



## Comcast Reports Fourth Quarter and Year End 2005 Results

- **Cable Revenue Increased 9.5% and Cable Operating Cash Flow Increased 13.2% in 2005**
- **Strong Growth in New Products Continues Added 2.6 Million New Revenue Generating Units in 2005**
- **Consolidated Operating Income in 2005 Increased 26.9% to \$3.7 Billion**
- **Comcast Provides Strong Outlook for Growth in 2006**

\*\*\*

- **Repurchased \$901 Million or 34 Million Comcast Shares in Fourth Quarter 2005**
- **\$2.5 Billion Investment in Company Stock in 2005**
- **Board of Directors Authorizes Additional \$5 Billion for Stock Repurchase Program**

PHILADELPHIA, Feb. 2 /PRNewswire-FirstCall/ -- Comcast Corporation (Nasdaq: CMCSA, CMCSK) today reported results for the quarter and year ended December 31, 2005. Comcast will discuss its 2005 results and 2006 outlook on a conference call and webcast today at 8:30 AM Eastern Time. A live broadcast of the conference call will be available at our investor relations website at <http://www.cmcsa.com> and <http://www.cmcsk.com>.

Brian L. Roberts, Chairman and CEO of Comcast Corporation said, "Our operational and financial achievements in 2005, which included delivering near double-digit revenue and double-digit Operating Cash Flow growth, were driven by terrific consumer demand for our new products and significant growth in our high-speed and digital businesses. These results reinforce the value of the investments we have already made in content and technology and demonstrate that our strategy of offering our customers innovative, differentiated products is working. Importantly, as our financial outlook suggests, we expect many of the positive trends we reported in 2005 to continue in 2006. Additionally, our Board of Directors has once again demonstrated its confidence in our underlying business and its commitment to shareholder value by authorizing an additional \$5 billion to our repurchase program, giving us \$5.2 billion of repurchase capacity.

"We have also made great strides in building the foundation that will significantly accelerate our Comcast Digital Voice business in 2006. This in turn will allow us to fully market a bundled offering of voice, video and high-speed Internet products. In 2006 we expect to add at least 3.5 million new revenue generating units, a 35% increase over 2005, including 1 million new Comcast Digital Voice customers.

"Our customers are using our products more frequently than ever and in ways that were unimaginable a short time ago. In 2005, Comcast digital customers watched 1.4 billion programs on demand - reaching a viewing rate of up to 30 programs in December. Comcast ON DEMAND continues to lead the dramatic changes in how consumers watch television.

"We continue to drive product innovation and differentiation in every area of our business. On the programming side, we remain focused on creating value by building and investing in our own networks, by establishing unique partnerships with great brands like the NHL, the PGA TOUR and CBS, as well as investing in new networks like PBS Kids Sprout.

"As we continue to invest in our business for future growth, we are also continuing to invest in our stock. In the last two years, we have invested \$5 billion in our stock and related securities resulting in 174 million or 7.5% fewer shares outstanding.

"We are integrating entertainment and communication services and delivering a unique experience to Comcast customers. We have a superior platform in place today that reaches more than 41 million homes. Our goal is to continue to expand our competitive advantage while continuing to build value for our customers and shareholders."

### Cable Segment Results

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

For the year ended December 31, 2005, Comcast Cable reported revenue of \$21.2 billion, a 9.5% increase from the same period in 2004. Video revenue increased 5.7% during the year, driven by higher monthly revenue per basic subscriber and a 1.1 million or 13.1% increase in the number of digital customers, the highest rate of digital subscriber additions in 3 years. Comcast Cable ended the year with 9.8 million digital cable subscribers and digital cable penetration reached 45.6% of basic

subscribers. Basic subscribers declined 0.5% to 21.4 million at December 31, 2005.

Growth in video revenue and digital cable subscribers reflects increasing consumer demand for new digital features, including Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs). During 2005, Comcast Digital customers watched 1.4 billion programs on demand; reaching 30 programs a month in December with an average viewing time of almost 30 minutes. Pay-per-view revenues increased 16.4% from 2004 driven by movie and event purchases through the Comcast ON DEMAND service, representing the second consecutive year of pay-per-view revenue growth of more than 15%. During the year, Comcast Cable deployed 1.5 million advanced set-top boxes with DVR and/or HDTV programming capability. At December 31, 2005, 25.2% of digital customers have one or more advanced set-top boxes compared to 13.1% at the end of 2004.

