

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

**FORM 10-K**

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016  
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	Registrant; State of Incorporation; Address and Telephone Number	I.R.S. Employer Identification No.
001-32871	<b>COMCAST CORPORATION</b> PENNSYLVANIA One Comcast Center Philadelphia, PA 19103-2838 (215) 286-1700	27-0000798
001-36438	<b>NBCUniversal Media, LLC</b> DELAWARE 30 Rockefeller Plaza New York, NY 10112-0015 (212) 664-4444	14-1682529

**SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:**

Comcast Corporation –

Title of Each Class	Name of Each Exchange on Which Registered
Class A Common Stock, \$0.01 par value	NASDAQ Global Select Market
2.0% Exchangeable Subordinated Debentures due 2029	New York Stock Exchange
5.00% Notes due 2061	New York Stock Exchange
5.50% Notes due 2029	New York Stock Exchange
9.455% Guaranteed Notes due 2022	New York Stock Exchange

NBCUniversal Media, LLC – NONE

**SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:**

Comcast Corporation – NONE  
NBCUniversal Media, LLC – NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Comcast Corporation Yes  No   
NBCUniversal Media, LLC Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Comcast Corporation Yes  No   
NBCUniversal Media, LLC Yes  No

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

Comcast Corporation Yes  No   
NBCUniversal Media, LLC Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Comcast Corporation Yes  No   
NBCUniversal Media, LLC Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendments to this Form 10-K.

Comcast Corporation   
NBCUniversal Media, LLC N/A

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act:

Comcast Corporation Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
NBCUniversal Media, LLC Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Comcast Corporation Yes  No   
NBCUniversal Media, LLC Yes  No

As of June 30, 2016, the aggregate market value of the Comcast Corporation common stock held by non-affiliates of the registrant was \$155.940 billion.

Indicate the number of shares outstanding of each of the registrant's classes of stock, as of the latest practicable date:

As of December 31, 2016, there were 2,366,357,318 shares of Comcast Corporation Class A common stock and 9,444,375 shares of Class B common stock outstanding.

Not applicable for NBCUniversal Media, LLC.

**NBCUniversal Media, LLC meets the conditions set forth in General Instruction I(1)(a), (b) and (d) of Form 10-K and is therefore filing this form with the reduced disclosure format.**

**DOCUMENTS INCORPORATED BY REFERENCE**

Comcast Corporation – Part III – The registrant's definitive Proxy Statement for its annual meeting of shareholders presently scheduled to be held in June 2017.



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Comcast Corporation  
2016 Annual Report on Form 10-K

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**Explanatory Note**

This Annual Report on Form 10-K is a combined report being filed separately by Comcast Corporation ("Comcast") and NBCUniversal Media, LLC ("NBCUniversal"). Comcast owns all of the common equity interests in NBCUniversal, and NBCUniversal meets the conditions set forth in General Instruction I(1)(a), (b) and (d) of Form 10-K and is therefore filing its information within this Form 10-K with the reduced disclosure format. Each of Comcast and NBCUniversal is filing on its own behalf the information contained in this report that relates to itself, and neither company makes any representation as to information relating to the other company. Where information or an explanation is provided that is substantially the same for each company, such information or explanation has been combined in this report. Where information or an explanation is not substantially the same for each company, separate information and explanation has been provided. In addition, separate consolidated financial statements for each company, along with notes to the consolidated financial statements, are included in this report. Unless indicated otherwise, throughout this Annual Report on Form 10-K, we refer to Comcast and its consolidated subsidiaries, including NBCUniversal and its consolidated subsidiaries, as "we," "us" and "our;" Comcast Cable Communications, LLC and its subsidiaries as

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“Comcast Cable;” Comcast Holdings Corporation as “Comcast Holdings;” and NBCUniversal, LLC as “NBCUniversal Holdings.”

This Annual Report on Form 10-K is for the year ended December 31, 2016. This Annual Report on Form 10-K modifies and supersedes documents filed before it.

The Securities and Exchange Commission (“SEC”) allows us to “incorporate by reference” information that we file with it, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Annual Report on Form 10-K. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Annual Report on Form 10-K.

Our registered trademarks include Comcast, NBCUniversal and the Comcast and NBCUniversal logos. This Annual Report on Form 10-K also contains other trademarks, service marks and trade names owned by us, as well as those owned by others.

## Part I

### Item 1: Business

We are a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. We were incorporated under the laws of Pennsylvania in December 2001. Through our predecessors, we have developed, managed and operated cable systems since 1963. In 2011, we acquired control of NBCUniversal from General Electric Company (the “NBCUniversal transaction”), and in 2013, we acquired General Electric Company’s remaining interest in NBCUniversal.

We present our operations for Comcast Cable in one reportable business segment, referred to as Cable Communications, and our operations for NBCUniversal in four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks (collectively, the “NBCUniversal segments”).

- **Cable Communications:** Consists of the operations of Comcast Cable, which is one of the nation’s largest providers of video, high-speed Internet and voice services (“cable services”) to residential customers under the XFINITY brand; we also provide these and other services to business customers and sell advertising.
- **Cable Networks:** Consists primarily of our national cable networks, our regional sports and news networks, our international cable networks, and our cable television studio production operations.
- **Broadcast Television:** Consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, and our broadcast television studio production operations.
- **Filmed Entertainment:** Consists primarily of the operations of Universal Pictures, which produces, acquires, markets and distributes filmed entertainment worldwide, as well as DreamWorks Animation, which we acquired in August 2016; our films are also produced under the Illumination and Focus Features names.
- **Theme Parks:** Consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California and our 51% interest in the Universal Studios theme park in Osaka, Japan (“Universal Studios Japan”), which we acquired in November 2015.

Our other business interests consist primarily of Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania and operates arena management-related businesses. We are also pursuing other business initiatives, such as a wireless phone service that we expect to launch in 2017 using our virtual network operator rights to provide the service over a third party’s wireless network.

For financial and other information about our reportable business segments, refer to Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations, Note 17 to Comcast’s consolidated financial statements, and Note 16 to NBCUniversal’s consolidated financial statements included in this Annual Report on Form 10-K.

### Available Information and Websites

Comcast’s phone number is (215) 286-1700, and its principal executive offices are located at One Comcast Center, Philadelphia, PA 19103-2838. NBCUniversal’s phone number is (212) 664-4444, and its principal executive offices are located at 30 Rockefeller Plaza, New York, NY 10112-0015. Comcast and NBCUniversal’s

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Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to such reports filed with or furnished to the SEC under Sections 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov) and on Comcast's website at [www.comcastcorporation.com](http://www.comcastcorporation.com) as soon as reasonably practicable after such reports are electronically filed with the SEC. The information posted on our websites is not incorporated into our SEC filings. The public may read and copy any materials filed with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

## Description of Our Businesses

### Cable Communications Segment

The table below summarizes certain customer and penetration data for our cable system operations.

December 31 (in millions)	2016	2015	2014
Homes and businesses passed <sup>(a)</sup>	<b>56.4</b>	55.7	54.7
Total customer relationships <sup>(b)</sup>	<b>28.6</b>	27.7	27.0
Single product customers <sup>(b)</sup>	<b>8.5</b>	8.4	8.4
Double product customers <sup>(b)</sup>	<b>9.7</b>	9.2	8.8
Triple product customers <sup>(b)</sup>	<b>10.3</b>	10.1	9.9
Video			
Video customers <sup>(c)</sup>	<b>22.5</b>	22.3	22.4
Video penetration <sup>(d)</sup>	<b>39.9%</b>	40.1%	40.9%
High-speed Internet			
High-speed Internet customers	<b>24.7</b>	23.3	22.0
High-speed Internet penetration <sup>(d)</sup>	<b>43.8%</b>	41.9%	40.2%
Voice			
Voice customers	<b>11.7</b>	11.5	11.2
Voice penetration <sup>(d)</sup>	<b>20.7%</b>	20.6%	20.5%

Basis of Presentation: Customer metrics include our residential and business customers. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

- (a) Homes and businesses are considered passed if we can connect them to our distribution system without further extending the transmission lines. Homes and businesses passed is estimated based on the best available information.
- (b) Customer relationships represent the number of residential and business customers that subscribe to at least one of our cable services. Single product, double product and triple product customers represent customers that subscribe to one, two or three of our cable services, respectively. As of December 31, 2016, we had 26.5 million residential customer relationships.
- (c) Generally, a home or business receiving video programming from our distribution system counts as one video customer. For multiple dwelling units ("MDUs") whose residents have the ability to receive additional cable services, such as additional programming choices or our high-definition video ("HD") or digital video recorder ("DVR") advanced services, we count and report customers based on the number of potential billable relationships within each MDU. For MDUs whose residents are not able to receive additional cable services, the MDU is counted as a single customer.
- (d) Penetration is calculated by dividing the number of customers by the number of homes and businesses passed.

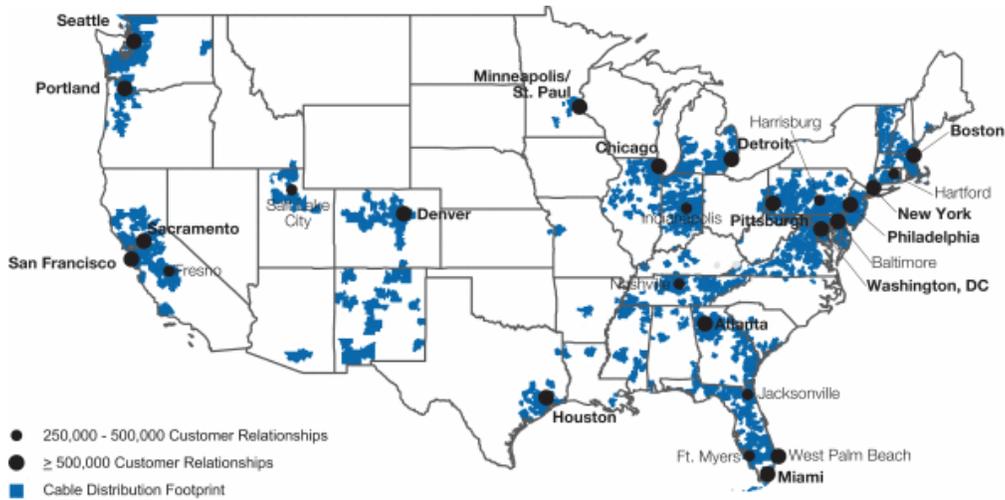
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**Cable Services**

We offer our video, high-speed Internet and voice services individually and as bundled services over our cable distribution system to residential and business customers. Our bundled service offerings aim to meet the needs of the various segments of our customer base, ranging from high-speed Internet services packaged with video or streaming services that include a limited number of channels, to a triple product bundle, consisting of our video, high-speed Internet and voice services. We also offer our home security and automation services as a component of our bundled service offerings. Subscription rates and related charges vary according to the services and features customers receive and the type of equipment they use, and customers are typically billed in advance on a monthly basis. The majority of our residential cable services customers are not subject to minimum-term contracts for their services, while substantially all of our business customers are. Minimum-term contracts are typically 2 years in length for residential customers and typically range from 2 to 5 years for business services customers. Customers with minimum-term contracts may only discontinue service in accordance with the terms of their contracts, which typically include an early termination fee.

**The Areas We Serve**

The map below highlights our footprint as of December 31, 2016 and the designated market areas (“DMAs”) in which we offer cable services that have 250,000 or more customer relationships. The locations that are bolded represent the DMAs in which we operate that were also included in the top 25 U.S. television DMAs as of December 31, 2016.



**Video Services**

We offer a broad variety of video services under the XFINITY brand that provide access to hundreds of channels depending on the customer's level of service. Our levels of service typically range from a limited basic service with access to between 20 and 40 channels to a full service with access to more than 300 channels. Our video services generally include programming provided by national broadcast networks, local broadcast stations, and national and regional cable networks, as well as government and public access programming. We also offer packages that include extensive amounts of foreign-language programming and other specialty tiers of programming with sports, family and international themes. We tailor our video services for a particular geographic area according to applicable local and federal regulatory requirements, programming preferences and demographics.

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Our video customers may also subscribe to premium networks. Premium networks include networks such as HBO, Showtime, Starz and Cinemax that generally provide, without commercial interruption, movies, original programming, live and taped sporting events and concerts, and other features.

Our video services generally include access to our video on demand service (“On Demand”) and an interactive, on-screen program guide. Our On Demand service provides video customers with over 100,000 programming choices over the course of a month, including approximately 40,000 in high definition. A substantial portion of our On Demand content is available at no additional charge; other content, primarily movies and special-events programming, such as sporting events and concerts, can be rented or in some cases purchased to own digitally. We continue to increase the number of On Demand choices we offer.

Our HD service provides customers with high-resolution picture quality, improved audio quality and a wide-screen format through an HD set-top box. Our HD service includes a broad selection of HD programming choices, including major broadcast networks, national cable networks, premium networks and regional sports networks. Our DVR service allows video customers to record and store programs and play them at whatever time is convenient. Our DVR service also provides the ability to pause and rewind live television. We refer to our HD and DVR services as “advanced services.”

We are actively deploying set-top boxes for our Internet Protocol (“IP”) and cloud-enabled video platform, referred to as our X1 platform. Our X1 platform provides customers with integrated search functionality, personalized recommendations and access to certain third-party Internet applications, such as Netflix. We also offer our cloud DVR technology in substantially all of our markets. Cloud DVR technology allows our video customers to record programming using cloud-based servers and also view those recordings on mobile devices via our mobile apps.

Through our mobile apps and online portal, we offer streaming services that allow our video customers to view certain live programming and On Demand content, browse program listings, and schedule and manage DVR recordings. Depending on the customer’s level of service, these services may require an additional monthly fee.

### [High-Speed Internet Services](#)

We offer high-speed Internet services with downstream speeds from a range of up to 10 Mbps to fiber-based speeds up to 2 Gbps. These services include access to our online portal and mobile apps, which provide email, an address book, calendars and online security features. We are actively deploying wireless gateways throughout our footprint, which combine a customer’s wireless router, cable modem and voice adapter, to improve the performance of multiple IP-enabled devices used at the same time within the home, provide faster Internet speeds and create an in-home Wi-Fi network. We are continuing to expand our network of residential, outdoor and business Wi-Fi hotspots to allow most of our high-speed Internet customers to access our high-speed Internet services inside and outside the home. As of December 31, 2016, there were approximately 15.8 million of these hotspots.

### [Voice Services](#)

We offer voice services using an interconnected Voice over Internet Protocol (“VoIP”) technology. Our voice services provide either unlimited or usage-based local and domestic long-distance calling and include options for international calling plans, voicemail, voicemail transcriptions, text messaging, caller ID and call waiting. For customers with our high-speed Internet services, our voice services also include the ability to access and manage voicemail, text messaging and other account features through our online portal or mobile apps.

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### [Business Services](#)

We offer our cable services to small and medium-sized businesses and to large enterprises with multiple locations. Our large enterprise business services are designed for Fortune 1000 companies and other large enterprises with multiple locations both within and outside of our cable distribution footprint. We service these multiple locations through agreements with other cable companies to use their networks to provide coverage outside of our service areas. In addition to the features available to our residential cable services customers, our services for business customers include an interactive tool that allows customers to store, share, and collaborate on files online, hosted voice services that use cloud network servers, a business directory listing, and additional capacity for multiple phone lines.

We offer Ethernet network services that connect multiple locations and provide higher downstream and upstream speed options to medium-sized businesses and large enterprises. We also provide cellular backhaul services to mobile network operators to help those customers manage network bandwidth.

### **Advertising**

As part of our distribution agreements with cable networks, we generally receive an allocation of scheduled advertising time on cable networks that we sell through our advertising business, Spotlight, to local, regional and national advertisers. In most cases, the available advertising units are sold by our sales force. In some cases, we work with representation firms as an extension of our sales force to sell a portion of the advertising units allocated to us. We also represent the advertising sales efforts of other multichannel video providers in some markets. In addition, we generate revenue from the sale of advertising online and on our On Demand service.

### **Other**

We also offer home security and automation services that provide home monitoring services and the ability to manage other functions within the home, such as lighting and room temperature, through our online portal or our mobile apps.

### **Technology**

Our cable distribution system uses a hybrid fiber-optic and coaxial cable network that we believe is sufficiently flexible and scalable to support our future technology requirements. This network provides the two-way transmissions that are essential to providing high-speed Internet services, interactive video services, such as On Demand, and voice services.

We continue to focus on technology initiatives, including:

- developing and deploying next-generation media and content delivery platforms, such as our X1 platform and related cloud DVR technology, that use IP technology and our own cloud network servers to deliver video and advanced search capabilities, including through a voice-activated remote control, and allow access to certain third-party Internet applications
- deploying wireless gateways to improve the performance of multiple IP-enabled devices used at the same time within the home, provide faster Internet speeds and create an in-home Wi-Fi network
- expanding our network of residential, outdoor and business Wi-Fi hotspots
- developing multiple tools to recapture bandwidth and optimize our network to allow for faster Internet speeds and capacity, including using advanced video encoding and digital compression technologies and DOCSIS innovations, such as DOCSIS 3.1

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- developing and deploying various technology and software tools to improve the customer experience

### **Sources of Supply**

To offer our video services, we license a substantial portion of our programming from cable networks and broadcast networks, as well as from local broadcast television stations. We attempt to secure long-term programming distribution agreements with these programming providers. We seek to include in our distribution agreements the rights to offer such programming through multiple delivery platforms that may be used in a variety of locations, such as through On Demand, our online portal, our mobile apps, and our streaming services.

For our high-speed Internet services, we license software products, such as email and security software, and content, such as news feeds for our online portal, from a variety of suppliers. Under our contracts with these suppliers, we generally pay on a fixed-fee basis, on a per subscriber basis in the case of software product licenses or on a video advertising revenue share basis in the case of content licenses.

For our voice services, we license software products such as voicemail and text messaging from a variety of suppliers under multiyear contracts. The fees we pay are generally based on the consumption of the related services.

We purchase from a limited number of suppliers a significant number of set-top boxes and certain other customer premise equipment, network equipment and services to provide our cable services and our home security and automation services to residential and business customers.

We use two primary vendors to provide customer billing for our cable services to our residential and business customers.

### **Customer and Technical Services**

Our customer service call centers provide 24/7 call-answering capability, telemarketing and other services. Our technical services group performs various tasks, including installations, plant maintenance and upgrades to our cable distribution system.

### **Sales and Marketing**

We offer our services directly to residential and business customers through customer service call centers, customer service centers, our website, door-to-door selling, telemarketing and retail outlets, as well as through advertising via direct mail, television and the Internet.

## [NBCUniversal Segments](#)

### **Cable Networks**

Our Cable Networks segment consists of a diversified portfolio of national cable networks that provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, our international cable networks, and our cable television studio production operations. We also own related digital media properties, which primarily include brand-aligned websites.

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The table below presents a summary of our national cable networks and their advertising reach to U.S. households.

Cable Network	Approximate U.S. Households as of December 31 (in millions) <sup>(a)</sup>			Description of Programming
	2016	2015	2014	
USA Network	92	94	96	General entertainment
MSNBC	91	92	95	News and information
E!	90	92	94	Entertainment and pop culture
Syfy	90	92	95	Imagination-based entertainment
CNBC	89	91	94	Business and financial news
Bravo	88	90	92	Entertainment, culture and arts
NBC Sports Network	83	83	81	Sports
Golf Channel	78	77	79	Golf competition and golf entertainment
Oxygen	76	77	78	Women's interests
Sprout	59	56	58	Children's entertainment
Esquire Network <sup>(b)</sup>	58	68	70	Men's lifestyle and entertainment
Chiller	37	38	39	Horror and suspense
CNBC World	36	36	38	Global financial news
Universal HD	30	29	31	General entertainment HD programming
Cloo <sup>(b)</sup>	24	25	26	Crime, mystery and suspense

(a) Household data is based on The Nielsen Company's January reports, except for Universal HD, which is derived from information provided by multichannel video providers. Household data for 2016 is derived from information available during the period from November 28, 2016 through December 25, 2016.

(b) In January 2017, we announced plans to convert the Esquire Network to an online-only format in 2017 and we ceased operations of the Cloo network.

Our regional sports and news networks together serve more than 27 million households across the United States, including key markets such as Baltimore/Washington, Boston, Chicago, Philadelphia, Portland, Sacramento and San Francisco.

We market and distribute our cable network programming in the United States and internationally to traditional and virtual multichannel video providers, as well as to subscription video on demand services, such as those offered by Amazon, Hulu and Netflix. These distributors may provide our content on television, including via video on demand services, online and through mobile apps.

Our cable networks produce their own programs or acquire the rights to programming from third parties, including sports programming rights that are discussed below under the heading "Broadcast Television." Our cable television studio production operations identify, develop and produce original content for our cable networks and third parties. We license this content to cable networks, broadcast networks and subscription video on demand services and it is sold on standard-definition DVDs and Blu-ray discs (together, "DVDs") and through digital distribution services such as iTunes.

### Broadcast Television

Our Broadcast Television segment operates the NBC and Telemundo broadcast networks, which together serve viewers and advertisers in all 50 states. Our Broadcast Television segment also includes our owned NBC and Telemundo local broadcast television stations, the NBC Universo national cable network, our broadcast television studio production operations, and related digital media properties.

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### [NBC Network](#)

The NBC network distributes entertainment, news and sports programming that reaches viewers in virtually all U.S. television households through more than 200 affiliated stations across the United States, including our 10 owned NBC-affiliated local broadcast television stations. The NBC network's programming library consists of rights of varying nature to more than 100,000 episodes of popular television content, including current and classic titles, unscripted programming, sports, news, long-form and short-form programming, and locally produced programming from around the world. In addition, the NBC network owns related digital media properties, which primarily include brand-aligned websites.

The NBC network produces its own programs or acquires the rights to programming from third parties. NBCUniversal has various contractual commitments for the licensing of rights to multiyear programming, primarily sports programming. Our most significant sports programming commitments include the U.S. broadcast rights for the summer and winter Olympic Games through 2032 and agreements with the NFL to produce and broadcast a specified number of regular season and playoff games, including *Thursday Night Football* through the 2017-18 season, *Sunday Night Football* through the 2022-23 season and the 2018 and 2021 Super Bowl games. We also have U.S. broadcast rights to a specified number of NHL games through the 2020-21 season, English Premier League soccer through the 2021-22 season, certain NASCAR events through 2024 and certain PGA TOUR and other golf events through 2030. NBCUniversal's sports programming agreements also include the rights to distribute content on our national cable networks, including the NBC Sports Network and Golf Channel, on our regional sports networks, and online, including through our mobile apps.

Our broadcast television studio production operations develop and produce original content, including scripted and unscripted programming series and talk shows. This original content is licensed to broadcast networks, cable networks and local broadcast television stations owned by us and third parties, as well as to subscription video on demand services, and it is sold on DVDs and through digital distribution services both in the United States and internationally. We also produce first-run syndicated shows for local markets that are broadcast on local broadcast television stations in the United States on a market-by-market basis. We currently distribute some of our television programs after their initial broadcast, as well as older television programs from our library, to local broadcast television stations and cable networks in the off-network syndication market.

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### [NBC Local Broadcast Television Stations](#)

As of December 31, 2016, we owned and operated 10 NBC-affiliated local broadcast television stations that collectively reached approximately 31 million U.S. television households, which represent approximately 27% of U.S. television households. In addition to broadcasting the NBC network's national programming, our local broadcast television stations produce news, sports, public affairs and other programming that addresses local needs and acquire syndicated programming from other sources. The table below presents a summary of the NBC-affiliated local broadcast television stations that we owned and operated as of December 31, 2016.

DMA Served <sup>(a)(b)</sup>	Station	General Market Rank <sup>(c)</sup>	Percentage of U.S. Television Households <sup>(d)</sup>
New York, NY	WNBC	1	6%
Los Angeles, CA	KNBC	2	5%
Chicago, IL	WMAQ	3	3%
Philadelphia, PA	WCAU	4	3%
Dallas-Fort Worth, TX	KXAS	5	2%
San Francisco-Oakland-San Jose, CA	KNTV	6	2%
Washington, D.C.	WRC	7	2%
Miami-Ft. Lauderdale, FL	WTVJ	16	1%
San Diego, CA	KNSD	28	1%
Hartford, CT	WVIT	30	1%

(a) DMA served is defined by Nielsen Media Research as a geographic market for the sale of national spot and local advertising time.

(b) On January 1, 2017, we launched a new owned and operated NBC-affiliated local broadcast television station in the Boston market that reaches approximately 2 million U.S. television households. Boston's general market rank is No. 9, which represents approximately 2% of U.S. television households.

(c) General market rank is based on the relative size of the DMA among the 210 generally recognized DMAs in the United States based on Nielsen estimates for the 2016-17 season.

(d) Based on Nielsen estimates for the 2016-17 season. The percentage of U.S. television households does not reflect the calculation of national audience reach under the Federal Communications Commission's ("FCC") national television ownership cap limits. See "Legislation and Regulation — Broadcast Television — Ownership Limits — National Television Ownership."

### [Telemundo](#)

Telemundo is a leading Hispanic media company that produces, acquires and distributes Spanish-language content in the United States and internationally. Telemundo's operations include the Telemundo network, its 17 owned local broadcast television stations and the NBC Universo national cable network.

The Telemundo network is a leading Spanish-language broadcast network featuring original telenovelas, movies, news, specials and sporting events. Telemundo develops original programming primarily through its production studio and also acquires the rights to programming from third parties. It holds the Spanish-language U.S. broadcast rights to FIFA World Cup soccer through 2026 and the Spanish-language U.S. broadcast rights for certain NFL games that the NBC network will broadcast through the 2022-23 season.

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### [Telemundo Local Broadcast Television Stations](#)

As of December 31, 2016, Telemundo owned 17 local broadcast television stations, including 16 local broadcast television stations affiliated with the Telemundo network, which collectively reached approximately 59% of U.S. Hispanic television households as of December 31, 2016, and an independent television station in Puerto Rico. The table below presents a summary of these local broadcast television stations.

DMA Served <sup>(a)</sup>	Station	Hispanic Market Rank <sup>(b)</sup>	Percentage of U.S. Hispanic Television Households <sup>(c)</sup>
Los Angeles, CA	KVEA	1	13%
New York, NY	WNJU	2	10%
Miami, FL	WSCV	3	5%
Houston, TX	KTMD	4	5%
Dallas-Fort Worth, TX	KXTX	5	4%
Chicago, IL	WSNS	6	4%
San Antonio, TX	KVDA	7	3%
San Francisco-Oakland-San Jose, CA	KSTS	8	3%
Phoenix, AZ	KTAZ	9	3%
Harlingen-Brownsville-McAllen, TX	KTLM	10	2%
Fresno, CA	KNSO <sup>(d)</sup>	14	2%
Philadelphia, PA	WWSI	16	2%
Denver, CO	KDEN	17	2%
Boston, MA	WNEU	21	1%
Las Vegas, NV	KBLR	24	1%
Tucson, AZ	KHRR	26	1%
Puerto Rico	WKAQ	N/A	N/A

(a) DMA served is defined by Nielsen Media Research as a geographic market for the sale of national spot and local advertising time.

(b) Hispanic market rank is based on the relative size of the DMA among approximately 15.1 million U.S. Hispanic households based on Nielsen estimates for the 2016-17 season.

(c) Based on Nielsen estimates for the 2016-17 season. The percentage of U.S. Hispanic television households does not reflect the calculation of national audience reach under the FCC's national television ownership cap limits. See "Legislation and Regulation — Broadcast Television — Ownership Limits — National Television Ownership."

(d) Operated by a third party that provides certain non-network programming and operations services under a time brokerage agreement.

### **Filmed Entertainment**

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide, and it also develops, produces and licenses live stage plays.

We produce films both on our own and jointly with other studios or production companies, as well as with other entities. Our films are produced primarily under the Universal Pictures, Illumination and Focus Features names, and in August 2016, we acquired DreamWorks Animation. Our films are marketed and distributed worldwide primarily through our own marketing and distribution operations. We also acquire distribution rights to films produced by others, which may be limited to particular geographic regions, specific forms of media or certain periods of time. Our content includes theatrical films, direct-to-video movies and our film library, which is comprised of more than 5,000 movies in a variety of genres.

We have entered into, and may continue to enter into, film cofinancing arrangements with third parties, including both studio and nonstudio entities, to jointly finance or distribute certain of our film productions. These arrangements can take various forms, but in most cases involve the grant of an economic interest in a film to an investor. Investors generally assume the full risks and rewards of ownership proportionate to their ownership in the film.

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The majority of our produced and acquired films are initially distributed for exhibition in movie theaters. After their release in movie theaters, we sell and license our films through various methods. We distribute our films globally by selling them on DVDs to retail stores, rental kiosks and subscription by mail services and by selling them through digital distribution services and video on demand services provided by multichannel video providers, including our Cable Communications segment. We also license our films, including selections from our film library, to cable, broadcast and premium networks, to subscription video on demand services, and to video on demand and pay-per-view services. The number of films that we license through subscription video on demand services is increasing as consumers continue to seek additional ways to view our content.

### **Theme Parks**

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California and our 51% interest in Universal Studios Japan, which we acquired in November 2015. Universal Orlando includes two theme parks, Universal Studios Florida and Universal's Islands of Adventure, as well as Universal CityWalk Orlando, a dining, retail and entertainment complex. Universal Orlando also features on-site themed hotels in which we own a noncontrolling interest. Our Universal theme park in Hollywood, California consists primarily of Universal Studios Hollywood, as well as Universal CityWalk Hollywood. We continue to expand our theme park business internationally, such as through our plans to develop a Universal Studios theme park in Beijing, China along with a consortium of Chinese state-owned companies. In addition, we license the right to use the Universal Studios brand name and other intellectual property, and also provide other services, to third parties that own and operate the Universal Studios Singapore theme park on Sentosa Island, Singapore. We also owned a water park, Wet 'n Wild in Orlando, Florida, which closed on December 31, 2016, and are developing a new water park, Volcano Bay, in Orlando, Florida, that we plan to open in mid-2017.

Our Theme Parks segment licenses the right to use a substantial amount of intellectual property from third parties for its themed elements in rides, attractions and merchandising.

### **Competition**

All of our businesses operate in intensely competitive, consumer-driven and rapidly changing environments and compete with a growing number of companies that provide a broad range of communications products and services, and entertainment, news and information products and services, to consumers. Technological changes are further intensifying and complicating the competitive landscape for all of our businesses by challenging existing business models and affecting consumer behavior.

### **Cable Communications**

Competition for our cable services consists primarily of direct broadcast satellite ("DBS") providers, which have a national footprint and compete in all of our service areas, and phone companies with fiber-based networks, which overlap approximately 60% of our service areas and are continuing to expand the areas they serve. Many of these competitors offer features, pricing and packaging for these services, individually and in bundles, comparable to what we offer, and some of these traditional competitors also offer smaller online-only video packages. In 2015, AT&T, one of our largest phone company competitors, acquired DIRECTV, the nation's largest DBS provider, which created an even larger competitor to our cable services and has enabled it to enhance its bundled offerings with video, high-speed Internet, and wireline and wireless phone services. AT&T also announced in 2016 a proposed merger with Time Warner Inc., a media and entertainment company, which competes with our NBCUniversal businesses.

Current and future wireless Internet services, such as 3G, 4G and 5G wireless broadband services and Wi-Fi networks, may compete with our high-speed Internet services, and our voice services are facing increased competition as customers replace wireline phones with wireless phones and Internet-based phone services such as Skype.

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There also continue to be new companies, some with significant financial resources, that offer or are seeking to offer services that potentially may compete with some or all of our cable services. For example, Google has launched high-speed Internet and video services in a limited number of areas in which we operate and other companies continue to emerge that provide Internet streaming and downloading of video programming, some of which charge a nominal or no fee.

### [Video Services](#)

We compete with a number of different sources that provide news, sports, information and entertainment programming to consumers, including:

- DBS providers, including AT&T's DIRECTV and DISH Network, that transmit satellite signals to substantially all U.S. households to provide video programming and other information similar to our video services
- phone companies, including AT&T and Verizon, that have built and continue to build fiber-based networks that provide cable services similar to ours, which overlap a substantial portion of our service areas, and that in some cases offer bundled offerings that include wireless phone services
- online video distributors that offer online services and devices that enable Internet streaming and downloading of movies, television shows and other video programming, including linear and video on demand programming, and generally involve the offering of smaller packages of programming networks at prices lower than our traditional video service package offerings
- other providers that build and operate wireline communications systems in the same communities that we serve, including those operating as franchised cable operators
- satellite master antenna television systems that offer to their subscribers both improved reception of local broadcast television stations and much of the programming offered by our cable systems and generally serve MDUs, office complexes and residential developments
- other companies, such as local broadcast television stations, that provide multiple channels of free over-the-air programming, as well as video rental services and home entertainment and gaming products

### [High-Speed Internet Services](#)

We compete with a number of companies offering Internet services, including:

- wireline phone companies
- Internet service providers
- wireless phone companies and other providers of wireless Internet service
- satellite broadband providers
- power companies
- municipal broadband networks

Some phone companies, such as AT&T, CenturyLink, Frontier and Verizon, have built and are continuing to build fiber-based network infrastructure farther into their networks, which allows them to provide data trans-

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mission speeds that exceed those that can be provided with traditional digital subscriber line (“DSL”) technology, and are now offering these higher-speed services in many of our service areas. Certain companies that offer DSL service have increased data transmission speeds, lowered prices or created bundled services to compete with our high-speed Internet services.

Google has launched a fiber-to-the-home network that provides high-speed Internet services in a limited number of areas in which we operate, and certain municipalities in our service areas are also building fiber-based networks.

Various wireless companies are offering Internet services using a variety of network types, including 3G and 4G, and in the future 5G, wireless broadband services and Wi-Fi networks. These networks work with devices such as smartphones, laptops, tablets and mobile wireless routers, as well as wireless data cards. A growing number of commercial venues, such as retail malls, restaurants and airports, also offer Wi-Fi service. Numerous local governments are also considering or actively pursuing publicly subsidized Wi-Fi and other Internet access networks. The availability of these wireless offerings could negatively impact the demand for our high-speed Internet services.

### [Voice Services](#)

Our voice services compete with wireline and wireless phone companies, including incumbent local exchange carriers (“ILECs”) and competitive local exchange carriers (“CLECs”), and other Internet-based and VoIP service providers. Certain phone companies, such as the ILECs AT&T and Verizon, have substantial capital and other resources, longstanding customer relationships, and extensive existing facilities and network rights-of-way. A few CLECs also have existing local networks and significant financial resources. In addition, we are increasingly competing with other phone service providers as customers replace traditional wireline phone services with wireless and Internet-based phone services.

### [Business Services](#)

Our business services primarily compete with a variety of phone companies, including ILECs and CLECs. These companies either operate their own network infrastructure or rely on reselling all or part of another carrier’s network. We also compete with satellite operators who offer video services to businesses.

## **NBCUniversal Segments**

### [Cable Networks and Broadcast Television](#)

Our cable networks, broadcast networks and owned local broadcast television stations compete for viewers’ attention and audience share with all forms of programming provided to viewers, including cable, broadcast and premium networks; subscription video on demand services; local broadcast television stations; home entertainment products; pay-per-view and video on demand services; online activities, such as social networking and viewing user-generated content; gaming products; and other forms of entertainment, news and information.

Our cable networks, broadcast networks and owned local broadcast television stations compete for the acquisition of programming and for on-air and creative talent with other cable and broadcast networks, local television stations and subscription video on demand services. The market for programming is very competitive, particularly for sports programming, where the cost for such programming is significant.

Our cable networks compete with other cable networks and programming providers for carriage of their programming by multichannel video providers and subscription video on demand services. Our broadcast networks compete with the other broadcast networks in markets across the United States to secure affiliations with independently owned television stations, which are necessary to ensure the effective distribution of broadcast network programming to a nationwide audience.

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In addition, our cable television and broadcast television studio production operations compete with other production companies and creators of content for the acquisition of story properties, for creative, performing and technical personnel, and for distribution of, and consumer interest in, their content.

### [Filmed Entertainment](#)

Our filmed entertainment business competes for audiences for its films and other entertainment content with other major studios and, to a lesser extent, with independent film producers, as well as with alternative forms of entertainment. Our competitive position primarily depends on the number of films we produce, their distribution and marketing success, and consumer response. Our filmed entertainment business also competes to obtain creative, performing and technical talent, including writers, actors, directors and producers, as well as scripts for films. Our filmed entertainment business also competes with the other major studios and other producers of entertainment content for the exhibition of its films in theaters and for premium network and digital distribution of its films.

### [Theme Parks](#)

Our theme parks business competes with other multi-park entertainment companies. We also compete with other providers of entertainment, lodging, tourism and recreational activities. To help maintain the competitiveness of our theme parks, we have invested and continue to invest in existing and new theme park attractions, hotels and infrastructure.

### [Advertising](#)

Our cable communications business, cable networks, broadcast networks, and owned local broadcast television stations compete for the sale of advertising with other television networks and stations, as well as with all other advertising platforms, such as digital, radio and print media. The willingness of advertisers to purchase advertising from us may be adversely affected by lower audience ratings at our cable networks, broadcast networks and owned local broadcast television stations. Declines in advertising revenue also can be caused by increased competition for the leisure time of viewers and audience fragmentation and from the growing use of technologies such as DVRs and video on demand services, which give consumers greater flexibility to watch programming on a time-delayed or on-demand basis or to fast-forward or skip advertisements within programming; from subscription video on demand services; and from other online programming.

### [Seasonality and Cyclicity](#)

Each of our businesses is subject to seasonal and cyclical variations. See Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations and refer to the "Seasonality and Cyclicity" discussion within that section for additional information.

## Legislation and Regulation

The Communications Act of 1934, as amended (the "Communications Act"), and FCC regulations and policies affect significant aspects of our businesses. Our businesses are also subject to other regulation by federal, state, local and foreign authorities and to agreements we enter into with local cable franchising authorities. In addition, we must comply with the terms, conditions and commitments of the FCC Order that approved the NBCUniversal transaction in January 2011 (the "NBCUniversal Order") and a consent decree entered into between us, the Department of Justice ("DOJ") and five states (the "NBCUniversal Consent Decree") in September 2011, which contain conditions and commitments of varying duration, ranging from three to seven years thereafter.

Legislators and regulators at all levels of government frequently consider changing, and sometimes do change, existing statutes, rules or regulations, or interpretations of existing statutes, rules or regulations, or

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prescribe new ones, any of which may significantly affect our businesses. In addition, in recent years, the FCC and certain states have been more active in considering rulemakings and legislation, as well as in conducting inquiries and reviews, regarding our services. Any future legislative, judicial, regulatory or administrative actions may increase our costs or impose additional restrictions on our businesses, some of which may be significant. Congress may consider proposals to address communications issues, including whether it should rewrite the entire Communications Act to account for changes in the communications marketplace, whether it should address the FCC's authority to implement or enforce open Internet regulations, and whether it should fund new broadband infrastructure. We are unable to predict the effects of any of these or any other further legislative requirements on our businesses. In addition, with the new Administration in place, the FCC and other agencies may pursue new regulations or seek changes to, or the elimination of, existing regulations, such as the classification of broadband Internet service and requirements relating to the Internet and privacy. We cannot predict what changes will be sought and, if adopted, how they will affect our businesses.

The following paragraphs summarize material existing and potential future legal and regulatory requirements affecting our businesses, although reference should be made to the Communications Act, FCC regulations, the NBCUniversal Order, the NBCUniversal Consent Decree, and other legislation and regulations for further information.

## [Cable Communications Segment](#)

### **Video Services**

#### [Program Carriage](#)

Cable operators and other multichannel video providers are prohibited from requiring as a condition of carriage a financial interest in, or exclusive distribution rights for, a video programming network. In addition, FCC regulations, as well as the NBCUniversal Order, prohibit us from unreasonably restraining the ability of an unaffiliated video programming network to compete fairly by discriminating against the network on the basis of its non-affiliation in the selection, terms or conditions for its carriage. We have been involved in program carriage disputes at the FCC and may be subject to new complaints in the future.

#### [Must-Carry/Retransmission Consent](#)

Cable operators are required to carry, without compensation, programming transmitted by most local commercial and noncommercial broadcast television stations. As an alternative to this "must-carry" requirement, local broadcast television stations may choose to negotiate with the cable operator for "retransmission consent," under which the station gives up its must-carry rights and instead seeks to negotiate a carriage agreement with the cable operator, which frequently will involve payments to the station. We currently pay certain local broadcast television stations in exchange for their required consent for the retransmission of the stations' broadcast programming to our video services customers and expect to continue to be subject to demands for increased payment and other concessions from local broadcast television stations. For information on must-carry and retransmission consent issues relating to our broadcast television business, see "NBCUniversal Segments — Broadcast Television" below and refer to the "Must-Carry/Retransmission Consent" discussion within that section.

#### [Pricing and Packaging](#)

In 2015, the FCC revised its rate regulations to create a presumption that all local communities are subject to effective competition and should no longer be subject to rate regulation that limits prices cable operators may charge for basic video service, equipment and installation. That decision has been appealed in federal court. While the FCC has accepted a certification from a Massachusetts franchising authority that demonstrated an absence of effective competition in a number of the communities we serve in Massachusetts that will allow for

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continued rate regulation in those communities, all of the other areas we serve are unregulated. In addition to the FCC's rate regulation rules, certain state entities monitor and may challenge the marketing and advertising of our services. For example, in 2016, the Washington State Attorney General filed suit in state court alleging our service protection plan, an optional plan that protects customers from incurring charges for service visits to diagnose and repair installed in-home wiring for residential cable services, violates state consumer protection laws.

### [Cable Equipment](#)

The Communications Act includes provisions aimed at promoting the retail availability of set-top boxes and other equipment that can be used to receive digital video services. In 2016, the FCC launched a rulemaking to consider proposed technology mandates on multichannel video providers aimed at enabling third-party retail video devices to access a provider's video service without the need for a provider-supplied set-top box. If implemented, these mandates would impose substantial costs on us, impair our ability to innovate and have other adverse effects on our business. It is unclear whether the FCC under the new Administration will pursue this proceeding or adopt these rules.

### [Pole Attachments](#)

The FCC regulates the rates, terms and conditions that most pole-owning utility companies charge cable operators and telecommunications carriers, including broadband Internet access service providers such as us, for allowing attachments to their poles. States are permitted to preempt FCC jurisdiction and regulate the rates, terms and conditions of attachments themselves, and many states in which we operate have done so. Most of these states have generally followed the FCC's pole attachment rate standards, which set rates for telecommunications service pole attachments to levels at or near the rates for cable service attachments. In 2015, the FCC eliminated the ability of utility companies to justify higher rates for telecommunication service pole attachments. Cable operators had requested this FCC action because the FCC's new open Internet regulations, as described below under the heading "Open Internet Regulations", reclassified Internet access service as a telecommunications service, which could have allowed for higher rental rates to be applied to a majority of our pole attachments. The FCC's order ensuring that pole rates for telecommunications service attachments approximate the cable service pole rate has been appealed in federal court by the utility companies. Some municipalities have enacted "one-touch" make ready pole attachment ordinances, which permit third parties to alter components of our network attached to utility poles in ways that could adversely affect our businesses. We and other providers have filed complaints in federal court challenging these ordinances.

### [Franchising](#)

Cable operators generally operate their cable systems under nonexclusive franchises granted by local or state franchising authorities. While the terms and conditions of franchises vary materially from jurisdiction to jurisdiction, franchises typically last for a fixed term, obligate the franchisee to pay franchise fees and meet service quality, customer service and other requirements, and are terminable if the franchisee fails to comply with material provisions. Franchising authorities also may establish reasonable requirements for public, educational and governmental access programming, and some of our franchises require substantial channel capacity and financial support for this programming. The Communications Act also contains provisions governing the franchising process, including renewal procedures designed to protect incumbent franchisees against arbitrary denials of renewal. We believe that our franchise renewal prospects are generally favorable but cannot guarantee the future renewal of any individual franchise.

Approximately half of the states in which we operate provide for statewide franchising or have simplified local franchising requirements for new entrants. Some allow new entrants to operate on more favorable terms than our current operations, for instance by not requiring that the new entrant provide service to all parts of the franchise area or permitting the new entrant to designate only those portions it wishes to serve. Certain states allow incumbent cable operators such as us to opt in to the new state franchise immediately or later.

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when a competing state franchise has been issued, although even in those states, incumbent cable operators may be required to retain certain franchise obligations that are more burdensome than the new entrant's state franchise.

### **High-Speed Internet Services**

We provide high-speed Internet services to our customers. Many of these services are subject to a number of regulatory obligations described below, including open Internet regulations prescribed by the FCC and certain common carrier regulations under Title II of the Communications Act. As an Internet service provider ("ISP"), we are also subject to a requirement to implement certain network capabilities to assist law enforcement in conducting surveillance of persons suspected of criminal activity. From time to time, the FCC considers imposing new regulatory obligations on ISPs, including, for example, proposals to require broadband network outage reporting. New broadband regulations, if adopted, may have adverse effects on our businesses.

### [Open Internet Regulations](#)

In 2015, the FCC reclassified broadband Internet access service as a "telecommunications service" subject to new open Internet regulations and certain common carrier regulations under Title II of the Communications Act, including requirements that charges and practices of ISPs for and in connection with broadband Internet access service be just, reasonable and not unjustly or unreasonably discriminatory. However, the FCC refrained from implementing a number of utility-style regulations that might otherwise apply under Title II, such as rate regulation, tariffs and unbundling requirements.

The new open Internet regulations bar ISPs from blocking access to lawful content, applications, services or non-harmful devices; prohibit ISPs from impairing or degrading lawful Internet traffic on the basis of content, applications or services, or impairing or degrading the use of non-harmful devices; prohibit ISPs from favoring lawful traffic from one provider of Internet content, applications or services (called an "edge provider") over lawful traffic of another edge provider in exchange for consideration ("paid prioritization"); establish a new "general conduct standard" that prohibits ISPs from unreasonably interfering with or unreasonably disadvantaging the ability of consumers to select, access and use the lawful Internet content, applications, services or devices of their choosing or of edge providers to make lawful content, applications, services or devices available to consumers; and require ISPs to disclose information regarding network management, performance and commercial terms of the service. In addition, interconnection arrangements, which govern how Internet traffic is exchanged between high-speed Internet networks and provide direct, dedicated interconnection capacity to edge providers, are now subject to FCC oversight under Title II of the Communications Act. All of these regulations are subject to FCC enforcement and could give rise to third-party claims for damages or equitable relief. These requirements could adversely affect our business, although the extent to which they do so will depend upon the manner in which the FCC interprets and enforces them.

In June 2016, a panel of the United States Court of Appeals for the District of Columbia affirmed the FCC's new open Internet regulations on appeal. Petitions have been filed requesting a rehearing of the decision. In addition, Congress may consider legislation addressing these regulations, and the FCC under the new Administration may also revisit the rules. We cannot predict whether or how the rules might be changed. States have attempted, and may continue to attempt, to use the FCC's open Internet decision to justify imposing new regulations and taxes and fees on ISPs that could adversely affect our business.

Separate and apart from the FCC's new open Internet regulations, we committed to be bound by the FCC's original "open Internet" regulations adopted in 2010 as a condition of the NBCUniversal Order and the NBCUniversal Consent Decree until 2018, although we did not agree to be bound by any future open Internet regulations. As a result, among other things, we cannot block access to lawful Internet content, applications, services or non-harmful devices or unreasonably discriminate in transmitting lawful Internet network traffic, although we may engage in reasonable network management.

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### [Business Data Services](#)

In April 2016, the FCC proposed new regulations for “business data services” (formerly “special access” services), which provide dedicated point-to-point transmission of data at certain guaranteed speeds and service levels using high-capacity connections. The FCC proposed new rate regulation and other regulatory mandates that could apply to business data services offered by cable companies. The proposed rules or any variation of the proposed rules, if implemented, could impose substantial costs on us and have other significant adverse effects on our business. It is uncertain whether the FCC under the new Administration will pursue this proceeding or adopt these rules.

### [NBCUniversal Order/Consent Decree Conditions](#)

The NBCUniversal Order and NBCUniversal Consent Decree include various conditions and commitments requiring us to offer all of our broadband Internet access service speed tiers on a stand-alone basis at reasonable market-based prices, to maintain a broadband Internet access service of at least 12 Mbps downstream across most of our footprint, and to avoid discrimination in how we treat “specialized services” (defined as services we provide over the same last-mile facilities as our broadband Internet access service, but not including our broadband Internet access service, video services or voice services).

### [Municipally Owned Broadband Networks](#)

A number of local municipalities operate municipally-owned broadband networks. Certain states have enacted laws that restrict or prohibit local municipalities from operating municipally owned broadband networks. The FCC’s efforts to preempt such laws in Tennessee and North Carolina were overturned in 2016 by the United States Court of Appeals for the Sixth Circuit. However, there may be further efforts by local governments to expand or create government-owned networks and there may also be efforts in state legislatures to restrict the development of government-owned networks or to ease or facilitate such networks. In addition, as part of any federal infrastructure program, governmental subsidies or funding of additional Internet broadband networks may be encouraged. We cannot predict how successful those efforts will be and how they might affect our business.

### **Voice Services**

We provide voice services using VoIP technology. The FCC has adopted a number of regulations for providers of nontraditional voice services such as ours, including regulations relating to privacy of customer proprietary network information, local number portability duties and benefits, disability access, E911, law enforcement assistance, outage reporting, Universal Service Fund contribution obligations and certain regulatory filing requirements. The FCC has not yet ruled on whether VoIP services such as ours should be classified as an “information service” or a “telecommunications service” under the Communications Act. The classification determination is important because telecommunications services are regulated more extensively than information services. State regulatory commissions and legislatures may continue to investigate imposing regulatory requirements on our voice services, and the FCC’s open Internet regulations reclassifying Internet access as a telecommunications service may further encourage state-level regulatory actions.

### [Voice Interconnection](#)

Because the FCC has not determined the appropriate classification of our voice services, providers of VoIP services typically either secure CLEC authorization or obtain interconnection to traditional wireline phone company networks by contracting with an existing CLEC, which has the right, as a telecommunications carrier, to request and obtain interconnection with the traditional wireline phone companies. We have arranged for such interconnection rights through affiliated CLECs. If a regulatory or judicial authority were to deny our ability to interconnect through one of our affiliated CLECs, our ability to provide voice services and compete in the area in question would be negatively impacted. The FCC regulates the arrangements by which telecommunications carriers compensate one another for exchanged traffic and has affirmed the right of CLECs to collect intercarrier compensation when providing interconnection for VoIP providers.

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### [Universal Service](#)

The federal Universal Service program generally requires us and other phone service providers to pay a fee based on revenue from their services into a fund used to subsidize the provision of telecommunications services in high-cost areas and to low-income consumers and the provision of Internet and telecommunications services to schools, libraries and certain health care providers. Some states also have analogous programs that support service in high-cost areas or to low-income consumers. The FCC has long considered implementing changes to the Universal Service program, such as changing the fee calculation from a revenue-based formula to a per-user fee or per-connection fee, adopting a fee based on bandwidth, and expanding the services subject to the fee to include broadband Internet access services. We are unable to predict if or how the FCC may change the Universal Service program, or the effects any such changes would have on our businesses.

The FCC recently has shifted its focus away from supporting traditional telephone service, and toward subsidizing broadband deployment. This shift could assist some of our competitors. For example, in 2014, the FCC substantially revised the program that provides Universal Service support for services to schools and libraries to shift support from voice services to broadband services and the deployment of Wi-Fi networks. Similarly, the FCC has expanded its Lifeline subsidy program for low-income consumers to include broadband services in addition to voice services. The FCC under the new Administration or Congress may revisit these subsidy programs and how they are funded. We cannot predict whether or how these programs will be changed.

### [NBCUniversal Segments](#)

#### **Cable Networks**

##### [Program Access](#)

The Communications Act and FCC regulations (the “program access rules”) generally prevent cable networks affiliated with cable operators from favoring cable operators over competing multichannel video programming distributors (“MVPDs”).

The FCC and Congress have considered proposals that would require companies that own multiple cable networks to make each of their networks available individually when negotiating distribution agreements with MVPDs and potentially with online video distributors (“OVDs”). We currently offer our cable networks both on a bundled basis and, when requested, individually.

Under the terms of the NBCUniversal Order, MVPDs in certain circumstances can invoke commercial arbitration for access to our cable networks and broadcast television networks, including our regional sports networks. In addition, under the NBCUniversal Order and NBCUniversal Consent Decree, we are required to make certain of our cable network, broadcast television and filmed entertainment programming available to bona fide OVDs in certain circumstances. For further discussion of these conditions, see “Broadcast Television” below and refer to the “Must-Carry/Retransmission Consent” and “Internet Distribution” discussions within that section.

##### [Children’s Programming](#)

Under federal regulations, the amount of commercial content that may be shown on cable networks, broadcast networks and broadcast television stations during programming originally produced and broadcast primarily for an audience of children under 13 years of age is limited, and certain television station programming must serve the educational and informational needs of children under 17 years of age. In addition, the NBCUniversal Order includes certain commitments and conditions related to children’s television and advertising directed at children.

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### **Broadcast Television**

#### [Licensing](#)

Local broadcast television stations may be operated only in accordance with a license issued by the FCC upon a finding that the grant of the license will serve the public interest, convenience and necessity. The FCC grants broadcast television station licenses for specific periods of time, which may be renewed with or without conditions. Substantially all of our broadcast television station licenses have pending applications for renewal, although our stations' authority to operate is automatically extended while a renewal application is under review. Several of these applications have been opposed by third parties. Although our licenses have been renewed in the past, there can be no assurance that we will always obtain renewal grants.

#### [Ownership Limits](#)

FCC regulations limit the ability of individuals and entities to have "attributable interests" above specific ownership levels in local television stations and place limitations on ownership of other specified mass media entities, such as limits on the cross-ownership of broadcast television stations and newspapers in the same market. The FCC is in the process of reviewing these ownership regulations.

#### [Local Television Ownership](#)

Under FCC regulations, a licensee generally may own up to two broadcast television stations in the same DMA, as long as at least one of the stations is not among the top four-ranked stations in the market based on audience share and there are at least eight independently owned and operating full-power broadcast television stations in the market. Without regard to the number of remaining independently owned television stations, ownership of more than one television station within the same DMA is permitted so long as certain signal contours of the stations involved do not overlap.

#### [National Television Ownership](#)

The Communications Act and FCC regulations limit the number of broadcast television stations one entity may own or control nationally. No entity may have an attributable interest in broadcast television stations that reach, in the aggregate, more than 39% of all U.S. television households. The FCC also has adopted a rule that eliminates a 50% discount formerly afforded to UHF stations (channels 14 and above) in calculating the extent of an individual station owner's holdings under the national cap. Our owned broadcast television station reach does not exceed this limit, but the elimination of this discount places us closer to the national cap and limits our flexibility to acquire stations in the future.

#### [Foreign Ownership](#)

The Communications Act generally limits foreign ownership in a broadcast television station to 20% direct ownership and 25% indirect ownership, although the limit on indirect ownership can be waived if the FCC finds it to be in the public interest.

#### [Dual Network Rule](#)

Each of the four major broadcast television networks — ABC, CBS, Fox and NBC — is prohibited from being under common ownership or control with another of the four.

#### [Must-Carry/Retransmission Consent](#)

Every three years, each commercial television station must elect for each cable system in its DMA either must-carry or retransmission consent. A similar regulatory scheme applies to satellite providers. For the current period, which ends on December 31, 2017, all of our owned NBC broadcast television stations and our owned Telemundo broadcast television stations elected retransmission consent.

In enacting the STELA Reauthorization Act of 2014, Congress modified certain aspects of the compulsory copyright licenses under which satellite providers and cable operators retransmit broadcast television sta-

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tions. Congress also is considering legislation that would modify the must-carry and retransmission consent regime. Under conditions imposed in the NBCUniversal Order, MVPDs may invoke commercial arbitration to resolve disputes regarding carriage of our owned local broadcast television stations.

### [Internet Distribution](#)

The NBCUniversal Order and NBCUniversal Consent Decree establish certain obligations and restraints concerning distribution of our content online. We must make available certain of our cable network, broadcast television and filmed entertainment programming to bona fide OVDs in certain circumstances, and they may invoke commercial arbitration to resolve disputes over access to such programming. We also must distribute programming via nbc.com that is generally equivalent to the programming that we distributed via nbc.com as of January 1, 2011, on generally equivalent prices, terms and conditions, so long as at least one of the other major broadcast networks continues to distribute its programming in a similar fashion. We are one of three broadcast network owners of Hulu, but we have no voting rights or board representation. We have entered into renewal license agreements with Hulu on substantially the same terms as its other broadcast network owners.

### [Indecency](#)

A federal statute and FCC regulations prohibit the broadcast of obscene material on television stations at any time and indecent or profane material between the hours of 6 a.m. and 10 p.m. From time to time, we have received and may receive in the future letters of inquiry from the FCC prompted by complaints alleging that certain programming on our owned local broadcast television stations included indecent or profane material.

### [Filmed Entertainment](#)

Our filmed entertainment business is subject to “trade practice laws” in effect in 25 states and Puerto Rico relating to theatrical distribution of motion pictures. In countries outside the United States, a variety of existing or contemplated laws and regulations may affect our ability to distribute and license motion picture and television products, as well as consumer merchandise products. The ability of countries to deny market access or refuse national treatment to products originating outside their territories is regulated under various international agreements.

### [Theme Parks](#)

Our theme parks are subject to various regulations, including laws and regulations regarding environmental protection, privacy and data protection, consumer product safety and theme park operations, such as health, sanitation, safety and fire standards, as well as liquor licenses.

## [Other Areas of Regulation](#)

### [Intellectual Property](#)

Copyright, trademark, unfair competition, patent, trade secret and other proprietary-rights laws of the United States and other countries help protect our intellectual property rights. In particular, piracy of programming and films through unauthorized distribution of counterfeit DVDs, peer-to-peer file sharing and other platforms presents challenges for our cable networks, broadcast television and filmed entertainment businesses. The unauthorized reproduction, distribution or display of copyrighted material over the Internet or through other methods of distribution, such as through devices, software or websites that allow the reproduction, viewing, sharing and/or downloading of content by either ignoring or interfering with the content’s security features and copyrighted status, interferes with the market for copyrighted works and disrupts our ability to exploit our content. The extent of copyright protection and the use of technological protections, such as encryption, are controversial. Modifications to existing laws that weaken these protections could have an adverse effect on our ability to license and sell our programming.

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While many legal protections exist to combat piracy, laws in the United States and internationally continue to evolve, as do technologies used to evade these laws. We have actively engaged in the enforcement of our intellectual property rights and likely will continue to expend substantial resources to protect our content. The repeal of laws intended to combat piracy and protect intellectual property or weakening of such laws or enforcement in the United States or internationally, or a failure of existing laws to adapt to new technologies, could make it more difficult for us to adequately protect our intellectual property rights, which could negatively affect their value and further increase the costs of enforcing our rights.

Copyright laws also require that we contribute a percentage of revenue to a federal copyright royalty pool in exchange for retransmitting copyrighted material in broadcast signals under a compulsory license and that we pay standard industry licensing fees for the public performance of music in the programs we distribute, such as local advertising and local origination programming on our cable systems, as well as in the content we create. The fees we pay to music performance rights organizations are typically renegotiated when we renew licenses with those organizations, while the royalties we contribute to the copyright royalty pool for broadcast signals can be challenged by copyright owners in annual audits, and we cannot predict what those fees will be in the future or if disputes will arise over them. In addition, in response to a 2014 FCC decision eliminating the FCC's "sports blackout" rule, which previously enabled sports teams to insist that cable operators black out sports events not available on local broadcast signals, the leading sports leagues petitioned the Copyright Royalty Board to impose a copyright surcharge on cable operators to compensate sports teams for the loss of programming exclusivity, and that proceeding is now pending.

There has been litigation related to a number of online entities that stream our broadcast television content online without the consent of, or compensation to, NBC or its affiliates. In 2014, the U.S. Supreme Court ruled that one such entity, Aereo, violated the broadcasters' exclusive right to perform their copyrighted works publicly. Subsequently, Aereo sought to operate as a cable system under the Copyright Act. Although the U.S. Copyright Office rejected its application for a compulsory copyright license, other companies continue to seek legislation or court rulings to obtain a compulsory license to stream broadcast programming online.

### **Privacy and Data Security Regulation**

The Communications Act generally restricts the nonconsensual collection and disclosure to third parties of cable customers' personally identifiable information by cable operators, except for rendering service, conducting legitimate business activities related to the service, and responding to legal requests. We are also subject to various state and federal regulations that provide privacy protections for customer proprietary network information related to our voice services.

As a result of the FCC's 2015 decision to reclassify broadband Internet access service as a "telecommunications service" subject to Title II of the Communications Act, the FCC has concluded that ISPs are subject to FCC regulations regarding the use and disclosure of certain customer information. Specifically, in October 2016, the FCC adopted new privacy and data security regulations governing the use of certain customer information by telecommunications carriers, including ISPs and providers of VoIP services such as ours. Under these new regulations, we may use, disclose or permit access to any customer non-sensitive proprietary information subject to the customer's ability to opt out, but must obtain opt-in approval from the customer to use, disclose or permit access to customer sensitive proprietary information, with certain exceptions. The new regulations also impose breach notification obligations and data security requirements. These new rules are more stringent than the FTC's privacy rules that previously applied to ISPs and could have adverse effects on our ability to compete in the highly concentrated online advertising market. The FCC under the new Administration or Congress may revisit and revise these new rules, although we cannot predict whether or how the rules might be changed.

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In addition to FCC privacy regulations governing ISPs, the FTC generally exercises authority over privacy protections applicable to some of our other businesses by using its existing authority over unfair and deceptive acts or practices to apply greater restrictions on the collection and use of personally identifiable and other information relating to consumers. It also has undertaken numerous enforcement actions against parties that do not provide sufficient security protections against the loss or unauthorized disclosure of this type of information. However, a recent court decision has raised questions regarding the extent of FTC jurisdiction over companies like us, whose service offerings include some common carrier services. The FTC has appealed this decision. We cannot predict the outcome of the litigation or the impact of the decision on our business. We also are subject to stringent data security and data retention requirements that apply to website operators and online services directed to children under 13 years of age, or that knowingly collect or post personal information from children under 13 years of age. Other privacy-oriented laws have been extended by courts to online video providers and are increasingly being used in privacy lawsuits, including class actions, against providers of video materials online.

We are also subject to state and federal “do not call” laws regarding telemarketing and state and federal laws regarding unsolicited commercial emails, as well as FCC regulations relating to automated telemarketing calls, texts and SMS messages. The FTC and state attorneys general also have initiated efforts to increase and enforce transparency requirements about the collection and use of consumer information, even in an aggregated, non-customer-identifiable form, which may require ongoing review of new and rapidly evolving technologies and methods for delivering content and advertising to ensure that appropriate notice is given to consumers and consent is obtained where required.

We are also subject to state and federal laws and regulations regarding data security that primarily apply to sensitive personal information that could be used to commit identity theft. Most states have security breach notification laws that generally require a business to give notice to consumers and government agencies when certain information has been disclosed due to a security breach, and the FCC has adopted security breach rules for voice services and broadband Internet access services. Several states have also enacted general data security requirements to safeguard consumer information, including the proper disposal of consumer information.

The National Institute of Standards and Technology (“NIST”), in cooperation with other federal agencies and owners and operators of U.S. critical infrastructure, including us, have developed a voluntary framework that provides a prioritized, flexible, repeatable, performance-based and cost-effective approach to cybersecurity risk. It is a compendium of existing cross-sector cyber-defense processes, practices and protocols that can help companies identify, assess and manage their cyber risks and vulnerabilities, and several government agencies have encouraged compliance with this framework. NIST recently proposed draft updates to this voluntary framework and is collecting feedback on the draft. In June 2016, the Department of Homeland Security and the Department of Justice, in collaboration with other federal agencies, released final guidance regarding the sharing of cyber threat indicators and defensive measures between and among Federal and Non-Federal entities under the Cybersecurity Act of 2015. Finally, there are pending legislative proposals that could impose new requirements on owners and operators of critical infrastructure, including us, and the FCC is considering expanding its cybersecurity guidelines or adopting new cybersecurity requirements.

### **FCC Spectrum Auction**

Congress has authorized the FCC to conduct an auction to repurpose some broadcast spectrum to mobile broadband use. In this auction, licensees of full-power and Class A television stations have the opportunity to sell some or all of their spectrum rights in exchange for cash. TV stations that do not voluntarily sell their spectrum rights may be assigned new channels on which to operate, but the FCC must make “all reasonable efforts” to preserve those stations’ over-the-air coverage areas and populations served, and to reimburse them for reasonable relocation costs (subject to an aggregate limit of \$1.75 billion).

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NBCUniversal has submitted applications with the FCC indicating its potential interest in selling broadcast spectrum rights, and we have filed an application to bid on new mobile broadband licenses. Filing an application in the auction does not create any obligation to sell, bid on or buy spectrum.

Bidding in the auction began in May 2016 and is still ongoing. We cannot predict the outcome of the auction or the impact the outcome may have on our business.

