



## Comcast Reports Fourth Quarter and Year End 2004 Results

- Comcast Reports Record Number of High-Speed Internet Subscriber Additions in 2004
- Adds 1.7 Million New Customers to End 2004 with 7 Million Subscribers

PHILADELPHIA, Feb 03, 2005 /PRNewswire-FirstCall via COMTEX/ -- Comcast Corporation (Nasdaq: CMCSA, CMCSK) today reported results for the quarter and year ended December 31, 2004. Comcast will discuss its 2004 results and 2005 outlook 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 delighted to report terrific results for 2004 that include surpassing \$20 billion in revenue for the first time in our history. Cable division revenue increased more than 10% to \$19.3 billion, and cable Operating Cash Flow increased nearly 18% to \$7.5 billion. We generated nearly \$2 billion of Free Cash Flow, made strategic investments to drive product differentiation and growth, and returned \$1.3 billion to shareholders through our stock buyback program. As we begin 2005, we are well positioned for sustained growth."

"Our 2004 results demonstrate clear consumer demand for all of our new product offerings, led by Comcast High-Speed Internet that added a record 1.7 million new customers in 2004. We expect robust customer additions to continue in 2005 as we maintain our focus on adding new applications and value to this service."

"More than 8.6 million, or 40%, of our subscribers now subscribe to Comcast Digital Cable, enjoying new digital features like ON DEMAND, HDTV programming and DVR functionality. Our ON DEMAND service is taking off - our customers ordered more than 560 million ON DEMAND programs during 2004 and we expect to exceed one billion orders in 2005. With features like ON DEMAND now widely available to our customers, 2005 promises to be another great year for our video services."

"It is an exciting time at Comcast as we drive product innovation and differentiation in every area of our business. In 2004, we made several strategic investments in new technologies and content to strengthen our competitive advantage. I am thrilled with the way our talented team is enhancing our services, including our extensive and rapidly-growing ON DEMAND offering, our expanding portfolio of regional sports programming and our industry-leading Comcast.net portal. These features distinguish our video and high-speed Internet products and will contribute to our growth."

"In 2005, we will extend our product offerings even further with the introduction of Comcast Digital Voice. As we begin to integrate this new service with Comcast's video and High-Speed Internet services, our goal is to build a unique experience for our customers, to differentiate our products and our company from the competition, and to deliver growth and increasing value to our shareholders."

### Comcast Cable Results

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

Fiscal Year 2004

Comcast Cable delivered solid results for 2004:

	Guidance	Results
Revenue growth	Approximately 10%	10.4%
Operating Cash Flow	Approximately \$7.5 billion or 18% growth	\$7.473 billion or 17.6% growth
Basic subscribers	Remain unchanged at 21.5 million	21.548 million
Digital subscribers	Approximately 1 million net additions	990,000 net additions

High-speed Internet subscribers	1.6 to 1.7 million net additions	1.707 million net additions
Cable phone subscribers	Decline by up to 100,000	Decline by 44,000
Capital expenditures	\$3.3 - \$3.4 billion	\$3.622 billion

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For the year ended December 31, 2004, Comcast Cable reported revenue of \$19.321 billion, a 10.4% increase from the same period in 2003. Video revenue increased 6.5% during the period, reflecting the addition of 990,000 new digital cable subscribers and price increases to our video service. Growth in video revenue and digital subscribers also reflects increasing consumer demand for new digital features, including Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs). With more than 8.6 million subscribers, digital cable penetration reached 40.2% at December 31, 2004, an increase from the 35.6% penetration reported one year ago. During 2004, pay-per-view revenues increased nearly 21% to \$393 million, driven by more movie and event purchases through the Comcast ON DEMAND service. Comcast Cable added 8,000 basic subscribers during 2004, ending the year at 21.548 million.

Comcast High-Speed Internet service revenue increased 38.6% during the year ended December 31, 2004, to \$3.124 billion, reflecting the record addition of 1.707 million new subscribers and stable average monthly revenue per subscriber for the year of \$42.41 compared to \$42.20 for 2003. Comcast High-Speed Internet service is now available to 40 million homes, almost all of Comcast's footprint, as compared to 35 million homes at the start of 2004.

Advertising revenue increased 15.7% from the year-ago period to \$1.287 billion, reflecting growth of 7.0% in local advertising and growth of 23.3% in regional/national advertising as a result of the ongoing success of our regional interconnect strategy and a significant increase in political advertising during the third and fourth quarters of 2004.

As expected, cable phone revenue declined 12.5% during 2004 to \$701 million, the result of a 3.4% decrease in subscribers and a 4.9% decrease in average monthly revenue per subscriber to \$46.90. Cable phone results reflect the Company's ongoing focus on profitability, rather than unit growth, of its circuit-switched telephone business as it begins the transition to Comcast Digital Voice service using IP technology in 2005. Comcast expects to market Comcast Digital Voice service to 15 million homes by the end of 2005 with most markets launching in the second half of the year. Excluding phone revenue, which is expected to continue to decline in 2005, total revenue for Comcast Cable increased 11.5% during 2004 to \$18.620 billion.

