



Comcast Reports Third Quarter 2006 Results

- **Triple Play powers highest level of quarterly RGU additions in Comcast history**
- **Record additions fuel 15% growth in cable Operating Cash Flow and 12% growth in cable revenue**
- **Third consecutive quarter of accelerating growth in cable revenue and cable Operating Cash Flow**

Brian L. Roberts, Chairman and CEO of Comcast Corporation, said, "We're setting new records in the third quarter, underscoring the strong momentum in our cable business. All our key metrics are accelerating, including revenue and operating cash flow, as well as RGU additions, which reached their highest quarterly level in our Company's history. Cable's outstanding results reflect both great execution and growing demand for our Triple Play offering. Our strategy of bringing value to consumers through a set of superior services is driving the business to new levels of performance. We are confident that we will broaden our relationships with our customers, strengthen our competitive advantage and accelerate our operational and financial performance as we expand the availability of Triple Play throughout our markets."

Cable Segment Results(2)

Cable results are presented as if the acquisition of Susquehanna Communications and the Adelphia/Time Warner transactions were effective on January 1, 2005. Cable results also include the results of the Houston, TX cable systems that will be received with the expected dissolution of the Texas/Kansas City cable partnership as if the transaction was effective on January 1, 2005. (See note 2 for additional details).

Revenue increased 12% to \$6.6 billion in the third quarter of 2006 as demand for our video, voice and high-speed Internet services accelerated. The rollout of our Triple Play offering contributed to the record-setting RGU net additions for the quarter.

Revenue generating units (RGUs)(3) increased 1.486 million in the third quarter of 2006 or 82% from prior year net additions. RGU growth was concentrated in Historical Comcast Systems(4) with 1.402 million or 94% of the net additions in those markets. Comcast ended the third quarter of 2006 with 49.2 million RGUs, an increase of 4.3 million units from one year ago.

Operating Cash Flow (as defined in Table 7) grew 15% to \$2.6 billion in the third quarter of 2006 resulting in an Operating Cash Flow margin of 39.6%, an increase from the 38.5% reported in the same quarter of 2005. The margin improvement reflects strong revenue growth and our continuing success in controlling the growth of operating costs, even as we experience higher service and installation activity from record RGU additions and incorporate lower-margin operations from cable systems received in the Adelphia/Time Warner and expected Texas/Kansas City transactions.

Video

- Added 558,000 new digital subscribers during the quarter - digital penetration now exceeds 50%
- Historical Comcast Systems added 24,000 basic video subscribers during the quarter compared to a loss of 39,000 in the prior year

Video revenue increased 9% to \$4.2 billion in the third quarter of 2006, reflecting growth in digital customers and increased demand for new digital features including ON DEMAND, digital video recorders (DVR) and HDTV programming, as well as higher basic cable rates and subscribers.

Basic video subscribers increased by 10,000 subscribers to 24.1 million during the third quarter of 2006 compared to a decline of 44,000 subscribers in the third quarter of 2005. The 10,000 basic video subscriber net additions include a gain of 24,000 basic video subscribers from Historical Comcast Systems, offset by a loss of 14,000 basic video subscribers in systems received in the Adelphia/Time Warner and expected Texas/Kansas City transactions.

Comcast ended the quarter with 12.1 million or 50% of video subscribers taking digital services, a 1.6 million or 16% increase from one year ago. The number of digital subscribers includes various levels of digital service. As of September 30, 2006, 52% or 6.2 million customers subscribed to Comcast digital cable, 34% or 4.1 million subscribed to digital cable with advanced services (DVR and/or HDTV) and 14% or 1.7 million customers subscribed to enhanced cable.

Growth in the number of subscribers receiving the enhanced cable service has increased steadily in 2006 as Comcast incorporates this service into our Triple Play offer. In the third quarter, Comcast added 558,000 digital customers, including 135,000 digital cable and 423,000 enhanced cable subscribers. At the same time, 315,000 digital cable customers subscribed to advanced services either by upgrading their digital service or as new customers. Comcast added more than 1.5 million digital

cable customers with advanced services (DVR and/or HDTV) since the third quarter of last year.

Growth in video revenue and digital cable subscribers also reflects increasing consumer demand for new digital features including ON DEMAND, driving a pay-per-view revenue increase of 31% in the third quarter of 2006 from the same time in 2005.

High-Speed Internet

- Added 536,000 high-speed Internet subscribers during the quarter - most quarterly additions in two years

High-Speed Internet revenues increased 22% to \$1.4 billion in the third quarter of 2006, reflecting a 1.8 million or 20% increase in subscribers from the prior year and stable average monthly revenue per subscriber. Comcast ended the third quarter of 2006 with 11.0 million high-speed Internet subscribers or 24% penetration of available homes.

