UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
(X) Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended:

JUNE 30, 2004
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 000-50093

COMCAST CORPORATION
(Exact name of registrant as specified in its charter)

PENNSYLVANIA	27-0000798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1500 Market Street, Philadelphia, PA 19102-2148

(Address of principal executive offices)
(Zip Code)

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

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

Yes _X_ No __

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12-b2 of the Exchange Act). Yes _X_ No __

As of June 30, 2004, there were 1,358,616,278 shares of our Class A Common Stock, 866,778,108 shares of our Class A Special Common Stock and 9,444,375 shares of our Class B Common Stock outstanding.

COMCAST CORPORATION AND SUBSIDIARIES
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QUARTER ENDED JUNE 30, 2004
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This Quarterly Report on Form 10-Q is for the three and six months ended June 30, 2004. This Quarterly Report modifies and supersedes documents filed prior to this Quarterly Report. Information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report. In this Quarterly Report, we refer to Comcast Corporation as “Comcast”; Comcast and its consolidated subsidiaries as “we,” “us” and “our”; and Comcast Holdings Corporation as “Comcast Holdings.”

You should carefully review the information contained in this Quarterly Report, and should particularly consider any risk factors that we set forth in this Quarterly Report and in other reports or documents that we file from time to time with the SEC. In this Quarterly Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify those 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 those 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 outlined below. Actual events or our actual results may differ materially from any of our forward-looking statements.

Our businesses may be affected by, among other things:

- changes in laws and regulations,
- changes in the competitive environment,
- changes in technology,
- industry consolidation and mergers,
- franchise related matters,
- market conditions that may adversely affect the availability of debt and equity financing for working capital, capital expenditures or other purposes,
- the demand for the programming content we distribute or the willingness of other video program distributors to carry our content, and
- general economic conditions.

As more fully described elsewhere in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2003, on September 17, 2003, we sold to Liberty Media Corporation our approximate 57% interest in QVC, Inc., which markets a wide variety of products directly to consumers primarily on merchandise-focused television programs. Accordingly, financial information related to QVC is presented as a discontinued operation in our financial statements.

COMCAST CORPORATION AND SUBSIDIARIES
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QUARTER ENDED JUNE 30, 2004

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

	(Dollars in millions, except share data) June 30, 2004	December 31, 2003
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$594	$1,550
Investments	2,481	2,493
Accounts receivable, less allowance for doubtful accounts of $142 and $146	925	907
Other current assets	418	453
Total current assets	4,418	5,403

INVESTMENTS	14,204	14,818
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $7,949 and $6,563	18,615	18,473
FRANCHISE RIGHTS	51,070	51,050
GOODWILL	14,816	14,841
OTHER INTANGIBLE ASSETS, net of accumulated amortization of $2,810 and $2,182	4,322	3,859
OTHER NONCURRENT ASSETS, net	636	715
	$108,081	$109,159
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$988	$1,251
Accrued expenses and other current liabilities	4,194	4,563
Deferred income taxes	657	679
Current portion of long-term debt	2,792	3,161
Total current liabilities	8,631	9,654
LONG-TERM DEBT, less current portion	22,985	23,835
DEFERRED INCOME TAXES	26,644	25,900
OTHER NONCURRENT LIABILITIES	7,922	7,816
MINORITY INTEREST	384	292
COMMITMENTS AND CONTINGENCIES (NOTE 9)		
STOCKHOLDERS' EQUITY		
Preferred stock - authorized 20,000,000 shares; issued, zero		
Class A common stock, $0.01 par value - authorized, 7,500,000,000 shares; issued, 1,602,256,778 and 1,601,161,057; outstanding, 1,358,616,278 and 1,357,520,557	16	16
Class A special common stock, $0.01 par value - authorized, 7,500,000,000 shares; issued 914,067,951 and 931,732,876; outstanding, 866,778,108 and 884,443,033	9	9
Class B common stock, $0.01 par value - authorized, 75,000,000 shares; issued, 9,444,375		
Additional capital	44,484	44,742
Retained earnings	4,653	4,552
Treasury stock, 243,640,500 Class A common shares and 47,289,843 Class A special common shares	(7,517)	(7,517)
Accumulated other comprehensive loss	(130)	(140)
Total stockholders' equity	41,515	41,662
	$108,081	$109,159

See notes to condensed consolidated financial statements.

	(Dollars in millions, except per share data)			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
REVENUES	$5,066	$4,594	$9,974	$9,060
COSTS AND EXPENSES				
Operating (excluding depreciation)	1,794	1,753	3,663	3,564
Selling, general and administrative	1,320	1,229	2,626	2,456
Depreciation	813	816	1,611	1,596
Amortization	287	371	563	725
	4,214	4,169	8,463	8,341
OPERATING INCOME	852	425	1,511	719
OTHER INCOME (EXPENSE)				
Interest expense	(484)	(490)	(984)	(1,014)
Investment income (loss), net	151	(6)	142	(229)
Equity in net (losses) income of affiliates	(20)	1	(37)	(16)
Other income	12	22	19	35
	(341)	(473)	(860)	(1,224)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	511	(48)	651	(505)
INCOME TAX (EXPENSE) BENEFIT	(234)	(13)	(310)	128
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	277	(61)	341	(377)
MINORITY INTEREST	(15)	(32)	(14)	(71)
INCOME (LOSS) FROM CONTINUING OPERATIONS	262	(93)	327	(448)
INCOME FROM DISCONTINUED OPERATIONS, net of tax		71		129
NET INCOME (LOSS)	$262	($22)	$327	($319)
BASIC EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE				
Income (loss) from continuing operations	$0.12	($0.04)	$0.14	($0.20)
Income from discontinued operations		0.03		0.06
Net income (loss)	$0.12	($0.01)	$0.14	($0.14)
DILUTED EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE				
Income (loss) from continuing operations	$0.12	($0.04)	$0.14	($0.20)
Income from discontinued operations		0.03		0.06
Net income (loss)	$0.12	($0.01)	$0.14	($0.14)

See notes to condensed consolidated financial statements.

	(Dollars in millions) Six Months Ended June 30, 2004	2003
OPERATING ACTIVITIES		
Net income (loss)	$327	($319)
Income from discontinued operations		(129)
Income (loss) from continuing operations	327	(448)
Adjustments to reconcile net income (loss) from continuing operations to net cash provided by operating activities from continuing operations:		
Depreciation	1,611	1,596
Amortization	563	725
Non-cash interest (income) expense, net	25	(61)
Equity in net losses of affiliates	37	16
Losses (gains) on investments and other income, net	(125)	257
Non-cash contribution expense	23	
Minority interest	14	20
Deferred income taxes	155	(226)
Proceeds from sales of trading securities		85
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Change in accounts receivable, net	(8)	(6)
Change in accounts payable	(263)	(183)
Change in other operating assets and liabilities	274	(64)
Net cash provided by operating activities from continuing operations	2,633	1,711
FINANCING ACTIVITIES		
Proceeds from borrowings	1,058	8,848
Retirements and repayments of debt	(1,617)	(11,543)
Repurchases of common stock	(511)	
Other	46	(3)
Net cash used in financing activities from continuing operations	(1,024)	(2,698)
INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	(336)	(22)
Proceeds from sales (purchases) of short-term investments, net	(15)	(20)
Proceeds from sales and restructuring of investments and assets held for sale	51	3,592
Purchases of investments	(106)	(130)
Capital expenditures	(1,732)	(2,012)
Additions to intangible and other noncurrent assets	(453)	(110)
Proceeds from settlement of contract of acquired company	26	
Net cash (used in) provided by investing activities from continuing operations	(2,565)	1,298
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(956)	311
CASH AND CASH EQUIVALENTS, beginning of period	1,550	505
CASH AND CASH EQUIVALENTS, end of period	$594	$816

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation
We have prepared these unaudited condensed consolidated financial statements based upon Securities and Exchange Commission ("SEC") rules that permit reduced disclosure for interim periods.

These financial statements include all adjustments that are necessary for a fair presentation of our results of operations and financial condition for the interim periods shown, including normal recurring accruals and other items. The results of operations for the interim periods presented are not necessarily indicative of results for the full year.

Effective in the first quarter of 2004, we changed the unit of accounting used for testing impairment of our indefinite-lived franchise rights to geographic regions and performed impairment testing of our cable franchise rights. We did not record any impairment charges in connection with this impairment testing.

For a more complete discussion of our accounting policies and certain other information, refer to the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2003.

On September 17, 2003, we completed the sale of our approximate 57% interest in QVC, Inc. Accordingly, QVC has been presented as a discontinued operation pursuant to Statement of Financial Accounting Standards ("SFAS") No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets."

The results of operations of QVC included within income from discontinued operations, net of tax are as follows (in millions):

	Three Months Ended June 30, 2003	Six Months Ended June 30, 2003
Revenues	$1,101	$2,163
Income before income taxes and minority interest	$199	$371
Income tax expense	$64	$137

Reclassifications
Certain reclassifications have been made to the prior year financial statements to conform to those classifications used in 2004.

2. RECENT ACCOUNTING PRONOUNCEMENTS

FIN 46/FIN 46R
In January 2003, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 46, "Consolidation of Variable Interest Entities" ("FIN 46"). We adopted the provisions of FIN 46 effective January 1, 2002. Since our initial application of FIN 46, the FASB addressed various implementation issues regarding the application of FIN 46 to entities outside its originally interpreted scope, focusing on Special Purpose Entities, or SPEs. In December 2003, the FASB revised FIN 46 ("FIN 46R"), which delayed the required implementation date until March 31, 2004 for entities that are not SPEs. The adoption of FIN 46R did not have a material impact on our financial condition or results of operations.

EITF 03-16
In March 2004, the Emerging Issues Task Force ("EITF") reached a consensus regarding Issue No. 03-16, "Accounting for Investments in Limited Liability Companies" ("EITF 03-16"). EITF 03-16 requires investments in limited liability companies ("LLCs") that have separate ownership accounts for each investor to be accounted for similar to a limited partnership investment under Statement of Position No. 78-9, "Accounting for Investments in Real Estate Ventures." Investors would be required to apply the equity method of accounting to their investments at a much lower ownership threshold than the 20% threshold applied under Accounting Principles Board ("APB") No. 18, "The Equity Method of Accounting for Investments in Common Stock." EITF 03-16 is effective for the first period beginning after June 15, 2004. The adoption of EITF 03-16 will not have a material impact on our financial condition or results of operations.

3. EARNINGS PER SHARE

Earnings (loss) per common share ("EPS") is computed by dividing net income (loss) from continuing operations for common stockholders by the weighted average number of common shares outstanding during the period on a basic and diluted basis.

Our potentially dilutive securities include potential common shares related to our stock options, restricted stock and Comcast

exchangeable notes (see Note 6). 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 common stock for the period. Diluted EPS for the interim periods in 2004 excludes the impact of potential common shares related to our Class A Special common stock held in treasury because it is our intent to settle the related Comcast exchangeable notes using cash.

Diluted EPS for the three and six months ended June 30, 2004 excludes approximately 108 million and 93 million potential common shares, respectively, related to our stock option plans because the option exercise price was greater than the average market price of our Class A common stock and our Class A Special common stock for the period. Diluted EPS for the three and six months ended June 30, 2003 excludes approximately 197 million and 190 million potential common shares, respectively, primarily related to our stock option and restricted stock plans and our common stock held in treasury because the assumed issuance of such potential common shares is antidilutive in periods in which there is a loss.

The following table reconciles the numerator and denominator of the computations of Diluted EPS for common stockholders from continuing operations for the interim periods presented:

(Amounts in millions, except per share data)

	Three Months Ended June 30, 2004			2003		
	Income	Shares	Per Share Amount	Loss	Shares	Per Share Amount
Basic EPS for common stockholders	$262	2,257	$0.12	($93)	2,255	($0.04)
Effect of Dilutive Securities						
Assumed exercise of stock option and restricted stock plans		10				
Diluted EPS	$262	2,267	$0.12	($93)	2,255	($0.04)

(Amounts in millions, except per share data)

	Six Months Ended June 30, 2004			2003		
	Income	Shares	Per Share Amount	Loss	Shares	Per Share Amount
Basic EPS for common stockholders	$327	2,257	$0.14	($448)	2,255	($0.20)
Effect of Dilutive Securities						
Assumed exercise of stock option and restricted stock plans		11				
Diluted EPS	$327	2,268	$0.14	($448)	2,255	($0.20)

4. ACQUISITIONS AND OTHER SIGNIFICANT EVENTS

Acquisition of Broadband

On November 18, 2002, we completed the acquisition of AT&T Corp.'s ("AT&T") broadband business, which we refer to as "Broadband." The acquisition created the largest cable operator in the United States by combining Broadband's and our cable networks.

The application of purchase accounting under SFAS No. 141, "Business Combinations," requires that the total purchase price of an acquisition be allocated to the fair value of the assets acquired and liabilities assumed based on their fair values at the acquisition date. During 2003, we finalized the Broadband purchase price allocation, except for certain litigation contingencies relating to our share of AT&T's potential liability associated with the At Home Corporation litigation (see Note 9). We are waiting for additional information to complete the Broadband purchase price allocation, which we have arranged with AT&T to obtain and expect to receive during 2004.

Liabilities associated with exit activities recorded in the purchase price allocation consist of $602 million associated with accrued employee termination and related costs and $929 million associated with either the cost of terminating contracts or the present value of remaining amounts payable under non-cancelable contracts. Amounts paid, adjustments made against these accruals and interest accretion during the six months ended June 30, 2004 were as follows (in millions):

	Employee Termination and Related Costs	Contract Exit Costs
Balance, December 31, 2003	$135	$461
Payments	(38)	(12)
Interest accretion		2
Balance, June 30, 2004	$97	$451

Gemstar
On March 31, 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. This amount is included in other intangible assets in our condensed consolidated balance sheet and is being amortized based on a preliminary allocation of value. This agreement allows us to utilize Gemstar's intellectual property and technology and the TV Guide brand and content on our interactive program guides. In addition, we formed an entity along with Gemstar to develop and enhance interactive programming guides.

TechTV
On May 10, 2004, we completed the purchase of TechTV, Inc. ("TechTV") 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 as an intangible asset pending the completion of a formal valuation. The results of TechTV are not material for pro forma presentation. On May 28, 2004, G4 and TechTV began operating as one network called G4techTV, which is available to approximately 42 million cable and satellite homes nationwide. We have classified G4techTV as part of our content business segment (see Note 10).

5. INVESTMENTS

	June 30, 2004	December 31, 2003
	(in millions)	
Fair value method		
Cablevision	$815	$970
Liberty Media Corporation	1,981	2,644
Liberty Media International	407	
Microsoft	1,334	1,331
Sprint	515	349
Vodafone	871	1,245
Other	45	44
	5,968	6,583

Equity Method		
Cable related	2,183	2,145
Other	238	242
	2,421	2,387
Cost method, principally Time Warner Cable and Time Warner	8,296	8,341
Total investments	16,685	17,311
Less, current investments	2,481	2,493
Non-current investments	$14,204	$14,818

Fair Value Method

We hold unrestricted equity investments, which we account for as available for sale or trading securities, in certain publicly traded companies. The net unrealized pre-tax gains on investments accounted for as available for sale securities as of June 30, 2004 and December 31, 2003 of $49 million and $65 million, respectively, have been reported in our consolidated balance sheet principally as a component of accumulated other comprehensive loss, net of related deferred income taxes of $17 million and $23 million, respectively.

On June 7, 2004, we received approximately 11 million shares of Liberty Media International, Inc. (“Liberty International”) Series A common stock in connection with the spin-off by Liberty Media Corporation (“Liberty”) of Liberty International. In the spin-off, each share of Liberty Series A and Series B common stock received 0.05 shares of the new Liberty International Series A common stock. As of June 30, 2004, we have classified all of the shares of Liberty International Series A common stock that we received as trading securities recorded at fair value within noncurrent investments. Approximately 5 million of these shares collateralize a portion of the ten year prepaid forward sale of Liberty common stock that we entered into in December 2003.

The cost, fair value and unrealized gains and losses related to our available for sale securities are as follows (in millions):

	June 30, 2004	December 31, 2003
Cost	$78	$92
Unrealized gains	49	66
Unrealized losses		(1)
Fair value	$127	$157

Investment Income (Loss), Net

Investment income (loss), net for the interim periods includes the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Interest and dividend income	$26	$49	$43	$83
Gains (losses) on sales and exchanges of investments, net	(1)	1	1	23
Investment impairment losses	(3)	(15)	(3)	(70)
Mark to market adjustments on trading securities	(53)	307	(227)	292
Mark to market adjustments on derivatives related to trading securities	200	(296)	255	(306)
Mark to market adjustments on derivatives and hedged items	(18)	(52)	73	(251)
Investment income (loss), net	$151	($6)	$142	($229)

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6. LONG-TERM DEBT

	June 30, 2004	December 31, 2003
	(in millions)	
Notes exchangeable into common stock	$3,360	$4,318
Bank and public debt	21,959	22,193
Other, including capital lease obligations	458	485
Total debt	$25,777	$26,996

The Cross-Guarantee Structure
To simplify our capital structure, we and a number of our wholly-owned subsidiaries that hold substantially all of our cable communications assets have unconditionally guaranteed each other's debt securities and indebtedness for borrowed money, including amounts outstanding under the new credit facility (see below). As of June 30, 2004, $20.675 billion of our debt was included in the cross-guarantee structure.

Comcast Holdings is not a guarantor and none of its debt is guaranteed under the cross-guarantee structure. As of June 30, 2004, $981 million of our debt was outstanding at Comcast Holdings.

New Credit Facility
In January 2004, we entered into a new $4.5 billion, five-year revolving bank credit facility. Interest rates on this facility vary based on an underlying base rate ("Base Rate"), chosen at our option, plus a borrowing margin. The Base Rate is either 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. The interest rate for borrowings under this revolver is LIBOR plus 0.625% based on our current credit ratings.

Comcast Exchangeable Notes
In May and June 2004, we redeemed an aggregate of $533 million face amount of Comcast exchangeable notes due December 2004 and 2005 (covering approximately 14.9 million shares of our Class A Special common stock) by paying $400 million in cash and by exercising our options to put the underlying equity collar agreements to the counterparty. Interest expense for the three and six months ended June 30, 2004 includes $29 million related to the early redemption of these obligations. As of June 30, 2004, an aggregate of $441 million of Comcast exchangeable notes, which are due in November 2004 and 2005, remain outstanding. The remaining outstanding Comcast exchangeable notes are collateralized by approximately 16 million shares of our Class A Special common stock held in treasury.

Repayments of Senior Notes
On March 31, 2004, we repaid all $250 million principal amount of our 8.875% senior notes due 2007. On May 1, 2004, we repaid all $300 million principal amount of our 8.125% senior notes due 2004. The repayments were both financed with available cash.

Notes Exchangeable into Common Stock
We hold exchangeable notes (the "Exchangeable Notes") that are mandatorily redeemable at our option into shares of Cablevision NY Group ("Cablevision") Class A common stock or its cash equivalent, Microsoft Corporation ("Microsoft") common stock or its cash equivalent, (i) Vodafone ADRs, (ii) the cash equivalent, or (iii) a combination of cash and Vodafone ADRs, and Comcast Class A Special common stock or its cash equivalent. The maturity value of the Exchangeable Notes varies based upon the fair market value of the security to which it is indexed. Our Exchangeable Notes are collateralized by our investments in Cablevision, Microsoft and Vodafone, respectively, and the Comcast Class A Special common stock held in treasury.

During the three and six months ended June 30, 2004, we settled an aggregate of $176 million and $352 million, respectively, of our obligations relating to our Vodafone exchangeable notes by delivering the underlying ADRs to

the counterparty upon maturity of the instruments, and the equity collar agreements related to the underlying ADRs expired. The Vodafone transactions represented non-cash investing and financing activities and had no effect on our statement of cash flows due to their non-cash nature.

As of June 30, 2004, the securities we hold collateralizing the Exchangeable Notes were sufficient to satisfy the debt obligations associated with the outstanding Exchangeable Notes (see Notes 5 and 8).

Commercial Paper
In June 2004, we entered into a new commercial paper program to provide 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. As of June 30, 2004, amounts outstanding under the program totaled $304 million with a weighted average interest rate of 1.74%. Amounts outstanding under the program are classified as long-term in our consolidated balance sheet as 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.

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 ZONES or the market value of Sprint common stock. Prior to maturity, each ZONES is exchangeable at the holders' option for an amount of cash equal to 95% of the market value of Sprint common stock. As of June 30, 2004, the number of Sprint shares we held exceeded the number of ZONES outstanding.

We separated the accounting for the Exchangeable Notes and the ZONES into derivative and debt components. We record the change in the fair value of the derivative component of the Exchangeable Notes and the ZONES and the change in the carrying value of the debt component of the Exchangeable Notes and the ZONES as follows (in millions):

	Exchangeable Notes		ZONES	
	Six Months Ended June 30,		Six Months Ended June 30,	
Balance at Beginning of Period:	2004	2003	2004	2003
Debt component	$5,030	$6,981	$515	$491
Derivative component	(712)	(1,522)	268	208
Total	4,318	5,459	783	699
Decrease in debt component due to maturities and redemptions	(887)	(176)		
Change in debt component to interest expense	(44)	(55)	13	12
Change in derivative component to investment income (loss), net	(27)	385	(56)	65
Balance at End of Period:				
Debt component	4,099	6,750	528	503
Derivative component	(739)	(1,137)	212	273
Total	$3,360	$5,613	$740	$776

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(Unaudited)

Interest Rates
Excluding the derivative component of the Exchangeable Notes and the ZONES whose changes in fair value are recorded to investment income (loss), net, our effective weighted average interest rate was 7.08% as of June 30, 2004 and December 31, 2003.

Derivatives
We use derivative financial instruments to manage our exposure to fluctuations in interest rates and securities prices. We have issued indexed debt instruments and prepaid forward sale agreements whose value, in part, is derived from the market value of certain publicly traded common stock.

Lines and Letters of Credit
As of June 30, 2004, we and certain of our subsidiaries had unused lines of credit of $3.898 billion under our respective credit facilities.

As of June 30, 2004, we and certain of our subsidiaries had unused irrevocable standby letters of credit totaling $422 million to cover potential fundings under various agreements.

7. STOCKHOLDERS' EQUITY

Stock-Based Compensation
We account for stock-based compensation in accordance with APB Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations, as permitted by SFAS No. 123, “Accounting for Stock-Based Compensation,” (“SFAS No. 123”) as amended. Compensation expense for stock options is measured as the excess, if any, of the quoted market price of our stock at the date of the grant over the amount an employee must pay to acquire the stock. We record compensation expense for restricted stock awards based on the quoted market price of our stock at the date of the grant and the vesting period. We record compensation expense for stock appreciation rights based on the changes in quoted market prices of our stock or other determinants of fair value.

The following table illustrates the effect that applying the fair value recognition provisions of SFAS No. 123 to stock-based compensation would have had on net income (loss) and earnings (loss) per share. Upon further analysis during 2003, it was determined that the expected option lives for options granted in prior years should have been 7 years rather than the 8 years used previously. The amounts in the table reflect this revision for all periods presented. Total stock-based compensation expense was determined under the fair value method for all awards using the accelerated recognition method as permitted under SFAS No. 123 (dollars in millions, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income (loss), as reported	$262	($22)	$327	($319)
Add: Total stock-based compensation expense included in net income (loss), as reported above	10	2	15	4
Deduct: Total stock-based compensation expense determined under fair value based method for all awards relating to continuing operations, net of related tax effects	(48)	(41)	(81)	(76)
Deduct: Total stock-based compensation expense determined under fair value based method for all awards relating to discontinued operations, net of related tax effects		(4)		(7)
Pro forma, net income (loss)	$224	($65)	$261	($398)
Basic earnings (loss) from continuing operations for common stockholders per common share:				
As reported	$0.12	($0.04)	$0.14	($0.20)
Pro forma	$0.10	($0.06)	$0.12	($0.23)
Diluted earnings (loss) from continuing operations for common stockholders per common share:				
As reported	$0.12	($0.04)	$0.14	($0.20)
Pro forma	$0.10	($0.06)	$0.12	($0.23)

Basic earnings (loss) for common stockholders per common share:

As reported	$0.12	($0.01)	$0.14	($0.14)
Pro forma	$0.10	($0.03)	$0.12	($0.18)
Diluted earnings (loss) for common stockholders per common share:				
As reported	$0.12	($0.01)	$0.14	($0.14)
Pro forma	$0.10	($0.03)	$0.12	($0.18)

The pro forma effect on net income (loss) and net income (loss) per share for the interim periods by applying SFAS No. 123 may not be indicative of the effect on net income (loss) in future years because additional awards in future years are anticipated.