### **State and Local Taxes**

Some states and localities have imposed or are considering imposing, through both legislative and administrative channels, new or additional taxes or fees on, or limiting or eliminating incentives or credits earned or monetized by, the businesses operated by our Cable Communications and NBCUniversal segments, or imposing adverse methodologies by which taxes, fees, incentives or credits are computed, earned or monetized. These include combined reporting or other changes to general business taxes, central assessments for property tax, and taxes and fees on the businesses operated or services provided by our Cable Communications and NBCUniversal segments. In some situations, DBS providers and other competitors that deliver their services over a high-speed Internet connection do not face the same state tax and fee burdens. Congress has also considered, and may consider again, proposals to bar or limit states from imposing taxes on these DBS providers or other competitors that are equivalent to the taxes or fees that we pay. The Internet Tax Freedom Act, which prohibits most states and localities from imposing sales and other taxes on our Internet access charges, has now been made permanent by 2016 legislation; however, some jurisdictions have or may assert that certain taxes akin to right-of-way fees are not preempted by Internet Tax Freedom Act. The FCC's reclassification of broadband Internet access services as Title II telecommunications services may cause or allow, directly or indirectly, some states and localities to impose various other taxes and fees on our high-speed Internet business.

### **Environmental Matters**

Certain of our business operations are subject to environmental laws and regulations since they involve air emissions, wastewater discharges, and the use, disposal and cleanup of toxic and hazardous substances. Any failure to comply with environmental requirements could result in monetary fines, civil or criminal sanctions, third-party claims, or other costs or liabilities.

Environmental requirements have become more stringent over time, and pending or proposed new regulations could impact our operations or costs. For example, climate change regulation, such as proposed greenhouse gas emissions limits or cap and trade programs, could result in an increase in the cost of electricity, which is a significant component of our operational costs for some aspects of our businesses.

### **Other Regulations**

Federal regulators actively regulate other aspects of our businesses, including accessibility to our video and voice services and broadcast television programming for people with disabilities, customer service standards, inside wiring, leased access, loudness of commercial advertisements, advertising, Emergency Alert System, equal employment opportunity, lottery programming, recordkeeping and public file access requirements, regulatory fees and technical standards relating to the operation of cable systems and television stations. We are occasionally subject to enforcement actions at the FCC, which can result in us having to pay fines to the agency or being subject to other sanctions. We also are subject to various international regulations, including those that cover television broadcasting, programming and advertising.

## Employees

As of December 31, 2016, we had approximately 159,000 full-time and part-time employees calculated on a full-time equivalent basis. Of these employees, approximately 91,000 and 58,000 were associated with our cable communications business and our NBCUniversal businesses, respectively. We also use freelance and temporary employees in the normal course of our business.

## Caution Concerning Forward-Looking Statements

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. In this Annual Report on Form 10-K, we state our beliefs of future events and of our future financial performance. In some cases, you can identify these so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "believes," "estimates," "potential," or "continue," or the negative of these words, and other comparable words. You should be aware that these statements are only our predictions. In evaluating these statements, you should consider various factors, including the risks and uncertainties listed in "Risk Factors" and in other reports we file with the SEC.

Additionally, we operate in a highly competitive, consumer-driven and rapidly changing environment. This environment is affected by government regulation; economic, strategic, political and social conditions; consumer response to new and existing products and services; technological developments; and, particularly in view of new technologies, the ability to develop and protect intellectual property rights. Our actual results could differ materially from our forward-looking statements as a result of any of such factors, which could adversely affect our businesses, results of operations or financial condition. We undertake no obligation to update any forward-looking statements.

## Item 1A: Risk Factors

**Our businesses currently face a wide range of competition, and our businesses and results of operations could be adversely affected if we do not compete effectively.**

All of our businesses operate in intensely competitive, consumer-driven and rapidly changing environments and compete with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers. Technological changes are further intensifying and complicating the competitive landscape and influencing consumer behavior, which is discussed in the risk factor immediately below under the heading "Changes in consumer behavior driven by new technologies and distribution platforms for viewing content may adversely affect our businesses and challenge existing business models."

Competition for our cable services consists primarily of DBS providers and phone companies with fiber-based networks that typically offer features, pricing and packaging for services comparable to ours. In 2015, AT&T, our largest phone company competitor, acquired DirecTV, the nation's largest DBS provider to create an even larger competitor that also has its own wireless phone facilities, which we do not, and in 2016, announced a proposed merger with Time Warner, a media and entertainment company. Some of these competitors have begun offering smaller packages of channels at price points lower than our standard packages, both through traditional and online distribution platforms, which could cause us to offer more customized programming packages that may be less profitable. In addition, if consolidation between wireless distributors and content providers occurs, some of our competitors may offer free or lower cost streaming services for viewing their content through unlimited data-usage plans for their Internet or wireless phone serv-

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ices. Additional companies, some with significant financial resources, continue to enter or are seeking to enter the video distribution market, primarily by offering online video programming services that can be viewed live, through streaming services or by downloading.

Current and future wireless Internet services, such as 3G, 4G and 5G wireless broadband services and Wi-Fi networks, and devices such as wireless data cards, tablets and smartphones, and mobile wireless routers that connect to such devices, may compete with our high-speed Internet services. Our voice services are facing increased competition as customers replace wireline phones with wireless and Internet-based phone services.

Our cable communications business continues to seek ways to enhance the value of our cable services network, such as by growing our high-speed Internet and business services businesses and by launching additional services, such as our home security and automation services. There can be no assurance that we can execute on these and other initiatives in a manner sufficient to grow or maintain our Cable Communications segment revenue, maintain our Cable Communications segment operating margin, or to compete successfully in the future.

Each of NBCUniversal's businesses also faces substantial and increasing competition from providers of similar types of content, as well as from other forms of entertainment and recreational activities. NBCUniversal must compete to obtain talent, programming and other resources required in operating these businesses.

The ability of all of our businesses to compete effectively depends on our perceived image and reputation among our various constituencies, including our customers, consumers, advertisers, investors and government authorities. Our ability to compete may be negatively affected if we do not provide our customers with a satisfactory customer experience.

There can be no assurance that we will be able to compete effectively against existing or new competitors or that competition will not have an adverse effect on our businesses. For a more detailed description of the competition facing our businesses, see Item 1: Business and refer to the "Competition" discussion within that section.

### **Changes in consumer behavior driven by new technologies and distribution platforms for viewing content may adversely affect our businesses and challenge existing business models.**

New technologies and platforms for the distribution, sale and viewing of content have been, and will likely continue to be, developed that further increase the number of competitors that all our businesses face and challenge existing business models. These technologies and distribution platforms are driving changes in consumer behavior as consumers seek more control over when, where and how they consume content and access communications services.

While our cable communications business is attempting to adapt to changing consumer behaviors, for example, by deploying our X1 platform, cloud DVR technology and apps such as Netflix on our X1 set top boxes, new and traditional competitors, as well as some programming networks, continue to launch subscription video on demand services, live online broadcast and cable television streaming services and downloading services that can be viewed on television sets, computers, smartphones and tablets. Many of these service offerings charge no fee or a lower fee than our traditional video packages for access to their content, which could have an adverse effect on demand for our video services, including for expanded digital video packages, premium networks, and our DVR and On Demand services.

New technologies and distribution platforms, together with an increasing number of companies offering their content directly to consumers over the Internet, including some that also offer exclusive high-quality original

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video programming, have increased the number of entertainment choices available to consumers, which has intensified audience fragmentation. The increase in entertainment choices has and may continue to reduce the number of subscribers to our cable networks. Time-shifting technologies, such as DVRs and cloud-based recording services and video on demand services, reduce the viewing of content through traditional linear television distribution outlets. Reduced viewing of our content through traditional linear television distribution outlets has caused and will likely continue to cause audience ratings declines for NBCUniversal's linear television content and may adversely affect the price and amount of advertising that advertisers are willing to purchase from us and the amount NBCUniversal receives for distribution of its content.

The success of any of these ongoing or future developments or our failure to effectively anticipate or adapt to emerging competitors or changes in consumer behavior, including among younger consumers, could have an adverse effect on our competitive position, businesses and results of operations.

### **A decline in advertisers' expenditures or changes in advertising markets could negatively impact our businesses.**

Our cable communications, cable networks and broadcast television businesses compete for the sale of advertising time with other television networks and stations, as well as with all other advertising platforms, such as digital media, as well as radio and print. We derive substantial revenue from the sale of advertising, and a decline in expenditures by advertisers, including through traditional linear television distribution models, could negatively impact our results of operations. Declines can be caused by the economic prospects of specific advertisers or industries, increased competition for the leisure time of viewers and audience fragmentation, the growing use of new technologies, or the economy in general. In addition, advertisers' willingness to purchase advertising from us may be adversely affected by lower audience ratings, which many of our networks have experienced and likely will continue to experience. Advertising sales and rates also are dependent on the methodology used for audience measurement and could be negatively affected if methodologies do not accurately reflect actual viewership levels. For example, certain methods of viewing content, such as delayed viewing on DVRs or viewing content online, might not be counted in audience measurements or may generate less, if any, revenue than traditional distribution methods, which could have an adverse effect on our advertising revenue. Reductions in advertisers' expenditures could adversely affect our revenue and businesses.

### **Our businesses depend on keeping pace with technological developments.**

Our success is, to a large extent, dependent on our ability to acquire, develop, adopt and leverage new and existing technologies, and our competitors' use of certain types of technology and equipment may provide them with a competitive advantage. For example, current and new wireless Internet technologies such as 4G and 5G wireless broadband services continue to evolve rapidly to allow for greater speed and reliability, and some companies and municipalities are building advanced fiber-based networks that provide very fast Internet access speeds. We expect other advances in communications technology to occur in the future. If we choose technology or equipment that is not as effective or attractive to consumers as that employed by our competitors, if we fail to employ technologies desired by consumers before our competitors do so, or if we fail to execute effectively on our technology initiatives, our businesses and results of operations could be adversely affected. We also will continue to incur additional costs as we execute our technology initiatives, such as the deployment of DOCSIS 3.1, X1 set-top boxes, wireless gateways and cloud DVR technology, and there can be no assurance that we can execute on these and other initiatives in a manner sufficient to grow or maintain our revenue or to compete successfully in the future. We also may incur increased costs if changes in our competitors' product offerings require that we offer certain of our existing services or enhancements at a lower or no cost to our customers or that we make additional research and development expenditures.

**We are subject to regulation by federal, state, local and foreign authorities, which may impose additional costs and restrictions on our businesses.**

Federal, state and local governments extensively regulate the video, high-speed Internet and voice services industries. Our broadcast television business is also highly regulated by federal laws and regulations. Our cable networks, filmed entertainment and theme parks businesses are also subject to various other laws and regulations at the international, federal, state and local levels, including laws and regulations relating to environmental protection, which have become more stringent over time, and the safety of consumer products and theme park operations. In addition, we are subject to the NBCUniversal Order and the NBCUniversal Consent Decree, which have imposed numerous conditions on our businesses relating to the treatment of competitors and other matters. In recent years, the FCC and certain states also have been more active in conducting inquiries and reviews regarding our services, and this trend may continue. Failure to comply with the laws and regulations applicable to our businesses could result in administrative enforcement actions, fines, and civil and criminal liability. For a more extensive discussion of the significant risks associated with the regulation of our businesses, see Item 1: Business and refer to the "Legislation and Regulation" discussion within that section.

**Changes to existing statutes, rules, regulations, or interpretations thereof, or adoption of new ones, could have an adverse effect on our businesses.**

Legislators and regulators at all levels of government frequently consider changing, and sometimes do change, existing statutes, rules, regulations, or interpretations thereof, or prescribe new ones, which may significantly affect our businesses. In addition, in recent years, the FCC and certain states have been more active in considering rulemakings and legislation regarding our services. Any future legislative, judicial, regulatory or administrative actions may increase our costs or impose additional restrictions on our businesses, some of which may be significant. In addition, Congress is expected to consider proposals to address communications issues, including whether it should rewrite the entire Communications Act to account for changes in the communications marketplace, whether it should address the FCC's authority to implement or enforce open Internet regulations, and whether it should fund new broadband infrastructure. We are unable to predict the effects of any of these or any other further legislative requirements on our businesses, nor can we predict how the FCC or other agencies under the new Administration will address regulatory matters affecting our businesses. Any changes to the legal and regulatory framework applicable to any of our services or businesses could have a negative impact on our businesses and results of operations.

**Programming expenses for our video services are increasing, which could adversely affect our Cable Communications segment's video business.**

We expect programming expenses for our video services to continue to be our Cable Communications segment's largest single expense item and to increase in the foreseeable future. The multichannel video provider industry has experienced continued increases in the cost of programming, especially sports programming, which we expect will continue for the foreseeable future. Our programming expenses may also increase as we add programming to our video services or distribute existing programming to more of our customers or through additional delivery platforms, such as On Demand or streaming services. Additionally, in the past few years, we have begun paying certain local broadcast television stations in exchange for their required consent for the retransmission of broadcast network programming to our video services customers; we expect to continue to be subject to increasing demands for payment and other concessions from local broadcast television stations. These market factors may be exacerbated by increased consolidation in the media industry, which may further increase our programming expenses. If we are unable to raise our customers' rates or offset programming cost increases through the sale of additional services, the increasing cost of programming could have an adverse effect on our Cable Communications segment's results of operations. Moreover, as our contracts with content providers expire, there can be no assurance that they will be renewed on acceptable terms or that they will be renewed at all, in which case we may be unable to provide such content as part of our video services, and our businesses and results of operations could be adversely affected.

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**NBCUniversal's success depends on consumer acceptance of its content, and its businesses may be adversely affected if its content fails to achieve sufficient consumer acceptance or the costs to create or acquire content increase.**

Most of NBCUniversal's businesses create and acquire media and entertainment content, the success of which depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of these businesses depends on our ability to consistently create, acquire, market and distribute cable network and broadcast television programming, filmed entertainment, theme park attractions and other content that meet the changing preferences of the broad domestic and international consumer markets. We have invested, and will continue to invest, substantial funds in our content, including in the production of original content on our cable networks and broadcast television networks, in our films and for theme park attractions, before learning the extent to which it would earn consumer acceptance.

We also obtain a significant portion of our content from third parties, such as movie studios, television production companies, sports organizations and other suppliers. Competition for popular content, particularly for sports programming, is intense, and we may have to increase the price we are willing to pay or be outbid by our competitors for popular content. Entering into or renewing contracts for such programming rights or acquiring additional rights may result in significantly increased costs. Particularly with respect to long-term contracts for sports programming rights, our results of operations and cash flows over the term of a contract depend on a number of factors, including the strength of the advertising market, our audience size, the ability to secure distribution from and impose surcharges or obtain carriage on multichannel video providers for the content, and the timing and amount of our rights payments. There can be no assurance that revenue from these contracts will exceed our costs for the rights, as well as the other costs of producing and distributing the programming. If our content does not achieve sufficient consumer acceptance, or if we cannot obtain or retain rights to popular content on acceptable terms, or at all, our businesses may be adversely affected.

**The loss of NBCUniversal's programming distribution agreements, or the renewal of these agreements on less favorable terms, could adversely affect its businesses.**

Our cable networks depend on their ability to secure and maintain distribution agreements with multichannel video providers, and if a network does not attract sufficient viewers, multichannel video providers may decide not to distribute the network. Our broadcast television networks depend on their ability to secure and maintain network affiliation agreements with third-party local broadcast television stations in the markets where we do not own the affiliated local broadcast television station. In addition, every three years, each of our owned local broadcast television stations must elect, with respect to its retransmission by multichannel video providers within its DMA, either "must-carry" status, in which the distributor's carriage of the station is mandatory and does not generate any compensation for the local station, or "retransmission consent," in which the station gives up its right to mandatory carriage and instead seeks to negotiate the terms and conditions of carriage with the distributor, including the amount of compensation, if any, paid to the station by such distributor. All of our NBC and Telemundo owned local broadcast television stations have elected retransmission consent through December 31, 2017. Increasingly, our cable networks, broadcast television and filmed entertainment businesses have entered into agreements to license their prior season and library content on other distribution platforms, including subscription video on demand services, and some multichannel video providers are offering smaller packages of channels as part of their streaming and linear television programming packages. In addition, certain online entities may stream our broadcast television content online without our consent and without paying any compensation to us. As a result, there can be no assurance that any of our distribution agreements will be renewed in the future on acceptable terms, or at all. The loss of any of these agreements, or the renewal of these agreements on less favorable terms, could reduce our distribution revenue and the reach of our television programming and its attractiveness to advertisers, which in turn could adversely affect our cable networks, broadcast television and filmed entertainment businesses.

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**We rely on network and information systems and other technologies, as well as key properties, and a disruption, cyber attack, failure or destruction of such networks, systems, technologies or properties may disrupt our businesses.**

Network and information systems and other technologies, including those related to our network management, customer service operations and programming delivery, are critical to our business activities. Network and information systems-related events, including those caused by us or by third parties, such as computer hackings, cyber attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, or power outages, natural disasters, infectious disease outbreaks, terrorist attacks or other similar events, could result in a degradation or disruption of our services, excessive call volume to call centers, a reduction in demand for our theme parks or damage to our equipment, data, properties and reputation. These events also could result in large expenditures to repair or replace the damaged properties, networks or information systems or to protect them from similar events in the future, and any such events could have an adverse effect on our results of operations.

In addition, we may obtain certain confidential, proprietary and personal information about our customers, personnel and vendors, and may provide this information to third parties, in connection with our business. While we obtain assurances that these third parties will protect this information, there is a risk that this information may be compromised. Any security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems, including customer, personnel and vendor data, could damage our reputation and require us to expend significant capital and other resources to remedy any such security breach, and could cause regulators to impose fines or other remedies for failure to comply with relevant customer privacy rules.

The risk of these systems-related events and security breaches occurring continues to intensify in many lines of business, and our lines of business may be at a disproportionately heightened risk of these events occurring, due to the nature of our businesses and the fact that we maintain certain information necessary to conduct our business in digital form stored on cloud servers. In the ordinary course of our business, there are frequent attempts to cause such systems-related events and security breaches, and we have experienced minor systems-related events that, to date, have not resulted in any significant degradation or disruption to our network or information systems or our services or operations. While we develop and maintain systems, and operate a comprehensive security program, seeking to prevent systems-related events and security breaches from occurring, the development, maintenance and operation of these systems and programs is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite any efforts to prevent these events and security breaches, there can be no assurance that they will not occur in the future or will not have an adverse effect on our businesses. Moreover, the amount and scope of insurance we maintain against losses resulting from any such events or security breaches likely would not be sufficient to cover our losses or otherwise adequately compensate us for any disruptions to our business that may result, and the occurrence of any such events or security breaches could have an adverse effect on our business.

**We may be unable to obtain necessary hardware, software and operational support.**

We depend on third-party vendors to supply us with a significant amount of the hardware, software and operational support necessary to provide certain of our services. Some of these vendors represent our primary source of supply or grant us the right to incorporate their intellectual property into some of our hardware and software products. While we actively monitor the operations and financial condition of key vendors in an attempt to detect any potential difficulties, there can be no assurance that we would timely identify any operating or financial difficulties associated with these vendors or that we could effectively mitigate our risks with respect to any such difficulties. If any of these vendors experience operating or financial difficulties, if our demand exceeds their capacity or if they are otherwise unable to meet our specifications or provide the

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equipment or services we need in a timely manner or at reasonable prices, our ability to provide some services may be adversely affected.

**Weak economic conditions may have a negative impact on our businesses.**

A substantial portion of our revenue comes from customers whose spending patterns may be affected by prevailing economic conditions. Weak economic conditions could adversely affect demand for any of our products and services and have a negative impact on our results of operations. For example, customers may reduce the level of cable services to which they subscribe, or may discontinue subscribing to one or more of our cable services. This risk may be increased by the expanded availability of free or lower cost competitive services, such as subscription video on demand services, or substitute services for our high-speed Internet and voice services, such as mobile phones, smartphones and Wi-Fi networks. Weak economic conditions also may have a negative impact on our advertising revenue, the performance of our films and home entertainment releases, and attendance and spending in our theme parks. Weak economic conditions and turmoil in the global financial markets may also impair the ability of third parties to satisfy their obligations to us, and any disruption in the global financial markets may affect our ability to obtain financing or refinance any existing debt on acceptable terms.

**Our businesses depend on using and protecting certain intellectual property rights and on not infringing the intellectual property rights of others.**

We rely on our intellectual property, such as patents, copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and other third parties, to use various technologies, conduct our operations and sell our products and services. Legal challenges to our intellectual property rights and claims of intellectual property infringement by third parties could require that we enter into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability, or be enjoined preliminarily or permanently from further use of the intellectual property in question or from the continuation of our businesses as currently conducted. We may need to change our business practices if any of these events occur, which may limit our ability to compete effectively and could have an adverse effect on our results of operations. Even if we believe any such challenges or claims are without merit, they can be time-consuming and costly to defend and divert management's attention and resources away from our businesses. Moreover, if we are unable to obtain or continue to obtain licenses from our vendors and other third parties on reasonable terms, our businesses could be adversely affected.

In addition, intellectual property constitutes a significant part of the value of NBCUniversal's businesses, and its success is highly dependent on protecting the intellectual property rights of the content it creates or acquires against third-party misappropriation, reproduction or infringement. The unauthorized reproduction, distribution or display of copyrighted material negatively affects our ability to generate revenue from the legitimate sale of our content, as well as from the sale of advertising in connection with our content, and increases our costs due to our active enforcement of our intellectual property rights.

Piracy and other unauthorized uses of content are made easier, and the enforcement of intellectual property rights more challenging, by technological advances that allow the conversion of programming, films and other content into digital formats, which facilitates the creation, transmission and sharing of high-quality unauthorized copies. In particular, piracy of programming and films through unauthorized distribution on DVDs, peer-to-peer computer networks and other platforms continues to present challenges for our cable networks, broadcast television and filmed entertainment businesses. While piracy is a challenge in the United States, it is particularly prevalent in many parts of the world that lack developed copyright laws, effective enforcement of copyright laws and technical protective measures like those in effect in the United States. If any U.S. or international laws intended to combat piracy and protect intellectual property rights are repealed or weakened or are not adequately enforced, or if the legal system fails to adapt to new technologies that facilitate piracy, we may be unable to effectively protect our rights, the value of our intellectual property may

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be negatively impacted and our costs of enforcing our rights may increase. See Item 1: Business and refer to the “Legislation and Regulation — Other Areas of Regulation — Intellectual Property” discussion for additional information.

**Acquisitions and other strategic initiatives present many risks, and we may not realize the financial and strategic goals that we had contemplated.**

From time to time, we make acquisitions and investments and may pursue other strategic initiatives, including, for example, with respect to our wireless strategy. In connection with such acquisitions and strategic initiatives, we may incur unanticipated expenses, fail to realize anticipated benefits, have difficulty incorporating an acquired or new line of business, disrupt relationships with current and new employees, customers and vendors, incur significant debt, or have to delay or not proceed with announced transactions or initiatives. For example, our launch of a wireless phone service in 2017 using virtual network operator rights from a third party will have success-based working capital requirements, primarily associated with the procurement of handsets and other equipment, as we launch the service, which could have negative effects on our cash flows. Additionally, regulatory agencies, such as the FCC or DOJ, may impose restrictions on the operation of our businesses as a result of our seeking regulatory approvals for any significant acquisitions and strategic initiatives, or may dissuade us from pursuing certain transactions. The occurrence of any of these events could have an adverse effect on our businesses.

**Labor disputes, whether involving employees or sports organizations, may disrupt our operations and adversely affect our businesses.**

Many of NBCUniversal’s employees, including writers, directors, actors, technical and production personnel and others, as well as some of our on-air and creative talent employees, are covered by collective bargaining agreements or works councils. Most of NBCUniversal’s collective bargaining agreements are industry-wide agreements, and we may lack practical control over the negotiations and terms of the agreements. If we are unable to reach agreement with a labor union before the expiration of a collective bargaining agreement, our employees who were covered by that agreement may have a right to strike or take other actions that could adversely affect us, which could disrupt our operations and reduce our revenue, and the resolution of any disputes may increase our costs. There can be no assurance that we will renew our collective bargaining agreements as they expire or that we can renew them on favorable terms or without any work stoppages.

In addition, our cable networks and broadcast television networks have programming rights agreements of varying scope and duration with various sports organizations to broadcast and produce sporting events, including certain NFL, NHL, NBA and MLB games. Labor disputes in these and other sports organizations could have an adverse effect on our businesses.

**The loss of key management personnel or popular on-air and creative talent could have an adverse effect on our businesses.**

We rely on certain key management personnel in the operation of our businesses. While we maintain long-term and emergency transition plans for key management personnel and believe we could either identify internal candidates or attract outside candidates to fill any vacancy created by the loss of any key management personnel, the loss of one or more of our key management personnel could have a negative impact on our businesses. In addition, our cable networks, broadcast television and filmed entertainment businesses depend on the abilities and expertise of our on-air and creative talent. If we fail to retain our on-air or creative talent, if the costs to retain such talent increase materially, if we need to make significant termination payments, or if these individuals lose their current appeal, our businesses could be adversely affected.

**We face risks relating to doing business internationally that could adversely affect our businesses.**

We, primarily through NBCUniversal, operate our businesses worldwide. There are risks inherent in doing business internationally, including global financial market turmoil; economic volatility and the global economic

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slowdown; currency exchange rate fluctuations and inflationary pressures; the requirements of local laws and customs relating to the publication and distribution of content and the display and sale of advertising; import or export restrictions and changes in trade regulations; difficulties in developing, staffing and managing foreign operations; issues related to occupational safety and adherence to diverse local labor laws and regulations; and potentially adverse tax developments. In addition, doing business internationally subjects us to risks relating to political or social unrest, corruption and government regulation, including U.S. laws such as the Foreign Corrupt Practices Act, that impose stringent requirements on how we conduct our foreign operations. If any of these events occur, our businesses may be adversely affected.

**Our Class B common stock has substantial voting rights and separate approval rights over several potentially material transactions, and our Chairman and CEO has considerable influence over our company through his beneficial ownership of our Class B common stock.**

Our Class B common stock has a nondilutable 33 1/3% of the combined voting power of our Class A and Class B common stock. This nondilutable voting power is subject to proportional decrease to the extent the number of shares of Class B common stock is reduced below 9,444,375, which was the number of shares of Class B common stock outstanding on the date of our 2002 acquisition of AT&T Corp.'s cable business, subject to adjustment in specified situations. Stock dividends payable on the Class B common stock in the form of Class B or Class A common stock do not decrease the nondilutable voting power of the Class B common stock. The Class B common stock also has separate approval rights over several potentially material transactions, even if they are approved by our Board of Directors or by our other shareholders and even if they might be in the best interests of our other shareholders. These potentially material transactions include mergers or consolidations involving Comcast Corporation, transactions (such as a sale of all or substantially all of our assets) or issuances of securities that require shareholder approval, transactions that result in any person or group owning shares representing more than 10% of the combined voting power of the resulting or surviving corporation, issuances of Class B common stock or securities exercisable or convertible into Class B common stock, and amendments to our articles of incorporation or by-laws that would limit the rights of holders of our Class B common stock. Brian L. Roberts, our chairman and CEO, beneficially owns all of the outstanding shares of our Class B common stock and, accordingly, has considerable influence over our company and the potential ability to transfer effective control by selling the Class B common stock, which could be at a premium.

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### Item 1B: Unresolved Staff Comments

None.

### Item 2: Properties

We believe that substantially all of our physical assets were in good operating condition as of December 31, 2016. Our corporate headquarters and Cable Communications segment headquarters are located in Philadelphia, Pennsylvania at One Comcast Center. We own an 80% interest in the entity whose primary asset is One Comcast Center. In addition, we own an 80% interest in an entity that is currently constructing the Comcast Technology Center, which is adjacent to One Comcast Center. We also lease locations for numerous business offices, warehouses and properties housing divisional information technology operations throughout the United States.

#### **Cable Communications Segment**

Our principal physical assets consist of operating plant and equipment, including signal receiving, encoding and decoding devices, headends and distribution networks, and equipment at or near our customers' homes. Our distribution network consists primarily of headends, content distribution servers, coaxial and fiber-optic cables, lasers, routers, switches and related electronic equipment. Our cable plant and related equipment generally are connected to utility poles under pole rental agreements with local public utilities, although in some areas the distribution cable is buried in underground ducts or trenches. Customer premise equipment consists primarily of set-top boxes, cable modems and wireless gateways. The physical components of cable systems require periodic maintenance and replacement.

Our signal reception sites, which consist primarily of antenna towers and headends, and our microwave facilities are located on owned and leased parcels of land, and we own or lease space on the towers on which certain of our equipment is located. We own most of our service vehicles.

Our high-speed Internet network consists of fiber-optic cables owned or leased by us and related equipment. We also operate national and regional data centers with equipment that is used to provide services, such as email and web services, to our high-speed Internet and voice customers, as well as cloud services to our video customers. In addition, we maintain network operations centers with equipment necessary to monitor and manage the status of our services and network.

We own or lease buildings throughout the country that contain customer service call centers, customer service retail centers, warehouses and administrative space. We also own a building that houses our digital media center. The digital media center contains equipment that we own or lease, including equipment related to network origination, video transmission via satellite and terrestrial fiber-optics, broadcast studios, post-production services and interactive television services.

#### **NBCUniversal Segments**

NBCUniversal's corporate headquarters are located in New York City at 30 Rockefeller Plaza. NBCUniversal owns the space it occupies at 30 Rockefeller Plaza. We also own or lease offices, studios, production facilities, screening rooms, retail operations, warehouse space, satellite transmission receiving facilities and data centers in numerous locations in the United States and around the world, including property for our owned local broadcast television stations. In addition, we own theme parks and related facilities in Orlando, Florida and Hollywood, California, as well as a 51% interest in the theme park and related facilities in Osaka, Japan.

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### [NBCUniversal Properties as of December 31, 2016](#)

Location	Principal Use	Principal Segment in Which Used	Owned or Leased
30 Rockefeller Plaza New York, NY	NBCUniversal corporate headquarters, offices and studios	Headquarters and Other, Cable Networks and Broadcast Television	Owned
10 Rockefeller Plaza New York, NY	<i>The Today Show</i> studio, production facilities and offices	Broadcast Television	Leased
Universal City Universal City, CA	Offices, studios, theme park and retail operations	All	Owned
1000 Universal Studios Plaza Orlando, FL	Theme parks, production facilities, parking structures and administrative buildings	Theme Parks	Owned
2 Chome-1-33 Sakurajima, Konohana Ward, Osaka, Osaka Prefecture 554-0031, Japan	Theme park and administrative buildings	Theme Parks	Tangible properties owned on leased parcels of land
2290 W. 8th Ave. Hialeah, FL	Telemundo headquarters and production facilities	Headquarters and Other and Broadcast Television	Leased

### [Other](#)

The Wells Fargo Center, a large, multipurpose arena in Philadelphia, Pennsylvania that we own, was the principal physical operating asset of our other businesses as of December 31, 2016.

### [Item 3: Legal Proceedings](#)

Refer to Note 16 to Comcast's consolidated financial statements included in this Annual Report on Form 10-K for a discussion of recent developments related to our legal proceedings.

NBCUniversal is subject to legal proceedings and claims that arise in the ordinary course of its business and it does not expect the final disposition of these matters to have a material adverse effect on its results of operations, cash flows or financial condition, although any such matters could be time-consuming and costly and could injure its reputation.

### [Item 4: Mine Safety Disclosures](#)

Not applicable.

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## Part II

### Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Comcast's Class A common stock is listed on the NASDAQ Global Select Market under the symbol CMCSA. There is no established public trading market for Comcast's Class B common stock. The Class B common stock can be converted, on a share for share basis, into Class A common stock.

On January 24, 2017, our Board of Directors approved a two-for-one stock split in the form of a 100% dividend payable on February 17, 2017 to shareholders of record as of the close of business on February 8, 2017. As the common stock is not yet trading on a post-split basis, all share and per-share amounts are presented on a pre-split basis.

#### Dividends Declared

2016		2015	
Month Declared:	Dividend Per Share	Month Declared:	Dividend Per Share
February	\$ 0.275	February	\$ 0.25
May	\$ 0.275	May	\$ 0.25
July	\$ 0.275	July	\$ 0.25
October (paid in January 2017)	\$ 0.275	October (paid in January 2016)	\$ 0.25
Total	\$ 1.10	Total	\$ 1.00

We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors. In January 2017, our Board of Directors approved a 15% increase in our dividend to \$1.26 per share on an annualized, pre-split basis, or \$0.63 per share on an annualized, post-split basis. In addition, the Board of Directors approved our first quarter dividend of \$0.1575 a share on a post-split basis to be paid in April 2017.

Holders of Class A common stock in the aggregate hold 66 <sup>2</sup>/<sub>3</sub>% of the voting power of our common stock. The number of votes that each share of Class A common stock has at any given time depends on the number of shares of Class A common stock and Class B common stock then outstanding. The Class B common stock has a 33 <sup>1</sup>/<sub>3</sub>% nondilutable voting interest, and each share of Class B common stock has 15 votes per share. Mr. Brian L. Roberts beneficially owns all outstanding shares of Class B common stock. Generally, including as to the election of directors, holders of Class A common stock and Class B common stock vote as one class except where class voting is required by law.

Record holders as of December 31, 2016 are presented in the table below.

Stock Class	Record Holders
Class A Common Stock	463,104
Class B Common Stock	3

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The table below summarizes our repurchases under our Board-authorized share repurchase program during 2016.

Period	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Authorization	Total Dollar Amount Purchased Under the Authorization	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Authorization <sup>(a)</sup>
First Quarter 2016	22,025,226	\$ 56.82	21,989,334	\$ 1,249,417,635	\$ 8,750,582,365
Second Quarter 2016	18,418,256	\$ 61.66	18,418,136	\$ 1,135,699,704	\$ 7,614,882,661
Third Quarter 2016	20,836,401	\$ 66.07	20,836,288	\$ 1,376,575,738	\$ 6,238,306,923
October 1-31, 2016	13,294,399	\$ 64.00	13,294,399	\$ 850,819,050	\$ 5,387,487,873
November 1-30, 2016	4,036,116	\$ 61.80	4,036,116	\$ 249,446,256	\$ 5,138,041,617
December 1-31, 2016	1,995,929	\$ 69.18	1,995,464	\$ 138,041,588	\$ 5,000,000,029
<b>Total</b>	<b>80,606,327</b>	<b>\$ 62.06</b>	<b>80,569,737</b>	<b>\$ 4,999,999,971</b>	<b>\$ 5,000,000,029</b>

(a) In December 2015, our Board of Directors increased our share repurchase program authorization to \$10 billion, and in January 2017, it increased the authorization to \$12 billion, which does not have an expiration date.

The total number of shares purchased during 2016 includes 36,590 shares received in the administration of employee share-based compensation plans.

Under our share repurchase program authorization, we may repurchase shares in the open market or in private transactions. We expect to repurchase \$5.0 billion of our Class A common stock during 2017, subject to market conditions.

### Issuance of Equity Securities

In December 2016, we issued 356,635 shares of our Class A common stock to an institutional accredited investor in connection with an advance on future services in a transaction exempt from registration under the Securities Act of 1933, as amended, in accordance with Section 4(a)(2) thereof.

### Comcast Common Stock Sales Price Table

The following table sets forth, for the indicated periods, the high and low sales prices of Comcast's Class A and Class A Special common stock.

	Class A		Class A Special <sup>(a)</sup>	
	High	Low	High	Low
<b>2016</b>				
<b>First Quarter</b>	<b>\$ 61.37</b>	<b>\$ 52.34</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Second Quarter</b>	<b>\$ 65.42</b>	<b>\$ 59.62</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Third Quarter</b>	<b>\$ 68.36</b>	<b>\$ 64.27</b>	<b>\$ —</b>	<b>\$ —</b>
<b>Fourth Quarter</b>	<b>\$ 71.32</b>	<b>\$ 60.04</b>	<b>\$ —</b>	<b>\$ —</b>
<b>2015</b>				
First Quarter	\$ 60.70	\$ 52.45	\$ 60.19	\$ 52.23
Second Quarter	\$ 61.64	\$ 56.05	\$ 61.38	\$ 55.74
Third Quarter	\$ 64.99	\$ 50.00	\$ 64.70	\$ 51.26
Fourth Quarter <sup>(a)</sup>	\$ 63.38	\$ 55.39	\$ 63.48	\$ 56.88

(a) The high and low sales price of Comcast's Class A Special common stock reflects the prices until December 11, 2015, when each issued share of Class A Special common stock was reclassified into one share of Class A common stock (see Note 12 to Comcast's consolidated financial statements).

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**Stock Performance Graph**

**Comcast**

The following graph compares the annual percentage change in the cumulative total shareholder return on Comcast's Class A common stock during the five years ended December 31, 2016 with the cumulative total returns on the Standard & Poor's 500 Stock Index and with a select peer group consisting of us and other companies engaged in the cable, communications and media industries. This peer group (the "new peer group index") consists of our common stock, DISH Network Corporation (Class A), Charter Communications, Inc., AT&T Inc., Verizon Communications Inc., CenturyLink, Inc., and Sprint Corporation (the "transmission and distribution subgroup"); and Time Warner Inc., Walt Disney Company, Viacom Inc. (Class B), Twenty-First Century Fox, Inc. (Class A), and CBS Corporation (Class B) (the "media subgroup"). The new peer group index was created as a result of merger and acquisition activity that impacted our prior peer group index, which had consisted of our common stock as well as Cablevision Systems Corporation (Class A) (included through June 21, 2016, the date of acquisition by Altice NV), DISH Network Corporation (Class A), DirecTV Inc. (included through July 24, 2015, the date of acquisition by AT&T Inc.), Time Warner Cable Inc. (included through May 18, 2016, the date of acquisition by Charter Communications, Inc.) (the "cable subgroup"); and Time Warner Inc., Walt Disney Company, Viacom Inc. (Class B), Twenty-First Century Fox, Inc. (Class A), and CBS Corporation (Class B) (the "media subgroup"). The peer groups are constructed as composite peer groups in which the transmission and distribution subgroup and the cable subgroup are weighted 61% and the media subgroup is weighted 39% based on the respective revenue of our Cable Communications and NBCUniversal segments. The comparison assumes \$100 was invested on December 31, 2011 in our Class A common stock and in each of the following indices and assumes the reinvestment of dividends.

**Comparison of 5 Year Cumulative Total Return**



	2012	2013	2014	2015	2016
Comcast Class A	\$ 160	\$ 226	\$ 256	\$ 253	\$ 316
S&P 500 Stock Index	\$ 116	\$ 153	\$ 174	\$ 176	\$ 197
Prior Peer Group Index	\$ 144	\$ 211	\$ 244	\$ 242	\$ 284
New Peer Group Index	\$ 130	\$ 170	\$ 180	\$ 178	\$ 220

**NBCUniversal**

NBCUniversal is a wholly owned subsidiary of NBCUniversal Holdings and there is no market for its equity securities.

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## Item 6: Selected Financial Data

### Comcast

Year ended December 31 (in millions, except per share data)	2016	2015	2014	2013	2012
<b>Statement of Income Data</b>					
Revenue	\$ 80,403	\$ 74,510	\$ 68,775	\$ 64,657	\$ 62,570
Operating income	16,859	15,998	14,904	13,563	12,179
Net income attributable to Comcast Corporation <sup>(a)</sup>	8,695	8,163	8,380	6,816	6,203
Basic earnings per common share attributable to Comcast Corporation shareholders <sup>(b)</sup>	3.61	3.28	3.24	2.60	2.32
Diluted earnings per common share attributable to Comcast Corporation shareholders <sup>(b)</sup>	3.57	3.24	3.20	2.56	2.28
Dividends declared per common share <sup>(b)</sup>	1.10	1.00	0.90	0.78	0.65
<b>Balance Sheet Data (at year end)</b>					
Total assets	\$ 180,500	\$ 166,574	\$ 159,186	\$ 158,672	\$ 164,837
Total debt, including current portion	61,046	52,621	48,081	47,706	40,323
Comcast Corporation shareholders' equity	53,943	52,269	52,711	50,694	49,356
<b>Statement of Cash Flows Data</b>					
Net cash provided by (used in):					
Operating activities	19,240	18,778	16,945	14,160	14,854
Investing activities	(18,385)	(11,964)	(8,733)	(9,514)	(1,486)
Financing activities	151	(8,429)	(6,020)	(13,879)	(4,037)

(a) For 2016, 2015 and 2014, refer to Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K for a discussion of the effects of items impacting net income attributable to Comcast Corporation. In 2016, 2015, 2014, 2013 and 2012, net income attributable to Comcast Corporation is stated after deducting net income attributable to noncontrolling interests of \$350 million, \$250 million, \$212 million, \$319 million and \$1.7 billion, respectively. The reduction in net income attributable to noncontrolling interests in 2013 was primarily due to our acquisition of General Electric Company's remaining interest in NBCUniversal.

(b) Per share amounts are presented on a pre-split basis (see Note 1 to Comcast's consolidated financial statements).

### NBCUniversal

Omitted pursuant to General Instruction I(2)(a) to Form 10-K.

## Item 7: Management’s Discussion and Analysis of Financial Condition and Results of Operations

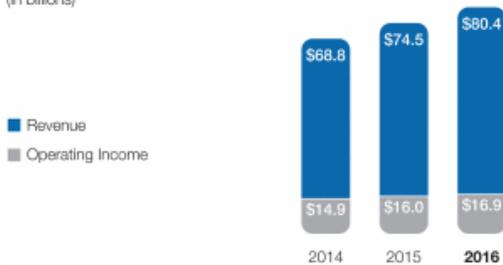
### Introduction and Overview

We are a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. We present our operations for Comcast Cable in one reportable business segment, referred to as Cable Communications, and our operations for NBCUniversal in four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks (collectively, the “NBCUniversal segments”).

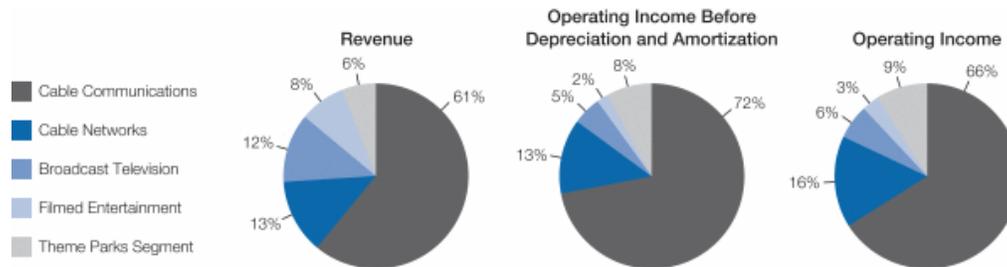
The following provides an overview of our businesses.

### Consolidated Revenue and Operating Income

(in billions)



### 2016 Consolidated Operating Results by Segment<sup>(a)</sup>



(a) Excludes the results of NBCUniversal Headquarters and Other, Corporate and Other, and eliminations.

### Cable Communications Segment

Comcast Cable is one of the nation’s largest providers of video, high-speed Internet and voice services (“cable services”) to residential customers under the XFINITY brand, and we also provide these and other services to business customers. As of December 31, 2016, our cable systems had 28.6 million total customer relationships, of which 26.5 million were residential customer relationships; served 22.5 million video customers, 24.7 million high-speed Internet customers and 11.7 million voice customers; and passed more than 56 million homes and businesses.

Our Cable Communications segment generates revenue primarily from residential and business customers subscribing to our cable services, which we market individually and as bundled services, and from the sale of advertising. Customers are typically billed in advance on a monthly basis based on the services and features

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they receive and the type of equipment they use. The majority of our residential cable services customers are not subject to minimum-term contracts for their services, while substantially all of our business customers are. Minimum-term contracts are typically 2 years in length for residential customers and typically range from 2 to 5 years for business services customers. Customers with minimum-term contracts may only discontinue service in accordance with the terms of their contracts, which typically include an early termination fee.

### **NBCUniversal Segments**

NBCUniversal is one of the world's leading media and entertainment companies that develops, produces and distributes entertainment, news and information, sports, and other content for global audiences, and owns and operates theme parks worldwide.

#### [Cable Networks](#)

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable entertainment networks (USA Network, E!, Syfy, Bravo, Oxygen, Sprout, Esquire Network, Chiller, Universal HD and Cloo), our national cable news and information networks (MSNBC, CNBC and CNBC World), our national cable sports networks (NBC Sports Network and Golf Channel), our regional sports and news networks, our international cable networks, our cable television studio production operations, and related digital media properties.

Our Cable Networks segment generates revenue primarily from the distribution and licensing of its programming and from the sale of advertising on its networks.

#### [Broadcast Television](#)

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast television networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, our broadcast television studio production operations, and related digital media properties.

Our Broadcast Television segment generates revenue primarily from the sale of advertising on its networks, from the licensing of its programming, and from fees received under retransmission consent agreements and associated fees received from NBC-affiliated local broadcast television stations.

#### [Filmed Entertainment](#)

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide, and it also develops, produces and licenses live stage plays. Our films are produced primarily under the Universal Pictures, Illumination and Focus Features names, and in August 2016, we acquired DreamWorks Animation. DreamWorks Animation creates animated feature films, television series and specials, live entertainment and related consumer products.

Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our owned and acquired films for exhibition in movie theaters and from the licensing and sale of our owned and acquired films.

#### [Theme Parks](#)

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California and our 51% interest in the Universal Studios theme park in Osaka, Japan ("Universal Studios Japan"), which we acquired in November 2015. In addition, along with a consortium of Chinese state-owned companies, we are developing a theme park in China.

Our Theme Parks segment generates revenue primarily from ticket sales and guest spending at our theme parks.

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### **Corporate and Other**

Our other business interests consist primarily of the operations of Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania and operates arena management-related businesses.

We currently anticipate launching a Comcast-branded wireless phone service in 2017 using our virtual network operator rights to provide the service over a third party's wireless network, although we are still evaluating the parameters of the anticipated offering. A wireless phone service will have success-based working capital requirements, primarily associated with the procurement of handsets and other equipment, as we launch the new service.

### **2016 Developments**

The following are the more significant developments in our businesses during 2016:

#### [Cable Communications Segment](#)

- An increase in revenue of 6.6% to \$50.0 billion and an increase in operating income before depreciation and amortization of 5.6% to \$20.1 billion
- A decrease in operating margin to 40.2% primarily due to higher programming expenses, which were partially offset by increases in high-speed Internet, video and business services revenue
- Investments to improve the customer experience, including by hiring additional personnel and developing and deploying various technology and software tools
- An increase in capital expenditures of 7.9% to \$7.6 billion primarily due to:
  - an increased investment in line extensions, primarily for the expansion of our business services
  - an increased investment in scalable infrastructure to increase network capacity
  - the continued deployment of wireless gateways
  - the continued deployment of our X1 platform, which is now available in all of the markets in which we operate, and our cloud DVR technology, which is now available in substantially all of our markets

#### [NBCUniversal Segments](#)

- An increase in total NBCUniversal revenue of 11.0% to \$31.6 billion; excluding \$1.6 billion of revenue associated with our broadcast of the Rio Olympics in August 2016, as well as \$376 million of revenue associated with our broadcast of the Super Bowl in February 2015, total NBCUniversal revenue increased 6.7%
- An increase in total NBCUniversal operating income before depreciation and amortization of 13.8% to \$7.2 billion
- An increase in Cable Networks segment revenue of 8.7%, including \$432 million associated with our broadcast of the 2016 Rio Olympics
- An increase in Broadcast Television segment revenue of 19.0%, including \$1.2 billion associated with our broadcast of the 2016 Rio Olympics
- The acquisition of DreamWorks Animation for \$3.8 billion in our Filmed Entertainment segment

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- An increase in Theme Parks segment revenue of 12.7% on a pro forma combined basis to include Universal Studios Japan

## [Corporate and Other](#)

- The announcement that we anticipate launching a Comcast-branded wireless phone service in 2017 using our virtual network operator rights to provide the service over a third party's wireless network

## **Competition**

The results of operations of our reportable business segments are affected by competition, as all of our businesses operate in intensely competitive, consumer-driven and rapidly changing environments and compete with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers.

For additional information on the competition our businesses face, see Item 1: Business and refer to the "Competition" discussion within that section and see Item 1A: Risk Factors and refer to the risk factors within that section entitled "Our businesses currently face a wide range of competition, and our businesses and results of operations could be adversely affected if we do not compete effectively" and "Changes in consumer behavior driven by new technologies and distribution platforms for viewing content may adversely affect our businesses and challenge existing business models."

## **Seasonality and Cyclicity**

Each of our businesses is subject to seasonal and cyclical variations. In our Cable Communications segment, our results are impacted by the seasonal nature of customers receiving our cable services in college and vacation markets. This generally results in a reduction in net customer additions in the second quarter and an increase in net customer additions in the third and fourth quarters of each year.

Revenue in our Cable Communications, Cable Networks and Broadcast Television segments is subject to cyclical advertising patterns and changes in viewership levels. Advertising revenue in the U.S. is generally higher in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and in the period leading up to and including the holiday season. Advertising revenue in the U.S. is also cyclical, with a benefit in even-numbered years due to advertising related to candidates running for political office and issue-oriented advertising. Revenue in our Cable Networks and Broadcast Television segments fluctuates depending on the timing of when our programming is aired, which typically results in higher advertising revenue in the second and fourth quarters of each year. Our revenue and operating costs and expenses, excluding depreciation and amortization ("operating costs and expenses") are cyclical as a result of our periodic broadcasts of major sporting events, such as the Olympic Games, which affect our Cable Networks and Broadcast Television segments, and the Super Bowl, which affects our Broadcast Television segment. Our advertising revenue increases in the period of these broadcasts due to increased demand for advertising time, and our operating costs and expenses also increase as a result of our production costs and the amortization of the related rights fees.

Revenue in our Filmed Entertainment segment fluctuates due to the timing of the release of films in movie theaters, on standard-definition digital video discs and Blu-ray discs (together, "DVDs") and through various other distribution platforms. Release dates are determined by several factors, including competition and the timing of vacation and holiday periods. As a result, revenue tends to be seasonal, with increases experienced each year during the summer months and around the holiday season. Revenue in our Cable Networks, Broadcast Television and Filmed Entertainment segments also fluctuates due to the timing of when our content is made available to licensees.

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Revenue in our Theme Parks segment fluctuates with changes in theme park attendance that result from the seasonal nature of vacation travel and weather variations, local entertainment offerings and the opening of new attractions as well as with changes in currency exchange rates. Our theme parks generally experience peak attendance during the spring holiday period, the summer months when schools are closed and the holiday season.

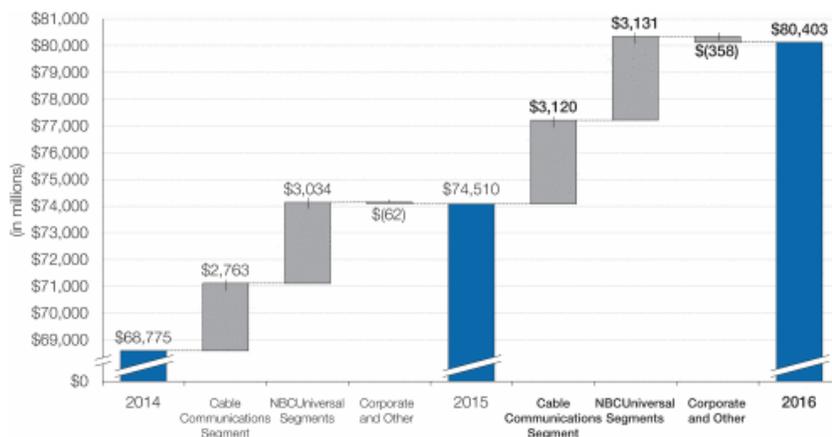
**Consolidated Operating Results**

Year ended December 31 (in millions)	2016	2015	2014	% Change 2015 to 2016	% Change 2014 to 2015
<b>Revenue</b>	<b>\$ 80,403</b>	\$ 74,510	\$ 68,775	<b>7.9%</b>	8.3%
Costs and Expenses:					
Programming and production	24,463	22,550	20,912	8.5	7.8
Other operating and administrative	23,409	21,319	19,839	9.8	7.5
Advertising, marketing and promotion	6,114	5,963	5,101	2.5	16.9
Depreciation	7,464	6,781	6,337	10.1	7.0
Amortization	2,094	1,899	1,682	10.3	12.8
<b>Operating income</b>	<b>16,859</b>	15,998	14,904	<b>5.4</b>	7.3
Other income (expense) items, net	(2,506)	(2,626)	(2,439)	(4.6)	7.7
Income before income taxes	14,353	13,372	12,465	7.3	7.3
Income tax expense	(5,308)	(4,959)	(3,873)	7.0	28.0
Net income	9,045	8,413	8,592	7.5	(2.1)
Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock	(350)	(250)	(212)	39.3	18.1
<b>Net income attributable to Comcast Corporation</b>	<b>\$ 8,695</b>	\$ 8,163	\$ 8,380	<b>6.5%</b>	(2.6)%

All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

**Consolidated Revenue**

The following graph illustrates the contributions to the increases in consolidated revenue made by our Cable Communications and NBCUniversal segments, as well as by Corporate and Other activities including eliminations.



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The primary drivers of the changes in revenue were as follows:

### 2016

- Growth in our Cable Communications segment driven by our high-speed Internet, video and business services businesses
- Our broadcast of the 2016 Rio Olympics that generated \$1.6 billion of revenue, which was reported in our NBCUniversal segments

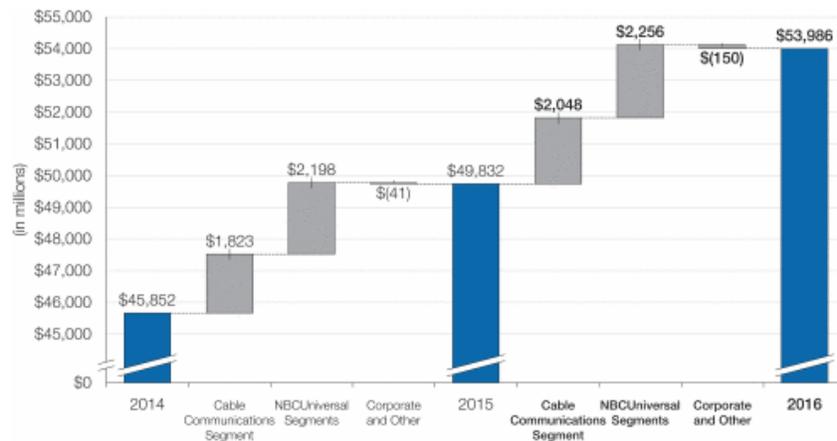
### 2015

- Growth in our Cable Communications segment driven by our high-speed Internet, business services and video businesses
- Our larger film slate in our Filmed Entertainment segment, which led to an increase in revenue of \$2.3 billion, and our broadcast of the 2015 Super Bowl, which generated \$376 million of revenue, both of which were reported in our NBCUniversal segments

Revenue for our segments is discussed separately below under the heading "Segment Operating Results." Revenue for our other businesses is discussed separately under the heading "Corporate and Other Results of Operations."

### Consolidated Costs and Expenses

The following graph illustrates the contributions to the increases in consolidated operating costs and expenses made by our Cable Communications and NBCUniversal segments, as well as by Corporate and Other activities including eliminations.



The primary drivers of the changes in operating costs and expenses were as follows:

### 2016

- An increase in programming expenses in our Cable Communications segment
- Our broadcast of the 2016 Rio Olympics, which was reported in our NBCUniversal segments

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### 2015

- An increase in programming expenses in our Cable Communications segment
- Our larger film slate and our broadcast of the 2015 Super Bowl, both of which were reported in our NBCUniversal segments
- Transaction-related costs associated with the Time Warner Cable merger and the related divestiture transactions of \$178 million, which were reported in Corporate and Other activities. In April 2015, we and Time Warner Cable Inc. terminated our planned merger and, as a result, we terminated our related agreement with Charter Communications, Inc. to spin off, exchange and sell certain cable systems

Operating costs and expenses for our segments is discussed separately below under the heading "Segment Operating Results." Operating costs and expenses for our other businesses is discussed separately below under the heading "Corporate and Other Results of Operations."

### [Consolidated Depreciation and Amortization](#)

Year ended December 31 (in millions)	2016	2015	2014	% Change 2015 to 2016	% Change 2014 to 2015
Cable Communications	\$ 7,670	\$ 7,051	\$ 6,436	8.8%	9.6%
NBCUniversal	1,805	1,539	1,495	17.3	2.9
Corporate and Other	83	90	88	(7.3)	1.3
<b>Comcast Consolidated</b>	<b>\$ 9,558</b>	<b>\$ 8,680</b>	<b>\$ 8,019</b>	<b>10.1%</b>	<b>8.2%</b>

Consolidated depreciation and amortization expense increased in 2016 and 2015 primarily due to increases in capital expenditures, as well as expenditures for software, in our Cable Communications segment in recent years. We continue to invest to increase our network capacity and in customer premise equipment, primarily for our X1 platform and cloud DVR technology and for wireless gateways. In addition, because these assets generally have shorter estimated useful lives, our depreciation expenses have increased and we expect this will continue in 2017. NBCUniversal depreciation and amortization expense also increased due to the acquisition of the 51% interest in Universal Studios Japan in November 2015 and our investments in new attractions in the Theme Parks segment.

### [Segment Operating Results](#)

Our segment operating results are presented based on how we assess operating performance and internally report financial information. We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of certain of our businesses and from intangible assets recognized in business combinations. Additionally, it is unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of 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 (loss) before depreciation and amortization to measure 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 in the United States ("GAAP"), in the business segment footnote to our

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consolidated financial statements (see Note 17 to Comcast's consolidated financial statements and Note 16 to NBCUniversal's consolidated financial statements). This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation or NBCUniversal, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

The revenue and operating costs and expenses associated with our broadcasts of the 2016 Rio Olympics and the Sochi Olympics in February 2014 were reported in our Cable Networks and Broadcast Television segments. The revenue and operating costs and expenses associated with our broadcast of the 2015 Super Bowl were reported in our Broadcast Television segment.

We have adjusted prior period segment operating results to reflect certain changes in our management reporting presentation. See Note 17 to Comcast's consolidated financial statements for additional information on these changes.

**Cable Communications Segment Results of Operations**

**Revenue and Operating Income Before Depreciation and Amortization**

(in billions)



**Customer Relationships**

(in millions)



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Year ended December 31 (in millions)	2016	2015	2014	% Change 2015 to 2016	% Change 2014 to 2015
<b>Revenue</b>					
Residential:					
Video	\$ 22,357	\$ 21,526	\$ 20,783	3.9%	3.6%
High-speed Internet	13,532	12,471	11,321	8.5	10.2
Voice	3,540	3,608	3,671	(1.9)	(1.7)
Business services	5,514	4,751	3,960	16.1	20.0
Advertising	2,518	2,298	2,388	9.6	(3.8)
Other	2,587	2,274	2,042	13.8	11.3
<b>Total revenue</b>	<b>50,048</b>	<b>46,928</b>	<b>44,165</b>	<b>6.6</b>	<b>6.3</b>
<b>Operating costs and expenses</b>					
Programming	11,576	10,516	9,819	10.1	7.1
Technical and product support	6,371	5,996	5,594	6.3	7.2
Customer service	2,486	2,396	2,226	3.7	7.7
Franchise and other regulatory fees	1,481	1,382	1,296	7.2	6.7
Advertising, marketing and promotion	3,547	3,369	3,098	5.3	8.7
Other	4,478	4,232	4,035	5.8	4.8
<b>Total operating costs and expenses</b>	<b>29,939</b>	<b>27,891</b>	<b>26,068</b>	<b>7.3</b>	<b>7.0</b>
<b>Operating income before depreciation and amortization</b>	<b>\$ 20,109</b>	<b>\$ 19,037</b>	<b>\$ 18,097</b>	<b>5.6%</b>	<b>5.2%</b>

## Customer Metrics

December 31 (in thousands)	Total Customers			Net Additional Customers		
	2016	2015	2014	2016	2015	2014
Total customer relationships <sup>(a)</sup>	28,559	27,701	27,035	858	666	358
Single product customers <sup>(a)</sup>	8,541	8,366	8,409	175	(43)	(343)
Double product customers <sup>(a)</sup>	9,699	9,221	8,750	477	472	209
Triple product customers <sup>(a)</sup>	10,319	10,114	9,876	205	238	492
Video customers	22,508	22,347	22,383	161	(36)	(194)
High-speed Internet customers	24,701	23,329	21,962	1,373	1,367	1,277
Voice customers	11,687	11,475	11,193	211	282	470
<b>Average monthly total revenue per customer relationship</b>	<b>\$ 148.26</b>	<b>\$ 142.89</b>	<b>\$ 137.04</b>			

Customer metrics include residential and business customers and are presented based on actual amounts. Minor differences may exist due to rounding.

(a) Customer relationships represent the number of residential and business customers that subscribe to at least one of our cable services. Single product, double product and triple product customers represent customers that subscribe to one, two or three of our cable services, respectively.

## Cable Communications Segment – Revenue

### Video

Our Cable Communications segment offers a broad variety of video service packages that may include premium networks, pay-per-view services and our On Demand service. Our video customers may subscribe for additional fees to our high-definition (“HD”) video and digital video recorder (“DVR”) advanced services. We are actively deploying set-top boxes for our Internet Protocol (“IP”) and cloud-enabled video platform, referred to as our X1 platform, and cloud DVR technology throughout our footprint.

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Video revenue increased 3.9% and 3.6% in 2016 and 2015, respectively. The increases in revenue in both years were primarily due to rate adjustments and an increase in the number of residential customers subscribing to additional services such as premium channels and advanced services, which accounted for increases in revenue of 3.9% and 4.5% in 2016 and 2015, respectively. As of December 31, 2016, 14.8 million customers subscribed to at least one of our HD or DVR advanced services compared to 13.9 million customers and 13.0 million customers as of December 31, 2015 and 2014, respectively. Net additional video customers increased in 2016 primarily due to reduced customer churn, which we believe is a result of our continued deployment of our X1 platform as well as improvements we have made in the customer experience. The increase in revenue in 2015 was partially offset by a decrease in the number of residential video customers, which was primarily due to competitive pressures and the impact of rate adjustments.

As of December 31, 2016, 39.9% of the homes and businesses in the areas we serve subscribed to our video services, compared to 40.1% and 40.9% as of December 31, 2015 and 2014, respectively. We have in the past, and may in the future, experience declines in the number of residential video customers due to competitive pressures and the impact of rate adjustments.

### [High-Speed Internet](#)

We offer high-speed Internet services with downstream speeds from a range of up to 10 Mbps to fiber-based speeds up to 2 Gbps. We are actively deploying wireless gateways throughout our footprint, which combine a customer's wireless router, cable modem and voice adapter, to improve the performance of multiple IP-enabled devices used at the same time within the home, provide faster Internet speeds and create an in-home Wi-Fi network. We are continuing to expand our network of residential, outdoor and business Wi-Fi hotspots to allow most of our high-speed Internet customers to access our high-speed Internet services inside and outside the home. As of December 31, 2016, there were approximately 15.8 million of these hotspots.

High-speed Internet revenue increased 8.5% and 10.2% in 2016 and 2015, respectively. Increases in the number of residential customers receiving our high-speed Internet services accounted for increases in revenue of 5.8% in both 2016 and 2015. The remaining increases in revenue in both 2016 and 2015 were primarily due to increases in the number of customers receiving higher levels of service and the impact of rate adjustments.

As of December 31, 2016, 43.8% of the homes and businesses in the areas we serve subscribed to our high-speed Internet services, compared to 41.9% and 40.2% as of December 31, 2015 and 2014, respectively. Our customer base continues to grow as consumers choose our high-speed Internet service and seek higher-speed offerings.

### [Voice](#)

We offer voice services that provide local and long-distance calling and other related features.

Voice revenue decreased 1.9% and 1.7% in 2016 and 2015, respectively. While the number of residential customers receiving voice services through our discounted bundled service offerings increased in both years, revenue was negatively impacted by the allocation of voice revenue for our customers who receive bundled services. The amount allocated to voice revenue in the rate charged for bundled services decreased in both years because video and high-speed Internet rates increased while voice rates remained relatively flat.

As of December 31, 2016, 20.7% of the homes and businesses in the areas we serve subscribed to our voice services, compared to 20.6% and 20.5% as of December 31, 2015 and 2014, respectively.

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### [Business Services](#)

We offer our cable services to small and medium-sized businesses and to large enterprises with multiple locations. We offer Ethernet network services that connect multiple locations and provide higher downstream and upstream speed options to medium-sized businesses and large enterprises. We also provide cellular backhaul services to mobile network operators to help those customers manage network bandwidth.

Business services revenue increased 16.1% and 20.0% in 2016 and 2015, respectively. The increase in 2016 was primarily due to an increase in the number of small business customers, as well as continued growth in our medium-sized business services, including Ethernet network and advanced voice services. The increase in 2015 was primarily due to an increase in the number of small business customers receiving our high-speed Internet and voice services and rate adjustments. In 2016, 2015 and 2014, our small business customers represented more than 70% of total business services revenue. We believe the increases in the number of business customers were primarily the result of our efforts to gain market share from competitors by offering competitive services and pricing, although the rate of growth in the number of our small business customers may slow as the business matures.

### [Advertising](#)

Our Cable Communications segment also sells advertising. As part of our distribution agreements with cable networks, we generally receive an allocation of scheduled advertising time on cable networks that we sell through our advertising business, Spotlight, to local, regional and national advertisers. In most cases, the available advertising units are sold by our sales force. In some cases, we work with representation firms as an extension of our sales force to sell a portion of the advertising units allocated to us. We also represent the advertising sales efforts of other multichannel video providers in some markets. In addition, we generate revenue from the sale of advertising online and on our On Demand service. Advertising revenue is affected by the strength of the advertising market and general economic conditions.

