754	100	60	2,914	2	-	2,916
Operating Cash Flow	\$1,620	\$58	(\$46)	\$1,632	\$2	-	\$1,634
Depreciation and amortization	1,086	32	21	1,139	-	-	1,139
Operating income (loss)	\$534	\$26	(\$67)	\$493	\$2	-	\$495
Capital expenditures	\$1,045	\$3	\$33	\$1,081	-	-	\$1,081

Adjustments (2)

Nine Months Ended	Corporate and				Corporate and		Pro
September 30, 2004	Cable	Content	Other	Total	Cable	Other	forma
Revenues	\$14,329	\$582	\$161	\$15,072	\$5	-	\$15,077
Operating expenses (excluding depreciation and amortization)	8,832	374	321	9,527	3	-	9,530
Operating Cash Flow	\$5,497	\$208	(\$160)	\$5,545	\$2	-	\$5,547
Depreciation and amortization	3,172	116	60	3,348	-	-	3,348
Operating income (loss)	\$2,325	\$92	(\$220)	\$2,197	\$2	-	\$2,199
Capital expenditures	\$2,578	\$14	\$18	\$2,610	-	-	\$2,610

Adjustments (2)

Nine Months Ended	Corporate and				Corporate and		Pro
September 30, 2003	Cable	Content	Other	Total	Cable	Other	forma
Revenues	\$12,985	\$462	\$159	\$13,606	\$10	-	\$13,616
Operating expenses (excluding depreciation and amortization)	8,347	307	280	8,934	5	-	8,939
Operating Cash Flow	\$4,638	\$155	(\$121)	\$4,672	\$5	-	\$4,677
Depreciation and amortization	3,299	96	65	3,460	-	-	3,460
Operating income (loss)	\$1,339	\$59	(\$186)	\$1,212	\$5	-	\$1,217
Capital expenditures	\$3,045	\$10	\$38	\$3,093	-	-	\$3,093

Reconciliation of Total Debt to Debt Excluding Exchangeables (Unaudited)
(dollars in millions)

	September 30, 2004	December 31, 2003
Current portion of long-term debt	\$3,128	\$3,161
Long-term debt	22,103	23,835
Total Debt	\$25,231	\$26,996
Exchangeable debt	2,991	4,318
Debt excluding exchangeables	\$22,240	\$22,678

Calculation of 2004 Estimated Free Cash Flow
(dollars in billions)

2003 Operating Income	\$2.0
Add: Depreciation and Amortization	4.4
2003 Operating Cash Flow	6.4
2004 Operating Cash Flow Growth	18%
Projected 2004 Operating Cash Flow	7.5
Less: Projected Capital Expenditures (3)	3.4
Projected 2004 Consolidated Interest, net (4)	1.85
Projected 2004 Consolidated Cash Paid for Income Taxes (5)	0.25

- (1) Historical amounts have been adjusted to reflect QVC as discontinued operations.
- (2) Pro forma data is only adjusted for timing of the acquisitions (or dispositions) and does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses.
- (3) Mid point of 2004 Cable capital expenditures guidance plus projected 2004 Content and Other segment's capital expenditures.
- (4) Mid point of 2004 estimated Consolidated interest expense guidance of \$1.8 to \$1.9 billion.
- (5) Mid point of 2004 estimated Consolidated cash paid for income taxes guidance of \$200 to \$300 million.

COMCAST CORPORATION

TABLE 7-B continued

Reconciliation of Net Income to Free Cash Flow (Unaudited)
(dollars in millions, except per share data)

	Three Months Ended			
	September 30,			
	2004		2003	
	per share		per share	
	\$	(2)	\$	(2)
Net Income as reported	\$220	\$0.10	\$3,176	\$1.41
Discontinued Operations, net of tax	-	-	(3,329)	(1.48)
Non-operating items, net of tax (1)	(81)	(0.04)	120	0.06
Net Income (Loss) as adjusted	\$139	\$0.06	(\$33)	(\$0.01)
Items to reconcile net income (loss) as adjusted to Operating Cash Flow:				
Depreciation and amortization	1,174	0.52	1,139	0.50
Interest expense	435	0.19	565	0.25
Income tax expense (benefit)	112	0.06	(39)	(0.02)
Operating Cash Flow	\$1,860	\$0.83	\$1,632	\$0.72
Operating Cash Flow	\$1,860	\$1,860	\$1,632	\$1,632
Less:				
Interest, net (3)	(403)	(403)	(559)	(559)
Cash Paid for Income Taxes	(39)	(39)	(14)	(14)
Change in Operating Assets and Liabilities, net of acquisitions (4)	(114)		551	
Other (5)	498		(802)	
Net Cash Provided by Operating Activities	\$1,802		\$808	
Less: Capital Expenditures		(878)		(1,081)
Free Cash Flow		\$540		(\$22)