Comcast Cable operating income before depreciation and amortization (Operating Cash Flow) grew 17.6% during 2004 to \$7.473 billion, reflecting strong revenue growth and the Company's continuing success in controlling the growth of expenses in nearly every area of the business.

Cable capital expenditures for the year ended December 31, 2004, declined 11.6% to \$3.622 billion compared to \$4.097 billion in the prior year. The decline in 2004 cable capital expenditures reflects a \$512 million, or 36% decrease in upgrade investment due to the substantial completion of the Company's cable system upgrade. Upgrade capital expenditures of \$902 million in 2004 will decline further in 2005, by approximately 75% due to the substantial completion of our cable system upgrade. Capital expenditures were approximately \$200 million greater than guidance due primarily to the purchase of advanced set-top boxes at the end of December 2004.

#### Fourth Quarter 2004

For the quarter ended December 31, 2004, Comcast Cable reported revenue of \$4.987 billion, representing a 10.6% increase from the prior year quarter. Video revenue increased 5.9% during the period, reflecting the addition of digital cable subscribers and price increases to our video service. Comcast Cable added more than 250,000 digital cable subscribers during the fourth quarter to end the period with greater than 8.6 million subscribers. Comcast Cable added 60,000 basic subscribers during the seasonally strong fourth quarter of 2004, ending the year at 21.548 million.

During the fourth quarter of 2004, Comcast Cable added more than 437,000 high-speed internet subscribers to end the quarter with nearly 7.0 million subscribers. Revenues for this service increased 35.9% from the prior year quarter to \$855 million, reflecting solid subscriber growth and slightly higher average monthly revenue per subscriber for the quarter of \$42.07, an increase from \$41.33 during the same quarter of 2003. Advertising revenue increased 17.2% from the fourth quarter of 2003 to \$369 million, including increased political advertising during the quarter. Cable phone revenue declined 5.2% from the same period one year ago to \$173 million, primarily due to fewer subscribers in the fourth quarter of 2004 compared to 2003. Comcast Cable added more than 10,000 phone subscribers in the fourth quarter of 2004.

Operating Cash Flow grew 15.2% from the same quarter one year ago to \$1.974 billion, reflecting strong revenue growth and the Company's success in controlling the growth of operating costs. Comcast Cable capital expenditures were \$1.044 billion in the fourth quarter of 2004 compared to \$1.052 billion in the fourth quarter of 2003.

## Content

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

Comcast's content businesses reported strong results in 2004:

	Guidance (1)	Results Comparable to Guidance (1)	Segment Results
Revenue growth	At least 20%	20.8%	25.3%
Operating Cash Flow growth	At least 30%	29.0%	24.0%

(1) Guidance excluded the results of TechTV and International Channel Networks that were acquired during the year.

The content businesses essentially met guidance for the year that excluded the results of TechTV and International Channel Networks. The content businesses posted solid results reflecting double digit revenue growth at all of the networks and strong growth in Operating Cash Flow.

Comcast's content segment reported 2004 revenue for the year ended December 31, 2004, of \$787 million, a 25.3% increase from 2003 reflecting increases in distribution and advertising revenue for all of the networks and the inclusion of TechTV and International Channel Networks in the 2004 results. The Content segment reported Operating Cash Flow of \$265 million in 2004, a 24.0% year over year increase to 2003, reflecting strong growth at The Golf Channel and Outdoor Life Network offset by higher operating expenses at E! Networks and the inclusion of TechTV and International Channel Networks in the 2004 results.

For the quarter ended December 31, 2004, Comcast's Content segment reported revenue of \$205 million, a 23.4% increase compared to the prior year period, and Operating Cash Flow of \$57 million, a decline of 2.8% from the fourth quarter of 2003. The decline in fourth quarter 2004 Operating Cash Flow was due to strong growth at the Outdoor Life Network offset by higher operating expenses at E! Networks and G4techTV.

## Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. For the year ended December 31, 2004, Comcast reported Corporate and Other revenue of \$204 million and an Operating Cash Flow loss of \$205 million compared to revenue of \$228 million and an Operating Cash Flow loss of \$172 million in 2003.

For the three months ended December 31, 2004, Corporate and Other revenue declined to \$43 million from the \$69 million reported in the same period of 2003. The Operating Cash Flow loss for the quarter ended December 31, 2004, was \$45 million compared to \$51 million in 2003. Results for the year and quarter ended December 31, 2004, were impacted by the absence of National Hockey League games.