Advertising revenue increased 9.6% in 2016 primarily due to an increase in political advertising revenue. Advertising revenue decreased 3.8% in 2015 primarily due to a decrease in political advertising revenue. Excluding the impact of political advertising revenue, advertising revenue increased slightly in 2016 and 3.0% in 2015.

In 2016, 5% of our Cable Communications segment advertising revenue was generated from our NBCUniversal segments, compared to 6% and 5% in 2015 and 2014, respectively. These amounts are eliminated in our consolidated financial statements but are included in the amounts presented above.

### [Other](#)

Other revenue primarily includes revenue related to cable franchise and other regulatory fees. We also receive revenue related to fees from other services, such as our home security and automation services. Cable franchise and other regulatory fees represent the fees we are required to pay to federal, state and local authorities that we pass through to our customers. Under the terms of our cable franchise agreements, we are generally required to pay to the cable franchising authority an amount based on our gross video revenue. The changes in franchise and other regulatory fees collected from our cable services customers are generally due to changes in the revenue to which the fees apply.

Other revenue increased 13.8% and 11.3% in 2016 and 2015, respectively, primarily due to increases in cable franchise and other regulatory fees, revenue from our home security and automation services and revenue from other services.

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### **Cable Communications Segment – Operating Costs and Expenses**

#### [Programming Expenses](#)

Programming expenses, which represent our most significant operating expense, are the fees we incur to provide content to our video customers. These expenses are affected by the programming license fees charged by cable networks, the fees charged for retransmission of the signals from local broadcast television stations, the number of video customers we serve and the amount of content we provide. Programming expenses increased in 2016 and 2015 primarily due to increases in programming license fees, including retransmission consent fees, sports programming costs and fees to secure rights for additional programming for distribution across an increasing number of platforms.

We anticipate that our programming expenses will increase at a higher growth rate in 2017, as the fees we pay will increase primarily due to the timing of contract renewals and increases in retransmission consent fees and sports programming costs; as we provide additional content to our video customers; and as we deliver this content through an increasing number of platforms, including On Demand, online and through our mobile apps. We believe that adding more content and delivering it on various platforms will help us to attract and retain video customers.

#### [Technical and Product Support Expenses](#)

Technical and product support expenses include costs to complete service call and installation activities, as well as costs for network operations, product development, fulfillment and provisioning. Technical and product support expenses increased in 2016 and 2015 primarily due to expenses related to the development, delivery and support of our enhanced devices and services, including our X1 platform, cloud DVR technology and wireless gateways, and continued growth in business services and home security and automation services. The increases in both years were also due to expenses related to investments to improve the customer experience.

#### [Customer Service Expenses](#)

Customer service expenses include the personnel and other costs associated with handling the sale of services to customers and customer service activity. Customer service expenses increased in 2016 and 2015 primarily due to increased support for improving the customer experience and increases in total labor costs, which reflect sales and support activities associated with the continued deployment of our enhanced devices and services, including our X1 platform and wireless gateways, and continued growth in business services and home security and automation services. The rate of growth of our customer service expenses decreased in 2016 primarily due to reduced call volumes.

#### [Franchise and Other Regulatory Fees](#)

Franchise and other regulatory fees increased in 2016 and 2015 primarily due to increases in the revenue to which the fees apply.

#### [Advertising, Marketing and Promotion Expenses](#)

Advertising, marketing and promotion expenses increased in 2016 and 2015 primarily due to increases in spending associated with attracting new residential and business services customers and encouraging existing customers to add additional or higher-tier services.

#### [Other Operating Costs and Expenses](#)

Other operating costs and expenses increased in 2016 and 2015 primarily due to increases in costs to support our advertising sales business, as well as increases in other administrative costs.

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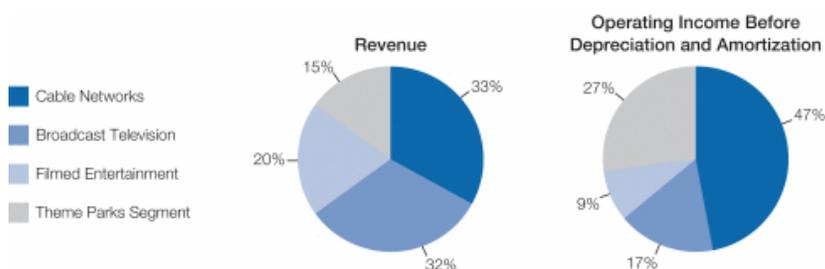
**Cable Communications Segment – Operating Margin**

Our Cable Communications segment operating margin is operating income before depreciation and amortization as a percentage of revenue. The most significant operating costs and expenses for our Cable Communications segment are the programming expenses we incur to provide content to our video customers. We expect that our programming expenses will continue to increase, which may negatively impact our operating margin. We will attempt to mitigate increases in operating costs and expenses by growing revenue, particularly in our high-speed Internet, video and business services businesses and through cost management.

Our operating margin in 2016, 2015 and 2014 was 40.2%, 40.6% and 41.0%, respectively.

**NBCUniversal Segments Overview**

2016 NBCUniversal Segments Operating Results<sup>(a)</sup>



(a) Excludes the results of NBCUniversal Headquarters, Other and eliminations.

Year ended December 31 (in millions)	2016 Actual	2015		% Change 2015 to 2016		
		Actual	Pro Forma Adjustments <sup>(a)</sup>	Pro Forma Combined	Actual	Pro Forma Combined
<b>Revenue</b>						
Cable Networks	\$ 10,464	\$ 9,628	\$ —	\$ 9,628	8.7%	
Broadcast Television	10,147	8,530	—	8,530	19.0	
Filmed Entertainment	6,360	7,287	—	7,287	(12.7)	
Theme Parks	4,946	3,339	1,052	4,391	48.2	12.7%
Headquarters, other and eliminations	(324)	(322)	—	(322)	NM	
<b>Total revenue</b>	<b>\$ 31,593</b>	<b>\$ 28,462</b>	<b>\$ 1,052</b>	<b>\$ 29,514</b>	<b>11.0%</b>	<b>7.0%</b>
<b>Operating Income Before Depreciation and Amortization</b>						
Cable Networks	\$ 3,709	\$ 3,499	\$ —	\$ 3,499	6.0%	
Broadcast Television	1,320	780	—	780	69.1	
Filmed Entertainment	697	1,234	—	1,234	(43.5)	
Theme Parks	2,190	1,464	488	1,952	49.6	12.2%
Headquarters, other and eliminations	(689)	(625)	—	(625)	(10.1)	
<b>Total operating income before depreciation and amortization</b>	<b>\$ 7,227</b>	<b>\$ 6,352</b>	<b>\$ 488</b>	<b>\$ 6,840</b>	<b>13.8%</b>	<b>5.7%</b>

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Year ended December 31 (in millions)	2015			2014			% Change 2014 to 2015	
	Actual	Pro Forma Adjustments <sup>(a)</sup>	Pro Forma Combined	Actual	Pro Forma Adjustments <sup>(a)</sup>	Pro Forma Combined	Actual	Pro Forma Combined
<b>Revenue</b>								
Cable Networks	\$ 9,628	\$ —	\$ 9,628	\$ 9,563	\$ —	\$ 9,563	0.7%	
Broadcast Television	8,530	—	8,530	8,542	—	8,542	(0.1)	
Filmed Entertainment	7,287	—	7,287	5,008	—	5,008	45.5	
Theme Parks	3,339	1,052	4,391	2,623	1,085	3,708	27.3	18.4%
Headquarters, other and eliminations	(322)	—	(322)	(308)	—	(308)	NM	
<b>Total revenue</b>	<b>\$ 28,462</b>	<b>\$ 1,052</b>	<b>\$ 29,514</b>	<b>\$ 25,428</b>	<b>\$ 1,085</b>	<b>\$ 26,513</b>	<b>11.9%</b>	<b>11.3%</b>
<b>Operating Income Before Depreciation and Amortization</b>								
Cable Networks	\$ 3,499	\$ —	\$ 3,499	\$ 3,589	\$ —	\$ 3,589	(2.5)%	
Broadcast Television	780	—	780	734	—	734	6.3	
Filmed Entertainment	1,234	—	1,234	711	—	711	73.5	
Theme Parks	1,464	488	1,952	1,096	451	1,547	33.5	26.2%
Headquarters, other and eliminations	(625)	—	(625)	(614)	—	(614)	(1.8)	
<b>Total operating income before depreciation and amortization</b>	<b>\$ 6,352</b>	<b>\$ 488</b>	<b>\$ 6,840</b>	<b>\$ 5,516</b>	<b>\$ 451</b>	<b>\$ 5,967</b>	<b>15.1%</b>	<b>14.6%</b>

Percentage changes that are considered not meaningful are denoted with NM.

(a) Pro forma adjustments are presented as if the acquisition of the 51% interest of Universal Studios Japan occurred on January 1, 2014. Pro forma information does not include adjustments for transaction-related costs, costs related to integration activities, or cost savings or synergies that have been or may be achieved by the combined businesses. The pro forma amounts are primarily based on historical results of operations, adjusted for the allocation of purchase price, and are not necessarily indicative of what our results would have been had we operated Universal Studios Japan since January 1, 2014, nor of our future results.

## Cable Networks Segment Results of Operations

Year ended December 31 (in millions)	2016	2015	2014	% Change	
				2015 to 2016	2014 to 2015
<b>Revenue</b>					
Distribution	\$ 6,078	\$ 5,461	\$ 5,307	11.3%	2.9%
Advertising	3,566	3,435	3,494	3.8	(1.7)
Content licensing and other	820	732	762	11.9	(4.0)
<b>Total revenue</b>	<b>10,464</b>	<b>9,628</b>	<b>9,563</b>	<b>8.7</b>	<b>0.7</b>
<b>Operating costs and expenses</b>					
Programming and production	4,932	4,319	4,241	14.2	1.8
Other operating and administrative	1,310	1,270	1,232	3.2	3.1
Advertising, marketing and promotion	513	540	501	(5.1)	7.7
<b>Total operating costs and expenses</b>	<b>6,755</b>	<b>6,129</b>	<b>5,974</b>	<b>10.2</b>	<b>2.6</b>
<b>Operating income before depreciation and amortization</b>	<b>\$ 3,709</b>	<b>\$ 3,499</b>	<b>\$ 3,589</b>	<b>6.0%</b>	<b>(2.5)%</b>

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### **Cable Networks Segment – Revenue**

#### [Distribution](#)

Distribution revenue is generated from the distribution of our cable network programming to multichannel video providers and is affected by the number of subscribers receiving our cable networks and the fees we charge per subscriber.

Distribution revenue increased in 2016 primarily due to increases in the contractual rates charged under distribution agreements and contract renewals, as well as \$298 million of revenue associated with our broadcast of the 2016 Rio Olympics, which were partially offset by a decline in the number of subscribers at some of our cable networks. Distribution revenue increased in 2015 primarily due to increases in the contractual rates charged under distribution agreements that were partially attributable to the premiere of NASCAR programming on the NBC Sports Network in 2015. The increases in 2015 were partially offset by a decrease in revenue from a decline in the number of subscribers at some of our cable networks and \$177 million of revenue in 2014 associated with our broadcast of the 2014 Sochi Olympics. Excluding revenue associated with our broadcasts of the 2016 Rio Olympics and the 2014 Sochi Olympics, distribution revenue increased 5.8% and 6.5% in 2016 and 2015, respectively.

#### [Advertising](#)

Advertising revenue is generated from the sale of advertising units sold on our cable networks and related digital media properties. Advertising revenue is primarily based on the price we charge for each advertising unit, which is generally based on audience ratings, the value of our viewer demographics to advertisers and the number of advertising units we can place in our cable networks' programming schedules. Advertising revenue is affected by the audience ratings of our programming, the strength of the national advertising market and general economic conditions. Audience ratings at our cable networks have declined, which has negatively affected advertising revenue in recent years, and may continue to decline as the number of programming choices, such as subscription video on demand services, continues to increase and as more viewers use DVRs and video on demand services to view our content outside of traditional audience ratings measurement periods.

Advertising revenue increased in 2016 primarily due to \$134 million of revenue associated with our broadcast of the 2016 Rio Olympics. Also, higher prices for advertising units were offset by the impact of declining audience ratings. Advertising revenue decreased in 2015 primarily due to \$80 million of revenue in 2014 associated with our broadcast of the 2014 Sochi Olympics. In addition, the impact of declining audience ratings in 2015 was partially offset by higher prices for, and an increase in the volume of, advertising units sold, as well as increased advertising revenue associated with the broadcast of NASCAR programming. Excluding revenue associated with our broadcasts of the 2016 Rio Olympics and the 2014 Sochi Olympics, advertising revenue decreased slightly in 2016 and increased slightly in 2015 due to the broadcast of NASCAR programming.

#### [Content Licensing and Other](#)

Content licensing and other revenue is generated primarily from the licensing of our owned programming in the United States and internationally to cable and broadcast networks and subscription video on demand services, as well as from the sale of our owned programming on DVDs and through digital distribution services such as iTunes. In addition, our cable television studio production operations generate revenue from programming it produces for third-party networks and subscription video on demand services.

Content licensing and other revenue increased in 2016 and decreased in 2015 primarily due to the timing of content provided under our licensing agreements.

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In 2016, 2015 and 2014, 14%, 13% and 12%, respectively, of our Cable Networks segment revenue was generated from our Cable Communications segment. These amounts are eliminated in Comcast's consolidated financial statements but are included in the amounts presented above.

### **Cable Networks Segment – Operating Costs and Expenses**

#### [Programming and Production Costs](#)

Programming and production costs include the amortization of owned and acquired programming, sports rights, direct production costs, residual and participation payments, production overhead, costs associated with the distribution of our programming to third-party networks and other distribution platforms, and on-air talent costs.

Programming and production costs increased in 2016 primarily due to our broadcast of the 2016 Rio Olympics, as well as an increase in other sports programming rights costs. Programming and production costs increased in 2015 primarily due to our continued investment in programming, including the premiere of NASCAR programming and other sports programming rights costs. These increases in 2015 were partially offset by costs in 2014 associated with our broadcast of the 2014 Sochi Olympics.

#### [Other Operating and Administrative Costs and Expenses](#)

Other operating and administrative costs and expenses include salaries, employee benefits, rent and other overhead expenses, and these costs increased in 2016 and 2015 primarily due to increases in employee-related costs.

#### [Advertising, Marketing and Promotion Expenses](#)

Advertising, marketing and promotion expenses consist primarily of the costs associated with promoting programming on our cable networks and related digital media properties. These expenses decreased in 2016 and increased in 2015 primarily due to increased spending on marketing in 2015 related to the launch of new programming on our cable networks.

### **Broadcast Television Segment Results of Operations**

Year ended December 31 (in millions)	2016	2015	2014	% Change 2015 to 2016	% Change 2014 to 2015
<b>Revenue</b>					
Advertising	\$ 6,834	\$ 5,747	\$ 5,888	18.9%	(2.4)%
Content licensing	1,899	1,784	1,569	6.4	13.7
Distribution and other	1,414	999	1,085	41.5	(7.8)
<b>Total revenue</b>	<b>10,147</b>	<b>8,530</b>	<b>8,542</b>	<b>19.0</b>	<b>(0.1)</b>
<b>Operating costs and expenses</b>					
Programming and production	6,984	5,950	6,127	17.4	(2.9)
Other operating and administrative	1,381	1,276	1,199	8.3	6.4
Advertising, marketing and promotion	462	524	482	(11.9)	8.9
<b>Total operating costs and expenses</b>	<b>8,827</b>	<b>7,750</b>	<b>7,808</b>	<b>13.9</b>	<b>(0.7)</b>
<b>Operating income before depreciation and amortization</b>	<b>\$ 1,320</b>	<b>\$ 780</b>	<b>\$ 734</b>	<b>69.1%</b>	<b>6.3%</b>

## **Broadcast Television Segment – Revenue**

### [Advertising](#)

Advertising revenue is generated from the sale of advertising units sold on our broadcast networks, owned local television stations and related digital media properties. Advertising revenue is primarily based on the price we charge for each advertising unit, which is generally based on audience ratings and the value of our viewer demographics to advertisers, and the number of advertising units we can place in our broadcast networks' and owned local television stations' programming schedules. Advertising revenue is affected by the strength of the national and local advertising markets, general economic conditions, cyclicalities related to political campaigns and issue-oriented advertising, and the success and ratings of our programming.

Advertising revenue increased in 2016 primarily due to \$1.0 billion of revenue associated with our broadcast of the 2016 Rio Olympics. Advertising revenue also increased due to higher prices for advertising units sold, the premiere of *Thursday Night Football* and higher political advertising, which was partially offset by revenue in 2015 associated with our broadcast of the 2015 Super Bowl and a decline in audience ratings. Advertising revenue decreased in 2015 primarily due to \$730 million of revenue in 2014 associated with our broadcast of the 2014 Sochi Olympics, which was partially offset by \$376 million of revenue in 2015 associated with our broadcast of the 2015 Super Bowl. Excluding revenue associated with our broadcasts of the 2016 Rio Olympics and the 2015 Super Bowl, revenue increased 7.7% in 2016. Excluding revenue associated with our broadcasts of the 2015 Super Bowl and the 2014 Sochi Olympics, revenue increased 4.1% in 2015 primarily due to higher prices for, and an increase in the volume of, advertising units sold.

### [Content Licensing](#)

Content licensing revenue is generated from the licensing of our owned programming in the United States and internationally to various distribution platforms, including to cable and broadcast networks, as well as to subscription video on demand services. In addition, our broadcast television studio production operations develop and produce original content that they license to broadcast networks, cable networks and local broadcast television stations owned by us and third parties, as well as to subscription video on demand services. The production and distribution costs related to our owned programming generally exceed the revenue generated from the initial network license, which means the subsequent licensing of our owned programming series following the initial network license is critical to their financial success.

Content licensing revenue increased in 2016 and 2015 primarily due to the timing of content provided under our licensing agreements.

### [Distribution and Other](#)

We generate distribution and other revenue primarily from fees for retransmission consent of our owned local broadcast television stations and associated fees received from NBC-affiliated local broadcast television stations, as well as from the sale of our owned programming on DVDs and through digital distribution services. The sale of our owned programming is driven primarily by the popularity of our broadcast networks and programming series and therefore fluctuates based on consumer spending and acceptance. Distribution and other revenue also includes distribution revenue associated with our periodic broadcasts of the Olympic Games.

Distribution and other revenue increased in 2016 primarily due to increases in fees recognized under our retransmission consent agreements, as well as \$140 million of distribution revenue associated with our broadcast of the 2016 Rio Olympics. Distribution and other revenue decreased in 2015 primarily due to \$116 million of distribution revenue in 2014 that was associated with our broadcast of the 2014 Sochi Olympics. The decrease was partially offset by an increase in fees recognized under our retransmission consent agreements, as well as new syndication agreements entered into in 2015.

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### Broadcast Television Segment – Operating Costs and Expenses

#### Programming and Production Costs

Programming and production costs relate to content originating on our broadcast networks and owned local broadcast television stations, as well as owned content that is licensed to third parties. These costs include the amortization of owned and acquired programming costs, sports rights, direct production costs, residual and participation payments, production overhead, costs associated with the distribution of our programming to third-party networks and other distribution platforms, and on-air talent costs.

Programming and production costs increased in 2016 primarily due to our broadcast of the 2016 Rio Olympics, as well as our broadcast of *Thursday Night Football*, which were partially offset by costs in 2015 associated with our broadcast of the 2015 Super Bowl. Programming and production costs decreased in 2015 primarily due to costs in 2014 associated with our broadcast of the 2014 Sochi Olympics, which was partially offset by costs associated with our broadcast of the 2015 Super Bowl, the timing of content provided under our licensing agreements and higher studio production costs.

#### Other Operating and Administrative Costs and Expenses

Other operating and administrative costs and expenses include salaries, employee benefits, rent and other overhead expenses, and these costs increased in 2016 and 2015 primarily due to increases in employee-related costs.

#### Advertising, Marketing and Promotion Expenses

Advertising, marketing and promotion expenses consist primarily of the costs associated with promoting our owned and acquired television programming, as well as the marketing of DVDs and costs associated with our related digital media properties. These expenses decreased in 2016 and increased in 2015 primarily due to increased spending on marketing in 2015 associated with our NBC primetime lineup.

### Filmed Entertainment Segment Results of Operations

Year ended December 31 (in millions)	2016	2015	2014	% Change 2015 to 2016	% Change 2014 to 2015
<b>Revenue</b>					
Theatrical	\$ 1,560	\$ 2,829	\$ 1,101	(44.9)%	156.9%
Content licensing	2,563	1,923	1,792	33.3	7.3
Home entertainment	1,254	1,801	1,457	(30.4)	23.6
Other	983	734	658	34.1	11.5
<b>Total revenue</b>	<b>6,360</b>	<b>7,287</b>	<b>5,008</b>	<b>(12.7)</b>	<b>45.5</b>
<b>Operating costs and expenses</b>					
Programming and production	2,962	3,488	2,331	(15.1)	49.6
Other operating and administrative	1,101	872	849	26.3	2.8
Advertising, marketing and promotion	1,600	1,693	1,117	(5.5)	51.7
<b>Total operating costs and expenses</b>	<b>5,663</b>	<b>6,053</b>	<b>4,297</b>	<b>(6.4)</b>	<b>40.9</b>
<b>Operating income before depreciation and amortization</b>	<b>\$ 697</b>	<b>\$ 1,234</b>	<b>\$ 711</b>	<b>(43.5)%</b>	<b>73.5%</b>

### Filmed Entertainment Segment – Revenue

#### Theatrical

Theatrical revenue is generated from the worldwide theatrical release of our owned and acquired films for exhibition in movie theaters and is significantly affected by the timing of each release and the number of films

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we distribute, as well as their acceptance by audiences. Theatrical revenue is also affected by the number of exhibition screens, ticket prices, the percentage of ticket sale retention by the exhibitors and the popularity of competing films at the time our films are released. The success of a film in movie theaters is a significant factor in determining the revenue a film is likely to generate in succeeding distribution platforms.

Theatrical revenue decreased in 2016 and increased in 2015 primarily due to the strong performance of our larger 2015 film slate, including *Furious 7*, *Jurassic World* and *Minions*. The decrease in 2016 was partially offset by the strong performance of *The Secret Life of Pets* and *Sing* in 2016.

### [Content Licensing](#)

Content licensing revenue is generated primarily from the licensing of our owned and acquired films to cable, broadcast and premium networks, as well as to subscription video on demand services.

Content licensing revenue increased in 2016 and 2015 primarily due to the timing of when content was made available under licensing agreements. The increase in 2016 was partially due to the timing of when content related to our 2015 film slate was made available under licensing agreements.

### [Home Entertainment](#)

Home entertainment revenue is generated from the sale of our owned and acquired films on DVDs to retail stores, rental kiosks and subscription by mail services, and in digital formats. Home entertainment revenue is significantly affected by the timing and number of our releases and their acceptance by consumers. Release dates are determined by several factors, including the timing of the exhibition of a film in movie theaters, holiday periods and the timing of competitive releases. The overall DVD market continues to experience declines due to the maturation of the standard-definition DVD format, increasing shifts in consumer behavior toward digital distribution services, and subscription rental services, all of which generate less revenue per transaction than DVD sales, as well as due to piracy.

Home entertainment revenue decreased in 2016 and increased in 2015 primarily due to the strong performance of our 2015 releases, including *Minions* and *Jurassic World*. The decrease in 2016 was partially offset by the home entertainment sales of *Jason Bourne* and *The Secret Life of Pets*.

### [Other](#)

We also generate revenue from producing and licensing live stage plays, from distributing filmed entertainment produced by third parties, from Fandango, our movie ticketing and entertainment business, and from the sale of consumer products.

Other revenue increased in 2016 and 2015 primarily due to increases in revenue generated from Fandango.

## **Filmed Entertainment Segment – Operating Costs and Expenses**

### [Programming and Production Costs](#)

Programming and production costs include the amortization of capitalized film production and acquisition costs, residual and participation payments, and distribution expenses. Residual payments represent amounts payable to certain of our employees who are represented by labor unions or guilds, including freelance and temporary employees, and are based on post-theatrical revenue. Participation payments are primarily based on film performance and represent contingent consideration payable to creative talent, third parties that have entered into cofinancing agreements with us and other parties involved in the production of a film. The costs associated with producing films have generally increased in recent years and may continue to increase in the future.

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Programming and production costs decreased in 2016 and increased in 2015 primarily due to higher amortization of film production costs in 2015 associated with our larger 2015 film slate, which included *Furious 7*, *Jurassic World* and *Minions*.

### Other Operating and Administrative Costs and Expenses

Other operating and administrative costs and expenses include salaries, employee benefits, rent and other overhead expenses.

Other operating and administrative expenses increased in 2016 primarily due to costs attributable to DreamWorks Animation, including \$61 million of severance costs. Other operating and administrative expenses increased slightly in 2015 due to increased expenses associated with our larger film slate.

### Advertising, Marketing and Promotion Expenses

Advertising, marketing and promotion expenses consist primarily of expenses associated with advertising for our theatrical releases and the marketing of our films on DVDs and in digital formats. We incur significant marketing expenses before and throughout the release of a film in movie theaters. As a result, we typically incur losses on a film prior to and during the film's exhibition in movie theaters and may not realize profits, if any, until the film generates home entertainment and content licensing revenue. The costs associated with marketing films have generally increased in recent years and may continue to increase in the future.

Advertising, marketing and promotion expenses decreased in 2016 and increased in 2015 primarily due to higher promotional costs associated with our larger 2015 film slate. The decrease in 2016 was partially offset due to advertising in 2016 for our domestic and international film slate. Advertising, marketing and promotion expenses also increased in 2015 due to increased advertising expenses associated with Fandango.

## Theme Parks Segment Actual and Pro Forma Results of Operations

Year ended December 31 (in millions)	2016	2015			% Change 2015 to 2016	
		Actual	Pro Forma Adjustments	Pro Forma Combined	Actual	Pro Forma Combined
<b>Revenue</b>	<b>\$ 4,946</b>	\$ 3,339	\$ 1,052	\$ 4,391	<b>48.2%</b>	<b>12.7%</b>
Operating costs and expenses	<b>2,756</b>	1,875	564	2,439	<b>47.0</b>	<b>13.0</b>
<b>Operating income before depreciation and amortization</b>	<b>\$ 2,190</b>	\$ 1,464	\$ 488	\$ 1,952	<b>49.6%</b>	<b>12.2%</b>

Year ended December 31 (in millions)	2015			2014			% Change 2014 to 2015	
	Actual	Pro Forma Adjustments	Pro Forma Combined	Actual	Pro Forma Adjustments	Pro Forma Combined	Actual	Pro Forma Combined
<b>Revenue</b>	\$ 3,339	\$ 1,052	\$ 4,391	\$ 2,623	\$ 1,085	\$ 3,708	27.3%	18.4%
Operating costs and expenses	1,875	564	2,439	1,527	634	2,161	22.8	12.8
<b>Operating income before depreciation and amortization</b>	\$ 1,464	\$ 488	\$ 1,952	\$ 1,096	\$ 451	\$ 1,547	33.5%	26.2%

### Theme Parks Segment – Revenue

Our Theme Parks segment revenue is generated primarily from ticket sales and guest spending at our Universal theme parks. Guest spending includes in-park spending on food, beverages and merchandise. Guest attendance at our theme parks and guest spending depend heavily on the general environment for travel and tourism, including consumer spending on travel and other recreational activities.

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Theme Parks segment revenue increased in 2016 compared to the pro forma combined revenue in 2015 primarily due to increases in guest spending and higher guest attendance driven by the successful opening of *The Wizarding World of Harry Potter*<sup>™</sup> attraction in Hollywood in April 2016, as well as the positive impact of foreign currency translation due to the strengthening of the Japanese yen. The strengthening of the Japanese yen accounted for approximately one-third of the increase in revenue for 2016.

Theme Parks segment pro forma combined revenue increased in 2015 compared to the pro forma combined revenue in 2014 primarily due to higher guest attendance and increases in guest spending at our Universal theme parks. The increase in 2015 was primarily due to the success of our attractions, including *The Wizarding World of Harry Potter*<sup>™</sup> — *Diagon Alley*<sup>™</sup> in Orlando, which opened in 2014, and the *Fast & Furious*<sup>™</sup> — *Supercharged*<sup>™</sup> studio tour and *The Simpson's Springfield* attraction in Hollywood, both of which opened in 2015.

### **Theme Parks Segment – Operating Costs and Expenses**

Our Theme Parks segment operating costs and expenses consist primarily of theme park operations, including repairs and maintenance and related administrative expenses; food, beverage and merchandise costs; labor costs; and sales and marketing costs.

Theme Parks segment operating costs and expenses increased in 2016 compared to the pro forma combined operating costs and expenses in 2015 primarily due to additional costs associated with newer attractions, such as *The Wizarding World of Harry Potter*<sup>™</sup> attraction in Hollywood and *Skull Island: Reign of Kong*<sup>™</sup> attraction in Orlando, as well as the impact of foreign currency translation due to the strengthening on the Japanese yen.

Theme Parks segment pro forma combined operating costs and expenses in 2015 increased compared to the pro forma combined operating costs and expenses in 2014 primarily due to additional costs associated with newer attractions, such as the *Fast & Furious*<sup>™</sup> — *Supercharged*<sup>™</sup> studio tour in Hollywood, and increases in food, beverage and merchandise costs associated with higher guest attendance.

The strengthening of the Japanese yen accounted for approximately one-third of the increase in operating income before depreciation and amortization in 2016.

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## [NBCUniversal Headquarters, Other and Eliminations](#)

Headquarters and Other operating costs and expenses incurred by our NBCUniversal businesses include overhead, personnel costs and costs associated with corporate initiatives. Operating costs and expenses increased in 2016 and 2015 primarily due to higher employee-related costs.

### **Corporate and Other Results of Operations**

Year ended December 31 (in millions)	2016	2015	2014	% Change 2015 to 2016	% Change 2014 to 2015
<b>Revenue</b>	<b>\$ 750</b>	<b>\$ 713</b>	<b>\$ 683</b>	<b>5.1%</b>	<b>4.4%</b>
Operating costs and expenses	1,624	1,528	1,446	6.2	5.7
<b>Operating loss before depreciation and amortization</b>	<b>\$ (874)</b>	<b>\$ (815)</b>	<b>\$ (763)</b>	<b>(7.1)%</b>	<b>(6.9)%</b>

### **Corporate and Other – Revenue**

Other revenue primarily relates to Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania and operates arena management-related businesses.

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Other revenue increased in 2016 primarily due to increases in revenue from several of our Comcast Spectacor businesses. Other revenue increased in 2015 primarily due to an increase in revenue from food and other services associated with new contracts entered into by one of our Comcast Spectacor businesses.

### **Corporate and Other – Operating Costs and Expenses**

Corporate and Other operating costs and expenses primarily include overhead, personnel costs, the costs of corporate initiatives and branding, and operating costs and expenses associated with Comcast Spectacor.

Corporate and Other operating costs and expenses increased in 2016 due to an increase in expenses related to corporate activities and initiatives, including expenses associated with our anticipated wireless phone service offering. Corporate and Other operating costs and expenses increased in 2015 due to an increase in expenses related to corporate initiatives and an increase in operating costs and expenses at Comcast Spectacor that was primarily associated with new contracts entered into by one of its businesses. In addition, Corporate and Other operating costs and expenses in 2015 and 2014 included \$178 million and \$237 million, respectively, of transaction-related costs associated with the Time Warner Cable merger and related divestiture transactions.

### **Consolidated Other Income (Expense) Items, Net**

Year ended December 31 (in millions)	2016	2015	2014
Interest expense	\$ (2,942)	\$ (2,702)	\$ (2,617)
Investment income (loss), net	213	81	296
Equity in net income (losses) of investees, net	(104)	(325)	97
Other income (expense), net	327	320	(215)
Total	\$ (2,506)	\$ (2,626)	\$ (2,439)

### **Interest Expense**

Interest expense increased in 2016 primarily due to higher levels of debt outstanding, including the Universal Studios Japan term loans. Interest expense increased in 2015 primarily due to higher levels of debt outstanding and \$47 million of additional interest expense associated with the early redemption in June 2015 of our \$750 million aggregate principal amount of 5.85% senior notes due November 2015 and our \$1.0 billion aggregate principal amount of 5.90% senior notes due March 2016.

### **Investment Income (Loss), Net**

The change in investment income (loss), net in 2016 was primarily due to an increase in income of certain investments and gains recorded on the sale of certain investments. The change in investment income (loss), net in 2015 was primarily due to a \$154 million gain related to the sale of our shares of ARRIS Group, Inc. common stock in 2014. The components of investment income (loss), net are presented in a table in Note 7 to Comcast's consolidated financial statements.

### **Equity in Net Income (Losses) of Investees, Net**

The changes in equity in net income (losses) of investees, net in 2016 and 2015 were primarily due to an impairment charge related to goodwill recorded by The Weather Channel in 2015. We recorded expenses of \$333 million that represented NBCUniversal's proportionate share of the impairment charge. In addition, the changes in 2016 and 2015 were also due to increases in our proportionate share of losses at Hulu, LLC, which were driven by Hulu's higher programming and marketing costs. In 2016, 2015 and 2014, we recognized our proportionate share of losses at Hulu of \$168 million, \$106 million and \$20 million respectively. The change in 2016 was also due to our proportionate share of losses at Atairos Group, Inc., which commenced operations in 2016.

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### **Other Income (Expense), Net**

Other income (expense), net for 2016 included \$225 million recognized in connection with the settlement of amounts owed to us under an agency agreement that had provided for, among other things, Verizon Wireless' sale of our cable services and \$108 million related to the sale of our investment in The Weather Channel's product and technology business to IBM.

Other income (expense), net for 2015 included gains of \$335 million on the sales of a business and an investment, \$240 million recorded on the settlement of a contingent consideration liability with General Electric Company related to the acquisition of NBCUniversal, and \$43 million related to an equity method investment. These gains were partially offset by \$236 million of expenses related to fair value adjustments to a contractual obligation.

Other income (expense), net for 2014 included a \$27 million favorable settlement of a contingency related to the AT&T Broadband transaction in 2002, which was more than offset by \$208 million of expenses related to fair value adjustments to a contractual obligation and \$35 million of expenses related to an indemnification receivable associated with an adjustment to our accruals for uncertain tax positions.

### **Consolidated Income Tax Expense**

Income tax expense reflects federal and state income taxes and adjustments associated with uncertain tax positions. Our effective income tax rate in 2016, 2015 and 2014 was 37.0%, 37.1% and 31.1%, respectively.

In 2014, we reduced our accruals for uncertain tax positions and the related accrued interest on these tax positions and, as a result, our income tax expense decreased by \$759 million. See Note 14 to Comcast's consolidated financial statements for additional information on the changes in our accruals for uncertain tax positions and related interest on these tax positions.

We expect our 2017 annual effective tax rate to be in the range of 35% to 37%, absent changes in tax laws or significant changes in uncertain tax positions. The expected annual effective tax rate includes the impact of the adoption of the new accounting guidance related to share-based compensation (see Note 3 to Comcast's consolidated financial statements). If significant tax legislation is enacted in 2017 that includes a change to the federal statutory rate, this could significantly impact our deferred income taxes. For example, using information as of December 31, 2016, for each 1% change in the federal statutory rate, our deferred income tax liability would change by \$850 million, which would primarily result in a corresponding change to income tax expense.

### **Consolidated Net (Income) Loss Attributable to Noncontrolling Interests and Redeemable Subsidiary Preferred Stock**

The increases in net income attributable to noncontrolling interests and redeemable subsidiary preferred stock in 2016 and 2015 were primarily due to NBCUniversal's acquisition of the 51% interest in Universal Studios Japan.

### **Liquidity and Capital Resources**

Our businesses generate significant cash flows from operating activities. We believe that we will be able to continue 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; available borrowings under our existing credit facilities; and our ability to obtain future external financing. We anticipate that we will continue to use a substantial portion of our cash flows in repaying our debt obligations, funding our capital expenditures, investing in business opportunities and returning capital to shareholders.

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We also maintain significant availability under our lines of credit and our commercial paper programs to meet our short-term liquidity requirements. Our commercial paper programs provide a lower-cost source of borrowing to fund our short-term working capital requirements. See Note 10 and Note 19 to Comcast's consolidated financial statements for additional information on the Comcast and NBCUniversal Enterprise revolving credit facilities and the related guarantees.

As of December 31, 2016, amounts available under our consolidated credit facilities, net of amounts outstanding under our commercial paper programs and outstanding letters of credit, totaled \$5.5 billion, which included \$460 million available under the NBCUniversal Enterprise revolving credit facility.

We, NBCUniversal and Comcast Cable Communications, LLC are subject to the covenants and restrictions set forth in the indentures governing our public debt securities and in the credit agreements governing the Comcast revolving credit facility. The only financial covenant is in the credit facility and pertains to leverage, which is the ratio of debt to operating income before depreciation and amortization, as defined in the credit facility. We test for compliance with this financial covenant on an ongoing basis. As of December 31, 2016, we met this financial covenant by a significant margin. We do not expect to have to reduce debt or improve operating results in order to continue to comply with this financial covenant. In addition, the Universal Studios Japan term loans contain certain financial covenants. As of December 31, 2016, Universal Studios Japan was in compliance with all of these covenants.

## Operating Activities

### Components of Net Cash Provided by Operating Activities

Year ended December 31 (in millions)	2016	2015	2014
Operating income	\$ 16,859	\$ 15,998	\$ 14,904
Depreciation and amortization	9,558	8,680	8,019
Operating income before depreciation and amortization	26,417	24,678	22,923
Noncash share-based compensation	640	567	513
Changes in operating assets and liabilities	(1,782)	(267)	(357)
Cash basis operating income	25,275	24,978	23,079
Payments of interest	(2,565)	(2,443)	(2,389)
Payments of income taxes	(3,693)	(3,726)	(3,668)
Proceeds from investments and other	456	251	190
Excess tax benefits under share-based compensation	(233)	(282)	(267)
Net cash provided by operating activities	\$ 19,240	\$ 18,778	\$ 16,945

The variance in changes in operating assets and liabilities in 2016 compared to 2015 was primarily due to the timing of film and television production spending and related costs, net of amortization, including certain sports programming obligations; the recognition of deferred revenue associated with the broadcast of the 2016 Rio Olympics; an increase in certain benefit payments; and the payment of a tax receivable agreement that DreamWorks Animation entered into with one of its former stockholders prior to our acquisition. The variance in changes in operating assets and liabilities in 2015 compared to 2014 was primarily related to the timing of film and television production spending and related costs, net of amortization; the timing of payments related to our accounts payable and accrued expenses related to trade creditors; and increases in deferred revenue associated with our Olympics broadcasts, which were partially offset by the timing of collections on our receivables.

The increases in interest payments in 2016 and 2015 were primarily due to higher levels of debt outstanding.

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The decrease in income tax payments in 2016 was primarily due to taxable losses in 2016 related to the sale of certain investments as well as taxable gains in 2015 related to the sale of a business and investments partially offset by higher taxable income from operations. The increase in income tax payments in 2015 was primarily due to higher taxable income from operations offset by the timing of certain tax deductions. We expect income tax payments to increase in 2017 primarily due to higher taxable income from operations.

### **Investing Activities**

Net cash used in investing activities in 2016 consisted primarily of cash paid for capital expenditures, acquisitions, deposits, purchases of investments and intangible assets. Net cash used in investing activities in 2015 consisted primarily of cash paid for capital expenditures, acquisitions, intangible assets and purchases of investments, which was partially offset by proceeds from the sales of businesses and investments. Net cash used in investing activities in 2014 consisted primarily of cash paid for capital expenditures and intangible assets.

### **Capital Expenditures**

Our most significant recurring investing activity has been capital expenditures in our Cable Communications segment, and we expect that this will continue in the future. The table below summarizes the capital expenditures we incurred in our Cable Communications segment in 2016, 2015 and 2014.

Year ended December 31 (in millions)	2016	2015	2014
Customer premise equipment	\$ 3,665	\$ 3,698	\$ 3,397
Scalable infrastructure	1,827	1,539	1,375
Line extensions	1,208	886	673
Support capital	896	917	711
<b>Total</b>	<b>\$ 7,596</b>	<b>\$ 7,040</b>	<b>\$ 6,156</b>

Cable Communications capital expenditures increased in 2016 and 2015 primarily due to increased investment in line extensions and increased spending in scalable infrastructure to increase network capacity, as well as continued spending on customer premise equipment related to the deployment of our X1 platform and wireless gateways.

Capital expenditures in our NBCUniversal segments increased 4.8% to \$1.5 billion in 2016 and 13.5% to \$1.4 billion in 2015 primarily due to continued investment in our Universal theme parks, including Universal Studios Japan and a purchase of land in 2015.

Our capital expenditures for 2017 are focused on continued investment in scalable infrastructure to increase network capacity; increased investment in line extensions primarily for the expansion of business services; and the continued deployment of wireless gateways, our X1 platform, and cloud DVR technology. In addition, we expect to continue to invest in existing and new attractions at our Universal theme parks. Capital expenditures for subsequent years will depend on numerous factors, including acquisitions, competition, changes in technology, regulatory changes, the timing and rate of deployment of new services, the capacity required for existing services, and the timing of new attractions at our theme parks. We are developing a Universal theme park in Beijing, China, and we expect to continue to develop this park throughout 2017.

### **Cash Paid for Intangible Assets**

In 2016, 2015 and 2014, cash paid for intangible assets consisted primarily of expenditures for software in our Cable Communications segment.

### **Acquisitions and Construction of Real Estate Properties**

Acquisitions and construction of real estate properties in 2016 and 2015 primarily included our investment in the construction of the Comcast Technology Center in Philadelphia, Pennsylvania.

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### [Acquisitions, Net of Cash Acquired](#)

In August 2016, we acquired all of the outstanding stock of DreamWorks Animation. In November 2015, NBCUniversal acquired a 51% interest in Universal Studios Japan.

### [Proceeds from Sales of Businesses and Investments](#)

Proceeds from sales of businesses and investments in 2016 were primarily related to the sale of our investment in The Weather Channel's product and technology business to IBM. Proceeds from sales of businesses and investments in 2015 were primarily related to the sale of our investment in TV One, LLC and the sale of a business, CTI Towers Assets I, LLC. Proceeds from sales of businesses and investments in 2014 were primarily related to the sale of our investment in Arris Group and the sale of equity securities following the settlement of certain of our prepaid forward sale agreements.

### [Purchases of Investments](#)

Purchases of investments in 2016 were primarily related to capital contributions to Atairos and NBCUniversal's additional investment in BuzzFeed, Inc. Purchases of investments in 2015 were primarily related to NBCUniversal's investments in Vox Media, Inc. and BuzzFeed. Purchases of investments in 2014 were not significant.

### [Financing Activities](#)

Net cash provided by financing activities in 2016 consisted primarily of proceeds from new borrowings, which were partially offset by repurchases of our common stock, repayments of debt, dividend payments and our purchase of the remaining noncontrolling interest in Comcast Spectacor. Net cash used in financing activities in 2015 and 2014 consisted primarily of repurchases of our common stock, repayments of debt and dividend payments, which were partially offset by proceeds from new borrowings. Proceeds from borrowings fluctuate from year to year based on the amounts paid to fund acquisitions and debt repayments.

We have made, and may from time to time in the future make, optional repayments on our debt obligations, which may include repurchases of our outstanding public notes and debentures, depending on various factors, such as market conditions. See Note 10 to Comcast's consolidated financial statements for additional information on our financing activities, including details of our debt repayments and borrowings.

### [Share Repurchases and Dividends](#)

In 2016, we repurchased a total of 81 million shares of our Class A common stock for \$5.0 billion. Effective January 1, 2017, our Board of Directors increased our share repurchase program authorization to a total of \$12 billion, which does not have an expiration date. Under the authorization, we may repurchase shares in the open market or in private transactions. We expect to repurchase \$5.0 billion of our Class A common stock during 2017, subject to market conditions.

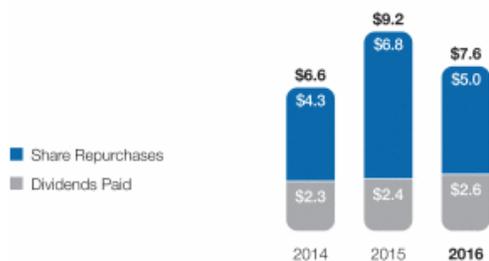
Our Board of Directors declared quarterly dividends totaling \$2.7 billion in 2016. We paid dividends of \$2.6 billion in 2016. In January 2017, our Board of Directors approved a 15% increase in our dividend to \$1.26 per share on an annualized, pre-split basis, or \$0.63 per share on an annualized, post-split basis. In addition, the Board of Directors approved our first quarter dividend of \$0.1575 a share on a post-split basis to be paid in April 2017. We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors.

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The table below sets forth information on our share repurchases and dividends paid in 2016, 2015 and 2014.

### Share Repurchases and Dividends Paid

(in billions)



### Contractual Obligations

As of December 31, 2016 (in millions)	Payment Due by Period				
	Total	Year 1	Years 2-3	Years 4-5	More than 5
Debt obligations <sup>(a)</sup>	\$ 61,133	\$ 5,454	\$ 6,604	\$ 8,189	\$ 40,886
Capital lease obligations	238	29	65	71	73
Operating lease obligations	4,007	517	918	699	1,873
Purchase obligations <sup>(b)</sup>	51,649	9,978	11,404	8,538	21,729
Other long-term liabilities reflected on the balance sheet <sup>(c)</sup>	5,928	336	1,262	2,316	2,014
<b>Total<sup>(d)(e)</sup></b>	<b>\$ 122,955</b>	<b>\$ 16,314</b>	<b>\$ 20,253</b>	<b>\$ 19,813</b>	<b>\$ 66,575</b>

Refer to Note 10 and Note 16 to Comcast's consolidated financial statements.

(a) Excludes interest payments.

(b) Purchase obligations consist of agreements to purchase goods and services that are legally binding on us and specify all significant terms, including fixed or minimum quantities to be purchased and price provisions. Our purchase obligations related to our Cable Communications segment and other activities include programming contracts with cable networks and local broadcast television stations; contracts with customer premise equipment manufacturers; communications vendors and multichannel video providers for which we provide advertising sales representation; contracts to acquire handsets and other equipment; and other contracts entered into in the normal course of business. Cable Communications programming contracts in the table above include amounts payable under fixed or minimum guaranteed commitments and do not represent the total fees that are expected to be paid under programming contracts, which we expect to be significantly higher because these contracts are generally based on the number of subscribers receiving the programming. Our purchase obligations related to our NBCUniversal segments consist primarily of commitments to acquire film and television programming, including U.S. broadcast rights to future Olympic Games through 2032, *Sunday Night Football* through the 2022-23 season, including the Super Bowl in 2018 and 2021, *Thursday Night Football* through the 2017-18 season, NHL games through the 2020-21 season, Spanish-language U.S. broadcast rights to FIFA World Cup games through 2022, U.S. broadcast rights to English Premier League soccer games through the 2021-22 season, certain PGA TOUR and other golf events through 2030, and certain NASCAR events through 2024, as well as obligations under various creative talent agreements, including obligations to actors, producers and television personalities, and various other television commitments. Purchase obligations do not include contracts with immaterial future commitments.

(c) Other long-term liabilities reflected on the balance sheet consist primarily of subsidiary preferred shares; deferred compensation obligations; and postretirement, pension and postemployment benefit obligations. A contractual obligation with a carrying value of \$1.1 billion is not included in the table above because it is uncertain if the arrangement will be settled. The contractual obligation involves an interest held by a third party in the revenue of certain theme parks. The arrangement provides the counterparty with the right to periodic payments associated with current period revenue and, beginning in June 2017, the option to require NBCUniversal to purchase the interest for cash in an amount based on a contractual formula. The contractual formula is based on an average of specified historical theme park revenue at the time of exercise, which amount could be significantly higher than the carrying value. If the option had been exercisable as of December 31, 2016, the estimated value of the contractual obligation would have been approximately \$1.4 billion, based on inputs to the contractual formula as of that date. See Note 16 to Comcast's consolidated financial statements for additional information related to this arrangement. Reserves for uncertain tax positions of \$1.1 billion are not included in the table above because it is uncertain if or when these reserves will become payable. Payments of \$2.4 billion of participations and residuals are also not included in the table above because we cannot make a reliable estimate of the period in which these obligations will be settled.

(d) Our contractual obligations do not include our commitment to invest up to \$4 billion at any one time as an investor in Atairos due to our inability to estimate the timing of this funding. As of December 31, 2016, our remaining commitment is \$2.4 billion based on the capital

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calls received as of that date (see Note 7 to Comcast's consolidated financial statements). In addition, our contractual obligations do not include any future expenditures related to the construction and development of the proposed Universal Studios theme park in Beijing, China or the Comcast Technology Center, as we do not currently have any obligation to fund either initiative.

(e) Total contractual obligations are made up of the following components.

(in millions)	
Liabilities recorded on the balance sheet	\$ 68,694
Commitments not recorded on the balance sheet	54,261
<b>Total</b>	<b>\$ 122,955</b>

## Off-Balance Sheet Arrangements

As of December 31, 2016, we did not have any material off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

## Recent Accounting Pronouncements

See Note 3 to each of Comcast's and NBCUniversal's consolidated financial statements for additional information related to recent accounting pronouncements.

## Critical Accounting Judgments and Estimates

The preparation of our consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and contingent liabilities. We base our judgments on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making estimates about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe our judgments and related estimates associated with the valuation and impairment testing of our cable franchise rights and the accounting for film and television costs are critical in the preparation of our consolidated financial statements. Management has discussed the development and selection of these critical accounting judgments and estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed our disclosures relating to them, which are presented below. See Notes 9 and 6 to Comcast's consolidated financial statements for a discussion of our accounting policies with respect to these items.

### Valuation and Impairment Testing of Cable Franchise Rights

Our largest asset, our cable franchise rights, results from agreements we have with state and local governments that allow us to construct and operate a cable business within a specified geographic area. The value of a franchise is derived from the economic benefits we receive from the right to solicit new customers and to market additional services, such as advanced video services and high-speed Internet and voice services, in a particular service area. The amounts we record for cable franchise rights are primarily a result of cable system acquisitions. Typically when we acquire a cable system, the most significant asset we record is the value of the cable franchise rights. Often these cable system acquisitions include multiple franchise areas. We currently serve approximately 6,400 franchise areas in the United States.

We have concluded that our cable franchise rights have an indefinite useful life since there are no legal, regulatory, contractual, competitive, economic or other factors which limit the period over which these rights will contribute to our cash flows. Accordingly, we do not amortize our cable franchise rights but assess the carrying value of our cable franchise rights annually, or more frequently whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value ("impairment testing").

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For the purpose of our impairment testing, we have grouped the recorded values of our various cable franchise rights into our three Cable Communications divisions or units of account. We evaluate the unit of account periodically to ensure our impairment testing is performed at an appropriate level.

The annual impairment test for indefinite-lived intangibles allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible is less than its carrying amount. An entity may choose to perform the qualitative assessment or an entity may bypass the qualitative assessment and proceed directly to the quantitative impairment test. If it is determined, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is, more likely than not, less than its carrying value, the quantitative impairment test is required. When performing a quantitative assessment, we estimate the fair value of our cable franchise rights primarily based on a discounted cash flow analysis that involves significant judgment. When analyzing the fair values indicated under the discounted cash flow models, we also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions and profitability information.

In 2016, we performed a qualitative assessment of our cable franchise rights. At the time of our previous quantitative assessment in 2014, the estimated fair values of our franchise rights exceeded the carrying value in our three Cable Communications divisions by 26%, 42% and 50%, respectively. We also considered various factors that would affect the estimated fair values of our cable franchise rights in our qualitative assessment in 2016, including changes in our projected future cash flows associated with our Cable Communications segment; market transactions and macroeconomic conditions; weighted-average cost of capital; and an increase in our market capitalization. Based on this assessment, we concluded that it was more likely than not that the estimated fair values of our cable franchise rights were higher than the carrying values and that the performance of a quantitative impairment test was not required.

Since the adoption of the accounting guidance related to goodwill and intangible assets in 2002, we have not recorded any significant impairment charges to cable franchise rights as a result of our impairment testing.

We could record impairment charges in the future if there are changes in long-term market conditions, in expected future operating results, or in federal or state regulations that prevent us from recovering the carrying value of these cable franchise rights. Assumptions made about increased competition and economic conditions could also impact the results of any qualitative assessment and the valuations used in future annual quantitative impairment testing and result in a reduction in the fair values of our cable franchise rights. In addition, a future change in the unit of account could result in the recognition of an impairment charge.

### **Film and Television Costs**

We capitalize film and television production costs, including direct costs, production overhead, print costs, development costs and interest. We amortize capitalized film and television production costs, including acquired libraries, and accrue costs associated with participation and residual payments to programming and production expenses. We generally record the amortization and the accrued costs using the individual film forecast computation method, which amortizes the costs using the ratio of the current period's revenue to estimated total remaining revenue from all sources ("ultimate revenue"). Estimates of ultimate revenue have a significant impact on how quickly capitalized costs are amortized and, therefore, are updated regularly.

Our estimates of ultimate revenue for films generally include revenue from all sources that are expected to be earned within 10 years from the date of a film's initial release. These estimates are based on the historical performance of similar content, as well as factors unique to the content itself. The most sensitive factor affecting our estimate of ultimate revenue for a film intended for theatrical release is the film's theatrical performance, as subsequent revenue from the licensing and sale of a film has historically exhibited a high correlation to its theatrical performance. Upon a film's release, our estimates of revenue from succeeding

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markets, including from content licensing across multiple platforms and home entertainment sales, are revised based on historical relationships and an analysis of current market trends.

With respect to television series or other owned television programming, the most sensitive factor affecting our estimate of ultimate revenue is whether the series can be successfully licensed beyond its initial license. Initial estimates of ultimate revenue are limited to the amount of revenue contracted for each episode under the initial license. Once it is determined that a television series or other owned television programming can be licensed for subsequent platforms, revenue estimates for these platforms, such as U.S. and international syndication, home entertainment, and other distribution platforms, are included in ultimate revenue. Revenue estimates for produced episodes include revenue expected to be earned within 10 years of delivery of the initial episode or, if still in production, 5 years from the delivery of the most recent episode, if later.

We capitalize the costs of programming content that we license but do not own, including rights to multiyear, live-event sports programming, at the earlier of when payments are made for the programming or when the license period begins and the content is made available for use. We amortize capitalized programming costs as the associated programs are broadcast. We generally amortize multiyear, live-event sports programming rights using the ratio of the current period revenue to the estimated ultimate revenue or under the terms of the contract.

Capitalized film and television costs, as well as stage play production costs, are subject to impairment testing when certain triggering events are identified. If the fair value of a production were to fall below its unamortized cost, we would record an adjustment for the amount by which the unamortized capitalized costs exceed the production's fair value. The fair value assessment is generally based on estimated future discounted cash flows, which are supported by our internal forecasts. Adjustments to capitalized film and stage play production costs of \$14 million, \$42 million and \$26 million were recorded in 2016, 2015 and 2014, respectively.

## Item 7A: Quantitative and Qualitative Disclosures About Market Risk

### Interest Rate Risk Management

We maintain a mix of fixed-rate and variable-rate debt and we are exposed to the market risk of adverse changes in interest rates. In order to manage the cost and volatility relating to the interest cost of our outstanding debt, we enter into various interest rate risk management derivative transactions in accordance with our policies.

We monitor our exposure to the risk of adverse changes in interest rates through the use of techniques that include market value and sensitivity analyses. We do not engage in any speculative or leveraged derivative transactions.

Our interest rate derivative financial instruments, which may include swaps, rate locks, caps and collars, represent an integral part of our interest rate risk management program. Comcast's interest rate derivative financial instruments reduced the portion of Comcast's total consolidated debt at fixed rates as of December 31, 2016 to 85.3% from 88.9%. As of December 31, 2016, NBCUniversal had no outstanding interest rate derivative financial instruments.

In 2016, 2015 and 2014, the effect of our interest rate derivative financial instruments was to decrease Comcast's consolidated interest expense by \$36 million, \$62 million and \$66 million, respectively. The effect

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of NBCUniversal's interest rate derivative financial instruments was not material to NBCUniversal's consolidated financial statements for all periods presented. Interest rate derivative financial instruments may have a significant effect on Comcast's interest expense in the future.

The table below summarizes as of December 31, 2016 by contractual year of maturity the principal cash flows, notional amounts, fair values and contract terms of financial instruments subject to interest rate risk maintained by us.

(in millions)	2017	2018	2019	2020	2021	Thereafter	Total	Estimated Fair Value as of December 31, 2016
<b>Debt</b>								
Fixed rate	\$ 2,589	\$ 3,346	\$ 2,234	\$ 3,429	\$ 2,043	\$ 40,959	\$ 54,600	\$ 59,561
Average interest rate	6.9%	4.5%	3.2%	5.1%	4.4%	4.8%	4.8%	
Variable rate	\$ 2,894	\$ 857	\$ 232	\$ 2,788	\$ —	\$ —	\$ 6,771	\$ 6,777
Average interest rate	1.8%	2.5%	2.4%	3.0%	—%	—%	2.4%	
<b>Interest Rate Instruments</b>								
Fixed to variable swaps	\$ 400	\$ 1,600	\$ 200	\$ —	\$ —	\$ —	\$ 2,200	\$ 34
Average pay rate	6.0%	4.5%	5.1%	—%	—%	—%	4.5%	
Average receive rate	6.3%	5.8%	5.7%	—%	—%	—%	5.9%	

We use the notional amount of each interest rate derivative financial instrument to calculate the interest to be paid or received. The notional amounts do not represent our exposure to credit loss. The estimated fair value approximates the amount of payments to be made or proceeds to be received to settle the outstanding contracts, including accrued interest. We estimate interest rates on variable rate debt and swaps using the relevant average implied forward rates through the year of maturity based on the yield curve in effect on December 31, 2016, plus the applicable borrowing margin on December 31, 2016.

See Note 2 to each of Comcast's and NBCUniversal's consolidated financial statements for additional information on our accounting policies for derivative financial instruments.

## Foreign Exchange Risk Management

NBCUniversal has significant operations in a number of countries outside the United States, and certain of NBCUniversal's operations are conducted in foreign currencies. The value of these currencies fluctuates relative to the U.S. dollar. These changes could adversely affect the U.S. dollar equivalent value of our non-U.S. dollar revenue and operating costs and expenses and reduce international demand for our content, all of which could negatively affect our business, financial condition and results of operations in a given period or in specific territories.

As part of our overall strategy to manage the level of exposure to the risk of foreign exchange rate fluctuations, NBCUniversal enters into derivative financial instruments related to a significant portion of its foreign currency exposure, which is a result of transactions denominated in other than the functional currency. NBCUniversal enters into foreign currency forward contracts that change in value as currency exchange rates fluctuate to protect the U.S. dollar equivalent value of its non-U.S. dollar assets, liabilities, commitments, and forecasted foreign currency revenue and expenses. In accordance with our policy, NBCUniversal hedges forecasted foreign currency transactions for periods generally not to exceed 18 months. In certain circumstances, NBCUniversal enters into foreign exchange contracts with initial maturities in excess of 18 months. As of December 31, 2016 and 2015, NBCUniversal had foreign exchange contracts with a total notional value of \$1.5 billion and \$998 million, respectively. As of December 31, 2016 and 2015, the aggregate estimated fair value of these foreign exchange contracts was not material.

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We have analyzed our foreign currency exposure related to NBCUniversal's operations as of December 31, 2016, including our hedging contracts, to identify assets and liabilities denominated in a currency other than their functional currency. For those assets and liabilities, we then evaluated the effect of a 10% shift in currency exchange rates between the functional currency and the U.S. dollar. Our analysis of such a shift in exchange rates indicated that there would be an immaterial effect on our 2016 income. In addition, the impact of fluctuations in currencies relative to the U.S. dollar for our non-U.S. dollar functional currency operations did not have a material impact on our financial condition or results of operations in 2016.

Comcast is also exposed to the market risks associated with fluctuations in currency exchange rates as they relate to its foreign currency denominated debt obligations. We use cross-currency swaps for foreign currency denominated debt obligations when those obligations are denominated in a currency other than the functional currency. Cross-currency swaps effectively convert fixed-rate foreign currency denominated debt to fixed-rate U.S. dollar denominated debt in order to hedge the risk that the cash flows related to annual interest payments and the payment of principal at maturity may be adversely affected by fluctuations in currency exchange rates. The gains and losses on the cross-currency swaps offset changes in the U.S. dollar equivalent value of the related exposures. As of December 31, 2016 and 2015, the fair value of our cross-currency swaps on our £625 million principal amount of 5.50% senior notes due 2029 was a liability of \$189 million and \$71 million, respectively.

## [Counterparty Credit Risk Management](#)

Comcast and NBCUniversal manage the credit risks associated with our derivative financial instruments through diversification and the evaluation and monitoring of the creditworthiness of counterparties. Although we may be exposed to losses in the event of nonperformance by counterparties, we do not expect such losses, if any, to be significant. Comcast has agreements with certain counterparties that include collateral provisions. These provisions require a party with an aggregate unrealized loss position in excess of certain thresholds to post cash collateral for the amount in excess of the threshold. The threshold levels in our collateral agreements are based on our and the counterparty's credit ratings. As of December 31, 2016 and 2015, Comcast was not required to post collateral under the terms of these agreements. As of December 31, 2016 and 2015, we did not hold any collateral under the terms of these agreements.

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**NBCUniversal Media, LLC**

See Index to NBCUniversal Media, LLC Financial Statements and Supplemental Data on page 137.

## Report of Management

### Management's Report on Comcast's Financial Statements

Our management is responsible for the preparation, integrity and fair presentation of information in Comcast's consolidated financial statements, including estimates and judgments. The consolidated financial statements presented in this report have been prepared in accordance with accounting principles generally accepted in the United States. Our management believes the Comcast consolidated financial statements and other financial information included in this report fairly present, in all material respects, Comcast's financial condition, results of operations and cash flows as of and for the periods presented in this report. The Comcast consolidated financial statements have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

### Management's Report on Comcast's Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets.
- Provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors.
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that Comcast's system of internal control over financial reporting was effective as of December 31, 2016. Our assessment of the effectiveness of internal control over financial reporting as of December 31, 2016 did not include the internal controls of DreamWorks Animation, which we acquired on August 22, 2016, as permitted by Securities and Exchange Commission guidelines that allow companies to exclude certain acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition. The total assets and total revenues of DreamWorks Animation represented approximately 2% of our total assets as of December 31, 2016, and less than 1% of our total revenues for the year ended December 31, 2016. The effectiveness of Comcast's internal controls over financial reporting of Comcast has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

### Audit Committee Oversight

The Audit Committee of the Board of Directors, which is comprised solely of independent directors, has oversight responsibility for our financial reporting process and the audits of Comcast's consolidated financial statements and internal control over financial reporting. The Audit Committee meets regularly with management and with our internal auditors and independent registered public accounting firm (collectively, the "auditors") to review matters related to the quality and integrity of our financial reporting, internal control over financial reporting (including compliance matters related to our Code of Conduct), and the nature, extent, and results of internal and external audits. Our auditors have full and free access and report directly to the Audit Committee. The Audit Committee recommended, and the Board of Directors approved, that the Comcast audited consolidated financial statements be included in this Form 10-K.



**Brian L. Roberts**  
Chairman and  
Chief Executive Officer



**Michael J. Cavanagh**  
Senior Executive Vice President and  
Chief Financial Officer



**Lawrence J. Salva**  
Executive Vice President  
and Chief Accounting Officer

## Report of Independent Registered Public Accounting Firm

### To the Board of Directors and Stockholders of Comcast Corporation Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheets of Comcast Corporation and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2016. We also have audited the Company's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As described in the Report of Management on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at DreamWorks Animation, acquired on August 22, 2016 and whose financial statements constitute approximately 2% of total assets as of December 31, 2016 and less than 1% of total revenue for the year ended December 31, 2016. Accordingly, our audit did not include the internal control over financial reporting at DreamWorks Animation. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Comcast's Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Comcast Corporation and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

**/s/ Deloitte & Touche LLP**  
Philadelphia, Pennsylvania  
February 3, 2017

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Consolidated Balance Sheet

December 31 (in millions, except share data)	2016	2015
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 3,301	\$ 2,295
Receivables, net	7,955	6,896
Programming rights	1,250	1,213
Deposits	1,772	21
Other current assets	2,083	1,878
Total current assets	16,361	12,303
Film and television costs	7,252	5,855
Investments	5,247	3,224
Property and equipment, net	36,253	33,665
Franchise rights	59,364	59,364
Goodwill	35,980	32,945
Other intangible assets, net	17,274	16,946
Other noncurrent assets, net	2,769	2,272
<b>Total assets</b>	<b>\$ 180,500</b>	<b>\$ 166,574</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses related to trade creditors	\$ 6,915	\$ 6,215
Accrued participations and residuals	1,726	1,572
Deferred revenue	1,132	1,302
Accrued expenses and other current liabilities	6,282	5,462
Current portion of long-term debt	5,480	3,627
Total current liabilities	21,535	18,178
Long-term debt, less current portion	55,566	48,994
Deferred income taxes	34,854	33,566
Other noncurrent liabilities	10,925	10,637
Commitments and contingencies (Note 16)		
Redeemable noncontrolling interests and redeemable subsidiary preferred stock	1,446	1,221
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, 2,802,752,832 and 2,869,349,502; outstanding, 2,366,357,318 and 2,432,953,988	28	29
Class B common stock, \$0.01 par value—authorized, 75,000,000 shares; issued and outstanding, 9,444,375	—	—
Additional paid-in capital	38,258	38,518
Retained earnings	23,076	21,413
Treasury stock, 436,395,514 Class A common shares	(7,517)	(7,517)
Accumulated other comprehensive income (loss)	98	(174)
Total Comcast Corporation shareholders' equity	53,943	52,269
Noncontrolling interests	2,231	1,709
Total equity	56,174	53,978
<b>Total liabilities and equity</b>	<b>\$ 180,500</b>	<b>\$ 166,574</b>

See accompanying notes to consolidated financial statements.