Comcast High-Speed Internet service revenues increased 27.6% to \$4.0 billion in 2005, reflecting a 1.5 million or 21.8% increase in subscribers with stable average monthly revenue per subscriber of \$42.82. Comcast Cable ended 2005 with more than 8.5 million high-speed Internet subscribers or 20.7% of available homes. Strong subscriber growth and average monthly revenue per subscriber reflect the success of Comcast's strategy of differentiation, providing more features to our subscribers. In 2005, Comcast high-speed Internet increased the speed of its two service tiers to 6 and 8 megabits per second, added new features like Internet security and increased the amount of video streaming through the Comcast.net portal, including exclusive streaming of National Hockey League games.

Comcast Cable added 202,000 Comcast Digital Voice (CDV) customers in 2005, reflecting the rollout of CDV to 25 new markets including Boston, Chicago, Seattle and Atlanta. At year-end 2005, CDV was being marketed to 16 million homes in our footprint. As expected, CDV customer additions were offset by a decline in the number of Comcast's circuit-switched telephone customers as Comcast transitions to Comcast Digital Voice. As a result, Comcast Cable reported 98,000 net new phone customers in 2005 compared to a loss of 43,000 in 2004. Cable phone revenue remained relatively unchanged from the prior year at \$687 million which includes the increase in revenue associated with the addition of CDV customers during the year offset by the loss of circuit-switched customers and a 4.0% decline in average monthly revenue per subscriber to \$45.02. The decline in average monthly revenue per subscriber was due in part to the all distance service and other features that are included in the flat rate pricing of CDV.

During 2005, Comcast Cable added a total of 2.6 million new revenue generating units. Revenue generating units (RGU) include the sum of analog and digital cable subscribers, high-speed Internet subscribers and phone customers. As of December 31, 2005, Comcast reported 41 million revenue generating units, a 6.9% increase from 2004. In addition, Comcast had more than 2.7 million advanced set-top boxes with DVR and/or HDTV programming capability in digital customers' homes, driving growth in video revenue per subscriber.

Advertising revenue increased 5.5% to \$1.4 billion in 2005 when compared to 2004, reflecting growth of 4.9% in local advertising and growth of 9.7% in regional/national advertising. The growth in advertising revenue during the year was partially offset by an anticipated decline in political advertising when compared to the 2004 election year.

Cable Operating Cash Flow (as defined in Table 7) grew 13.2% to \$8.5 billion in 2005. Operating Cash Flow margin increased to 40.0% in 2005 from 38.7% in 2004 reflecting strong revenue growth and our continuing success in controlling the growth of certain operating costs including programming expense, which increased 5.4% to \$4.4 billion. A number of major hurricanes impacted Comcast systems serving the southeastern U.S. in the third and fourth quarters of 2005 and 2004. Operating Cash Flow has been reduced by \$60 million and \$20 million related to these hurricanes in 2005 and 2004, respectively. Excluding the hurricane-related impact, Operating Cash Flow grew 13.7% in 2005.

Cable capital expenditures in 2005 remained relatively unchanged at \$3.6 billion when compared to one year ago. Expenditures for 2005 reflect increased purchases of digital set-top boxes to meet strong demand for HDTV and DVR digital services, costs associated with readiness and deployment of CDV and the impact of hurricane-related reconstruction costs, offset by declines in plant upgrade spending. The hurricane-related costs included in capital expenditures for 2005 were \$25 million. Upgrade capital in 2005 declined \$637 million or 70.7% to \$265 million. In 2005, 76.1% of cable capital expenditures were variable and directly associated with new product deployment and consumer demand for our products, as compared to 58.1% in 2004.

#### Fourth Quarter 2005

For the quarter ended December 31, 2005, Comcast Cable reported revenue of \$5.4 billion, representing an 8.4% increase from the fourth quarter of 2004. Video revenue increased 5.7% during the period, driven by higher monthly revenue per basic subscriber and a 13.1% increase in the number of digital customers. Comcast Cable added 342,000 digital cable subscribers and 40,000 basic cable subscribers during the fourth quarter of 2005. Basic subscriber additions were net of an estimated loss of 20,000 subscribers due to the hurricanes.

Comcast Cable added 378,000 High-Speed Internet subscribers during the fourth quarter of 2005. Revenues for this service increased 23.9% from the prior year to \$1.1 billion, reflecting strong year-over-year subscriber growth and stable average

monthly revenue per subscriber. Cable phone revenue, in the fourth quarter of 2005, remained relatively unchanged from the prior year at \$173 million which includes the increase in revenue associated with the addition of 134,000 CDV customers during the quarter offset by the loss of 55,000 circuit-switched customers which, as described above, generate higher monthly revenue per customer. Comcast Cable added 79,000 phone subscribers in the fourth quarter of 2005 compared to 10,000 subscribers in the fourth quarter of 2004.

