

# SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

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)

1500 Market Street, Philadelphia, PA  
(Address of principal executive offices)

27-000798  
(I.R.S. Employer Identification No.)

19102-2148  
(Zip Code)

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

### SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Title of Each Class	Name of Each Exchange on which Registered
Class A Common Stock, \$0.01 par value	Nasdaq Global Select Market
Class A Special Common Stock, \$0.01 par value	Nasdaq Global Select Market
2.0% Exchangeable Subordinated Debentures due 2029	New York Stock Exchange
7.00% Notes due 2055	New York Stock Exchange
7.00% Notes due 2055, Series B	New York Stock Exchange
8.375% Guaranteed Notes due 2013	New York Stock Exchange
9.455% Guaranteed Notes due 2022	New York Stock Exchange

### SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

NONE

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes  No

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 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

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 June 30, 2006, the aggregate market value of the Class A common stock and Class A Special common stock held by non-affiliates of the Registrant was \$44.708 billion and \$23.300 billion, respectively.

As of December 31, 2006, after giving effect to our February 2007 stock split, there were 2,060,357,960 shares of Class A common stock, 1,049,725,007 shares of Class A Special common stock and 9,444,375 shares of Class B common stock outstanding.

### DOCUMENTS INCORPORATED BY REFERENCE

Part II and IV—Portions of the Registrant's Annual Report to Shareholders for the year ended December 31, 2006.



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**COMCAST CORPORATION**  
**2006 ANNUAL REPORT ON FORM 10-K**

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This Annual Report on Form 10-K is for the year ended December 31, 2006. This Annual Report on Form 10-K modifies and supersedes documents filed prior to it. 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 Annual Report on Form 10-K. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Annual Report on Form 10-K. Throughout this Annual Report on Form 10-K, we refer to Comcast Corporation as "Comcast"; Comcast and its consolidated subsidiaries as "we," "us" and "our;" and Comcast Holdings Corporation as "Comcast Holdings."

**PART I**

**ITEM 1: BUSINESS**

We are the largest cable operator in the United States and offer a variety of consumer entertainment and communication products and services. As of December 31, 2006, our cable systems served approximately 23.4 million video subscribers, 11 million high-speed Internet subscribers and 2.4 million phone subscribers and passed approximately 45.7 million homes in 39 states and the District of Columbia. We were incorporated under the laws of Pennsylvania in December 2001. Through our predecessors (including our immediate predecessor, Comcast Holdings), we have developed, managed and operated cable systems since 1963.

We classify our operations in two reportable segments: Cable and Programming. Our Cable segment, which generates approximately 95% of our consolidated revenues, manages and operates our cable systems, including video, high-speed Internet and phone services (“cable services”), as well as our regional sports and news networks.

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

Our other business interests include 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 events. Comcast Spectacor and all other consolidated businesses not included in our Cable or Programming segment are included in “Corporate and Other” activities.

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 on Form 10-K have been adjusted to reflect the Stock Split for all periods presented.

For financial and other information on our segments, refer to Note 14 to our consolidated financial statements included in our 2006 Annual Report to Shareholders, which is filed as Exhibit 13.1 to, and portions of which are incorporated by reference in, this Annual Report on Form 10-K.

**AVAILABLE INFORMATION AND WEB SITES**

Our phone number is (215) 665-1700, and our principal executive offices are located at 1500 Market Street, Philadelphia, PA 19102-2148. The public may read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to such reports filed with or furnished to the SEC pursuant to Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) are available free of charge on the SEC’s Web site at [www.sec.gov](http://www.sec.gov) and on our Web site at [www.comcast.com](http://www.comcast.com) as soon as reasonably practicable after such reports are electronically filed with the SEC. The information posted on our Web site is not incorporated into our SEC filings.

## GENERAL DEVELOPMENTS OF OUR BUSINESSES

We operate our businesses in an increasingly competitive, highly regulated and technologically complex environment. During 2006, we continued to focus on our strategy of growth in subscribers for our products and services. Our Cable business continued the deployment and marketing of our digital phone service (“Comcast Digital Voice”) and additional digital cable services, such as video on demand, which we refer to as “ON DEMAND,” Digital Video Recorder (“DVR”) and High Definition Television (“HDTV”). Our Programming business expanded its ownership and management of programming businesses.

The following are the more significant developments during 2006:

- completed transactions with Adelphia and Time Warner that 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 interest in Time Warner Cable Inc. (“TWC”) and Time Warner Entertainment Company, L.P. (“TWE”), the assets of two cable system partnerships and the transfer of our previously owned cable systems in Los Angeles, Cleveland and Dallas. We collectively refer to these transactions as the “Adelphia and Time Warner transactions.”
- initiated the dissolution of the Texas and Kansas City Cable Partnership (“TKCCP”) that resulted in our acquisition of cable systems serving Houston, Texas (approximately 700,000 video subscribers) in January 2007
- acquired the cable systems of Susquehanna Communications serving approximately 200,000 video subscribers for approximately \$775 million
- acquired the 39.5% interest in E! Entertainment Television (which operates the E! and Style programming networks) that we did not already own for approximately \$1.2 billion
- participated in a consortium of investors (“SpectrumCo”) that acquired wireless spectrum licenses covering approximately 91% of the population in the United States for approximately \$2.4 billion (our portion was \$1.3 billion)
- repurchased approximately 113 million shares (adjusted to reflect the Stock Split) of our Class A Special common stock pursuant to our Board-authorized share repurchase program for approximately \$2.3 billion

**DESCRIPTION OF OUR BUSINESSES****Cable Segment**

The table below summarizes certain information for our cable operations as of December 31. In July 2006, we transferred our previously owned cable systems located in Los Angeles, Cleveland and Dallas (“Comcast Exchange Systems”) to Time Warner Cable. The information provided in the table below excludes the Comcast Exchange Systems for all dates presented.

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Homes and subscribers in millions:					
Video					
Homes Passed <sup>(a)</sup>	45.7	38.6	37.8	36.9	36.2
Subscribers <sup>(b)</sup>	23.4	20.3	20.5	20.4	20.2
Penetration	51.3%	52.7%	54.1%	55.1%	55.9%
Digital Cable					
Subscribers <sup>(c)</sup>	12.1	9.1	8.1	7.1	6.2
Penetration	51.9%	44.8%	39.4%	35.1%	30.6%
High-Speed Internet					
“Available” Homes <sup>(d)</sup>	45.2	38.2	37.1	32.2	30.1
Subscribers	11.0	8.1	6.6	5.0	3.4
Penetration	24.4%	21.1%	17.8%	15.4%	11.2%
Phone					
“Available” Homes <sup>(d)</sup>	31.5	19.6	8.9	7.9	8.1
Subscribers	2.4	1.2	1.1	1.1	1.2
Penetration	7.6%	6.0%	12.2%	14.2%	14.9%

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

- (a) A home is “passed” if we can connect it to our distribution system without further extending the transmission lines. As described in Note <sup>(b)</sup> below, in the case of certain multiple dwelling units (“MDUs”), such as apartment buildings and condominium complexes, homes “passed” are counted on an adjusted basis. “Homes passed” is an estimate based on the best available information.
- (b) Generally, a dwelling or commercial unit with one or more television sets connected to a system counts as one cable subscriber. In the case of some MDUs, we count homes passed and cable subscribers on a Federal Communications Commission (“FCC”) equivalent basis by dividing total revenue received from a contract with an MDU by the standard residential rate where the specific MDU is located.
- (c) A dwelling with one or more digital set-top boxes counts as one digital cable subscriber. On average, as of December 31, 2006, each digital cable subscriber had 1.5 digital set-top boxes.
- (d) A home passed is “available” if we can connect it to our distribution system without further upgrading the transmission lines and if we offer the service in that area. Available homes for phone include digital phone and circuit-switched homes.

**Cable Services**

We offer a variety of services over our cable systems, including video, high-speed Internet and phone.

With our cable system upgrade substantially complete, we are now focusing our technology investments on extending the reach and capacity of our networks, improving network efficiency, increasing the capacity and improving the functionality of advanced set-top boxes, developing cross-service features and functionality, developing interactive services and integrating phone features with our high-speed Internet service and our advanced set-top boxes.

Substantially all of our subscribers are residential customers. We also tailor our cable services to the needs of businesses, such as restaurants, hotels and small businesses. We expect the number of business services subscribers to grow substantially over the next several years.

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### *Video Services*

We offer a full range of video services. We tailor our channel offerings for each system serving a particular geographic area according to applicable local and federal regulatory requirements, programming preferences and demographics. Subscribers typically pay us on a monthly basis and generally may discontinue services at any time. Monthly subscription rates and related charges vary according to the type of service selected and the type of equipment the subscriber uses. Our video service offerings include the following:

*Basic cable.* Our basic cable services consist of a limited basic service with access to between 10 and 20 channels of programming and an expanded basic service with access to between 60 and 80 channels of programming. These services generally consist of programming provided by national and local broadcast networks, national and regional cable networks, and governmental and public access programming.

*Digital cable.* Our digital cable services consist of a digital starter cable service, a full digital cable service, and some specialty tiers with sports, family or ethnic themes. The digital starter cable service uses a digital set-top box to deliver between 60 and 80 channels of video programming, multiple music channels, an interactive program guide and a partial ON DEMAND library. Full digital cable services also use a digital set-top box to deliver over 250 channels of video programming, multiple music channels, an interactive program guide, access to a full ON DEMAND library, and multiple offerings from any premium channel programming purchased by the subscriber (including programming that varies as to time of broadcast and theme of content).

*Video on demand.* Our video on demand service, which we refer to as ON DEMAND, allows our digital starter cable and full digital cable subscribers the opportunity to choose from a library of programs, start the programs at whatever time is convenient, and pause, rewind or fast-forward the programs. A substantial portion of our ON DEMAND content is available to our digital cable subscribers at no additional charge.

*Subscription video on demand.* Our subscription video on demand service provides subscribers with ON DEMAND access to packages of programming that are either associated with a particular premium content provider to which they already subscribe, such as HBO On-Demand, or are otherwise made available on a subscription basis. Certain selected packages of programming are available for an additional fee.

*High-Definition Television.* Our HDTV service provides our digital cable subscribers with improved, high-resolution picture quality, improved audio quality and a wide-screen format. Our HDTV service offers a broad selection of high-definition programming with access up to approximately 20 high-definition channels, including most major broadcast networks, leading national cable networks, premium channels and regional sports networks. In addition, our ON DEMAND service provides more than 150 HDTV programming choices.

*Digital Video Recorder.* Our DVR service lets digital cable subscribers select, record and store programs and play them at whatever time is convenient. DVR service also provides the ability to pause and rewind "live" television.

*Premium channel programming.* Our premium channel programming service, which includes cable networks such as HBO, Showtime, Starz and Cinemax, generally offers, without commercial interruption, feature motion pictures, live and taped sporting events, concerts and other special features.

*Pay-per-view programming.* Our pay-per-view service allows our cable subscribers to order, for a separate fee, individual movies and special-event programs, such as professional boxing, professional wrestling and concerts, on an unedited, commercial-free basis.

### *High-Speed Internet Services*

We offer high-speed Internet service with Internet access at downstream speeds from 6Mbps to 16Mbps, depending on the level of service selected. This service also includes our interactive portal, Comcast.net, which

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provides multiple e-mail addresses and online storage, as well as a variety of proprietary content and value-added features and enhancements that are designed to take advantage of the speed of the Internet service we provide.

### *Phone Services*

We offer Comcast Digital Voice, our IP-enabled phone service that provides unlimited local and domestic long-distance calling, including features such as Voice Mail, Caller ID and Call Waiting. As of December 31, 2006, Comcast Digital Voice service was available to 32 million homes. We anticipate that, by the end of 2007, approximately 85% of our homes passed will have access to Comcast Digital Voice.

In some areas, we provide our circuit-switched local phone service. Subscribers to this service have access to a full array of calling features and third-party long-distance services. At this time, we are now focusing our marketing efforts on Comcast Digital Voice.

### *Advertising*

As part of our programming license agreements with programming networks, we often receive an allocation of scheduled advertising time that we may sell to local, regional and national advertisers. We also coordinate the advertising sales efforts of other cable operators in some markets, and in other markets we have formed and operate advertising interconnects, which establish a physical, direct link between multiple cable systems and provide for the sale of regional and national advertising across larger geographic areas than could be provided by a single cable operator.

### *Regional Sports and News Networks*

Our regional sports and news networks include Comcast SportsNet (Philadelphia), Comcast SportsNet Mid-Atlantic (Baltimore/Washington), Cable Sports Southeast, CN8—The Comcast Network, Comcast SportsNet Chicago, MountainWest Sports Network and Comcast SportsNet West (Sacramento). These networks earn revenue through the sale of advertising time and from monthly per subscriber license fees paid by cable system operators and direct broadcast satellite (“DBS”) companies.

### *Other Revenue Sources*

We also generate revenues from installation services, commissions from third-party electronic retailing and from other services, such as providing businesses with data connectivity and networked applications.

### *Sources of Supply*

To offer our video services, we license from programming networks the substantial majority of the programming we distribute (both channels and ON DEMAND programs) for which we generally pay a monthly fee on a per video subscriber, per channel basis. We attempt to secure long-term licenses with volume discounts and/or marketing support and incentives for this programming. We also license individual programs or packages of programs from program suppliers for our ON DEMAND service, generally under shorter-term agreements.

Our video programming expenses are increased by the growth in the number of video subscribers, the increase in the number of channels and programs we provide, and increases in license fees. We expect our programming expenses to continue to be our largest single expense item and to increase in the future. In recent years, the cable and satellite television industries have experienced a substantial increase in the cost of programming, particularly sports programming. We anticipate that these increases may be mitigated, to some extent, by volume discounts.

To offer our high-speed Internet portal service, we license the software products (such as e-mail) and content (such as news feeds) that we integrate into our service from a variety of suppliers under multiyear contracts in which we generally pay a monthly fee on a per subscriber or fixed fee basis.



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To offer Comcast Digital Voice, we license the software products (such as voice mail) that we integrate into our service from a variety of suppliers under multiyear contracts and payment is based upon consumption of the related services.

### ***Customer and Technical Service***

We service our subscribers through local, regional and national call and technical centers. Generally, our call centers provide 24/7 call-answering capability, telemarketing and other services. Our technical services function performs various tasks, including installations, transmission and distribution plant maintenance, plant upgrades and activities related to customer service.

### ***Technology Development***

Historically, we have relied on third-party hardware and software vendors for many of the technologies needed for the operation of our businesses, the addition of new features to existing services, and the development and commercialization of new service offerings. In recent years, we have begun developing strategically important software and technologies internally and integrating third-party software to our specifications. We have arranged for long-term access rights to national fiber-based networks that we actively manage to interconnect our local and regional distribution systems and to facilitate the efficient delivery of our services. We expect these efforts to continue and expand in the future. These efforts require greater initial expenditures than would be required if we continued to purchase or license these products and services from third parties.

We have begun to explore various ways to offer wireless services. We have entered into a strategic alliance with a wireless carrier to offer its wireless service integrated with our cable services and to develop technology that facilitates further integration. We have also purchased our own wireless spectrum, both directly and through a consortium. We have not yet built any networks using our spectrum, but we are exploring various strategies to utilize this spectrum to enhance our service offerings and offer new services.

### ***Sales and Marketing***

We offer our products and services through direct customer contact through our call centers, door-to-door selling, direct mail advertising, television advertising, local media advertising, telemarketing and retail outlets. In 2006, we began marketing our video, high-speed Internet and Comcast Digital Voice services in a package that we refer to as the “triple play.”

### ***Competition***

We operate our businesses in an increasingly competitive environment. We compete with a number of different companies that offer a broad range of services through increasingly diverse means. In addition, we operate in a technologically complex environment where it is likely new technologies will further increase the number of competitors we face for our video, high-speed Internet and phone services, and our advertising business. We expect advances in communications technology to continue in the future and we are unable to predict what effects these developments will have on our businesses and operations.

#### *Video Services*

We compete with a number of different sources that provide news, information and entertainment programming to consumers, including:

- DBS providers that transmit satellite signals containing video programming, data and other information to receiving dishes located on the subscriber's premises
- incumbent local exchange carriers (“ILECs”) that are building wireline fiber-optic networks, and in some cases using Internet protocol technology, to provide video services in substantial portions of their service areas and have begun to offer this service in several of our markets, in addition to marketing DBS service in certain areas

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- other wireline communications providers that build and operate wireline communications systems in the same communities that we serve, including those operating as franchised cable operators or under an alternative regulatory scheme known as open video systems (“OVS”)
- online services that offer Internet video streaming, downloading and distribution of movies, television shows and other video programming
- satellite master antenna television systems, known as SMATVs, that generally serve condominiums, apartment and office complexes, and residential developments
- local television broadcast stations that provide free over-the-air programming which can be received using an antenna and a television set
- digital subscription services transmitted over local television broadcast stations that can be received by a special set-top box
- wireless and other emerging mobile technologies that provide for the distribution and viewing of video programming
- video stores and home video products
- movie theaters
- newspapers, magazines and books
- live concerts and sporting events

In recent years, Congress has enacted legislation and the FCC has adopted regulatory policies intended to provide a favorable operating environment for existing competitors and for potential new competitors to our cable systems. The FCC adopted rules favoring new investment by ILECs in fiber-optic networks capable of distributing video programming and rules allocating and auctioning spectrum for new wireless services that may compete with our video service offerings. Furthermore, Congress and various state governments are considering measures that would reduce or eliminate local franchising requirements for new entrants into the multichannel video marketplace, including ILECs. Certain of such franchising entry measures have already been adopted by the FCC and nine states. We could be significantly disadvantaged if proposals to change franchising rules for our competitors, but not for cable operators, are approved and implemented (see “Legislation and Regulation” below).

*DBS Systems.* According to recent government and industry reports, conventional, medium- and high-power satellites currently provide video programming to over 29 million subscribers in the United States. DBS providers with high-power satellites typically offer more than 300 channels of programming, including programming services substantially similar to those our cable systems provide. Two companies, DirecTV and EchoStar, provide service to substantially all of these DBS subscribers.

High-power satellite service can be received throughout the continental United States through small rooftop or side-mounted outside antennas. Satellite systems use video compression technology to increase channel capacity and digital technology to improve the quality and quantity of the signals transmitted to their subscribers. Our digital cable service is competitive with the programming, channel capacity and quality of signals currently delivered to subscribers by DBS.

Federal legislation establishes, among other things, a compulsory copyright license that permits satellite systems to retransmit local broadcast television signals to subscribers who reside in the local television station’s market. These companies are currently transmitting local broadcast signals in most markets that we serve. Additionally, federal law generally provides satellite systems with access to cable-affiliated video programming services delivered by satellite. DBS providers are competitive with cable operators like us because they offer programming that closely resembles what we offer. These DBS providers are also attempting to expand their service offerings to include, among other things, high-speed Internet service and have entered into marketing arrangements in which their service is promoted and sold by ILECs.

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*ILECs.* ILECs, in particular AT&T and Verizon, are building fiber-optic networks to provide video services in substantial portions of their service areas and have begun to offer this service in several of our service areas, in addition to entering into joint marketing arrangements with DBS providers in certain areas. The ILECs have taken various positions on the question of whether they need a local cable television franchise to provide video services. Some, like Verizon, have applied for local cable franchises while others, like AT&T, claim that they can provide their video services without a local cable franchise. Notwithstanding their positions, both AT&T and Verizon have filed for video service franchise certificates pursuant to recent state franchising legislation (see “Legislation and Regulation” below).

*Other Wireline Providers.* We operate our cable systems pursuant to nonexclusive franchises that are issued by a local community governing body, such as a city council or county board of supervisors or, in some cases, by a state regulatory agency. Federal law prohibits franchising authorities from unreasonably denying requests for additional franchises, and it permits franchising authorities to operate cable systems. In addition to ILECs, various companies, including those that traditionally have not provided cable services and have substantial financial resources (such as public utilities, including those that own some of the poles to which our cables are attached), have obtained cable franchises and provide competing communications services. These and other wireline communications systems offer video and other communications services in various areas where we hold franchises. We anticipate that facilities-based competitors will emerge in other franchise areas that we serve.

*SMATV.* Our cable systems also compete for subscribers with SMATV systems. SMATV system operators typically are not subject to regulation like local franchised cable system operators. SMATV systems offer subscribers both improved reception of local television stations and much of the programming offered by our cable systems. In addition, some SMATV operators are offering packages of phone, Internet access and video services to residential and commercial developments.

*Broadcast Subscription Services.* Local television broadcasters in a few markets sell digital subscription services. These services typically contain a limited number of cable programming services at a price of approximately \$20 per month.

### *High-Speed Internet Services*

We compete with a number of other companies, many of which have substantial resources, including:

- ILECs and other telephone companies
- Internet service providers (“ISPs”), such as AOL, Earthlink and Microsoft
- wireless phone companies and other providers of wireless Internet services
- power companies

The deployment of digital subscriber line (“DSL”) technology allows Internet access to be provided to subscribers over telephone lines at data transmission speeds substantially greater than those of conventional modems. ILECs and other companies offer DSL service, and several of them have increased transmission speeds, lowered prices or created bundled service packages. In addition, some ILECs, such as Verizon and AT&T, are constructing fiber-optic networks that allow them to provide data transmission speeds that exceed those that can be provided with DSL technology and are now offering such higher speed service in numerous markets. The FCC has reduced the obligations of ILECs to offer their broadband facilities on a wholesale or retail basis to competitors, and it has freed their DSL services of common carrier regulation.

Various wireless phone companies are offering wireless high-speed Internet services. In addition, in a growing number of commercial areas, such as retail malls, restaurants and airports, wireless “WiFi” and “WiMax” Internet access capability is available. Numerous local governments are also considering or actively pursuing publicly subsidized WiFi and WiMax Internet access networks.

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A number of cable operators have reached agreements to provide unaffiliated ISPs access to their cable systems in the absence of regulatory requirements. We reached access agreements with several national and regional third-party ISPs, although to date these ISPs have made limited use of their rights. We cannot provide any assurance, however, that regulatory authorities will not impose so-called “open access” or similar requirements on us as part of an industry-wide requirement. Additionally, Congress and the FCC are considering creating certain rights for Internet content providers and for users of high-speed Internet services by imposing “network neutrality” requirements upon service providers. These requirements could adversely affect our high-speed Internet services business (see “Legislation and Regulation” below).

We expect competition for high-speed Internet service subscribers to remain intense, with companies competing on service availability, price, product features, customer service, transmission speed and bundled services.

### *Phone Services*

Our Comcast Digital Voice service and circuit-switched local phone service compete against ILECs, wireless phone service providers, competitive local exchange carriers (“CLECs”) and other Voice-over-IP (“VoIP”) service providers. The ILECs have substantial capital and other resources, longstanding customer relationships, and extensive existing facilities and network rights-of-way. A few CLECs also have existing local networks and significant financial resources.

We anticipate that by the end of 2007, approximately 85% of our homes passed will have access to Comcast Digital Voice. We expect some of our circuit-switched phone subscribers to migrate to our Comcast Digital Voice service over the next several years. The competitive nature of the phone business may negatively affect demand for and pricing of our phone services.

### *Advertising*

We compete against a wide variety of media for sales of advertising, including local television broadcast stations, national television broadcast networks, national and regional cable television networks, local radio broadcast stations, local and regional newspapers, magazines, and Internet sites.

## **Programming Segment**

The table below presents information as of December 31, 2006, relating to our consolidated national programming networks:

<b>Programming Network</b>	<b>Approximate U.S. Subscribers (in millions)</b>	<b>Description</b>
E!	81	Pop culture and entertainment-related programming
Style	37	Lifestyle-related programming
The Golf Channel	63	Golf and golf-related programming
VERSUS	61	Sports and leisure programming
G4	53	Gamer lifestyle programming
AZN Television	14	Asian American programming

Revenue for our programming networks is principally generated from the sale of advertising and from monthly per subscriber license fees paid by cable system operators, DBS companies and other multichannel video programming distributors (“MVPDs”) that have typically entered into multiyear contracts to distribute our programming networks. To obtain long-term contracts with distributors, we may make cash payments, provide an initial period in which license fee payments are waived or do both. Our programming networks assist distributors with ongoing marketing and promotional activities to retain existing subscribers and acquire new subscribers.

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Although we believe prospects of continued carriage and marketing of our programming networks by larger distributors are generally good, the loss of one or more of such distributors could have a material effect on our programming networks.

### **Sources of Supply**

Our programming networks often produce their own television programs and broadcasts of live events. This often requires us to acquire the rights to the content that is used in such productions (such as rights to screenplays or sporting events). In other cases, our programming networks license the cable telecast rights to television programs produced by third parties.

### **Competition**

Our programming networks compete with other television programming services for distribution and programming. In addition, our programming networks compete for audience share with all other forms of programming provided to viewers, including broadcast networks, local broadcast stations, pay and other cable networks, home video, pay-per-view and video on demand services and online activities. Finally, our programming networks compete for advertising revenue with other national and local media, including other television networks, television stations, radio stations, newspapers, Internet sites and direct mail.

### **Other Businesses**

In addition to our controlling interest in Comcast Spectacor, which owns the Philadelphia Flyers, the Philadelphia 76ers and two large multipurpose arenas, we also own noncontrolling interests in MGM, iN DEMAND, TV One, PBS KIDS Sprout, FEARnet, SportsChannel New England, New England Cable News, Pittsburgh Cable News Channel, Music Choice and Sterling Entertainment.

## **LEGISLATION AND REGULATION**

Our video and phone services are subject to numerous requirements, prohibitions and limitations imposed by various federal and state laws and regulations, local ordinances and our franchise agreements. Our high-speed Internet service, while not currently subject to significant regulation, may be subject to such regulation in the future. Our Programming businesses are, with limited exceptions, not subject to direct governmental regulation. In addition, our video services are subject to compliance with the terms of the FCC's July 2006 order approving the Adelphia and Time Warner transactions (the "Adelphia Order").

The most significant federal law affecting our cable business is the Communications Act of 1934, as amended (the "Communications Act"). The Communications Act and the regulations and policies of the FCC affect significant aspects of our cable system video services, including cable system ownership, video subscriber rates, carriage of broadcast television stations, the way we sell our programming packages to subscribers, access to cable system channels by franchising authorities and other third parties, and use of utility poles and conduits. Additionally, the Communications Act and FCC regulations affect the offering of our high-speed Internet services and phone services.

### *Video Services*

*Ownership Limits.* The FCC is considering imposing "horizontal ownership limits" that would limit the percentage of video subscribers that any single cable provider could serve nationwide. A federal appellate court struck down the previous 30% limit, and the FCC is now considering this issue anew. We serve approximately

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27% of multichannel video subscribers. If the FCC were to reinstate ownership limits similar to those previously imposed, such limits would restrict our ability to take advantage of future growth opportunities. The FCC is also assessing whether it should reinstate “vertical ownership limits” on the number of affiliated programming networks a cable operator may carry on its cable systems. The previous limit of 40% of the first 75 channels was also invalidated by the federal appellate court. The percentage of affiliated programming networks we currently carry is well below the previous 40% limit, but it is uncertain how any new vertical limits might affect our Programming businesses. In addition, the FCC is considering revisions to its ownership attribution rules that would affect which cable subscribers are counted under any horizontal ownership limit and which programming interests are counted under any vertical ownership limit. It is uncertain when the FCC will rule on these issues.

*Pricing and Packaging.* The Communications Act and the FCC’s regulations and policies limit the prices that cable systems may charge for limited basic service, equipment and installation as well as the manner in which cable operators may package premium or pay-per-view services with other tiers of service. These rules do not apply to cable systems that are determined by the FCC to be subject to “effective competition,” but these determinations have thus far been made for only a small number of our cable systems. Failure to comply with these rate rules can result in rate reductions and refunds for subscribers. From time to time, Congress and the FCC consider imposing new pricing or packaging regulations on the cable industry, including proposals requiring cable operators to offer programming services on an a la carte or themed-tier basis instead of, or in addition to, our current packaged offerings. It is unclear whether or when Congress, the FCC or any other regulatory agency may adopt any new requirements with respect to the pricing or packaging of video services and how such requirements, if adopted, would affect our Cable and Programming businesses. Additionally, Communications Act uniform pricing requirements may affect our ability to respond to increased competition through offers, promotions or other discounts that aim to retain existing subscribers or regain those we have lost.

*Must-Carry/Retransmission Consent.* Cable operators are currently required to carry, without compensation, the programming transmitted by most local commercial and non-commercial television stations (“must-carry”). Alternatively, local television stations may insist that a cable operator negotiate for “retransmission consent,” which may enable popular stations to demand cash payments or other significant concessions (such as the carriage of, and payment for, other programming networks affiliated with the broadcaster) as a condition of transmitting the TV broadcast signals that cable subscribers expect to receive. As part of the transition from analog to digital broadcast transmission (now scheduled for completion in February 2009), Congress and the FCC gave each local broadcast station a digital channel, capable of carrying multiple programming streams, in addition to its current analog channel. The FCC has to date rejected proposals to require cable operators to: (i) simultaneously carry both the analog and digital signals of each broadcaster during the transition (cable operators currently are obligated to carry only the broadcaster’s analog signal during the transition); and (ii) carry the multiple program streams transmitted within a broadcaster’s digital signal (cable operators currently are obligated to carry only the primary digital video stream of the broadcaster after the broadcaster surrenders its analog channel). However, such proposals may continue to be presented by the FCC. In general, if such expanded carriage requirements were adopted, we would have less freedom and capacity to provide the services that we believe will be of greatest interest to our subscribers.

*Program Access/Licensee Agreements.* The Communications Act and the FCC’s “program access” rules generally prevent satellite video programmers affiliated with cable operators from favoring cable operators over competing MVPDs, such as DBS, and limit the ability of such programmers to offer exclusive programming arrangements to cable operators. The FCC has extended the exclusivity restrictions through October 2007 and is expected to launch a proceeding to consider a further extension of the exclusivity restrictions in the first half of 2007. There is also increased attention at the FCC and in Congress focused on exclusive arrangements involving sports programming. In addition, the Communications Act and the FCC’s “program carriage” rules prohibit cable operators or other MVPDs from requiring a financial interest in any video programming network as a condition of carriage or from unreasonably restraining the ability of an unaffiliated programming network to compete fairly by discriminating against the network on the basis of its nonaffiliation in the selection, terms or conditions for carriage. The FCC is planning to launch a rulemaking aimed at streamlining the complaint processes for program

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access and program carriage complaints. Any decision by the FCC or Congress to apply new program access or program carriage regulations to cable operators could have an adverse impact on our businesses. Additionally, the FCC's Adelphia Order (discussed below) expands the application of the program access rules to Comcast-affiliated regional sports networks ("RSNs") and establishes an arbitration option for disputes over carriage of unaffiliated RSNs.

*Cable Equipment Issues.* The FCC has adopted regulations aimed at promoting the retail sale of set-top boxes and other equipment that can be used to receive digital video services. Currently, most cable subscribers access these services using a leased set-top box that integrates cable access security with other operating functions. Subscribers may also obtain digital video services through a separate piece of equipment, known as a CableCARD, that connects to digital cable devices purchased at retail. Effective July 2007, cable operators must cease placing into service new set-top boxes with integrated security. At that time, newly deployed leased set-top boxes must use a separate piece of equipment (typically a CableCARD) to provide access to digital video services. A federal court upheld the ban on integrated set-top box security in August 2006, leaving any subsequent relief to the FCC. We and other companies subject to the ban are currently seeking FCC waivers to exempt some limited function set-top boxes from the ban and/or to extend the deadline to accommodate a newer security technology that can be downloaded to leased set-top boxes as well as retail equipment. Our waiver request for limited-function set-top boxes was denied by the FCC's Media Bureau in January 2007. We have requested a review of that decision by the full FCC, but there is no assurance that our request will be granted. If the FCC does not extend the deadline and does not grant our waiver request, we will be forced to incur added costs in purchasing CableCARD-enabled set-top boxes and the associated CableCARDS.

In addition, the FCC has adopted rules to implement an agreement between the cable and consumer electronics industries aimed at promoting the manufacture of "plug-and-play" TV sets that can connect directly to the cable network and receive one-way analog and digital video services without the need for a set-top box. We believe that we are substantially in compliance with these one-way plug-and-play requirements.

*Franchise Matters.* Cable operators generally operate their cable systems pursuant to non-exclusive franchises granted by local or state franchising authorities. While the terms and conditions of franchises vary materially from jurisdiction to jurisdiction, franchises typically last for a fixed term, obligate the franchisee to pay franchise fees and meet service quality, customer service and other requirements, and are terminable if the franchisee fails to comply with material provisions. The Communications Act contains provisions governing the franchising process, including, among other things, renewal procedures designed to protect incumbent franchisees against arbitrary denials of renewal. We believe that our franchise renewal prospects generally are favorable.

There has been considerable activity at the federal and state level regarding franchise requirements imposed on new entrants. In December 2006, the FCC adopted new rules designed to ease the franchising process and reduce franchising burdens for new entrants. In announcing this decision, the FCC said that it would, among other things, limit the range of financial, construction and other commitments that franchising authorities can request of new entrants, require franchising authorities to act on franchise applications by certain new entrants (such as ILECs) within 90 days, and preempt certain local "level playing field" franchising requirements. However, the FCC has not yet released the text of its order, so the terms are not yet fully known. We expect the order will be subject to a court challenge once it is released. In addition, Congress and various state governments are considering measures that would lessen or eliminate franchising requirements for new entrants, including ILECs. Several states have already enacted legislation to provide statewide franchising or to simplify local franchising requirements for new entrants, thus relieving new entrants of many of the local franchising burdens faced by incumbent operators. Certain of these state statutes allow the incumbent cable operator to "opt into" the new state franchise where a competing state franchise has been issued for the incumbent's franchise area. However, even in those states where the incumbent cable operator is allowed to opt into a state franchise, the incumbent operator typically retains certain franchise obligations that are more burdensome than the new entrant's state franchise. We have significant operations in several of the states that have passed state franchising legislation and we anticipate that additional states will pass similar franchising legislation.

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The FCC has also announced that it will initiate a follow-on rulemaking to consider whether to make similar changes for existing cable operators. We could be materially disadvantaged if rules that provide less burdensome franchising requirements for new entrants, but not existing operators, are implemented. Furthermore, Congress may also consider proposals to eliminate or streamline local franchising requirements for ILECs and other new entrants. If enacted, this legislation could materially disadvantage existing operators.

*Pole Attachments.* The Communications Act requires phone companies and other utilities (other than those owned by municipalities or cooperatives) to provide cable systems with nondiscriminatory access to any pole or right-of-way controlled by the utility. The rates that utilities may charge for such access are regulated by the FCC or, alternatively, by states that certify to the FCC that they regulate such rates. Several states in which we have cable systems have certified that they regulate pole rates. There is always the possibility that the FCC or a state could permit the increase of pole attachment rates paid by cable operators. Additionally, higher pole attachment rates apply to pole attachments that are subject to the FCC's telecommunications services pole rates. The applicability of and method for calculating those rates for cable systems over which various phone services are transmitted remain unclear, and there is a risk that we will face significantly higher pole attachment costs as our phone business expands.

*Privacy Regulation.* The Communications Act generally restricts the nonconsensual collection and disclosure to third parties of subscribers' personal information by cable operators and phone providers. Additional requirements may be imposed if and to the extent state or local authorities establish their own privacy standards. In addition, the FCC, the Federal Trade Commission and many states have adopted rules that limit the telemarketing practices of cable operators and other commercial entities.

*Copyright Regulation.* In exchange for filing certain reports and contributing a percentage of revenue to a federal copyright royalty pool, cable operators can obtain blanket permission to retransmit copyrighted material contained in broadcast signals. The possible modification or elimination of this copyright license is the subject of ongoing legislative and administrative review. The elimination or substantial modification of the cable compulsory license could adversely affect our ability to obtain certain programming and substantially increase our programming expenses. Further, the Copyright Office has not yet made any determinations as to how the compulsory license will apply to digital broadcast signals and services. In addition, we pay standard industry licensing fees to use music in the programs we create, including our Cable businesses' local advertising and local origination programming, and our Programming businesses' original programs. These licensing fees have been the source of litigation with music performance rights organizations in the past, and we cannot predict with certainty whether license fee disputes may arise in the future.

*PEG/Leased Access.* The Communications Act permits franchising authorities to require cable operators to set aside the use of channels for public, educational and governmental ("PEG") access programming. Many of our cable systems provide substantial channel capacity and financial support for PEG programming. The Communications Act also requires a cable system with 36 or more channels to make available a portion of its channel capacity for commercial leased access by third parties to provide programming that may compete with services offered directly by the cable operator. To date, we have generally not been required to devote significant channel capacity to leased access. However, the FCC's Adelphia Order will now permit programmers seeking to obtain commercial leased access carriage on our systems to submit rate and terms disputes to commercial arbitration. Further, the FCC has stated that a new rulemaking will be commenced in an effort to facilitate the use of commercial leased access by potential programmers. New FCC rules that significantly alter the rates or terms for commercial leased access could have an adverse impact on our business.