[Table of Contents](#)**Comcast Corporation**  
Consolidated Statement of Income

Year ended December 31 (in millions, except per share data)	2016	2015	2014
<b>Revenue</b>	<b>\$ 80,403</b>	<b>\$ 74,510</b>	<b>\$ 68,775</b>
Costs and Expenses:			
Programming and production	24,463	22,550	20,912
Other operating and administrative	23,409	21,319	19,839
Advertising, marketing and promotion	6,114	5,963	5,101
Depreciation	7,464	6,781	6,337
Amortization	2,094	1,899	1,682
	<b>63,544</b>	<b>58,512</b>	<b>53,871</b>
<b>Operating income</b>	<b>16,859</b>	<b>15,998</b>	<b>14,904</b>
Other Income (Expense):			
Interest expense	(2,942)	(2,702)	(2,617)
Investment income (loss), net	213	81	296
Equity in net income (losses) of investees, net	(104)	(325)	97
Other income (expense), net	327	320	(215)
	<b>(2,506)</b>	<b>(2,626)</b>	<b>(2,439)</b>
Income before income taxes	14,353	13,372	12,465
Income tax expense	(5,308)	(4,959)	(3,873)
Net income	9,045	8,413	8,592
Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock	(350)	(250)	(212)
<b>Net income attributable to Comcast Corporation</b>	<b>\$ 8,695</b>	<b>\$ 8,163</b>	<b>\$ 8,380</b>
<b>Basic earnings per common share attributable to Comcast Corporation shareholders</b>	<b>\$ 3.61</b>	<b>\$ 3.28</b>	<b>\$ 3.24</b>
<b>Diluted earnings per common share attributable to Comcast Corporation shareholders</b>	<b>\$ 3.57</b>	<b>\$ 3.24</b>	<b>\$ 3.20</b>
<b>Dividends declared per common share</b>	<b>\$ 1.10</b>	<b>\$ 1.00</b>	<b>\$ 0.90</b>
<b>Unaudited pro forma diluted earnings per common share attributable to Comcast Corporation shareholders, adjusted for the two-for-one stock split. See Note 1.</b>	<b>\$ 1.78</b>	<b>\$ 1.62</b>	<b>\$ 1.60</b>

See accompanying notes to consolidated financial statements.

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[Table of Contents](#)**Comcast Corporation**

## Consolidated Statement of Comprehensive Income

Year ended December 31 (in millions)	2016	2015	2014
Net income	<b>\$ 9,045</b>	\$ 8,413	\$ 8,592
Unrealized gains (losses) on marketable securities, net of deferred taxes of \$(1), \$(1) and \$(19)	—	1	33
Deferred gains (losses) on cash flow hedges, net of deferred taxes of \$35, \$62 and \$3	<b>(60)</b>	(106)	(5)
Amounts reclassified to net income:			
Realized (gains) losses on marketable securities, net of deferred taxes of \$1, \$1 and \$59	<b>(1)</b>	(1)	(99)
Realized (gains) losses on cash flow hedges, net of deferred taxes of \$(54), \$(38) and \$(27)	<b>92</b>	64	46
Employee benefit obligations, net of deferred taxes of \$(125), \$(43) and \$82	<b>213</b>	74	(139)
Currency translation adjustments, net of deferred taxes of \$(14), \$34 and \$23	<b>102</b>	(89)	(38)
Comprehensive income	<b>9,391</b>	8,356	8,390
Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock	<b>(350)</b>	(250)	(212)
Other comprehensive (income) loss attributable to noncontrolling interests	<b>(74)</b>	29	—
<b>Comprehensive income attributable to Comcast Corporation</b>	<b>\$ 8,967</b>	\$ 8,135	\$ 8,178

See accompanying notes to consolidated financial statements.

[Table of Contents](#)**Comcast Corporation**  
Consolidated Statement of Cash Flows

Year ended December 31 (in millions)	2016	2015	2014
<b>Operating Activities</b>			
Net income	\$ 9,045	\$ 8,413	\$ 8,592
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	9,558	8,680	8,019
Share-based compensation	640	567	513
Noncash interest expense (income), net	230	205	180
Equity in net (income) losses of investees, net	104	325	(97)
Cash received from investees	85	168	104
Net (gain) loss on investment activity and other	(169)	(318)	4
Deferred income taxes	1,444	958	1,165
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:			
Current and noncurrent receivables, net	(782)	(708)	(33)
Film and television costs, net	(495)	(299)	(562)
Accounts payable and accrued expenses related to trade creditors	374	384	153
Other operating assets and liabilities	(794)	403	(1,093)
<b>Net cash provided by operating activities</b>	<b>19,240</b>	<b>18,778</b>	<b>16,945</b>
<b>Investing Activities</b>			
Capital expenditures	(9,135)	(8,499)	(7,420)
Cash paid for intangible assets	(1,686)	(1,370)	(1,122)
Acquisitions and construction of real estate properties	(428)	(178)	(43)
Acquisitions, net of cash acquired	(3,929)	(1,786)	(477)
Proceeds from sales of businesses and investments	218	433	666
Purchases of investments	(1,697)	(784)	(191)
Deposits	(1,749)	(18)	—
Other	21	238	(146)
<b>Net cash provided by (used in) investing activities</b>	<b>(18,385)</b>	<b>(11,964)</b>	<b>(8,733)</b>
<b>Financing Activities</b>			
Proceeds from (repayments of) short-term borrowings, net	1,790	135	(504)
Proceeds from borrowings	9,231	5,486	4,182
Repurchases and repayments of debt	(3,052)	(4,378)	(3,175)
Repurchases and retirements of common stock	(5,000)	(6,750)	(4,251)
Dividends paid	(2,601)	(2,437)	(2,254)
Issuances of common stock	23	36	35
Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock	(253)	(232)	(220)
Other	13	(289)	167
<b>Net cash provided by (used in) financing activities</b>	<b>151</b>	<b>(8,429)</b>	<b>(6,020)</b>
Increase (decrease) in cash and cash equivalents	1,006	(1,615)	2,192
Cash and cash equivalents, beginning of year	2,295	3,910	1,718
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,301</b>	<b>\$ 2,295</b>	<b>\$ 3,910</b>

See accompanying notes to consolidated financial statements.

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**Comcast Corporation**  
Consolidated Statement of Changes in Equity

(in millions)	Redeemable Noncontrolling Interests and Redeemable Subsidiary Preferred Stock	Common Stock					Retained Earnings	Treasury Stock at Cost	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests	Total Equity
		A			Additional Paid-In Capital	B					
		A	Special	B							
Balance, December 31, 2013	\$ 957	\$ 25	\$ 5	\$ —	\$ 38,890	\$ 19,235	\$ (7,517)	\$ 56	\$ 364	\$ 51,058	
Stock compensation plans					732	(433)				299	
Repurchases and retirements of common stock					(928)	(3,323)				(4,251)	
Employee stock purchase plans					118					118	
Dividends declared						(2,320)				(2,320)	
Other comprehensive income (loss)								(202)		(202)	
Issuance of subsidiary shares to noncontrolling interests	85								11	11	
Contributions from (distributions to) noncontrolling interests, net	(19)								(132)	(132)	
Other	(33)				(7)				(22)	(29)	
Net income (loss)	76					8,380			136	8,516	
Balance, December 31, 2014	1,066	25	5	—	38,805	21,539	(7,517)	(146)	357	53,068	
Stock compensation plans					739	(402)				337	
Repurchases and retirements of common stock			(1)		(1,345)	(5,404)				(6,750)	
Employee stock purchase plans					136					136	
Dividends declared						(2,483)				(2,483)	
Other comprehensive income (loss)								(28)	(29)	(57)	
Contributions from (distributions to) noncontrolling interests, net	11								(146)	(146)	
Reclassification of Class A Special common stock		4	(4)							—	
Universal Studios Japan									1,440	1,440	
Other	58				183				(77)	106	
Net income (loss)	86					8,163			164	8,327	
Balance, December 31, 2015	1,221	29	—	—	38,518	21,413	(7,517)	(174)	1,709	53,978	
Stock compensation plans					720	(326)				394	
Repurchases and retirements of common stock		(1)			(949)	(4,050)				(5,000)	
Employee stock purchase plans					156					156	
Dividends declared						(2,656)				(2,656)	
Other comprehensive income (loss)								272	74	346	
Contributions from (distributions to) noncontrolling interests, net	(16)								(134)	(134)	
Other	148				(187)				325	138	
Net income (loss)	93					8,695			257	8,952	
Balance, December 31, 2016	\$ 1,446	\$ 28	\$ —	\$ —	\$ 38,258	\$ 23,076	\$ (7,517)	\$ 98	\$ 2,231	\$ 56,174	

See accompanying notes to consolidated financial statements.

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**Comcast Corporation**

Notes to Consolidated Financial Statements

**Note 1: Business and Basis of Presentation**

We are a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. We were incorporated under the laws of Pennsylvania in December 2001. Through our predecessors, we have developed, managed and operated cable systems since 1963.

We present our operations for Comcast Cable in one reportable business segment, referred to as Cable Communications, and our operations for NBCUniversal in four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks (collectively, the “NBCUniversal segments”). See Note 17 for additional information on our reportable business segments.

Our Cable Communications segment primarily manages and operates cable systems that serve residential and business customers in the United States. As of December 31, 2016, our cable systems had 28.6 million total customer relationships and served 22.5 million video customers, 24.7 million high-speed Internet customers and 11.7 million voice customers.

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks that provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, our international cable networks, and our cable television studio production operations.

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our owned NBC and Telemundo local broadcast television stations, the NBC Universo national cable network, and our broadcast television studio production operations.

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Illumination and Focus Features names and in August 2016, we acquired DreamWorks Animation. See Note 5 for additional information on the acquisition.

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California and our 51% interest in the Universal Studios theme park in Osaka, Japan (“Universal Studios Japan”), which we acquired in November 2015. See Note 5 for additional information on the acquisition.

Our other business interests, which are included in Corporate and Other, consist primarily of Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania and operates arena management-related businesses.

**Basis of Presentation**

The accompanying consolidated financial statements include all entities in which we have a controlling voting interest and variable interest entities (“VIEs”) required to be consolidated in accordance with generally accepted accounting principles in the United States (“GAAP”).

We translate assets and liabilities of our foreign operations where the functional currency is the local currency, primarily the Japanese yen, euro and British pound, into U.S. dollars at the exchange rate as of the balance sheet date and translate revenue and expenses using average monthly exchange rates. The related translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in our consolidated balance sheet. Any foreign currency transaction gains or losses are included in our consolidated statement of income.

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**Comcast Corporation**

**Reclassifications**

Reclassifications have been made to our consolidated financial statements for the prior years to conform to classifications used in 2016.

**Stock Split**

On January 24, 2017, our Board of Directors approved a two-for-one stock split in the form of a 100% stock dividend (the "Stock Split") payable on February 17, 2017 to shareholders of record as of February 8, 2017. The Stock Split will be in the form of one additional share for every share held and will be payable in shares of Class A common stock on the outstanding Class A common stock and Class B common stock. The pro forma diluted earnings per common share attributable to Comcast Corporation shareholders in our consolidated statement of income has been adjusted to reflect the Stock Split for all periods presented. All other share-based data, including the number of shares outstanding and related prices, per share amounts, and share authorizations and conversions have not been adjusted to reflect the Stock Split for any of the periods presented.

**Note 2: Accounting Policies**

Our consolidated financial statements are prepared in accordance with GAAP, which require us to select accounting policies, including in certain cases industry-specific policies, and make estimates that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and contingent liabilities. Actual results could differ from these estimates. We believe that the judgments and related estimates for the following items are critical in the preparation of our consolidated financial statements:

- valuation and impairment testing of cable franchise rights (see Note 9)
- film and television costs (see Note 6)

In addition, the following accounting policies are specific to the industries in which we operate:

- capitalization and amortization of film and television costs (see Note 6)
- installation revenue and costs for connecting customers to our cable systems (see revenue recognition below and Note 8)

Information on our other accounting policies and methods that are used in the preparation of our consolidated financial statements are included, where applicable, in their respective footnotes that follow. Below is a discussion of accounting policies and methods used in our consolidated financial statements that are not presented within other footnotes.

**Revenue Recognition**

**Cable Communications Segment**

Our Cable Communications segment generates revenue primarily from subscriptions to our video, high-speed Internet and voice services ("cable services") and from the sale of advertising. We recognize revenue from cable services as each service is provided. Customers are typically billed in advance on a monthly basis based on the services and features they receive and the type of equipment they use. Since installation revenue obtained from the connection of customers to our cable systems is less than the related direct selling costs, we recognize revenue as connections are completed. We manage credit risk by screening applicants through the use of internal customer information, identification verification tools and credit bureau data. If a customer's account is delinquent, various measures are used to collect outstanding amounts, including termination of the customer's cable services.

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### **Comcast Corporation**

As part of our distribution agreements with cable networks, we generally receive an allocation of scheduled advertising time on cable networks that we sell through our advertising business, Spotlight, to local, regional and national advertisers. We recognize advertising revenue when the advertising is aired or viewed. In most cases, the available advertising units are sold by our sales force. In some cases, we work with representation firms as an extension of our sales force to sell a portion of the advertising units allocated to us. We also represent the advertising sales efforts of other multichannel video providers in some markets. Since we are acting as the principal in these arrangements, we record the advertising that is sold in revenue and the fees paid to representation firms and multichannel video providers in other operating and administrative expenses.

Revenue earned from other sources, such as our home security and automation services, is recognized when services are provided or events occur. Under the terms of our cable franchise agreements, we are generally required to pay to the cable franchising authority an amount based on our gross video revenue. We pass these fees through to our cable services customers and classify the fees as a component of revenue with the corresponding costs included in other operating and administrative expenses.

#### [Cable Networks and Broadcast Television Segments](#)

Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, from the sale of advertising on our cable networks and related digital media properties, from the licensing of our owned programming to cable and broadcast networks and subscription video on demand services, from the sale of our owned programming on standard-definition digital video discs and Blu-ray discs (together, "DVDs") and through digital distribution services such as iTunes, and from the sale of programming by our cable television studio production operations to third-party networks and subscription video on demand services. Our Broadcast Television segment generates revenue primarily from the sale of advertising on our broadcast networks, owned local broadcast television stations and related digital media properties, from the licensing of our owned programming by our broadcast television studio production operations to various distribution platforms, including to cable and broadcast networks as well as to subscription video on demand services, from the fees received under retransmission consent agreements and associated fees received from NBC-affiliated local broadcast television stations, and from the sale of our owned programming on DVDs and through digital distribution services. We recognize revenue from distributors as programming is provided, generally under multiyear distribution agreements. From time to time, the distribution agreements expire while programming continues to be provided to the distributor based on interim arrangements while the parties negotiate new contract terms. Revenue recognition is generally limited to current payments being made by the distributor, typically under the prior contract terms, until a new contract is negotiated, sometimes with effective dates that affect prior periods. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

Advertising revenue for our Cable Networks and Broadcast Television segments is recognized in the period in which commercials are aired or viewed. In some instances, we guarantee audience ratings for the commercials. To the extent there is a shortfall in the ratings that were guaranteed, a portion of the revenue is deferred until the shortfall is settled, primarily by providing additional advertising units. We recognize revenue from the licensing of our owned programming and programming produced by our studios for third parties when the content is made available for use by the licensee, and when certain other conditions are met. When license fees include advertising time, we recognize the component of revenue associated with the advertisements when they are aired or viewed.

#### [Filmed Entertainment Segment](#)

Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our produced and acquired films for exhibition in movie theaters, from the licensing of our owned and acquired films through various distribution platforms, and from the sale of our owned and acquired films on DVDs and

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**Comcast Corporation**

through digital distribution services. Our Filmed Entertainment segment also generates revenue from producing and licensing live stage plays, from the distribution of filmed entertainment produced by third parties, and from Fandango, our movie ticketing and entertainment business. We recognize revenue from the distribution of films to movie theaters when the films are exhibited. We recognize revenue from the licensing of a film when the film is available for use by the licensee, and when certain other conditions are met. We recognize revenue from the sale of DVDs, net of estimated returns and customer incentives, on the date that the DVDs are delivered to and made available for sale by retailers.

**Theme Parks Segment**

Our Theme Parks segment generates revenue primarily from ticket sales and guest spending at our Universal theme parks. We recognize revenue from advance theme park ticket sales when the tickets are used. For annual passes, we recognize revenue on a straight-line basis over the period following the activation date.

**Cable Communications Programming Expenses**

Cable Communications programming expenses are the fees we pay to license the programming we distribute to our video customers. Programming is generally acquired under multiyear distribution agreements, with rates typically based on the number of customers that receive the programming, channel positioning and the extent of distribution. From time to time, these contracts expire and programming continues to be provided under interim arrangements while the parties negotiate new contract terms, sometimes with effective dates that affect prior periods. While payments are typically made under the prior contract's terms, the amount of programming expenses recorded during the interim arrangement is based on our estimate of the ultimate contract terms expected to be negotiated. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

When our Cable Communications segment receives incentives from a cable network for the licensing of its programming, we defer a portion of these incentives, which are included in other current and noncurrent liabilities, and recognize them over the term of the contract as a reduction to programming expenses.

**Advertising Expenses**

Advertising costs are expensed as incurred.

**Cash Equivalents**

The carrying amounts of our cash equivalents approximate their fair values. Our cash equivalents consist primarily of money market funds and U.S. government obligations, as well as commercial paper and certificates of deposit with maturities of three months or less when purchased.

**Derivative Financial Instruments**

We use derivative financial instruments to manage our exposure to the risks associated with fluctuations in interest rates, foreign exchange rates and equity prices. Our objective is to manage the financial and operational exposure arising from these risks by offsetting gains and losses on the underlying exposures with gains and losses on the derivatives used to economically hedge them.

Our derivative financial instruments are recorded in our consolidated balance sheet at fair value. The impact of our derivative financial instruments on our consolidated financial statements was not material in any of the periods presented.

**Fair Value Measurements**

The accounting guidance related to financial assets and financial liabilities ("financial instruments") establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various

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### **Comcast Corporation**

valuation techniques (market approach, income approach and cost approach). The levels of the hierarchy are described below.

- Level 1: Values are determined using quoted market prices for identical financial instruments in an active market
- Level 2: Values are determined using quoted prices for similar financial instruments and valuation models whose inputs are observable
- Level 3: Values are determined using pricing models that use significant inputs that are primarily unobservable, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation

We use these levels of hierarchy for the measurement of fair value related to acquisitions, investments, long-term debt, redeemable subsidiary preferred stock and impairment testing, among others. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation and classification within the fair value hierarchy. Our financial instruments that are accounted for at fair value on a recurring basis were not material as of December 31, 2016 and 2015.

### **Asset Retirement Obligations**

Certain of our cable franchise agreements and lease agreements contain provisions requiring us to restore facilities or remove property in the event that the franchise or lease agreement is not renewed. We expect to continually renew our cable franchise agreements and therefore cannot reasonably estimate any liabilities associated with such agreements. A remote possibility exists that franchise agreements could be terminated unexpectedly, which could result in us incurring significant expense in complying with restoration or removal provisions. We do not have any significant liabilities related to asset retirements recorded in our consolidated financial statements.

### **Note 3: Recent Accounting Pronouncements**

#### **Revenue Recognition**

In May 2014, the Financial Accounting Standards Board ("FASB") updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue and by reducing the number of standards to which an entity has to refer. The updated accounting guidance is effective for us as of January 1, 2018.

We have reviewed a majority of our revenue arrangements and expect our review to be completed in the second quarter of 2017. As a result of our review, we do not expect any material impact on our consolidated financial statements. However, we do expect that the new standard will impact the timing of recognition for (1) our Cable Communications segment's installation revenue and commission expenses, which upon adoption will be recognized as revenue and costs over a period of time instead of immediately, and (2) our Cable Networks, Broadcast Television and Filmed Entertainment segments' content licensing revenue associated with renewals or extensions of existing program licensing agreements, which upon adoption will be recognized as revenue when the licensed content becomes available under the renewal or extension instead of when the agreement is renewed or extended.

The guidance provides companies with alternative methods of adoption and we are in the process of determining our method of adoption, which depends in part upon our completion of the evaluation of our remaining revenue arrangements.

## Comcast Corporation

### Consolidations

In February 2015, the FASB updated the accounting guidance related to consolidation under the variable interest entity and voting interest entity models. The updated accounting guidance modifies the consolidation guidance for VIEs, limited partnerships and similar legal entities. We have adopted this guidance as of January 1, 2016 and it did not have a material impact on our consolidated financial statements.

### Financial Assets and Financial Liabilities

In January 2016, the FASB updated the accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The updated accounting guidance, among other things, requires that all nonconsolidated equity investments, except those accounted for under the equity method, be measured at fair value and that the changes in fair value be recognized in net income. The updated guidance is effective for us as of January 1, 2018. The updated accounting guidance requires, with certain exceptions, a cumulative effect adjustment to beginning retained earnings when the guidance is adopted. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

### Leases

In February 2016, the FASB updated the accounting guidance related to leases. The updated accounting guidance requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. The asset and liability are initially measured based on the present value of committed lease payments. For a lessee, the recognition, measurement and presentation of expenses and cash flows arising from a lease do not significantly change from previous guidance. For a lessor, the accounting applied is also largely unchanged from previous guidance. The updated guidance is effective for us as of January 1, 2019 and early adoption is permitted. The updated accounting guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements. See Note 16 for a summary of our undiscounted minimum rental commitments under operating leases as of December 31, 2016.

### Share-Based Compensation

In March 2016, the FASB updated the accounting guidance that affects several aspects of the accounting for share-based compensation. The most significant change for us relates to the presentation of the income and withholding tax consequences of share-based compensation in our consolidated financial statements. Among the changes, the updated guidance requires that the excess income tax benefits or deficiencies that arise when the tax consequences of share-based compensation differ from amounts previously recognized in the statement of income be recognized as income tax benefit or expense in the statement of income rather than as additional paid-in capital in the balance sheet. The guidance also states that excess income tax benefits should not be presented separately from other income taxes in the statement of cash flows and, thus, should be classified as an operating activity rather than a financing activity as they are under the current guidance. In addition, the updated guidance requires when an employer withholds shares upon exercise of options or the vesting of restricted stock for the purpose of meeting withholding tax requirements, that the cash paid for withholding taxes be classified as a financing activity. We currently record these amounts within operating activities.

We will adopt the updated guidance in the first quarter of 2017. As required under the updated guidance, we will prospectively adopt the provisions of this guidance that relate to the recognition of the excess income tax benefits or deficiencies in the statement of income. If we had adopted the updated guidance in 2016, our income tax expense and effective tax rate would have decreased by \$233 million and 1.6%, respectively, and

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**Comcast Corporation**

our diluted earnings per common share attributable to Comcast Corporation shareholders in 2016 would have increased by \$0.08.

In addition, upon adoption we will retrospectively adopt the provisions of this guidance related to changes to the statement of cash flows in any of the periods presented. The table below presents the effect on our consolidated statement of cash flows for each of the years ended December 31, 2016, 2015 and 2014. These amounts are not necessarily indicative of amounts that we will recognize in future years related to the excess income tax benefits or deficiencies nor the cash paid for withholding taxes.

Year ended December 31 (in millions)	As Reported	Effect of Adoption	Upon Adoption
2016			
Net cash provided by operating activities	\$ 19,240	\$ 585	\$ 19,825
Net cash provided by (used in) financing activities	\$ 151	\$ (585)	\$ (434)
2015			
Net cash provided by operating activities	\$ 18,778	\$ 708	\$ 19,486
Net cash provided by (used in) financing activities	\$ (8,429)	\$ (708)	\$ (9,137)
2014			
Net cash provided by operating activities	\$ 16,945	\$ 652	\$ 17,597
Net cash provided by (used in) financing activities	\$ (6,020)	\$ (652)	\$ (6,672)

**Note 4: Earnings Per Share**

**Computation of Diluted EPS**

Year ended December 31 (in millions, except per share data)	2016			2015			2014		
	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount
Basic EPS attributable to Comcast Corporation shareholders	\$ 8,695	2,410	\$ 3.61	\$ 8,163	2,486	\$ 3.28	\$ 8,380	2,583	\$ 3.24
Effect of dilutive securities: Assumed exercise or issuance of shares relating to stock plans		28			32			37	
Diluted EPS attributable to Comcast Corporation shareholders	\$ 8,695	2,438	\$ 3.57	\$ 8,163	2,518	\$ 3.24	\$ 8,380	2,620	\$ 3.20

Diluted earnings per common share attributable to Comcast Corporation shareholders ("diluted EPS") considers the impact of potentially dilutive securities using the treasury stock method. Our potentially dilutive securities include potential common shares related to our stock options and our restricted share units ("RSUs"). Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the combination of the option exercise price and the associated unrecognized compensation expense is greater than the average market price of our common stock.

The amount of potential common shares related to our share-based compensation plans that were excluded from diluted EPS because their effect would have been antidilutive was not material in any of the periods presented.

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**Comcast Corporation**

**Note 5: Significant Transactions**

**2016**

**DreamWorks Animation**

On August 22, 2016, we acquired all of the outstanding stock of DreamWorks Animation for \$3.8 billion. DreamWorks Animation's stockholders received \$41 in cash for each share of DreamWorks Animation common stock. DreamWorks Animation creates animated feature films, television series and specials, live entertainment and related consumer products. The results of operations for DreamWorks Animation are reported in our Filmed Entertainment segment following the acquisition date.

**Preliminary Allocation of Purchase Price**

The transaction was accounted for under the acquisition method of accounting and, accordingly, the assets and liabilities are to be recorded at their fair market values as of the acquisition date. We recorded the acquired assets and liabilities of DreamWorks Animation at their estimated fair values based on preliminary valuation analyses. In valuing acquired assets and liabilities, fair value estimates are primarily based on Level 3 inputs including future expected cash flows, market rate assumptions and discount rates. The fair value of the assumed debt was primarily based on quoted market values. The fair value of the liability related to a tax receivable agreement that DreamWorks Animation had previously entered into with one of its former stockholders (the "tax receivable agreement") was based on the contractual settlement provisions in the agreement. Further, we recorded the deferred income taxes based on our estimates of the tax basis of the acquired net assets and the valuation allowances based on the expected use of net operating loss carryforwards. The goodwill is not deductible for tax purposes. We will adjust the assets and liabilities as valuations are completed and we obtain information necessary to complete the analyses, but no later than one year from the acquisition date.

The table below presents the preliminary allocation of the purchase price to the assets and liabilities of DreamWorks Animation.

**Preliminary Allocation of Purchase Price**

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<i>(in millions)</i>	
Film and television costs (see Note 6)	\$ 854
Intangible assets (see Note 9)	164
Working capital	248
Debt (see Note 10)	(381)
Tax receivable agreement	(146)
Deferred income taxes (see Note 14)	366
Other noncurrent assets and liabilities	137
Identifiable net assets (liabilities) acquired	1,242
Noncontrolling interest	(89)
Goodwill (see Note 9)	2,620
Cash consideration transferred	\$ 3,773

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The tax receivable agreement was settled immediately following the acquisition and the payment was recorded as an operating activity in our consolidated statement of cash flows. In addition, we repaid all of the assumed debt of DreamWorks Animation.

Revenue and net income attributable to the acquisition of DreamWorks Animation were not material for 2016.

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**Comcast Corporation**

**2015**

[Universal Studios Japan](#)

On November 13, 2015, NBCUniversal acquired a 51% economic interest in Universal Studios Japan for \$1.5 billion.

Universal Studios Japan is a VIE based on the governance structure and we consolidate Universal Studios Japan since we have the power to direct activities that most significantly impact its economic performance. There are no liquidity arrangements, guarantees or other financial commitments between us and Universal Studios Japan, and therefore our maximum risk of financial loss is NBCUniversal's 51% interest. Universal Studios Japan's results of operations are reported in our Theme Parks segment following the acquisition date.

[Allocation of Purchase Price](#)

The transaction was accounted for under the acquisition method of accounting and, accordingly, the acquired assets and liabilities and the 49% noncontrolling interest were recorded at their estimated fair values. In 2016, we updated the allocation of the purchase price for Universal Studios Japan based on final valuation analyses, which primarily resulted in increases to property and equipment and intangible assets and a decrease in goodwill. The changes did not have a material impact on our consolidated financial statements. The goodwill is not deductible for tax purposes.

The table below presents the allocation of the purchase price to the assets and liabilities of Universal Studios Japan.

[Allocation of Purchase Price](#)

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(in millions)

Property and equipment (see Note 8)	\$ 780
Intangible assets (see Note 9)	323
Working capital	(33)
Debt (see Note 10)	(3,271)
Other noncurrent assets and liabilities	17
Identifiable net assets (liabilities) acquired	(2,184)
Noncontrolling interest	(1,440)
Goodwill (see Note 9)	5,123
Cash consideration transferred	\$ 1,499

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[Actual and Unaudited Pro Forma Results](#)

Our consolidated revenue in 2016 and 2015 included \$1.4 billion and \$169 million, respectively, from the acquisition of Universal Studios Japan. Our net income attributable to Comcast Corporation in 2016 and 2015 included \$124 million and \$18 million, respectively, from the acquisition of Universal Studios Japan.

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### Comcast Corporation

The following unaudited pro forma information has been presented as if the acquisition of Universal Studios Japan occurred on January 1, 2014. This information is primarily based on historical results of operations, adjusted for the allocation of purchase price, and is not necessarily indicative of what our results would have been had we operated Universal Studios Japan since January 1, 2014. No pro forma adjustments have been made for our transaction-related expenses.

Year ended December 31 (in millions, except per share amounts)	2015	2014
Revenue	\$ 75,563	\$ 69,860
Net income	\$ 8,591	\$ 8,704
Net income attributable to Comcast Corporation	\$ 8,253	\$ 8,435
Basic earnings per common share attributable to Comcast Corporation shareholders	\$ 3.32	\$ 3.27
Diluted earnings per common share attributable to Comcast Corporation shareholders	\$ 3.28	\$ 3.22

### Time Warner Cable Merger and Related Divestiture Transactions

On April 24, 2015, we and Time Warner Cable Inc. terminated our planned merger, and we terminated our related agreement with Charter Communications, Inc. to spin off, exchange and sell certain cable systems. In connection with these proposed transactions, we incurred incremental transaction-related expenses of \$198 million and \$237 million in 2015 and 2014, respectively. The transaction-related expenses are included primarily in other operating and administrative expenses, with \$20 million recorded in depreciation and amortization expenses associated with the write-off of certain capitalized costs in 2015.

### Note 6: Film and Television Costs

December 31 (in millions)	2016	2015
Film Costs:		
Released, less amortization	\$ 1,750	\$ 1,275
Completed, not released	50	226
In production and in development	1,310	907
	<b>3,110</b>	2,408
Television Costs:		
Released, less amortization	1,953	1,573
In production and in development	853	737
	<b>2,806</b>	2,310
Programming rights, less amortization	<b>2,586</b>	2,350
	<b>8,502</b>	7,068
Less: Current portion of programming rights	<b>1,250</b>	1,213
Film and television costs	<b>\$ 7,252</b>	\$ 5,855

Based on our current estimates of the total remaining revenue from all sources ("ultimate revenue"), in 2017 we expect to amortize approximately \$1.9 billion of film and television costs associated with our original film and television productions that have been released, or are completed and have not been released. Through 2019, we expect to amortize approximately 88% of unamortized film and television costs for our released productions, excluding amounts allocated to acquired libraries.

As of December 31, 2016, acquired film and television libraries, which are included within the "released, less amortization" captions in the table above, had remaining unamortized costs of \$596 million. These costs are generally amortized over a period not to exceed 20 years, and approximately 45% of these costs are expected to be amortized through 2019.

## Comcast Corporation

### Capitalization of Film and Television Costs

We capitalize film and television production costs, including direct costs, production overhead, print costs, development costs and interest. We amortize capitalized film and television production costs, including acquired libraries, and accrue costs associated with participation and residual payments to programming and production expenses. We generally record the amortization and the accrued costs using the individual film forecast computation method, which amortizes the costs in the same ratio as the associated ultimate revenue. Estimates of ultimate revenue and total costs are based on anticipated release patterns, public acceptance and historical results for similar productions. Unamortized film and television costs, including acquired film and television libraries, are stated at the lower of unamortized cost or fair value. We do not capitalize costs related to the distribution of a film in movie theaters or the licensing or sale of a film or television production, which are primarily costs associated with the marketing and distribution of them.

In determining the method of amortization and estimated life of an acquired film or television library, we generally use the method and the life that most closely follow the undiscounted cash flows over the estimated life of the asset.

When an event or a change in circumstance occurs that was known or knowable as of the balance sheet date and that indicates the fair value of a film is less than its unamortized costs, we determine the fair value of the film and record an impairment charge for the amount by which the unamortized capitalized costs exceed the film's fair value. The estimated fair value of a production is based on Level 3 inputs that primarily use an analysis of future expected cash flows. Adjustments to capitalized film and stage play production costs of \$14 million, \$42 million and \$26 million were recorded in 2016, 2015 and 2014, respectively.

We enter into cofinancing arrangements with third parties to jointly finance or distribute certain of our film productions. Cofinancing arrangements can take various forms, but in most cases involve the grant of an economic interest in a film to an investor. The number of investors and the terms of these arrangements can vary, although investors generally assume the full risks and rewards for the portion of the film acquired in these arrangements. We account for the proceeds received from a third-party investor under these arrangements as a reduction to our capitalized film costs. Under these arrangements, the investor owns an undivided copyright interest in the film, and therefore in each period we record either a charge or a benefit to programming and production expenses to reflect the estimate of the third-party investor's interest in the profit or loss of the film. The estimate of the third-party investor's interest in the profit or loss of a film is determined using the ratio of actual revenue earned to date to the ultimate revenue expected to be recognized over the film's useful life.

We capitalize the costs of programming content that we license but do not own, including rights to multiyear, live-event sports programming, at the earlier of when payments are made for the programming or when the license period begins and the content is made available for use. We amortize capitalized programming costs as the associated programs are broadcast. We generally amortize multiyear, live-event sports programming rights using the ratio of the current period revenue to the estimated ultimate revenue or under the terms of the contract.

Acquired programming costs are recorded at the lower of unamortized cost or net realizable value on a program by program, package, channel or daypart basis. A daypart is an aggregation of programs broadcast during a particular time of day or programs of a similar type. Programming acquired by our Cable Networks segment is primarily tested on a channel basis for impairment, whereas programming acquired by our Broadcast Television segment is tested on a daypart basis. If we determine that the estimates of future cash flows are insufficient or if there is no plan to broadcast certain programming, we recognize an impairment charge to programming and production expenses.

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[Table of Contents](#)**Comcast Corporation****Note 7: Investments**

December 31 (in millions)	2016	2015
Fair Value Method	\$ 198	\$ 167
Equity Method:		
Atairos	1,601	—
Hulu	225	184
Other	550	494
	2,376	678
Cost Method:		
AirTouch	1,599	1,583
BuzzFeed	400	200
Other	771	702
	2,770	2,485
Total investments	5,344	3,330
Less: Current investments	97	106
Noncurrent investments	\$ 5,247	\$ 3,224

**Investment Income (Loss), Net**

Year ended December 31 (in millions)	2016	2015	2014
Gains on sales and exchanges of investments, net	\$ 46	\$ 12	\$ 192
Investment impairment losses	(34)	(59)	(50)
Unrealized gains on securities underlying prepaid forward sale agreements	—	42	66
Mark to market adjustments on derivative component of prepaid forward sale agreements and indexed debt instruments	(4)	(42)	(56)
Interest and dividend income	123	115	116
Other, net	82	13	28
Investment income (loss), net	\$ 213	\$ 81	\$ 296

**Fair Value Method**

We classify publicly traded investments that are not accounted for under the equity method as available-for-sale (“AFS”) or trading securities and record them at fair value. For AFS securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of other comprehensive income (loss), except when we consider declines in value to be other than temporary. For trading securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of investment income (loss), net. We recognize realized gains and losses associated with our fair value method investments using the specific identification method. We classify the cash flows related to purchases of and proceeds from the sale of trading securities based on the nature of the securities and the purpose for which they were acquired.

**Equity Method**

We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee’s operating and financial policies or in which we hold a significant partnership or LLC interest. Equity method investments are recorded at cost and are adjusted to recognize (1) our proportionate share of the investee’s net income or loss after the date of investment, (2) amortization of the recorded investment that exceeds our share of the book value of the investee’s net assets, (3) additional contributions made and dividends received, and (4) impairments resulting from other-than-temporary declines in fair value.

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### **Comcast Corporation**

For some investments, we record our share of the investee's net income or loss one quarter in arrears due to the timing of our receipt of such information. Gains or losses on the sale of equity method investments are recorded to other income (expense), net. If an equity method investee were to issue additional securities that would change our proportionate share of the entity, we would recognize the change, if any, as a gain or loss in our consolidated statement of income.

#### [Atairos](#)

In 2015, we entered into an agreement to establish Atairos Group, Inc., a strategic company focused on investing in and operating companies in a range of industries and business sectors, both domestically and internationally. The agreement became effective as of January 1, 2016. Atairos has a term of up to 12 years and is controlled by management companies led by our former CFO through interests that carry all of the voting rights. We are the only investor other than our former CFO and the other management company employees. We have committed to fund Atairos up to \$4 billion in the aggregate at any one time, subject to certain offsets, and \$40 million annually for a management fee, subject to certain adjustments, while the management company investors have committed to fund up to \$100 million, with at least \$40 million to be funded by our former CFO, subject to his continued role with Atairos. Our economic interests do not carry voting rights and obligate us to absorb approximately 99% of any losses and they provide us the right to receive approximately 86.5% of any residual returns in Atairos, in either case on a cumulative basis.

We have concluded that Atairos is a VIE, that we do not have the power to direct the activities that most significantly impact the economic performance of Atairos as we have no voting rights and only certain consent rights, and that we are not a related party with our former CFO or the management companies. We therefore do not consolidate Atairos and account for our investment as an equity method investment. There are no other liquidity arrangements, guarantees or other financial commitments between Comcast and Atairos, and therefore our maximum risk of financial loss is our investment balance and remaining unfunded capital commitment.

In 2016, we made cash capital contributions totaling \$1.2 billion to Atairos. In addition, we recorded capital contributions of \$447 million that were accrued in 2016 and paid in January 2017.

#### [Hulu](#)

In August 2016, Time Warner Inc. acquired a 10% interest in Hulu, LLC, which diluted our interest in Hulu from 33% to 30%. For a period not to exceed 3 years, Time Warner may put its shares to Hulu or Hulu may call Time Warner's shares under certain limited circumstances arising from regulatory review. Given the contingent nature of the put and call options, we recorded a deferred gain of \$159 million and a corresponding increase to our investment in Hulu as a result of the dilution. The deferred gain will be recognized in other income (expense), net if and when the options expire unexercised.

In 2016, 2015 and 2014, we recognized our proportionate share of losses of \$168 million, \$106 million and \$20 million, respectively, related to our investment in Hulu.

#### [The Weather Channel](#)

In January 2016, following a legal restructuring at The Weather Channel, we and the other investors sold the entity holding The Weather Channel's product and technology businesses to IBM. Following the close of the transaction, we continue to hold an investment in The Weather Channel cable network through a new holding company. As a result of the sale of our investment, we recognized a pretax gain of \$108 million in other income (expense), net.

In June and December 2015, The Weather Channel recorded impairment charges related to goodwill. In 2015, we recorded expenses of \$333 million that represented NBCUniversal's proportionate share of these impairment charges in equity in net income (losses) of investees, net in our consolidated statement of income.

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**Comcast Corporation**

**Cost Method**

We use the cost method to account for investments not accounted for under the fair value method or the equity method.

[AirTouch](#)

We hold two series of preferred stock of Verizon Americas, Inc., formerly known as AirTouch Communications, Inc., a subsidiary of Verizon Communications Inc., which are redeemable in April 2020. As of both December 31, 2016 and 2015, the estimated fair value of the AirTouch preferred stock was \$1.7 billion.

The dividend and redemption activity of the AirTouch preferred stock determines the dividend and redemption payments associated with substantially all of the preferred shares issued by one of our consolidated subsidiaries, which is a VIE. The subsidiary has three series of preferred stock outstanding with an aggregate redemption value of \$1.75 billion. Substantially all of the AirTouch preferred stock is redeemable in April 2020 at a redemption value of \$1.65 billion. As of both December 31, 2016 and 2015, the two series of redeemable subsidiary preferred shares were recorded at \$1.6 billion, and those amounts are included in other noncurrent liabilities. As of both December 31, 2016 and 2015, the liability related to the redeemable subsidiary preferred shares had an aggregate estimated fair value of \$1.7 billion. The estimated fair values of the AirTouch preferred stock and redeemable subsidiary preferred shares are based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument. The one series of nonredeemable subsidiary preferred shares was recorded at \$100 million as of both December 31, 2016 and 2015, and those amounts are included in noncontrolling interests in our consolidated balance sheet. The carrying amount of the nonredeemable subsidiary preferred stock approximates its fair value.

[BuzzFeed and Vox Media](#)

In September 2015, NBCUniversal acquired an interest in BuzzFeed, Inc. and made an additional investment in Vox Media, Inc. for \$200 million each in cash. In November 2016, NBCUniversal made an additional investment of \$200 million in BuzzFeed. BuzzFeed is a global media company that produces and distributes original news, entertainment and videos. Vox Media is a digital media company comprised of eight distinct brands.

**Impairment Testing of Investments**

We review our investment portfolio each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that would be considered other than temporary. For our nonpublic investments, if there are no identified events or circumstances that would have a significant adverse effect on the fair value of the investment, then the fair value is not estimated. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying amount of the investment to its quoted or estimated fair value, as applicable, and establish a new cost basis for the investment. For our AFS securities and our cost method investments, we record the impairment to investment income (loss), net. For our equity method investments, we record the impairment to other income (expense), net.

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[Table of Contents](#)**Comcast Corporation****Note 8: Property and Equipment**

December 31 (in millions)	Weighted-Average Original Useful Life		2016	2015
	As of December 31, 2016			
Cable distribution system	11 years		<b>\$ 34,028</b>	\$ 32,586
Customer premise equipment	6 years		<b>28,621</b>	28,559
Other equipment	8 years		<b>9,475</b>	8,539
Buildings and leasehold improvements	29 years		<b>12,550</b>	10,829
Land	N/A		<b>1,273</b>	1,252
Property and equipment, at cost			<b>85,947</b>	81,765
Less: Accumulated depreciation			<b>49,694</b>	48,100
Property and equipment, net			<b>\$ 36,253</b>	\$ 33,665

Property and equipment are stated at cost. We capitalize improvements that extend asset lives and expense repairs and maintenance costs as incurred. We record depreciation using the straight-line method over the asset's estimated useful life. For assets that are sold or retired, we remove the applicable cost and accumulated depreciation and, unless the gain or loss on disposition is presented separately, we recognize it as a component of depreciation expense.

In accordance with the accounting guidance related to cable television companies, we capitalize the costs associated with the construction of and improvements to our cable transmission and distribution facilities, including scalable infrastructure and line extensions; costs associated with acquiring and deploying new customer premise equipment; and costs associated with installation of our services. Costs capitalized include all direct costs for labor and materials, as well as various indirect costs. Costs incurred in connection with subsequent disconnects and reconnects are expensed as they are incurred.

We evaluate the recoverability of our property and equipment whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of depreciation expense.

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**Comcast Corporation**

**Note 9: Goodwill and Intangible Assets**

**Goodwill**

(in millions)	NBCUniversal						Corporate and Other	Total
	Cable Communications	Cable Networks	Broadcast Television	Filmed Entertainment	Theme Parks			
Balance, December 31, 2014	\$ 12,217	\$ 12,948	\$ 767	\$ 211	\$ 982	\$ 191	\$ 27,316	
Acquisitions <sup>(a)</sup>	173	17	39	58	5,373	1	5,661	
Adjustments	(1)	—	—	—	—	—	(1)	
Foreign currency translation	—	(18)	—	(2)	(11)	—	(31)	
Balance, December 31, 2015	12,389	12,947	806	267	6,344	192	32,945	
Acquisitions <sup>(b)</sup>	82	232	—	2,717	—	1	3,032	
Adjustments <sup>(c)</sup>	174	—	—	—	(250)	(181)	(257)	
Foreign currency translation	—	4	—	9	247	—	260	
<b>Balance, December 31, 2016</b>	<b>\$ 12,645</b>	<b>\$ 13,183</b>	<b>\$ 806</b>	<b>\$ 2,993</b>	<b>\$ 6,341</b>	<b>\$ 12</b>	<b>\$ 35,980</b>	

(a) Acquisitions in 2015 in our Theme Parks segment included the Universal Studios Japan transaction (see Note 5 for additional information).

(b) Acquisitions in 2016 in our Filmed Entertainment segment primarily included the DreamWorks Animation acquisition (see Note 5 for additional information).

(c) Adjustments in 2016 primarily included the updated allocation of the purchase price for Universal Studios Japan in our Theme Parks segment (see Note 5 for additional information) and the reclassification of certain operations and businesses from Corporate and Other to our Cable Communications segment.

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired in a business combination and represents the future economic benefits expected to arise from anticipated synergies and intangible assets acquired that do not qualify for separate recognition, including assembled workforce, noncontractual relationships and other agreements. We assess the recoverability of our goodwill annually, or more frequently whenever events or substantive changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value. We test goodwill for impairment at the reporting unit level. To determine our reporting units, we evaluate the components one level below the segment level and we aggregate the components if they have similar economic characteristics. As a result of this assessment, our reporting units are the same as our five reportable segments. We evaluate the determination of our reporting units used to test for impairment periodically or whenever events or substantive changes in circumstances occur. The assessment of recoverability may first consider qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. The quantitative assessment considers whether the carrying amount of a reporting unit exceeds its fair value, in which case an impairment charge is recorded to the extent the carrying amount of the reporting unit's goodwill exceeds its implied fair value. Unless presented separately, the impairment charge is included as a component of amortization expense. We did not recognize any impairment charges in any of the periods presented.

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**Comcast Corporation**

**Intangible Assets**

December 31 (in millions)	Weighted-Average Original Useful Life as of December 31, 2016	2016		2015	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Indefinite-Lived Intangible Assets:</b>					
Franchise rights	N/A	\$ 59,364		\$ 59,364	
Trade names	N/A	2,981		2,857	
FCC licenses	N/A	651		651	
<b>Finite-Lived Intangible Assets:</b>					
Customer relationships	19 years	13,478	\$ (5,110)	13,396	\$ (4,442)
Software	4 years	7,017	(3,997)	6,008	(3,429)
Cable franchise renewal costs and contractual operating rights	9 years	1,460	(800)	1,499	(849)
Patents and other technology rights	7 years	257	(208)	409	(350)
Other agreements and rights	15 years	2,443	(898)	1,994	(798)
<b>Total</b>		<b>\$ 87,651</b>	<b>\$ (11,013)</b>	<b>\$ 86,178</b>	<b>\$ (9,868)</b>

**Indefinite-Lived Intangible Assets**

Indefinite-lived intangible assets consist primarily of our cable franchise rights. Our cable franchise rights represent the values we attributed to agreements with state and local authorities that allow access to homes and businesses in cable service areas acquired in business combinations. We do not amortize our cable franchise rights because we have determined that they meet the definition of indefinite-lived intangible assets since there are no legal, regulatory, contractual, competitive, economic or other factors which limit the period over which these rights will contribute to our cash flows. We reassess this determination periodically or whenever events or substantive changes in circumstances occur. Costs we incur in negotiating and renewing cable franchise agreements are included in other intangible assets and are generally amortized on a straight-line basis over the term of the franchise agreement.

We assess the recoverability of our cable franchise rights and other indefinite-lived intangible assets annually, or more frequently whenever events or substantive changes in circumstances indicate that the assets might be impaired. Our three Cable Communications divisions represent the unit of account we use to test for impairment of our cable franchise rights. We evaluate the unit of account used to test for impairment of our cable franchise rights and other indefinite-lived intangible assets periodically or whenever events or substantive changes in circumstances occur to ensure impairment testing is performed at an appropriate level. The assessment of recoverability may first consider qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. When performing a quantitative assessment, we estimate the fair value of our cable franchise rights and other indefinite-lived intangible assets primarily based on a discounted cash flow analysis that involves significant judgment. When analyzing the fair values indicated under the discounted cash flow models, we also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions, and profitability information. If the fair value of our cable franchise rights or other indefinite-lived intangible assets was less than the carrying amount, we would recognize an impairment charge for the difference between the estimated fair value and the carrying value of the assets. Unless presented separately, the impairment charge is included as a component of amortization expense. We did not recognize any material impairment charges in any of the periods presented.

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### Comcast Corporation

#### [Finite-Lived Intangible Assets](#)

##### [Estimated Amortization Expense of Finite-Lived Intangible Assets](#)

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(in millions)	
2017	\$ 2,077
2018	\$ 1,828
2019	\$ 1,475
2020	\$ 1,168
2021	\$ 939

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Finite-lived intangible assets are subject to amortization and consist primarily of customer relationships acquired in business combinations, software, cable franchise renewal costs, contractual operating rights and intellectual property rights. Our finite-lived intangible assets are amortized primarily on a straight-line basis over their estimated useful life or the term of the associated agreement.

We capitalize direct development costs associated with internal-use software, including external direct costs of material and services and payroll costs for employees devoting time to these software projects. We also capitalize costs associated with the purchase of software licenses. We include these costs in other intangible assets and generally amortize them on a straight-line basis over a period not to exceed five years. We expense maintenance and training costs, as well as costs incurred during the preliminary stage of a project, as they are incurred. We capitalize initial operating system software costs and amortize them over the life of the associated hardware.

We evaluate the recoverability of our finite-lived intangible assets whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of amortization expense.

#### [Note 10: Long-Term Debt](#)

##### [Long-Term Debt Outstanding](#)

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December 31 (in millions)	Weighted-Average Interest Rate as of December 31, 2016	2016	2015
Commercial paper	1.01%	\$ 2,781	\$ 975
Revolving bank credit facilities	—%	—	—
Term loans <sup>(a)</sup>	2.93%	3,262	3,259
Senior notes with maturities of 5 years or less, at face value	4.68%	13,850	14,300
Senior notes with maturities between 5 and 10 years, at face value	3.86%	12,049	9,630
Senior notes with maturities greater than 10 years, at face value <sup>(b)</sup>	5.19%	28,587	23,925
Other, including capital lease obligations	—	842	794
Debt issuance costs, premiums, discounts and fair value adjustments for hedged positions, net	—	(325)	(262)
Total debt	4.50% <sup>(c)</sup>	61,046	52,621
Less: Current portion		5,480	3,627
Long-term debt		\$ 55,566	\$ 48,994

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- (a) The December 31, 2016 and 2015 amounts consist of ¥382 billion and ¥400 billion, respectively, of Universal Studios Japan term loans translated using the exchange rates as of these dates.
- (b) The December 31, 2016 and 2015 amounts include £625 million of 5.50% notes due 2029, which translated to \$771 million and \$921 million, respectively, using the exchange rates as of these dates.
- (c) Includes the effects of our derivative financial instruments.

As of December 31, 2016 and 2015, our debt had an estimated fair value of \$66.3 billion and \$58.0 billion, respectively. The estimated fair value of our publicly traded debt is primarily based on Level 1 inputs that use quoted market values for the debt. The estimated fair value of debt for which there are no quoted market prices is based on Level 2 inputs that use interest rates available to us for debt with similar terms and remaining maturities. See Note 19 for additional information on our cross-guarantee structure.

### Principal Maturities of Debt

(in millions)	Weighted-Average Interest Rate as of December 31, 2016	
2017	4.22%	\$ 5,483
2018	4.05%	\$ 4,203
2019	3.11%	\$ 2,466
2020	4.18%	\$ 6,217
2021	4.36%	\$ 2,043
Thereafter	4.82%	\$ 40,959

### 2016 Debt Borrowings

Year ended December 31, 2016 (in millions)	
Comcast 3.15% senior notes due 2026	\$ 2,200
Comcast 4.05% senior notes due 2046	1,430
Comcast 2.35% senior notes due 2027	1,400
Comcast 3.40% senior notes due 2046	1,400
Comcast 2.75% senior notes due 2023	1,100
Comcast 3.20% senior notes due 2036	1,000
Comcast 1.625% senior notes due 2022	700
Other	1
Total	\$ 9,231

### 2016 Debt Redemptions and Repayments

Year ended December 31, 2016 (in millions)	
NBCUniversal 2.875% senior notes due 2016	\$ 1,000
Comcast 4.95% senior notes due 2016	750
NBCUniversal Enterprise senior notes due 2016	700
DreamWorks Animation assumed debt (see Note 5)	381
Other	221
Total	\$ 3,052

### Debt Instruments

#### Revolving Bank Credit Facilities

In May 2016, we entered into a new \$7 billion revolving credit facility due 2021 with a syndicate of banks ("Comcast revolving credit facility") that may be used for general corporate purposes. We may increase the commitment under the Comcast revolving credit facility up to a total of \$10 billion, as well as extend the

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expiration date to a date no later than 2023, subject to approval of the lenders. In addition, NBCUniversal Enterprise entered into a new \$1.5 billion revolving credit facility due 2021 with a syndicate of banks ("NBCUniversal Enterprise revolving credit facility") that may be used for general corporate purposes. We may increase the commitment under the NBCUniversal Enterprise revolving credit facility up to a total of \$2 billion, as well as extend the expiration date to a date no later than 2023, subject to approval of the lenders. The new revolving credit facilities replaced Comcast's \$6.25 billion and NBCUniversal Enterprise's \$1.35 billion revolving credit facilities, which were terminated in connection with the execution of the new revolving credit facilities. The interest rates on the new revolving credit facilities consist of a base rate plus a borrowing margin that is determined based on Comcast's credit rating. As of December 31, 2016, the borrowing margin for borrowings based on the London Interbank Offered Rate was 1.00%. Similar to the Comcast and NBCUniversal Enterprise prior revolving credit facilities, each of the new revolving credit facilities require that we maintain certain financial ratios based on their respective debt and operating income before depreciation and amortization, as defined in the credit facility. We were in compliance with all financial covenants for all periods presented.

As of December 31, 2016, amounts available under our consolidated credit facilities, net of amounts outstanding under our commercial paper programs and outstanding letters of credit, totaled \$5.5 billion, which included \$460 million available under the NBCUniversal Enterprise revolving credit facility.

**Commercial Paper Programs**

Our commercial paper programs provide a lower-cost source of borrowing to fund our short-term working capital requirements. The maximum borrowing capacity under the Comcast commercial paper program is \$6.25 billion. We support this commercial paper program with unused capacity under the Comcast revolving credit facility. The maximum borrowing capacity under the NBCUniversal Enterprise commercial paper program is \$1.35 billion. We support this commercial paper program with unused capacity under the NBCUniversal Enterprise revolving credit facility.

**Term Loans**

Our term loans consist of the Universal Studios Japan term loans, which have a final maturity of November 2020. These term loans contain financial and operating covenants and are secured by the assets of Universal Studios Japan and the equity interests of the other investors. We do not guarantee these term loans and they are otherwise nonrecourse to us.

**Letters of Credit**

As of December 31, 2016, we and certain of our subsidiaries had unused irrevocable standby letters of credit totaling \$443 million to cover potential fundings under various agreements.

**Note 11: Postretirement, Pension and Other Employee Benefit Plans****Postretirement Benefit Plans**

Year ended December 31 (in millions)	2016	2015	2014
Benefit obligation	\$ 538	\$ 820	\$ 837
Plan funded status and recorded benefit obligation	\$ (538)	\$ (820)	\$ (837)
Portion of benefit obligation not yet recognized in benefits expense	\$ (372)	\$ (33)	\$ 46
Benefits expense	\$ 70	\$ 75	\$ 59
Discount rate	4.07-4.56%	4.70-4.73%	4.25%

We sponsor various benefit plans that provide postretirement benefits to eligible employees based on years of service. The Comcast Postretirement Healthcare Stipend Program (the "stipend plan") provides an annual stipend for

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reimbursement of healthcare costs to each eligible employee based on years of service. Under the stipend plan, we are not exposed to the increasing costs of healthcare because the benefits are fixed at a predetermined amount. In December 2016, the stipend plan was amended primarily to reduce the benefits of active employees who retire after December 31, 2017. The plan amendments reduced our benefit obligation in 2016 by \$361 million.

NBCUniversal's postretirement medical and life insurance plans provide continuous coverage to employees eligible to receive such benefits. A small number of eligible employees also participate in legacy plans of acquired companies.

All of our postretirement benefit plans are unfunded and substantially all of our postretirement benefit obligations are recorded to noncurrent liabilities. The expense we recognize for our postretirement benefit plans is determined using certain assumptions, including the discount rate.

**Pension Plans**

NBCUniversal sponsors various qualified and nonqualified defined benefit pension plans for domestic employees. Since the future benefits have been frozen since the beginning of 2013, we did not recognize service costs related to the pension plans for all periods presented. The benefits expense we recognized for our defined benefit plans was not material for all periods presented. In addition to the defined benefit plans it sponsors, NBCUniversal is also obligated to reimburse General Electric ("GE") for future benefit payments to those participants who were vested in the supplemental pension plan sponsored by GE at the time of the NBCUniversal transaction in 2011. These pension plans are currently unfunded and we recorded a benefit obligation of \$314 million and \$309 million as of December 31, 2016 and 2015, respectively, which consists primarily of our obligations to reimburse GE.

**Other Employee Benefits**

[Deferred Compensation Plans](#)

We maintain unfunded, nonqualified deferred compensation plans for certain members of management and nonemployee directors (each, a "participant"). The amount of compensation deferred by each participant is based on participant elections. Participant accounts, except for those in the NBCUniversal plan, are credited with income primarily based on a fixed annual rate. Participants in the NBCUniversal plan designate one or more valuation funds, independently established funds or indices that are used to determine the amount of investment gain or loss in the participant's account. Participants are eligible to receive distributions from their account based on elected deferral periods that are consistent with the plans and applicable tax law.

The table below presents the benefit obligation and interest expense for our deferred compensation plans.

Year ended December 31 (in millions)	2016	2015	2014
Benefit obligation	<b>\$ 2,164</b>	\$ 2,038	\$ 1,774
Interest expense	<b>\$ 178</b>	\$ 171	\$ 149

We have purchased life insurance policies to recover a portion of the future payments related to our deferred compensation plans. As of December 31, 2016 and 2015, the cash surrender value of these policies, which is recorded to other noncurrent assets, was \$709 million and \$658 million, respectively.

[Retirement Investment Plans](#)

We sponsor several 401(k) defined contribution retirement plans that allow eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified plan guidelines. We make contributions to the plans that include matching a percentage of the employees' contributions up to certain limits. In 2016, 2015 and 2014, expenses related to these plans totaled \$446 million, \$416 million and \$379 million, respectively.

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### **Comcast Corporation**

#### [Multiemployer Benefit Plans](#)

We participate in various multiemployer benefit plans, including pension and postretirement benefit plans, that cover some of our employees and temporary employees who are represented by labor unions. We also participate in other multiemployer benefit plans that provide health and welfare and retirement savings benefits to active and retired participants. We make periodic contributions to these plans in accordance with the terms of applicable collective bargaining agreements and laws but do not sponsor or administer these plans. We do not participate in any multiemployer benefit plans for which we consider our contributions to be individually significant, and the largest plans in which we participate are funded at a level of 80% or greater.

In 2016, 2015 and 2014, the total contributions we made to multiemployer pension plans were \$84 million, \$77 million and \$58 million, respectively. In 2016, 2015 and 2014, the total contributions we made to multiemployer postretirement and other benefit plans were \$136 million, \$119 million and \$125 million, respectively.

If we cease to be obligated to make contributions or were to otherwise withdraw from participation in any of these plans, applicable law would require us to fund our allocable share of the unfunded vested benefits, which is known as a withdrawal liability. In addition, actions taken by other participating employers may lead to adverse changes in the financial condition of one of these plans, which could result in an increase in our withdrawal liability.

#### [Severance Benefits](#)

We provide severance benefits to certain former employees. A liability is recorded when payment is probable, the amount is reasonably estimable, and the obligation relates to rights that have vested or accumulated. In 2016, 2015 and 2014, we recorded severance costs of \$315 million, \$181 million and \$152 million, respectively. Severance costs in 2016 included \$61 million of severance costs associated with the acquisition of DreamWorks Animation.

### **Note 12: Equity**

#### **Common Stock**

In the aggregate, holders of our Class A common stock have  $66\frac{2}{3}\%$  of the voting power of our common stock and holders of our Class B common stock have  $33\frac{1}{3}\%$  of the voting power of our common stock. Each share of our Class B common stock is entitled to 15 votes. The number of votes held by each share of our Class A common stock depends on the number of shares of Class A and Class B common stock outstanding at any given time. The  $33\frac{1}{3}\%$  aggregate voting power of our Class B common stock cannot be diluted by additional issuances of any other class of common stock. Our Class B common stock is convertible, share for share, into Class A common stock, subject to certain restrictions.

#### **Class A Special Common Stock Reclassification**

In December 2015, our shareholders approved a proposal to amend and restate our Amended and Restated Certificate of Incorporation in order to reclassify each issued share of our Class A Special common stock into one share of our Class A common stock. This reclassification became effective as of the close of business on December 11, 2015, at which time our Class A Special common stock was no longer outstanding and ceased trading on the NASDAQ under the symbol CMCSK and instead became listed on the NASDAQ under the symbol CMCSA. There was no impact on basic and diluted EPS or the carrying value of total common stock as presented in our consolidated balance sheet because it was a one-for-one stock exchange.

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#### Shares of Common Stock Outstanding

(in millions)	A	A Special	B
Balance, December 31, 2013	2,138	459	9
Stock compensation plans	13	—	—
Repurchases and retirements of common stock	(22)	(59)	—
Employee stock purchase plans	2	—	—
Balance, December 31, 2014	2,131	400	9
Stock compensation plans	12	—	—
Repurchases and retirements of common stock	(62)	(54)	—
Employee stock purchase plans	2	—	—
Reclassification of Class A Special common stock	346	(346)	—
Other	4	—	—
Balance, December 31, 2015	2,433	—	9
<b>Stock compensation plans</b>	<b>11</b>	<b>—</b>	<b>—</b>
<b>Repurchases and retirements of common stock</b>	<b>(81)</b>	<b>—</b>	<b>—</b>
<b>Employee stock purchase plans</b>	<b>3</b>	<b>—</b>	<b>—</b>
<b>Balance, December 31, 2016</b>	<b>2,366</b>	<b>—</b>	<b>9</b>

#### Share Repurchases

Effective January 1, 2017, our Board of Directors increased our share repurchase program authorization to a total of \$12 billion, which does not have an expiration date. Under the authorization, we may repurchase shares in the open market or in private transactions.

#### Share Repurchases

Year ended December 31 (in millions)	2016	2015	2014
Cash consideration	\$ 5,000	\$ 6,750	\$ 4,251
Shares repurchased	81	116	81

#### Accumulated Other Comprehensive Income (Loss)

December 31 (in millions)	2016	2015
Unrealized gains (losses) on marketable securities	\$ —	\$ 1
Deferred gains (losses) on cash flow hedges	(14)	(46)
Unrecognized gains (losses) on employee benefit obligations	219	6
Cumulative translation adjustments	(107)	(135)
Accumulated other comprehensive income (loss), net of deferred taxes	\$ 98	\$ (174)

### Note 13: Share-Based Compensation

The tables below provide condensed information on our share-based compensation.

#### Recognized Share-Based Compensation Expense

Year ended December 31 (in millions)	2016	2015	2014
Restricted share units	\$ 306	\$ 273	\$ 231
Stock options	173	157	160
Employee stock purchase plans	28	25	23
Total	\$ 507	\$ 455	\$ 414

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As of December 31, 2016, we had unrecognized pretax compensation expense of \$712 million related to nonvested RSUs and unrecognized pretax compensation expense of \$375 million related to nonvested stock options that will be recognized over a weighted-average period of approximately 1.7 years and 1.8 years, respectively. In 2016, 2015 and 2014, we recorded increases to additional paid-in capital of \$233 million, \$311 million and \$299 million, respectively, which were the result of tax benefits associated with our share-based compensation plans.

