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FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [FEE REQUIRED] FOR THE FISCAL YEAR ENDED

DECEMBER 31, 1995

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934 [NO FEE REQUIRED]
FOR THE TRANSITION PERIOD FROM _____ TO _____

Commission file number 0-6983

[GRAPHIC OMITTED - LOGO]

COMCAST CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA 23-1709202
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

1500 Market Street, Philadelphia, PA 19102-2148
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (215) 665-1700

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:
NONE

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:
Class A Common Stock, \$1.00 par value
Class A Special Common Stock, \$1.00 par value
3-3/8% / 5-1/2% Step-up Convertible Subordinated
Debentures Due 2005
1-1/8% Discount Convertible Subordinated Debentures Due 2007

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.

Yes X 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. ☐

As of February 1, 1996, the aggregate market value of the Class A Common Stock
and Class A Special Common Stock held by non-affiliates of the Registrant was
not less than \$688.6 million and \$3.781 billion, respectively.

As of February 1, 1996, there were 193,169,033 shares of Class A Special Common
Stock, 37,497,885 shares of Class A Common Stock and 8,786,250 shares of Class B
Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Part III - The Registrant's definitive Proxy Statement for its Annual Meeting of
Shareholders presently scheduled to be held in June 1996.

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COMCAST CORPORATION

1995 FORM 10-K ANNUAL REPORT

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This Annual Report on Form 10-K for the year ended December 31, 1995, at the time of filing with the Securities and Exchange Commission, modifies and supersedes all prior documents (other than the Company's Current Report on Form 8-K filed on December 19, 1995) filed pursuant to Sections 13, 14 and 15(d) of the Securities Exchange Act of 1934 for purposes of any offers or sales of any securities after the date of such filing pursuant to any Registration Statement or Prospectus filed pursuant to the Securities Act of 1933 which incorporates by reference this Annual Report.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. Certain information included in this Annual Report is forward looking, such as information relating to future capital expenditures and the effects of future regulation and competition. Such forward looking information involves important risks and uncertainties that could significantly affect expected results in the future from those expressed in any forward-looking statements made by, or on behalf of, the Company. These risks and uncertainties include, but are not limited to, uncertainties relating to economic conditions, acquisitions and divestitures, government and regulatory policies, the pricing and availability of equipment, materials, inventories and programming, technological developments and changes in the competitive environment in which the Company operates.

PART I

ITEM 1 BUSINESS

Comcast Corporation and its subsidiaries (the "Company") is principally engaged in the development, management and operation of wired and wireless telecommunications and the provision of content. Wired telecommunications includes cable and telecommunications services in the United States ("US") and the United Kingdom ("UK"). Wireless telecommunications includes cellular services, personal communications services, provided through the Company's investment in Sprint Spectrum, and direct to home satellite television. Content is provided through QVC, Inc. and its subsidiaries ("QVC"), an electronic retailer, Comcast Content and Communication Corporation ("C3") and other programming investments (see "General Developments of Business"). The Company's consolidated domestic cable operations served more than 3.4 million subscribers and passed more than 5.5 million homes as of December 31, 1995. The Company owns a 50% interest in Garden State Cablevision L.P. ("Garden State"), a cable communications company serving approximately 200,000 subscribers and passing approximately 292,000 homes. In the UK, a subsidiary of the Company, Comcast UK Cable Partners Limited ("Comcast UK Cable"), holds ownership interests in four cable and telephony businesses that collectively have the potential to serve over 1.6 million homes. The Company provides cellular telephone communications services pursuant to licenses granted by the Federal Communications Commission ("FCC") in markets with a population of over 8.3 million, including the area in and around the City of Philadelphia, Pennsylvania, the State of Delaware and a significant portion of the State of New Jersey. Through QVC, the Company markets a wide variety of products and reaches over 52 million homes across the US and an additional 4 million in the UK.

The Company was organized in 1969 under the laws of the Commonwealth of Pennsylvania and has its principal executive offices at 1500 Market Street, Philadelphia, Pennsylvania, 19102-2148, (215) 665-1700.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

See Note 11 to the Company's consolidated financial statements for information about the Company's operations by industry segment.

GENERAL DEVELOPMENTS OF BUSINESS

Regulatory Developments

The Telecommunications Act of 1996 (the "1996 Telecom Act"), the most comprehensive reform of the nation's telecommunications laws since the Communications Act of 1934 (the "Communications Act"), became effective in February 1996. The 1996 Telecom Act will result in changes in the marketplace for cable communications, telephone and other telecommunications services (see "Description of the Company's Businesses - Wired Telecommunications - Cable Communications - Legislation and Regulation").

The Company has settled the majority of outstanding proceedings challenging its rates charged for regulated cable services. In December 1995, the FCC adopted an order approving a negotiated settlement of rate complaints pending against the Company for cable programming service tiers ("CPSTs") which provided approximately \$6.6 million in refunds, plus interest, being given in the form of bill credits, to approximately 1.3 million of the Company's cable subscribers. This FCC order resolved 160 of the Company's benchmark rate cases covering the period September 1993 through July 1994 and 104 of the Company's cost-of-service cases for CPSTs covering the period September 1993 through December 1995. As part of the negotiated settlement, the Company agreed to forego certain inflation and external cost adjustments for systems covered by its cost-of-service filings for CPSTs. The FCC's order has been appealed to a federal appellate court by a local franchising authority whose rate complaint against the Company was resolved by the negotiated settlement. The Company currently is seeking to justify rates for basic cable services and equipment in certain of its cable systems in the State of Connecticut on the basis of a cost-of-service showing. The State of Connecticut has ordered the Company to reduce such rates and to make refunds to subscribers. The Company has appealed the Connecticut decision to the FCC. The Company's management believes that the ultimate resolution of these pending regulatory matters will not have a material adverse impact on the Company's financial position or results of operations.

Sprint Spectrum

Effective as of January 1996, the Company, Tele-Communications, Inc. ("TCI"), Cox Communications, Inc. ("Cox," and together with the Company and TCI, the "Cable Parents") and Sprint Corporation ("Sprint," and together with the Cable Parents, the "Parents"), and certain subsidiaries of the Parents (the "Partner Subsidiaries"), entered into a series of agreements relating to their previously announced joint venture (March 1995) to engage in the communications business. Under an Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") of MajorCo, L.P. (known as "Sprint Spectrum"), the business of Sprint Spectrum will be the provision of wireless telecommunications services and will not include the previously authorized business of providing local wireline communications services to residences and businesses. A partnership owned entirely by subsidiaries of the Company owns 15% of Sprint Spectrum. The Company accounts for its investment in Sprint Spectrum under the equity method.

Sprint Spectrum was the successful bidder for 29 personal communications services ("PCS") licenses in the auction conducted by the FCC from December 1994 through mid-March 1995. The purchase price for the licenses was approximately \$2.11 billion, all of which has been paid to the FCC. Sprint Spectrum may also elect to bid in subsequent auctions for PCS licenses. In addition, Sprint Spectrum has invested, and may continue to invest, in other entities that hold PCS licenses, may acquire PCS licenses from other license holders and may affiliate with other license holders.

The Partner Subsidiaries have committed to contribute \$4.2 billion in cash to Sprint Spectrum through 1997, of which the Company's share is \$630.0 million. Of this funding requirement, the Company has made total cash capital contributions to Sprint Spectrum of \$346.0 million through December 31, 1995. The Company anticipates that Sprint Spectrum's capital requirements over the next several years will be significant. Requirements in excess of committed capital are planned to be funded by Sprint Spectrum through external financing. Although it is anticipated that external financing will be available to Sprint Spectrum on acceptable terms and conditions, no assurances can be given as to such availability. The timing of the Company's remaining capital contributions to Sprint Spectrum is dependent upon a number of factors, including Sprint Spectrum's ability to obtain external financing as well as its working capital requirements.

Pursuant to separate Parent agreements, each Cable Parent and Sprint agreed to negotiate in good faith on a market- by-market basis for the provision of local wireline telephony services over the cable communications facilities of the applicable Cable Parent under the Sprint brand. Accordingly, local telephony offerings in each market will be the subject of individual agreements to be negotiated with Sprint, rather than being provided through Sprint Spectrum as originally contemplated. The offering of local wireline telephone services will require the removal of regulatory and legislative barriers to local telephone competition (see "Description of the Company's Businesses - Wired Telecommunications - Cable Communications - Legislation and Regulation"). Each Parent agreement also contains certain restrictions on the ability of each Parent to offer and promote, or package certain of its cable communications products or services with, certain products and services of other persons and requires the applicable Cable Parent to make its cable communications facilities available to Sprint for specified purposes to the extent that it has made such facilities available to certain others for such purposes.

The Partner Subsidiaries also terminated a contribution agreement pursuant to which they had agreed to contribute to Sprint Spectrum their respective interests in Teleport Communications Group Inc., TCG Partners and certain local joint ventures managed by such entities (collectively, "TCG"). TCG is one of the largest competitive access providers in the US in terms of route miles. The Parents reaffirmed their intention to continue to attempt to integrate the business of TCG with that of Sprint Spectrum.

Scripps Cable

In October 1995, the Company announced its agreement to purchase the cable television operations ("Scripps Cable") of The E.W. Scripps Company ("E.W. Scripps") in exchange for shares of the Company's Class A Special Common Stock, par value \$1.00 per share (the "Class A Special Common Stock" -- see Item 5 - "Market for the Registrant's Common Equity and Related Stockholder Matters"), worth \$1.575 billion (the "Base Consideration"), subject to certain closing adjustments (the "Scripps Transaction"). Scripps Cable passes approximately 1.2 million homes and serves approximately 800,000 subscribers, with over 60% of its subscribers located in Sacramento, California and

Chattanooga and Knoxville, Tennessee. The purchase is expected to close in the second half of 1996, subject to shareholder and regulatory approval and certain other conditions.

Pursuant to the Agreement and Plan of Merger dated as of October 28, 1995 (the "Merger Agreement") by and among the Company, E.W. Scripps and Scripps Howard, Inc., a wholly owned subsidiary of E.W. Scripps, E.W. Scripps will distribute to its shareholders all assets other than Scripps Cable. Following such distribution, E.W. Scripps will be merged with and into the Company (the "Merger") and each share of E.W. Scripps common stock issued and outstanding immediately prior to the Merger will be converted into a portion of the shares of the Class A Special Common Stock to be paid as consideration in the Merger. Assuming (i) no adjustment has been made to the Base Consideration and (ii) the closing price of the Class A Special Common Stock is equal to the execution price (\$20.075 per share), as such terms are defined in the Merger Agreement, the Company would issue to E.W. Scripps' shareholders an aggregate of approximately 78.5 million shares of Class A Special Common Stock in the Merger, subject to certain adjustments. Such shares would represent, in the aggregate, approximately 28.9% of the Class A Special Common Stock outstanding as of December 31, 1995, on a pro forma basis.

Share Repurchase Program

Concurrent with the announcement of the Scripps Transaction, the Company announced that its Board of Directors has authorized the repurchase of up to \$500.0 million of its outstanding common equity securities. The Company expects such repurchases to be effected from time to time in the open market or in private transactions, subject to market conditions.

QVC

In February 1995, the Company and TCI acquired all of the outstanding stock of QVC not previously owned by them (approximately 65% of such shares on a fully diluted basis) for \$46, in cash, per share (the "QVC Acquisition"), representing a total cost of approximately \$1.4 billion. The QVC Acquisition, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of \$296.3 million and \$6.6 million, respectively, borrowings of \$1.1 billion under a \$1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company, through a management agreement, is responsible for the day to day operations of QVC. The Company has accounted for the QVC Acquisition under the purchase method of accounting and QVC was consolidated with the Company effective February 1, 1995.

DESCRIPTION OF THE COMPANY'S BUSINESSES

WIRED TELECOMMUNICATIONS

Wired telecommunications consists primarily of the Company's domestic cable communications operations. The Company's other wired telecommunications businesses include its UK cable and telecommunications operations, along with the Company's interests in alternate access providers, such as TCG (see "General Developments of Business" - "Sprint Spectrum").

Cable Communications

General

A cable communications system receives signals by means of special antennae, microwave relay systems, earth stations and fiber optics. The system amplifies such signals, provides locally originated programs and ancillary services and distributes programs to subscribers through a fiber optic and coaxial cable system.

Cable communications systems generally offer subscribers the signals of all national television networks; local and distant independent, specialty and educational television stations; satellite-delivered non-broadcast channels; locally originated programs; educational programs; audio programming; video games; electronic retailing and public service announcements. In addition, each of the Company's systems offer, for an extra monthly charge, one or more premium services ("Pay Cable") such as Home Box Office(R), Cinemax(R), Showtime(R), The Movie Channel(TM),

Encore(R) and The (C)Disney Channel, which generally offer, without commercial interruption, feature motion pictures, live and taped sporting events, concerts and other special features. Substantially all of the Company's systems offer pay-per-view services, which permit a subscriber to order, for a separate fee, individual feature motion pictures and special event programs. The Company is field testing non-entertainment services such as cable modem, data transfer and other personal computer ("PC") based services ("Non-entertainment Services").

Cable communications systems are generally constructed and operated under non-exclusive franchises granted by state or local governmental authorities. Franchises typically contain many conditions, such as time limitations on commencement or completion of construction; conditions of service, including number of channels, types of programming and provision of free services to schools and other public institutions; and the maintenance of insurance and indemnity bonds. Cable franchises are subject to the Cable Communications Policy Act of 1984 (the "1984 Cable Act"), the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act," and together with the 1984 Cable Act, the "Cable Acts") and the 1996 Telecom Act (see "Legislation and Regulation"), as well as FCC, state and local regulations.

The Company's franchises typically provide for periodic payments to the governmental authority of franchise fees of up to 5% of revenues derived from cable operations. Franchises are generally nontransferable without the consent of the governmental authority. Many of the Company's franchises were granted for an initial term of 15 years. Although franchises historically have been renewed and, under the Cable Acts, should continue to be renewed for companies that have provided adequate service and have complied generally with franchise terms, renewal may be more difficult as a result of the 1992 Cable Act and may include less favorable terms and conditions. Furthermore, the governmental authority may choose to award additional franchises to competing companies at any time (see "Competition" and "Legislation and Regulation"). In addition, under the 1996 Telecom Act certain providers of programming services may be exempt from local franchising requirements.

Company's Systems

The table below sets forth a summary of Homes Passed and Cable Subscriber information for the Company's domestic cable communications systems for the five years ended December 31, 1995:

	1995 (5)	1994 (5)	December 31, 1993	1992 (4)	1991 (4)
	-----	-----	----	-----	-----
	(In thousands)				
Homes Passed (1)(3)	5,570	5,491	4,211	4,154	4,218
Cable Subscribers (2)(3)	3,407	3,307	2,648	2,583	2,474

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- (1) A home is deemed "passed" if it can be connected to the distribution system without further extension of the transmission lines.
- (2) A dwelling with one or more television sets connected to a system is counted as one Cable Subscriber.
- (3) Consists of systems whose financial results are consolidated with those of the Company. Amounts do not include information for the Company's investment in Garden State or in other systems managed by the Company in which the Company has less than a 50% interest. As of December 31, 1995, total Homes Passed and Cable Subscribers for such entities were 327,000 and 223,000, respectively.
- (4) Includes 50% of the Homes Passed and Cable Subscribers of Storer Communications, Inc. ("Storer") in 1991. Homes Passed decreased in 1992 due to the difference between 50% of the total of Storer's Homes Passed for 1991 and those Homes Passed received in the December 1992 split up of Storer between the Company and Storer's other 50% owner.
- (5) Includes the consolidated systems acquired in the Company's 1994 purchase of the US cable television and alternative access operations of Maclean Hunter Limited.

Revenue Sources

The Company's cable communications systems offer varying levels of service, depending primarily on their respective channel capacities. As of December 31, 1995, a majority of the Company's systems had the capacity to carry in excess of 50 channels.

Monthly service rates and related charges vary in accordance with the type of service selected by the subscriber. The Company may receive an additional monthly fee for Pay Cable service, the charge for which varies with the type and level of service selected by the subscriber. Additional charges are often imposed for installation services, commercial subscribers, program guides and other services. The Company also generates revenue from pay-per-view services, advertising sales and commissions from electronic retailing. Subscribers typically pay on a monthly basis and generally may discontinue services at any time (see "Legislation and Regulation").

Programming and Suppliers

The Company generally pays either a monthly fee per subscriber or a percentage of the Company's gross receipts for programming. Some of the programming suppliers provide volume discount pricing structures and/or offer marketing support to the Company.

National manufacturers are the primary sources of supplies, equipment and materials utilized in the construction and upgrading of the Company's cable communications systems. Construction, rebuild and upgrade costs for these systems have increased during recent years and are expected to continue to increase as a result of the need to construct increasingly complex systems, overall demand for labor and other factors. The Company is unable to predict whether increases in such costs will have a material impact on its operations.

UK Activities

The Company beneficially owns a 31.2% equity interest and controls 81.9% of the total voting power of Comcast UK Cable. Comcast UK Cable is consolidated with the Company. As of December 31, 1995, Comcast UK Cable has equity interests in four operating companies (the "UK Operating Companies"): Birmingham Cable Corporation Limited ("Birmingham Cable"), in which Comcast UK Cable owns a 27.5% interest, Cable London PLC ("Cable London"), in which Comcast UK Cable owns a 49.0% interest, Cambridge Holding Company Limited ("Cambridge Cable"), in which Comcast UK Cable owns a 50.0% interest and a 100% interest in the franchises for Darlington and Teesside, England ("Teesside"). The UK Operating Companies hold exclusive cable television licenses and non-exclusive telecommunications licenses and provide integrated cable television, residential telephony and business telecommunications services to subscribers in their respective franchise areas.

In December 1995, Comcast UK Cable and the parent company of Singapore Telecommunications Limited ("SingTel") executed a Share Exchange Agreement relating to the exchange (the "SingTel Transaction") by SingTel of its 50% interest in Cambridge Cable and certain loans made to Cambridge Cable for approximately 8.9 million of Comcast UK Cable's Class A Common Shares and (pound)3.7 million, subject to certain closing adjustments. If the SingTel Transaction is consummated, which is anticipated to occur in the first half of 1996, Comcast UK Cable would begin consolidating the financial position and results of operations of Cambridge Cable. Upon consummation of the SingTel Transaction, the Company will beneficially own a 25.7% equity interest in and control 77.6% of the total voting power of Comcast UK Cable. Consummation of the SingTel Transaction is subject to a number of conditions, including the receipt of necessary regulatory approvals.

UK Operating Companies' Systems

The table below sets forth Homes Passed, Cable Subscriber and Telephony Subscriber information for the UK Operating Companies' cable communications systems for the five years ended December 31, 1995.

	1995 ----	1994 ----	December 31, 1993 ---- (In thousands)	1992 ----	1991 ----
Homes Passed (1) (2)					
Birmingham Cable	292	227	156	104	39
Cable London	246	171	121	78	49
Cambridge Cable	151	115	75	36	5
Teesside	40				
Cable Subscribers (2) (3)					
Birmingham Cable	88	73	55	35	12
Cable London	52	42	30	20	9
Cambridge Cable	36	30	16	6	1
Teesside	14				
Telephony Subscribers (2) (4)					
Birmingham Cable	83	59	36	23	3
Cable London	41	32	18	12	3
Cambridge Cable	44	34	12		
Teesside	20				

- (1) A home is deemed "passed" if it can be connected to the distribution system without further extension of the transmission lines.
- (2) Homes Passed, Cable Subscribers and Telephony Subscribers have not been adjusted for the Company's proportionate ownership interests in the respective UK Operating Companies.
- (3) A dwelling with one or more television sets connected to a system is counted as one Cable Subscriber.
- (4) A dwelling with one or more telephone lines connected to a system is counted as one Telephony Subscriber.

Teesside commenced construction of a cable telecommunications network to serve its franchises in the third quarter of 1994 and added its initial cable and telephony subscribers in June 1995. When build-out of the UK Operating Companies' systems is complete, these systems will have the potential to serve approximately 1.6 million homes and the businesses within their franchise areas. Based on its December 31, 1995 proportionate ownership interests in the UK Operating Companies, Comcast UK Cable's interests represent the potential to serve approximately 835,000 homes.

Competition

Cable communications systems face competition from alternative methods of receiving and distributing television signals and from other sources of news, information and entertainment such as off-air television broadcast programming, newspapers, movie theaters, live sporting events, interactive computer services and home video products, including videotape cassette recorders. The extent to which a cable communications system is competitive depends, in part, upon the cable system's ability to provide, at a reasonable price to consumers, a greater variety of programming and other communications services than are available off-air or through other alternative delivery sources (see "Legislation and Regulation") and upon superior technical performance and customer service.

The 1996 Telecom Act will make it easier for local exchange telephone companies ("LECs") and others to provide a wide variety of video services competitive with services provided by cable systems and to provide cable services directly to subscribers (see "Legislation and Regulation"). Various LECs currently are seeking to provide video services within their telephone service areas through a variety of distribution methods. Cable systems could be placed at a competitive disadvantage if the delivery of video services by LECs becomes widespread since LECs may not be required, under certain circumstances, to obtain local franchises to deliver such video services or to comply with the variety of obligations imposed upon cable systems under such franchises (see "Legislation and Regulation"). Issues of cross-subsidization by LECs of video and telephony services also pose strategic disadvantages for cable

operators seeking to compete with LECs who provide video services. The Company cannot predict at this time the likelihood of success of video service ventures by LECs or the impact on the Company of such competitive ventures.

Cable communications systems generally operate pursuant to franchises granted on a non-exclusive basis. The 1992 Cable Act gives local franchising authorities jurisdiction over basic cable service rates and equipment in the absence of "effective competition," prohibits franchising authorities from unreasonably denying requests for additional franchises and permits franchising authorities to operate cable systems (see "Legislation and Regulation"). Well-financed businesses from outside the cable industry (such as the public utilities that own certain of the poles on which cable is attached) may become competitors for franchises or providers of competing services (see "Legislation and Regulation - The 1996 Telecom Act"). The costs of operating a cable system where a competing service exists will be substantially greater than if there were no competition present. Competition exists in several of the Company's systems. In addition, LECs in various states have announced plans to compete with various of the Company's cable communications systems.

Cable operators face additional competition from private satellite master antenna television ("SMATV") systems that serve condominiums, apartment and office complexes and private residential developments. The operators of these SMATV systems often enter into exclusive agreements with building owners or homeowners' associations. While the 1984 Cable Act gives a franchised cable operator the right to use existing compatible easements within its franchise area on nondiscriminatory terms and conditions, there have been conflicting judicial decisions interpreting the scope of the access right granted to serve such private property. Various states have enacted laws to provide franchised cable systems access to such private complexes. These laws have been challenged in the courts with varying results. Due to the widespread availability of reasonably priced earth stations, SMATV systems now can offer both improved reception of local television stations and many of the same satellite-delivered program services offered by franchised cable systems. The ability of the Company to compete for subscribers in residential and commercial developments served by SMATV operators is uncertain. The 1996 Telecom Act gives cable operators greater flexibility with respect to pricing of cable communications services provided to subscribers in residential and commercial developments. It also broadens the definition of SMATV systems not subject to regulation as a franchised cable communications service.

The availability of reasonably-priced home satellite dish earth stations ("HSDs") enables individual households to receive many of the satellite-delivered program services formerly available only to cable subscribers. Furthermore, the 1992 Cable Act contains provisions, which the FCC has implemented with regulations, to enhance the ability of cable competitors to purchase and make available to HSD owners certain satellite-delivered cable programming at competitive costs.

In recent years, the FCC and the Congress have adopted policies providing a more favorable operating environment for new and existing technologies that provide, or have the potential to provide, substantial competition to cable systems. These technologies include, among others, the direct broadcast satellite ("DBS") service whereby signals are transmitted by satellite to receiving facilities located on the premises of subscribers. Programming is currently available to the owners of HSDs through conventional, medium and high-powered satellites. Primestar Partners L.P. ("Primestar"), a consortium comprised of cable operators, including the Company and a satellite company, commenced operation in 1990 of a medium-power DBS satellite system using the Ku portion of the frequency spectrum and currently provides service consisting of approximately 95 channels of programming, including broadcast signals and pay-per-view services. DirecTV, which recently added AT&T Corp. as an investor, began offering nationwide high-power DBS service in 1994 accompanied by extensive marketing efforts. Several other major companies are preparing to develop and operate high-power DBS systems, including MCI Communications Corp. and News Corp. DBS systems are expected to use video compression technology to increase the channel capacity of their systems to provide movies, broadcast stations and other program services competitive with those of cable systems. The extent to which DBS systems are competitive with the service provided by cable systems depends, among other things, on the availability of reception equipment at reasonable prices and on the ability of DBS operators to provide competitive programming.

Cable communications systems also compete with wireless program distribution services such as multichannel, multipoint distribution service ("MMDS") which use low-power microwave frequencies to transmit video programming over-the-air to subscribers. There are MMDS operators who are authorized to provide or are providing broadcast and satellite programming to subscribers in areas served by the Company's cable systems. Recently, several Regional Bell Operating Companies ("BOCs") acquired significant interests in major MMDS companies operating

in certain of the Company's cable service areas. Additionally, the FCC has pending a rulemaking proceeding in which it proposed to allocate frequencies in the 28 GHz band for a new multichannel wireless video service similar to MMDS. The Company is unable to predict whether wireless video services will have a material impact on its operations.

Other new technologies may become competitive with Non-entertainment Services that cable communications systems can offer. The FCC has authorized television broadcast stations to transmit textual and graphic information useful both to consumers and businesses. The FCC also permits commercial and non-commercial FM stations to use their subcarrier frequencies to provide non-broadcast services including data transmissions. The FCC established an over-the-air Interactive Video and Data Service that will permit two-way interaction with commercial and educational programming along with informational and data services. LECs and other common carriers also provide facilities for the transmission and distribution to homes and businesses of interactive computer-based services, including the Internet, as well as data and other non-video services. The FCC has conducted spectrum auctions for licenses to provide PCS. PCS will enable license holders, including cable operators, to provide voice and data services (see "Wireless Telecommunications - Cellular Telephone Communications - Competition").

Advances in communications technology as well as changes in the marketplace and the regulatory and legislative environment are constantly occurring. Thus, it is not possible to predict the effect that ongoing or future developments might have on the cable communications industry.

Legislation and Regulation

The Cable Acts and the 1996 Telecom Act amended the Communications Act and established a national policy to guide the development and regulation of cable systems. Principal responsibility for implementing the policies of the Cable Acts is allocated between the FCC and state or local franchising authorities. In addition, legislative and regulatory proposals by the Congress and federal agencies, particularly the approximately eighty (80) rulemakings at the FCC resulting from the 1996 Telecom Act and the many state regulatory proceedings necessary to implement the 1996 Telecom Act, may materially affect the cable communications industry. The following is a summary of federal laws and regulations materially affecting the growth and operation of the cable communications industry and a description of certain state and local laws.

The 1996 Telecom Act

The 1996 Telecom Act, the most comprehensive reform of the nation's telecommunications laws since the Communications Act, became effective in February 1996. The 1996 Telecom Act will result in changes in the marketplace for cable communications, telephone and other telecommunications services. Although the long-term goal of this Act is to promote competition and decrease regulation of these industries, in the short-term the law delegates to the FCC (and in some cases the states) broad new rulemaking authority. The new law requires many of these rulemakings to be completed in a limited period of time. The following is a brief summary of the important features of the 1996 Telecom Act that will affect the cable communications, telephone and other telecommunications industries.

Cable Communications. The 1996 Telecom Act deregulates rates for CPSTs in March 1999 for large Multiple System Operators ("MSOs"), such as the Company, and immediately for certain small operators. Deregulation will occur sooner for systems in markets where comparable video services, other than DBS, are offered by the LECs, or their affiliates, or by a third parties utilizing the LECs' facilities or where "effective competition" is established under the 1992 Cable Act. The 1996 Telecom Act also modifies the uniform rate provisions of the 1992 Cable Act by prohibiting regulation of bulk discount rates offered to subscribers in commercial and residential developments and permits regulated equipment rates to be computed by aggregating costs of broad categories of equipment at the franchise, system, regional or company level. The 1996 Telecom Act eliminates the right of individual subscribers to file rate complaints with the FCC concerning certain CPSTs and requires the FCC to issue a final order within 90 days after receipt of CPST rate complaints filed by any franchising authority after the date of enactment of the 1996 Telecom Act. The 1996 Telecom Act also modifies the existing statutory provisions governing cable system technical standards, equipment compatibility, subscriber notice requirements and program access, permits certain operators to include losses incurred prior to September 1992 in setting regulated rates and repeals the three-year anti-trafficking prohibition adopted in the 1992 Cable Act.

The 1996 Telecom Act eliminates the requirement that LECs obtain FCC approval under Section 214 of the Communications Act before providing video services in their telephone service areas and removes the telephone company/cable television cross-ownership prohibition that had been codified by the 1984 Cable Act, thereby facilitating the ability of the LECs to offer video services in their telephone service areas. LECs may provide service as traditional cable operators with local franchises or they may opt to provide their programming over unfranchised "open video systems," in which case they must set aside a portion of their channel capacity for use by unaffiliated program distributors and satisfy certain other requirements. Under certain circumstances, cable operators also may elect to offer services through open video systems. The 1996 Telecom Act also prohibits a LEC from acquiring a cable operator in its telephone service area except in limited circumstances.