The following table summarizes the activity of our option plans during the six months ended June 30, 2004 (options in thousands):

	Class A Common Stock		Class A Special Common Stock	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Outstanding at beginning of period	85,151	$39.28	60,464	$29.43
Granted	15,117	29.93		
Exercised	(530)	23.03	(1,057)	11.57
Canceled	(2,748)	38.08	(695)	35.25
Outstanding at end of period	96,990	37.98	58,712	29.68
Exercisable at end of period	55,202	44.78	34,824	27.19

Share Repurchase Program
Based on the trade date for stock repurchases, during the three and six months ended June 30, 2004, we repurchased approximately 17.8 million shares and 18.5 million shares, respectively, of our Class A Special common stock for aggregate consideration of $499 million and $523 million, respectively, pursuant to our Board authorized repurchase program.

Comprehensive Income (Loss)
Our total comprehensive income (loss) for the interim periods was as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income (loss)	$262	($22)	$327	($319)
Unrealized gains (losses) on marketable securities	(11)	3	(9)	(28)
Reclassification adjustments for losses included in net income (loss)	11	3	19	27
Foreign currency translation gains		9		15
Comprehensive income (loss)	$262	($7)	$337	($305)

8. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION

We made cash payments for interest and income taxes during the interim periods as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Interest	$376	$449	$981	$1,016
Income taxes	$89	$38	$150	$53

The three and six month interim periods in 2004 include a federal income tax refund of approximately $536 million. During the three and six months ended June 30, 2004, we entered into non-cash financing and investing activities

related to certain of our Exchangeable Notes (see Note 6). During the three months ended June 30, 2004, we acquired cable systems through the assumption of $68 million of debt, which is considered a non-cash financing and investing activity. Also during the three months ended June 30, 2004, in connection with the acquisition of TechTV (see Note 4), we issued shares in G4techTV with a value of approximately $70 million, which is also considered a non-cash financing and investing activity.

9. COMMITMENTS AND CONTINGENCIES

Commitments

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 5). The obligations expire between May 2008 and September 2010. 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 $1.021 billion as of June 30, 2004, at which time there were no quoted market prices for similar agreements.

Contingencies

At Home

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, Brian L. Roberts (our President and Chief Executive Officer and a director), AT&T (the former controlling shareholder of At Home and also a former distributor of the At Home service) and other corporate and individual defendants in the Superior Court of San Mateo County, California, alleging breaches of fiduciary duty in connection with transactions agreed to in March 2000 among At Home, AT&T, Cox Communications, Inc. (Cox is also an investor in At Home and a former distributor of the At Home service) and us; (ii) class action lawsuits against Comcast Cable Communications, LLC, AT&T 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; (iii) 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, Cox and others, alleging breaches of fiduciary duty relating to the March 2000 transactions and seeking recovery of alleged short-swing profits of at least $600 million pursuant to Section 16(b) of the Securities Exchange Act of 1934 purported to have arisen in connection with certain transactions relating to At Home stock effected pursuant to the March 2000 agreements; and (iv) a lawsuit brought in the United States Bankruptcy Court for the Northern District of California by certain At Home bondholders against Comcast Cable Holdings, LLC and Comcast Cable Communications Holdings, Inc., as well as AT&T, AT&T Credit Holdings, Inc. and AT&T Wireless Services, Inc., seeking to avoid and recover certain alleged “preference” payments in excess of $89 million allegedly made to the defendants prior to the At Home bankruptcy filing. The actions in San Mateo County, California have been stayed by the United States Bankruptcy Court for the Northern District of California, the court in which At Home filed for bankruptcy, as violating the automatic bankruptcy stay. The preference action in U.S. Bankruptcy Court has also been stayed by agreement of the parties. In the Southern District of New York actions, the court ordered the actions consolidated into a single action. All of the defendants served motions to dismiss on February 11, 2003. The court dismissed the common law claims against us and Mr. Roberts, leaving only a claim for “control person” liability under the Securities Exchange Act of 1934. In a subsequent decision, the court limited the remaining claim against us and Mr. Roberts to disclosures that are alleged to have been made by At Home prior to August 28, 2000. The Delaware case has been transferred to the United States District Court for the Southern District of New York, and we have moved to dismiss the Section 16(b) claims.

Under the terms of the Broadband acquisition, we are generally contractually liable for 50% of any liabilities of AT&T relating to At Home, including most liabilities resulting from any pending or threatened litigation, with the exception, among other things, of liabilities arising out of contracts between At Home and AT&T (or its affiliates) for the benefit of the businesses retained by AT&T following its divestiture of Broadband. In those situations that we are contractually liable for

50% of any liabilities, AT&T will be liable for the other 50% of these liabilities. In addition to the actions against AT&T described above, in which we are also a defendant, there are two additional

actions brought by At Home's bondholders' liquidating trust against AT&T not naming us: (i) a lawsuit filed against AT&T and certain of its senior officers in Santa Clara, California state court alleging various breaches of fiduciary duties, misappropriation of trade secrets and other causes of action in connection with the transactions in March 2000 described above, and prior and subsequent alleged conduct on the part of the defendants, and (ii) an action filed against AT&T in the District Court for the Northern District of California, alleging that AT&T infringes an At Home patent by using its broadband distribution and high-speed Internet backbone networks and equipment. Both of these actions are in the discovery stage.

We deny any wrongdoing in connection with the claims that have been made directly against us, our subsidiaries and Brian L. Roberts, and intend to defend all of these claims vigorously. In our opinion, 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.

We are currently waiting to obtain additional information, and, therefore, are unable to determine what impact, if any, the final resolution of our share of these AT&T At Home potential liabilities would have on our consolidated financial position or results of operations. No assurance can be given that any adverse outcome would not be material.

AT&T - Wireless and Common Stock Cases

We, in connection with our acquisition of Broadband, are potentially responsible for a portion of the liabilities arising from two purported securities class action lawsuits brought against AT&T and others and consolidated for pre-trial purposes in the United States District Court for the District of New Jersey. These lawsuits assert claims under Section 11, Section 12(a)(2) and Section 15 of the Securities Act of 1933, as amended, and Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934, as amended. The first lawsuit, for which our portion of the exposure is up to 15%, alleges, among other things, that AT&T made material misstatements and omissions in the Registration Statement and Prospectus for the AT&T Wireless initial public offering ("Wireless Case"). The second lawsuit, for which our portion of the exposure is up to 50%, alleges, among other things, that AT&T knowingly provided false projections relating to AT&T common stock ("Common Stock Case"). The complaints seek damages in an unspecified amount, but, because the trading activity during the purported class periods was extensive, the amounts ultimately demanded may be significant. We and AT&T believe that AT&T has meritorious defenses and these actions are being vigorously defended.

In March 2004, AT&T and the other defendants moved for summary judgment in both the Common Stock and Wireless Cases, and the plaintiffs moved for summary judgment in the Wireless Case. In June 2004, the Court granted in part and denied in part the motion for summary judgment in the Common Stock Case. The Court held that the plaintiffs could not prove that the alleged misrepresentation caused the decline in shareholder value with regard to any of their claims except for the December 1999 projections concerning AT&T Business Services and AT&T Consumer Services. This decision is ultimately subject to appeal, although such an appeal is unlikely until after a final judgment is entered in the case. The Court allowed the plaintiffs' Section 20(a) claim to go forward. The trial on the remaining claims in the Common Stock Case is set to commence on October 5, 2004. No trial date has been set in the Wireless Case. In connection with the Broadband acquisition, we recorded an estimate of the fair value of the potential liability associated with these cases. We have not adjusted the amount recorded pending both the appeals process described above and final resolution of these cases.

AT&T-TCI

On June 24, 1998, the first of a number of purported class action lawsuits was 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. A consolidated amended complaint combining the various different actions was filed on February 10, 1999 in the Delaware Court of Chancery. The consolidated amended complaint alleges 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 transaction. The complaint further

alleges that AT&T aided and abetted the TCI directors' breach.

In connection with the TCI acquisition, which was completed in early 1999, AT&T agreed under certain circumstances to indemnify TCI's former directors for certain losses, expenses, claims or liabilities, potentially including those incurred in connection with this action. In connection with the Broadband acquisition, Broadband agreed to indemnify AT&T for certain losses, expenses, claims or liabilities. Those losses and expenses potentially include those incurred by AT&T in connection with this action, both as a defendant and in connection with any obligation that AT&T may have to indemnify the former TCI directors for liabilities incurred as a result of the claims against them in this action.

On September 8, 1999, AT&T moved to dismiss the amended complaint for failure to state a cause of action against AT&T. On July 7, 2003, the Delaware Court of Chancery granted AT&T's motion to dismiss on the ground that the complaint failed to adequately plead AT&T's "knowing participation," as required to state a claim for aiding and abetting a breach of fiduciary duty. The other claims made in the complaint remain outstanding. Discovery in this matter is now closed.

In our opinion, the final disposition of these AT&T related 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.

Liberty Digital

On January 8, 2003, Liberty Digital, Inc. filed a complaint in Colorado state court against us and Comcast Cable Holdings, LLC. The complaint alleges that Comcast Cable Holdings breached a 1997 "contribution agreement" between Liberty Digital and Comcast Cable Holdings and that we tortiously interfered with that agreement. The complaint alleges that this purported agreement obligates Comcast Cable Holdings to pay fees to Liberty Digital totaling $18 million (increasing at CPI) per year through 2017. Liberty Digital seeks, among other things, compensatory damages, specific performance of the purported agreement, a declaration that the agreement is valid and enforceable going forward, and an unspecified amount of exemplary damages from us based on the alleged intentional interference claim. We and Comcast Cable Holdings filed our answer to the complaint on March 5, 2003, in which we denied the essential allegations of the complaint and asserted various affirmative defenses.

On July 20, 2004, we and certain of our affiliates entered into an exchange agreement with Liberty (the parent company of Liberty Digital) and certain of its affiliates. The closing of the transactions in the exchange agreement on July 28, 2004 resolved all claims in the litigation. Pursuant to the terms of the exchange agreement, the parties submitted to the court a stipulation of dismissal that, upon approval by the court, will dismiss the litigation with prejudice.

Other

We are subject to other legal proceedings and claims that arise in the ordinary course of our business. In our opinion, the amount of ultimate liability with respect to such actions is not expected to materially affect our financial position, results of operations or liquidity.

10. FINANCIAL DATA BY BUSINESS SEGMENT

Our reportable segments consist of our Cable and Content businesses. Beginning in the first quarter of 2004, although they do not meet the quantitative disclosure requirements of SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information," we elected to disclose our content businesses separately as a reportable segment. Our content segment consists of our national networks E! Entertainment, Style Network, The Golf Channel, Outdoor Life Network and G4techTV. As a result of this change, we have presented the comparable 2003 Content segment amounts. In evaluating our segments' profitability, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management (amounts in millions).

	Cable (1)	Content	Corporate and Other (2)	Total

Three Months Ended March 31, 2004				
Revenues (3)	$4,838	$199	$29	$5,066
Operating income (loss) before depreciation and amortization (4)	1,920	77	(45)	1,952
Depreciation and amortization	1,043	39	18	1,100
Operating income (loss)	877	38	(63)	852
Capital expenditures	893	6	5	904
Three Months Ended June 30, 2003				
Revenues (3)	$4,379	$159	$56	$4,594
Operating income (loss) before depreciation and amortization (4)	1,597	56	(41)	1,612
Depreciation and amortization	1,133	32	22	1,187
Operating income (loss)	464	24	(63)	425
Capital expenditures	1,047	4	3	1,054
Six Months Ended June 30, 2004				
Revenues (3)	$9,485	$375	$114	$9,974
Operating income (loss) before depreciation and amortization (4)	3,639	146	(100)	3,685
Depreciation and amortization	2,060	74	40	2,174
Operating income (loss)	1,579	72	(140)	1,511
Capital expenditures	1,707	10	15	1,732
Six Months Ended June 30, 2003				
Revenues (3)	$8,611	$304	$145	$9,060
Operating income (loss) before depreciation and amortization (4)	3,018	97	(75)	3,040
Depreciation and amortization	2,213	64	44	2,321
Operating income (loss)	805	33	(119)	719
Capital expenditures	2,000	7	5	2,012
As of June 30, 2004				
Assets	$105,486	$2,460	$135	$108,081
As of December 31, 2003				
Assets	$105,316	$2,110	$1,733	$109,159

(1) Our regional programming networks Comcast SportsNet, Comcast SportsNet Mid-Atlantic, Comcast SportsNet Chicago, Cable Sports Southeast and CN8-The Comcast Network are included in our cable segment.

(2) Corporate and other includes corporate activities, elimination entries and all other businesses not presented in our cable or content segments. Assets included in this caption consist primarily of our investments (see Note 5).

(3) Non-US revenues were not significant in any period. No single customer accounted for a significant amount of our revenue in any period.

(4) Operating income (loss) before depreciation and amortization is defined as operating income before depreciation and amortization, impairment charges, if any, related to fixed and intangible assets and gains or losses from the sale of assets, if any. As such, it eliminates the significant level of non-cash depreciation and amortization expense that results from the capital intensive nature of our businesses and intangible assets recognized in business combinations, and is unaffected by our capital structure or investment activities. Our management and Board of Directors use this measure in evaluating our consolidated operating performance and the operating performance of all of our operating segments. This metric is used to allocate resources and capital to our operating segments and is a significant component of our annual incentive compensation programs. We believe that this measure is also useful to investors as it is one of the bases for comparing our

operating performance with other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. This measure should not be considered as 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 generally accepted accounting principles.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

11. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

We and five of our cable holding company subsidiaries, Comcast Cable Communications, LLC (Comcast Cable or "CCCL"), Comcast Cable Communications Holdings, Inc. (Comcast Cable Communications Holdings or "CCCH"), Comcast MO Group, Inc. ("Comcast MO Group"), Comcast Cable Holdings, LLC (Comcast Cable Holdings or "CCH"), and Comcast MO of Delaware, LLC ("Comcast MO of Delaware") fully and unconditionally guarantee each other's debt securities. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the "Combined CCHMO Parents." Our condensed consolidating financial information is as follows (in millions):

Comcast Corporation
Condensed Consolidating Balance Sheet
As of June 30, 2004

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
ASSETS							
Cash and cash equivalents	$	$	$	$	$594	$	$594
Investments					2,481		2,481
Accounts receivable, net					925		925
Other current assets	13				405		418
Total current assets	13				4,405		4,418
INVESTMENTS					14,204		14,204
INVESTMENTS IN AND AMOUNTS DUE FROM SUBSIDIARIES ELIMINATED UPON CONSOLIDATION	46,653	26,652	33,539	40,224	20,108	(167,176)	
PROPERTY AND EQUIPMENT, net	8		3		18,604		18,615
FRANCHISE RIGHTS					51,070		51,070
GOODWILL					14,816		14,816
OTHER INTANGIBLE ASSETS, net	47				4,275		4,322
OTHER NONCURRENT ASSETS, net	48	36	29		523		636
Total Assets	$46,769	$26,688	$33,571	$40,224	$128,005	($167,176)	$108,081
LIABILITIES AND STOCKHOLDERS' EQUITY							
Accounts payable	$	$	$	$	$988	$	$988
Accrued expenses and other current liabilities	395	212	211	279	3,097		4,194
Deferred income taxes					657		657
Current portion of long-term debt				404	2,388		2,792

Total current liabilities	395	212	211	683	7,130		8,631
LONG-TERM DEBT, less current portion	4,254	6,317	3,698	6,002	2,714		22,985
DEFERRED INCOME TAXES					26,644		26,644
OTHER NONCURRENT LIABILITIES	605	51			7,266		7,922
MINORITY INTEREST					384		384
STOCKHOLDERS' EQUITY							
Common stock	25						25
Other stockholders' equity	41,490	20,108	29,662	33,539	83,867	(167,176)	41,490
Total Stockholders' Equity	41,515	20,108	29,662	33,539	83,867	(167,176)	41,515
Total Liabilities and Stockholders' Equity	$46,769	$26,688	$33,571	$40,224	$128,005	($167,176)	$108,081

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2004
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Balance Sheet
As of December 31, 2003

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
ASSETS							
Cash and cash equivalents	$	$	$	$	$1,550	$	$1,550
Investments	50				2,443		2,493
Accounts receivable, net					907		907
Other current assets	15				438		453
Total current assets	65				5,338		5,403
INVESTMENTS					14,818		14,818
INVESTMENTS IN AND AMOUNTS DUE FROM SUBSIDIARIES ELIMINATED UPON CONSOLIDATION	46,268	26,643	33,138	39,919	19,678	(165,646)	
PROPERTY AND EQUIPMENT, net	7		4		18,462		18,473
FRANCHISE RIGHTS					51,050		51,050
GOODWILL					14,841		14,841
OTHER INTANGIBLE ASSETS, net					3,859		3,859
OTHER NONCURRENT ASSETS, net	87	43	30		555		715
Total Assets	$46,427	$26,686	$33,172	$39,919	$128,601	($165,646)	$109,159
LIABILITIES AND STOCKHOLDERS' EQUITY							
Accounts payable	$	$	$	$	$1,251	$	$1,251

Accrued expenses and other current liabilities	391	99	76	316	3,681		4,563
Deferred income taxes					679		679
Current portion of long-term debt		303		314	2,544		3,161
Total current liabilities	391	402	76	630	8,155		9,654
LONG-TERM DEBT, less current portion	3,994	6,606	3,498	6,151	3,586		23,835
DEFERRED INCOME TAXES					25,900		25,900
OTHER NONCURRENT LIABILITIES	380				7,436		7,816
MINORITY INTEREST					292		292
STOCKHOLDERS' EQUITY							
Common stock	25						25
Other stockholders' equity	41,637	19,678	29,598	33,138	83,232	(165,646)	41,637
Total Stockholders' Equity	41,662	19,678	29,598	33,138	83,232	(165,646)	41,662
Total Liabilities and Stockholders' Equity	$46,427	$26,686	$33,172	$39,919	$128,601	($165,646)	$109,159

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2004
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Three Months Ended June 30, 2004

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues	$	$	$	$	$5,066	$	$5,066
Management fee revenue	104	40	64	64		(272)	
	104	40	64	64	5,066	(272)	5,066
COSTS AND EXPENSES							
Operating (excluding depreciation)					1,794		1,794
Selling, general and administrative	49	40	64	64	1,375	(272)	1,320
Depreciation					813		813
Amortization					287		287
	49	40	64	64	4,269	(272)	4,214
OPERATING INCOME	55				797		852
OTHER INCOME (EXPENSE)							
Interest expense	(61)	(115)	(77)	(100)	(131)		(484)
Investment income, net					151		151
Equity in net (losses) income of							

affiliates	266	339	77	142	258	(1,102)	(20)
Other income					12		12
	205	224		42	290	(1,102)	(341)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	260	224		42	1,087	(1,102)	511
INCOME TAX (EXPENSE) BENEFIT	2	41	27	35	(339)		(234)
INCOME (LOSS) BEFORE MINORITY INTEREST	262	265	27	77	748	(1,102)	277
MINORITY INTEREST					(15)		(15)
NET INCOME (LOSS)	$262	$265	$27	$77	$733	($1,102)	$262

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2004
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Three Months Ended June 30, 2003

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues	$	$	$	$	$4,594	$	$4,594
Management fee revenue	92	34	58	58		(242)	
	92	34	58	58	4,594	(242)	4,594
COSTS AND EXPENSES							
Operating (excluding depreciation)					1,753		1,753
Selling, general and administrative	38	34	58	58	1,283	(242)	1,229
Depreciation					816		816
Amortization					371		371
	38	34	58	58	4,223	(242)	4,169
OPERATING INCOME	54				371		425
OTHER INCOME (EXPENSE)							
Interest expense	(79)	(139)	(93)	(77)	(102)		(490)
Investment loss, net					(6)		(6)
Equity in net (losses) income of affiliates	(5)	272	(70)	(20)	183	(359)	1
Other income					22		22
	(84)	133	(163)	(97)	97	(359)	(473)

INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	(30)	133	(163)	(97)	468	(359)	(48)
INCOME TAX (EXPENSE) BENEFIT	8	49	32	27	(129)		(13)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	(22)	182	(131)	(70)	339	(359)	(61)
MINORITY INTEREST					(32)		(32)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(22)	182	(131)	(70)	307	(359)	(93)
INCOME FROM DISCONTINUED OPERATIONS, net of tax					71		71
NET INCOME (LOSS)	($22)	$182	($131)	($70)	$378	($359)	($22)

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2004
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Six Months Ended June 30, 2004

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues	$	$	$	$	$9,974	$	$9,974
Management fee revenue	202	79	125	125		(531)	
	202	79	125	125	9,974	(531)	9,974
COSTS AND EXPENSES							
Operating (excluding depreciation)					3,663		3,663
Selling, general and administrative	93	79	125	125	2,735	(531)	2,626
Depreciation					1,611		1,611
Amortization					563		563
	93	79	125	125	8,572	(531)	8,463
OPERATING INCOME	109				1,402		1,511

OTHER INCOME (EXPENSE)							
Interest expense	(163)	(242)	(153)	(201)	(225)		(984)
Investment income, net					142		142
Equity in net (losses) income of affiliates	362	607	170	301	413	(1,890)	(37)
Other income					19		19
	199	365	17	100	349	(1,890)	(860)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	308	365	17	100	1,751	(1,890)	651
INCOME TAX (EXPENSE) BENEFIT	19	85	54	70	(538)		(310)
INCOME (LOSS) BEFORE MINORITY INTEREST	327	450	71	170	1,213	(1,890)	341
MINORITY INTEREST					(14)		(14)
NET INCOME (LOSS)	$327	$450	$71	$170	$1,199	($1,890)	$327

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2004
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Six Months Ended June 30, 2003

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues	$	$	$	$	$9,060	$	$9,060
Management fee revenue	187	71	116	116		(490)	
	187	71	116	116	9,060	(490)	9,060
COSTS AND EXPENSES							
Operating (excluding depreciation)					3,564		3,564
Selling, general and administrative	76	71	116	116	2,567	(490)	2,456
Depreciation					1,596		1,596
Amortization					725		725
	76	71	116	116	8,452	(490)	8,341
OPERATING INCOME	111				608		719
OTHER INCOME (EXPENSE)							
Interest expense	(123)	(274)	(206)	(192)	(219)		(1,014)
Investment loss, net					(229)		(229)
Equity in net (losses) income of							

affiliates	(310)	501	(407)	(282)	307	175	(16)
Other income					35		35
	(433)	227	(613)	(474)	(106)	175	(1,224)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND MINORITY INTEREST	(322)	227	(613)	(474)	502	175	(505)
INCOME TAX (EXPENSE) BENEFIT	3	96	72	67	(110)		128
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST	(319)	323	(541)	(407)	392	175	(377)
MINORITY INTEREST					(71)		(71)
INCOME (LOSS) FROM CONTINUING OPERATIONS	(319)	323	(541)	(407)	321	175	(448)
INCOME FROM DISCONTINUED OPERATIONS, net of tax					129		129
NET INCOME (LOSS)	($319)	$323	($541)	($407)	$450	$175	($319)

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2004
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2004

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
OPERATING ACTIVITIES							
Net income (loss)	$327	$450	$71	$170	$1,199	($1,890)	$327
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:							
Depreciation					1,611		1,611
Amortization					563		563
Non-cash interest (income) expense, net	54	7		(52)	16		25
Equity in net (income) losses of affiliates	(362)	(607)	(170)	(301)	(413)	1,890	37
Losses (gains) on investments and other (income) expense, net					(125)		(125)