Phone

- Added 483,000 Comcast Digital Voice (CDV) customers during the quarter
- CDV service now marketed to 31 million homes or 65% of Comcast's footprint

Phone revenue increased 51% to \$252 million reflecting a significant increase in CDV subscriber additions, reduced by a \$39 million decline in circuit-switched phone revenues as Comcast continues to focus on marketing CDV. Comcast ended the third quarter of 2006 with a total of 2.1 million phone customers. Customer additions in the third quarter of 2006 include 483,000 new CDV customers offset by the loss of 102,000 circuit-switched customers.

Advertising revenue increased 10% to \$395 million in the third quarter of 2006 when compared to 2005, reflecting strong growth in political advertising.

Capital expenditures of \$1.25 billion in the third quarter of 2006 were 25% higher compared to the third quarter of 2005 driven by an 82% increase in RGU net additions over the same time period. In the third quarter of 2006, and consistent with historical trends, more than 75% of cable capital expenditures were variable and directly associated with new product offerings and strong consumer demand for our products.

Content Segment Results(5)

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

The Content segment reported third quarter 2006 revenue of \$258 million, a 9% increase from 2005 and Operating Cash Flow of \$88 million, a 22% increase from 2005, reflecting increases in network ratings, advertising revenue and distribution revenue.

Corporate and Other(5)

Corporate and Other includes Comcast Spectacor, corporate overhead and other operations, and eliminations between Comcast's businesses. In the third quarter of 2006, Comcast reported Corporate and Other revenue of \$16 million and an Operating Cash Flow loss of \$104 million, as compared to revenue of \$21 million and an Operating Cash Flow loss of \$105 million in 2005.

Consolidated Results

Consolidated results include all acquisitions as of the date of their closing. Comcast acquired Susquehanna Communications in April 2006 and completed the Adelphia/Time Warner transactions in July 2006. As part of the Adelphia/Time Warner transactions Comcast transferred cable systems serving Los Angeles, Dallas and Cleveland to Time Warner (presented as discontinued operations for all periods). Consolidated results, as of September 30, 2006, include our interest in the Texas/Kansas City cable partnership as an equity method investment.

Operating Income increased 46% to \$1.2 billion in the third quarter of 2006 due to strong results at Comcast Cable, including record-setting RGU additions as described above. Similarly, consolidated operating income increased 27% to \$3.4 billion for the nine months ended September 30, 2006.

Net Income increased to \$1.2 billion, or \$0.58 per share, in the third quarter of 2006, compared to net income of \$222 million or

\$0.10 per share in the third quarter of 2005. In addition to strong operating results at Comcast Cable, the current quarter includes an estimated one-time gain, included in investment income, of \$694 million (or \$435 million net of tax) related to the Adelphia/Time Warner transactions. Also included in this quarter's results is a one-time gain of \$234 million, net of tax, on discontinued operations related to the transfer of cable systems to Time Warner. Excluding these gains and reconciled in Table 7-C, Adjusted Net Income for the third quarter of 2006 would be \$548 million or \$0.26 per share.

Net income increased to \$2.1 billion, or \$1.01 per share, in the nine months ended September 30, 2006 compared to net income of \$795 million, or \$0.36 per share, in the prior year. Strong operating results at Comcast Cable and the gains described above contributed to the growth in net income on a year-to-date basis. Excluding these gains, and reconciled in Table 7-C, Adjusted Net Income for the nine months ended September 30, 2006 would be \$1.5 billion or \$0.69 per share.

Net Cash Provided by Operating Activities increased to \$5.1 billion for the nine months ended September 30, 2006 from \$3.9 billion in 2005 due

primarily to stronger operating results and changes in operating assets and liabilities.

Free Cash Flow (described further on Table 4) increased \$812 million to \$2.2 billion for the nine months ended September 30, 2006 compared to \$1.4 billion in 2005, due primarily to growth in consolidated Operating Cash Flow and changes in working capital. The conversion rate of Operating Cash Flow into Free Cash Flow increased to 32% for the nine months ended September 30, 2006 from 23% in the same period of 2005.

Pro Forma Consolidated Results(6)

Pro forma consolidated results are being presented as if the following were effective on January 1, 2005 (see note 6 for additional details): the acquisition of Susquehanna Communications, the Adelphia/Time Warner transactions and the results of the cable systems serving Houston, TX to be received with the expected dissolution of the Texas/Kansas City cable partnership.