### *High-Speed Internet Services*

We provide high-speed Internet service by means of our existing cable systems. In 2002, the FCC ruled that this was an "interstate information service" not subject to federal telecommunications regulation or state or local utility regulation. That ruling was affirmed by the Supreme Court in June 2005. However, our high-speed



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Internet service is nonetheless subject to certain regulatory obligations. In August 2005, the FCC adopted rules requiring providers of high-speed Internet access service (including cable operators) to comply with the Communications Assistance for Law Enforcement Act (“CALEA”). The FCC required that by May 2007 high-speed Internet service providers must implement certain network capabilities to assist law enforcement in conducting surveillance of persons suspected of criminal activity. We expect that our high-speed Internet services will comply with these new requirements. In addition, Congress is considering proposals that would give the Attorney General authority to require that Internet service providers retain for substantial periods information regarding their customers. We do not know the scope or length of the data retention requirements that may be adopted or how they will affect our operating costs or potential liabilities.

Congress and the FCC are considering defining certain rights for users of high-speed Internet services, and to regulate or restrict certain types of commercial agreements between service providers and providers of Internet content. These proposals are generally referred to as “network neutrality.” In August 2005, the FCC issued a non-binding policy statement stating four principles to guide its policymaking regarding high-speed Internet and other related services. These principles state that consumers are entitled to: (i) access the lawful Internet content of their choice; (ii) run applications and services of their choice, subject to the needs of law enforcement; (iii) connect their choice of legal devices that do not harm the network; and (iv) enjoy competition among network providers, application and service providers, and content providers. Parties are pressing the FCC to adopt these principles as formal rules. Congress is considering legislation that would both codify these principles and impose additional obligations on high-speed Internet providers and some states are considering similar proposals. Any new federal or state rules or statutes could limit our ability to manage our cable systems (including use for other services), to obtain value for use of our cable systems, or to respond to competitive conditions. We cannot predict whether such rules or statutes will be adopted.

A federal program generally applicable to telecommunications services, known as the “Universal Service” program, requires telecommunications service providers to collect and pay a fee based on their revenues (in recent years, roughly 10% of revenues) into a fund used to subsidize the provision of telecommunications services in high-cost areas and Internet access and telecommunications services to schools and libraries and certain health care providers. The FCC and Congress are considering revisions to the Universal Service program that could result in high-speed Internet access services being subject to Universal Service fees. We cannot predict whether or how the Universal Service funding system might be extended to cover high-speed Internet access services or, if that occurs, how it will affect us. Furthermore, Congress, the FCC and certain local governments are also considering proposals to impose customer service, quality of service and privacy standards on high-speed Internet service providers, and it is uncertain whether any of these proposals will be adopted.

Congress and federal regulators have adopted a wide range of measures affecting Internet use, including, for example, consumer privacy, copyright protection, defamation liability, taxation, obscenity and unsolicited commercial e-mail. Further, state and local governments have also adopted Internet-related regulations. Governmental bodies at all levels are also considering additional regulations in these and other areas, such as pricing, service and product quality, and intellectual property ownership. The adoption of new laws or the application of existing laws, including tax laws, to the Internet could have a material effect on our high-speed Internet service.

### *Phone Services*

We offer phone service using both VoIP and circuit-switched technology. The FCC has adopted a number of orders addressing specific regulatory issues relating to VoIP. In November 2004, the FCC ruled that a particular form of VoIP service is not subject to state or local utility regulation. State regulators and others have challenged that ruling, including specifically its application to cable-delivered VoIP services such as Comcast Digital Voice, and at least one state public utility commission has claimed authority to regulate that service under state law. In May 2005, the FCC adopted rules requiring VoIP service providers having certain characteristics (including our Comcast Digital Voice service) to furnish Enhanced 911 (“E911”) capabilities as a standard feature of their

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services, and to advise their customers of the circumstances under which E911 service may not be available. We believe Comcast Digital Voice service complies with these requirements. Also, in an order issued in September 2005, the FCC imposed CALEA obligations on VoIP service providers. We expect that Comcast Digital Voice will comply with these CALEA rules when they go into effect in May 2007. In June 2006, the FCC ruled that certain VoIP services (including our Comcast Digital Voice service) would be subject to Universal Service payment obligations with respect to the interstate portions of the service. Congress is also considering legislation that, if enacted, would affect the regulatory obligations of VoIP service providers. We cannot predict whether Congress will approve such legislation.

The FCC has initiated other rulemakings to consider whether to impose further regulations on VoIP. For example, in one rulemaking, it is considering whether and how certain types of common carrier regulations should apply to VoIP services, including intercarrier compensation, and the obligation to provide persons with disabilities with access to these services.

The FCC and Congress are also considering how VoIP service should interconnect with ILECs' phone networks. Since the FCC has never determined whether VoIP service is a "telecommunications service," the precise scope of ILEC interconnection rules applicable to VoIP providers is not entirely clear. As a result, some ILECs may resist interconnecting directly with VoIP providers. In light of these concerns, VoIP service providers typically either secure CLEC authorization, or obtain interconnection to ILEC networks by contracting with an existing CLEC, whose right to deal with the ILECs is clear. We have arranged for such interconnection rights through our own and through third-party CLECs. It is uncertain whether and when the FCC or Congress will adopt further rules in this area and how such rules would affect our Comcast Digital Voice service.

Our circuit-switched phone services are subject to federal, state and local utility regulation, although the level of regulation imposed on us is generally less than that applied to the incumbent phone companies. The scope of ILEC obligations is, however, being re-evaluated at the FCC and in Congress. The FCC has already adopted measures relieving the ILECs of certain obligations to make elements of their networks available to competitors at cost-based rates. The FCC has also initiated rulemakings on intercarrier compensation, Universal Service and other matters that, in the aggregate, could significantly change the rules that apply to phone competition, including the relationship between wireless and wireline providers, long-distance and local providers, and incumbents and new entrants. It is unclear how these proceedings will affect our phone services.

### *Other Areas*

The FCC actively regulates other aspects of our Cable business and limited aspects of our Programming business, including the mandatory blackout of syndicated, network and sports programming; customer service standards; political advertising; indecent or obscene programming; Emergency Alert System requirements for analog and digital services; closed captioning requirements for the hearing impaired; competitors' access to cable wiring inside apartment buildings and other MDUs; commercial restrictions on children's programming; origination cablecasting (i.e., programming locally originated by and under the control of the cable operator); sponsorship identification; equal employment opportunity; lottery programming; program carriage; recordkeeping and public file access requirements; and technical standards relating to operation of the cable network. We are unable to predict how these regulations might be changed in the future and how any such changes might affect our Cable and Programming businesses.

### *State and Local Taxes*

Some states and localities are considering imposing new taxes, including sales and property taxes, on the services we offer. We cannot predict at this time whether such taxes will be enacted or what impact they might have on our business.

*FCC Adelfhia Order*

The Adelfhia Order imposed a number of conditions on us and our affiliated programming networks:

*Program Access Conditions.* Under the Adelfhia Order, all RSNs that we manage, control or have an attributable ownership interest in are deemed covered by the program access rules, regardless of the means of delivery. Previously, cable-affiliated RSNs delivered terrestrially were exempt from the rules. However, Comcast SportsNet Philadelphia is not subject to this condition for MVPDs that currently do not carry the network. Further, under the Adelfhia Order, an MVPD may, as an alternative to filing a program access complaint, seek to resolve disputes regarding carriage of our RSNs through commercial arbitration. Such arbitration is subject to FCC review. However, such arbitration right is not applicable to Comcast SportsNet Philadelphia for MVPDs that currently do not carry the network. This arbitration condition expires in July 2012.

*Carriage of Unaffiliated RSNs.* The Adelfhia Order also imposes conditions regarding the carriage of unaffiliated RSNs on our cable systems. Specifically, if an RSN that is unaffiliated with any MVPD has been denied carriage on one of our cable systems, the RSN may submit its carriage claim to a commercial arbitration process that may result in mandatory carriage of the RSN. The arbitrator's decision is subject to FCC review. This arbitration condition also expires in July 2012.

*Leased Access Conditions.* The Adelfhia Order permits programmers that cannot reach a leased access agreement with us to submit the dispute to commercial arbitration. This leased access condition expires in July 2012.

**EMPLOYEES**

As of December 31, 2006, we employed approximately 90,000 employees, including part-time employees. Of these employees, approximately 75,000 were associated with our cable businesses with the remainder associated with our other businesses. Approximately 5,000 of our employees are covered by collective bargaining agreements or have organized but are not covered by collective bargaining agreements. We believe we have good relationships with our employees.

**CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. In this Annual Report on Form 10-K, 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 these 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 and uncertainties listed in "Risk Factors" under Item 1A and in other reports we file with the SEC. Actual events or our actual results may differ materially from any of our forward-looking statements.

Additionally, we operate in a highly competitive, consumer-driven and rapidly changing environment. The environment is affected by government regulation, economic, strategic, political and social conditions, consumer response to new and existing products and services, technological developments and, particularly in view of new technologies, the ability to develop and protect intellectual property rights. Our actual results could differ materially from management's expectations because of changes in such factors. Other factors and risks could adversely affect our operations, business or financial results of our businesses in the future and could also cause actual results to differ materially from those contained in the forward-looking statements.

**ITEM 1A: RISK FACTORS**

**All of the services offered by our cable systems face a wide range of competition that could adversely affect our future results of operations.**

Our cable systems compete with a number of different sources that provide news, information and entertainment programming to consumers. We compete directly with other programming distributors, including DBS companies, phone companies, companies that build competing cable systems in the same communities we serve, and companies that offer programming and other communications services to our subscribers and potential subscribers, including high-speed Internet and VoIP-enabled phone. This competition may adversely affect our business and operations materially in the future.

**Programming expenses are increasing, which could adversely affect our future results of operations.**

We expect our programming expenses to continue to be our largest single expense item in the foreseeable future. In recent years, the cable and satellite video industries have experienced a rapid increase in the cost of programming. If we are unable to raise our subscribers' rates or offset such programming cost increases through the sale of additional services, the increasing cost of programming could have an adverse impact on our operating results. In addition, as we add programming to our video services, we may face increased programming expenses that, in conjunction with the additional pricing constraints, may reduce operating margins.

We also expect to be subject to increasing demands by broadcasters in exchange for their required consent for the retransmission of broadcast programming to our subscribers. We cannot predict the impact of these demands or the effect on our business and operations should we fail to obtain the required consents.

**We are subject to regulation by federal, state and local governments, which may impose costs and restrictions.**

Federal, state and local governments extensively regulate the cable industry and the circuit-switched phone services industry and may begin regulating the Internet services industry. We expect that legislative enactments, court actions and regulatory proceedings will continue to clarify and in some cases change the rights and obligations of cable operators and other entities under the Communications Act and other laws, possibly in ways that we have not foreseen. Congress considers new legislative requirements potentially affecting our businesses virtually every year, and significant legislation to update the Communications Act is currently pending in Congress. The results of these legislative, judicial and administrative actions may materially affect our business operations. Local authorities grant us franchises that permit us to operate our cable systems. We have to renew or renegotiate these franchises from time to time. Local franchising authorities often demand concessions or other commitments as a condition to renewal or transfer, and such concessions or other commitments could be costly to us in the future. In addition, we could be materially disadvantaged if we remain subject to legal constraints that do not apply equally to our competitors, such as if local phone companies that provide video programming services are not subject to the local franchising requirements and other requirements that apply to us. For example, the FCC has adopted rules and several states have enacted legislation to ease the franchising process and reduce franchising burdens for new entrants. Congress and the FCC are also considering various forms of "network neutrality" regulation. See "Legislation and Regulation—Video Services—Franchise Matters and High-Speed Internet Services" in Item 1 to this Annual Report on Form 10-K.

**We may face increased competition because of technological advances and new regulatory requirements, which could adversely affect our future results of operations.**

ILECs are building wireline fiber-optic networks and in some case using Internet protocol technology to provide video services in substantial portions of their service areas (and have begun to offer this service in several states), in addition to marketing DBS service in certain areas. ILECs and other companies also offer DSL service, which provides Internet access to subscribers at data transmission speeds substantially greater than that of conventional analog modems. We expect other advances in communications technology, as well as changes in

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the marketplace, to occur in the future. New technologies and services may develop that compete with services that cable systems offer, and such services may not be regulated in the same manner or to the same extent as our services. The success of these ongoing and future developments could have an adverse effect on our business operations. Moreover, in recent years, Congress has enacted legislation and the FCC has adopted regulatory policies intended to provide a favorable operating environment for existing competitors and for potential new competitors to our cable systems.

### **We face risks arising from the outcome of various litigation matters.**

We are involved in various litigation matters, including those arising in the ordinary course of business and those described under the caption “Legal Proceedings “ in Item 3 of this Annual Report on Form 10-K. While we do not believe that any of these litigation matters alone or in the aggregate will have a material effect on our consolidated financial position, an adverse outcome in one or more of these matters could be material to our consolidated results of operations for any one period. Further, no assurance can be given that any adverse outcome would not be material to our consolidated financial position.

### **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.**

From time to time we have made acquisitions and have entered into other strategic transactions. In connection with acquisitions and other strategic transactions, we may incur unanticipated expenses; fail to realize anticipated benefits; have difficulty incorporating the acquired businesses; disrupt relationships with current and new employees, subscribers and vendors; incur significant indebtedness; or have to delay or not proceed with announced transactions. These factors could have a material effect on our business, results of operations, financial condition or cash flows.

### **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.**

Our Class B common stock has a nondilutable 33 1/3 % of the combined voting power of our common stock. This nondilutable voting power is subject to proportional decrease to the extent the number of shares of Class B common stock is reduced below 9,444,375, which was the number of shares of Class B common stock outstanding on the date of our 2002 acquisition of AT&T Corp.’s cable business, subject to adjustment in specified situations. Stock dividends payable on the Class B common stock in the form of Class B or Class A Special common stock do not decrease the nondilutable voting power of the Class B common stock. The Class B common stock also has separate approval rights over the following potentially material transactions: mergers or consolidations involving Comcast Corporation, transactions (such as a sale of all or substantially all of our assets) or issuances of securities that require shareholder approval, transactions that result in any person or group owning shares representing more than 10% of the combined voting power of the resulting or surviving corporation, issuances of Class B common stock or securities exercisable or convertible into Class B common stock and amendments to our articles of incorporation or by-laws that would limit the rights of holders of our Class B common stock. Brian L. Roberts beneficially owns of all of the outstanding shares of our Class B common stock and accordingly has considerable influence over our operations and has the ability to transfer potential effective control by selling the Class B common stock. In addition, under our articles of incorporation, Mr. Roberts is entitled to remain as our Chairman, Chief Executive Officer and President until May 26, 2010, unless he is removed by the affirmative vote of at least 75% of the entire Board of Directors or he is no longer willing or able to serve.

### **ITEM 1B: UNRESOLVED STAFF COMMENTS**

None.

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### **ITEM 2: PROPERTIES**

We believe that substantially all of our physical assets are in good operating condition.

#### **Cable**

Our principal physical assets consist of operating plant and equipment, including signal receiving, encoding and decoding devices, headends and distribution systems and equipment at or near subscribers' homes for each of our cable systems. The signal receiving apparatus typically includes a tower, antenna, ancillary electronic equipment and earth stations for reception of satellite signals. Headends, consisting of electronic equipment necessary for the reception, amplification and modulation of signals, are located near the receiving devices. Our distribution system consists primarily of coaxial and fiber optic cables, lasers, routers, switches and related electronic equipment. Our cable plant and related equipment generally are attached to utility poles under pole rental agreements with local public utilities, although in some areas the distribution cable is buried in underground ducts or trenches. Customer premise equipment consists principally of set-top boxes and cable modems. The physical components of cable systems require periodic maintenance.

Our signal reception sites, primarily antenna towers and headends, and microwave facilities, are located on owned and leased parcels of land, and we own or lease space on the towers on which certain of our equipment is located. We own most of our service vehicles.

Our high-speed Internet backbone consists of fiber owned by us and related equipment. We also operate regional data centers with equipment that is used to provide services (such as e-mail, news and web services) to our high-speed Internet subscribers and Comcast Digital Voice subscribers. In addition, we maintain a network operations center with equipment necessary to monitor and manage the status of our high-speed Internet network.

Throughout the country we own buildings that provide call centers, service centers, warehouses and administrative space. We also own a building that houses our media center. The media center contains equipment that we own or lease, including equipment related to network origination, global transmission via satellite and terrestrial fiber optics, a broadcast studio, mobile and post-production services, interactive television services and streaming distribution services.

#### **Programming**

Television studios and business offices are the principal physical assets of our Programming operations. We own or lease the television studios and business offices of our Programming operations.

#### **Other**

Two large, multi-purpose arenas that we own are the principal physical assets of our other operations.

As of December 31, 2006, we leased locations for our corporate offices in Philadelphia, Pennsylvania as well as numerous business offices, warehouses and properties housing divisional information technology operations throughout the country. We expect to move into a new leased headquarters building in Philadelphia, Pennsylvania beginning in late 2007.

### **ITEM 3: LEGAL PROCEEDINGS**

#### ***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

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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 effect on our consolidated financial position, but could possibly be material adverse 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

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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.

### **ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

Not applicable.

### **ITEM 4A: EXECUTIVE OFFICERS OF THE REGISTRANT**

Except for our Chairman and CEO (who continues in these offices until his death, resignation or removal), the term of office of each of our officers continues until his or her successor is selected and qualified, or until his or her earlier death, resignation or removal. The following table sets forth information concerning our executive officers, including their ages, positions and tenure as of December 31, 2006:

<u>Name</u>	<u>Age</u>	<u>Officer Since</u>	<u>Position with Comcast</u>
Brian L. Roberts	47	1986	Chairman and CEO; Director
Ralph J. Roberts	86	1969	Chairman of the Executive and Finance Committee of the Board of Directors; Director
John R. Alchin	58	1990	Executive Vice President; Co-Chief Financial Officer; Treasurer
Stephen B. Burke	48	1998	Executive Vice President; Chief Operating Officer; President, Comcast Cable
David L. Cohen	51	2002	Executive Vice President
Lawrence S. Smith	59	1988	Executive Vice President; Co-Chief Financial Officer
Arthur R. Block	51	1993	Senior Vice President; General Counsel; Secretary
Lawrence J. Salva	50	2000	Senior Vice President; Chief Accounting Officer; Controller



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*Brian L. Roberts* has served as a director and as our President and Chief Executive Officer since November 2002 and our Chairman of the Board since May 2004. Prior to November 2002, Mr. Roberts served as a director and President of Comcast Holdings Corporation (our immediate predecessor and now a subsidiary) for more than five years. As of December 31, 2006, Mr. Roberts had sole voting power over approximately 33 1/3 % of the combined voting power of our two classes of voting common stock. He is a son of Mr. Ralph J. Roberts. Mr. Roberts is also a director of Comcast Holdings and The Bank of New York Company, Inc.

*Ralph J. Roberts* has served as a director and as our Chairman of the Executive and Finance Committee of the Board of Directors since November 2002. Prior to November 2002, Mr. Roberts served as a director and Chairman of the Board of Directors of Comcast Holdings for more than five years. He is the father of Mr. Brian L. Roberts.

*John R. Alchin* has served as an Executive Vice President and as our Co-Chief Financial Officer and Treasurer since November 2002. Prior to November 2002, Mr. Alchin served as an Executive Vice President and Treasurer of Comcast Holdings since January 2000. Mr. Alchin is also a director of Polo Ralph Lauren Corp and BNY Capital Markets, Inc. Mr. Alchin has informed the Company that he will step down from his executive officer positions at the end of 2007.

*Stephen B. Burke* has served as our Chief Operating Officer since July 2004, and as our Executive Vice President and President of Comcast Cable and Comcast Cable Communications Holdings since November 2002. Prior to November 2002, Mr. Burke served as an Executive Vice President of Comcast Holdings and as President of Comcast Cable since January 2000. Mr. Burke is also a director of JPMorgan Chase & Company.

*David L. Cohen* has served as an Executive Vice President since November 2002. Mr. Cohen joined Comcast Holdings in July 2002 as an Executive Vice President. Prior to that time, he was a partner in, and Chairman of, the law firm of Ballard Spahr Andrews & Ingersoll, LLP for more than five years. Mr. Cohen is also a director of Comcast Holdings.

*Lawrence S. Smith* has served as an Executive Vice President and as our Co-Chief Financial Officer since November 2002. Prior to November 2002, Mr. Smith served as an Executive Vice President of Comcast Holdings for more than five years. Mr. Smith is also a director of Comcast Holdings and Air Products and Chemicals, Inc. Mr. Smith has informed the Company that he will step down from his executive officer positions at the end of the first quarter of 2007.

*Arthur R. Block* has served as our Senior Vice President, General Counsel and Secretary since November 2002. Prior to November 2002, Mr. Block served as General Counsel of Comcast Holdings since June 2000 and as Senior Vice President of Comcast Holdings since January 2000. Mr. Block is also a director of Comcast Holdings.

*Lawrence J. Salva* has served as our Senior Vice President and Controller since November 2002 and as Chief Accounting Officer since May 2004. Mr. Salva joined Comcast Holdings in January 2000 as Senior Vice President and Chief Accounting Officer.

## PART II

**ITEM 5: MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

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.

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.

Holders of our Class A common stock in the aggregate hold 66 <sup>2</sup>/<sub>3</sub>% of the voting power of our capital 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. Holders of shares of our Class A Special common stock cannot vote in the election of directors or otherwise, except where class voting is required by law. In that case, holders of our Class A Special common stock will have the same number of votes per share as each holder of Class A common stock. Our Class B common stock has a 33 <sup>1</sup>/<sub>3</sub>% nondilutable voting interest, and each share of Class B common stock has 15 votes per share. Mr. Brian L. Roberts beneficially owns all outstanding shares of our Class B common stock. Generally, including as to the election of directors, holders of Class A common stock and Class B common stock vote as one class except where class voting is required by law.

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.

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 have been adjusted to reflect the Stock Split for all periods presented.

A summary of our repurchases during 2006 under our Board-authorized share repurchase program, on a trade-date basis, is as follows (adjusted to reflect the Stock Split):

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>Total Dollars Purchased Under the Program</u>	<u>Maximum Dollar Value of Shares that May Yet Be Purchased Under the Program</u>
First Quarter 2006	41,159,078	\$ 17.79	40,635,671	\$ 722,951,623	\$ 4,633,102,630
Second Quarter 2006	33,766,388	\$ 20.32	33,703,154	\$ 684,881,802	\$ 3,948,220,828
Third Quarter 2006	21,982,785	\$ 22.49	21,906,574	\$ 492,632,865	\$ 3,455,587,963
October 1-31, 2006	909,301	\$ 24.61	900,000	\$ 22,128,135	\$ 3,433,459,828
November 1-30, 2006	8,938,358	\$ 26.01	7,723,326	\$ 200,000,000	\$ 3,233,459,828
December 1-31, 2006	8,278,608	\$ 27.43	8,202,432	\$ 225,000,000	\$ 3,008,459,828
Total Fourth Quarter	18,126,267	\$ 26.59	16,825,758	\$ 447,128,135	\$ 3,008,459,828
Total 2006	<b>115,034,518</b>	<b>\$ 20.82</b>	<b>113,071,157</b>	<b>\$2,347,594,425</b>	<b>\$ 3,008,459,828</b>

The total number of shares purchased during 2006 includes 1,963,361 shares received in the administration of employee share-based plans.

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### **Common Stock Sales Price Table**

We incorporate the table setting forth the high and low sales prices of our Class A and Class A Special common stock required for this item by reference to page 77 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

### **Performance Graph**

We incorporate the Performance Graph required for this item by reference to page 77 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

### **ITEM 6: SELECTED FINANCIAL DATA**

We incorporate the information required for this item by reference to page 78 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

### **ITEM 7: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

We incorporate the information required for this item by reference to pages 25 to 36 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

### **ITEM 7A: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We incorporate the information required for this item by reference to pages 34 to 35 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

### **ITEM 8: FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

We incorporate the information required for this item by reference to pages 39 to 75 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

### **ITEM 9: CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

### **ITEM 9A: CONTROLS AND PROCEDURES**

#### **Conclusions regarding disclosure controls and procedures.**

Our principal executive officers and principal 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 that, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, our disclosure controls and procedures were effective.

#### **Management's annual report on internal control over financial reporting.**

We incorporate the information required for this item by reference to page 37 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

#### **Attestation report of the registered public accounting firm.**

We incorporate the information required for this item by reference to page 38 of our 2006 Annual Report to Shareholders set forth as Exhibit 13.1 to this Annual Report on Form 10-K.

**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.

**ITEM 9B: OTHER INFORMATION**

None.

**PART III**

**ITEM 10: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT**

Except for the information regarding executive officers required by Item 401 of Regulation S-K, which is included in Part I of this Annual Report on Form 10-K as Item 4A, we incorporate the information required by this item by reference to our definitive proxy statement for our annual meeting of shareholders presently scheduled to be held in May 2007. We refer to this proxy statement as the 2007 Proxy Statement.

**ITEM 11: EXECUTIVE COMPENSATION**

We incorporate the information required by this item by reference to our 2007 Proxy Statement.

**ITEM 12: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

We incorporate the information required by this item by reference to our 2007 Proxy Statement.

**ITEM 13: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

We incorporate the information required by this item by reference to our 2007 Proxy Statement.

**ITEM 14: PRINCIPAL ACCOUNTANT FEES AND SERVICES**

We incorporate the information required by this item by reference to our 2007 Proxy Statement.

We will file our 2007 Proxy Statement for our Annual Meeting of Shareholders with the Securities and Exchange Commission on or before April 30, 2007.

**PART IV****ITEM 15: EXHIBITS AND FINANCIAL STATEMENT SCHEDULES**

## (a.) Index to Consolidated Financial Statements and Schedules

	<u>2006 Annual Report Page</u>
Report of Independent Registered Public Accounting Firm	38
Consolidated Balance Sheet—December 31, 2006 and 2005	39
Consolidated Statement of Operations—Years Ended December 31, 2006, 2005 and 2004	40
Consolidated Statement of Cash Flows—Years Ended December 31, 2006, 2005 and 2004	41
Consolidated Statement of Stockholders' Equity—Years Ended December 31, 2006, 2005 and 2004	42
Notes to Consolidated Financial Statements	43
Supplementary Information	67

Data submitted herewith:

	<u>2006 Annual Report on Form 10-K Page</u>
<a href="#">Report of Independent Registered Public Accounting Firm</a>	32
<a href="#">Financial Statement Schedule II—Valuation and Qualifying Accounts.</a>	33

All other schedules are omitted because they are not applicable, not required or the required information is included in the consolidated financial statements or notes thereto.

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

3.1	Restated Articles of Incorporation of Comcast Corporation (incorporated by reference to Exhibit 3.1 to our Annual Report on Form 10-K for the year ended December 31, 2005).
3.2	Restated By-Laws of Comcast Corporation (incorporated by reference to Exhibit 3.1 to our Current Report on Form 8-K filed on July 6, 2006).
4.1	Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to our Annual Report on Form 10-K for the year ended December 31, 2002).
4.2	Specimen Class A Special Common Stock Certificate (incorporated by reference to Exhibit 4.2 to our Annual Report on Form 10-K for the year ended December 31, 2002).
4.3	Rights Agreement dated as of November 18, 2002, between Comcast Corporation and EquiServe Trust Company, N.A., as Rights Agent, which includes the Form of Certificate of Designation of Series A Participant's Cumulative Preferred Stock as Exhibit A and the Form of Right Certificate as Exhibit B (incorporated by reference to our registration statement on Form 8-A12g filed on November 18, 2002).
4.4	Form of Indenture, dated as of January 7, 2003, between Comcast Corporation, Comcast Cable Communications, LLC, Comcast Cable Communications Holdings, Inc., Comcast Cable Holdings, LLC, Comcast MO Group, Inc., Comcast MO of Delaware, LLC (f/k/a Comcast MO of Delaware, Inc.) and The Bank of New York, as Trustee relating to our 5.85% Notes due 2010, 6.50% Notes due 2015, 5.50% Notes due 2011, 7.05% Notes due 2033, 5.30% Notes due 2014, 4.95% Notes due 2016, 5.65% Notes due 2035, 5.45% Notes due 2010, 5.85% Notes due 2015, 5.90% Notes due 2016, 5.875% Notes due 2018, 6.50% Notes due 2035, 6.45% Notes due 2037, 7.00% Notes due 2055 and 7.00% Notes due 2055 Series B (incorporated by reference to Exhibit 4.5 to our registration statement on Form S-3 filed on December 16, 2002).

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- 4.5 Form of Supplemental Indenture, dated March 25, 2003, to the Indenture between Comcast Corporation, Comcast Cable Holdings, LLC, Comcast Cable Communications Holdings, Inc., Comcast Cable Communications, LLC, Comcast MO Group, Inc., Comcast MO of Delaware, LLC (f/k/a Comcast MO of Delaware, Inc.) and The Bank of New York as Trustee, dated as of January 7, 2003 (incorporated by reference to Exhibit 4.25 to our Annual Report on Form 10-K for the year ended December 31, 2003).
- Certain instruments defining the rights of holders of long-term obligation of the registrant and certain of its subsidiaries (the total amount of securities authorized under each of which does not exceed ten percent of the total assets of the registrant and its subsidiaries on a consolidated basis), are omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. We agree to furnish copies of any such instruments to the SEC upon request.
- 9.1 Agreement and Declaration of Trust of TWE Holdings I Trust by and among MOC Holdco I, Inc., Edith E. Holiday and The Capital Trust Company of Delaware (incorporated by reference to Exhibit 99.2 to our Current Report on Form 8-K12g3 filed on November 18, 2002).
- 9.2 Form of Agreement and Declaration of Trust of TWE Holdings II Trust by and among MOC Holdco II, Inc., Edith E. Holiday and The Capital Trust Company of Delaware (incorporated by reference to Exhibit 99.3 to our Current Report on Form 8-K12g3 filed on November 18, 2002).
- 10.1\* Comcast Corporation 1987 Stock Option Plan, as amended and restated effective November 18, 2002 (incorporated by reference to Exhibit 10.1 to our Annual Report on Form 10-K for the year ended December 31, 2002).
- 10.2\* Comcast Corporation 2002 Stock Option Plan, as amended and restated effective January 30, 2004 (incorporated by reference to Exhibit 10.2 to our Annual Report on Form 10-K for the year ended December 31, 2003).
- 10.3\* Comcast Corporation 2003 Stock Option Plan, as amended and restated effective December 5, 2006.
- 10.4\* Comcast Corporation 2002 Deferred Stock Option Plan, as amended and restated effective February 16, 2005 (incorporated by reference to Exhibit 10.6 to our Annual Report on Form 10-K for the year ended December 31, 2004).
- 10.5\* Comcast Corporation 2002 Deferred Compensation Plan, as amended and restated effective December 5, 2006.
- 10.6\* Comcast Corporation 2005 Deferred Compensation Plan, as amended and restated effective December 14, 2005 (incorporated by reference to Exhibit 10.6 to our Annual Report on Form 10-K for the year ended December 31, 2005).
- 10.7\* Comcast Corporation 2002 Restricted Stock Plan, as amended and restated effective December 14, 2005 (incorporated by reference to Exhibit 10.7 to our Annual Report on Form 10-K for the year ended December 31, 2005).
- 10.8\* 2004 Management Achievement Plan, as amended and restated effective December 14, 2005 (incorporated by reference to Exhibit 10.8 to our Annual Report on Form 10-K for the year ended December 31, 2005).
- 10.9\* 1992 Executive Split Dollar Insurance Plan (incorporated by reference to Exhibit 10(12) to the Comcast Holdings Corporation Annual Report on Form 10-K for the year ended December 31, 1992).
- 10.13\* Comcast Corporation 2002 Non-Employee Director Compensation Plan, as amended and restated, effective January 12, 2005 (incorporated by reference to Exhibit 10.13 to our Annual Report on Form 10-K for the year ended December 31, 2004).
- 10.14\* Comcast Corporation 2002 Employee Stock Purchase Plan, as amended and restated effective December 14, 2005 (incorporated by reference to Exhibit 10.14 to our Annual Report on Form 10-K for the year ended December 31, 2005).

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- 10.15\* Comcast Corporation Supplemental Executive Retirement Plan, as amended and restated effective June 5, 2001 (incorporated by reference to Exhibit 10.10 to the Comcast Holdings Corporation Annual Report on Form 10-K for the year ended December 31, 2001).
- 10.16\* Employment Agreement between Comcast Corporation and John R. Alchin dated November 7, 2005 (incorporated by reference to Exhibit 99.1 to our Form 8-K filed on November 7, 2005).
- 10.19\* Certificate of Interest of Julian Brodsky under the Comcast Holdings Corporation Unfunded Plan of Deferred Compensation (incorporated by reference to Exhibit 10.21 to our Annual Report on Form 10-K for the year ended December 31, 2002).
- 10.20\* Employment Agreement between Comcast Holdings Corporation and Julian A. Brodsky, dated as of May 1, 2002 (incorporated by reference to Exhibit 10.22 to our Annual Report on Form 10-K for the year ended December 31, 2002).
- 10.21\* Amendment to Employment Agreement between Comcast Holdings Corporation and Julian A. Brodsky, dated as of November 18, 2002 (incorporated by reference to Exhibit 10.23 to our Annual Report on Form 10-K for the year ended December 31, 2002).
- 10.22\* Employment Agreement between Comcast Corporation and Stephen B. Burke dated November 22, 2005 (incorporated by reference to Exhibit 99.1 to our Form 8-K filed on November 22, 2005).
- 10.23\* Amendment No. 1 to Employment Agreement between Comcast Corporation and Stephen B. Burke dated January 25, 2006 (incorporated by reference to Exhibit 10.23 to our Annual Report on Form 10-K for the year ended December 31, 2005).
- 10.24\* Employment Agreement between Comcast Corporation and David L. Cohen dated November 7, 2005 (incorporated by reference to Exhibit 99.2 to our Form 8-K filed on November 7, 2005).
- 10.25\* Amendment No. 1 to Employment Agreement between Comcast Corporation and David L. Cohen dated November 11, 2005 (incorporated by reference to Exhibit 10.25 to our Annual Report on Form 10-K for the year ended December 31, 2005).
- 10.26\* Amendment No. 2 to Employment Agreement between Comcast Corporation and David L. Cohen dated January 25, 2006 (incorporated by reference to Exhibit 10.26 to our Annual Report on Form 10-K for the year ended December 31, 2005).
- 10.27\* Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 1, 2005 (incorporated by reference to Exhibit 99.1 to our Form 8-K filed on August 4, 2005).
- 10.28\* Term Life Insurance Premium and Tax Bonus Agreement between Comcast Holdings Corporation and Brian L. Roberts, dated as of September 23, 1998 (incorporated by reference to Exhibit 10.1 to our quarterly report on Form 10-Q for the quarter ended March 31, 2003).
- 10.29\* Amendment to Term Life Insurance Premium and Tax Bonus Agreement between Comcast Corporation and Brian L. Roberts, dated as of May 22, 2006 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006).
- 10.30\* Life Insurance Premium and Tax Bonus Agreement between Comcast Corporate and Brian L. Roberts, dated as of May 22, 2006 (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 2006).
- 10.31\* Amendment to Life Insurance Premium and Tax Bonus Agreement between Comcast Corporate and Brian L. Roberts, dated as of September 15, 2006 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2006).
- 10.32\* Compensation and Deferred Compensation Agreement and Stock Appreciation Bonus Plan between Comcast Holdings Corporation and Ralph J. Roberts, as amended and restated March 16, 1994 (incorporated by reference to Exhibit 10(13) to the Comcast Holdings Corporation Annual Report on Form 10-K for the year ended December 31, 1993).

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- 10.33\* Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, as amended and restated August 31, 1998 (incorporated by reference to Exhibit 10.1 to the Comcast Holdings Corporation quarterly report on Form 10-Q for the quarter ended September 30, 1998).
- 10.34\* Amendment Agreement to Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, dated as of August 19, 1999 (incorporated by reference to Exhibit 10.2 to the Comcast Holdings Corporation quarterly report on Form 10-Q for the quarter ended March 31, 2000).
- 10.35\* Amendment to Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, dated as of June 5, 2001 (incorporated by reference to Exhibit 10.8 to the Comcast Holdings Corporation Annual Report on Form 10-K for the year ended December 31, 2001).
- 10.36\* Amendment to Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, dated as of January 24, 2002 (incorporated by reference to Exhibit 10.16 to our Annual Report on Form 10-K for the year ended December 31, 2002).
- 10.37\* Amendment to Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, dated as of November 18, 2002 (incorporated by reference to Exhibit 10.17 to our Annual Report on Form 10-K for the year ended December 31, 2002).
- 10.38\* Insurance Premium Termination Agreement between Comcast Corporation and Ralph J. Roberts, effective January 30, 2004 (incorporated by reference to Exhibit 10.1 to our Form 10-Q for the quarter ended March 31, 2004).
- 10.39\* Executive Employment Agreement between Comcast Corporation and Lawrence S. Smith dated as of October 1, 2005 (incorporated by reference to Exhibit 99.3 to our Form 8-K filed on November 7, 2005).
- 10.40 Asset Purchase Agreement, dated as of April 20, 2005, between Adelphia Communications Corporation and Comcast Corporation (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on April 26, 2005).
- 10.41 Amendment No. 1, dated June 24, 2005, to the Asset Purchase Agreement dated as of April 20, 2005 between Adelphia Communications Corporation (“Adelphia”) and Comcast (incorporated by reference to Exhibit 99.3 to our Current Report on Form 8-K dated July 31, 2006).
- 10.42 Amendment No. 2, to the Asset Purchase Agreement between Adelphia Communications Corporation and Comcast Corporation, dated June 21, 2006 (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on June 27, 2006).
- 10.43 Amendment No. 3, dated June 26, 2006, to the Asset Purchase Agreement dated as of April 20, 2005, between Adelphia and Comcast (incorporated by reference to Exhibit 99.5 to our Current Report on Form 8-K dated July 31, 2006).
- 10.44 Amendment No. 4, dated July 31, 2006, to the Asset Purchase Agreement dated as of April 20, 2005, between Adelphia and Comcast (incorporated by reference to Exhibit 99.6 to our Current Report on Form 8-K dated July 31, 2006).
- 10.45 Redemption Agreement, dated as of April 20, 2005, by and among Comcast Cable Communications Holdings, Inc., MOC Holdco II, Inc., TWE Holdings II Trust, Cable Holdco II Inc., Time Warner Cable Inc. and, for certain limited purposes, Comcast Corporation, Time Warner Inc. and TWE Holdings I Trust (incorporated by reference to Exhibit 2.2 to our Current Report on Form 8-K filed on April 26, 2005).



