



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

(dollars in millions, except per share data)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2006	2005	2006	2005
Revenues	<b>\$7,031</b>	\$5,416	<b>\$24,966</b>	\$21,075
Operating expenses	<b>2,451</b>	1,943	<b>9,010</b>	7,513
Selling, general and administrative expenses	<b>1,986</b>	1,433	<b>6,514</b>	5,490
	<b>4,437</b>	3,376	<b>15,524</b>	13,003
Operating cash flow	<b>2,594</b>	2,040	<b>9,442</b>	8,072
Depreciation expense	<b>1,080</b>	888	<b>3,828</b>	3,413
Amortization expense	<b>296</b>	303	<b>995</b>	1,138
	<b>1,376</b>	1,191	<b>4,823</b>	4,551
Operating income	<b>1,218</b>	849	<b>4,619</b>	3,521
Other income (expense)				
Interest expense	<b>(562)</b>	(462)	<b>(2,064)</b>	(1,795)
Investment income (loss), net	<b>55</b>	53	<b>990</b>	89
Equity in net (losses) income of affiliates	<b>(38)</b>	(23)	<b>(124)</b>	(42)
Other income (expense)	<b>(21)</b>	5	<b>173</b>	(53)
	<b>(566)</b>	(427)	<b>(1,025)</b>	(1,801)
Income before income taxes and minority interest	<b>652</b>	422	<b>3,594</b>	1,720
Income tax expense	<b>(221)</b>	(303)	<b>(1,347)</b>	(873)
Income before minority interest	<b>431</b>	119	<b>2,247</b>	847
Minority interest	<b>(2)</b>	(12)	<b>(12)</b>	(19)
Net income from continuing operations	<b>429</b>	107	<b>2,235</b>	828
Income from discontinued operations, net of tax	-	26	<b>103</b>	100
Gain (loss) on discontinued operations, net of tax	<b>(39)</b>	-	<b>195</b>	-
Net income	<b>\$390</b>	\$133	<b>\$2,533</b>	\$928
Basic earnings per common share				
Income from continuing operations per common share	<b>\$ 0.21</b>	\$ 0.05	<b>\$ 1.06</b>	\$ 0.37
Income from discontinued operations per common share	-	0.01	<b>0.05</b>	0.05
Gain (loss) on discontinued operations per common share	<b>(0.02)</b>	-	<b>0.09</b>	-
Net income per common share	<b>\$ 0.19</b>	\$ 0.06	<b>\$ 1.20</b>	\$ 0.42
Diluted earnings per common share				
Income from continuing operations per common share	<b>\$ 0.20</b>	\$ 0.05	<b>\$ 1.05</b>	\$ 0.37
Income from discontinued operations per common share	-	0.01	<b>0.05</b>	0.05
Gain (loss) on discontinued operations per common share	<b>(0.02)</b>	-	<b>0.09</b>	-
Net income per common share	<b>\$ 0.18</b>	\$ 0.06	<b>\$ 1.19</b>	\$ 0.42
Basic weighted-average number of common shares	<b>2,084</b>	2,169	<b>2,107</b>	2,197
Diluted weighted-average number of common shares	<b>2,109</b>	2,179	<b>2,120</b>	2,208



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

(dollars in millions)	<u>December 31, 2006</u>	<u>December 31, 2005</u>
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$1,239	\$947
Investments	1,735	148
Accounts receivable, net	1,450	1,008
Other current assets	778	685
Current assets of discontinued operations	-	60
Total current assets	<u>5,202</u>	<u>2,848</u>
Investments	8,847	12,675
Property and equipment, net	21,248	17,704
Franchise rights	55,927	48,804
Goodwill	13,768	13,498
Other intangible assets, net	4,881	3,118
Other noncurrent assets, net	532	635
Noncurrent assets of discontinued operations, net	-	4,118
	<u>\$110,405</u>	<u>\$103,400</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable and accrued expenses related to trade creditors	\$2,862	\$2,239
Accrued expenses and other current liabilities	3,032	2,482
Deferred income taxes	563	2
Current portion of long-term debt	983	1,689
Current liabilities of discontinued operations	-	112
Total current liabilities	<u>7,440</u>	<u>6,524</u>
Long-term debt, less current portion	27,992	21,682
Deferred income taxes	27,089	27,370
Other noncurrent liabilities	6,498	6,920
Minority interest	251	657
Noncurrent liabilities of discontinued operations	-	28
Stockholders' equity	<u>41,135</u>	<u>40,219</u>
	<u>\$110,405</u>	<u>\$103,400</u>



