



**TABLE 1**  
**Condensed Consolidated Statement of Operations**  
(Unaudited)

| (dollars in millions, except per share data)         | Three Months Ended<br>September 30, |         | Nine Months Ended<br>September 30, |          |
|--|-------------------------------------|---------|------------------------------------|----------|
|  | 2006                                | 2005    | 2006                               | 2005     |
| Revenues   | <b>\$6,432</b>                      | \$5,284 | <b>\$17,935</b>                    | \$15,659 |
| Operating expenses                                   | <b>2,300</b>                        | 1,894   | <b>6,559</b>                       | 5,570    |
| Selling, general and administrative expenses         | <b>1,695</b>                        | 1,394   | <b>4,528</b>                       | 4,057    |
|  | <b>3,995</b>                        | 3,288   | <b>11,087</b>                      | 9,627    |
| Operating cash flow                                  | <b>2,437</b>                        | 1,996   | <b>6,848</b>                       | 6,032    |
| Depreciation expense                                 | <b>963</b>                          | 863     | <b>2,748</b>                       | 2,525    |
| Amortization expense                                 | <b>250</b>                          | 292     | <b>699</b>                         | 835      |
|  | <b>1,213</b>                        | 1,155   | <b>3,447</b>                       | 3,360    |
| Operating income                                     | <b>1,224</b>                        | 841     | <b>3,401</b>                       | 2,672    |
| Other Income (Expense)                               |                                     |         |                                    |          |
| Interest expense                                     | <b>(530)</b>                        | (422)   | <b>(1,502)</b>                     | (1,333)  |
| Investment income (loss), net                        | <b>857</b>                          | (104)   | <b>935</b>                         | 36       |
| Equity in net (losses) income of affiliates          | <b>(65)</b>                         | (18)    | <b>(86)</b>                        | (19)     |
| Other income (expense)                               | <b>96</b>                           | 19      | <b>194</b>                         | (58)     |
|  | <b>358</b>                          | (525)   | <b>(459)</b>                       | (1,374)  |
| Income before income taxes and minority interest     | <b>1,582</b>                        | 316     | <b>2,942</b>                       | 1,298    |
| Income tax expense                                   | <b>(610)</b>                        | (129)   | <b>(1,126)</b>                     | (570)    |
| Income before minority interest                      | <b>972</b>                          | 187     | <b>1,816</b>                       | 728      |
| Minority interest                                    | <b>(3)</b>                          | 11      | <b>(10)</b>                        | (7)      |
| Net income from continuing operations                | <b>969</b>                          | 198     | <b>1,806</b>                       | 721      |
| Income from discontinued operations, net of tax      | <b>14</b>                           | 24      | <b>103</b>                         | 74       |
| Gain on discontinued operations, net of tax          | <b>234</b>                          | -       | <b>234</b>                         | -        |
| Net income   | <b>\$1,217</b>                      | \$222   | <b>\$2,143</b>                     | \$795    |
| Basic and diluted earnings per common share          |                                     |         |                                    |          |
| Income from continuing operations per common share   | <b>\$0.46</b>                       | \$0.09  | <b>\$0.85</b>                      | \$0.33   |
| Income from discontinued operations per common share | <b>0.01</b>                         | 0.01    | <b>0.05</b>                        | 0.03     |
| Gain on discontinued operations per common share     | <b>0.11</b>                         | -       | <b>0.11</b>                        | -        |
| Net income per common share                          | <b>\$0.58</b>                       | \$0.10  | <b>\$1.01</b>                      | \$0.36   |
| Basic weighted-average number of common shares       | <b>2,096</b>                        | 2,196   | <b>2,114</b>                       | 2,206    |
| Diluted weighted-average number of common shares     | <b>2,109</b>                        | 2,209   | <b>2,124</b>                       | 2,219    |