Non-cash contribution expense					23		23
Minority interest					14		14
Deferred income taxes					155		155
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures							
Change in accounts receivable, net					(8)		(8)
Change in accounts payable					(263)		(263)
Change in other operating assets and liabilities	125	120	136	(37)	(70)		274
Net cash provided by (used in) operating activities	144	(30)	37	(220)	2,702		2,633
FINANCING ACTIVITIES							
Proceeds from borrowings	654		400		4		1,058
Retirements and repayments of debt	(350)	(561)	(200)	(6)	(500)		(1,617)
Repurchase of common stock	(511)						(511)
Other	8				38		46
Net cash provided by (used in) financing activities	(199)	(561)	200	(6)	(458)		(1,024)
INVESTING ACTIVITIES							
Net transactions with affiliates	55	591	(237)	226	(635)		
Acquisitions, net of cash acquired					(336)		(336)
Proceeds from sales (purchases) of short-term investments, net					(15)		(15)
Proceeds from sales of investments					51		51
Purchases of investments					(106)		(106)
Capital expenditures					(1,732)		(1,732)
Additions to intangible and other noncurrent assets					(453)		(453)
Proceeds from settlement of contract of acquired company					26		26
Net cash (used in) provided by investing activities	55	591	(237)	226	(3,200)		(2,565)
DECREASE IN CASH AND CASH EQUIVALENTS					(956)		(956)
CASH AND CASH EQUIVALENTS, beginning of period					1,550		1,550
CASH AND CASH EQUIVALENTS, end of period	$	$	$	$	$594	$	$594

Comcast Corporation
Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2003

	Comcast Parent	CCCL Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
OPERATING ACTIVITIES							
Net income (loss)	($319)	$323	($541)	($407)	$450	$175	($319)
Income from discontinued operations					(129)		(129)
Income (loss) from continuing operations	(319)	323	(541)	(407)	321	175	(448)
Adjustments to reconcile net income (loss) from continuing operations to net cash provided by (used in) operating activities from continuing operations:							
Depreciation					1,596		1,596
Amortization					725		725
Non-cash interest (income) expense, net			3	(88)	24		(61)
Equity in net (income) losses of affiliates	310	(501)	407	282	(307)	(175)	16
Losses (gains) on investments and other (income) expense, net					257		257
Minority interest					20		20
Deferred income taxes					(226)		(226)
Proceeds from sales of trading securities					85		85
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:							
Change in accounts receivable, net					(6)		(6)
Change in accounts payable					(183)		(183)
Change in other operating assets and liabilities	62	(8)	29	(160)	13		(64)
Net cash provided by (used in) operating activities from continuing operations .	53	(186)	(102)	(373)	2,319		1,711
FINANCING ACTIVITIES							
Proceeds from borrowings	8,138	600			110		8,848
Retirements and repayments of debt	(2,050)	(1,554)	(6,250)	(1,764)	75		(11,543)
Other					(3)		(3)
Net cash provided by (used in) financing activities from continuing operations	6,088	(954)	(6,250)	(1,764)	182		(2,698)

INVESTING ACTIVITIES							
Net transactions with affiliates	(6,141)	1,140	6,352	2,137	(3,488)		
Acquisitions, net of cash acquired					(22)		(22)
Proceeds from sales (purchases) of short-term investments, net					(20)		(20)
Proceeds from sales, settlements and restructuring of investments and assets held for sale					3,592		3,592
Purchases of investments					(130)		(130)
Capital expenditures					(2,012)		(2,012)
Additions to intangible and other noncurrent assets					(110)		(110)
Net cash (used in) provided by investing activities from continuing operations	(6,141)	1,140	6,352	2,137	(2,190)		1,298
INCREASE IN CASH AND CASH EQUIVALENTS					311		311
CASH AND CASH EQUIVALENTS, beginning of period					505		505
CASH AND CASH EQUIVALENTS, end of period	$	$	$	$	$816	$	$816

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are principally involved in the management and operation of broadband communications networks (our cable segment) and in the management of programming content over cable and satellite television networks (our content segment). During the six months ended June 30, 2004, we received over 95% of our revenue from our cable segment, primarily through monthly subscriptions to our video, high-speed Internet and phone services, as well as from advertising. Subscribers typically pay us monthly, based on rates and related charges that vary according to their chosen level of service and the type of equipment they use. Revenue from our content segment is derived from the sale of advertising time and affiliation agreements with cable and satellite television companies.

Highlights for the six months ended June 30, 2004 included the following:

- Revenue growth of 10.1% in our cable segment compared to the same period in 2003, driven by continued growth in our new services, such as digital cable and high-speed Internet;
- Operating income before depreciation and amortization growth of 20.6% in our cable segment compared to the same period in 2003, resulting from our revenue growth and efficiencies achieved through integration of the Broadband operations;
- Refinancing three of our previously existing revolving credit facilities with a new $4.5 billion, five-year revolving bank credit facility; and
- Repurchases of approximately 18.5 million shares of our Class A Special common stock for aggregate consideration on a trade date basis of $523 million pursuant to our Board authorized repurchase program.

The following provides the details of these highlights and insights into our financial statements, including discussions of our results of operations and our liquidity and capital resources.

Business Developments

On July 28, 2004, we and Liberty Media Corporation ("Liberty") completed our previously announced agreement in which Liberty redeemed 120.3 million shares of its Series A common stock we held in exchange for 100% of the stock of a Liberty subsidiary that held Liberty's 10% ownership interest in E! Entertainment Television, Inc., its 100% ownership interest in International Channel Networks, all of Liberty's rights, benefits and obligations under a TCI Music contribution agreement, and approximately $545 million of cash (the "Liberty transaction"). The Liberty transaction also resolved all litigation pending between us and Liberty regarding the TCI Music contribution agreement, which we assumed as part of our acquisition of Broadband in November 2002.

Refer to Note 4 to our financial statements included in Item 1 for a discussion of our acquisitions and other significant events.

Results of Continuing Operations

Revenues

Consolidated revenues for the three and six month interim periods in 2004 increased $472 million and $914 million, respectively, from the same periods in 2003. Of these increases, $459 million and $874 million relate to our cable segment, which is discussed separately below. The remaining increases are primarily the result of our content segment, which achieved combined revenue growth of 25.3% and 23.4%, respectively, during the three and six month interim periods in 2004 compared to the same periods in 2003. These increases in our content segment were the result of increases in distribution revenue and advertising revenue.

Operating, selling, general and administrative expenses

Consolidated operating, selling, general and administrative expenses for the three and six month interim periods in 2004 increased $132 million and $269 million, respectively, from the same periods in 2003. Of these increases, $136 million and $253 million, respectively, relate to our cable segment, which is discussed separately below.

Depreciation

Depreciation expense decreased $3 million and increased $15 million, respectively, for the three and six month interim periods in 2004 compared to the same periods in 2003. The slight changes for the interim periods are primarily related to our cable segment and are principally due to the higher level of disposals associated with our cable network upgrade program in 2003.

Amortization

Amortization expense decreased $84 million and $162 million, respectively, for the three and six month interim periods in 2004 compared to the same periods in 2003. These decreases are primarily related to our cable segment and are principally due to decreases in the amortization of our franchise related customer relationship intangible assets. In the fourth quarter of 2003, we reduced the value of these intangible assets as a result of obtaining updated valuation reports, which resulted in lower amortization expense.

Cable Segment Operating Results

The following table presents our cable segment operating results (dollars in millions):

	Three Months Ended June 30,		Increase/(Decrease)	
	2004	2003	$	%
Video	$3,247	$3,037	$210	6.9%
High-speed Internet	763	548	215	39.2
Phone	177	205	(28)	(13.7)
Advertising sales	330	285	45	15.8
Other	158	153	5	3.3
Franchise fees	163	151	12	7.9

Revenues	4,838	4,379	459	10.5
Operating, selling, general and administrative expenses	2,918	2,782	136	4.9
Operating income before depreciation and amortization (a)	$1,920	$1,597	$323	20.2%

	Six Months Ended June 30,		Increase/(Decrease)	
	2004	2003	$	%
Video	$6,428	$6,018	$410	6.8%
High-speed Internet	1,461	1,040	421	40.5
Phone	355	430	(75)	(17.4)
Advertising sales	599	521	78	15.0
Other	320	300	20	6.7
Franchise fees	322	302	20	6.7
Revenues	9,485	8,611	874	10.1
Operating, selling, general and administrative expenses	5,846	5,593	253	4.5
Operating income before depreciation and amortization (a)	$3,639	$3,018	$621	20.6%

The following tables present our subscriber and monthly average revenue statistics on a pro forma basis. The pro forma adjustments reflect the addition of approximately 109,000 subscribers acquired in various small acquisitions between June 2003 and June 2004. The impact of these acquisitions on our segment operating results was not material (subscribers in thousands).

	June 30,		Increase/(Decrease)	
	2004	2003	#	%
Video subscribers	21,477	21,467	10	-
High-speed Internet subscribers	6,005	4,389	1,616	36.8%
Phone subscribers	1,225	1,367	(142)	(10.4%)

	Three Months Ended June 30,		Increase/(Decrease)	
	2004	2003	$	%
Monthly average revenue per video subscriber	$50.31	$47.22	$3.09	6.5%
Monthly average revenue per high-speed Internet subscriber	$43.52	$43.33	$0.19	0.4%
Monthly average revenue per phone subscriber	$47.71	$49.17	($1.46)	(3.0%)

	Six Months Ended June 30,		Increase/(Decrease)	
	2004	2003	$	%
Monthly average revenue per video subscriber	$49.85	$46.85	$3.00	6.4%
Monthly average revenue per high-speed Internet subscriber	$43.13	$43.26	($0.13)	(0.3%)
Monthly average revenue per phone subscriber	$47.55	$51.05	($3.50)	(6.9%)

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

similar measures used by other companies. Because we use operating income before depreciation and amortization as the measure of our segment profit or loss, we reconcile it to operating income, the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP), in the business segment footnote to our financial statements. This measure should not be considered as 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.

Revenues

Video revenue consists of our basic, expanded basic, premium, pay-per-view, equipment and digital cable services. The increases in video revenue for the interim periods from 2003 to 2004 are primarily due to increases in monthly average revenue per subscriber as a result of rate increases in our traditional video service, growth in digital subscribers, and repricing and repackaging of the digital and premium channel services in the Broadband systems. From June 30, 2003 to June 30, 2004, we added approximately 10,000 basic subscribers and approximately 1.1 million digital subscribers, or a 15.8% increase in digital subscribers. We expect continued growth in our video services revenue.

The increases in high-speed Internet revenue for the interim periods from 2003 to 2004 are primarily due to the addition of approximately 1.6 million high-speed Internet subscribers from June 30, 2003 to June 30, 2004, or a 36.8% increase in high-speed Internet subscribers, offset by a slight decrease in monthly average revenue per subscriber during the six month interim period. We expect continued high-speed Internet revenue growth as overall demand for our services continues to increase.

The decreases in phone revenue for the interim periods from 2003 to 2004 are primarily as a result of our focus on operating efficiencies to drive profitability in the phone business, rather than focusing on subscriber growth. As a result, from June 30, 2003 to June 30, 2004, our phone subscribers decreased by approximately 142,000 subscribers.

The increases in advertising sales revenue for the interim periods from 2003 to 2004 are primarily due to the effects of growth in regional/national advertising as a result of the continuing success of our regional interconnects and a stronger local advertising market.

Other revenue includes installation revenues, guide revenues, commissions from electronic retailing, revenue from our regional programming networks, commercial data services and revenue from other product offerings.

Expenses

Total operating, selling, general and administrative expenses increased for the interim periods from 2003 to 2004 primarily as a result of increases in labor and other volume related operating expenses associated with the growth in our high-speed Internet and digital cable services. Offsetting these increases were cost efficiencies generated from the integration of Broadband. Additionally, customer service expenses slightly declined because we no longer outsource Broadband's customer service operations.

Consolidated Income (Expense) Items

Interest Expense

The decreases in interest expense for the interim periods from 2003 to 2004 are due to our decreased amount of debt outstanding as a result of our debt reduction during 2003. The decreases for the interim periods from 2003 to 2004 were offset somewhat by the effects of the write-off of unamortized debt issue costs to interest expense in connection with the refinancing of our previously existing revolving credit facilities and by the early redemption of certain of the Comcast exchangeable notes. The cost associated with the refinancing totaled $38 million during the six months ended June 30, 2004 and the cost associated with the redemption totaled $29 million during the three and six months ended June 30, 2004. The decrease for both interim periods from 2003 to 2004 was also offset by the effects of our adoption of SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity," on July 1, 2003 on a prospective basis. As a result of the adoption of SFAS No. 150, interest expense for the three and six months ended June 30, 2004 includes $25 million and $50 million, respectively, of dividends on a subsidiary's preferred stock, previously classified as minority interest.

Investment Income (Loss), Net

Investment income (loss), net for the interim periods includes the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Interest and dividend income	$26	$49	$43	$83
Gains (losses) on sales and exchanges of investments, net	(1)	1	1	23
Investment impairment losses	(3)	(15)	(3)	(70)
Mark to market adjustments on trading securities	(53)	307	(227)	292
Mark to market adjustments on derivatives related to trading securities	200	(296)	255	(306)
Mark to market adjustments on derivatives and hedged items	(18)	(52)	73	(251)
Investment income (loss), net	$151	($6)	$142	($229)

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 certain of our investments accounted for as trading securities. Investment income (loss), net includes the fair value adjustments related to our trading securities and derivative financial instruments. The change in the fair value of our investments accounted for as trading securities was substantially offset by changes in the fair value of the related derivatives, except for the mark to market adjustments on our investment in Sprint, 116 million shares of Liberty and 6 million shares of Liberty International for the three and six months ended June 30, 2004.

During the three months ended June 30, 2004, investment income (loss), net includes $224 million of investment income related to the decrease in the fair value of the derivative component of the ZONES debt. This fair value adjustment results principally from the change in the common stock underlying the ZONES debt from the non-dividend paying Sprint PCS tracking stock to the dividend paying Sprint FON common stock as a result of the elimination by Sprint of its tracking stock in April 2004. In the future, we expect that changes in the fair value of the derivative component of the ZONES debt will be substantially offset by changes in the fair value of the Sprint FON common stock we hold and account for as a trading security.

We are exposed to changes in the fair value of approximately 116 million shares of Liberty common stock through the closing date of the Liberty transaction and we will continue to be exposed to changes in the fair value of approximately 6 million shares of Liberty International common stock we hold and account for as trading securities because we have not entered into a corresponding derivative to hedge either of these market exposures.

We are also exposed to changes in the fair value of the derivative component of the Comcast exchangeable notes we have outstanding since the underlying 16 million shares of Comcast Class A Special common stock we hold in treasury are carried at our historical cost and are not adjusted for changes in fair value.

Accordingly, our investment income (loss), net is affected by fluctuations in the fair values of the Liberty common stock, the Liberty International common stock and the derivative component of the Comcast exchangeable notes. Investment income (loss), net for the three and six months ended June 30, 2004 includes losses of $16 million and $45 million, respectively, related to these financial instruments compared to losses of $57 million and $254 million, respectively, during the same periods in 2003.

Income Tax (Expense) Benefit

The changes in income tax (expense) benefit for the interim periods from 2003 to 2004 are primarily the result of the effects of changes in our income (loss) from continuing operations before taxes and minority interest.

Minority Interest

The changes in minority interest for the interim periods from 2003 to 2004 are attributable to the effects of our adoption of SFAS No. 150 on July 1, 2003, upon

which we now record our subsidiary preferred dividends, previously included within minority interest, to interest expense.

We believe that our operations are not materially affected by inflation.

Liquidity and Capital Resources

We believe that we will be able to meet our current and long-term liquidity and capital requirements, including fixed charges, through our cash flows 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.

Cash and Cash Equivalents

We have traditionally maintained significant levels of cash and cash equivalents to meet our short-term liquidity requirements. As of June 30, 2004, our cash and cash equivalents were $594 million, substantially all of which is unrestricted.

Investments

We consider investments that we determine to be non-strategic, highly-valued, or both, to be a significant source of liquidity. We consider our investments in the following to be potential sources of liquidity:

- $1.5 billion in Time Warner Inc. common equivalent preferred stock,
- 21% interest in Time Warner Cable Inc., and
- interests in certain cable television partnerships.

We do not have any significant contractual funding commitments with respect to any of our investments.

Refer to Note 5 to our financial statements included in Item 1 for a discussion of our investments.

Available Borrowings Under Credit Facilities

We have traditionally maintained significant availability under our lines of credit to meet our short-term liquidity requirements. In January 2004, we refinanced three of our existing revolving credit facilities with a new $4.5 billion, five-year revolving bank credit facility due January 2009. As of June 30, 2004, amounts available under our lines of credit totaled $3.898 billion. Refer to Note 6 to our consolidated financial statements included in Item 1 for further discussion about our new credit facility.

Commercial Paper

In June 2004, we entered into a new commercial paper program to provide 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. As of June 30, 2004, amounts outstanding under the program totaled $304 million with a weighted average interest rate of 1.74%.

Financing

As of June 30, 2004 and December 31, 2003, our debt, including capital lease obligations, was $25.777 billion and $26.996 billion, respectively. The $1.219 billion decrease from December 31, 2003 to June 30, 2004 results principally from the effects of our net debt repayments during the six months ended June 30, 2004. Included in our debt as of June 30, 2004 and December 31, 2003 was current portion of long-term debt of $2.792 billion and $3.161 billion, respectively.

Excluding the effects of interest rate risk management instruments, 9.2% and 8.2% of our total debt as of June 30, 2004 and December 31, 2003, respectively, was at variable rates.

We have made, and may from time to time in the future depending on certain factors such as market conditions, make optional repayments on our debt obligations, which may include open market repurchases of our outstanding public notes and debentures.

Refer to Note 6 to our financial statements included in Item 1 for a discussion of our long-term debt.

Statement of Cash Flows

Cash and cash equivalents decreased $956 million as of June 30, 2004 from December 31, 2003. The decrease in cash and cash equivalents resulted from cash flows from operating, financing and investing activities, as explained below.

Net cash provided by operating activities from continuing operations amounted to $2.633 billion for the six months ended June 30, 2004, due principally to our operating income before depreciation and amortization (see "Results of Continuing Operations"), the effects of interest and income tax payments, changes in operating assets and liabilities as a result of the timing of receipts and disbursements, and a federal income tax refund of approximately $536 million.

Net cash used in financing activities from continuing operations was $1.024 billion for the six months ended June 30, 2004 and consists primarily of retirements and repayments of debt and repurchases of common stock of $511 million.

During the six months ended June 30, 2004, we repaid $1.617 billion of our debt, consisting of:

- $567 million of our senior and medium term notes,
- $500 million on certain of our revolving credit facilities,
- $400 million of our Comcast exchangeable notes,
- $50 million under our commercial paper program and
- $100 million of capital leases and other.

Net cash used in investing activities from continuing operations was $2.565 billion for the six months ended June 30, 2004. During this period, net cash used in investing activities from continuing operations includes capital expenditures of $1.732 billion, additions to intangible and other noncurrent assets of $453 million and acquisitions, net of cash acquired, of $336 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no significant changes to the information required under this Item from what was disclosed in our 2003 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

Our chief executive officer and our co-chief 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, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, that our disclosure controls and procedures were effective to ensure that material information relating to us and our consolidated subsidiaries would be made known to them by others within those entities.

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.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to Note 9 to our condensed financial statements included in Item 1 of this Quarterly Report on Form 10-Q for a discussion of recent developments related to our legal proceedings.

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

A summary of our repurchases during the quarter under the $1 billion repurchase program, authorized by our Board of Directors in December 2003, are as follows:

PURCHASES OF EQUITY SECURITIES

Period	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Dollar Value Shares that May Yet Be Purchased Under the Program

April 1-30, 2004	225,081	$29.61	225,000	$943,336,937
May 1-31, 2004	5,421,558	$27.77	5,102,435	$801,614,102
June 1-30, 2004	12,901,463	$28.23	12,445,100	$450,587,186
Total	18,548,102	$28.11	17,772,535	$450,587,186

The total number of shares purchased includes approximately 776,000 shares received in the administration of employee equity compensation plans. On July 20, 2004, our Board of Directors authorized a $1 billion increase to our stock repurchase program. The table above does not reflect this additional authorization.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At our Annual Meeting of Shareholders on May 26, 2004, the shareholders approved, or did not approve, the following proposals, in each case consistent with the unanimous recommendations of our Board of Directors (numbers represent the aggregate votes cast, with holders of our Class A Common Stock entitled to 0.2086 votes per share and holders of our Class B Common Stock entitled to 15 votes per share):

To elect the following nominees to serve as our directors for one-year terms.

Director	For	Withheld
Ralph J. Roberts	367,456,483	16,962,357
C. Michael Armstrong	366,855,778	17,563,062
Brian L. Roberts	363,982,792	20,436,048
Julian A. Brodsky	367,699,589	16,719,251
S. Decker Anstrom	353,974,488	30,444,352
Kenneth J. Bacon	374,282,825	10,136,015
Sheldon M. Bonovitz	364,936,244	19,482,596
Joseph L. Castle, II	371,091,789	13,327,051
J. Michael Cook	374,075,868	10,342,972
Dr. Judith Rodin	370,333,671	14,085,169
Michael I. Sovern	370,974,391	13,444,449

To ratify the appointment of Deloitte & Touche LLP as our independent auditors for the 2004 fiscal year.

For	Against	Abstain
376,522,645	5,463,804	2,432,391

To approve the 2002 Restricted Stock Plan.

For	Against	Abstain
330,987,385	11,873,290	3,161,168

To approve an amendment to our Articles of Incorporation.

For	Against	Abstain
365,142,269	14,601,258	4,675,313

To approve a shareholder proposal to have independent directors constitute two-thirds of our Board of Directors.

For	Against	Abstain
85,955,317	256,518,690	3,547,836

To approve a shareholder proposal to disclose political contributions.

For	Against	Abstain
14,881,932	310,703,163	20,436,748

To approve a shareholder proposal to nominate two directors for every open directorship.

For	Against	Abstain
20,742,968	321,538,971	3,739,904

To approve a shareholder proposal to limit compensation for senior executives.

For	Against	Abstain
17,476,392	324,942,538	3,602,913

To approve a shareholder proposal to adopt a recapitalization plan.

For	Against	Abstain
105,704,421	234,902,481	5,414,941

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

3.1 Restated Articles of Incorporation of Comcast Corporation.

3.2 Restated By-Laws of Comcast Corporation.

10.1 Consulting Agreement between Comcast Corporation and C. Michael Armstrong, dated as of May 26, 2004.

10.2 First Amendment to Consulting Agreement between Comcast Corporation and C. Michael Armstrong, dated as of May 26, 2004.

31 Certifications 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.

(b) Reports on Form 8-K:

(i) We filed a Current Report on Form 8-K under Items 5 and 7 (c) on April 28, 2004 announcing the withdrawal of our proposal to merge with The Walt Disney Company.

(ii) We filed a Current Report on Form 8-K under Items 5 and 7 (c) on May 13, 2004 announcing that our President and Chief Executive Officer, Brian L. Roberts, sent a letter to Institutional Shareholder Services stating his intention to abstain from participation in the Governance and Directors Nominating Committee of the Board of Directors.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMCAST CORPORATION

/s/ Lawrence J. Salva

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

Date: July 30, 2004

PENNSYLVANIA DEPARTMENT OF STATE
CORPORATION BUREAU

Articles of Amendment-Domestic Corporation
(15 Pa.C.S.)

Entity Number		
3039985	__X__	Business Corporation (ss. 1915)
	_____	Nonprofit Corporation (ss. 5915)

Name / Address: / City State Zip Code	Document will be returned to the name and address you enter to the left. <---

Fee: $52

Filed in the Department of State on May 28, 2004
/s/ Pedro A. Cortes
Secretary of the Commonwealth

In compliance with the requirements of the applicable provisions of 15 Pa.C.S. ss.1915 (relating to articles of amendment), the undersigned, desiring to amend its articles, hereby states that:

1. The name of the corporation is:
Comcast Corporation

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following information to conform to the records of the Department):

(a) Number and Street	City	State	Zip	County
1500 Market Street, 35th Floor	Phila.,	PA.	19102-2148	Phila.