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10.46	Redemption Agreement, dated as of April 20, 2005, by and among Comcast Cable Communications Holdings, Inc., MOC Holdco I, LLC, TWE Holdings I Trust, Cable Holdco III LLC, Time Warner Entertainment Company, L.P. and, for certain limited purposes, Comcast Corporation, Time Warner Inc. and Time Warner Cable Inc. (incorporated by reference to Exhibit 2.3 to our Current Report on Form 8-K filed on April 26, 2005).
10.47	Exchange Agreement, dated as of April 20, 2005, by and among Comcast Corporation, Comcast Cable Communications Holdings, Inc., Comcast of Georgia, Inc., TCI Holdings, Inc., Time Warner Cable Inc., Time Warner NY Cable LLC and Urban Cable Works of Philadelphia, L.P. (incorporated by reference to Exhibit 2.4 to our Current Report on Form 8-K filed on April 26, 2005).
10.48	Composite copy of Tolling and Optional Redemption Agreement, dated as of September 24, 2004, as amended by Amendment No. 1, dated as of February 17, 2005, and by Amendment No. 2, dated as of April 20, 2005, by and among Comcast Cable Communications Holdings, Inc., MOC Holdco II, Inc., TWE Holdings II Trust, Cable Holdco Inc., Time Warner Cable Inc. and, for certain limited purposes, Comcast Corporation, Time Warner Inc. and TWE Holdings I Trust (incorporated by reference to Exhibit 2.5 to our Current Report on Form 8-K filed on April 26, 2005).
10.49	Letter Agreement, dated April 20, 2005, among Adelphia Communications Corporation, Comcast Corporation and Time Warner NY Cable LLC (incorporated by reference to Exhibit 2.6 to our Current Report on Form 8-K filed on April 26, 2005).
10.50	Letter Agreement, dated April 20, 2005, between Time Warner Cable Inc. and Comcast Corporation (incorporated by reference to Exhibit 2.7 to our Current Report on Form 8-K filed on April 26, 2005).
10.51	Letter Agreement by and among TWE Holdings II Trust, Comcast Corporation, Adelphia Communications Corporation and Time Warner Cable Inc., dated June 21, 2006 (incorporated by reference to Exhibit 2.2 to our Current Report on For 8-K filed on June 27, 2006).
10.52	Five Year Revolving Credit Agreement dated as of October 7, 2005 among Comcast Corporation, Comcast Cable Communications Holdings, Inc., the Financial Institutions party thereto and JP Morgan Chase Bank, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.45 to our Annual Report on Form 10-K for the year ended December 31, 2005).
13.1	Pages 25 to 75 and page78 of the 2006 Annual Report to Shareholders, but only to the extent set forth in Items 6-8 and 9A hereof. With the exception of the aforementioned information incorporated by reference in this Annual Report on Form 10-K, the 2006 Annual Report to Shareholders is not deemed "filed" as part hereof.
21	List of subsidiaries.
23.1	Consent of Deloitte & Touche LLP.
31	Certification 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.

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\* Constitutes a management contract or compensatory plan or arrangement.



**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Board of Directors and Stockholders  
Comcast Corporation  
Philadelphia, Pennsylvania

We have audited the consolidated financial statements of Comcast Corporation and subsidiaries (the "Company") as of December 31, 2006 and 2005, and for each of the three years in the period ended December 31, 2006, management's assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2006, and the effectiveness of the Company's internal control over financial reporting as of December 31, 2006, and have issued our report thereon dated February 23, 2007 (which report expresses an unqualified opinion and includes an explanatory paragraph concerning the adopting of a new accounting pronouncement in 2006); such consolidated financial statements and report are included in the 2006 Annual Report to Shareholders and incorporated by reference in this Form 10-K. Our audits also included the consolidated financial statement schedule of Comcast Corporation and its subsidiaries, listed in Item 15(a). This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP  
Philadelphia, Pennsylvania  
February 23, 2007

**Comcast Corporation and Subsidiaries**  
**Schedule II—Valuation and Qualifying Accounts**  
**Years Ended December 31, 2006, 2005 and 2004**

<u>(In millions)</u>	<u>Balance at Beginning of Year</u>	<u>Additions Charged to Costs and Expenses</u>	<u>Deductions from Reserves(a)</u>	<u>Balance at End of Year</u>
Allowance for Doubtful Accounts				
2006	\$ 132	\$ 279	\$ 254	\$ 157
2005	127	245	240	132
2004	142	226	241	127

(a) Uncollectible accounts written off.

## COMCAST CORPORATION

## 2003 STOCK OPTION PLAN

(AS AMENDED AND RESTATED EFFECTIVE DECEMBER 5, 2006)

**1. Background and Purpose of Plan**

(a) Background. COMCAST CORPORATION, a Pennsylvania corporation hereby amends and restates the Comcast Corporation 2003 Stock Option Plan, (the "Plan"), effective December 5, 2006.

(b) Purpose. The purpose of the Plan is to assist the Sponsor and its Affiliates in retaining valued employees, officers and directors by offering them a greater stake in the Sponsor's success and a closer identity with it, and to aid in attracting individuals whose services would be helpful to the Sponsor and would contribute to its success.

**2. Definitions**

(a) "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "AT&T Broadband Transaction" means the acquisition of AT&T Broadband Corp. (now known as Comcast Cable Communications Holdings, Inc.) by the Sponsor.

(c) "Board" means the board of directors of the Sponsor.

(d) "Cash Right" means any right to receive cash in lieu of Shares granted under the Plan and described in Paragraph 3(a)(iii).

(e) "Cause" means (i) fraud; (ii) misappropriation; (iii) embezzlement; (iv) gross negligence in the performance of duties; (v) self-dealing; (vi) dishonesty; (vii) misrepresentation; (viii) conviction of a crime of a felony; (ix) material violation of any Company policy; (x) material violation of the Company's Code of Ethics and Business Conduct or, (xi) in the case of an employee of a Company who is a party to an employment agreement with a Company, material breach of such agreement; provided that as to items (ix), (x) and (xi), if capable of being cured, such event or condition remains uncured following 30 days written notice thereof.

(f) "Change of Control" means any transaction or series of transactions as a result of which any Person who was a Third Party immediately before such transaction or series of transactions owns then-outstanding securities of the Sponsor such that such Person has the ability to direct the management of the Sponsor, as determined by the Board in its discretion. The Board may also determine that a Change of Control shall occur upon the completion of one or more proposed transactions. The Board's determination shall be final and binding.

(g) "Code" means the Internal Revenue Code of 1986, as amended.

(h) "Comcast Plan" means any restricted stock, stock bonus, stock option or other compensation plan, program or arrangement established or maintained by the Sponsor or an Affiliate of the Sponsor, including, but not limited to this Plan, the Comcast Corporation 2002 Stock Option Plan, the Comcast Corporation 2002 Restricted Stock Plan, the Comcast Corporation 1987 Stock Option Plan and the AT&T Broadband Corp. Adjustment Plan.

(i) "Committee" means the committee described in Paragraph 5, provided that for purposes of Paragraph 7:

(i) all references to the Committee shall be treated as references to the Board with respect to any Option granted to or held by a Non-Employee Director; and

(ii) all references to the Committee shall be treated as references to the Committee's delegate with respect to any Option granted within the scope of the delegate's authority pursuant to Paragraph 5(b).

(j) "Common Stock" means the Sponsor's Class A Common Stock, par value, \$.01.

(k) "Company" means the Sponsor and the Subsidiary Companies.

(l) "Date of Grant" means the date as of which an Option is granted.

(m) "Disability" means a disability within the meaning of section 22(e)(3) of the Code.

(n) "Fair Market Value." If Shares are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the next trading date. If Shares are not so listed, but trades of Shares are reported on the Nasdaq National Market, Fair Market Value shall be determined based on the last quoted sale price of a Share on the Nasdaq National Market on the date of determination, or if such date is not a trading day, the next trading date. If Shares are not so listed nor trades of Shares so reported, Fair Market Value shall be determined by the Board or the Committee in good faith.

(o) “Immediate Family” means an Optionee’s spouse and lineal descendants, any trust all beneficiaries of which are any of such persons and any partnership all partners of which are any of such persons.

(p) “Incentive Stock Option” means an Option granted under the Plan, designated by the Committee at the time of such grant as an Incentive Stock Option within the meaning of section 422 of the Code and containing the terms specified herein for Incentive Stock Options; provided, however, that to the extent an Option granted under the Plan and designated by the Committee at the time of grant as an Incentive Stock Option fails to satisfy the requirements for an incentive stock option under section 422 of the Code for any reason, such Option shall be treated as a Non-Qualified Option.

(q) “Non-Employee Director” means an individual who is a member of the Board, and who is not an employee of a Company, including an individual who is a member of the Board and who previously was, but at the time of reference is not, an employee of a Company.

(r) “Non-Qualified Option” means:

(i) an Option granted under the Plan, designated by the Committee at the time of such grant as a Non-Qualified Option and containing the terms specified herein for Non-Qualified Options; and

(ii) an Option granted under the Plan and designated by the Committee at the time of grant as an Incentive Stock Option, to the extent such Option fails to satisfy the requirements for an incentive stock option under section 422 of the Code for any reason.

(s) “Officer” means an officer of the Sponsor (as defined in section 16 of the 1934 Act).

(t) “Option” means any stock option granted under the Plan and described in Paragraph 3(a)(i) or Paragraph 3(a)(ii).

(u) “Optionee” means a person to whom an Option has been granted under the Plan, which Option has not been exercised in full and has not expired or terminated.

(v) “Other Available Shares” means, as of any date, the sum of:

(i) the total number of Shares owned by an Optionee that were not acquired by such Optionee pursuant to a Comcast Plan or otherwise in connection with the performance of services to the Sponsor or an Affiliate; plus

(ii) the excess, if any of:

(A) the total number of Shares owned by an Optionee other than the Shares described in Paragraph 2(v)(i); over

(B) the sum of:

(1) the number of such Shares owned by such Optionee for less than six months; plus

(2) the number of such Shares owned by such Optionee that has, within the preceding six months, been the subject of a withholding certification pursuant to Paragraph 15(b) or any similar withholding certification under any other Comcast Plan; plus

(3) the number of such Shares owned by such Optionee that has, within the preceding six months, been received in exchange for Shares surrendered as payment, in full or in part, or as to which ownership was attested to as payment, in full or in part, of the exercise price for an option to purchase any securities of the Sponsor or an Affiliate of the Sponsor, under any Comcast Plan, but only to the extent of the number of Shares surrendered or attested to; plus

(4) the number of such Shares owned by such Optionee as to which evidence of ownership has, within the preceding six months, been provided to the Sponsor in connection with the crediting of "Deferred Stock Units" to such Optionee's Account under the Comcast Corporation 2002 Deferred Stock Option Plan (as in effect from time to time).

For purposes of this Paragraph 2(v), a Share that is subject to a deferral election pursuant to another Comcast Plan shall not be treated as owned by an Optionee until all conditions to the delivery of such Share have lapsed. The number of Other Available Shares shall be determined separately for Common Stock and for Special Common Stock. For purposes of determining the number of Other Available Shares, the term "Shares" shall also include the securities held by a Participant immediately before the consummation of the AT&T Broadband Transaction that became Common Stock or Special Common Stock as a result of the AT&T Broadband Transaction.

(w) "Outside Director" means a member of the Board who is an "outside director" within the meaning of section 162(m)(4)(C) of the Code and applicable Treasury Regulations issued thereunder.

(x) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

(y) "Plan" means the Comcast Corporation 2002 Stock Option Plan.

(z) "Share" or "Shares."

(i) Except as provided in this Paragraph 2(z), a share or shares Common Stock;

(ii) For purposes of Paragraphs 2(v), 7(d) and Paragraph 15, the term "Share" or "Shares" also means a share or shares of Special Common

Stock.



(iii) The term “Share” or “Shares” also means such other securities issued by the Sponsor as may be the subject of an adjustment under Paragraph 10, or for purposes of Paragraph 2(v) and Paragraph 15, as may have been the subject of a similar adjustment under similar provisions of a Comcast Plan as now in effect or as may have been in effect before the AT&T Broadband Transaction.

(aa) “Special Common Stock” means the Sponsor’s Class A Special Common Stock, par value \$0.01.

(bb) “Sponsor” means Comcast Corporation, a Pennsylvania corporation, as successor to Comcast Holdings Corporation (formerly known as Comcast Corporation), including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

(cc) “Subsidiary Companies” means all business entities that, at the time in question, are subsidiaries of the Sponsor within the meaning of section 424(f) of the Code.

(dd) “Ten Percent Shareholder” means a person who on the Date of Grant owns, either directly or within the meaning of the attribution rules contained in section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of his employer corporation or of its parent or subsidiary corporations, as defined respectively in sections 424(e) and (f) of the Code, provided that the employer corporation is a Company.

(ee) “Terminating Event” means any of the following events:

(i) the liquidation of the Sponsor; or

(ii) a Change of Control.

(ff) “Third Party” means any Person other than a Company, together with such Person’s Affiliates, provided that the term “Third Party” shall not include the Sponsor or an Affiliate of the Sponsor.

(gg) “1933 Act” means the Securities Act of 1933, as amended.

(hh) “1934 Act” means the Securities Exchange Act of 1934, as amended.

### **3. Rights To Be Granted**

(a) Types of Options and Other Rights Available for Grant. Rights that may be granted under the Plan are:

(i) Incentive Stock Options, which give an Optionee who is an employee of a Company the right for a specified time period to purchase a specified number of Shares for a price not less than the Fair Market Value on the Date of Grant.

(ii) Non-Qualified Options, which give the Optionee the right for a specified time period to purchase a specified number of Shares for a price determined by the Committee; and

(iii) Cash Rights, which give an Optionee the right for a specified time period, and subject to such conditions, if any, as shall be determined by the Committee and stated in the option document, to receive a cash payment of such amount per Share as shall be determined by the Committee and stated in the option document, in lieu of exercising a Non-Qualified Option.

(b) Limit on Grant of Options. The maximum number of Shares for which Options may be granted to any single individual in any calendar year, adjusted as provided in Paragraph 10, shall be 10,000,000 Shares.

#### **4. Shares Subject to Plan**

Subject to adjustment as provided in Paragraph 10, not more than 70 million Shares in the aggregate (including Shares granted pursuant to the Plan as in effect immediately before the closing of the AT&T Broadband Transaction) may be issued pursuant to the Plan upon exercise of Options. Shares delivered pursuant to the exercise of an Option may, at the Sponsor's option, be either treasury Shares or Shares originally issued for such purpose. If an Option covering Shares terminates or expires without having been exercised in full, other Options may be granted covering the Shares as to which the Option terminated or expired.

#### **5. Administration of Plan**

(a) Committee. The Plan shall be administered by the Compensation Committee of the Board or any other committee or subcommittee designated by the Board, provided that the committee administering the Plan is composed of two or more non-employee members of the Board, each of whom is an Outside Director.

(b) Delegation of Authority.

(i) Named Executive Officers and Section 16(b) Officers. All authority with respect to the grant, amendment, interpretation and administration of Options with respect to any employee or officer of a Company who is either (x) a Named Executive Officer (*i.e.*, an officer who is required to be listed in the Company's Proxy Statement Compensation Table) or (y) is subject to the short-swing profit recapture rules of section 16(b) of the 1934 Act, is reserved to the Committee.

(ii) Senior Officers and Highly Compensated Employees. The Committee may delegate to a committee consisting of the Chairman of the Committee and one or more officers of the Company designated by the Committee, discretion under the Plan to grant, amend, interpret and administer Options with respect to any employee or officer of a Company who (x) holds a position with Comcast Corporation of Senior Vice President or a position of higher rank than Senior Vice President or (y) has a base salary of \$500,000 or more, provided that an Option granted pursuant to this delegated authority may not have an exercise price per Share that is less than the Fair Market Value on the Date of Grant.

(iii) Other Employees. The Committee may delegate to an officer of the Company, or a committee of two or more officers of the Company, discretion under the Plan to grant, amend, interpret and administer Options with respect to any employee or officer of a Company other than an employee or officer described in Paragraph 5(b)(i) or Paragraph 5(b)(ii), provided that an Option granted pursuant to this delegated authority may not have an exercise price per Share that is less than the Fair Market Value on the Date of Grant.

(iv) Termination of Delegation of Authority. Delegation of authority as provided under this Paragraph 5(b) shall continue in effect until the earliest of:

(x) such time as the Committee shall, in its discretion, revoke such delegation of authority;

(y) in the case of delegation under Paragraph 5(b)(ii), the delegate shall cease to serve as Chairman of the Committee or serve as an employee of the Company for any reason, as the case may be and in the case of delegation under Paragraph 5(b)(iii), the delegate shall cease to serve as an employee of the Company for any reason; or

(z) the delegate shall notify the Committee that he declines to continue to exercise such authority.

(c) Meetings. The Committee shall hold meetings at such times and places as it may determine. Acts approved at a meeting by a majority of the members of the Committee or acts approved by the unanimous consent of the members of the Committee shall be the valid acts of the Committee.

(d) Exculpation. No member of the Committee shall be personally liable for monetary damages for any action taken or any failure to take any action in connection with the administration of the Plan or the granting of Options thereunder unless (i) the member of the Committee has breached or failed to perform the duties of his office, and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the provisions of this Paragraph 5(d) shall not apply to the responsibility or liability of a member of the Committee pursuant to any criminal statute.

(e) Indemnification. Service on the Committee shall constitute service as a member of the Board. Each member of the Committee shall be entitled without further act on his part to indemnity from the Sponsor to the fullest extent provided by applicable law and the Sponsor's By-laws in connection with or arising out of any actions, suit or proceeding with respect to the administration of the Plan or the granting of Options thereunder in which he may be involved by reasons of his being or having been a member of the Committee, whether or not he continues to be such member of the Committee at the time of the action, suit or proceeding.

## **6. Eligibility**

(a) Eligible individuals to whom Options may be granted shall be employees, officers or directors of a Company who are selected by the Committee for the grant of Options. Eligible individuals to whom Cash Rights may be granted shall be individuals who

are employees of a Company on the Date of Grant other than Officers. The terms and conditions of Options granted to individuals other than Non-Employee Directors shall be determined by the Committee, subject to Paragraph 7. The terms and conditions of Cash Rights shall be determined by the Committee, subject to Paragraph 7. The terms and conditions of Options granted to Non-Employee Directors shall be determined by the Board, subject to Paragraph 7.

(b) An Incentive Stock Option shall not be granted to a Ten Percent Shareholder except on such terms concerning the option price and term as are provided in Paragraph 7(b) and 7(g) with respect to such a person. An Option designated as Incentive Stock Option granted to a Ten Percent Shareholder but which does not comply with the requirements of the preceding sentence shall be treated as a Non-Qualified Option. An Option designated as an Incentive Stock Option shall be treated as a Non-Qualified Option if the Optionee is not an employee of a Company on the Date of Grant.

#### **7. Option Documents and Terms - In General**

All Options granted to Optionees shall be evidenced by option documents. The terms of each such option document for any Optionee who is an employee of a Company shall be determined from time to time by the Committee, and the terms of each such option document for any Optionee who is a Non-Employee Director shall be determined from time to time by the Board, consistent, however, with the following:

(a) Time of Grant. All Options shall be granted on or before February 25, 2013.

(b) Option Price. Except as otherwise provided in Section 13(b), the option price per Share with respect to any Option shall be determined by the Committee, provided, however, that with respect to any Incentive Stock Options, the option price per share shall not be less than 100% of the Fair Market Value of such Share on the Date of Grant, and provided further that with respect to any Incentive Stock Options granted to a Ten Percent Shareholder, the option price per Share shall not be less than 110% of the Fair Market Value of such Share on the Date of Grant.

(c) Restrictions on Transferability. No Option granted under this Paragraph 7 shall be transferable otherwise than by will or the laws of descent and distribution and, during the lifetime of the Optionee, shall be exercisable only by him or for his benefit by his attorney-in-fact or guardian; provided that the Committee may, in its discretion, at the time of grant of a Non-Qualified Option or by amendment of an option document for an Incentive Stock Option or a Non-Qualified Option, provide that Options granted to or held by an Optionee may be transferred, in whole or in part, to one or more transferees and exercised by any such transferee; provided further that (i) any such transfer is without consideration and (ii) each transferee is a member of such Optionee's Immediate Family; and provided further that any Incentive Stock Option granted pursuant to an option document which is amended to permit transfers during the lifetime of the Optionee shall, upon the effectiveness of such amendment, be treated thereafter as a Non-Qualified Option. No transfer of an Option shall be effective unless the Committee is notified of the terms and conditions of the transfer and the Committee determines that the transfer complies with the requirements for transfers of Options under the

Plan and the option document. Any person to whom an Option has been transferred may exercise any Options only in accordance with the provisions of Paragraph 7(g) and this Paragraph 7(c).

(d) Payment Upon Exercise of Options. Full payment for Shares purchased upon the exercise of an Option shall be made in cash, by certified check payable to the order of the Sponsor, or, at the election of the Optionee and as the Committee may, in its sole discretion, approve, by surrendering or attesting to ownership of Shares with an aggregate Fair Market Value equal to the aggregate option price, or by attesting to ownership and delivering such combination of Shares and cash as the Committee may, in its sole discretion, approve; provided, however, that ownership of Shares may be attested to and Shares may be surrendered in satisfaction of the option price only if the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares as of the date the Option is exercised that is at least equal to the number of Shares as to which ownership has been attested, or the number of Shares to be surrendered in satisfaction of the Option Price, as applicable; provided further, however, that the option price may not be paid in Shares if the Committee determines that such method of payment would result in liability under section 16(b) of the 1934 Act to an Optionee. Except as otherwise provided by the Committee, if payment is made in whole or in part by surrendering Shares, the Optionee shall deliver to the Sponsor certificates registered in the name of such Optionee representing Shares legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind and having a Fair Market Value on the date of delivery that is equal to or greater than the aggregate option price for the Option Shares subject to payment by the surrender of Shares, accompanied by stock powers duly endorsed in blank by the record holder of the Shares represented by such certificates; and if payment is made in whole or in part by attestation of ownership, the Optionee shall attest to ownership of Shares representing Shares legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind and having a Fair Market Value on the date of attestation that is equal to or greater than the aggregate option price for the Option Shares subject to payment by attestation of Share ownership. If the Committee, in its sole discretion, should refuse to accept Shares in payment of the option price, any certificates representing Shares which were delivered to the Sponsor shall be returned to the Optionee with notice of the refusal of the Committee to accept such Shares in payment of the option price. The Committee may impose such limitations and prohibitions on attestation or ownership of Shares and the use of Shares to exercise an Option as it deems appropriate.

(e) Issuance of Certificate Upon Exercise of Options; Payment of Cash. Only whole Shares shall be issuable upon exercise of Options. Any right to a fractional Share shall be satisfied in cash. Upon satisfaction of the conditions of Paragraph 10, a certificate for the number of whole Shares and a check for the Fair Market Value on the date of exercise of any fractional Share to which the Optionee is entitled shall be delivered to such Optionee by the Sponsor.

(f) Termination of Employment. For purposes of the Plan, a transfer of an employee between two employers, each of which is a Company, shall not be deemed a termination of employment. For purposes of Paragraph 7(g), an Optionee's termination of employment shall be deemed to occur on the date an Optionee ceases to have a regular obligation to perform services for a Company, without regard to whether (i) the Optionee continues on the

Company's payroll for regular, severance or other pay or (ii) the Optionee continues to participate in one or more health and welfare plans maintained by the Company on the same basis as active employees. Whether an Optionee ceases to have a regular obligation to perform services for a Company shall be determined by the Committee in its sole discretion. Notwithstanding the foregoing, if an Optionee is a party to an employment agreement or severance agreement with a Company which establishes the effective date of such Optionee's termination of employment for purposes of this Paragraph 7(f), that date shall apply. For an Optionee who is a Non-Employee Director, all references to any termination of employment shall be treated as a termination of service to the Sponsor as a Non-Employee Director.

(g) Periods of Exercise of Options. An Option shall be exercisable in whole or in part at such time or times as may be determined by the Committee and stated in the option document, provided, however, that if the grant of an Option would be subject to section 16(b) of the 1934 Act, unless the requirements for exemption therefrom in Rule 16b-3(c)(1), under such Act, or any successor provision, are met, the option document for such Option shall provide that such Option is not exercisable until not less than six months have elapsed from the Date of Grant. Except as otherwise provided by the Committee in its discretion, no Option shall first become exercisable following an Optionee's termination of employment for any reason; provided further, that:

(i) In the event that an Optionee terminates employment with the Company for any reason other than death or Cause, any Option held by such Optionee and which is then exercisable shall be exercisable for a period of 90 days following the date the Optionee terminates employment with the Company (unless a longer period is established by the Committee); provided, however, that if such termination of employment with the Company is due to the Disability of the Optionee, he shall have the right to exercise those of his Options which are then exercisable for a period of one year following such termination of employment (unless a longer period is established by the Committee); provided, however, that in no event shall an Incentive Stock Option be exercisable after five years from the Date of Grant in the case of a grant to a Ten Percent Shareholder, nor shall any other Option be exercisable after ten years from the Date of Grant.

(ii) In the event that an Optionee terminates employment with the Company by reason of his death, any Option held at death by such Optionee which is then exercisable shall be exercisable for a period of one year from the date of death (unless a longer period is established by the Committee) by the person to whom the rights of the Optionee shall have passed by will or by the laws of descent and distribution; provided, however, that in no event shall an Incentive Stock Option be exercisable after five years from the Date of Grant in the case of a grant to a Ten Percent Shareholder, nor shall any other Option be exercisable after ten years from the Date of Grant.

(iii) In the event that an Optionee's employment with the Company is terminated for Cause, each unexercised Option held by such Optionee shall terminate and cease to be exercisable; provided further, that in such event, in addition to immediate termination of the Option, the Optionee, upon a determination by the Committee shall automatically forfeit all Shares otherwise subject to delivery upon exercise of an Option but for which the Sponsor has not yet delivered the Share certificates, upon refund by the Sponsor of the option price.

(h) **Date of Exercise.** The date of exercise of an Option shall be the date on which written notice of exercise, addressed to the Sponsor at its main office to the attention of its Secretary, is hand delivered, telecopied or mailed first class postage prepaid; provided, however, that the Sponsor shall not be obligated to deliver any certificates for Shares pursuant to the exercise of an Option until the Optionee shall have made payment in full of the option price for such Shares. Each such exercise shall be irrevocable when given. Each notice of exercise must (i) specify the Incentive Stock Option, Non-Qualified Option or combination thereof being exercised; and (ii) include a statement of preference (which shall binding on and irrevocable by the Optionee but shall not be binding on the Committee) as to the manner in which payment to the Sponsor shall be made (Shares or cash or a combination of Shares and cash). Each notice of exercise shall also comply with the requirements of Paragraph 15.

(i) **Cash Rights.** The Committee may, in its sole discretion, provide in an option document for an eligible Optionee that Cash Rights shall be attached to Non-Qualified Options granted under the Plan. All Cash Rights that are attached to Non-Qualified Options shall be subject to the following terms:

(i) Such Cash Right shall expire no later than the Non-Qualified Option to which it is attached.

(ii) Such Cash Right shall provide for the cash payment of such amount per Share as shall be determined by the Committee and stated in the option document.

(iii) Such Cash Right shall be subject to the same restrictions on transferability as the Non-Qualified Option to which it is attached.

(iv) Such Cash Right shall be exercisable only when such conditions to exercise as shall be determined by the Committee and stated in the option document, if any, have been satisfied.

(v) Such Cash Right shall expire upon the exercise of the Non-Qualified Option to which it is attached.

(vi) Upon exercise of a Cash Right that is attached to a Non-Qualified Option, the Option to which the Cash Right is attached shall expire.

#### **8. Limitation on Exercise of Incentive Stock Options**

The aggregate Fair Market Value (determined as of the time Options are granted) of the Shares with respect to which Incentive Stock Options may first become exercisable by an Optionee in any one calendar year under the Plan and any other plan of the Company shall not exceed \$100,000. The limitations imposed by this Paragraph 8 shall apply only to Incentive Stock Options granted under the Plan, and not to any other options or stock appreciation rights. In the event an individual receives an Option intended to be an Incentive Stock Option which is subsequently determined to have exceeded the limitation set forth above, or if an individual

receives Options that first become exercisable in a calendar year (whether pursuant to the terms of an option document, acceleration of exercisability or other change in the terms and conditions of exercise or any other reason) that have an aggregate Fair Market Value (determined as of the time the Options are granted) that exceeds the limitations set forth above, the Options in excess of the limitation shall be treated as Non-Qualified Options.

#### **9. Rights as Shareholders**

An Optionee shall not have any right as a shareholder with respect to any Shares subject to his Options until the Option shall have been exercised in accordance with the terms of the Plan and the option document and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised and the Optionee shall have made arrangements acceptable to the Sponsor for the payment of applicable taxes consistent with Paragraph 15.

#### **10. Changes in Capitalization**

In the event that Shares are changed into or exchanged for a different number or kind of shares of stock or other securities of the Sponsor, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Sponsor, the Board shall make appropriate equitable anti-dilution adjustments to the number and class of shares of stock available for issuance under the Plan, and subject to outstanding Options, and to the option prices and the amounts payable pursuant to any Cash Rights. Any reference to the option price in the Plan and in option documents shall be a reference to the option price as so adjusted. Any reference to the term "Shares" in the Plan and in option documents shall be a reference to the appropriate number and class of shares of stock available for issuance under the Plan, as adjusted pursuant to this Paragraph 10. The Board's adjustment shall be effective and binding for all purposes of this Plan.

#### **11. Terminating Events**

(a) The Sponsor shall give Optionees at least thirty (30) days' notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. Upon receipt of such notice, and for a period of ten (10) days thereafter (or such shorter period as the Board shall reasonably determine and so notify the Optionees), each Optionee shall be permitted to exercise the Option to the extent the Option is then exercisable; provided that, the Sponsor may, by similar notice, require the Optionee to exercise the Option, to the extent the Option is then exercisable, or to forfeit the Option (or portion thereof, as applicable). The Committee may, in its discretion, provide that upon the Optionee's receipt of the notice of a Terminating Event under this Paragraph 11(a), the entire number of Shares covered by Options shall become immediately exercisable.

(b) Notwithstanding Paragraph 11(a), in the event the Terminating Event is not consummated, the Option shall be deemed not to have been exercised and shall be exercisable thereafter to the extent it would have been exercisable if no such notice had been given.



## 12. Interpretation

The Committee shall have the power to interpret the Plan and to make and amend rules for putting it into effect and administering it. It is intended that the Incentive Stock Options granted under the Plan shall constitute incentive stock options within the meaning of section 422 of the Code, and that Shares transferred pursuant to the exercise of Non-Qualified Options shall constitute property subject to federal income tax pursuant to the provisions of section 83 of the Code. The provisions of the Plan shall be interpreted and applied insofar as possible to carry out such intent.

## 13. Amendments

(a) In General. The Board or the Committee may amend the Plan from time to time in such manner as it may deem advisable. Nevertheless, neither the Board nor the Committee may, without obtaining approval within twelve months before or after such action by such vote of the Sponsor's shareholders as may be required by Pennsylvania law for any action requiring shareholder approval, or by a majority of votes cast at a duly held shareholders' meeting at which a majority of all voting stock is present and voting on such amendment, either in person or in proxy (but not, in any event, less than the vote required pursuant to Rule 16b-3(b) under the 1934 Act) change the class of individuals eligible to receive an Incentive Stock Option, extend the expiration date of the Plan, decrease the minimum option price of an Incentive Stock Option granted under the Plan or increase the maximum number of shares as to which Options may be granted, except as provided in Paragraph 10 hereof.

(b) Repricing of Options. Notwithstanding any provision in the Plan to the contrary, neither the Board nor the Committee may, without obtaining prior approval by the Sponsor's shareholders, reduce the option price of any issued and outstanding Option granted under the Plan at any time during the term of such option (other than by adjustment pursuant to Paragraph 10 relating to Changes in Capitalization). This Paragraph 13(b) may not be repealed, modified or amended without the prior approval of the Sponsor's shareholders.

## 14. Securities Law

(a) In General. The Committee shall have the power to make each grant under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act or the 1934 Act, including Rule 16b-3 (or any similar rule) of the Securities and Exchange Commission.

(b) Acknowledgment of Securities Law Restrictions on Exercise. To the extent required by the Committee, unless the Shares subject to the Option are covered by a then current registration statement or a Notification under Regulation A under the 1933 Act, each notice of exercise of an Option shall contain the Optionee's acknowledgment in form and substance satisfactory to the Committee that:

(i) the Shares subject to the Option are being purchased for investment and not for distribution or resale (other than a distribution or resale which, in the opinion of counsel satisfactory to the Sponsor, may be made without violating the registration provisions of the Act);

(ii) the Optionee has been advised and understands that (A) the Shares subject to the Option have not been registered under the 1933 Act and are “restricted securities” within the meaning of Rule 144 under the 1933 Act and are subject to restrictions on transfer and (B) the Sponsor is under no obligation to register the Shares subject to the Option under the 1933 Act or to take any action which would make available to the Optionee any exemption from such registration;

(iii) the certificate evidencing the Shares may bear a restrictive legend; and

(iv) the Shares subject to the Option may not be transferred without compliance with all applicable federal and state securities laws.

(c) Delay of Exercise Pending Registration of Securities. Notwithstanding any provision in the Plan or an option document to the contrary, if the Committee determines, in its sole discretion, that issuance of Shares pursuant to the exercise of an Option should be delayed pending registration or qualification under federal or state securities laws or the receipt of a legal opinion that an appropriate exemption from the application of federal or state securities laws is available, the Committee may defer exercise of any Option until such Shares are appropriately registered or qualified or an appropriate legal opinion has been received, as applicable.

#### **15. Withholding of Taxes on Exercise of Option**

(a) Whenever the Company proposes or is required to deliver or transfer Shares in connection with the exercise of an Option, the Company shall have the right to (i) require the recipient to remit to the Sponsor an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery or transfer of any certificate or certificates for such Shares or (ii) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Sponsor’s obligation to make any delivery or transfer of Shares on the exercise of an Option shall be conditioned on the recipient’s compliance, to the Sponsor’s satisfaction, with any withholding requirement. In addition, if the Committee grants Options or amends option documents to permit Options to be transferred during the life of the Optionee, the Committee may include in such option documents such provisions as it determines are necessary or appropriate to permit the Company to deduct compensation expenses recognized upon exercise of such Options for federal or state income tax purposes.

(b) Except as otherwise provided in this Paragraph 15(b), any tax liabilities incurred in connection with the exercise of an Option under the Plan other than an Incentive Stock Option shall be satisfied by the Sponsor’s withholding a portion of the Shares underlying the Option exercised having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Sponsor under applicable law, unless otherwise determined by the Committee with respect to any Optionee. Notwithstanding the foregoing, the Committee may permit an Optionee to elect one or both of the following: (i) to

have taxes withheld in excess of the minimum amount required to be withheld by the Sponsor under applicable law; provided that the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares having a Fair Market Value that is at least equal to the Fair Market Value of Option Shares to be withheld by the Company for the then-current exercise on account of withheld taxes in excess of such minimum amount, and (ii) to pay to the Sponsor in cash all or a portion of the taxes to be withheld upon the exercise of an Option. In all cases, the Shares so withheld by the Company shall have a Fair Market Value that does not exceed the amount of taxes to be withheld minus the cash payment, if any, made by the Optionee. Any election pursuant to this Paragraph 15(b) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. An election pursuant to this Paragraph 15(b) may be made only by an Optionee or, in the event of the Optionee's death, by the Optionee's legal representative. No Shares withheld pursuant to this Paragraph 15(b) shall be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 15(b) as it deems appropriate.

(c) Except as otherwise provided in this Paragraph 15(c), any tax liabilities incurred in connection with the exercise of an Incentive Stock Option under the Plan shall be satisfied by the Optionee's payment to the Sponsor in cash all of the taxes to be withheld upon exercise of the Incentive Stock Option. Notwithstanding the foregoing, the Committee may permit an Optionee to elect to have the Sponsor withhold a portion of the Shares underlying the Incentive Stock Option exercised having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Sponsor under applicable law. Any election pursuant to this Paragraph 15(c) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. An election pursuant to this Paragraph 15(c) may be made only by an Optionee or, in the event of the Optionee's death, by the Optionee's legal representative. No Shares withheld pursuant to this Paragraph 15(c) shall be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 15(c) as it deems appropriate.