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

(dollars in millions)

	Twelve Months Ended December 31,	
	2006	2005
<b>OPERATING ACTIVITIES</b>		
Net cash provided by operating activities	<u>\$6,618</u>	<u>\$4,835</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	7,497	3,978
Retirements and repayments of debt	(2,039)	(2,706)
Repurchases of common stock	(2,347)	(2,313)
Issuances of common stock	410	93
Other	25	15
Net cash provided by (used in) financing activities	<u>3,546</u>	<u>(933)</u>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(4,395)	(3,621)
Cash paid for intangible assets	(306)	(281)
Acquisitions, net of cash acquired	(5,110)	(199)
Proceeds from sales and restructuring of investments	2,720	861
Purchases of investments	(2,812)	(306)
Proceeds from sales (purchases) of short-term investments, net	33	(86)
Other investing activities	(2)	(116)
Net cash used in investing activities	<u>(9,872)</u>	<u>(3,748)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>292</b>	<b>154</b>
<b>CASH AND CASH EQUIVALENTS, beginning of period</b>	<b>947</b>	<b>793</b>
<b>CASH AND CASH EQUIVALENTS, end of period</b>	<b><u>\$1,239</u></b>	<b><u>\$947</u></b>

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

(dollars in millions)

	Twelve Months Ended December 31,	
	2006	2005
Net Cash Provided by Operating Activities	\$6,618	\$4,835
Capital Expenditures	(4,395)	(3,621)
Cash paid for Intangible Assets	(306)	(281)
Non-operating items, net of tax	706	1,062
Free Cash Flow	<u>\$2,623</u>	<u>\$1,995</u>

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



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

(dollars in millions)

	<u>Cable</u>	<u>Programming <sup>(2)</sup></u>	<u>Corporate and Other</u>	<u>Total</u>
<b><u>Three Months Ended December 31, 2006</u></b>				
Revenues	\$6,894	\$283	\$90	\$7,267
Operating Cash Flow	\$2,749	\$43	(\$109)	\$2,683
Operating Income (Loss)	\$1,357	\$1	(\$120)	\$1,238
Operating Cash Flow Margin	39.9%	15.4%	NM	36.9%
Capital Expenditures <sup>(3)</sup>	\$1,381	(\$2)	\$15	\$1,394
<b><u>Three Months Ended December 31, 2005, as adjusted <sup>(4)</sup></u></b>				
Revenues	\$6,029	\$235	\$72	\$6,336
Operating Cash Flow	\$2,348	\$32	(\$77)	\$2,303
Operating Income (Loss)	\$922	(\$10)	(\$91)	\$821
Operating Cash Flow Margin	38.9%	13.8%	NM	36.4%
Capital Expenditures <sup>(3)</sup>	\$967	\$5	\$14	\$986
<b><u>Twelve Months Ended December 31, 2006</u></b>				
Revenues	\$26,339	\$1,053	\$203	\$27,595
Operating Cash Flow	\$10,511	\$241	(\$362)	\$10,390
Operating Income (Loss)	\$5,246	\$75	(\$430)	\$4,891
Operating Cash Flow Margin	39.9%	22.9%	NM	37.7%
Capital Expenditures <sup>(3)</sup>	\$4,640	\$16	\$30	\$4,686
<b><u>Twelve Months Ended December 31, 2005, as adjusted <sup>(4)</sup></u></b>				
Revenues	\$23,556	\$919	\$170	\$24,645
Operating Cash Flow	\$9,132	\$272	(\$313)	\$9,091
Operating Income (Loss)	\$3,652	\$118	(\$363)	\$3,407
Operating Cash Flow Margin	38.8%	29.6%	NM	36.9%
Capital Expenditures <sup>(3)</sup>	\$4,030	\$16	\$38	\$4,084