Telephone. The 1996 Telecom Act removes barriers to entry in the local telephone exchange market that is now monopolized by the seven BOCs and other LECs by preempting state and local laws that restrict competition and by requiring all LECs to provide nondiscriminatory access and interconnection to potential competitors, such as cable operators and long distance companies. At the same time, the new law eliminates the prospective effects of the AT&T, GTE and McCaw consent decrees and permits the BOCs to enter the market for long distance services (through a separate subsidiary) after they meet a series of requirements intended to open their telephone service areas to competition. The 1996 Telecom Act also permits interstate utility companies to enter the telecommunications market.

While the 1996 Telecom Act imposes new requirements with regard to interconnection, it also directs the FCC to substantially relax much of its regulation of LECs to promote competition. The new law also eliminates or streamlines many of the requirements applicable to LECs, such as the requirement to obtain prior approval of construction or acquisition of new plant. In addition, the 1996 Telecom Act requires the FCC and states to review universal service programs and encourage access to advanced telecommunications services by schools, libraries and other public institutions.

Other Telecommunications Services. In addition to these provisions governing regulation of specific segments of the market, the 1996 Telecom Act also contains provisions regulating the content of video programming and computer services. Specifically, the new law prohibits the use of computer services to transmit "indecent" material to minors. The 1996 Telecom Act also requires the FCC to prescribe guidelines for a ratings system for violent and indecent video programming and requires all new television sets to contain a so-called "V-chip" capable of blocking all programs with a given rating. The new law substantially relaxes current broadcast ownership rules by eliminating the 12 station limit for television station ownership, and, instead, limiting ownership to stations with a potential aggregate reach of 35 percent of television households in the US and eliminating the network/cable cross-ownership prohibition.

Rate Regulation

Prior to April 1993, virtually all of the Company's cable systems were free to adjust cable rates without first obtaining governmental approval. The 1992 Cable Act authorized rate regulation for cable communications services and equipment in communities that are not subject to "effective competition," as defined in the 1992 Cable Act and as amended by the 1996 Telecom Act. Virtually all cable communications systems are now subject to rate regulation for basic cable service and equipment by local officials under the oversight of the FCC, which has prescribed detailed criteria for such rate regulation. The 1992 Cable Act also requires the FCC to resolve complaints about rates for CPSTs (other than programming offered on a per channel or per program basis, which programming is not subject to rate regulation) and to reduce any such rates found to be unreasonable. The 1996 Telecom Act provides for rate deregulation (see "The 1996 Telecom Act").

In April 1993, the FCC adopted regulations in accordance with the 1992 Cable Act governing rates that may be charged to subscribers for basic cable service and certain CPSTs (together, the "Regulated Services") and ordered an interim freeze on existing rates. The FCC's rate regulations became effective in September 1993 and the FCC's rate freeze was extended until the earlier of May 1994 or the date on which a cable system's basic cable service rate was regulated by a franchising authority.

In implementing the 1992 Cable Act, the FCC adopted a benchmark methodology as the principal method of regulating rates for Regulated Services. Cable operators were also permitted to justify rates using a cost-of-service methodology. As of September 1993, cable operators whose then current rates were above FCC benchmark levels

were required, absent a successful cost-of-service showing, to reduce such rates to the benchmark level or by up to 10% of those rates in effect on September 30, 1992, whichever reduction was less, adjusted for equipment costs, inflation and programming modifications occurring subsequent to September 30, 1992. Effective May 1994, the FCC modified its benchmark methodology to require reductions of up to 17% of the rates for Regulated Services in effect on September 30, 1992, adjusted for inflation, programming modifications, equipment costs and increases in certain operating costs. In July 1994, the Company reduced rates for Regulated Services in the majority of its cable systems to comply with the FCC's modified benchmarks and regulations.

The FCC's initial "Going Forward" regulations limited rate increases for Regulated Services after the establishment of an initial regulated rate to an inflation-indexed amount plus increases for channel additions and certain external costs beyond the cable operator's control, such as franchise fees, taxes and increased programming costs. Under these regulations, cable operators are entitled to take a 7.5% mark-up on certain programming cost increases. In November 1994, the FCC modified these regulations and instituted an alternative three-year flat fee mark-up plan for charges relating to new channels added to the CPST. As of January 1995, cable operators were permitted to charge subscribers for channels added to the CPST after May 1994, at a monthly rate of up to 20 cents per added channel, up to a total of \$1.20 plus an additional 30 cents for programming license fees per subscriber over the first two years of the three-year period; cable operators may charge an additional 20 cents plus the cost of the programming in the third year (1997) for one additional channel added in that year. Alternatively, operators may increase rates by the amount of any programming license fees in connection with such added channels, provided that the total monthly rate increase per subscriber for the added channels, including license fees, does not exceed \$1.50 over the first two years, and \$1.70, plus any increase in the license fees for the added channels, in the third year. Operators must make a one-time election to use either the 20 cents per channel adjustment or the 7.5% mark-up on programming cost increases for all channels added after December 31, 1994. The FCC is currently considering whether to modify or eliminate the regulation allowing operators to receive the 7.5% mark-up on increases in existing programming license fees. In September 1995, the FCC authorized a new, alternative method of implementing rate adjustments which will allow cable operators to increase rates for Regulated Services annually on the basis of projected increases in external costs (inflation, costs for programming, franchise-related obligations, and changes in the number of regulated channels) rather than on the basis of cost increases incurred in the preceding calendar quarter. Operators that elect not to recover all of their accrued external costs and inflation pass-throughs each year may recover them (with interest) in subsequent years.

In November 1994, the FCC adopted regulations permitting cable operators to create new product tiers ("NPT") that will not be subject to rate regulation if certain conditions are met. The FCC also revised its previously adopted policy and concluded that packages of a la carte services are subject to rate regulation by the FCC as CPSTs. Because of the uncertainty created by the FCC's prior a la carte package guidelines, the FCC will allow cable operators, including the Company, under certain circumstances, to treat previously offered a la carte packages as NPTs.

Franchising authorities are empowered to regulate the rates charged for additional outlets and for the installation, lease and sale of equipment used by subscribers to receive the basic cable service tier, such as converter boxes and remote control units. The FCC's rules require franchising authorities to regulate these rates on the basis of actual cost plus a reasonable profit, as defined by the FCC. The 1996 Telecom Act requires the FCC to revise its regulations to permit operators to compute regulated equipment rates by aggregating costs of broad categories of equipment at the franchise, system, regional or company level. In November 1995, the FCC initiated a general rulemaking proposal that permits cable operators to price services uniformly across multiple franchise areas, as well as regional areas. If the FCC adopts the proposals, cable operators that provide service to clusters of systems would be permitted to charge uniform rates across large geographic areas. Because the proposal is designed to be revenue neutral, it would not affect the overall revenue that operators receive, but administrative and marketing costs could be reduced.

Cable operators required to reduce rates may also be required to refund overcharges with interest. Rate reductions will not be required where a cable operator can demonstrate that existing rates for Regulated Services are justified and reasonable using cost-of-service guidelines. In November 1993, the FCC ruled that operators choosing to justify rates through a cost-of-service submission must do so for all Regulated Services. In February 1994, the FCC adopted interim cost-of-service regulations establishing, among other things, the rebuttable presumptions of an industry-wide 11.25% after tax rate of return on an operator's allowable rate base and that acquisition costs above original historic book value of tangible assets should be excluded from the allowable rate base. In December 1995, the FCC adopted final cost-of-service rate regulations requiring, among other things, cable operators to exclude 34% of system acquisition

costs related to intangible and tangible assets used to provide Regulated Services. The FCC also reaffirmed the industry-wide 11.25% after tax rate of return on an operator's allowable rate base, but initiated a further rulemaking in which it proposes to use an operator's actual debt cost and capital structure to determine an operator's cost of capital or rate of return.

The Company has settled the majority of outstanding proceedings challenging its rates charged for regulated cable services. In December 1995, the FCC adopted an order approving a negotiated settlement of rate complaints pending against the Company for CPSTs which provided approximately \$6.6 million in refunds, plus interest, being given in the form of bill credits, to approximately 1.3 million of the Company's cable subscribers. This FCC order resolved 160 of the Company's benchmark rate cases covering the period September 1993 through July 1994 and 104 of the Company's cost-of-service cases for CPSTs covering the period September 1993 through December 1995. As part of the negotiated settlement, the Company agreed to forego certain inflation and external cost adjustments for systems covered by its cost-of-service filings for CPSTs. The FCC's order has been appealed to a federal appellate court by a local franchising authority whose rate complaint against the Company was resolved by the negotiated settlement. The Company currently is seeking to justify rates for basic cable services and equipment in certain of its cable systems in the State of Connecticut on the basis of a cost-of-service showing. The State of Connecticut has ordered the Company to reduce such rates and to make refunds to subscribers. The Company has appealed the Connecticut decision to the FCC. The Company's management believes that the ultimate resolution of these pending regulatory matters will not have a material adverse impact on the Company's financial position or results of operations.

In June 1995, the US Court of Appeals for the District of Columbia Circuit substantially upheld the cable rate regulations adopted by the FCC pursuant to the 1992 Cable Act. In February 1996, the US Supreme Court declined to review the circuit court decision.

"Anti-Buy Through" Provisions. The 1992 Cable Act requires cable systems to permit subscribers to purchase video programming offered by the operator on a per channel or a per program basis without the necessity of subscribing to any tier of service, other than the basic cable service tier, unless the system's lack of addressable converter boxes or other technological limitations does not permit it to do so. The statutory exemption for cable systems that do not have the technological capability to offer programming in the manner required by the statute is available until a system obtains such capability, but not later than December 2002. The FCC may waive such time periods, if deemed necessary. Most of the Company's systems do not have the technological capability to offer programming in the manner required by the statute and thus currently are exempt from complying with the requirement.

Must Carry/Retransmission Consent. The 1992 Cable Act contains broadcast signal carriage requirements that allow local commercial television broadcast stations to elect once every three years to require a cable system to carry the station, subject to certain exceptions, or to negotiate for "retransmission consent" to carry the station. A cable system generally is required to devote up to one-third of its activated channel capacity for the carriage of local commercial television stations whether pursuant to the mandatory carriage or retransmission consent requirements of the 1992 Cable Act. Local non-commercial television stations are also given mandatory carriage rights; however, such stations are not given the option to negotiate retransmission consent for the carriage of their signals by cable systems. Additionally, cable systems are required to obtain retransmission consent for all "distant" commercial television stations (except for commercial satellite-delivered independent "superstations" such as WTBS), commercial radio stations and certain low power television stations carried by such systems after October 1993. In April 1993, a special three-judge federal district court issued a decision upholding the constitutional validity of the mandatory signal carriage requirements. In June 1994, the US Supreme Court vacated this decision and remanded it to the district court to determine, among other matters, whether the statutory carriage requirements are necessary to preserve the economic viability of the broadcast industry. In December 1995, the district court upheld the mandatory carriage requirements of the 1992 Cable Act. In February 1996, the Supreme Court agreed to review this decision of the district court. The Company cannot predict the ultimate outcome of this litigation. Pending action by the Supreme Court, the mandatory broadcast signal carriage requirements remain in effect.

Designated Channels. The 1984 Cable Act permits franchising authorities to require cable operators to set aside certain channels for public, educational and governmental access programming. The 1984 Cable Act also requires a cable system with 36 or more channels to designate a portion of its channel capacity for commercial leased access by third parties to provide programming that may compete with services offered by the cable operator. The FCC has adopted rules regulating: (i) the maximum reasonable rate a cable operator may charge for commercial use of the

designated channel capacity; (ii) the terms and conditions for commercial use of such channels; and (iii) the procedures for the expedited resolution of disputes concerning rates or commercial use of the designated channel capacity.

Franchise Procedures. The 1984 Cable Act affirms the right of franchising authorities (state or local, depending on the practice in individual states) to award one or more franchises within their jurisdictions and prohibits non-grandfathered cable systems from operating without a franchise in such jurisdictions. The 1992 Cable Act encourages competition with existing cable systems by (i) allowing municipalities to operate their own cable systems without franchises; (ii) preventing franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises covering an existing cable system's service area; and (iii) prohibiting (with limited exceptions) the common ownership of cable systems and co-located MMDS or SMATV systems. In January, 1995, the FCC relaxed its restrictions on ownership of SMATV systems to permit a cable operator to acquire SMATV systems in the operator's existing franchise area so long as the programming services provided through the SMATV system are offered according to the terms and conditions of the cable operator's local franchise agreement.

The 1984 Cable Act also provides that in granting or renewing franchises, local authorities may establish requirements for cable-related facilities and equipment, but not for video programming or information services other than in broad categories. Among the more significant provisions of the 1984 Cable Act is a limitation on the payment of franchise fees to 5% of cable system revenues and the opportunity for the cable operator to obtain modification of franchise requirements by the franchise authority or judicial action if warranted by changed circumstances. The Company's franchises typically provide for payment of fees to franchising authorities of 5% of "revenues" (as defined by each franchise agreement), which fees may be passed on to subscribers.

The 1984 Cable Act contains renewal procedures designed to protect incumbent franchisees against arbitrary denials of renewal. The 1992 Cable Act makes several changes to the renewal process which could make it easier for a franchising authority to deny renewal. Moreover, even if the franchise is renewed, the franchising authority may seek to impose new and more onerous requirements such as significant upgrades in facilities and services or increased franchise fees as a condition of renewal. Similarly, if a franchising authority's consent is required for the purchase or sale of a cable system or franchise, such authority may attempt to impose more burdensome or onerous franchise requirements in connection with a request for such consent. Historically, franchises have been renewed for cable operators that have provided satisfactory services and have complied with the terms of their franchises. The Company believes that it has generally met the terms of its franchises and has provided quality levels of service and it anticipates that its future franchise renewal prospects generally will be favorable.

Various courts have considered whether franchising authorities have the legal right to limit franchise awards to a single cable operator and to impose certain substantive franchise requirements (e.g. access channels, universal service and other technical requirements). These decisions have been somewhat inconsistent and, until the US Supreme Court rules definitively on the scope of cable operators' First Amendment protections, the legality of the franchising process generally and of various specific franchise requirements is likely to be in a state of flux.

Ownership Limitations. Pursuant to the 1992 Cable Act, the FCC adopted rules prescribing national subscriber limits and limits on the number of channels that can be occupied on a cable system by a video programmer in which the operator has an attributable interest. The effectiveness of these FCC horizontal ownership limits has been stayed because a federal district court found the statutory limitation to be unconstitutional. An appeal of that decision is pending. The 1996 Telecom Act eliminates the statutory prohibition on the common ownership, operation or control of a cable system and a television broadcast station in the same service area and directs the FCC to eliminate its regulatory restrictions on cross-ownership of cable systems and national broadcasting networks and to review its broadcast-cable ownership restrictions to determine if they are necessary in the public interest.

LEC Ownership of Cable Systems. The 1984 Cable Act, FCC regulations, and the 1982 federal court consent decree that settled the antitrust suit against AT&T regulated the provision of video programming and other information services by LECs. The statutory provision and corresponding FCC regulations are of particular competitive importance because LECs already own much of the plant necessary for cable communications operations, such as poles, underground conduit and associated rights-of-way. The 1996 Telecom Act makes far-reaching changes in the regulation of LECs that provide cable services. The new law eliminates current legal barriers to competition in the local telephone and cable communications businesses, preempts legal barriers to competition that previously existed in state and local laws and regulations, and sets basic standards for relationships between telecommunications

providers (see "The 1996 Telecom Act"). The FCC and, in some cases, states are required to conduct numerous rulemaking proceedings to implement the 1996 Telecom Act. The ultimate outcome of these rulemakings, and the ultimate impact of the 1996 Telecom Act or any final regulations adopted pursuant to the new law on the Company or its businesses cannot be determined at this time.

Pole Attachment. The Communications Act requires the FCC to regulate the rates, terms and conditions imposed by public utilities for cable systems' use of utility pole and conduit space unless state authorities can demonstrate that they adequately regulate pole attachment rates, as is the case in certain states in which the Company operates. In the absence of state regulation, the FCC administers pole attachment rates on a formula basis. In some cases, utility companies have increased pole attachment fees for cable systems that have installed fiber optic cables and that are using such cables for the distribution of non-video services. The FCC concluded that, in the absence of state regulation, it has jurisdiction to determine whether utility companies have justified their demand for additional rental fees and that the Communications Act does not permit disparate rates based on the type of service provided over the equipment attached to the utility's pole. The 1996 Telecom Act modifies the current pole attachment provisions of the Communications Act by immediately permitting certain providers of telecommunications services to rely upon the protections of the current law and by requiring that utilities provide cable systems and telecommunications carriers with nondiscriminatory access to any pole, conduit or right-of-way controlled by the utility. Additionally, within two years of enactment of the 1996 Telecom Act, the FCC is required to adopt new regulations to govern the charges for pole attachments used by companies providing telecommunications services, including cable operators. These new pole attachment regulations will become effective five years after enactment of the 1996 Telecom Act, and any increase in attachment rates resulting from the FCC's new regulations will be phased in equal annual increments over a period of five years beginning on the effective date of the new FCC regulations.

Other Statutory Provisions. The 1992 Cable Act and the 1996 Telecom Act preclude video programmers affiliated with cable companies or common carriers providing video programming directly to subscribers from favoring the affiliated company over competitors and requires such programmers to sell their programming to other multichannel video distributors. This provision limits the ability of cable program suppliers affiliated with cable companies or common carriers providing video programming to offer exclusive programming arrangements to their affiliates. The Cable Acts also include provisions, among others, concerning horizontal and vertical ownership of cable systems, customer service, subscriber privacy, commercial leased access channels, marketing practices, equal employment opportunity, franchise renewal and transfer, award of franchises, obscene or indecent programming, regulation of technical standards and equipment compatibility. The FCC has adopted regulations implementing many of these statutory provisions and it has received numerous petitions requesting reconsideration of various aspects of its rulemaking proceedings.

Other FCC Regulations. In addition to the FCC regulations noted above, there are other FCC regulations covering such areas as equal employment opportunity, syndicated program exclusivity, network program non-duplication, registration of cable systems, maintenance of various records and public inspection files, microwave frequency usage, lockbox availability, origination cablecasting and sponsorship identification, antenna structure notification, marking and lighting, carriage of local sports programming, application of rules governing political broadcasts, limitations on advertising contained in non-broadcast children's programming, consumer protection and customer service, leased commercial access, ownership of home wiring, indecent programming, programmer access to cable systems, programming agreements, technical standards, consumer electronics equipment compatibility and DBS implementation. The FCC has the authority to enforce its regulations through the imposition of substantial fines, the issuance of cease and desist orders and/or the imposition of other administrative sanctions, such as the revocation of FCC licenses needed to operate certain transmission facilities often used in connection with cable operations.

Other bills and administrative proposals pertaining to cable communications have previously been introduced in Congress or considered by other governmental bodies over the past several years on matters such as rate regulation, customer service standards, sports programming, franchising and copyright. It is probable that further attempts will be made by Congress and other governmental bodies relating to the regulation of communications services.

Copyright. Cable communications systems are subject to federal copyright licensing covering carriage of television and radio broadcast signals. In exchange for filing certain reports and contributing a percentage of their revenues to a federal copyright royalty pool, cable operators can obtain blanket permission to retransmit copyrighted material on broadcast signals. The nature and amount of future payments for broadcast signal carriage cannot be predicted at this time. The possible simplification, modification or elimination of the compulsory copyright license is the

subject of continuing legislative review. The elimination or substantial modification of the cable compulsory license could adversely affect the Company's ability to obtain suitable programming and could substantially increase the cost of programming that remained available for distribution to the Company's subscribers. The Company cannot predict the outcome of this legislative activity.

In October 1989, the special rate court of the US District Court for the Southern District of New York imposed interim rates on the cable industry's use of ASCAP-controlled music. Payment of these rates by cable programmers secures licenses that cover the use of the music licensed by ASCAP by both the cable programmers and their cable operator affiliates. A special rate court was recently created for the other major music performing rights society, BMI, to establish rates for the use of BMI-controlled music. BMI and cable industry representatives recently concluded negotiations for a standard licensing agreement covering the performance of BMI music contained in advertising and other information inserted by operators into cable programming and on certain local access and origination channels carried on cable systems. The Company's settlement with BMI did not have a significant impact on the Company's financial position or results of operations. ASCAP and cable industry representatives have met to discuss the development of a standard licensing agreement covering ASCAP-controlled music in local origination and access channels and pay-per-view programming.

State and Local Regulation

Because a cable communications system uses local streets and rights-of-way, cable systems are subject to state and local regulation, typically imposed through the franchising process. Cable communications systems generally are operated pursuant to nonexclusive franchises, permits or licenses granted by a municipality or other state or local government entity. Franchises generally are granted for fixed terms and in many cases are terminable if the franchisee fails to comply with material provisions. The terms and conditions of franchises vary materially from jurisdiction to jurisdiction. Each franchise generally contains provisions governing cable service rates, franchise fees, franchise term, system construction and maintenance obligations, system channel capacity, design and technical performance, customer service standards, franchise renewal, sale or transfer of the franchise, territory of the franchisee, indemnification of the franchising authority, use and occupancy of public streets and types of cable services provided. A number of states subject cable communications systems to the jurisdiction of centralized state governmental agencies, some of which impose regulation of a character similar to that of a public utility. Attempts in other states to regulate cable communications systems are continuing and can be expected to increase. To date, those states in which the Company operates that have enacted such state level regulation are Connecticut, New Jersey and Delaware. State and local franchising jurisdiction is not unlimited, however, and must be exercised consistently with federal law. The 1992 Cable Act immunizes franchising authorities from monetary damage awards arising from regulation of cable systems or decisions made on franchise grants, renewals, transfers and amendments.

The foregoing does not purport to describe all present and proposed federal, state, and local regulations and legislation affecting the cable industry. Other existing federal regulations, copyright licensing, and, in many jurisdictions, state and local franchise requirements, are currently the subject of judicial proceedings, legislative hearings and administrative proposals which could change, in varying degrees, the manner in which cable communications systems operate. Neither the outcome of these proceedings nor their impact upon the cable communications industry or the Company can be predicted at this time.

UK Regulation

The operation of a cable television/telephony system in the UK is regulated under both the Broadcasting Act 1990 (the "Broadcasting Act") (which replaced the Cable and Broadcasting Act 1984 (the "UK Cable Act")) and the Telecommunications Act 1984 (the "Telecommunications Act"). The operator of a cable/telephony franchise covering over 1,000 homes must hold two principal licenses: (i) a license (a "cable television license") issued in the past under the UK Cable Act or since 1990 under the Broadcasting Act, which allows the operator to provide cable television services in the franchise area, and (ii) a telecommunications license issued under the Telecommunications Act, which allows the operator to operate and use the physical network necessary to provide cable television and telecommunications services. The Independent Television Commission ("ITC") is responsible for the licensing and regulation of cable television. The Department of Trade and Industry ("DTI") is responsible for issuing, and the Office of Telecommunications ("OFTEL") is responsible for regulating the holders of, the telecommunications licenses. In addition, an operator is required to hold a license under the Wireless Telegraphy Acts of 1949-67 for the use of microwave distribution systems.

The cable television licenses held by the relevant subsidiaries of the UK Operating Companies were issued under the UK Cable Act for 15-year periods and are scheduled to expire beginning in late 2004. The telecommunications licenses held by these subsidiaries of the UK Operating Companies are for 23-year periods and are scheduled to expire beginning in late 2012.

WIRELESS TELECOMMUNICATIONS

The Company's wireless telecommunications operations primarily consist of the Company's cellular telephone communications operations. The Company's other wireless telecommunications businesses includes its DBS operations, including the Company's investment in Primestar (see "Wired Telecommunications - Cable Communications - Competition"), and its interest in Sprint Spectrum, which has acquired 29 PCS licenses and is in the process of developing operations to provide telecommunications services (see "General Developments of Business - Sprint Spectrum").

Cellular Telephone Communications

General

The Company is engaged in the development, management and operation of cellular telephone communications systems in various service areas pursuant to licenses granted by the FCC. Each service area is divided into segments referred to as "cells" equipped with a receiver, signaling equipment and a low-power transmitter. The use of low-power transmitters and the placement of cells close to one another permits re-use of frequencies, thus substantially increasing the volume of calls capable of being handled simultaneously over the number handled by conventional mobile telephone systems. Each cell has a coverage area generally ranging from one to more than 25 miles. A cellular telephone system includes a computerized central switching facility known as the mobile telephone switching office ("MTSO") which controls the automatic transfer of calls, coordinates calls to and from cellular telephones and connects calls to the LEC or to an interexchange carrier. The MTSO also records information on system usage and subscriber statistics.

Each cell's facilities monitor the strength of the signal returned from the subscriber's cellular telephone. When the signal strength declines to a predetermined level and the transmission strength is greater at another cell in or interconnected with the system, the MTSO automatically and instantaneously passes the mobile user's call in progress to the other cell without disconnecting the call ("hand off"). Interconnection agreements between cellular telephone system operators and various LECs and interexchange carriers establish the manner in which the cellular telephone system integrates with other telecommunications systems.

As required by the FCC, all cellular telephones are designed for compatibility with cellular systems in all markets within the US so that a cellular telephone may be used wherever cellular service is available. Each cellular telephone system in the US uses one of two groups of channels, termed "Block A" and "Block B," which the FCC has allotted for cellular service. Minor adjustments to cellular telephones may be required to enable the subscriber to change from a cellular system on one frequency block to a cellular system on the other frequency block.

While most MTSOs process information digitally, most radio transmission of cellular telephone calls is done on an analog basis. Digital transmission of cellular telephone calls offers advantages, including improved voice quality under certain conditions, larger system capacity and the potential for lower incremental costs for additional subscribers. The FCC allows carriers to provide digital service and requires cellular carriers to provide analog service. The Company's conversion from analog to digital radio technology is expected to commence in 1997 and to take a number of years.

The Company provides services to its cellular telephone subscribers similar to those provided by conventional landline telephone systems, including custom calling features such as call forwarding, call waiting, conference calling, directory assistance and voice mail. The Company is responsible for the quality, pricing and packaging of cellular telephone service for each of the systems it owns and controls.

Reciprocal agreements among cellular telephone system operators allow their respective subscribers ("roamers") to place and receive calls in most service areas throughout the country. Roamers are charged rates which are generally at a premium to the regular service rate. In recent years, cellular carriers have experienced increased fraud associated

with roamer service, including Electronic Serial Number ("ESN") cloning. The Company and other carriers have taken steps to combat roamer fraud, but it is uncertain to what extent roamer fraud will continue. In 1995, the Company implemented a number of features which it believes will decrease the incidents of fraudulent use of its systems. Among these are Personal Identification Numbers ("PINs"), which are required to be used by a majority of the Company's customers, and the Company's Security Zone feature which restricts customer usage outside the Company's consolidated footprint. The Company has established interoperability with the Washington-Baltimore cellular provider, and is currently working on interoperability with the New York cellular provider, to permit its customers' use of both PINs and Security Zone in neighboring systems frequented by the Company's customers.

In addition, the Company is evaluating the implementation of authentication and RF fingerprinting technologies which will associate ESN/mobile number combinations with particular cellular telephone units. The use of digital technologies also purportedly will make it more difficult to commit cellular fraud.

Allegations of harmful effects from the use of hand-held cellular phones have caused the cellular industry to fund additional research to review and update previous studies concerning the safety of the emissions of electromagnetic energy from cellular phones. In August 1993, the FCC adopted a notice of proposed rulemaking to consider the incorporation of the new standard for radiofrequency exposure adopted by the American National Standards Institute in association with the Institute of Electrical and Electronic Engineers, Inc. The FCC is considering the application of the new standard to low-power devices such as hand-held mobile transceivers. In addition, the FCC is considering how the new standard should apply to cellular transmitter sites. Pursuant to the 1996 Telecom Act, this proceeding must be completed within 180 days of the legislation's enactment.

Company's Systems

The table below sets forth summary information regarding the total population ("Pops") in the markets served by the Company's systems by Metropolitan Statistical Area ("MSAs") and Rural Service Area ("RSAs") and aggregate subscriber information as of December 31, 1995.

Market -----	Approximate Ownership -----	Approximate Pops (1) -----	Approximate Net Pops -----
MSAs:			
Atlantic City, NJ	47%	333,000	157,000
Aurora-Elgin, IL	81%	46,000	37,000
Joliet, IL	83%	35,000	29,000
Long Branch, NJ	100%	587,000	587,000
New Brunswick, NJ	100%	700,000	700,000
Philadelphia, PA	100%	4,899,000	4,899,000
Trenton, NJ	85%	330,000	281,000
Wilmington, DE	100%	612,000	612,000
		-----	-----
		7,542,000	7,302,000
		-----	-----
RSAs:			
Ocean County, NJ	100%	466,000	466,000
Vineland, NJ	94%	138,000	130,000
Kent and Sussex, DE	50%	252,000	126,000
		-----	-----
		856,000	722,000
		-----	-----
		8,398,000	8,024,000
		=====	=====

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(1) Source: 1996 Rand McNally Commercial Atlas & Marketing Guide

As of December 31, 1995, the Company's cellular telephone business had 665,000 subscribers in the markets listed above.