#### **16. Effective Date and Term of Plan**

This amendment and restatement of the Plan shall be effective December 5, 2006. The Plan shall expire on February 25, 2013, unless sooner terminated by the Board.

**17. General**

Each Option shall be evidenced by a written instrument containing such terms and conditions not inconsistent with the Plan as the Committee may determine. The issuance of Shares on the exercise of an Option shall be subject to all of the applicable requirements of the corporation law of the Sponsor's state of incorporation and other applicable laws, including federal or state securities laws, and all Shares issued under the Plan shall be subject to the terms and restrictions contained in the Articles of Incorporation and By-Laws of the Sponsor, as amended from time to time.

Executed as of the 5<sup>th</sup> day of December, 2006.

**COMCAST CORPORATION**

**By:** /s/ David L. Cohen  
David L. Cohen

**Attest:** /s/ Arthur R. Block  
Arthur R. Block

**COMCAST CORPORATION  
2002 DEFERRED COMPENSATION PLAN**

**ARTICLE 1 - COVERAGE OF PLAN**

1.1. Background, Continuation and Freeze of Plan.

(a) Comcast Corporation, a Pennsylvania corporation, hereby amends and restates the Comcast Corporation 2002 Deferred Compensation Plan (the "Plan"), effective December 5, 2006. The Plan was initially adopted effective February 12, 1974 and was amended and restated effective August 15, 1996, June 21, 1999, December 19, 2000, October 26, 2001, April 29, 2002, July 9, 2002, November 18, 2002, March 3, 2003, December 1, 2003, January 30, 2004, February 24, 2004 and February 16, 2005.

(b) In order to preserve the favorable tax treatment available to deferrals that were made under the Plan before January 1, 2005 in light of the American Jobs Creation Act of 2004 and the regulations issued by the Department of the Treasury thereunder (the "AJCA"), no Compensation may be deferred under the Plan pursuant to an Initial Election after December 31, 2004, other than amounts that (i) were subject to an Initial Election before January 1, 2005, (ii) would, but for such Initial Election, have been paid in 2005 and (iii) are treated as earned and vested as of December 31, 2004 under *IRS Notice 2005-1*.

(c) The Company has maintained the Comcast Corporation Supplemental Retirement-Investment Plan (the "Supplemental RIP"), a non-qualified deferred compensation plan pursuant to which eligible employees have been credited with certain account balances that are credited with earnings at the same rate as the earnings rate for active participants in the Plan. Credits to the Supplemental RIP are frozen. Distributions of participants' account balances credited under the Supplemental RIP are distributable as soon as administratively practicable following a participant's termination of employment. Effective as of December 5, 2006, the Supplemental RIP is merged with and into the Plan and the separate existence of the Supplemental RIP shall cease, and all undistributed participants' accounts that had previously been administered pursuant to the Supplemental RIP (hereinafter referred to as "Supplemental RIP Legacy Accounts") shall be held under the Plan. Supplemental RIP Legacy Accounts shall be subject only to the provisions of this Section 1.1(c) and the other provisions of this Article 1, Section 4.4, Section 5.3, Section 5.4, Article 6, Section 7.2, Article 9, Article 10, Article 11, Article 12 and such portions of Article 2 of the Plan as shall be integral to the interpretation and operation of the Plan provisions listed above. An individual whose Supplemental RIP Legacy Account is held under the Plan as a result of the merger of the Supplemental RIP with and into the Plan shall be a participant in the Plan only for purposes of the Supplemental RIP Legacy Account, unless such individual is otherwise eligible to participate in the Plan and an Account under the Plan has been established for such individual's benefit. Except for earnings credits, no amounts shall be credited to Supplemental RIP Legacy Accounts administered under the Plan. Except for earnings credited to Supplemental RIP Legacy Accounts after 2004, Supplemental RIP Legacy Accounts consist solely of deferred compensation credits that were earned and vested before January 1, 2005. Accordingly, Supplemental RIP Legacy Accounts are intended to be treated as grandfathered benefits that are not subject to the AJCA.

(d) Amounts earned and vested prior to January 1, 2005 are and will remain subject to the terms and conditions of the Plan.

1.2. Plan Unfunded and Limited to Outside Directors and Select Group of Management or Highly Compensated Employees. The Plan is unfunded and is maintained primarily for the purpose of providing outside directors and a select group of management or highly compensated employees the opportunity to defer the receipt of compensation otherwise payable to such outside directors and eligible employees in accordance with the terms of the Plan.

## ARTICLE 2 - DEFINITIONS

2.1. "Account" means the bookkeeping accounts established pursuant to Section 5.1 and maintained by the Administrator in the names of the respective Participants, to which all amounts deferred and earnings allocated under the Plan shall be credited, and from which all amounts distributed pursuant to the Plan shall be debited.

2.2. "Active Participant" means:

- (a) Each Participant who is in active service as an Outside Director; and
- (b) Each Participant who is actively employed by a Participating Company as an Eligible Employee.

2.3. "Administrator" means the Committee.

2.4. "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2.5. "Annual Rate of Pay," means, as of any date, an employee's annualized base pay rate. An employee's Annual Rate of Pay shall not include sales commissions or other similar payments or awards.

2.6. "Applicable Interest Rate" means:

(a) Except as otherwise provided in Sections 2.6(b) or (c), the Applicable Interest Rate means the interest rate that, when compounded daily pursuant to rules established by the Administrator from time to time, is mathematically equivalent to 12% per annum, compounded annually.

(b) Except to the extent otherwise required by Section 10.2, effective for the period beginning as soon as administratively practicable following a Participant's employment termination date to the date the Participant's Account is distributed in full, the Administrator, in its sole discretion, may designate the term "Applicable Interest Rate" for such

Participant's Account to mean the lesser of (i) the rate in effect under Section 2.6(a) or (ii) the Prime Rate plus one percent. Notwithstanding the foregoing, the Administrator may delegate its authority to determine the Applicable Interest Rate under this Section 2.6(b) to an officer of the Company or committee of two or more officers of the Company.

(c) Except to the extent otherwise required by Section 10.2, the Applicable Interest Rate for Severance Pay deferred pursuant to Article 3 shall be determined by the Administrator, in its sole discretion, provided that the Applicable Interest Rate shall not be less than the lower of the Prime Rate or LIBOR, nor more than the rate specified in Section 2.6(a). Notwithstanding the foregoing, the Administrator may delegate its authority to determine the Applicable Interest Rate under this Section 2.6(c) to an officer of the Company.

2.7. "Beneficiary" means such person or persons or legal entity or entities, including, but not limited to, an organization exempt from federal income tax under section 501(c)(3) of the Code, designated by a Participant or Beneficiary to receive benefits pursuant to the terms of the Plan after such Participant's or Beneficiary's death. If no Beneficiary is designated by the Participant or Beneficiary, or if no Beneficiary survives the Participant or Beneficiary (as the case may be), the Participant's Beneficiary shall be the Participant's Surviving Spouse if the Participant has a Surviving Spouse and otherwise the Participant's estate, and the Beneficiary of a Beneficiary shall be the Beneficiary's Surviving Spouse if the Beneficiary has a Surviving Spouse and otherwise the Beneficiary's estate.

2.8. "Board" means the Board of Directors of the Company.

2.9. "CCCHI" means Comcast Cable Communications Holdings, Inc., formerly known as AT&T Broadband Corp.

2.10. "Change of Control" means any transaction or series of transactions as a result of which any Person who was a Third Party immediately before such transaction or series of transactions owns then-outstanding securities of the Company such that such Person has the ability to direct the management of the Company, as determined by the Board in its discretion. The Board may also determine that a Change of Control shall occur upon the completion of one or more proposed transactions. The Board's determination shall be final and binding.

2.11. "CHC" means Comcast Holdings Corporation, formerly known as Comcast Corporation.

2.12. "Code" means the Internal Revenue Code of 1986, as amended.

2.13. "Committee" means the Compensation Committee of the Board of Directors of the Company.

2.14. "Company" means Comcast Corporation, a Pennsylvania corporation, as successor to CHC, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

2.15. "Company Stock" means:

(a) except as provided in Section 2.15(b), Comcast Corporation Class A Special Common Stock, par value, \$0.01, including a fractional share; and

(b) with respect to amounts credited to the Company Stock Fund pursuant to deferral elections by Outside Directors made pursuant to Section 3.1(a), Comcast Corporation Class A Common Stock, par value \$0.01, including a fractional share;

and such other securities issued by Comcast Corporation as may be subject to adjustment in the event that shares of either class of Company Stock are changed into, or exchanged for, a different number or kind of shares of stock or other securities of the Company, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Company. In such event, the Committee shall make appropriate equitable anti-dilution adjustments to the number and class of hypothetical shares of Company Stock credited to Participants' Accounts under the Company Stock Fund. Any reference to the term "Company Stock" in the Plan shall be a reference to the appropriate number and class of shares of stock as adjusted pursuant to this Section 2.15. The Committee's adjustment shall be effective and binding for all purposes of the Plan.

2.16. "Company Stock Fund" means a hypothetical investment fund pursuant to which income, gains and losses are credited to a Participant's Account as if the Account, to the extent deemed invested in the Company Stock Fund, were invested in hypothetical shares of Company Stock, and all dividends and other distributions paid with respect to Company Stock were held uninvested in cash, and reinvested in additional hypothetical shares of Company Stock as of the next succeeding December 31 (to the extent the Account continues to be deemed invested in the Company Stock Fund through such December 31), based on the Fair Market Value of the Company Stock for such December 31.

2.17. "Compensation" means:

(a) In the case of an Outside Director, the total remuneration payable in cash or payable in Company Stock (as elected by the Outside Director pursuant to the Comcast Corporation 2003 Director Compensation Plan) for services as a member of the Board and as a member of any Committee of the Board; and

(b) In the case of an Eligible Employee, the total cash remuneration for services payable by a Participating Company, excluding sales commissions or other similar payments or awards.

2.18. "Death Tax Clearance Date" means the date upon which a Deceased Participant's or a deceased Beneficiary's Personal Representative certifies to the Administrator that (i) such Deceased Participant's or deceased Beneficiary's Death Taxes have been finally determined, (ii) all of such Deceased Participant's or deceased Beneficiary's Death Taxes apportioned against the Deceased Participant's or deceased Beneficiary's Account have been paid in full and (iii) all potential liability for Death Taxes with respect to the Deceased Participant's or deceased Beneficiary's Account has been satisfied.

2.19. "Death Taxes" means any and all estate, inheritance, generation-skipping transfer, and other death taxes as well as any interest and penalties thereon imposed by any governmental entity (a "taxing authority") as a result of the death of the Participant or the Participant's Beneficiary.



2.20. "Deceased Participant" means a Participant whose employment, or, in the case of a Participant who was an Outside Director, a Participant whose service as an Outside Director, is terminated by death.

2.21. "Disabled Participant" means:

(a) A Participant whose employment or, in the case of a Participant who is an Outside Director, a Participant whose service as an Outside Director, is terminated by reason of disability;

(b) The duly-appointed legal guardian of an individual described in Section 2.21(a) acting on behalf of such individual.

2.22. "Eligible Employee" means:

(a) Each employee of a Participating Company who, as of December 31, 1989, was eligible to participate in the Prior Plan.

(b) Each employee of a Participating Company who was, at any time before January 1, 1995, eligible to participate in the Prior Plan and whose Annual Rate of Pay is \$90,000 or more as of both (i) the date on which an Initial Election is filed with the Administrator and (ii) the first day of each calendar year beginning after December 31, 1994.

(c) Each individual who was an employee of an entity that was a Participating Company in the Plan as of June 30, 2002 and who has an Annual Rate of Pay of \$125,000 as of each of (i) June 30, 2002; (ii) the date on which an Initial Election is filed with the Administrator and (iii) the first day of each calendar year beginning after December 31, 2002.

(d) Each employee of a Participating Company whose Annual Rate of Pay is \$200,000 or more as of both (i) the date on which an Initial Election is filed with the Administrator and (ii) the first day of the calendar year in which such Initial Election is filed.

(e) Each New Key Employee.

(f) Each employee of a Participating Company who (i) as of December 31, 2002, was an "Eligible Employee" within the meaning of Section 2.34 of the AT&T Broadband Deferred Compensation Plan (as amended and restated, effective November 18, 2002) with respect to whom an account was maintained, and (ii) for the period beginning on December 31, 2002 and extending through any date of determination, has been actively and continuously in service to the Company or an Affiliate.

(g) Each other employee of a Participating Company who is designated by the Committee, in its discretion, as an Eligible Employee.

2.23. “Fair Market Value”

(a) If shares of Company Stock are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a share on the principal exchange on which shares are listed on the date of determination, or if such date is not a trading day, the next trading date.

(b) If shares of Company Stock are not so listed, but trades of shares are reported on the Nasdaq National Market, Fair Market Value shall be determined based on the last quoted sale price of a share on the Nasdaq National Market on the date of determination, or if such date is not a trading day, the next trading date.

(c) If shares of Company Stock are not so listed nor trades of shares so reported, Fair Market Value shall be determined by the Committee in good faith.

2.24. “Former Eligible Employee” means an employee of a Participating Company who, as of any relevant date, does not satisfy the requirements of an “Eligible Employee” but who previously met such requirements under the Plan or the Prior Plan.

2.25. “Grandfathered Participant” means an Inactive Participant who, on or before December 31, 1991, entered into a written agreement with the Company to terminate service to the Company or gives written notice of intention to terminate service to the Company, regardless of the actual date of termination of service.

2.26. “Hardship” means a Participant’s severe financial hardship due to an unforeseeable emergency resulting from a sudden and unexpected illness or accident of the Participant, or, a sudden and unexpected illness or accident of a dependent (as defined by section 152(a) of the Code) of the Participant, or loss of the Participant’s property due to casualty, or other similar and extraordinary unforeseeable circumstances arising as a result of events beyond the control of the Participant. A need to send the Participant’s child to college or a desire to purchase a home is not an unforeseeable emergency. No Hardship shall be deemed to exist to the extent that the financial hardship is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by borrowing from commercial sources on reasonable commercial terms to the extent that this borrowing would not itself cause a severe financial hardship, (c) by cessation of deferrals under the Plan, or (d) by liquidation of the Participant’s other assets (including assets of the Participant’s spouse and minor children that are reasonably available to the Participant) to the extent that this liquidation would not itself cause severe financial hardship. For the purposes of the preceding sentence, the Participant’s resources shall be deemed to include those assets of his spouse and minor children that are reasonably available to the Participant; however, property held for the Participant’s child under an irrevocable trust or under a *Uniform Gifts to Minors Act* custodianship or *Uniform Transfers to Minors Act* custodianship shall not be treated as a resource of the Participant. The Board shall determine whether the circumstances of the Participant constitute an unforeseeable emergency and thus a Hardship within the meaning of this Section. Following a uniform procedure, the Board’s determination shall consider any facts or conditions deemed necessary or advisable by the Board, and the Participant shall be required to submit any evidence of the Participant’s circumstances that the Board requires. The determination as to whether the Participant’s

circumstances a case of Hardship shall be based on the facts of each case; provided however, that all determinations as to Hardship shall be uniformly and consistently made according to the provisions of this Section for all Participants in similar circumstances.

2.27. "Inactive Participant" means each Participant (other than a Retired Participant, Deceased Participant or Disabled Participant) who is not in active service as an Outside Director and is not actively employed by a Participating Company.

2.28. "Income Fund" means a hypothetical investment fund pursuant to which income, gains and losses are credited to a Participant's Account as if the Account, to the extent deemed invested in the Income Fund, were credited with interest at the Applicable Interest Rate.

2.29. "Initial Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which an Outside Director or an Eligible Employee may:

(a) Elect to defer all or any portion of the Compensation payable for the performance of services as an Outside Director or as an Eligible Employee (including Severance Pay, to the extent permitted with respect to an Eligible Employee pursuant to Section 3.2) following the time that such election is filed; and

(b) Designate the time of payment of the amount of deferred Compensation to which the Initial Election relates.

2.30. "Insider" means an Eligible Employee or Outside Director who is subject to the short-swing profit recapture rules of section 16(b) of the Securities Exchange Act of 1934, as amended.

2.31. "LIBOR" means, for any calendar year, the interest rate that, when compounded daily pursuant to rules established by the Administrator from time to time, is mathematically equivalent to the annual London Inter Bank Offered Rate (compounded annually), as published in the Eastern Edition of The Wall Street Journal, on the last business day preceding the first day of such calendar year, and as adjusted as of the last business day preceding the first day of each calendar year beginning thereafter.

2.32. "New Key Employee" means each employee of a Participating Company:

(a) who becomes an employee of a Participating Company and has an Annual Rate of Pay of \$200,000 or more as of his employment commencement date, or

(b) who has an Annual Rate of Pay that is increased to \$200,000 or more and who, immediately preceding such increase, was not an Eligible Employee.

2.33. "Normal Retirement" means:

(a) For a Participant who is an employee of a Participating Company immediately preceding his termination of employment, a termination of employment that is treated by the Participating Company as a retirement under its employment policies and practices as in effect from time to time; and

(b) For a Participant who is an Outside Director immediately preceding his termination of service, his normal retirement from the Board.

2.34. "Outside Director" means a member of the Board, who is not an employee of a Participating Company.

2.35. "Participant" means each individual who has made an Initial Election, or for whom an Account is established pursuant to Section 5.1, and who has an undistributed amount credited to an Account under the Plan, including an Active Participant, a Deceased Participant and an Inactive Participant.

2.36. "Participating Company," means:

(a) The Company;

(b) CHC;

(c) Comcast Cable Communications, LLC, and its subsidiaries;

(d) Comcast International Holdings, Inc.;

(e) Comcast Online Communications, Inc.;

(f) Comcast Business Communications, Inc.;

(g) CCCHI and its subsidiaries;

(h) Comcast Shared Services Corporation ("CSSC"), to the extent individual employees of CSSC or groups of CSSC employees, categorized by their secondment, are designated as eligible to participate by the Committee or its delegate; and

(i) Any other entities that are subsidiaries of the Company as designated by the Committee in its sole discretion.

2.37. "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

2.38. "Plan" means the Comcast Corporation 2002 Deferred Compensation Plan, as set forth herein, and as amended from time to time.

2.39. "Prime Rate" means, for any calendar year, the interest rate that, when compounded daily pursuant to rules established by the Administrator from time to time, is mathematically equivalent to the prime rate of interest (compounded annually) as published in the Eastern Edition of The Wall Street Journal on the last business day preceding the first day of such calendar year, and as adjusted as of the last business day preceding the first day of each calendar year beginning thereafter.

2.40. “Prior Plan” means the Comcast Corporation 1996 Deferred Compensation Plan, as in effect immediately preceding the amendment, restatement and renaming of the Plan as the Comcast Corporation 2002 Deferred Compensation Plan.

2.41. “Retired Participant” means a Participant who has terminated service pursuant to a Normal Retirement.

2.42. “Severance Pay” means any amount that is payable in cash and is identified by a Participating Company as severance pay, or any amount which is payable on account of periods beginning after the last date on which an employee (or former employee) is required to report for work for a Participating Company.

2.43. “Subsequent Election” means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which a Participant or Beneficiary may elect to defer (or, in limited cases, accelerate) the time of payment or to change the manner of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election or Subsequent Election.

2.44. “Surviving Spouse” means the widow or widower, as the case may be, of a Deceased Participant or a Deceased Beneficiary (as applicable).

2.45. “Terminating Event” means either of the following events:

(a) the liquidation of the Company; or

(b) a Change of Control.

2.46. “Third Party” means any Person, together with such Person’s Affiliates, provided that the term “Third Party” shall not include the Company or an Affiliate of the Company.

### ARTICLE 3 - INITIAL AND SUBSEQUENT ELECTIONS

#### 3.1. Elections.

(a) Initial Elections. Each Outside Director and Eligible Employee shall have the right to defer all or any portion of the Compensation (including bonuses, if any, and, in the case of Outside Directors, including any portion of an Outside Director’s Compensation payable in the form of Company Stock) that he would otherwise be entitled to receive in a calendar year by filing an Initial Election at the time and in the manner described in this Article 3; provided that Severance Pay shall be included as “Compensation” for purposes of this Section 3.1 only to the extent permitted, and subject to such rules regarding the length of any initial deferral period and subsequent deferral period, if any, established by the Administrator in its sole discretion. The Compensation of such Outside Director or Eligible Employee for a calendar year shall be reduced in an amount equal to the portion of the Compensation deferred by such Outside Director or Eligible Employee for such calendar year pursuant to such Outside Director’s or Eligible Employee’s Initial Election. Such reduction shall be effected on a pro rata basis from each periodic installment payment of such Outside Director’s or Eligible Employee’s

Compensation for the calendar year (in accordance with the general pay practices of the Participating Company), and credited, as a bookkeeping entry, to such Outside Director's or Eligible Employee's Account in accordance with Section 5.1. Amounts credited to the Accounts of Outside Directors in the form of Company Stock shall be credited to the Company Stock Fund and credited with income, gains and losses in accordance with Section 5.2(c).

(b) Subsequent Elections. Each Participant or Beneficiary shall have the right to elect to defer (or, in limited cases, accelerate) the time of payment or to change the manner of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election pursuant to the terms of the Plan by filing a Subsequent Election at the time, to the extent, and in the manner described in this Article 3.

3.2. Filing of Initial Election: General. An Initial Election shall be made on the form provided by the Administrator for this purpose. Except as provided in Section 3.3, no such Initial Election shall be effective unless it is filed with the Administrator on or before December 31 of the calendar year preceding the calendar year to which the Initial Election applies; provided that an Initial Election with respect to Severance Pay shall not be effective unless it is filed within 30 days following the date of written notification to an Eligible Employee from the Administrator or its duly authorized delegate of such Eligible Employee's eligibility to defer Severance Pay.

3.3. Filing of Initial Election by New Key Employees and New Outside Directors.

(a) New Key Employees. Notwithstanding Section 3.1 and Section 3.2, a New Key Employee may elect to defer all or any portion of his Compensation that he would otherwise be entitled to receive in the calendar year in which the New Key Employee was employed, beginning with the payroll period next following the filing of an Initial Election with the Administrator and before the close of such calendar year by making and filing the Initial Election with the Administrator within 60 days of such New Key Employee's date of hire or within 60 days of the date such New Key Employee first becomes eligible to participate in the Plan. Any Initial Election by such New Key Employee for succeeding calendar years shall be made in accordance with Section 3.1 and Section 3.2.

(b) New Outside Directors. Notwithstanding Section 3.1 and Section 3.2, an Outside Director may elect to defer all or any portion of his Compensation that he would otherwise be entitled to receive in the calendar year in which an Outside Director's election as a member of the Board becomes effective (provided that such Outside Director is not a member of the Board immediately preceding such effective date), beginning with Compensation payable following the filing of an Initial Election with the Administrator and before the close of such calendar year by making and filing the Initial Election with the Administrator within 60 days of the effective date of such Outside Director's election. Any Initial Election by such Outside Director for succeeding calendar years shall be made in accordance with Section 3.1 and Section 3.2.

3.4. Calendar Years to which Initial Election May Apply. A separate Initial Election may be made for each calendar year as to which an Outside Director or Eligible

Employee desires to defer all or any portion of such Outside Director's or Eligible Employee's Compensation. The failure of an Outside Director or Eligible Employee to make an Initial Election for any calendar year shall not affect such Outside Director's or Eligible Employee's right to make an Initial Election for any other calendar year.

(a) Initial Election of Distribution Date. Each Outside Director or Eligible Employee shall, contemporaneously with an Initial Election, also elect the time of payment of the amount of the deferred Compensation to which such Initial Election relates; provided, however, that, subject to acceleration pursuant to Section 3.5(e) or (f), Section 3.7, Section 7.1, 7.2, or Article 8, no distribution may commence earlier than January 2nd of the second calendar year beginning after the date the Initial Election is filed with the Administrator, nor later than January 2nd of the eleventh calendar year beginning after the date the Initial Election is filed with the Administrator. Further, each Outside Director or Eligible Employee may select with each Initial Election the manner of distribution in accordance with Article 4.

### 3.5. Subsequent Elections.

(a) Active Participants. Each Active Participant, who has made an Initial Election, or who has made a Subsequent Election, may elect to change the manner of distribution or defer the time of payment of any part or all of such Participant's Account for a minimum of two and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.5(a) shall not be limited.

(b) Inactive Participants. The Committee may, in its sole and absolute discretion, permit an Inactive Participant to make a Subsequent Election to change the manner of distribution, or defer the time of payment of any part or all of such Inactive Participant's Account for a minimum of two years and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.5(b) shall be determined by the Committee in its sole and absolute discretion.

### (c) Surviving Spouses.

(i) General Rule. A Surviving Spouse who is a Deceased Participant's Beneficiary may elect to change the manner of distribution, or defer the time of payment, of any part or all of such Deceased Participant's Account the payment of which would be made neither within six (6) months after, nor within the calendar year of, the date of such election. Such election shall be made by filing a Subsequent Election with the Administrator in which the Surviving Spouse shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two nor more than ten years from the previously-elected payment date, or such Surviving Spouse may elect to defer payment until such Surviving Spouse's death. A Surviving Spouse may make a total of two (2) Subsequent

Elections under this Section 3.5(c)(i), with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.5(c)(i) may specify different changes with respect to different parts of the Deceased Participant's Account.

(ii) Exception. Notwithstanding the above Section 3.5(c)(i), a Subsequent Election may be made by a Surviving Spouse within sixty (60) days of the Deceased Participant's death; provided, however, such election may only be made with respect to amounts which would not be paid under the Deceased Participant's election as in effect on the date of the Deceased Participant's death until a date which is at least six (6) months from the Deceased Participant's date of death. Such election shall be made by filing a Subsequent Election with the Administrator in which the Surviving Spouse shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date, or such Surviving Spouse may elect to defer payment until such Surviving Spouse's death. A Surviving Spouse may only make one (1) Subsequent Election under this Section 3.5(c)(ii) with respect to all or any part of the Deceased Participant's Account. Such Surviving Spouse may, however, make one additional Subsequent Election under Section 3.5(c)(i) in accordance with the terms of Section 3.5(c)(i). The one (1) Subsequent Election permitted under this Section 3.5(c)(ii) may specify different changes for different parts of the Deceased Participant's Account.

(d) Beneficiary of a Deceased Participant Other Than a Surviving Spouse.

(i) General Rule. A Beneficiary of a Deceased Participant (other than a Surviving Spouse) may elect to change the manner of distribution, or defer the time of payment, of any part or all of such Deceased Participant's Account the payment of which would be made neither within six (6) months after, nor within the calendar year of, the date of such election. Such election shall be made by filing a Subsequent Election with the Administrator in which the Beneficiary shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date. A Beneficiary may make one (1) Subsequent Election under this Section 3.5(d)(i), with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.5(d)(i) may specify different changes for different parts of the Deceased Participant's Account.

(ii) Exception. Notwithstanding the above Section 3.5(d)(i), a Subsequent Election may be made by a Beneficiary within sixty (60) days of the Deceased Participant's death; provided, however, such election may only be made with respect to amounts which would not be paid under the Deceased Participant's election as in effect on the date of the Deceased Participant's death until a date which is at least six (6) months from the Deceased Participant's date of death. Such election shall be made by filing a Subsequent Election with the Administrator in which the Beneficiary shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date. A Beneficiary may make one (1) Subsequent Election under this Section 3.5(d)(ii) with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.5(d)(ii) may specify different changes for different parts of the Deceased Participant's Account.



(e) Other Deferral and Acceleration by a Beneficiary. Any Beneficiary (other than a Surviving Spouse who has made a Subsequent Election under Section 3.5(c) or a Beneficiary who has made a Subsequent Election under Section 3.5(d)) may elect to change the manner of distribution from the manner of distribution in which payment of a Deceased Participant's Account would otherwise be made, and

(i) Defer the time of payment of any part or all of the Deceased Participant's Account or deceased Beneficiary's Account for one additional year from the date a payment would otherwise be made or begin (provided that if a Subsequent Election is made pursuant to this Section 3.5(e)(i), the Deceased Participant's Account or deceased Beneficiary's Account shall be in all events distributed in full on or before the fifth anniversary of the Deceased Participant's or a deceased Beneficiary's death); or

(ii) Accelerate the time of payment of a Deceased Participant's Account or deceased Beneficiary's Account from the date or dates that payment would otherwise be made or begin to the date that is the later of (A) six (6) months after the date of the Deceased Participant's or deceased Beneficiary's death and (B) January 2nd of the calendar year beginning after the Deceased Participant's or deceased Beneficiary's death, provided that if a Subsequent Election is made pursuant to this Section 3.5(e)(ii), the Deceased Participant's Account or deceased Beneficiary's Account shall be distributed in full on such accelerated payment date.

A Subsequent Election pursuant to this Section 3.5(e) must be filed with the Administrator within one hundred and twenty (120) days following the Deceased Participant's or deceased Beneficiary's death. One and only one Subsequent Election shall be permitted pursuant to this Section 3.5(e) with respect to a Deceased Participant's Account or deceased Beneficiary's Account, although if such Subsequent Election is filed pursuant to Section 3.5(e)(i), it may specify different changes for different parts of the Account.

(f) Disabled Participant. A Disabled Participant (who has not been permitted to make a Subsequent Election under Section 3.5(h)) may elect to change the form of distribution from the form of distribution that the payment of the Disabled Participant's Account would otherwise be made and may elect to accelerate the time of payment of the Disabled Participant's Account from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Participant became disabled. A Subsequent Election pursuant to this Section 3.5(f) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant on or before May 1 of a calendar year; (ii) the 60th day following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after May 1 and before November 2 of a calendar year or (iii) the December 31 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after November 1 of a calendar year.

(g) Retired Participant. A Retired Participant (who has not been permitted to make a Subsequent Election under Section 3.5(h)) may elect to change the form of distribution from the form of distribution that payment of the Retired Participant's Account would otherwise be made and may elect to defer the time of payment of the Retired Participant's Account for a minimum of two additional years from the date payment would otherwise be made (provided that

if a Subsequent Election is made pursuant to this Section 3.5(g), the Retired Participant's Account shall be distributed in full on or before the fifth anniversary of the Retired Participant's Normal Retirement). A Subsequent Election pursuant to this Section 3.5(g) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the Participant's Normal Retirement on or before May 1 of a calendar year, (ii) the 60th day following the Participant's Normal Retirement after May 1 and before November 2 of a calendar year or (iii) the December 31 following the Participant's Normal Retirement after November 1 of a calendar year.

(h) Retired Participants and Disabled Participants. The Committee may, in its sole and absolute discretion, permit a Retired Participant or a Disabled Participant to make a Subsequent Election to change the form of distribution that the payment of the Retired Participant's account would otherwise be made or to defer the time of payment of any part or all of such Retired or Disabled Participant's Account for a minimum of two years and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.5(h) shall be determined by the Committee in its sole and absolute discretion.

(i) Most Recently Filed Initial Election or Subsequent Election Controlling. Subject to acceleration pursuant to Section 3.5(e) or 3.5(f), Section 3.7 or Section 7.1, no distribution of the amounts deferred by a Participant for any calendar year shall be made before the payment date designated by the Participant or Beneficiary on the most recently filed Initial Election or Subsequent Election with respect to each deferred amount.

3.6. Distribution in Full Upon Terminating Event. The Company shall give Participants at least thirty (30) days notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. The Committee may, in its discretion, provide in such notice that notwithstanding any other provision of the Plan or the terms of any Initial Election or Subsequent Election, upon the consummation of a Terminating Event, the Account balance of each Participant shall be distributed in full and any outstanding Initial Elections or Subsequent Elections shall be revoked.

3.7. Withholding and Payment of Death Taxes.

(a) Notwithstanding any other provisions of this Plan to the contrary, including but not limited to the provisions of Article 3 and Article 7, or any Initial or Subsequent Election filed by a Deceased Participant or a Deceased Participant's Beneficiary (for purposes of this Section, the "Decedent"), the Administrator shall apply the terms of Section 3.7(b) to the Decedent's Account unless the Decedent affirmatively has elected, in writing, filed with the Administrator, to waive the application of Section 3.7(b).

(b) Unless the Decedent affirmatively has elected, pursuant to Section 3.7(a), that the terms of this Section 3.7(b) not apply:

(i) The Administrator shall prohibit the Decedent's Beneficiary from taking any action under any of the provisions of the Plan with regard to the Decedent's Account other than the Beneficiary's making of a Subsequent Election pursuant to Section 3.5;

(ii) The Administrator shall defer payment of the Decedent's Account until the later of the Death Tax Clearance Date and the payment date designated in the Decedent's Initial Election or Subsequent Election;

(iii) The Administrator shall withdraw from the Decedent's Account such amount or amounts as the Decedent's Personal Representative shall certify to the Administrator as being necessary to pay the Death Taxes apportioned against the Decedent's Account; the Administrator shall remit the amounts so withdrawn to the Personal Representative, who shall apply the same to the payment of the Decedent's Death Taxes, or the Administrator may pay such amounts directly to any taxing authority as payment on account of Decedent's Death Taxes, as the Administrator elects;

(iv) If the Administrator makes a withdrawal from the Decedent's Account to pay the Decedent's Death Taxes and such withdrawal causes the recognition of income to the Beneficiary, the Administrator shall pay to the Beneficiary from the Decedent's Account, within thirty (30) days of the Beneficiary's request, the amount necessary to enable the Beneficiary to pay the Beneficiary's income tax liability resulting from such recognition of income; additionally, the Administrator shall pay to the Beneficiary from the Decedent's Account, within thirty (30) days of the Beneficiary's request, such additional amounts as are required to enable the Beneficiary to pay the Beneficiary's income tax liability attributable to the Beneficiary's recognition of income resulting from a distribution from the Decedent's Account pursuant to this Section 3.7(b)(iv);

(v) Amounts withdrawn from the Decedent's Account by the Administrator pursuant to Sections 3.7(b)(iii) and 3.7(b)(iv) shall be withdrawn from the portions of Decedent's Account having the earliest distribution dates as specified in Decedent's Initial Election or Subsequent Election; and

(vi) Within a reasonable time after the later to occur of the Death Tax Clearance Date and the payment date designated in the Decedent's Initial Election or Subsequent Election, the Administrator shall pay the Decedent's Account to the Beneficiary.

#### **ARTICLE 4 - MANNER OF DISTRIBUTION**

##### **4.1. Manner of Distribution.**

(a) Amounts credited to an Account shall be distributed, pursuant to an Initial Election or Subsequent Election in either (i) a lump sum payment or (ii) substantially equal annual installments over a five (5), ten (10) or fifteen (15) year period or (iii) substantially equal monthly installments over a period not exceeding fifteen (15) years. Installment distributions payable in the form of shares of Company Stock shall be rounded to the nearest whole share.

(b) Notwithstanding any Initial Election or Subsequent Election or any other provision of the Plan to the contrary:

(i) distributions pursuant to Initial Elections or Subsequent Elections shall be made in one lump sum payment unless the portion of a Participant's Account subject to distribution, as of both the date of the Initial Election or Subsequent Election and the benefit commencement date, has a value of more than \$10,000;

(ii) following a Participant's termination of employment for any reason, if the amount credited to the Participant's Account has a value of \$25,000 or less, the Administrator may, in its sole discretion, direct that such amount be distributed to the Participant (or Beneficiary, as applicable) in one lump sum payment; provided, however, that this Section 4.1(b)(ii) shall not apply to any amount credited to a Participant's Account until the expiration of the deferral period applicable under any Initial Election or Subsequent Election in effect as of April 29, 2002.

4.2. Determination of Account Balances for Purposes of Distribution. The amount of any distribution made pursuant to Section 4.1 shall be based on the balances in the Participant's Account on the date of distribution. For this purpose, the balance in a Participant's Account shall be calculated by crediting income, gains and losses under the Company Stock Fund and Income Fund, as applicable, through the date immediately preceding the date of distribution.

4.3. Plan-to-Plan Transfers. The Administrator may delegate its authority to arrange for plan-to-plan transfers as described in this Section 4.3 to an officer of the Company or committee of two or more officers of the Company.

(a) The Administrator may, with a Participant's consent, make such arrangements as it may deem appropriate to transfer the Company's obligation to pay benefits with respect to such Participant which have not become payable under this Plan, to another employer, whether through a deferred compensation plan, program or arrangement sponsored by such other employer or otherwise, or to another deferred compensation plan, program or arrangement sponsored by the Company or an Affiliate. Following the completion of such transfer, with respect to the benefit transferred, the Participant shall have no further right to payment under this Plan.

(b) Pursuant to Q-A 19(c) of *IRS Notice 2005-1*, to the extent provided by the Committee or its delegate, on or before December 31, 2005, a Participant may, with respect to all or any portion of his or her Account, make new payment elections as to the form and timing of payment of such amounts as may be permitted under the Comcast Corporation 2005 Deferred Compensation Plan, provided that following the completion of such new payment election, such amounts shall not be treated as grandfathered benefits under this Plan, but instead shall be treated as non-grandfathered benefits, subject to the rules of the Comcast Corporation 2005 Deferred Compensation Plan.

#### 4.4. Supplemental RIP Legacy Accounts.

(a) Earnings Adjustment. As of the last day of each calendar year, each Supplemental RIP Legacy Account shall be adjusted as if such Account were invested at the rate of 12% per annum, compounded annually.

