



Comcast Reports First Quarter 2004 Results

 [Financial Tables](#)

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Cable Revenue Increased 9.8% to \$4.6 Billion
High-Speed Internet Service Revenue Increased 41.9% to \$698 Million

Cable Operating Cash Flow Increased 21.0% to \$1.7 Billion

Cable Operating Income More than Doubled to \$702 Million

Consolidated Operating Income More than Doubled to \$659 Million

Generated Consolidated Free Cash Flow of Nearly \$400 Million in the Quarter
On Track to Achieve \$2 Billion of Free Cash Flow for Full Year 2004

PHILADELPHIA, April 28 /PRNewswire-FirstCall/ -- Comcast Corporation (Nasdaq: CMCSA, CMCSK) today reported results for the quarter ended March 31, 2004. Comcast will discuss first 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 www.cmcsa.com and www.cmcsk.com.

Brian L. Roberts, president and CEO of Comcast Corporation said, "We are off to a terrific start this year with near double-digit revenue growth, Operating Cash Flow growth of more than 21% and almost \$400 million in consolidated Free Cash Flow this quarter. These results reflect robust growth in both our video and high-speed Internet services and our ability to continue to generate significant operating improvements and scale efficiencies in our cable business. We have put in place a strong foundation for growth in 2004 and beyond.

"Demand for our products is robust and we are on track to meet the subscriber addition goals we set for 2004. We added 35,000 basic cable subscribers this quarter, continuing the trend of steady growth in our core business for the fifth quarter in a row. We added 192,000 new digital subscribers and 394,000 new Comcast High-Speed Internet customers. Just as important, digital and high-speed Internet revenues increased 21% and 42%, respectively when compared to last year. In addition to strong unit growth in our high-speed Internet service, we generated average revenue per subscriber of \$42.46, up over \$1 from the fourth quarter of 2003.

"We continue to make each of our services even more compelling by adding new features and applications that provide more value to our customers. Our video service offers more choices than ever before including digital cable, ON DEMAND, high-definition programming and digital video recorders. Today, over 11 million subscribers have access to Comcast ON DEMAND, our video-on-demand service; nearly 19 million of our customers can access our HDTV service and by the end of this year, digital video recorders will be available across our entire footprint. Similarly, our high-speed Internet service is continually enhanced to offer features like streaming content that serve to further differentiate our broadband product. We are enthusiastic about Voice-over-Internet Protocol (VoIP) technology as we begin to deploy voice services in several of our markets -- it provides another way to offer consumers more communications choices and features. These new services are possible because of our upgraded networks, which provide an unparalleled platform to deliver enhanced services to our customers and increasing value to our shareholders."

Comcast Cable Results

Comcast Cable reported revenue of \$4.647 billion for the quarter ended March 31, 2004, representing a 9.8% increase from the \$4.231 billion in the first quarter of 2003. Video revenue increased 6.7% driven by a 6.0% increase in average monthly revenue per subscriber, the addition of 35,000 basic subscribers, and growth of 192,000 in the number of digital cable subscribers.

Digital cable subscriber and revenue growth reflects consumers' increasing demand for new digital features and services including Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs). Comcast ON DEMAND is now available in 29 markets and we are planning to reach over 17 million basic subscribers by year-end. HDTV

is now available to over 19 million or 91% of our basic cable customers. During the first quarter, 176,000 subscribers signed up for Comcast's HDTV service to finish the quarter with 469,000 HDTV customers, a 60% increase from the fourth quarter of 2003. DVRs are being rolled out in 14 markets and early adoption rates are encouraging. DVRs will be available in every Comcast market by the end of this year.

Revenues for our high-speed Internet service increased 41.9% to \$698 million in the first quarter of 2004 reflecting continuing strong growth in subscribers. Comcast Cable added 394,000 high-speed Internet customers to finish the first quarter with nearly 5.7 million subscribers, representing a penetration rate of 15.7%. Average monthly revenue per subscriber was \$42.46 in the first quarter of 2004, relatively stable with the first quarter of 2003 and a 2.7% increase over the \$41.33 reported in the fourth quarter of 2003. Comcast Cable added over 1.4 million homes to the high-speed Internet service footprint in the first quarter of 2004 and this service is now available to 36 million or 90% of our homes.

Advertising revenue for the first quarter of 2004 increased 14.4% to \$269 million reflecting growth of 6.9% in local advertising and growth of 23.6% in regional/national advertising as a result of the continuing success of our regional interconnect strategy.

As expected, cable phone revenue declined 20.3% from 2003 to \$178 million in the first quarter of 2004, reflecting a 12.1% decrease in subscribers to 1.2 million and a 9.5% decline in average monthly revenue per subscriber to \$47.34.