Competition

The cellular telephone business is currently a regulated duopoly. The FCC generally grants two licenses to operate cellular telephone systems in each market. One of the two licenses was initially awarded to a company or group affiliated with the local landline telephone carriers in the market (the "Wireline" license), and the other license was initially awarded to a company, individual, or group not affiliated with any landline telephone carrier (the "Non-Wireline" license).

The Company's systems are all Non-Wireline systems and compete directly with the Wireline licensee in each market in attracting and retaining cellular telephone customers and dealers. Competition between the two licensees in each market is principally on the basis of services and enhancements offered, technical quality of the system, quality and responsiveness of customer service, price and coverage area. The Wireline licensee in the Company's principal markets is Celloco Partnership, a joint venture between Bell Atlantic Mobile Systems, Inc. and NYNEX Mobile Communications Co. The Company's principal Wireline competitor is significantly larger and may have access to more substantial financial resources than the Company.

The FCC requires cellular licensees to provide service to resellers of cellular service which purchase cellular service from licensees, usually in the form of blocks of numbers, then resell the service to the public. Thus, a reseller may be both a customer and a competitor of a licensed cellular operator. The FCC currently is seeking comment on whether resellers should be permitted to install separate switching facilities in cellular systems, although it has tentatively concluded not to require such interconnects. The FCC is also considering whether resellers should receive direct assignments of telephone numbers from LECs.

Cellular telephone systems, including the Company's systems, also face actual or potential competition from other current and developing technologies. Specialized Mobile Radio ("SMR") systems, such as those used by taxicabs, as well as other forms of mobile communications service, may provide competition in certain markets. SMR systems are permitted by FCC rules to be interconnected to the public switched telephone network and are significantly less expensive to build and operate than cellular telephone systems. SMR systems are, however, licensed to operate on substantially fewer channels per system than cellular telephone systems and generally lack cellular's ability to expand capacity through frequency reuse by using many low-power transmitters and to hand-off calls. Nextel Communications, Inc., in which the Company holds an equity interest, has begun to implement its proposal to use its available SMR spectrum in various metropolitan areas more efficiently to increase capacity and to provide a broad range of mobile radio communications services. This proposal, known as ESMR service, could provide additional competition to existing cellular carriers, including the Company. In 1994, the FCC decided to license SMR systems in the 800 MHz bands for wide-area use, thus increasing potential competition with cellular. The FCC recently decided to license SMR spectrum in contiguous blocks via the competitive bidding process. Although wide-area SMR spectrum has not yet been assigned, the licensing change may further the competitive potential of SMR services.

One-way paging or beeper services that feature voice message, data services and tones are also available in the Company's markets. These services may provide adequate capacity and sufficient mobile capabilities for some potential cellular subscribers, thus providing additional competition to the Company's systems.

Certain new technologies and regulatory proposals potentially could affect the competitive position of the cellular industry. The most prominent is PCS, which includes a variety of digital, wireless communications systems currently primarily suited for use in densely populated areas. At the power levels that the FCC's rules now provide, each cell of a PCS system would have more limited coverage than a cell in a cellular telephone system. Current proposals for PCS include advanced cordless telephones, or CT-2, mobile data networks, and personal communications networks that might provide services similar to those provided by cellular at costs lower than those currently charged by cellular system operators. The FCC has allocated spectrum and adopted rules for both narrow and broadband PCS services. In 1994, the FCC completed a spectrum auction for nationwide narrowband PCS licenses, undertook the first regional narrowband PCS auction, and began the first auction of broadband PCS spectrum (see "General Developments of Business - Sprint Spectrum"). All of the 30 MHz Major Trading Area licenses for PCS were issued by June 1995 and PCS licensees are required to construct their networks to be capable of covering one third of their service area population within five years of the date of licensing. Broadband PCS service likely will become a direct competitor to cellular service. In December 1995, the FCC commenced the auction of additional PCS spectrum designated for license to small businesses, rural telephone companies and other entrepreneurs. The FCC intends to offer additional spectrum for Commercial Mobile Radio Service ("CMRS") licenses in the future.

Applicants have received and others are seeking FCC authorization to construct and operate global satellite networks to provide domestic and international mobile communications services from geostationary and low earth orbit satellites. In addition, the Omnibus Budget Reconciliation Act of 1993 ("1993 Budget Act") provided, among other things, for the release of 200 MHz of Federal government spectrum for commercial use over a fifteen year period. The FCC has already allotted 25 MHz of spectrum for fixed and mobile use. The 1993 Budget Act also authorized the FCC to conduct competitive bidding for certain radio spectrum licenses and required the FCC to adopt new rules that eliminate the regulatory distinctions between common and private carriers for those private carriers who interconnect with the public switched telephone network and make their services available to a substantial portion of the public for profit. These developments and further technological advances may make available other alternatives to cellular service thereby creating additional sources of competition.

Legislation and Regulation

FCC Regulation

The FCC regulates the licensing, construction, operation and acquisition of cellular telephone systems pursuant to the Communications Act. For licensing purposes, the FCC divided the US into separate markets: 306 MSAs and 428 RSAs. In each market, the allocated cellular frequencies are divided into two blocks: Block A, initially awarded for utilization by Non-Wireline entities such as the Company, and Block B, initially awarded for utilization by affiliates of local exchange Wireline telephone companies. There is no technical or operational difference between Wireline and Non-Wireline systems other than different frequencies.

Under the Communications Act, no party may transfer control of or assign a cellular license without first obtaining FCC consent. FCC rules (i) prohibit an entity controlling one system in a market from holding any interest in the competing cellular system in the market and (ii) prohibit an entity from holding non-controlling interests in more than one system in any market, if the common ownership interests present anticompetitive concerns under FCC policies. Cellular radio licenses generally expire on October 1 of the tenth year following grant of the license in the particular market and are renewable for periods of ten years upon application to the FCC. Licenses may be revoked for cause and license renewal applications denied if the FCC determines that a renewal would not serve the public interest. FCC rules provide that competing renewal applications for cellular licenses will be considered in comparative hearings, and establish the qualifications for competing applications and the standards to be applied in such hearings. Under current policies, the FCC will grant incumbent cellular licensees a "renewal expectancy" if the licensee has provided substantial service to the public, substantially complied with applicable FCC rules and policies and the Communications Act and is otherwise qualified to hold an FCC license. The FCC has granted renewal of the Company's licenses for the Philadelphia and Wilmington MSAs.

The FCC requires LECs in each market to offer reasonable terms and facilities for the interconnection of both cellular telephone systems in that market to the LECs' landline network. Cellular telephone companies affiliated with the LEC are required to disclose how their systems will interconnect with the landline network. The licensee not affiliated with the LEC has the right to interconnect with the landline network in a manner no less favorable than that of the licensee affiliated with the LEC. In addition, the licensee not affiliated with the LEC may, at its discretion, request reasonable interconnection arrangements that are different than those provided to the affiliated licensee in that market, and the LEC must negotiate such requests in good faith. The FCC reiterated its position on interconnection issues in a declaratory ruling which clarified that LECs are expected to provide, within a reasonable time, the agreed-upon form of interconnection.

The FCC regulates the ability of cellular operators to bundle the provision of service with hardware, the resale of cellular service by third parties and the coordination of frequency usage with other cellular licensees. The FCC also regulates the height and power of base station transmitting facilities and signal emissions in the cellular system. Cellular systems also are subject to Federal Aviation Administration and FCC regulations concerning the siting, construction, marking and lighting of cellular transmitter towers and antennae. In addition, the FCC also regulates the employment practices of cellular operators.

The Communications Act currently restricts foreign ownership or control over commercial mobile radio licenses, which include cellular radio service licenses. The FCC recently decided to consider the opportunities that other nations provide to US companies in their communications industries as a factor in deciding whether to permit higher levels of indirect foreign ownership in companies controlling common carrier and certain other radio licenses. The

1996 Telecom Act relaxes these restrictions by eliminating the statutory provisions restricting foreign officers and directors in licensees and their parent corporations.

To date, the FCC has undertaken significant efforts to reconsider the regulation of CMRS providers in the wake of competitive developments in the telecommunications marketplace. For instance, the FCC is considering whether all CMRS providers should provide interconnection to all other CMRS providers. Moreover, the FCC has proposed new rules to govern LEC-CMRS interconnection. Resolution of the issues raised in these proceedings may affect the costs of providing cellular service and the way in which the Company conducts its business.

Finally, the 1996 Telecom Act relieves BOC-affiliated cellular providers of their equal access obligations. As such, BOC-affiliated carriers are afforded greater flexibility in contracting with interexchange carriers for the provision of long distance services. Prior to the legislative change, cellular systems affiliated with the BOCs were required to offer equal access to interexchange carriers and those affiliated with AT&T voluntarily provided equal access. Nevertheless, the FCC retains authority to require all CMRS operators to provide unblocked access through the use of other mechanisms if customers are being denied access to the telephone toll service providers of their choice, and if such denial is contrary to the public interest.

State Regulation and Local Approvals

Except for the State of Illinois, the states in which the Company presently operates currently do not regulate cellular telephone service. In the 1993 Budget Act, Congress gave the FCC the authority to preempt states from regulating rates or entry into CMRS, including cellular. In the CMRS order, described above, the FCC preempted the states and established a procedure for states to petition the FCC for authority to regulate rates and entry into CMRS. The FCC, to date, has denied all state petitions to regulate the rates charged by CMRS providers.

The scope of the allowable level of state regulation of CMRS, however, remains unclear. The 1993 Budget Act does not identify the "other terms and conditions" of CMRS service that can be regulated by the states. Moreover, the FCC recently issued a Notice of Proposed Rulemaking requesting comment on the authority of states to regulate intrastate LEC-CMRS interconnection. The resolution of this issue will impact the extent to which cellular providers will be subject to state regulation of CMRS interconnection to the LECs. The siting of cells also remains subject to state and local jurisdiction.

CONTENT

Content consists primarily of the Company's 57.45% ownership interest in QVC, which is consolidated with and managed by the Company. In addition, the Company recently formed C3, whose worldwide activities will be focused on four distinct areas: development and production of programming for the Company and other media outlets; enhancement of existing and creation of new distribution channels; expansion of transactional services; and acquisitions of programming and media related companies. In the programming sector, C3 will assist the Company with its programming investments which include E! Entertainment, Viewer's Choice, Turner Broadcasting, The Golf Channel, Speedvision, Outdoor Life, Music Choice, Lightspan and the Sunshine Network.

Electronic Retailing

General

The Company provides electronic retailing services through QVC, a nationwide general merchandise retailer. Through its merchandise-focused television programs (the "QVC Service"), QVC sells a wide variety of products directly to consumers. The products are described and demonstrated live by program hosts, and orders are placed directly with QVC by viewers who call a toll-free '800' telephone number. QVC television programming is produced at its facilities in Pennsylvania and is broadcast nationally via satellite to affiliated local cable system operators and other multichannel video programming providers ("Program Carriers") who have entered into carriage agreements (the "Affiliation Agreements") with QVC and who retransmit the QVC programming to their subscribers.

The QVC Service

Products. QVC sells a variety of consumer products and accessories including jewelry, apparel and accessories, housewares, collectibles, electronics, toys and cosmetics. QVC obtains products from domestic and foreign manufacturers and wholesalers and is often able to make purchases on favorable terms based on the volume of the transactions. QVC intends to continue introducing new products and product lines. QVC is not dependent upon any one particular supplier for any significant portion of its inventory.

Programming. The QVC program schedule consists of one-hour and multi-hour program segments. Each program segment has a theme devoted to a particular category of product or lifestyle. From time to time, QVC broadcasts special program segments devoted to merchandise associated with a particular celebrity, event, geographical region or seasonal interest. QVC selects all products presented on its programs, stocks the merchandise, processes all orders and ships from its own distribution centers.

Process. Viewers place orders to purchase merchandise by calling a toll-free telephone number. QVC uses automatic call distributing equipment to distribute calls to its operators. The majority of all payments for purchases are made with a major credit card or QVC's private label credit card. The accounts receivable from QVC's private label credit card program are purchased (with recourse) and serviced by an unrelated third party. QVC's policy is to ship merchandise promptly, typically within two to three days after receipt of an order. QVC offers a return policy which permits customers to return within 30 days any merchandise purchased from QVC for a full refund of the purchase price and original shipping charges.

Primary Channel. QVC's main channel (the "Primary Channel"), as of December 31, 1995, is transmitted live 24 hours a day, 7 days a week, to approximately 49 million cable television homes and on a part-time basis to approximately 3 million additional cable television homes. In addition, the QVC Service can be received by approximately 4 million home satellite dish users.

Q2. QVC's secondary channel ("Q2"), which broadcasts 24 hours a day, 7 days a week, reaches in excess of 9 million homes. In January 1996, the Company announced that the format of Q2 programming would be changed, effective in the first half of 1996, to become a faster-paced, news-like format, combining live hosts and edited tape of top products and stories from the Primary Channel.

QVC UK. In October 1993, QVC launched an electronic retailing program service in the UK ("QVC--The Shopping Channel") through a joint venture agreement with British Sky Broadcasting Limited. This service currently reaches over 4 million homes in the UK.

iQVC. In December 1995, QVC launched its interactive shopping service ("iQVC") on The Microsoft Network ("MSN"), Microsoft Corporation's new on-line service. The iQVC service will offer MSN's on-line members a diverse array of merchandise, available on-line, 24 hours a day, 7 days a week.

QVC Service Transmission

The QVC Service signal is transmitted via two exclusive, protected, non-preemptible transponders on communications satellites. Each communications satellite has a number of separate transponders. 'Protected' status means that, in the event of transponder failure, QVC's signal will be transferred to a spare transponder or, if none is available, to a preemptible transponder located on the same satellite or, in certain cases, to a transponder on another satellite owned by the same lessor if one is available at the time of the failure. 'Non-preemptible' status means that the transponder cannot be preempted in favor of a user of a 'protected' transponder that has failed. QVC has never had an interruption in programming due to transponder failure and believes that because it has the exclusive use of two protected, non-preemptible transponders, such interruption is unlikely to occur. There can be no assurance, however, that there will not be an interruption or termination of satellite transmission due to transponder failure. Such interruption or termination could have a material adverse effect on QVC.

Program Carriers

QVC has entered into Affiliation Agreements with Program Carriers to carry the QVC Service. There are generally no additional charges to the subscribers for distribution of the QVC Service. In return for carrying the QVC Service,

each Program Carrier receives five percent (5%) of the net sales of merchandise sold to customers located in the Program Carrier's service area. The terms of most Affiliation Agreements are automatically renewable for one-year terms unless terminated by either party on at least 90 days notice prior to the end of the term. Affiliation Agreements covering most of the QVC's cable television homes can be terminated in the sixth year of their respective terms by the Program Carrier unless the Program Carrier earns a specified minimum level of sales commissions. QVC's sales are currently at levels that would meet such minimum requirements. The Affiliation Agreements provide for the Program Carrier to broadcast commercials regarding the QVC Service on other channels and to distribute QVC's advertising material to subscribers. As of December 31, 1995, approximately 30% of the total homes reached by QVC were attributable to QVC's Affiliation Agreements with the Company and TCI, and their respective subsidiaries.

Renewal of these Affiliation Agreements on favorable terms is dependent upon QVC's ability to negotiate successfully with Program Carriers. The QVC Service competes for cable channels with competitive programming as well as alternative programming supplied by a variety of other well-established sources, including news, public affairs, entertainment and sports programmers. QVC's business is highly dependent on its affiliation with Program Carriers for the transmission of the QVC Service. The loss of a significant number of cable television homes because of termination or non-renewal of Affiliation Agreements would have a material adverse effect on QVC. To induce Program Carriers to enter into or extend Affiliation Agreements or to increase the number of cable television homes under existing Affiliation Agreements, QVC has developed other incentive programs, including various forms of marketing, launch and equipment purchase support. QVC will attempt to continue to recruit additional Program Carriers and seek to enlarge the audience for the QVC Service.

Legislation and Regulation

The FCC does not directly regulate programming services like those offered by QVC. The FCC does, however, exercise regulatory authority over the satellites and uplink facilities which transmit programming services such as those provided by QVC. The FCC has granted permanent licenses subject to periodic reviews to QVC for its uplink facilities (and for backup equipment of certain of these facilities) at sufficient power levels for transmission of the QVC Service. Regarding the satellites from which QVC obtains transponder capacity, the FCC presently exercises licensing authority but does not regulate the rates, terms or conditions of service provided by these facilities. Pursuant to its residual statutory authority, the FCC could, however, alter the regulatory obligations applicable to satellite service providers.

Competition

QVC operates in a highly competitive environment. As a general merchandise retailer, QVC competes for consumer expenditures and interest with the entire retail industry, including department, discount, warehouse and specialty stores, mail order and other direct sellers, shopping center and mall tenants and conventional free-standing stores, many of which are connected in chain or franchise systems. On television, it is also in competition with other satellite-transmitted programs for channel space and viewer loyalty. QVC believes that, at the present time, most Program Carriers are not willing to devote more than two channels to televised shopping and may allocate only one until digital compression is utilized on a large-scale basis several years in the future. Many systems have limited channel capacity and may be precluded from adding any new programs at the present time. The development and utilization of digital compression is expected to provide Program Carriers with greater channel capacity thereby increasing the opportunity for the QVC Service, in addition to other home shopping programs, to be broadcast on additional channels.

Seasonality

QVC's business is seasonal in nature, with its major selling season during the last quarter of the calendar year. Net revenue for the fourth quarter of the year ended December 31, 1995 accounted for approximately 32% of QVC's annual net sales from electronic retailing.

EMPLOYEES

As of December 31, 1995, the Company had 12,200 employees, excluding employees in managed operations. Of these employees, 5,700 were associated with cable communications, 4,700 were associated with electronic retailing and 1,100 were associated with cellular telephone communications. The Company believes that its relationships with its employees are good.

ITEM 2 PROPERTIES

Domestic Cable Communications

The principal physical assets of a cable communications system consist of a central receiving apparatus, distribution cables, converters and local business offices. The Company owns or leases the receiving and distribution equipment of each system and owns or leases parcels of real property for the receiving sites and local business offices. The physical components of cable communications systems require maintenance and periodic upgrading and rebuilding to keep pace with technological advances. A significant number of the Company's systems will be upgraded or rebuilt over the next several years.

Cellular Communications

The principal physical assets of a cellular telephone communications system include cell sites and central switching equipment. The Company primarily leases its sites used for its transmission facilities and its administrative offices. The physical components of a cellular telephone communications system require maintenance and upgrading to keep pace with technological advances. It is anticipated that the Company's systems will be converted to digital technology over the next several years.

Electronic Retailing

The principal physical assets of the Company's electronic retailing operations consist of television studios, telecommunications centers, local business offices and various product warehouses and distribution centers. The Company, through QVC, owns the majority of these assets. The physical components of electronic retailing operations require maintenance and require periodic upgrading and rebuilding to keep pace with technological advances. It is anticipated that QVC's warehousing and distribution facilities will be upgraded or rebuilt over the next several years.

The Company's management believes that substantially all of its physical assets are in good operating condition.

ITEM 3 LEGAL PROCEEDINGS

The Company is not party to litigation which, in the opinion of the Company's management, will have a material adverse effect on the Company's financial position or results of operations.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders, through a solicitation of proxies or otherwise, during the fourth quarter of the year ended December 31, 1995.

ITEM 4A EXECUTIVE OFFICERS OF THE REGISTRANT

The current term of office of each of the officers expires at the first meeting of the Board of Directors of the Company following the next Annual Meeting of Shareholders, presently scheduled to be held in June 1996, or as soon thereafter as each of their successors is duly elected and qualified.

The following table sets forth certain information concerning the principal executive officers of the Company, including their ages, positions and tenure as of February 1, 1996.

Name	Age	Officer Since	Position with the Company
Ralph J. Roberts	75	1969	Chairman of the Board of Directors; Director
Julian A. Brodsky	62	1969	Vice Chairman of the Board of Directors; Director
Brian L. Roberts	36	1986	President; Director
Lawrence S. Smith	48	1988	Executive Vice President
John R. Alchin	47	1990	Senior Vice President; Treasurer
Stanley L. Wang	55	1981	Senior Vice President; General Counsel; Secretary

Ralph J. Roberts has served as a Director and Chairman of the Board of Directors of the Company for more than five years. Mr. Roberts has been the President and a Director of Sural Corporation, a privately-held investment company ("Sural"), the Company's largest shareholder, for more than five years. Mr. Roberts devotes a major portion of his time to the business and affairs of the Company. The shares of the Company owned by Sural constitute approximately 78% of the voting power of the two classes of the Company's voting common stock combined. Mr. Roberts has voting control of Sural. Mr. Roberts is also a Director of Comcast UK Cable Partners Limited, Cablevision Investment of Detroit, Inc. and Storer Communications, Inc.

Julian A. Brodsky has served as Vice Chairman of the Board of Directors for more than five years. Mr. Brodsky presently serves as the Treasurer and a Director of Sural. Mr. Brodsky devotes a major portion of his time to the business and affairs of the Company. Mr. Brodsky is also a Director of Comcast UK Cable Partners Limited, Cablevision Investment of Detroit, Inc., Storer Communications, Inc., and RBB Fund, Inc.

Brian L. Roberts has served as President of the Company and as a Director for more than five years. Mr. Roberts presently serves as Vice President and a Director of Sural. Mr. Roberts devotes a major portion of his time to the affairs of the Company. Mr. Roberts is also a Director of Turner Broadcasting System, Inc., Comcast UK Cable Partners Limited, Cablevision Investment of Detroit, Inc. and Storer Communications, Inc. In addition, Mr. Roberts presently serves as the Chairman of the National Cable Television Association. He is a son of Ralph J. Roberts.

Lawrence S. Smith was named Executive Vice President of the Company in December 1995. Prior to that time, Mr. Smith served as Senior Vice President of the Company for more than five years. Mr. Smith is the Principal Accounting Officer of the Company. Mr. Smith is a Director of Comcast UK Cable Partners Limited.

John R. Alchin has served as Treasurer and Senior Vice President of the Company for more than five years. Mr. Alchin is a Director of Comcast UK Cable Partners Limited.

Stanley L. Wang has served as Senior Vice President, Secretary and General Counsel of the Company for more than five years. Mr. Wang is a Director of Cablevision Investment of Detroit, Inc. and Storer Communications, Inc.

PART II

ITEM 5 MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Class A Special Common Stock and Class A Common Stock of the Company are traded in the over-the-counter market and are included on Nasdaq under the symbols CMCSK and CMCSA, respectively. There is no established public trading market for the Class B Common Stock of the Company. The Class B Common Stock is convertible, on a share for share basis, into Class A Special or Class A Common Stock. The following table sets forth, for the indicated periods, the closing price range of the Class A Special and Class A Common Stock as furnished by Nasdaq. Such price ranges have been adjusted for the Company's three-for-two stock split effective February 2, 1994 and rounded to the nearest one-eighth.

	Class A Special		Class A	
	High	Low	High	Low
1995				
First Quarter.....	\$16 5/16	\$14 9/16	\$16 3/8	\$14 3/8
Second Quarter.....	19 1/16	14	18 7/8	13 3/4
Third Quarter.....	22	18 5/8	22 1/8	18 9/16
Fourth Quarter.....	20 5/8	16 5/8	20 7/16	16 1/2
1994				
First Quarter.....	\$23 1/8	\$17 5/8	\$23 1/8	\$18 1/8
Second Quarter.....	18 3/4	15	19 1/8	15 1/8
Third Quarter.....	17 3/4	15	18	15 1/8
Fourth Quarter.....	17 5/8	14 5/8	17 3/4	14 1/4

The Company began paying quarterly cash dividends on its Class A Common Stock in 1977. Since 1978, the Company has paid equal dividends on shares of both the Class A Common Stock and the Class B Common Stock. Since December 1986, when the Class A Special Common Stock was issued, the Company has paid equal dividends on shares of the Class A Special, Class A and Class B Common Stock. The Company declared dividends of \$.0933 for each of the years ended December 31, 1995 and 1994 on shares of Class A Special, Class A and Class B Common Stock (as adjusted for the Company's three-for-two stock split effective February 2, 1994).

It is the intention of the Board of Directors to continue to pay regular quarterly cash dividends on all classes of the Company's stock; however, the declaration and payment of future dividends and their amount depend upon the results of operations, financial condition and capital needs of the Company, contractual restrictions of the Company and its subsidiaries and other factors.

The holders of the Class A Special Common Stock are not entitled to vote in the election of directors or otherwise, except where class voting is required by applicable law or the Company's Articles of Incorporation, in which case, each holder of Class A Special Common Stock shall be entitled to one vote per share. Each holder of Class A Common Stock has one vote per share and each holder of Class B Common Stock has 15 votes per share. The Articles of Incorporation provide that the Class A Special Common Stock, the Class A Common Stock and the Class B Common Stock vote as separate classes on certain amendments to the Articles of Incorporation regarding conversion rights of the Class B Common Stock and as required by applicable law. Under applicable law, holders of Class A Special Common Stock have voting rights in the event of certain amendments to the Articles of Incorporation and certain mergers and other fundamental corporate changes. In all other instances, including the election of directors, the Class A Common Stock and the Class B Common Stock vote as one class. Neither the holders of Class A Common Stock nor the holders of Class B Common Stock have cumulative voting rights.

As of February 1, 1996, there were 2,332 record holders of the Company's Class A Special Common Stock and 1,792 record holders of the Company's Class A Common Stock. Sural Corporation is the sole record holder of the Company's Class B Common Stock.

ITEM 6 SELECTED FINANCIAL DATA

	1995 (1)	1994 (1)	Year Ended December 31, 1993 (1)(5)	1992 (5)	1991
	-----	-----	-----	-----	----
(Dollars in thousands, except per share data)					
Statement of Operations Data:					
Revenues.....	\$3,362,946	\$1,375,304	\$1,338,228	\$900,345	\$721,000
Operating income.....	329,791	239,794	264,896	165,106	144,951
Equity in net losses of affiliates....	86,618	40,884	28,872	104,306	83,366
Loss before extraordinary items and cumulative effect of accounting changes.....	(37,849)	(75,325)	(98,871)	(217,935)	(155,572)
Extraordinary items.....	(6,084)	(11,703)	(17,620)	(52,297)	
Cumulative effect of accounting changes.....			(742,734)		
Net loss.....	(43,933)	(87,028)	(859,225)	(270,232)	(155,572)
Loss per share before extraordinary items and cumulative effect of accounting changes (2).....	(.16)	(.32)	(.46)	(1.08)	(.87)
Extraordinary items per share (2)....	(.02)	(.05)	(.08)	(.26)	
Cumulative effect of accounting changes per share (2).....			(3.47)		
Net loss per share (2).....	(.18)	(.37)	(4.01)	(1.34)	(.87)
Cash dividends declared per share (2).....	.0933	.0933	.0933	.0933	.0933

Balance Sheet Data:

At year end:					
Total assets.....	9,580,308	6,762,984	4,948,276	4,271,898	2,793,584
Working capital (deficiency).....	531,589	(52,132)	176,569	36,886	381,183
Long-term debt.....	6,943,766	4,810,541	4,154,830	3,973,514	2,452,912
Stockholders' (deficiency) equity...	(827,651)	(726,789)	(870,531)	(181,641)	19,480

Supplementary Financial Data:

Operating income before depreciation and amortization (3)...	1,018,843	576,256	606,396	397,153	309,250
Net cash provided by operating activities (4).....	520,693	368,994	345,892	252,297	176,228

- (1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a discussion of events which affect the comparability of the information reflected in the above selected financial data.
- (2) As adjusted for the Company's three-for-two stock split effective February 2, 1994.
- (3) "Operating income before depreciation and amortization" (commonly referred to in the Company's businesses as "operating cash flow") is presented as a measure of the Company's ability to generate cash to service its obligations, including debt service obligations, and to finance capital and other expenditures. In part due to the capital intensive nature of the telecommunications industry and the significant level of non-cash depreciation and amortization expense, operating cash flow is frequently used as one of the bases for comparing companies in the industry. Operating cash flow does not purport to represent net income or net cash provided by operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to such measurements as an indicator of the Company's performance.
- (4) Represents net cash provided by operating activities as presented in the Company's consolidated statement of cash flows.
- (5) Comparability of the information presented for the years ended December 31, 1993 and 1992 is affected by the Company's acquisitions of AWACS, Inc., the Non-Wireline cellular telephone system serving the Philadelphia MSA, from Metromedia Company in March 1992 and Storer in December 1992. Prior to December 1992, the Company had a 50% interest in Storer which was accounted for under the equity method.

ITEM 7 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The Company has experienced significant growth in recent years through both strategic acquisitions and growth in its existing businesses. The Company has historically met its cash needs for operations through its cash flows from operating activities. Cash requirements for acquisitions and capital expenditures have been provided through the Company's financing activities and sales of long-term investments as well as its existing cash and cash equivalents and short-term investments.