**Stock Options and Restricted Share Units**

As of December 31, 2016, unless otherwise stated (in millions, except per share data)	Stock Options	RSUs
Awards granted during 2016	21	8
Weighted-average exercise price of awards granted during 2016	\$ 60.01	
Stock options outstanding and nonvested RSUs	95	22
Weighted-average exercise price of stock options outstanding	\$ 42.60	
Weighted-average fair value at grant date of nonvested RSUs		\$ 52.11

As of December 31, 2016, substantially all of our stock options outstanding were net settled stock options. Net settled stock options, as opposed to stock options exercised with a cash payment, result in fewer shares being issued and no cash proceeds being received by us when the options are exercised. Our share-based compensation primarily consists of awards of RSUs and stock options to certain employees and directors as part of our approach to long-term incentive compensation. Awards generally vest over a period of 5 years and in the case of stock options, have a 10 year term. Additionally, through our employee stock purchase plans, employees are able to purchase shares of Comcast common stock at a discount through payroll deductions.

The cost associated with our share-based compensation is based on an award's estimated fair value at the date of grant and is recognized over the period in which any related services are provided. RSUs are valued based on the closing price of our common stock on the date of grant and are discounted for the lack of dividends, if any, during the vesting period. We use the Black-Scholes option pricing model to estimate the fair value of stock option awards. The table below presents the weighted-average fair value on the date of grant of RSUs and stock options awarded under our various plans and the related weighted-average valuation assumptions.

Year ended December 31	2016	2015	2014
RSUs fair value	\$ 60.03	\$ 58.81	\$ 47.91
Stock options fair value	\$ 11.55	\$ 11.78	\$ 11.11
Stock Option Valuation Assumptions:			
Dividend yield	1.8%	1.7%	1.8%
Expected volatility	23.0%	23.0%	24.0%
Risk-free interest rate	1.5%	1.6%	2.2%
Expected option life (in years)	6.1	6.0	6.5

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[Table of Contents](#)**Comcast Corporation****Note 14: Income Taxes****Components of Income Tax Expense**

Year ended December 31 (in millions)	2016	2015	2014
Current Expense (Benefit):			
Federal	\$ 3,190	\$ 3,210	\$ 2,392
State	480	570	174
Foreign	194	221	142
	<b>3,864</b>	<b>4,001</b>	<b>2,708</b>
Deferred Expense (Benefit):			
Federal	1,192	890	1,000
State	154	66	173
Foreign	98	2	(8)
	<b>1,444</b>	<b>958</b>	<b>1,165</b>
Income tax expense	<b>\$ 5,308</b>	<b>\$ 4,959</b>	<b>\$ 3,873</b>

Our income tax expense differs from the federal statutory amount because of the effect of the items detailed in the table below.

Year ended December 31 (in millions)	2016	2015	2014
Federal tax at statutory rate	\$ 5,024	\$ 4,680	\$ 4,363
State income taxes, net of federal benefit	373	326	329
Foreign income taxes, net of federal credit	65	13	—
Nontaxable income attributable to noncontrolling interests	(128)	(69)	(62)
Adjustments to uncertain and effectively settled tax positions, net	24	15	(408)
Accrued interest on uncertain and effectively settled tax positions, net	17	73	(235)
Other	(67)	(79)	(114)
Income tax expense	<b>\$ 5,308</b>	<b>\$ 4,959</b>	<b>\$ 3,873</b>

We base our provision for income taxes on our current period income, changes in our deferred income tax assets and liabilities, income tax rates, changes in estimates of our uncertain tax positions, and tax planning opportunities available in the jurisdictions in which we operate. We recognize deferred tax assets and liabilities when there are temporary differences between the financial reporting basis and tax basis of our assets and liabilities and for the expected benefits of using net operating loss carryforwards. When a change in the tax rate or tax law has an impact on deferred taxes, we apply the change based on the years in which the temporary differences are expected to reverse. We record the change in our consolidated financial statements in the period of enactment.

The determination of the income tax consequences of a business combination includes identifying the tax basis of assets and liabilities acquired and any contingencies associated with uncertain tax positions assumed or resulting from the business combination. Deferred tax assets and liabilities related to temporary differences of an acquired entity are recorded as of the date of the business combination and are based on our estimate of the ultimate tax basis that will be accepted by the various tax authorities. We record liabilities for contingencies associated with prior tax returns filed by the acquired entity based on criteria set forth in the appropriate accounting guidance. We adjust the deferred tax accounts and the liabilities periodically to reflect any revised estimated tax basis and any estimated settlements with the various tax authorities. The effects of these adjustments are recorded to income tax expense.

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From time to time, we engage in transactions in which the tax consequences may be subject to uncertainty. In these cases, we evaluate our tax position using the recognition threshold and the measurement attribute in accordance with the accounting guidance related to uncertain tax positions. Examples of these transactions include business acquisitions and dispositions, including consideration paid or received in connection with these transactions, certain financing transactions, and the allocation of income among state and local tax jurisdictions. Significant judgment is required in assessing and estimating the tax consequences of these transactions. We determine whether it is more likely than not that a tax position will be sustained on examination, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to be recognized in our consolidated financial statements. We classify interest and penalties, if any, associated with our uncertain tax positions as a component of income tax expense.

**NBCUniversal**

For U.S. federal income tax purposes, NBCUniversal Holdings is treated as a partnership and NBCUniversal is disregarded as an entity separate from NBCUniversal Holdings. Accordingly, for U.S. federal and state income tax purposes, the income of NBCUniversal Holdings and NBCUniversal is included in tax returns filed by us and our subsidiaries. Therefore, neither NBCUniversal Holdings nor NBCUniversal and its subsidiaries incur any material current or deferred domestic income taxes.

We are indemnified by GE for any income tax liability attributable to the NBCUniversal contributed businesses for periods prior to the close of the NBCUniversal transaction in January 2011 and also for any income tax liability attributable to NBCUniversal Enterprise for periods prior to the date of the NBCUniversal redemption transaction in March 2013. We have indemnified GE for any income tax liability attributable to the businesses we contributed to NBCUniversal for periods prior to the close of the NBCUniversal transaction.

Current and deferred foreign income taxes are incurred by NBCUniversal's foreign subsidiaries. In 2016, 2015 and 2014, NBCUniversal had foreign income before taxes of \$871 million, \$704 million and \$385 million, respectively, on which foreign income tax expense was recorded. We recorded U.S. income tax expense on our allocable share of our subsidiaries' income before domestic and foreign taxes, which was reduced by a U.S. tax credit equal to our allocable share of our subsidiaries' foreign income tax expense.

**Components of Net Deferred Tax Liability**

December 31 (in millions)	2016	2015
<b>Deferred Tax Assets:</b>		
Net operating loss carryforwards	\$ 544	\$ 551
Differences between book and tax basis of investments	—	101
Nondeductible accruals and other	3,789	3,704
Less: Valuation allowance	266	342
	<b>4,067</b>	<b>4,014</b>
<b>Deferred Tax Liabilities:</b>		
Differences between book and tax basis of property and equipment and intangible assets	37,401	36,392
Differences between book and tax basis of investments	144	—
Differences between book and tax basis of indexed debt securities	375	457
Differences between book and tax basis of foreign subsidiaries and undistributed foreign earnings	960	731
	<b>38,880</b>	<b>37,580</b>
<b>Net deferred tax liability</b>	<b>\$ 34,813</b>	<b>\$ 33,566</b>

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Changes in our net deferred tax liability in 2016 that were not recorded as deferred income tax expense are primarily related to an increase of \$158 million associated with items included in other comprehensive income (loss), a decrease of \$226 million related to acquisitions and a decrease of \$129 million associated with our purchase of a noncontrolling interest. Our net deferred tax liability includes \$23 billion related to cable franchise rights that will remain unchanged unless we recognize an impairment or dispose of a cable franchise or there is a change in the tax law.

As of December 31, 2016, we had federal net operating loss carryforwards of \$598 million, including losses of DreamWorks Animation, and various state net operating loss carryforwards that expire in periods through 2036. As of December 31, 2016, we also had foreign net operating loss carryforwards of \$431 million that are related to the foreign operations of NBCUniversal, the majority of which expire in periods through 2026. The determination of the realization of the state and foreign net operating loss carryforwards is dependent on our subsidiaries' taxable income or loss, apportionment percentages, redetermination from taxing authorities, and state and foreign laws that can change from year to year and impact the amount of such carryforwards. We recognize a valuation allowance if we determine it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. As of December 31, 2016 and 2015, our valuation allowance was primarily related to state and foreign net operating loss carryforwards.

**Uncertain Tax Positions**

Our uncertain tax positions as of December 31, 2016 totaled \$1.1 billion, which exclude the federal benefits on state tax positions that were recorded as deferred income taxes. Included in our uncertain tax positions was \$181 million related to tax positions of NBCUniversal and NBCUniversal Enterprise for which we have been indemnified by GE. If we were to recognize the tax benefit for our uncertain tax positions in the future, \$600 million would impact our effective tax rate and the remaining amount would increase our deferred income tax liability. The amount and timing of the recognition of any such tax benefit is dependent on the completion of examinations of our tax filings by the various tax authorities and the expiration of statutes of limitations. In 2014, we reduced our accruals for uncertain tax positions and the related accrued interest on these tax positions and, as a result, our income tax expense decreased by \$759 million. It is reasonably possible that certain tax contests could be resolved within the next 12 months that may result in a decrease in our effective tax rate.

**Reconciliation of Unrecognized Tax Benefits**

(in millions)	2016	2015	2014
Balance, January 1	\$ 1,136	\$ 1,171	\$ 1,701
Additions based on tax positions related to the current year	74	67	63
Additions based on tax positions related to prior years	67	98	111
Additions from acquired subsidiaries	13	—	—
Reductions for tax positions of prior years	(62)	(84)	(220)
Reductions due to expiration of statutes of limitations	(44)	(41)	(448)
Settlements with tax authorities	(81)	(75)	(36)
Balance, December 31	\$ 1,103	\$ 1,136	\$ 1,171

As of December 31, 2016 and 2015, our accrued interest associated with uncertain tax positions was \$483 million and \$510 million, respectively. As of December 31, 2016 and 2015, \$39 million and \$49 million, respectively, of these amounts were related to tax positions of NBCUniversal and NBCUniversal Enterprise for which we have been indemnified by GE.

During 2016, the IRS completed its examination of our income tax returns for the year 2014. Various states are examining our tax returns, with most of the periods relating to tax years 2000 and forward. The tax years of our state tax returns currently under examination vary by state.

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**Note 15: Supplemental Financial Information**

**Receivables**

December 31 (in millions)	2016	2015
Receivables, gross	\$ 8,622	\$ 7,595
Less: Allowance for returns and customer incentives	417	473
Less: Allowance for doubtful accounts	250	226
Receivables, net	\$ 7,955	\$ 6,896

In addition to the amounts in the table above, as of December 31, 2016 and 2015, noncurrent receivables of \$939 million and \$721 million, respectively, are included in other noncurrent assets, net that primarily relate to the licensing of our television and film productions to third parties.

**Cash Payments for Interest and Income Taxes**

Year ended December 31 (in millions)	2016	2015	2014
Interest	\$ 2,565	\$ 2,443	\$ 2,389
Income taxes	\$ 3,693	\$ 3,726	\$ 3,668

**Noncash Investing and Financing Activities**

During 2016:

- we acquired \$1.3 billion of property and equipment and intangible assets that were accrued but unpaid
- we recorded a liability of \$653 million for a quarterly cash dividend of \$0.275 per common share paid in January 2017
- we recorded a liability for capital contributions for an investment that were accrued in December and paid in January 2017 (see Note 7 for additional information)

During 2015:

- we acquired \$1.1 billion of property and equipment and intangible assets that were accrued but unpaid
- we recorded a liability of \$612 million for a quarterly cash dividend of \$0.25 per common share paid in January 2016
- we assumed liabilities related to the Universal Studios Japan transaction (see Note 5 for additional information)
- we used \$517 million of equity securities to settle a portion of our obligations under prepaid forward sale agreements

During 2014:

- we acquired \$797 million of property and equipment and intangible assets that were accrued but unpaid
- we recorded a liability of \$572 million for a quarterly cash dividend of \$0.225 per common share paid in January 2015
- we used \$3.2 billion of equity securities to settle a portion of our obligations under prepaid forward sale agreements

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[Table of Contents](#)**Comcast Corporation****Note 16: Commitments and Contingencies****Commitments**

NBCUniversal enters into long-term commitments with third parties in the ordinary course of its business, including commitments to acquire film and television programming, obligations under various creative talent agreements, and various other television-related commitments. Many of NBCUniversal's employees, including writers, directors, actors, technical and production personnel, and others, as well as some of its on-air and creative talent, are covered by collective bargaining agreements or works councils. As of December 31, 2016, the total number of NBCUniversal full-time, part-time and hourly employees on its payroll covered by collective bargaining agreements was 8,500 full-time equivalent employees. Approximately 15% of these full-time equivalent employees were covered by collective bargaining agreements that have expired or are scheduled to expire during 2017.

We, through Comcast Spectacor, have employment agreements with both players and coaches of the Philadelphia Flyers. Certain of these employment agreements, which provide for payments that are guaranteed regardless of employee injury or termination, are covered by disability insurance if certain conditions are met.

The table below summarizes our minimum annual programming and talent commitments and our minimum annual rental commitments for office space, equipment and transponder service agreements under operating leases. Programming and talent commitments include acquired film and television programming, including U.S. broadcast rights to the Olympic Games through 2032, *Sunday Night Football* through the 2022-23 season, *Thursday Night Football* through the 2017-18 season, certain NASCAR events through 2024 and other programming commitments, as well as various contracts with creative talent.

As of December 31, 2016 (in millions)	Programming and Talent Commitments	Operating Leases
2017	\$ 5,222	\$ 517
2018	\$ 4,879	\$ 485
2019	\$ 3,503	\$ 433
2020	\$ 4,587	\$ 378
2021	\$ 3,177	\$ 321
Thereafter	\$ 20,847	\$ 1,873

The table below presents our rental expense charged to operations.

Year ended December 31 (in millions)	2016	2015	2014
Rental expense	\$ 744	\$ 608	\$ 580

**Contractual Obligation**

We are party to a contractual obligation that involves an interest held by a third party in the revenue of certain theme parks. The arrangement provides the counterparty with the right to periodic payments associated with current period revenue and, beginning in June 2017, the option to require NBCUniversal to purchase the interest for cash in an amount based on a contractual formula. The contractual formula is based on an average of specified historical theme park revenue at the time of exercise, which amount could be significantly higher than our carrying value. As of December 31, 2016, our carrying value was \$1.1 billion, and if the option had been exercisable as of December 31, 2016, the estimated value of the contractual obligation would have been approximately \$1.4 billion, based on inputs to the contractual formula as of that date.

**Contingent Consideration**

In June 2015, we settled a contingent consideration liability related to the acquisition of NBCUniversal, which was based upon future net tax benefits realized by us that would affect future payments to GE, for a payment

## **Comcast Corporation**

of \$450 million, which is included as a financing activity in our consolidated statement of cash flows. The settlement resulted in a gain of \$240 million, which was recorded to other income (expense), net in our consolidated statement of income.

### **Redeemable Subsidiary Preferred Stock**

NBCUniversal Enterprise is a holding company that we control and consolidate whose principal assets are its interests in NBCUniversal Holdings. The NBCUniversal Enterprise preferred stock pays dividends at a fixed rate of 5.25% per annum. The holders have the right to cause NBCUniversal Enterprise to redeem their shares at a price equal to the liquidation preference plus accrued but unpaid dividends for a 30 day period beginning on March 19, 2020 and thereafter on every third anniversary of such date (each such date, a “put date”). Shares of preferred stock can be called for redemption by NBCUniversal Enterprise at a price equal to the liquidation preference plus accrued but unpaid dividends one year following the put date applicable to such shares. Because certain of these redemption provisions are outside of our control, the NBCUniversal Enterprise preferred stock is presented outside of equity under the caption “redeemable noncontrolling interests and redeemable subsidiary preferred stock” in our consolidated balance sheet. Its initial value was based on the liquidation preference of the preferred stock and is adjusted for accrued but unpaid dividends. As of December 31, 2016 and 2015, the fair value of the NBCUniversal Enterprise redeemable subsidiary preferred stock was \$741 million and \$758 million, respectively. The estimated fair values are based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

### **Contingencies**

We are a defendant in several unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and also in certain of these cases we expect that any potential liability would be in part or in whole the responsibility of our equipment and technology vendors under applicable contractual indemnification provisions. We are also subject to other legal proceedings and claims that arise in the ordinary course of our business. While the amount of ultimate liability with respect to such actions is not expected to materially affect our results of operations, cash flows or financial position, any litigation resulting from any such legal proceedings or claims could be time-consuming and injure our reputation.

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**Note 17: Financial Data by Business Segment**

We present our operations in one reportable business segment for Cable Communications and four reportable business segments for NBCUniversal. The Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks segments comprise the NBCUniversal businesses and are collectively referred to as the NBCUniversal segments. Our financial data by reportable business segment is presented in the tables below. We do not present a measure of total assets for our reportable business segments as this information is not used by management to allocate resources and capital.

(in millions)	Revenue <sup>(f)</sup>	Operating Income (Loss) Before Depreciation and Amortization <sup>(g)</sup>	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures	Cash Paid for Intangible Assets
<b>2016</b>						
Cable Communications <sup>(a)(b)</sup>	\$ 50,048	\$ 20,109	\$ 7,670	\$ 12,439	\$ 7,596	\$ 1,377
NBCUniversal						
Cable Networks <sup>(c)</sup>	10,464	3,709	745	2,964	32	20
Broadcast Television <sup>(c)</sup>	10,147	1,320	125	1,195	153	19
Filmed Entertainment	6,360	697	47	650	33	16
Theme Parks	4,946	2,190	512	1,678	922	72
Headquarters and Other <sup>(d)</sup>	20	(699)	376	(1,075)	312	156
Eliminations <sup>(e)</sup>	(344)	10	—	10	—	—
NBCUniversal	31,593	7,227	1,805	5,422	1,452	283
Corporate and Other <sup>(b)</sup>	750	(874)	83	(957)	87	26
Eliminations <sup>(e)</sup>	(1,988)	(45)	—	(45)	—	—
<b>Comcast Consolidated</b>	<b>\$ 80,403</b>	<b>\$ 26,417</b>	<b>\$ 9,558</b>	<b>\$ 16,859</b>	<b>\$ 9,135</b>	<b>\$ 1,686</b>

(in millions)	Revenue <sup>(f)</sup>	Operating Income (Loss) Before Depreciation and Amortization <sup>(g)</sup>	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures	Cash Paid for Intangible Assets
<b>2015</b>						
Cable Communications <sup>(a)(b)</sup>	\$ 46,928	\$ 19,037	\$ 7,051	\$ 11,986	\$ 7,040	\$ 1,151
NBCUniversal						
Cable Networks	9,628	3,499	784	2,715	44	22
Broadcast Television <sup>(c)</sup>	8,530	780	111	669	117	17
Filmed Entertainment	7,287	1,234	26	1,208	14	20
Theme Parks	3,339	1,464	292	1,172	833	54
Headquarters and Other <sup>(d)</sup>	14	(625)	326	(951)	378	98
Eliminations <sup>(e)</sup>	(336)	—	—	—	—	—
NBCUniversal	28,462	6,352	1,539	4,813	1,386	211
Corporate and Other <sup>(b)</sup>	713	(815)	90	(905)	73	8
Eliminations <sup>(e)</sup>	(1,593)	104	—	104	—	—
<b>Comcast Consolidated</b>	<b>\$ 74,510</b>	<b>\$ 24,678</b>	<b>\$ 8,680</b>	<b>\$ 15,998</b>	<b>\$ 8,499</b>	<b>\$ 1,370</b>

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(in millions)	Revenue <sup>(f)</sup>	Operating Income (Loss) Before Depreciation and Amortization <sup>(g)</sup>	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures	Cash Paid for Intangible Assets
<b>2014</b>						
Cable Communications <sup>(a)(b)</sup>	\$ 44,165	\$ 18,097	\$ 6,436	\$ 11,661	\$ 6,156	\$ 979
NBCUniversal						
Cable Networks <sup>(c)</sup>	9,563	3,589	748	2,841	49	21
Broadcast Television <sup>(c)</sup>	8,542	734	127	607	76	12
Filmed Entertainment	5,008	711	21	690	11	7
Theme Parks	2,623	1,096	273	823	671	15
Headquarters and Other <sup>(d)</sup>	13	(613)	326	(939)	414	75
Eliminations <sup>(e)</sup>	(321)	(1)	—	(1)	—	—
NBCUniversal	25,428	5,516	1,495	4,021	1,221	130
Corporate and Other <sup>(b)</sup>	683	(763)	88	(851)	43	13
Eliminations <sup>(e)</sup>	(1,501)	73	—	73	—	—
<b>Comcast Consolidated</b>	<b>\$ 68,775</b>	<b>\$ 22,923</b>	<b>\$ 8,019</b>	<b>\$ 14,904</b>	<b>\$ 7,420</b>	<b>\$ 1,122</b>

(a) For the years ended December 31, 2016, 2015 and 2014, Cable Communications segment revenue was derived from the following sources:

	2016	2015	2014
Residential:			
Video	44.7%	45.9%	47.1%
High-speed Internet	27.0%	26.6%	25.6%
Voice	7.1%	7.7%	8.3%
Business services	11.0%	10.1%	9.0%
Advertising	5.0%	4.9%	5.4%
Other	5.2%	4.8%	4.6%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Subscription revenue received from customers who purchase bundled services at a discounted rate is allocated proportionally to each service based on the individual service's price on a stand-alone basis.

For each of 2016, 2015 and 2014, 2.8% of Cable Communications revenue was derived from franchise and other regulatory fees.

(b) Beginning in 2016, certain operations and businesses, including several strategic business initiatives, that were previously presented in Corporate and Other are now presented in our Cable Communications segment to reflect a change in our management reporting presentation. For segment reporting purposes, we have adjusted all periods presented to reflect this change.

(c) The revenue and operating costs and expenses associated with our broadcast of the 2016 Rio Olympics and 2014 Sochi Olympics were reported in our Cable Networks and Broadcast Television segments. The revenue and operating costs and expenses associated with our broadcast of the 2015 Super Bowl were reported in our Broadcast Television segment.

(d) NBCUniversal Headquarters and Other activities include costs associated with overhead, allocations, personnel costs and headquarter initiatives.

(e) Included in Eliminations are transactions that our segments enter into with one another. The most common types of transactions are the following:

- our Cable Networks segment generates revenue by selling programming to our Cable Communications segment, which represents a substantial majority of the revenue elimination amount
- our Broadcast Television segment generates revenue from the fees received under retransmission consent agreements with our Cable Communications segment
- our Cable Communications segment generates revenue by selling advertising and by selling the use of satellite feeds to our Cable Networks segment
- our Filmed Entertainment and Broadcast Television segments generate revenue by licensing content to our Cable Networks segment

(f) Revenue from customers located outside of the United States, primarily in Europe and Asia, in 2016, 2015 and 2014 was \$6.5 billion, \$5.8 billion and \$4.4 billion, respectively. No single customer accounted for a significant amount of revenue in any period.

(g) We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of certain of our busi-

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nesses and from intangible assets recognized in business combinations. Additionally, it is unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of 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 a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

### Note 18: Quarterly Financial Information (Unaudited)

(in millions, except per share data)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
<b>2016</b>					
Revenue	\$ 18,790	\$ 19,269	\$ 21,319	\$ 21,025	\$ 80,403
Operating income	\$ 4,089	\$ 4,066	\$ 4,440	\$ 4,264	\$ 16,859
Net income attributable to Comcast Corporation <sup>(a)</sup>	\$ 2,134	\$ 2,028	\$ 2,237	\$ 2,296	\$ 8,695
Basic earnings per common share attributable to Comcast Corporation shareholders	\$ 0.88	\$ 0.84	\$ 0.93	\$ 0.96	\$ 3.61
Diluted earnings per common share attributable to Comcast Corporation shareholders	\$ 0.87	\$ 0.83	\$ 0.92	\$ 0.95	\$ 3.57
Dividends declared per common share	\$ 0.275	\$ 0.275	\$ 0.275	\$ 0.275	\$ 1.10
<b>2015</b>					
Revenue	\$ 17,853	\$ 18,743	\$ 18,669	\$ 19,245	\$ 74,510
Operating income	\$ 3,890	\$ 4,105	\$ 4,001	\$ 4,002	\$ 15,998
Net income attributable to Comcast Corporation	\$ 2,059	\$ 2,137	\$ 1,996	\$ 1,971	\$ 8,163
Basic earnings per common share attributable to Comcast Corporation shareholders	\$ 0.82	\$ 0.85	\$ 0.81	\$ 0.80	\$ 3.28
Diluted earnings per common share attributable to Comcast Corporation shareholders	\$ 0.81	\$ 0.84	\$ 0.80	\$ 0.79	\$ 3.24
Dividends declared per common share	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.00

(a) In the fourth quarter of 2016, net income attributable to Comcast Corporation included \$225 million, \$143 million net of tax, recognized in connection with the settlement of amounts owed to us under an agency agreement that had provided for, among other things, Verizon Wireless' sale of our cable services.

### Note 19: Condensed Consolidating Financial Information

Comcast ("Comcast Parent"), Comcast Cable Communications, LLC ("CCCL Parent") and NBCUniversal ("NBCUniversal Media Parent") have fully and unconditionally guaranteed each other's debt securities, including the Comcast revolving credit facility. The principal amount of debt securities within the guarantee structure total \$52.9 billion, of which \$12.3 billion will mature within the next five years.

Comcast Parent and CCCL Parent also fully and unconditionally guarantee NBCUniversal Enterprise's \$3.3 billion principal amount of senior notes, revolving credit facility and commercial paper program. NBCUniversal Media Parent does not guarantee the NBCUniversal Enterprise senior notes, revolving credit facility or commercial paper program.

Comcast Parent provides an unconditional subordinated guarantee of the \$185 million principal amount currently outstanding of Comcast Holdings' ZONES due October 2029. Neither CCCL Parent nor NBCUniversal Media Parent guarantee the Comcast Holdings' ZONES due October 2029. None of Comcast Parent, CCCL Parent nor NBCUniversal Media Parent guarantee the \$62 million principal amount currently outstanding of Comcast Holdings' ZONES due November 2029 or the \$3.3 billion of Universal Studios Japan term loans.

**Comcast Corporation**

## Condensed Consolidating Balance Sheet

December 31, 2016 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Assets</b>							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 482	\$ 2,819	\$ —	\$ 3,301
Receivables, net	—	—	—	—	7,955	—	7,955
Programming rights	—	—	—	—	1,250	—	1,250
Deposits	—	—	—	—	1,772	—	1,772
Other current assets	151	—	—	36	1,896	—	2,083
<b>Total current assets</b>	<b>151</b>	<b>—</b>	<b>—</b>	<b>518</b>	<b>15,692</b>	<b>—</b>	<b>16,361</b>
Film and television costs	—	—	—	—	7,252	—	7,252
Investments	75	—	—	651	4,521	—	5,247
Investments in and amounts due from subsidiaries eliminated upon consolidation	98,350	120,071	117,696	47,393	97,704	(481,214)	—
Property and equipment, net	298	—	—	—	35,955	—	36,253
Franchise rights	—	—	—	—	59,364	—	59,364
Goodwill	—	—	—	—	35,980	—	35,980
Other intangible assets, net	13	—	—	—	17,261	—	17,274
Other noncurrent assets, net	1,138	638	—	89	1,921	(1,017)	2,769
<b>Total assets</b>	<b>\$ 100,025</b>	<b>\$ 120,709</b>	<b>\$ 117,696</b>	<b>\$ 48,651</b>	<b>\$ 275,650</b>	<b>\$ (482,231)</b>	<b>\$ 180,500</b>
<b>Liabilities and Equity</b>							
Accounts payable and accrued expenses related to trade creditors	\$ 23	\$ —	\$ —	\$ —	\$ 6,892	\$ —	\$ 6,915
Accrued participations and residuals	—	—	—	—	1,726	—	1,726
Accrued expenses and other current liabilities	1,726	—	341	302	5,045	—	7,414
Current portion of long-term debt	3,739	—	550	4	1,187	—	5,480
<b>Total current liabilities</b>	<b>5,488</b>	<b>—</b>	<b>891</b>	<b>306</b>	<b>14,850</b>	<b>—</b>	<b>21,535</b>
Long-term debt, less current portion	38,123	141	2,100	8,208	6,994	—	55,566
Deferred income taxes	—	542	—	70	35,259	(1,017)	34,854
Other noncurrent liabilities	2,471	—	—	1,166	7,288	—	10,925
Redeemable noncontrolling interests and redeemable subsidiary preferred stock	—	—	—	—	1,446	—	1,446
Equity:							
Common stock	28	—	—	—	—	—	28
Other shareholders' equity	53,915	120,026	114,705	38,901	207,582	(481,214)	53,915
<b>Total Comcast Corporation shareholders' equity</b>	<b>53,943</b>	<b>120,026</b>	<b>114,705</b>	<b>38,901</b>	<b>207,582</b>	<b>(481,214)</b>	<b>53,943</b>
Noncontrolling interests	—	—	—	—	2,231	—	2,231
<b>Total equity</b>	<b>53,943</b>	<b>120,026</b>	<b>114,705</b>	<b>38,901</b>	<b>209,813</b>	<b>(481,214)</b>	<b>56,174</b>
<b>Total liabilities and equity</b>	<b>\$ 100,025</b>	<b>\$ 120,709</b>	<b>\$ 117,696</b>	<b>\$ 48,651</b>	<b>\$ 275,650</b>	<b>\$ (482,231)</b>	<b>\$ 180,500</b>

**Comcast Corporation**

## Condensed Consolidating Balance Sheet

December 31, 2015 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Assets</b>							
Cash and cash equivalents	\$ —	\$ —	\$ —	\$ 414	\$ 1,881	\$ —	\$ 2,295
Receivables, net	—	—	—	—	6,896	—	6,896
Programming rights	—	—	—	—	1,213	—	1,213
Deposits	—	—	—	—	21	—	21
Other current assets	69	—	—	17	1,792	—	1,878
<b>Total current assets</b>	<b>69</b>	<b>—</b>	<b>—</b>	<b>431</b>	<b>11,803</b>	<b>—</b>	<b>12,303</b>
Film and television costs	—	—	—	—	5,855	—	5,855
Investments	33	—	—	430	2,761	—	3,224
Investments in and amounts due from subsidiaries eliminated upon consolidation	87,142	111,241	119,354	42,441	109,598	(469,776)	—
Property and equipment, net	210	—	—	—	33,455	—	33,665
Franchise rights	—	—	—	—	59,364	—	59,364
Goodwill	—	—	—	—	32,945	—	32,945
Other intangible assets, net	12	—	—	—	16,934	—	16,946
Other noncurrent assets, net	1,301	147	—	78	2,114	(1,368)	2,272
<b>Total assets</b>	<b>\$ 88,767</b>	<b>\$ 111,388</b>	<b>\$ 119,354</b>	<b>\$ 43,380</b>	<b>\$ 274,829</b>	<b>\$ (471,144)</b>	<b>\$ 166,574</b>
<b>Liabilities and Equity</b>							
Accounts payable and accrued expenses related to trade creditors	\$ 16	\$ —	\$ —	\$ —	\$ 6,199	\$ —	\$ 6,215
Accrued participations and residuals	—	—	—	—	1,572	—	1,572
Accrued expenses and other current liabilities	1,789	335	290	389	3,961	—	6,764
Current portion of long-term debt	1,149	—	—	1,005	1,473	—	3,627
<b>Total current liabilities</b>	<b>2,954</b>	<b>335</b>	<b>290</b>	<b>1,394</b>	<b>13,205</b>	<b>—</b>	<b>18,178</b>
Long-term debt, less current portion	31,106	130	2,650	8,211	6,897	—	48,994
Deferred income taxes	—	624	—	66	34,098	(1,222)	33,566
Other noncurrent liabilities	2,438	—	—	1,087	7,258	(146)	10,637
Redeemable noncontrolling interests and redeemable subsidiary preferred stock	—	—	—	—	1,221	—	1,221
Equity:							
Common stock	29	—	—	—	—	—	29
Other shareholders' equity	52,240	110,299	116,414	32,622	210,441	(469,776)	52,240
<b>Total Comcast Corporation shareholders' equity</b>	<b>52,269</b>	<b>110,299</b>	<b>116,414</b>	<b>32,622</b>	<b>210,441</b>	<b>(469,776)</b>	<b>52,269</b>
Noncontrolling interests	—	—	—	—	1,709	—	1,709
<b>Total equity</b>	<b>52,269</b>	<b>110,299</b>	<b>116,414</b>	<b>32,622</b>	<b>212,150</b>	<b>(469,776)</b>	<b>53,978</b>
<b>Total liabilities and equity</b>	<b>\$ 88,767</b>	<b>\$ 111,388</b>	<b>\$ 119,354</b>	<b>\$ 43,380</b>	<b>\$ 274,829</b>	<b>\$ (471,144)</b>	<b>\$ 166,574</b>

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Condensed Consolidating Statement of Income

For the Year Ended December 31, 2016 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Revenue:</b>							
Service revenue	\$ —	\$ —	\$ —	\$ —	\$ 80,403	\$ —	\$ 80,403
Management fee revenue	1,067	—	1,049	—	—	(2,116)	—
	1,067	—	1,049	—	80,403	(2,116)	80,403
<b>Costs and Expenses:</b>							
Programming and production	—	—	—	—	24,463	—	24,463
Other operating and administrative	813	—	1,049	932	22,731	(2,116)	23,409
Advertising, marketing and promotion	—	—	—	—	6,114	—	6,114
Depreciation	28	—	—	—	7,436	—	7,464
Amortization	6	—	—	—	2,088	—	2,094
	847	—	1,049	932	62,832	(2,116)	63,544
Operating income (loss)	220	—	—	(932)	17,571	—	16,859
<b>Other Income (Expense):</b>							
Interest expense	(1,941)	(12)	(239)	(456)	(294)	—	(2,942)
Investment income (loss), net	7	(5)	—	(25)	236	—	213
Equity in net income (losses) of investees, net	9,809	9,286	8,679	5,545	4,131	(37,554)	(104)
Other income (expense), net	—	—	—	116	211	—	327
	7,875	9,269	8,440	5,180	4,284	(37,554)	(2,506)
Income (loss) before income taxes	8,095	9,269	8,440	4,248	21,855	(37,554)	14,353
Income tax (expense) benefit	600	6	84	(13)	(5,985)	—	(5,308)
Net income (loss)	8,695	9,275	8,524	4,235	15,870	(37,554)	9,045
Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock	—	—	—	—	(350)	—	(350)
<b>Net income (loss) attributable to Comcast Corporation</b>	<b>\$ 8,695</b>	<b>\$ 9,275</b>	<b>\$ 8,524</b>	<b>\$ 4,235</b>	<b>\$ 15,520</b>	<b>\$ (37,554)</b>	<b>\$ 8,695</b>
<b>Comprehensive income (loss) attributable to Comcast Corporation</b>	<b>\$ 8,967</b>	<b>\$ 9,317</b>	<b>\$ 8,530</b>	<b>\$ 4,312</b>	<b>\$ 15,610</b>	<b>\$ (37,769)</b>	<b>\$ 8,967</b>

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## Condensed Consolidating Statement of Income

For the Year Ended December 31, 2015 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Revenue:</b>							
Service revenue	\$ —	\$ —	\$ —	\$ —	\$ 74,510	\$ —	\$ 74,510
Management fee revenue	1,005	—	977	—	—	(1,982)	—
	1,005	—	977	—	74,510	(1,982)	74,510
<b>Costs and Expenses:</b>							
Programming and production	—	—	—	—	22,550	—	22,550
Other operating and administrative	760	—	977	922	20,642	(1,982)	21,319
Advertising, marketing and promotion	—	—	—	—	5,963	—	5,963
Depreciation	31	—	—	—	6,750	—	6,781
Amortization	6	—	—	—	1,893	—	1,899
	797	—	977	922	57,798	(1,982)	58,512
Operating income (loss)	208	—	—	(922)	16,712	—	15,998
<b>Other Income (Expense):</b>							
Interest expense	(1,744)	(12)	(270)	(462)	(214)	—	(2,702)
Investment income (loss), net	6	(1)	—	(19)	95	—	81
Equity in net income (losses) of investees, net	9,159	8,651	8,040	4,852	3,089	(34,116)	(325)
Other income (expense), net	(3)	—	—	(31)	354	—	320
	7,418	8,638	7,770	4,340	3,324	(34,116)	(2,626)
Income (loss) before income taxes	7,626	8,638	7,770	3,418	20,036	(34,116)	13,372
Income tax (expense) benefit	537	4	94	(4)	(5,590)	—	(4,959)
Net income (loss)	8,163	8,642	7,864	3,414	14,446	(34,116)	8,413
Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock	—	—	—	—	(250)	—	(250)
<b>Net income (loss) attributable to Comcast Corporation</b>	<b>\$ 8,163</b>	<b>\$ 8,642</b>	<b>\$ 7,864</b>	<b>\$ 3,414</b>	<b>\$ 14,196</b>	<b>\$ (34,116)</b>	<b>\$ 8,163</b>
<b>Comprehensive income (loss) attributable to Comcast Corporation</b>	<b>\$ 8,135</b>	<b>\$ 8,625</b>	<b>\$ 7,864</b>	<b>\$ 3,361</b>	<b>\$ 14,192</b>	<b>\$ (34,042)</b>	<b>\$ 8,135</b>

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**Comcast Corporation**

Condensed Consolidating Statement of Income

For the Year Ended December 31, 2014 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Revenue:</b>							
Service revenue	\$ —	\$ —	\$ —	\$ —	\$ 68,775	\$ —	\$ 68,775
Management fee revenue	947	—	921	—	—	(1,868)	—
	947	—	921	—	68,775	(1,868)	68,775
<b>Costs and Expenses:</b>							
Programming and production	—	—	—	—	20,912	—	20,912
Other operating and administrative	751	—	921	908	19,127	(1,868)	19,839
Advertising, marketing and promotion	—	—	—	—	5,101	—	5,101
Depreciation	34	—	—	—	6,303	—	6,337
Amortization	6	—	—	—	1,676	—	1,682
	791	—	921	908	53,119	(1,868)	53,871
Operating income (loss)	156	—	—	(908)	15,656	—	14,904
<b>Other Income (Expense):</b>							
Interest expense	(1,621)	(11)	(294)	(479)	(212)	—	(2,617)
Investment income (loss), net	3	12	—	(7)	288	—	296
Equity in net income (losses) of investees, net	9,330	8,843	8,350	4,523	3,212	(34,161)	97
Other income (expense), net	—	—	—	(4)	(211)	—	(215)
	7,712	8,844	8,056	4,033	3,077	(34,161)	(2,439)
Income (loss) before income taxes	7,868	8,844	8,056	3,125	18,733	(34,161)	12,465
Income tax (expense) benefit	512	—	103	(10)	(4,478)	—	(3,873)
Net income (loss)	8,380	8,844	8,159	3,115	14,255	(34,161)	8,592
Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock	—	—	—	—	(212)	—	(212)
<b>Net income (loss) attributable to Comcast Corporation</b>	<b>\$ 8,380</b>	<b>\$ 8,844</b>	<b>\$ 8,159</b>	<b>\$ 3,115</b>	<b>\$ 14,043</b>	<b>\$ (34,161)</b>	<b>\$ 8,380</b>
<b>Comprehensive income (loss) attributable to Comcast Corporation</b>	<b>\$ 8,178</b>	<b>\$ 8,807</b>	<b>\$ 8,163</b>	<b>\$ 2,972</b>	<b>\$ 13,980</b>	<b>\$ (33,922)</b>	<b>\$ 8,178</b>

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**Comcast Corporation**

## Condensed Consolidating Statement of Cash Flows

For the Year Ended December 31, 2016 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Net cash provided by (used in) operating activities	\$ (1,332)	\$ (189)	\$ (100)	\$ (1,453)	\$ 22,314	\$ —	\$ 19,240
<b>Investing Activities:</b>							
Net transactions with affiliates	(860)	189	100	2,642	(2,071)	—	—
Capital expenditures	(13)	—	—	—	(9,122)	—	(9,135)
Cash paid for intangible assets	(9)	—	—	—	(1,677)	—	(1,686)
Acquisitions and construction of real estate properties	(35)	—	—	—	(393)	—	(428)
Acquisitions, net of cash acquired	—	—	—	—	(3,929)	—	(3,929)
Proceeds from sales of businesses and investments	—	—	—	104	114	—	218
Purchases of investments	(40)	—	—	(210)	(1,447)	—	(1,697)
Deposits	—	—	—	—	(1,749)	—	(1,749)
Other	(108)	—	—	(35)	164	—	21
Net cash provided by (used in) investing activities	(1,065)	189	100	2,501	(20,110)	—	(18,385)
<b>Financing Activities:</b>							
Proceeds from (repayments of) short-term borrowings, net	1,339	—	—	—	451	—	1,790
Proceeds from borrowings	9,231	—	—	—	—	—	9,231
Repurchases and repayments of debt	(750)	—	—	(1,005)	(1,297)	—	(3,052)
Repurchases and retirements of common stock	(5,000)	—	—	—	—	—	(5,000)
Dividends paid	(2,601)	—	—	—	—	—	(2,601)
Issuances of common stock	23	—	—	—	—	—	23
Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock	—	—	—	—	(253)	—	(253)
Other	155	—	—	25	(167)	—	13
Net cash provided by (used in) financing activities	2,397	—	—	(980)	(1,266)	—	151
Increase (decrease) in cash and cash equivalents	—	—	—	68	938	—	1,006
Cash and cash equivalents, beginning of year	—	—	—	414	1,881	—	2,295
<b>Cash and cash equivalents, end of year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 482</b>	<b>\$ 2,819</b>	<b>\$ —</b>	<b>\$ 3,301</b>

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**Comcast Corporation**

Condensed Consolidating Statement of Cash Flows

For the Year Ended December 31, 2015 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Net cash provided by (used in) operating activities	\$ (792)	\$ 48	\$ (167)	\$ (1,398)	\$ 21,087	\$ —	\$ 18,778
<b>Investing Activities:</b>							
Net transactions with affiliates	6,559	(48)	840	2,839	(10,190)	—	—
Capital expenditures	(27)	—	—	—	(8,472)	—	(8,499)
Cash paid for intangible assets	(6)	—	—	—	(1,364)	—	(1,370)
Acquisitions and construction of real estate properties	—	—	—	—	(178)	—	(178)
Acquisitions, net of cash acquired	—	—	—	—	(1,786)	—	(1,786)
Proceeds from sales of businesses and investments	—	—	—	4	429	—	433
Purchases of investments	(7)	—	—	(407)	(370)	—	(784)
Deposits	—	—	—	—	(18)	—	(18)
Other	7	—	—	(5)	236	—	238
Net cash provided by (used in) investing activities	6,526	(48)	840	2,431	(21,713)	—	(11,964)
<b>Financing Activities:</b>							
Proceeds from (repayments of) short-term borrowings, net	400	—	—	—	(265)	—	135
Proceeds from borrowings	5,486	—	—	—	—	—	5,486
Repurchases and repayments of debt	(2,650)	—	(673)	(1,004)	(51)	—	(4,378)
Repurchases and retirements of common stock	(6,750)	—	—	—	—	—	(6,750)
Dividends paid	(2,437)	—	—	—	—	—	(2,437)
Issuances of common stock	36	—	—	—	—	—	36
Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock	—	—	—	—	(232)	—	(232)
Other	181	—	—	—	(470)	—	(289)
Net cash provided by (used in) financing activities	(5,734)	—	(673)	(1,004)	(1,018)	—	(8,429)
Increase (decrease) in cash and cash equivalents	—	—	—	29	(1,644)	—	(1,615)
Cash and cash equivalents, beginning of year	—	—	—	385	3,525	—	3,910
<b>Cash and cash equivalents, end of year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 414</b>	<b>\$ 1,881</b>	<b>\$ —</b>	<b>\$ 2,295</b>

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**Comcast Corporation**

## Condensed Consolidating Statement of Cash Flows

For the Year Ended December 31, 2014 (in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
<b>Net cash provided by (used in) operating activities</b>	\$ (354)	\$ 9	\$ (139)	\$ (1,299)	\$ 18,728	\$ —	\$ 16,945
<b>Investing Activities:</b>							
Net transactions with affiliates	4,784	(9)	139	2,247	(7,161)	—	—
Capital expenditures	(3)	—	—	—	(7,417)	—	(7,420)
Cash paid for intangible assets	(6)	—	—	—	(1,116)	—	(1,122)
Acquisitions and construction of real estate properties	—	—	—	—	(43)	—	(43)
Acquisitions, net of cash acquired	—	—	—	—	(477)	—	(477)
Proceeds from sales of businesses and investments	—	—	—	8	658	—	666
Purchases of investments	(19)	—	—	(10)	(162)	—	(191)
Deposits	—	—	—	—	—	—	—
Other	—	—	—	5	(151)	—	(146)
<b>Net cash provided by (used in) investing activities</b>	<b>4,756</b>	<b>(9)</b>	<b>139</b>	<b>2,250</b>	<b>(15,869)</b>	<b>—</b>	<b>(8,733)</b>
<b>Financing Activities:</b>							
Proceeds from (repayments of) short-term borrowings, net	(1,350)	—	—	—	846	—	(504)
Proceeds from borrowings	4,180	—	—	—	2	—	4,182
Repurchases and repayments of debt	(1,000)	—	—	(902)	(1,273)	—	(3,175)
Repurchases and retirements of common stock	(4,251)	—	—	—	—	—	(4,251)
Dividends paid	(2,254)	—	—	—	—	—	(2,254)
Issuances of common stock	35	—	—	—	—	—	35
Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock	—	—	—	—	(220)	—	(220)
Other	238	—	—	—	(71)	—	167
<b>Net cash provided by (used in) financing activities</b>	<b>(4,402)</b>	<b>—</b>	<b>—</b>	<b>(902)</b>	<b>(716)</b>	<b>—</b>	<b>(6,020)</b>
Increase (decrease) in cash and cash equivalents	—	—	—	49	2,143	—	2,192
Cash and cash equivalents, beginning of year	—	—	—	336	1,382	—	1,718
<b>Cash and cash equivalents, end of year</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 385</b>	<b>\$ 3,525</b>	<b>\$ —</b>	<b>\$ 3,910</b>

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## Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

## Item 9A: Controls and Procedures

### Comcast Corporation

#### **Conclusions regarding disclosure controls and procedures**

Our principal executive and principal financial officers, after evaluating the effectiveness of Comcast's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, have concluded that, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, Comcast's disclosure controls and procedures were effective.

#### **Management's annual report on internal control over financial reporting**

Refer to Management's Report on Comcast's Internal Control Over Financial Reporting on page 73.

#### **Attestation report of the registered public accounting firm**

Refer to Report of Independent Registered Public Accounting Firm on page 74.

#### **Changes in internal control over financial reporting**

As a result of our acquisition of DreamWorks Animation on August 22, 2016, our internal control over financial reporting, subsequent to the date of acquisition, includes certain additional internal controls relating to DreamWorks Animation. Except as described above, there were no changes in Comcast's 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, Comcast's internal control over financial reporting.

### NBCUniversal Media, LLC

#### **Conclusions regarding disclosure controls and procedures**

Our principal executive and principal financial officers, after evaluating the effectiveness of NBCUniversal's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, have concluded that, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, NBCUniversal's disclosure controls and procedures were effective.

#### **Management's annual report on internal control over financial reporting**

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets

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- provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that NBCUniversal's system of internal control over financial reporting was effective as of December 31, 2016. Our assessment of the effectiveness of internal control over financial reporting as of December 31, 2016 did not include the internal controls of DreamWorks Animation, which we acquired on August 22, 2016, as permitted by Securities and Exchange Commission guidelines that allow companies to exclude certain acquisitions from their assessment of internal control over financial reporting during the first year of an acquisition. The total assets and total revenues of DreamWorks Animation represented approximately 6% of NBCUniversal's total assets as of December 31, 2016, and approximately 1% of its total revenues for the year ended December 31, 2016.

### **Changes in internal control over financial reporting**

As a result of our acquisition of DreamWorks Animation on August 22, 2016, NBCUniversal's internal control over financial reporting, subsequent to the date of acquisition, includes certain additional internal controls relating to DreamWorks Animation. Except as described above, there were no changes in NBCUniversal's 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, NBCUniversal's internal control over financial reporting.

## [Item 9B: Other Information](#)

### **Iran Threat Reduction and Syria Human Rights Act Disclosure**

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, companies are required, among other things, to disclose certain activities, transactions or dealings with the Government of Iran or entities controlled directly or indirectly by the Government of Iran. Disclosure is generally required even where the activities, transactions or dealings are conducted in compliance with applicable laws and regulations and are *de minimis*. As of the date of this report, we are not aware of any activity, transaction or dealing during the year ended December 31, 2016 that requires disclosure under the Act, except with respect to a January 2016 licensing agreement by a non-U.S. subsidiary of DreamWorks Animation prior to our August 2016 DreamWorks Animation acquisition. The agreement licensed a prior season of a children's animated television series for a three-year, non-cancelable term and for a one-time fee of \$5,200 to a broadcasting company that is owned and controlled by the Government of Iran. The broadcasting company paid the license fee in the first quarter of 2016. We believe that DreamWorks Animation conducted its licensing activity in compliance with applicable laws and that the license is for the permissible exportation of informational materials pursuant to certain statutory and regulatory exemptions from U.S. sanctions.

## Part III

### Item 10: Directors, Executive Officers and Corporate Governance

#### Comcast

Except for the information regarding executive officers required by Item 401 of Regulation S-K, we incorporate the information required by this item by reference to our definitive proxy statement for our annual meeting of shareholders presently scheduled to be held in June 2017. We refer to this proxy statement as the 2017 Proxy Statement.

The term of office of each of our executive officers continues until his successor is selected and qualified or until his earlier death, resignation or removal. The following table sets forth information concerning our executive officers, including their ages, positions and tenure, as of the date of this Annual Report on Form 10-K.

Name	Age	Officer Since	Position with Comcast
Brian L. Roberts	57	1986	Chairman and Chief Executive Officer; President
Michael J. Cavanagh	51	2015	Senior Executive Vice President; Chief Financial Officer
Stephen B. Burke	58	1998	Senior Executive Vice President; President and Chief Executive Officer, NBCUniversal Holdings and NBCUniversal
David L. Cohen	61	2002	Senior Executive Vice President
Neil Smit	58	2011	Senior Executive Vice President; President and Chief Executive Officer, Comcast Cable
Arthur R. Block	62	1993	Executive Vice President; General Counsel; Secretary
Lawrence J. Salva	60	2000	Executive Vice President; Chief Accounting Officer

*Brian L. Roberts* has served as a director and as our President, Chief Executive Officer and Chairman of the Board for more than five years. As of December 31, 2016, Mr. Roberts had sole voting power over approximately 33 1/3% of the combined voting power of our two classes of common stock. He is a son of our late founder, Mr. Ralph J. Roberts. Mr. Roberts is also a director of the National Cable and Telecommunications Association.

*Michael J. Cavanagh* has served as the Chief Financial Officer of Comcast Corporation since July 2015. Prior to joining our company, Mr. Cavanagh had been Co-President and Co-Chief Operating Officer for The Carlyle Group, a global investment firm, since 2014. Prior to that, Mr. Cavanagh was the Co-Chief Executive Officer of the Corporate & Investment Bank of JPMorgan Chase & Co. from 2012 until 2014; the Chief Executive Officer of JPMorgan Chase & Co.'s Treasury & Securities Services business from 2010 to 2012; and the Chief Financial Officer of JPMorgan Chase & Co. from 2004 to 2010. Mr. Cavanagh is also a director of Yum Brands, Incorporated.

*Stephen B. Burke* has served as a Senior Executive Vice President since March 2015 and previously had served as an Executive Vice President for more than five years. In January 2011, Mr. Burke became the President and Chief Executive Officer of NBCUniversal Holdings and NBCUniversal and resigned from his position as our Chief Operating Officer. Mr. Burke also had been the President of Comcast Cable until March 2010. Mr. Burke is also a director of JPMorgan Chase & Co. and Berkshire Hathaway, Incorporated.

*David L. Cohen* has served as a Senior Executive Vice President since March 2015 and previously had served as an Executive Vice President for more than five years. Mr. Cohen is also a director of the FS Global Credit Opportunities Funds, the FS Global Credit Opportunities Fund A and the FS Global Credit Opportunities Fund D.

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*Neil Smit* has served as a Senior Executive Vice President since March 2015 and previously had served as an Executive Vice President for more than five years. Mr. Smit has been the President of Comcast Cable since March 2010 and was appointed as Chief Executive Officer of Comcast Cable in November 2011. Before joining Comcast, Mr. Smit was the President and Chief Executive Officer and a director of Charter Communications, Inc., a cable company, since August 2005. Charter Communications filed a voluntary petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in March 2009 and emerged from Chapter 11 bankruptcy in November 2009. Mr. Smit is also the Chairman of the Board of Directors of the National Cable and Telecommunications Association and Chairman of CableLabs.

*Arthur R. Block* has served as an Executive Vice President since March 2015 and previously had served as a Senior Vice President for more than five years. He has been our General Counsel and Secretary for more than five years.

*Lawrence J. Salva* has served as an Executive Vice President since March 2015 and previously had served as a Senior Vice President for more than five years. He has been our Chief Accounting Officer for more than five years and prior to July 2015, was also our Controller.

## [NBCUniversal](#)

Certain information under this Item 10 has been omitted pursuant to General Instruction I(2)(c) to Form 10-K.

The table below sets forth certain information with respect to each of NBCUniversal's executive officers as of December 31, 2016, each of whom has served as such since the close of the NBCUniversal transaction in January 2011, except for Michael J. Cavanagh, who has served since July 2015. The table also sets forth NBCUniversal Holdings' directors as of December 31, 2016.

Name	Title
Brian L. Roberts	Principal Executive Officer
Michael J. Cavanagh	Principal Financial Officer; Director of NBCUniversal Holdings
Stephen B. Burke	Chief Executive Officer and President
David L. Cohen	Senior Executive Vice President; Director of NBCUniversal Holdings
Arthur R. Block	Executive Vice President; Director of NBCUniversal Holdings
Lawrence J. Salva	Executive Vice President

For the year ended December 31, 2016, NBCUniversal reimbursed Comcast \$40 million for direct services provided by our executive officers.

## [Item 11: Executive Compensation](#)

Comcast incorporates the information required by this item by reference to its 2017 Proxy Statement.

This information is omitted for NBCUniversal pursuant to General Instruction I(2)(c) to Form 10-K.

## [Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters](#)

Comcast incorporates the information required by this item by reference to its 2017 Proxy Statement.

This information is omitted for NBCUniversal pursuant to General Instruction I(2)(c) to Form 10-K.

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## Item 13: Certain Relationships and Related Transactions, and Director Independence

Comcast incorporates the information required by this item by reference to its 2017 Proxy Statement.

This information is omitted for NBCUniversal pursuant to General Instruction I(2)(c) to Form 10-K.

## Item 14: Principal Accountant Fees and Services

Comcast incorporates the information required by this item by reference to its 2017 Proxy Statement.

### NBCUniversal

The Audit Committee of Comcast's Board of Directors appointed Deloitte & Touche LLP as NBCUniversal's independent registered public accounting firm for the years ended December 31, 2016 and 2015. Set forth below are the fees paid or accrued for the services of Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates in 2016 and 2015.

(in millions)	2016	2015
Audit fees	\$ 11.0	\$ 10.6
Audit-related fees	1.0	0.8
Tax fees	0.2	0.1
All other fees	—	0.1
	<b>\$ 12.2</b>	<b>\$ 11.6</b>

Audit fees in 2016 and 2015 consisted of fees paid or accrued for services rendered to NBCUniversal and its subsidiaries for the audits of its annual financial statements, reviews of its quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.

Audit-related fees in 2016 and 2015 consisted primarily of fees paid or accrued for audits associated with employee benefit plans and attestation services related to contractual and regulatory compliance.

Tax fees in 2016 and 2015 consisted of fees paid or accrued for domestic and foreign tax compliance services.

All other fees in 2015 primarily consisted of fees paid or accrued for consulting services regarding content security.

### Preapproval Policy of Audit Committee of Services Performed by Independent Auditors

As a consolidated subsidiary of Comcast, NBCUniversal is subject to the policies of Comcast's Audit Committee regarding the preapproval of services provided by the independent auditors. This policy requires that the Audit Committee preapprove all audit and non-audit services performed by the independent auditors to assure that the services do not impair the auditors' independence. Unless a type of service has received general preapproval, it requires separate preapproval by the Audit Committee. Even if a service has received general preapproval, if the fee associated with the service exceeds \$250,000 in a single engagement or series of related engagements or relates to tax planning, it requires separate preapproval. The Audit Committee has delegated its preapproval authority to its Chair.

## Part IV

### Item 15: Exhibits and Financial Statement Schedules

#### Comcast

(a) Comcast's consolidated financial statements are filed as a part of this report on Form 10-K in Item 8, Financial Statements and Supplementary Data, and a list of Comcast's consolidated financial statements are found on page 72 of this report. Schedule II, Valuation and Qualifying Accounts, is found on page 169 of this report; all other financial statement schedules are omitted because the required information is not applicable, or because the information required is included in the consolidated financial statements and notes thereto.

(b) Exhibits required to be filed by Item 601 of Regulation S-K (all of which are under Commission File No. 001-32871, except as otherwise noted):

- 3.1 Amended and Restated Articles of Incorporation of Comcast Corporation (incorporated by reference to Exhibit 3.1 to Comcast's Current Report on Form 8-K filed on December 15, 2015).
- 3.2 Amended and Restated By-Laws of Comcast Corporation (incorporated by reference to Exhibit 3.1 to Comcast's Current Report on Form 8-K filed on January 27, 2017).
- 4.1 Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2002).
- 4.2 Indenture, dated January 7, 2003, between Comcast Corporation, the subsidiary guarantor party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee (incorporated by reference to Exhibit 4.4 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 4.3 First Supplemental Indenture, dated March 25, 2003, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003 (incorporated by reference to Exhibit 4.5 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 4.4 Second Supplemental Indenture, dated August 31, 2009, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon, as Trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 (incorporated by reference to Exhibit 4.1 to Comcast's Current Report on Form 8-K filed on September 2, 2009).
- 4.5 Third Supplemental Indenture, dated March 27, 2013, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 and a second Supplemental Indenture dated August 31, 2009 (incorporated by reference to Exhibit 4.4 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 4.6 Fourth Supplemental Indenture, dated October 1, 2015, to the Indenture dated January 7, 2003 between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, as supplemented by a First Supplemental Indenture dated March 25, 2003, a second Supplemental Indenture dated August 31, 2009 and a third Supplemental Indenture dated March 27, 2013 (incorporated by reference to Exhibit 4.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015).
- 4.7 Senior Indenture dated September 18, 2013, among Comcast Corporation, the guarantors party thereto and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.3 to Comcast's Registration Statement on Form S-3 filed September 18, 2013).

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- 4.8 First Supplemental Indenture dated as of November 17, 2015, to the Senior Indenture dated September 18, 2013, among Comcast Corporation, the guarantors party thereto, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.4 to Post Effective Amendment No. 2 to Comcast's Registration Statement on Form S-3 filed November 23, 2015).
- 4.9 Indenture, dated as of April 30, 2010, between NBC Universal, Inc. (n/k/a NBCUniversal Media, LLC) and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 of NBCUniversal Media, LLC (Commission File No. 333-174175) filed on May 13, 2011).
- 4.10 First Supplemental Indenture, dated March 27, 2013, to the Indenture between NBCUniversal Media, LLC (f/k/a NBC Universal, Inc.) and The Bank of New York Mellon, as trustee, dated April 30, 2010 (incorporated by reference to Exhibit 4.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 4.11 Second Supplemental Indenture, dated October 1, 2015, to the Indenture dated April 30, 2010 between NBC Universal, Inc. (n/k/a NBCUniversal Media, LLC) and The Bank of New York Mellon, as trustee, as supplemented by a First Supplemental Indenture dated March 27, 2013 (incorporated by reference to Exhibit 4.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015).
- 4.12 Indenture, dated March 19, 2013, among NBCUniversal Enterprise, Inc. (f/k/a Navy Holdings, Inc.), Comcast Corporation, the Cable Guarantors party thereto, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- Certain instruments defining the rights of holders of long-term obligation of the registrant and certain of its subsidiaries (the total amount of securities authorized under each of which does not exceed ten percent of the total assets of the registrant and its subsidiaries on a consolidated basis), are omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. We agree to furnish copies of any such instruments to the SEC upon request.
- 10.1 Credit Agreement dated as of May 26, 2016, among Comcast Corporation, the financial institutions party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Citibank, N.A., as syndication agent, Morgan Stanley MUFG Partners, LLC, Wells Fargo Bank, National Association and Mizuho Bank, Ltd., as co-documentation agents (incorporated by reference to exhibit 10.1 to Comcast's Current Report on Form 8-K filed on May 31, 2016).
- 10.2 Second Amended and Restated Certificate of Incorporation of NBCUniversal Enterprise, Inc. (f/k/a/ Navy Holdings, Inc.), dated March 19, 2013 (incorporated by reference to Exhibit 10.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.3 Certificate of Designations for Series A Cumulative Preferred Stock of NBCUniversal Enterprise, Inc. (f/k/a/ Navy Holdings, Inc.), dated March 19, 2013 (incorporated by reference to Exhibit 10.4 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.4 Amendment to Certificate of Designations for Series A Cumulative Preferred Stock of NBCUniversal Enterprise, Inc. dated March 19, 2013 (incorporated by reference to Exhibit 10.5 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.5\* Comcast Corporation 2003 Stock Option Plan, as amended and restated December 5, 2016.
- 10.6\* Comcast Corporation 2002 Deferred Compensation Plan, as amended and restated effective February 10, 2009 (incorporated by reference to Exhibit 10.5 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2009).

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- 10.7\* Comcast Corporation 2005 Deferred Compensation Plan, as amended and restated effective May 20, 2015 (incorporated by reference to Exhibit 10.5 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2015).
- 10.8\* Comcast Corporation 2002 Restricted Stock Plan, as amended and restated effective December 5, 2016.
- 10.9\* Comcast Corporation 2006 Cash Bonus Plan, as amended and restated effective February 18, 2015 (incorporated by reference to Exhibit 10.11 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2015).
- 10.10\* Comcast Corporation Retirement-Investment Plan, as amended and restated effective January 1, 2016 (incorporated by reference to Exhibit 10.12 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2015).
- 10.11\* Comcast Corporation 2002 Non-Employee Director Compensation Plan, as amended and restated effective May 14, 2013 (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).
- 10.12\* Comcast Corporation 2002 Employee Stock Purchase Plan, as amended and restated effective February 22, 2016 (incorporated by reference to Appendix C to our Definitive Proxy Statement on Schedule 14A filed on April 8, 2016).
- 10.13\* Comcast-NBCUniversal 2011 Employee Stock Purchase Plan, as amended and restated effective February 22, 2016 (incorporated by reference to Appendix D to our Definitive Proxy Statement on Schedule 14A filed on April 8, 2016).
- 10.14\* Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 1, 2005 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on August 5, 2005).
- 10.15\* Amendment to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of February 13, 2009 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on February 13, 2009).
- 10.16\* Amendment No. 2 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 31, 2009 (incorporated by reference to Exhibit 10.23 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2009).
- 10.17\* Amendment No. 3 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 30, 2010 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 7, 2010).
- 10.18\* Amendment No. 4 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 31, 2010 (incorporated by reference to Exhibit 10.25 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2010).
- 10.19\* Amendment No. 5 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 30, 2011 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 1, 2011).
- 10.20\* Amendment No. 6 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 15, 2011 (incorporated by reference to Exhibit 10.21 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2011).
- 10.21\* Amendment No. 7 to Employment Agreement between Comcast Corporation and Brian L. Roberts, effective as of June 30, 2012 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on September 14, 2012).

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- 10.22\* Amendment No. 8 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 14, 2012 (incorporated by reference to Exhibit 10.23 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2012).
- 10.23\* Amendment No. 10 to Employment Agreement with Brian L. Roberts, effective as of June 30, 2013 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 24, 2013).
- 10.24\* Amendment No. 11 to Employment Agreement with Brian L. Roberts, effective as of December 18, 2013 (incorporated by reference to Exhibit 10.29 to Comcast's Annual Report on Form 10-K filed on February 12, 2014).
- 10.25\* Amendment No. 12 to Employment Agreement with Brian L. Roberts, effective as of June 30, 2014 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 1, 2014).
- 10.26\* Amendment No. 13 to Employment Agreement with Brian L. Roberts, effective as of December 9, 2014 (incorporated by reference to Exhibit 10.30 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2014).
- 10.27\* Amendment No. 14 to Employment Agreement with Brian L. Roberts, dated June 30, 2015 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 7, 2015).
- 10.28\* Amendment No. 15 to Employment Agreement with Brian L. Roberts, dated December 17, 2015 (incorporated by reference to Exhibit 10.31 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2015).
- 10.29\* Amendment No. 16 to Employment Agreement with Brian L. Roberts, dated June 30, 2016 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 1, 2016).
- 10.30\* Amendment No. 17 to Employment Agreement with Brian L. Roberts, dated December 12, 2016.
- 10.31\* Employment Agreement between Comcast Corporation and Stephen B. Burke, dated as of December 16, 2009 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on December 22, 2009).
- 10.32\* Amendment No. 2 to Employment Agreement with Stephen B. Burke, dated as of August 16, 2013 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on August 16, 2013).
- 10.33\* Amendment No. 3 to Employment Agreement with Stephen B. Burke dated as of July 25, 2016 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 28, 2016).
- 10.34\* Employment Agreement between Comcast Corporation and David L. Cohen, dated as of October 23, 2015 (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015).
- 10.35\* Employment Agreement between Comcast Corporation and Neil Smit, dated as of November 21, 2011 (incorporated by reference to Exhibit 10.37 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2011).
- 10.36\* Employment Agreement between Comcast Corporation and Neil Smit, dated as of December 22, 2014 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on December 23, 2014).