**TABLE 2**  
**Condensed Consolidated Balance Sheet**  
**(Unaudited)**

| (dollars in millions)  | <b>September 30,<br/>2006</b> | December 31,<br>2005 |
|--|-------------------------------|----------------------|
| <b>ASSETS</b>  |                               |                      |
| Current Assets   |                               |                      |
| Cash and cash equivalents  | \$2,774                       | \$693                |
| Investments  | 656                           | 148                  |
| Accounts receivable, net   | 1,228                         | 1,008                |
| Other current assets   | 823                           | 685                  |
| Current assets of discontinued operations                        | -                             | 60                   |
| Total current assets   | 5,481                         | 2,594                |
| Investments  | 7,245                         | 12,675               |
| Property and equipment, net                                      | 20,671                        | 17,704               |
| Franchise rights   | 56,072                        | 48,804               |
| Goodwill   | 13,515                        | 13,498               |
| Other intangible assets, net                                     | 4,457                         | 3,118                |
| Other noncurrent assets, net                                     | 531                           | 635                  |
| Noncurrent assets of discontinued operations, net                | -                             | 4,118                |
|  | \$107,972                     | \$103,146            |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                      |                               |                      |
| Current Liabilities  |                               |                      |
| Accounts payable and accrued expenses related to trade creditors | \$2,351                       | \$1,985              |
| Accrued expenses and other current liabilities                   | 2,867                         | 2,481                |
| Deferred income taxes  | 185                           | 2                    |
| Current portion of long-term debt                                | 773                           | 1,689                |
| Current liabilities of discontinued operations                   | -                             | 112                  |
| Total current liabilities  | 6,176                         | 6,269                |
| Long-term debt, less current portion                             | 26,446                        | 21,682               |
| Deferred income taxes  | 27,499                        | 27,370               |
| Other noncurrent liabilities                                     | 6,453                         | 6,921                |
| Minority interest  | 676                           | 657                  |
| Noncurrent liabilities of discontinued operations                | -                             | 28                   |
| Stockholders' equity   | 40,722                        | 40,219               |
|  | \$107,972                     | \$103,146            |



**TABLE 3**  
**Condensed Consolidated Statement of Cash Flows**  
**(Unaudited)**

| (dollars in millions)  | Nine Months Ended<br>September 30, |                     |
|--|------------------------------------|---------------------|
|  | 2006                               | 2005                |
| <b>OPERATING ACTIVITIES</b>                                    |                                    |                     |
| Net cash provided by operating activities                      | <u>\$5,132</u>                     | <u>\$3,940</u>      |
| <b>FINANCING ACTIVITIES</b>                                    |                                    |                     |
| Proceeds from borrowings                                       | 5,970                              | 2,333               |
| Retirements and repayments of debt                             | (2,222)                            | (1,942)             |
| Repurchases of common stock                                    | (1,882)                            | (1,291)             |
| Issuances of common stock                                      | 133                                | 76                  |
| Other  | <u>7</u>                           | <u>27</u>           |
| Net cash provided by (used in) financing activities            | <u>2,006</u>                       | <u>(797)</u>        |
| <b>INVESTING ACTIVITIES</b>                                    |                                    |                     |
| Capital expenditures   | (3,051)                            | (2,753)             |
| Cash paid for intangible assets                                | (227)                              | (204)               |
| Acquisitions, net of cash acquired                             | (3,839)                            | (196)               |
| Proceeds from sales and restructuring of investments           | 2,519                              | 626                 |
| Purchases of investments                                       | (471)                              | (310)               |
| Proceeds from sales (purchases) of short-term investments, net | 15                                 | (66)                |
| Other investing activities                                     | <u>(3)</u>                         | <u>(113)</u>        |
| Net cash used in investing activities                          | <u>(5,057)</u>                     | <u>(3,016)</u>      |
| <b>INCREASE IN CASH AND CASH EQUIVALENTS</b>                   | <b>2,081</b>                       | <b>127</b>          |
| CASH AND CASH EQUIVALENTS, beginning of period                 | <u>693</u>                         | <u>452</u>          |
| CASH AND CASH EQUIVALENTS, end of period                       | <u><u>\$2,774</u></u>              | <u><u>\$579</u></u> |

**TABLE 4**  
**Calculation of Free Cash Flow**  
**(Unaudited) <sup>(1)</sup>**

| (dollars in millions)                     | Nine Months Ended<br>September 30, |                       |
|---|------------------------------------|-----------------------|
|   | 2006                               | 2005                  |
| Net Cash Provided by Operating Activities | <u>\$5,132</u>                     | <u>\$3,940</u>        |
| Capital Expenditures                      | (3,051)                            | (2,753)               |
| Cash paid for Intangible Assets           | (227)                              | (204)                 |
| Non-operating items, net of tax           | <u>344</u>                         | <u>403</u>            |
| Free Cash Flow                            | <u><u>\$2,198</u></u>              | <u><u>\$1,386</u></u> |

(1) See Non-GAAP and Other Financial Measures in Table 7 for the definition of Free Cash Flow.