General Developments of Business

Sprint Spectrum

Effective as of January 1996, the Company, Tele-Communications, Inc. ("TCI"), Cox Communications, Inc. ("Cox," and together with the Company and TCI, the "Cable Parents") and Sprint Corporation ("Sprint," and together with the Cable Parents, the "Parents"), and certain subsidiaries of the Parents (the "Partner Subsidiaries"), entered into a series of agreements relating to their previously announced joint venture (March 1995) to engage in the communications business. Under an Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") of MajorCo, L.P. (known as "Sprint Spectrum"), the business of Sprint Spectrum will be the provision of wireless telecommunications services and will not include the previously authorized business of providing local wireline communications services to residences and businesses. A partnership owned entirely by subsidiaries of the Company owns 15% of Sprint Spectrum. The Company accounts for its investment in Sprint Spectrum under the equity method.

Sprint Spectrum was the successful bidder for 29 personal communications services ("PCS") licenses in the auction conducted by the Federal Communications Commission ("FCC") from December 1994 through mid-March 1995. The purchase price for the licenses was approximately \$2.11 billion, all of which has been paid to the FCC. Sprint Spectrum may also elect to bid in subsequent auctions for PCS licenses. In addition, Sprint Spectrum has invested, and may continue to invest, in other entities that hold PCS licenses, may acquire PCS licenses from other license holders and may affiliate with other license holders.

Pursuant to separate Parent agreements, each Cable Parent and Sprint agreed to negotiate in good faith on a market-by-market basis for the provision of local wireline telephony services over the cable communications facilities of the applicable Cable Parent under the Sprint brand. Accordingly, local telephony offerings in each market will be the subject of individual agreements to be negotiated with Sprint, rather than being provided through Sprint Spectrum as originally contemplated. The offering of local wireline telephone services will require the removal of regulatory and legislative barriers to local telephone competition (see "Description of the Company's Businesses - Wired Telecommunications - Cable Communications - Legislation and Regulation"). Each Parent agreement also contains certain restrictions on the ability of each Parent to offer and promote, or package certain of its cable communications products or services with, certain products and services of other persons and requires the applicable Cable Parent to make its cable communications facilities available to Sprint for specified purposes to the extent that it has made such facilities available to others for such purposes.

The Partner Subsidiaries also terminated a contribution agreement pursuant to which they had agreed to contribute to Sprint Spectrum their respective interests in Teleport Communications Group Inc., TCG Partners and certain local joint ventures managed by such entities (collectively, "TCG"). TCG is one of the largest competitive access providers in the United States ("US") in terms of route miles. The Parents reaffirmed their intention to continue to attempt to integrate the business of TCG with that of Sprint Spectrum.

Scripps Cable

In October 1995, the Company announced its agreement to purchase the cable television operations ("Scripps Cable") of The E.W. Scripps Company ("E.W. Scripps") in exchange for shares of the Company's Class A Special Common Stock, par value \$1.00 per share (the "Class A Special Common Stock" -- see Item 5 - "Market for the Registrant's Common Equity and Related Stockholder Matters"), worth \$1.575 billion (the "Base Consideration"), subject to certain closing adjustments (the "Scripps Transaction"). Scripps Cable passes approximately 1.2 million homes and serves approximately 800,000 subscribers, with over 60% of its subscribers located in Sacramento, California and

Chattanooga and Knoxville, Tennessee. The purchase is expected to close in the second half of 1996, subject to shareholder and regulatory approval and certain other conditions.

Pursuant to the Agreement and Plan of Merger dated as of October 28, 1995 (the "Merger Agreement") by and among the Company, E.W. Scripps and Scripps Howard, Inc., a wholly owned subsidiary of E.W. Scripps, E.W. Scripps will distribute to its shareholders all assets other than Scripps Cable. Following such distribution, E.W. Scripps will be merged with and into the Company (the "Merger") and each share of E.W. Scripps common stock issued and outstanding immediately prior to the Merger will be converted into a portion of the shares of the Class A Special Common Stock to be paid as consideration in the Merger. Assuming (i) no adjustment has been made to the Base Consideration and (ii) the closing price of the Class A Special Common Stock is equal to the execution price (\$20.075 per share), as such terms are defined in the Merger Agreement, the Company would issue to E.W. Scripps' shareholders an aggregate of approximately 78.5 million shares of Class A Special Common Stock in the Merger, subject to certain adjustments. Such shares would represent, in the aggregate, approximately 28.9% of the Class A Special Common Stock outstanding as of December 31, 1995, on a pro forma basis.

Share Repurchase Program

Concurrent with the announcement of the Scripps Transaction, the Company announced that its Board of Directors has authorized a market repurchase program (the "Repurchase Program") pursuant to which the Company may purchase, at such times and on such terms as it deems appropriate, up to \$500.0 million of its outstanding common equity securities subject to certain restrictions and market conditions. Through December 31, 1995, the Company had repurchased shares of its common stock for aggregate consideration of \$12.4 million. Through February 1, 1996, the Company had repurchased additional shares for aggregate consideration of \$4.0 million.

QVC

In February 1995, the Company and TCI acquired all of the outstanding stock of QVC, Inc. and its subsidiaries ("QVC") not previously owned by them (approximately 65% of such shares on a fully diluted basis) for \$46, in cash, per share (the "QVC Acquisition"), representing a total cost of approximately \$1.4 billion. The QVC Acquisition, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of \$296.3 million and \$6.6 million, respectively, borrowings of \$1.1 billion under a \$1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company, through a management agreement, is responsible for the day to day operations of QVC. The Company has accounted for the QVC Acquisition under the purchase method of accounting and QVC was consolidated with the Company effective February 1, 1995.

Maclean Hunter

In December 1994, the Company, through Comcast MHCP Holdings, L.L.C. (the "LLC"), acquired the US cable television and alternate access operations of Maclean Hunter Limited ("Maclean Hunter") from Rogers Communications Inc. and all of the outstanding shares of Barden Communications, Inc. (collectively, such acquisitions are referred to as the "Maclean Hunter Acquisition") for approximately \$1.2 billion in cash. The Company and the California Public Employees' Retirement System ("CalPERS") invested \$305.6 million and \$250.0 million, respectively, in the LLC, which is owned 55% by a wholly owned subsidiary of the Company and 45% by CalPERS, and is managed by the Company. The balance of the Maclean Hunter Acquisition was financed through borrowings under a credit facility of a wholly owned subsidiary of the LLC. The Company has accounted for the Maclean Hunter Acquisition under the purchase method of accounting and has consolidated Maclean Hunter effective December 22, 1994.

Liquidity and Capital Resources

Cash, Cash Equivalents and Short-term Investments

The Company has traditionally maintained significant levels of cash, cash equivalents and short-term investments to meet its short-term liquidity requirements. Cash, cash equivalents and short-term investments as of December 31, 1995 and 1994 were \$910.0 million and \$465.5 million, respectively. As of December 31, 1995, approximately \$410

million of the Company's cash, cash equivalents and short-term investments was restricted to use by subsidiaries of the Company under contractual or other arrangements, including approximately \$341 million which is restricted to use by Comcast UK Cable Partners Limited ("Comcast UK Cable"), a subsidiary of the Company.

The Company's cash and cash equivalents and short-term investments are recorded at cost which approximates their fair value. At December 31, 1995, the Company's short-term investments of \$371.0 million had a weighted average maturity of approximately 14 months. However, due to the high degree of liquidity and the intent of management to use these investments as needed to fund its commitments, the Company considers these as current assets.

Investments

Under the provisions of the Partnership Agreement, the Partner Subsidiaries have committed to contribute \$4.2 billion in cash to Sprint Spectrum through 1997, of which the Company's share is \$630.0 million. Of this funding requirement, the Company has made total cash capital contributions to Sprint Spectrum of \$346.0 million through December 31, 1995. The Company anticipates that Sprint Spectrum's capital requirements over the next several years will be significant. Requirements in excess of committed capital are planned to be funded by Sprint Spectrum through external financing. Although it is anticipated that external financing will be available to Sprint Spectrum on acceptable terms and conditions, no assurances can be given as to such availability. The timing of the Company's remaining capital contributions to Sprint Spectrum is dependent upon a number of factors, including Sprint Spectrum's ability to obtain external financing as well as its working capital requirements.

In July 1995, the Company sold 11.3 million shares of Nextel common stock for \$212.6 million (the "Nextel Transaction"). As a result of this transaction, the Company recognized a pre-tax gain of \$36.2 million. In February 1996, in connection with certain preemptive rights of the Company under previously existing agreements with Nextel, the Company purchased approximately 8.16 million shares, classified as available for sale, of Nextel common stock at \$12.25 per share, for a total cost of \$99.9 million. The Company continues to hold options, which expire in 1997, to acquire an additional 25 million shares of Nextel common stock at \$16 per share.

In January 1995, the Company exchanged its investments in Heritage Communications, Inc. with TCI for approximately 13.3 million publicly-traded Class A common shares of TCI with a fair market value of approximately \$290.0 million. Shortly thereafter, the Company sold approximately 9.1 million unrestricted TCI shares for total proceeds of approximately \$188.0 million (collectively, the "Heritage Transaction"). As a result of these transactions, the Company recognized a pre-tax gain of approximately \$141.0 million in 1995.

The Company does not have any additional significant contractual commitments with respect to any of its investments. However, to the extent the Company does not fund its investees' capital calls, it exposes itself to dilution of its ownership interests.

Minority Interest Rights

Liberty Media Corporation ("Liberty"), a majority-owned subsidiary of TCI, may, at certain times following February 9, 2000, trigger the exercise of certain exit rights with respect to its investment in QVC. If the exit rights are triggered, the Company has first right to purchase Liberty's stock in QVC at Liberty's pro rata portion of the fair market value (on a going concern or liquidation basis, whichever is higher, as determined by an appraisal process) of QVC. The Company may pay Liberty for such stock, subject to certain rights of Liberty to consummate the purchase in the most tax-efficient method available, in cash, the Company's promissory note maturing not more than three years after issuance, the Company's equity securities or any combination thereof. If the Company elects not to purchase the stock of QVC held by Liberty, then Liberty will have a similar right to purchase the stock of QVC held by the Company. If Liberty elects not to purchase the stock of QVC held by the Company, then Liberty and the Company will use their best efforts to sell QVC.

As a result of the Maclean Hunter Acquisition, at any time after December 18, 2001, CalPERS may elect to liquidate its interest in the LLC at a price based upon the fair value of CalPERS' interest in the LLC, adjusted, under certain circumstances, for certain performance criteria relating to the fair value of the LLC or to the Company's common stock. Except in certain limited circumstances, the Company, at its option, may satisfy this liquidity arrangement by purchasing CalPERS' interest for cash, through the issuance of the Company's common stock (subject to certain limitations) or by selling the LLC.

Capital Expenditures

It is anticipated that during 1996, the domestic operations of the Company will incur approximately \$600 million of capital expenditures, including \$300 million for the upgrading and rebuilding of certain of the Company's cable communications systems, \$100 million for the upgrading of QVC's warehousing and distribution facilities and \$120 million for the upgrading of the Company's cellular communications systems. The amount of such capital expenditures for years subsequent to 1996 will depend on numerous factors, many of which are beyond the Company's control. These factors include whether competition in a particular market necessitates a system upgrade, whether a particular system has sufficient capacity to handle new product offerings including the offering of cable telephony and telecommunications services, whether and to what extent the Company will be able to recover its investment under FCC rate guidelines and whether the Company acquires additional systems in need of upgrading or rebuilding. The Company, however, anticipates capital expenditures for years subsequent to 1996 will continue to be significant. As of December 31, 1995, the Company does not have any significant contractual obligations for capital expenditures.

Financing

The Company has historically utilized a strategy of financing its acquisitions through senior debt at the acquired operating subsidiary level. Additional financing has also been obtained by the Company through the issuance of subordinated debt at the intermediate holding company and parent company levels and, to some extent, through public offerings of a subsidiary company's stock and debt instruments. As of December 31, 1995 and 1994, the Company's long-term debt, including current portion, was \$7.029 billion and \$4.993 billion, respectively, of which approximately 54% and 61%, respectively, was at variable rates. Maturities of long-term debt for the five years commencing in 1996 are \$85.4 million, \$154.8 million, \$691.6 million, \$444.3 million and \$575.9 million. As of February 1, 1996, certain subsidiaries of the Company had unused lines of credit of \$1.541 billion. Use of these unused lines of credit is restricted by the covenants of the related debt agreements and to subsidiary debt refinancing, subsidiary general corporate purposes and dividend declaration. The Company's long-term debt had estimated fair values of \$7.074 billion and \$4.828 billion as of December 31, 1995 and 1994, respectively. The Company's weighted average interest rate was approximately 8.32%, 7.75% and 8.45% during the years ended December 31, 1995, 1994 and 1993, respectively. The Company continually evaluates its debt structure with the intention of reducing its debt service requirements when desirable.

In May 1995, the Company issued \$250.0 million principal amount of its 9-3/8% senior subordinated debentures due 2005. In October 1995, the Company issued \$250.0 million principal amount of its 9-1/8% senior subordinated debentures due 2006. In November 1995, Comcast UK Cable received net proceeds of approximately \$291.1 million from the sale of approximately \$517.3 million principal amount at maturity of its 11.20% senior discount debentures due 2007 (the "2007 Discount Debentures"). Interest will accrete on the 2007 Discount Debentures at 11.20% per annum compounded semi-annually from November 15, 1995 to November 15, 2000, after which date interest will be paid in cash on each May 15 and November 15, through November 15, 2007. The net proceeds from the offering will be utilized by Comcast UK Cable for future advances and capital contributions to its equity investees and subsidiary primarily for the build-out of their telecommunications networks in the United Kingdom ("UK").

In conjunction with the Repurchase Program, in December 1995, the Company sold put options on 3.0 million shares of its Class A Special Common Stock. The put options give the holder the right to require the Company to repurchase such shares at specified prices on specific dates during the period from May through July 1996. Proceeds of \$2.6 million from the sale of these put options were credited to additional capital. The amount the Company would be obligated to pay to repurchase such shares if all outstanding put options were exercised, totaling \$52.1 million, has been reclassified to a temporary equity account in the Company's consolidated balance sheet as of December 31, 1995. Through February 1, 1996, the Company sold additional put options on 1.0 million shares of its Class A Special Common Stock, with expiration dates in July 1996. If the put options sold in January 1996 were exercised, the Company would be obligated to pay \$17.5 million to repurchase such shares.

Risk Management

The Company has entered into certain foreign exchange forward contracts, foreign exchange option contracts and interest rate swap and cap agreements as a normal part of its risk management efforts.

Foreign exchange forward contracts are used by Comcast UK Cable to hedge against the risk that monetary assets held or denominated in currencies other than its functional currency (the UK Pound Sterling or "UK Pound") are

devalued as a result of changes in exchange rates. The notional amount of these contracts was \$20.0 million and \$100.0 million as of December 31, 1995 and 1994, respectively. Foreign exchange forward contracts provide an effective hedge against such monetary assets held since gains and losses realized on the contracts, which were not significant to the Company's results of operations, are offset against gains or losses realized on the underlying hedged assets. The remaining forward contract matures during 1996.

During 1995, Comcast UK Cable entered into certain foreign exchange put option contracts which may be settled only on November 16, 2000. These put option contracts are used to limit Comcast UK Cable's exposure to the risk that the eventual cash outflows related to net monetary liabilities denominated in currencies other than the UK Pound (principally the 2007 Discount Debentures) are adversely affected by changes in exchange rates. As of December 31, 1995, Comcast UK Cable has (pound)250.0 million notional amount of foreign exchange put option contracts to purchase US dollars at an exchange rate of \$1.35 per (pound)1.00 (the "Ratio"). Foreign exchange put option contracts provide a hedge, to the extent the exchange rate falls below the Ratio, against Comcast UK Cable's net monetary liabilities denominated in US dollars since gains and losses realized on the put option contracts are offset against foreign exchange gains or losses realized on the underlying net liabilities. Premiums paid for such put option contracts were not significant and have been recorded as assets in the Company's consolidated balance sheet. These premiums are being amortized over the terms of the related contracts.

In order to reduce hedging costs, Comcast UK Cable has sold (pound)250.0 million notional amount of foreign exchange call option contracts. These call option contracts may only be settled on their expiration dates. Of these call option contracts, (pound)200.0 million notional amount settle on November 16, 1996 at an exchange rate of \$1.70 per (pound)1.00 and (pound)50.0 million notional amount settle on November 16, 2000 at an exchange rate of \$1.62 per (pound)1.00. Changes in fair value between measurement dates relating to these call option contracts are not significant and have been recorded in the Company's consolidated statement of operations.

The Company has entered into interest rate swap and cap agreements to limit the Company's exposure to adverse fluctuations in interest rates. At December 31, 1995, \$1.2 billion of the Company's variable rate debt was protected by these products. Such agreements mature on various dates through 2000 and the related differentials to be paid or received are recognized over the terms of the agreements. The estimated fair value of such instruments, based on discounted future cash flow models, was not significant to the Company as of December 31, 1995.

The credit risks associated with the Company's derivative financial instruments are controlled through the evaluation and continual monitoring of the creditworthiness of the counterparties. Although the Company may be exposed to losses in the event of nonperformance by the counterparties, the Company does not expect such losses, if any, to be significant.

The Company expects to continue to recognize significant losses and to continue to pay dividends; therefore, it anticipates that it will continue to have a deficiency in stockholders' equity that will increase through the date of consummation of the Scripps Transaction. If the Scripps Transaction is consummated, the Company will no longer have a deficiency in stockholders' equity; however, the Company will continue to recognize losses for the foreseeable future, resulting in decreases in stockholders' equity. The telecommunications industry, including cable and cellular communications, and the electronic retailing industry are experiencing increasing competition and rapid technological changes. The Company's future results of operations will be affected by its ability to react to changes in the competitive environment and by its ability to implement new technologies. However, management believes that competition, technological changes and its significant losses and deficiency in stockholders' equity will not significantly affect its ability to obtain financing.

The Company believes that it will be able to meet its current and long-term liquidity and capital requirements, including its fixed charges, through its cash flows from operating activities, existing cash, cash equivalents, short-term investments and lines of credit and other external financing.

Statement of Cash Flows

Cash and cash equivalents increased \$203.7 million as of December 31, 1995 from December 31, 1994 and \$174.9 million as of December 31, 1994 from December 31, 1993. Changes in cash and cash equivalents resulted from cash flows from operating, financing and investing activities which are explained below.

Net cash provided by operating activities amounted to \$520.7 million, \$369.0 million and \$345.9 million for the years ended December 31, 1995, 1994 and 1993, respectively. The increase of \$151.7 million in net cash provided by operating activities from 1994 to 1995 was principally due to effects of the QVC Acquisition and the Maclean Hunter Acquisition. The increase of \$23.1 million in net cash provided by operating activities from 1993 to 1994 was principally due to a decrease in the Company's net cash interest expense, primarily from the effects of lower levels of debt outstanding and a lower average cost of debt, and changes in working capital as a result of the timing of receipts and disbursements.

Net cash provided by financing activities, which includes the issuances of securities as well as borrowings, was \$2.036 billion, \$1.115 billion and \$437.2 million for the years ended December 31, 1995, 1994 and 1993, respectively. During 1995, the Company borrowed \$3.728 billion including \$1.1 billion in connection with the QVC Acquisition, \$1.085 billion in connection with the refinancing of certain indebtedness, \$300.9 million associated with the funding of Sprint Spectrum, \$300.0 million of the 2007 Discount Debentures, \$250.0 million principal amount of the Company's 9-3/8% senior subordinated debentures due 2005 and \$250.0 million principal amount of the Company's 9-1/8% senior subordinated debentures due 2006. In addition, during 1995, the Company retired and repaid \$1.620 billion of its long-term debt, including \$1.186 billion in connection with the refinancing of certain indebtedness, and \$175.0 million of optional repayments on QVC's credit facility. Proceeds from borrowings of \$1.201 billion in 1994 included \$1.015 billion relating to the Maclean Hunter Acquisition. During 1994, the Company repurchased or redeemed and retired \$509.0 million of its long-term debt including the Company's \$150.0 million, 11-7/8% senior subordinated debentures due 2004. Additionally, net cash provided by financing activities in 1994 excludes the conversion of \$186.2 million of long-term debt into 16.8 million shares of Class A Special Common Stock of the Company. In 1994, the Company received an equity contribution to a subsidiary of \$250.0 million in connection with the Maclean Hunter Acquisition and received proceeds from the issuance of common stock of Comcast UK Cable of \$209.4 million. During 1993, proceeds from borrowings of \$954.0 million included \$200.0 million principal amount of 9-1/2% senior subordinated debentures due 2008, \$250.0 million principal amount of 3-3/8% / 5-1/2% step-up convertible subordinated debentures due 2005 and net proceeds of \$300.0 million from the issuance of \$541.9 million principal amount at maturity of its 1-1/8% discount convertible subordinated debentures due 2007. During 1993, the Company retired \$493.0 million of long-term debt. Additionally, net cash provided by financing activities in 1993 excludes the conversion of \$185.4 million of long-term debt into 17.3 million shares of Class A Special Common Stock of the Company.

Net cash used in investing activities was \$2.353 billion, \$1.309 billion and \$836.1 million for the years ended December 31, 1995, 1994 and 1993, respectively. During 1995, net cash used in investing activities includes acquisitions of \$1.386 billion, principally the acquisition of QVC, net of cash acquired, additional cash investments in affiliates of \$480.2 million, including capital contributions to Sprint Spectrum of \$327.5 million, additions to property and equipment of \$623.0 million and net purchases of short-term investments of \$240.8 million. Such amounts were offset by proceeds from sales of long-term investments of \$410.5 million, principally in connection with the Heritage Transaction and the Nextel Transaction. Acquisitions in 1994 consisted principally of \$1.2 billion paid, including certain transaction costs, in connection with the Maclean Hunter Acquisition. Net proceeds of \$389.3 million from the sale of short-term investments during 1994 were used principally to redeem and retire long-term debt. In addition, during 1994, the Company made capital expenditures of \$269.9 million and made additional cash investments in affiliates of \$125.0 million. During 1993, the Company purchased \$384.9 million of short-term investments, made \$158.4 million of capital expenditures and made long-term investments of \$272.5 million. Investments in 1993 included the purchase of an interest in and loans made to TCG of \$77.8 million, the purchase of additional interests in Nextel totaling \$118.2 million and the purchase of additional shares of QVC totaling \$32.1 million.

Results of Operations

The effects of the QVC Acquisition and the Maclean Hunter Acquisition have been to increase significantly the Company's revenues and expenses, resulting in substantial increases in its operating income before depreciation and amortization, net interest expense and depreciation and amortization expense (see "Operating Results by Business Segment" below). As a result of the increases in depreciation and amortization expense and interest expense associated with these acquisitions and their financing, it is expected that the Company will continue to recognize significant losses for the foreseeable future.

Summarized consolidated financial information for the Company for the three years ended December 31, 1995, 1994 and 1993 is as follows (dollars in millions, "NM" denotes percentage is not meaningful):

	Year Ended December 31,		Increase/ (Decrease)	
	1995	1994	\$	%
Revenues	\$3,362.9	\$1,375.3	\$1,987.6	144.5%
Cost of goods sold from electronic retailing	898.3		898.3	NM
Operating, selling, general and administrative expenses	1,445.8	799.0	646.8	81.0
	-----	-----		
Operating income before depreciation and amortization (1)	1,018.8	576.3	442.5	76.8
Depreciation and amortization	689.0	336.5	352.5	104.8
	-----	-----		
Operating income	329.8	239.8	90.0	37.5
	-----	-----		
Interest expense	524.7	313.4	211.3	67.4
Investment income	(229.8)	(24.6)	205.2	NM
Equity in net losses of affiliates	86.6	40.9	45.7	111.7
Other	(6.3)		6.3	NM
Income tax expense (benefit)	42.1	(9.2)	51.3	NM
Minority interest	(49.7)	(5.4)	44.3	NM
Extraordinary items	(6.1)	(11.7)	(5.6)	(47.9)
	-----	-----		
Net loss	(\$43.9)	(\$87.0)	(\$43.1)	(49.5%)
	=====	=====		

	Year Ended December 31,		Increase/(Decrease)	
	1994	1993	\$	%
Revenues	\$1,375.3	\$1,338.2	\$37.1	2.8%
Operating, selling, general and administrative expenses	799.0	731.8	67.2	9.2
	-----	-----		
Operating income before depreciation and amortization (1)	576.3	606.4	(30.1)	(5.0)
Depreciation and amortization	336.5	341.5	(5.0)	(1.5)
	-----	-----		
Operating income	239.8	264.9	(25.1)	(9.5)
	-----	-----		
Interest expense	313.4	347.4	(34.0)	(9.8)
Investment income	(24.6)	(29.2)	(4.6)	(15.8)
Equity in net losses of affiliates	40.9	28.9	12.0	41.5
Other		1.5	1.5	100.0
Income tax expense (benefit)	(9.2)	15.2	(24.4)	(160.5)
Minority interest	(5.4)		5.4	NM
Extraordinary items	(11.7)	(17.6)	(5.9)	(33.5)
Cumulative effect of accounting changes		(742.7)	(742.7)	NM
	-----	-----		
Net loss	(\$87.0)	(\$859.2)	(\$772.2)	(89.9%)
	=====	=====		

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(1) Operating income before depreciation and amortization is commonly referred to in the Company's businesses as "operating cash flow." Operating cash flow is a measure of a company's ability to generate cash to service its obligations, including debt service obligations, and to finance capital and other expenditures. In part due to the capital intensive nature of the Company's businesses and the resulting significant level of non-cash depreciation and amortization expense, operating cash flow is frequently used as one of the bases for comparing the Company's businesses. Operating cash flow does not purport to represent net income or net cash provided by operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to such measurements as an indicator of the Company's performance. See "Statement of Cash Flows" above for a discussion of net cash provided by operating activities.

Operating Results by Business Segment

The following represent the operating results of the Company's significant business segments, including: "Domestic Cable Communications," the most significant of the Company's wired telecommunications operations; "Electronic Retailing," the most significant of the Company's content businesses; and "Cellular Communications," the most significant of the Company's wireless telecommunications operations. The remaining components of the Company's operations are not independently significant to the Company's consolidated financial position or results of operations (see Note 11 to the Company's consolidated financial statements).

Domestic Cable Communications

The following table sets forth operating results for the Company's domestic cable communications segment (dollars in millions).

	Year Ended December 31,		Increase	
	1995	1994	\$	%
Service income	\$1,454.9	\$1,065.3	\$389.6	36.6%
Operating, selling, general and administrative expenses	736.4	547.8	188.6	34.4
	-----	-----	-----	
Operating income before depreciation and amortization (a)	\$718.5	\$517.5	\$201.0	38.8%
	=====	=====	=====	

	Year Ended December 31,		Increase/(Decrease)	
	1994	1993	\$	%
Service income	\$1,065.3	\$1,092.7	(\$27.4)	(2.5%)
Operating, selling, general and administrative expenses	547.8	540.7	7.1	1.3
	-----	-----	-----	
Operating income before depreciation and amortization (a)	\$517.5	\$552.0	(\$34.5)	(6.3%)
	=====	=====	=====	

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(a) See footnote (1) on page 32.

The Maclean Hunter Acquisition accounted for \$270.1 million of the \$389.6 million increase in service income from 1994 to 1995. Of the remaining increase of \$119.5 million, \$46.0 million is attributable to subscriber growth, \$54.6 million relates to changes in rates, which includes the change in the estimated effects of cable rate regulation, \$14.0 million results from growth in cable advertising sales and \$4.9 million relates to growth in other product offerings. The reduction in service income from 1993 to 1994 of \$27.4 million is attributable to a reduction in rates, which includes the estimated effects on regulated rates as a result of cable rate regulation, of \$76.8 million offset, in part, by the effects of subscriber growth of \$32.6 million, growth in cable advertising sales of \$9.2 million and growth in other product offerings of \$7.6 million.

The Maclean Hunter Acquisition accounted for \$143.7 million of the \$188.6 million increase in operating, selling, general and administrative expenses from 1994 to 1995. Of the remaining increase of \$44.9 million, \$22.6 million is attributable to increases in the costs of cable programming as a result of subscriber growth, additional channel offerings and changes in rates, \$7.2 million is attributable to increases in expenses associated with the growth in cable advertising sales and \$15.1 million results from increases in the cost of labor and other volume related expenses. The \$7.1 million increase from 1993 to 1994 is attributable to increases in the costs of labor, billing and cable programming as a result of subscriber growth, partially offset by a reduction of franchise fee expense. Franchise fees were reported by the Company as a component of operating expenses prior to the implementation of the Cable Television Consumer Protection and Competition Act of 1992 ("1992 Cable Act"). Effective September 1, 1993, the Company commenced charging subscribers directly for such fees as permitted under the 1992 Cable Act and recording amounts charged as an offset to operating expenses resulting in a decrease in franchise fee expense of \$15.9 million from 1993 to 1994. It is anticipated that the Company's cost of cable programming will increase in the future as cable programming rates increase and additional sources of cable programming become available.