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- 10.37\* Form of Amendment, dated as of December 16, 2008, to the Employment Agreements with Ralph J. Roberts and Brian L. Roberts (incorporated by reference to Exhibit 10.38 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 10.38\* Form of Amendment, dated as of December 14, 2012, to the Employment Agreements with Brian L. Roberts, Stephen B. Burke, Neil Smit and David L. Cohen (incorporated by reference to Exhibit 10.41 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2012).
- 10.39\* Employment Agreement dated May 10, 2015 between Comcast Corporation and Michael J. Cavanagh (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on May 11, 2015).
- 10.40\* Form of Non-Qualified Stock Option under the Comcast Corporation 2003 Stock Option Plan (incorporated by reference to Exhibit 10.40 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 10.41\* Form of Non-Qualified Stock Option under the Comcast Corporation 2003 Stock Option Plan (incorporated by reference to Exhibit 10.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016).
- 10.42\* Form of Non-Qualified Stock Option under the Comcast Corporation 2003 Stock Option Plan.
- 10.43\* Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.7 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011).
- 10.44\* Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012).
- 10.45\* Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.6 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.46\* Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016).
- 10.47\* Form of Restricted Stock Unit Award and Long-Term Incentive Awards Summary Schedule under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2015).
- 10.48\* Form of Airplane Time Sharing Agreement (incorporated by reference to Exhibit 10.60 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2014).
- 10.49\* Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
- 10.50 Shareholders Agreement, effective as of January 1, 2016, among Atairos Group, Inc., Comcast AG Holdings, LLC, Atairos Partners, L.P., Atairos Management, L.P., and Comcast Corporation (incorporated by reference to Exhibit 10.66 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2015).
- 10.51 Advisor Agreement, effective as of January 1, 2016, between Comcast Corporation and Michael J. Angelakis (incorporated by reference to Exhibit 10.67 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2015).
- 10.52 Letter Agreement dated November 24, 2015 between Comcast Corporation and Michael J. Angelakis (incorporated by reference to Exhibit 10.68 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2015).

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10.53†	Consultant Agreement, dated as of January 20, 1987, between Steven Spielberg and Universal City Florida Partners (incorporated by reference to Exhibit 10.49 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
10.54	Amendment dated February 5, 2001 to the Consultant Agreement dated as of January 20, 1987, between the Consultant and Universal City Florida Partners (incorporated by reference to Exhibit 10.50 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
10.55†	Amendment to the Consultant Agreement, dated as of October 18, 2009, between Steven Spielberg, Diamond Lane Productions, Inc. and Universal City Development Partners, Ltd. (incorporated by reference to Exhibit 10.52 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
10.56†	Letter Agreement dated July 15, 2003, among Diamond Lane Productions, Vivendi Universal Entertainment LLLP and Universal City Development Partners, Ltd. (incorporated by reference to Exhibit 10.51 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
12.1	Statement of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Dividends.
21.1	List of subsidiaries.
23.1	Consent of Deloitte & Touche LLP.
31.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from Comcast Corporation's Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on February 3, 2017, formatted in XBRL (eXtensible Business Reporting Language): (1) the Consolidated Balance Sheet; (2) the Consolidated Statement of Income; (3) the Consolidated Statement of Comprehensive Income; (4) the Consolidated Statement of Cash Flows; (5) the Consolidated Statement of Changes in Equity; and (6) the Notes to Consolidated Financial Statements.

\* Constitutes a management contract or compensatory plan or arrangement.

† Confidential treatment granted.

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**NBCUniversal**

(a) NBCUniversal's consolidated financial statements are filed as a part of this report on Form 10-K and a list of the consolidated financial statements are found on page 137 of this report. Schedule II – Valuation and Qualifying Accounts is found on page 169 of this report; all other financial statement schedules are omitted because the required information is not applicable, or because the information required is included in the consolidated financial statements and notes thereto.

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

- 3.1 Certificate of Formation of NBCUniversal Media, LLC (incorporated by reference to Exhibit 3.1 to NBCUniversal's Registration Statement on Form S-4 filed on May 13, 2011).
- 3.2 Certificate of Amendment to Certificate of Formation of NBCUniversal Media, LLC (incorporated by reference to Exhibit 3.2 to NBCUniversal's Registration Statement on Form S-4 filed on May 13, 2011).
- 3.3 Limited Liability Company Agreement of NBCUniversal Media, LLC (incorporated by reference to Exhibit 3.2 to Amendment No. 2 to NBCUniversal's Registration Statement on Form S-4 filed on July 12, 2011).
- 4.1 Indenture, dated as of April 30, 2010 between NBC Universal, Inc. (n/k/a NBCUniversal Media, LLC) and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to NBCUniversal's Registration Statement on Form S-4 filed on May 13, 2011).
- 4.2 First Supplemental Indenture, dated March 27, 2013, to the Indenture between NBCUniversal Media, LLC (f/k/a NBC Universal, Inc.) and The Bank of New York Mellon, as trustee, dated April 30, 2010 (incorporated by reference to Exhibit 4.3 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 4.3 Second Supplemental Indenture, dated October 1, 2015, to the Indenture dated April 30, 2010 between NBC Universal, Inc. (n/k/a NBCUniversal Media, LLC) and The Bank of New York Mellon, as trustee, as supplemented by a First Supplemental Indenture dated March 27, 2013 (incorporated by reference to Exhibit 4.2 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended September 30, 2015).
- 4.4 Indenture, dated January 7, 2003, between Comcast Corporation, the subsidiary guarantor party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee (incorporated by reference to Exhibit 4.4 to the Annual Report on Form 10-K of Comcast Corporation for the year ended December 31, 2008).
- 4.5 First Supplemental Indenture, dated March 25, 2003, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003 (incorporated by reference to Exhibit 4.5 to the Annual Report on Form 10-K of Comcast Corporation for the year ended December 31, 2008).
- 4.6 Second Supplemental Indenture, dated August 31, 2009, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon, as Trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Comcast Corporation filed on September 2, 2009).
- 4.7 Third Supplemental Indenture, dated March 27, 2013, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 and a Second Supplemental Indenture dated August 31, 2009 (incorporated by reference to Exhibit 4.4 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).

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- 4.8 Fourth Supplemental Indenture, dated October 1, 2015, to the Indenture dated January 7, 2003 between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, as supplemented by a First Supplemental Indenture dated March 25, 2003, a second Supplemental Indenture dated August 31, 2009 and a third Supplemental Indenture dated March 27, 2013 (incorporated by reference to Exhibit 4.1 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended September 30, 2015).
- 4.9 Senior Indenture dated September 18, 2013, among Comcast Corporation, the guarantors party thereto and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.3 to Comcast's Registration Statement on Form S-3 filed September 18, 2013).
- 4.10 First Supplemental Indenture dated as of November 17, 2015, to the Senior Indenture dated September 18, 2013, among Comcast Corporation, the guarantors party thereto, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.4 to Post Effective Amendment No. 2 to Comcast's Registration Statement on Form S-3 filed November 23, 2015).
- 10.1 Second Amended and Restated Limited Liability Company Agreement of NBCUniversal, LLC, dated March 19, 2013 (incorporated by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 10.2 Credit Agreement dated as of May 26, 2016, among Comcast Corporation, the financial institutions party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Citibank, N.A., as syndication agent, Morgan Stanley MUFG Partners, LLC, Wells Fargo Bank, National Association and Mizuho Bank, Ltd., as co-documentation agents (incorporated by reference to exhibit 10.1 to Comcast's Current Report on Form 8-K filed on May 31, 2016).
- 10.3† Consultant Agreement, dated as of January 20, 1987, between Steven Spielberg and Universal City Florida Partners (incorporated by reference to Exhibit 10.49 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
- 10.4 Amendment dated February 5, 2001 to the Consultant Agreement dated as of January 20, 1987, between the Consultant and Universal City Florida Partners (incorporated by reference to Exhibit 10.50 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
- 10.5† Amendment to the Consultant Agreement, dated as of October 18, 2009, between Steven Spielberg, Diamond Lane Productions, Inc. and Universal City Development Partners, Ltd. (incorporated by reference to Exhibit 10.52 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
- 10.6† Letter Agreement dated July 15, 2003, among Diamond Lane Productions, Vivendi Universal Entertainment LLLP and Universal City Development Partners, Ltd. (incorporated by reference to Exhibit 10.51 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)).
- 23.2 Consent of Deloitte & Touche LLP.
- 31.2 Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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101 The following financial statements from NBCUniversal Media, LLC's Annual Report on Form 10-K for the year ended December 31, 2016, filed with the Securities and Exchange Commission on February 3, 2017, formatted in XBRL (eXtensible Business Reporting Language): (1) the Consolidated Balance Sheet; (2) the Consolidated Statement of Income; (3) the Consolidated Statement of Comprehensive Income; (4) the Consolidated Statement of Cash Flows; (5) the Consolidated Statement of Changes in Equity; and (6) the Notes to Consolidated Financial Statements.

† Confidential treatment granted.





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[NBCUniversal Media, LLC Financial Statements and Supplementary Data](#)

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## Report of Independent Registered Public Accounting Firm

**To the Member of NBCUniversal Media, LLC  
New York, New York**

We have audited the accompanying consolidated balance sheets of NBCUniversal Media, LLC and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2016. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of NBCUniversal Media, LLC and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America.

**/s/ Deloitte & Touche LLP**  
New York, New York  
February 3, 2017

[Table of Contents](#)**NBCUniversal Media, LLC**  
Consolidated Balance Sheet

December 31 (in millions)	2016	2015
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,966	\$ 1,410
Receivables, net	6,302	5,411
Programming rights	1,241	1,200
Other current assets	938	841
Total current assets	10,447	8,862
Film and television costs	7,245	5,847
Investments	1,263	965
Property and equipment, net	10,511	9,521
Goodwill	23,323	20,364
Intangible assets, net	13,777	13,806
Other noncurrent assets, net	1,688	1,325
<b>Total assets</b>	<b>\$ 68,254</b>	<b>\$ 60,690</b>
<b>Liabilities and Equity</b>		
Current Liabilities:		
Accounts payable and accrued expenses related to trade creditors	\$ 1,647	\$ 1,564
Accrued participations and residuals	1,726	1,572
Program obligations	807	765
Deferred revenue	1,016	1,242
Accrued expenses and other current liabilities	1,888	1,675
Note payable to Comcast	2,703	1,750
Current portion of long-term debt	127	1,163
Total current liabilities	9,914	9,731
Long-term debt, less current portion	11,461	11,331
Accrued participations, residuals and program obligations	1,202	1,163
Other noncurrent liabilities	4,130	3,790
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	530	372
Equity:		
Member's capital	39,036	32,834
Accumulated other comprehensive income (loss)	(135)	(212)
Total NBCUniversal member's equity	38,901	32,622
Noncontrolling interests	2,116	1,681
Total equity	41,017	34,303
<b>Total liabilities and equity</b>	<b>\$ 68,254</b>	<b>\$ 60,690</b>

See accompanying notes to consolidated financial statements.

[Table of Contents](#)**NBCUniversal Media, LLC**  
Consolidated Statement of Income

Year ended December 31 (in millions)	2016	2015	2014
<b>Revenue</b>	<b>\$ 31,593</b>	<b>\$ 28,462</b>	<b>\$ 25,428</b>
Costs and Expenses:			
Programming and production	14,540	13,418	12,318
Other operating and administrative	7,059	5,891	5,364
Advertising, marketing and promotion	2,767	2,795	2,158
Depreciation	861	669	654
Amortization	944	870	841
	<b>26,171</b>	<b>23,643</b>	<b>21,335</b>
<b>Operating income</b>	<b>5,422</b>	<b>4,819</b>	<b>4,093</b>
Other Income (Expense):			
Interest expense	(595)	(495)	(508)
Investment income (loss), net	30	5	27
Equity in net income (losses) of investees, net	(99)	(376)	46
Other income (expense), net	93	(102)	(218)
	<b>(571)</b>	<b>(968)</b>	<b>(653)</b>
Income before income taxes	4,851	3,851	3,440
Income tax expense	(305)	(227)	(143)
Net income	4,546	3,624	3,297
Net (income) loss attributable to noncontrolling interests	(311)	(210)	(182)
<b>Net income attributable to NBCUniversal</b>	<b>\$ 4,235</b>	<b>\$ 3,414</b>	<b>\$ 3,115</b>

See accompanying notes to consolidated financial statements.

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**NBCUniversal Media, LLC**

Consolidated Statement of Comprehensive Income

Year ended December 31 (in millions)	2016	2015	2014
Net income	<b>\$ 4,546</b>	\$ 3,624	\$ 3,297
Deferred gains (losses) on cash flow hedges, net	<b>24</b>	(21)	25
Employee benefit obligations, net	<b>15</b>	60	(106)
Currency translation adjustments, net	<b>112</b>	(121)	(62)
Comprehensive income	<b>4,697</b>	3,542	3,154
Net (income) loss attributable to noncontrolling interests	<b>(311)</b>	(210)	(182)
Other comprehensive (income) loss attributable to noncontrolling interests	<b>(74)</b>	29	—
<b>Comprehensive income attributable to NBCUniversal</b>	<b>\$ 4,312</b>	\$ 3,361	\$ 2,972

See accompanying notes to consolidated financial statements.

[Table of Contents](#)**NBCUniversal Media, LLC**  
Consolidated Statement of Cash Flows

Year ended December 31 (in millions)	2016	2015	2014
<b>Operating Activities</b>			
Net income	\$ 4,546	\$ 3,624	\$ 3,297
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	1,805	1,539	1,495
Equity in net (income) losses of investees, net	99	376	(46)
Cash received from investees	68	60	74
Net (gain) loss on investment activity and other	(80)	56	136
Deferred income taxes	89	(11)	(12)
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:			
Current and noncurrent receivables, net	(635)	(718)	(25)
Film and television costs, net	(502)	(304)	(571)
Accounts payable and accrued expenses related to trade creditors	51	97	(88)
Other operating assets and liabilities	(544)	585	264
<b>Net cash provided by operating activities</b>	<b>4,897</b>	<b>5,304</b>	<b>4,524</b>
<b>Investing Activities</b>			
Capital expenditures	(1,452)	(1,386)	(1,221)
Cash paid for intangible assets	(283)	(211)	(130)
Acquisitions, net of cash acquired	(205)	(1,522)	(118)
Proceeds from sales of businesses and investments	109	218	13
Purchases of investments	(290)	(649)	(35)
Other	(123)	150	(122)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,244)</b>	<b>(3,400)</b>	<b>(1,613)</b>
<b>Financing Activities</b>			
Repurchases and repayments of debt	(1,565)	(1,022)	(906)
Proceeds from (repayments of) borrowings from Comcast, net	928	854	97
Distributions to member	(1,606)	(1,385)	(1,641)
Distributions to noncontrolling interests	(210)	(189)	(177)
Other	356	—	(3)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,097)</b>	<b>(1,742)</b>	<b>(2,630)</b>
Increase (decrease) in cash and cash equivalents	556	162	281
Cash and cash equivalents, beginning of year	1,410	1,248	967
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,966</b>	<b>\$ 1,410</b>	<b>\$ 1,248</b>

See accompanying notes to consolidated financial statements.

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**NBCUniversal Media, LLC**

Consolidated Statement of Changes in Equity

(in millions)	Redeemable Noncontrolling Interests	Member's Capital	Accumulated Other Comprehensive Income (Loss)	Non- controlling Interests	Total Equity
Balance, December 31, 2013	\$ 231	\$ 29,056	\$ (16)	\$ 287	\$ 29,327
Dividends declared		(1,641)			(1,641)
Issuance of subsidiary shares from noncontrolling interests	85				—
Contributions from (distributions to) noncontrolling interests, net	(24)			(152)	(152)
Other comprehensive income (loss)			(143)		(143)
Other		(1)		(12)	(13)
Net income (loss)	38	3,115		144	3,259
Balance, December 31, 2014	330	30,529	(159)	267	30,637
Dividends declared		(1,385)			(1,385)
Contributions from (distributions to) noncontrolling interests, net	(30)			(159)	(159)
Contribution from member		252			252
Other comprehensive income (loss)			(53)	(29)	(82)
Universal Studios Japan		(11)		1,440	1,429
Other	28	35		(4)	31
Net income (loss)	44	3,414		166	3,580
Balance, December 31, 2015	372	32,834	(212)	1,681	34,303
<b>Dividends declared</b>		<b>(1,606)</b>			<b>(1,606)</b>
<b>Contributions from (distributions to) noncontrolling interests, net</b>	<b>(59)</b>			<b>(148)</b>	<b>(148)</b>
<b>DreamWorks Animation contributions</b>		<b>3,566</b>		<b>89</b>	<b>3,655</b>
<b>Other comprehensive income (loss)</b>			<b>77</b>	<b>74</b>	<b>151</b>
<b>Other</b>	<b>168</b>	<b>7</b>		<b>158</b>	<b>165</b>
<b>Net income (loss)</b>	<b>49</b>	<b>4,235</b>		<b>262</b>	<b>4,497</b>
<b>Balance, December 31, 2016</b>	<b>\$ 530</b>	<b>\$ 39,036</b>	<b>\$ (135)</b>	<b>\$ 2,116</b>	<b>\$ 41,017</b>

See accompanying notes to consolidated financial statements.

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**NBCUniversal Media, LLC**

Notes to Consolidated Financial Statements

**Note 1: Business and Basis of Presentation**

Unless indicated otherwise, throughout these notes to the consolidated financial statements, we refer to NBCUniversal and its consolidated subsidiaries as “we,” “us” and “our.” We are one of the world’s leading media and entertainment companies that develops, produces and distributes entertainment, news and information, sports, and other content for global audiences, and owns and operates theme parks worldwide.

We present our operations as the following four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks. See Note 16 for additional information on our reportable business segments.

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks that provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, our international cable networks, and our cable television studio production operations.

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our owned NBC and Telemundo local broadcast television stations, the NBC Universo national cable network, and our broadcast television studio production operations.

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Illumination and Focus Features names and in August 2016, Comcast acquired DreamWorks Animation. See Note 4 for additional information on the acquisition.

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California and our 51% interest in the Universal Studios theme park in Osaka, Japan (“Universal Studios Japan”), which we acquired in November 2015. See Note 4 for additional information on the acquisition.

**Basis of Presentation**

The accompanying consolidated financial statements include all entities in which we have a controlling voting interest and variable interest entities (“VIEs”) required to be consolidated in accordance with generally accepted accounting principles in the United States (“GAAP”). Transactions between NBCUniversal and both Comcast and Comcast’s consolidated subsidiaries are reflected in these consolidated financial statements and disclosed as related party transactions when material.

We translate assets and liabilities of our foreign operations where the functional currency is the local currency, primarily the Japanese yen, euro and British pound, into U.S. dollars at the exchange rate as of the balance sheet date and translate revenue and expenses using average monthly exchange rates. The related translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in our consolidated balance sheet. Any foreign currency transaction gains or losses are included in our consolidated statement of income.

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### **NBCUniversal Media, LLC**

#### **Note 2: Accounting Policies**

Our consolidated financial statements are prepared in accordance with GAAP, which require us to select accounting policies, including in certain cases industry-specific policies, and make estimates that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and contingent liabilities. Actual results could differ from these estimates. We believe that the judgments and related estimates for the following items are critical in the preparation of our consolidated financial statements:

- revenue recognition (see below)
- film and television costs (see Note 6)
- goodwill and intangible assets (see Note 9)

In addition, the following accounting policy is specific to the industries in which we operate:

- capitalization and amortization of film and television costs (see Note 6)

Information on our other accounting policies and methods that are used in the preparation of our consolidated financial statements are included, where applicable, in their respective footnotes that follow. Below is a discussion of accounting policies and methods used in our consolidated financial statements that are not presented within other footnotes.

#### **Revenue Recognition**

##### **Cable Networks and Broadcast Television Segments**

Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, from the sale of advertising on our cable networks and related digital media properties, from the licensing of our owned programming to cable and broadcast networks and subscription video on demand services, from the sale of our owned programming on standard-definition digital video discs and Blu-ray discs (together, "DVDs") and through digital distribution services such as iTunes, and from the sale of programming by our cable television studio production operations to third-party networks and subscription video on demand services. Our Broadcast Television segment generates revenue primarily from the sale of advertising on our broadcast networks, owned local broadcast television stations and related digital media properties, from the licensing of our owned programming by our broadcast television studio production operations to various distribution platforms, including to cable and broadcast networks as well as to subscription video on demand services, from the fees received under retransmission consent agreements and associated fees received from NBC-affiliated local broadcast television stations, and from the sale of our owned programming on DVDs and through digital distribution services. We recognize revenue from distributors as programming is provided, generally under multiyear distribution agreements. From time to time, the distribution agreements expire while programming continues to be provided to the distributor based on interim arrangements while the parties negotiate new contract terms. Revenue recognition is generally limited to current payments being made by the distributor, typically under the prior contract terms, until a new contract is negotiated, sometimes with effective dates that affect prior periods. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

Advertising revenue for our Cable Networks and Broadcast Television segments is recognized in the period in which commercials are aired or viewed. In some instances, we guarantee audience ratings for the commercials. To the extent there is a shortfall in the ratings that were guaranteed, a portion of the revenue is deferred until the shortfall is settled, primarily by providing additional advertising units. We recognize revenue from the licensing of our owned programming and programming produced by our studios for third parties when the content is made available for use by the licensee, and when certain other conditions are met. When license fees include advertising time, we recognize the component of revenue associated with the advertisements when they are aired or viewed.

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**NBCUniversal Media, LLC**

[Filmed Entertainment Segment](#)

Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our produced and acquired films for exhibition in movie theaters, from the licensing of our owned and acquired films through various distribution platforms, and from the sale of our owned and acquired films on DVDs and through digital distribution services. Our Filmed Entertainment segment also generates revenue from producing and licensing live stage plays, from the distribution of filmed entertainment produced by third parties, and from Fandango, our movie ticketing and entertainment business. We recognize revenue from the distribution of films to movie theaters when the films are exhibited. We recognize revenue from the licensing of a film when the film is available for use by the licensee, and when certain other conditions are met. We recognize revenue from the sale of DVDs, net of estimated returns and customer incentives, on the date that the DVDs are delivered to and made available for sale by retailers.

[Theme Parks Segment](#)

Our Theme Parks segment generates revenue primarily from ticket sales and guest spending at our Universal theme parks. We recognize revenue from advance theme park ticket sales when the tickets are used. For annual passes, we recognize revenue on a straight-line basis over the period following the activation date.

**Advertising Expenses**

Advertising costs are expensed as incurred.

**Cash Equivalents**

The carrying amounts of our cash equivalents approximate their fair values. Our cash equivalents consist primarily of money market funds and U.S. government obligations, as well as commercial paper and certificates of deposit with maturities of three months or less when purchased.

**Derivative Financial Instruments**

We use derivative financial instruments to manage our exposure to the risks associated with fluctuations in foreign exchange rates and interest rates. Our objective is to manage the financial and operational exposure arising from these risks by offsetting gains and losses on the underlying exposures with gains and losses on the derivatives used to economically hedge them.

Our derivative financial instruments are recorded in our consolidated balance sheet at fair value. The impact of our derivative financial instruments on our consolidated financial statements was not material for all periods presented.

**Fair Value Measurements**

The accounting guidance related to financial assets and financial liabilities (“financial instruments”) establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). The levels of the hierarchy are described below.

- Level 1: Values are determined using quoted market prices for identical financial instruments in an active market
- Level 2: Values are determined using quoted prices for similar financial instruments and valuation models whose inputs are observable
- Level 3: Values are determined using pricing models that use significant inputs that are primarily unobservable, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation

## **NBCUniversal Media, LLC**

We use these levels of hierarchy for the measurement of fair value related to acquisitions, investments, long-term debt and impairment testing, among others. Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation and classification within the fair value hierarchy. Our financial instruments that are accounted for at fair value on a recurring basis were not material as of December 31, 2016 and 2015.

### **Note 3: Recent Accounting Pronouncements**

#### **Revenue Recognition**

In May 2014, the Financial Accounting Standards Board ("FASB") updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue and by reducing the number of standards to which an entity has to refer. The updated accounting guidance is effective for us as of January 1, 2018.

We have reviewed a majority of our revenue arrangements and expect our review to be completed in the second quarter of 2017. As a result of our review, we do not expect any material impact on our consolidated financial statements. However, we do expect that the new standard will impact the timing of recognition for our Cable Networks, Broadcast Television and Filmed Entertainment segments' content licensing revenue associated with renewals or extensions of existing program licensing agreements, which upon adoption will be recognized as revenue when the licensed content becomes available under the renewal or extension instead of when the agreement is renewed or extended.

The guidance provides companies with alternative methods of adoption and we are in the process of determining our method of adoption, which depends in part upon our completion of the evaluation of our remaining revenue arrangements.

#### **Consolidations**

In February 2015, the FASB updated the accounting guidance related to consolidation under the variable interest entity and voting interest entity models. The updated accounting guidance modifies the consolidation guidance for VIEs, limited partnerships and similar legal entities. We have adopted this guidance as of January 1, 2016 and it did not have a material impact on our consolidated financial statements.

#### **Financial Assets and Financial Liabilities**

In January 2016, the FASB updated the accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The updated accounting guidance, among other things, requires that all nonconsolidated equity investments, except those accounted for under the equity method, be measured at fair value and that the changes in fair value be recognized in net income. The updated guidance is effective for us as of January 1, 2018. The updated accounting guidance requires, with certain exceptions, a cumulative effect adjustment to beginning retained earnings when the guidance is adopted. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

#### **Leases**

In February 2016, the FASB updated the accounting guidance related to leases. The updated accounting guidance requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. The asset and liability are initially measured based on the present value of committed lease payments. For a lessee, the recognition, measurement and presentation of expenses and cash flows arising from a lease do not significantly change from previous guidance. For a

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**NBCUniversal Media, LLC**

lessor, the accounting applied is also largely unchanged from previous guidance. The updated guidance is effective for us as of January 1, 2019 and early adoption is permitted. The updated accounting guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements. See Note 15 for a summary of our undiscounted minimum rental commitments under operating leases as of December 31, 2016.

**Share-Based Compensation**

In March 2016, the FASB updated the accounting guidance that affects several aspects of the accounting for share-based compensation. Among the changes, the updated guidance requires that the excess income tax benefits or deficiencies that arise when the tax consequences of share-based compensation differ from amounts previously recognized in the statement of income be recognized as income tax benefit or expense in the statement of income rather than as additional paid-in capital in the balance sheet. The guidance also states that excess income tax benefits should not be presented separately from other income taxes in the statement of cash flows and, thus, should be classified as an operating activity rather than a financing activity as they are under the current guidance. In addition, the updated guidance requires when an employer withholds shares upon exercise of options or the vesting of restricted stock for the purpose of meeting withholding tax requirements, that the cash paid for withholding taxes be classified as a financing activity.

We will adopt the updated guidance in the first quarter of 2017. As a limited liability company, the updated guidance related to the excess income tax benefits or deficiencies to be recognized in the statement of income will not have a material impact on our consolidated financial statements. In addition, as the share-based compensation expense is settled in cash with Comcast, we do not expect the updated accounting guidance to have a material impact on our statement of cash flows.

**Note 4: Significant Transactions**

**2016**

***DreamWorks Animation***

On August 22, 2016, Comcast acquired all of the outstanding stock of DreamWorks Animation for \$3.8 billion. DreamWorks Animation's stockholders received \$41 in cash for each share of DreamWorks Animation common stock. DreamWorks Animation creates animated feature films, television series and specials, live entertainment and related consumer products.

Following the acquisition, Comcast converted DreamWorks Animation to a limited liability company and contributed its equity to us as a capital contribution. The net assets contributed to us excluded deferred income taxes and other tax-related items recorded by Comcast. The results of operations for DreamWorks Animation are reported in our Filmed Entertainment segment following the acquisition date and are presented as if the equity contribution occurred on the date of Comcast's acquisition.

***Preliminary Allocation of Purchase Price***

The transaction was accounted for under the acquisition method of accounting and, accordingly, the assets and liabilities are to be recorded at their fair market values as of the acquisition date. We recorded the acquired assets and liabilities of DreamWorks Animation at their estimated fair values based on preliminary valuation analyses. In valuing acquired assets and liabilities, fair value estimates are primarily based on Level 3 inputs including future expected cash flows, market rate assumptions and discount rates. The fair value of the assumed debt was primarily based on quoted market values. The fair value of the liability related

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### **NBCUniversal Media, LLC**

to a tax receivable agreement that DreamWorks Animation had previously entered into with one of its former stockholders (the “tax receivable agreement”) was based on the contractual settlement provisions in the agreement. We will adjust the assets and liabilities as valuations are completed and we obtain information necessary to complete the analyses, but no later than one year from the acquisition date.

The table below presents the preliminary allocation of the purchase price to the assets and liabilities of DreamWorks Animation.

#### [Preliminary Allocation of Purchase Price](#)

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(in millions)	
Film and television costs (see Note 6)	\$ 854
Intangible assets (see Note 9)	164
Working capital	248
Debt (see Note 10)	(381)
Tax receivable agreement <sup>(a)</sup>	(146)
Other noncurrent assets and liabilities and other <sup>(b)</sup>	503
Identifiable net assets (liabilities) acquired	1,242
Noncontrolling interest	(89)
Goodwill (see Note 9)	2,620
Cash consideration transferred by Comcast	\$ 3,773

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(a) The tax receivable agreement was settled immediately following the acquisition and the payment was recorded as an operating activity in our consolidated statement of cash flows. Comcast made a separate cash capital contribution of \$146 million to fund the settlement which was recorded as a financing activity in our consolidated statement of cash flows.

(b) Other included \$353 million recorded to member's capital that represented deferred income tax assets and other tax-related items recorded by Comcast but excluded from the net assets contributed to us.

Revenue and net income attributable to the acquisition of DreamWorks Animation were not material for 2016.

### **2015**

#### [Universal Studios Japan](#)

On November 13, 2015, we acquired a 51% economic interest in Universal Studios Japan for \$1.5 billion.

Universal Studios Japan is a VIE based on the governance structure and we consolidate Universal Studios Japan since we have the power to direct activities that most significantly impact its economic performance. There are no liquidity arrangements, guarantees or other financial commitments between us and Universal Studios Japan, and therefore our maximum risk of financial loss is our 51% interest. Universal Studios Japan's results of operations are reported in our Theme Parks segment following the acquisition date.

#### [Allocation of Purchase Price](#)

The transaction was accounted for under the acquisition method of accounting and, accordingly, the acquired assets and liabilities and the 49% noncontrolling interest were recorded at their estimated fair values. In 2016, we updated the allocation of the purchase price for Universal Studios Japan based on final valuation analyses, which primarily resulted in increases to property and equipment and intangible assets and a decrease in goodwill. The changes did not have a material impact on our consolidated financial statements.

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### **NBCUniversal Media, LLC**

The table below presents the allocation of the purchase price to the assets and liabilities of Universal Studios Japan.

#### [Allocation of Purchase Price](#)

(in millions)	
Property and equipment (see Note 8)	\$ 780
Intangible assets (see Note 9)	323
Working capital	(33)
Debt (see Note 10)	(3,271)
Other noncurrent assets and liabilities and other	17
Identifiable net assets (liabilities) acquired	(2,184)
Noncontrolling interest	(1,440)
Goodwill (see Note 9)	5,123
Cash consideration transferred	\$ 1,499

#### [Actual and Unaudited Pro Forma Results](#)

Our consolidated revenue in 2016 and 2015 included \$1.4 billion and \$169 million, respectively, from the acquisition of Universal Studios Japan. Our net income attributable to NBCUniversal in 2016 and 2015 included \$124 million and \$18 million, respectively, from the acquisition of Universal Studios Japan.

The following unaudited pro forma information has been presented as if the acquisition of Universal Studios Japan occurred on January 1, 2014. This information is primarily based on historical results of operations, adjusted for the allocation of purchase price, and is not necessarily indicative of what our results would have been had we operated Universal Studios Japan since January 1, 2014. No pro forma adjustments have been made for our transaction-related expenses.

Year ended December 31 (in millions)	2015	2014
Revenue	\$ 29,514	\$ 26,513
Net income	\$ 3,801	\$ 3,409
Net income attributable to NBCUniversal	\$ 3,503	\$ 3,170

#### [Note 5: Related Party Transactions](#)

In the ordinary course of our business, we enter into transactions with Comcast.

We generate revenue from Comcast primarily from the distribution of our cable network programming, the fees received under retransmission consent agreements in our Broadcast Television segment and, to a lesser extent, the sale of advertising and our owned programming, and we incur expenses primarily related to advertising and various support services provided by Comcast to us.

In September 2016, as part of the Comcast cash management process, we and Comcast amended and restated our revolving credit agreements to increase the amount that we can borrow from Comcast and that Comcast can borrow from us from \$3 billion to \$5 billion and to extend the maturity date to 2026. Amounts owed by us to Comcast or to us by Comcast under the revolving credit agreement, including accrued interest, are presented under the captions "note payable to Comcast" and "note receivable from Comcast," respectively, in our consolidated balance sheet and are presented as current as there are daily borrowings and repayments throughout the year based on our working capital needs. The revolving credit agreements bear interest at floating rates equal to the interest rate calculation under Comcast's revolving credit facility.

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The interest rate on Comcast's revolving credit facility consists of a base rate plus a borrowing margin that is determined based on Comcast's credit rating. As of December 31, 2016, the borrowing margin for London Interbank Offered Rate-based borrowings was 1.00%.

Comcast is also the counterparty to one of our contractual obligations. As of both December 31, 2016 and 2015, the carrying value of the liability associated with this contractual obligation was \$383 million.

The following tables present transactions with Comcast and its consolidated subsidiaries that are included in our consolidated financial statements.

[Consolidated Balance Sheet](#)

December 31 (in millions)	2016	2015
<b>Transactions with Comcast and Consolidated Subsidiaries</b>		
Receivables, net	\$ 285	\$ 239
Accounts payable and accrued expenses related to trade creditors	\$ 55	\$ 68
Accrued expenses and other current liabilities	\$ 4	\$ 51
Note payable to Comcast	\$ 2,703	\$ 1,750
Other noncurrent liabilities	\$ 389	\$ 383

[Consolidated Statement of Income](#)

Year ended December 31 (in millions)	2016	2015	2014
<b>Transactions with Comcast and Consolidated Subsidiaries</b>			
Revenue	\$ 1,742	\$ 1,349	\$ 1,315
Operating costs and expenses	\$ (220)	\$ (246)	\$ (162)
Other income (expense)	\$ (69)	\$ (37)	\$ (43)

**Distributions to NBCUniversal Holdings**

In addition to the transactions amounts presented in the table above, we make distributions to NBCUniversal Holdings on a periodic basis to enable its owners to meet their obligations to pay taxes on taxable income generated by our businesses. We also make quarterly distributions to NBCUniversal Holdings to enable it to make its required quarterly payments to NBCUniversal Enterprise at an annual rate of 8.25% on the \$9.4 billion aggregate liquidation preference of its preferred units. These distributions are presented under the caption "distributions to member" in our consolidated statement of cash flows.

[Note 6: Film and Television Costs](#)

December 31 (in millions)	2016	2015
<b>Film Costs:</b>		
Released, less amortization	\$ 1,750	\$ 1,275
Completed, not released	50	226
In production and in development	1,310	907
	3,110	2,408
<b>Television Costs:</b>		
Released, less amortization	1,953	1,573
In production and in development	853	737
	2,806	2,310
Programming rights, less amortization	2,570	2,329
	8,486	7,047
Less: Current portion of programming rights	1,241	1,200
Film and television costs	\$ 7,245	\$ 5,847

## **NBCUniversal Media, LLC**

Based on our current estimates of the total remaining revenue from all sources (“ultimate revenue”), in 2017 we expect to amortize approximately \$1.9 billion of film and television costs associated with our original film and television productions that have been released, or are completed and have not been released. Through 2019, we expect to amortize approximately 88% of unamortized film and television costs for our released productions, excluding amounts allocated to acquired libraries.

As of December 31, 2016, acquired film and television libraries, which are included within the “released, less amortization” captions in the table above, had remaining unamortized costs of \$596 million. These costs are generally amortized over a period not to exceed 20 years, and approximately 45% of these costs are expected to be amortized through 2019.

### **Capitalization of Film and Television Costs**

We capitalize film and television production costs, including direct costs, production overhead, print costs, development costs and interest. We amortize capitalized film and television production costs, including acquired libraries, and accrue costs associated with participation and residual payments to programming and production expenses. We generally record the amortization and the accrued costs using the individual film forecast computation method, which amortizes the costs in the same ratio as the associated ultimate revenue. Estimates of ultimate revenue and total costs are based on anticipated release patterns, public acceptance and historical results for similar productions. Unamortized film and television costs, including acquired film and television libraries, are stated at the lower of unamortized cost or fair value. We do not capitalize costs related to the distribution of a film in movie theaters or the licensing or sale of a film or television production, which are primarily costs associated with the marketing and distribution of them.

In determining the method of amortization and estimated life of an acquired film or television library, we generally use the method and the life that most closely follow the undiscounted cash flows over the estimated life of the asset.

When an event or a change in circumstance occurs that was known or knowable as of the balance sheet date and that indicates the fair value of a film is less than its unamortized costs, we determine the fair value of the film and record an impairment charge for the amount by which the unamortized capitalized costs exceed the film’s fair value. The estimated fair value of a production is based on Level 3 inputs that primarily use an analysis of future expected cash flows. Adjustments to capitalized film and stage play production costs of \$14 million, \$42 million and \$26 million were recorded in 2016, 2015 and 2014, respectively.

We enter into cofinancing arrangements with third parties to jointly finance or distribute certain of our film productions. Cofinancing arrangements can take various forms, but in most cases involve the grant of an economic interest in a film to an investor. The number of investors and the terms of these arrangements can vary, although investors generally assume the full risks and rewards for the portion of the film acquired in these arrangements. We account for the proceeds received from a third-party investor under these arrangements as a reduction to our capitalized film costs. Under these arrangements, the investor owns an undivided copyright interest in the film, and therefore in each period we record either a charge or a benefit to programming and production expenses to reflect the estimate of the third-party investor’s interest in the profit or loss of the film. The estimate of the third-party investor’s interest in the profit or loss of a film is determined using the ratio of actual revenue earned to date to the ultimate revenue expected to be recognized over the film’s useful life.

We capitalize the costs of programming content that we license but do not own, including rights to multiyear, live-event sports programming, at the earlier of when payments are made for the programming or when the license period begins and the content is made available for use. We amortize capitalized programming costs as the associated programs are broadcast. We generally amortize multiyear, live-event sports programming rights using the ratio of the current period revenue to the estimated ultimate revenue or under the terms of the contract.

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**NBCUniversal Media, LLC**

Acquired programming costs are recorded at the lower of unamortized cost or net realizable value on a program by program, package, channel or daypart basis. A daypart is an aggregation of programs broadcast during a particular time of day or programs of a similar type. Programming acquired by our Cable Networks segment is primarily tested on a channel basis for impairment, whereas programming acquired by our Broadcast Television segment is tested on a daypart basis. If we determine that the estimates of future cash flows are insufficient or if there is no plan to broadcast certain programming, we recognize an impairment charge to programming and production expenses.

**Note 7: Investments**

December 31 (in millions)	2016	2015
Fair Value Method	\$ 6	\$ 10
Equity Method:		
Hulu	225	184
Other	336	313
	561	497
Cost Method:		
BuzzFeed	400	200
Other	296	258
	696	458
Total investments	\$ 1,263	\$ 965

**Equity Method**

We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee's operating and financial policies or in which we hold a significant partnership or LLC interest. Equity method investments are recorded at cost and are adjusted to recognize (1) our proportionate share of the investee's net income or loss after the date of investment, (2) amortization of the recorded investment that exceeds our share of the book value of the investee's net assets, (3) additional contributions made and dividends received, and (4) impairments resulting from other-than-temporary declines in fair value. For some investments, we record our share of the investee's net income or loss one quarter in arrears due to the timing of our receipt of such information. Gains or losses on the sale of equity method investments are recorded to other income (expense), net. If an equity method investee were to issue additional securities that would change our proportionate share of the entity, we would recognize the change, if any, as a gain or loss in our consolidated statement of income.

**Hulu**

In August 2016, Time Warner Inc. acquired a 10% interest in Hulu, LLC, which diluted our interest in Hulu from 33% to 30%. For a period not to exceed 3 years, Time Warner may put its shares to Hulu or Hulu may call Time Warner's shares under certain limited circumstances arising from regulatory review. Given the contingent nature of the put and call options, we recorded a deferred gain of \$159 million and a corresponding increase to our investment in Hulu as a result of the dilution. The deferred gain will be recognized in other income (expense), net if and when the options expire unexercised.

In 2016, 2015 and 2014, we recognized our proportionate share of losses of \$168 million, \$106 million and \$20 million, respectively, related to our investment in Hulu.

**The Weather Channel**

In January 2016, following a legal restructuring at The Weather Channel, we and the other investors sold the entity holding The Weather Channel's product and technology businesses to IBM. Following the close of the

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transaction, we continue to hold an investment in The Weather Channel cable network through a new holding company. As a result of the sale of our investment, we recognized a pretax gain of \$108 million in other income (expense), net.

In June and December 2015, The Weather Channel recorded impairment charges related to goodwill. In 2015, we recorded expenses of \$333 million that represented NBCUniversal's proportionate share of these impairment charges in equity in net income (losses) of investees, net in our consolidated statement of income.

**Summarized Financial Information**

The tables below present the summarized combined financial information of our equity method investments.

December 31 (in millions)	2016	2015
Current assets	\$ 2,105	\$ 1,904
Noncurrent assets	\$ 2,724	\$ 3,584
Current liabilities	\$ 1,921	\$ 1,225
Noncurrent liabilities	\$ 2,853	\$ 4,879

Year ended December 31 (in millions)	2016	2015	2014
Revenue	\$ 4,285	\$ 3,944	\$ 3,756
Operating income (loss)	\$ (182)	\$ (1,609)	\$ 483
Net income (loss)	\$ (313)	\$ (1,820)	\$ 243

**Cost Method**

We use the cost method to account for investments not accounted for under the fair value method or the equity method.

In September 2015, we acquired an interest in BuzzFeed, Inc. and made an additional investment in Vox Media, Inc. for \$200 million each in cash. In November 2016, NBCUniversal made an additional investment of \$200 million in BuzzFeed. BuzzFeed is a global media company that produces and distributes original news, entertainment and videos. Vox Media is a digital media company comprised of eight distinct brands.

**Impairment Testing of Investments**

We review our investment portfolio each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that would be considered other than temporary. For our nonpublic investments, if there are no identified events or circumstances that would have a significant adverse effect on the fair value of the investment, then the fair value is not estimated. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying amount of the investment to its quoted or estimated fair value, as applicable, and establish a new cost basis for the investment. For our available-for-sale securities and our cost method investments, we record the impairment to investment income (loss), net. For our equity method investments, we record the impairment to other income (expense), net.

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**Note 8: Property and Equipment**

December 31 (in millions)	Weighted-Average Original Useful Life as of December 31, 2016	2016	2015
Buildings and leasehold improvements	30 years	\$ 7,543	\$ 6,543
Furniture, fixtures and equipment	11 years	4,158	3,457
Construction in process	N/A	1,176	1,339
Land	N/A	984	961
Property and equipment, at cost		13,861	12,300
Less: Accumulated depreciation		3,350	2,779
Property and equipment, net		\$ 10,511	\$ 9,521

Property and equipment are stated at cost. We capitalize improvements that extend asset lives and expense repairs and maintenance costs as incurred. We record depreciation using the straight-line method over the asset's estimated useful life. For assets that are sold or retired, we remove the applicable cost and accumulated depreciation and, unless the gain or loss on disposition is presented separately, we recognize it as a component of depreciation expense.

We evaluate the recoverability of our property and equipment whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of depreciation expense.

**Note 9: Goodwill and Intangible Assets**

**Goodwill**

(in millions)	Cable Networks	Broadcast Television	Filmed Entertainment	Theme Parks	Total
Balance, December 31, 2014	\$ 12,948	\$ 767	\$ 211	\$ 982	\$ 14,908
Acquisitions <sup>(a)</sup>	17	39	58	5,373	5,487
Foreign currency translation	(18)	—	(2)	(11)	(31)
Balance, December 31, 2015	12,947	806	267	6,344	20,364
Acquisitions <sup>(b)</sup>	232	—	2,717	—	2,949
Adjustments <sup>(c)</sup>	—	—	—	(250)	(250)
Foreign currency translation	4	—	9	247	260
<b>Balance, December 31, 2016</b>	<b>\$ 13,183</b>	<b>\$ 806</b>	<b>\$ 2,993</b>	<b>\$ 6,341</b>	<b>\$ 23,323</b>

(a) Acquisitions in 2015 in our Theme Parks segment included the Universal Studios Japan transaction (see Note 4 for additional information).

(b) Acquisitions in 2016 in our Filmed Entertainment segment primarily included the DreamWorks Animation acquisition (see Note 4 for additional information).

(c) Adjustments in 2016 included the updated allocation of the purchase price for Universal Studios Japan in our Theme Parks segment (see Note 4 for additional information).

Goodwill is calculated as the excess of the consideration transferred over the identifiable net assets acquired in a business combination and represents the future economic benefits expected to arise from anticipated

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synergies and intangible assets acquired that do not qualify for separate recognition, including assembled workforce, noncontractual relationships and other agreements. We assess the recoverability of our goodwill annually, or more frequently whenever events or substantive changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value. We test goodwill for impairment at the reporting unit level. To determine our reporting units, we evaluate the components one level below the segment level and we aggregate the components if they have similar economic characteristics. As a result of this assessment, our reporting units are the same as our four reportable segments. We evaluate the determination of our reporting units used to test for impairment periodically or whenever events or substantive changes in circumstances occur. The assessment of recoverability may first consider qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. The quantitative assessment considers whether the carrying amount of a reporting unit exceeds its fair value, in which case an impairment charge is recorded to the extent the carrying amount of the reporting unit's goodwill exceeds its implied fair value. Unless presented separately, the impairment charge is included as a component of amortization expense. We did not recognize any impairment charges in any of the periods presented.

**Intangible Assets**

December 31 (in millions)	Weighted-Average Original Useful Life as of December 31, 2016	2016		2015	
		Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
<b>Finite-Lived Intangible Assets:</b>					
Customer relationships	19 years	\$ 13,173	\$ (4,952)	\$ 13,107	\$ (4,291)
Software	5 years	1,195	(563)	849	(431)
Other	15 years	2,345	(1,053)	1,996	(932)
<b>Indefinite-Lived Intangible Assets:</b>					
Trade names	N/A	2,981		2,857	
FCC licenses	N/A	651		651	
<b>Total</b>		<b>\$ 20,345</b>	<b>\$ (6,568)</b>	<b>\$ 19,460</b>	<b>\$ (5,654)</b>

**Indefinite-Lived Intangible Assets**

Indefinite-lived intangible assets consist of trade names and FCC licenses. We assess the recoverability of our indefinite-lived intangible assets annually, or more frequently whenever events or substantive changes in circumstances indicate that the assets might be impaired. We evaluate the unit of account used to test for impairment of our indefinite-lived intangible assets periodically or whenever events or substantive changes in circumstances occur to ensure impairment testing is performed at an appropriate level. The assessment of recoverability may first consider qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. When performing a quantitative assessment, we estimate the fair value of our indefinite-lived intangible assets primarily based on a discounted cash flow analysis that involves significant judgment. When analyzing the fair values indicated under the discounted cash flow models, we also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions, and profitability information. If the fair value of our indefinite-lived intangible assets was less than the carrying amount, we would recognize an impairment charge for the difference between the estimated fair value and the carrying value of the assets. Unless presented separately, the impairment charge is included as a component of amortization expense. We did not recognize any material impairment charges in any of the periods presented.

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**NBCUniversal Media, LLC**

[Finite-Lived Intangible Assets](#)

[Estimated Amortization Expense of Finite-Lived Intangible Assets](#)

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(in millions)	
2017	\$ 946
2018	\$ 929
2019	\$ 900
2020	\$ 873
2021	\$ 804

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Finite-lived intangible assets are subject to amortization and consist primarily of customer relationships acquired in business combinations, intellectual property rights and software. Our finite-lived intangible assets are amortized primarily on a straight-line basis over their estimated useful life or the term of the associated agreement.

We capitalize direct development costs associated with internal-use software, including external direct costs of material and services and payroll costs for employees devoting time to these software projects. We also capitalize costs associated with the purchase of software licenses. We include these costs in intangible assets and generally amortize them on a straight-line basis over a period not to exceed five years. We expense maintenance and training costs, as well as costs incurred during the preliminary stage of a project, as they are incurred. We capitalize initial operating system software costs and amortize them over the life of the associated hardware.

We evaluate the recoverability of our finite-lived intangible assets whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of amortization expense.

[Table of Contents](#)**NBCUniversal Media, LLC****Note 10: Long-Term Debt****Long-Term Debt Outstanding**

December 31 (in millions)	Weighted-Average Interest Rate as of December 31, 2016	2016	2015
Term loans <sup>(a)</sup>	2.93%	\$ 3,262	\$ 3,259
Senior notes with maturities of 5 years or less, at face value	4.76%	4,000	3,000
Senior notes with maturities between 5 and 10 years, at face value	2.88%	1,000	3,000
Senior notes with maturities greater than 10 years, at face value	5.62%	3,200	3,200
Other, including capital lease obligations	—	138	47
Debt issuance costs, premiums, discounts and fair value adjustments for hedged positions, net	—	(12)	(12)
Total debt	4.38% <sup>(b)</sup>	11,588	12,494
Less: Current portion		127	1,163
Long-term debt		\$ 11,461	\$ 11,331

(a) The December 31, 2016 and 2015 amounts consist of ¥382 billion and ¥400 billion, respectively, of Universal Studios Japan term loans translated using the exchange rates as of these dates.

(b) Includes the effects of our derivative financial instruments.

As of December 31, 2016 and 2015, our debt, excluding the note payable to Comcast, had an estimated fair value of \$12.6 billion and \$13.4 billion, respectively. The estimated fair value of our publicly traded debt is primarily based on Level 1 inputs that use quoted market values for the debt. The estimated fair value of debt for which there are no quoted market prices is based on Level 2 inputs that use interest rates available to us for debt with similar terms and remaining maturities.

**Principal Maturities of Debt**

(in millions)	Weighted-Average Interest Rate as of December 31, 2016	
2017	2.94%	\$ 127
2018	3.15%	\$ 148
2019	2.74%	\$ 247
2020	3.90%	\$ 4,797
2021	4.40%	\$ 2,008
Thereafter	5.04%	\$ 4,273

**Term Loans**

Our term loans consist of the Universal Studios Japan term loans, which have a final maturity of November 2020. These term loans contain financial and operating covenants and are secured by the assets of Universal Studios Japan and the equity interests of the other investors. We do not guarantee these term loans and they are otherwise nonrecourse to us.

**Debt Repayments**

Following Comcast's acquisition of DreamWorks Animation, we paid \$381 million to settle all of the debt we assumed in the DreamWorks Animation acquisition. In April 2016, we repaid at maturity \$1 billion aggregate principal amount of 2.875% senior notes due 2016.

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**NBCUniversal Media, LLC**

**Cross-Guarantee Structure**

We, Comcast and a 100% owned cable holding company subsidiary of Comcast (“CCCL Parent”) fully and unconditionally guarantee each other’s debt securities, including the \$7 billion Comcast revolving credit facility due 2021. As of December 31, 2016, outstanding debt securities of \$44.7 billion of Comcast and CCCL Parent were subject to the guarantee structure.

We do not, however, guarantee the obligations of NBCUniversal Enterprise with respect to its \$3.3 billion aggregate principal amount of senior notes, \$1.5 billion revolving credit facility, commercial paper program, or \$725 million liquidation preference of Series A cumulative preferred stock.

**Note 11: Postretirement, Pension and Other Employee Benefit Plans**

**Postretirement Benefit Plans**

Year ended December 31 (in millions)	2016	2015	2014
Benefit obligation	\$ 192	\$ 197	\$ 209
Plan funded status and recorded benefit obligation	\$ (192)	\$ (197)	\$ (209)
Portion of benefit obligation not yet recognized in benefits expense	\$ (42)	\$ (27)	\$ (3)
Benefits expense	\$ 13	\$ 15	\$ 12
Discount rate	4.56%	4.73%	4.25%

We have postretirement medical and life insurance plans that provide continuous coverage to employees eligible to receive such benefits and give credit for length of service provided before Comcast’s acquisition of a controlling interest in NBCUniversal Holdings in 2011 (the “joint venture transaction”).

Substantially all of the employees that were contributed by Comcast as part of the joint venture transaction participate in a postretirement healthcare stipend program (the “stipend plan”). The stipend plan provides an annual stipend for reimbursement of healthcare costs to each eligible employee based on years of service. Under the stipend plan, we are not exposed to the increasing costs of healthcare because the benefits are fixed at a predetermined amount.

All of our postretirement benefit plans are unfunded and substantially all of our postretirement benefit obligations are recorded to noncurrent liabilities. The expense we recognize for our postretirement benefit plans is determined using certain assumptions, including the discount rate.

**Pension Plans**

We sponsor various qualified and nonqualified defined benefit pension plans for domestic employees. Since the future benefits have been frozen since the beginning of 2013, we did not recognize service costs related to our pension plans for all periods presented. The benefits expense we recognized for our defined benefit plans was not material for all periods presented. In addition to the defined benefit plans we sponsor, we are also obligated to reimburse General Electric (“GE”) for future benefit payments to those participants who were vested in the supplemental pension plan sponsored by GE at the time of the joint venture transaction. These pension plans are currently unfunded and we recorded a benefit obligation of \$314 million and \$309 million as of December 31, 2016 and 2015, respectively, which consists primarily of our obligations to reimburse GE.

Our consolidated balance sheet also includes the assets and liabilities of certain legacy pension plans, as well as the assets and liabilities for pension plans of certain foreign subsidiaries. As of December 31, 2016 and 2015, the benefit obligations associated with these plans exceeded the fair value of the plan assets by \$62 million and \$67 million, respectively.

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**NBCUniversal Media, LLC**

**Other Employee Benefits**

[Deferred Compensation Plans](#)

We maintain unfunded, nonqualified deferred compensation plans for certain members of management (each, a “participant”). The amount of compensation deferred by each participant is based on participant elections. Participants in the plan designate one or more valuation funds, independently established funds or indices that are used to determine the amount of investment gain or loss in the participant’s account.

Additionally, certain members of management participate in Comcast’s unfunded, nonqualified deferred compensation plan. The amount of compensation deferred by each participant is based on participant elections. Participant accounts are credited with income primarily based on a fixed annual rate.

In the case of both deferred compensation plans, participants are eligible to receive distributions from their account based on elected deferral periods that are consistent with the plans and applicable tax law.

The table below presents the benefit obligation and interest expense for our deferred compensation plans.

Year ended December 31 (in millions)	2016	2015	2014
Benefit obligation	\$ 494	\$ 417	\$ 349
Interest expense	\$ 48	\$ 28	\$ 24

[Retirement Investment Plans](#)

We sponsor several 401(k) defined contribution retirement plans that allow eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified plan guidelines. We make contributions to the plans that include matching a percentage of the employees’ contributions up to certain limits. In 2016, 2015 and 2014, expenses related to these plans totaled \$185 million, \$174 million and \$165 million, respectively.

[Multiemployer Benefit Plans](#)

We participate in various multiemployer benefit plans, including pension and postretirement benefit plans, that cover some of our employees and temporary employees who are represented by labor unions. We also participate in other multiemployer benefit plans that provide health and welfare and retirement savings benefits to active and retired participants. We make periodic contributions to these plans in accordance with the terms of applicable collective bargaining agreements and laws but do not sponsor or administer these plans. We do not participate in any multiemployer benefit plans for which we consider our contributions to be individually significant, and the largest plans in which we participate are funded at a level of 80% or greater.

In 2016, 2015 and 2014, the total contributions we made to multiemployer pension plans were \$84 million, \$77 million and \$58 million, respectively. In 2016, 2015 and 2014, the total contributions we made to multiemployer postretirement and other benefit plans were \$136 million, \$119 million and \$125 million, respectively.

If we cease to be obligated to make contributions or were to otherwise withdraw from participation in any of these plans, applicable law would require us to fund our allocable share of the unfunded vested benefits, which is known as a withdrawal liability. In addition, actions taken by other participating employers may lead to adverse changes in the financial condition of one of these plans, which could result in an increase in our withdrawal liability.

[Severance Benefits](#)

We provide severance benefits to certain former employees. A liability is recorded when payment is probable, the amount is reasonably estimable, and the obligation relates to rights that have vested or accumulated. In

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2016, 2015 and 2014, we recorded severance costs of \$165 million, \$113 million and \$113 million, respectively. Severance costs in 2016 included \$61 million of severance costs associated with the acquisition of DreamWorks Animation.

**Note 12: Share-Based Compensation**

The tables below provide condensed information on our share-based compensation.

**Recognized Share-Based Compensation Expense**

Year ended December 31 (in millions)	2016	2015	2014
Restricted share units	\$ 82	\$ 78	\$ 69
Stock options	9	10	16
Employee stock purchase plans	8	6	6
Total	\$ 99	\$ 94	\$ 91

As of December 31, 2016, we had unrecognized pretax compensation expense of \$204 million related to nonvested Comcast restricted share units ("RSUs") and unrecognized pretax compensation expense of \$28 million related to nonvested Comcast stock options that will be recognized over a weighted-average period of approximately 1.9 years and 1.8 years, respectively.

Comcast maintains share-based compensation plans that primarily consist of awards of RSUs and stock options to certain employees and directors as part of its approach to long-term incentive compensation. Awards generally vest over a period of 5 years and in the case of stock options, have a 10 year term. Additionally, through its employee stock purchase plans, employees are able to purchase shares of Comcast common stock at a discount through payroll deductions. Certain of our employees participate in these plans and the expense associated with their participation is settled in cash with Comcast.

The cost associated with Comcast's share-based compensation is based on an award's estimated fair value at the date of grant and is recognized over the period in which any related services are provided. RSUs are valued based on the closing price of Comcast common stock on the date of grant and are discounted for the lack of dividends, if any, during the vesting period. Comcast uses the Black-Scholes option pricing model to estimate the fair value of stock option awards. The table below presents the weighted-average fair value on the date of grant of RSUs and stock options awarded under Comcast's various plans to employees of NBCUniversal and the related weighted-average valuation assumptions.

Year ended December 31	2016	2015	2014
RSUs fair value	\$ 59.58	\$ 59.37	\$ 48.04
Stock options fair value	\$ 13.17	\$ 11.79	\$ 11.09
Stock Option Valuation Assumptions:			
Dividend yield	1.7%	1.7%	1.8%
Expected volatility	23.2%	23.0%	24.0%
Risk-free interest rate	1.5%	1.6%	2.2%
Expected option life (in years)	7.5	6.0	6.5

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[Table of Contents](#)**NBCUniversal Media, LLC****Note 13: Income Taxes****Components of Income Tax Expense**

Year ended December 31 (in millions)	2016	2015	2014
Foreign			
Current income tax expense	\$ 38	\$ 81	\$ 33
Deferred income tax expense	96	2	(8)
Withholding tax expense	158	139	108
U.S. domestic tax expense	13	5	10
Income tax expense	\$ 305	\$ 227	\$ 143

We are a limited liability company, and our company is disregarded for U.S. federal income tax purposes as an entity separate from NBCUniversal Holdings, a tax partnership. For U.S. federal and state income tax purposes, our income is included in tax returns filed by Comcast and its subsidiaries, and therefore we are not expected to incur any significant current or deferred U.S. domestic income taxes. Our tax liability is comprised primarily of withholding tax on foreign licensing activity and income taxes on foreign earnings. As a result of our tax status, the deferred tax assets and liabilities included in our consolidated balance sheet at December 31, 2016 and 2015 were not material.

In jurisdictions in which we are subject to income taxes, we base our provision for income taxes on our current period income, changes in our deferred income tax assets and liabilities, income tax rates, changes in estimates of our uncertain tax positions, and tax planning opportunities available in the jurisdictions in which we operate. We recognize deferred tax assets and liabilities when there are temporary differences between the financial reporting basis and tax basis of our assets and liabilities and for the expected benefits of using net operating loss carryforwards. When a change in the tax rate or tax law has an impact on deferred taxes, we apply the change based on the years in which the temporary differences are expected to reverse. We record the change in our consolidated financial statements in the period of enactment.

We classify interest and penalties, if any, associated with our uncertain tax positions as a component of income tax expense.

**Uncertain Tax Positions**

We retain liabilities for uncertain tax positions where we are the tax filer of record. GE and Comcast have indemnified NBCUniversal Holdings and us with respect to our income tax obligations attributable to periods prior to the close of the joint venture transaction, including indemnification of uncertain tax positions for these periods. The liabilities for uncertain tax positions included in our consolidated balance sheet were not material as of December 31, 2016 and 2015.

Various domestic and foreign tax authorities are examining our tax returns through tax year 2015. The majority of the periods under examination relate to tax years 2009 and forward.

**Note 14: Supplemental Financial Information****Receivables**

December 31 (in millions)	2016	2015
Receivables, gross	\$ 6,799	\$ 5,949
Less: Allowance for returns and customer incentives	413	469
Less: Allowance for doubtful accounts	84	69
Receivables, net	\$ 6,302	\$ 5,411

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In addition to the amounts in the table above, as of December 31, 2016 and 2015, noncurrent receivables of \$939 million and \$721 million, respectively, are included in other noncurrent assets, net that primarily relate to the licensing of our television and film productions to third parties.

[Accumulated Other Comprehensive Income \(Loss\)](#)

December 31 (in millions)	2016	2015
Deferred gains (losses) on cash flow hedges	\$ 23	\$ (1)
Unrecognized gains (losses) on employee benefit obligations	14	(1)
Cumulative translation adjustments	(172)	(210)
Accumulated other comprehensive income (loss)	\$ (135)	\$ (212)

[Cash Payments for Interest and Income Taxes](#)

Year ended December 31 (in millions)	2016	2015	2014
Interest	\$ 548	\$ 456	\$ 485
Income taxes	\$ 208	\$ 182	\$ 174

**Noncash Investing and Financing Activities**

During 2016:

- we acquired \$189 million of property and equipment and intangible assets that were accrued but unpaid
- Comcast contributed the net assets of DreamWorks Animation to us, which was primarily a noncash transaction (see Note 4 for additional information)

During 2015:

- we acquired \$287 million of property and equipment and intangible assets that were accrued but unpaid
- Comcast contributed the net assets of \$252 million related to an acquired business, which was a noncash transaction
- we assumed liabilities related to the Universal Studios Japan transaction (see Note 4 for additional information)

During 2014:

- we acquired \$148 million of property and equipment and intangible assets that were accrued but unpaid

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[Table of Contents](#)**NBCUniversal Media, LLC****Note 15: Commitments and Contingencies****Commitments**

We enter into long-term commitments with third parties in the ordinary course of our business, including commitments to acquire film and television programming, obligations under various creative talent agreements, and various other television-related commitments. Many of our employees, including writers, directors, actors, technical and production personnel, and others, as well as some of our on-air and creative talent, are covered by collective bargaining agreements or works councils. As of December 31, 2016, the total number of full-time, part-time and hourly employees on our payroll covered by collective bargaining agreements was 8,500 full-time equivalent employees. Approximately 15% of these full-time equivalent employees were covered by collective bargaining agreements that have expired or are scheduled to expire during 2017.

The table below summarizes our minimum annual programming and talent commitments and our minimum annual rental commitments for office space and equipment under operating leases. Programming and talent commitments include acquired film and television programming, including U.S. broadcast rights to the Olympic Games through 2032, *Sunday Night Football* through the 2022-23 season, *Thursday Night Football* through the 2017-18 season, certain NASCAR events through 2024 and other programming commitments, as well as various contracts with creative talent.

As of December 31, 2016 (in millions)	Programming and Talent Commitments	Operating Leases
2017	\$ 5,213	\$ 198
2018	\$ 4,876	\$ 182
2019	\$ 3,503	\$ 173
2020	\$ 4,587	\$ 163
2021	\$ 3,177	\$ 147
Thereafter	\$ 20,847	\$ 1,238

The table below presents our rental expense charged to operations.

Year ended December 31 (in millions)	2016	2015	2014
Rental expense	\$ 259	\$ 213	\$ 222

**Contractual Obligation**

We are party to a contractual obligation that involves an interest held by a third party in the revenue of certain theme parks. The arrangement provides the counterparty with the right to periodic payments associated with current period revenue and, beginning in June 2017, the option to require NBCUniversal to purchase the interest for cash in an amount based on a contractual formula. The contractual formula is based on an average of specified historical theme park revenue at the time of exercise, which amount could be significantly higher than our carrying value. As of December 31, 2016, our carrying value was \$1.1 billion, and if the option had been exercisable as of December 31, 2016, the estimated value of the contractual obligation would have been approximately \$1.4 billion, based on inputs to the contractual formula as of that date.