(b) Name of Commercial Registered Office Provider — County

c/o

3. The statute by or under which it was incorporated:
Pennsylvania Business Corporation Law of 1988, as amended, 15 Pa.C.S. ss.ss.1101 et seq.

4. The date of its incorporation:
December 7, 2001

5. Check, and if appropriate, complete one of the following:

__X__ The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

The amendment shall be effective on _____ at _____
Date Hour

6. Check one of the following:

___ The amendment was adopted by the shareholders or members pursuant to 15 Pa.C.S. ss. 1914(a) and (b) or ss. 5914(a).

__X___ The amendment was adopted by the board of directors pursuant to 15 Pa. C.S. ss. 1914(c) or ss. 5914(b).

7. Check, and if appropriate, complete one of the following:

_____ The amendment adopted by the corporation, set forth in full, is as follows

X__ The amendment adopted by the corporation is set forth in full in Exhibit A attached hereto and made a part hereof.

8. Check if the amendment restates the Articles:

X_ The restated Articles of Incorporation supersede the original articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this

Twenty-Eighth day of May, 2004.

Comcast Corporation

Name of Corporation

/s/ Arthur R. Block

Signature

Arthur R. Block

Senior Vice President, General Counsel and Secretary

Title

Exhibit A

Restated Articles of Incorporation of Comcast Corporation

The Articles of Incorporation of the Corporation are restated in their entirety so as to read as follows:

FIRST: The name of the Corporation is Comcast Corporation (the "Corporation").

SECOND: The location and post office address of the Corporation's current registered office in this Commonwealth is:

1500 Market Street, 35th Floor
Philadelphia, PA 19102-2148

THIRD: The Corporation is incorporated under the provisions of the Business Corporation Law of 1988. The purpose or purposes for which the Corporation is organized are:

To have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law.

FOURTH: The term of its existence is perpetual.

FIFTH: A. The aggregate number of shares which the Corporation shall have authority to issue is SEVEN BILLION FIVE HUNDRED MILLION (7,500,000,000) shares of Class A Common Stock, par value $0.01 per share, SEVEN BILLION FIVE HUNDRED MILLION (7,500,000,000) shares of Class A Special Common Stock, par value $0.01 per share, SEVENTY FIVE MILLION (75,000,000) shares of Class B Common Stock, par value $0.01 per share, and TWENTY MILLION (20,000,000) shares of Preferred Stock, which the Board of Directors may issue, in one or more series, without par value, with full, limited, multiple, fractional, or no voting rights, and with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights as shall be fixed by the Board of Directors.

B. The descriptions, preferences, qualifications, limitations, restrictions and the voting, special or relative rights in respect of the shares of each class of Common Stock are as follows:

1. (a) Subject to paragraph (B)(1)(c) of this Article FIFTH, each share of Class A Common Stock shall entitle the holder thereof to the number of votes equal to a quotient the numerator of which is the excess of (i) the Total Number of Votes (as defined below) over (ii) the sum of (A) the Total Number of B Votes (as defined below) and (B) the Total Number of Other Votes (as defined below) and the denominator of which is the number of outstanding shares of Class A Common Stock (provided that if at any time there are no outstanding shares of Class B Common Stock, each share of Class A Common Stock shall entitle the holder thereof to one (1) vote) and each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. Holders of shares of Class A Special Common Stock shall not be entitled to vote for the election of Directors (as defined below in Article SIXTH) or any other matter except as may be required by applicable law, in which case each share of Class A Special Common Stock shall entitle the holder thereof to the same number of votes to which each holder of Class A Common Stock is entitled for each of such holder's shares of Class A Common Stock. "Total Number of Votes" on any record date is equal to a quotient the numerator of which is the Total Number of B Votes on such record date and the denominator of which is the B Voting Percentage (as defined below) on such record date. "Total Number of B Votes" on any record date is equal to the product of (i) 15 and (ii) the number of outstanding shares of Class B Common Stock on such record date. "Total Number of Other Votes" on any record date means the aggregate number of votes to which holders of all classes of capital stock of the Corporation other than holders of Class A Common Stock and Class B Common Stock are entitled to cast on such record date in an election of Directors. "B Voting Percentage" on any record date means the portion (expressed as a percentage) of the total number of votes entitled to be cast in an election of Directors by the holders of capital stock of the Corporation to which all holders of Class B

Common Stock are entitled to cast on such record date in an election of Directors, as specified and determined pursuant to paragraph (B)(1)(c) of this Article FIFTH.

(b) Except as provided in Article SEVENTH or required by applicable law, only the holders of Class A Common Stock, the holders of Class B Common Stock and the holders of any other class or series of Common Stock, Preferred Stock or other class of capital stock of the Corporation (if any) with voting rights shall be entitled to vote and shall vote as a single class on all matters with respect to which a vote of the shareholders of the Corporation is required or permitted under applicable law, these Articles of Incorporation, or the By-Laws of the Corporation. Whenever applicable law, these Articles of Incorporation or the By-Laws of the Corporation provide for a vote of the shareholders of the Corporation on any matter, approval of such matter shall require the affirmative vote of a majority of the votes cast by the holders entitled to vote thereon unless otherwise expressly provided under applicable law, these Articles of Incorporation or the By-Laws of the Corporation.

(c) Notwithstanding any other provision of these Articles of Incorporation, including paragraph (B)(1)(a) of this Article FIFTH, but subject to Article SEVENTH, with respect to any matter on which the holders of Class B Common Stock and the holders of one or more classes or series of Common Stock, Preferred Stock or any other class of capital stock of the Corporation (if any) vote as a single class, each share of Class B Common Stock shall entitle the holder thereof to the number of votes necessary so that, if all holders of Class B Common Stock and all holders of each such other class or series of Common Stock, Preferred Stock and other class of capital stock of the Corporation (if any) were to cast all votes they are entitled to cast on such matter, the holders of the Class B Common Stock in the aggregate would cast thirty three and one-third (33 1/3) per cent of the total votes cast by all such holders, subject to reduction as set forth in the following sentence. If at any time after the Effective Time for any reason whatsoever the number of shares of Class B Common Stock outstanding at such time is reduced below the number of shares of Class B Common Stock outstanding at the Effective Time (appropriately adjusted for any stock dividend paid in Class B Common Stock, stock splits or reverse stock splits of the Class B Common Stock or combinations, consolidations or reclassifications of the Class B Common Stock), the percentage specified in the preceding sentence shall be reduced to a percentage equal to the product of (i) thirty three and one-third (33 1/3) and (ii) the fraction obtained by dividing the number of shares of Class B Common Stock outstanding at such time by the number of shares of Class B Common Stock outstanding at the Effective Time (appropriately adjusted for any stock dividend paid in Class B Common Stock, stock splits or reverse stock splits of the Class B Common Stock or combinations, consolidations or reclassifications of the Class B Common Stock). No reduction in the percentage of the voting power of the Class B Common Stock pursuant to the preceding sentence shall be reversed by any issuance of Class B Common Stock that occurs after such reduction.

2. The holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive, from time to time, when and as declared, in the discretion of the Board of Directors, such cash dividends as the Board of Directors may from time to time determine, out of such funds as are legally available therefore, in proportion to the number of shares held by them, respectively, without regard to class.

3. The holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock shall be entitled to receive, from time to time, when and as declared by the Board of Directors, such dividends of stock of the Corporation or other property as the Board of Directors may determine, out of such funds as are legally available therefore. Stock dividends on, or stock splits of, any class of Common Stock shall not be paid or issued unless paid or issued on all classes of Common Stock, in which case they shall be paid or issued only in shares of that class; provided, however, that stock dividends on, or stock splits of, Class B Common Stock may be paid or issued in shares of Class A Special Common Stock. Any decrease in the number of shares of any class of Common Stock resulting from a combination or consolidation of shares or other capital reclassification shall not be permitted unless parallel action is taken with respect to each other class of Common Stock, so that the number of shares of each class of Common Stock outstanding shall be decreased proportionately. Notwithstanding anything to the contrary contained herein, in the event of a distribution of property, plan of merger or

consolidation, plan of asset transfer, plan of division, plan of exchange, or recapitalization pursuant to which the holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock would be entitled to

receive equity interests of one or more corporations (including, without limitation, the Corporation) or other entities, or rights to acquire such equity interests, then the Board of Directors may, by resolution duly adopted, provide that the holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock, respectively and as separate classes, shall receive with respect to their Class A Common Stock, Class A Special Common Stock, or Class B Common Stock (whether by distribution, exchange, redemption or otherwise), in proportion to the number of shares held by them, equity interests (or rights to acquire such equity interests) of separate classes or series having substantially equivalent relative designations, preferences, qualifications, privileges, limitations, restrictions and rights as the relative designations, preferences, qualifications, privileges, limitations, restrictions and rights of the Class A Common Stock, Class A Special Common Stock and Class B Common Stock. Except as provided above, if there should be any distribution of property, merger, consolidation, purchase or acquisition of property or stock, asset transfer, division, share exchange, recapitalization or reorganization of the Corporation, the holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock shall receive the shares of stock, other securities or rights or other assets as would be issuable or payable upon such distribution, merger, consolidation, purchase or acquisition of such property or stock, asset transfer, division, share exchange, recapitalization or reorganization in proportion to the number of shares held by them, respectively, without regard to class.

4. Each share of Class B Common Stock shall be convertible at the option of the holder thereof into one share of Class A Common Stock or one share of Class A Special Common Stock. Each share of Class B Common Stock shall be cancelled after it has been converted as provided herein.

5. Subject to Article SEVENTH and except as otherwise permitted by applicable law, each and any provision of these Articles of Incorporation may from time to time, when and as desired, be amended by a resolution of the Board of Directors and the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, as determined in accordance with the provisions of this Article FIFTH. There shall be no class voting on any such amendments or on any other matter except as shall be required by Article SEVENTH or by applicable law, in which case there shall be required the affirmative vote of a majority of the votes cast by the holders of the outstanding shares of each class entitled to vote by Article SEVENTH or by applicable law, voting as a separate class.

6. If there should be any merger, consolidation, purchase or acquisition of property or stock, separation, reorganization, division or share exchange, the Board of Directors shall take such action as may be necessary to enable the holders of the Class B Common Stock to receive upon any subsequent conversion of their stock into Class A Common Stock or Class A Special Common Stock (as the case may be), in whole or in part, in lieu of any shares of Class A Common Stock or Class A Special Common Stock (as the case may be) of the Corporation, the shares of stock, securities, or other assets as would be issuable or payable upon such merger, consolidation, purchase, or acquisition of property or stock, separation, reorganization, division or share exchange in respect of or in exchange for such share or shares of Class A Common Stock or Class A Special Common Stock (as the case may be).

7. In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the Corporation, the holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive the assets and funds of the Corporation in proportion to the number of shares held by them, respectively, without regard to class.

8. At all times the Board of Directors shall take such action to adjust the conversion privileges of the Class B Common Stock and the number of shares of Class B Common Stock to be outstanding after any particular transaction to prevent the dilution of the conversion rights of the holders of Class B Common Stock.

9. Except as expressly set forth in these Articles of Incorporation (including, without limitation, this Article FIFTH and Article SEVENTH), the rights of the holders of Class A Common Stock, the rights of the holders of Class A Special Common Stock and the rights of the holders of Class B Common Stock shall be in all respects identical.

10. Neither the holders of the Class A Common Stock nor the holders of the Class B Common Stock nor the holders of any other class or series of Common Stock, Preferred Stock or other class of capital stock of the Corporation, whether issued prior to or after the Effective Time, shall have cumulative voting rights.

C. Pursuant to the authority granted to the Board of Directors in paragraph A of this Article FIFTH, the Board of Directors has fixed and designated a Series A Participating Cumulative Preferred Stock having the voting rights and designations, preferences, qualifications, privileges, limitations, restrictions, and other special and relative rights as are hereinafter set forth:

1. The shares of such series shall be designated as "Series A Participating Cumulative Preferred Stock" (the "Series A Preferred Stock"), and the number of shares constituting such series shall be 2,500,000. Such number of shares of the Series A Preferred Stock may be increased or decreased by resolution of the Board of Directors; provided that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares issuable upon exercise or conversion of outstanding rights, options or other securities issued by the Corporation.

2. (a) The holders of shares of Series A Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable on March 31, June 30, September 30 and December 31 of each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of any share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (i) $10.00 and (ii) subject to the provision for adjustment hereinafter set forth, 1000 times the aggregate per share amount of all cash dividends or other distributions and 1000 times the aggregate per share amount of all non-cash dividends or other distributions (other than (A) a dividend payable in shares of Common Stock, par value $0.01 per share, of the Corporation (the "Common Stock") or (B) a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise)) declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. If the Corporation, at any time after November 18, 2002 (the "Rights Declaration Date"), pays any dividend on Common Stock payable in shares of Common Stock or effects a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (ii) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (C)(2)(a) of this Article FIFTH immediately after it declares a dividend or distribution on the Common Stock (other than as described in clauses (ii)(A) and (ii)(B) of the first sentence of paragraph (C)(2) (a) of this Article FIFTH); provided that if no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date (or, with respect to the first Quarterly Dividend Payment Date, the period between the first issuance of any share or fraction of a share of Series A Preferred Stock and such first Quarterly Dividend Payment Date), a dividend of $10.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(c) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issuance of such shares of Series A Preferred Stock, unless the date of issuance of such shares is on or before the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue and be cumulative from the date of issue of such shares, or unless the date of issue is a date after

the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and on or before such Quarterly Dividend Payment Date, in which case dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time

accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall not be more than 60 days prior to the date fixed for the payment thereof.

3. In addition to any other voting rights required by law, the holders of shares of Series A Preferred Stock shall have the following voting rights:

(a) Each share of Series A Preferred Stock shall entitle the holder thereof to a number of votes equal to 1000 (as adjusted as described below, the "Adjustable Factor") times the number of votes a share of Class A Common Stock is entitled to cast on all matters submitted to a vote of stockholders of the Corporation. For purposes of calculating the number of votes a share of Class A Common Stock is entitled to cast on all matters submitted to a vote of stockholders of the Corporation, as set forth in the Corporation's articles of incorporation, votes represented by shares of Series A Preferred Stock shall be included in the "Total Number of Other Votes" (as defined in the Corporation's articles of incorporation). If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying the Adjustable Factor by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(b) Except as otherwise provided herein or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock shall vote together as a single class on all matters submitted to a vote of stockholders of the Corporation.

(c) (i) If at any time dividends on any Series A Preferred Stock shall be in arrears in an amount equal to six quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock and any other series of Preferred Stock then entitled as a class to elect directors, voting together as a single class, irrespective of series, shall have the right to elect two additional Directors to the Board of Directors.

(ii) During any default period, such voting right of the holders of Series A Preferred Stock may be exercised initially at a special meeting called pursuant to paragraph (C)(3)(c)(iii) of this Article FIFTH or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders; provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of 10% in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of holders of Common Stock shall not affect the exercise by holders of Preferred Stock of such voting right. If at any meeting at which holders of Preferred Stock shall initially exercise such voting right the number of additional Directors which may be so elected does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have initially exercised their right to elect two additional Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or pari passu with the Series A Preferred Stock.

(iii) Unless the holders of Preferred Stock shall have previously

exercised their right to elect Directors during an existing default period, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of a special meeting of holders of Preferred Stock, which meeting shall

thereupon be called by the Chief Executive Officer, the President, a Vice President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C)(3)(c) (iii) of this Article FIFTH shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at the address of such holder shown on the registry books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than 10% of the total number of shares of Preferred Stock outstanding, irrespective of series. Notwithstanding the provisions of this paragraph (C)(3)(c) (iii) of this Article FIFTH , no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(3)(c)(ii) of this Article FIFTH) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C)(3)(c) of this Article FIFTH to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the articles of incorporation or by-laws irrespective of any increase made pursuant to the provisions of Section 3(c)(ii) (such number being subject, however, to change thereafter in any manner provided by law or in the articles of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(d) The articles of incorporation of the Corporation shall not be amended in any manner (whether by merger or otherwise) so as to adversely affect the powers, preferences or special rights of the Series A Preferred Stock without the affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred Stock, voting separately as a class.

(e) Except as otherwise provided herein, holders of Series A Preferred Stock shall have no special voting rights, and their consent shall not be required for taking any corporate action.

4. (a) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in paragraph (C)(2) of this Article FIFTH are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on outstanding shares of Series A Preferred Stock shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, or make any other distributions on, any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends on, or make any other distributions on, any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such other parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem, purchase or otherwise acquire for value any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock; provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in

exchange for shares of stock of the Corporation ranking junior (as to dividends and upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem, purchase or otherwise acquire for value any shares of Series A Preferred Stock, or any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of Series A Preferred Stock and all such other parity stock upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(b) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for value any shares of stock of the Corporation unless the Corporation could, under paragraph 4(a), purchase or otherwise acquire such shares at such time and in such manner.

5. Any shares of Series A Preferred Stock redeemed, purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock without designation as to series and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors as permitted by the articles of incorporation or as otherwise permitted under Pennsylvania Law.

6. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (a) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $10.00 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment; provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount to be distributed per share to holders of Common Stock, or (b) to the holders of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such other parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (a) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

7. If the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash or any other property, then in any such case the shares of Series A Preferred Stock shall at the same time be similarly exchanged for or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 1000 times the aggregate amount of stock, securities, cash or any other property, as the case may be, into which or for which each share of Common Stock is changed or exchanged. If the Corporation shall at any time after the Rights Declaration Date pay any dividend on Common Stock payable in shares of Common Stock or effect a subdivision or combination of the outstanding shares of Common Stock (by reclassification or otherwise) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event

and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

8. The Series A Preferred Stock shall not be redeemable.

9. The Series A Preferred Stock shall rank junior (as to dividends and upon liquidation, dissolution and winding up) to all other series of the Corporation's preferred stock except any series that specifically provides that such series shall rank junior to or on a parity with the Series A Preferred Stock.

10. Series A Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holder's fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Preferred Stock.

SIXTH: Governance

A. Definitions

1. "Additional Independent Director" has the meaning specified in paragraph (B)(1) of this Article SIXTH.

2. "AT&T" means AT&T Corp., a New York corporation.

3. "AT&T Directors" means (i) those five (5) Directors designated by AT&T to serve as members of the Board of Directors pursuant to a contractual right of AT&T to designate such Directors and (ii) any Replacement AT&T Director.

4. "Board of Directors" means the Board of Directors of the Corporation.

5. "CEO" means the Chief Executive Officer of the Corporation.

6. "Chairman" means the Chairman of the Board of Directors.

7. "Class of Director" means the Comcast Directors, the AT&T Directors or the Independent Directors, as the case may be.

8. "Comcast" means Comcast Corporation, a Pennsylvania corporation.

9. "Comcast Directors" means (i) those five (5) Directors designated by Comcast to serve as members of the Board of Directors pursuant to a contractual right of Comcast to designate such Directors and (ii) any Replacement Comcast Director.

10. "Director" means a director of the Corporation.

11. "Effective Time" means the date and time at which these Amended and Restated Articles of Incorporation become effective with the Department of State of the Commonwealth of Pennsylvania.

12. "Holiday" has the meaning specified in paragraph (B)(6) of this Article SIXTH.

13. "Independent Director" means (i) those two (2) Independent Persons jointly designated by AT&T and Comcast to serve as members of the Board of Directors pursuant to a contractual right of AT&T and Comcast to designate such Directors, (ii) any Additional Independent Director and (iii) any Replacement Independent Director.

14. "Independent Person" means an independent person (determined in accordance with the rules of the principal stock exchange or interdealer quotation system on which the class of Corporation common stock with the greatest aggregate market capitalization (as determined in good faith by the Board of Directors) is traded), it being understood that (i) each individual who was a member of the Board of Directors of AT&T as of December 19, 2001 (other than Mr. C. Michael Armstrong) was deemed to be an Independent Person as of

December 19, 2001, (ii) subject to clauses (iii) and (iv) of this definition, none of the members of the Board of Directors of Comcast as of December 19, 2001 was deemed to be an Independent Person as of December 19, 2001, (iii) Mr. Decker Anstrom was deemed to be an Independent Person as of December 19, 2001, (iv) for any period during which Mr. Decker Anstrom is not a Director, one person (other than Mr. Ralph J. Roberts, Mr. Brian L. Roberts, Mr. Julian A. Brodsky or Mr. Sheldon M. Bonovitz) designated by the CEO (which designation may be changed at any time by the CEO) who was a member of the Board of Directors of Comcast on December 19, 2001 and who would qualify as an Independent Person under this definition not taking into account clause (ii) of this definition shall be deemed to be an Independent Person; provided that such person shall not be eligible to be an AT&T Director or an Independent Director (any such designee, a "Comcast Independent Designee") and (v) none of the spouse, parents, siblings, lineal descendants, aunts, uncles, cousins and other close relatives (or their respective spouses) of Mr. Brian L. Roberts will be deemed Independent Persons at any time.

15. "Initial Term" means the period beginning at the Effective Time and ending at the 2004 annual meeting of shareholders of the Corporation.

16. "Replacement AT&T Director" has the meaning specified in paragraph (B)(3) of this Article SIXTH.

17. "Replacement Comcast Director" has the meaning specified in paragraph (B)(3) of this Article SIXTH.

18. "Replacement Director" has the meaning specified in paragraph (B)(3) of this Article SIXTH.

19. "Replacement Independent Director" has the meaning specified in paragraph (B)(3) of this Article SIXTH.

20. "Specified Period" means the period beginning at the Effective Time and ending at the 2005 annual meeting of shareholders of the Corporation or, if earlier, the date on which Mr. C. Michael Armstrong ceases to be the Chairman.

21. "2004 Term" means the period beginning at the 2004 annual meeting of shareholders of the Corporation and ending at the 2005 annual meeting of shareholders of the Corporation.

B. Directors

1. From the Effective Time until the expiration of the 2004 Term, subject to the fourth sentence of this paragraph (B)(1) of Article SIXTH and the second to last sentence of paragraph (B)(3) of Article SIXTH, the Board of Directors shall consist of five (5) Comcast Directors (at least one (1) of whom shall be an Independent Person), five (5) AT&T Directors and two (2) Independent Directors. If the size of the Board of Directors is increased as described in the fourth sentence of this paragraph (B)(1) of Article SIXTH or there is a vacancy in the Comcast or AT&T Class of Directors that pursuant to the second to last sentence of paragraph (B)(3) of Article SIXTH the applicable Class of Directors is not required to fill, the size of the Board of Directors shall be fixed at the number of Directors in place after such increase or vacancy and shall remain fixed at such number unless subsequently increased again pursuant to the fourth sentence of this paragraph (B)(1) of Article SIXTH or such vacancy is filled pursuant to paragraph (B)(3) of Article SIXTH (in either of such events the size of the Board of Directors shall be fixed at such increased number until subsequently changed as provided in this paragraph (B)(1) and paragraph (B)(3) of this Article SIXTH). At all times, the Board of Directors shall consist of a majority of Independent Persons. From the Effective Time until the expiration of the 2004 Term, a majority of the Directors may increase the size of the Board of Directors by up to two (2) members. The Board of Directors shall take all action necessary to ensure that any vacancy on the Board of Directors created as a result of any such increase shall be filled promptly by an Independent Person nominated by the governance and directors nominating committee of the Board of Directors and approved by the Board of Directors (an "Additional Independent Director"). After the election of an Additional Independent Director, such Additional Independent Director shall be considered an Independent Director for

all purposes of this Article SIXTH. After the expiration of the 2004 Term, the size of the Board of Directors shall be determined in accordance with the By-Laws of the Corporation and the provisions of these Articles of Incorporation relating to Classes of Directors shall no longer apply.