(b) Distribution. A Participant with respect to whom a Supplemental RIP Legacy Account has been established under the Plan and whose employment terminates for any reason shall receive distribution of the Participant's entire Supplemental RIP Legacy Account in one lump sum as soon after such termination of employment as is administratively feasible. The amount distributed shall be the balance of the Participant's Supplemental RIP Legacy Account as of the preceding December 31<sup>st</sup>, increased by one percent for each completed month in the year of distribution preceding the date on which distribution is made, reduced by any applicable payroll taxes or required tax withholding.

### ARTICLE 5 - BOOK ACCOUNTS

5.1. Deferred Compensation Account. A deferred Compensation Account shall be established for each Outside Director and Eligible Employee when such Outside Director or Eligible Employee becomes a Participant. Compensation deferred pursuant to the Plan shall be credited to the Account on the date such Compensation would otherwise have been payable to the Participant.

#### 5.2. Crediting of Income, Gains and Losses on Accounts.

(a) In General. Except as otherwise provided in this Section 5.2, the Administrator shall credit income, gains and losses with respect to each Participant's Account as if it were invested in the Income Fund.

#### (b) Investment Fund Elections.

(i) Except for amounts credited to the Accounts of Participants who are Outside Directors who have elected to defer the receipt of Compensation payable in the form of Company Stock, all amounts credited to Participants' Accounts on and after July 9, 2002 shall be credited with income, gains and losses as if it were invested in the Income Fund. Each Participant who, as of July 9, 2002, has all or any portion of his or her Account credited with income, gains and losses as if it were invested in the Company Stock Fund may direct, as of any business day, to have all or any portion of the amount credited to the Company Stock Fund deemed transferred to the Income Fund, in accordance with procedures established by the Administrator from time to time. No portion of the Participant's Account credited to the Income Fund may be deemed transferred to the Company Stock Fund.

(ii) With respect to amounts credited to Participants' Accounts through July 9, 2002, investment fund elections shall continue in effect until revoked or superseded. Except for amounts credited to the Accounts of Participants who are Outside Directors who have elected to defer the receipt of Compensation payable in the form of Company Stock, all amounts credited to Participants' Accounts on and after July 9, 2002 shall be deemed to be invested in the Income Fund. Except for amounts described in Section 5.2(c),

notwithstanding any investment fund election to the contrary, as of the valuation date (as determined under Section 4.2) for the distribution of all or any portion of a Participant's Account that is subject to distribution in the form of installments described in Section 4.1(a) or (b), such Account, or portion thereof, shall be deemed invested in the Income Fund (and transferred from the Company Stock Fund to the Income Fund, to the extent necessary) until such Account, or portion thereof, is distributed in full.

(iii) Investment fund elections under this Section 5.2(b) shall be effective as soon as practicable following the Participant's election, pursuant to procedures established by the Administrator. An Active Participant may not make an investment fund election with respect to Compensation to be deferred for a calendar year.

(iv) Except for amounts described in Section 5.2(c), if a Participant ceases to continue in service as an Active Participant, then, notwithstanding any election to the contrary, such Participant's Account shall be deemed invested in the Income Fund, effective as of the first day of any calendar year beginning after such Participant ceases to continue in service as an Active Participant.

(c) Outside Director Stock Fund Credits. Amounts credited to the Accounts of Outside Directors in the form of Company Stock shall be credited with income, gains and losses as if they were invested in the Company Stock Fund. No portion of such Participant's Account attributable to amounts credited after December 31, 2002 to the Company Stock Fund may be deemed transferred to the Income Fund. Distributions of amounts credited to the Company Stock Fund with respect to Outside Directors' Accounts after December 31, 2002 shall be distributable in the form of Company Stock, rounded to the nearest whole share.

(d) Timing of Credits. Compensation deferred pursuant to the Plan shall be deemed invested in the Income Fund on the date such Compensation would otherwise have been payable to the Participant. Accumulated Account balances subject to an investment fund election under Section 5.2(b) shall be deemed invested in the applicable investment fund as of the effective date of such election. The value of amounts deemed invested in the Company Stock Fund shall be based on hypothetical purchases and sales of Company Stock at Fair Market Value as of the effective date of an investment election.

5.3. Status of Deferred Amounts. Regardless of whether or not the Company is a Participant's employer, all Compensation deferred under this Plan shall continue for all purposes to be a part of the general funds of the Company.

5.4. Participants' Status as General Creditors. Regardless of whether or not the Company is a Participant's employer, an Account shall at all times represent a general obligation of the Company. The Participant shall be a general creditor of the Company with respect to this obligation, and shall not have a secured or preferred position with respect to the Participant's Accounts. Nothing contained herein shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained herein shall be construed to eliminate any priority or preferred position of a Participant in a bankruptcy matter with respect to claims for wages.

## **ARTICLE 6 - NO ALIENATION OF BENEFITS; PAYEE DESIGNATION**

Except as otherwise required by applicable law, the right of any Participant or Beneficiary to any benefit or interest under any of the provisions of this Plan shall not be subject to encumbrance, attachment, execution, garnishment, assignment, pledge, alienation, sale, transfer, or anticipation, either by the voluntary or involuntary act of any Participant or any Participant's Beneficiary or by operation of law, nor shall such payment, right, or interest be subject to any other legal or equitable process. However, subject to the terms and conditions of the Plan, a Participant or Beneficiary may direct that any amount payable pursuant to an Initial Election or a Subsequent Election on any date designated for payment be paid to any person or persons or legal entity or entities, including, but not limited to, an organization exempt from federal income tax under section 501(c)(3) of the Code, instead of to the Participant or Beneficiary. Such a payee designation shall be provided to the Administrator by the Participant or Beneficiary in writing on a form provided by the Administrator, and shall not be effective unless it is provided immediately preceding the time of payment. The Company's payment pursuant to such a payee designation shall relieve the Company and its Affiliates of all liability for such payment.

## **ARTICLE 7 - DEATH OF PARTICIPANT**

7.1. Death of Participant. A Deceased Participant's Account shall be distributed in accordance with the last Initial Election or Subsequent Election made by the Deceased Participant before the Deceased Participant's death, unless the Deceased Participant's Surviving Spouse or other Beneficiary timely elects to accelerate or defer the time or change the manner of payment pursuant to Section 3.5.

7.2. Designation of Beneficiaries. Each Participant and Beneficiary shall have the right to designate one or more Beneficiaries to receive distributions in the event of the Participant's or Beneficiary's death by filing with the Administrator a Beneficiary designation on the form provided by the Administrator for such purpose. The designation of a Beneficiary or Beneficiaries may be changed by a Participant or Beneficiary at any time prior to such Participant's or Beneficiary's death by the delivery to the Administrator of a new Beneficiary designation form.

## **ARTICLE 8 - HARDSHIP DISTRIBUTIONS**

Notwithstanding the terms of an Initial Election or Subsequent Election, if, at the Participant's request, the Board determines that the Participant has incurred a Hardship, the Board may, in its discretion, authorize the immediate distribution of all or any portion of the Participant's Account.

## **ARTICLE 9 - INTERPRETATION**

9.1. Authority of Committee. The Committee shall have full and exclusive authority to construe, interpret and administer this Plan and the Committee's construction and interpretation thereof shall be binding and conclusive on all persons for all purposes.

9.2. Claims Procedure. If an individual (hereinafter referred to as the "Applicant," which reference shall include the legal representative, if any, of the individual) does not receive timely payment of benefits to which the Applicant believes he is entitled under the Plan, the Applicant may make a claim for benefits in the manner hereinafter provided.

An Applicant may file a claim for benefits with the Administrator on a form supplied by the Administrator. If the Administrator wholly or partially denies a claim, the Administrator shall provide the Applicant with a written notice stating:

(a) The specific reason or reasons for the denial;

(b) Specific reference to pertinent Plan provisions on which the denial is based;

(c) A description of any additional material or information necessary for the Applicant to perfect the claim and an explanation of why such material or information is necessary; and

(d) Appropriate information as to the steps to be taken in order to submit a claim for review.

Written notice of a denial of a claim shall be provided within 90 days of the receipt of the claim, provided that if special circumstances require an extension of time for processing the claim, the Administrator may notify the Applicant in writing that an additional period of up to 90 days will be required to process the claim.

If the Applicant's claim is denied, the Applicant shall have 60 days from the date of receipt of written notice of the denial of the claim to request a review of the denial of the claim by the Administrator. Request for review of the denial of a claim must be submitted in writing. The Applicant shall have the right to review pertinent documents and submit issues and comments to the Administrator in writing. The Administrator shall provide a written decision within 60 days of its receipt of the Applicant's request for review, provided that if special circumstances require an extension of time for processing the review of the Applicant's claim, the Administrator may notify the Applicant in writing that an additional period of up to 60 days shall be required to process the Applicant's request for review.

It is intended that the claims procedures of this Plan be administered in accordance with the claims procedure regulations of the Department of Labor set forth in 29 CFR § 2560.503-1.

Claims for benefits under the Plan must be filed with the Administrator at the following address:

Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102  
Attention: General Counsel



## ARTICLE 10 - AMENDMENT OR TERMINATION

10.1. Amendment or Termination. Except as otherwise provided by Section 10.2, the Company, by action of the Board or by action of the Committee, shall have the right at any time, or from time to time, to amend or modify this Plan. The Company, by action of the Board, shall have the right to terminate this Plan at any time.

10.2. Amendment of Rate of Credited Earnings. No amendment shall change the Applicable Interest Rate with respect to the portion of a Participant's Account that is attributable to an Initial Election or Subsequent Election made with respect to Compensation earned in a calendar year and filed with the Administrator before the date of adoption of such amendment by the Board. For purposes of this Section 10.2, a Subsequent Election to defer the payment of part or all of an Account for an additional period after a previously-elected payment date (as described in Section 3.5) shall be treated as a separate Subsequent Election from any previous Initial Election or Subsequent Election with respect to such Account.

## ARTICLE 11 - WITHHOLDING OF TAXES

Whenever the Participating Company is required to credit deferred Compensation to the Account of a Participant, the Participating Company shall have the right to require the Participant to remit to the Participating Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the date on which the deferred Compensation shall be deemed credited to the Account of the Participant, or take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Participating Company's obligation to credit deferred Compensation to an Account shall be conditioned on the Participant's compliance, to the Participating Company's satisfaction, with any withholding requirement. To the maximum extent possible, the Participating Company shall satisfy all applicable withholding tax requirements by withholding tax from other Compensation payable by the Participating Company to the Participant, or by the Participant's delivery of cash to the Participating Company in an amount equal to the applicable withholding tax.

## ARTICLE 12 - MISCELLANEOUS PROVISIONS

12.1. No Right to Continued Employment. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in service as an Outside Director or in the employment of a Participating Company as an executive or in any other capacity.

12.2. Expenses of Plan. All expenses of the Plan shall be paid by the Participating Companies.

12.3. Gender and Number. Whenever any words are used herein in any specific gender, they shall be construed as though they were also used in any other applicable gender. The singular form, whenever used herein, shall mean or include the plural form, and *vice versa*, as the context may require.

12.4. Law Governing Construction. The construction and administration of the Plan and all questions pertaining thereto, shall be governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and other applicable federal law and, to the extent not governed by federal law, by the laws of the Commonwealth of Pennsylvania.

12.5. Headings Not a Part Hereof. Any headings preceding the text of the several Articles, Sections, subsections, or paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of the Plan, nor shall they affect its meaning, construction, or effect.

12.6. Severability of Provisions. If any provision of this Plan is determined to be void by any court of competent jurisdiction, the Plan shall continue to operate and, for the purposes of the jurisdiction of that court only, shall be deemed not to include the provision determined to be void.

**ARTICLE 13 - EFFECTIVE DATE**

The effective date of this amendment and restatement of the Plan shall be December 5, 2006.

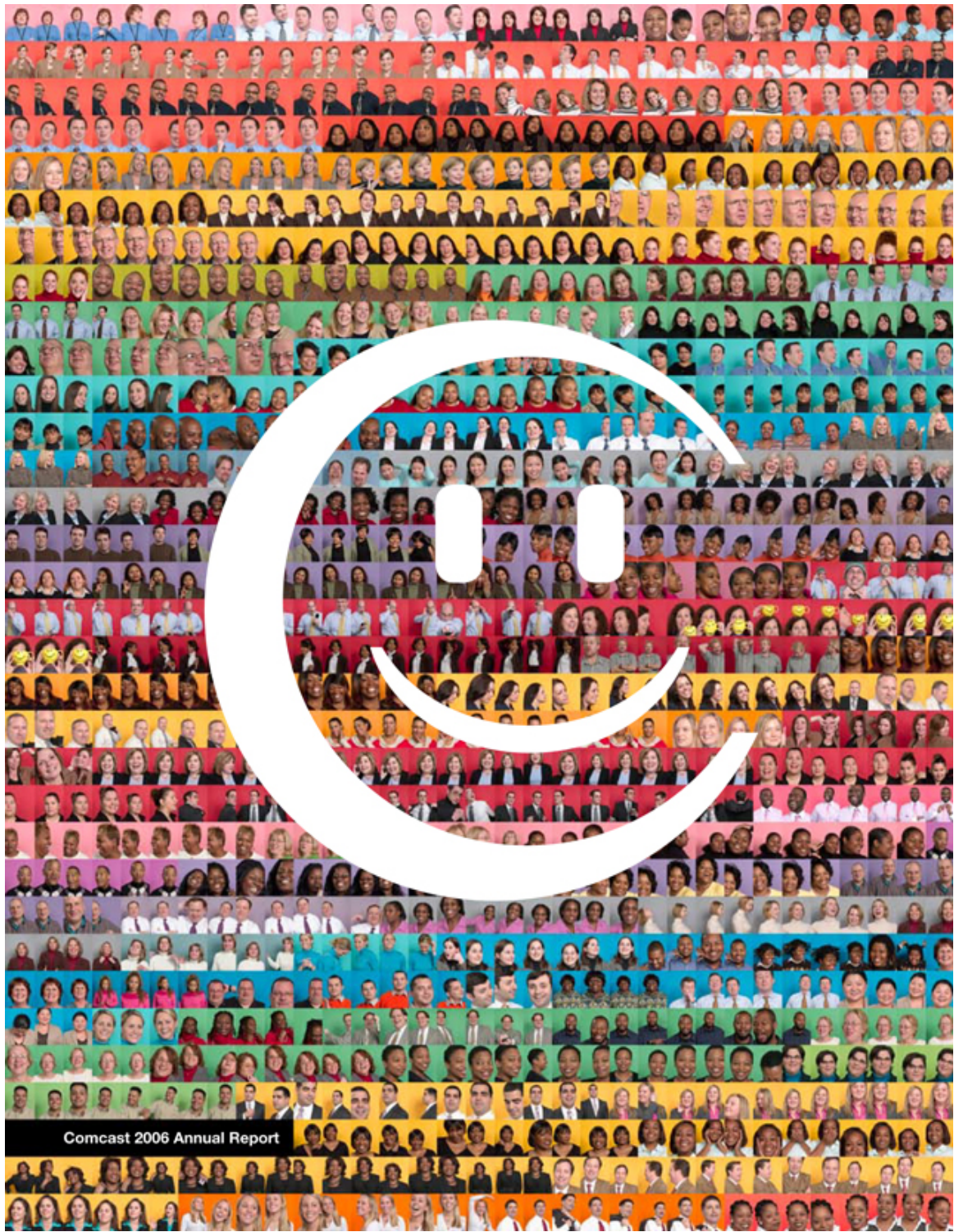
IN WITNESS WHEREOF, COMCAST CORPORATION has caused this Plan to be executed by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, as of the 5<sup>th</sup> day of December, 2006.

COMCAST CORPORATION

By: /s/ David L. Cohen  
David L. Cohen

Attest: /s/ Arthur R. Block  
Arthur R. Block







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# Comcast!

It's about record-breaking results from innovative products with constantly improving features and functions. It means getting there first, and sustaining our advantage by increasing and extending the business while revving up our next growth engine.

It's making phone, computer and television faster, better and more interactive. It's adding choice, control and simplicity to the mix in one neat package.

Of course, it also describes the power of 90,000 exceptional employees — all committed to realizing the entertainment and communications dreams of our customers. Put it all together, and it's a superior experience.

**And that's simply Comcast!**

---

On the cover:  
Comcast employees are all smiles these days. Why? Their hard work, dedication and enthusiasm is really paying off. That's why we've decided to feature them in this Annual Report — they make Comcast a great place to work.







- Triple Play is lifting sign-up rates for our three products — they all grew faster than ever in 2006.
- Triple Play is accelerating revenue and operating cash flow growth.



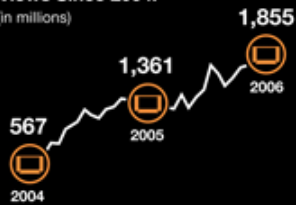
Comcast is...

# meeting every demand with ON DEMAND.

ON DEMAND viewership has grown exponentially, building customer satisfaction and loyalty with every view.

- 12.7 million, or 52%, of our video customers take digital services – all of them with access to ON DEMAND. Some 36% also take HD/DVR.
- ON DEMAND movie purchases increased pay-per-view revenue 27%, to \$633 million, in 2006, the third consecutive year of growth greater than 20%.

More than 3.7 Billion ON DEMAND Views Since 2004:  
(in millions)





**“People want what they want, when they want it. Nothing beats our ON DEMAND service. It gives our customers more than 8,000 viewing options today, most at no additional charge.”**

*Denise* ☺

Denise Higgins VOD Content Supervisor  
New Castle, DE



Comcast is...

# building strong brands that deliver must-have content across multiple platforms.

“Our brands are laser-focused on individual interests and passions. Whether it’s fashion on the red carpet, or horror films, or the stars of golf on the course, we’re delivering great content on television, on demand and online.”

*Suzanne* 😊

Suzanne Kolb EVP, Marketing and Communications  
E! and Style Networks  
Los Angeles, CA

With first-rate content, Comcast appeals to sports fans, kids and even horror flick fans. Our networks include:







Comcast is...

## turning up the volume on a whole new business.

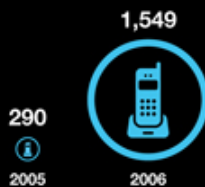
“So many new customers have discovered what a great value Comcast Digital Voice® is. And as impressive as the sign-up rates for phone are, they’re just gaining speed. It’s going to be a growth engine for years to come.”

Since the introduction of Comcast Digital Voice, subscriptions have surged as customers take advantage of the unlimited local and nationwide phone service, low international rates and full set of features. Growth continues to accelerate.

- Comcast Digital Voice is now marketed to 32 million homes, or 70% of our footprint, and we will expand our coverage to 40 million homes by year-end 2007.
- Over 80% of voice customers take all three products.

Five times more Comcast Digital Voice additions in 2006 than in 2005:

(subscribers in thousands)





Comcast is...

## taking high-speed Internet to a higher level.

Comcast High-Speed Internet delivers the speed and tools customers need to get the most from their Internet experience.

- We increased the speed of our service four times in the last three years, at no extra cost to consumers.
- In 2006, we introduced PowerBoost, which can burst speeds to 12 or 16 Mbps for large downloads, and we plan to roll out an upstream version in 2007.
- We launched 65 new features in the last three years, including McAfee® security, Video Mail, PhotoShow and many others.
- Through The Fan™ video player, we delivered 700 million video downloads in 2006 and ranked in the top 15 providers of video on the Internet.
- Comcast.net also ranked among the top 10 in Internet search traffic.

---

**“Our high-speed Internet service is simply a better broadband experience. With a steady stream of new features and faster speeds, it makes video downloads and interactive media a snap.”**

A close-up photograph of a person's hand typing on a silver laptop keyboard. The laptop is open and resting on a dark blue leather couch. The background is a blurred green and blue abstract pattern.

*Melinda*

Melinda Lindsley Director,  
Business Requirements/Cross-Product Systems  
Philadelphia, PA







Comcast is...

## knowing how to deliver a great customer experience...

As we roll out new products, we continue to improve our service and field support, which builds the foundation for our future growth.

- In 2006, we hired and trained 6,500 field technicians and customer service representatives to keep pace with the accelerating growth of new products. We expect the pace of new hiring to continue in 2007.
- We're investing in automated tools to increase our operating efficiency.
- We're building new training programs at Comcast University and creating new career paths to provide better service and a better experience for our customers.

**“We begin technical training with ‘Think Customer First,’ emphasizing the skills our people need to make customers comfortable, like avoiding tech jargon, and making things simple.”**

Carl ☺

**Carl Hansen** South Jersey Area Technical Learning and Development Manager  
Turnersville, NJ

## and staying true to who we are.

**“Since my first day with Comcast 25 years ago, the company has totally supported my volunteer activities — from backing my involvement in a special-needs camp, to giving me time off to help out in New York City after 9/11.”**

Comcast is deeply rooted in local communities. We focus our civic efforts in three areas: youth leadership, literacy and volunteerism.

- Comcast is a national partner of City Year, which recruits young people to give a year to full-time community service and leadership development. In 2006, the company provided City Year with \$1.4 million in grants and in-kind support.
- Comcast's Leaders and Achievers® Scholarship Program recognized 1,728 high school seniors nationwide. Based on their community involvement and academic achievement, each earned a \$1,000 college scholarship.
- Comcast recruited a diverse group of students to participate as summer interns through our ongoing partnership with the Emma Bowen Foundation. Last year, we hosted 25 interns who received funds for college in addition to their intern stipend.



Billy 😊

William "Billy" Malone Dispatch Manager  
Union, NJ

Comcast! is...







**Dear Comcast Shareholders, Employees and Friends:**

About 18 months ago, we decided that it was time to launch Comcast's very first nationwide advertising campaign. Surveys showed that customers loved our new products — such as ON DEMAND, high-speed Internet and more. This led us to look for a smart way to express our customers' enthusiasm for Comcast's new and improved experience — and that's how "Comcastic!" was born.

I'm glad our team came up with that word, because I can't think of a better way to describe 2006. **It was our best year ever.** It was truly Comcastic!

clockwise from left:

**Brian L. Roberts**  
Chairman and  
Chief Executive Officer

**Stephen B. Burke**  
Chief Operating Officer  
President  
Comcast Cable

**Ralph J. Roberts**  
Founder  
Chairman, Executive and  
Finance Committee

We broke all records in 2006, driven by our cable business.<sup>(a)</sup> Cable revenues increased 12%, to \$26.3 billion. Operating cash flow<sup>(b)</sup> rose 15%, to \$10.5 billion, making 2006 our sixth straight year — capping 26 consecutive quarters — of double-digit operating cash flow growth. During the year, our customers bought five million new products — or what we call “revenue-generating units” (RGUs)<sup>(c)</sup> — an increase of 69% from 2005. And each of our services — basic cable, digital cable, high-speed Internet and digital voice — added more new customers than ever before. We have real momentum. The past year was sensational, but 2007 and the future have the potential to be even better.

The big story behind these wonderful results is the rollout of Comcast’s Triple Play.

### **Triple Play: It’s a Whole New Ball Game**

Our Triple Play offering of video, high-speed Internet and digital voice is just what consumers want. We can deliver our superior products in a compelling value package, providing a simple, convenient and attractive option for everyone. With one phone call and one installation visit, we become the primary provider of communications and entertainment services to the home — and at an introductory price of \$99 a month, our biggest challenge has been to keep up with demand. With the widespread introduction of Triple Play to 70%, or 32 million, of the homes in our markets in 2006, consumers are embracing our Comcast Digital Voice<sup>®</sup> service, loaded with attractive features and with more to come. It’s clear that Triple Play is boosting our overall take rates for video and high-speed Internet as well. As customers see the great value they’re getting, they take additional digital and premium video services, too. As a result, revenue per Triple Play customer averages \$120–\$130 per month.

**Our Triple Play offer of video,  
high-speed Internet and  
voice has proven to be a powerful  
formula for growth.**

We were determined to be first to market on a wide scale with these three services, and we have succeeded in getting the jump on the competition. As we expand the availability of Triple Play to 85% of our customer base by the end of 2007, we expect it will continue to power our growth.

See notes and definitions on page 23.

**Innovate. Differentiate. Win.**

That's been our mantra for the past several years. We're absolutely focused on delivering superior products and services, and doing it better than our competitors. We added 1.9 million digital customers in 2006, an increase of 59% from 2005. Today, more than 12.7 million, or 52%, of our video customers take our digital cable services. Digital growth has been steady as consumers see and want ON DEMAND, our industry-leading video-on-demand platform, digital video recorders (DVRs) and high-definition television (HDTV) as part of their lives.

**ON DEMAND gives our digital cable customers unmatched choice and control. It's truly the personalization of TV.**

With more than 8,000 programming choices available today — and growing every year — ON DEMAND gives our digital cable customers unmatched choice and control. It's truly the personalization of TV. And as the penetration of HDTV sets accelerates, we're expanding our high-definition ON DEMAND offerings, too. We now offer more than 150 hours of high-definition programming ON DEMAND, primarily movies in high definition. We plan to double that number in 2007 and again in 2008, and continue to expand our linear HDTV channels, so that we remain the HDTV market leader with the most sports and movies in high definition.

With our high-speed Internet service, we deliver a better experience by continually increasing the speed of our service and adding a wealth of new features. We added 1.9 million high-speed Internet subscribers in 2006, the highest level of annual high-speed Internet additions in our history, and ended the year with 11.5 million high-speed Internet customers, representing 25% penetration of homes in our markets. We believe we will keep growing not only by continuing to attract new customers, but also by capitalizing on the capabilities of our service to power innovation and develop new online services. We created Comcast Interactive Media to focus on those opportunities. In 2006, we launched several new digital media platforms, including Ziddio, TV Planner and Game Invasion, and in 2007 we plan to launch other new online services.



With the dramatic ramp-up of Comcast Digital Voice in 2006, we have built a fantastic new engine for continued growth. We added 1.5 million Comcast Digital Voice customers last year, more than five times the number added in 2005. By year's end, we were marketing this service to 32 million homes, or 70% of our footprint, yet we are only at 6% penetration. We intend to increase that dramatically in 2007. Our goal is to reach at least 20% penetration, or nine million customers, by 2009. Given the power of Triple Play, we are on pace to achieve that goal.

We are also excited about our latest initiative: expanding into commercial business services — providing phone, Internet and video services to small and medium-sized businesses (SMBs). In 2007, we are beginning to target an estimated five million SMBs in our markets. We estimate that those businesses generated \$12–\$15 billion in revenue for other providers in 2006, and our goal is to capture 20% or more of this market over the next five years. Buoyed by our success in the high-speed Internet and residential digital voice markets, and riding on much of the same network and infrastructure, we enter this new field with great confidence.

Our programming division continues to be a major value creator for the company and helps us to partner and work with new platforms to help differentiate and grow our cable business. In 2006, we acquired the remaining interest in E! Entertainment Television and now own 100% of it. We brought in new on-air talent, like Ryan Seacrest, and invested in programming that increased revenues and ratings at E!. We made similar investments at The Golf Channel and VERSUS, drawing higher distribution and ratings as the result of our expanded relationships with the PGA TOUR and the National Hockey League.

#### **Investing in a Future of Opportunity**

Consumers want the best services at a great price. They want things to be simple and convenient. They want to feel in control. The next great frontier for Comcast is to integrate our products in ways never before imaginable — like providing a single access point for customers to manage all their communications, or to plan and schedule their TV experience no matter where they are.

Our product teams and Comcast Interactive Media are focused on developing integrated services that offer entertainment and communications to consumers across multiple platforms. Our programming networks are also working on that strategy. PBS KIDS Sprout is available on a linear channel, on demand and online. In October 2006, we launched FEARnet, a new advertising-supported, multiplatform network delivering the best of modern horror films, streaming video and original content — on demand, online and to mobile devices.

With our cable partners and Sprint Nextel, we are testing consumer demand and applications to integrate and extend the Comcast experience outside the home, bringing mobility to our products. We also invested in wireless spectrum with a nationwide reach as part of the SpectrumCo consortium. This spectrum gives us strategic flexibility and many options to capitalize on new wireless functionalities as they evolve.

Our strong balance sheet and free cash flow<sup>(d)</sup> give us significant financial flexibility to innovate, invest and grow. In 2006, we focused our investments in cable and programming to drive new product RGUs, to enhance our services and to launch new businesses. We generated over \$2.6 billion in free cash flow and used \$2.3 billion to repurchase our stock. In fact, over the past three years, we have invested virtually all of our free cash flow in our stock and securities exchangeable into our stock, reducing our shares outstanding by more than 10%.

### **On a Mission to Grow**

In 2007, we will focus even more intently on growing RGUs to capture market share and extend our leadership in the market. In the last five years, we have transformed Comcast into a company that develops and delivers multiple services with diverse revenue streams. Over the next few years, it is easy to imagine that our company could be serving as many high-speed Internet and digital voice customers as we have video customers today.

**In 2007, we will focus even more intently on growing RGUs to capture market share and extend our leadership in the market.**

The first quarter of 2007 marks a bittersweet milestone with the retirement of Larry Smith, our Co-Chief Financial Officer. Over the years, I have called Larry the company's "chief money-making officer." He has made phenomenal contributions to Comcast's growth and success — his deal-making prowess, wise counsel and steady leadership are a huge part of Comcast's culture. His friendship and guidance will continue as he remains a part-time advisor in the future. We are thrilled to have recruited Michael Angelakis, a managing director in the extremely successful Providence Equity Partners, to succeed Larry. Michael will partner with John Alchin in 2007 as Co-CFO and will succeed John when he retires at the end of 2007.

See notes and definitions on page 23.

Finally, since we're talking about a year of record results, I want to highlight two other records set by Comcasters in 2006. Our nationwide employee United Way campaign reached \$4.2 million, a new record that places us in the top tier of United Way corporate campaigns in America. And on October 7, more than 32,000 employees and their families participated in Comcast Cares Day, our national day of volunteerism, delivering over 192,000 hours of community service to 300 projects in 34 states in a single day. This extraordinary effort represents one of the largest single corporate days of service in America.

**2006 represents a turning point in our history, as we have once again positioned ourselves for growth and success.**

As you read this year's report in print or online, you'll see many great Comcasters who exemplify the commitment, confidence, diversity and enthusiasm that made 2006 possible and make the future look so wonderful. Each of them, and every one of our 90,000 employees, gives so much to the company every day. They are our greatest asset, and we're really proud to highlight them this year.

I will never forget what this company achieved in 2006. In many ways, it represents a turning point in our history, as we have once again positioned ourselves for growth and success. It was a phenomenal effort, led by Steve Burke and his fabulous team. My father, Ralph, and I believe we're poised for even more great achievements in 2007.

It is an honor to help lead this company. Thank you for your continued support.

Sincerely,



**Brian L. Roberts**  
Chairman and Chief Executive Officer  
Comcast Corporation  
February 23, 2007

## Financial Highlights

(in millions, except number of employees)	2006	2005
<b>Comcast Cable<sup>(a)</sup></b>		
Revenues	\$ 26,339	\$ 23,556
Operating Cash Flow <sup>(b)</sup>	\$ 10,511	\$ 9,132
Total Revenue Generating Units <sup>(c)</sup>	50.8	45.8
Subscribers		
Basic Cable	24.2	24.1
Digital Cable	12.7	10.8
High-Speed Internet	11.5	9.6
Phone	2.5	1.3
<b>Consolidated Comcast Corporation</b>		
Revenues	\$ 24,966	\$ 21,075
Operating Cash Flow <sup>(b)</sup>	9,442	8,072
Depreciation and Amortization	4,823	4,551
Operating Income	4,619	3,521
Income from Continuing Operations	2,235	828
Discontinued Operations <sup>(e)</sup>	298	100
Net Income	\$ 2,533	\$ 928
Shares Outstanding <sup>(f)</sup>	3,119	3,208
Cash and Short-Term Investments	\$ 2,974	\$ 1,095
Total Assets	110,405	103,400
Total Debt	\$ 28,975	\$ 23,371
Number of Employees	90,000	80,000

Minor differences may exist due to rounding.

Notes and definitions used in the Letter to Shareholders and Financial Highlights:

(a) All Comcast Cable results in the Letter to Shareholders and in these highlights are presented on a pro forma, as adjusted basis. See reconciliation on page 76.

(b) Operating Cash Flow 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. See reconciliation on page 76.

(c) RGUs represent the sum of basic and digital cable, high-speed Internet and phone subscribers, excluding additional outlets. Subscriptions to DVR and/or HDTV services by existing Comcast Digital Cable customers do not result in additional RGUs.

(d) Free Cash Flow is defined as "Net Cash Provided by Operating Activities From Continuing Operations" (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 non-operating items, net of estimated tax benefits (such as income taxes on investment sales, and non-recurring payments related to income tax and litigation contingencies of acquired companies). Reconciliation of this item appears on page 76.

(e) 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).

(f) Adjusted to reflect the Stock Split.

Additional information about Comcast is also contained in our Annual Report on Form 10-K and in our Proxy Statement. We invite you to refer to those documents.

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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## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Introduction and Overview

We are the largest cable operator in the United States and offer a variety of consumer entertainment and communication products and services. As of December 31, 2006, our cable systems served approximately 23.4 million video subscribers, 11 million high-speed Internet subscribers and 2.4 million phone subscribers and passed approximately 45.7 million homes in 39 states and the District of Columbia.

We classify our operations in two reportable segments: Cable and Programming. Our Cable segment, which generates approximately 95% of our consolidated revenues, manages and operates our cable systems. Our Programming segment consists of our six national programming networks. During 2006, our operations generated consolidated revenues of approximately \$25 billion.

Our Cable segment earns revenues primarily through subscriptions to our video, high-speed Internet and phone services ("cable services"). Our video revenues continue to increase as a result of digital subscriber growth and demand for our other digital cable services, including video on demand, which we refer to as ON DEMAND, Digital Video Recorder ("DVR") and High Definition Television ("HDTV"), as well as higher pricing on our basic video service. As of December 31, 2006, approximately 51% of the homes in the areas we serve subscribed to our video service and approximately 52% of those video subscribers subscribed to at least one of our digital cable services. Our high-speed Internet service with Internet access at downstream speeds from 6Mbps to 16Mbps, depending on the level of service selected, has been one of our fastest growing services over the past several years. As of December 31, 2006, approximately 25% of the homes in the areas we serve subscribed to our high-speed Internet service. Comcast Digital Voice, our phone service that provides unlimited local and domestic long-distance calling and other features, is our most recent cable service offering. As of December 31, 2006, approximately 6% of the homes in the areas we serve subscribed to Comcast Digital Voice. In 2006, we began offering our video, high-speed Internet and Comcast Digital Voice services in a package that we refer to as the "triple play." In addition to cable services, other Cable segment revenue sources include advertising and the operation of our regional sports and news networks.

Our Programming segment consists of our consolidated national programming networks: E!, Style, The Golf Channel, VERSUS (formerly known as OLN), G4 and AZN Television. Revenue from our Programming segment is earned primarily from advertising revenues and from monthly per subscriber license fees paid by cable and satellite distributors.

Our other business interests include 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 events. Comcast Spectacor and all other consolidated businesses not included in our Cable or Programming segments are included in "Corporate and Other" activities.

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 have been adjusted to reflect the Stock Split for all periods presented.

### 2006 Financial and Operational Highlights

- consolidated revenue growth of 18.5% and consolidated operating income growth of 31.2%, both driven by results in our Cable segment
- Cable segment revenue growth of 20.6% and growth in operating income before depreciation and amortization of 22.1%, both driven by revenue generating units ("RGUs") growth and the success of our triple play offering, as well as growth from acquisitions

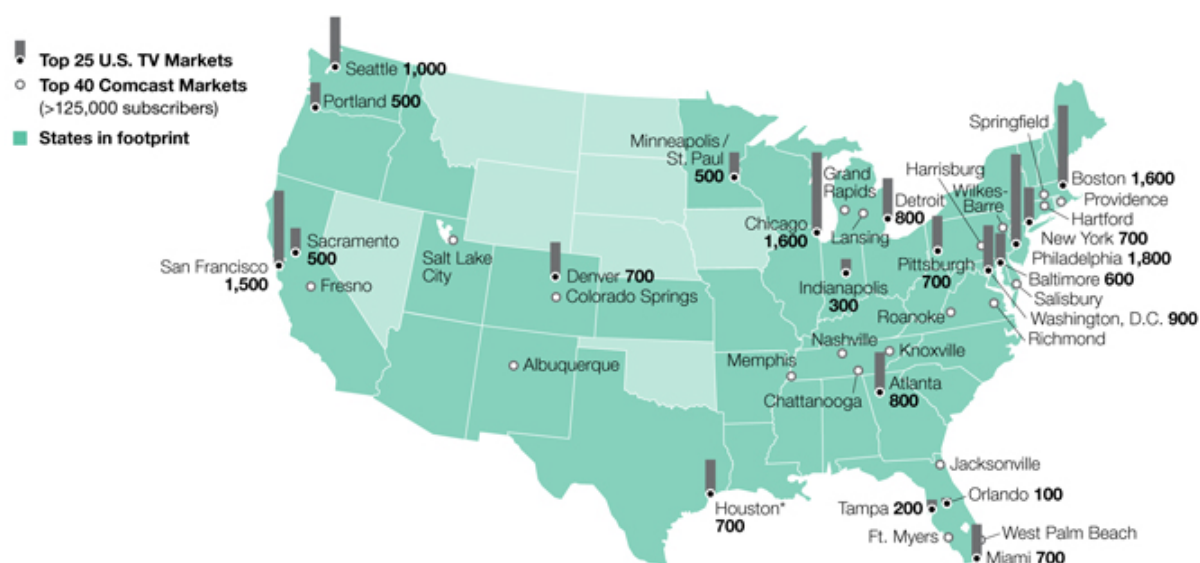
### 2006 Business Developments

- completed transactions with Adelphia and Time Warner that 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 interest in Time Warner Cable Inc. ("TWC") and Time Warner Entertainment Company, L.P. ("TWE"), the assets of two cable system partnerships and the transfer of our previously owned cable systems in Los Angeles, Cleveland and Dallas. We collectively refer to these transactions as the "Adelphia and Time Warner transactions."
- initiated the dissolution of the Texas and Kansas City Cable Partnership ("TKCCP") that resulted in our acquisition of cable systems serving Houston, Texas (approximately 700,000 video subscribers) in January 2007
- acquired the cable systems of Susquehanna Communications serving approximately 200,000 video subscribers for approximately \$775 million
- acquired the 39.5% interest in E! Entertainment Television (which operates the E! and Style programming networks) that we did not already own for approximately \$1.2 billion
- participated in a consortium of investors ("SpectrumCo") that acquired wireless spectrum licenses covering approximately 91% of the population in the United States for approximately \$2.4 billion (our portion was \$1.3 billion)
- repurchased approximately 113 million shares (adjusted to reflect the Stock Split) of our Class A Special common stock pursuant to our Board-authorized share repurchase program for approximately \$2.3 billion

Refer to [Note 5](#) to our consolidated financial statements for information about acquisitions and other significant events.