**TABLE 5**  
**Pro Forma Financial Data by Business Segment**  
**(Unaudited) <sup>(1)</sup>**

(dollars in millions)

|   | <u>Cable</u> | <u>Content <sup>(2)</sup></u> | <u>Corporate and<br/>Other</u> | <u>Total</u> |
|---|--------------|-------------------------------|--------------------------------|--------------|
| <b><u>Three Months Ended September 30, 2006</u></b>                             |              |                               |                                |              |
| Revenues  | \$6,630      | \$258                         | \$16                           | \$6,904      |
| Operating Cash Flow   | \$2,624      | \$88                          | (\$104)                        | \$2,608      |
| Operating Income (Loss)   | \$1,420      | \$46                          | (\$121)                        | \$1,345      |
| Operating Cash Flow Margin  | 39.6%        | 33.8%                         | NM                             | 37.8%        |
| Capital Expenditures <sup>(3)</sup>   | \$1,247      | \$5                           | -                              | \$1,252      |
| <b><u>Three Months Ended September 30, 2005, as adjusted <sup>(4)</sup></u></b> |              |                               |                                |              |
| Revenues  | \$5,919      | \$237                         | \$21                           | \$6,177      |
| Operating Cash Flow   | \$2,279      | \$71                          | (\$105)                        | \$2,245      |
| Operating Income (Loss)   | \$969        | \$33                          | (\$116)                        | \$886        |
| Operating Cash Flow Margin  | 38.5%        | 30.1%                         | NM                             | 36.3%        |
| Capital Expenditures <sup>(3)</sup>   | \$1,000      | \$4                           | \$7                            | \$1,011      |
| <b><u>Nine Months Ended September 30, 2006</u></b>                              |              |                               |                                |              |
| Revenues  | \$19,445     | \$770                         | \$113                          | \$20,328     |
| Operating Cash Flow   | \$7,774      | \$198                         | (\$252)                        | \$7,720      |
| Operating Income (Loss)   | \$4,094      | \$74                          | (\$309)                        | \$3,859      |
| Operating Cash Flow Margin  | 40.0%        | 25.7%                         | NM                             | 38.0%        |
| Capital Expenditures <sup>(3)</sup>   | \$3,259      | \$18                          | \$15                           | \$3,292      |
| <b><u>Nine Months Ended September 30, 2005, as adjusted <sup>(4)</sup></u></b>  |              |                               |                                |              |
| Revenues  | \$17,527     | \$684                         | \$98                           | \$18,309     |
| Operating Cash Flow   | \$6,796      | \$240                         | (\$235)                        | \$6,801      |
| Operating Income (Loss)   | \$3,004      | \$128                         | (\$272)                        | \$2,860      |
| Operating Cash Flow Margin  | 38.8%        | 35.1%                         | NM                             | 37.1%        |
| Capital Expenditures <sup>(3)</sup>   | \$3,063      | \$11                          | \$24                           | \$3,098      |

(1) See Non-GAAP and Other Financial Measures in Table 7. Historical financial data by business segment, as required under generally accepted accounting principles (GAAP), is available in the Company's quarterly report on Form 10-Q. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

(2) Content includes our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, VERSUS (formerly OLN), G4 and AZN Television.

(3) Our Cable segment's capital expenditures are comprised of the following categories:

|                                   | <u>3Q06</u>    | <u>3Q05</u>    | <u>YTD<br/>3Q06</u> | <u>YTD<br/>3Q05</u> |
|-----------------------------------|----------------|----------------|---------------------|---------------------|
| <b>New Service Offerings</b>      |                |                |                     |                     |
| Customer Premise Equipment (CPE)  | \$710          | \$528          | \$1,770             | \$1,568             |
| Scalable Infrastructure           | 246            | 210            | 587                 | 667                 |
|                                   | 956            | 738            | 2,357               | 2,235               |
| <b>Recurring Capital Projects</b> |                |                |                     |                     |
| Line Extensions                   | 79             | 83             | 258                 | 229                 |
| Support Capital                   | 135            | 95             | 384                 | 290                 |
|                                   | 214            | 178            | 642                 | 519                 |
| <b>Upgrades</b>                   |                |                |                     |                     |
|                                   | 77             | 84             | 260                 | 309                 |
| <b>Total</b>                      | <u>\$1,247</u> | <u>\$1,000</u> | <u>\$3,259</u>      | <u>\$3,063</u>      |

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

(4) Adjusted as if stock options had been expensed in 2005. See Tables 7-A and 7-B for Reconciliation of "As Adjusted" Financial Data.