Revenue increased 12% to \$6.9 billion in the third quarter of 2006 while Operating Cash Flow increased 16% to \$2.6 billion in the third quarter reflecting strong growth in both the cable and content divisions.

Share Repurchase Program

Comcast repurchased \$493 million or 15 million shares of its Class A Special Common Stock during the third quarter of 2006. On a year-to-date basis, Comcast repurchased \$1.9 billion or 64 million shares, reducing the number of shares outstanding by 3%.

Remaining availability under the Company's stock repurchase program is \$3.5 billion. Comcast expects such repurchases to occur from time to time in the open market or in private transactions, subject to market conditions.

Since the inception of the repurchase program in December 2003, the Company has invested \$6.9 billion in its common stock and related securities reducing the number of shares outstanding by over 10%. These investments include repurchasing \$5.5 billion or 191 million shares of common stock and paying \$1.4 billion to redeem several debt issues exchangeable into 47 million shares of common stock.

2006 Financial Outlook

Comcast reaffirms all previously issued guidance for 2006 and updates cable guidance to include the Adelphia/Time Warner transactions and the Houston system, as follows:

- Cable revenue growth of 10-11% above 2005 pro forma cable revenue of \$23.6 billion which includes a net \$2.4 billion related to acquisitions and dispositions;
- Cable Operating Cash Flow growth of at least 13% above 2005 pro forma cable operating cash flow of \$9.1 billion which includes a net \$800 million related to acquisitions and dispositions;
- Cable RGU net additions approximately 60% above 2005 pro forma RGUs of 3 million net additions;
- Cable capital expenditures of approximately \$4.5 billion supporting RGU growth in 2006 and including capital expenditures for the

Adelphia/Time Warner transactions and the Houston systems of approximately \$500 million.

Notes:

- 1 Operating Cash Flow percentage growth is adjusted as if stock options had been expensed in 2005. Operating income and earnings per share percentage growth are unadjusted. See Tables 7-A and 7-B for reconciliation of "as adjusted" financial data.
- 2 Cable results are presented on a pro forma, as adjusted, basis. Pro forma results adjust only for certain acquisitions and dispositions, including Susquehanna Communications (April 2006), the Adelphia/Time Warner transactions (July 2006) and the expected dissolution of the Texas/Kansas City cable partnership. Comcast will receive, subject to certain approvals, the cable systems serving Houston, TX with the dissolution of the Texas/Kansas City cable partnership. Effective August 1, 2006, our economic interest in the Texas/Kansas City cable partnership tracks solely the performance of the Houston, TX cable systems. Accordingly, we included the systems' results in Cable pro forma data. Cable results are presented as if the transactions noted above were effective on January 1, 2005. The net impact of these transactions was to increase the number of basic cable subscribers by 2.6 million. These "As Adjusted" results are presented as if stock options had been expensed in 2005. Please refer to Tables 7-A and 7-B for a reconciliation of pro forma, "As Adjusted" financial data.
- 3 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.
- 4 Historical Cable Systems include those systems owned by Comcast prior to the Adelphia/Time Warner transactions and the expected dissolution of the Texas/Kansas City cable partnership.
- 5 Operating Cash Flow adjusted as if stock options had been expensed in 2005.
- 6 Pro forma consolidated results are presented on a pro forma, as adjusted, basis as described in note 2.

Conference Call Information

Comcast Corporation will host a conference call with the financial community today, October 26, 2006, at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at <http://www.cmcsa.com> or <http://www.cmcsk.com>. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on Thursday, October 26, 2006. To participate via telephone, please dial (800) 263-8495 with the conference ID number 7359179. A telephone replay will begin immediately following the call and will be available until Friday, October 27, 2006 at midnight Eastern Time (ET). To access the rebroadcast, please dial (800) 642-1687 and enter passcode number 7359179. To automatically receive Comcast financial news by email, please visit <http://www.cmcsa.com> or <http://www.cmcsk.com> and subscribe to email alerts.

This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual events or our actual results to differ materially from those expressed in any such forward-looking statements. Readers are directed to Comcast's periodic and other reports filed with the Securities and Exchange Commission (SEC) 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 SEC regulations; those rules require the supplemental explanation and reconciliation provided in Table 7 of this release. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

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 24.1 million cable customers, 11.0 million high-speed Internet customers, and 2.1 million voice customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content.

Comcast's content networks and investments include E! Entertainment Television, Style Network, The Golf Channel, VERSUS (formerly OLN), G4, AZN Television, PBS KIDS Sprout, TV One and four regional Comcast SportsNets. Comcast 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.

SOURCE Comcast Corporation