Operating Cash Flow grew 10.1% during the fourth quarter of 2005 to \$2.2 billion when compared to the same period of 2004, reflecting strong revenue growth and the Company's success in controlling the growth of operating costs. Excluding the hurricane impacts of \$48 million and \$9 million in the fourth quarters of 2005 and 2004, respectively, Operating Cash Flow growth was 11.9%. Operating Cash Flow margin for the fourth quarter of 2005 increased to 40.2% from 39.6% when compared to the same quarter last year. Comcast Cable capital expenditures were \$849 million for the fourth quarter of 2005 compared to \$1.0 billion last year. The decline in capital expenditures was due primarily to a \$119 million or 72.5% decline in plant upgrade spending in the fourth quarter of 2005.

#### Content Segment Results

Comcast's Content segment consists of our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, OLN, G4 and AZN Television.

The Content segment reported 2005 revenue of \$919 million, a 16.7% increase from 2004 reflecting increases in network ratings and advertising revenue for all the networks. Operating Cash Flow increased 7.0% to \$283 million in 2005, primarily reflecting programming and production expenses related to OLN's coverage of the National Hockey League (NHL) beginning in the fourth quarter of 2005. Excluding the impact of OLN coverage of the NHL, Content Segment Operating Cash Flow increased 15.3%.

For the quarter ended December 31, 2005, Comcast's Content segment reported revenue of \$235 million, a 14.2% increase, compared to the prior year and Operating Cash Flow of \$35 million, a decline of 37.9% from the same period last year. Results include the fourth quarter impact of the items described above.

#### Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. In 2005, Comcast reported Corporate and Other revenue of \$178 million and an Operating Cash Flow loss of \$248 million, as compared to revenue of \$204 million and an Operating Cash Flow loss of \$205 million in 2004.

For the quarter ended December 31, 2005, Corporate and Other revenue increased to \$73 million from the \$43 million reported in 2004. The Operating Cash Flow loss for the fourth quarter of 2005 was \$52 million compared to \$45 million in 2004. Results for the fourth quarter of 2005 were impacted by the resumption of National Hockey League games, offset by transaction and other corporate expenses.

#### Consolidated Results

Comcast delivered solid consolidated results as compared to guidance in 2005:

	Guidance	Results
Revenue growth	Approximately 10%	9.6%
Operating Cash Flow growth	Approximately 13%	12.8%
Cable RGU additions	At least 2.5 million	2.6 million
Capital expenditures	Approximately \$3.5 billion	\$3.6 billion
Free Cash Flow growth	Approximately 30%	32.5%

For 2005, the Company reported consolidated revenues of \$22.3 billion, a 9.6% increase from the \$20.3 billion reported in 2004. Consolidated Operating Cash Flow increased to \$8.5 billion or 12.8%, in 2005, from the \$7.5 billion reported in the prior year. Consolidated operating income increased 26.9% to \$3.7 billion, in 2005, compared to consolidated operating income of \$2.9 billion in 2004. Excluding the hurricane-related impact on our Cable division, as described above, consolidated Operating Cash Flow grew 13.2% in 2005.

The Company reported net income of \$928 million or \$0.42 per share, in 2005, compared to net income of \$970 million or \$0.43 per share in 2004. The decrease in net income of \$42 million was due primarily to growth in consolidated operating income of \$782 million driven by strong growth in Cable Operating Cash Flow, as described above, offset by declines in investment income and other income of \$833 million. On a combined basis, investment and other income declined to \$33 million in 2005 from \$866 million in 2004. This decline is due primarily to the net effects of changes in the fair value of the Company's 2.0% Exchangeable Subordinated Debentures (ZONES) and the underlying Sprint Nextel common stock as well as

litigation settlements in the first quarter of 2005 and the fourth quarter of 2004. Excluding the items described above, and reconciled in Table 7-B, Adjusted Net Income for 2005 would be \$908 million or \$0.41 per share compared to \$450 million or \$0.20 per share in 2004.

Free Cash Flow (described further on Table 4) increased 32.5% to \$2.6 billion in 2005 compared to \$1.9 billion reported in 2004, due primarily to increases in consolidated Operating Cash Flow offset in part by a \$448 million increase in cash paid for income taxes.