2. Following the occurrence of a vacancy on the Board of Directors that results in the absence of one or more of (i) a majority of Independent Persons on the Board of Directors, (ii) at least one Comcast Director who is an Independent Person, (iii) the then required number of Independent Directors, (iv) four (4) Comcast Directors or (v) four (4) AT&T Directors, and notwithstanding the occurrence of such vacancy, the applicable Directors specified in paragraph (B)(3) of this Article SIXTH shall be authorized to take the actions contemplated by such paragraph to permit the Board of Directors to fill such vacancy (which vacancy shall be filled by an Independent Person in the case of clauses (i), (ii) and (iii)) and the Board of Directors shall be authorized to fill the vacancy in accordance with such paragraph. In addition to the foregoing and subject to the last sentence of paragraph (B)(3) of Article SIXTH, for a ninety (90) day period following the occurrence of a vacancy in the Board of Directors that results in one or more of the circumstances described in clauses (i), (ii), (iii), (iv) and (v) of the preceding sentence, the Directors then in office shall have and may exercise all of the powers of the Board of Directors to the extent provided under these Articles of Incorporation, the By-Laws of the Corporation and applicable law.

3. From the Effective Time until the expiration of the 2004 Term, the Board of Directors shall take all action necessary to ensure that any seat on the Board of Directors held by (i) a Comcast Director which becomes vacant is filled promptly by a person designated by a majority of the Comcast Directors remaining on the Board of Directors (such person, a "Replacement Comcast Director"), (ii) an AT&T Director which becomes vacant is filled promptly by a person designated by a majority of the AT&T Directors remaining on the Board of Directors (such person, a "Replacement AT&T Director") and (iii) an Independent Director which becomes vacant is filled promptly by an Independent Person designated by the governance and directors nominating committee of the Board of Directors (such person, a "Replacement Independent Director" and, together with any Replacement Comcast Director and any Replacement AT&T Director, a "Replacement Director"); provided that the designation of any Replacement Independent Director by the governance and directors nominating committee of the Board of Directors shall be subject to the approval of the Board of Directors prior to such person becoming a Replacement Independent Director. Notwithstanding anything to the contrary contained herein, the remaining Comcast Directors or the remaining AT&T Directors, as the case may be, shall be under no obligation to designate a person to fill a vacancy in its Class of Directors (and during the pendency of any such vacancy the Board of Directors shall continue to exercise all of its powers to the extent provided under these Articles of Incorporation, the By-Laws of the Corporation and applicable law), except to the extent such vacancy results in fewer than four (4) Directors in the affected Class of Directors or, in the case of the Comcast Directors, the absence of one Comcast Director who is an Independent Person. In the absence of a designation by the Comcast Directors, the AT&T Directors or the governance and directors nominating committee of the Board of Directors, as the case may be, of a person to fill a vacancy in the relevant Class of Directors, the Board of Directors shall have no authority to fill a vacancy in the applicable Class of Directors.

4. Subject to paragraph (B)(7) of this Article SIXTH, each of the Comcast Directors, AT&T Directors and Independent Directors at the Effective Time, and each Replacement Director and Additional Independent Director elected to the Board of Directors in accordance with this Article SIXTH during the Initial Term, shall hold office until the expiration of the Initial Term and until such Director's successor has been selected and qualified or until such Director's earlier death, resignation or removal.

5. Subject to paragraph (B)(7) of this Article SIXTH, each of the Comcast Directors, AT&T Directors and Independent Directors immediately after the annual meeting of shareholders of the Corporation in 2004, and each Replacement Director and Additional Independent Director elected to the Board of Directors in accordance with this Article SIXTH during the 2004 Term, shall hold office until the expiration of the 2004 Term and until such Director's successor has been selected and qualified or until such Director's earlier death, resignation or removal.

6. The first (or in the event the Board of Directors calls an annual meeting of shareholders pursuant to the last sentence of this paragraph (B)(6), the second) annual meeting of shareholders of the Corporation after

the Effective Time shall occur on such date and at such time in April 2004 as the Board of Directors may determine, or if the Board of Directors fails to set a date and time, on the second Thursday of April 2004 at 9:00 o'clock a.m., if, in either case, not a holiday on which national banks are or may elect to be closed ("Holiday"), and if such day is a Holiday, then such meeting shall be held on the next business day at such time. The second (or in the event the Board of Directors calls an annual meeting of shareholders pursuant to the last sentence of this paragraph (B)(6), the third) annual meeting of shareholders of the Corporation after the Effective Time shall occur on such date and at such time in April 2005 as the Board of Directors may determine, or if the Board of Directors fails to set a date and time, on the second Thursday of April 2005 at 9:00 o'clock a.m., if, in either case, not a Holiday, and if such day is a Holiday, then such meeting shall be held on the next business day at such time. The Corporation may, at the election of the Board of Directors, call an annual meeting of shareholders of the Corporation in 2003 for the purpose of conducting such business, other than the election of Directors, as the Board of Directors shall determine.

7. In addition to the events set forth in each of paragraphs (B)(4) and (B)(5) of this Article SIXTH, the term of office of any Comcast Director or AT&T Director, in either case who was an Independent Person on the date of such Director's designation, appointment or election as a member of the Board of Directors, or of any Independent Director, shall terminate on any date on which such Director shall cease to be an Independent Person if as a result of such Director ceasing to be an Independent Person the Board of Directors shall not include (i) a majority of Independent Persons and (ii) at least one Comcast Director who is an Independent Person.

C. Office of the Chairman

1. At the Effective Time and during the Specified Period, there shall be an Office of the Chairman which shall be comprised of the Chairman and the CEO.

2. The Office of the Chairman shall be the Corporation's principal executive deliberative body with responsibility for corporate strategy, policy and direction, governmental affairs and other matters of significance to the Corporation. The Chairman and the CEO shall advise and consult with each other with respect to each of the foregoing matters.

D. Officers

1. Chairman.

(a) At the Effective Time and during the Specified Period, the Chairman shall be Mr. C. Michael Armstrong if he is willing and available to serve; provided that from and after April 1, 2004, if the Specified Period has not expired, Mr. C. Michael Armstrong shall be non- executive Chairman for the remainder of the Specified Period. After the Specified Period, the Chairman shall be Mr. Brian L. Roberts if he is willing and available to serve.

(b) The Chairman shall preside at all meetings of the shareholders of the Corporation and of the Board of Directors. In the absence of the Chairman, if the Chairman and the CEO are not the same person, the CEO shall chair such meetings.

(c) The Chairman shall have the authority to call special meetings of the Board of Directors, in the manner provided by the By-Laws of the Corporation.

(d) Removal of the Chairman shall require the affirmative vote of at least 75% of the entire Board of Directors until the earlier to occur of (i) the date on which neither Mr. C. Michael Armstrong nor Mr. Brian L. Roberts is the Chairman and (ii) the sixth anniversary of the expiration of the Initial Term.

2. Chief Executive Officer and President.

(a) At the Effective Time, the CEO shall be Mr. Brian L. Roberts if he is willing and available to serve. For so long as Mr. Brian L. Roberts shall be the CEO, he shall also be the President of the Corporation.

(b) The powers, rights, functions and responsibilities of the CEO shall include, without limitation, the following, subject to the control and direction of the Board of Directors:

(i) the supervision, coordination and management of the Corporation's business, operations, activities, operating expenses and capital allocation;

(ii) matters relating to officers (other than the Chairman) and employees, including, without limitation, hiring, terminating, changing positions and allocating responsibilities of such officers and employees; provided that, if the Chairman and the CEO are not the same person, the CEO shall consult with the Chairman in connection with the foregoing as it relates to the senior executives of the Corporation; provided, further, that following the initial designation of officers by the CEO (in consultation with the Chairman) as provided herein, the election of officers shall be as provided in the By-Laws of the Corporation;

(iii) all of the powers, rights, functions and responsibilities typically exercised by a chief executive officer and president of a corporation; and

(iv) the authority to call special meetings of the Board of Directors, in the manner provided by the By-Laws of the Corporation.

(c) Removal of the CEO shall require the affirmative vote of at least 75% of the entire Board of Directors until the earlier to occur of (i) the date on which Mr. Brian L. Roberts ceases to be the CEO and (ii) the sixth anniversary of the expiration of the Initial Term.

E. Executive Committee. If the Board of Directors decides to establish an Executive Committee, if he is willing and able to serve and for so long as he shall be a member of the Board of Directors, Mr. Ralph J. Roberts shall be the Chairman of the Executive Committee.

F. Amendment. Subject to paragraph (G) of this Article SIXTH, until the earlier to occur of (i) the date on which Mr. Brian L. Roberts is no longer serving as the Chairman or the CEO and (ii) the sixth anniversary of the expiration of the Initial Term, the provisions of this Article SIXTH and the provisions of Article 9 of the By-Laws may not be amended, altered, repealed or waived in any respect without the prior approval of at least 75% of the entire Board of Directors.

G. Termination. If Mr. Brian L. Roberts is no longer serving as the Chairman or the CEO, the provisions of this Article SIXTH (other than paragraphs (A) and (B)(2) (but only insofar as such paragraph relates to the requirement that a majority of the Directors be Independent Persons) and the second sentence of paragraph (B)(1), in each case of this Article SIXTH) shall terminate automatically without any further action of the Board of Directors or the shareholders of the Corporation; provided that notwithstanding the foregoing, in the event that Mr. Brian L. Roberts ceases to serve as the Chairman or the CEO prior to the 2005 annual meeting of shareholders of the Corporation, the provisions of paragraphs (A), (B), (C) and (D)(1)(a)-(c) of this Article SIXTH shall survive through the close of such annual meeting.

SEVENTH: In addition to any other approval required by law or by these Articles of Incorporation, and notwithstanding any provision of Article FIFTH, the approval of the holders of Class B Common Stock, voting separately as a class, shall be necessary to approve (i) any merger or consolidation of the Corporation with another entity or any other transaction, in each case that requires the approval of the shareholders of the Corporation pursuant to the law of the Commonwealth of Pennsylvania or other applicable law, or any other transaction that would result in any person or group (as such term is defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended) owning shares representing in excess of 10% of the combined voting power of the resulting or surviving corporation, or any issuance of securities (other than pursuant to director or officer stock option or purchase plans) requiring shareholder approval under the applicable rules and regulations of any stock exchange or

quotation system, (ii) any issuance of shares of Class B Common Stock or any securities exercisable or exchangeable for or convertible into shares of Class B Common Stock or (iii) any amendment to these Articles of Incorporation (including, without limitation, any amendment to elect to have any of Subchapters E, F, G, H, I and J or Section 2538 of Subchapter D, in each case of Chapter 25 of the Business Corporation Law of 1988, be applicable to the Corporation or any amendment to this Article SEVENTH) or the By-Laws of the Corporation or any other action (including, without limitation, the adoption, amendment or redemption of a shareholder rights plan) that would, in any such case, limit the rights of the holders of Class B Common Stock or any subsequent transferee of Class B Common Stock to transfer, vote or otherwise exercise rights with respect to capital stock of the Corporation. In addition to any other approval required by law or by these Articles of Incorporation, and notwithstanding any provision of Article FIFTH, the approval of the holder of any class or series of shares of the Corporation shall be necessary to approve any amendment to these Articles of Incorporation which would make any change in the preferences, limitations or rights of the shares of such class or series adverse to such class or series.

EIGHTH: Special meetings of shareholders may be called only by the Board of Directors and may not be called by shareholders of the Corporation.

NINTH: The shareholders of the Corporation shall not be permitted to act by written consent in lieu of a meeting; provided that notwithstanding the foregoing, the holders of a majority of the Class B Common Stock shall be permitted to act by written consent in lieu of a meeting in the exercise of their approval rights under Article SEVENTH.

TENTH: The Board of Directors shall have the power to amend the By-Laws to the extent provided therein, subject only to applicable law. Any amendment to the By-Laws approved by the shareholders of the Corporation shall not be deemed to have been adopted by the Corporation unless it has been previously approved by the Board of Directors.

ELEVENTH: No person who is or was a Director shall be personally liable, as such, for monetary damages (other than under criminal statutes and under federal, state and local laws imposing liability on directors for the payment of taxes) unless the person's conduct constitutes self-dealing, willful misconduct or recklessness. No amendment or repeal of this Article ELEVENTH shall apply to or have any effect on the liability or alleged liability of any person who is or was a Director for or with respect to any acts or omissions of the Director occurring prior to the effective date of such amendment or repeal. If the Business Corporation Law of 1988 is amended to permit a Pennsylvania corporation to provide greater protection from personal liability for its directors than the express terms of this Article ELEVENTH, this Article ELEVENTH shall be construed to provide for such greater protection.

TWELFTH: No person who is or was an officer of the Corporation shall be personally liable, as such, for monetary damages (other than under criminal statutes and under federal, state and local laws imposing liability on directors for the payment of taxes) unless the person's conduct constitutes self-dealing, willful misconduct or recklessness. No amendment or repeal of this Article TWELFTH shall apply to or have any effect on the liability or alleged liability of any person who is or was an officer of the Corporation for or with respect to any acts or omissions of the officer occurring prior to the effective date of such amendment or repeal. If the Business Corporation Law of 1988 is amended to permit a Pennsylvania corporation to provide greater protection from personal liability for its officers than the express terms of this Article TWELFTH, this Article TWELFTH shall be construed to provide for such greater protection.

THIRTEENTH: Any or all classes and series of shares of the Corporation, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

FOURTEENTH: Subchapters E, F, G, H, I and J and Section 2538 of Subchapter D, in each case of Chapter 25 of the Business Corporation Law of 1988, shall not be applicable to the Corporation.

FIFTEENTH: Henceforth, these Articles supersede the original Articles and all amendments filed thereto.

RESTATED

BY-LAWS

OF

COMCAST CORPORATION

* * * * *

May 26, 2004

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The By-Laws of the Corporation are restated in their entirety to read as follows:

ARTICLE 1
OFFICES

Section 1.01 . Registered Office. The registered office of the Corporation shall be located within the Commonwealth of Pennsylvania at such place as the Board of Directors (hereinafter referred to as the "Board of Directors" or the "Board") shall determine from time to time.

Section 1.02 . Other Offices. The Corporation may also have offices at such other places, within or without the Commonwealth of Pennsylvania, as the Board of Directors may determine from time to time.

ARTICLE 2
MEETINGS OF SHAREHOLDERS

Section 2.01 . Place of Meetings of Shareholders. Meetings of shareholders may be held at such geographic locations, within or without the Commonwealth of Pennsylvania, as may be fixed from time to time by the Board of Directors. If no such geographic location is so fixed by the Board of Directors or the Board of Directors does not determine to hold a meeting by means of electronic technology (as provided in the next sentence) rather than at a geographic location, meetings of the shareholders shall be held at the executive office of the Corporation. If a meeting of the shareholders is held by means of the Internet or other electronic communications technology in a fashion pursuant to which the shareholders have the opportunity to read or hear the proceedings substantially concurrently with their occurrence, vote on matters submitted to the shareholders and pose questions to the Directors, the meeting need not by held at a particular geographic location.

Section 2.02 . Annual Meetings of Shareholders.

(a) Time. Subject to Article SIXTH of the Articles of Incorporation, a meeting of the shareholders of the Corporation shall be held in each calendar year, on such date and at such time as the Board of Directors may determine, or if the Board of Directors fails to set a date and time, on the second Thursday of June at 9:00 o'clock a.m., if not a holiday on which national banks are or may elect to be closed ("Holiday"), and if such day is a Holiday, then such meeting shall be held on the next business day at such time.

(b) Election of Directors. At each such annual meeting commencing with the annual meeting held in 2004, there shall be held an election of Directors to serve for the ensuing year and until their successors shall have been selected and qualified or until their earlier death, resignation or removal.

Section 2.03 . Special Meetings of Shareholders. Special meetings of the shareholders may be called at any time by the Board of Directors. Special meetings of the shareholders may not be called by shareholders. Upon the written instruction of the Board of Directors, which instruction specifies the general nature of the business to be transacted at such meeting as well as the date, time and place of such meeting, it shall be the duty of the Secretary to give due notice thereof as required by Section 2.04 hereof.

Section 2.04 . Notices of Meetings of Shareholders. Written notice, complying with Article 6 of these By-Laws, of any meeting of the shareholders, shall be given to each shareholder of record entitled to vote at the meeting, other than those excepted by Section 1707 of the Pennsylvania Business

Corporation Law of 1988, as amended (the "Pennsylvania BCL"), at least twenty days prior to the day named for the meeting, except as provided in Section 6.07. Such notices may be given by, or at the direction of, the Secretary or other authorized person.

Section 2.05 . Quorum of and Action by Shareholders.

(a) General Rule. A meeting of shareholders duly called shall not be organized for the transaction of business unless a quorum is present, in person or by proxy, as to at least one of the matters to be considered. Except as provided in subsections (c), (d) and (e) of this Section 2.05, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purpose of consideration of and action on the matter. To the extent that a quorum is present with respect to consideration of and action on a particular matter or matters but a quorum is not present as to another matter or matters, consideration of and action on the matter or matters for which a quorum is present may occur, and, after such consideration and action,

the meeting may be adjourned for purposes of the consideration of and action on the matter or matters for which a quorum is not present.

(b) Action by Shareholders. Except as otherwise specifically provided by law, all matters coming before a meeting of shareholders shall be determined by a vote of shares. Except as otherwise provided by a resolution adopted by the Board of Directors, by the Articles of Incorporation, by the Pennsylvania BCL or by these By-Laws, whenever any corporate action is to be taken by vote of the shareholders of the Corporation at a duly organized meeting of shareholders, it shall be authorized by a majority of the votes cast at the meeting by the holders of shares entitled to vote with respect to such matter; provided that in no event may the required shareholder vote be reduced below that provided above.

(c) Continuing Quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(d) Election of Directors at Adjourned Meetings. Those shareholders entitled to vote who attend a meeting called for the election of Directors that has been previously adjourned for one or more periods aggregating at least 5 days for lack of a quorum (whether with respect to a particular matter or all matters to be considered and acted upon at such meeting), although less than a quorum as fixed in subsection (a), shall nevertheless constitute a quorum for the purpose of electing Directors at such reconvened meeting.

(e) Conduct of Other Business at Adjourned Meetings. Those shareholders entitled to vote who attend a meeting of shareholders that has been previously adjourned for one or more periods aggregating at least 15 days because of an absence of a quorum (whether with respect to a particular matter or all matters to be considered and acted upon at such meeting), although less than a quorum as fixed in subsection (a), shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the notice of meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for the purpose of acting upon the matter.

Section 2.06 . Adjournments.

(a) General Rule. Adjournments of any regular or special meeting of shareholders, including one at which Directors are to be elected, may be taken for such periods as the shareholders present and entitled to vote shall direct.

(b) Lack of Quorum. Without limiting the generality of Section 2.06(c), if a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in the Pennsylvania BCL, adjourn the meeting to such time and place as they may determine. To the extent, as set forth in Section 2.05(a), that a quorum was not present with respect to consideration of and action on a particular matter at a duly called and organized meeting,

consideration of and action on such matter may be adjourned to such date, time and place as those present may determine, and the balance of the matters to be considered at such meeting for which a quorum was present may be considered and acted upon at the initial meeting.

(c) Notice of an Adjourned Meeting. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the Board fixes a new record date for the adjourned meeting or the Pennsylvania BCL requires notice of the business to be transacted and such notice has not been previously given.

Section 2.07 . Voting List, Voting and Proxies.

(a) Voting List. The officer or agent having charge of the transfer books for shares of the Corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be produced and kept open at the date, time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof except that, if the Corporation has 5,000 or more shareholders, in lieu of the making of the list the Corporation may make the information therein available at the meeting by any other means.

(b) Method of Voting. At the discretion of the presiding officer of a meeting of shareholders, (i) in elections for directors voting need not be by ballot but may be taken by voice, show of hands or such other method determined by the presiding officer unless it is required by vote of the shareholders, before the vote begins, that the vote be taken by ballot and (ii) with respect to any other action to be taken by vote at the meeting, as set forth in Section 2.05(b), voting need not be by ballot but may be taken by voice, show of hands or such other method determined by the presiding officer to the fullest extent permitted by applicable law (including the Pennsylvania BCL).

(c) Proxies. At all meetings of shareholders, shareholders entitled to vote may attend and vote either in person or by proxy. Every proxy shall be executed or authenticated by the shareholder or by such shareholder's duly authorized attorney-in-fact and shall be filed with, or transmitted to, the Secretary of the Corporation or its designated agent. A shareholder or such shareholder's duly authorized attorney-in-fact may execute or authenticate in writing or transmit an electronic message authorizing another person to act for such shareholder by proxy. A proxy, unless coupled with an interest (as defined in Section 1759(d) of the Pennsylvania BCL), shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the Secretary of the Corporation or its designated agent in writing or by electronic transmission.

An unrevoked proxy shall not be valid after three years from the date of its execution unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, notice of the death or incapacity is given to the Secretary of the Corporation or its designated agent in writing or by electronic transmission.

(d) Judges of Election. In advance of any meeting of shareholders of the Corporation, the Board of Directors may appoint one or three Judges of Election, who need not be shareholders and who will have such duties as provided in Section 1765(a)(3) of the Pennsylvania BCL, to act at the meeting or any adjournment thereof. If one or three Judges of Election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, appoint one or three Judges of Election at the meeting. In case any person appointed as a Judge of Election fails to appear or refuses to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the convening of the meeting or at the meeting by the presiding officer. A person who is a candidate for office to be filled at the meeting shall not act as a Judge of Election. Unless the Pennsylvania BCL permits otherwise, this Section 2.07(d) may be modified only by a By-Law amendment adopted by the shareholders.

(e) No Action by Written Consent in Lieu of a Meeting. Subject to Article NINTH of the Articles of Incorporation, the shareholders shall not be permitted to act by written consent in lieu of a meeting.

Section 2.08 . Participation in Meetings by Electronic Means. The Board of Directors may permit, by resolution with respect to a particular meeting of the shareholders, or the presiding officer of such meeting may permit, one or more persons to participate in that meeting, count for the purposes of determining a quorum and exercise all rights and privileges to which such person might be entitled were such person personally in attendance, including the right to vote, by means of conference telephone or other electronic means, including, without limitation, the Internet. Unless the Board of Directors so permits by resolution, or the presiding officer of such meeting so permits, no person may participate in a meeting of the shareholders by means of conference telephone or other electronic means.

Section 2.09 . Business at Meetings of Shareholders. Except as otherwise provided by law (including but not limited to Rule 14a-8 promulgated under the Securities and Exchange Act of 1934, as amended, or any successor provision thereto) or in these By-Laws, the business which shall be conducted at any meeting of the shareholders shall (a) have been specified in the written notice of the meeting (or any supplement thereto) given by the Corporation, or (b) be brought before the meeting at the direction of the Board of Directors, or (c) be brought before the meeting by the presiding officer of the meeting unless a majority of the Directors then in office object to such business being conducted at the meeting, or (d) in the case of any matters intended to be brought by a

shareholder before an annual meeting of shareholders for specific action at such meeting, have been specified in a written notice given to the Secretary of the Corporation, by or on behalf of any shareholder who shall have been a shareholder of record on the record date for such meeting and who shall continue to be entitled to vote thereat (the "Shareholder Notice"), in accordance with all of the following requirements:

(i) Each Shareholder Notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation (A) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of shareholders, not less than 60 days nor more than 90 days prior to such anniversary date, and (B) in the case of an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first; and

(ii) Each such Shareholder Notice must set forth: (A) the name and address of the shareholder who intends to bring the business before the meeting; (B) the general nature of the business which such shareholder seeks to bring before the meeting and the text of the resolution or resolutions which the proposing shareholder proposes that the shareholders adopt; and (C) a representation that the shareholder is a holder of record of the stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring the business specified in the notice before the meeting. The presiding officer of the meeting may, in his or her sole discretion, refuse to acknowledge any business proposed by a shareholder not made in compliance with the foregoing procedure.

Section 2.10 . Conduct Of Meetings Of Shareholders.

(a) Presiding Officer. There shall be a presiding officer at every meeting of the shareholders. Subject to Article SIXTH of the Articles of Incorporation, the presiding officer shall be appointed by the Board of Directors or in the manner authorized by the Board of Directors; provided that if a presiding officer is not designated by the Board of Directors or in the manner authorized by the Board of Directors, the Chairman of the Board shall be the presiding officer.