(1) Detail of non-operating items:	Three Months Ended			
	September 30,			
	2004		2003	
	per share		per share	
	\$	(2)	\$	(2)
Investment (income) expense - mark to market adjustments on trading securities, derivatives and hedged items, net	(\$39)	(\$0.02)	\$213	\$0.09
Investment (income) - gain on sales and exchanges of investments	(35)	(0.02)	(4)	-
Investment expense - investment impairment losses (6)	7	-	-	-
All other, net (7)	(58)	(0.02)	(25)	(0.01)
Total non-operating items	(125)	(0.06)	184	0.08
Tax Effect	44	0.02	(64)	(0.02)
Non-operating items, net of tax	(\$81)	(\$0.04)	\$120	\$0.06

	Nine Months Ended			
	September 30,			
	2004		2003	
	per share		per share	
	\$	(2)	\$	(2)

Net Income as reported	\$547	\$0.24	\$2,857	\$1.27
Discontinued Operations, net of tax	-	-	(3,458)	(1.54)
Non-operating items, net of tax (1)	(153)	(0.07)	302	0.14
Net Income (Loss) as adjusted	\$394	\$0.17	(\$299)	(\$0.13)

Items to reconcile net income (loss) as adjusted to Operating Cash Flow:				
Depreciation and amortization	3,348	1.48	3,460	1.53
Interest expense	1,419	0.63	1,579	0.70
Income tax expense (benefit)	384	0.17	(68)	(0.03)
Operating Cash Flow	\$5,545	\$2.45	\$4,672	\$2.07

Operating Cash Flow	2004	2004	2003	2003
	\$5,545	\$5,545	\$4,672	\$4,672
Less:				
Interest, net (3)	(1,309)	(1,309)	(1,627)	(1,627)
Cash Paid for Income Taxes	(189)	(189)	(67)	(67)
Change in Operating Assets and Liabilities, net of acquisitions (4)	(111)		298	
Other (5)	499		(757)	
Net Cash Provided by Operating Activities	\$4,435		\$2,519	
Less: Capital Expenditures		(2,610)		(3,093)
Free Cash Flow		\$1,437		(\$115)

Nine Months Ended
September 30,

(1) Detail of non-operating items:		2004		2003
	\$	per share	\$	per share
		(2)		(2)
Investment (income) expense - mark to market adjustments on trading securities, derivatives and hedged items, net	(\$140)	(\$0.06)	\$478	\$0.21
Investment (income) - gain on sales and exchanges of investments	(36)	(0.02)	(27)	(0.01)
Investment expense - investment impairment losses (6)	10	-	70	0.03
All other, net (7)	(69)	(0.02)	(56)	(0.02)
Total non-operating items	(235)	(0.10)	465	0.21
Tax Effect	82	0.03	(163)	(0.07)
Non-operating items, net of tax	(\$153)	(\$0.07)	\$302	\$0.14

- 2) Diluted weighted average shares outstanding for the three and nine months ended September 30, 2004 were 2.243 billion and 2.259 billion, respectively. Diluted weighted average shares outstanding for the three and nine months ended September 30, 2003 were 2.257 billion and 2.256 billion, respectively.
- 3) Includes interest expense net of interest income and excludes non-cash interest and subsidiary preferred dividends.
- 4) Included in the nine months ended September 30, 2004 is \$536 million of income tax refund received in the second quarter of 2004.
- 5) Includes non-cash expenses included in Operating Cash Flow such as equity compensation, cash proceeds from sales of trading securities (\$85 million related to Sprint PCS year to date 2Q03 and \$547 million related to Liberty Media in 3Q04), cash related to other (income) expense, dividends and the net effect of changes in accrued income taxes.
- 6) We record losses on our investments for which we have determined that a decline in value of the investment is other than temporary.
- 7) Includes investment, interest and dividend income, equity in net (income) losses of affiliates, other (income) expense and minority interest.

SOURCE Comcast Corporation

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10/27/2004

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