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

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

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

	<u>4Q06</u>	<u>4Q05</u>	<u>YTD 4Q06</u>	<u>YTD 4Q05</u>
<b>New Service Offerings</b>				
Customer Premise Equipment (CPE)	\$712	\$512	\$2,482	\$2,080
Scalable Infrastructure	330	214	917	881
	<u>1,042</u>	<u>726</u>	<u>3,399</u>	<u>2,961</u>
<b>Recurring Capital Projects</b>				
Line Extensions	62	64	320	293
Support Capital	144	97	528	387
	<u>206</u>	<u>161</u>	<u>848</u>	<u>680</u>
<b>Upgrades</b>				
	133	80	393	389
<b>Total</b>	<u>\$1,381</u>	<u>\$967</u>	<u>\$4,640</u>	<u>\$4,030</u>

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

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



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

(dollars in millions, except per subscriber and per unit data)	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
Revenues:				
Video <sup>(3)</sup>	\$4,214	\$3,865	\$16,599	\$15,386
High-Speed Internet	1,454	1,184	5,451	4,445
Phone	302	171	955	658
Advertising	501	398	1,651	1,463
Other <sup>(4)</sup>	226	229	908	877
Franchise Fees	<u>197</u>	<u>182</u>	<u>775</u>	<u>727</u>
Total Revenues	<u>\$6,894</u>	<u>\$6,029</u>	<u>\$26,339</u>	<u>\$23,556</u>
Programming Expense			\$5,406	\$5,021
Operating Cash Flow <sup>(5)</sup>	\$2,749	\$2,348	\$10,511	\$9,132
Operating Income <sup>(5)</sup>	\$1,357	\$922	\$5,246	\$3,652
Operating Cash Flow Margin <sup>(5)</sup>	39.9%	38.9%	39.9%	38.8%
Capital Expenditures	\$1,381	\$967	\$4,640	\$4,030

	<b>4Q06</b>	<b>4Q05</b>	<b>3Q06</b>
<b>Video</b>			
Homes Passed (000's)	47,400	46,700	47,200
Basic Subscribers (000's)	24,161	24,081	24,051
Basic Penetration	51.0%	51.6%	50.9%
Quarterly Net Basic Subscriber Additions (000's)	110	28	10
Digital Subscribers (000's)	12,666	10,804	12,053
Digital Penetration	52.4%	44.9%	50.1%
Quarterly Net Digital Subscriber Additions (000's)	613	365	558
Digital Set-Top Boxes	19,492	16,450	18,440
Monthly Average Video Revenue per Basic Subscriber	\$58.41	\$53.54	\$57.75
Monthly Average Total Revenue per Basic Subscriber	\$95.34	\$83.51	\$91.89
<b>High-Speed Internet</b>			
"Available" Homes (000's)	46,902	45,912	46,731
Subscribers (000's)	11,487	9,619	11,000
Penetration	24.5%	21.0%	23.5%
Quarterly Net Subscriber Additions (000's)	488	436	536
Monthly Average Revenue per Subscriber	\$43.12	\$41.99	\$43.14
<b>Phone</b>			
Comcast Digital Voice			
"Available" Homes (000's)	32,435	18,580	30,800
Subscribers (000's)	1,855	306	1,348
Penetration	5.7%	1.6%	4.4%
Quarterly Net Subscriber Additions (000's)	508	147	483
Circuit Switched Phone			
"Available" Homes (000's)	8,866	8,462	8,858
Subscribers (000's)	652	986	740
Penetration	7.4%	11.7%	8.4%
Quarterly Net Subscriber Additions (000's)	(87)	(56)	(102)
Monthly Average Total Phone Revenue per Subscriber	\$43.92	\$46.20	\$45.09
Total Revenue Generating Units (000's) <sup>(6)</sup>	50,822	45,796	49,190
Quarterly Net Additions	1,632	920	1,486