Cable operating income before depreciation and amortization (Operating Cash Flow) increased 21.0% to \$1.719 billion for the quarter from the \$1.421 billion reported for the first quarter of 2003. Operating Cash Flow growth reflects growth in revenues as well as consistent operating improvements in technical and customer service support and reduced cable phone expenses.

Operating income for the cable segment increased to \$702 million in the current quarter compared to operating income of \$341 million in the first quarter of 2003.

At March 31, 2004, 96% of Comcast's footprint was upgraded to provide two-way digital and high-speed Internet services. Capital expenditures for the quarter totaled \$814 million, a 14.6% decline from the \$953 million invested by Comcast in first quarter of 2003. The Company expects to complete the upgrade of its cable systems during 2004.

Content

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

Comcast's content segment reported first quarter 2004 revenue of \$176 million, a 21.7% increase over the first quarter of 2003 reflecting increases in distribution and advertising revenue for all the networks. The Content segment reported Operating Cash Flow of \$69 million, a 67.9% increase above the first quarter of 2003 due to strong growth at E! Networks and The Golf Channel.

In March, Comcast announced the purchase of TechTV. Comcast will merge TechTV with G4 resulting in a new combined network focused on video games and technology with distribution to 44 million cable and satellite subscribers nationwide. The purchase is subject to customary closing procedures and is expected to close in the second quarter of 2004.

Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. Prior to the first quarter of 2004, Comcast-Spectacor was included in Content, which now only consists of our national networks. For all periods presented, Comcast-Spectacor is included in Corporate and Other. In the first quarter of 2004, we reported Corporate and Other revenue of \$85 million and an Operating Cash Flow loss of \$55 million as compared to revenue of \$89 million and an Operating Cash Flow loss of \$34 million in the first quarter of 2003.

Consolidated Results

Comcast sold its 57% ownership interest in QVC in September 2003. QVC's results, prior to its sale, are presented as discontinued operations.

For the three months ended March 31, 2004, the Company reported consolidated revenues of \$4.908 billion, as compared to \$4.466 billion in the same period of 2003. Consolidated Operating Cash Flow increased to \$1.733 billion in the first quarter of 2004 from the \$1.428 billion reported in the prior year period. Consolidated results primarily reflect the results of the cable division as discussed above.

For the three months ended March 31, 2004, the Company reported consolidated net income of \$65 million or \$0.03 per share compared to a consolidated net loss from continuing operations of \$355 million or a net loss of \$0.16 per share in the first

quarter of 2003. Please refer to the "Reconciliation of Net Income (Loss) to Free Cash Flow" in Table 6-B at the end of this release for further details on items affecting net income.

Financial Guidance 2004

Comcast affirms all previously issued guidance for 2004, as follows:

Comcast Cable:

- Cable revenue growth of approximately 10%

- Cable Operating Cash Flow growth between 15% and 17%
- Basic subscriber growth of approximately 0.5%
- High-speed Internet subscriber net additions between 1.5 and 1.6 million and high-speed Internet service revenue growth of more than 30% while generating average monthly revenue per subscriber above \$40
- Digital Cable subscriber net additions between 700,000 and 1 million
- Cable Phone net additions of up to 50,000 subscribers
- Cable capital expenditures between \$3.3 and \$3.4 billion

Comcast Content:

- On a combined basis, Comcast expects its Content division, consisting of its national cable networks, to deliver revenue growth of at least 20% and OCF growth of at least 30% in 2004

Other Financial Guidance:

- Comcast expects to generate consolidated Free Cash Flow of approximately \$2 billion

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. Readers are directed to Comcast's Quarterly Report on Form 10-Q for a description of such risks and uncertainties.

In this discussion we sometimes refer to financial measures that are not presented according to generally accepted accounting principles (GAAP). Certain of these measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission (SEC) regulations; those rules require the supplemental explanation and reconciliation provided in table 6 of this release.

Comcast Corporation will host a conference call with the financial community today April 28, 2004 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at www.cmcsa.com or www.cmcsk.com. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on April 28, 2004.

Those parties interested in participating via telephone should dial (847) 413-2408. A telephone replay will begin immediately following the call until April 29, 2004 at midnight ET. To access the rebroadcast, please dial (630) 652-3000 and enter passcode number 8666634#.

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

Comcast Corporation (www.comcast.com) is principally involved in the development, management and operation of broadband cable networks and in the provision of programming content. The Company is the largest cable company in the United States, serving more than 21 million cable subscribers and is the nation's largest broadband Internet provider with more than 5 million customers. The Company's content businesses include Comcast SportsNet, Comcast-Spectacor, E! Entertainment Television, Style Network, The Golf Channel, Outdoor Life Network and G4. Comcast Class A common stock and Class A Special common stock trade on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.