## The Areas We Serve

The map below highlights our 40 major markets with emphasis on our operations in the top 25 U.S. TV markets. Approximately 90% of our video subscribers are in the markets listed (subscribers in thousands).



\* As of January 1, 2007

The following provides further details of our highlights and insights into our consolidated financial statements, including discussion of our results of operations and our liquidity and capital resources. As a result of transferring our previously owned cable systems located in Los Angeles, Cleveland and Dallas ("Comcast Exchange Systems"), the operating results of the Comcast Exchange Systems are reported as discontinued operations for all periods presented.

## Consolidated Operating Results

Year Ended December 31 (in millions)	2006	2005	2004	% Change 2005 to 2006	% Change 2004 to 2005
<b>Revenues</b>	<b>\$24,966</b>	<b>\$21,075</b>	<b>\$19,221</b>	<b>18.5%</b>	9.6%
Costs and Expenses					
Operating, Selling, General and Administrative (excluding depreciation)	15,524	13,003	12,041	19.4	8.0
Depreciation	3,828	3,413	3,197	12.2	6.8
Amortization	995	1,138	1,154	(12.5)	(1.5)
<b>Operating Income</b>	<b>4,619</b>	<b>3,521</b>	<b>2,829</b>	<b>31.2</b>	24.4
Other Income (Expense) Items, net	(1,025)	(1,801)	(1,086)	(43.1)	65.8
Income from Continuing Operations before Income Taxes and Minority Interest	3,594	1,720	1,743	109.0	(1.4)
Income Tax Expense	(1,347)	(873)	(801)	54.3	9.0
Income from Continuing Operations before Minority Interest	2,247	847	942	165.5	(10.2)
Minority Interest	(12)	(19)	(14)	(36.8)	35.7
<b>Income from Continuing Operations</b>	<b>2,235</b>	<b>828</b>	<b>928</b>	<b>169.9</b>	(10.8)
Discontinued Operations, net of Tax	298	100	42	198.0	138.1
<b>Net Income</b>	<b>\$ 2,533</b>	<b>\$ 928</b>	<b>\$ 970</b>	<b>173.0%</b>	(4.3)%

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 2006 and 2005. Cable segment and Programming segment revenues are discussed separately below. The remaining changes relate to our other business activities, primarily Comcast Spectacor, whose revenues were negatively affected in 2005 by the National Hockey League (“NHL”) lockout.

### **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 2006 and 2005. Cable segment and Programming segment expenses are discussed separately below. The remaining changes relate to our other business activities, primarily Comcast Spectacor, and the impact of adopting Statement of Financial Accounting Standards (“SFAS”) No. 123R, “Share-Based Payment” (“SFAS No. 123R”).

Effective January 1, 2006, we adopted SFAS No. 123R using the Modified Prospective Approach. SFAS No. 123R revises SFAS No. 123, “Accounting for Stock-Based Compensation” (“SFAS No. 123”) and supersedes Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees” (“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.

The incremental pretax share-based compensation expense recognized because of 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 for the year ended December 31, 2006. Share-based compensation expense is reflected in the operating results of each of our business segments. Refer to [Note 10](#) and [Note 14](#) to our consolidated financial statements for further details on our adoption of SFAS No. 123R.

### **Consolidated Depreciation and Amortization**

The increases in depreciation expense for 2006 and 2005 are primarily a result of capital expenditures in our Cable segment and, in 2006, the depreciation associated with acquisitions of cable systems.

The decreases in amortization expense for 2006 and 2005 are primarily a result of decreases in the amortization of our franchise-related customer relationship intangible assets, partially offset by increased amortization expense related to software-related intangibles acquired in various transactions, and in 2006, the customer relationship intangible assets recorded in connection with the acquisitions of cable systems.

### **Segment Operating Results**

Certain adjustments have been made in our segment presentation to be consistent with our management reporting presentation. These adjustments primarily relate to the adoption of SFAS No. 123R and are further discussed in Note 14 to our consolidated financial statements.

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. 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. 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 Overview**

Our cable systems simultaneously deliver video, high-speed Internet and phone services to our subscribers. The majority of our Cable segment revenue is earned from subscriptions to these cable services. Subscribers typically pay us monthly, based on their chosen level of service, number of services and the type of equipment they use, and generally may discontinue service at any time. We measure our success in selling subscription-based services to customers by a metric referred to as a revenue generating unit (“RGU”). Each individual cable service (basic cable, digital cable, high-speed Internet or phone service) that a subscriber receives represents one RGU. As of December 31, 2006, we had approximately



50.8 million RGUs. As a result of continued and growing demand for our existing and new products and services, including our triple play offering, as well as other factors discussed below, we have increased our revenues and operating income before depreciation and amortization.

**REVENUE AND OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION**

(in billions)



**Cable Segment Results of Operations**

The comparability of the results of operations and subscriber information of our Cable segment are impacted by the Adelphia and Time Warner transactions (closed July 31, 2006) and the acquisition of the cable systems of Susquehanna Communications (closed

April 30, 2006). Further, consistent with our management reporting presentation, the operating results and subscriber information of the cable systems serving Houston, Texas have been included in the Cable segment beginning August 1, 2006. However, the operating results of the Houston cable systems are eliminated in our consolidated financial statements as TKCCP continued to be accounted for as an equity method investment for external financial reporting purposes until the Houston cable systems were actually acquired on January 1, 2007 (see Note 5). We collectively refer to these cable systems as the “newly acquired cable systems.” The newly acquired cable systems accounted for \$1.7 billion of increased revenue in 2006.

**Cable Segment Revenues**

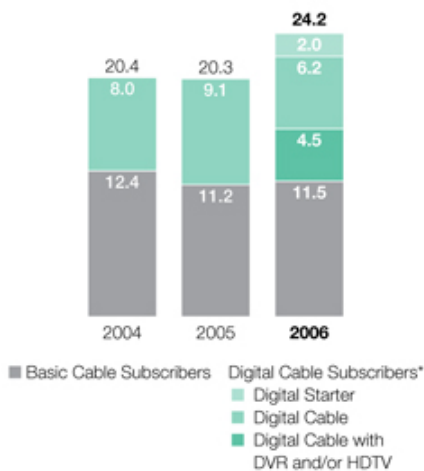
**Video.** We offer a full range of video services, ranging from a limited basic service and a digital starter service, to our full digital cable service, which provides access to over 250 channels, including premium and pay-per-view channels; ON DEMAND (which allows access to a library of movies, sports and news, starting a selection at any time, and pausing, rewinding and fast-forwarding selections); music channels; and an interactive, on-screen program guide (which allows navigating the channel lineup and ON DEMAND library). Digital cable subscribers may also subscribe to additional digital cable services, including DVR (which allows digital recording of programs, and pausing and rewinding of live television), and HDTV (which provides multiple channels in high definition).

As of December 31, 2006, approximately 52% of our video subscribers subscribed to at least one of our digital cable services, compared to approximately 45% and approximately 39% as of December 31, 2005 and 2004, respectively.

Year Ended December 31 (in millions)	2006	2005	2004	% Change 2005 to 2006	% Change 2004 to 2005
Video	\$15,096	\$12,918	\$12,211	16.9%	5.8%
High-speed Internet	4,986	3,757	2,938	32.7	27.9
Phone	913	617	620	48.0	(0.5)
Advertising	1,537	1,272	1,206	20.8	5.4
Other	851	789	654	7.8	20.7
Franchise fees	717	634	601	13.1	5.3
<b>Revenues</b>	<b>24,100</b>	<b>19,987</b>	<b>18,230</b>	<b>20.6</b>	<b>9.6</b>
Operating expenses	8,600	7,041	6,656	22.1	5.8
Selling, general and administrative expenses	5,796	4,999	4,634	15.9	7.8
<b>Operating income before depreciation and amortization</b>	<b>\$ 9,704</b>	<b>\$ 7,947</b>	<b>\$ 6,940</b>	<b>22.1%</b>	<b>14.5%</b>

**VIDEO SUBSCRIBERS**

(in millions)

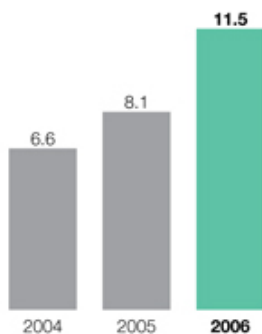


Revenues increased as a result of higher pricing on our basic video service, growth in our digital cable services and, in 2006, the addition of our newly acquired cable systems. Our newly acquired cable systems added approximately 3.7 million video subscribers and contributed \$1.143 billion of our video revenue growth for the year ended December 31, 2006. As a result of these factors, our average monthly video revenue per video subscriber increased from \$50 in 2004 to \$57 in 2006.

**High-Speed Internet.** We offer high-speed Internet service with Internet access at downstream speeds from 6Mbps to 16Mbps, depending on the level of service selected. This service also includes our interactive portal, Comcast.net, which provides multiple e-mail addresses and online storage, as well as a variety of proprietary content and value-added features and enhancements that are designed to take advantage of the speed of the Internet service we provide.

**HIGH-SPEED INTERNET SUBSCRIBERS**

(in millions)

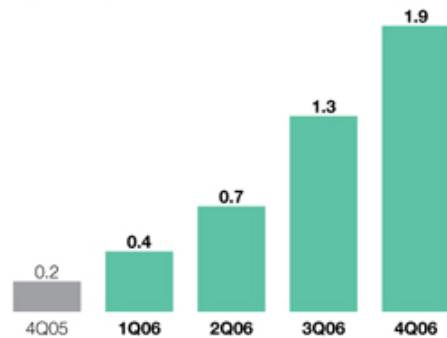


Revenues increased in 2006 and 2005 as a result of subscriber growth and, in 2006, the addition of our newly acquired cable systems. As of December 31, 2006, 24.5% of our homes passed subscribed to our high-speed Internet service, compared to 21.1% and 17.8% as of December 31, 2005 and 2004, respectively. Our newly acquired cable systems added approximately 1.7 million high-speed Internet subscribers and contributed \$379 million of our high-speed Internet revenue growth for the year ended December 31, 2006. Average monthly revenue per high-speed Internet subscriber has remained relatively stable between \$42 and \$43 from 2004 through 2006. The rate of subscriber and revenue growth may slow as the market continues to mature and competition increases.

**Phone.** We offer Comcast Digital Voice, our IP-enabled phone service that provides unlimited local and domestic long-distance calling and includes such features as Voice Mail, Caller ID and Call Waiting. Comcast Digital Voice was available to 32 million homes as of December 31, 2006. We expect that by the end of 2007 approximately 85% of our homes passed will have access to Comcast Digital Voice. In some areas, we provide our circuit-switched local phone service. Subscribers to this service have access to a full array of calling features and third-party long-distance services.

**COMCAST DIGITAL VOICE SUBSCRIBERS**

(in millions)



Revenues increased in 2006 as a result of the increase in Comcast Digital Voice subscribers, partially offset by the loss of approximately 300,000 circuit-switched subscribers. Our newly acquired cable systems added approximately 156,000 phone subscribers and contributed \$40 million of our phone revenue growth for the year ended December 31, 2006. The decrease in phone revenues in 2005 from 2004 was primarily the result of a reduction in the number of circuit-switched phone subscribers as we began the deployment of Comcast Digital Voice. We expect the number of phone subscribers will grow as we expand Comcast Digital Voice to new markets in 2007. We expect the number of subscribers to our circuit-switched local phone service to continue to decrease in 2007 as our marketing efforts are now focused on Comcast Digital Voice.

**Advertising.** As part of our programming license agreements with programming networks, we receive an allocation of scheduled advertising time that we may sell to local, regional and national advertisers. We also coordinate the advertising sales efforts of other cable operators in some markets, and in other markets we have formed and operate advertising interconnects, which establish a physical, direct link between multiple cable systems and provide for the sale of regional and national advertising across larger geographic areas than could be provided by a single cable operator.

Advertising revenues increased in 2006 as a result of the strong growth in political advertising and the addition of our newly acquired cable systems. We expect slower growth in our advertising revenues in 2007, primarily as a result of lower levels of 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. Our regional sports and news networks include Comcast SportsNet (Philadelphia), Comcast SportsNet Mid-Atlantic (Baltimore/Washington), Cable Sports Southeast, CN8 — The Comcast Network, Comcast SportsNet Chicago, Comcast SportsNet West (Sacramento) and MountainWest Sports Network. These networks earn revenue through the sale of advertising time and receive programming license fees paid by cable and satellite distributors.

**Franchise Fees.** Our franchise fee revenues represent the pass-through to our subscribers of the fees required to be paid to state and local franchising authorities. Under the terms of our franchise agreements, we are generally required to pay up to 5% of our gross video revenues to the local franchising authority. The increases in franchise fees are primarily a result of the increases in our revenues upon which the fees apply.

**Total Cable Segment Revenue.** As a result of the growth in revenues from our products and services, we have been able to increase our total average monthly revenue per video subscriber (including all revenue sources) from approximately \$77 in 2004 to approximately \$95 in 2006.

**AVERAGE MONTHLY TOTAL REVENUE PER VIDEO SUBSCRIBER**



**Cable Segment Expenses**

We continue to focus on controlling the growth of expenses. Our operating margins (operating income before depreciation and amortization as a percentage of revenue) were 40.2%, 39.8% and 38.1% for the years ended December 31, 2006, 2005 and 2004, respectively.

**OPERATING MARGINS**  
(in billions)



**Cable Segment Operating Expenses.** Cable programming expenses, our largest expense, are the fees we pay to programming networks to license the programming we package, offer and distribute to our cable subscribers. These expenses are affected by changes in the rates charged by programming networks, the number of subscribers and the programming options we offer to subscribers. Cable programming expenses increased to \$4.9 billion in 2006 as a result of increases in rates and the newly acquired cable systems, from \$4.1 billion in 2005 and \$3.9 billion in 2004. We anticipate our cable programming expenses will increase in the future, as the fees charged by programming networks increase and as we provide additional channels and ON DEMAND programming options to our subscribers. We anticipate that these increases may be mitigated to some extent by volume discounts.

Other operating expenses increased to \$3.7 billion in 2006 from \$2.9 billion in 2005 and \$2.8 billion in 2004. In 2006, our newly acquired cable systems contributed approximately \$650 million of our increases in other operating expenses. The remaining increases in 2006 were primarily a result of growth in the number of subscribers to our cable services, which required additional personnel to handle service calls and provide customer support, and costs associated with the delivery of these services. The increase in 2005 was primarily a result of increases in our technical services group due to the launch of Comcast Digital Voice, the deployment of digital simulcasting, the implementation of a new provisioning system and, to a lesser degree, the repair of our cable systems as a result of weather-related damage.

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### Cable Segment Selling, General and Administrative Expenses.

Selling, general and administrative expenses increased \$797 million to \$5.8 billion in 2006. In 2006, our newly acquired cable systems contributed approximately \$400 million of our increases in selling general and administrative expenses. The remaining increases in 2006 were primarily a result of growth in the number

of subscribers to our cable services, which required additional employees to handle customer service, marketing and other administrative costs. The increase in 2005 was primarily a result of the launch of Comcast Digital Voice, the deployment of digital simulcasting and the implementation of a new provisioning system.

### Programming Segment Overview

Our Programming segment consists of our consolidated national programming networks:

Programming Network	Approximate U.S. Subscribers (in millions)	Description
E!	81	Pop culture and entertainment-related programming
Style	37	Lifestyle-related programming
The Golf Channel	63	Golf and golf-related programming
VERSUS	61	Sports and leisure programming
G4	53	Gamer lifestyle programming
AZN Television	14	Asian American programming

We also own interests in MGM (20%), IN DEMAND (54%), TV One (33%), PBS KIDS Sprout (40%), FEARnet (33%) and ExerciseTV (55%). The operating results of these entities are not included in our Programming segment's operating results as they are presented in equity in net (losses) income of affiliates, net or Corporate and Other activities.

### Programming Segment Results of Operations

Year Ended December 31 (in millions)	2006	2005	2004	% Change 2005 to 2006	% Change 2004 to 2005
<b>Revenues</b>	<b>\$1,053</b>	\$919	\$787	<b>14.6%</b>	16.7%
Operating, selling, general and administrative expenses	812	647	518	25.6	24.7
Operating income before depreciation and amortization	\$ 241	\$272	\$269	(11.4)%	1.3%

### Programming Segment Revenues

Revenues from our Programming segment are earned primarily from the sale of advertising time and from monthly per subscriber license fees paid by cable and satellite distributors. Programming revenues for 2006 and 2005 increased as a result of increases in advertising and license fee revenues. For 2006, 2005 and 2004, approximately 11% to 12% of our Programming segment revenues were generated from our Cable segment and are eliminated in our consolidated financial statements, but are included in the amounts presented above.

### Programming Segment Operating, Selling, General and Administrative Expenses

Operating, selling, general and administrative expenses consist mainly of the cost of producing television programs and live events, the purchase of programming rights, marketing and promoting our programming networks, and administrative costs. Programming expenses for 2006 and 2005 increased as a result of an increase in production and programming rights costs for new and live event programming for our programming networks, including the NHL on VERSUS, and a corresponding increase in marketing expenses for this programming. The full-year impact of our 2004 acquisitions of TechTV and AZN Television also contributed to the growth in

2005 expenses. We have and expect to continue to invest in new and live event programming, such as our recent rights agreement with the PGA TOUR, that will cause our Programming segment expenses to increase in the future.

### Consolidated Other Income (Expense) Items

Year Ended December 31 (in millions)	2006	2005	2004
Interest expense	<b>\$(2,064)</b>	\$(1,795)	\$(1,874)
Investment income (loss), net	990	89	472
Equity in net (losses) income of affiliates, net	(124)	(42)	(81)
Other income (expense)	173	(53)	397
<b>Total</b>	<b>\$(1,025)</b>	\$(1,801)	\$(1,086)

### Interest Expense

The increase in interest expense for 2006 from 2005 was primarily the result of an increase in our average debt outstanding and higher interest rates on our variable-rate debt, as well as \$57 million of gains recognized in 2005 in connection with the early extinguishment of some of our debt facilities. The decrease in interest expense for 2005

from 2004 was primarily the result of \$57 million of gains recognized in 2005 and \$69 million of losses recognized in 2004 in connection with the early extinguishment of some of our debt facilities, partially offset by the effects of higher interest rates on variable-rate debt in 2005.

#### **Investment Income (Loss), Net**

The components of investment income (loss), net for 2006, 2005 and 2004 are presented in a table in [Note 6](#) to our consolidated financial statements. In connection with the Adelphia and Time Warner transactions, we recognized gains of approximately \$646 million for the year ended December 31, 2006.

We have entered into derivative financial instruments that we account for at fair value and which economically hedge the market price fluctuations in the common stock of substantially all of our investments accounted for as trading securities. The differences between the unrealized gains (losses) on trading securities and the mark to market adjustments on derivatives related to trading securities, as presented in the table in [Note 6](#), result from one or more of the following:

- we did not maintain an economic hedge for our entire investment in the security during some or all of the period
- there were changes in the derivative valuation assumptions such as interest rates, volatility and dividend policy
- the magnitude of the difference between the market price of the underlying security to which the derivative relates and the strike price of the derivative
- the change in the time value component of the derivative value during the period
- the security to which the derivative relates changed due to a corporate reorganization of the issuing company to a security with a different volatility rate

#### **Equity in Net (losses) Income of Affiliates, Net**

The increase in equity in net losses of affiliates for 2006 from 2005 was primarily a result of other-than-temporary impairment charges recognized in 2006. The decrease in equity in net losses of affiliates for 2005 from 2004 was primarily a result of changes in the net income or loss of our equity investees.

#### **Other Income (Expense)**

Other income for 2006 consisted principally of \$170 million of gains on the sales of investment assets. Other expense for 2005 consisted principally of a \$170 million payment representing our share of the settlement amount related to certain of AT&T's litigation with At Home, partially offset by a \$24 million gain on the exchange of one of our equity method investments and \$62 million of gains recognized on the sale or restructuring of investment assets in 2005. Other income for 2004 consisted principally of the

\$250 million reduction in the estimated fair value liability associated with the securities litigation of an acquired company and the \$94 million gain recognized on the sale of our investment in DHC Ventures, LLC ("Discovery Health Channel").

#### **Income Tax Expense**

Our effective income tax rate was 37.5%, 50.7% and 45.9% for 2006, 2005 and 2004, respectively. Tax expense reflects an effective income tax rate that differs from the federal statutory rate primarily as a result of state income taxes and adjustments to prior year accruals, including related interest. Adjustments to prior year accruals in 2006 are principally related to the favorable resolution of issues and revised estimates of the outcome of unresolved issues with various taxing authorities.

#### **Discontinued Operations**

The operating results of our previously owned cable systems located in Los Angeles, Dallas and Cleveland, reported as discontinued operations for 2006, include seven months of operations, as the closing date of the transaction was July 31, 2006. For 2005 and 2004, results include 12 months of operations. As a result of the exchange transaction, we recognized a gain on the sale of these systems of \$195 million, net of tax of \$541 million (see [Note 5](#)). The effective tax rate on the gain is higher than the federal statutory rate primarily as a result of the nondeductible amounts attributed to goodwill.

#### **Liquidity and Capital Resources**

As we describe further below, 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 flow 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 amounted to \$6.618 billion for 2006, primarily as a result of our operating income before depreciation and amortization, the timing of interest and income tax payments, and changes in other operating assets and liabilities.

#### **Financing Activities**

Net cash provided by financing activities was \$3.546 billion for 2006, and consisted principally of our proceeds from borrowings of



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\$7.497 billion, partially offset by our debt repayments of \$2.039 billion, and our repurchase of approximately 113 million shares of our Class A Special common stock at a weighted-average share price of \$20.76 for \$2.347 billion (recognized on a settlement date or cash basis and adjusted to reflect the Stock Split). We have made, and may from time to time in the future make, optional repayments on our debt obligations, which may include repurchases of our outstanding public notes and debentures, depending on various factors, such as market conditions. See Note 8 to our consolidated financial statements for further discussion of our financing activities, including details of our debt repayments and borrowings.

**Available Borrowings Under Credit Facilities**

We traditionally maintain significant availability under lines of credit and our commercial paper program to meet our short-term liquidity requirements. As of December 31, 2006, amounts available under these facilities totaled \$4.464 billion.

**Debt Covenants**

We and our cable subsidiaries that have provided guarantees (see Note 8) are subject to the covenants and restrictions set forth in the indentures governing our public debt securities and in the credit agreement governing our bank credit facilities. We and the guarantors are in compliance with the covenants, and we believe that neither the covenants nor the restrictions in our indentures or loan documents will limit our ability to operate our business or raise additional capital. Our covenants are tested on an ongoing basis. The only financial covenant in our \$5.0 billion revolving credit facility relates to leverage (ratio of debt to operating income before depreciation and amortization), which we met by a significant margin as of December 31, 2006. Our ability to comply with this financial covenant in the future does not depend on further debt reduction or on improved operating results.

**Share Repurchase Program**

As of December 31, 2006, the maximum dollar value of shares remaining that may be repurchased under our Board-authorized share repurchase program was approximately \$3 billion. We expect such repurchases to continue from time to time in the open market or in private transactions, subject to market conditions.

**SHARE REPURCHASES**  
(in billions)



**Investing Activities**

Net cash used in investing activities was \$9.872 billion for 2006 and consists principally of cash paid for acquisitions of \$5.110 billion (primarily related to the Adelphia transaction, Susquehanna Communications acquisition and the acquisition of our additional interest in E! Entertainment Television), capital expenditures of \$4.395 billion, and investments of \$2.812 billion (primarily related to our interest in SpectrumCo and the additional funding related to the dissolution of TKCCP). These cash outflows were partially offset by proceeds from sales, settlements and restructuring of investments of \$2.720 billion (primarily related to our disposition of our ownership interest in TWE and TWC).

Refer to Notes 5, 6 and 7 to our consolidated financial statements for a discussion of our acquisitions and other significant events, investments, and our intangible assets, respectively.

**Capital Expenditures**

Our most significant recurring investing activity has been capital expenditures, and we expect that this will continue in the future. The following chart illustrates the capital expenditures we incurred in our Cable segment from 2004 through 2006:

**CABLE CAPITAL EXPENDITURES**  
(in billions)



In 2006, approximately 75% of Cable capital expenditures were variable and directly associated with continued and growing demand for our existing and new products and services, which leads to increases in RGUs. The amounts of capital expenditures in our Programming segment and our other business activities have not been significant and have been relatively stable from 2004 through 2006. The amounts of our capital expenditures for 2007 and for subsequent years will depend on numerous factors, including acquisitions, competition, changes in technology and the timing and rate of deployment of new services.

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### Interest Rate Risk Management

We maintain a mix of fixed and variable-rate debt. Approximately 94% of our total debt of \$28.975 billion is at fixed rates with the remaining at variable rates. We are exposed to the market risk of adverse changes in interest rates. In order to manage the cost and volatility relating to the interest cost of our outstanding debt, we enter into various interest rate risk management derivative transactions pursuant to our policies.

We monitor our interest rate risk exposures using techniques that include market value and sensitivity analyses. We do not hold or issue any derivative financial instruments for speculative purposes and we are not a party to any leveraged derivative instruments.

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.

Our interest rate derivative financial instruments, which can include swaps, rate locks, caps and collars, represent an integral part of our interest rate risk management program. Our interest rate derivative financial instruments reduced the portion of our total debt at fixed-rates from 94% to 83% as of December 31, 2006. The effect of our interest rate derivative financial instruments increased our interest expense by approximately \$39 million in 2006, and decreased our interest expense by approximately \$16 million and \$66 million in 2005 and 2004, respectively. Interest rate risk management instruments may have a significant effect on our interest expense in the future.

The table set forth below summarizes the fair values and contract terms of financial instruments subject to interest rate risk maintained by us as of December 31, 2006:

(in millions)	2007	2008	2009	2010	2011	Thereafter	Total	Fair Value 12/31/06
Debt								
Fixed-Rate	\$ 908	\$1,474	\$ 990	\$1,109	\$1,741	\$ 20,982	\$27,204	\$ 28,923
Average Interest Rate	8.3%	7.3%	7.5%	5.7%	6.4%	7.2%	7.2%	
Variable-Rate	\$ 75	\$ 194	\$1,259	\$ 211	\$ 26	\$ 6	\$ 1,771	\$ 1,771
Average Interest Rate	5.8%	5.5%	5.3%	5.1%	5.9%	6.8%	5.3%	
Interest Rate Instruments <sup>(a)</sup>								
Fixed to Variable Swaps	\$ —	\$ 600	\$ 750	\$ 200	\$ 750	\$ 900	\$ 3,200	\$ (103)
Average Pay Rate	—%	7.2%	7.0%	6.1%	6.1%	5.4%	6.3%	
Average Receive Rate	—%	6.2%	6.9%	5.9%	5.5%	5.3%	5.9%	

(a) We did not have any variable to fixed swaps as of December 31, 2006.

We use the notional amounts on the instruments to calculate the interest to be paid or received. The notional amounts do not represent the amount of our exposure to credit loss. The estimated fair value approximates the payments necessary to settle the outstanding contracts. We estimate interest rates on variable debt using the average implied forward London Interbank Offered Rate ("LIBOR") rates for the year of maturity based on the yield curve in effect on December 31, 2006, plus the applicable margin in effect on December 31, 2006. We estimate the floating rates on our swaps using the average implied forward LIBOR for the year of maturity based on the yield curve in effect on December 31, 2006.

As a matter of practice, we typically do not structure our financial contracts to include credit-ratings-based triggers that could affect our liquidity. In the ordinary course of business, some of our swaps could be subject to termination provisions if we do not

maintain investment grade credit ratings. As of December 31, 2006, and 2005, the estimated fair value of those swaps was a liability of \$60 million and \$69 million, respectively. The amount to be paid or received upon termination, if any, would be based upon the fair value of those outstanding contracts at that time.

### Equity Price Risk Management

We are exposed to the market risk of changes in the equity prices of our investments in marketable securities. We enter into various derivative transactions pursuant to our policies to manage the volatility relating to these exposures.

Through market value and sensitivity analyses, we monitor our equity price risk exposures to ensure that the instruments are matched with the underlying assets or liabilities, reduce our risks relating to equity prices and maintain a high correlation to the risk inherent in the hedged item.

To limit our exposure to and benefits from price fluctuations in the common stock of some of our investments, we use equity derivative financial instruments. These derivative financial instruments include equity collar agreements, prepaid forward sales agreements and indexed or exchangeable debt instruments and are accounted for at fair value.

## [Table of Contents](#)

Except as described in “ [Investment Income \(Loss\), Net](#)” (see above), the changes in the fair value of our investments that we accounted for as trading securities were substantially offset by the changes in the fair values of the equity derivative financial instruments.

Refer to [Note 2](#) to our consolidated financial statements for a discussion of our accounting policies for derivative financial instruments and to [Note 6](#) and [Note 8](#) to our consolidated financial statements for discussions of our derivative financial instruments.

## [Contractual Obligations](#)

Our unconditional contractual obligations as of December 31, 2006, which consist primarily of our debt obligations and their amounts in future periods, are summarized in the following table:

(in millions)	Payments Due by Period				
	Total	Year 1	Years 2 – 3	Years 4 – 5	More than 5
Debt obligations <sup>(a)</sup>	\$28,909	\$ 962	\$3,900	\$3,079	\$ 20,968
Capital lease obligations	66	21	17	8	20
Operating lease obligations	1,614	292	491	253	578
Purchase obligations <sup>(b)</sup>	12,068	3,809	3,056	2,150	3,053
Other long-term liabilities reflected on the balance sheet:					
Acquisition-related obligations <sup>(c)</sup>	364	271	75	11	7
Other long-term obligations <sup>(d)</sup>	4,361	283	449	207	3,422
Total	\$47,382	\$5,638	\$7,989	\$5,707	\$ 28,048

Refer to [Note 8](#) (long-term debt) and [Note 13](#) (commitments) to our consolidated financial statements.

(a) Excludes interest payments.

(b) Purchase obligations consist of agreements to purchase goods and services that are legally binding on us and specify all significant terms, including fixed or minimum quantities to be purchased and price provisions. Our purchase obligations primarily relate to our Cable segment, including contracts with programming networks, customer premise equipment manufacturers, communication vendors, other cable operators for which we provide advertising sales representation, and other contracts entered into in the normal course of business. We also have purchase obligations through Comcast Spectacor for the players and coaches of our professional sports teams. We did not include contracts with immaterial future commitments.

(c) Acquisition-related obligations consist primarily of costs related to terminated employees, costs relating to exiting contractual obligations, and other assumed contractual obligations of the acquired entity.

(d) Other long-term obligations consist primarily of our prepaid forward sales transactions of equity securities we hold, subsidiary preferred shares, deferred compensation obligations, pension, postretirement and postemployment benefit obligations, and programming rights payable under license agreements.

## [Off-Balance Sheet Arrangements](#)

We do not have any significant off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

## [Critical Accounting Judgments and Estimates](#)

The preparation of our 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. Management has discussed the development and selection of these critical accounting judgments and estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed our disclosures relating to them presented below.

Refer to [Note 2](#) to our consolidated financial statements for a discussion of our accounting policies with respect to these and other items.

### **Valuation and Impairment Testing of Cable Franchise Rights**

Our largest asset, our cable franchise rights, results from agreements we have with state and local governments that allow us to construct and operate a cable business within a specified geographic area. The value of a franchise is derived from the economic



benefits we receive from the right to solicit new subscribers and to market new services such as additional digital cable services, high speed Internet and phone services in a particular service area. The amounts we record for cable franchise rights are primarily the result of cable system acquisitions. Typically when we acquire a cable system, the most significant asset we record is the value of the franchise intangible. Often these cable system acquisitions include multiple franchise areas. We currently serve approximately 6,000 franchise areas in the United States.

We have concluded that our cable franchise rights have an indefinite useful life since there are no legal, regulatory, contractual, competitive, economic or other factors which limit the period over which these rights will contribute to our cash flows. Accordingly, we do not amortize our cable franchise rights but assess the carrying value of our cable franchise rights annually, or more frequently whenever events or changes in circumstances indicate that the carrying amount may exceed its fair value (the "impairment test") in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets."

If we determine the value of our cable franchise rights 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. For the purpose of our impairment testing, we have grouped 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 estimate the fair value of our cable franchise rights primarily based on a discounted cash flow analysis that involves significant judgment in developing individual assumptions for each of the geographic regions, including long-term growth rate and discount rate assumptions. We have not recorded any significant impairment charges as a result of our impairment testing.

We could record impairment charges in the future if there are changes in market conditions, operating results, federal or state regulations, or groupings of the geographic regions in which we test for impairment, in any such case that prevent us from recovering the carrying value of these cable franchise rights. At our last impairment test date, the amounts by which the estimated fair value of our cable franchise rights exceeded the carrying value for our geographic regions ranged from zero to in excess of \$2.0 billion. A 10% decline in the estimated fair value of the cable franchise rights for each of these regions would result in an impairment in three of these regions and an impairment charge of approximately \$540 million.

#### **Income Taxes**

Our provision for income taxes is based on our current period income, changes in deferred income tax assets and liabilities, income tax rates and tax planning opportunities available in the jurisdictions in which we operate. From time to time, we engage

in transactions in which the tax consequences may be subject to uncertainty. Examples of such transactions include business acquisitions and disposals, including like-kind exchanges of cable systems, issues related to consideration paid or received in connection with acquisitions, and certain financing transactions. Significant judgment is required in assessing and estimating the tax consequences of these transactions. We prepare and file tax returns based on our interpretation of tax laws and regulations, and we record estimates based on these judgments and interpretations.

In the normal course of business, our tax returns are subject to examination by various taxing authorities. Such examinations may result in future tax and interest assessments by these taxing authorities. We adjust our estimates periodically because of ongoing examinations by and settlements with the various taxing authorities, as well as changes in tax laws, regulations and precedent. The effects on our financial statements of income tax uncertainties that arise in connection with business combinations and those associated with entities acquired in business combinations are discussed in [Note 2](#) to our consolidated financial statements. The consolidated tax provision of any given year includes adjustments to prior year income tax accruals that are considered appropriate and any related estimated interest. We believe that adequate accruals have been made for income taxes. 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 flow of any one period.

#### **Legal Contingencies**

We are subject to legal, regulatory and other proceedings and claims that arise in the ordinary course of our business and, in certain cases, those that we assume from an acquired entity in a business combination. We record an estimated liability for those proceedings and claims arising in the ordinary course of business based upon the probable and reasonably estimable criteria contained in SFAS No. 5, "Accounting for Contingencies." For those litigation contingencies assumed in a business combination, we record a liability based on estimated fair value when we can determine such fair value. We review outstanding claims with internal as well as external counsel to assess the probability and the estimates of loss. We reassess the risk of loss as new information becomes available, and we adjust liabilities as appropriate. The actual cost of resolving a claim may be substantially different from the amount of the liability recorded. 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 flow of any one period.

## Report of Management

### Management's Report on Financial Statements

Our management is responsible for the preparation, integrity and fair presentation of information in our consolidated financial statements, including estimates and judgments. The consolidated financial statements presented in this report have been prepared in accordance with accounting principles generally accepted in the United States. Our management believes the consolidated financial statements and other financial information included in this report fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in this report. The consolidated financial statements have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

### Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets.
- Provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal controls over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that our system of internal control over financial reporting was effective as of December 31, 2006. Our management's assessment of the effectiveness of our internal control over financial reporting has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

### Audit Committee Oversight

The Audit Committee of the Board of Directors, which is comprised solely of independent directors, has oversight responsibility for our financial reporting process and the audits of our consolidated financial statements and internal control over financial reporting. The Audit Committee meets regularly with management and with our internal auditors and independent registered public accounting firm (collectively, the "auditors") to review matters related to the quality and integrity of our financial reporting, internal control over financial reporting (including compliance matters related to our Code of Ethics and Business Conduct), and the nature, extent, and results of internal and external audits. Our auditors have full and free access and report directly to the Audit Committee. The Audit Committee recommended, and the Board of Directors approved, that the audited consolidated financial statements be included in this Annual Report.