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

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

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

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

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

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

(6) Represents the sum of basic and digital video, high-speed Internet and net phone subscribers, excluding additional outlets. Subscriptions to DVR and/or HDTV services by existing Comcast Digital customers do not result in additional RGUs.



TABLE 7

## Non-GAAP and Other Financial Measures

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

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

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

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

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

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

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

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



TABLE 7-A

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

(dollars in millions)					Cable		Total	
	Cable <sup>(2)</sup>	Programming	Corporate, Other and Eliminations <sup>(2) (6)</sup>	Total	Pro Forma Adjustments <sup>(1) (3)</sup>	Cable Pro Forma	Pro Forma Adjustments <sup>(1) (4)</sup>	Total Pro Forma
<b>Three Months Ended December 31, 2006</b>								
Revenue	\$6,895	\$283	(\$147)	\$7,031	(\$1)	\$6,894	\$236	\$7,267
Operating Expenses (excluding depreciation and amortization)	4,146	240	51	4,437	(1)	4,145	147	4,584
Operating Cash Flow	\$2,749	\$43	(\$198)	\$2,594	\$ -	\$2,749	\$89	\$2,683
Depreciation and Amortization	1,388	42	(\$54)	1,376	4	1,392	69	1,445
Operating Income (Loss)	\$1,361	\$1	(\$144)	\$1,218	(\$4)	\$1,357	\$20	\$1,238
Capital Expenditures	\$1,381	(\$2)	(\$35)	\$1,344	\$ -	\$1,381	\$50	\$1,394
<b>Three Months Ended December 31, 2005</b>								
Revenue	\$5,108	\$235	\$73	\$5,416	\$919	\$6,027	\$920	\$6,336
Segment reclassifications <sup>(5)</sup>	2	-	(2)	-	-	2	-	-
Revenue	\$5,110	\$235	\$71	\$5,416	\$919	\$6,029	\$920	\$6,336
Operating Expenses (excluding depreciation and amortization)	3,051	200	125	3,376	608	3,659	609	3,985
Segment reclassifications <sup>(5)</sup>	(8)	5	3	-	-	(8)	-	-
Stock option adjustment <sup>(6)</sup>	30	(2)	(28)	-	-	30	-	-
Operating Cash Flow	\$2,037	\$32	(\$29)	\$2,040	\$311	\$2,348	\$311	\$2,351
Depreciation and Amortization	1,134	42	15	1,191	292	1,426	291	1,482
Operating Income (Loss)	\$903	(\$10)	(\$44)	\$849	\$19	\$922	\$20	\$869
Capital Expenditures	\$815	\$5	\$48	\$868	\$152	\$967	\$118	\$986

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

(dollars in millions)	2005		2006		% Growth	
	Total Pro Forma	Adjustment <sup>(6)</sup>	Total Pro Forma, As Adjusted	Total Pro Forma	As Adjusted	% Growth
Revenue	\$6,336	\$ -	\$6,336	\$7,267	15%	15%
Operating Expenses (excluding depreciation and amortization)	3,985	48	4,033	4,584		
Operating Cash Flow	\$2,351	(\$48)	\$2,303	\$2,683	16%	14%
Depreciation and Amortization	1,482	-	1,482	1,445		
Operating Income (Loss)	\$869	(\$48)	\$821	\$1,238	51%	43%
Operating Cash Flow Margin	37.1%	NM	36.4%	36.9%		

