



Comcast Reports Third Quarter 2005 Results

- **Cable Revenue Increased 9.8% to \$5.3 Billion**
- **Cable Operating Income Increased 27.1% to \$948 Million**
- **Cable Operating Cash Flow Increased 13.9% to \$2.1 Billion**
- **Growth in New Services Continues**
- **Added 710,000 Revenue Generating Units in the Quarter**
- **High-Speed Internet Service Revenue Increased 26% To Reach \$1 Billion for the Quarter**
- **Invested \$1 Billion in its Stock during the Quarter**

PHILADELPHIA, Nov. 3 /PRNewswire-FirstCall/ -- Comcast Corporation (Nasdaq: CMCSA, CMCSK) today reported results for the quarter ended September 30, 2005. Comcast will discuss third quarter results on a conference call and webcast today at 8:30 AM Eastern Time. A live broadcast of the conference call will be available on the investor relations website at <http://www.cmcsa.com> and <http://www.cmcsk.com>.

Brian L. Roberts, Chairman and CEO of Comcast Corporation said, "Our businesses continue to deliver strong operational and financial results as we post our 21st consecutive quarter of double digit Operating Cash Flow growth. Our Cable division delivered revenue growth of 9.8% and Operating Cash Flow growth of 13.9% contributing to consolidated revenue growth of 9.4%, consolidated Operating Cash Flow growth of 12.9% and an increase in consolidated operating income of 28.6%.

"We are extending our competitive advantage by delivering industry-leading products and our results demonstrate that our strategy is working. We are continually enhancing the TV viewing experience, providing more choices for our customers who are embracing a new way to watch television. Last month, we delivered our 1 billionth ON DEMAND program this year. Comcast High-Speed Internet exceeded \$1 billion in revenue this quarter and at 20% penetration, we believe this business has significant growth potential. Comcast Digital Voice service is now available to 12 million households in 21 markets. The rollout of this new service is just getting started, and we expect Comcast Digital Voice to be another meaningful driver of growth for years to come.

"During this quarter we invested over \$1 billion in our common stock through open market repurchases totaling \$752 million and the cash settlement of Comcast exchangeable debt for \$253 million. Since the inception of our repurchase program nearly two years ago, including the cash settlement of exchangeable debt, we have invested \$4.1 billion in our stock resulting in 140 million or 6% fewer shares outstanding.

"We are in a strong position to deliver the best entertainment and communications services to consumers, and to build long-term value for our shareholders."

Comcast Cable Results

Cable results for the quarter and the nine months ended September 30, 2005 are presented on a pro forma basis. Pro forma cable results adjust only for certain acquisitions and dispositions and are presented as if the acquisitions and dispositions were effective on January 1, 2004. Please refer to Table 7-A for a reconciliation of pro forma data.

Third Quarter 2005

Comcast Cable reported revenue of \$5.3 billion for the quarter ended September 30, 2005, representing a 9.8% increase from the third quarter of 2004. Video revenue increased \$184 million or 5.7% to \$3.4 billion in the third quarter of 2005, driven by higher monthly revenue per basic subscriber and a 12.4% increase in the number of digital customers. Comcast Cable added 307,000 new digital customers in the third quarter of 2005 and with more than 9.4 million subscribers, digital cable penetration reached 44.1% of basic subscribers. Basic subscribers are essentially unchanged at 21.4 million, a modest decline of 0.4% from one year ago.

Digital cable subscriber and video revenue growth reflects strong consumer demand for new digital features including Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs). Pay-per-view revenues increased 7.9% from the same period last year driven by movie and event purchases through the Comcast ON DEMAND service. During the third quarter, Comcast Cable deployed 326,000 advanced set-top boxes with DVR and/or HDTV programming capability, ending the quarter with a total of 2.3 million advanced set-top boxes in service. At September 30, 2005, 21.8% of digital customers have one or more advanced set-top boxes.

Comcast High-Speed Internet service revenues increased 26.1% to \$1.0 billion in the third quarter of 2005, reflecting a 24.2% increase in subscribers and strong average revenue per subscriber. Comcast Cable ended the third quarter of 2005 with more than 8.1 million high-speed Internet subscribers, adding 437,000 subscribers during the quarter and resulting in a penetration rate of 19.9% of available homes. Average monthly revenue per high-speed Internet subscriber in the third quarter of 2005 of \$42.88 was in line with a year ago.

Comcast Cable added 46,000 Comcast Digital Voice (CDV) customers, reflecting the rollout of CDV in new markets including Washington, D.C., Seattle, Baltimore and Denver. As expected, CDV customer additions were offset by a decline in the number of Comcast's circuit-switched telephone customers as Comcast transitions to marketing Comcast Digital Voice. As a result, Comcast Cable reported 12,000 net new phone customers in the third quarter of 2005. Cable phone revenue remained relatively unchanged from the third quarter of the prior year at \$171 million.

