



Comcast Reports First Quarter 2005 Results

- **Consolidated Revenue Increased 9.3% to \$5.4 Billion**
- **Cable Division Revenue Increased 9.7% to \$5.1 Billion**
- **Consolidated Operating Income Increased 31.3% to \$866 Million**
- **Consolidated Operating Cash Flow Increased 17.1% to \$2.0 Billion**
- **Cable Division Operating Cash Flow Increased 15.9% to \$2.0 Billion**
- **Strong Demand for New Products Continues**
- **Adds More than 414,000 High-Speed Internet and 200,000 Digital Customers**
- **Digital Customer Demand Drives 428,000 HDTV and DVR Additions**
- **Comcast Board of Directors Authorizes \$2 Billion Addition to Stock Repurchase Program**

PHILADELPHIA, April 28 /PRNewswire-FirstCall/ -- Comcast Corporation (Nasdaq: CMCSA, CMCSK) today reported results for the quarter ended March 31, 2005. Comcast will discuss first quarter results on a conference call and webcast today at 8:30 AM Eastern Time. A live broadcast of the conference call will be available on the investor relations website at <http://www.cmcsa.com> and <http://www.cmcsk.com>.

Brian L. Roberts, Chairman and CEO of Comcast Corporation said, "We are off to a great start this year. We are reporting strong revenue growth in our Cable and Content divisions and more than \$2 billion in Operating Cash Flow, representing growth of more than 17% as compared to the first quarter of 2004. Operating income increased more than 31% to \$866 million. Our strategy of differentiating our products by adding valuable features is showing continued positive results with robust Comcast Digital Cable and Comcast High-Speed Internet net additions. We are striking the right balance with our focus on customer growth and profitability."

"Our customers are embracing a whole new way to watch television. In March, our digital television customers viewed more than 100 million ON DEMAND programs. That is three times the number of programs viewed ON DEMAND in March of last year and a 40% increase in usage from the fourth quarter of 2004."

"We generated \$722 million of Free Cash Flow in the first quarter of 2005, repurchased \$326 million in Comcast stock and continue to make investments to support our growth and differentiation strategy. I am pleased to announce that our Board of Directors has authorized a \$2 billion addition to our stock repurchase program, providing \$2.3 billion of repurchase capacity. Since December 2003, we have repurchased \$1.7 billion of Comcast stock."

"The first quarter of 2005 demonstrates that we are executing on all fronts, delivering strong operational and financial results, returning capital to shareholders and making investments to support our ongoing growth."

"Comcast has never had more potential for growth or been in a better position to take advantage of those opportunities. We are excited about the future of the cable business and we just announced transactions with Time

Warner and Adelphia that will allow us to expand our footprint and accelerate the deployment of our advanced services even further."

Comcast Cable Results

Cable results are presented on a pro forma basis. Pro forma cable results adjust only for significant acquisitions and dispositions and are presented as if the acquisitions and dispositions were effective on January 1, 2004. Please refer to Table 7-A for a reconciliation of pro forma data.

Comcast Cable reported revenue of \$5.1 billion for the quarter ended March 31, 2005, representing a \$453 million or 9.7% increase from the \$4.7 billion in the first quarter of 2004. Video revenue increased \$178 million or 5.6% to \$3.4 billion in the first quarter of 2005, driven by higher monthly revenue per subscriber and an increase in digital cable subscriptions. Comcast Cable added 200,000 new digital customers in the first quarter of 2005 and, with more than 8.8 million subscribers, digital cable penetration reached 41.1% of basic subscribers. Basic cable subscribers declined 29,000 during the first quarter of 2005.

Digital cable subscriber and video revenue growth reflect consumers' demand for new digital features and services including

Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs). During the first quarter of 2005, pay-per-view revenue increased more than 18% driven by movie and event purchases through the Comcast ON DEMAND service. Pay-per-view revenues have increased each of the last six quarters reflecting the strong consumer appeal of the ON DEMAND service. At the end of the first quarter of 2005, we had deployed a combined 1.6 million set-top boxes with DVR and/or HDTV programming capability, an increase of more than 1 million in the past year. More than 428,000 or 25% of these advanced set-top boxes were deployed in the first quarter of 2005, generating an incremental \$5 to \$10 of monthly revenue per box.

Comcast High-Speed Internet service revenue increased 32.5% to \$925 million in the first quarter of 2005 reflecting strong growth in the number of subscribers and higher average revenue per subscriber. Comcast Cable added 414,000 high-speed Internet customers to finish the first quarter of 2005 with 7.4 million subscribers, representing a penetration rate of 18.3% of available homes. Average monthly revenue per subscriber was \$42.81 in the first quarter of 2005, a slight increase from the first quarter of 2004 and a 1.8% increase from the \$42.06 reported in the fourth quarter of 2004.

Advertising revenue for the first quarter of 2005 increased 9.8% to \$296 million reflecting growth of 9.1% in local advertising and growth of 15.4% in regional/national advertising as a result of the continuing success of our regional interconnect strategy. The strong growth in advertising revenue during the first quarter included a decline in political advertising. Advertising growth in 2005 will continue to reflect a significant decline in political advertising when compared to the 2004 election year.