Reconciliation of Total "As Adjusted" Financial Data

(dollars in millions, except per share data)	2005		2006		% Growth	
	Historical Total	Adjustment <sup>(6)</sup>	As Adjusted	Total	As Adjusted	% Growth
Revenue	\$5,416	\$ -	\$5,416	\$7,031	30%	30%
Operating Expenses (excluding depreciation and amortization)	3,376	48	3,424	4,437		
Operating Cash Flow	\$2,040	(\$48)	\$1,992	\$2,594	30%	27%
Depreciation and Amortization	1,191	-	1,191	1,376		
Operating Income (Loss)	\$849	(\$48)	\$801	\$1,218	52%	43%
Operating Cash Flow Margin	37.7%	NM	36.8%	36.9%		
Earnings Per Share	\$0.06	(\$0.01)	\$0.05	\$0.18	260%	200%

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

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

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

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

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

(6) To be consistent with our management reporting, the 2005 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005. For the three months ended December 31, 2005, the adjustments reducing operating income before depreciation and amortization by segment were \$30 million for Cable, (\$2) million for Programming and \$20 million for Corporate and Other. For the three months ended December 31, 2005, the total adjustment of \$48 million is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated 2005 amounts.



**TABLE 7-B**  
**Reconciliation of Pro Forma <sup>(1)</sup>, "As Adjusted" Financial Data by Business Segment**  
**(Unaudited)**

(dollars in millions)					<u>Cable</u>		<u>Total</u>	
	<u>Cable <sup>(2)</sup></u>	<u>Programming</u>	<u>Corporate, Other and Eliminations <sup>(2) (6)</sup></u>	<u>Total</u>	<u>Pro Forma Adjustments <sup>(1) (3)</sup></u>	<u>Cable Pro Forma</u>	<u>Pro Forma Adjustments <sup>(1) (4)</sup></u>	<u>Total Pro Forma</u>
<b>Twelve Months Ended December 31, 2006</b>								
Revenue	\$24,100	\$1,053	(\$187)	\$24,966	\$2,239	\$26,339	\$2,629	\$27,595
Operating Expenses (excluding depreciation and amortization)	14,396	812	316	15,524	1,432	15,828	1,681	17,205
Operating Cash Flow	\$9,704	\$241	(\$503)	\$9,442	\$807	\$10,511	\$948	\$10,390
Depreciation and Amortization	4,657	166	-	4,823	608	5,265	676	5,499
Operating Income (Loss)	\$5,047	\$75	(\$503)	\$4,619	\$199	\$5,246	\$272	\$4,891
Capital Expenditures	\$4,327	\$16	\$52	\$4,395	\$313	\$4,640	\$291	\$4,686
<b>Twelve Months Ended December 31, 2005</b>								
Revenue	\$19,979	\$919	\$177	\$21,075	\$3,569	\$23,548	\$3,570	\$24,645
Segment reclassifications <sup>(5)</sup>	8	-	(8)	-	-	8	-	-
Revenue	\$19,987	\$919	\$169	\$21,075	\$3,569	\$23,556	\$3,570	\$24,645
Operating Expenses (excluding depreciation and amortization)	11,941	636	426	13,003	2,384	14,325	2,385	15,388
Segment reclassifications <sup>(5)</sup>	(17)	10	7	-	-	(17)	-	-
Stock option adjustment <sup>(6)</sup>	116	1	(117)	-	-	116	-	-
Operating Cash Flow	\$7,947	\$272	(\$147)	\$8,072	\$1,185	\$9,132	\$1,185	\$9,257
Depreciation and Amortization	4,346	154	51	4,551	1,134	5,480	1,133	5,684
Operating Income (Loss)	\$3,601	\$118	(\$198)	\$3,521	\$51	\$3,652	\$52	\$3,573
Capital Expenditures	\$3,409	\$16	\$196	\$3,621	\$621	\$4,030	\$463	\$4,084