**TABLE 6**  
**Pro Forma Data - Cable Segment Components**  
**(Unaudited) <sup>(1) (2)</sup>**

| (dollars in millions, except per subscriber and per unit data) | <b>Three Months Ended</b> |                | <b>Nine Months Ended</b> |                 |
|--|---------------------------|----------------|--------------------------|-----------------|
|  | <b>2006</b>               | <b>2005</b>    | <b>2006</b>              | <b>2005</b>     |
| Revenues:  |                           |                |                          |                 |
| Video <sup>(3)</sup>   | \$4,166                   | \$3,841        | \$12,385                 | \$11,521        |
| High-Speed Internet  | 1,389                     | 1,138          | 3,997                    | 3,262           |
| Phone  | 252                       | 166            | 653                      | 488             |
| Advertising  | 395                       | 359            | 1,150                    | 1,065           |
| Other <sup>(4)</sup>   | 233                       | 230            | 682                      | 646             |
| Franchise Fees   | <u>195</u>                | <u>185</u>     | <u>578</u>               | <u>545</u>      |
| Total Revenues   | <u>\$6,630</u>            | <u>\$5,919</u> | <u>\$19,445</u>          | <u>\$17,527</u> |
| <br>   |                           |                |                          |                 |
| Operating Cash Flow <sup>(5)</sup>                             | \$2,624                   | \$2,279        | \$7,774                  | \$6,796         |
| Operating Income <sup>(5)</sup>                                | \$1,420                   | \$969          | \$4,094                  | \$3,004         |
| Operating Cash Flow Margin <sup>(5)</sup>                      | 39.6%                     | 38.5%          | 40.0%                    | 38.8%           |
| Capital Expenditures   | \$1,247                   | \$1,000        | \$3,259                  | \$3,063         |
| Annualized Capital Expenditures per Basic Subscriber           | \$207                     | \$166          | \$181                    | \$170           |
| Annualized Capital Expenditures per Revenue Generating Unit    | \$101                     | \$89           | \$88                     | \$91            |
| <br>   |                           |                |                          |                 |
|  |                           | <b>3Q06</b>    | <b>3Q05</b>              | <b>2Q06</b>     |
| <b>Video</b>   |                           |                |                          |                 |
| Homes Passed (000's)   | 47,200                    | 46,400         | 47,100                   |                 |
| Basic Subscribers (000's)                                      | 24,051                    | 24,053         | 24,041                   |                 |
| Basic Penetration  | 50.9%                     | 51.9%          | 51.1%                    |                 |
| Quarterly Net Basic Subscriber Additions (000's)               | 10                        | (44)           | (91)                     |                 |
| <br>   |                           |                |                          |                 |
| Digital Subscribers (000's)                                    | 12,053                    | 10,439         | 11,495                   |                 |
| Digital Penetration  | 50.1%                     | 43.4%          | 47.8%                    |                 |
| Quarterly Net Digital Subscriber Additions (000's)             | 558                       | 315            | 337                      |                 |
| Digital Set-Top Boxes  | 18,510                    | 15,701         | 17,704                   |                 |
| <br>   |                           |                |                          |                 |
| Monthly Average Video Revenue per Basic Subscriber             | \$57.75                   | \$53.18        | \$57.87                  |                 |
| Monthly Average Total Revenue per Basic Subscriber             | \$91.89                   | \$81.94        | \$90.94                  |                 |
| <br>   |                           |                |                          |                 |
| <b>High-Speed Internet</b>                                     |                           |                |                          |                 |
| "Available" Homes (000's)                                      | 46,731                    | 45,577         | 46,390                   |                 |
| Subscribers (000's)  | 11,000                    | 9,184          | 10,463                   |                 |
| Penetration  | 23.5%                     | 20.1%          | 22.6%                    |                 |
| Quarterly Net Subscriber Additions (000's)                     | 536                       | 507            | 333                      |                 |
| Monthly Average Revenue per Subscriber                         | \$43.14                   | \$42.45        | \$43.35                  |                 |
| <br>   |                           |                |                          |                 |
| <b>Phone</b>   |                           |                |                          |                 |
| Comcast Digital Voice  |                           |                |                          |                 |
| "Available" Homes (000's)                                      | 30,800                    | 9,507          | 28,339                   |                 |
| Subscribers (000's)  | 1,348                     | 159            | 864                      |                 |
| Penetration  | 4.4%                      | 1.7%           | 3.0%                     |                 |
| Quarterly Net Subscriber Additions (000's)                     | 483                       | 72             | 326                      |                 |
| <br>   |                           |                |                          |                 |
| Circuit Switched Phone   |                           |                |                          |                 |
| "Available" Homes (000's)                                      | 8,858                     | 8,455          | 8,854                    |                 |
| Subscribers (000's)  | 740                       | 1,042          | 842                      |                 |
| Penetration  | 8.4%                      | 12.3%          | 9.5%                     |                 |
| Quarterly Net Subscriber Additions (000's)                     | (102)                     | (35)           | (76)                     |                 |
| <br>   |                           |                |                          |                 |
| Monthly Average Total Phone Revenue per Subscriber             | \$45.09                   | \$46.94        | \$45.35                  |                 |
| <br>   |                           |                |                          |                 |
| Total Revenue Generating Units (000's) <sup>(6)</sup>          | 49,190                    | 44,876         | 47,705                   |                 |
| Quarterly Net Additions  | 1,486                     | 816            | 830                      |                 |

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

(2) Pro forma financial data includes the results of Susquehanna Communications acquired on April 30, 2006, cable systems acquired and sold in the Adelphia/Time Warner transactions on July 31, 2006, and cable systems serving Houston, Texas included as a result of the expected dissolution of our cable partnership with Time Warner, which was initiated in July 2006. The net impact of these transactions was to increase the number of basic cable subscribers by 2.6 million.