Cable phone revenue declined 3.1% from the first quarter of 2004 to \$173 million in the first quarter of 2005. The decrease in revenue reflects a decline in cable phone customers during 2004. Comcast Cable reported 4,000 net new cable phone customers in the first quarter of 2005 including the addition of more than 7,000 Comcast Digital Voice customers (Comcast's phone service using IP technology), offset by a decline in the number of Comcast's circuit-switched telephone customers as we transition to focus on marketing Comcast Digital Voice.

Cable operating income before depreciation and amortization (Operating Cash Flow) increased 15.9% to \$2.0 billion for the quarter from the \$1.7 billion reported for the first quarter of 2004. First quarter 2005 Operating Cash Flow margin increased to 39.1% from 37.0% in the first quarter of last year.

Cable capital expenditures for the quarter ended March 31, 2005 increased 8.5% to \$883 million from the same period last year. The increase in capital expenditures reflects certain capital investments, including equipment for digital simulcasting and our integrated service platform, which will not recur in the latter part of this year, and additional purchases of advanced set-top boxes to meet customer demand.

Content

Comcast's content segment consists of our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, Outdoor Life Network, G4 and AZN Television (formerly International Channel Networks).

Comcast's content segment reported first quarter 2005 revenue of \$213 million, a 20.9% increase from the first quarter of 2004 reflecting increases in distribution and advertising revenue for all the networks. The Content segment reported Operating Cash Flow of \$77 million, a 12.1% increase from the first quarter of 2004 due primarily to strong growth at The Golf Channel offset by funding of our developing networks.

Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. For the quarter ended March 31, 2005, Comcast reported Corporate and Other revenue of \$47 million and an Operating Cash Flow loss of \$42 million compared to revenue of \$86 million and an Operating Cash Flow loss of \$55 million in the same period of 2004 reflecting the absence of National Hockey League games in 2005.

Consolidated Results

In the first quarter of 2005, the Company reported consolidated revenues of \$5.4 billion, a 9.3% increase from the \$4.9 billion reported in the same period of 2004. Operating income increased 31.3% to \$866 million in the first quarter 2005 compared to operating income of \$659 million in the same period of 2004. Consolidated Operating Cash Flow increased to \$2.0 billion, or 17.1%, in the first quarter 2005 from the \$1.7 billion reported in the prior year.

Free Cash Flow (described further on Table 4) increased \$325 million or 81.9% reflecting higher Operating Cash Flow and capital expenditures, as described above.

For the quarter ended March 31, 2005, the Company reported consolidated net income of \$313 million, or \$0.14 per share compared to a consolidated net income of \$65 million, or \$0.03 per share in the same period of 2004.

As previously disclosed and more fully described in our 2004 Form 10-K, Comcast is liable for a portion of any liabilities of AT&T relating to certain At Home litigation. AT&T is currently involved in advanced settlement discussions, following a mediation, relating to two of the lawsuits. If AT&T reaches a settlement prior to the filing of our Form 10-Q, Comcast would be required to reflect in its first quarter earnings its share of the settlement amount. No assurances can be given that a settlement will be reached or the amount of any such settlement. Final disposition of these lawsuits and the final resolution of Comcast's share of these potential liabilities are not expected to have a material adverse effect on its consolidated financial position but could be material to its consolidated results of operations of any one period. Financial results contained in this press release do not reflect the potential effect of any such settlement.

2005 Financial Outlook:

Comcast updates the following previously issued guidance for 2005:

- Consolidated Operating Cash Flow growth of 14% to 15%; up from the previous guidance of at least 12% growth.*
- Consolidated capital expenditures will increase by \$200 to \$300 million over previous guidance of approximately \$3 billion due to the strong demand for advanced set-top boxes.

Comcast affirms the following previously issued guidance for 2005:

- Consolidated revenue growth of approximately 10%.
- Total Revenue Generating Unit growth of at least 2.5 million units.
- Consolidated Free Cash Flow growth of 35% to 45%.*

* Does not include any impact from the adoption of SFAS No. 123R (Accounting for stock-based compensation).

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

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

Comcast Corporation will host a conference call with the financial community today April 28, 2005 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at <http://www.cmcsa.com> or <http://www.cmcsk.com>. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on Thursday, April 28, 2005. Those parties interested in participating via telephone should dial (847) 413-2408. A telephone replay will begin immediately following the call until Friday, April 29, 2005 at midnight Eastern Time (ET). To access the rebroadcast, please dial (630) 652-3000 and enter passcode number 11274875#. To automatically receive Comcast financial news by email, please visit <http://www.cmcsa.com> or <http://www.cmcsk.com> and subscribe to e-mail Alerts.

Comcast Corporation (Nasdaq: CMCSA, CMCSK) (<http://www.comcast.com>) is the nation's leading provider of cable, entertainment and communications products and services. With 21.5 million cable customers, 7.4 million high-speed Internet customers, and 1.2 million voice customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content.

The Company's content networks and investments include E! Entertainment Television, Style Network, The Golf Channel, Outdoor Life Network, G4, AZN Television, PBS KIDS Sprout, TV One and four regional Comcast SportsNets. The Company also has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia. Comcast Class A common stock and Class A Special common stock trade on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.