Electronic Retailing

As a result of the QVC Acquisition, the Company commenced consolidating the financial results of QVC, effective February 1, 1995. The following table presents comparative pro forma financial information for the years ended December 31, 1995 and 1994 and is presented herein for purposes of analysis and may not reflect what actual operating results would have been had the Company owned QVC since January 1, 1994 (dollars in millions).

	Year Ended December 31,		Increase	
	1995	1994	\$	%
Net sales from electronic retailing	\$1,619.2	\$1,374.5	\$244.7	17.8%
Cost of goods sold from electronic retailing	976.4	839.5	136.9	16.3
Operating, selling, general and administrative expenses	387.4	326.1	61.3	18.8
	-----	-----	-----	
Operating income before depreciation and amortization (a)	\$255.4	\$208.9	\$46.5	22.3%
	=====	=====	=====	
Gross margin on sales	39.7%	38.9%		

- -----
(a) See footnote (1) on page 32.

The consolidation of QVC's UK operations, effective April 1, 1995, resulted in an increase in net sales from electronic retailing of \$48.4 million from 1994 to 1995. The remaining increase of \$196.3 million from 1994 to 1995 includes QVC's new businesses, which accounted for \$34.4 million of the increase, and the effect of a 9.2% increase in the average number of QVC homes receiving QVC services.

The \$136.9 million increase in cost of goods sold from electronic retailing is directly related to the growth in net sales. The 0.8 percentage point increase in gross margin is due to slight changes in product mix from year to year, resulting in the decrease in cost of goods sold as a percentage of net sales.

The consolidation of QVC's UK operations, effective April 1, 1995, resulted in an increase in operating, selling, general and administrative expenses of \$25.8 million from 1994 to 1995. The remaining increase of \$35.5 million from 1994 to 1995 is attributable to higher sales volume, increases in advertising costs and additional costs associated with new businesses.

Cellular Communications

The following table sets forth the operating results for the Company's cellular communications segment (dollars in millions).

	Year Ended December 31,		Increase	
	1995	1994	\$	%
Service Income	\$374.9	\$286.1	\$88.8	31.0%
Operating, selling, general and administrative expenses	237.1	169.8	67.3	39.6
	-----	-----	-----	
Operating income before depreciation and amortization (a)	\$137.8	\$116.3	\$21.5	18.5%
	=====	=====	=====	

	Year Ended December 31,		Increase	
	1994	1993	\$	%
Service Income	\$286.1	\$202.0	\$84.1	41.6%
Operating, selling, general and administrative expenses	169.8	109.9	59.9	54.5
	-----	-----	-----	
Operating income before depreciation and amortization (a)	\$116.3	\$92.1	\$24.2	26.3%
	=====	=====	=====	

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(a) See footnote (1) on page 32.

Of the respective \$88.8 million and \$84.1 million increases in service income from 1994 to 1995 and from 1993 to 1994, \$99.6 million and \$81.3 million, respectively, are attributable to the Company's subscriber growth, \$10.1

million and \$11.1 million, respectively, are attributable to growth in roamer revenue as a result of the overall growth in the cellular industry and \$4.1 million and \$1.2 million, respectively, are attributable to new products. Offsetting these increases are decreases of \$25.0 million and \$9.5 million, respectively, resulting from reductions in average minutes-of-use per cellular subscriber from both comparative periods. The Company expects that the decrease in average minutes-of-use per cellular subscriber to continue in the future, which is consistent with industry trends.

Of the respective \$67.3 million and \$59.9 million increases in operating, selling, general and administrative expenses from 1994 to 1995 and from 1993 to 1994, \$34.8 million and \$55.4 million, respectively, are related to subscriber growth, including the costs to acquire and service subscribers. The remaining increases of \$32.5 million and \$4.5 million, respectively, are due to increases in other expenses, including subscriber retention costs, administrative costs and theft of service in 1995.

Consolidated Analysis

The \$352.5 million increase in depreciation and amortization expense from 1994 to 1995 is due to the acquisitions of QVC and Maclean Hunter, the effects of the rebuild of certain of the Company's cellular equipment, as described below, and capital expenditures during the periods, offset by the effects of asset disposals during the periods. The \$5.0 million decrease from 1993 to 1994 is due to certain of the Company's assets becoming fully depreciated in 1993, partially offset by the effects of capital expenditures.

In 1995, the Company's cellular division purchased approximately \$172.0 million of switching and cell site equipment which replaced the existing switching and cell site equipment. The Company substantially completed the rebuild in the third quarter of 1995. Accordingly, during 1995, the Company charged to its results of operations approximately \$110.0 million which represented the difference between the net book value of the equipment replaced and the residual value realized upon its disposal. This charge has been reflected in the Company's consolidated statement of operations as a component of depreciation and amortization expense.

The \$211.3 million increase in interest expense from 1994 to 1995 is primarily due to increased levels of debt associated with the acquisitions of QVC and Maclean Hunter. The \$34.0 million decrease from 1993 to 1994 is due to the effects of lower levels of debt outstanding and a lower average cost of debt.

The Company anticipates that, for the foreseeable future, interest expense will be a significant cost to the Company and will have a significant adverse effect on the Company's ability to realize net earnings. The Company believes it will continue to be able to meet its obligations through its ability both to generate operating income before depreciation and amortization and to obtain external financing.

The \$205.2 million increase in investment income from 1994 to 1995 is principally due to the \$177.2 million in gains realized in the Heritage Transaction and Nextel Transaction. The remaining increase for this period is due to the effects of the QVC Acquisition and an increase in the Company's cash, cash equivalents and short-term investments, offset by \$15.3 million of losses recorded relating to the net realizable value of certain of the Company's investments. The \$4.6 million decrease from 1993 to 1994 is attributable to a decrease in the Company's cash, cash equivalents and short-term investments for this period.

The increases in equity in net losses of affiliates for both periods are due to increased losses incurred by the Company's international investees, losses incurred by Sprint Spectrum and certain programming investees and the effects of the QVC Acquisition.

The \$51.3 million increase in income tax expense from 1994 to 1995 is primarily attributable to the consolidation of QVC for financial reporting purposes. The \$24.4 million increase in income tax benefit from 1993 to 1994 is primarily attributable to the fact that the 1993 provision for income taxes includes an increase in income tax expense of approximately \$21.0 million relating to the federal income tax rate change from 34% to 35%.

The \$44.3 million increase in minority interest from 1994 to 1995 is attributable to minority interests in the net income or loss of QVC, Maclean Hunter and Comcast UK Cable. The \$5.4 million increase from 1993 to 1994 is primarily attributable to minority interests in the net losses of Comcast UK Cable.

The Company incurred debt extinguishment costs totaling \$9.4 million during the year ended December 31, 1995 in connection with the refinancing of certain indebtedness, resulting in the Company recording an extraordinary loss, net of tax, of \$6.1 million or \$.02 per share. During 1994, the Company paid premiums and

expensed unamortized debt acquisition costs totaling \$18.0 million, primarily in connection with the redemption of its \$150.0 million, 11-7/8% senior subordinated debentures due 2004, resulting in the Company recording an extraordinary loss, net of tax, of \$11.7 million or \$.05 per share. The Company paid similar premiums of \$27.1 million during 1993 in connection with the redemption of certain of its debt resulting in the Company recording an extraordinary loss, net of tax, of \$17.6 million or \$.08 per share.

On January 1, 1993, the Company recorded a one time non-cash charge resulting from the adoption of Statement of Financial Accounting Standards ("SFAS") No. 109, "Accounting for Income Taxes," SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 112, "Employers' Accounting for Postemployment Benefits," totaling \$742.7 million or \$3.47 per share, net of tax.

For the years ended December 31, 1995, 1994 and 1993, the Company's earnings before cumulative effect of accounting changes, extraordinary items, income tax expense (benefit), equity in net losses of affiliates and fixed charges (interest expense) were \$615.7 million, \$269.8 million and \$292.7 million, respectively. Excluding the pre-tax gains of \$177.2 million recognized in 1995 in connection with the Heritage Transaction and the Nextel Transaction, such earnings were not adequate to cover the Company's fixed charges of \$524.7 million, \$313.5 million and \$347.4 million for the years ended December 31, 1995, 1994 and 1993, respectively. These fixed charges include non-cash interest of \$53.8 million, \$53.5 million and \$62.3 million for the years ended December 31, 1995, 1994 and 1993, respectively. For all periods presented, the inadequacy of these earnings to cover fixed charges is primarily due to the substantial non-cash charges for depreciation and amortization expense, including the 1995 charge associated with the rebuild of certain of the Company's cellular equipment.

The Company believes that its losses and inadequacy of earnings to cover fixed charges will not significantly affect the performance of its normal business activities because of its existing cash and cash equivalents and short-term investments, its ability to generate operating income before depreciation and amortization and its ability to obtain external financing.

The Company believes that its operations are not materially affected by inflation.

Regulatory Developments

The Telecommunications Act of 1996 (the "1996 Telecom Act"), the most comprehensive reform of the nation's telecommunications laws since the Communications Act of 1934, became effective in February 1996. The 1996 Telecom Act will result in changes in the marketplace for cable communications, telephone and other telecommunications services, including the deregulation of rates on cable programming service tiers ("CPSTs") in March 1999 for large Multiple System Operators, such as the Company, and immediately for certain small operators (see "Description of the Company's Businesses - Wired Telecommunications - Cable Communications - Legislation and Regulation").

The Company has settled the majority of outstanding proceedings challenging its rates charged for regulated cable services. In December 1995, the FCC adopted an order approving a negotiated settlement of rate complaints pending against the Company for CPSTs which provided approximately \$6.6 million in refunds, plus interest, being given in the form of bill credits, to approximately 1.3 million of the Company's cable subscribers. This FCC order resolved 160 of the Company's benchmark rate cases covering the period September 1993 through July 1994 and 104 of the Company's cost-of-service cases for CPSTs covering the period September 1993 through December 1995. As part of the negotiated settlement, the Company agreed to forego certain inflation and external cost adjustments for systems covered by its cost-of-service filings for CPSTs. The FCC's order has been appealed to a federal appellate court by a local franchising authority whose rate complaint against the Company was resolved by the negotiated settlement. The Company currently is seeking to justify rates for basic cable services and equipment in certain of its cable systems in the State of Connecticut on the basis of a cost-of-service showing. The State of Connecticut has ordered the Company to reduce such rates and to make refunds to subscribers. The Company has appealed the Connecticut decision to the FCC. The Company's management believes that the ultimate resolution of these pending regulatory matters will not have a material adverse impact on the Company's financial position or results of operations.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

INDEPENDENT AUDITORS' REPORT

Board of Directors and Stockholders
Comcast Corporation
Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheet of Comcast Corporation and its subsidiaries as of December 31, 1995 and 1994, and the related consolidated statements of operations, stockholders' deficiency and of cash flows for each of the three years in the period ended December 31, 1995. Our audits also included the financial statement schedule listed in the Index at Item 14(b)(i). These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We did not audit the consolidated financial statements of QVC, Inc. ("QVC") as of and for the eleven month period ended December 31, 1995 and the consolidated financial statements of Comcast International Holdings, Inc. ("International") and the financial statements of Garden State Cablevision L.P. ("Garden State") as of and for each of the two years in the period ended December 31, 1994. QVC and International are consolidated with the Company. The Company's investment in Garden State is accounted for under the equity method. QVC's financial statements reflect total assets and revenues constituting 20% and 44%, respectively, of the Company's consolidated total assets and revenues as of and for the year ended December 31, 1995. The Company's combined equity in the net assets of International and Garden State of \$111 million as of December 31, 1994 and the Company's combined equity in the net losses of International and Garden State for the years ended December 31, 1994 and 1993 of \$39 million and \$33 million, respectively, are included in the Company's consolidated financial statements. The financial statements of QVC, International and Garden State were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in the Company's consolidated financial statements for QVC, International and Garden State for the periods specified above, is based solely upon the reports of the other auditors.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of other auditors, such consolidated financial statements present fairly, in all material respects, the financial position of Comcast Corporation and its subsidiaries as of December 31, 1995 and 1994, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles. Also, in our opinion, the 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.

As discussed in the notes to consolidated financial statements, the Company changed its method of accounting for income taxes effective January 1, 1993 to conform with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes."

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania
February 29, 1996

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET
(Dollars in thousands)

	December 31,	
ASSETS	1995	1994
CURRENT ASSETS		
Cash and cash equivalents.....	\$539,061	\$335,320
Short-term investments, at cost which approximates fair value.....	370,982	130,134
Accounts receivable, less allowance for doubtful accounts of \$81,273 and \$11,272.....	390,698	108,245
Inventories, net.....	243,447	18,553
Prepaid charges and other.....	49,671	16,254
Deferred income taxes.....	59,799	
	-----	-----
Total current assets.....	1,653,658	608,506
	-----	-----
INVESTMENTS, principally in affiliates.....	906,383	797,075
	-----	-----
PROPERTY AND EQUIPMENT.....	2,575,633	2,081,256
Accumulated depreciation.....	(932,031)	(823,570)
	-----	-----
Property and equipment, net.....	1,643,602	1,257,686
	-----	-----
DEFERRED CHARGES		
Franchise and license acquisition costs.....	3,570,620	3,569,745
Excess of cost over net assets acquired and other.....	2,981,817	1,375,868
	-----	-----
Accumulated amortization.....	(1,175,772)	(845,896)
	-----	-----
Deferred charges, net.....	5,376,665	4,099,717
	-----	-----
	\$9,580,308	\$6,762,984
	=====	=====
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses.....	\$963,991	\$417,506
Accrued interest.....	72,675	60,219
Current portion of long-term debt.....	85,403	182,913
	-----	-----
Total current liabilities.....	1,122,069	660,638
	-----	-----
LONG-TERM DEBT, less current portion.....	6,943,766	4,810,541
	-----	-----
DEFERRED INCOME TAXES.....	1,517,995	1,390,849
	-----	-----
MINORITY INTEREST AND OTHER.....	772,004	627,745
	-----	-----
COMMITMENTS AND CONTINGENCIES		
COMMON EQUITY PUT OPTIONS.....	52,125	
	-----	-----
STOCKHOLDERS' DEFICIENCY		
Preferred stock, no par value - authorized, 20,000,000 shares; issued, none		
Class A special common stock, \$1 par value - authorized, 500,000,000 shares; issued, 192,844,814 and 191,230,684.....	192,845	191,231
Class A common stock, \$1 par value - authorized, 200,000,000 shares; issued, 37,706,517 and 39,019,809.....	37,707	39,020
Class B common stock, \$1 par value - authorized, 50,000,000 shares; issued, 8,786,250	8,786	8,786
Additional capital.....	843,113	875,501
Accumulated deficit.....	(1,914,292)	(1,827,647)
Unrealized gains on marketable securities.....	22,210	3,862
Cumulative translation adjustments.....	(18,020)	(17,542)
	-----	-----
Total stockholders' deficiency.....	(827,651)	(726,789)
	-----	-----
	\$9,580,308	\$6,762,984
	=====	=====

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(Amounts in thousands, except per share data)

	1995	Year Ended December 31, 1994	1993
REVENUES			
Service income.....	\$1,875,258	\$1,375,304	\$1,338,228
Net sales from electronic retailing.....	1,487,688		
	3,362,946	1,375,304	1,338,228
	-----	-----	-----
COSTS AND EXPENSES			
Operating.....	803,357	409,841	407,846
Cost of goods sold from electronic retailing.....	898,271		
Selling, general and administrative.....	642,475	389,207	323,986
Depreciation and amortization.....	689,052	336,462	341,500
	3,033,155	1,135,510	1,073,332
	-----	-----	-----
OPERATING INCOME.....	329,791	239,794	264,896
INVESTMENT (INCOME) EXPENSE			
Interest expense.....	524,727	313,477	347,448
Investment income.....	(229,848)	(24,606)	(29,249)
Equity in net losses of affiliates.....	86,618	40,884	28,872
Other.....	(6,296)	8	1,515
	375,201	329,763	348,586
	-----	-----	-----
LOSS BEFORE INCOME TAX EXPENSE (BENEFIT), MINORITY INTEREST, EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES.....	(45,410)	(89,969)	(83,690)
INCOME TAX EXPENSE (BENEFIT).....	42,171	(9,234)	15,229
	-----	-----	-----
LOSS BEFORE MINORITY INTEREST, EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES.....	(87,581)	(80,735)	(98,919)
MINORITY INTEREST.....	(49,732)	(5,410)	(48)
	-----	-----	-----
LOSS BEFORE EXTRAORDINARY ITEMS AND CUMULATIVE EFFECT OF ACCOUNTING CHANGES.....	(37,849)	(75,325)	(98,871)
EXTRAORDINARY ITEMS	(6,084)	(11,703)	(17,620)
CUMULATIVE EFFECT OF ACCOUNTING CHANGES.....			(742,734)
	-----	-----	-----
NET LOSS	(\$43,933)	(\$87,028)	(\$859,225)
	=====	=====	=====
LOSS PER SHARE			
Loss before extraordinary items and cumulative effect of accounting changes.....	(\$.16)	(\$.32)	(\$.46)
Extraordinary items.....	(.02)	(.05)	(.08)
Cumulative effect of accounting changes.....			(3.47)
	-----	-----	-----
Net loss.....	(\$.18)	(\$.37)	(\$4.01)
	=====	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	239,679	236,262	213,939
	=====	=====	=====

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in thousands)

	1995	Year Ended December 31, 1994	1993
OPERATING ACTIVITIES			
Net loss.....	(\$43,933)	(\$87,028)	(\$859,225)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization.....	689,052	336,462	341,500
Interest expense.....	53,792	53,490	62,316
Equity in net losses of affiliates.....	86,618	40,884	28,872
Gain on sale of subsidiary.....	(5,523)	(5,825)	
Gain on sales of long-term investments.....	(182,962)		
Extraordinary items.....	6,084	11,703	17,620
Cumulative effect of accounting changes.....			742,734
Deferred income taxes, minority interest and other.....	(65,368)	4,271	456
	537,760	353,957	334,273
Increase in accounts receivable, net.....	(62,421)	(28,296)	(14,406)
Increase in inventories, net.....	(57,487)	(7,325)	(988)
Increase in prepaid charges and other.....	(23,330)	(5,256)	(668)
Increase in accounts payable and accrued expenses.....	114,307	57,503	21,133
Increase (decrease) in accrued interest.....	11,864	(1,589)	6,548
Net cash provided by operating activities.....	520,693	368,994	345,892
FINANCING ACTIVITIES			
Proceeds from borrowings.....	3,728,208	1,201,084	953,952
Retirement and repayment of debt.....	(1,619,639)	(508,986)	(493,047)
(Repurchases) issuances of common stock, net.....	(7,091)	2,893	6,652
Issuance of common stock of a subsidiary, net.....		209,394	
Equity contribution to a subsidiary.....	6,556	250,000	
Dividends.....	(22,350)	(22,688)	(20,739)
Other.....	(49,970)	(16,492)	(9,620)
Net cash provided by financing activities.....	2,035,714	1,115,205	437,198
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired.....	(1,386,001)	(1,292,589)	(9,315)
(Purchases) sales of short-term investments, net.....	(240,848)	389,252	(384,948)
Increase in investments, principally in affiliates.....	(480,210)	(125,034)	(272,529)
Proceeds from sales of long-term investments.....	410,533		
Additions to property and equipment.....	(622,996)	(269,943)	(158,396)
Proceeds from sale of subsidiary.....		28,183	
Other.....	(33,144)	(39,182)	(10,902)
Net cash used in investing activities.....	(2,352,666)	(1,309,313)	(836,090)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....			
	203,741	174,886	(53,000)
CASH AND CASH EQUIVALENTS, beginning of year.....	335,320	160,434	213,434
CASH AND CASH EQUIVALENTS, end of year.....	<u>\$539,061</u>	<u>\$335,320</u>	<u>\$160,434</u>

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY
(Dollars in thousands)

	Class A Special	Common Stock		Additional Capital	Accumulated Deficit	Unrealized Gains on Marketable Securities	Cumulative Translation Adjustments	Total
		Class A	Class B					
BALANCE, JANUARY 1, 1993	\$87,846	\$38,974	\$8,786	\$540,309	(\$837,967)	\$	(\$19,589)	(\$181,641)
Net loss					(859,225)			(859,225)
Issuance of common stock	145			1,756				1,901
Conversion of convertible subordinated debt to common stock	11,537			174,824				186,361
Exercise of options	624	131		10,878				11,633
Retirement of common stock	(94)	(158)		(6,630)				(6,882)
Cash dividends, \$.0933 per share					(20,739)			(20,739)
Stock dividend, 50%, effective February 2, 1994	73,895			(73,895)				
Cumulative translation adjustments							(1,939)	(1,939)
	-----	-----	-----	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1993	173,953	38,947	8,786	647,242	(1,717,931)		(21,528)	(870,531)
Net loss					(87,028)			(87,028)
Issuance of common stock	265			2,205				2,470
Conversion of convertible subordinated debt to common stock	16,765			166,690				183,455
Exercise of options	527	81		6,000				6,608
Retirement of common stock	(279)	(8)		(5,898)				(6,185)
Cash dividends, \$.0933 per share					(22,688)			(22,688)
Unrecognized gain on issuance of common stock of a subsidiary				59,262				59,262
Unrealized gains on marketable securities						3,862		3,862
Cumulative translation adjustments							3,986	3,986
	-----	-----	-----	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1994	191,231	39,020	8,786	875,501	(1,827,647)	3,862	(17,542)	(726,789)
Net loss					(43,933)			(43,933)
Issuance of common stock	1,102			17,442				18,544
Conversion of convertible subordinated debt to common stock	395			3,960				4,355
Exercise of options	270	126		3,162				3,558
Retirement of common stock	(153)	(1,439)		(7,471)	(20,362)			(29,425)
Cash dividends, \$.0933 per share					(22,350)			(22,350)
Temporary equity related to put options				(52,125)				(52,125)
Proceeds from sale of put options				2,644				2,644
Unrealized gains on marketable securities						18,348		18,348
Cumulative translation adjustments							(478)	(478)
	-----	-----	-----	-----	-----	-----	-----	-----
BALANCE, DECEMBER 31, 1995	\$192,845	\$37,707	\$8,786	\$843,113	(\$1,914,292)	\$22,210	(\$18,020)	(\$827,651)
	=====	=====	=====	=====	=====	=====	=====	=====

See notes to consolidated financial statements.

1. BUSINESS

Comcast Corporation and its subsidiaries (the "Company") is principally engaged in the development, management and operation of wired and wireless telecommunications and the provision of content. Wired telecommunications includes cable and telecommunications services in the United States ("US") and the United Kingdom ("UK"). Wireless telecommunications includes cellular services, personal communications services, provided through the Company's investment in Sprint Spectrum, and direct to home satellite television. Content is provided through QVC, Inc. and its subsidiaries ("QVC"), an electronic retailer, Comcast Content and Communication Corporation ("C3") and other programming investments. The Company's consolidated domestic cable operations served more than 3.4 million subscribers and passed more than 5.5 million homes as of December 31, 1995. The Company owns a 50% interest in Garden State Cablevision L.P. ("Garden State"), a cable communications company serving approximately 200,000 subscribers and passing approximately 292,000 homes. In the UK, a subsidiary of the Company, Comcast UK Cable Partners Limited ("Comcast UK Cable"), holds ownership interests in four cable and telephony businesses that collectively have the potential to serve over 1.6 million homes. The Company provides cellular telephone communications services pursuant to licenses granted by the Federal Communications Commission ("FCC") in markets with a population of over 8.3 million, including the area in and around the City of Philadelphia, Pennsylvania, the State of Delaware and a significant portion of the State of New Jersey. Through QVC, the Company markets a wide variety of products and reaches over 52 million homes across the US and an additional 4 million in the UK.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and all wholly owned, majority owned and controlled subsidiaries. All significant intercompany accounts and transactions among the consolidated entities have been eliminated. Included in the Company's consolidated balance sheet as of December 31, 1995 and 1994 are the net assets of foreign subsidiaries which total approximately \$115.2 million and \$146.4 million, respectively.

Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Values

The estimated fair value amounts presented in these notes to consolidated financial statements have been determined by the Company using available market information and appropriate methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. The estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts. Such fair value estimates are based on pertinent information available to management as of December 31, 1995 and 1994, and have not been comprehensively revalued for purposes of these consolidated financial statements since such dates. Current estimates of fair value may differ significantly from the amounts presented herein.

Cash Equivalents and Short-term Investments

Cash equivalents consist principally of US Government obligations, commercial paper, repurchase agreements and certificates of deposit with maturities of three months or less when purchased. Short-term investments consist principally of US Government obligations, commercial paper, repurchase agreements and certificates of deposit with maturities greater than three months when purchased. The carrying amounts of the Company's cash equivalents and short-term investments, classified as available for sale securities, approximate their fair values, which are based on quoted market prices, as of December 31, 1995 and 1994.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

Inventories - Electronic Retailing

Inventories, consisting primarily of products held for sale, are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

Net Sales and Returns - Electronic Retailing

Net sales from electronic retailing are recognized at the time of shipment to customers. An allowance for returned merchandise is provided as a percentage of sales based on historical experience.

Investments, Principally in Affiliates

Investments are accounted for based on the Company's ability to exercise significant influence over the operating and financial policies of the investee. Equity method investments are recorded at original cost and adjusted periodically to recognize the Company's proportionate share of the investees' net income or losses after the date of investment, and additional contributions made and dividends received. Unrestricted publicly traded investments, classified as available for sale, are recorded at their fair value as of December 31, 1995 and 1994, with unrealized gains or losses resulting from changes in fair value between measurement dates recorded as a component of stockholders' deficiency. Restricted publicly traded investments and investments in privately held companies are stated at cost, adjusted for any known diminution in value.

Investment Income

Investment income includes interest income and gains, net of losses, on the sales of marketable securities. Gross realized gains and losses are recognized using the specific identification method (see Note 4). In 1995, investment income also includes losses incurred relating to the net realizable value of certain of the Company's investments.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided by the straight-line method over estimated useful lives as follows:

Buildings and improvements	15-40 years
Operating facilities	5-20 years
Other equipment	2-10 years

Improvements and extraordinary repairs that extend asset lives are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation applicable to assets sold or retired are removed from the accounts and the gain or loss on disposition is recognized in net loss.

Deferred Charges

Franchise and license acquisition costs are amortized on a straight-line basis over their legal or estimated useful lives up to 40 years. The excess of cost over the fair value of net assets acquired is being amortized over their estimated useful lives of up to 40 years.

Valuation of Long-Lived Assets

The Company periodically evaluates the recoverability of its long-lived assets, including property and equipment and deferred charges, using objective methodologies. Such methodologies include evaluations based on the cash flows generated by the underlying assets or other determinants of fair value.

Postretirement and Postemployment Benefits

The estimated costs of retiree benefits and benefits for former or inactive employees, after employment but before retirement, are accrued and recorded as a charge to operations during the years the employees provide services.

Foreign Currency Translation

Assets and liabilities of the Company's foreign subsidiaries, where the functional currency is the local currency, are translated into US dollars at the December 31 exchange rate. The related translation adjustments are recorded as a separate component of stockholders' deficiency. Revenues

COMCAST CORPORATION AND SUBSIDIARIES

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and expenses are translated using average exchange rates prevailing during the year. Foreign currency transaction gains and losses are included in net loss.

Income Taxes

The Company recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities and expected benefits of utilizing net operating loss carryforwards. The impact on deferred taxes of changes in tax rates and laws, if any, applied to the years during which temporary differences are expected to be settled, are reflected in the financial statements in the period of enactment.

Loss per Share

For the years ended December 31, 1995, 1994 and 1993, the Company's common stock equivalents have an antidilutive effect on the loss per share and therefore, have not been used in determining the total weighted average number of common shares outstanding. Fully diluted loss per share for 1995, 1994 and 1993 is antidilutive and, therefore, has not been presented.

Stock Split

On December 21, 1993, the Company's Board of Directors (the "Board") authorized a three-for-two stock split in the form of a 50% stock dividend payable on February 2, 1994 to shareholders of record on January 12, 1994. The dividend was paid in Class A Special Common Stock to the holders of Class A Common, Class A Special Common and Class B Common Stock. Average number of shares outstanding and related prices, per share amounts, share conversion and stock option data have been retroactively restated to reflect the stock split.

Derivative Financial Instruments

The Company does not hold or issue any derivative financial instruments for trading purposes. The credit risks associated with the Company's derivative financial instruments are controlled through the evaluation and monitoring of the creditworthiness of the counterparties. Although the Company may be exposed to losses in the event of nonperformance by the counterparties, the Company does not expect such losses, if any, to be significant.

New Accounting Pronouncements

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," which will be adopted by the Company in 1996 as required by this statement. The Company has elected to continue to measure such compensation expense using the method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," as permitted by SFAS No. 123. When adopted, SFAS No. 123 will not have any effect on the Company's financial position or results of operations but will require the Company to provide expanded disclosure regarding its stock-based employee compensation plans.