Pro forma subscriber data also includes 13,000 subscribers acquired in various small acquisitions during 2005. The impact of these acquisitions on our segment operating results was not material.

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

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

(5) Adjusted as if stock options had been expensed in 2005.

(6) Represents the sum of basic and digital video, high-speed Internet and net phone subscribers, excluding additional outlets.



## TABLE 7

### Non-GAAP and Other Financial Measures

Operating Cash Flow is the primary basis used to measure the operational strength and performance of our businesses. Free Cash Flow is an additional performance measure used as an indicator of our ability to repay debt, make investments and return capital to investors, principally through stock repurchases. We also adjust certain historical data on a pro forma basis following significant acquisitions or dispositions to enhance comparability.

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

As Operating Cash Flow is the measure of our segment profit or loss, we reconcile it to operating income, the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP), in the business segment footnote of our quarterly and annual financial statements. Therefore, we believe our measure of Operating Cash Flow for our business segments is not a "non-GAAP financial measure" as contemplated by Regulation G adopted by the Securities and Exchange Commission. Consolidated Operating Cash Flow is a non-GAAP financial measure.

Beginning in 2006, we changed our definition of Free Cash Flow, which is a non-GAAP financial measure, to mean "Net Cash Provided by Operating Activities From Continuing Operations" (as stated in our Consolidated Statement of Cash Flows) reduced by capital expenditures and cash paid for intangible assets; and increased by any payments related to certain non-operating items, net of estimated tax benefits (such as income taxes on investment sales, and non-recurring payments related to income tax and litigation contingencies of acquired companies). We believe that Free Cash Flow is also useful to investors as it is one of the bases for comparing our performance with other companies in our industries, although our measure of Free Cash Flow may not be comparable to similar measures used by other companies.

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

In certain circumstances we also present data, as adjusted, in order to enhance comparability between periods. In connection with the adoption of FAS 123R, we have adjusted 2005 data as if stock options had been expensed.

Operating Cash Flow and Free Cash Flow should not be considered as substitutes for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with GAAP. Additionally, in the opinion of management, our pro forma data is not necessarily indicative of future results or what results would have been had the acquired businesses been operated by us after the assumed earlier date.

We provide reconciliations of Consolidated Operating Cash Flow in Table 1, Free Cash Flow in Table 4, Pro Forma and "As Adjusted" in Tables 7-A and 7-B, and Adjusted Net Income in Table 7-C.



TABLE 7-A

Reconciliation of Pro Forma <sup>(1)</sup>, "As Adjusted" Financial Data by Business Segment  
(Unaudited)

| (dollars in millions)  |                             |                |   |              | <u>Cable</u>                                    |                        | <u>Total</u>                                    |                        |
|--|-----------------------------|----------------|---|--------------|---|------------------------|---|------------------------|
|  | <u>Cable</u> <sup>(2)</sup> | <u>Content</u> | <u>Corporate, Other and Eliminations</u> <sup>(2) (6)</sup> | <u>Total</u> | <u>Pro Forma Adjustments</u> <sup>(1) (3)</sup> | <u>Cable Pro Forma</u> | <u>Pro Forma Adjustments</u> <sup>(1) (4)</sup> | <u>Total Pro Forma</u> |
| <b>Three Months Ended September 30, 2006</b>                 |                             |                |   |              |   |                        |   |                        |
| Revenue  | \$6,312                     | \$258          | (\$138)   | \$6,432      | \$318   | \$6,630                | \$472   | \$6,904                |
| Operating Expenses (excluding depreciation and amortization) | 3,805                       | 170            | 20  | 3,995        | 201   | 4,006                  | 301   | 4,296                  |
| Operating Cash Flow  | \$2,507                     | \$88           | (\$158)   | \$2,437      | \$117   | \$2,624                | \$171   | \$2,608                |
| Depreciation and Amortization                                | 1,157                       | 42             | 14  | 1,213        | 47  | 1,204                  | 50  | 1,263                  |
| Operating Income (Loss)                                      | \$1,350                     | \$46           | (\$172)   | \$1,224      | \$70  | \$1,420                | \$121   | \$1,345                |
| Capital Expenditures   | \$1,206                     | \$5            | (\$14)  | \$1,197      | \$41  | \$1,247                | \$55  | \$1,252                |
| <b>Three Months Ended September 30, 2005</b>                 |                             |                |   |              |   |                        |   |                        |
| Revenue  | \$5,026                     | \$237          | \$21  | \$5,284      | \$891   | \$5,917                | \$893   | \$6,177                |
| Segment reclassifications <sup>(5)</sup>                     | 2                           | -              | (2)   | -            | -   | 2                      | -   | -                      |
| Revenue  | \$5,028                     | \$237          | \$19  | \$5,284      | \$891   | \$5,919                | \$893   | \$6,177                |
| Operating Expenses (excluding depreciation and amortization) | 3,012                       | 163            | 113   | 3,288        | 603   | 3,615                  | 604   | 3,892                  |
| Segment reclassifications <sup>(5)</sup>                     | (5)                         | 2              | 3   | -            | -   | (5)                    | -   | -                      |
| Stock option adjustment <sup>(6)</sup>                       | 30                          | 1              | (31)  | -            | -   | 30                     | -   | -                      |
| Operating Cash Flow  | \$1,991                     | \$71           | (\$66)  | \$1,996      | \$288   | \$2,279                | \$289   | \$2,285                |
| Depreciation and Amortization                                | 1,107                       | 38             | 10  | 1,155        | 203   | 1,310                  | 204   | 1,359                  |
| Operating Income (Loss)                                      | \$884                       | \$33           | (\$76)  | \$841        | \$85  | \$969                  | \$85  | \$926                  |
| Capital Expenditures   | \$849                       | \$4            | \$58  | \$911        | \$151   | \$1,000                | \$100   | \$1,011                |