Advertising revenue for the third quarter of 2005 increased 4.5% to \$333 million, reflecting growth of 2.9% in local advertising and growth of 11.8% in regional/national advertising. The growth in advertising revenue during the quarter was offset by a decline in political advertising when compared to the prior year. Advertising revenue growth in the fourth quarter of 2005 will continue to reflect a significant decline in political advertising when compared to the 2004 election year.

Cable operating income before depreciation and amortization (Operating Cash Flow) grew 13.9% to \$2.1 billion in the third quarter, an increase from the \$1.9 billion reported for the third quarter of 2004. Operating Cash Flow margin increased to 39.8% in the third quarter of 2005 from 38.4% in the third quarter of 2004 reflecting strong revenue growth and the Company's continuing success in controlling the growth of operating costs.

Cable capital expenditures increased 3.2% to \$899 million compared to the \$871 million in the third quarter of 2004 reflecting increased purchases of digital set-top boxes to meet strong demand for digital services and higher costs associated with readiness and deployment of CDV.

Year-to-date September 2005

For the nine months ended September 30, 2005, Comcast Cable reported revenue of \$15.8 billion, representing a 9.9% increase from the same period in the prior year. Video revenue increased 5.7% during the period, driven by higher monthly revenue per basic subscriber and a 12.4% increase in the number of digital customers. Comcast Cable added 790,000 digital cable subscribers during the first nine months of 2005 to end the period with more than 9.4 million digital subscribers. Comcast Cable basic subscribers declined 152,000 during the first nine months of 2005, ending the period at 21.4 million subscribers.

Comcast Cable added over 1.1 million high-speed Internet subscribers during the first nine months of 2005 to end the period with more than 8.1 million subscribers. Revenues for this service increased 29.0% from the prior year to \$2.9 billion, reflecting strong year over year subscriber growth and stable average revenue per subscriber. Cable phone revenue declined 2.7% from the same period one year ago to \$514 million, primarily due to lower revenue per customer as Comcast transitions to marketing Comcast Digital Voice. Comcast Cable added nearly 19,000 phone subscribers in the first nine months of 2005 compared to a loss of 54,000 subscribers in the first nine months of 2004. As of September 30, 2005 Comcast Cable added 1.8 million revenue generating units during the year. Advertising revenue increased 8.0% from the same period of 2004 to \$991 million, including the decline in political advertising from the 2004 election year.

Operating Cash Flow grew 14.3% from the same period one year ago to \$6.3 billion, reflecting strong revenue growth and the Company's success in controlling the growth of operating costs. Operating Cash Flow margin for the first nine months of 2005 increased to 39.9% from 38.4% in the prior year. Comcast Cable capital expenditures were \$2.7 billion for the first nine months of 2005 compared to \$2.6 billion last year. The increase in capital expenditures reflects the purchase of digital set-top boxes to meet strong demand for digital services, the costs associated with readiness and deployment of CDV, as well as capital investments for digital simulcasting and our integrated service platform that are being completed in 2005.

Content

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

Comcast's content segment reported third quarter 2005 revenue of \$237 million, a 14.8% increase from the third quarter of 2004 reflecting increases in distribution and advertising revenue for all the networks. The content segment reported Operating Cash Flow of \$74 million in the third quarter of 2005, a 19.3% increase above the third quarter of 2004.

For the nine months ended September 30, 2005, Comcast's content segment reported revenue of \$684 million, a 17.6% increase compared to the prior year period, and Operating Cash Flow of \$248 million, an increase of 19.2% from the same period last year.

Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. In the third quarter of 2005, Comcast reported Corporate and Other revenue of \$22 million and an Operating Cash Flow loss of \$91 million as compared to revenue of \$47 million and an Operating Cash Flow loss of \$60 million in the third quarter of 2004. Operating Cash Flow includes charges related to the termination of player contracts at Comcast-Spectacor.

For the nine months ended September 30, 2005, Corporate and Other revenue declined to \$105 million from the \$161 million reported in the same period of 2004. The Operating Cash Flow loss for the year-to-date period ended September 30, 2005, was \$196 million compared to \$160 million in 2004. Results for the nine month period were impacted by the absence of National Hockey League games and charges related to player contracts described above.

Consolidated Results

For the three months ended September 30, 2005, the Company reported consolidated revenues of \$5.6 billion, a 9.4% increase from the \$5.1 billion reported in the same period of 2004. Consolidated Operating Cash Flow increased to \$2.1 billion or 12.9%, in the third quarter of 2005, from the \$1.9 billion reported in the same prior year period. Operating income increased to \$883 million in the third quarter of 2005 compared to operating income of \$686 million in the third quarter of 2004.