Effective January 1, 1995, the Company adopted the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." There was no cumulative effect of the adoption of SFAS No. 121.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

Effective January 1, 1994, the Company adopted the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" (see Note 4).

Effective January 1, 1993, the Company adopted the provisions of SFAS No. 109, "Accounting for Income Taxes", SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other than Pensions" and SFAS No. 112, "Employers' Accounting for Postemployment Benefits." The cumulative effect of the adoption of SFAS No. 109, SFAS No. 106 and SFAS No. 112 increased the Company's net loss for the year ended December 31, 1993 by \$742.7 million, or \$3.47 per share.

Reclassifications

Certain reclassifications have been made to the prior years consolidated financial statements to conform to those classifications used in 1995.

3. ACQUISITIONS AND OTHER SIGNIFICANT EVENTS

Sprint Spectrum

Effective as of January 1996, the Company, Tele-Communications, Inc. ("TCI"), Cox Communications, Inc. ("Cox," and together with the Company and TCI, the "Cable Parents") and Sprint Corporation ("Sprint," and together with the Cable Parents, the "Parents"), and certain subsidiaries of the Parents (the "Partner Subsidiaries"), entered into a series of agreements relating to their previously announced joint venture (March 1995) to engage in the communications business. Under an Amended and Restated Agreement of Limited Partnership (the "Partnership Agreement") of MajorCo, L.P. (known as "Sprint Spectrum"), the business of Sprint Spectrum will be the provision of wireless telecommunications services and will not include the previously authorized business of providing local wireline communications services to residences and businesses. A partnership owned entirely by subsidiaries of the Company owns 15% of Sprint Spectrum. The Company accounts for its investment in Sprint Spectrum under the equity method (see Note 4).

Sprint Spectrum was the successful bidder for 29 personal communications services ("PCS") licenses in the auction conducted by the FCC from December 1994 through mid-March 1995. The purchase price for the licenses was approximately \$2.11 billion, all of which has been paid to the FCC. Sprint Spectrum may also elect to bid in subsequent auctions for PCS licenses. In addition, Sprint Spectrum has invested, and may continue to invest, in other entities that hold PCS licenses, may acquire PCS licenses from other license holders and may affiliate with other license holders.

The Partner Subsidiaries have committed to contribute \$4.2 billion in cash to Sprint Spectrum through 1997, of which the Company's share is \$630.0 million. Of this funding requirement, the Company has made total cash capital contributions to Sprint Spectrum of \$346.0 million through December 31, 1995. The Company anticipates that Sprint Spectrum's capital requirements over the next several years will be significant. Requirements in excess of committed capital are planned to be funded by Sprint Spectrum through external financing. Although it is anticipated that external financing will be available to Sprint Spectrum on acceptable terms and conditions, no assurances can be given as to such availability. The timing of the Company's remaining capital contributions to Sprint Spectrum is dependent upon a number of factors, including Sprint Spectrum's ability to obtain external financing as well as its working capital requirements.

Pursuant to separate Parent agreements, each Cable Parent and Sprint agreed to negotiate in good faith on a market-by-market basis for the provision of local wireline telephony services over the cable communications facilities of the applicable Cable Parent under the Sprint brand. Accordingly, local telephony offerings in each market will be the subject of individual agreements to be negotiated with Sprint, rather than being provided through Sprint Spectrum as originally contemplated. The offering of local wireline telephone services will require the removal of regulatory and legislative barriers to local telephone competition. Each Parent agreement also contains certain restrictions on the ability of each Parent to offer and promote, or package certain of its cable communications products or services with, certain products and services of other persons and requires the

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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applicable Cable Parent to make its cable communications facilities available to Sprint for specified purposes to the extent that it has made such facilities available to others for such purposes.

The Partner Subsidiaries also terminated a contribution agreement pursuant to which they had agreed to contribute to Sprint Spectrum their respective interests in Teleport Communications Group Inc., TCG Partners (collectively, "Teleport") and certain local joint ventures managed by such entities (with Teleport, "TCG"). TCG is one of the largest competitive access providers in the US in terms of route miles. The Parents reaffirmed their intention to continue to attempt to integrate the business of TCG with that of Sprint Spectrum.

Scripps Cable

In October 1995, the Company announced its agreement to purchase the cable television operations ("Scripps Cable") of The E.W. Scripps Company ("E.W. Scripps") in exchange for shares of the Company's Class A Special Common Stock, par value \$1.00 per share (the "Class A Special Common Stock"), worth \$1.575 billion (the "Base Consideration"), subject to certain closing adjustments (the "Scripps Transaction"). Scripps Cable passes approximately 1.2 million homes and serves approximately 800,000 subscribers, with over 60% of its subscribers located in Sacramento, California and Chattanooga and Knoxville, Tennessee. The purchase is expected to close in the second half of 1996, subject to shareholder and regulatory approval and certain other conditions.

Pursuant to the Agreement and Plan of Merger dated as of October 28, 1995 (the "Merger Agreement") by and among the Company, E.W. Scripps and Scripps Howard, Inc., a wholly owned subsidiary of E.W. Scripps, E.W. Scripps will distribute to its shareholders all assets other than Scripps Cable. Following such distribution, E.W. Scripps will be merged with and into the Company (the "Merger") and each share of E.W. Scripps common stock issued and outstanding immediately prior to the Merger will be converted into a portion of the shares of the Class A Special Common Stock to be paid as consideration in the Merger. Assuming (i) no adjustment has been made to the Base Consideration and (ii) the closing price of the Class A Special Common Stock is equal to the execution price (\$20.075 per share), as such terms are defined in the Merger Agreement, the Company would issue to E.W. Scripps' shareholders an aggregate of approximately 78.5 million shares of Class A Special Common Stock in the Merger, subject to certain adjustments. Such shares would represent, in the aggregate, approximately 28.9% of the Class A Special Common Stock outstanding as of December 31, 1995, on a pro forma basis.

Share Repurchase Program

Concurrent with the announcement of the Scripps Transaction, the Company announced that its Board has authorized a market repurchase program (the "Repurchase Program") pursuant to which the Company may purchase, at such times and on such terms as it deems appropriate, up to \$500.0 million of its outstanding common equity securities, subject to certain restrictions and market conditions (see Notes 6 and 9).

QVC

In February 1995, the Company and TCI acquired all of the outstanding stock of QVC not previously owned by them (approximately 65% of such shares on a fully diluted basis) for \$46, in cash, per share (the "QVC Acquisition"), representing a total cost of approximately \$1.4 billion. The QVC Acquisition, including the exercise of certain warrants held by the Company, was financed with cash contributions from the Company and TCI of \$296.3 million and \$6.6 million, respectively, borrowings of \$1.1 billion under a \$1.2 billion QVC credit facility and existing cash and cash equivalents held by QVC. Following the acquisition, the Company and TCI own, through their respective subsidiaries, 57.45% and 42.55%, respectively, of QVC. The Company, through a management agreement, is responsible for the day to day operations of QVC. The Company has accounted for the QVC Acquisition under the purchase method of accounting and QVC was consolidated with the Company effective February 1, 1995.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Maclean Hunter

In December 1994, the Company, through Comcast MHCP Holdings, L.L.C. (the "LLC"), acquired the US cable television and alternate access operations of Maclean Hunter Limited ("Maclean Hunter") from Rogers Communications Inc. and all of the outstanding shares of Barden Communications, Inc. ("BCI," and collectively, such acquisitions are referred to as the "Maclean Hunter Acquisition") for approximately \$1.2 billion in cash. The Company and the California Public Employees' Retirement System ("CalPERS") invested \$305.6 million and \$250.0 million, respectively, in the LLC, which is owned 55% by a wholly owned subsidiary of the Company and 45% by CalPERS, and is managed by the Company. The balance of the Maclean Hunter Acquisition was financed through borrowings under a credit facility of a wholly owned subsidiary of the LLC. The Company has accounted for the Maclean Hunter Acquisition under the purchase method of accounting and has consolidated Maclean Hunter effective December 22, 1994.

Cellular Rebuild

In 1995, the Company's cellular division purchased approximately \$172.0 million of switching and cell site equipment which replaced the existing switching and cell site equipment (the "Cellular Rebuild"). The Company substantially completed the Cellular Rebuild in the third quarter of 1995. Accordingly, during 1995, the Company charged to its results of operations approximately \$110.0 million which represented the difference between the net book value of the equipment replaced and the residual value realized upon its disposal. This charge has been reflected in the Company's consolidated statement of operations as a component of depreciation and amortization expense.

Unaudited Pro Forma Information

The following unaudited pro forma information for the years ended December 31, 1995 and 1994 has been presented as if the QVC Acquisition and the Maclean Hunter Acquisition had occurred on January 1, 1994. This unaudited pro forma information is based on historical results of operations adjusted for acquisition costs and, in the opinion of management, is not necessarily indicative of what the results would have been had the Company operated the acquired entities since January 1, 1994 (dollars in millions, except per share data).

	Year Ended December 31,	
	1995	1994
Revenues	\$3,493.3	\$3,003.9
Loss before extraordinary items	(42.8)	(163.0)
Net loss	(48.9)	(174.7)
Net loss per share	(.20)	(.74)

4. INVESTMENTS

	December 31,	
	1995	1994
	(Dollars in thousands)	
Investments - Equity method.....	\$681,347	\$389,851
Investments - Public companies.....	170,096	216,002
Investments - Privately held companies....	54,940	191,222
	-----	-----
	\$906,383	\$797,075
	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

Investments - Equity Method

Summarized financial information for equity method investments for 1995, 1994 and 1993 is as follows (dollars in thousands):

	Three Months Ended January 31, 1995 QVC (2)	Year Ended December 31, 1995 Other	Combined (1)	Year Ended December 31, 1994 (2)	Year Ended December 31, 1993
Combined Results of Operations					
Revenues, net.....	\$425,921	\$638,579	\$1,064,500	\$1,698,806	\$165,688
Depreciation and amortization.....	12,992	154,440	167,432	154,374	70,501
Operating income (loss).....	58,247	(209,626)	(151,379)	20,034	(38,519)
Net income (loss) as reported by affiliates.....	28,333	(310,604)	(282,271)	(136,967)	(66,587)
Company's Equity in Net Income (Loss)					
Equity in current period net income (loss).....	\$4,286	(\$85,545)	(\$81,259)	(\$40,254)	(\$28,872)
Amortization income (expense) (3).....	1,194	(6,553)	(5,359)	(630)	-----
Total equity in net income (loss).....	<u>\$5,480</u>	<u>(\$92,098)</u>	<u>(\$86,618)</u>	<u>(\$40,884)</u>	<u>(\$28,872)</u>
Combined Financial Position					
Current assets.....		\$437,160		\$751,914	
Noncurrent assets.....		4,288,327		2,059,285	
Current liabilities.....		318,378		638,209	
Noncurrent liabilities.....		1,683,110		974,815	

(1) Excludes the results of operations (subsequent to January 31, 1995) and financial position of QVC, which were consolidated with the Company effective February 1, 1995.

(2) Through January 31, 1995, QVC's fiscal year end was January 31, and therefore, the Company recorded its equity interest in QVC's net income two months in arrears. For the year ended December 31, 1995, the Company recorded its proportionate interest in QVC's net income for the period from November 1, 1994 through January 31, 1995. Such results were not previously recorded by the Company since QVC's results of operations were recorded two months in arrears. The effect of this one-time adjustment was not significant to the Company's results of operations. The summarized financial information as of and for the year ended December 31, 1994 includes financial information for QVC as of and for the twelve months ended October 31, 1994.

(3) The differences between the Company's recorded investments and its proportionate interests in the book value of the investees' net assets are being amortized to equity in net income or loss, primarily over a period of twenty years, which is consistent with the estimated lives of the underlying assets.

The original cost of investments accounted for under the equity method of accounting totaled approximately \$964.7 million and \$565.4 million as of December 31, 1995 and 1994, respectively. As of December 31, 1995 and 1994, equity method investments include the Company's interests in Sprint Spectrum (see Note 3), TCG (see Note 3), Garden State and interests in three of its four UK cable and telecommunications businesses.

Effective January 1, 1994, the Company commenced accounting for QVC (see Note 3), TCG and certain other investments under the equity method of accounting due to changes in the nature of the relationships between the Company and the investees which allow the Company to exercise significant influence over their operating and financial policies. The Company's prior year financial statements were not restated due to the insignificance of the Company's proportionate ownership interests in the net income or loss of the investees for those periods.

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Comcast UK Cable holds, among other things, the Company's equity method investments in UK affiliates: Birmingham Cable Corporation Limited, Cable London PLC and Cambridge Holding Company Limited. On September 27, 1994, Comcast UK Cable consummated an initial public offering (the "IPO") of 15.0 million of its Class A Common Shares for net proceeds of \$209.4 million. As a result of the IPO and related transactions, the Company beneficially owns approximately 31.2% of the total outstanding Comcast UK Cable common shares. Because the Class A Common Shares are entitled to one vote per share and the Class B Common Shares are entitled to ten votes per share, the Company, through its ownership of the Class B Common Shares, controls approximately 81.9% of the total voting power of all outstanding Comcast UK Cable common shares and continues to consolidate Comcast UK Cable. As a result of the IPO and related transactions, the Company recorded an aggregate minority interest liability in Comcast UK Cable of \$261.4 million in 1994. In addition, the Company recorded the increase in its proportionate share of Comcast UK Cable's net assets as an increase in additional capital of \$59.3 million.

The Company holds a 20% interest in Teleport with an original cost of approximately \$66.0 million as of December 31, 1995 and 1994. The Company also had loans to Teleport totaling \$53.8 million and \$39.5 million at December 31, 1995 and 1994, respectively.

Investments - Public Companies

As of December 31, 1994, the Company held 11.3 million shares of common stock of Nextel Communications, Inc. ("Nextel"), classified as available for sale, representing a 10.7% interest in Nextel's then outstanding common stock. Nextel is a specialized mobile radio licensee developing an enhanced service capability. In July 1995, the Company sold these shares for \$212.6 million (the "Nextel Transaction"). As a result of this transaction, the Company recognized a pre-tax gain of \$36.2 million in 1995.

The Company had recorded its investment in Nextel common stock, with an historical cost of \$175.9 million as of December 31, 1994, at its estimated fair value, resulting in an unrealized pre-tax loss of \$14.0 million as of December 31, 1994. As of December 31, 1995, the Company held approximately 693,000 shares of Nextel common stock. The Company has recorded its investment, with an historical cost of \$11.1 million, at its estimated fair value, resulting in an unrealized pre-tax loss of approximately \$905,000 as of December 31, 1995.

As of December 31, 1995 and 1994, the Company owns options to acquire approximately 25.0 million and 25.2 million shares of Nextel common stock, respectively, principally at \$16 per share, with an estimated fair value of \$99.7 million and \$149.2 million, respectively, which are recorded at their historical cost of \$20.0 million and \$23.5 million, respectively. Investments in options have been valued using the Black-Scholes Option Pricing method.

In February 1996, in connection with certain preemptive rights of the Company under previously existing agreements with Nextel, the Company purchased approximately 8.16 million shares, classified as available for sale, of Nextel common stock at \$12.25 per share, for a total cost of \$99.9 million. Had the Company owned such shares as of December 31, 1995, the fair value of these shares would have been \$120.3 million.

The Company holds unrestricted equity investments in certain other publicly traded companies with an historical cost of \$104.8 million and \$10.7 million as of December 31, 1995 and 1994, respectively. As of December 31, 1995 and 1994, the Company has recorded these investments at their estimated fair values of \$139.9 million and \$30.6 million, resulting in unrealized pre-tax gains of \$35.1 million and \$19.9 million, respectively.

Investments - Privately Held Companies

In January 1995, the Company exchanged its investments in Heritage Communications, Inc. ("Heritage") with TCI for approximately 13.3 million publicly-traded Class A common shares of TCI with a fair market value of approximately \$290.0 million. Shortly thereafter, the Company sold approximately 9.1 million unrestricted TCI shares for total proceeds of approximately \$188.0 million (collectively, the "Heritage Transaction"). As a result of these transactions, the Company recognized a pre-tax gain of approximately \$141.0 million in 1995.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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It is not practicable to estimate the fair value of the Company's other investments in privately held companies with a recorded cost, excluding Heritage, of \$54.9 million and \$50.3 million as of December 31, 1995 and 1994, respectively, due to a lack of quoted market prices and excessive costs involved in determining such fair value.

5. LONG-TERM DEBT

	December 31,	
	1995	1994
	(Dollars in thousands)	
Notes payable to banks and insurance companies, due in installments through 2004.....	\$4,476,460	\$3,280,035
Senior participating redeemable zero coupon notes, due 2000.....	402,401	361,538
11.20% Senior discount debentures, due 2007.....	304,246	
10% Subordinated debentures, due 2003.....	124,615	122,858
10-1/4% Senior subordinated debentures, due 2001.....	125,000	125,000
9-3/8% Senior subordinated debentures, due 2005.....	250,000	
9-1/8% Senior subordinated debentures, due 2006.....	250,000	
9-1/2% Senior subordinated debentures, due 2008.....	200,000	200,000
10-5/8% Senior subordinated debentures, due 2012.....	300,000	300,000
Convertible subordinated debt:		
Zero coupon convertible subordinated notes.....		4,345
3-3/8% / 5-1/2% Step-up convertible subordinated debentures, due 2005.....	250,000	250,000
1-1/8% Discount convertible subordinated debentures, due 2007.....	327,514	314,546
Other debt, due in installments principally through 1998.....	18,933	35,132
	-----	-----
	7,029,169	4,993,454
Less current portion.....	85,403	182,913
	-----	-----
	\$6,943,766	\$4,810,541
	=====	=====

The maturities of long-term debt outstanding as of December 31, 1995, as adjusted for the refinancing of a subsidiary's indebtedness in February 1996, for the four years after 1996 are as follows:

	(Dollars in thousands)
1997.....	\$154,789
1998.....	691,560
1999.....	444,304
2000.....	575,864

Zero Notes

The Company issued the Senior participating redeemable zero coupon notes, due 2000 (the "Zero Notes"), in conjunction with its 1992 acquisition of AWACS, Inc. ("AWACS"), the non-wireline cellular telephone system serving the Philadelphia Metropolitan Statistical Area, from Metromedia Company. The Zero Notes outstanding have an aggregate face amount payable at maturity of \$629.4 million, accreting at 11% per annum. If, at maturity, or an earlier redemption date, 35%, subject to reduction in certain circumstances, of the private market value, as determined by applicable procedures, of the Company's cellular subsidiaries is greater than the accreted value plus certain premiums, then such greater amount will constitute the redemption price. The holders of the Zero Notes have the right, upon request of the holders of the majority of the notes, to require the Company to redeem the Zero Notes at any time on or after March 5, 1998. The accreted value of the Zero Notes, without

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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giving effect to the alternative formula based on the private market value of the cellular business, of \$402.4 million as of December 31, 1995 has been presented above as a 1998 maturity. As of December 31, 1995, approximately \$188.4 million accreted value of the Zero Notes is payable, at the Company's option, either in cash or the Company's Class A Special Common Stock.

2007 Discount Debentures

In November 1995, Comcast UK Cable received net proceeds of approximately \$291.1 million from the sale of approximately \$517.3 million principal amount at maturity of its 11.20% senior discount debentures due 2007 (the "2007 Discount Debentures"). Interest will accrete on the 2007 Discount Debentures at 11.20% per annum compounded semi-annually from November 15, 1995 to November 15, 2000, after which date interest will be paid in cash on each May 15 and November 15, through November 15, 2007.

Convertible Subordinated Debt

The 3-3/8% / 5-1/2% step-up convertible subordinated debentures due 2005 are convertible into the Company's Class A Special Common Stock at a conversion price of \$24.50 per share. Interest on the debentures accrues at a rate per annum of 3-3/8% from the date of issuance to September 8, 1997, from and after such time the Company will have the right to redeem the debentures for cash. Interest will accrue at a rate per annum of 5- 1/2% from September 9, 1997 to maturity, or earlier redemption.

The 1-1/8% discount convertible subordinated debentures due 2007 are convertible into the Company's Class A Special Common Stock at a conversion rate equal to 19.3125 shares per \$1,000 principal amount at maturity. The conversion price will not be adjusted for accrued interest or original issue discount. The debentures were issued at 55.363% of their principal amount of \$541.9 million at maturity resulting in a 6% effective annual yield to maturity. At any time on or after October 15, 1997, the Company may redeem such debentures for cash.

During 1994, \$34.1 million of the zero coupon convertible subordinated notes due 1995 were converted into approximately 3.3 million shares of the Company's Class A Special Common Stock. In January 1995, the remaining \$4.3 million of the notes were converted by the holders into approximately 395,000 shares of the Company's Class A Special Common Stock.

In February 1994, substantially all of the Company's 7% convertible subordinated debentures due 2001 were converted into approximately 13.5 million shares of the Company's Class A Special Common Stock.

Debt Extinguishment

The Company incurred debt extinguishment costs totaling \$9.4 million during 1995 in connection with the refinancing of certain indebtedness, resulting in the Company recording an extraordinary loss, net of tax, of \$6.1 million or \$.02 per share. During 1994, the Company paid premiums and expensed unamortized debt acquisition costs totaling \$18.0 million, primarily in connection with the redemption of its \$150.0 million, 11-7/8% Senior subordinated debentures due 2004, resulting in the Company recording an extraordinary loss, net of tax, of \$11.7 million or \$.05 per share. The Company paid similar premiums of \$27.1 million during 1993 in connection with the redemption of certain of its debt resulting in the Company recording an extraordinary loss, net of tax, of \$17.6 million or \$.08 per share.

Interest Rates

Fixed interest rates on notes payable to banks and insurance companies range from 8.6% to 10.57%. Bank debt interest rates vary based upon one or more of the following rates at the option of the Company:

Prime rate to prime plus 1%;
London Interbank Offered Rate (LIBOR) plus 1/2% to 2-1/8%; and
Certificate of deposit rate plus 7/8% to 2-1/8%.

As of December 31, 1995 and 1994, the Company's effective weighted average interest rate on its variable rate bank and insurance company debt outstanding was 7.87% and 7.63%, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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Foreign Currency and Interest Rate Risk Management

The Company has entered into interest rate swap and cap agreements to limit its exposure to adverse fluctuations in interest rates. As of December 31, 1995 and 1994, \$1.2 billion and \$415.0 million, respectively, of the Company's variable rate debt was protected by these products. Such agreements mature on various dates through 2000.

The Company has entered into certain foreign exchange option contracts as a normal part of its foreign currency risk management efforts. During 1995, Comcast UK Cable entered into certain foreign exchange put option contracts which may be settled only on November 16, 2000. These put option contracts are used to limit Comcast UK Cable's exposure to the risk that the eventual cash outflows related to net monetary liabilities denominated in currencies other than its functional currency (the UK Pound Sterling or "UK Pound") (principally the 2007 Discount Debentures) are adversely affected by changes in exchange rates. As of December 31, 1995, Comcast UK Cable has (pound)250.0 million notional amount of foreign exchange put option contracts to purchase US dollars at an exchange rate of \$1.35 per (pound)1.00 (the "Ratio"). Foreign exchange put option contracts provide a hedge, to the extent the exchange rate falls below the Ratio, against Comcast UK Cable's net monetary liabilities denominated in US dollars since gains and losses realized on the put option contracts are offset against foreign exchange gains or losses realized on the underlying net liabilities. Premiums paid for such put option contracts were not significant and have been recorded as assets in the Company's consolidated balance sheet. These premiums are being amortized over the terms of the related contracts.

In order to reduce hedging costs, Comcast UK Cable has sold (pound)250.0 million notional amount of foreign exchange call option contracts. These call option contracts may only be settled on their expiration dates. Of these call option contracts, (pound)200.0 million notional amount settle on November 16, 1996 at an exchange rate of \$1.70 per (pound)1.00 and (pound)50.0 million notional amount settle on November 16, 2000 at an exchange rate of \$1.62 per (pound)1.00. Changes in fair value between measurement dates relating to these call option contracts are not significant and have been recorded in the Company's consolidated statement of operations.

Debt Covenants

Certain of the Company's subsidiaries' loan agreements contain restrictive covenants which limit the subsidiaries' ability to enter into arrangements for the acquisition of property and equipment, investments, mergers and the incurrence of additional debt. Certain of these agreements require that certain ratios and cash flow levels be maintained and contain certain restrictions on dividend payments and advances of funds to the Company. The Company and its subsidiaries were in compliance with such restrictive covenants for all periods presented. In addition, the stock of certain subsidiary companies is pledged as collateral for the notes payable to banks and insurance companies.

As of December 31, 1995, approximately \$410 million of the Company's cash, cash equivalents and short-term investments was restricted to use by subsidiaries of the Company under contractual or other arrangements, including approximately \$341 million which is restricted to use by Comcast UK Cable.

Lines and Letters of Credit

As of February 1, 1996, certain subsidiaries of the Company had unused lines of credit of \$1.541 billion. Use of these unused lines of credit is restricted by the covenants of the related debt agreements and to subsidiary debt refinancing, subsidiary general corporate purposes and dividend declaration.

As of December 31, 1995, the Company and certain of its subsidiaries had unused irrevocable standby letters of credit totaling \$63.9 million to cover potential fundings associated with several projects.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

6. STOCKHOLDERS' DEFICIENCY

Preferred Stock

The Company is authorized to issue, in one or more series, up to a maximum of 20.0 million shares of preferred stock without par value. The shares can be issued with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or related rights as the Board shall from time to time fix by resolution.

Common Stock

Class A Special Common Stock is generally nonvoting and each share of Class A Common Stock is entitled to one vote. Each share of Class B Common Stock is entitled to fifteen votes and is convertible, share for share, into Class A or Class A Special Common Stock, subject to certain restrictions.

As of December 31, 1995, 20.7 million shares of Class A Special Common Stock were reserved for issuance upon conversion of the Company's convertible subordinated debentures.

Repurchases and Retirements

Through December 31, 1995, the Company had repurchased shares of its common stock for aggregate consideration of \$12.4 million pursuant to the Repurchase Program (see Note 3). Through February 1, 1996, the Company had repurchased additional shares for aggregate consideration of \$4.0 million. In addition, the Company sold put options on 3.0 million shares of its Class A Special Common Stock in December 1995. Through February 1, 1996, the Company sold additional put options on 1.0 million shares of its Class A Special Common Stock (see Note 9).

In December 1995, the Company issued 751,000 shares of its Class A Special Common Stock to the Company's Retirement-Investment Plan in exchange for an equivalent number of shares of its Class A Common Stock, held as an investment of the plan.

Stock Option Plans

The Company maintains qualified and nonqualified stock option plans for employees, directors and other persons under which the option prices are not less than the fair market value of the shares at the date of grant. Under these plans, 16.3 million shares of Class A Special Common Stock, 229,000 shares of Class A Common Stock and 658,000 shares of Class B Common Stock were reserved as of December 31, 1995. Option terms are generally from five to ten and one-half years with options becoming exercisable at various dates.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

Changes in the number of shares subject to outstanding but unexercised options under the Company's option plans for the years ended December 31, 1995, 1994 and 1993 were as follows:

	Class A Special	Common Stock Class A	Class B
BALANCE, JANUARY 1, 1993.....	7,342,018	667,463	658,125
Options granted at prices of \$12.00 to \$22.08 per share.....	1,186,350		
Options exercised at prices of \$1.57 to \$12.58 per share.....	(935,515)	(196,968)	
Options cancelled.....	(80,125)	(2,525)	
	-----	-----	-----
BALANCE, DECEMBER 31, 1993.....	7,512,728	467,970	658,125
Options granted at prices of \$16.13 to \$23.28 per share.....	5,165,216		
Options exercised at prices of \$1.73 to \$11.92 per share.....	(526,857)	(81,472)	
Options cancelled.....	(282,236)	(24,935)	
	-----	-----	-----
BALANCE, DECEMBER 31, 1994.....	11,868,851	361,563	658,125
Options granted at prices of \$14.63 to \$22.00 per share.....	2,899,339		
Options exercised at prices of \$3.32 to \$15.50 per share.....	(267,505)	(128,651)	
Options cancelled.....	(292,391)	(3,700)	
	-----	-----	-----
BALANCE, DECEMBER 31, 1995.....	14,208,294	229,212	658,125
	=====	=====	=====
Average price of options outstanding at December 31, 1995.....	\$14.25	\$4.87	\$5.70
	=====	=====	=====

As of December 31, 1995, options to purchase 5.8 million shares of Class A Special Common Stock, 226,000 shares of Class A Common Stock and 557,000 shares of Class B Common Stock were exercisable.

Restricted Stock Plan

The Company has a restricted stock program whereby management employees may be granted restricted shares of the Company's Class A Special Common Stock. Shares are subject to certain vesting provisions. The shares awarded do not have voting or dividend rights until vesting occurs. Restrictions on the awards expire annually, over a period generally not to exceed five years from the date of the awards. The Company recognizes compensation expense over the vesting period. As of December 31, 1995, there were 1.1 million unvested shares granted under the program of which 509,000 vested in January 1996. Total compensation expense recognized in 1995, 1994 and 1993 under this program was \$4.6 million, \$4.4 million and \$3.4 million, respectively.