Reconciliation of Total Pro Forma <sup>(1)</sup>, "As Adjusted" Financial Data

| (dollars in millions)  | Three Months Ended September 30, |                                  |                                     |                        |                             |                 |
|--|----------------------------------|----------------------------------|-------------------------------------|------------------------|-----------------------------|-----------------|
|  | 2005                             |                                  | 2006                                |                        |                             |                 |
|  | <u>Total Pro Forma</u>           | <u>Adjustment</u> <sup>(6)</sup> | <u>Total Pro Forma, As Adjusted</u> | <u>Total Pro Forma</u> | <u>% Growth As Adjusted</u> | <u>% Growth</u> |
| Revenue  | \$6,177                          | \$ -                             | \$6,177                             | \$6,904                | 12%                         | 12%             |
| Operating Expenses (excluding depreciation and amortization) | 3,892                            | 40                               | 3,932                               | 4,296                  |                             |                 |
| Operating Cash Flow  | \$2,285                          | (\$40)                           | \$2,245                             | \$2,608                | 16%                         | 14%             |
| Depreciation and Amortization                                | 1,359                            | -                                | 1,359                               | 1,263                  |                             |                 |
| Operating Income (Loss)                                      | \$926                            | (\$40)                           | \$886                               | \$1,345                | 52%                         | 45%             |
| Operating Cash Flow Margin                                   | 37.0%                            | NM                               | 36.3%                               | 37.8%                  |                             |                 |

Reconciliation of Total "As Adjusted" Financial Data

| (dollars in millions, except per share data)                 | Three Months Ended September 30, |                                  |                    |              |                             |                 |
|--|----------------------------------|----------------------------------|--------------------|--------------|-----------------------------|-----------------|
|  | 2005                             |                                  | 2006               |              |                             |                 |
|  | <u>Historical Total</u>          | <u>Adjustment</u> <sup>(6)</sup> | <u>As Adjusted</u> | <u>Total</u> | <u>% Growth As Adjusted</u> | <u>% Growth</u> |
| Revenue  | \$5,284                          | \$ -                             | \$5,284            | \$6,432      | 22%                         | 22%             |
| Operating Expenses (excluding depreciation and amortization) | 3,288                            | 40                               | 3,328              | 3,995        |                             |                 |
| Operating Cash Flow  | \$1,996                          | (\$40)                           | \$1,956            | \$2,437      | 25%                         | 22%             |
| Depreciation and Amortization                                | 1,155                            | -                                | 1,155              | 1,213        |                             |                 |
| Operating Income (Loss)                                      | \$841                            | (\$40)                           | \$801              | \$1,224      | 53%                         | 46%             |
| Operating Cash Flow Margin                                   | 37.8%                            | NM                               | 37.0%              | 37.9%        |                             |                 |
| Earnings Per Share   | \$0.10                           | (\$0.01)                         | \$0.09             | \$0.58       | 544%                        | 480%            |

- (1) Pro forma data is adjusted only for timing of acquisitions (or dispositions) and does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. Pro Forma results are presented as if the acquisitions and dispositions were effective on January 1, 2005.
- (2) Beginning on August 1, 2006, the cable segment includes the operating results of the cable systems serving Houston, TX as a result of the expected dissolution of our cable partnership with Time Warner. This adjustment is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated amounts.
- (3) Cable Pro Forma adjustments include cable systems serving Houston, TX prior to August 1, 2006.
- (4) Total Pro Forma adjustments include cable systems serving Houston, TX for all periods.
- (5) To be consistent with our management reporting, reclassifications were made to technology development ventures, programming headquarters and other.
- (6) To be consistent with our management reporting, the 2005 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005. For the three months ended September 30, 2005, the adjustments reducing operating income before depreciation and amortization by segment were \$30 million for Cable, \$1 million for Content and \$9 million for Corporate and Other. For the three months ended September 30, 2005, the total adjustment of \$40 million is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated 2005 amounts.