(b) Authority of Presiding Officer. Except as prescribed by the Board of Directors, the presiding officer shall determine the order of business and shall have the authority to establish rules for the conduct of the meeting of the shareholders.

(c) Procedural Standard. Any action by the presiding officer in adopting rules for, and in conducting, a meeting of the shareholders shall be fair to the shareholders. The conduct of the meeting need not follow Robert's Rules of Order or any other published rules for the conduct of a meeting.

(d) Closing of the Polls. The presiding officer shall announce at the meeting of the shareholders when the polls close for each matter voted upon. If no announcement is made, the polls shall be deemed to have closed upon the final adjournment of the meeting. After the polls close, no ballots, proxies or votes, nor any revocations or changes thereto, may be accepted.

ARTICLE 3
BOARD OF DIRECTORS

Section 3.01 . Board of Directors.

(a) General Powers. Except as otherwise provided by law, the Articles of Incorporation or these By-Laws, all powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. Unless the Pennsylvania BCL permits otherwise, this Section 3.01(a) may be modified only by a By-Law amendment adopted by the shareholders.

(b) Number. Subject to Article SIXTH of the Articles of Incorporation, the number of Directors shall be as determined by the Board of Directors from time to time.

(c) Vacancies. Each Director shall hold office until the expiration of the term for which such person was selected and until such person's successor has been selected and qualified or until such person's earlier death, resignation or removal. Subject to Article SIXTH of the Articles of Incorporation, any vacancies on the Board of Directors, including vacancies resulting from an increase in the number of Directors, may be filled by a majority vote of the remaining members of the Board of Directors, though less than a quorum, or by a sole remaining Director, or, if there are no remaining Directors, by the shareholders, and each person so selected shall be a Director to serve for the balance of the unexpired term.

(d) Removal. The entire Board of Directors or any individual Director may be removed from office only for cause by the vote of the shareholders entitled to elect directors.

(e) Qualification. A Director must be a natural person at least 18 years of age.

Section 3.02 . Place of Meetings. Meetings of the Board of Directors may be held at such place within or without the Commonwealth of Pennsylvania as the Board of Directors may appoint from time to time or as may be designated in the notice of the meeting.

Section 3.03 . Regular Meetings. A regular meeting of the Board of Directors shall be held immediately following each annual meeting of the shareholders, at the place where such meeting of the shareholders is held or at such other place and time after the annual meeting of shareholders as the Board of Directors may designate. Subject to Article SIXTH of the Articles of Incorporation, at such meeting, the Board of Directors shall elect officers of the Corporation. In addition to such regular meeting, the Board of Directors shall have the power to fix by resolution the place, date and time of other regular meetings of the Board of Directors.

Section 3.04 . Special Meetings. Special meetings of the Board of Directors shall be held whenever ordered by the Chairman of the Board, the Chief Executive Officer, by the Board of Directors or by any officer of the Corporation authorized by Article SIXTH of the Articles of Incorporation to call special meetings of the Board of Directors for so long as such officer is also a Director of the Corporation.

Section 3.05 . Participation in Meetings by Electronic Means. Any Director may participate in any meeting of the Board of Directors or of any committee (provided such Director is otherwise entitled to participate), be counted for the purpose of determining a quorum thereof and exercise all rights and privileges to which such Director might be entitled were such Director personally in attendance, including the right to vote, or any other rights attendant to presence in person at such meeting, by means of conference telephone or other electronic technology by means of which all persons participating in the meeting can hear each other.

Section 3.06 . Notices of Meetings of Board of Directors.

(a) Regular Meetings. No notice shall be required to be given of any regular meeting, unless the same is held at other than the place, date or time for holding such meeting as fixed in accordance with Section 3.03 of these By-Laws, in which event 48 hours' notice shall be given of the place and time of such meeting complying with Article 6 of these By-Laws.

(b) Special Meetings. Written notice stating the place, date and time of any special meeting of the Board of Directors shall be sufficient if given at least 48 hours, as provided in Article 6, in advance of the date and time fixed for the meeting.

Section 3.07 . Quorum; Action by the Board of Directors. A majority of the Directors in office shall be necessary to constitute a quorum for the

transaction of business and, subject to Article SIXTH of the Articles of Incorporation and these By-Laws, the acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board of Directors. If there is no quorum present at a duly convened meeting of the Board of Directors, the majority of those present may adjourn the meeting from place to place and from time to time.

Section 3.08 . Informal Action by the Board of Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if, prior or subsequent to the action, a written consent or consents thereto by all of the Directors in office is filed with the Secretary of the Corporation. In addition to other means of filing with the Secretary, insertion in the minute book of the Corporation shall be deemed filing with the Secretary regardless of whether the Secretary or some other authorized person has actual possession of the minute book. Written consents by all the Directors, executed pursuant to this Section 3.08, may be executed in any number of counterparts and shall be deemed effective as of the date set forth therein.

Section 3.09 . Committees.

(a) Establishment and Powers. The Board of Directors of the Corporation may, by resolution adopted by a majority of the Directors in office, establish one or more committees to consist of one or more Directors of the Corporation. Any committee, to the extent provided in the applicable resolution of the Board of Directors or in the By-Laws, shall have and may exercise all of the powers and authority of the Board of Directors, except that a committee shall not have any power or authority as to the following:

(i) The submission to shareholders of any action requiring approval of shareholders under the Pennsylvania BCL.

(ii) The creation or filling of vacancies in the Board of Directors.

(iii) The adoption, amendment or repeal of the By-Laws.

(iv) The amendment or repeal of any resolution of the Board of Directors that by its terms is amendable or repealable only by the Board of Directors.

(v) Action on matters committed by the Articles of Incorporation, the By-Laws or resolution of the Board of Directors to another committee of the Board of Directors.

(b) Alternate Members. The Board of Directors may designate one or more Directors otherwise eligible to serve on a committee of the Board as alternate members of any committee who may replace any absent or disqualified

member at any meeting of the committee or for the purpose of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of the absent or disqualified member.

(c) Term. Each committee of the Board of Directors shall serve at the pleasure of the Board of Directors.

(d) Status of Committee Action. The term "Board of Directors" or "Board", when used in any provision of these By-Laws relating to the organization or procedures of or the manner of taking action by the Board of Directors, shall be construed to include and refer to any committee of the Board of Directors. Any provision of these By-Laws relating or referring to action to be taken by the Board of Directors or the procedure required therefor shall be satisfied by the taking of corresponding action by a committee of the Board of Directors to the extent authority to take the action has been delegated to the committee in accordance with this Section.

Section 3.10 . Nomination. Nominations for the election of Directors may be made only (A) by the Board of Directors or (B) by any shareholder of record entitled to vote in the election of Directors generally at the record date of the meeting and also on the date of the meeting at which Directors are to be elected. However, any shareholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such shareholder's intention to make such nomination or nominations has been delivered personally to, or been mailed to and received by the Corporation at, the principal executive offices of the Corporation, addressed to the attention of the President, (a) with respect to an election to be held at an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of shareholders, not less than 90 days nor more than 120 days prior to such anniversary date, and (b) with respect either to an election to be held at an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, or to a special meeting of shareholders called for the purpose of electing Directors, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first. Each such notice shall set forth: (i) the name and address of the shareholder intending to make the nomination and of the person or persons to be nominated; (ii) a representation that the shareholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be

made by the shareholder; (iv) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated by the Board of Directors; and (v) the written consent of each nominee to serve as a Director of the Corporation if so elected. The presiding officer of the meeting may, in his or her sole discretion, declare invalid or refuse to acknowledge any nomination not made in compliance with the foregoing procedure.

ARTICLE 4
OFFICERS

Section 4.01 . Election and Office. The Corporation shall have a Chairman of the Board, a Chief Executive Officer, a President, a Secretary and a Treasurer who, subject to Article SIXTH of the Articles of Incorporation, shall be elected by the Board of Directors. Subject to Article SIXTH of the Articles of Incorporation, the Board of Directors may create the positions of, define the powers and duties of and elect as additional officers one or more Vice Chairmen of the Board, one or more Vice Presidents, and one or more other officers or assistant officers. Any number of offices may be held by the same person. The Chairman of the Board and any Vice Chairman of the Board must be a Director of the Corporation. The initial officers of the Corporation (other than the Chairman of the Board) shall be selected by the Chief Executive Officer in consultation with the Chairman of the Board.

Section 4.02 . Term. Each officer of the Corporation shall hold office until his successor is selected and qualified or until his earlier death, resignation or removal. Subject to Article SIXTH of the Articles of Incorporation, any officer may be removed by a vote of a majority of the Directors then in office. The terms of the Chairman of the Board and the Chief Executive Officer are fixed pursuant to Article SIXTH of the Articles of Incorporation.

Section 4.03 . Powers and Duties of the Chairman of the Board. The Chairman of the Board shall have such powers and shall perform such duties as are provided in Article SIXTH of the Articles of Incorporation.

Section 4.04 . Powers and Duties of the Chief Executive Officer . The Chief Executive Officer shall have such powers and shall perform such duties as are provided in Article SIXTH of the Articles of Incorporation.

Section 4.05 Powers and Duties of the President. The President shall have such powers and shall perform such duties as may, subject to Article SIXTH of the Articles of Incorporation, from time to time be assigned to the President by the Board of Directors.

Section 4.06 . Powers and Duties of the Secretary. Unless otherwise determined by the Board of Directors, the Secretary shall be responsible for the keeping of the minutes of all meetings of the shareholders, the Board of Directors, and all committees of the Board, in books provided for that purpose, and for the giving and serving of all notices for the Corporation. The Secretary shall perform all other duties ordinarily incident to the office of Secretary and shall have such other powers and perform such other duties as may be assigned to the Secretary by the Board of Directors. The minute books of the Corporation may be held by a person other than the Secretary.

Section 4.07 . Powers and Duties of the Treasurer. Unless otherwise determined by the Board of Directors, the Treasurer shall have charge of all the funds and securities of the Corporation. When necessary or proper, unless otherwise determined by the Board of Directors, the Treasurer shall endorse for collection on behalf of the Corporation checks, notes and other obligations, and shall deposit the same to the credit of the Corporation to such banks or depositories as the Board of Directors may designate and may sign all receipts and vouchers for payments made to the Corporation. The Treasurer shall be responsible for the regular entry in books of the Corporation to be kept for such purpose of a full and accurate account of all funds and securities received and paid by the Treasurer on account of the Corporation. Whenever required by the Board of Directors, the Treasurer shall render a statement of the financial condition of the Corporation. The Treasurer shall have such other powers and shall perform the duties as may be assigned to such officer from time to time by the Board of Directors. The Treasurer shall give such bond, if any, for the faithful performance of the duties of such office as shall be required by the Board of Directors.

Section 4.08 . Powers and Duties of the Vice Chairmen, Vice Presidents and Assistant Officers. Unless otherwise determined by the Board of Directors and subject to Article SIXTH of the Articles of Incorporation, each Vice Chairman, Executive Vice President, Senior Vice President, Vice President and each assistant officer shall have the powers and perform the duties of his or her respective superior officer, except to the extent such powers and duties are limited by such superior officer or by the Board of Directors. Executive Vice Presidents, Senior Vice Presidents, Vice Presidents and assistant officers shall have such rank as may be designated by the Board of Directors, with Executive Vice Presidents serving as superior officers to Senior Vice Presidents and Senior Vice Presidents serving as superior officers to Vice Presidents. Executive Vice Presidents, Senior Vice Presidents and Vice Presidents may be designated as having responsibility for a specific area of the Corporation's affairs, in which event such Executive Vice Presidents, Senior Vice Presidents or Vice Presidents shall be superior to the other Executive Vice Presidents, Senior Vice Presidents or Vice Presidents, respectively, in relation to matters within his or her area. The President shall be the superior officer of the Executive Vice Presidents, Senior Vice Presidents, Vice Presidents and all other officer positions created by the Board of Directors unless

the Board of Directors provides otherwise. The Treasurer and Secretary shall be the superior officers of the Assistant Treasurers and Assistant Secretaries, respectively.

Section 4.09 . Vacancies. Subject to Article SIXTH of the Articles of Incorporation, the Board of Directors shall have the power to fill any vacancies in any office occurring for any reason.

Section 4.10 . Delegation of Office. Subject to Article SIXTH of the Articles of Incorporation, the Board of Directors may delegate the powers or duties of any officer of the Corporation to any other person from time to time.

ARTICLE 5
CAPITAL STOCK

Section 5.01 . Share Certificates.

(a) Execution. Except as otherwise provided in Section 5.05, the shares of the Corporation shall be represented by certificates. Unless otherwise provided by the Board of Directors, every share certificate shall be signed by two officers and sealed with the corporate seal, which may be a facsimile, engraved or printed, but where such certificate is signed by a transfer agent or a registrar, the signature of any corporate officer upon such certificate may be a facsimile, engraved or printed. In case any officer who has signed, or whose facsimile signature has been placed upon, any share certificate shall have ceased to be such officer because of death, resignation or otherwise, before the certificate is issued, it may be issued with the same effect as if the officer had not ceased to be such at the date of its issue. The provisions of this Section shall be subject to any inconsistent or contrary agreement at the time between the Corporation and any transfer agent or registrar.

(b) Designations, Voting Rights, Preferences, Limitations and Special Rights. To the extent the Corporation is authorized to issue shares of more than one class or series, every certificate shall set forth upon the face or back of the certificate (or shall state on the face or back of the certificate that the Corporation will furnish to any shareholder upon request and without charge) a full or summary statement of the designations, voting rights, preferences, limitations and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and determined and the authority of the Board of Directors to fix and determine the designations, voting rights, preferences, limitations and special rights of the classes and series of shares of the Corporation.

(c) Fractional Shares. Except as otherwise determined by the Board of Directors, shares or certificates therefor may be issued as fractional shares for shares held by any dividend reinvestment plan or employee benefit plan created or approved by the Corporation's Board of Directors, but not by any other person.

Section 5.02 . Transfer of Shares. Transfer of shares shall be made on the books of the Corporation only upon surrender of the share certificate, duly endorsed or with duly executed stock powers attached and otherwise in proper form for transfer, which certificate shall be canceled at the time of the transfer

Section 5.03 . Determination of Shareholders of Record.

(a) Fixing Record Date. The Board of Directors of the Corporation may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting, which time, except in the case of an adjourned meeting, shall be not more than 90 days prior to the date of the meeting of shareholders. Only shareholders of record on the date fixed shall be so entitled notwithstanding any transfer of shares on the books of the Corporation after any record date fixed as provided in this subsection. The Board of Directors may similarly fix a record date for the determination of shareholders of record for any other purpose. When a determination of shareholders of record has been made as provided in this Section 5.03 for purposes of a meeting, the determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date for the adjourned meeting.

(b) Determination when No Record Date Fixed. If a record date is not fixed:

(i) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held.

(ii) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) Certification by Nominee. The Board of Directors may adopt a procedure whereby a shareholder of the Corporation may certify in writing to the Corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. The resolution of the Board of Directors may set forth:

(i) the classification of shareholder who may certify;

(ii) the purpose or purposes for which the certification may be made;

(iii) the form of certification and information to be contained therein;

(iv) if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and

(v) such other provisions with respect to the procedure as are deemed necessary or desirable.

Upon receipt by the Corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Section 5.04 . Lost Share Certificates. Unless waived in whole or in part by the Board of Directors or any of the Chairman, any Vice Chairman, the President, any Senior Vice President, Secretary or Treasurer, unless the Board of Directors prohibits such waiver by such officer, any person requesting the issuance of a new certificate in lieu of an alleged lost, destroyed, mislaid or wrongfully taken certificate shall (a) give to the Corporation his or her bond of indemnity with an acceptable surety, and (b) satisfy such other requirements as may be imposed by the Corporation. Thereupon, a new share certificate shall be issued to the registered owner or his or her assigns in lieu of the alleged lost, destroyed, mislaid or wrongfully taken certificate; provided that the request therefor and issuance thereof have been made before the Corporation has notice that such shares have been acquired by a bona fide purchaser.

Section 5.05 . Uncertificated Shares. Notwithstanding anything herein to the contrary, any or all classes and series of shares, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical. Notwithstanding anything herein to the contrary, the provisions of Section 5.02 shall be inapplicable to uncertificated shares and in lieu thereof the Board of Directors shall adopt alternative procedures for registration of transfers.

ARTICLE 6
NOTICES; COMPUTING TIME PERIODS

Section 6.01 . Contents of Notice. Whenever any notice of a meeting of the Board of Directors or of shareholders is required to be given pursuant to these By-Laws or the Articles of Incorporation of the Corporation, as the same may be

amended from time to time, or otherwise, the notice shall specify the geographic location, if any, date and time of the meeting; in the case of a special meeting of shareholders or where otherwise required by law or the By-Laws, the general nature of the business to be transacted at such meeting; and any other information required by law.

Section 6.02 . Method of Notice. Any notice required to be given to any person under the provisions of the Articles of Incorporation or these By-Laws shall be given to the person either personally or by sending a copy thereof (i) by first class or express mail, postage prepaid, or courier service, charges prepaid, to such person's postal address appearing on the books of the Corporation, or, in the case of a Director, supplied by such Director to the Corporation for the purpose of notice or (ii) by facsimile transmission, e-mail or other electronic communication to such person's facsimile number or address for e-mail or other electronic communication supplied by such person to the Corporation for purposes of notice. Notice delivered pursuant to clause (i) of the preceding sentence shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a courier service for delivery to that person, and notice pursuant to clause (ii) of the preceding sentence shall be deemed to have been given to the person entitled thereto when sent. Except as otherwise provided in these By-Laws, or as otherwise directed by the Board of Directors, notices of meetings may be given by, or at the direction of, the Secretary.

Section 6.03 . Computing Time Periods.

(a) Days to be Counted. In computing the number of days for purposes of these By-Laws, all days shall be counted, including Saturdays, Sundays and any Holiday; provided, however, that if the final day of any time period falls on a Saturday, Sunday or Holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or Holiday. In computing the number of days for the purpose of giving notice of any meeting, the date upon which the notice is given shall be counted but the day set for the meeting shall not be counted.

(b) One Day Notice. In any case where only one day's notice is being given, notice must be given at least 24 hours in advance of the date and time specified for the meeting in question by delivery in person or by telephone, telex, telecopier or similar means of communication.

Section 6.04 . Waiver of Notice. Whenever any notice is required to be given under the provisions of the Pennsylvania BCL or other applicable law or the Articles of Incorporation or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by law or the next sentence, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting. In the case of a special meeting of shareholders, the waiver

of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 6.05 . Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Pennsylvania BCL or the Articles of Incorporation or these By-Laws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 6.06 . Bulk Mail. Notice of any regular or special meeting of the shareholders, or any other notice required by the Pennsylvania BCL or by the Articles of Incorporation or these By-Laws to be given to all shareholders or to all holders of a class or a series of shares, may be given by any class of post-paid mail if the notice is deposited in the United States mail at least 20 days prior to the day named for the meeting or any corporate or shareholder action specified in the notice.

Section 6.07 . Shareholders Without Forwarding Addresses. Notice or other communications need not be sent to any shareholder with whom the Corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder have been returned unclaimed or the shareholder has otherwise failed to provide the Corporation with a current address. Whenever the shareholder provides the Corporation with a current address, the corporation shall commence sending notices and other communications to the shareholder in the same manner as to other shareholders.

ARTICLE 7
LIMITATION OF DIRECTORS' LIABILITY AND INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER PERSONS

Section 7.01 . Limitation of Directors' Liability. No Director of the Corporation shall be personally liable for monetary damages as such for any action taken or any failure to take any action unless: (a) the Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 17 of the Pennsylvania BCL (relating to standard of care and justifiable reliance), and (b) the breach or failure to perform constitutes self-dealing, wilful misconduct or recklessness; provided, however, that the provisions of this Section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute, or to the liability of a Director for the payment of taxes pursuant to local, state or federal law.

Section 7.02 . Indemnification and Insurance.

(a) Indemnification of Directors and Officers.

(i) Each Indemnitee (as defined below) shall be indemnified and held harmless by the Corporation for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including without limitation attorneys fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this Section shall be made, however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted wilful misconduct or recklessness.

(ii) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Corporation in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law; provided that, if Pennsylvania law continues so to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.

(iii) To the extent that an Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Corporation shall indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(iv) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be a Director or officer and shall inure to the benefit of his or her heirs, executors and administrators.

(v) For purposes of this Article, (A) "Indemnitee" shall mean each Director and each officer of the Corporation who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he or she is or was a Director or officer of the Corporation or is or was serving in any capacity at the request or for the benefit of the Corporation as a Director, officer, employee, agent, partner, or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise; and (B) "Proceeding" shall mean any

threatened, pending or completed action, suit or proceeding (including without limitation an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative or investigative.

(b) Indemnification of Employees and Other Persons. The Corporation may, by action of its Board of Directors and to the extent provided in such action, indemnify employees and other persons, and provide for advancement of expenses to such persons in the manner set forth in (a)(ii), above, as though they were Indemnitees, except that, if Pennsylvania law continues to so require, to the extent that an employee or agent of the Corporation has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Corporation shall indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. Directors and officers of entities that have merged into, or have been consolidated with, or have been liquidated into, the Corporation shall not be Indemnitees with respect to Proceedings involving any action or failure to act of such Director or officer prior to the date of such merger, consolidation or liquidation, but such persons may be indemnified by the Board of Directors pursuant to the first sentence of this Section 7.02(b).

(c) Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses provided in or pursuant to this Article shall not be exclusive of any other rights that any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation or By-Laws, agreement, vote of shareholders or Directors, or otherwise.

(d) Insurance. The Corporation may purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person under Pennsylvania or other law. The Corporation may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

(e) Fund For Payment of Expenses. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, under the Articles of Incorporation, by agreement, vote of shareholders or Directors, or otherwise.

Section 7.03 . Amendment. The provisions of this Article 7 relating to the limitation of Directors' and officers' liability, to indemnification and to the advancement of expenses shall constitute a contract between the Corporation and each of its Directors and officers which may be modified as to any Director or officer only with that person's consent or as specifically provided in this Section. Notwithstanding any other provision of these By-Laws relating to their amendment generally, any repeal or amendment of this Article 7 which is adverse

to any Director or officer shall apply to such Director or officer only on a prospective basis, and shall not reduce any limitation on the personal liability of a Director of the Corporation, or limit the rights of an Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment. Notwithstanding any other provision of these By-Laws, no repeal or amendment of these By-Laws shall affect any or all of this Article so as either to reduce the limitation of Directors' liability or limit indemnification or the advancement of expenses in any manner unless adopted by (a) the unanimous vote of the Directors of the Corporation then serving, or (b) the affirmative vote of shareholders entitled to cast at least eighty percent (80%) of the votes that all shareholders are entitled to cast in the election of Directors; provided that no such amendment shall have retroactive effect inconsistent with the preceding sentence.

Section 7.04 . Changes in Pennsylvania Law. References in this Article to Pennsylvania law or to any provision thereof shall be to such law, as it existed on the date this Article was adopted or as such law thereafter may be changed; provided that (a) in the case of any change which expands the liability of Directors or limits the indemnification rights or the rights to advancement of expenses which the Corporation may provide, the rights to limited liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law; and (b) if such change permits the Corporation without the requirement of any further action by shareholders or Directors to limit further the liability of Directors (or limit the liability of officers) or to provide broader indemnification rights or rights to the advancement of expenses than the Corporation was permitted to provide prior to such change, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be so broadened to the extent permitted by law.

ARTICLE 8
FISCAL YEAR

Section 8.01 . Determination of Fiscal Year. Determination of Fiscal Year. The Board of Directors shall have the power by resolution to fix the fiscal year of the Corporation. If the Board of Directors shall fail to do so, the Chief Executive Officer shall fix the fiscal year.

ARTICLE 9
ARTICLES OF INCORPORATION

Section 9.01 . Inconsistent Provisions. In the event of any conflict between the provisions of these By-Laws and the provisions of the Articles of Incorporation, including, but not limited to, Article SIXTH of the Articles of

Incorporation, the provisions of the Articles of Incorporation shall govern and control.