QVC Stock Option/SAR Plans

QVC maintains a qualified and nonqualified combination stock option/Stock Appreciation Rights ("SAR") plan (the "QVC Tandem Plan") and a SAR plan (the "QVC SAR Plan") for employees, officers, directors and other persons designated by the Compensation Committee of QVC's Board of Directors. Under the QVC Tandem Plan, the option prices are not less than the fair market values at the date of grant. If the SAR feature of the Tandem Plan is elected, eligible participants receive 75% of the excess of the fair market value of a share of QVC stock over the exercise price of the option to which it is attached at the exercise date. Because the exercise of the option component is more likely, no compensation expense has been recorded. Under the QVC SAR Plan, eligible participants are entitled to receive 100% of the excess of the fair market value of the QVC stock at the exercise date over the fair value of such stock at the date of grant. Option and SAR terms may be up to 10 years from the date of grant, with options and SARs becoming exercisable at various dates.

During the year ended December 31, 1995, 142,000 options were granted at a price of \$460 per share. As the first vesting date was January 1, 1996, no options were exercisable as of December 31, 1995. Holders have stated an intention not to exercise the SAR feature of the QVC Tandem Plan.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

Under the QVC SAR plan, 8,500 SARs are outstanding as of December 31, 1995 and compensation expense of \$1.1 million was recorded in 1995 related to such plan.

7. INCOME TAXES

As a result of the Maclean Hunter Acquisition, the Company's deferred income tax liability was increased in 1994 by approximately \$488.0 million for temporary differences between the financial reporting basis and the income tax reporting basis of the assets of Maclean Hunter and BCI at the date of acquisition. Deferred charges were increased by the same amount as prescribed by SFAS No. 109.

As a result of the QVC Acquisition, the Company's deferred income tax liability was increased in 1995 by \$45.7 million for temporary differences between the financial reporting basis and the income tax reporting basis of the assets of QVC at the date of acquisition. Deferred charges were increased by the same amount as prescribed by SFAS No. 109. At the date of acquisition, QVC had a net deferred income tax liability of \$33.2 million, which was assumed by the Company.

The Company joins with its subsidiaries which it owns 80% or more in filing consolidated federal income tax returns. Both QVC and the direct subsidiary of the LLC file separate consolidated federal income tax returns.

Income tax expense (benefit) consists of the following components:

	1995	Year Ended December 31, 1994 (Dollars in thousands)	1993
Current expense			
Federal.....	\$45,223	\$8,098	\$5,099
State.....	14,283	12,408	9,320
	-----	-----	-----
	59,506	20,506	14,419
	-----	-----	-----
Deferred expense (benefit)			
Federal.....	(21,991)	(27,912)	(216)
State.....	4,656	(1,828)	1,026
	-----	-----	-----
	(17,335)	(29,740)	810
	-----	-----	-----
Income tax expense (benefit).....	\$42,171	(\$9,234)	\$15,229
	=====	=====	=====

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

The effective income tax expense (benefit) of the Company differs from the statutory amount because of the effect of the following items:

	1995	Year Ended December 31, 1994 (Dollars in thousands)	1993
Federal tax at statutory rate.....	(\$15,894)	(\$31,489)	(\$29,291)
Non-deductible depreciation and amortization.....	23,734	3,235	3,153
State income taxes, net of federal benefit.....	12,310	6,877	6,725
Non-deductible equity in net losses of affiliates.....	17,258	10,550	4,838
Deductible permanent differences associated with redemption of securities.....			(37,694)
Increase in corporate federal income tax rate.....			20,589
Additions to valuation allowance.....	1,440	605	47,494
Other.....	3,323	988	(585)
	-----	-----	-----
Income tax expense (benefit).....	\$42,171	(\$9,234)	\$15,229
	=====	=====	=====

Deferred income tax expense (benefit) resulted from the following differences between financial and income tax reporting:

	1995	Year Ended December 31, 1994 (Dollars in thousands)	1993
Depreciation and amortization.....	(\$68,267)	(\$36,357)	(\$34,694)
Accrued expenses not currently deductible.....	(2,697)	(22,287)	
Non-deductible reserves for bad debts, obsolete inventory and sales returns.....	(14,208)		
Deductible temporary differences associated with sale or redemption of securities.....	22,667		7,031
Utilization of net operating loss carryforwards.....	40,956	28,299	
Deferred tax assets arising from current period losses	(9,995)		(39,610)
Increase in corporate federal income tax rate.....			20,589
Change in valuation allowance and other.....	14,209	605	47,494
	-----	-----	-----
Deferred income tax expense (benefit).....	(\$17,335)	(\$29,740)	\$810
	=====	=====	=====

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

Significant components of the Company's net deferred tax liability are as follows:

	December 31,	
	1995	1994
	(Dollars in thousands)	
Deferred tax assets:		
Net operating loss carryforwards.....	\$257,851	\$288,812
Differences between book and tax basis of property and equipment and deferred charges.....	26,811	29,330
Reserves for bad debts, obsolete inventory and sales returns.....	62,895	
Other.....	43,333	40,636
Less: Valuation allowance.....	(244,897)	(274,736)
	-----	-----
	145,993	84,042
	-----	-----
Deferred tax liabilities, principally differences between book and tax basis of property and equipment and deferred charges.....	1,604,189	1,474,891
	-----	-----
Net deferred tax liability.....	\$1,458,196	\$1,390,849
	=====	=====

The Company's valuation allowance against deferred tax assets includes approximately \$120.0 million for which any subsequent tax benefits recognized will be allocated to reduce goodwill and other noncurrent intangible assets. For income tax reporting purposes, the subsidiaries of the LLC have net operating loss carryforwards of approximately \$18.0 million, for which a deferred tax asset has been recorded, which expire primarily in 2010.

8. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION

The Company made cash payments for interest of approximately \$459.1 million, \$261.6 million and \$278.6 million during the years ended December 31, 1995, 1994 and 1993, respectively.

The Company made cash payments for income taxes of approximately \$35.4 million during the year ended December 31, 1995. Cash payments for income taxes during the years ended December 31, 1994 and 1993 were not significant.

9. COMMITMENTS AND CONTINGENCIES

Commitments

Liberty Media Corporation ("Liberty"), a majority owned subsidiary of TCI, may, at certain times following February 9, 2000, trigger the exercise of certain exit rights with respect to its investment in QVC. If the exit rights are triggered, the Company has first right to purchase Liberty's stock in QVC at Liberty's pro rata portion of the fair market value (on a going concern or liquidation basis, whichever is higher, as determined by an appraisal process) of QVC. The Company may pay Liberty for such stock, subject to certain rights of Liberty to consummate the purchase in the most tax-efficient method available, in cash, the Company's promissory note maturing not more than three years after issuance, the Company's equity securities or any combination thereof. If the Company elects not to purchase the stock of QVC held by Liberty, then Liberty will have a similar right to purchase the stock of QVC held by the Company. If Liberty elects not to purchase the stock of QVC held by the Company, then Liberty and the Company will use their best efforts to sell QVC.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

As a result of the Maclean Hunter Acquisition, at any time after December 18, 2001, CalPERS may elect to liquidate its interest in the LLC at a price based upon the fair value of CalPERS' interest in the LLC, adjusted, under certain circumstances, for certain performance criteria relating to the fair value of the LLC or to the Company's common stock. Except in certain limited circumstances, the Company, at its option, may satisfy this liquidity arrangement by purchasing CalPERS' interest for cash, through the issuance of the Company's common stock (subject to certain limitations) or by selling the LLC.

In conjunction with the Repurchase Program, in December 1995, the Company sold put options on 3.0 million shares of its Class A Special Common Stock. The put options give the holder the right to require the Company to repurchase such shares at specified prices on specific dates during the period from May through July 1996. Proceeds of \$2.6 million from the sale of these put options were credited to additional capital. The amount the Company would be obligated to pay to repurchase such shares if all outstanding put options were exercised, totaling \$52.1 million, has been reclassified to a temporary equity account in the Company's consolidated balance sheet as of December 31, 1995. Through February 1, 1996, the Company sold additional put options on 1.0 million shares of its Class A Special Common Stock, with expiration dates in July 1996. If the put options sold in January 1996 were exercised, the Company would be obligated to pay \$17.5 million to repurchase such shares.

During 1994, Comcast UK Cable entered into foreign exchange forward contracts to protect Comcast UK Cable from the risk that monetary assets held or denominated in US dollars are devalued as a result of changes in exchange rates. The notional amount of these contracts was \$20.0 million and \$100.0 million as of December 31, 1995 and 1994, respectively. Foreign exchange forward contracts provide an effective hedge against such monetary assets held since gains and losses realized on the contracts, which were not significant to the Company's results of operations, are offset against gains or losses realized on the underlying hedged assets. The remaining forward contract matures during 1996.

See Note 5 for a description of certain foreign exchange option contracts entered into by Comcast UK Cable during 1995.

Minimum annual rental commitments for office space and equipment under noncancellable operating leases as of December 31, 1995 are as follows:

	(Dollars in thousands)
1996	\$33,800
1997	29,230
1998	27,191
1999	25,336
2000	21,735
Thereafter	106,051

Rental expense of \$44.6 million, \$21.9 million and \$19.3 million for 1995, 1994 and 1993, respectively, has been charged to operations.

Contingencies

The Company is subject to claims which arise in the ordinary course of its business and other legal proceedings. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the Company.

The Company has settled the majority of outstanding proceedings challenging its rates charged for regulated cable services. In December 1995, the FCC adopted an order approving a negotiated settlement of rate complaints pending against the Company for cable programming service tiers ("CPSTs") which provided approximately \$6.6 million in refunds, plus interest, being given in the form of bill credits, to approximately 1.3 million of the Company's cable subscribers. This FCC order resolved 160 of the Company's benchmark rate

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

cases covering the period September 1993 through July 1994 and 104 of the Company's cost-of-service cases for CPSTs covering the period September 1993 through December 1995. As part of the negotiated settlement, the Company agreed to forego certain inflation and external cost adjustments for systems covered by its cost-of-service filings for CPSTs. The FCC's order has been appealed to a federal appellate court by a local franchising authority whose rate complaint against the Company was resolved by the negotiated settlement. The Company currently is seeking to justify rates for basic cable services and equipment in certain of its cable systems in the State of Connecticut on the basis of a cost-of-service showing. The State of Connecticut has ordered the Company to reduce such rates and to make refunds to subscribers. The Company has appealed the Connecticut decision to the FCC. The Company's management believes that the ultimate resolution of these pending regulatory matters will not have a material adverse impact on the Company's financial position or results of operations.

10. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following summary table of the estimated fair value of the Company's financial instruments is made in accordance with the provisions of SFAS No. 107, "Disclosures About Fair Value of Financial Instruments." See Note 2 for a description of methodologies used for such disclosures.

	December 31, 1995		December 31, 1994	
	(Dollars in thousands)			
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Investments - Public companies - (see Note 4).....	\$170,096	\$249,783	\$216,002 (1)	\$341,785 (1)

(1) Excludes publicly traded investments accounted for under the equity method.

The Company's long-term debt had carrying amounts of \$7.029 billion and \$4.993 billion and estimated fair values of \$7.074 billion and \$4.828 billion as of December 31, 1995 and 1994, respectively. The estimated fair value of the Company's publicly traded debt is based on quoted market prices for that debt. Interest rates that are currently available to the Company for issuance of debt with similar terms and remaining maturities are used to estimate fair value for debt issues for which quoted market prices are not available.

The estimated liability to settle the Company's interest rate swap and cap agreements was \$7.7 million and \$39.0 million as of December 31, 1995 and 1994, respectively.

The differences between the carrying amounts and the estimated fair value of the Company's foreign exchange forward contracts and foreign exchange option contracts were not significant as of December 31, 1995 and 1994 (see Notes 5 and 9).

The difference between the proceeds received from the sale of put options on the Company's common stock (see Note 9) and the estimated fair value of such options was not significant as of December 31, 1995.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993 (Continued)

11. FINANCIAL DATA BY BUSINESS SEGMENT

The following represents the Company's significant business segments, including: "Domestic Cable Communications," the most significant of the Company's wired telecommunications operations; "Electronic Retailing," the most significant of the Company's content businesses; and "Cellular Communications," the most significant of the Company's wireless telecommunications operations. The remaining components of the Company's operations are not independently significant to the Company's consolidated financial position or results of operations and are included under the caption "Corporate and Other" (dollars in thousands).

	Domestic Cable Communications	Electronic Retailing	Cellular Communications	Corporate and Other(1)	Total
1995					
Revenues.....	\$1,454,932	\$1,487,688	\$374,880	\$45,446	\$3,362,946
Depreciation and amortization.....	372,457	86,131	205,733	24,731	689,052
Operating income (loss).....	345,998	145,802	(67,923)	(94,086)	329,791
Interest expense.....	245,555	75,301	74,669	129,202	524,727
Assets.....	4,531,075	2,096,381	1,352,724	1,600,128	9,580,308
Long-term debt.....	2,984,182	911,335	928,923	2,119,326	6,943,766
Capital expenditures and acquisitions.....	234,584	1,337,977	306,378	130,058	2,008,997
Equity in net (losses) income of affiliates.....	(17,609)	265	(1,374)	(67,900)	(86,618)
1994					
Revenues.....	\$1,065,316	\$	\$286,137	\$23,851	\$1,375,304
Depreciation and amortization.....	229,534		89,916	17,012	336,462
Operating income (loss).....	287,960		26,413	(74,579)	239,794
Interest expense.....	151,128		58,556	103,793	313,477
Assets.....	4,504,764	84,122	1,205,047	969,051	6,762,984
Long-term debt.....	2,852,877		744,538	1,213,126	4,810,541
Capital expenditures and acquisitions.....	1,456,497		79,719	26,316	1,562,532
Equity in net (losses) income of affiliates.....	(8,259)	11,187		(43,812)	(40,884)
1993					
Revenues.....	\$1,092,746	\$	\$202,032	\$43,450	\$1,338,228
Depreciation and amortization.....	240,523		84,740	16,237	341,500
Operating income (loss).....	311,448		7,403	(53,955)	264,896
Interest expense.....	152,508		74,421	120,519	347,448
Assets.....	2,436,952	69,114	1,277,619	1,164,591	4,948,276
Long-term debt.....	2,049,332		689,984	1,415,514	4,154,830
Capital expenditures and acquisitions.....	100,518		49,531	17,662	167,711
Equity in net losses of affiliates.....	(9,197)			(19,675)	(28,872)

(1) Corporate and other includes certain elimination entries related to the segments presented.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1995, 1994 and 1993 (Concluded)

12. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter (2)	Second Quarter	Third Quarter (2)	Fourth Quarter	Total Year
	(Dollars in thousands, except per share data)				
1995					
Revenues.....	\$663,606	\$823,572	\$870,249	\$1,005,519	\$3,362,946
Operating income before depreciation and amortization (1).....	219,606	260,824	264,144	274,269	1,018,843
Operating income (3).....	(23,871)	117,258	116,512	119,892	329,791
Loss before extraordinary items (3).....	(628)	(29,294)	(1,953)	(5,974)	(37,849)
Extraordinary items.....			(5,407)	(677)	(6,084)
Net loss (3).....	(628)	(29,294)	(7,360)	(6,651)	(43,933)
Loss per share before extraordinary items.....		(.12)	(.01)	(.03)	(.16)
Extraordinary items per share.....			(.02)		(.02)
Net loss per share.....		(.12)	(.03)	(.03)	(.18)
Cash dividends per share.....	.0233	.0233	.0233	.0233	.0933
1994					
Revenues.....	\$328,703	\$340,640	\$345,744	\$360,217	\$1,375,304
Operating income before depreciation and amortization (1).....	141,520	148,553	146,125	140,058	576,256
Operating income.....	64,275	65,304	63,310	46,905	239,794
Loss before extraordinary items.....	(15,777)	(12,756)	(17,246)	(29,546)	(75,325)
Extraordinary items.....	(11,580)	(123)			(11,703)
Net loss.....	(27,357)	(12,879)	(17,246)	(29,546)	(87,028)
Loss per share before extraordinary items.....	(.07)	(.05)	(.07)	(.13)	(.32)
Extraordinary items per share.....	(.05)				(.05)
Net loss per share.....	(.12)	(.05)	(.07)	(.13)	(.37)
Cash dividends per share.....	.0233	.0233	.0233	.0233	.0933

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- (1) Operating income before depreciation and amortization is commonly referred to in the Company's businesses as "operating cash flow." Operating cash flow is a measure of a company's ability to generate cash to service its obligations, including debt service obligations, and to finance capital and other expenditures. In part due to the capital intensive nature of the Company's businesses and the resulting significant level of non-cash depreciation and amortization expense, operating cash flow is frequently used as one of the bases for comparing the Company's businesses. Operating cash flow does not purport to represent net income or net cash provided by operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to such measurements as an indicator of the Company's performance.
- (2) Results of operations for the first quarter of 1994 and for the third quarter of 1995 were affected by premiums paid and losses incurred in connection with the redemption of certain of the Company's debt, shown as extraordinary items in the Company's consolidated statement of operations.
- (3) Results of operations were affected by the Cellular Rebuild and the Heritage Transaction in the first quarter of 1995 and by the Nextel Transaction in the third quarter of 1995 (see Notes 3 and 4).

ITEM 9 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND
FINANCIAL DISCLOSURE

Not applicable.

PART III

The information called for by Item 10, Directors and Executive Officers of the Registrant (except for the information regarding executive officers called for by Item 401 of Regulation S-K which is included in Part I hereof as Item 4A in accordance with General Instruction G(3)), Item 11, Executive Compensation, Item 12, Security Ownership of Certain Beneficial Owners and Management, and Item 13, Certain Relationships and Related Transactions, is hereby incorporated by reference to the Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders presently scheduled to be held in June 1996, which shall be filed with the Securities and Exchange Commission within 120 days of the end of the Registrant's latest fiscal year.

PART IV

ITEM 14 EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

- (a) The following consolidated financial statements of the Company are included in Part II, Item 8:

Independent Auditors' Report.....	37
Consolidated Balance Sheet--December 31, 1995 and 1994.....	38
Consolidated Statement of Operations--Years Ended December 31, 1995, 1994 and 1993.....	39
Consolidated Statement of Cash Flows--Years Ended December 31, 1995, 1994 and 1993.....	40
Consolidated Statement of Stockholders' Deficiency--Years Ended December 31, 1995, 1994 and 1993.....	41
Notes to Consolidated Financial Statements.....	42

- (b) (i) The following financial statement schedule required to be filed by Items 8 and 14(d) of Form 10-K is included in Part IV:

Schedule II -- Valuation and Qualifying Accounts	73
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All other schedules are omitted because they are not applicable, not required or the required information is included in the financial statements or notes thereto.

- (c) Exhibits required to be filed by Item 601 of Regulation S-K:

- 2.1 Agreement and Plan of Merger by and among The E.W. Scripps Company, Scripps Howard, Inc., and Comcast Corporation dated as of October 28, 1995 (incorporated by reference to Exhibit 10.1 to Comcast Corporation's Current Report on Form 8-K filed on December 19, 1995).
- 2.2 Voting Agreement by and among Comcast Corporation, The E.W. Scripps Company, Sural Corporation and The Edward W. Scripps Trust, dated as of October 28, 1995 (incorporated by reference to Exhibit 10.1 to Comcast Corporation's Current Report on Form 8-K filed on December 19, 1995).
- 3.1(a) Amended and Restated Articles of Incorporation filed on July 24, 1990.
- 3.1(b) Amendment to Articles of Incorporation filed on July 14, 1994.
- 3.1(c) Amendment to Restated Articles of Incorporation filed on July 12, 1995.
- 3.2 Amended and Restated By-Laws (incorporated by reference to Exhibit 3(ii) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).
- 4.1 Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 2(a) to the Company's Registration Statement on Form S-7 filed with the Commission on September 17, 1980, File No. 2-69178).
- 4.2 Specimen Class A Special Common Stock Certificate (incorporated by reference to Exhibit 4(2) to the Company's Annual Report on Form 10-K for the year ended December 31, 1986).
- 4.3(a) Indenture (including form of Note), dated as of May 15, 1983, between Storer Communications, Inc. and The Chase Manhattan Bank, N.A., as Trustee, relating to 10% Subordinated Debentures due May 2003 of Storer Communications, Inc. (incorporated by reference to Exhibit 4.6 to the Registration Statement on Form S-1 (File No. 2-98938) of SCI Holdings, Inc.).
- 4.3(b) First Supplemental Indenture, dated December 3, 1986 (incorporated by reference to Exhibit 4.5 to the Current Report on Form 8-K of Storer Communications, Inc. dated December 3, 1986).

- 4.4 Amended and Restated Indenture dated as of June 5, 1992 among Comcast Cellular Corporation, the Company and The Bank of New York, as Trustee, relating to \$500,493,000 Series A Senior Participating Redeemable Zero Coupon Notes due 2000 and \$500,493,000 Series B Senior Participating Redeemable Zero Coupon Notes due 2000 (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-1 (File No. 33-46863) of Comcast Cellular Corporation).
- 4.5 Indenture, dated as of October 17, 1991, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference to Exhibit 2 to the Company's Current Report on Form 8-K filed with the Commission on October 31, 1991).
- 4.6 Form of Debenture relating to the Company's 10-1/4% Senior Subordinated Debentures due 2001 (incorporated by reference to Exhibit 4(19) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).
- 4.7 Form of Debenture relating to the Company's \$300,000,000 10-5/8% Senior Subordinated Debentures due 2012 (incorporated by reference to Exhibit 4(17) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).
- 4.8 Form of Debenture relating to the Company's \$200,000,000 9-1/2% Senior Subordinated Debentures due 2008 (incorporated by reference to Exhibit 4(18) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).
- 4.9 Indenture, dated as of February 20, 1991, between the Company and Bankers Trust Company, as Trustee (incorporated by reference to Exhibit 4.3 to the Company's Registration Statement on Form S-3, File No. 33-32830, filed with the Commission on January 11, 1990).
- 4.10 Form of Debenture relating the Company's 3-3/8% / 5-1/2% Step-up Convertible Subordinated Debentures Due 2005 (incorporated by reference to Exhibit 4(14) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).
- 4.11 Form of Debenture relating to the Company's 1-1/8% Discount Convertible Subordinated Debentures Due 2007 (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed with the Commission on November 15, 1993).
- 4.12 Form of Debenture relating to Comcast Corporation's \$250.0 million 9-3/8% Senior Subordinated Debentures due 2005 (incorporated by reference to Exhibit 4.1 to Comcast Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995).
- 4.13 Form of Debenture relating to Comcast Corporation's \$250.0 million 9-1/8% Senior Subordinated Debentures due 2006.
- 4.14 Indenture dated as of November 15, 1995, between Comcast UK Cable Partners Limited and Bank of Montreal Trust Company, as Trustee, in respect of Comcast UK Cable Partners Limited's 11.20% Senior Discount Debentures due 2007 (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-1 (File No. 33-96932) of Comcast UK Cable Partners Limited).
- 4.14(a) Form of Debenture relating to Comcast Corporation's 11.20% Senior Discount Debentures due 2007 (incorporated by reference to Exhibit 4.2 to the Registration Statement on Form S-1 (File No. 33-96932) of Comcast UK Cable Partners Limited).

- 10.1/*/ Credit Agreement, dated as of September 14, 1995, between Comcast Cellular Communications, Inc., the banks listed therein, The Bank of New York, Barclays Bank PLC, The Chase Manhattan Bank, N.A., PNC Bank, National Association, and The Toronto-Dominion Bank, as Arranging Agents, and Toronto Dominion (Texas), Inc., as Administrative Agent.
- 10.2/*/ Credit Agreement, dated as of September 19, 1995, between Comcast Holdings, Inc., the banks listed therein, The Chase Manhattan Bank, N.A., as Arranging Agent, Bank of Montreal, CIBC Inc., The Long-term Credit Bank of Japan, Limited, Royal Bank of Canada and Societe Generale, as Managing Agents, and The Chase Manhattan Bank, N.A., as Administrative Agent.
- 10.3* 1982 Incentive Stock Option Plan, as amended (incorporated by reference to Exhibit 10(12) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).
- 10.4(a)*1986 Amended and Restated Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10(11) to the Company's Annual Report on Form 10-K for the year ended December 31, 1991).
- 10.4(b)*Amendment to 1986 Non-Qualified Stock Option Plan, dated September 16, 1994 (incorporated by reference to Exhibit 10.5(b) to Comcast Corporation's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.5(a)*Comcast Corporation 1987 Stock Option Plan, as amended and restated (incorporated by reference to Exhibit 99 to the Company's Registration Statement on Form S-8 filed on December 16, 1994).
- 10.5(b)*Amendment to 1987 Stock Option Plan, dated September 16, 1994 (incorporated by reference to Exhibit 10.6(b) to Comcast Corporation's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.6 The Comcast Corporation Retirement-Investment Plan, as amended and restated effective January 1, 1993 (revised through September 30, 1995) (incorporated by reference to Exhibit 10.1 to Form S-8 of Comcast Corporation filed on October 5, 1995).
- 10.7* Amended and Restated Deferred Compensation Plan, dated January 1, 1995 (incorporated by reference to Exhibit 10.8 to Comcast Corporation's Annual Report on Form 10-K for the year ended December 31, 1994).
- 10.8* 1990 Restricted Stock Plan, as amended and restated effective December 13, 1995.
- 10.9* 1992 Executive Split Dollar Insurance Plan (incorporated by reference to Exhibit 10(12) to the Company's Annual Report on Form 10-K for the year ended December 31, 1992).
- 10.10* Form of Compensation and Deferred Compensation Agreement and Stock Appreciation Bonus Plan for Ralph J. Roberts (incorporated by reference to Exhibit 10(13) to the Company's Annual Report on Form 10-K for the year ended December 31, 1993).
- 10.11 Defined Contribution Plans Master Trust Agreement, between Comcast Corporation and State Street Bank and Trust Company (incorporated by reference to Exhibit 10.2 to Form S-8 of Comcast Corporation filed on October 5, 1995).

* Constitutes a management contract or compensatory plan or arrangement.

/*/ Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant agrees to furnish a copy of the referenced agreement to the Commission upon request.

- 10.12 Tax Sharing Agreement, dated as of December 2, 1992, among Storer Communications, Inc., TKR Cable I, Inc., TKR Cable II, Inc., TKR Cable III, Inc., Tele-Communications, Inc., the Company and each of the Departing Subsidiaries that are signatories thereto (incorporated by reference to Exhibit 4 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.13(a) Credit Agreement, dated as of December 2, 1992, among Comcast Storer, Inc. and The Bank of New York, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, The Chase Manhattan Bank (National Association), Chemical Bank, LTCB Trust Company and The Toronto-Dominion Bank, as managing agents, and The Bank of New York, as administrative agent (incorporated by reference to Exhibit 5 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.13(b)/*/ Amendment No. 1, dated as of November 30, 1994, to the Credit Agreement dated as of December 2, 1992, among Comcast Storer, Inc., the banks named therein and The Bank of New York, as administrative agent.
- 10.13(c)/*/ Amendment No. 2, dated as of December 13, 1995, to the Credit Agreement dated as of December 2, 1992, as amended, among Comcast Storer, Inc., the banks named therein and The Bank of New York, as administrative agent.
- 10.13(d)/*/ Amendment No. 3 and Waiver, dated as of February 29, 1996, to the Credit Agreement dated as of December 2, 1992, as amended, among Comcast Storer, Inc., the banks named therein and The Bank of New York, as administrative agent.
- 10.14 Note Purchase Agreement, dated as of November 15, 1992, among Comcast Storer, Inc., Storer Communications, Inc., Comcast Storer Finance Sub, Inc. and each of the respective purchasers named therein (incorporated by reference to Exhibit 6 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.15 Payment Agreement, dated December 2, 1992, among the Company, Comcast Storer, Inc., SCI Holdings, Inc., Storer Communications, Inc. and each of the Remaining Subsidiaries that are signatories thereto (incorporated by reference to Exhibit 7 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.16 Intercreditor and Collateral Agency Agreement, dated as of December 2, 1992, among Comcast Storer, Inc., Comcast Cable Communications, Inc., Storer Communications, Inc., the banks party to the Credit Agreement dated as of December 2, 1992, the purchasers of the Senior Notes under the separate Note Purchase Agreements each dated as of November 15, 1992, the Senior Lenders (as defined therein) and The Bank of New York as collateral agent for the Senior Lenders (incorporated by reference to Exhibit 8 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.17 Tax Sharing Agreement, dated December 2, 1992, between the Company and Comcast Storer, Inc. (incorporated by reference to Exhibit 9 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).

/*/ Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant agrees to furnish a copy of the referenced agreement to the Commission upon request.