TABLE 7-B

Reconciliation of Pro Forma <sup>(1)</sup>, "As Adjusted" Financial Data by Business Segment  
(Unaudited)

| (dollars in millions)  |                      |         |  |          | Cable                                    |                 | Total                                    |                 |
|--|----------------------|---------|--|----------|--|-----------------|--|-----------------|
|  | Cable <sup>(2)</sup> | Content | Corporate, Other and Eliminations <sup>(2) (6)</sup> | Total    | Pro Forma Adjustments <sup>(1) (3)</sup> | Cable Pro Forma | Pro Forma Adjustments <sup>(1) (4)</sup> | Total Pro Forma |
| <b>Nine Months Ended September 30, 2006</b>                  |                      |         |  |          |  |                 |  |                 |
| Revenue  | \$17,205             | \$770   | (\$40)   | \$17,935 | \$2,240                                  | \$19,445        | \$2,393                                  | \$20,328        |
| Operating Expenses (excluding depreciation and amortization) | 10,250               | 572     | 265  | 11,087   | 1,421                                    | 11,671          | 1,521                                    | 12,608          |
| Operating Cash Flow  | \$6,955              | \$198   | (\$305)  | \$6,848  | \$819                                    | \$7,774         | \$872                                    | \$7,720         |
| Depreciation and Amortization                                | 3,269                | 124     | 54   | 3,447    | 411                                      | 3,680           | 414                                      | 3,861           |
| Operating Income (Loss)                                      | \$3,686              | \$74    | (\$359)  | \$3,401  | \$408                                    | \$4,094         | \$458                                    | \$3,859         |
| Capital Expenditures   | \$2,946              | \$18    | \$87   | \$3,051  | \$313                                    | \$3,259         | \$241                                    | \$3,292         |
| <b>Nine Months Ended September 30, 2005</b>                  |                      |         |  |          |  |                 |  |                 |
| Revenue  | \$14,870             | \$684   | \$105  | \$15,659 | \$2,650                                  | \$17,520        | \$2,650                                  | \$18,309        |
| Segment reclassifications <sup>(5)</sup>                     | 7                    | -       | (7)  | -        | -  | 7               | -  | -               |
| Revenue  | \$14,877             | \$684   | \$98   | \$15,659 | \$2,650                                  | \$17,527        | \$2,650                                  | \$18,309        |
| Operating Expenses (excluding depreciation and amortization) | 8,890                | 436     | 301  | 9,627    | 1,764                                    | 10,654          | 1,763                                    | 11,390          |
| Segment reclassifications <sup>(5)</sup>                     | (9)                  | 5       | 4  | -        | -  | (9)             | -  | -               |
| Stock option adjustment <sup>(6)</sup>                       | 86                   | 3       | (89)   | -        | -  | 86              | -  | -               |
| Operating Cash Flow  | \$5,910              | \$240   | (\$118)  | \$6,032  | \$886                                    | \$6,796         | \$887                                    | \$6,919         |
| Depreciation and Amortization                                | 3,212                | 112     | 36   | 3,360    | 580                                      | 3,792           | 581                                      | 3,941           |
| Operating Income (Loss)                                      | \$2,698              | \$128   | (\$154)  | \$2,672  | \$306                                    | \$3,004         | \$306                                    | \$2,978         |
| Capital Expenditures   | \$2,594              | \$11    | \$148  | \$2,753  | \$469                                    | \$3,063         | \$345                                    | \$3,098         |

Reconciliation of Total Pro Forma <sup>(1)</sup>, "As Adjusted" Financial Data

| (dollars in millions)  | 2005            |                           |                              | 2006            |          | % Growth As Adjusted | % Growth |
|--|-----------------|---------------------------|------------------------------|-----------------|----------|----------------------|----------|
|  | Total Pro Forma | Adjustment <sup>(6)</sup> | Total Pro Forma, As Adjusted | Total Pro Forma | Total    |                      |          |
| Revenue  | \$18,309        | \$ -                      | \$18,309                     | \$20,328        | \$20,328 | 11%                  | 11%      |
| Operating Expenses (excluding depreciation and amortization) | 11,390          | 118                       | 11,508                       | 12,608          | 12,608   |                      |          |
| Operating Cash Flow  | \$6,919         | (\$118)                   | \$6,801                      | \$7,720         | \$7,720  | 14%                  | 12%      |
| Depreciation and Amortization                                | 3,941           | -                         | 3,941                        | 3,861           | 3,861    |                      |          |
| Operating Income (Loss)                                      | \$2,978         | (\$118)                   | \$2,860                      | \$3,859         | \$3,859  | 35%                  | 30%      |
| Operating Cash Flow Margin                                   | 37.8%           | NM                        | 37.1%                        | 38.0%           | 38.0%    |                      |          |