**Brian L. Roberts**  
Chairman and CEO



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



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



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

## Report of Independent Registered Public Accounting Firm

### Board of Directors and Stockholders Comcast Corporation Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheet of Comcast Corporation and subsidiaries (the "Company") as of December 31, 2006 and 2005, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2006. We also have audited management's assessment, included under the caption *Management's Report on Internal Control Over Financial Reporting*, that the Company maintained effective internal control over financial reporting as of December 31, 2006, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on these financial statements, an opinion on management's assessment, and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Comcast Corporation and subsidiaries as of December 31, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of December 31, 2006, is fairly stated, in all material respects, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2006, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

As discussed in Note 10 to the consolidated financial statements, the Company adopted Statement of Financial Accounting Standards No. 123R, "Share Based Payments," effective January 1, 2006.



**Deloitte & Touche LLP**  
Philadelphia, Pennsylvania  
February 23, 2007

## Consolidated Balance Sheet

December 31 (in millions, except share data)

	2006	2005
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,239	\$ 947
Investments	1,735	148
Accounts receivable, less allowance for doubtful accounts of \$157 and \$ 132	1,450	1,008
Other current assets	778	685
Current assets of discontinued operations	—	60
<b>Total current assets</b>	<b>5,202</b>	<b>2,848</b>
Investments	8,847	12,675
Property and equipment, net of accumulated depreciation of \$15,506 and \$ 12,079	21,248	17,704
Franchise rights	55,927	48,804
Goodwill	13,768	13,498
Other intangible assets, net of accumulated amortization of \$5,543 and \$ 4,635	4,881	3,118
Other noncurrent assets, net	532	635
Noncurrent assets of discontinued operations, net	—	4,118
	<b>\$110,405</b>	<b>\$103,400</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses related to trade creditors	\$ 2,862	\$ 2,239
Accrued salaries and wages	453	360
Other current liabilities	2,579	2,122
Deferred income taxes	563	2
Current portion of long-term debt	983	1,689
Current liabilities of discontinued operations	—	112
<b>Total current liabilities</b>	<b>7,440</b>	<b>6,524</b>
Long-term debt, less current portion	27,992	21,682
Deferred income taxes	27,089	27,370
Other noncurrent liabilities	6,476	6,920
Noncurrent liabilities of discontinued operations	—	28
Minority interest	241	657
Commitments and contingencies ( <a href="#">Note 13</a> )		
<b>Stockholders' equity</b>		
Preferred stock — authorized 20,000,000 shares; issued, zero	—	—
Class A common stock, \$0.01 par value — authorized, 7,500,000,000 shares; issued, 2,425,818,710 and 2,410,511,727; outstanding, 2,060,357,960, and 2,045,050,977	24	24
Class A Special common stock, \$0.01 par value — authorized, 7,500,000,000 shares; issued 1,120,659,771 and 1,224,368,823; outstanding, 1,049,725,007 and 1,153,434,059	11	12
Class B common stock, \$0.01 par value — authorized, 75,000,000 shares; issued and outstanding, 9,444,375	—	—
Additional capital	42,401	42,989
Retained earnings	6,214	4,825
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)	34	(114)
<b>Total stockholders' equity</b>	<b>41,167</b>	<b>40,219</b>
	<b>\$110,405</b>	<b>\$103,400</b>

See notes to consolidated financial statements.

## Consolidated Statement of Operations

Year Ended December 31 (in millions, except per share data)

	2006	2005	2004
<b>Revenues</b>	<b>\$24,966</b>	<b>\$21,075</b>	<b>\$19,221</b>
Costs and Expenses			
Operating (excluding depreciation)	9,010	7,513	7,036
Selling, general and administrative	6,514	5,490	5,005
Depreciation	3,828	3,413	3,197
Amortization	995	1,138	1,154
	<b>20,347</b>	<b>17,554</b>	<b>16,392</b>
<b>Operating income</b>	<b>4,619</b>	<b>3,521</b>	<b>2,829</b>
Other Income (Expense)			
Interest expense	(2,064)	(1,795)	(1,874)
Investment income (loss), net	990	89	472
Equity in net (losses) income of affiliates, net	(124)	(42)	(81)
Other income (expense)	173	(53)	397
	<b>(1,025)</b>	<b>(1,801)</b>	<b>(1,086)</b>
Income from continuing operations before income taxes and minority interest	<b>3,594</b>	<b>1,720</b>	<b>1,743</b>
Income tax expense	<b>(1,347)</b>	<b>(873)</b>	<b>(801)</b>
Income from continuing operations before minority interest	<b>2,247</b>	<b>847</b>	<b>942</b>
Minority interest	<b>(12)</b>	<b>(19)</b>	<b>(14)</b>
<b>Income from continuing operations</b>	<b>2,235</b>	<b>828</b>	<b>928</b>
Income from discontinued operations, net of tax	<b>103</b>	<b>100</b>	<b>42</b>
Gain on discontinued operations, net of tax	<b>195</b>	<b>—</b>	<b>—</b>
<b>Net Income</b>	<b>\$ 2,533</b>	<b>\$ 928</b>	<b>\$ 970</b>
<b>Basic earnings for common stockholders per common share</b>			
Income from continuing operations	\$ 0.71	\$ 0.25	\$ 0.28
Income from discontinued operations	0.03	0.03	0.01
Gain on discontinued operations	0.06	—	—
Net income	\$ 0.80	\$ 0.28	\$ 0.29
<b>Diluted earnings for common stockholders per common share</b>			
Income from continuing operations	\$ 0.70	\$ 0.25	\$ 0.28
Income from discontinued operations	0.03	0.03	0.01
Gain on discontinued operations	0.06	—	—
Net income	\$ 0.79	\$ 0.28	\$ 0.29

See notes to consolidated financial statements.

## Consolidated Statement of Cash Flows

Year Ended December 31 (in millions)	2006	2005	2004
<b>Operating Activities</b>			
Net income	\$ 2,533	\$ 928	\$ 970
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	3,828	3,413	3,197
Amortization	995	1,138	1,154
Depreciation and amortization of discontinued operations	139	253	272
Share-based compensation expenses	190	56	33
Noncash interest expense, net	99	8	33
Equity in net losses (income) of affiliates, net	124	42	81
(Gains) losses on investments and noncash other (income) expense, net	(979)	(54)	(703)
Gain on discontinued operations	(736)	—	—
Noncash contribution expense	33	10	25
Minority interest	12	19	14
Deferred income taxes	674	183	531
Proceeds from sales of trading securities	—	—	680
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:			
Change in accounts receivable, net	(357)	(97)	(54)
Change in accounts payable and accrued expenses related to trade creditors	560	(152)	(163)
Change in other operating assets and liabilities	(497)	(912)	12
<b>Net cash provided by (used in) operating activities</b>	<b>6,618</b>	<b>4,835</b>	<b>6,082</b>
<b>Financing Activities</b>			
Proceeds from borrowings	7,497	3,978	1,030
Retirements and repayments of debt	(2,039)	(2,706)	(2,323)
Repurchases of common stock	(2,347)	(2,313)	(1,361)
Issuances of common stock	410	93	113
Other	25	15	25
<b>Net cash provided by (used in) financing activities</b>	<b>3,546</b>	<b>(933)</b>	<b>(2,516)</b>
<b>Investing Activities</b>			
Capital expenditures	(4,395)	(3,621)	(3,660)
Cash paid for intangible assets	(306)	(281)	(615)
Acquisitions, net of cash acquired	(5,110)	(199)	(296)
Proceeds from sales and restructuring of investments	2,720	861	228
Purchases of investments	(2,812)	(306)	(156)
Proceeds from sales (purchases) of short-term investments, net	33	(86)	(13)
Proceeds from settlement of contract of acquired company	—	—	26
Other	(2)	(116)	(26)
<b>Net cash provided by (used in) investing activities</b>	<b>(9,872)</b>	<b>(3,748)</b>	<b>(4,512)</b>
Increase (decrease) in cash and cash equivalents	292	154	(946)
Cash and cash equivalents, beginning of year	947	793	1,739
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,239</b>	<b>\$ 947</b>	<b>\$ 793</b>

See notes to consolidated financial statements.

## Consolidated Statement of Stockholders' Equity

(in millions)	Common Stock Class				Accumulated Other Comprehensive Income (Loss)						Total
	A	Special	B	Additional Capital	Retained Earnings	Treasury Stock At Cost	Unrealized Gains (Losses)	Cumulative Translation Adjustments	Minimum Pension Liability		
Balance, January 1, 2004	\$24	\$ 14	\$—	\$ 44,729	\$ 4,552	\$ (7,517)	\$ (112)	\$ (28)	\$ —	\$41,662	
Comprehensive income:											
Net income					970						
Reclassification adjustments for losses included in net income, net of deferred taxes							1				
Cumulative translation adjustments								20			
Total comprehensive income										991	
Stock compensation plans				130	(73)					57	
Repurchase and retirement of common stock		(1)		(757)	(558)					(1,316)	
Employee stock purchase plan				28						28	
Balance, December 31, 2004	24	13	—	44,130	4,891	(7,517)	(111)	(8)	—	41,422	
Comprehensive income:											
Net income					928						
Unrealized gains on marketable securities, net of deferred taxes of \$ 11							20				
Reclassification adjustments for income included in net income, net of deferred taxes of \$ 2							(4)				
Minimum pension liability, net of deferred taxes of \$ 7									(12)		
Cumulative translation adjustments								1			
Total comprehensive income										933	
Stock compensation plans				120						120	
Repurchase and retirement of common stock		(1)		(1,294)	(994)					(2,289)	
Employee stock purchase plan				33						33	
Balance, December 31, 2005	24	12	—	42,989	4,825	(7,517)	(95)	(7)	(12)	40,219	
Comprehensive income:											
Net income					2,533						
Unrealized gains on marketable securities, net of deferred taxes of \$ 69							128				
Reclassification adjustments for income included in net income, net of deferred taxes of \$ 6							11				
Minimum pension liability, net of deferred taxes of \$ 4									7		
Cumulative translation adjustments								2			
Total comprehensive income										2,681	
Stock compensation plans				604	(33)					571	
Repurchase and retirement of common stock		(1)		(1,235)	(1,111)					(2,347)	
Employee stock purchase plan				43						43	
<b>Balance, December 31, 2006</b>	<b>\$24</b>	<b>\$ 11</b>	<b>\$—</b>	<b>\$ 42,401</b>	<b>\$ 6,214</b>	<b>\$ (7,517)</b>	<b>\$ 44</b>	<b>\$ (5)</b>	<b>\$ (5)</b>	<b>\$41,167</b>	

See notes to consolidated financial statements.



## Notes to Consolidated Financial Statements

### Note 1: Organization and Business

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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

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#### 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



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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**

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#### **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

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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.

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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.

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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
	<b>3,513</b>	3,147
Equity method, principally cable-related	<b>5,394</b>	2,823
Cost method, principally AirTouch as of December 31, 2006, and Time Warner Cable and AirTouch as of December 31, 2005	<b>1,675</b>	6,853
Total investments	<b>10,582</b>	12,823
Less current investments	<b>1,735</b>	148
Noncurrent investments	<b>\$ 8,847</b>	\$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
<b>Investment income (loss), net</b>	<b>\$ 990</b>	<b>\$ 89</b>	<b>\$ 472</b>

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
<b>Balance, December 31, 2006</b>	<b>\$12,010</b>	<b>\$ 1,441</b>	<b>\$ 317</b>	<b>\$13,768</b>

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)
<b>Total</b>		<b>\$10,424</b>	<b>\$ (5,543)</b>	<b>\$7,753</b>	<b>\$ (4,635)</b>

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 – 2097	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
<b>Total debt</b>		<b>28,975</b>	<b>23,371</b>
Less: current portion		983	1,689
<b>Long-term debt</b>		<b>\$27,992</b>	<b>\$21,682</b>

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 10 <sup>5</sup>/<sub>8</sub>% 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
	<b>\$7,485</b>

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 E! 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
	<b>\$1,607</b>

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
<b>As of December 31, 2006</b>					
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

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\$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.

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

## 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.

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 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 1/3% of the voting power of all of our common stock. The 33 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):

<b>Common Stock</b>	<b>Class A</b>	<b>Class A Special</b>	<b>Class B</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)	—
<b>Balance, December 31, 2006</b>	<b>2,060,357,960</b>	<b>1,049,725,007</b>	<b>9,444,375</b>

**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:

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

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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)
<b>Class A Common Stock</b>				
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
<b>Class A Special Common Stock</b>				
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



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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
<b>Class A Common Stock</b>		
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
<b>Class A Special Common Stock</b>		
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.

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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)
<b>Pro forma, net income</b>	<b>\$ 820</b>	<b>\$ 791</b>
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)
	<b>(964)</b>	<b>(713)</b>	<b>(328)</b>
Deferred (expense) benefit			
Federal	(301)	(66)	(536)
State	(82)	(94)	63
	<b>(383)</b>	<b>(160)</b>	<b>(473)</b>
<b>Income tax (expense) benefit</b>	<b>\$ (1,347)</b>	<b>\$ (873)</b>	<b>\$ (801)</b>

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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	<b>\$(1,258)</b>	\$(602)	\$(610)
State income taxes, net of federal benefit	<b>(132)</b>	(105)	(20)
Nondeductible losses from joint ventures and equity in net (losses) income of affiliates, net	<b>18</b>	(24)	(9)
Adjustments to prior year income tax accrual and related interest	<b>97</b>	(105)	(157)
Other	<b>(72)</b>	(37)	(5)
<b>Income tax (expense) benefit</b>	<b>\$(1,347)</b>	\$(873)	\$(801)

Our net deferred tax liability consists of the following components:

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

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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	<b>\$1,880</b>	\$1,809	\$1,898
Income taxes	<b>\$1,284</b>	\$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	<b>\$273</b>	\$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.



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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:

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(in millions)	Cable <sup>(a)(b)</sup>	Programming <sup>(c)</sup>	Corporate and Other <sup>(d)(e)</sup>	Eliminations <sup>(e)(f)</sup>	Total
<b>2006</b>					
Revenues <sup>(g)</sup>	\$24,100	\$ 1,053	\$ 355	\$ (542)	\$24,966
Operating income (loss) before depreciation and amortization <sup>(h)</sup>	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
<b>2005</b>					
Revenues <sup>(g)</sup>	\$19,987	\$ 919	\$ 315	\$ (146)	\$21,075
Operating income (loss) before depreciation and amortization <sup>(h)(i)</sup>	7,947	272	(302)	155	8,072
Depreciation and amortization	4,346	154	71	(20)	4,551
Operating income (loss) <sup>(i)</sup>	3,601	118	(373)	175	3,521
Capital Expenditures	3,409	16	38	158	3,621
<b>2004</b>					
Revenues <sup>(g)</sup>	\$18,230	\$ 787	\$ 332	\$ (128)	\$19,221
Operating income (loss) before depreciation and amortization <sup>(h)(i)</sup>	6,940	269	(310)	281	7,180
Depreciation and amortization	4,102	162	105	(18)	4,351
Operating income (loss) <sup>(i)</sup>	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
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

(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
<b>Total</b>	<b>\$166</b>	<b>\$283</b>



Note 15: Quarterly Financial Information (Unaudited)

(in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
<b>2006</b>					
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 <sup>(a)</sup>	2,235
Income from discontinued operations	28	61	14	—	103
Gain on discontinued operations	—	—	234	(39) <sup>(a)</sup>	195
Net income	\$ 466	\$ 460	\$1,217	\$ 390	\$ 2,533
Basic earnings for common stockholders per common share <sup>(c)</sup>					
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	(0.01)	0.06
Net income	\$ 0.15	\$ 0.15	\$ 0.38	\$ 0.13	\$ 0.80
Diluted earnings for common stockholders per common share <sup>(c)</sup>					
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
<b>2005</b>					
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 <sup>(b)</sup>	\$ 928
Basic earnings for common stockholders per common share <sup>(c)</sup>					
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 <sup>(c)</sup>					
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. ("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 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<sup>5/8</sup>% 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	CCCH Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Assets</b>								
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
<b>Total current assets</b>	<b>92</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>5,109</b>	<b>—</b>	<b>5,202</b>
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
<b>Total assets</b>	<b>\$ 62,907</b>	<b>\$ 31,169</b>	<b>\$ 37,778</b>	<b>\$ 41,151</b>	<b>\$ 24,015</b>	<b>\$ 111,946</b>	<b>\$ (198,561)</b>	<b>\$ 110,405</b>
<b>Liabilities and Stockholders' Equity</b>								
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
<b>Total current liabilities</b>	<b>627</b>	<b>847</b>	<b>83</b>	<b>348</b>	<b>69</b>	<b>5,466</b>	<b>—</b>	<b>7,440</b>
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
<b>Total stockholders' equity</b>	<b>41,167</b>	<b>25,879</b>	<b>34,197</b>	<b>37,757</b>	<b>22,300</b>	<b>78,428</b>	<b>(198,561)</b>	<b>41,167</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 62,907</b>	<b>\$ 31,169</b>	<b>\$ 37,778</b>	<b>\$ 41,151</b>	<b>\$ 24,015</b>	<b>\$ 111,946</b>	<b>\$ (198,561)</b>	<b>\$ 110,405</b>

**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
<b>Assets</b>								
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
<b>Total current assets</b>	<b>16</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,832</b>	<b>—</b>	<b>2,848</b>
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
<b>Total assets</b>	<b>\$ 53,252</b>	<b>\$ 29,583</b>	<b>\$ 36,067</b>	<b>\$ 40,482</b>	<b>\$ 22,792</b>	<b>\$ 104,110</b>	<b>\$ (182,886)</b>	<b>\$ 103,400</b>
<b>Liabilities and Stockholders' Equity</b>								
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
<b>Total current liabilities</b>	<b>447</b>	<b>844</b>	<b>113</b>	<b>1,122</b>	<b>89</b>	<b>3,909</b>	<b>—</b>	<b>6,524</b>
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
<b>Stockholders' Equity</b>								
Common stock	36	—	—	—	—	—	—	36
Other stockholders' equity	40,183	23,697	32,456	36,042	20,861	69,830	(182,886)	40,183
<b>Total stockholders' equity</b>	<b>40,219</b>	<b>23,697</b>	<b>32,456</b>	<b>36,042</b>	<b>20,861</b>	<b>69,830</b>	<b>(182,886)</b>	<b>40,219</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 53,252</b>	<b>\$ 29,583</b>	<b>\$ 36,067</b>	<b>\$ 40,482</b>	<b>\$ 22,792</b>	<b>\$ 104,110</b>	<b>\$ (182,886)</b>	<b>\$ 103,400</b>

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**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
<b>Revenues</b>								
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
<b>Costs and Expenses</b>								
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
<b>Other Income (Expense)</b>								
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
<b>Net Income</b>	<b>\$ 2,533</b>	<b>\$ 1,252</b>	<b>\$ 1,689</b>	<b>\$ 1,900</b>	<b>\$ 1,244</b>	<b>\$ 3,512</b>	<b>\$ (9,597)</b>	<b>\$ 2,533</b>

Notes to Consolidated Financial Statements Comcast 2006 Annual Report

**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
<b>Revenues</b>								
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
<b>Costs and Expenses</b>								
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
<b>Other Income (Expense)</b>								
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
<b>Net Income</b>	\$ 928	\$ 1,062	\$ 391	\$ 605	\$ 888	\$ 1,904	\$ (4,850)	\$ 928

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**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
<b>Revenues</b>								
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
<b>Costs and Expenses</b>								
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
<b>Other Income (Expense)</b>								
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
<b>Net Income</b>	\$ 970	\$ 862	\$ 84	\$ 310	\$ 986	\$ 1,667	\$ (3,909)	\$ 970

Notes to Consolidated Financial Statements Comcast 2006 Annual Report

**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
<b>Operating Activities</b>								
Net cash provided by (used in) operating activities	\$ 90	\$ (240)	\$ (226)	\$ (224)	\$ 20	\$ 7,198	\$ —	\$ 6,618
<b>Financing Activities</b>								
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
<b>Investing Activities</b>								
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
<b>Cash and cash equivalents, end of year</b>	<b>\$ 77</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,162</b>	<b>\$ —</b>	<b>\$ 1,239</b>



**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
<b>Operating Activities</b>								
Net cash provided by (used in) operating activities	\$ 61	\$ (256)	\$ (204)	\$ (387)	\$ (110)	\$ 5,731	\$ —	\$ 4,835
<b>Financing Activities</b>								
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)
<b>Investing Activities</b>								
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
<b>Cash and cash equivalents, end of year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 947</b>	<b>\$ —</b>	<b>\$ 947</b>

Notes to Consolidated Financial Statements Comcast 2006 Annual Report

**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
<b>Operating Activities</b>								
Net cash provided by (used in) operating activities	\$ 482	\$ (143)	\$ (155)	\$ (478)	\$ 8	\$ 6,368	\$ —	\$ 6,082
<b>Financing Activities</b>								
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)
<b>Investing Activities</b>								
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
<b>Cash and cash equivalents, end of year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 793</b>	<b>\$ —</b>	<b>\$ 793</b>

## 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 <sup>(a)</sup>	\$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 <sup>(a)</sup>	\$ 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 <sup>(a)</sup>	Cable Pro Forma	Pro Forma % Growth	% Growth
<b>2006</b>					
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		
<b>2005</b>					
Revenue	\$19,987	\$ 3,569	\$23,556		
Operating Expenses (excluding depreciation and amortization)	11,924	2,384	14,308		
Stock option adjustment <sup>(b)</sup>	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).

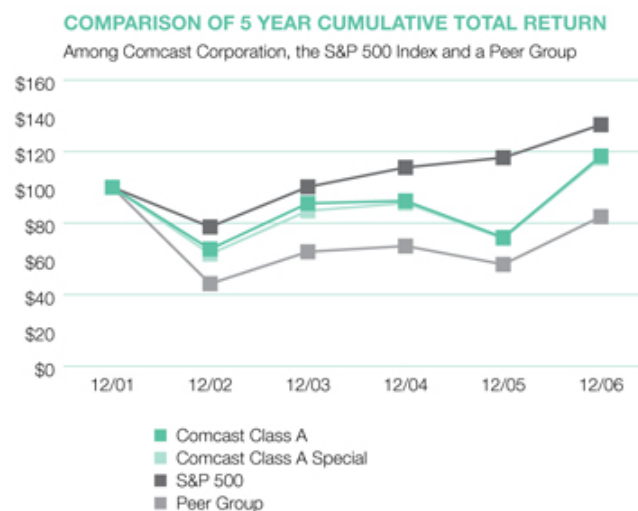
	Class A		Class A Special	
	High	Low	High	Low
<b>2006</b>				
First Quarter	<b>\$18.97</b>	<b>\$16.90</b>	<b>\$18.87</b>	<b>\$16.73</b>
Second Quarter	<b>22.37</b>	<b>17.45</b>	<b>22.27</b>	<b>17.33</b>
Third Quarter	<b>24.77</b>	<b>20.67</b>	<b>24.74</b>	<b>20.64</b>
Fourth Quarter	<b>28.94</b>	<b>24.17</b>	<b>28.69</b>	<b>24.14</b>
<b>2005</b>				
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.



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

## Selected Financial Data

Year Ended December 31 (in millions, except per share data)	2006	2005	2004	2003	2002
<b>Statement of Operations Data</b>					
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 <sup>(a)(b)</sup>	298	100	42	3,462	178
Net income (loss)	2,533	928	970	3,240	(274)
<b>Basic earnings (loss) for common stockholders per common share<sup>(c)</sup></b>					
Income (loss) from continuing operations	\$ 0.71	\$ 0.25	\$ 0.28	\$ (0.07)	\$ (0.27)
Discontinued operations <sup>(a)(b)</sup>	0.09	0.03	0.01	1.02	0.11
<b>Net income (loss)</b>	<b>\$ 0.80</b>	<b>\$ 0.28</b>	<b>\$ 0.29</b>	<b>\$ 0.95</b>	<b>\$ (0.16)</b>
<b>Diluted earnings (loss) for common stockholders per common share<sup>(c)</sup></b>					
Income (loss) from continuing operations	\$ 0.70	\$ 0.25	\$ 0.28	\$ (0.07)	\$ (0.27)
Discontinued operations <sup>(a)(b)</sup>	0.09	0.03	0.01	1.02	0.11
<b>Net income (loss)</b>	<b>\$ 0.79</b>	<b>\$ 0.28</b>	<b>\$ 0.29</b>	<b>\$ 0.95</b>	<b>\$ (0.16)</b>
<b>Balance Sheet Data (at year end)</b>					
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
<b>Statement of Cash Flows Data</b>					
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 Mikaluskas**  
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](http://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](http://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](http://www.cmcsa.com) or [www.cmcsk.com](http://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](http://www.cmcsa.com) or [www.cmcsk.com](http://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](http://www.cmcsa.com) or [www.cmcsk.com](http://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](http://www.comcast.com)

CO-AR-07

<u>Entity Name</u>	<u>Org State</u>
ABB MOG-WM, Inc.	CO
ABB RFL, LLC	DE
ABB TS Assets, LLC	DE
Alabama T. V. Cable, Inc.	AL
American Microwave & Communications, Inc.	MI
American Televenture of Minersville, Inc.	CO
Atlantic American Cablevision of Florida, LLC	FL
Atlantic American Cablevision, LLC	DE
Atlantic American Holdings, Inc.	FL
Atlantic Cablevision of Florida, Inc.	DE
Bay Area Interconnect	CA
Beatrice Cable TV Company	NE
Box Office Enterprises, Inc.	CT
Brigand Pictures, Inc.	DE
BroadNet Austria GmbH	Austria
BroadNet Belgium S.A.	Belgium
BroadNet Czech a.s.	Czech Republic
BroadNet Danmark ApS	Denmark
BroadNet Europe SPRL	Belgium
BroadNet France S.A.S.	France
BroadNet Hellas S.A.	Greece
BroadNet Holdings, B.V.	The Netherlands
BroadNet Italy SPA	Italy
BroadNet Magyarország Kft	Hungary
BroadNet Norge A.S.	Norway
BroadNet Slovakia s.r.o.	Slovakia
BroadNet Suisse A.S.	Switzerland
BroadNet UK Ltd.	UK
C Spectrum Investment, LLC	DE
Cable Accounting, Inc.	CO
Cable Enterprises, Inc.	DE
Cable Programming Ventures, LLC	DE
Cable Sports Southeast, LLC	DE
Cable Television Advertising Group, Inc.	WY
Cable Television of Gary, Inc.	IN
Cablevision Associates of Gary Joint Venture	IN
Cablevision Investment of Detroit, Inc.	MI
Cablevision of Arcadia/Sierra Madre, Inc.	DE
CATV Facility Co., Inc.	CO
CCC-NJFT, Inc.	CO
CCF Management Services, Inc.	DE
Century-TCI California Communications, L.P.	DE
Century-TCI Holdings, LLC	DE
CIC Development Corp.	DE
Classic Services, Inc.	DE
Clinton Cable TV Investors, Inc.	MI
Clinton TV Cable Company, LLC	IA
Coastal Cable TV, Inc.	CT
Colorado Terrace Tower II Corporation	CO

COM Indiana, LLC

DE

COM Indianapolis, LLC

DE

COM Inkster, Inc.	MI
COM MH, LLC	DE
COM South, LLC	CO
COM Sports Ventures, Inc.	DE
Comcast 38GHZ, Inc.	DE
Comcast A/TW Note Holdings, Inc.	DE
Comcast ABB Business Services, Inc.	CO
Comcast ABB Cablevision V, Inc.	IA
Comcast ABB CSC Holdings, Inc.	DE
Comcast ABB CSC II, Inc.	DE
Comcast ABB HCI, LLC	IA
Comcast ABB Holdings I, Inc.	DE
Comcast ABB Holdings II, Inc.	DE
Comcast ABB LCI, Inc.	DE
Comcast ABB Management Corporation	CO
Comcast ABB Network Solutions, Inc.	CO
Comcast ABB NOC, LLC	DE
Comcast ABB Note Consolidation, Inc.	DE
Comcast ABB of Clinton	IA
Comcast ABB of Georgia II, LLC	GA
Comcast ABB of Kiowa, LLC	CO
Comcast ABB of Mississippi/Iowa, LLC	DE
Comcast ABB of Payette, Inc.	OR
Comcast ABB Optionee Payroll, LLC	DE
Comcast ABB Overseas Holdings I, LLC	DE
Comcast ABB Overseas Holdings II, LLC	DE
Comcast ABB Overseas Holdings, Inc.	DE
Comcast ABB USC, LLC	DE
Comcast Argentina, Inc.	DE
Comcast ASBC, Inc.	DE
Comcast Brazil, Inc.	DE
Comcast BroadNet Payroll Services, Inc.	DE
Comcast Business Communications of Virginia, LLC	VA
Comcast Business Communications, LLC	PA
Comcast Cable Communications Holdings, Inc.	DE
Comcast Cable Communications Holdings, LLC	DE
Comcast Cable Communications Management, LLC	DE
Comcast Cable Communications, LLC	DE
Comcast Cable Funding	DE
Comcast Cable Funding GP, Inc.	DE
Comcast Cable Funding I, Inc.	DE
Comcast Cable Holdings, LLC	DE
Comcast Cable of Indiana, Inc.	DE
Comcast Cable of Indiana/Michigan/Texas I, LLC	TX
Comcast Cable of Maryland, Inc.	DE
Comcast Cable SC Investment, Inc.	DE
Comcast Cable Trust I	DE
Comcast Cable Trust II	DE
Comcast Cable Trust III	DE
Comcast Cablevision Communications, Inc.	DE

Comcast Cablevision of Baltimore City GP, Inc.

DE

Comcast Cablevision of Garden State, Inc.

DE

Comcast Cablevision of Philadelphia Area I, LLC	PA
Comcast Cablevision of Southeast Michigan, Inc.	DE
Comcast Capital Corporation	DE
Comcast CCH Subsidiary Holdings, Inc.	DE
Comcast Cellular Holding Company, Inc.	DE
Comcast Cellular Holdings Corporation	DE
Comcast CHC Subsidiary Holdings, Inc.	DE
Comcast Children's Network Holdings, LLC	DE
Comcast CICG GP, LLC	DE
Comcast CICG, L.P.	DE
Comcast CIM STS Holdings, Inc.	DE
Comcast COLI Holdings, LLC	DE
Comcast Commercial Services Financing, LLC	DE
Comcast Commercial Services Group Holdings, LLC	DE
Comcast Commercial Services, LLC	DE
Comcast Concurrent Holdings, Inc.	DE
Comcast Corporate Investments II, Inc.	DE
Comcast Corporate Investments, Inc.	DE
Comcast Corporation Political Action Committee	PA
Comcast Corporation Political Action Committee of Maryland	MD
Comcast Corporation Political Action Committee of Massachusetts	MA
Comcast Corporation Political Action Committee-USA	PA
Comcast Corporation Trust I	DE
Comcast Corporation Trust II	DE
Comcast Corporation Trust III	DE
Comcast Crystalvision, Inc.	DE
Comcast CTV Holdings, LLC	DE
Comcast CVC Ventures	DE
Comcast Data Services, Inc.	DE
Comcast DC Radio, Inc.	DE
Comcast Directory Services, Inc.	DE
Comcast do Brasil Ltda.	Brazil
Comcast Encore, Inc.	DE
Comcast Entertainment Holdings LLC	DE
Comcast Entertainment Networks Holdings, LLC	DE
Comcast Financial Agency Corporation	DE
Comcast Florida Programming Investments, Inc.	DE
Comcast Funding I, Inc.	DE
Comcast Garden State, LLC	DE
Comcast Gateway Holdings, LLC	DE
Comcast Greater Boston Advertising Holdings, LLC	DE
Comcast Hockey, LLC	DE
Comcast Holdings Corporation	PA
Comcast Holdings II, LLC	DE
Comcast Holdings III, LLC	DE
Comcast Holdings IV, LLC	DE
Comcast Holdings V, LLC	DE
Comcast Horror Entertainment Holdings, LLC	DE
Comcast ICCP, Inc.	CO
Comcast ICG, Inc.	DE



Comcast In Demand Holdings, Inc.

DE

Comcast Interactive Capital, LP

DE

Comcast Interactive Media, Inc.	DE
Comcast International Holdings, Inc.	DE
Comcast Investment Holdings, Inc.	DE
Comcast IP Holdings I, LLC	DE
Comcast IP Phone II, LLC	DE
Comcast IP Phone, LLC	PA
Comcast IP Services II, Inc.	DE
Comcast IP Services, LLC	DE
Comcast IPG/JV, LLC	DE
Comcast ISD, Inc.	DE
Comcast JR Holdings, Inc.	DE
Comcast LCP, Inc.	DE
Comcast Levittown Finance, Inc.	DE
Comcast Life Insurance Holding Company	DE
Comcast LMC E! Entertainment, Inc.	CO
Comcast LMDS Communications, Inc.	DE
Comcast Metatv, Inc.	DE
Comcast MH Holdings, LLC	DE
Comcast Michigan Holdings, Inc.	MI
Comcast Midwest Management, Inc.	DE
Comcast MO Cable Advertising of Metropolitan Atlanta, LLC	CO
Comcast MO Cable News, Inc.	MA
Comcast MO Capital Corporation	CO
Comcast MO Communications Holding Company, Inc.	DE
Comcast MO Delta, Inc.	CO
Comcast MO Digital Radio, Inc.	MA
Comcast MO Europe, Inc.	CO
Comcast MO Express Midwest, Inc.	OH
Comcast MO Express of California, Inc.	CA
Comcast MO Express of Florida, Inc.	DE
Comcast MO Express of New England, Inc.	MA
Comcast MO Express of Virginia, Inc.	VA
Comcast MO Federal Relations, Inc.	DE
Comcast MO Finance Corporation	CO
Comcast MO Finance Trust I	DE
Comcast MO Finance Trust II	DE
Comcast MO Finance Trust III	DE
Comcast MO Finance Trust IV	DE
Comcast MO Finance Trust V	DE
Comcast MO Finance Trust VI	DE
Comcast MO Financial Services Foreign Sales, Inc.	United States Virgin Islands
Comcast MO Financial Services, Inc.	CO
Comcast MO Financing A	DE
Comcast MO Financing B	DE
Comcast MO Foreign Investments, Inc.	CO
Comcast MO FS Leasing 1995, Inc.	CO
Comcast MO FSC One, Ltd.	Bermuda
Comcast MO FSC Three, Ltd.	Bermuda
Comcast MO Group Funding, Inc.	DE
Comcast MO Group, Inc.	DE

Comcast MO Holdings I, LLC

DE

Comcast MO Holdings II, Inc.

DE

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Comcast MO Information Technology Systems, Inc.	MA
Comcast MO Interactive Services, Inc.	CO
Comcast MO International Holdings II, Inc.	DE
Comcast MO International Programming, Inc.	MA
Comcast MO International, Inc.	CO
Comcast MO Investments, Inc.	DE
Comcast MO Leveraged Lease Partners 1997, LP	DE
Comcast MO of Burnsville/Eagan, Inc.	MN
Comcast MO of Delaware, LLC	DE
Comcast MO of Minnesota, Inc.	MN
Comcast MO of North Valley, Inc.	CA
Comcast MO of Quad Cities, Inc.	MN
Comcast MO of the North Suburbs, Inc.	MN
Comcast MO Racing, Inc.	DE
Comcast MO Real Estate, Inc.	CO
Comcast MO SPC I, LLC	DE
Comcast MO SPC II, LLC	DE
Comcast MO SPC III, LLC	DE
Comcast MO SPC IV, LLC	DE
Comcast MO SPC V, LLC	DE
Comcast MO SPC VI, LLC	DE
Comcast MO SPE, Inc.	DE
Comcast MO Telecommunications Corp.	DE
Comcast Multicable Media, Inc.	DE
Comcast Nashville Finance	DE
Comcast National Communications Services, LLC	DE
Comcast NCC Holdings I, LLC	DE
Comcast NCC Holdings II, LLC	DE
Comcast NCC Holdings III, LLC	DE
Comcast Netherlands, Inc.	DE
Comcast New Media Development, Inc.	PA
Comcast New Mexico/Pennsylvania Finance, Inc.	DE
Comcast Newco 13, Inc.	DE
Comcast Newco 15, Inc.	DE
Comcast Newco 16, Inc.	DE
Comcast Newco 17, Inc.	DE
Comcast Newco 18, Inc.	DE
Comcast Newco 19, Inc.	DE
Comcast Newco 2, Inc.	DE
Comcast Newco 20, Inc.	DE
Comcast Newco 21, Inc.	DE
Comcast Newco 22, Inc.	DE
Comcast Newco 23, Inc.	DE
Comcast Newco 3, Inc.	DE
Comcast Newco 4, Inc.	DE
Comcast Newco 5, Inc.	DE
Comcast Newco 6, Inc.	DE
Comcast Newco 7, Inc.	DE
Comcast Newco 8, Inc.	DE
Comcast Newco 9, Inc.	DE

Comcast of Alabama, Inc.

AL

Comcast of Alameda, Inc.