## Consolidated Results

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

For the year ended December 31, 2004, the Company reported consolidated revenues of \$20.307 billion, a 10.7% increase from the \$18.348 billion reported in 2003. Consolidated Operating Cash Flow increased to \$7.531 billion, or 17.8%, in 2004 from the \$6.392 billion reported in the prior year. Operating income increased 48.8% to \$2.908 billion in 2004 compared to operating income of \$1.954 billion in 2003. Investment income increased from a loss of \$84 million in 2003 to income of \$472 million in 2004. The increase in investment income was due to mark-to-market adjustments to our investment portfolio. Other income increased from \$71 million in 2003 to \$394 million in 2004, reflecting the positive impact of the settlement of previously disclosed litigation for an amount significantly less than previously estimated.

For the year ended December 31, 2004, the Company reported consolidated net income of \$970 million, or \$0.43 per share compared to a consolidated loss from continuing operations of \$218 million, or a loss of \$0.10 per share in 2003. Please refer to the "Reconciliation of Net Income to Free Cash Flow" in Table 7-B at the end of this release and the Company's Form 10-K for further details on items affecting net income.

Comcast reported significant Free Cash Flow in 2004:

	Guidance	Results
Consolidated Free Cash Flow	\$2 billion	\$1.937 billion

Free Cash Flow (which is defined in Table 4) was \$1.937 billion in 2004, a significant increase from the \$74 million of Free Cash Flow reported in 2003. The increase was driven by growth in Operating Cash Flow and lower capital expenditures as a result of the substantial completion of the Company's cable system upgrade. Free Cash Flow results for 2004 were slightly less than guidance of \$2 billion due to increased capital expenditures in December 2004, as described above.

For the three months ended December 31, 2004, the Company reported consolidated revenues of \$5.235 billion, a 10.4% increase from the \$4.742 billion reported in the same period of 2003. Consolidated Operating Cash Flow increased to \$1.986 billion, or 15.5%, in the fourth quarter of 2004 from the \$1.720 billion reported in the same prior year period. Operating income decreased 4.1% to \$711 million in the fourth quarter of 2004 compared to operating income of \$742 million in 2003. The decline in operating income was due to higher depreciation expense related to capital expenditures in 2004 and the effect of acquisition adjustments that lowered amortization expense in the fourth quarter of 2003. Other income increased from \$11 million in 2003 to \$312 million in 2004, reflecting the positive impact of the settlement of previously disclosed litigation for an amount significantly less than previously estimated.

For the three months ended December 31, 2004, the Company reported consolidated net income of \$423 million, or \$0.19 per share compared to consolidated income from continuing operations of \$383 million, or \$0.17 per share for the three months ended December 31, 2003. Please refer to the "Reconciliation of Net Income to Free Cash Flow" in Table 7-B at the end of this release and the Company's Form 10-K for further details on items affecting net income.

#### Share Repurchase Program

Comcast repurchased \$1.3 billion, or 46.9 million shares, of its common stock under its stock repurchase program during 2004. Comcast expects such repurchases to continue to occur from time to time in the open market or in private transactions, subject to market conditions. During the fourth quarter of 2004, Comcast repurchased \$303 million, or 10.1 million shares of its common stock.

In addition, the Company elected to redeem, in cash, several debt issues during 2004 for a total of \$609 million that were exchangeable into Comcast Class A Special Common Stock, eliminating the need to issue 22.5 million additional shares.

Since the inception of the program in December 2003 through December 31, 2004, the Company has repurchased \$1.4 billion of its Class A Special Common Stock, or 47.8 million shares, under its \$2 billion share repurchase program. Including the \$609 million paid in cash to redeem several debt issues exchangeable into Comcast common stock, the Company has invested \$2.0 billion in its common stock and related securities.

#### 2005 Financial Outlook:

For 2005, Comcast expects:

- Consolidated revenue growth of approximately 10%
- Consolidated Operating Cash Flow growth of at least 12%\*
- Consolidated capital expenditures of approximately \$3 billion
- Consolidated Free Cash Flow growth of between 35% and 45%\*
- Total Revenue Generating Unit growth of at least 2.5 million units

\* Does not include any impact from the adoption of SFAS No. 123R (Accounting for stock-based compensation), expected in 2005.

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

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

Comcast Corporation will host a conference call with the financial community today February 3, 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 February 3, 2005. Those parties interested in participating via telephone should dial (847) 413-2408. A telephone replay will begin immediately following the call until February 4, 2005 at midnight ET. To access the rebroadcast, please dial (630) 652-3000 and enter passcode number 10679571#. To automatically receive Comcast financial news by email, please visit <http://www.cmcsa.com> or <http://www.cmcsk.com> and subscribe to e-mail alerts.

Comcast Corporation (<http://www.comcast.com>) is principally involved in the development, management and operation of broadband cable networks and in the provision of programming content. The Company is the largest provider of cable and broadband services in the United States, serving more than 21 million cable television subscribers and 7 million high-speed Internet customers. The Company's content businesses include Comcast SportsNet, Comcast-Spectacor, E! Entertainment Television, Style Network, G4techTV, The Golf Channel, International Channel Networks and Outdoor Life Network. Comcast Class A common stock and Class A Special common stock trade on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.