For the quarter ended December 31, 2005, consolidated revenue increased 9.2% to \$5.7 billion from the \$5.2 billion reported in the same period of 2004. Consolidated Operating Cash Flow for the fourth quarter of 2005 was \$2.2 billion, an increase of 8.5% when compared to \$2.0 billion in 2004. Consolidated operating income increased 25.6% to \$893 million in the fourth quarter of 2005 compared to consolidated operating income of \$711 million during 2004. Excluding the hurricane-related impact on our Cable division, as described above, consolidated Operating Cash Flow grew 10.3% in the fourth quarter of 2005.

For the quarter ended December 31, 2005, the Company reported net income of \$133 million or \$0.06 per share compared to net income of \$423 million or \$0.19 per share in 2004, a decline of \$290 million. Net income reflects growth in consolidated operating income of \$182 million driven by strong growth in Cable division Operating Cash Flow, as described above, offset by declines in investment and other income and an increase in the effective tax rate. On a combined basis, investment and other income for the fourth quarter of 2005 declined to \$58 million from \$553 million in the same quarter of 2004. The \$495 million decline was driven by a lower level of unrealized gains in our investment portfolio in the fourth quarter of 2005 and the positive impact of the settlement of certain litigation included in the fourth quarter of 2004. Excluding the items described above, and reconciled in Table 7-B, Adjusted Net Income for the fourth quarter of 2005 would be \$186 million or \$0.09 per share when compared to \$91 million or \$0.04 per share in the fourth quarter of 2004.

Free Cash Flow was \$699 million during the fourth quarter of 2005, a 39.9% increase when compared to the same period of the prior year due primarily to the increase in consolidated Operating Cash Flow and lower capital expenditures offset in part by an increase in cash paid for income taxes.

#### Share Repurchase Program

Comcast repurchased \$901 million of its Class A Special Common Stock, or 34 million shares during the fourth quarter of 2005.

In 2005, the Company repurchased \$2.3 billion, or 79 million shares, of its common stock under its stock repurchase program. Including the \$253 million paid in cash to redeem debt exchangeable into 8.4 million shares of Comcast common stock, Comcast invested \$2.5 billion in its common stock and related securities during the year.

Comcast's Board of Directors has authorized a \$5 billion addition to the existing stock repurchase program. As a result, availability under the Company's stock repurchase program is \$5.2 billion. Comcast expects such repurchases to occur from time to time in the open market or in private transactions, subject to market conditions.

Since the inception of the repurchase program in December 2003, the Company has invested \$5 billion in its common stock and related securities. These investments include repurchasing \$3.6 billion or 127 million shares of its common stock and paying \$1.4 billion to redeem several debt issues exchangeable into 47 million shares of Comcast common stock.

#### 2006 Financial Outlook

For 2006, excluding pending transactions with Adelphia, Time Warner and Susquehanna Communications, Comcast expects:

- Cable and consolidated revenue growth between 9 - 10%
- Cable Operating Cash Flow growth between 10 - 11%\*
- Cable capital expenditures to be consistent with 2005 at approximately \$165 per basic cable subscriber
- Total Revenue Generating Unit additions of at least 3.5 million
- Consolidated Operating Cash Flow growth of between 9 - 10%\*, reflecting continuing investment in our Content businesses
- Conversion of between 25 - 30% of consolidated Operating Cash Flow into Free Cash Flow\*\*

\* Includes the impact of expensing stock options in 2005 and 2006. The impact on Operating Cash Flow for 2005 had we expensed stock options would have been an incremental expense of approximately \$166 million, including \$117 million at Comcast Cable (see Table 7-A).

\*\* Beginning in 2006, we are changing the definition of Free Cash Flow 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). Please see Table 7-A for further details.

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

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

Comcast Corporation will host a conference call with the financial community today February 2, 2006 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at <http://www.cmcsa.com> or <http://www.cmcsk.com>. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on February 2, 2006. Those parties interested in participating via telephone should dial (800) 263-8495 with the conference ID number 4216292. A telephone replay will begin immediately following the call until February 3, 2006 at midnight ET. To access the rebroadcast, please dial (800) 642-1687 and enter passcode number 4216292. To automatically receive Comcast financial news by email, please visit <http://www.cmcsa.com> or <http://www.cmcsk.com> and subscribe to e-mail alerts.

#### About Comcast:

Comcast Corporation (Nasdaq: CMCSA, CMCSK) (<http://www.comcast.com>) is the nation's leading provider of cable, entertainment and communications products and services. With 21.4 million cable customers, 8.5 million high-speed Internet customers, and 1.3 million voice customers, Comcast is principally involved in the development, management and operation of broadband cable systems and in the delivery of programming content.

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

SOURCE Comcast Corporation