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**NBCUniversal Media, LLC**

**Note 16: Financial Data by Business Segment**

We present our operations in four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks. Our financial data by reportable business segment is presented in the tables below. We do not present a measure of total assets for our reportable business segments as this information is not used by management to allocate resources and capital.

(in millions)	Revenue <sup>(d)</sup>	Operating Income (Loss) Before Depreciation and Amortization <sup>(e)</sup>	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures	Cash Paid for Intangible Assets
<b>2016</b>						
Cable Networks <sup>(a)</sup>	\$ 10,464	\$ 3,709	\$ 745	\$ 2,964	\$ 32	\$ 20
Broadcast Television <sup>(a)</sup>	10,147	1,320	125	1,195	153	19
Filmed Entertainment	6,360	697	47	650	33	16
Theme Parks	4,946	2,190	512	1,678	922	72
Headquarters and Other <sup>(b)</sup>	20	(699)	376	(1,075)	312	156
Eliminations <sup>(c)</sup>	(344)	10	—	10	—	—
<b>Total</b>	<b>\$ 31,593</b>	<b>\$ 7,227</b>	<b>\$ 1,805</b>	<b>\$ 5,422</b>	<b>\$ 1,452</b>	<b>\$ 283</b>

(in millions)	Revenue <sup>(d)</sup>	Operating Income (Loss) Before Depreciation and Amortization <sup>(e)</sup>	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures	Cash Paid for Intangible Assets
<b>2015</b>						
Cable Networks	\$ 9,628	\$ 3,499	\$ 784	\$ 2,715	\$ 44	\$ 22
Broadcast Television <sup>(a)</sup>	8,530	780	111	669	117	17
Filmed Entertainment	7,287	1,234	26	1,208	14	20
Theme Parks	3,339	1,464	292	1,172	833	54
Headquarters and Other <sup>(b)</sup>	14	(625)	326	(951)	378	98
Eliminations <sup>(c)</sup>	(336)	6	—	6	—	—
<b>Total</b>	<b>\$ 28,462</b>	<b>\$ 6,358</b>	<b>\$ 1,539</b>	<b>\$ 4,819</b>	<b>\$ 1,386</b>	<b>\$ 211</b>

(in millions)	Revenue <sup>(d)</sup>	Operating Income (Loss) Before Depreciation and Amortization <sup>(e)</sup>	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures	Cash Paid for Intangible Assets
<b>2014</b>						
Cable Networks <sup>(a)</sup>	\$ 9,563	\$ 3,589	\$ 748	\$ 2,841	\$ 49	\$ 21
Broadcast Television <sup>(a)</sup>	8,542	734	127	607	76	12
Filmed Entertainment	5,008	711	21	690	11	7
Theme Parks	2,623	1,096	273	823	671	15
Headquarters and Other <sup>(b)</sup>	13	(613)	326	(939)	414	75
Eliminations <sup>(c)</sup>	(321)	71	—	71	—	—
<b>Total</b>	<b>\$ 25,428</b>	<b>\$ 5,588</b>	<b>\$ 1,495</b>	<b>\$ 4,093</b>	<b>\$ 1,221</b>	<b>\$ 130</b>

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**NBCUniversal Media, LLC**

- (a) The revenue and operating costs and expenses associated with our broadcast of the 2016 Rio Olympics and 2014 Sochi Olympics were reported in our Cable Networks and Broadcast Television segments. The revenue and operating costs and expenses associated with our broadcast of the 2015 Super Bowl were reported in our Broadcast Television segment.
- (b) Headquarters and Other activities include costs associated with overhead, allocations, personnel costs and headquarter initiatives.
- (c) Eliminations are transactions that our segments enter into with one another, which consisted primarily of the licensing of film and television content from our Filmed Entertainment and Broadcast Television segments to our Cable Networks segment.
- (d) We operate primarily in the United States, but also in select international markets primarily in Europe and Asia. The table below summarizes revenue by geographic location. No single customer accounted for a significant amount of revenue in any period.

Year ended December 31 (in millions)	2016	2015	2014
Revenue:			
United States	\$ 25,076	\$ 22,663	\$ 20,995
Foreign	\$ 6,517	\$ 5,799	\$ 4,433

- (e) We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. This measure eliminates the significant level of noncash amortization expense that results from intangible assets recognized in connection with the joint venture transaction and other business combinations. Additionally, it is unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of 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 a substitute for operating income (loss), net income (loss) attributable to NBCUniversal, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

## Report of Independent Registered Public Accounting Firm

**To the Board of Directors and Stockholders of  
Comcast Corporation  
Philadelphia, Pennsylvania**

We have audited the consolidated financial statements of Comcast Corporation and subsidiaries (the "Company") as of December 31, 2016 and 2015, and for each of the three years in the period ended December 31, 2016, and the Company's internal control over financial reporting as of December 31, 2016, and have issued our report thereon dated February 3, 2017; such report is included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

**/s/ Deloitte & Touche LLP**  
Philadelphia, Pennsylvania  
February 3, 2017

## Report of Independent Registered Public Accounting Firm

**To the Member of NBCUniversal Media, LLC  
New York, New York**

We have audited the consolidated financial statements of NBCUniversal Media, LLC and subsidiaries (the "Company") as of December 31, 2016 and 2015, and for each of the three years in the period ended December 31, 2016, and have issued our report thereon dated February 3, 2017; such report is included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

**/s/ Deloitte & Touche LLP**  
New York, New York  
February 3, 2017

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Comcast Corporation and Subsidiaries  
 Schedule II – Valuation and Qualifying Accounts  
 Year ended December 31, 2016, 2015 and 2014

Year Ended December 31 (in millions)	Balance at Beginning of Year	Additions Charged to Costs and Expenses <sup>(a)</sup>	Deductions from Reserves <sup>(a)</sup>	Balance at End of Year
<b>2016</b>				
Allowance for doubtful accounts	\$ 226	\$ 86	\$ 62	\$ 250
Allowance for returns and customer incentives	473	1,041	1,097	417
Valuation allowance on deferred tax assets	342	23	99	266
<b>2015</b>				
Allowance for doubtful accounts	\$ 205	\$ 166	\$ 145	\$ 226
Allowance for returns and customer incentives	359	1,236	1,122	473
Valuation allowance on deferred tax assets	375	4	37	342
<b>2014</b>				
Allowance for doubtful accounts	\$ 221	\$ 162	\$ 178	\$ 205
Allowance for returns and customer incentives	375	932	948	359
Valuation allowance on deferred tax assets	405	33	63	375

NBCUniversal Media, LLC  
 Schedule II – Valuation and Qualifying Accounts  
 Year ended December 31, 2016, 2015 and 2014

Year Ended December 31 (in millions)	Balance at Beginning of Year	Additions Charged to Costs and Expenses <sup>(a)</sup>	Deductions from Reserves <sup>(a)</sup>	Balance at End of Year
<b>2016</b>				
Allowance for doubtful accounts	\$ 69	\$ 26	\$ 11	\$ 84
Allowance for returns and customer incentives	469	1,040	1,096	413
Valuation allowance on deferred tax assets	71	23	22	72
<b>2015</b>				
Allowance for doubtful accounts	\$ 60	\$ 27	\$ 18	\$ 69
Allowance for returns and customer incentives	356	1,233	1,120	469
Valuation allowance on deferred tax assets	87	4	20	71
<b>2014</b>				
Allowance for doubtful accounts	\$ 65	\$ 11	\$ 16	\$ 60
Allowance for returns and customer incentives	372	930	946	356
Valuation allowance on deferred tax assets	60	33	6	87

(a) Additions and deductions related to allowance for returns and customer incentives include amounts for distribution on behalf of third parties.

## COMCAST CORPORATION

## 2003 STOCK OPTION PLAN

(As Amended And Restated Effective December 5, 2016)

**1. BACKGROUND AND PURPOSE**

(a) Background. COMCAST CORPORATION, a Pennsylvania corporation hereby amends and restates the Comcast Corporation 2003 Stock Option Plan, (the "Plan"), effective December 5, 2016.

(b) Purpose. The purpose of the Plan is to assist the Sponsor and its Affiliates in retaining valued employees, officers and directors by offering them a greater stake in the Sponsor's success and a closer identity with it, and to aid in attracting individuals whose services would be helpful to the Sponsor and would contribute to its success.

**2. DEFINITIONS**

(a) "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "AT&T Broadband Transaction" means the acquisition of AT&T Broadband Corp. (now known as Comcast Cable Communications Holdings, Inc.) by the Sponsor.

(c) "Board" means the Board of Directors of the Sponsor.

(d) "Cash Right" means any right to receive cash in lieu of Shares granted under the Plan and described in Paragraph 3(a)(iii).

(e) "Cause" means (i) fraud; (ii) misappropriation; (iii) embezzlement; (iv) gross negligence in the performance of duties; (v) self-dealing; (vi) dishonesty; (vii) misrepresentation; (viii) conviction of a crime of a felony; (ix) material violation of any Company policy; (x) material violation of the Sponsor's Code of Conduct or, (xi) in the case of an employee of a Company who is a party to an employment agreement with a Company, material breach of such agreement; provided that as to items (ix), (x) and (xi), if capable of being cured, such event or condition remains uncured following 30 days written notice thereof.

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(f) "Change in Control" means the occurrence of any one or more of the following events:

- (i) following February 22, 2016, any person or "group" (as defined in Section 13(d) of the Exchange Act) (each, a "Person"), other than an employee benefit plan or trust maintained by the Sponsor, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Sponsor representing 30% or more of the combined voting power of the Sponsor's outstanding securities entitled to vote generally in the election of directors, unless a majority of the directors of the Sponsor in office immediately preceding the date on which such Person acquires such beneficial ownership, by resolution negates the effectiveness of this provision in a particular circumstance);
- (ii) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board;
- (iii) the consummation of (x) a merger, consolidation, reorganization or similar corporate transaction involving the Sponsor or any of its subsidiaries with any other corporation or entity, which would result in combined voting power of the Sponsor's securities entitled to vote generally in the election of directors outstanding immediately prior to such merger, consolidation, reorganization or other similar transaction representing (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) less than a majority of the combined voting power of the Sponsor or such surviving entity or parent outstanding immediately after such merger, consolidation, reorganization or other similar transaction, or (y) any sale, lease, exchange or other transfer to any Person of all or substantially all of the assets of the Sponsor, in one transaction or a series of related transactions; or
- (iv) the approval by the shareholders of the Sponsor of a liquidation or dissolution of the Sponsor.

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

(h) "Comcast Plan" means any restricted stock, stock bonus, stock option or other compensation plan, program or arrangement established or maintained by the Sponsor or an Affiliate of the Sponsor, including, but not limited to this Plan, the Comcast Corporation 2002 Stock Option Plan, the Comcast Corporation 2002 Restricted Stock Plan, the Comcast Corporation 1987 Stock Option Plan and the AT&T Broadband Corp. Adjustment Plan.

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- (i) “Committee” means the committee described in Paragraph 5, provided that for purposes of Paragraph 7:
- (i) all references to the Committee shall be treated as references to the Board with respect to any Option granted to or held by a Non-Employee Director; and
  - (ii) all references to the Committee shall be treated as references to the Committee’s delegate with respect to any Option granted within the scope of the delegate’s authority pursuant to Paragraph 5(b).
- (j) “Common Stock” means the Sponsor’s Class A Common Stock, par value, \$.01.
- (k) “Company” means the Sponsor and the Subsidiary Companies.
- (l) “Date of Grant” means the date as of which an Option is granted.
- (m) “Director Emeritus” means an individual designated by the Board, in its sole discretion, as Director Emeritus, pursuant to the Board’s Director Emeritus Policy.
- (n) “Disability” means:
- (i) For any Incentive Stock Option, a disability within the meaning of section 22(e)(3) of the Code.
  - (ii) For any Non-Qualified Option:
    - (A) An Optionee’s substantially inability to perform the Optionee’s employment duties due to partial or total disability or incapacity resulting from a mental or physical illness, injury or other health-related cause for a period of twelve (12) consecutive months or for a cumulative period of fifty-two (52) weeks in any two calendar year period; or
    - (B) If different from the definition in Paragraph 2(n)(i)(A) above, “Disability” as it may be defined in such Optionee’s employment agreement between the Optionee and the Sponsor or an Affiliate, if any.
- (o) “Fair Market Value.”
- (i) In General. If Shares are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a

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Share on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the next trading date. If Shares are not so listed, but trades of Shares are reported on the Nasdaq National Market, Fair Market Value shall be determined based on the last quoted sale price of a Share on the Nasdaq National Market on the date of determination, or if such date is not a trading day, the next trading date. If Shares are not so listed nor trades of Shares so reported, Fair Market Value shall be determined by the Board or the Committee in good faith.

- (ii) Option Exercise and Tax Withholding. For purposes of Paragraph 7(d) and Paragraph 15 (except to the extent that the Optionee pays the full option price and all applicable withholding taxes in cash, by certified check or surrender or attestation to ownership of Shares, as described in Paragraph 7(d)(i), (ii) and (iii), respectively) the fair market value of Shares applied to pay the option price and the fair market value of Shares withheld to pay applicable tax liabilities shall be determined based on the available price of Shares at the time the option exercise transaction is executed.

(p) “Family Member” has the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto.

(q) “Incentive Stock Option” means an Option granted under the Plan, designated by the Committee at the time of such grant as an Incentive Stock Option within the meaning of section 422 of the Code and containing the terms specified herein for Incentive Stock Options; provided, however, that to the extent an Option granted under the Plan and designated by the Committee at the time of grant as an Incentive Stock Option fails to satisfy the requirements for an incentive stock option under section 422 of the Code for any reason, such Option shall be treated as a Non-Qualified Option.

(r) “Non-Employee Director” means an individual who is a member of the Board, and who is not an employee of a Company, including an individual who is a member of the Board and who previously was, but at the time of reference is not, an employee of a Company.

(s) “Non-Qualified Option” means:

- (i) an Option granted under the Plan, designated by the Committee at the time of such grant as a Non-Qualified Option and containing the terms specified herein for Non-Qualified Options; and

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- (ii) an Option granted under the Plan and designated by the Committee at the time of grant as an Incentive Stock Option, to the extent such Option fails to satisfy the requirements for an incentive stock option under section 422 of the Code for any reason.
- (t) “Officer” means an officer of the Sponsor (as defined in section 16 of the 1934 Act).
- (u) “Option” means any stock option granted under the Plan and described in Paragraph 3(a)(i) or Paragraph 3(a)(ii).
- (v) “Optionee” means a person to whom an Option has been granted under the Plan, which Option has not been exercised in full and has not expired or terminated.
- (w) “Other Available Shares” means, as of any date, the sum of:
- (i) the total number of Shares owned by an Optionee or such Optionee’s Family Member that were not acquired by such Optionee or such Optionee’s Family Member pursuant to a Comcast Plan or otherwise in connection with the performance of services to the Sponsor or an Affiliate; plus
- (ii) the excess, if any of:
- (A) the total number of Shares owned by an Optionee or such Optionee’s Family Member other than the Shares described in Paragraph 2(w)(i); over
- (B) the sum of:
- (1) the number of such Shares owned by such Optionee or such Optionee’s Family Member for less than six months; plus
- (2) the number of such Shares owned by such Optionee or such Optionee’s Family Member that has, within the preceding six months, been the subject of a withholding certification pursuant to Paragraph 15(b) or any similar withholding certification under any other Comcast Plan; plus
- (3) the number of such Shares owned by such Optionee or such Optionee’s Family Member that has, within the preceding six months, been received in exchange for Shares surrendered as payment, in full or in part, or as to which ownership was attested to as payment, in full or in part, of the exercise price for an option to purchase any securities of the Sponsor or an Affiliate of the Sponsor, under any Comcast Plan, but only to the extent of the number of Shares surrendered or attested to; plus

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(4) the number of such Shares owned by such Optionee or such Optionee's Family Member as to which evidence of ownership has, within the preceding six months, been provided to the Sponsor in connection with the crediting of "Deferred Stock Units" to such Optionee's Account under the Comcast Corporation 2002 Deferred Stock Option Plan (as in effect from time to time).

For purposes of this Paragraph 2(w), a Share that is subject to a deferral election pursuant to another Comcast Plan shall not be treated as owned by an Optionee until all conditions to the delivery of such Share have lapsed. For purposes of determining the number of Other Available Shares, the term "Shares" shall also include the securities held by an Optionee or such Optionee's Family Member immediately before the consummation of the AT&T Broadband Transaction that have converted into Common Stock.

(x) [RESERVED]

(y) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

(z) "Plan" means the Comcast Corporation 2003 Stock Option Plan.

(aa) "Share" or "Shares."

(i) Except as provided in this Paragraph 2(aa), a share or shares of Common Stock.

(ii) The term "Share" or "Shares" also means such other securities issued by the Sponsor as may be the subject of an adjustment under Paragraph 10, or for purposes of Paragraph 2(w) and Paragraph 15, as may have been the subject of a similar adjustment under similar provisions of a Comcast Plan as now in effect or as may have been in effect before the AT&T Broadband Transaction.

(bb) [RESERVED]

(cc) "Sponsor" means Comcast Corporation, a Pennsylvania corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

(dd) "Subsidiary Companies" means all business entities that, at the time in question, are subsidiaries of the Sponsor within the meaning of section 424(f) of the Code.

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(ee) “Ten Percent Shareholder” means a person who on the Date of Grant owns, either directly or within the meaning of the attribution rules contained in section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of his employer corporation or of its parent or subsidiary corporations, as defined respectively in sections 424(e) and (f) of the Code, provided that the employer corporation is a Company.

(ff) “Terminating Event” means a Change in Control.

(gg) “Third Party” means any Person other than a Company, together with such Person’s Affiliates, provided that the term “Third Party” shall not include the Sponsor or an Affiliate of the Sponsor.

(hh) “1933 Act” means the Securities Act of 1933, as amended.

(ii) “1934 Act” means the Securities Exchange Act of 1934, as amended.

### **3. RIGHTS TO BE GRANTED**

(a) Types of Options and Other Rights Available for Grant. Rights that may be granted under the Plan are:

- (i) Incentive Stock Options, which give an Optionee who is an employee of a Company the right for a specified time period to purchase a specified number of Shares for a price not less than the Fair Market Value on the Date of Grant.
- (ii) Non-Qualified Options, which give the Optionee the right for a specified time period to purchase a specified number of Shares for a price not less than the Fair Market Value on the Date of Grant; and
- (iii) Cash Rights, which give an Optionee the right for a specified time period, and subject to such conditions, if any, as shall be determined by the Committee and stated in the option document, to receive a cash payment of such amount per Share as shall be determined by the Committee and stated in the option document, not to exceed the excess, if any, of the Fair Market Value of a Share on the date of exercise of a Cash Right over the Fair Market Value of Share on the date of grant of a Cash Right, in lieu of exercising a Non-Qualified Option.

(b) Limit on Grant of Options. The maximum number of Shares for which Options may be granted to any single individual in any calendar year, adjusted as provided in Paragraph 10, shall be 15,000,000 Shares.

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(c) Limit on Term of Options. In no event shall (i) an Incentive Stock Option be exercisable after five years from the Date of Grant in the case of a grant to a Ten Percent Shareholder and (ii) any other Option be exercisable after ten years from the Date of Grant.

#### 4. SHARES SUBJECT TO PLAN

(a) Shares Available For Grant. Subject to adjustment as provided in Paragraph 10, not more than 344 million Shares in the aggregate may be issued pursuant to the Plan upon exercise of Options. Shares delivered pursuant to the exercise of an Option may, at the Sponsor's option, be either treasury Shares or Shares originally issued for such purpose.

(b) Shares Returned to the Reserve. For avoidance of doubt, if an Option covering Shares is forfeited, terminates or expires without having been exercised in full, the Shares underlying such forfeited, terminated or expired Option shall return to the pool of Shares available for issuance under the Plan.

(c) Share Recycling Prohibitions. If (i) the Sponsor withholds Shares to satisfy an Optionee's tax liabilities as provided in Paragraph 15(b) and Paragraph 15(c) or (ii) an Option covering Shares is exercised pursuant to the cashless exercise provisions of Paragraph 7(d)(iv), other Options may not be granted covering the Shares so withheld to satisfy the Optionee's tax liabilities or covering the Shares that were subject to such Option but not delivered because of the application of such cashless exercise provisions, as applicable. In addition, for the avoidance of doubt, Options may not be granted covering Shares repurchased by the Sponsor on the open market with proceeds, if any, received by the Sponsor on account of the payment of the option price for an Option by Optionees.

#### 5. ADMINISTRATION OF PLAN

(a) Committee. The Plan shall be administered by the Compensation Committee of the Board or any other committee or subcommittee designated by the Board, provided that the committee administering the Plan is composed of two or more non-employee members of the Board.

(b) Delegation of Authority. The Committee may delegate its authority with respect to the grant, amendment, interpretation and administration of Options to a person, persons or committee, in its sole and absolute discretion. Actions taken by the Committee's duly-authorized delegate shall have the same force and effect as actions taken by the Committee. Any delegation of authority pursuant to this Paragraph 5(b) shall continue in effect until the earliest of:

- (i) such time as the Committee shall, in its sole and absolute discretion, revoke such delegation of authority;

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(ii) in the case of delegation to a person that is conditioned on such person's continued service as an employee of the Company or as a member of the Board, the date such delegate shall cease to serve in such capacity for any reason; or

(iii) the delegate shall notify the Committee that he or she declines to continue to exercise such authority.

(c) Meetings. The Committee shall hold meetings at such times and places as it may determine. Acts approved at a meeting by a majority of the members of the Committee or acts approved by the unanimous consent of the members of the Committee shall be the valid acts of the Committee.

(d) Exculpation. No member of the Committee shall be personally liable for monetary damages for any action taken or any failure to take any action in connection with the administration of the Plan or the granting of Options thereunder unless (i) the member of the Committee has breached or failed to perform the duties of his office, and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the provisions of this Paragraph 5(d) shall not apply to the responsibility or liability of a member of the Committee pursuant to any criminal statute.

(e) Indemnification. Service on the Committee shall constitute service as a member of the Board. Each member of the Committee shall be entitled without further act on his part to indemnity from the Sponsor to the fullest extent provided by applicable law and the Sponsor's By-laws in connection with or arising out of any actions, suit or proceeding with respect to the administration of the Plan or the granting of Options thereunder in which he may be involved by reasons of his being or having been a member of the Committee, whether or not he continues to be such member of the Committee at the time of the action, suit or proceeding.

## **6. ELIGIBILITY**

(a) Eligible individuals to whom Options may be granted shall be employees, officers or directors of a Company who are selected by the Committee for the grant of Options. Eligible individuals to whom Cash Rights may be granted shall be individuals who are employees of a Company on the Date of Grant other than Officers. The terms and conditions of Options granted to individuals other than Non-Employee Directors shall be determined by the Committee, subject to Paragraph 7. The terms and conditions of Cash Rights shall be determined by the Committee, subject to Paragraph 7. The terms and conditions of Options granted to Non-Employee Directors shall be determined by the Board, subject to Paragraph 7.

(b) An Incentive Stock Option shall not be granted to a Ten Percent Shareholder except on such terms concerning the option price and term as are provided in Paragraph 7(b) and 7(g) with respect to such a person. An Option designated as Incentive

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Stock Option granted to a Ten Percent Shareholder but which does not comply with the requirements of the preceding sentence shall be treated as a Non-Qualified Option. An Option designated as an Incentive Stock Option shall be treated as a Non-Qualified Option if the Optionee is not an employee of a Company on the Date of Grant.

#### 7. OPTION DOCUMENTS AND TERMS – IN GENERAL

All Options granted to Optionees shall be evidenced by option documents. The terms of each such option document for any Optionee who is an employee of a Company shall be determined from time to time by the Committee, and the terms of each such option document for any Optionee who is a Non-Employee Director shall be determined from time to time by the Board, consistent, however, with the following:

(a) Time of Grant. All Options shall be granted on or before May 19, 2026.

(b) Option Price. Except as otherwise provided in Section 13(b), the option price per Share with respect to any Option shall be determined by the Committee, provided, however, that with respect to any Options, the option price per share shall not be less than 100% of the Fair Market Value of such Share on the Date of Grant, and provided further that with respect to any Incentive Stock Options granted to a Ten Percent Shareholder, the option price per Share shall not be less than 110% of the Fair Market Value of such Share on the Date of Grant.

(c) Restrictions on Transferability. No Option granted under this Paragraph 7 shall be transferable otherwise than by will or the laws of descent and distribution and, during the lifetime of the Optionee, shall be exercisable only by him or for his benefit by his attorney-in-fact or guardian; provided that the Committee may, in its discretion, at the time of grant of a Non-Qualified Option or by amendment of an option document for an Incentive Stock Option or a Non-Qualified Option, provide that Options granted to or held by an Optionee may be transferred, in whole or in part, to one or more transferees and exercised by any such transferee; provided further that (i) any such transfer is without consideration and (ii) each transferee is a Family Member with respect to the Optionee; and provided further that any Incentive Stock Option granted pursuant to an option document which is amended to permit transfers during the lifetime of the Optionee shall, upon the effectiveness of such amendment, be treated thereafter as a Non-Qualified Option. No transfer of an Option shall be effective unless the Committee is notified of the terms and conditions of the transfer and the Committee determines that the transfer complies with the requirements for transfers of Options under the Plan and the option document. Any person to whom an Option has been transferred may exercise any Options only in accordance with the provisions of Paragraph 7(g) and this Paragraph 7(c).

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(d) Payment Upon Exercise of Options. With respect to Options granted on and after February 28, 2007 (other than Options subject to the automatic exercise rules described in Paragraph 7(h)(ii)), full payment for Shares purchased upon the exercise of an Option shall be made pursuant to one or more of the following methods as determined by the Committee and set forth in the Option document:

- (i) In cash;
- (ii) By certified check payable to the order of the Sponsor;
- (iii) By surrendering or attesting to ownership of Shares with an aggregate Fair Market Value equal to the aggregate option price, provided, however, with respect to Options granted before February 28, 2007, that ownership of Shares may be attested to and Shares may be surrendered in satisfaction of the option price only if the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares as of the date the Option is exercised that is at least equal to the number of Shares as to which ownership has been attested, or the number of Shares to be surrendered in satisfaction of the option price, as applicable; provided further, however, that the option price may not be paid in Shares if the Committee determines that such method of payment would result in liability under section 16(b) of the 1934 Act to an Optionee. Except as otherwise provided by the Committee, if payment is made in whole or in part by surrendering Shares, the Optionee shall deliver to the Sponsor certificates registered in the name of such Optionee (or record the equivalent thereof on a book entry recordkeeping system maintained by the Sponsor) representing Shares legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind and having a Fair Market Value on the date of delivery that is equal to or greater than the aggregate option price for the Option Shares subject to payment by the surrender of Shares, accompanied by any necessary stock powers duly endorsed in blank by the record holder of such Shares; and if payment is made in whole or in part by attestation of ownership, the Optionee shall attest to ownership of Shares representing Shares legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind and having a Fair Market Value on the date of attestation that is equal to or greater than the aggregate option price for the Option Shares subject to payment by attestation of Share ownership. The Committee may impose such limitations and prohibitions on attestation or ownership of Shares and the use of Shares to exercise an Option as it deems appropriate; or
- (iv) Via cashless exercise, such that subject to the other terms and conditions of the Plan, following the date of exercise, the Company

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shall deliver to the Optionee Shares having a Fair Market Value at the time of exercise, equal to the excess, if any, of (A) the Fair Market Value of such Shares at the time of exercise of the Option over (B) the sum of (1) the aggregate option price for such Shares, plus (2) the applicable tax withholding amounts (as determined pursuant to Paragraph 15) for such exercise; provided that in connection with such cashless exercise that would not result in the issuance of a whole number of Shares, the Company shall withhold cash that would otherwise be payable to the Optionee from its regular payroll or the Optionee shall deliver cash or a certified check payable to the order of the Company for the balance of the option price for a whole Share to the extent necessary to avoid the issuance of a fractional Share or the payment of cash by the Company (as provided in Paragraph 7(e)).

Except (x) as authorized by the Committee and agreed to by an Optionee, or (y) for Options subject to the automatic exercise rules described in Paragraph 7(h)(ii), with respect to Options granted before February 28, 2007, the payment methods described in Paragraph 7(d)(i), (ii) and (iii) shall, to the extent so provided in an Option document, be the exclusive payment methods, provided that the Committee may, in its sole discretion, and subject to the Optionee's written consent on a form provided by the Committee, authorize Option documents covering Options granted before February 28, 2007 to be amended to provide that the payment method described in Paragraph 7(d)(iv) shall be an additional or the exclusive payment method.

(e) Recording of Shares Upon Exercise of Options; Payment of Cash. For purposes of the Plan, the Sponsor may satisfy its obligation to deliver Shares following the exercise of Options by arranging for the recording of Optionee's ownership of Shares issuable on the exercise of Options on a book entry recordkeeping system maintained by the Sponsor. Only whole Shares shall be issuable upon exercise of Options. No fractional Shares shall be issued. Any right to a fractional Share shall be satisfied in cash. Following the exercise of an Option and the satisfaction of the conditions of Paragraph 9, the Sponsor shall deliver to the Optionee the number of whole Shares issuable on the exercise of an Option and a check for the Fair Market Value on the date of exercise of any fractional Share to which the Optionee is entitled.

(f) Termination of Employment. For purposes of the Plan, a transfer of an employee between two employers, each of which is a Company, shall not be deemed a termination of employment. For purposes of Paragraph 7(g), an Optionee's termination of employment shall be deemed to occur on the date an Optionee ceases to have a regular obligation to perform services for a Company, without regard to whether (i) the Optionee continues on the Company's payroll for regular, severance or other pay or (ii) the Optionee continues to participate in one or more health and welfare plans maintained by the Company on the same basis as active employees. Whether an Optionee ceases to have a regular obligation to perform services for a Company shall be determined by the

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Committee in its sole discretion. Notwithstanding the foregoing, if an Optionee is a party to an employment agreement or severance agreement with a Company which establishes the effective date of such Optionee's termination of employment for purposes of this Paragraph 7(f), that date shall apply. An Optionee who is a Non-Employee Director shall be treated as having terminated employment on the Optionee's termination of service as a Non-Employee Director, provided that if such an Optionee is designated as a Director Emeritus upon termination of service as a Non-Employee Director, such Optionee shall not be treated as having terminated employment until the Optionee's termination of service as a Director Emeritus.

(g) Periods of Exercise of Options. An Option shall be exercisable in whole or in part at such time or times as may be determined by the Committee and stated in the option document, or as described in Paragraph 7(h)(ii), provided, however, that if the grant of an Option would be subject to section 16(b) of the 1934 Act, unless the requirements for exemption therefrom in Rule 16b-3(c)(1), under such Act, or any successor provision, are met, the option document for such Option shall provide that such Option is not exercisable until not less than six months have elapsed from the Date of Grant. Except as otherwise provided by the Committee in its discretion, no Option shall first become exercisable following an Optionee's termination of employment for any reason; provided further, that:

- (i) In the event that an Optionee's employment with the Company terminates for any reason other than death or Cause, any Option held by such Optionee and which is then exercisable shall be exercisable for a period of 90 days following the date the Optionee's employment with the Company terminates (unless a longer period is established by the Committee); provided, however, that if such termination of employment with the Company is due to the Disability of the Optionee, he shall have the right to exercise those of his Options which are then exercisable for a period of one year following such termination of employment (unless a longer period is established by the Committee); provided, however, that in no event shall an Incentive Stock Option be exercisable after five years from the Date of Grant in the case of a grant to a Ten Percent Shareholder, nor shall any other Option be exercisable after ten years from the Date of Grant.
- (ii) In the event that an Optionee's employment with the Company terminates by reason of his death, any Option held at death by such Optionee which is then exercisable shall be exercisable for a period of one year from the date of death (unless a longer period is established by the Committee) by the person to whom the rights of the Optionee shall have passed by will or by the laws of descent and distribution; provided, however, that in no event shall an Incentive Stock Option be exercisable after five years from the

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Date of Grant in the case of a grant to a Ten Percent Shareholder, nor shall any other Option be exercisable after ten years from the Date of Grant.

- (iii) In the event that an Optionee's employment with the Company is terminated for Cause, each unexercised Option held by such Optionee shall terminate and cease to be exercisable; provided further, that in such event, in addition to immediate termination of the Option, the Optionee, upon a determination by the Committee shall automatically forfeit all Shares otherwise subject to delivery upon exercise of an Option but for which the Sponsor has not yet delivered such Shares, upon refund by the Sponsor of the option price.

(h) Date of Exercise.

- (i) In General. The date of exercise of an Option shall be the date on which written notice of exercise, addressed to the Sponsor at its main office to the attention of its Secretary, is hand delivered, telecopied or mailed first class postage prepaid; provided, however, that the Sponsor shall not be obligated to deliver any Shares pursuant to the exercise of an Option until the Optionee shall have made payment in full of the option price for such Shares. Each such exercise shall be irrevocable when given. Each notice of exercise must (i) specify the Incentive Stock Option, Non-Qualified Option or combination thereof being exercised; and (ii) if applicable, include a statement of preference (which shall be binding on and irrevocable by the Optionee but shall not be binding on the Committee) as to the manner in which payment to the Sponsor shall be made. Each notice of exercise shall also comply with the requirements of Paragraph 15.
- (ii) Automatic Exercise. The provisions of this Paragraph 7(h)(ii) shall apply to any Option that is unexercised, in whole or in part, on or after October 28, 2013. Immediately before the time at which any such Option is scheduled to expire in accordance with the terms and conditions of the Plan and the applicable option document, such Option shall be deemed automatically exercised, if such Option satisfies the following conditions:
  - (A) Such Option is covered by a then current registration statement or a Notification under Regulation A under the 1933 Act.

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- (B) The last reported sale price of a Share on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the last preceding trading day, exceeds the option price per Share by such amount as may be determined by the Committee or its delegate from time to time. Absent a contrary determination, such excess per Share shall be \$0.01.

An Option subject to this Paragraph 7(h)(ii) shall be exercised via cashless exercise, such that subject to the other terms and conditions of the Plan, following the date of exercise, the Company shall deliver to the Optionee Shares having a value, at the time of exercise, equal to the excess, if any, of (A) the value of such Shares based on the last reported sale price of such Shares on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the last preceding trading date, over (B) the sum of (1) the aggregate option price for such Shares, plus (2) the applicable tax withholding amounts (as determined pursuant to Paragraph 15) for such exercise; provided that in connection with such cashless exercise that would not result in the issuance of a whole number of Shares, the Company shall pay cash in lieu of any fractional Share.

(i) Cash Rights. The Committee may, in its sole discretion, provide in an option document for an eligible Optionee that Cash Rights shall be attached to Non-Qualified Options granted under the Plan. All Cash Rights that are attached to Non-Qualified Options shall be subject to the following terms:

- (i) Such Cash Right shall expire no later than the Non-Qualified Option to which it is attached.
- (ii) Such Cash Right shall provide for the cash payment of such amount per Share as shall be determined by the Committee and stated in the option document.
- (iii) Such Cash Right shall be subject to the same restrictions on transferability as the Non-Qualified Option to which it is attached.
- (iv) Such Cash Right shall be exercisable only when such conditions to exercise as shall be determined by the Committee and stated in the option document, if any, have been satisfied.
- (v) Such Cash Right shall expire upon the exercise of the Non-Qualified Option to which it is attached.

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(vi) Upon exercise of a Cash Right that is attached to a Non-Qualified Option, the Option to which the Cash Right is attached shall expire.

#### **8. LIMITATION ON EXERCISE OF INCENTIVE STOCK OPTIONS**

The aggregate Fair Market Value (determined as of the time Options are granted) of the Shares with respect to which Incentive Stock Options may first become exercisable by an Optionee in any one calendar year under the Plan and any other plan of the Company shall not exceed \$100,000. The limitations imposed by this Paragraph 8 shall apply only to Incentive Stock Options granted under the Plan, and not to any other options or stock appreciation rights. In the event an individual receives an Option intended to be an Incentive Stock Option which is subsequently determined to have exceeded the limitation set forth above, or if an individual receives Options that first become exercisable in a calendar year (whether pursuant to the terms of an option document, acceleration of exercisability or other change in the terms and conditions of exercise or any other reason) that have an aggregate Fair Market Value (determined as of the time the Options are granted) that exceeds the limitations set forth above, the Options in excess of the limitation shall be treated as Non-Qualified Options.

#### **9. RIGHTS AS SHAREHOLDERS**

An Optionee shall not have any right as a shareholder with respect to any Shares subject to his Options until the Option shall have been exercised in accordance with the terms of the Plan and the option document and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised and the Optionee shall have made arrangements acceptable to the Sponsor for the payment of applicable taxes consistent with Paragraph 15.

#### **10. CHANGES IN CAPITALIZATION**

In the event that Shares are changed into or exchanged for a different number or kind of shares of stock or other securities of the Sponsor, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Sponsor, the Board shall make appropriate equitable anti-dilution adjustments to the number and class of shares of stock available for issuance under the Plan, and subject to outstanding Options, and to the option prices and the amounts payable pursuant to any Cash Rights. Any reference to the option price in the Plan and in option documents shall be a reference to the option price as so adjusted. Any reference to the term "Shares" in the Plan and in option documents shall be a reference to the appropriate number and class of shares of stock available for issuance under the Plan, as adjusted pursuant to this Paragraph 10. The Board's adjustment shall be effective and binding for all purposes of this Plan.

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## 11. TERMINATING EVENTS

(a) The Sponsor shall give Optionees at least thirty (30) days' notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. Upon receipt of such notice, and for a period of ten (10) days thereafter (or such shorter period as the Board shall reasonably determine and so notify the Optionees), each Optionee shall be permitted to exercise the Option to the extent the Option is then exercisable; provided that, the Sponsor may, by similar notice, require the Optionee to exercise the Option, to the extent the Option is then exercisable, or to forfeit the Option (or portion thereof, as applicable). The Committee may, in its discretion, provide that upon the Optionee's receipt of the notice of a Terminating Event under this Paragraph 11(a), the entire number of Shares covered by Options shall become immediately exercisable.

(b) Notwithstanding Paragraph 11(a), in the event the Terminating Event is not consummated, the Option shall be deemed not to have been exercised and shall be exercisable thereafter to the extent it would have been exercisable if no such notice had been given.

## 12. INTERPRETATION

The Committee shall have the power to interpret the Plan's provisions, prescribe, amend and rescind rules and regulations for the Plan, and make all other determinations necessary or advisable for the administration of the Plan. All determinations by the Committee shall be final, conclusive and binding on all Persons, including Optionees and their beneficiaries. It is intended that the Incentive Stock Options granted under the Plan shall constitute incentive stock options within the meaning of section 422 of the Code, and that Shares transferred pursuant to the exercise of Non-Qualified Options shall constitute property subject to federal income tax pursuant to the provisions of section 83 of the Code. The provisions of the Plan shall be interpreted and applied insofar as possible to carry out such intent.

## 13. AMENDMENTS

(a) In General. The Board or the Committee may amend the Plan from time to time in such manner as it may deem advisable. Nevertheless, neither the Board nor the Committee may, without obtaining approval within twelve months before or after such action by such vote of the Sponsor's shareholders as may be required by Pennsylvania law for any action requiring shareholder approval, or by a majority of votes cast at a duly held shareholders' meeting at which a majority of all voting stock is present and voting on such amendment, either in person or in proxy (but not, in any event, less than the vote required pursuant to Rule 16b-3(b) under the 1934 Act) change the class of individuals eligible to receive an Incentive Stock Option, extend the expiration date of the Plan, decrease the minimum option price of an Incentive Stock Option granted under the Plan or increase the maximum number of shares as to which Options may be granted, except as provided in Paragraph 10 hereof.

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(b) Repricing of Options and Cash Rights. Notwithstanding any provision in the Plan to the contrary, neither the Board nor the Committee may, without obtaining prior approval by the Sponsor's shareholders, reduce the option or exercise price of any issued and outstanding Option or Cash Right granted under the Plan, including through cancellation and regrant or any other method (including the repurchase of an Option or Cash Right that is "out of the money" in exchange for an Option, Cash Right, cash and/or other property), at any time during the term of such option or Cash Right (other than by adjustment pursuant to Paragraph 10 relating to Changes in Capitalization). This Paragraph 13(b) may not be repealed, modified or amended without the prior approval of the Sponsor's shareholders.

#### 14. SECURITIES LAW

(a) In General. The Committee shall have the power to make each grant under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act or the 1934 Act, including Rule 16b-3 (or any similar rule) of the Securities and Exchange Commission.

(b) Acknowledgment of Securities Law Restrictions on Exercise. To the extent required by the Committee, unless the Shares subject to the Option are covered by a then current registration statement or a Notification under Regulation A under the 1933 Act, each notice of exercise of an Option shall contain the Optionee's acknowledgment in form and substance satisfactory to the Committee that:

- (i) the Shares subject to the Option are being purchased for investment and not for distribution or resale (other than a distribution or resale which, in the opinion of counsel satisfactory to the Sponsor, may be made without violating the registration provisions of the Act);
- (ii) the Optionee has been advised and understands that (A) the Shares subject to the Option have not been registered under the 1933 Act and are "restricted securities" within the meaning of Rule 144 under the 1933 Act and are subject to restrictions on transfer and (B) the Sponsor is under no obligation to register the Shares subject to the Option under the 1933 Act or to take any action which would make available to the Optionee any exemption from such registration;
- (iii) the book entry recordkeeping system maintained by the Sponsor evidencing the Shares may bear a restrictive legend; and
- (iv) the Shares subject to the Option may not be transferred without compliance with all applicable federal and state securities laws.

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(c) Delay of Exercise Pending Registration of Securities. Notwithstanding any provision in the Plan or an option document to the contrary, if the Committee determines, in its sole discretion, that issuance of Shares pursuant to the exercise of an Option should be delayed pending registration or qualification under federal or state securities laws or the receipt of a legal opinion that an appropriate exemption from the application of federal or state securities laws is available, the Committee may defer exercise of any Option until such Shares are appropriately registered or qualified or an appropriate legal opinion has been received, as applicable.

#### **15. WITHHOLDING OF TAXES ON EXERCISE OF OPTION**

(a) Whenever the Company proposes or is required to deliver or transfer Shares in connection with the exercise of an Option, the Company shall have the right to (i) require the recipient to remit to the Sponsor an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery or transfer of any such Shares or (ii) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Sponsor's obligation to make any delivery or transfer of Shares on the exercise of an Option shall be conditioned on the recipient's compliance, to the Sponsor's satisfaction, with any withholding requirement. In addition, if the Committee grants Options or amends option documents to permit Options to be transferred during the life of the Optionee, the Committee may include in such option documents such provisions as it determines are necessary or appropriate to permit the Company to deduct compensation expenses recognized upon exercise of such Options for federal or state income tax purposes.

(b) Except as otherwise provided in this Paragraph 15(b), any tax liabilities incurred in connection with the exercise of an Option under the Plan other than an Incentive Stock Option shall be satisfied by the Sponsor's withholding a portion of the Shares underlying the Option exercised having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Sponsor under applicable law, unless otherwise determined by the Committee with respect to any Optionee. Notwithstanding the foregoing, except with respect to Options subject to the automatic exercise provisions described in Paragraph 7(h)(ii), the Committee may permit an Optionee to elect one or more of the following:

- (i) To the extent permitted by law, to have taxes withheld in excess of the minimum amount required to be withheld by the Sponsor under applicable law; provided that the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares having a Fair Market Value that is at least equal to the Fair Market Value of Option Shares to be withheld by the Sponsor for the then-current exercise on account of withheld taxes in excess of such minimum amount;
- (ii) With respect to Options (other than Incentive Stock Options) exercised on and after January 1, 2017, to have Shares otherwise

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deliverable to the Optionee after the application of this Paragraph 15(b) redeemed by the Sponsor for the Fair Market Value of such Shares on the date of the exercise of the applicable Option, and have the cash proceeds of such redemption remitted by the Sponsor to the Optionee to facilitate one or more estimated tax payments to the Internal Revenue Service or other taxing authority for the taxable year in which the Optionee exercises the Option, provided that the Optionee certifies in writing to the Sponsor at the time of such election that the Optionee owns Other Available Shares having a Fair Market Value that is at least equal to the Fair Market Value of such Shares to be redeemed by the Sponsor; and

(iii) To pay to the Sponsor in cash all or a portion of the taxes to be withheld upon the exercise of an Option.

In all cases, the Shares so withheld or redeemed by the Sponsor, as applicable, shall have a Fair Market Value that does not exceed the amount of taxes to be withheld or remitted via estimated tax payments minus the cash payment, if any, made by the Optionee. Any election pursuant to this Paragraph 15(b) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. An election pursuant to this Paragraph 15(b) may be made only by an Optionee or, in the event of the Optionee's death, by the Optionee's legal representative. Shares withheld or redeemed, as applicable, pursuant to this Paragraph 15(b) shall not continue to be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 15(b) as it deems appropriate.

(c) Except as otherwise provided in this Paragraph 15(c), any tax liabilities incurred in connection with the exercise of an Incentive Stock Option under the Plan (other than an Incentive Stock Option that is subject to the automatic exercise provisions described in Paragraph 7(h)(i)), shall be satisfied by the Optionee's payment to the Sponsor in cash all of the taxes to be withheld upon exercise of the Incentive Stock Option. Notwithstanding the foregoing, the Committee may permit an Optionee to elect to have the Sponsor withhold a portion of the Shares underlying the Incentive Stock Option exercised having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Sponsor under applicable law. Any tax liabilities incurred in connection with the automatic exercise of an Incentive Stock Option that is subject to the automatic exercise provisions described in Paragraph 7(h)(ii) shall be satisfied by the Sponsor's withholding of a portion of the Shares underlying the Incentive Stock Option exercised having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Sponsor under applicable law. Any election pursuant to this Paragraph 15(c) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be



**COMCAST CORPORATION**  
**2002 RESTRICTED STOCK PLAN**

**(As Amended and Restated, Effective December 5, 2016)**

**1. BACKGROUND AND PURPOSE**

(a) Background. COMCAST CORPORATION, a Pennsylvania corporation, hereby amends and restates the Comcast Corporation 2002 Restricted Stock Plan (the “Plan”) effective December 5, 2016.

(b) Purpose. The purpose of the Plan is to promote the ability of Comcast Corporation to recruit and retain employees and enhance the growth and profitability of Comcast Corporation by providing the incentive of long-term awards for continued employment and the attainment of performance objectives.

(c) Purpose of the Amendment; Credits Affected. The Plan was previously amended and restated, effective January 1, 2005 in order (i) to preserve the favorable tax treatment available to amounts deferred pursuant to the Plan before January 1, 2005 and the earnings credited in respect of such amounts (each a “Grandfathered Amount”) in light of the enactment of section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) as part of the American Jobs Creation Act of 2004, and the issuance of various Notices, Announcements, Proposed Regulations and Final Regulations thereunder (collectively, “Section 409A”), and (ii) with respect to all other amounts eligible to be deferred under the Plan, to comply with the requirements of Section 409A. Grandfathered Amounts will continue to be subject to the terms and conditions of the Plan as in effect prior to January 1, 2005. All amounts eligible to be deferred under the Plan other than Grandfathered Amounts will be subject to the terms of this amendment and restatement of the Plan and Section 409A.

(d) Reservation of Right to Amend to Comply with Section 409A. In addition to the powers reserved to the Board and the Committee under Paragraph 14 of the Plan, the Board and the Committee reserve the right to amend the Plan, either retroactively or prospectively, in whatever respect is required to achieve and maintain compliance with the requirements of the Section 409A.

(e) Deferral Provisions of Plan Unfunded and Limited to Select Group of Management or Highly Compensated Employees. Deferral Eligible Grantees and Non-Employee Directors may elect to defer the receipt of Restricted Stock and Restricted Stock Units as provided in Paragraph 8. The deferral provisions of Paragraph 8 and the other provisions of the Plan relating to the deferral of Restricted Stock and Restricted Stock Units are unfunded and maintained primarily for the purpose of providing a select group of management or highly compensated employees the opportunity to defer the receipt of compensation otherwise payable to such eligible employees in accordance with the terms of the Plan.

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(f) References to Written Forms, Elections and Notices. Any action under the Plan that requires a written form, election, notice or other action shall be treated as completed if taken via electronic or other means, to the extent authorized by the Committee.

2. DEFINITIONS

(a) [RESERVED]

(b) "Account" means unfunded bookkeeping accounts established pursuant to Paragraph 8(h) and maintained by the Committee in the names of the respective Grantees (i) to which Deferred Stock Units, dividend equivalents and earnings on dividend equivalents shall be credited with respect to the portion of the Account allocated to the Company Stock Fund and (ii) to which an amount equal to the Fair Market Value of Deferred Stock Units with respect to which a Diversification Election has been made and interest thereon are deemed credited, reduced by distributions in accordance with the Plan.

(c) "Active Grantee" means each Grantee who is actively employed by a Participating Company.

(d) "Affiliate" means, with respect to any Person, any other person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(e) "Annual Rate of Pay" means, as of any date, an employee's annualized base pay rate. An employee's Annual Rate of Pay shall not include sales commissions or other similar payments or awards.

(f) "Applicable Interest Rate" means:

(i) Except as otherwise provided in Paragraph 2(f)(ii):

(A) The Applicable Interest Rate with respect to amounts credited to the Income Fund that are attributable to (1) dividends and other distributions credited with respect to Deferred Stock Units that are deferred pursuant to Initial Elections made before January 1, 2010 and (2) Diversification Elections and Special Diversification Elections made before January 1, 2010 shall be the interest rate that, when compounded annually pursuant to rules established by the Committee from time to time, is

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mathematically equivalent to 8% (0.08) per annum, or such other interest rate established by the Committee from time to time.

- (B) The Applicable Interest Rate with respect to amounts credited to the Income Fund that are attributable to (1) dividends and other distributions credited with respect to Deferred Stock Units that are deferred pursuant to Initial Elections made on or after January 1, 2010 and before January 1, 2014 and (2) Diversification Elections and Special Diversification Elections made on or after January 1, 2010 and before January 1, 2014, shall be the interest rate that, when compounded annually pursuant to rules established by the Committee from time to time, is mathematically equivalent to 12% per annum, or such other interest rate established by the Committee from time to time.
- (C) Effective with respect to amounts credited to the Income Fund that are attributable to (1) dividends and other distributions credited with respect to Deferred Stock Units that are deferred pursuant to Initial Elections made on or after January 1, 2014, (2) dividends and other distributions credited with respect to Deferred Stock Units that are deferred pursuant to Regular Deferral Elections, and (3) Diversification Elections and Special Diversification Elections made on or after January 1, 2014, the “Applicable Interest Rate” shall be the Applicable Interest Rate that applies to “Protected Benefits” under the Comcast Corporation 2005 Deferred Compensation Plan (the “2005 Deferred Compensation Plan”) if, as of the September 30<sup>th</sup> immediately preceding the Plan Year to which the Initial Election, Regular Deferral Election or Diversification Election applies, the sum of (x) the Grantee’s Account under the 2005 Deferred Compensation Plan, plus (y) the Grantee’s Account under the Comcast Corporation 2002 Deferred Compensation Plan (the “2002 Deferred Compensation Plan”), plus (z) the portion of the Grantee’s Account under this Plan credited to the Income Fund, is less than the High Water Mark. If the conditions described in the preceding sentence do not apply, the “Applicable Interest Rate” shall be the Applicable Interest Rate that applies under the 2005 Deferred Compensation Plan to amounts credited pursuant to Initial Elections with respect to compensation earned after December 31, 2013, that are not Protected Benefits.

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- (ii) Effective for the period beginning as soon as administratively practicable following a Grantee's employment termination date to the date the Grantee's Account is distributed in full, the Committee, in its sole and absolute discretion, may designate the term "Applicable Interest Rate" for such Grantee's Account to mean the lesser of: (A) the rate in effect under Paragraph 2(f)(i) or (B) the interest rate that, when compounded annually pursuant to rules established by the Committee from time to time, is mathematically equivalent to the Prime Rate plus one percent, compounded annually as of the last day of the calendar year. A Grantee's re-employment by a Participating Company following an employment termination date shall not affect the Applicable Interest Rate that applies to the part of the Grantee's Account (including interest credited with respect to such part of the Grantee's Account) that was credited before such employment termination date. Notwithstanding the foregoing, the Committee may delegate its authority to determine the Applicable Interest Rate under this Paragraph 2(f)(ii) to an officer of the Company or committee of two or more officers of the Company.
- (g) "AT&T Broadband Transaction" means the acquisition of AT&T Broadband Corp. (now known as Comcast Cable Communications, LLC) by the Company.
- (h) "Award" means an award of Restricted Stock or Restricted Stock Units granted under the Plan.
- (i) "Board" means the Board of Directors of the Company.
- (j) "Change in Control" means:
- (i) Except as provided in Paragraph 2(j)(ii), "Change in Control" means the occurrence of any one or more of the following events:
- (A) following February 22, 2016, any person or "group" (as defined in Section 13(d) of the Exchange Act) (each, a "Person"), other than an employee benefit plan or trust maintained by the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company's outstanding securities entitled to vote generally in the election of directors, unless a majority of

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the directors of the Company in office immediately preceding the date on which such Person acquires such beneficial ownership, by resolution negates the effectiveness of this provision in a particular circumstance);

- (B) at any time during a period of 12 consecutive months, individuals who at the beginning of such period constituted the Board and any new member of the Board whose election or nomination for election was approved by a vote of at least a majority of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was so approved, cease for any reason to constitute a majority of members of the Board;
  - (C) the consummation of (x) a merger, consolidation, reorganization or similar corporate transaction involving the Company or any of its subsidiaries with any other corporation or entity, which would result in the combined voting power of the Company's securities entitled to vote generally in the election of directors outstanding immediately prior to such merger, consolidation, reorganization or other similar transaction representing (either by remaining outstanding or being converted into voting securities of the surviving entity or, if applicable, the ultimate parent thereof) less than a majority of the combined voting power of the Company or such surviving entity or parent outstanding immediately after such merger, consolidation, reorganization or other similar transaction, or (y) any sale, lease, exchange or other transfer to any Person of all or substantially all of the assets of the Company, in one transaction or a series of related transactions; or
  - (D) the approval by the shareholders of the Company of a liquidation or dissolution of the Company.
- (ii) For purposes of Paragraph 8, and with respect to the distribution of amounts subject to an Award that constitute "deferred compensation" (within the meaning of Section 409A), the term "Change in Control" shall mean any transaction or series of transactions that constitutes a change in the ownership or effective control or a change in the ownership of a substantial portion of the assets of the Company, within the meaning of Section 409A.
- (k) "Code" means the Internal Revenue Code of 1986, as amended.

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(l) "Comcast Plan" means any restricted stock, restricted stock unit, stock bonus, stock option or other compensation plan, program or arrangement established or maintained by the Company or an Affiliate, including but not limited to this Plan, the Comcast Corporation 2003 Stock Option Plan, the Comcast Corporation 2002 Stock Option Plan, the Comcast Corporation 1996 Stock Option Plan, Comcast Corporation 1987 Stock Option Plan and the Comcast Corporation 2002 Deferred Stock Option Plan.

(m) "Committee" means the Compensation Committee of the Board, provided that all references to the Committee shall be treated as references to the Committee's delegate with respect to any Award granted within the scope of the delegate's authority pursuant to Paragraph 5(f).

(n) "Common Stock" means Class A Common Stock, par value \$0.01, of the Company.

(o) "Company" means Comcast Corporation, a Pennsylvania corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

(p) "Company Stock Fund" means a hypothetical investment fund pursuant to which Deferred Stock Units are credited with respect to a portion of an Award subject to an Election, and thereafter until (i) the date of distribution or (ii) the effective date of a Diversification Election, to the extent a Diversification Election applies to such Deferred Stock Units, as applicable. The portion of a Grantee's Account deemed invested in the Company Stock Fund shall be treated as if such portion of the Account were invested in hypothetical shares of Common Stock otherwise deliverable as Shares upon the Vesting Date associated with Restricted Stock or Restricted Stock Units, and all dividends and other distributions paid with respect to Common Stock were credited to the Income Fund, held uninvested in cash and credited with interest at the Applicable Interest Rate as of the next succeeding December 31 (to the extent the Account continues to be deemed credited in the form of Deferred Stock Units through such December 31), provided that dividends and other distributions paid with respect to Common Stock shall be credited with interest at the Applicable Interest Rate commencing as of the date on which dividends or other distributions are paid.

(q) "Date of Grant" means the date on which an Award is granted.

(r) "Deceased Grantee" means:

- (i) A Grantee whose employment by a Participating Company is terminated by death; or
- (ii) A Grantee who dies following termination of employment by a Participating Company.

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(s) “Deferral Eligible Employee” means:

(i) Effective before January 1, 2014:

- (A) An Eligible Employee whose Annual Rate of Pay is \$200,000 or more as of both: (x) the date on which an Initial Election is filed with the Committee; and (y) the first day of the calendar year in which such Initial Election filed.
- (B) An Eligible Employee whose Annual Rate of Pay is \$125,000 as of each of: (x) June 30, 2002; (y) the date on which an Initial Election is filed with the Committee; and (z) the first day of each calendar year beginning after December 31, 2002.
- (C) Each New Key Employee.
- (D) Each other employee of a Participating Company who is designated by the Committee, in its sole and absolute discretion, as a Deferral Eligible Employee.

(ii) Effective on and after January 1, 2014:

- (A) An Eligible Employee whose Annual Rate of Pay is \$250,000 or more as of both: (x) the date on which an Initial Election or Regular Deferral Election is filed with the Committee; and (y) the first day of the calendar year in which such Initial Election or Regular Deferral Election is filed.
- (B) Each New Key Employee.
- (C) Each other employee of a Participating Company who is designated by the Committee, in its sole and absolute discretion, as a Deferral Eligible Employee.

Notwithstanding anything in this Paragraph 2(s) to the contrary, except as otherwise provided by the Committee or its delegate, no Grantee who is an employee of NBCUniversal, LLC, a Delaware limited liability company, and its subsidiaries (collectively, “NBCUniversal”) shall be a Deferral Eligible Employee with respect to any Award granted to such Grantee on or after January 29, 2011.

(t) “Deferred Stock Units” means the number of hypothetical Shares subject to an Election.

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(u) “Disability” means:

- (i) A Grantee’s substantial inability to perform Grantee’s employment duties due to partial or total disability or incapacity resulting from a mental or physical illness, injury or other health-related cause for a period of 12 consecutive months or for a cumulative period of 52 weeks in any two calendar year period; or
- (ii) If different from the definition in Paragraph 2(u)(i) above, “Disability” as it may be defined in such Grantee’s employment agreement between the Grantee and the Company or an Affiliate, if any.

(v) “Disabled Grantee” means:

- (i) A Grantee whose employment by a Participating Company is terminated by reason of Disability;
- (ii) The duly-appointed legal guardian of an individual described in Paragraph 2(v)(i) acting on behalf of such individual.

(w) “Diversification Election” means a Grantee’s election to have a portion of the Grantee’s Account credited in the form of Deferred Stock Units and attributable to any grant of Restricted Stock or Restricted Stock Units deemed liquidated and credited thereafter under the Income Fund, as provided in Paragraph 8(k).

(x) “Election” means, as applicable, an Initial Election, Regular Deferral Election, or a Subsequent Election.

(y) “Eligible Employee” means an employee of a Participating Company, as determined by the Committee.

(z) “Fair Market Value” means:

- (i) If Shares are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the next trading date.
- (ii) If Shares are not so listed, but trades of Shares are reported on the Nasdaq National Market, Fair Market Value shall be determined based on the last quoted sale price of a Share on the Nasdaq National Market on the date of determination, or if such date is not a trading day, the next trading date.
- (iii) If Shares are not so listed nor trades of Shares so reported, Fair Market Value shall be determined by the Committee in good faith.

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(aa) "Family Member" has the meaning given to such term in General Instructions A.1(a)(5) to Form S-8 under the Securities Act of 1933, as amended, and any successor thereto.

(bb) "Grandfathered Amount" means amounts described in Paragraph 1(c) that were deferred under the Plan and that were earned and vested before January 1, 2005.

(cc) "Grantee" means an Eligible Employee or Non-Employee Director who is granted an Award.

(dd) "Hardship" means an "unforeseeable emergency," as defined in Section 409A. The Committee shall determine whether the circumstances of the Grantee constitute an unforeseeable emergency and thus a Hardship within the meaning of this Paragraph 2(dd). Following a uniform procedure, the Committee's determination shall consider any facts or conditions deemed necessary or advisable by the Committee, and the Grantee shall be required to submit any evidence of the Grantee's circumstances that the Committee requires. The determination as to whether the Grantee's circumstances are a case of Hardship shall be based on the facts of each case; provided however, that all determinations as to Hardship shall be uniformly and consistently made according to the provisions of this Paragraph 2(dd) for all Grantees in similar circumstances.

(ee) "High Water Mark" means:

- (i) With respect to amounts credited to the Income Fund on account of Diversification Elections made in 2014, the highest of the sum of the amounts described in (A), (B) and (C) below as of the last day of any calendar quarter beginning after December 31, 2008 and before October 1, 2013:
  - (A) the Grantee's Account under the 2005 Deferred Compensation Plan; plus
  - (B) the Grantee's Account under the 2002 Deferred Compensation Plan; plus
  - (C) the portion of the Grantee's Account under this Plan credited to the Income Fund.

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- (ii) With respect to amounts credited to the Income Fund on account of Diversification Elections and Special Diversification Elections made after 2014, the sum of (x) plus (y) where (x) equals the highest of the sum of the amounts described in Paragraphs 2(ee)(i)(A), (B) and (C) as of the last day of any calendar quarter beginning after December 31, 2008 and before January 1, 2014, and (y) equals the sum of:
- (A) The amount credited to a Grantee's Account under Section 3.8 of the 2005 Deferred Compensation Plan after December 31, 2013 and on or before September 30, 2014 that is contractually committed pursuant to an employment agreement entered into on or before December 31, 2013; plus
  - (B) The deferred portion of a Grantee's cash bonus award earned for 2013 and payable, but for the Grantee's deferral election under the 2005 Deferred Compensation Plan after December 31, 2013 and on or before September 30, 2014; plus
  - (C) The amount credited to the Income Fund pursuant to a Diversification Election or Special Diversification Election made by a Grantee before January 1, 2014 with respect to Restricted Stock Units that vest after December 31, 2013 and on or before September 30, 2014.

(ff) "Income Fund" means a hypothetical investment fund pursuant to which an amount equal to the Fair Market Value of Deferred Stock Units subject to a Diversification Election is credited as of the effective date of such Diversification Election and as to which interest is credited thereafter until the date of distribution at the Applicable Interest Rate. In addition, the Income Fund shall also be deemed to hold dividend equivalents and earnings on dividend equivalents credited to a Grantee's Account as described in Paragraph 2(b) and Paragraph 2(p). Notwithstanding any other provision of the Plan to the contrary, for purposes of determining the time and form of payment of amounts credited to the Income Fund, the rules of the 2005 Deferred Compensation Plan shall apply on the same basis as if such amounts were credited to a participant's account under such 2005 Deferred Compensation Plan.

(gg) "Initial Election" means a written election on a form provided by the Committee, pursuant to which a Grantee: (i) elects, within the time or times specified in Paragraph 8(a)(i), to defer the distribution date of Shares issuable with respect to Restricted Stock Units; and (ii) designates the distribution date of such Shares.

(hh) "New Key Employee" means:

- (i) Effective before January 1, 2014, each employee of a Participating Company who:
  - (A) becomes an employee of a Participating Company and has an Annual Rate of Pay of \$200,000 or more as of his employment commencement date; or

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(B) has an Annual Rate of Pay that is increased to \$200,000 or more and who, immediately preceding such increase, was not a Deferral Eligible Employee.

(ii) Effective on and after January 1, 2014, each employee of a Participating Company who:

(A) becomes an employee of a Participating Company and has an Annual Rate of Pay of \$250,000 or more as of his employment commencement date; or

(B) has an Annual Rate of Pay that is increased to \$250,000 or more and who, immediately preceding such increase, was not a Deferral Eligible Employee.

(ii) "Non-Employee Director" means an individual who is a member of the Board, and who is not an employee of the Company, including an individual who is a member of the Board and who previously was an employee of the Company.

(jj) "Normal Retirement" means a Grantee's termination of employment that is treated by the Participating Company as a retirement under its employment policies and practices as in effect from time to time.

(kk) "Other Available Shares" means, as of any date, the sum of:

(i) The total number of Shares owned by a Grantee or such Grantee's Family Member that were not acquired by such Grantee or such Grantee's Family Member pursuant to a Comcast Plan or otherwise in connection with the performance of services to the Company or an Affiliate; plus

(ii) The excess, if any of:

(A) The total number of Shares owned by a Grantee or such Grantee's Family Member other than the Shares described in Paragraph 2(kk)(i); over

(B) The sum of:

(1) The number of such Shares owned by such Grantee or such Grantee's Family Member for less than six months; plus

(2) The number of such Shares owned by such Grantee or such Grantee's Family Member that has, within the preceding six months, been the subject of a certification pursuant to Paragraph 9(c)(ii) or any similar certification under any other Comcast Plan; plus

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(3) The number of such Shares owned by such Grantee or such Grantee's Family Member that has, within the preceding six months, been received in exchange for Shares surrendered as payment, in full or in part, or as to which ownership was attested to as payment, in full or in part, of the exercise price for an option to purchase any securities of the Company or an Affiliate of the Company, under any Comcast Plan, but only to the extent of the number of Shares surrendered or attested to; plus

(4) The number of such Shares owned by such Grantee or such Grantee's Family Member as to which evidence of ownership has, within the preceding six months, been provided to the Company in connection with the crediting of "Deferred Stock Units" to such Grantee's Account under the Comcast Corporation 2002 Deferred Stock Option Plan (as in effect from time to time).