ARTICLE 10
AMENDMENTS

Section 10.01 . Amendments. Except as otherwise provided in these By-Laws or in the Articles of Incorporation, including Article SIXTH, Article SEVENTH and Article TENTH of the Articles of Incorporation:

(a) Shareholders. The shareholders entitled to vote thereon shall have the power to alter, amend or repeal these By-Laws, by the vote of a majority of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon, at any regular or special meeting, duly convened after notice to the shareholders of such purpose. In the case of a meeting of shareholders to amend or repeal these By-Laws, written notice shall be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the By-Laws.

(b) Board of Directors. The Board of Directors (but not a committee thereof) shall have the power to alter, amend and repeal these By-Laws, regardless of whether the shareholders have previously adopted the By-Law being amended or repealed, subject to the power of the shareholders to change such action; provided, however, that the Board of Directors shall not have the power to amend these By-Laws on any subject that is expressly committed to the shareholders by the express terms hereof, by the Pennsylvania BCL or otherwise.

ARTICLE 11
INTERPRETATION OF BY-LAWS; SEPARABILITY

Section 11.01 . Interpretation. All words, terms and provisions of these By-Laws shall be interpreted and defined by and in accordance with the Pennsylvania BCL.

Section 11.02 . Separability. The provisions of these By-Laws are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

ARTICLE 12
DETERMINATIONS BY THE BOARD

Section 12.01 . Effect of Board Determinations. Any determination involving interpretation or application of these By-Laws made in good faith by the Board of Directors shall be final, binding and conclusive on all parties in interest.

CONSULTING AGREEMENT

CONSULTING AGREEMENT ("Agreement"), made as of May 26, 2004, by and between Comcast Corporation, a Pennsylvania corporation (together with its successors and assigns permitted under this Agreement, the "Company"), and C. Michael Armstrong (the "Consultant").

WITNESSETH:

WHEREAS, the Consultant is employed by the Company pursuant to the Employment Agreement (as defined herein); and

WHEREAS, the Consultant has elected to retire from his position as Non-Executive Chairman of the Board and to retire from employment with the Company, effective May 26, 2004; and

WHEREAS, the Company desires to retain the benefit of the Consultant's knowledge and experience by retaining the Consultant, and the Consultant desires to accept such position, for the term and upon the other conditions hereinafter set forth; and

WHEREAS, in connection with Consultant's retirement from his position as Non-Executive Chairman of the Board and retirement from employment with the Company, the parties desire to supersede and replace the Employment Agreement with this Agreement; and

WHEREAS, concurrent with the execution of this Agreement, the parties shall also execute the First Amendment to the Consulting Agreement, dated as of the date hereof (the "First Amendment"), which shall govern the terms under which Consultant may defer certain compensation received under this Agreement, as more fully provided for in the First Amendment.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and the Consultant (individually a "Party" and together the "Parties") agree as follows:

Section 1 . Definitions.

(a) "Affiliate" of a person or other entity shall mean a person or other entity that directly or indirectly controls, is controlled by, or is under common control with the person or other entity specified.

(b) "AT&T" shall mean AT&T Corp., a New York corporation.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Broadband" shall mean AT&T Broadband Corp., a Delaware corporation.

(e) "Cause" shall mean:

(i) the Consultant is convicted of a felony involving the Consultant's moral turpitude; or

(ii) the Consultant is guilty of willful gross neglect or willful gross misconduct in carrying out his duties under this Agreement, resulting, in either case, in material economic harm to the Company, unless the Consultant believed in good faith that such act or nonact was in the best interests of the Company.

(f) "Change in Control" shall mean the occurrence of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) (an "Entity") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then outstanding shares of common stock of the Company (the "Outstanding Company Stock") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the

following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 1(f);

(ii) A change in the composition of the Board such that the individuals who, as of the effective date of this Agreement, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that for purposes of this definition, any individual who becomes a member of the Board subsequent to the effective date of this Agreement, whose election, or nomination for election, by the Company's shareholders was approved by a vote of at least a two-thirds majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this

proviso) shall be considered as though such individual were a member of the Incumbent Board; and provided, further however, that any such individual whose initial assumption of office occurs as a result of or in connection with either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of an Entity other than the Board shall not be so considered as a member of the Incumbent Board;

(iii) A merger, reorganization or consolidation to which the Company is a party or a sale or other disposition of all or substantially all of the assets of the Company (each, a "Corporate Transaction"); excluding however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the Outstanding Company Stock and Outstanding Company Voting Securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation or other person which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries (a "Parent Company")) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the Outstanding Company Stock and Outstanding Company Voting Securities, as the case may be, (B) no Entity (other than the Company, any employee benefit plan (or related trust) of the Company, such corporation resulting from such Corporate Transaction (or, if reference was made to equity ownership of any Parent Company for purposes of determining whether clause (A) above is satisfied in connection with the applicable Corporate Transaction, such Parent Company) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction (or, if reference was made to equity ownership of any Parent Company for purposes of determining whether clause (A) above is satisfied in connection with the applicable Corporate Transaction, such Parent Company) or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors unless such ownership resulted solely from ownership of securities of the Company prior to the Corporate Transaction, and (C) individuals who were members of the Incumbent Board will immediately after the consummation of the Corporate Transaction constitute at least a two-thirds majority of the

members of the board of directors of the corporation resulting from such Corporate Transaction (or, if reference was made to equity ownership of any Parent Company for purposes of determining whether clause (A) above is satisfied in connection with the applicable Corporate Transaction, of the Parent Company); or

(iv) The approval by the shareholders of the Company of a plan of complete liquidation or dissolution of the Company.

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

(h) "Constructive Termination Without Cause" shall mean termination by the Consultant of his service at his initiative following the occurrence of any of the following events without his consent:

(i) a reduction in the Consultancy Fee or the termination or material reduction of any benefits provided under this Agreement (other than as part of an across-the-board reduction applicable to all executive officers of the Company);

(ii) prior to the 2005 Annual Meeting, the failure to elect or reelect the Consultant to the Board or the removal of him from the Board;

(iii) the failure to provide Home Office Support (as defined herein) to the Consultant;

(iv) the failure of the Company to obtain the assumption in writing of its obligation to perform this Agreement by any successor to all or substantially all of the assets of the Company within 15 calendar days after a merger, consolidation, sale or similar transaction; or

(v) any breach of this Agreement by the Company.

Following written notice from the Consultant, as described above, the Company shall have 15 calendar days in which to cure. If the Company fails to cure, the Consultant's termination shall become effective on the 16th calendar day following the written notice.

(i) "Disability" shall mean the Consultant's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement as determined by a medical doctor selected by the Company and the Consultant. If the Parties cannot agree on a medical doctor, each Party shall select a medical doctor and the two doctors shall select a third who shall be the approved medical doctor for this purpose.

(j) "EBA" shall mean the Employee Benefits Agreement by and between AT&T and Broadband dated as of December 19, 2001.

(k) "Employment Agreement" shall mean the Employment Agreement entered into as of November 18, 2002 by and between the Company and the Consultant.

(l) "Fair Market Value" shall mean the value of a share of Stock or a share of AT&T stock, as the case may be, as traded on the Nasdaq Stock Market or the New York Stock Exchange, as the case may be, on the date in question, based on the respective closing prices.

(m) "Merger Agreement" shall mean the Agreement and Plan of Merger dated as of December 19, 2001, as amended, by and among AT&T, Broadband, Comcast Corporation, AT&T Broadband Acquisition Corp., Comcast Acquisition Corp. and the Company.

(n) "Stock" shall mean Class A Common Stock of the Company.

(o) "Term" shall mean the period specified in Section 3 below.

(p) "Termination Date" shall mean the date that is one year after the 2005 Annual Meeting.

(q) "2004 Annual Meeting" shall mean the regularly scheduled 2004 annual meeting of the shareholders of the Company.

(r) "2005 Annual Meeting" shall mean the regularly scheduled 2005 annual meeting of the shareholders of the Company.

Section 2 . Retirement as Chairman.

Consultant hereby retires from employment with the Company and from his position as Non-Executive Chairman of the Board effective as of the close of business on May 26, 2004 (the "Effective Date").

Section 3 . Term.

The Term shall begin on the Effective Date and end on the Termination Date. Notwithstanding the foregoing, after the Effective Date, the Term may be earlier terminated by either Party in accordance with the provisions of Section 8.

Section 4 . Positions, Duties and Responsibilities.

(a) During the Term, Consultant shall be a senior advisor and consultant to the Company and, upon reasonable request of the Chief Executive Officer, or

an Executive Vice President of the Company mutually designated by the Chief Executive Officer and the Consultant, make himself available to perform consulting and advisory services with respect to strategic issues concerning the Company. Such consulting and advisory services shall be related to such matters as the Chief Executive Officer of the Company, or an Executive Vice President of the Company so mutually designated, and Consultant may mutually agree. During the Term, the Consultant shall accommodate reasonable requests for the Consultant's consulting and advisory services, by making himself reasonably available, by phone or otherwise, to perform such services, but in no event shall Consultant be required to devote more than eighty hours per month to his services hereunder. Notwithstanding the foregoing, during the time that the Consultant serves as a director of the Company, he shall devote such time as is necessary to satisfy his fiduciary duties as a director. In addition, the Company shall use its reasonable best efforts to ensure that the Consultant shall serve as a director of the Company through the 2005 Annual Meeting.

(b) Nothing herein shall preclude the Consultant from (i) serving on the boards of directors of a reasonable number of other corporations subject to the approval of the Board in each case (which approval has been given as to the boards listed in Exhibit A attached hereto), which approval shall not be unreasonably withheld, (ii) serving on the boards of a reasonable number of trade associations and/or charitable organizations, (iii) engaging in any charitable or business activities and community affairs, and (iv) managing his personal investments and affairs, provided that such activities set forth in this Section 4(b) do not materially interfere with the proper performance of his duties and responsibilities under Section 4(a).

Section 5 . Compensation.

(a) As soon as practicable after the Effective Date, in recognition of the Consultant's retirement from employment with the Company and from his position as Non-Executive Chairman of the Board, the Company shall pay to the Consultant an amount in cash equal to the sum of (i) the base salary under the Employment Agreement as in effect immediately prior to the Effective Date, payable from the Effective Date through April 15, 2005, which shall not be less than one year's base salary, (ii) the Target Bonus under the Employment Agreement for calendar year 2004, and (iii) a pro-rata portion of the Target Bonus under the Employment Agreement for calendar year 2005, equal to such Target Bonus, multiplied by a fraction, the numerator of which is the number of days from January 1, 2005 until April 15, 2005 and the denominator of which is 365.

(b) During the Term, the Consultant shall be paid consultancy fees at the rate of $900,000 per year (the "Consultancy Fee"). The Consultancy Fee shall be paid in equal monthly installments on the last day of each month. In no event shall the Consultancy Fee be decreased.

Section 6 . Outstanding Long-term Incentive Awards.

(a) Existing Performance Awards. Subject to the provisions of Section 8, Exhibit B attached hereto sets forth the treatment of outstanding equity-based awards held by the Consultant as of the Effective Date.

(b) Options. Except as otherwise provided in Exhibit B, all options held by the Consultant as of the Effective Time shall continue to vest during the Term as if he had remained employed by the Company. On the Termination Date, all options held by the Consultant shall become fully vested and shall remain exercisable for the remainder of their original ten-year terms.

Section 7 . Benefit Programs; Reimbursement of Business and Other Expenses.

(a) The Consultant shall not be entitled to participate in any employee benefit plans or other benefits or conditions of employment available to the employees of the Company, except as provided in Section 6, Section 7 or elsewhere in this Agreement.

(b) During the Term, the Consultant shall be entitled to those home office and secretarial support arrangements in effect as of the date hereof with respect to his home offices in Connecticut and Florida (with such changes as may be mutually agreed to by the Company and the Consultant, "Home Office Support").

(c) From the Effective Date until the 2005 Annual Meeting, the Consultant shall be entitled to participate in each of the Company's executive services in accordance with the terms and conditions of such arrangements as they are in effect from time to time for the Company's Chief Executive Officer (except for the executive services as set forth below). During the Term, the Consultant shall be entitled to (i) primary personal use of an airplane on the same economic terms as the Chief Executive Officer of the Company and (ii) tax preparation and financial counseling services (plus a gross-up for applicable taxes payable in connection with the provisions of such services, but only if such gross-up is provided to a senior executive of the Company). In addition, the Company shall pay the dues for the Consultant's membership in each of the Business Roundtable, the G-100 and the Business Council through the 2004 Annual Meeting.

(d) During the Term, the Company shall pay when due the premiums for the Consultant's Senior Management Universal Life Insurance Policy (as in effect as of the Effective Date), and a gross-up for all federal taxes payable by the Consultant in connection with the payment of such premiums.

(e) The Consultant is authorized to incur reasonable expenses in carrying out his duties and responsibilities under this Agreement and the Company shall promptly reimburse him for all business expenses incurred in connection with carrying out the business of the Company, subject to documentation in accordance with the Company's policy.

Section 8 . Termination.

(a) Termination Due to Death. In the event that the Consultant's performance of consulting services is terminated due to his death, his estate or his beneficiaries, as the case may be, shall be entitled to the following benefits:

(i) the Consultancy Fee through the end of the month in which his death occurs;

(ii) all outstanding options, whether or not then exercisable, shall become exercisable and shall remain exercisable until the end of their originally scheduled ten-year terms; and

(iii) all outstanding performance shares and other equity-based awards shall vest and be paid out (at target, with respect to the performance shares) in a single installment promptly after his death.

(b) Termination Due to Disability. In the event that the Consultant's service is terminated due to his Disability, he shall be entitled to the following benefits:

(i) the Consultancy Fee through the end of the month in which disability benefits commence;

(ii) all outstanding options, whether or not then exercisable, shall become exercisable and shall remain exercisable until the end of their originally scheduled ten-year terms; and

(iii) all outstanding performance shares and other equity-based awards shall vest and be paid out (at target, with respect to the performance shares) in a single installment promptly after his termination.

In no event shall a termination of the Consultant's service for Disability occur until the Party terminating his service gives written notice to the other Party in accordance with Section 23 below.

(c) Termination by the Company for Cause.

(i) A termination for Cause shall not take effect unless the provisions of this paragraph (i) are complied with. The Consultant shall be given written notice by the Board, authorized by a vote of no less than 75% of the Board, of the intention to terminate him for Cause, such notice (A) to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination for Cause is based and (B) to be given within six months of the Board learning of such act or acts or failure or failures to act. The Consultant shall have ten calendar days after the date that such written notice has been given to the Consultant in which to cure such conduct, to the extent such cure is possible. If he fails to cure such conduct, the Consultant shall then be entitled to a hearing before the Board. Such hearing shall be held within 15 calendar days of such notice to the Consultant, provided he requests such hearing within ten calendar days of the written notice from the Board of the intention to terminate him for Cause. If, within five calendar days following such hearing, the Consultant is furnished written notice by the Board confirming that, in its judgment, grounds for Cause on the basis of the original notice exist, he shall thereupon be terminated for Cause.

(ii) In the event the Company terminates the Consultant's service for Cause:

(A) the Consultant shall be entitled to the Consultancy Fee through the date of the termination; and

(B) all outstanding options which are not exercisable shall be forfeited; exercisable options shall remain exercisable until the earlier of the ninetieth day after the date of termination or the originally scheduled expiration date of the options unless the Board determines otherwise.

(d) Termination without Cause or Constructive Termination without Cause. In the event the Consultant's service is terminated by the Company without Cause, other than due to Disability or death, or in the event there is a Constructive Termination without Cause, the Consultant shall be entitled to the following benefits:

(i) the Consultancy Fee through the date of termination;

(ii) a cash payment of $1,800,000, payable in a single installment promptly after his termination;

(iii) all outstanding options, whether or not then exercisable, shall become exercisable and shall remain exercisable until the end of their originally scheduled ten-year terms;

(iv) all outstanding performance shares and other equity-based awards shall vest and be paid out (at target, with respect to the performance shares) in a single installment promptly after his termination; and

(v) if such termination occurs on or prior to the second anniversary of the effective date of the Employment Agreement, the Consultant shall be entitled to receive a lump sum cash amount equal to the greater of (A) (X) the product of three multiplied by the sum of (1) the Base Salary (as defined in the Employment Agreement), (2) the annual incentive award, equal to the target bonus established by AT&T for 2002, which was 150% of such Base Salary, and (3) the long-term performance share award, equal to the performance share target set by AT&T for 2002 and (B) the product of four multiplied by the sum of Base Salary (as defined in the Employment Agreement), at the annualized rate in effect on the date of termination of employment under the Employment Agreement, and the Target Bonus (as defined in the Employment Agreement) for the year in which the termination of employment under the Employment Agreement occurs. If such termination occurs after the second anniversary of the effective date of the Employment Agreement, the Consultant shall be entitled to receive the payment set forth in clause (B) of this Section 8(d)(v).

(e) Gross-up Payment.

(i) If the aggregate of all payments or benefits made or provided to the Consultant under this Agreement and under all other plans and programs of the Company (the "Aggregate Payment") is determined to constitute a Parachute Payment within the meaning of Section 280G(b)(2) of the Code, the Company shall pay to the Consultant, prior to the time any excise tax imposed by Section 4999 of the Code ("Excise Tax") is payable with respect to such Aggregate Payment, an additional amount (the "Gross-Up Payment") which, after the imposition of all income, employment, excise and other taxes thereon, is equal to the Excise Tax on the Aggregate Payment. The determination of whether the Aggregate Payment constitutes a Parachute Payment and, if so, the amount to be paid to the Consultant and the time of payment pursuant to this Section 8(e)(i) shall be made by an independent auditor (the "Auditor") selected by the Parties and paid by the Company. The Auditor shall be a nationally recognized United States public accounting firm which has not, during the two years preceding the date of its selection, acted in any way

on behalf of the Company or any Affiliate thereof. If the Consultant and the Company cannot agree on the firm to serve as the Auditor, then the Consultant and the Company shall each designate one accounting firm and those two firms shall jointly select the accounting firm to serve as the Auditor. All fees and expenses of the Auditor shall be borne solely by the Company. Any Gross-Up Payment shall be paid by the Company to the Consultant within five calendar days of the receipt of the Auditor's determination. Any determination by the Auditor shall be binding upon the Company and the Consultant.

(ii) As a result of uncertainty in the application of Sections 280G and 4999 of the Code at the time of the initial determination by the Auditor hereunder, it is possible that the Gross-Up Payment made will have been an amount more than the Company should have paid pursuant to Section 8(e)(i) (the "Overpayment") or that the Gross-Up Payment made will have been an amount less than the Company should have paid pursuant to Section 8(e)(i) (the "Underpayment"). In the event that there is a final determination by the Internal Revenue Service, or a final determination by a court of competent jurisdiction, that an Overpayment has been made, any such Overpayment shall be treated for all purposes as a loan to the Consultant which the Consultant shall repay to the Company together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code. In the event that there is a final determination by the Internal Revenue Service, a final determination by a court of competent jurisdiction or a change in the provisions of the Code or regulations pursuant to which an Underpayment arises under this Agreement, any such Underpayment shall be promptly paid by the Company to or for the benefit of the Consultant together with interest at the applicable Federal rate provided for in Section 7872(f)(2) of the Code.

(iii) The Consultant shall notify the Company in writing of any claim by the Internal Revenue Service that, if successful, would result in an Underpayment and would require the payment by the Company of an additional Gross-Up Payment. Such notification shall be given as soon as practicable but no later than 10 business days after the Consultant is informed in writing of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Consultant shall not pay such claim prior to the expiration of the 30 calendar day period following the date on which the Consultant gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Consultant in writing prior to the expiration of such period that it desires to contest such claim, the Consultant shall:

(A) give the Company any information reasonably requested by the Company relating to such claim,

(B) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, including, without limitation, accepting legal representation with respect to such claim by an attorney reasonably selected by the Company,

(C) cooperate with the Company in good faith in order effectively to contest such claim, and

(D) permit the Company to participate in any proceeding relating to such claim;

provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Consultant harmless, on an after-tax basis, for any Excise Tax or income or employment tax (including interest and penalties with respect thereto) imposed as a result of such proceeding and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 8(e), the Company shall control all proceedings taken in connection with such contest, provided that the Company's control of the contest shall be limited to issues with respect to which a Gross-Up Payment would be payable hereunder and Consultant shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(f) Other Termination Benefits. In the case of any of the foregoing terminations the Consultant or his estate shall also be entitled to:

(i) the balance of any incentive awards due for performance periods which have been completed, but which have not yet been paid;

(ii) any expense reimbursements due the Consultant;

(iii) with respect to the Consultant only, (A) tax preparation and financial counseling services for the period beginning on the date of termination and ending on the Termination Date (plus a gross-up for all applicable taxes payable in connection with the provisions of such services, but only if such gross-up is provided to a senior executive of the Company); (B) primary personal use of the Company airplane, on the economic terms set forth in Section 7(c), for the period beginning on the date of termination and ending on the Termination Date; and (C) continued payment by the Company when due of the premiums for the

Senior Management Universal Life Insurance Policy provided under Section 7 of this Agreement, and a gross-up for all federal taxes payable in connection with the payment of such premiums, for the period beginning on the date of termination and ending on the Termination Date;

(iv) with respect to the Consultant only, Home Office Support for the period beginning on the date of termination and ending on the date that is two years after the Termination Date; and

(v) other benefits, if any, in accordance with applicable plans and programs of the Company and this Agreement.

(g) No Mitigation; No Offset. In the event of any termination of service under this Section 8, the Consultant shall be under no obligation to seek other employment and there shall be no offset against amounts due the Consultant under this Agreement on account of any remuneration attributable to any subsequent employment that he may obtain.

(h) Nature of Payments. Any amounts due under this Section 8 are in the nature of severance payments considered to be reasonable by the Company and are not in the nature of a penalty.

Section 9 . Confidential Information; Prohibited Public Statements; Publicity.

(a) The Company (as hereinafter specially defined for purposes of Sections 9 through 11 hereof), pursuant to the Consultant's performance of consulting services hereunder, provides the Consultant access to and confides in him business methods and systems, techniques and methods of operation developed at great expense by the Company ("Trade Secrets") and which the Consultant recognizes to be unique assets of the Company's business. The Consultant shall not, during or at any time after the Term, directly or indirectly, in any manner utilize or disclose to any person, firm, corporation, association or other entity, except (i) where required by law, (ii) to directors, consultants or employees of the Company in the ordinary course of his duties or (iii) during his performance of consulting services as a consultant or serving as a member of the Board for such use and disclosure as he shall reasonably determine to be in the best interest of the Company: (A) any such Trade Secrets, (B) any sales prospects, customer lists, products, research or data of any kind, or (C) any information `relating to strategic plans, sales, costs, profits or the financial condition of the Company or any of its customers or prospective customers, which are not generally known to the public or recognized as standard practice in the industry in which the Company shall be engaged. The Consultant further covenants and agrees that he will promptly deliver to the Company all tangible evidence of the knowledge and information described in (A), (B) and (C), above, prior to or at the

termination of the Consultant's service. For purposes of Sections 9, 10 and 11 hereof the term "Company" shall mean Comcast Corporation ("Comcast") as well as (1) each of its more than fifty percent (50%) owned subsidiaries and (2) each other entity in which Comcast directly or indirectly has a greater than ten percent (10%) equity interest, the fair market value of which interest is in excess of $50,000,000. In determining Comcast's equity interest for purposes of this definition, any equity interest which Comcast has an option to purchase shall be considered as owned by Comcast.

(b) Neither the Consultant nor the Company, its officers or directors (collectively, the "Company Affiliated Entities") shall, either during or at any time after the Term, directly or indirectly make any public statement (including a private statement reasonably likely to be repeated publicly) reflecting adversely on the Company Affiliated Entities or the Consultant, as the case may be, or the business prospects of the Company, except for (i) such statements which the Consultant may be required to make in the ordinary course of his position as senior consultant to the Company or (ii) with respect to each of the Consultant and the Company Affiliated Entities, as otherwise required by applicable law.