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

(dollars in millions)	2005		2006		% Growth	
	<u>Total Pro Forma</u>	<u>Adjustment <sup>(6)</sup></u>	<u>Total Pro Forma, As Adjusted</u>	<u>Total Pro Forma</u>	<u>As Adjusted</u>	<u>% Growth</u>
Revenue	\$24,645	\$ -	\$24,645	\$27,595	12%	12%
Operating Expenses (excluding depreciation and amortization)	15,388	166	15,554	17,205		
Operating Cash Flow	\$9,257	(\$166)	\$9,091	\$10,390	14%	12%
Depreciation and Amortization	5,684	-	5,684	5,499		
Operating Income (Loss)	\$3,573	(\$166)	\$3,407	\$4,891	44%	37%
Operating Cash Flow Margin	37.6%	NM	36.9%	37.7%		

**Reconciliation of Total "As Adjusted" Financial Data**

(dollars in millions, except per share data)	2005		2006		% Growth	
	<u>Historical Total</u>	<u>Adjustment <sup>(6)</sup></u>	<u>As Adjusted</u>	<u>Total</u>	<u>As Adjusted</u>	<u>% Growth</u>
Revenue	\$21,075	\$ -	\$21,075	\$24,966	18%	18%
Operating Expenses (excluding depreciation and amortization)	13,003	166	13,169	15,524		
Operating Cash Flow	\$8,072	(\$166)	\$7,906	\$9,442	19%	17%
Depreciation and Amortization	4,551	-	4,551	4,823		
Operating Income (Loss)	\$3,521	(\$166)	\$3,355	\$4,619	38%	31%
Operating Cash Flow Margin	38.3%	NM	37.5%	37.8%		
Earnings Per Share	\$0.42	(\$0.04)	\$0.38	\$1.19	213%	183%

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

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

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

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

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

(6) To be consistent with our management reporting, the 2005 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005. For the twelve months ended December 31, 2005, the adjustments reducing operating income before depreciation and amortization by segment were \$116 million for Cable, \$1 million for Programming and \$49 million for Corporate and Other. For the twelve months ended December 31, 2005, the total adjustment of \$166 million is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated 2005 amounts.



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

(dollars in millions, except per share data)	Three Months Ended December 31,			
	2006		2005	
	\$	EPS <sup>(1)</sup>	\$	EPS <sup>(1)</sup>
Net Income	\$390	\$0.18	\$133	\$0.06
Adjustments:				
Investment income	-	-	53	0.02
Other income	-	-	5	-
Tax effect of adjustments (at 40%) and refinement of effective tax rate	-	-	(111)	(0.05)
Adjustment to gain on discontinued operations, net of tax	(39)	(0.02)	-	-
Adjustment to gain on Adelphia/Time Warner transactions, net of tax	(30)	(0.01)	-	-
Adjusted Net Income <sup>(2)</sup>	\$459	\$0.21	\$186	\$0.09

(dollars in millions, except per share data)	Twelve Months Ended December 31,			
	2006		2005	
	\$	EPS <sup>(1)</sup>	\$	EPS <sup>(1)</sup>
Net Income	\$2,533	\$1.19	\$928	\$0.42
Adjustments:				
Investment income	-	-	89	0.04
Other income (expense)	-	-	(56)	(0.02)
Tax effect of adjustments (at 40%) and refinement of effective tax rate	-	-	(13)	(0.01)
Gain on discontinued operations, net of tax	195	0.09	-	-
Gain on Adelphia/Time Warner transactions, net of tax	405	0.20	-	-
Adjusted Net Income <sup>(2)</sup>	\$1,933	\$0.90	\$908	\$0.41

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

(2) For 2006, Adjusted Net Income excludes a one-time gain on discontinued operations, net of tax, and a one-time investment gain, net of tax, related to the Adelphia/Time Warner transactions.

For 2005, Adjusted Net Income excludes Investment Income and Other Income (Expense) (as presented in our Consolidated Statement of Operations), net of a 40% income tax rate and excludes in the fourth quarter of 2005 a refinement to our effective tax rate.