Reconciliation of Total "As Adjusted" Financial Data

| (dollars in millions, except per share data)                 | 2005             |                           |             | 2006     |          | % Growth As Adjusted | % Growth |
|--|------------------|---------------------------|-------------|----------|----------|----------------------|----------|
|  | Historical Total | Adjustment <sup>(6)</sup> | As Adjusted | Total    | Total    |                      |          |
| Revenue  | \$15,659         | \$ -                      | \$15,659    | \$17,935 | \$17,935 | 15%                  | 15%      |
| Operating Expenses (excluding depreciation and amortization) | 9,627            | 118                       | 9,745       | 11,087   | 11,087   |                      |          |
| Operating Cash Flow  | \$6,032          | (\$118)                   | \$5,914     | \$6,848  | \$6,848  | 16%                  | 14%      |
| Depreciation and Amortization                                | 3,360            | -                         | 3,360       | 3,447    | 3,447    |                      |          |
| Operating Income (Loss)                                      | \$2,672          | (\$118)                   | \$2,554     | \$3,401  | \$3,401  | 33%                  | 27%      |
| Operating Cash Flow Margin                                   | 38.5%            | NM                        | 37.8%       | 38.2%    | 38.2%    |                      |          |
| Earnings Per Share   | \$0.36           | (\$0.03)                  | \$0.33      | \$1.01   | \$1.01   | 206%                 | 181%     |

(1) Pro forma data is adjusted only for timing of acquisitions (or dispositions) and does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. Pro Forma results are presented as if the acquisitions and dispositions were effective on January 1, 2005.

(2) Beginning on August 1, 2006, the cable segment includes the operating results of the cable systems serving Houston, TX as a result of the expected dissolution of our cable partnership with Time Warner. This adjustment is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated amounts.

(3) Cable Pro Forma adjustments include cable systems serving Houston, TX prior to August 1, 2006.

(4) Total Pro Forma adjustments include cable systems serving Houston, TX for all periods.

(5) To be consistent with our management reporting, reclassifications were made to technology development ventures, programming headquarters and other.

(6) To be consistent with our management reporting, the 2005 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005. For the nine months ended September 30, 2005, the adjustments reducing operating income before depreciation and amortization by segment were \$86 million for Cable, \$3 million for Content and \$29 million for Corporate and Other. For the nine months ended September 30, 2005, the total adjustment of \$118 million is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated 2005 amounts.





**TABLE 7-C**  
**Reconciliation of Net Income to Adjusted Net Income**  
**(Unaudited)**

| (dollars in millions, except per share data)          | <b>Three Months Ended<br/>September 30,</b> |                |             |                |
|---|---|----------------|-------------|----------------|
|   | <b>2006</b>                                 |                | <b>2005</b> |                |
|   | <b>\$</b>                                   | <b>EPS (1)</b> | <b>\$</b>   | <b>EPS (1)</b> |
| Net Income  | \$1,217                                     | \$0.58         | \$222       | \$0.10         |
| Adjustments:  |   |                |             |                |
| Gain on discontinued operations, net of tax           | 234   | 0.11           | -           | -              |
| Gain on Adelphia/Time Warner transactions, net of tax | 435   | 0.21           | -           | -              |
| Adjusted Net Income <sup>(2)</sup>                    | \$548                                       | \$0.26         | \$222       | \$0.10         |

| (dollars in millions, except per share data)          | <b>Nine Months Ended<br/>September 30,</b> |                |             |                |
|---|--|----------------|-------------|----------------|
|   | <b>2006</b>                                |                | <b>2005</b> |                |
|   | <b>\$</b>                                  | <b>EPS (1)</b> | <b>\$</b>   | <b>EPS (1)</b> |
| Net Income  | \$2,143                                    | \$1.01         | \$795       | \$0.36         |
| Adjustments:  |  |                |             |                |
| Gain on discontinued operations, net of tax           | 234  | 0.11           | -           | -              |
| Gain on Adelphia/Time Warner transactions, net of tax | 435  | 0.21           | -           | -              |
| Adjusted Net Income <sup>(2)</sup>                    | \$1,474                                    | \$0.69         | \$795       | \$0.36         |

(1) Based on diluted average number of common shares for the respective periods as presented in Table 1.

(2) Adjusted Net Income excludes a one-time gain, net of tax, on discontinued operations and a one-time gain, net of tax, related to the Adelphia/Time Warner transactions.