CA

Comcast of Arizona, Inc.	CO
Comcast of Arkansas, Inc.	DE
Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee, Inc.	DE
Comcast of Avalon, LLC	DE
Comcast of Baltimore City, Inc.	MD
Comcast of Baltimore City, L.P.	CO
Comcast of Bellevue, Inc.	WA
Comcast of Boston, Inc.	NY
Comcast of Brockton, Inc.	DE
Comcast of Bryant, Inc.	AR
Comcast of Burlington County, LLC	DE
Comcast of California I, Inc.	NV
Comcast of California II, Inc.	CA
Comcast of California II, LLC	DE
Comcast of California III, Inc.	CA
Comcast of California III, LLC	CO
Comcast of California IV, Inc.	WY
Comcast of California IX, Inc.	CA
Comcast of California V, Inc.	CA
Comcast of California VI, Inc.	CA
Comcast of California VIII, Inc.	WA
Comcast of California X, Inc.	CA
Comcast of California XI, Inc.	TN
Comcast of California XII, Inc.	DE
Comcast of California XIII, Inc.	CA
Comcast of California XIV, LLC	DE
Comcast of California XV, LLC	DE
Comcast of California/Colorado, LLC	DE
Comcast of California/Colorado/Florida/Oregon, Inc.	GA
Comcast of California/Colorado/Illinois/Indiana/Michigan GP, LLC	DE
Comcast of California/Colorado/Illinois/Indiana/Michigan, LP	DE
Comcast of California/Colorado/Washington I, Inc.	WA
Comcast of California/Colorado/Washington, LP	CO
Comcast of California/Connecticut/Michigan	CO
Comcast of California/Idaho, Inc.	ID
Comcast of California/Illinois, LP	CO
Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC	DE
Comcast of California/Massachusetts/Michigan/Utah, Inc.	DE
Comcast of California/Pennsylvania/Utah/Washington, Inc.	PA
Comcast of Carolina, Inc.	SC
Comcast of Celebration, LLC	DE
Comcast of Central New Jersey, LLC	DE
Comcast of Chesterfield County, Inc.	VA
Comcast of Chicago, Inc.	IL
Comcast of Clinton	MI
Comcast of Clinton CT, Inc.	CT
Comcast of Clinton MI, Inc.	MI
Comcast of Coconut Creek, Inc.	FL
Comcast of Colorado I, LLC	CO
Comcast of Colorado II, LLC	CO

Comcast of Colorado III, LLC

CO

Comcast of Colorado IV, LLC

DE

Comcast of Colorado IX, LLC	DE
Comcast of Colorado V, LLC	CO
Comcast of Colorado VI, LLC	IA
Comcast of Colorado VII, LLC	IA
Comcast of Colorado VIII, LLC	CO
Comcast of Colorado X, LLC	CO
Comcast of Colorado XI, Inc.	CO
Comcast of Colorado XII, Inc.	MD
Comcast of Colorado, LP	CO
Comcast of Colorado/Florida, Inc.	WA
Comcast of Colorado/Pennsylvania/West Virginia, LLC	DE
Comcast of Connecticut II, Inc.	CT
Comcast of Connecticut, Inc.	OK
Comcast of Connecticut, LLC	DE
Comcast of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont,	DE
Comcast of Contra Costa, Inc.	WA
Comcast of Cupertino, Inc.	CA
Comcast of Danbury, Inc.	DE
Comcast of Davis County, Inc.	UT
Comcast of Delmarva, Inc.	DE
Comcast of Detroit	MI
Comcast of Detroit, Inc.	MI
Comcast of East San Fernando Valley, LP	CO
Comcast of Eastern Connecticut, Inc.	CT
Comcast of Eastern Shore, LLC	DE
Comcast of Elkton, LLC	DE
Comcast of Everett, Inc.	WA
Comcast of Flint, Inc.	MI
Comcast of Florida	WY
Comcast of Florida I, Inc.	MO
Comcast of Florida II, Inc.	DE
Comcast of Florida III, Inc.	MI
Comcast of Florida, LP	DE
Comcast of Florida/Georgia	MI
Comcast of Florida/Georgia, LLC	DE
Comcast of Florida/Illinois/Michigan, Inc.	DE
Comcast of Florida/Pennsylvania, LP	DE
Comcast of Florida/Washington, LLC	DE
Comcast of Fort Wayne Limited Partnership	IN
Comcast of Fresno, Inc.	CA
Comcast of Garden State L.P.	DE
Comcast of Georgia I, LLC	GA
Comcast of Georgia/Massachusetts, LLC	DE
Comcast of Georgia/Michigan, LP	CA
Comcast of Georgia/South Carolina II, LLC	DE
Comcast of Georgia/South Carolina, Inc.	CO
Comcast of Georgia/Virginia, Inc.	CO
Comcast of Gloucester County, LLC	DE
Comcast of Greater Florida/Georgia, Inc.	FL
Comcast of Grosse Pointe, Inc.	MI



Comcast of Groton, Inc.

CT

Comcast of Harford County, LLC

MD

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Comcast of Hopewell Valley, Inc.	NJ
Comcast of Howard County, LLC	MD
Comcast of Illinois I, Inc.	IL
Comcast of Illinois II, Inc.	KS
Comcast of Illinois III, Inc.	IL
Comcast of Illinois IV, Inc.	IL
Comcast of Illinois IX, LLC	DE
Comcast of Illinois V, Inc.	MD
Comcast of Illinois VI, LLC	DE
Comcast of Illinois VII, Inc.	FL
Comcast of Illinois VIII, LLC	DE
Comcast of Illinois X, LLC	DE
Comcast of Illinois XI, LLC	DE
Comcast of Illinois XII, L.P.	NJ
Comcast of Illinois XIII, L.P.	AZ
Comcast of Illinois/Indiana	FL
Comcast of Illinois/Indiana/Michigan, Inc.	AR
Comcast of Illinois/Ohio/Oregon, LLC	DE
Comcast of Illinois/West Virginia, LLC	DE
Comcast of Indiana, LLC	CO
Comcast of Indiana/Kentucky/Utah	CA
Comcast of Indiana/Michigan, LLC	IA
Comcast of Indiana/Michigan/Pennsylvania, LLC	IA
Comcast of Indianapolis, Inc.	DE
Comcast of Indianapolis, L.P.	DE
Comcast of Inkster Limited Partnership	MI
Comcast of Jersey City, LLC	DE
Comcast of Kentucky/Tennessee/Virginia, LLC	DE
Comcast of Laurel, Inc.	MS
Comcast of Lawrence, LLC	DE
Comcast of Levittown, LLC	DE
Comcast of Little Rock, Inc.	AR
Comcast of Lompoc, LLC	DE
Comcast of Long Beach Island, LLC	DE
Comcast of Louisiana/Mississippi/Texas, LLC	DE
Comcast of Lower Merion, Inc.	PA
Comcast of Macomb County, Inc.	MI
Comcast of Macomb, Inc.	MI
Comcast of Maine/New Hampshire, Inc.	NH
Comcast of Margate, Inc.	FL
Comcast of Marianna, Inc.	DE
Comcast of Marin I, Inc.	CA
Comcast of Marin II, Inc.	CA
Comcast of Maryland Limited Partnership	MD
Comcast of Maryland, Inc.	CO
Comcast of Maryland, LLC	DE
Comcast of Massachusetts I, Inc.	MA
Comcast of Massachusetts II, Inc.	DE
Comcast of Massachusetts III, Inc.	DE
Comcast of Massachusetts/New Hampshire, LLC	DE

Comcast of Massachusetts/Virginia, Inc.

VA

Comcast of Mercer County, LLC

DE

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Comcast of Meridian, Inc.	MS
Comcast of Miami, Inc.	FL
Comcast of Michigan I, Inc.	VA
Comcast of Michigan II, Inc.	DE
Comcast of Michigan III, Inc.	DE
Comcast of Michigan IV, LLC	CO
Comcast of Michigan, LLC	DE
Comcast of Michigan/Mississippi/Tennessee, Inc.	DE
Comcast of Middletown, Inc.	DE
Comcast of Milton, Inc.	MA
Comcast of Minnesota, Inc.	DE
Comcast of Minnesota/Wisconsin, Inc.	WA
Comcast of Missouri, Inc.	CO
Comcast of Monmouth County, LLC	DE
Comcast of Montana I, Inc.	MT
Comcast of Montana II, Inc.	DE
Comcast of Montana III, Inc.	OR
Comcast of Mt. Clemens	MI
Comcast of Mt. Clemens, Inc.	MI
Comcast of Muncie, LLC	IN
Comcast of Muncie, LP	IN
Comcast of Muskegon	MI
Comcast of Nashville I, LLC	DE
Comcast of Nashville II, LLC	DE
Comcast of Needham, Inc.	DE
Comcast of New Castle County, LLC	DE
Comcast of New Hampshire, Inc.	MD
Comcast of New Haven, Inc.	CT
Comcast of New Jersey II, LLC	DE
Comcast of New Jersey, LLC	NJ
Comcast of New Mexico, Inc.	CO
Comcast of New Mexico/Pennsylvania, LLC	DE
Comcast of New York, LLC	DE
Comcast of North Broward, Inc.	FL
Comcast of Northern California I, Inc.	CA
Comcast of Northern California II, Inc.	CA
Comcast of Northern Illinois, Inc.	IL
Comcast of Northern Indiana, Inc.	DE
Comcast of Northwest New Jersey, LLC	DE
Comcast of Novato, Inc.	OR
Comcast of Oakland County, Inc.	MI
Comcast of Ocean County, LLC	DE
Comcast of Ohio, Inc.	OH
Comcast of Oregon I, Inc.	OR
Comcast of Oregon II, Inc.	OR
Comcast of Panama City, Inc.	DE
Comcast of Parkland, Inc.	FL
Comcast of Pennsylvania	CO
Comcast of Pennsylvania I, Inc.	DE
Comcast of Pennsylvania II, Inc.	CO

Comcast of Pennsylvania II, L.P.

DE

Comcast of Pennsylvania, LLC

DE

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Comcast of Pennsylvania/Maryland, Inc.	PA
Comcast of Pennsylvania/Washington/West Virginia, LP	CO
Comcast of Perry, Inc.	DE
Comcast of Philadelphia, Inc.	PA
Comcast of Philadelphia, LLC	DE
Comcast of Plainfield, LLC	DE
Comcast of Potomac, LLC	DE
Comcast of Puget Sound, Inc.	WA
Comcast of Quincy, Inc.	DE
Comcast of Richmond, Inc.	VA
Comcast of Sacramento I, LLC	CA
Comcast of Sacramento II, LLC	CA
Comcast of Sacramento III, LLC	CA
Comcast of San Joaquin, Inc.	WY
Comcast of San Leandro, Inc.	CA
Comcast of Santa Cruz, Inc.	CO
Comcast of Santa Maria, LLC	DE
Comcast of Shelby, Inc.	MI
Comcast of Sierra Valleys, Inc.	CA
Comcast of South Chicago, Inc.	IL
Comcast of South Dade, Inc.	FL
Comcast of South Florida I, Inc.	FL
Comcast of South Florida II, Inc.	DE
Comcast of South Jersey, LLC	DE
Comcast of Southeast Pennsylvania, LLC	DE
Comcast of Southern California, Inc.	OR
Comcast of Southern Illinois, Inc.	DE
Comcast of Southern Mississippi, Inc.	DE
Comcast of Southern New England, Inc.	MA
Comcast of Southern Tennessee, LLC	DE
Comcast of Spokane, LLC	WA
Comcast of St. Paul, Inc.	MN
Comcast of Sterling Heights, Inc.	MI
Comcast of Tacoma, Inc.	DE
Comcast of Tallahassee, Inc.	DE
Comcast of Taylor, LLC	DE
Comcast of Tennessee, LP	DE
Comcast of the District, LLC	DC
Comcast of the Gulf Plains, Inc.	DE
Comcast of the Meadowlands, LLC	DE
Comcast of the South	CO
Comcast of the South, Inc.	CO
Comcast of the South, L.P.	DE
Comcast of the South, LLC	DE
Comcast of Tualatin Valley, Inc.	OR
Comcast of Tupelo, Inc.	MS
Comcast of Twin Cities, Inc.	WA
Comcast of Utah I, Inc.	IN
Comcast of Utah II, Inc.	LA
Comcast of Utica, Inc.	MI

Comcast of Virginia, Inc.

CO

Comcast of Warren

MI

Comcast of Warren, Inc.

MI

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Comcast of Wasatch, Inc.	UT
Comcast of Washington I, Inc.	WA
Comcast of Washington II, Inc.	WA
Comcast of Washington III, Inc.	WA
Comcast of Washington IV, Inc.	WA
Comcast of Washington V, LLC	DE
Comcast of Washington, LLC	DE
Comcast of Washington/Oregon	WA
Comcast of Washington/Oregon SMATV I , LLC	DE
Comcast of Washington/Oregon SMATV II, LLC	DE
Comcast of West Florida, Inc.	DE
Comcast of West Virginia, LLC	DE
Comcast of Western Colorado, Inc.	CO
Comcast of Wildwood, LLC	DE
Comcast of Willow Grove, Inc.	PA
Comcast of Wisconsin, Inc.	CO
Comcast of Wyoming I, Inc.	FL
Comcast of Wyoming II, Inc.	WY
Comcast of Wyoming, LLC	DE
Comcast Palm Beach GP, LLC	DE
Comcast PC Communications, Inc.	DE
Comcast PC Investments, Inc.	DE
Comcast Phone II, LLC	DE
Comcast Phone Management, LLC	DE
Comcast Phone of Alabama, LLC	DE
Comcast Phone of Arizona, LLC	DE
Comcast Phone of Arkansas, LLC	DE
Comcast Phone of California, LLC	DE
Comcast Phone of Central Indiana, LLC	DE
Comcast Phone of Colorado, LLC	DE
Comcast Phone of Connecticut, Inc.	CO
Comcast Phone of D.C., LLC	DE
Comcast Phone of Delaware, LLC	DE
Comcast Phone of Florida, LLC	DE
Comcast Phone of Georgia, LLC	CO
Comcast Phone of Illinois, LLC	DE
Comcast Phone of Kansas, LLC	DE
Comcast Phone of Kentucky, LLC	DE
Comcast Phone of Louisiana, LLC	DE
Comcast Phone of Maine, LLC	DE
Comcast Phone of Maryland, Inc.	CO
Comcast Phone of Massachusetts, Inc.	DE
Comcast Phone of Michigan, LLC	DE
Comcast Phone of Minnesota, Inc.	MN
Comcast Phone of Mississippi, LLC	DE
Comcast Phone of Missouri, LLC	DE
Comcast Phone of New Hampshire, LLC	DE
Comcast Phone of New Jersey, LLC	DE
Comcast Phone of New Mexico, LLC	DE
Comcast Phone of New York, LLC	DE





Comcast Phone of Northern Maryland, Inc.	MD
Comcast Phone of Northern Virginia, Inc.	VA
Comcast Phone of Ohio, LLC	DE
Comcast Phone of Oregon, LLC	DE
Comcast Phone of Pennsylvania, LLC	DE
Comcast Phone of South Carolina, Inc.	SC
Comcast Phone of Tennessee, LLC	DE
Comcast Phone of Texas, LLC	DE
Comcast Phone of Utah, LLC	DE
Comcast Phone of Vermont, LLC	DE
Comcast Phone of Virginia, Inc.	VA
Comcast Phone of Washington, LLC	DE
Comcast Phone of West Virginia, LLC	DE
Comcast Phone of Wisconsin, LLC	DE
Comcast Phone, LLC	DE
Comcast Primestar Holdings, Inc.	DE
Comcast Programming Development, Inc.	DE
Comcast Programming Holdings, Inc.	DE
Comcast Programming Management, LLC	DE
Comcast Programming Ventures II, Inc.	DE
Comcast Programming Ventures III, Inc.	DE
Comcast Programming Ventures IV, LLC	DE
Comcast Programming Ventures V, Inc.	DE
Comcast Programming Ventures, Inc.	DE
Comcast PSM Holdings, Inc.	PA
Comcast Publishing Holdings Corporation	PA
Comcast QCOM TV Partners GP, LLC	DE
Comcast QIH, Inc.	DE
Comcast QVC, Inc.	DE
Comcast Real Estate Holdings of Alabama, Inc.	AL
Comcast Regional Programming, Inc.	PA
Comcast SC Investment, Inc.	DE
Comcast SCH Delaware Holdings, Inc.	DE
Comcast SCH Holdings, LLC	DE
Comcast Shared Services Corporation	DE
Comcast Sound Corporation	DE
Comcast Spectacor, L.P.	PA
Comcast Sports Holding Company, Inc.	DE
Comcast Sports Management Services, LLC	DE
Comcast Sports NY Holdings, Inc.	DE
Comcast SportsNet Chicago Holdings, Inc.	DE
Comcast SportsNet Mid-Atlantic GP, LLC	DE
Comcast SportsNet Mid-Atlantic LP, LLC	DE
Comcast SportsNet Mid-Atlantic, L.P.	DE
Comcast SportsNet Philadelphia, Inc.	PA
Comcast SportsNet Philadelphia, L.P.	PA
Comcast SportsNet West, Inc.	DE
Comcast Spotlight, Inc.	DE
Comcast STB Software DVR, LLC	DE
Comcast STB Software I, LLC	DE

Comcast STB Software II, LLC

DE

Comcast STB Software LIB, LLC

DE

Comcast STB Software MOT, LLC	DE
Comcast STB Software PAN, LLC	DE
Comcast STB Software PM, LLC	DE
Comcast STB Software TW, LLC	DE
Comcast Studio Investments, Inc.	DE
Comcast TCP Holdings, Inc.	DE
Comcast TCP Holdings, LLC	DE
Comcast Technology, Inc.	DE
Comcast Telephony Communications of California, Inc.	CA
Comcast Telephony Communications of Connecticut, Inc.	CT
Comcast Telephony Communications of Delaware, Inc.	DE
Comcast Telephony Communications of Georgia, Inc.	GA
Comcast Telephony Communications of Indiana, Inc.	IN
Comcast Telephony Communications of Pennsylvania, Inc.	PA
Comcast Telephony Communications, LLC	DE
Comcast Telephony Services Holdings, Inc.	DE
Comcast Telephony Services II, Inc.	DE
Comcast TKI Holdings, Inc.	DE
Comcast TW Exchange Holdings I GP, LLC	DE
Comcast TW Exchange Holdings I, LP	DE
Comcast TW Exchange Holdings II GP, LLC	DE
Comcast TW Exchange Holdings II, LP	DE
Comcast TW Holdings, Inc.	DE
Comcast Venezuela PCS, Inc.	DE
Comcast VF Holdings, Inc.	DE
Comcast Visible World Holdings, Inc.	DE
Comcast WCS Holdings, Inc.	DE
Comcast WCS ME02, Inc.	DE
Comcast WCS ME04, Inc.	DE
Comcast WCS ME05, Inc.	DE
Comcast WCS ME16, Inc.	DE
Comcast WCS ME19, Inc.	DE
Comcast WCS ME22, Inc.	DE
Comcast WCS ME26, Inc.	DE
Comcast WCS ME28, Inc.	DE
Comcast WCS Merger Holdings, Inc.	DE
Comcast/Mediacom Minneapolis Cable Advertising, LLC	DE
Comcast/Time Warner Charleston Cable Advertising, LLC	DE
Comcast/Time Warner Detroit Cable Advertising, LLC	DE
Comcast/Time Warner Enterprise Cable Advertising, LLC	DE
Comcast/Time Warner Franklin Cable Advertising, LLC	DE
Comcast/Time Warner Ft. Myers-Naples Cable Advertising, LLC	DE
Comcast/Time Warner Hilton Head Cable Advertising, LLC	DE
Comcast/Time Warner Jacksonville Cable Advertising, LLC	DE
Comcast/Time Warner Littleton/Plymouth Cable Advertising, LLC	DE
Comcast/Time Warner New Hampshire Cable Advertising, LLC	DE
Comcast/Time Warner Saranac Lake Cable Advertising, LLC	DE
Comcast-Spectacor Foundation	PA
ComCon Entertainment Holdings, Inc.	DE
ComCon Production Services I, Inc.	CA

Command Cable of Eastern Illinois Limited Partnership

NJ

Commercial Funding, Inc.

NY

Communication Investment Corporation	VA
Community Realty, Inc.	NV
Community Telecable of Seattle, Inc.	WA
Conditional Access Licensing, LLC	DE
Continental Australia Programming, Inc.	MA
Continental Cablevision Asia Pacific, Inc.	MA
Continental Programming Australia Limited Partnership	New South Wales
Continental Telecommunications Corp. of Virginia	VA
Continental Teleport Partners, Inc.	MA
CSLP Ballpark Services, LLC	DE
CSLP Baysox Club, LLC	MD
CSLP Keys Club, LLC	MD
CSLP London, LLC	DE
CSLP Shorebirds Club, LLC	MD
CSLP Soccer, LLC	PA
CVC Keep Well LLC	DE
DigiVentures, LLC	DE
E Entertainment UK Limited	UK
E! Entertainment Europe BV	Netherland Antilles
E! Entertainment Hong Kong Limited	Hong Kong
E! Entertainment Television International Holdings, Inc.	DE
E! Entertainment Television, Inc.	DE
E! Networks Productions, Inc.	DE
E! Networks Sales & Distribution, Inc.	DE
East Rutherford Realty, Inc.	NJ
Elbert County Cable Partners, L.P.	CO
Equity Resources Venture	CO
Exclamation Music, Inc.	CA
Exclamation Productions, Inc.	CA
Exercise TV LLC	DE
FAB Communications, Inc.	OK
First Television Corporation	DE
Flyers Skate Zone, L.P.	PA
For Games Music, LLC	DE
Four Flags Cable TV	MI
Four Flags Cablevision	MI
FPS Rink, Inc.	PA
FPS Rink, L.P.	PA
G4 Holding Company	DE
G4 Media, Inc.	DE
Garden State Telecommunications LLC	DE
Gateway/Jones Communications, Ltd.	CO
Global London, Inc.	Ontario
Global London, L.P.	Ontario
Global Spectrum, Inc.	PA
Global Spectrum, L.P.	DE
GlobalCom Holding Company, Inc.	DE
Greater Boston Cable Advertising	MA
Guide Investments, Inc.	CO
GuideWorks, LLC	DE

Hawkeye Communications of Clinton, Inc.

IA

Headend In The Sky, Inc.

CO

Heritage Cablevision of Massachusetts, Inc.	MA
Heritage Cablevision of South East Massachusetts, Inc.	MA
Home Sports Network, Inc.	CO
IEC License Holdings, Inc.	DE
In Demand, L.L.C.	DE
Interactive Technology Services, Inc.	PA
Intermedia Cable Investors, LLC	CA
International Networks, LLC	CO
Jones Cable Corporation	CO
Jones Cable Holdings, Inc.	CO
Jones Communications, Inc.	CO
Jones Intercable Funds, Inc.	CO
Jones Panorama Properties, LLC	DE
Jones Programming Services, Inc.	CO
Jones Spacelink Cable Corporation	CO
Jones Telecommunications of California, LLC	CO
LCNI II, Inc.	DE
Lenfest Atlantic Communications, Inc.	DE
Lenfest Australia Group Pty Ltd.	Australia
Lenfest Australia Investment Pty Ltd.	Australia
Lenfest Australia, Inc.	DE
Lenfest Clearview, Inc.	DE
Lenfest Delaware Properties, Inc.	DE
Lenfest International Holdings, Inc.	DE
Lenfest International, Inc.	DE
Lenfest Investments, Inc.	DE
Lenfest Jersey, LLC	DE
Lenfest MCN, Inc.	DE
Lenfest Oaks, Inc.	PA
Lenfest Telephony, Inc.	DE
Lenfest Videopole Holdings, Inc.	DE
Lenfest York, Inc.	DE
Liberty City Funding Corporation	FL
Liberty Ventures Group LLC	DE
L-TCI Associates	DE
LVO Cable Properties, Inc.	OK
M H Lightnet, LLC	DE
MarketLink Indianapolis Cable Advertising, LLC	DE
MediaOne Brasil Comercio e Participacoes Ltda.	Brazil
Mile Hi Cable Partners, L.P.	CO
Mobile Enterprises, Inc.	DE
MOC Holdco I, LLC	DE
MOC Holdco II, Inc.	DE
Mountain Cable Network, Inc.	NV
Mountain States General Partner, LLC	CO
Mountain States Limited Partner, LLC	CO
Mt. Clemens Cable TV Investors, Inc.	MI
MTCB S.A.	Brazil
MW Sports Holdings, LLC	DE
National Cable Communications LLC	DE



National Digital Television Center, Inc.

CO

NDTC Technology, Inc.

CO

New England Microwave, Inc.	CT
New Hope Cable TV, Inc.	PA
Northwest Illinois Cable Corporation	DE
Northwest Illinois TV Cable Co.	DE
Nroca Holdings, Inc.	DE
Outdoor Life Network, L.L.C.	DE
Ovations Fanfare, L.P.	PA
Ovations Food Services, Inc.	PA
Ovations Food Services, L.P.	PA
Ovations Ontario Food Services, Inc.	Ontario
Ovations Ontario Food Services, LP	Ontario
Owner Trusts UT 1-3, 7-12, 15-27, 29, 33, 34	DE
Pacific Northwest Interconnect	NY
Parnassos Communications, L.P.	DE
Parnassos Holdings, LLC	DE
Patron Solutions L.P.	PA
Patron Solutions, LLC	PA
Pattison Development, Inc.	PA
Pattison Realty, Inc.	PA
Philadelphia 76ers, Inc.	DE
Philadelphia 76ers, L.P.	DE
Philadelphia Flyers Enterprises Co.	Nova Scotia
Philadelphia Flyers, L.P.	DE
Philadelphia Flyers, LLC	DE
Philadelphia Phantoms, Inc.	PA
Philadelphia Phantoms, L.P.	PA
Preview Magazine Corporation	NY
Preview Magazine Corporation	DE
Prime Telecom Potomac, LLC	DE
QCOM TV Partners	PA
Roberts Broadcasting Corporation	PA
Satellite Services, Inc.	DE
Saturn Cable TV, Inc.	CO
SCI 34, Inc.	DE
SCI 36, Inc.	DE
SCI 37, Inc.	DE
SCI 38, Inc.	DE
SCI 48, Inc.	DE
SCI 55, Inc.	DE
Selkirk Communications (Delaware) Corporation	DE
Selkirk Systems, Inc.	FL
Shorebirds, L.P.	MD
SIFD One, Ltd.	DE
SIFD Three, Ltd.	DE
SIFD Two, Ltd.	DE
South Florida Cable Advertising	FL
Southwest Washington Cable, Inc.	WA
Spectacor Adjoining Real Estate New Arena, L.P.	DE
Spectrum Arena Limited Partnership	PA
SpectrumCo, LLC	DE

St. Louis Tele-Communications, Inc.

MO

Stage II, L.P.

PA

Storer Administration, Inc.	DE
Storer Cable TV of Radnor, Inc.	PA
Storer Disbursements, Inc.	FL
Strata Marketing, Inc.	DE
StreamSage, Inc.	DE
Sural LLC	DE
Susquehanna Cable Co.	PA
Susquehanna Cable Investment Co.	DE
Taurus Properties, LLC	CO
TCI Adelpia Holdings, LLC	DE
TCI Atlantic, LLC	CO
TCI Bay, Inc.	DE
TCI Cable Investments, LLC	DE
TCI Cablevision Associates Inc.	DE
TCI Cablevision of California Century Holdings, LLC	CO
TCI Cablevision of Kentucky, Inc.	DE
TCI Cablevision of Massachusetts, Inc.	MA
TCI Cablevision of Michigan, Inc.	MI
TCI Cablevision of Minnesota, Inc.	MN
TCI Cablevision of Nebraska, Inc.	NE
TCI Cablevision of North Central Kentucky, Inc.	DE
TCI Cablevision of Sierra Vista, Inc.	CO
TCI Cablevision of South Dakota, Inc.	SD
TCI Cablevision of St. Bernard, Inc.	DE
TCI Cablevision of Vermont, Inc.	DE
TCI California Holdings, LLC	CO
TCI Capital Corp.	WY
TCI Central, LLC	DE
TCI Command II, LLC	CO
TCI Command, Inc.	CO
TCI Communications Financing I	DE
TCI Communications Financing II	DE
TCI Communications Financing III	DE
TCI Communications Financing IV	DE
TCI CSC II, Inc.	NY
TCI CSC III, Inc.	CO
TCI CSC IV, Inc.	CO
TCI CSC IX, Inc.	CO
TCI CSC V, Inc.	CO
TCI CSC VI, Inc.	CO
TCI CSC VII, Inc.	CO
TCI CSC VIII, Inc.	CO
TCI CSC X, Inc.	CO
TCI CSC XI, Inc.	CO
TCI Development, LLC	DE
TCI Evangola, Inc.	WY
TCI Falcon Holdings, LLC	DE
TCI FCLP Alabama, LLC	DE
TCI FCLP California, LLC	DE
TCI FCLP Missouri, LLC	DE

TCI FCLP Northern California, LLC

DE

TCI FCLP Northwest, LLC

DE

TCI FCLP Oregon, LLC	DE
TCI FCLP Redding, LLC	DE
TCI FCLP Wenatchee, LLC	DE
TCI Fleet Services, Inc.	CO
TCI Gilbert Uplink, Inc.	CO
TCI Great Lakes, Inc.	DE
TCI Hits At Home, Inc.	CO
TCI Holdings, Inc.	DE
TCI Holdings, LLC	DE
TCI ICM VI, Inc.	DE
TCI IL-Holdings II, LLC	CO
TCI IL-Holdings, Inc.	CO
TCI Internet Holdings, Inc.	CO
TCI Internet Services, LLC	DE
TCI IP-VI, LLC	DE
TCI IT Holdings, Inc.	CO
TCI Lake II, LLC	CO
TCI Lake, Inc.	WY
TCI Lenfest, Inc.	CO
TCI Magma Holdings, Inc.	CO
TCI Materials Management, Inc.	CO
TCI Michigan, Inc.	DE
TCI Microwave, Inc.	DE
TCI Midcontinent, LLC	DE
TCI National Digital Television Center - Hong Kong, Inc.	DE
TCI New York Holdings, Inc.	CO
TCI Northeast, Inc.	DE
TCI Northwest, Inc.	CO
TCI of Bloomington/Normal, Inc.	VA
TCI of Council Bluffs, Inc.	IA
TCI of Greenwich, Inc.	CO
TCI of Indiana Holdings, LLC	CO
TCI of Indiana Insgt Holdings, LLC	CO
TCI of Kokomo, Inc.	CO
TCI of Lee County, Inc.	AL
TCI of Lexington, Inc.	DE
TCI of Maine, Inc.	ME
TCI of Missouri, Inc.	MO
TCI of North Central Kentucky, Inc.	DE
TCI of North Dakota, Inc.	ND
TCI of Overland Park, Inc.	DE
TCI of Paterson, Inc.	NV
TCI of Radcliff, Inc.	DE
TCI of South Dakota, Inc.	CO
TCI of Southern Minnesota, Inc.	DE
TCI of Springfield, Inc.	MO
TCI of Watertown, Inc.	IA
TCI Ohio Holdings, Inc.	CO
TCI Pacific Communications, Inc.	DE
TCI Pennsylvania Holdings, Inc.	CO

TCI Programming Holding Company III

DE

TCI Realty, LLC

DE

TCI South Carolina IP-I, LLC	DE
TCI Southeast, Inc.	DE
TCI Spartanburg IP-IV, LLC	DE
TCI Starz, Inc.	CO
TCI Technology Management, LLC	DE
TCI Telecom, Inc.	DE
TCI Texas Cable Holdings LLC	CO
TCI Texas Cable, LLC	CO
TCI TKR Cable II, Inc.	DE
TCI TKR of Houston, Inc.	DE
TCI TKR of Jefferson County, Inc.	DE
TCI TKR of Metro Dade, LLC	DE
TCI TKR of Southeast Texas, Inc.	DE
TCI TKR of Wyoming, Inc.	WY
TCI TW Texas JV Holdings II, Inc.	CO
TCI TW Texas JV Holdings III, Inc.	CO
TCI TW Texas JV Holdings IV, Inc.	CO
TCI TW Texas JV Holdings V, Inc.	CO
TCI USC, Inc.	CO
TCI Ventures Five, Inc.	CO
TCI Washington Associates, L.P.	DE
TCI West, Inc.	DE
TCI.NET, Inc.	DE
TCI/CA Acquisition Sub LLC	CO
TCI/CI Merger Sub, LLC	DE
TCID Data Transport, Inc.	CO
TCID of Chicago, Inc.	IL
TCID of Florida, LLC	FL
TCID of Michigan, Inc.	NV
TCID of South Chicago, Inc.	IL
TCID Partners II, Inc.	CO
TCID Partners, Inc.	CO
TCID X*press, Inc.	CO
TCID-Commercial Music, Inc.	CO
Tele-Communications of Colorado, Inc.	CO
Tele-Link Telecomunicacoes S.A.	Brazil
Televents Group Joint Venture	CO
Televents Group, Inc.	NV
Televents of Colorado, LLC	CO
Televents of Florida, LLC	DE
Televents of Powder River, LLC	DE
Televents of Wyoming, LLC	DE
Televester, Inc.	DE
Tempo DBS, Inc.	CO
Tempo Development Corporation	OK
TEMPO Television, Inc.	OK
TGC, Inc.	DE
TGW Telecomunicacoes S.A.	Brazil
The Comcast Foundation	DE
The Intercable Group, Ltd.	CO



thePlatform for Media, Inc.

DE

thePlatform, Inc.

DE

THOG Productions, LLC	DE
Trans-Muskingum, Incorporated	WV
Tribune-United Cable of Oakland County	MI
TVWorks Canada, Inc.	Canada
TVWorks Holdings, Inc.	DE
TVWorks, LLC	DE
TWE Holdings I Trust	DE
TWE Holdings II Trust	DE
U S West (India) Private Limited	India
UACC Midwest Insgt Holdings, LLC	CO
UA-Columbia Cablevision of Massachusetts, Inc.	MA
UATC Merger Corp.	DE
UCTC LP Company	DE
UCTC of Los Angeles County, Inc.	DE
United Artists Holdings, Inc.	DE
United Artists Holdings, LLC	DE
United Cable Investment of Baltimore, Inc.	MD
United Cable Television Corporation of Michigan	MI
United Cable Television of Baldwin Park, Inc.	CO
United Cable Television of Illinois Valley, Inc.	IL
United Cable Television of Los Angeles, LLC	CA
United Cable Television of Oakland County, Ltd.	CO
United Cable Television of Sarpy County, Inc.	NE
United Cable Television of Scottsdale, Inc.	AZ
United Cable Television Services of Colorado, Inc.	CO
United of Oakland, Inc.	DE
US West Deutschland GmbH	Germany
USWFS Borrower Trust	DE
USWFS Direct Trust Beazer	DE
USWFS Direct Trust Grand Trunk	DE
USWFS Direct Trust United No. 13	DE
USWFS Direct Trust United No. 14	DE
USWFS Intermediary Trust	DE
UTI Purchase Company	CO
Valertex, Inc.	TX
Waltham Tele-Communications	MA
Waltham Tele-Communications, LLC	CO
Watch What You Play Music, LLC	DE
Western NY Cablevision, L.P.	DE
Western Range Insurance Co.	VT
Western Satellite 2, Inc.	CO
Westmarc Cable Group, Inc.	DE
Westmarc Cable Holding, Inc.	DE
Westmarc Development II, Inc.	CO
Westmarc Development III, LLC	CO
Westmarc Development IV, LLC	CO
Westmarc Development, LLC	CO
Westmarc Realty, Inc.	CO
Westmoreland Financial Corporation	DE
Wilmington Cellular Telephone Company LLC	DE



**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statements of Comcast Corporation on Form S-8 (Nos. 333-101645, 333-101295, 333-104385, 333-121082, 333-123059, 333-130844, 333-130845, and 333-130847), Form S-3 (Nos. 333-132750, 333-101861, 333-119161 and 333-104034), and Form S-4 (Nos. 333-101264 and 333-102883) of our reports dated February 23, 2007 (which reports express unqualified opinions and include an explanatory paragraph relating to the adoption of a new accounting pronouncement in 2006), relating to the financial statements and financial statement schedule of Comcast Corporation and management's report on the effectiveness of internal control over financial reporting, appearing in and incorporated by reference in this Annual Report on Form 10-K of Comcast Corporation for the year ended December 31, 2006.

/s/ Deloitte & Touche LLP  
Philadelphia, Pennsylvania  
February 23, 2007

## CERTIFICATIONS

I, Brian L. Roberts, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 26, 2007

/s/ BRIAN L. ROBERTS

Name: Brian L. Roberts  
Chief Executive Officer

I, Lawrence S. Smith, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 26, 2007

/s/ LAWRENCE S. SMITH

Name:

Lawrence S. Smith  
Co-Chief Financial Officer

I, John R. Alchin, certify that:

1. I have reviewed this annual report on Form 10-K 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: February 26, 2007

/s/ JOHN R. ALCHIN

Name:

**John R. Alchin**  
**Co-Chief Financial Officer**

## Certification Pursuant to Section 906 of the Sarbanes-Oxley Act

February 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 annual report on Form 10-K 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, Lawrence S. Smith, 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

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Name: **Brian L. Roberts**  
**Chief Executive Officer**

/s/ LAWRENCE S. SMITH

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Name: **Lawrence S. Smith**  
**Co-Chief Financial Officer**

/s/ JOHN R. ALCHIN

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Name: **John R. Alchin**  
**Co-Chief Financial Officer**