For purposes of this Paragraph 2(kk), a Share that is subject to an Election pursuant to Paragraph 8 or a deferral election pursuant to another Comcast Plan shall not be treated as owned by a Grantee until all conditions to the delivery of such Share have lapsed. For purposes of determining the number of Other Available Shares, the term "Shares" shall also include the securities held by a Grantee or such Grantee's Family Member immediately before the consummation of the AT&T Broadband Transaction that have converted into Shares.

(ll) "Participating Company" means the Company and each of the Subsidiary Companies.

(mm) "Performance-Based Compensation" means "Performance-Based Compensation" within the meaning of Section 409A.

(nn) "Performance Period" means a period of at least 12 months during which a Grantee may earn Performance-Based Compensation.

(oo) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

(pp) "Plan" means the Comcast Corporation 2002 Restricted Stock Plan, as set forth herein, and as amended from time to time.

(qq) "Prime Rate" means, for any calendar year, the interest rate that, when compounded daily pursuant to rules established by the Committee 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.

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(rr) "Regular Deferral Election" means a written election on a form provided by the Committee, pursuant to which a Grantee: (i) elects, within the time or times specified in Paragraph 8(a)(ii), to defer the distribution date of Shares issuable with respect to Restricted Stock Units; and (ii) designates the distribution date of such Shares.

(ss) "Restricted Stock" means Shares subject to restrictions as set forth in an Award.

(tt) "Restricted Stock Unit" means a unit that entitles the Grantee, upon the Vesting Date set forth in an Award, to receive one Share.

(uu) "Retired Grantee" means a Grantee who has terminated employment pursuant to a Normal Retirement.

(vv) "Rule 16b-3" means Rule 16b-3 promulgated under the 1934 Act, as in effect from time to time.

(ww) "Section 16(b) Officer" means an officer of the Company who is subject to the short-swing profit recapture rules of section 16(b) of the 1934 Act.

(xx) "Share" or "Shares" means a share or shares of Common Stock.

(yy) "Special Diversification Election" means, with respect to each separate Award, a Diversification Election by a Grantee other than a Non-Employee Director to have more than 40 percent of the Deferred Stock Units credited to such Grantee's Account in the Company Stock Fund liquidated and credited thereafter under the Income Fund, as provided in Paragraph 8(k)(i), if (and to the extent that) it is approved by the Committee or its delegate in accordance with Paragraph 8(k)(ii).

(zz) "Subsequent Election" means a written election on a form provided by the Committee, filed with the Committee in accordance with Paragraph 8(d), pursuant to which a Grantee: (i) elects, within the time or times specified in Paragraph 8(d), to further defer the distribution date of Shares issuable with respect to Restricted Stock or Restricted Stock Units; and (ii) designates the distribution date of such Shares.

(aaa) "Subsidiary Companies" means all business entities that, at the time in question, are subsidiaries of the Company, within the meaning of section 424(f) of the Code.

(bbb) "Successor-in-Interest" means the estate or beneficiary to whom the right to payment under the Plan shall have passed by will or the laws of descent and distribution.

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(ccc) “Terminating Event” means a Change in Control.

(ddd) “Third Party” means any Person, together with such Person’s Affiliates, provided that the term “Third Party” shall not include the Company or an Affiliate of the Company.

(eee) “Vesting Date” means, as applicable: (i) the date on which the restrictions imposed on a Share of Restricted Stock lapse or (ii) the date on which the Grantee vests in a Restricted Stock Unit.

(fff) “1933 Act” means the Securities Act of 1933, as amended.

(ggg) “1934 Act” means the Securities Exchange Act of 1934, as amended.

### 3. RIGHTS TO BE GRANTED

Rights that may be granted under the Plan are:

(a) Rights to Restricted Stock which gives the Grantee ownership rights in the Shares subject to the Award, subject to a substantial risk of forfeiture, as set forth in Paragraph 7, and to deferred payment, as set forth in Paragraph 8; and

(b) Rights to Restricted Stock Units which give the Grantee the right to receive Shares upon a Vesting Date, as set forth in Paragraph 7, and to deferred payment, as set forth in Paragraph 8. The maximum number of Shares subject to Awards that may be granted to any single individual in any calendar year, adjusted as provided in Paragraph 10, shall be 2.0 million Shares.

### 4. SHARES SUBJECT TO THE PLAN

(a) Shares Available for Grant. Subject to adjustment as provided in Paragraph 10, not more than 134 million Shares in the aggregate may be issued under the Plan pursuant to the grant of Awards. The Shares issued under the Plan may, at the Company’s option, be either Shares held in treasury or Shares originally issued for such purpose.

(b) Shares Returned to the Reserve. If Restricted Stock or Restricted Stock Units are forfeited pursuant to the terms of an Award, the Shares underlying such forfeited Award shall return to the pool of Shares available for issuance under the Plan.

(c) Share Recycling Prohibitions. If the Company withholds Shares to satisfy its tax withholding obligations, such withheld Shares shall not again become available for Awards or increase the number of Shares available for grant under Paragraph 4(a).

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5. ADMINISTRATION OF THE PLAN

(a) Administration. The Plan shall be administered by the Committee, provided that with respect to Awards to Non-Employee Directors, the rules of this Paragraph 5 shall apply so that all references in this Paragraph 5 to the Committee shall be treated as references to either the Board or the Committee acting alone.

(b) Grants. Subject to the express terms and conditions set forth in the Plan, the Committee shall have the power, from time to time, to select those Employees and Non-Employee Directors to whom Awards shall be granted under the Plan, to determine the number of Shares and/or Restricted Stock Units, as applicable, to be granted pursuant to each Award, and, pursuant to the provisions of the Plan, to determine the terms and conditions of each Award, including the restrictions applicable to such Shares and the conditions upon which a Vesting Date shall occur. The determination of the Committee in all such matters shall be conclusive.

(c) Meetings. The Committee shall hold meetings at such times and places as it may determine. Acts approved at a meeting by a majority of the members of the Committee or acts approved in writing by the unanimous consent of the members of the Committee shall be the valid acts of the Committee.

(d) Exculpation. No member of the Committee shall be personally liable for monetary damages for any action taken or any failure to take any action in connection with the administration of the Plan or the granting of Awards thereunder unless (i) the member of the Committee has breached or failed to perform the duties of his office, and (ii) the breach or failure to perform constitutes self-dealing, willful misconduct or recklessness; provided, however, that the provisions of this Paragraph 5(d) shall not apply to the responsibility or liability of a member of the Committee pursuant to any criminal statute.

(e) Indemnification. Service on the Committee shall constitute service as a member of the Board. Each member of the Committee shall be entitled without further act on his part to indemnity from the Company to the fullest extent provided by applicable law and the Company's Articles of Incorporation and By-laws in connection with or arising out of any action, suit or proceeding with respect to the administration of the Plan or the granting of Awards thereunder in which he may be involved by reason of his being or having been a member of the Committee, whether or not he continues to be such member of the Committee at the time of the action, suit or proceeding.

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(f) Delegation of Authority. The Committee may delegate its authority with respect to the grant, amendment, interpretation and administration of grants and awards of restricted stock and restricted stock units to a person, persons or committee, in its sole and absolute discretion. Actions taken by the Committee's duly-authorized delegate shall have the same force and effect as actions taken by the Committee. Any delegation of authority pursuant to this Paragraph 5(f) shall continue in effect until the earliest of:

- (i) such time as the Committee shall, in its sole and absolute discretion, revoke such delegation of authority;
- (ii) in the case of delegation to a person that is conditioned on such person's continued service as an employee of the Company or as a member of the Board, the date such delegate shall cease to serve in such capacity for any reason; or
- (iii) the delegate shall notify the Committee that he or she declines to continue to exercise such authority.

## 6. ELIGIBILITY

Awards may be granted only to Eligible Employees and Non-Employee Directors.

## 7. RESTRICTED STOCK AND RESTRICTED STOCK UNIT AWARDS

The Committee may grant Awards in accordance with the Plan, provided that the Board or the Committee may grant Awards to Non-Employee Directors authorized by the Comcast Corporation 2002 Non-Employee Director Compensation Plan, or otherwise. With respect to Awards to Non-Employee Directors, the rules of this Paragraph 7 shall apply so that either the Board or the Committee acting alone shall have all of the authority otherwise reserved in this Paragraph 7 to the Committee.

The terms and conditions of Awards shall be set forth in writing as determined from time to time by the Committee, consistent, however, with the following:

(a) Time of Grant. All Awards shall be granted on or before May 19, 2026.

(b) Terms of Awards. The provisions of Awards need not be the same with respect to each Grantee. No cash or other consideration shall be required to be paid by the Grantee in exchange for an Award.

(c) Awards and Agreements. Each Grantee shall be provided with an agreement specifying the terms of an Award. In addition, a certificate shall be issued to each Grantee in respect of Restricted Stock subject to an Award. Such certificate shall be registered in the name of the Grantee and shall bear an appropriate legend referring to the terms, conditions and restrictions applicable to such Award. The Company may require that the certificate evidencing such Restricted Stock be held by the Company until all restrictions on such Restricted Stock have lapsed. The Company may, in lieu of issuing such a certificate, arrange for the recording of Grantee's ownership of the Restricted Stock on a book entry recordkeeping system maintained on behalf of the Company.

(d) Restrictions. Subject to the provisions of the Plan and the Award, the Committee may establish a period commencing with the Date of Grant during which the Grantee shall not be permitted to sell, transfer, pledge or assign Restricted Stock or Restricted Stock Units awarded under the Plan.

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(e) Vesting/Lapse of Restrictions. Subject to the provisions of the Plan and the Award, a Vesting Date for Restricted Stock or Restricted Stock Units subject to an Award shall occur at such time or times and on such terms and conditions as the Committee may determine and as are set forth in the Award; provided, however, that except as otherwise provided by the Committee, a Vesting Date shall occur only if the Grantee is an employee of a Participating Company as of such Vesting Date, and has been an employee of a Participating Company continuously from the Date of Grant. The Award may provide for Restricted Stock or Restricted Stock Units to vest in installments, as determined by the Committee. The Committee may, in its sole discretion, waive, in whole or in part, any remaining conditions to vesting with respect to such Grantee's Restricted Stock or Restricted Stock Units, provided that for avoidance of doubt, such unilateral discretion shall not apply to any grant of rights that is designated as intended to satisfy the rules for performance-based compensation under section 162(m) of the Code.

(f) Rights of the Grantee. Grantees may have such rights with respect to Shares subject to an Award as may be determined by the Committee and set forth in the Award, including the right to vote such Shares, and the right to receive dividends paid with respect to such Shares. A Grantee whose Award consists of Restricted Stock Units shall not have the right to vote with respect to such Restricted Stock Units. With respect to Awards of Restricted Stock Units granted prior to March 1, 2015, a Grantee shall not have the right to receive dividend equivalents with respect to such Restricted Stock Units.

(g) Dividend Equivalents. With respect to Awards of Restricted Stock Units granted on and after March 1, 2015, the Committee may, in its discretion, provide for the payment of dividend equivalents with respect to Restricted Stock Units, which may be paid directly to the Grantee, accrued and paid by the Company at such time or times specified in the applicable agreement specifying the terms of an Award, or treated as reinvested in additional Restricted Stock Units, or a combination thereof, as determined by the Committee in its sole discretion.

(h) Termination of Grantee's Employment. A transfer of an Eligible Employee between two employers, each of which is a Participating Company, shall not be deemed a termination of employment. In the event that a Grantee's employment with all Participating Companies terminates, all Restricted Shares and/or Restricted Stock Units as to which a Vesting Date has not occurred shall be forfeited by the Grantee and deemed canceled by the Company.

(i) Delivery of Shares. For purposes of the Plan, the Company may satisfy its obligation to deliver Shares issuable under the Plan by arranging for the recording of Grantee's ownership of Shares issuable under the Plan on a book entry recordkeeping system maintained on behalf of the Company. Except as otherwise provided by Paragraph 8, when a Vesting Date occurs with respect to all or a portion of an Award of Restricted Stock or Restricted Stock Units, the Company shall notify the Grantee that a

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Vesting Date has occurred, and shall deliver to the Grantee (or the Grantee's Successor-in-Interest) Shares as to which a Vesting Date has occurred (or in the case of Restricted Stock Units, the number of Shares represented by such Restricted Stock Units) without any legend or restrictions (except those that may be imposed by the Committee, in its sole judgment, under Paragraph 9(a)). The right to payment of any fractional Shares that may have accrued shall be satisfied in cash, measured by the product of the fractional amount times the Fair Market Value of a Share at the Vesting Date, as determined by the Committee.

## 8. DEFERRAL ELECTIONS

A Grantee may elect to defer the receipt of Shares that would otherwise be issuable with respect to Restricted Stock Units as to which a Vesting Date has not occurred, as provided by the Committee in the Award, consistent, however, with the following:

(a) Initial Election and Regular Deferral Election.

(i) Initial Election.

- (A) Election. Each Grantee who is a Non-Employee Director or a Deferral Eligible Employee shall have the right to defer the receipt of some or all of the Shares issuable with respect to Restricted Stock Units as to which a Vesting Date has not yet occurred, by filing an Initial Election to defer the receipt of such Shares on a form provided by the Committee for this purpose.
- (B) Deadline for Initial Election. No Initial Election to defer the receipt of Shares issuable with respect to Restricted Stock Units that are not Performance-Based Compensation shall be effective unless it is filed with the Committee on or before the 30<sup>th</sup> day following the Date of Grant and 12 or more months in advance of the applicable Vesting Date. No Initial Election to defer the receipt of Shares issuable with respect to Restricted Stock Units that are Performance-Based Compensation shall be effective unless it is filed with the Administrator at least six months before the end of the Performance Period during which such Performance-Based Compensation may be earned.

(ii) Regular Deferral Election.

- (A) Election. Effective January 1, 2017, each Grantee who is a Deferral Eligible Employee shall have the right to defer the receipt of some or all of the Shares issuable with respect to

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Restricted Stock Units as to which a Vesting Date has not yet occurred, and that are not subject to an Initial Election, by filing a Regular Deferral Election to defer the receipt of such Shares on a form provided by the Committee for this purpose.

- (B) Deadline for Regular Deferral Election. No Regular Deferral Election to defer the receipt of Shares issuable with respect to Restricted Stock Units shall be effective unless it is filed with the Committee on or before the close of business at least one year before the scheduled Vesting Date of such Restricted Stock Units.

(b) Effect of Failure of Vesting Date to Occur. An Election shall be null and void if a Vesting Date with respect to the Restricted Stock Units does not occur before the distribution date for Shares issuable with respect to such Restricted Stock Units identified in such Election.

(c) Deferral Period. Except as otherwise provided in Paragraph 8(d), all Shares issuable with respect to Restricted Stock Units that are subject to an Election shall be delivered to the Grantee (or the Grantee's Successor-in-Interest) without any legend or restrictions (except those that may be imposed by the Committee, in its sole judgment, under Paragraph 9(a)), on the distribution date for such Shares designated by the Grantee on the most recently filed Election. The distribution date may vary with each separate Election.

- (i) Initial Election. Except as otherwise specifically provided by the Plan, no distribution pursuant to an Initial Election may be made earlier than January 2nd of the third calendar year beginning after the Vesting Date, nor later than January 2nd of the eleventh calendar year beginning after the Vesting Date.
- (ii) Regular Deferral Election. No distribution pursuant to a Regular Deferral Election may be made before the fifth anniversary or later than the tenth anniversary of the scheduled Vesting Date of the Restricted Stock Units to which the Regular Deferral Election applies.

(d) Additional Elections. Notwithstanding anything in this Paragraph 8(d) to the contrary, no Subsequent Election shall be effective until 12 months after the date on which such Subsequent Election is made.

- (i) Each Active Grantee (A) who has previously made an Initial Election or a Regular Deferral Election to receive a distribution of part or all of his or her Account, or (B) who, pursuant to this Paragraph 8(d)(i) has made a Subsequent Election to defer the

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distribution date for Shares issuable with respect to Restricted Stock Units for an additional period from the originally-elected distribution date, may elect to defer the distribution date for a minimum of five and a maximum of ten additional years from the previously-elected distribution date, by filing a Subsequent Election with the Committee on or before the close of business at least one year before the date on which the distribution would otherwise be made. Notwithstanding the foregoing, except as otherwise provided by the Committee, an Active Grantee who is re-employed by a Participating Company following an employment termination date may not make a Subsequent Election with respect to amounts subject to an Initial Election or a Subsequent Election that was filed with the Committee before such employment termination date.

- (ii) A Deceased Grantee's Successor-in-Interest may elect to file a Subsequent Election to defer the distribution date for the Deceased Grantee's Shares issuable with respect to Restricted Stock Units for five additional years from the date payment would otherwise be made. A Subsequent Election must be filed with the Committee at least one year before the date on which the distribution would otherwise be made, as reflected on the Deceased Grantee's last Election.
- (iii) A Retired Grantee may elect to defer the distribution date of the Retired Grantee's Shares issuable with respect to Restricted Stock Units for five additional years from the date payment would otherwise be made. A Subsequent Election must be filed with the Committee at least one year before the date on which the distribution would otherwise be made, as reflected on the Retired Grantee's last Election.

(e) Discretion to Provide for Distribution in Full Upon or Following a Change in Control. To the extent permitted by Section 409A, in connection with a Change in Control, and for the 12-month period following a Change in Control, the Committee may exercise its discretion to terminate the deferral provisions of the Plan and, notwithstanding any other provision of the Plan or the terms of any Initial Election, Regular Deferral Election or Subsequent Election, distribute the Account of each Grantee in full and thereby effect the revocation of any outstanding Initial Elections, Regular Deferral Election or Subsequent Elections.

(f) Hardship. Notwithstanding the terms of an Initial Election, Regular Deferral Election or Subsequent Election, if, at the Grantee's request, the Committee determines that the Grantee has incurred a Hardship, the Committee may, in its discretion, authorize the immediate distribution of all or any portion of the Grantee's Account.

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(g) Other Acceleration Events. To the extent permitted by Section 409A, notwithstanding the terms of an Initial Election, Regular Deferral Election or Subsequent Election, distribution of all or part of a Grantee's Account may be made:

- (i) To fulfill a domestic relations order (as defined in section 414(p)(1)(B) of the Code) to the extent permitted by Treasury Regulations section 1.409A-3(j)(4)(ii) or any successor provision of law).
- (ii) To the extent necessary to comply with laws relating to avoidance of conflicts of interest, as provided in Treasury Regulation section 1.409A-3(j)(4)(iii) (or any successor provision of law).
- (iii) To pay employment taxes to the extent permitted by Treasury Regulation section 1.409A-3(j)(4)(vi) (or any successor provision of law).
- (iv) In connection with the recognition of income as the result of a failure to comply with Section 409A, to the extent permitted by Treasury Regulation section 1.409A-3(j)(4)(vii) (or any successor provision of law).
- (v) To pay state, local or foreign taxes to the extent permitted by Treasury Regulation section 1.409A-3(j)(4)(xi) (or any successor provision of law).
- (vi) In satisfaction of a debt of a Grantee to a Participating Company where such debt is incurred in the ordinary course of the service relationship between the Grantee and the Participating Company, to the extent permitted by Treasury Regulation section 1.409A-3(j)(4)(xiii) (or any successor provision of law).
- (vii) In connection with a bona fide dispute as to a Grantee's right to payment, to the extent permitted by Treasury Regulation section 1.409A-3(j)(4)(xiv) (or any successor provision of law).

(h) Book Accounts. An Account shall be established for each Grantee who makes an Election. Deferred Stock Units shall be credited to the Account as of the date an Election becomes effective. Each Deferred Stock Unit will represent a hypothetical share of Common Stock credited to the Account in lieu of delivery of the Shares to which the Election applies. To the extent an Account is deemed invested in the Income Fund, the Committee shall credit earnings with respect to such Account at the Applicable Interest Rate, as further provided in Paragraph 8(k).

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- (i) Plan-to-Plan Transfers. The Administrator may delegate its authority to arrange for plan-to-plan transfers as described in this Paragraph 8(i) to an officer of the Company or committee of two or more officers of the Company.
- (i) The Administrator may, with a Grantee's consent, make such arrangements as it may deem appropriate to transfer the Company's obligation to pay benefits with respect to such Grantee which have not become payable under this Plan, to another employer, whether through a deferred compensation plan, program or arrangement sponsored by such other employer or otherwise, or to another deferred compensation plan, program or arrangement sponsored by the Company or an Affiliate. Following the completion of such transfer, with respect to the benefit transferred, the Grantee shall have no further right to payment under this Plan.
- (ii) The Administrator may, with a Grantee's consent, make such arrangements as it may deem appropriate to assume another employer's obligation to pay benefits with respect to such Grantee which have not become payable under the deferred compensation plan, program or arrangement under which such future right to payment arose, to the Plan, or to assume a future payment obligation of the Company or an Affiliate under another plan, program or arrangement sponsored by the Company or an Affiliate. Upon the completion of the Plan's assumption of such payment obligation, the Administrator shall establish an Account for such Grantee, and the Account shall be subject to the rules of this Plan, as in effect from time to time.
- (j) Crediting of Income, Gains and Losses on Accounts. Except as otherwise provided in Paragraph 8(k), the value of a Grantee's Account as of any date shall be determined as if it were invested in the Company Stock Fund.
- (k) Diversification Elections.
- (i) In General. Except as otherwise provided in Paragraph 8(k)(v):
- (A) A Diversification Election shall be available: (x) at any time that a Registration Statement filed under the 1933 Act (a "Registration Statement") is effective with respect to the Plan; and (y) with respect to a Special Diversification Election, if and to the extent that the opportunity to make such a Special Diversification Election has been approved by the Committee or its delegate.
- (B) No approval is required for a Diversification Election other than a Special Diversification Election.

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- (ii) Committee Approval of Special Diversification Elections. The opportunity to make a Special Diversification Election and the extent to which a Special Diversification Election applies to Deferred Stock Units credited to the Company Stock Fund may be approved or rejected by the Committee or its delegate in its sole discretion. A Special Diversification Election shall only be effective if (and to the extent) approved by the Committee or its delegate.
- (iii) Timing and Manner of Making Diversification Elections. Each Grantee and, in the case of a Deceased Grantee, the Successor-in-Interest, may make a Diversification Election to convert up to 40 percent (or in the case of a Special Diversification Election, up to the approved percentage) of Deferred Stock Units attributable to such Award credited to the Company Stock Fund to the Income Fund. No deemed transfers shall be permitted from the Income Fund to the Company Stock Fund. Diversification Elections under this Paragraph 8(k)(iii) shall be prospectively effective on the later of: (A) the date designated by the Grantee on a Diversification Election filed with the Committee; or (B) the business day next following the lapse of six months from the date Deferred Stock Units subject to the Diversification Election are credited to the Grantee's Account. In no event may a Diversification Election be effective earlier than the business day next following the lapse of six (6) months from the date Deferred Stock Units are credited to the Account following the lapse of restrictions with respect to an Award.
- (iv) Timing of Credits. Account balances subject to a Diversification Election under this Paragraph 8(k) shall be deemed transferred from the Company Stock Fund to the Income Fund immediately following the effective date of such Diversification Election. The value of amounts deemed invested in the Income Fund immediately following the effective date of a Diversification Election shall be based on hypothetical sales of Common Stock underlying the liquidated Deferred Stock Units at Fair Market Value as of the effective date of a Diversification Election.
- (v) Diversification Limit. No Diversification Election or Special Diversification Election during a calendar year by an Eligible Employee shall be effective if the sum of (x) the value of the Eligible Employee's Account in the 2005 Deferred Compensation Plan, plus (y) the value of the Eligible Employee's Account in the 2002 Deferred Compensation Plan, plus (z) the value of the Eligible Employee's Account in this Plan to the extent such

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Account is credited to the "Income Fund," exceeds the "Contribution Limit" (as defined in the 2005 Deferred Compensation Plan) with respect to such calendar year, determined as of September 30th immediately preceding such calendar year.

(l) Grantees' Status as General Creditors. A Grantee's right to delivery of Shares subject to an Election under this Paragraph 8, or to amounts deemed invested in the Income Fund pursuant to a Diversification Election, shall at all times represent the general obligation of the Company. The Grantee shall be a general creditor of the Company with respect to this obligation, and shall not have a secured or preferred position with respect to such obligation. Nothing contained in the Plan or an Award shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained in the Plan or an Award shall be construed to eliminate any priority or preferred position of a Grantee in a bankruptcy matter with respect to claims for wages.

(m) Non-Assignability, Etc. The right of a Grantee to receive Shares subject to an Election under this Paragraph 8, or to amounts deemed invested in the Income Fund pursuant to a Diversification Election, shall not be subject in any manner to attachment or other legal process for the debts of such Grantee; and no right to receive Shares or cash payments hereunder shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

(n) Required Suspension of Payment of Benefits. Notwithstanding any provision of the Plan or any Grantee's election as to the date or time of payment of any benefit payable under the Plan, To the extent compliance with the requirements of Treas. Reg. § 1.409A-3(i)(2) (or any successor provision) is necessary to avoid the application of an additional tax under Section 409A to payments due to the Grantee upon or following his separation from service, then notwithstanding any other provision of this Plan, any such payments that are otherwise due within six months following the Grantee's separation from service will be deferred and paid to the Grantee in a lump sum immediately following that six month period.

## 9. SECURITIES LAWS; TAXES

(a) Securities Laws. The Committee shall have the power to make each grant of Awards under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act and the 1934 Act, including Rule 16b-3. Such conditions may include the delivery by the Grantee of an investment representation to the Company in connection with a Vesting Date occurring with respect to Shares subject to an Award, or the execution of an agreement by the Grantee to refrain from selling or otherwise disposing of the Shares acquired for a specified period of time or on specified terms.

(b) Taxes. Subject to the rules of Paragraph 9(c), the Company shall be entitled, if necessary or desirable, to withhold the amount of any tax, charge or

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assessment attributable to the grant of any Award or the occurrence of a Vesting Date with respect to any Award, or distribution of all or any part of a Grantee's Account. The Company shall not be required to deliver Shares pursuant to any Award or distribute a Grantee's Account until it has been indemnified to its satisfaction for any such tax, charge or assessment.

(c) Payment of Tax Liabilities; Election to Withhold Shares or Pay Cash to Satisfy Tax Liability.

- (i) In connection with the grant of any Award, the occurrence of a Vesting Date under any Award or the distribution of a Grantee's Account, or if, under the terms of an Award, a Grantee's rights with respect to Restricted Stock Units become free of a substantial risk of forfeiture as the result of the Grantee's satisfaction of the age and service conditions for retirement eligibility, and, as a result thereof, employment tax liabilities arise, the Company shall have the right to (A) require the Grantee to remit to the Company an amount sufficient to satisfy any federal, state and/or local withholding tax requirements, or (B) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to make any delivery or transfer of Shares shall be conditioned on the Grantee's compliance, to the Company's satisfaction, with any withholding requirement.
- (ii) Except as otherwise provided in this Paragraph 9(c)(ii), any tax withholding obligations incurred in connection with the grant of any Award, the occurrence of a Vesting Date under any Award under the Plan that is not subject to an Initial Election, Regular Deferral Election or Subsequent Election, or the distribution of the portion of a Grantee's Account that is credited to the Company Stock Fund, shall be satisfied by the Company's withholding a portion of the Shares subject to such Award having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Company under applicable law, unless otherwise determined by the Committee with respect to any Grantee. Notwithstanding the foregoing, the Committee may permit a Grantee to elect one or more of the following with respect to any Award under the Plan that is not subject to an Initial Election, Regular Deferral Election or Subsequent Election:
  - (A) To the extent permitted by applicable law, to have taxes withheld in excess of the minimum amount required to be withheld by the Company under applicable law, provided that the Grantee certifies in writing to the Company at the

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time of such election that the Grantee owns Other Available Shares having a Fair Market Value that is at least equal to the Fair Market Value to be withheld by the Company in payment of withholding taxes in excess of such minimum amount;

- (B) With respect to tax liabilities arising on or after January 1, 2017, to have Shares otherwise deliverable to the Grantee after the application of the other provisions of this Paragraph 9(c)(ii) redeemed by the Company for the Fair Market Value of such Shares on the applicable Vesting Date, and have the cash proceeds of such redemption remitted by the Company to the Grantee to facilitate one or more estimated tax payments to the Internal Revenue Service or other taxing authority for the taxable year in which such vesting occurs, provided that the Grantee certifies in writing to the Company at the time of such election that the Grantee owns Other Available Shares having a Fair Market Value that is at least equal to the Fair Market Value of such Shares to be redeemed by the Company; and
- (C) To pay to the Company in cash all or a portion of the taxes to be withheld in connection with such grant, Vesting Date or Account distribution.

In all cases, the Shares so withheld or redeemed by the Company, as applicable, shall have a Fair Market Value that does not exceed the amount of taxes to be withheld or remitted via estimated tax payments minus the cash payment, if any, made by the Grantee or withheld from an Account distribution. Any election pursuant to this Paragraph 9(c)(ii) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. An election pursuant to this Paragraph 9(c)(ii) may be made only by a Grantee or, in the event of the Grantee's death, by the Grantee's legal representative. Shares withheld or redeemed, as applicable, pursuant to this Paragraph 9(c)(ii) shall not be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 9(c)(ii) as it deems appropriate.

- (iii) If part of a Grantee's Award is subject to an Initial Election or a Regular Deferral Election, or, under the terms of an Award, a Grantee's rights with respect to Restricted Stock Units become free

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of a substantial risk of forfeiture as the result of the satisfaction of a performance or service condition, or the Grantee's satisfaction of the age and service conditions for retirement eligibility, and, as a result thereof, employment tax liabilities arise, then, except to the extent the Grantee affirmatively elects otherwise as part of the Initial Election or Regular Deferral Election, the Grantee shall be required to remit to the Company an amount sufficient to satisfy any federal, state and/or local withholding tax requirements. As part of the Grantee's Initial Election or Regular Deferral Election, the Grantee may elect that Shares subject to such Award be withheld by the Company to the extent necessary to pay such employment tax liabilities (on a fully grossed-up basis to cover income and other withholding tax liabilities that may arise in connection with such an event), notwithstanding that such Shares may not yet have vested and become deliverable in accordance with the terms of the Award. Shares withheld pursuant to this Paragraph 9(c)(iii) shall be deemed allocated and offset against the number of Restricted Stock Units that may become subject to vesting under the terms of the Award on a basis pro rata to the Restricted Stock Units that give rise to the employment tax liabilities. With respect to any Grantee under the Plan who is subject to the short-swing profit recapture rules of section 16(b) of the 1934 Act, the requirement to withhold Shares pursuant to this Paragraph 9(c)(iii) is intended to permit such Grantees to obtain the benefit of section 16(b)(3)(e) of the 1934 Act.

#### **10. CHANGES IN CAPITALIZATION**

The aggregate number of Shares and class of Shares as to which Awards may be granted and the number of Shares covered by each outstanding Award shall be appropriately adjusted in the event of a stock dividend, stock split, recapitalization or other change in the number or class of issued and outstanding equity securities of the Company resulting from a subdivision or consolidation of the Shares and/or other outstanding equity security or a recapitalization or other capital adjustment (not including the issuance of Shares and/or other outstanding equity securities on the conversion of other securities of the Company which are convertible into Shares and/or other outstanding equity securities) affecting the Shares which is effected without receipt of consideration by the Company. The Committee shall have authority to determine the adjustments to be made under this Paragraph 10 and any such determination by the Committee shall be final, binding and conclusive.

#### **11. TERMINATING EVENTS**

(a) The Committee shall give Grantees at least thirty (30) days' notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the

anticipated date of the consummation of a Terminating Event. Except as otherwise provided in Paragraph 11(b), the Committee may, in its discretion, provide in such notice that upon the consummation of such Terminating Event, any conditions to the occurrence of a Vesting Date with respect to an Award of Restricted Stock or Restricted Stock Units (other than Restricted Stock or Restricted Stock Units that have previously been forfeited) shall be eliminated, in full or in part. Further, the Committee may, in its discretion, provide in such notice that notwithstanding any other provision of the Plan or the terms of any Election made pursuant to Paragraph 8, upon the consummation of a Terminating Event, Shares issuable with respect to Restricted Stock or Restricted Stock Units subject to an Election made pursuant to Paragraph 8 shall be transferred to the Grantee, and all amounts credited to the Income Fund shall be paid to the Grantee.

(b) No amounts subject to an Award under the Plan that constitute “deferred compensation” (as defined in Section 409A) shall be subject to distribution before the scheduled vesting date for such distribution in connection with a Change in Control unless such Change in Control constitutes a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company’s assets (in either case, as defined in Section 409A of the Code), except to the extent that earlier distribution would not result in any obligation to pay interest or additional tax under Section 409A.

## 12. CLAIMS PROCEDURE

If an individual (hereinafter referred to as the “Applicant,” which reference shall include the legal representative, if any, of the individual) does not receive timely payment of benefits to which the Applicant believes he is entitled under Paragraph 8 of the Plan, the Applicant may make a claim for benefits in the manner hereinafter provided.

An Applicant may file a claim for benefits with the Committee on a form supplied by the Committee. If the Committee wholly or partially denies a claim, the Committee shall provide the Applicant with a written notice stating:

- (a) The specific reason or reasons for the denial;
- (b) Specific reference to pertinent Plan provisions on which the denial is based;
- (c) A description of any additional material or information necessary for Applicant to perfect the claim and an explanation of why such material or information is necessary; and
- (d) Appropriate information as to the steps to be taken in order to submit a claim for review.

Written notice of a denial of a claim shall be provided within 90 days of the receipt of the claim, provided that if special circumstances require an extension of time for processing the claim, the Committee may notify the Applicant in writing that an additional period of up to 90 days will be required to process the claim.

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If the Applicant's claim is denied, the Applicant shall have 60 days from the date of receipt of written notice of the denial of the claim to request a review of the denial of the claim by the Committee. Request for review of the denial of a claim must be submitted in writing. The Applicant shall have the right to review pertinent documents and submit issues and comments to the Committee in writing. The Committee shall provide a written decision within 60 days of its receipt of the Applicant's request for review, provided that if special circumstances require an extension of time for processing the review of the Applicant's claim, the Committee may notify the Applicant in writing that an additional period of up to 60 days shall be required to process the Applicant's request for review.

It is intended that the claims procedures of this Plan be administered in accordance with the claims procedure regulations of the Department of Labor set forth in 29 CFR § 2560.503-1.

Claims for benefits under the Plan must be filed with the Committee at the following address:

Comcast Corporation  
One Comcast Center, 52nd Floor  
1701 John F. Kennedy Boulevard  
Philadelphia, PA 19103-2838  
Attention: General Counsel

### 13. REPAYMENT

If it is determined by the Board that gross negligence, intentional misconduct or fraud by a Section 16(b) Officer or a former Section 16(b) Officer caused or partially caused the Company to have to restate all or a portion of its financial statements, the Board, in its sole discretion, may, to the extent permitted by law and to the extent it determines in its sole judgment that it is in the best interests of the Company to do so, require repayment of any Shares of Restricted Stock granted after February 28, 2007 or Shares delivered pursuant to the vesting of Restricted Stock Units granted after February 28, 2007 to such Section 16(b) Officer or former Section 16(b) Officer, or to effect the cancellation of unvested Restricted Stock or unvested Restricted Stock Units, if (i) the vesting of the Award was calculated based upon, or contingent on, the achievement of financial or operating results that were the subject of or affected by the restatement, and (ii) the extent of vesting of the Award would have been less had the financial statements been correct. In addition, to the extent that the receipt of an Award subject to repayment under this Paragraph 13 has been deferred pursuant to Paragraph 8 (or any other plan, program or arrangement that permits the deferral of receipt of an Award), such Award (and any earnings credited with respect thereto) shall be forfeited in lieu of repayment.

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**14. AMENDMENT AND TERMINATION**

The Plan may be terminated by the Board at any time. The Plan may be amended by the Board or the Committee at any time. No Award shall be affected by any such termination or amendment without the written consent of the Grantee.

**15. INTERPRETATION**

The Committee shall have the power to interpret the Plan's provisions, prescribe, amend and rescind rules and regulations for the Plan, and make all other determinations necessary or advisable for the administration of the Plan. All determinations by the Committee shall be final, conclusive and binding on all Persons, including Grantees and their beneficiaries.

**16. TERM OF PLAN**

The Plan shall expire on May 19, 2026, unless sooner terminated by the Board.

**17. GOVERNING LAW**

The Plan and all determinations made and actions taken pursuant to the Plan shall be governed in accordance with Pennsylvania law.

Executed on the 5<sup>th</sup> day of December, 2016.

**COMCAST CORPORATION**

**BY:** /s/ David L. Cohen

**ATTEST:** /s/ Arthur R. Block

**AMENDMENT NO. 17 TO EMPLOYMENT AGREEMENT**

This AMENDMENT NO. 17 TO EMPLOYMENT AGREEMENT is entered as of the 12th day of December, 2016, between COMCAST CORPORATION, a Pennsylvania corporation (together with its subsidiaries, the "Company"), and BRIAN L. ROBERTS ("Employee").

**BACKGROUND**

WHEREAS, the parties entered into an Employment Agreement dated as of January 1, 2005, as amended (the "Agreement"), that sets forth the terms and conditions of Employee's employment with the Company, and

WHEREAS, the parties desire to further amend the Agreement on the terms and conditions contained herein.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Subparagraph 5(b) of the Agreement is hereby amended to add the following year and amount thereto: "Year — 2017; Amount - \$4,221,301." Employee hereby elects January 2, 2020 as the scheduled payment date with respect to such amount, provided that Employee may elect to postpone such scheduled payment date to the extent permitted under the Company's 2005 Deferred Compensation Plan.

2. The Agreement is hereby amended to add a new subparagraph 14(g), to follow subparagraph 14(f) and to read in its entirety as follows:

"(g) Nothing contained in this Agreement (including, without limitation, subparagraphs 14(c) and 15(a)) or otherwise limits Employee's ability to communicate directly with and provide information, including documents, not otherwise protected from disclosure by any applicable law or privilege, to the Securities and Exchange Commission (the "SEC"), the Occupational Safety and Health Administration ("OSHA") or any other federal, state or local governmental agency or commission regarding possible legal violations, without disclosure to the Company. The Company may not retaliate against Employee for any of these activities, and nothing in this Agreement requires Employee to waive any monetary award or other payment that Employee might become entitled to from the SEC or OSHA."

3. Except as modified hereby, the Agreement shall continue unmodified and in full force and effect.

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IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment No. 17 as of the date first-above written.

COMCAST CORPORATION

By: /s/ Arthur R. Block

Date: December 12, 2016

EMPLOYEE:

/s/ Brian L. Roberts

Brian L. Roberts

Date: December 12, 2016

**FORM OF COMCAST CORPORATION  
NON-QUALIFIED OPTION AWARD**

This is a Non-Qualified Stock Option Award dated \_\_\_\_\_ (“Award”) from Comcast Corporation (the “Sponsor”) to the Optionee.

1. Definitions. As used herein:

(a) “Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term “control,” including its correlative terms “controlled by” and “under common control with,” mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) “Board” means the board of directors of the Sponsor.

(c) “Cause” means (i) fraud; (ii) misappropriation; (iii) embezzlement; (iv) gross negligence in the performance of duties; (v) self-dealing; (vi) misrepresentation; (vii) dishonesty; (viii) conviction of a crime of a felony; (ix) material violation of any Company policy; (x) material violation of the Company’s Code of Ethics and Business Conduct or, (xi) in the case of an employee of a Company who is a party to an employment agreement with a Company, material breach of such agreement; provided that as to items (ix), (x) and (xi), if capable of being cured, such event or condition remains uncured following 30 days written notice thereof.

(d) “Change of Control” means any transaction or series of transactions as a result of which any Person who was a Third Party immediately before such transaction or series of transactions owns then-outstanding securities of the Sponsor such that such Person has the ability to direct the management of the Sponsor, as determined by the Board in its discretion. The Board may also determine that a Change of Control shall occur upon the completion of one or more proposed transactions. The Board’s determination shall be final and binding.

(e) “Closing” means the closing of the acquisition and sale of the Shares as described in, and subject to the provisions of, Paragraph 9 hereof.

(f) “Closing Date” means the date of the Closing.

(g) “Code” means the Internal Revenue Code of 1986, as amended.

(h) “Committee” means those members of the Board who have been designated pursuant to the Plan to act in that capacity.

(i) “Common Stock” means the Sponsor’s Class A Common Stock, par value, \$.01 per share.

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(j) "Company" means the Sponsor and each of its Subsidiaries.

(k) "Date of Exercise" means the date on which the notice required by Paragraph 6 hereof is hand-delivered, placed in the United States mail postage prepaid, or delivered to a telegraph or telex facility.

(l) "Date of Grant" means the date hereof, the date on which the Sponsor awarded the Option.

(m) "Disability" means a disability within the meaning of section 22(e)(3) of the Code.

(n) "Expiration Date" means the earliest of the following:

(1) If the Optionee's Termination of Employment with the Company is due to any reason other than death, Disability, Retirement or Cause, the date 90 days following such Termination of Employment;

(2) Subject to cancellation by the Committee pursuant to Paragraph 3(c), if the Optionee's Termination of Employment with the Company (other than a Termination of Employment with the Company for Cause) occurs after qualifying for Retirement,

(a) the date three months after the third anniversary of the date of the Optionee's Termination of Employment if, at the time of such Termination of Employment, the Optionee has completed at least ten (10) but less than fifteen (15) years of service with the Company;

(b) the date three months after the fifth anniversary of the date of the Optionee's Termination of Employment if, at the time of such Termination of Employment, the Optionee has completed at least fifteen (15) but less than twenty (20) years of service with the Company; or

(c) the date three months after the nine and one-half year anniversary of the date of the Optionee's Termination of Employment if, at the time of such Termination of Employment, the Optionee has completed twenty (20) or more years of service with the Company;

(3) If the Optionee's Termination of Employment with the Company is for Cause, the date of such Termination of Employment; or

(4) The day before the tenth anniversary of the Date of Grant.

(o) "Fair Market Value" means the Fair Market Value of a Share, as determined pursuant to the Plan.

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(p) "Long-Term Incentive Awards Summary Schedule" means the schedule attached hereto, which sets forth specific information relating to the grant, vesting and exercise of the Option.

(q) "Option" means the option hereby granted.

(r) "Option Price" means the per Share exercise price of the Option, as calculated pursuant to the Plan and set forth on the attached Long-Term Incentive Awards Summary Schedule.

(s) "Optionee" means the individual to whom the Option has been granted as identified on the attached Long-Term Incentive Awards Summary Schedule.

(t) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

(u) "Plan" means the Comcast Corporation 2003 Stock Option Plan, incorporated herein by reference.

(v) "Retirement" An Optionee will be qualified for Retirement after reaching age 62 and completing 10 or more years of service with the Company.

(w) "Shares" mean the total number of shares of Common Stock, which are the subject of the Option hereby granted, as set forth on the attached Long-Term Incentive Awards Summary Schedule.

(x) "Sponsor" means Comcast Corporation, a Pennsylvania corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

(y) "Subsidiary" means any business entity that, at the time in question, is a subsidiary of the Sponsor within the meaning of section 424(f) of the Code.

(z) "Ten Percent Shareholder" means a person who on the Date of Grant owns, either directly or within the meaning of the attribution rules contained in section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of his employer corporation or of its parent or subsidiary corporations, as defined respectively in sections 424(e) and (f) of the Code, provided that the employer corporation is the Sponsor or a Subsidiary.

(aa) "Terminating Event" means any of the following events:

(1) the liquidation of the Sponsor; or

(2) a Change of Control.

(bb) "Termination of Employment" means the Optionee's termination of employment. For purposes of the Plan and this Award, the Optionee's Termination of

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Employment occurs on the date the Optionee ceases to have a regular obligation to perform services for the Company, without regard to whether (i) the Optionee continues on the Company's payroll for regular, severance or other pay or (ii) the Optionee continues to participate in one or more health and welfare plans maintained by the Company on the same basis as active employees. Whether the Optionee ceases to have a regular obligation to perform services for the Company shall be determined by the Committee in its sole discretion. Notwithstanding the foregoing, if the Optionee is a party to an employment agreement or severance agreement with the Company which establishes the effective date of the Optionee's termination of employment for purposes of this Award, that date shall apply.

(cc) "Third Party" means any Person other than a Company, together with such Person's Affiliates, provided that the term "Third Party" shall not include the Sponsor or an Affiliate of the Sponsor.

(dd) "1933 Act" means the Securities Act of 1933, as amended.

(ee) "1934 Act" means the Securities Exchange Act of 1934, as amended.

2. Grant of Option. Subject to the terms and conditions set forth herein and in the Plan, the Sponsor hereby grants to the Optionee the Option to purchase any or all of the Shares.

3. Time of Exercise of Options.

(a) Except as provided in Paragraphs 3(b), 3(c) or 4, the Option may be exercised after such time or times as set forth on the attached Long-Term Incentive Awards Summary Schedule, and shall remain exercisable until the Expiration Date, when the right to exercise shall terminate absolutely. No Shares subject to the Option shall first become exercisable following the Optionee's Termination of Employment for any reason other than death or Disability or after qualifying for Retirement.

(b) All Shares subject to the Option shall vest and become exercisable upon the Optionee's Termination of Employment because of death or Disability. Furthermore, the Option shall continue to vest and become exercisable in accordance with the attached Long-Term Incentive Awards Summary Schedule following the Optionee's Termination of Employment (other than a Termination of Employment with the Company for Cause) after qualifying for Retirement for a period of:

(1) three (3) years following such Termination of Employment if, at the time of such Termination of Employment, the Optionee has completed at least ten (10) but less than fifteen (15) years of service with the Company;

(2) five (5) years following such Termination of Employment if, at the time of such Termination of Employment, the Optionee has completed at least fifteen (15) but less than twenty (20) years of service with the Company; or

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(3) nine and one-half (9 1/2) years following such Termination of Employment if, at the time of such Termination of Employment, the Optionee has completed twenty (20) or more years of service with the Company.

(c) Notwithstanding the foregoing, the Option will be subject to cancellation by the Committee, in its sole discretion, if the Optionee breaches either of the following non-solicitation or non-competition obligations during the period following Termination of Employment in which the Option remains exercisable by the Optionee pursuant to the terms of this Award:

(1) The Optionee shall not, directly or indirectly, solicit, induce, encourage or attempt to influence any customer, employee, consultant, independent contractor, service provider or supplier of the Company to cease to do business or to terminate the employment or other relationship with the Company.

(2) The Optionee shall not, directly or indirectly, engage or be financially interested in (as an agent, consultant, director, employee, independent contractor, officer, owner, partner, principal or otherwise), any activities for any business (whether conducted by an entity or individuals, including the Optionee in self-employment) that is engaged in competition, directly or indirectly through any entity controlling, controlled by or under common control with such business, with any of the business activities carried on by the Company, any of its subsidiaries or any other business unit of the Company, or being planned by the Company, any of its subsidiaries or any other business unit of the Company with the Optionee's knowledge at the time of the Optionee's Termination of Employment. This restriction shall apply in any geographical area of the United States in which the Company carries out business activities. Nothing herein shall prevent the Optionee from owning for investment up to one percent (1%) of any class of equity security of an entity whose securities are traded on a national securities exchange or market.

(d) If the Option remains unexercised immediately before the time at which the Option is scheduled to expire in accordance with the rules of the Plan and this grant document, the Option shall be deemed automatically exercised in accordance with Paragraph 7(h)(ii) of the Plan immediately before the time at which the Option is scheduled to expire, if the Option satisfies the following conditions:

(1) The Option is covered by a then current registration statement or a Notification under Regulation A under the 1933 Act.

(2) The last reported sale price of a Share on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the last preceding trading day, exceeds the Option Price by such amount as may be determined by the Committee or its delegate from time to time. Absent a contrary determination, such excess per Share shall be \$0.01.

(3) The Optionee to whom such Option has been granted has not terminated employment for Cause, and, immediately before the time at which such Option is scheduled to expire, there is no basis for a termination of employment for Cause.

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An Option subject to this Paragraph 3(d) shall be exercised via cashless exercise, such that subject to the other terms and conditions of the Plan, following the date of exercise, the Company shall deliver to the Optionee Shares having a value, at the time of exercise, equal to the excess, if any, of (A) the value of such Shares based on the last reported sale price of such Shares on the principal exchange on which Shares are listed on the date of determination, or if such date is not a trading day, the last preceding trading date, over (B) the sum of (1) the aggregate option price for such Shares, plus (2) the applicable tax withholding amounts (as determined pursuant to Paragraph 15 of the Plan) for such exercise; provided that in connection with such cashless exercise that would not result in the issuance of a whole number of Shares, the Company shall pay cash in lieu of any fractional Share.

**4. Terminating Event.**

(a) The Sponsor shall give the Optionee at least thirty (30) days' notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. Upon receipt of such notice, and for a period of ten (10) days thereafter (or such shorter period as the Board shall reasonably determine and so notify the Optionee), the Optionee shall be permitted to exercise the Option to the extent the Option is then exercisable; provided that, the Sponsor may, by similar notice, require the Optionee to exercise the Option, to the extent the Option is then exercisable, or to forfeit the Option (or portion thereof, as applicable). The Committee may, in its discretion, provide that upon the Optionee's receipt of the notice of a Terminating Event under this Paragraph 4(a), the entire number of Shares covered by Options shall become immediately exercisable. Upon the close of the period described in this Paragraph 4(a) during which an Option may be exercised in connection with a Terminating Event, such Option (including such portion thereof that is not exercisable) shall terminate to the extent that such Option has not theretofore been exercised.

(b) Notwithstanding Paragraph 4(a), in the event the Terminating Event is not consummated, the Option shall be deemed not to have been exercised and shall be exercisable thereafter to the extent it would have been exercisable if no such notice had been given.

**5. Payment for Shares.** Full payment for Shares purchased upon the exercise of an Option shall be made via cashless exercise, such that subject to the other terms and conditions of the Award and the Plan, the Company shall deliver to the Optionee Shares having a Fair Market Value, as of the Date of Exercise, equal to the excess, if any, of (a) the Fair Market Value of such Shares on the Date of Exercise of the Option over (b) the sum of (i) the aggregate Option Price for such Shares, plus (ii) the applicable tax withholding amounts (as determined pursuant to Paragraph 14 of the Award and Paragraph 15(b) of the Plan) for such exercise, provided that in connection with a cashless exercise that would not result in the issuance of a whole number of Shares, the Company shall withhold cash that would otherwise be payable to the Optionee from its regular payroll or the Optionee shall deliver cash or a certified check payable to the order of the Company for the balance of the option price for a whole Share to the extent necessary to avoid the issuance of a fractional Share or the payment of cash by the Company.

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6. Manner of Exercise. The Option shall be exercised by giving written notice of exercise in accordance with the manner prescribed by the Committee. Such notice shall be deemed to have been given when hand-delivered, telecopied or mailed, first class postage prepaid, and shall be irrevocable once given.

7. Nontransferability of Option. The Option may not be transferred or assigned by the Optionee otherwise than by will or the laws of descent and distribution or be exercised during his life other than by the Optionee or for his benefit by his attorney-in-fact or guardian. Any attempt at assignment, transfer, pledge or disposition of the Option contrary to the provisions hereof or the levy of any execution, attachment or similar process upon the Option shall be null and void and without effect. Any exercise of the Option by a person other than the Optionee shall be accompanied by appropriate proofs of the right of such person to exercise the Option.

8. Securities Laws. The Committee may from time to time impose any conditions on the exercise of the Option as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act or the 1934 Act, including Rule 16b-3 (or any similar rule) of the Securities and Exchange Commission. If the listing, registration or qualification of Shares issuable on the exercise of the Option upon any securities exchange or under any federal or state law, or the consent or approval of any governmental regulatory body is necessary as a condition of or in connection with the purchase of such Shares, the Sponsor shall not be obligated to issue or deliver the certificates representing the Shares otherwise issuable on the exercise of the Option unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained. If registration is considered unnecessary by the Sponsor or its counsel, the Sponsor may cause a legend to be placed on such Shares calling attention to the fact that they have been acquired for investment and have not been registered.

9. Issuance of Certificate at Closing. Subject to the provisions of this Paragraph 9, the Closing Date shall occur as promptly as is feasible after the exercise of the Option. Subject to the provisions of Paragraphs 8 and 10 hereof, a certificate for the Shares issuable on the exercise of the Option shall be delivered to the Optionee or to his personal representative, heir or legatee at the Closing.

10. Rights Prior to Exercise. The Optionee shall not have any right as a stockholder with respect to any Shares subject to his Options until the Option shall have been exercised in accordance with the terms of the Plan and the Award and the Company shall have delivered the Shares. In the event that the Optionee's Termination of Employment with the Company is for Cause, upon a determination by the Committee, the Optionee shall automatically forfeit all Shares otherwise subject to delivery upon exercise of an Option but for which the Sponsor has not yet delivered the Shares.

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11. Status of Option: Interpretation. The Option is intended to be a non-qualified stock option. Accordingly, it is intended that the transfer of property pursuant to the exercise of the Option be subject to federal income tax in accordance with section 83 of the Code. The Option is not intended to qualify as an incentive stock option within the meaning of section 422 of the Code. The interpretation and construction of any provision of this Option or the Plan made by the Committee shall be final and conclusive and, insofar as possible, shall be consistent with the intention expressed in this Paragraph 11.

12. Option Not to Affect Employment. The Option granted hereunder shall not confer upon the Optionee any right to continue in service as an employee, officer or director of the Sponsor or any subsidiary of the Sponsor.

13. Miscellaneous.

(a) The address for the Optionee to which notice, demands and other communications to be given or delivered under or by reason of the provisions hereof shall be the address contained in the Company's personnel records, or such other address as the Optionee may provide to the Company by written notice.

(b) This Award may be executed in one or more counterparts all of which taken together will constitute one and the same instrument.

(c) The validity, performance, construction and effect of this Award shall be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to principles of conflicts of law.

(d) The Optionee hereby irrevocably and unconditionally consents to submit to the exclusive jurisdiction of the courts of the Commonwealth of Pennsylvania and of the United States of America, in each case located in Philadelphia, Pennsylvania, for any actions, suits or proceedings arising out of or relating to this Award and the transactions contemplated hereby ("Litigation") and agrees not to commence any Litigation except in any such court, and further agrees that service of process, summons, notice or document by U.S. registered mail to his respective address shall be effective service of process for any Litigation brought against him in any such court. Each party hereby irrevocably and unconditionally waives any objection to the laying of venue of any Litigation in the courts of the Commonwealth of Pennsylvania or of the United States of America, in each case located in Philadelphia, Pennsylvania, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any Litigation brought in any such court has been brought in an inconvenient forum.

14. Withholding of Taxes. Whenever the Sponsor proposes or is required to deliver or transfer Shares in connection with the exercise of the Option, the Sponsor shall have the right to (a) withhold Shares subject to the Optionee's exercise of the Option as provided in Paragraph 5 of the Award and Paragraph 15(b) of the Plan, (b) require the Optionee to remit to the Sponsor an amount sufficient to satisfy any federal, state and/or local withholding tax requirements prior to the delivery or transfer of any certificate or certificates for such Shares or (c) take whatever action it deems necessary to protect its interests with respect to tax liabilities.

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IN WITNESS WHEREOF, the Sponsor has granted this Award on the day and year first above written.

COMCAST CORPORATION

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_

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**FORM OF LONG-TERM INCENTIVE AWARDS SUMMARY SCHEDULE**

This Long-Term Incentive Awards Summary Schedule (this "Schedule") provides certain information related to the Non-Qualified Stock Option and Restricted Stock Units you were granted by Comcast Corporation on \_\_\_\_\_ (the "Date of Grant"). **This Schedule is intended to be, and shall at all times be interpreted as, a part of your Comcast Corporation Non-Qualified Option award document.**

**Non-Qualified Stock Option Award**

Optionee:

Date of Grant:

Common Stock:

Per Share Option Price:

Shares Subject to Option:

Vesting Dates /Exercisability of Option:

Option Term:

\_\_\_\_\_ of the Shares subject to the Option may be exercised following \_\_\_\_\_ .  
10 Years, except as otherwise provided in your Comcast Corporation  
Non-Qualified Option award document.

Comcast Corporation

## Statement Regarding Computation of Ratio of Earnings to Fixed Charges and Ratio of Earnings to Combined Fixed Charges and Preferred Dividends

Year Ended December 31 (in millions)	2016	2015	2014	2013	2012
<b>Computation of Earnings: (a)</b>					
Pretax income from continuing operations before adjustment for noncontrolling interests in consolidated subsidiaries or income or loss from equity investees	\$14,457	\$13,697	\$12,368	\$11,201	\$10,650
Fixed charges	3,349	3,047	2,910	2,882	2,798
Distributed income of equity investees	85	168	104	120	195
Less: Preference security dividend requirements of consolidated subsidiaries	(224)	(223)	(204)	(211)	(155)
Less: Capitalized Interest	(40)	—	—	—	—
<b>Total earnings</b>	<b>\$17,627</b>	<b>\$16,689</b>	<b>\$15,178</b>	<b>\$13,992</b>	<b>\$13,488</b>
<b>Computation of Fixed Charges: (a)</b>					
Interest expensed and capitalized	\$ 2,956	\$ 2,660	\$ 2,609	\$ 2,559	\$ 2,508
Amortized premiums, discounts and capitalized expenses related to indebtedness	26	65	8	15	13
Less: preferred dividends in interest expense	(103)	(102)	(102)	(106)	(105)
Portion of rents representative of an interest factor	246	201	191	203	227
Preference security dividend requirements of consolidated subsidiaries	224	223	204	211	155
<b>Total fixed charges</b>	<b>\$ 3,349</b>	<b>\$ 3,047</b>	<b>\$ 2,910</b>	<b>\$ 2,882</b>	<b>\$ 2,798</b>
<b>Ratio of earnings to fixed charges(a)</b>	<b>5.26x</b>	<b>5.48x</b>	<b>5.22x</b>	<b>4.85x</b>	<b>4.82x</b>

- (a) For purposes of calculating the ratio of earnings to fixed charges, earnings is the amount resulting from (1) adding (a) pretax income from continuing operations before adjustment for noncontrolling interests in consolidated subsidiaries or income or loss from equity investees, (b) fixed charges, (c) amortization of capitalized interest, (d) distributed income of equity investees and (e) our share of pretax losses of equity investees for which charges arising from guarantees are included in fixed charges and (2) subtracting (i) interest capitalized, (ii) preference security dividend requirements of consolidated subsidiaries and (iii) the noncontrolling interest in pretax income of subsidiaries that have not incurred fixed charges. Fixed charges is the sum of (w) interest expensed and capitalized, (x) amortized premiums, discounts and capitalized expenses related to indebtedness, (y) an estimate of the interest within rental expense and (z) preference security dividend requirements of our consolidated subsidiaries. Preferred security dividend is the amount of pretax earnings that is required to pay the dividends on outstanding preference securities. Interest associated with our uncertain tax positions is a component of income tax expense.

**Exhibit 21.1**

<u>Legal Name</u>	<u>State/ Country of Organization</u>
Bravo Media LLC	NY
Centaur Funding Corporation	Cayman Islands
CNBC LLC	DE
Comcast ABB Note Consolidation, Inc.	DE
Comcast Broadband Security, LLC	DE
Comcast Business Communications, LLC	PA
Comcast Cable Communications, LLC	DE
Comcast Cable Communications Management, LLC	DE
Comcast Cable Funding I, LLC	DE
Comcast Corporation	PA
Comcast Funding I, Inc.	DE
Comcast Holdings Corporation	PA
Comcast Interactive Media, LLC	DE
Comcast IP Phone, LLC	PA
Comcast of Arkansas/Florida/Louisiana/Minnesota/Mississippi/Tennessee, LLC	DE
Comcast of Boston, Inc.	NY
Comcast of California II, LLC	DE
Comcast of California III, Inc.	CA
Comcast of California IX, Inc.	CA
Comcast of California/Colorado/Florida/Oregon, Inc.	GA
Comcast of California/Colorado/Illinois/Indiana/Michigan, LP	DE
Comcast of California/Maryland/Pennsylvania/Virginia/West Virginia, LLC	DE
Comcast of California/Massachusetts/Michigan/Utah, LLC	DE
Comcast of Colorado IX, LLC	DE
Comcast of Colorado/Florida/Michigan/New Mexico/Pennsylvania/Washington, LLC	CO
Comcast of Colorado/Pennsylvania/West Virginia, LLC	DE
Comcast of Connecticut, Inc.	OK
Comcast of Connecticut/Georgia/Massachusetts/New Hampshire/New York/North Carolina/Virginia/Vermont, LLC	DE
Comcast of Florida/Georgia/Illinois/Michigan, LLC	FL
Comcast of Florida/Georgia/Pennsylvania, LP	DE
Comcast of Garden State, L.P.	DE
Comcast of Houston, LLC	DE
Comcast of Illinois VI, LLC	DE
Comcast of Illinois/Indiana/Ohio, LLC	DE
Comcast of Maine/New Hampshire, Inc.	NH
Comcast of Maryland, LLC	CO
Comcast of Massachusetts II, Inc.	DE
Comcast of Massachusetts III, Inc.	DE
Comcast of New Jersey II, LLC	DE
Comcast of Oregon II, Inc.	OR
Comcast of Philadelphia II, LLC	DE
Comcast of Potomac, LLC	DE

<u>Legal Name</u>	<u>State/ Country of Organization</u>
Comcast of South Jersey, LLC	DE
Comcast of Southeast Pennsylvania, LLC	DE
Comcast of the South	CO
Comcast Programming Holdings, LLC	DE
Comcast Shared Services, LLC	DE
Comcast SportsNet Chicago, LLC	DE
E! Entertainment Television, LLC	DE
MSNBC Cable L.L.C.	DE
NBC Olympics LLC	DE
NBC West, LLC	DE
NBCU New Site Holdings LLC	DE
NBCUniversal Enterprise, Inc.	DE
NBCUniversal Media, LLC	DE
NBCUniversal, LLC	DE
Open 4 Business Productions LLC	DE
Telemundo Network Group LLC	DE
TGC, LLC	DE
Universal City Development Partners, Ltd.	FL
Universal City Studios LLC	DE
Universal City Studios Productions LLLP	DE
Universal Studios International B.V.	Netherlands
Universal Studios Licensing LLC	DE
Universal Studios Limited	England and Wales
Universal Studios LLC	DE
Universal Television LLC	NY
Universal Television Networks	NY
USJ Co., Ltd.	Japan

## Consent of Independent Registered Public Accounting Firm

**Exhibit 23.1**

We consent to the incorporation by reference in Registration Statements on Form S-8 (Nos. 333-101645, 333-101295, 333-104385, 333-121082, 333-123059, 333-130844, 333-130845, 333-130847, 333-150976, 333-161468, 333-174416, 333-174417, 333-179638, 333-183008, 333-193903, 333-210085, and 333-212716) and Form S-3 (No. 333-212719) of our reports dated February 3, 2017, relating to the consolidated financial statements and consolidated financial statement schedule of Comcast Corporation, and the effectiveness of Comcast Corporation's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Comcast Corporation for the year ended December 31, 2016.

**/s/ DELOITTE & TOUCHE LLP**

Philadelphia, Pennsylvania  
February 3, 2017

## Consent of Independent Registered Public Accounting Firm

**Exhibit 23.2**

We consent to the incorporation by reference in Registration Statements on Form S-8 (Nos. 333-177681 and 333-215522) and Form S-3 (No. 333-212719-01) of our reports dated February 3, 2017, relating to the consolidated financial statements and consolidated financial statement schedule of NBCUniversal Media, LLC appearing in this Annual Report on Form 10-K of NBCUniversal Media, LLC for the year ended December 31, 2016.

**/s/ DELOITTE & TOUCHE LLP**

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Philadelphia, Pennsylvania  
February 3, 2017









# Certification Pursuant to Section 906 of the Sarbanes-Oxley Act

Exhibit 32.1

February 3, 2017

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Ladies and Gentlemen:

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K 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 and Michael J. Cavanagh, the 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  
Title: Chief Executive Officer

/S/ MICHAEL J. CAVANAGH

\_\_\_\_\_  
Name: Michael J. Cavanagh  
Title: Chief Financial Officer

# Certification Pursuant to Section 906 of the Sarbanes-Oxley Act

Exhibit 32.2

February 3, 2017

Securities and Exchange Commission  
100 F Street, N.E.  
Washington, D.C. 20549

Ladies and Gentlemen:

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K of NBCUniversal Media, LLC (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 Principal Executive Officer and Michael J. Cavanagh, the Principal Financial Officer of NBCUniversal Media, LLC, 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 NBCUniversal Media, LLC.

\_\_\_\_\_  
/s/ BRIAN L. ROBERTS

Name: Brian L. Roberts  
Title: Principal Executive Officer

\_\_\_\_\_  
/s/ MICHAEL J. CAVANAGH

Name: Michael J. Cavanagh  
Title: Principal Financial Officer