(c) Neither the Consultant nor the Company Affiliated Entities shall comment (including private statements reasonably likely to be repeated publicly) on, or discuss the circumstances surrounding, this Agreement, except as mutually agreed or as required by applicable law.

Section 10 . Noncompetition, Noninterference and Nonsolicitation.

(a) Subject to the geographic limitation of Section 10(b) hereof, the Consultant, for the period beginning on the Effective Date and ending on the Termination Date, shall not, directly or indirectly, on his behalf or on behalf of any other person, firm, corporation, association or other entity, as an employee or otherwise, engage in, or in any way be concerned with or negotiate for, or acquire or maintain any ownership interest in any business or activity which is the same as or competitive with that conducted by the Company at the termination of his employment, or which was engaged in or developed by the Company at any time during the term of the Employment Agreement for specific implementation in the immediate future by the Company.

(b) The Consultant acknowledges that the Company is engaged in business throughout the United States and in various foreign countries and that the Company intends to expand the geographic scope of its activities. Accordingly and in view of the nature of his position and responsibilities, the Consultant agrees that the provisions of this Section shall be applicable to each state and each foreign country, possession or territory in which the Company may be engaged in business during the Term or the term of the Employment Agreement, or, with respect to the Consultant's obligations following termination of his employment

under the Employment Agreement, at the termination of his service or at any time within the twelve-month period following the effective date of his termination of employment under the Employment Agreement.

(c) The Consultant agrees that, for the period beginning on the Effective Date and ending on the Termination Date, the Consultant will not, directly or indirectly, for himself or on behalf of any third party at any time in any manner, request or cause any of the Company's customers to cancel or terminate any existing or continuing business relationship with the Company; solicit, entice, persuade, induce, request or otherwise cause any employee, officer or agent of the Company (other than clerical employees of the Company) to refrain from rendering services to the Company or to terminate his or her relationship, contractual or otherwise, with the Company; induce or attempt to influence any supplier to cease or refrain from doing business or to decline to do business with the Company; divert or attempt to divert any supplier from the Company; or induce or attempt to influence any supplier to decline to do business with any businesses of the Company as such businesses are constituted immediately prior to the termination of employment under the Employment Agreement.

(d) The Consultant agrees that, for the period beginning on the Effective Date and ending on the Termination Date, the Consultant will not directly or indirectly, for himself or on behalf of any third party, solicit for business in competition with the business of the Company, accept any business in competition with the business of the Company from or otherwise do, or contract to do, business in competition with the business of the Company with any person or entity who, at the time of, or any time during the twelve (12) months preceding such termination, was an active customer or was actively solicited by the Company according to the books and records of the Company and within the knowledge, actual or constructive, of the Consultant.

(e) Notwithstanding anything to the contrary in this Section 10, the prohibitions and agreements contained in subsections 10(a), 10(c), and 10(d) shall terminate immediately upon any termination of Consultant's service hereunder following a Change in Control.

(f) Notwithstanding the foregoing, if, following the Term, the Consultant engages in any behavior that would be prohibited under this Section, as determined by the Company in its sole discretion, the Company shall be relieved of its obligations under Section 8(f)(iv) of this Agreement.

(g) Nothing in this Section 10 shall prohibit the Consultant from being a passive owner of not more than one percent of the outstanding common stock, capital stock and equity of any firm, corporation, or enterprise so long as the Consultant has no active participation in the management of the business of such firm, corporation or enterprise.

Section 11 . Equitable Remedies.

The Consultant acknowledges that his compliance with the covenants in Sections 9 and 10 of this Agreement is necessary to protect the good will and other proprietary interests of the Company and that, in the event of any violation by the Consultant of the provisions of Section 9 or 10 of this Agreement, the Company will sustain serious, irreparable and substantial harm to its business, the extent of which will be difficult to determine and impossible to remedy by an action at law for money damages. Accordingly, the Consultant agrees that, in the event of such violation or threatened violation by the Consultant, the Company shall be entitled to any injunction before trial from any court of competent jurisdiction as a matter of course and upon the posting of not more than a nominal bond in addition to all such other legal and equitable remedies as may be available to the Company. The Consultant further agrees that, in the event any of the provisions of Sections 9 and 10 of this Agreement are determined by a court of competent jurisdiction to be contrary to any applicable statute, law or rule, or for any reason to be unenforceable as written, such court may modify any of such provisions so as to permit enforcement thereof as thus modified.

Section 12 . Resolution of Disputes.

Except as provided in Section 11, any disputes arising under or in connection with this Agreement shall be resolved by third party mediation of the dispute and, failing that, by binding arbitration, to be held in a location mutually agreed to by the Parties, in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Each Party shall bear his or its own costs of the mediation, arbitration or litigation, except that the Company shall bear all such costs if the Consultant prevails in such mediation, arbitration or litigation on any material issue.

Section 13 . Indemnification.

(a) The Company agrees that if the Consultant is made a party, or is threatened to be made a party, to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he is or was a director, officer or employee of the Company or is or was serving at the request of the Company as a director, officer, member, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether or not the basis of such Proceeding is the Consultant's alleged action in an official capacity while serving as a director, officer, member, employee or agent, the Consultant shall be indemnified and held harmless by the Company to the fullest extent legally permitted or authorized by the Company's certificate of incorporation or bylaws or resolutions of the Board or, if greater, by the laws of the Commonwealth of

Pennsylvania, against all cost, expense, liability and loss (including, without limitation, attorney's fees, judgments, fines, ERISA excise taxes or other liabilities or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Consultant in connection therewith, and such indemnification shall continue as to the Consultant even if he has ceased to be a director, member, employee or agent of the Company or other entity and shall inure to the benefit of the Consultant's heirs, executors and administrators. The Company shall advance to the Consultant all reasonable costs and expenses incurred by him in connection with a Proceeding within 20 calendar days after receipt by the Company of a written request for such advance. Such request shall include an undertaking by the Consultant to repay the amount of such advance if it shall ultimately be determined that he is not entitled to be indemnified against such costs and expenses.

(b) Neither the failure of the Company (including its board of directors, independent legal counsel or shareholders) to have made a determination prior to the commencement of any Proceeding concerning payment of amounts claimed by the Consultant under Section 13(a) above that indemnification of the Consultant is proper because he has met the applicable standard of conduct, nor a determination by the Company (including its board of directors, independent legal counsel or shareholders) that the Consultant has not met such applicable standard of conduct, shall create a presumption that the Consultant has not met the applicable standard of conduct.

(c) The Company agrees to continue and maintain a directors' and officers' liability insurance policy covering the Consultant which is no less favorable than the policy covering senior officers of the Company.

Section 14 . Assignability; Binding Nature. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, heirs (in the case of the Consultant) and assigns. Rights or obligations of the Company under this Agreement may be assigned or transferred by the Company pursuant to a merger or consolidation in which the Company is not the continuing entity, or the sale or liquidation of all or substantially all of the assets of the Company, provided that the assignee or transferee is the successor to all or substantially all of the assets of the Company and such assignee or transferee assumes the liabilities, obligations and duties of the Company, as contained in this Agreement, either contractually or as a matter of law. The Company further agrees that, in the event of a sale of assets or liquidation as described in the preceding sentence, it shall take whatever action it reasonably can in order to cause such assignee or transferee to expressly assume the liabilities, obligations and duties of the Company hereunder. No rights or obligations of the Consultant under this Agreement may be assigned or transferred by the Consultant other than his rights to compensation and benefits, which may be transferred only by will or operation of law.

Section 15 . The Consultant's Independence and Discretion.

(a) Nothing herein contained shall be construed to constitute the Parties hereto as partners or as joint venturers, or either as agent of the order, or as employer and employee. By virtue of the relationship described herein the Consultant's relationship to the Company during the Term shall only be that of an independent contractor and the Consultant shall perform all services pursuant to this Agreement as an independent contractor. The Consultant shall not provide any services under the Company's business name, except as requested hereunder, and shall not present himself as an employee of the Company.

(b) Subject only to such specific limitations as are contained in this Agreement, the manner, means, details or methods by which the Consultant performs his obligations under this Agreement shall be solely within the discretion of the Consultant. The Company shall not have the authority to, nor shall it, supervise, direct or control the manner, means, details or methods utilized by the Consultant to perform his obligations under this Agreement and nothing in this Agreement shall be construed to grant the Company any such authority.

(c) To the extent consistent with applicable law, the Company will not withhold any amounts as federal income tax withholding from wages or as employee contributions under the Federal Insurance Contributions Act or any other state or federal laws. The Consultant shall be solely responsible for payment of any required employment taxes or contributions.

Section 16 . Representation. The Company represents and warrants that it is fully authorized and empowered to enter into this Agreement and that the performance of its obligations under this Agreement will not violate any agreement between it and any other person, firm or organization. The Consultant represents that the performance of his obligations under this Agreement will not violate any agreement between him and any other person, firm or organization that would be violated by the performance of his obligations under this Agreement.

Section 17 . Entire Agreement. This Agreement, together with the First Amendment, contains the entire understanding and agreement between the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings, discussions, negotiations and undertakings, whether written or oral, between the Parties with respect thereto, except, without duplication, for those provisions of the Employment Agreement that would otherwise survive the termination of such Employment Agreement. The Consultant acknowledges that, except as provided herein, he shall not be entitled to any other payment, benefits or prerequisites from the Company or any of its subsidiaries on account of his former employment by, or his retirement from, the Company, except that the

Consultant shall be entitled to any benefits due to him as a retired employee under the Company's employee benefit plans.

Section 18 . Amendment or Waiver. No provision in this Agreement may be amended unless such amendment is agreed to in writing and signed by the Consultant and an authorized officer of the Company. No waiver by either Party of any breach by the other Party of any condition or provision contained in this Agreement to be performed by such other Party shall be deemed a waiver of a similar or dissimilar condition or provision at the same or any prior or subsequent time. Any waiver must be in writing and signed by the Consultant or an authorized officer of the Company, as the case may be.

Section 19 . Severability. In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, in whole or in part, the remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law so as to achieve the purposes of this Agreement.

Section 20 . Survivorship. Except as otherwise expressly set forth in this Agreement, the respective rights and obligations of the Parties hereunder shall survive any termination of the Consultant's service. This Agreement itself (as distinguished from the Consultant's service) may not be terminated by either Party without the written consent of the other Party.

Section 21 . References. In the event of the Consultant's death or a judicial determination of his incompetence, reference in this Agreement to the Consultant shall be deemed, where appropriate, to refer to his beneficiary, estate or other legal representative.

Section 22 . Governing Law; Jurisdiction. This Agreement shall be governed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

Section 23 . Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed given when (a) delivered personally, (b) sent by certified or registered mail, postage prepaid, return receipt requested or (c) delivered by overnight courier (provided that a written acknowledgment of receipt is obtained by the overnight courier) to the Party concerned at the address indicated below or to such changed address as such Party may subsequently give such notice of:

If to the Company: Comcast Corporation
1500 Market Street
Philadelphia, PA 19102
Attention: General Counsel

If to the Consultant: Mr. C. Michael Armstrong
c/o Comcast Corporation
1114 Avenue of the Americas
New York, NY 10036

Section 24 . Headings. The headings of the sections contained in this Agreement are for convenience only and shall not be deemed to control or affect the meaning or construction of any provision of this Agreement.

Section 25 . Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the undersigned have executed this Agreement on May 26, 2004 as of the date first written above.

COMCAST CORPORATION

By: /s/Arthur R. Block

Name: Arthur R. Block
Title: Senior Vice President, General Counsel and Secretary

/s/ C. Michael Armstrong

C. Michael Armstrong

EXHIBIT A

DIRECTORSHIPS

Citigroup, Inc.

HCA, Inc.

EXHIBIT B

1. Performance Shares: The 2002 grant of performance shares was converted into Company performance shares and AT&T stock units, pursuant to the terms of the EBA and the Merger Agreement. Company performance shares and AT&T stock units will vest on the Effective Date. Company performance shares will be paid out at target as soon as practicable after the Effective Date. The form of payout will be at least 50% in cash, based on the Fair Market Value of Stock on the day immediately preceding the Effective Date, and the remaining portion of the payment will be in Stock. The AT&T stock unit portion of the award will be paid out in cash based on the Fair Market Value of AT&T common stock on the day immediately preceding the Effective Date.

2. Stock Options: Unvested options granted to the Consultant prior to November 18, 2002 shall vest in full on the Effective Date and all options granted prior to November 18, 2002 shall remain exercisable until the end of their originally scheduled ten-year terms.

3. Change in Control: Options granted to the Consultant on or after November 18, 2002 shall vest upon a Change in Control.

FIRST AMENDMENT TO CONSULTING AGREEMENT

FIRST AMENDMENT (the "Amendment"), dated as of May 26, 2004, to the CONSULTING AGREEMENT (the "Agreement"), made as of May 26, 2004, by and between Comcast Corporation, a Pennsylvania corporation (together with its successors and assigns permitted under this Agreement, the "Company") and C. Michael Armstrong (the "Consultant").

WITNESSETH:

WHEREAS, the Consultant is employed by the Company pursuant to the Employment Agreement;

WHEREAS, the Consultant has elected to retire from his position as Non-Executive Chairman of the Board and to retire from employment with the Company, effective May 26, 2004;

WHEREAS, the Agreement reflects the Company's desire to retain the benefit of the Consultant's knowledge and experience by retaining the Consultant, and the Consultant's desire to accept such position, for the term and upon the other conditions set forth in the Agreement;

WHEREAS, the Company and the Consultant wish to supplement the conditions stated in the Agreement to permit Consultant to defer the receipt of Consultant Compensation on the same basis as if the Consultant's employment were continuing through the term of the Agreement;

NOW, THEREFORE, pursuant to Section 18 of the Agreement, and in consideration of the mutual promises and agreements contained herein and for other good and valuable consideration, the receipt of which is mutually acknowledged, the Company and the Consultant hereby amend the Agreement as follows:

SECTION 1. Definitions. All capitalized terms shall have the same meanings as set forth in the Agreement, or as defined in this Amendment as follows:

(a) "Account" means the bookkeeping account established and maintained by the Company in the name of the Consultant, to which all amounts deferred and earnings allocated under the Amendment shall be credited, and from which all amounts distributed pursuant to the Amendment shall be debited.

(b) "Applicable Interest Rate" means:

(i) Except as otherwise provided in Section 1(b)(ii), the interest rate that, when compounded daily pursuant to rules established under the Deferred Compensation Plan from time to time, is mathematically equivalent to 12% per annum, compounded annually, or such other rate as generally applies to active participants in the Deferred Compensation Plan as in effect from time to time.

(ii) Effective for the period beginning at the end of the Term until the date the Account is distributed in full, the Prime Rate plus one percent.

(c) "Consultant Compensation" means the amounts described in Section 5 of the Agreement.

(c) "Deferred Compensation Plan" means the Comcast Corporation 2002 Deferred Compensation Plan, as amended from time to time.

(d) "Income Fund" means a hypothetical investment fund pursuant to which income, gains and losses are credited to the Account as if the Account were credited with interest at the Applicable Interest Rate.

(c) "Initial Election" means a written election on a form provided by the Company, pursuant to which the Consultant may:

(i) Elect to defer all or any portion of the Consultant Compensation earned following the time that such election is filed; and

(ii) Designate the time of payment of the deferred Consultant

Compensation to which the Initial Election relates.

(d) "Prime Rate" means, for any calendar year, the interest rate that, when compounded daily pursuant to rules established under the Deferred Compensation Plan 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.

(e) "Subsequent Election" means a written election on a form provided by the Company, pursuant to which the Consultant (or his beneficiaries) 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.

SECTION 2. Election to Defer Receipt of Compensation..

(a) Elections.

(i) Initial Elections. Notwithstanding Section 5 of the Agreement, the Consultant shall have the right to defer all or any portion of the Consultant Compensation 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 Section 2. The Consultant Compensation for a calendar year shall be reduced in an amount equal to the portion of the Consultant Compensation deferred by the Consultant for such calendar year pursuant to the Consultant's Initial Election.

(ii) Subsequent Elections. The Consultant shall have the right to elect to defer 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 by filing a Subsequent Election at the time, to the extent, and in the manner described in this Section 2.

(b) Filing of Initial Election.

(i) The Consultant may make an Initial Election on a form provided by the Company for this purpose. An Initial Election with respect to Consultant Compensation earned in calendar year 2004 shall be effective only if it is made within 30 days after the commencement of the Term of the Agreement (and may apply only with respect to Consultant Compensation payable after the Consultant files the Initial Election with the Company). An Initial Election with respect to Consultant Compensation earned in any calendar year beginning after 2004 shall be effective only if it is made on or before December 31 of the calendar year preceding the calendar year to which the Initial Election applies.

(ii) Contemporaneously with an Initial Election, the Consultant shall also elect the time of payment of the amount of the deferred Consultant Compensation to which such Initial Election relates; provided, however, that except as otherwise provided in this Amendment, no distribution may commence earlier than January 2nd of the second calendar year beginning after the date the Initial Election is filed with the Company, nor later than January 2nd of the eleventh calendar year beginning after the date the Initial Election is filed with the Company. Further, the Consultant may select with each Initial Election the manner of distribution in accordance with Section 3 of this Amendment.

(c) Subsequent Elections.

(i) During the Term. Following an Initial Election or Subsequent Election, and during the Term, the Consultant may elect to change the manner of distribution or defer the time of payment of any part or all of the 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 Company 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 Consultant may not make any Subsequent Elections after the Term.

(ii) Following the Consultant's Death: Surviving Spouse as Beneficiary. If the Consultant designates his surviving spouse as the beneficiary of all or a portion of the Account, the surviving spouse may elect to change the time and manner of distribution of the portion of the Account subject to the beneficiary designation on the same basis and subject to the same rules as if the Account were held under the Deferred Compensation Plan and the surviving spouse were named as the Consultant's beneficiary thereunder.

(iii) Following the Consultant's Death: Beneficiary Other Than the Surviving Spouse. If the Consultant designates an individual other than his surviving spouse as the beneficiary of all or a portion of the Account, such individual may elect to change the time and manner of distribution of the portion of the Account subject to the beneficiary designation on

the same basis and subject to the same rules as if the Account were held under the Deferred Compensation Plan and such individual were named as the Consultant's beneficiary thereunder.

(iv) Most Recently Filed Initial Election or Subsequent Election Controlling. Unless the distribution of the Account is subject to acceleration pursuant to Section 2(c)(ii) or Section 2(c)(iii), no distribution of the amounts credited to the Account shall be made before the payment date designated by the Consultant (or his beneficiary) on the most recently filed Initial Election or Subsequent Election.

SECTION 3. Manner of Distribution.

(a) Manner of Distribution. 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.

(b) Small Balances. Notwithstanding any Initial Election or Subsequent Election to the contrary:

(i) Distributions pursuant to Initial Elections or Subsequent Elections shall be made in one lump sum payment unless the portion of the 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; and

(ii) Following the end of the Term, if the amount credited to the Account has a value of $25,000 or less, the Company may, in its sole discretion, direct that such amount be distributed to the Consultant (or his beneficiary, as applicable) in one lump sum payment.

SECTION 4. Crediting of Income, Gains and Losses on Account. The Company shall credit income, gains and losses with respect to the Account as if it were invested in the Income Fund.

SECTION 5. Status of Deferred Amounts. All Consultant Compensation deferred under this Amendment shall continue for all purposes to be a part of the general funds of the Company.

SECTION 6. Consultant's and Beneficiaries' Status as General Creditors. The Account shall at all times represent a general obligation of the Company. The Consultant (and his beneficiaries) shall be general creditors of the Company with respect to this obligation, and shall not have a secured or preferred position with respect to the 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 the Consultant (or his beneficiaries) in a bankruptcy matter with respect to claims for wages.

SECTION 7. No Alienation of Benefits. Except as otherwise required by applicable law, the right of the Consultant (and his beneficiaries) to any benefit or interest under any of the provisions of this Amendment shall not be subject to encumbrance, attachment, execution, garnishment, assignment, pledge, alienation, sale, transfer, or anticipation, either by the voluntary or involuntary act of the Consultant (or the Consultant's beneficiaries) or by operation of law, nor shall such payment, right, or interest be subject to any other legal or equitable process.

SECTION 8. Death of Consultant.

(a) Death of Consultant. The Consultant's Account shall be distributed in accordance with the last Initial Election or Subsequent Election made by the Consultant before his death, unless the Consultant's surviving spouse or other beneficiary timely elects to accelerate or defer the time or change the manner of payment pursuant to Section 2(c)(ii) or Section 2(c)(iii).

(b) Designation of Beneficiaries. The Consultant (and his beneficiaries) shall have the right to designate one or more beneficiaries to receive distributions in the event of the Consultant's (or his beneficiaries') death by filing with the Company a beneficiary designation on the form provided by the Company for such purpose. The designation of a beneficiary or beneficiaries may be changed by the Consultant or his beneficiaries at any time prior to their death by the delivery to the Company of a new beneficiary designation form.

SECTION 9. Interpretation; Notices. The purpose of this Amendment is to permit the Consultant to defer the receipt of his Consultant Compensation on substantially the same basis as if the Consultant Compensation constituted "compensation" eligible for deferral under the terms and conditions of the Comcast Corporation 2002 Deferred Compensation Plan, and the Amendment shall be construed consistent with such purpose. If the Consultant or his beneficiaries do not receive timely payment of benefits to which such individual believes he or she is entitled under the Amendment, such individual may make a claim for benefits to the Company which shall be administered on substantially the same basis as would apply if such claim were a claim for benefits under the Deferred Compensation Plan. Claims for benefits under the Amendment, and all other filings referenced in the Amendment, shall be treated as notices pursuant to the Agreement.

SECTION 10. Withholding of Taxes. Whenever the Company is required to credit deferred Consultant Compensation to the Account, the Company shall have the right to require the Consultant to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the date on which the deferred Consultant Compensation shall be deemed credited to the Account, or take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to credit deferred Consultant Compensation to the Account shall be conditioned on the Consultant's compliance, to the Company's satisfaction, with any withholding requirement. To the maximum extent possible, the Company shall satisfy all applicable withholding tax requirements by withholding tax from other Consultant Compensation or other compensation payable by the Company to the Consultant, or by the Consultant's delivery of cash to the Company in an amount equal to the applicable withholding tax, as determined by the Company in good faith.

SECTION 11. Miscellaneous Provisions.

(a) Effect of Amendment. This Amendment is intended only to amend Section 5 of the Agreement, relating to the timing of payment of Consultant Compensation, as provided in this Amendment. Each other provision of the Agreement shall continue in full force and effect.

(b) Tax Matters. The Consultant acknowledges that:

(i) The Company has advised him to consult his tax advisor with respect to the federal, state and local income tax consequences of making Initial Elections and Subsequent Elections pursuant to the Amendment.

(ii) The Company has delivered to him a copy of the Prospectus for the Deferred Compensation Plan and he has read the provisions of the Prospectus relating to tax consequences.

(c) Counterparts. This Amendment may be executed in counterparts.

IN WITNESS WHEREOF, the undersigned have executed this Amendment on May 26, 2004.

COMCAST CORPORATION

By:/s/ Arthur R. Block

Name: Arthur R. Block
Title: Senior Vice President, General Counsel and Secretary

/s/ C. Michael Armstrong

C. Michael Armstrong

Exhibit 31

CERTIFICATIONS

I, Brian L. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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)) 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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986.]

   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: July 30, 2004

/s/ Brian L. Roberts
- --
Name: Brian L. Roberts
Chief Executive Officer

I, Lawrence S. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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)) 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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986.]

   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: July 30, 2004

/s/ Lawrence S. Smith
- --
Name: Lawrence S. Smith
Co-Chief Financial Officer

I, John R. Alchin, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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)) 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) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986.]

   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: July 30, 2004

/s/ John R. Alchin
- --
Name: John R. Alchin
Co-Chief Financial Officer

Exhibit 32

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act

July 30, 2004

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 quarterly report on Form 10-Q 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

Name: Brian L. Roberts
Chief Executive Officer

/s/ Lawrence S. Smith

Name: Lawrence S. Smith
Co-Chief Financial Officer

/s/ John R. Alchin

Name: John R. Alchin
Co-Chief Financial Officer