For the three months ended September 30, 2005, the Company reported consolidated net income of \$222 million or \$0.10 per share compared to consolidated net income of \$220 million or \$0.10 per share in the third quarter of 2004. Net income is relatively unchanged from the prior year as the current period increase in operating income of \$197 million is offset by a \$193 million decline in investment income when compared to the prior year. Investment income decreased during the third quarter of 2005 as compared to the prior year quarter due primarily to the effects of changes in the fair value of the Company's 2.0% Exchangeable Subordinated Debentures (ZONES) and the underlying Sprint common stock. These fair value changes are due principally to the effects of Sprint's reduction in its quarterly dividend following its merger with Nextel Communications, Inc. in August 2005.

Free Cash Flow (described further on Table 4) was \$723 million in the third quarter of 2005 compared to \$540 million reported in the third quarter of 2004, primarily due to increases in Operating Cash Flow.

For the nine months ended September 30, 2005, consolidated revenue increased 9.7% to \$16.5 billion from the \$15.1 billion reported in the same period of 2004. The Operating Cash Flow for the period ended September 30, 2005 was \$6.3 billion, an increase of 14.3% when compared to \$5.5 billion in 2004. Operating income increased to \$2.8 billion in the first nine months of 2005 compared to operating income of \$2.2 billion during the same time period of 2004.

For the nine months ended September 30, 2005, the Company reported consolidated net income of \$795 million or \$0.36 per share compared to consolidated net income of \$547 million or \$0.24 per share in the nine months ended September 30, 2004. The increase in year-to-date net income is due primarily to the growth in operating income offset in part by declines in investment income and other income from the prior year. The decline in investment income is due primarily to changes in value of the Company's ZONES debt and Sprint common stock in the third quarter of 2005, as described above. The decline in other income is due primarily to a charge reflecting our portion of a settlement related to certain AT&T litigation in the first quarter of 2005. Free Cash Flow was \$1.9 billion during the year-to-date period, a 29.9% increase when compared to the same period of last year due primarily to the increase in Operating Cash Flow.

Share Repurchase Program

Comcast repurchased \$752 million, or 25.3 million shares, of its common stock under its stock repurchase program during the third quarter of 2005. Including the \$253 million paid in cash to redeem debt exchangeable into 8.4 million shares of Comcast common stock, Comcast invested \$1.0 billion in its common stock and related securities during the quarter.

The Company repurchased \$1.4 billion of its Class A Special Common Stock, or 45.2 million shares during the nine months ended September 30, 2005. Remaining availability under the Company's current stock repurchase program is \$1.3 billion, as of September 30, 2005. Since the inception of the repurchase program in December 2003, Comcast has repurchased \$2.7 billion or 93.0 million shares of its common stock. Including the \$1.4 billion paid in cash to redeem several debt issues exchangeable into Comcast common stock, eliminating the need to issue 47.3 million additional shares, the Company has invested \$4.1 billion in its common stock and related securities.

Financial Guidance 2005

Comcast updates the following previously issued guidance for 2005:

-- Consolidated Operating Cash Flow growth of approximately 13%* as

compared to the previous guidance range of between 14% and 15% growth*, due primarily to costs incurred with the launch of National Hockey League games on OLN beginning in the fourth quarter of 2005 and other initiatives in our Content division.

- Consolidated Free Cash Flow growth of approximately 30%*, as compared to the previous guidance range of between 35% to 45% growth* primarily reflecting an increase in consolidated capital expenditures to approximately \$3.5* billion from the previous guidance range of between \$3.2 to \$3.3 billion. The change in consolidated capital expenditures reflects strong demand for digital set-top boxes and increased costs of CDV readiness and deployment.

Comcast reaffirms the following previously issued guidance for 2005:

- Consolidated revenue growth of approximately 10%.
- Total Revenue Generating Unit growth of at least 2.5 million units.

* Does not include any impact from hurricane-related expenses incurred in the fourth quarter of 2005 or the adoption of SFAS No. 123R (Accounting for stock-based compensation).

This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could significantly affect actual results from those expressed in any such forward-looking statements. For a description of such risks and uncertainties, readers are directed to Comcast's reports and other documents we file with the Securities and Exchange Commission.

In this discussion we sometimes refer to financial measures that are not presented according to generally accepted accounting principles (GAAP). Certain of these measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission (SEC) regulations; those rules require the supplemental explanation and reconciliation provided in table 7 of this release.

Comcast Corporation will host a conference call with the financial community today November 3, 2005 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at <http://www.cmcsa.com> or <http://www.cmcsk.com>. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on November 3, 2005.

Those parties interested in participating via telephone should dial (847) 413-2408. A telephone replay will begin immediately following the call until Friday, November 4, 2005 at midnight ET. To access the rebroadcast, please dial (630) 652-3000 and enter passcode number 12825827#.

To automatically receive Comcast financial news by email, please visit <http://www.cmcsa.com> or <http://www.cmcsk.com> and subscribe to e-mail Alerts.

About Comcast:

Comcast Corporation (Nasdaq: CMCSA, CMCSK) (<http://www.comcast.com>) is the nation's leading provider of cable, entertainment and communications products and services. With 21.4 million cable customers, 8.1 million high-speed Internet customers, and 1.2 million voice customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content.

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

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