- 10.18 Pledge Agreement, dated as of December 2, 1992, between Comcast Cable Communications, Inc. and The Bank of New York (incorporated by reference to Exhibit 10 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.19 Pledge Agreement, dated as of December 2, 1992, between Comcast Storer, Inc. and The Bank of New York (incorporated by reference to Exhibit 11 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.20 Pledge Agreement, dated as of December 2, 1992, between Storer Communications, Inc. and The Bank of New York (incorporated by reference to Exhibit 12 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.21 Note Pledge Agreement, dated as of December 2, 1992, between Comcast Storer, Inc. and The Bank of New York (incorporated by reference to Exhibit 13 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.22 Guaranty Agreement, dated as of December 2, 1992, between Storer Communications, Inc. and The Bank of New York (incorporated by reference to Exhibit 14 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.23 Guaranty Agreement, dated as of December 2, 1992, between Comcast Storer Finance Sub, Inc. and The Bank of New York (incorporated by reference to Exhibit 15 to the Company's Current Report on Form 8-K filed with the Commission on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.24(a) Stock Purchase Agreement, dated September 14, 1992, among the Company, Comcast FCI, Inc. and Fleet Call, Inc. (incorporated by reference to Exhibit A to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).
- 10.24(b) Letter Agreement, dated October 28, 1992, amending Stock Purchase Agreement (incorporated by reference to Exhibit L to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).
- 10.24(c) Letter Agreement, dated November 24, 1992, amending Stock Purchase Agreement (incorporated by reference to Exhibit M to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).
- 10.24(d) Notice, dated February 15, 1993, from Fleet Call, Inc. to the Company pursuant to the Stock Purchase Agreement (incorporated by reference to Exhibit N to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).
- 10.24(e) Acknowledgement, dated February 15, 1993, among the Company, Comcast FCI, Inc. and Fleet Call, Inc. (incorporated by reference to Exhibit O to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).
- 10.24(f) Letter Agreement, dated February 15, 1993, amending the Stock Purchase Agreement (incorporated by reference to Exhibit P to Amendment No. 2 to the Company's Schedule 13D dated February 23, 1993 filed with respect to Fleet Call, Inc.).

- 10.24(g) Letter Agreement, dated July 22, 1993, among the Company, Comcast FCI, Inc. and Nextel Communications, Inc. (formerly Fleet Call, Inc.) (incorporated by reference to Exhibit A to Amendment No. 3 to Schedule 13D dated July 27, 1993 filed by the Company with respect to Nextel Communications, Inc.).
- 10.24(h) Amendment, dated August 4, 1994, to Stock Purchase Agreement dated as of September 14, 1992 among Comcast Corporation, Comcast FCI, Inc. and Nextel Communications, Inc. (incorporated by reference to Exhibit C to Amendment No. 7 to the Schedule 13D of Comcast Corporation relating to common stock of Nextel Communications, Inc. filed on August 9, 1994).
- 10.24(i) Amendment to Stock Purchase Agreement between Comcast Corporation, Comcast FCI, Inc. and Nextel Communications, Inc., dated as of April 3, 1995 (incorporated by reference to Exhibit 5.4 to Comcast Corporation's Current Report on Form 8-K filed on April 13, 1995).
- 10.25 Option Agreement, dated September 14, 1992, between Fleet Call, Inc. and Comcast FCI, Inc. (incorporated by reference to Exhibit B to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).
- 10.26 Stockholders' Voting Agreement, dated September 14, 1992, among Comcast FCI, Inc. and the other parties named therein (incorporated by reference to Exhibit E to Amendment No. 1 to the Company's Schedule 13D dated September 22, 1992 filed with respect to Fleet Call, Inc.).
- 10.27(a) Share Purchase Agreement, dated June 18, 1994, between Comcast Corporation and Rogers Communications Inc. (incorporated by reference to Exhibit 10(3) to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 1994).
- 10.27(b) First Amendment to Share Purchase Agreement, dated as of December 22, 1994, by and between Comcast Corporation and Rogers Communications Inc., to the Share Purchase Agreement dated June 18, 1994 (incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.28(a) Agreement and Plan of Merger, dated August 4, 1994, among Comcast Corporation, Liberty Media Corporation, Comcast QMerger, Inc. and QVC, Inc. (incorporated by reference to Exhibit 99.49 to Amendment No. 21 to the Schedule 13D of Comcast Corporation relating to common stock of QVC, Inc. filed on August 8, 1994).
- 10.28(b) First Amendment to Agreement and Plan of Merger, dated as of February 3, 1995, (incorporated by reference to Exhibit (c)(35) to Amendment No. 17 to the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on February 6, 1995 by QVC Programming Holdings, Inc., Comcast Corporation and Tele-Communications, Inc. with respect to the tender offer for all outstanding shares of QVC, Inc.).
- 10.29 Amended and Restated Stockholders Agreement, dated as of February 9, 1995, among Comcast Corporation, Comcast QVC, Inc., QVC Programming Holdings, Inc., Liberty Media Corporation, QVC Investment, Inc. and Liberty QVC, Inc. (incorporated by reference to Exhibit 10.5 to Comcast Corporation's Quarterly Report on Form 10-Q for the quarter ended March 31, 1995).
- 10.30 Credit Agreement, dated as of February 15, 1995, among QVC, Inc. and the Banks listed therein (incorporated by reference to Exhibit (b)(6) to Amendment No. 21 to the Tender Offer Statement on Schedule 14D-1 filed with the Securities and Exchange Commission on February 17, 1995 by QVC Programming Holdings, Inc., Comcast Corporation and Tele-Communications, Inc. with respect to the tender offer for all outstanding shares of QVC, Inc.).

- 10.31 Credit Agreement, dated as of September 14, 1994, among Comcast Cable Tri-Holdings, Inc., The Bank of New York, The Chase Manhattan Bank (National Association), PNC Bank, National Association, as Managing Agents, and the Bank of New York, as Administrative Agent, and the banks named therein (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K of the Company filed on November 2, 1994).
- 10.32 Comcast MHCP Holdings, L.L.C. Amended and Restated Limited Liability Company Agreement, dated as of December 18, 1994, among Comcast Cable Communications, Inc., The California Public Employees' Retirement System and, for certain limited purposes, Comcast Corporation (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.33 Credit Agreement, dated as of December 22, 1994, among Comcast MH Holdings, Inc., the banks listed therein, The Chase Manhattan Bank (National Association), NationsBank of Texas, N.A. and the Toronto-Dominion Bank, as Arranging Agents, The Bank of New York, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Morgan Guaranty Trust Company of New York, as Managing Agents and NationsBank of Texas, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.34 Pledge Agreement, dated as of December 22, 1994, between Comcast MH Holdings, Inc. and NationsBank of Texas, N.A., as the secured party (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.35 Pledge Agreement, dated as of December 22, 1994, between Comcast Communications Properties, Inc. and NationsBank of Texas, N.A., as the Secured Party (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.36 Affiliate Subordination Agreement (as the same may be amended, modified, supplemented, waived, extended or restated from time to time, this "Agreement"), dated as of December 22, 1994, among Comcast Corporation, Comcast MH Holdings, Inc., (the "Borrower"), any affiliate of the Borrower that shall have become a party thereto and NationsBank of Texas, N.A., as Administrative Agent under the Credit Agreement dated as of December 22, 1994, among the Borrower, the Banks listed therein, The Chase Manhattan Bank (National Association), NationsBank of Texas, N.A. and The Toronto-Dominion Bank, as Arranging Agents, The Bank of New York, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and Morgan Guaranty Trust Company of New York, as Managing Agents, and the Administrative Agent (incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.37 Registration Rights and Price Protection Agreement, dated as of December 22, 1994, by and between Comcast Corporation and The California Public Employees' Retirement System (incorporated by reference to Exhibit 10.8 to the Company's Current Report on Form 8-K filed on January 6, 1995).
- 10.38 Amended and Restated Agreement of Limited Partnership of MajorCo, L.P., a Delaware Limited Partnership, dated as of January 31, 1996, among Sprint Spectrum, L.P., TCI Network Services, Comcast Telephony Services and Cox Telephony Partnership (incorporated by reference to Exhibit 1 to Comcast Corporation's Current Report on Form 8-K filed on February 12, 1996).
- 10.39 Parents Agreement, dated as of January 31, 1996, between Comcast Corporation and Sprint Corporation (incorporated by reference to Exhibit 3 to Comcast Corporation's Current Report on Form 8-K filed on February 12, 1996).

- 10.40 Agreement of Limited Partnership of MinorCo, L.P., a Delaware Limited Partnership, dated as of March 28, 1995, among Sprint Spectrum, L.P., TCI Network Services, Comcast Telephony Services and Cox Telephony Partnership (incorporated by reference to Exhibit 5.3 to Comcast Corporation's Current Report on Form 8-K filed on April 13, 1995).
- 21 List of Subsidiaries.
- 23.1 Consent of Deloitte & Touche LLP
- 23.2 Consents of Arthur Andersen LLP
- 23.3 Consent of KPMG Peat Marwick LLP
- 27 Financial Data Schedule.
- 99.1 Report of Independent Public Accountants to QVC, Inc., as of December 31, 1995 and for the eleven-month period then ended.
- 99.2 Report of Independent Public Accountants to Garden State Cablevision L.P., as of December 31, 1994 and 1993 and for the years then ended.
- 99.3 Report of Independent Public Accountants to Comcast International Holdings, Inc., as of December 31, 1994 and 1993 and for the years then ended (incorporated by reference to Exhibit 99.3 to Comcast Corporation's Annual Report on Form 10-K for the year ended December 31, 1994).

(c) Reports on Form 8-K

- (i) Comcast Corporation filed a Current Report on Form 8-K under Item 5 on November 7, 1995 relating its October 29, 1995 announcement of its agreement to purchase the cable television operations of The E.W. Scripps Company.
- (ii) Comcast Corporation filed a Current Report on Form 8-K under Item 5 on December 19, 1995 relating its agreement to purchase the cable television operations of The E.W. Scripps Company, which included Comcast Corporation's Unaudited Pro Forma Condensed Consolidated Financial Statements and the Combined Financial Statements of The E.W. Scripps Company Cable Television Division.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized in Philadelphia, Pennsylvania on March 1, 1996.

Comcast Corporation

By: /s/ Brian L. Roberts

Brian L. Roberts
President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ Ralph J. Roberts ----- Ralph J. Roberts	Chairman of the Board of Directors; Director	March 1, 1996
/s/ Julian A. Brodsky ----- Julian A. Brodsky	Vice Chairman of the Board of Directors; Director	March 1, 1996
/s/ Brian L. Roberts ----- Brian L. Roberts	President; Director (Principal Executive Officer)	March 1, 1996
/s/ Lawrence S. Smith ----- Lawrence S. Smith	Executive Vice President (Principal Accounting Officer)	March 1, 1996
/s/ John R. Alchin ----- John R. Alchin	Senior Vice President, Treasurer (Principal Financial Officer)	March 1, 1996
/s/ Daniel Aaron ----- Daniel Aaron	Director	March 1, 1996
/s/ Gustave G. Amsterdam ----- Gustave G. Amsterdam	Director	March 1, 1996
/s/ Sheldon M. Bonovitz ----- Sheldon M. Bonovitz	Director	March 1, 1996
/s/ Joseph L. Castle II ----- Joseph L. Castle II	Director	March 1, 1996

SIGNATURE	TITLE	DATE
/s/ Bernard C. Watson ----- Bernard C. Watson	Director	March 1, 1996
/s/ Irving A. Wechsler ----- Irving A. Wechsler	Director	March 1, 1996
/s/ Anne Wexler ----- Anne Wexler	Director	March 1, 1996

COMCAST CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

(Dollars in thousands)

	Balance at Beginning of Year	Effect of QVC Acquisition	Additions Charged to Costs and Expenses	Deductions from Reserves(A)	Balance at End of Year
Allowance for Doubtful Accounts					
1995	\$11,272	\$57,835	\$51,434	\$39,268	\$81,273
1994	11,792		21,321	21,841	11,272
1993	9,817		20,427	18,452	11,792
Allowance for Obsolete Electronic Retailing Inventories					
1995	\$	\$18,396	\$28,364	\$18,298	\$28,462

(A) Uncollectible accounts and obsolete inventory written off.

INDEX TO EXHIBITS

Exhibit Number	Exhibit
3.1(a)	Amended and Restated Articles of Incorporation filed on July 24, 1990.
3.1(b)	Amendment to Articles of Incorporation filed on July 14, 1994.
3.1(c)	Amendment to Restated Articles of Incorporation filed on July 12, 1995.
4.13	Form of Debenture relating to Comcast Corporation's \$250.0 million 9-1/8% Senior Subordinated Debentures due 2006.
10.1/**	Credit Agreement, dated as of September 14, 1995, between Comcast Cellular Communications, Inc., the banks listed therein, The Bank of New York, Barclays Bank PLC, The Chase Manhattan Bank, N.A., PNC Bank, National Association, and The Toronto-Dominion Bank, as Arranging Agents, and Toronto Dominion (Texas), Inc., as Administrative Agent.
10.2/**	Credit Agreement, dated as of September 19, 1995, between Comcast Holdings, Inc., the banks listed therein, The Chase Manhattan Bank, N.A., as Arranging Agent, Bank of Montreal, CIBC Inc., The Long-term Credit Bank of Japan, Limited, Royal Bank of Canada and Societe Generale, as Managing Agents, and The Chase Manhattan Bank, N.A., as Administrative Agent.
10.8*	1990 Restricted Stock Plan, as amended and restated effective December 13, 1995.
10.13(b)**	Amendment No. 1, dated as of November 30, 1994, to the Credit Agreement dated as of December 2, 1992, among Comcast Storer, Inc., the banks named therein and The Bank of New York, as administrative agent.
10.13(c)**	Amendment No. 2, dated as of December 13, 1995, to the Credit Agreement dated as of December 2, 1992, as amended, among Comcast Storer, Inc., the banks named therein and The Bank of New York, as administrative agent.
10.13(d)**	Amendment No. 3 and Waiver, dated as of February 29, 1996, to the Credit Agreement dated as of December 2, 1992, as amended, among Comcast Storer, Inc., the banks named therein and The Bank of New York, as administrative agent.
21	List of Subsidiaries.
23.1	Consent of Deloitte & Touche LLP
23.2	Consents of Arthur Andersen LLP
23.3	Consent of KPMG Peat Marwick LLP
27	Financial Data Schedule.
99.1	Report of Independent Public Accountants to QVC, Inc., as of December 31, 1995 and for the eleven-month period then ended.
99.2	Report of Independent Public Accountants to Garden State Cablevision L.P., as of December 31, 1994 and 1993 and for the years then ended.

* Constitutes a management contract or compensatory plan or arrangement.

/** Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Registrant agrees to furnish a copy of the referenced agreement to the Commission upon request

Microfilm Number 90341486

Filed with the Department of State on JUL 24 1990

Entity Number 74263

/s/ Christopher A. Lewis

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 89)

In compliance with the requirements of 15 Pa.C.S. Section 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: Comcast Corporation

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) 1414 South Penn Square, Philadelphia, PA 19102 Philadelphia

Number and Street City State Zip County

(b) -----

Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is:

The Pennsylvania Business Corporation Law

4. The original date of its incorporation is: March 5, 1969

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these

- --- Articles of Amendment in the Department of State.

- --- The amendment shall be effective on: -----

DSCB:15-1915 (Rev 89)-2

6. (Check one of the following):

- --- The amendment was adopted by the shareholders pursuant to 15 Pa.C.S. Section 1914(a) and (b).

X The amendment was adopted by the board of directors

- --- pursuant to 15 Pa.C.S. Section 1914 (c).

7. (Check, and if appropriate complete, one of the following):

- --- The amendment adopted by the corporation, set forth in full, is as follows:

X The amendment adopted by the corporation as set forth in

- --- full in Exhibit A, attached hereto and made a part hereof.

8. (Check if the amendment restates the Articles):

X The restated Articles of Incorporation supersede the

- --- original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation has caused these Articles of Amendment to be signed by a duly authorized officer thereof this 24th day of July, 1990.

COMCAST CORPORATION

(Name of Corporation)

BY: /s/ Stanley Wang

(Signature)

TITLE: Senior Vice President

EXHIBIT A

The Articles of Incorporation of the Corporation shall be amended and restated in their entirety so as to read as follows:

1. The name of the Corporation is COMCAST CORPORATION.

2. The location and post office address of its current registered office in this Commonwealth is 1414 South Penn Square, Philadelphia, Pennsylvania 19102.

3. The purpose or purposes for which the corporation is organized are:

To have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Law.

4. The term of its existence is perpetual.

5. The aggregate number of shares which the corporation shall have authority to issue is:

Two Hundred Million (200,000,000) shares of Class A Common Stock, par value \$1.00 per share, Three Hundred Fifty Million (350,000,000) shares of Class A Special Common Stock, par value \$1.00 per share, Fifty Million (50,000,000) shares of Class B Common Stock, par value \$1.00 per share, and Twenty Million (20,000,000) shares of Preferred Stock, which the Board of Directors may issue, in one or more series, without par value, with full, limited, multiple, fractional or no voting rights, with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights as shall be fixed.

The descriptions, preferences, qualifications, limitations, restrictions and the special or relative rights in respect of the shares of each class of Common Stock are as follows:

(a) Each share of Class A Common Stock shall entitle the holder thereof to one (1) vote. Each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. Holders of shares of Class A Special Common Stock shall not be entitled to vote for the election of directors or any other matter except as may be required by applicable law or by paragraph (f) of this Article 5, in which case each share of Class A Special Common Stock shall entitle the holder thereof to one (1) vote.

(b) The holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive, from time to time, when and as declared, in the discretion of the Board of Directors, such cash dividends as the Board of Directors may from time to time determine, out of such funds as are legally available therefor.

(c) The holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock, shall be entitled to receive, from time to time, when and as declared, in the discretion of the Board of Directors, such stock dividends as the Board of Directors may determine, out of such funds as are legally available therefor. Stock dividends on, or stock splits of, any class of Common Stock shall not be paid or issued unless paid or issued on all classes of Common Stock, in which case they shall be paid or issued only in shares of that class; provided, however, that stock dividends on, or stock splits of, Class A Common Stock, Class A Special Common Stock or Class B Common Stock may be paid or issued in shares of either Class A Common Stock or Class A Special Common Stock. Any decrease in the number of shares of any class of Common Stock resulting from a combination or consolidation of shares or other capital reclassification shall not be permitted unless parallel action is taken with respect to each other class of Common Stock, so that the number of shares of each class of Common Stock outstanding shall be decreased proportionately.

(d) Each share of Class B Common Stock shall be convertible at the option of the holder thereof into one share of Class A Common Stock or one share of Class A Special Common Stock. Each share of Class B Common Stock shall be cancelled after it has been converted as provided herein.

(e) Except as provided in paragraph (f) of this Article Five, or where holders of Class A Special Common Stock are expressly required to vote under applicable law, only the holders of Class A Common Stock and holders of Class B Common Stock shall be entitled to vote and shall vote as a single class on all matters with respect to which a vote of the shareholders of this Corporation is required or permitted under applicable law, the Articles of Incorporation of this Corporation, or the By-Laws of this Corporation including, but not limited to, matters concerning the sale, lease or exchange of all or substantially all of the property and assets of this Corporation, mergers or consolidations with another corporation or corporations, dissolution of this Corporation, or amendments to the Articles of Incorporation of this Corporation. Except as provided in paragraph (f) of this Article Five, whenever

applicable law, the Articles of Incorporation of this Corporation or the By-Laws of this Corporation provide for the necessity of an "affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon," or a "majority of the voting stock," or language of similar effect, any and all such language shall mean that the Class A Common Stock and the Class B Common Stock shall vote as one class and that a majority consists of a majority of the total number of votes entitled to be cast in accordance with the provisions of paragraph (a) of this Article Five, so that each share of Class A Common Stock shall entitle the holder thereof to one (1) vote and that each share of the Class B Common Stock shall entitle the holder thereof to fifteen (15) votes.

(f) Each and any provision of the Articles of Incorporation of this Corporation may from time to time, when and as desired, be amended by a resolution of the Board of Directors and the affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon, as determined in accordance with the provisions of paragraph (a) of this Article Five, so that each share of Class A Common Stock shall entitle the holder thereof to one (1) vote and each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. There shall be no class voting on any such amendment or on any other matter except with respect to certain amendments to the Articles of Incorporation regarding conversion rights of Class B Common Stock set forth in paragraph (d) of this Article Five or as shall be required by applicable law, in which such case there shall be required the affirmative vote of the holders of at least a majority of the outstanding shares of each of Class A Common Stock, Class A Special Common Stock and Class B Common Stock, voting as separate classes.

(g) In the event that the right to subscribe to Class A Common Stock or Class A Special Common Stock, or options or warrants to purchase Class A Common Stock or Class A Special Common Stock, are offered or granted to all holders of Class A Common Stock or Class A Special Stock, parallel action must be taken simultaneously with respect to the holders of Class B Common Stock so that if such rights, options or warrants are exercised in their entirety, the number of shares of Class A Common Stock and Class A Special Common Stock, in the aggregate, and the number of shares of Class B Common Stock will be increased in proportion to the number of shares issued and outstanding of Class A Common Stock and Class A Special Common Stock, in the aggregate, and the number of shares issued and outstanding of the Class B Common Stock. If there should be any corporate merger, consolidation, purchase or acquisition

of property or stock, separation, reorganization, or liquidation, the Board of Directors shall take such action as may be necessary to enable the holders of the Class B Common Stock to receive upon any subsequent conversion of their stock into Class A Common Stock, in whole or in parts, in lieu of any shares of Class A Common Stock of this Corporation, the shares of stock, securities, or other assets as would be issuable or payable upon such corporate merger, consolidation, purchase, or acquisition of property or stock, separation, reorganization, or liquidation in respect of or in exchange for such share or shares of Class A Common Stock.

(h) At all times the Board of Directors shall take such action to adjust the conversion privileges of the Class B Common Stock and the number of shares of Class B Common Stock to be outstanding after any particular transaction to prevent the dilution of the conversion rights of the holders of the Class B Common Stock and to prevent the dilution of voting rights of the holders of the Class B Common Stock.

(i) In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the corporation, the holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive the assets and funds of the corporation in proportion to the number of shares held by them, respectively, without regard to class.

(j) Except as expressly set forth herein, the rights of the holders of Class A Common Stock, the rights of the holders of Class A Special Common Stock and the rights of the holders of Class B Common Stock shall be in all respects identical.

(k) Neither the holders of the Class A Common Stock nor the holders of the Class B Common Stock shall have cumulative voting rights.

6. Henceforth, these Articles supersede the original Articles and all amendments filed thereto.

Microfilm Number 9446-591

Filed with the Department of State on July 14, 1994
-----Entity Number 74263
-----/s/ Robert M. Grant

Secretary of the CommonwealthARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 89)

In compliance with the requirements of 15 Pa.C.S. Section 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: COMCAST CORPORATION

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) 1234 Market Street, 16th Floor

Number and Street

Philadelphia,	PA	19107	Philadelphia
-----	---	-----	-----
City	State	Zip	County

(b) -----
Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is:
Pennsylvania Business Corporation Law

4. The original date of its incorporation is: March 5, 1969

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these
--- Articles of Amendment in the Department of State.

--- The amendment shall be effective on: -----

DSCB:15-1915 (Rev 89)-2

6. (Check one of the following):

X The amendment to Article 5 was adopted by the
- --- shareholders pursuant to 15 Pa.C.S. Section 1914(a)
and (b).

X The amendment to Article 2 was adopted by the board
- --- of directors pursuant to 15 Pa.C.S. Section 1914 (c).

7. (Check, and if appropriate complete, one of the following):

-- The amendment adopted by the corporation, set forth in full, is as follows:

X The amendment adopted by the corporation as set forth in full in Exhibit A, attached hereto and made a part hereof.

8. (Check if the amendment restates the Articles):

-- The restated Articles of Incorporation supersede
 the original Articles and all amendments thereto.

 IN TESTIMONY WHEREOF, the undersigned corporation
has caused these Articles of Amendment to be signed by a duly
authorized officer thereof this 30th day of June, 1994.

COMCAST CORPORATION

(Name of Corporation)

BY: /s/ Stanley Wang

 Stanley Wang, Secretary

EXHIBIT A

Article 2. and Article 5. of the Restated Articles of Incorporation of the Corporation shall be amended so as to read as follows:

"2. The location and post office address of this Corporation's current registered office in this Commonwealth is:

1500 Market Street, 35th Floor
Philadelphia, PA 19102-2148"

"5. The aggregate number of shares which the corporation shall have authority to issue is:

Two Hundred Million (200,000,000) shares of Class A Common Stock, par value \$1.00 per share, Five Hundred Million (500,000,000) shares of Class A Special Common Stock, par value \$1.00 per share, Fifty Million (50,000,000) shares of Class B Common Stock, par value \$1.00 per share, and Twenty Million (20,000,000) shares of Preferred Stock, which the Board of Directors may issue, in one or more series, without par value, with full, limited, multiple, fractional or no voting rights, with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or relative rights as shall be fixed.

The descriptions, preferences, qualifications, limitations, restrictions and the special or relative rights in respect of the shares of each class of Common Stock are as follows:

(a) Each share of Class A Common Stock shall entitle the holder thereof to one (1) vote. Each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. Holders of shares of Class A Special Common Stock shall not be entitled to vote for the election of directors or any other matter except as may be required by applicable law or by paragraph (f) of this Article 5, in which case each share of Class A Special Common Stock shall entitle the holder thereof to one (1) vote.

(b) The holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive, from time to time, when and as declared, in the discretion of the Board of Directors, such cash dividends as the Board of Directors may from time to time determine, out of such funds as are legally available therefor.

(c) The holders of Class A Common Stock, the holders of Class A Special Common Stock, and the holders of Class B Common Stock, shall be entitled to receive, from time to time, when and as declared, in the discretion of the Board of Directors, such stock dividends as the Board of Directors may determine, out of such funds as are legally available therefore. Stock dividends on, or stock splits of, any class of Common Stock shall not be paid or issued unless paid or issued on all classes of Common Stock, in which case they shall be paid or issued only in shares of that class; provided, however, that stock dividends on, or stock splits of, Class A Common Stock, Class A Special Common Stock or Class B Common Stock may be paid or issued in shares of either Class A Common Stock or Class A Special Common Stock. Any decrease in the number of shares of any class of Common Stock resulting from a combination or consolidation of shares or other capital reclassification shall not be permitted unless parallel action is taken with respect to each other class of Common Stock, so that the number of shares of each class of Common Stock outstanding shall be decreased proportionately.

(d) Each share of Class B Common Stock shall be convertible at the option of the holder thereof into one share of Class A Common Stock or one share of Class A Special Common Stock. Each share of Class B Common Stock shall be cancelled after it has been converted as provided herein.

(e) Except as provided in paragraph (f) of this Article Five, or where holders of Class A Special Common Stock are expressly required to vote under applicable law, only the holders of Class A Common Stock and holders of Class B Common Stock shall be entitled to vote and shall vote as a single class on all matters with respect to which a vote of the shareholders of this Corporation is required or permitted under applicable law, the Articles of Incorporation of this Corporation, or the By-Laws of this Corporation, including, but not limited to, matters concerning the sale, lease or exchange of all or substantially all of the property and assets of this Corporation, mergers or consolidations with another corporation or corporations, dissolution of this Corporation, or amendments to the Articles of Incorporation of this Corporation. Except as provided in paragraph (f) of this Article Five, whenever applicable law, the Articles of Incorporation of this Corporation or the By-Laws of this Corporation provide for the necessity of an "affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon," or a "majority of the voting stock," or language of similar effect, any and all such language shall mean that the Class A Common Stock and the Class B Common Stock shall vote as one class and that a majority consists of a majority of the total number of votes entitled to be cast in accordance with the provisions of paragraph (a) of this Article Five, so that each share of Class A Common Stock shall entitle the holder

thereof to one (1) vote and that each share of the Class B Common Stock shall entitle the holder thereof to fifteen (15) votes.

(f) Each and any provision of the Articles of Incorporation of this Corporation may from time to time, when and as desired, be amended by a resolution of the Board or Directors and the affirmative vote of the shareholders entitled to cast at least a majority of the votes which all shareholders are entitled to cast thereon, as determined in accordance with the provisions of paragraph (a) of this Article Five, so that each share of Class A Common Stock shall entitle the holder thereof to one (1) vote and each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. There shall be no class voting on any such amendment or on any other matter except with respect to certain amendments to the Articles of Incorporation regarding conversion rights of Class B Common Stock as set forth in paragraphs (d) of this Article Five or as shall be required by applicable law, in which such case there shall be required the affirmative vote of the holders of at least a majority of the outstanding shares of each of Class A Common Stock, Class A Special Common Stock and Class B Common Stock, voting as separate classes.

(g) In the event that the right to subscribe to Class A Common Stock or Class A Special Common Stock, or options or warrants to purchase Class A Common Stock or Class A Special Common Stock, are offered or granted to all holders of Class A Common Stock or Class A Special Common Stock, parallel action must be taken simultaneously with respect to the holders of Class B Common Stock so that if such rights, options or warrants are exercised in their entirety, the number of shares of Class A Common Stock and Class A Special Common Stock, in the aggregate, and the number of shares of Class B Common Stock will be increased in proportion to the number of shares issued and outstanding of Class A Common Stock and Class A Special Common Stock, in the aggregate, and the number of shares issued and outstanding of the Class B Common Stock. If there should be any corporate merger, consolidation, purchase or acquisition of property or stock, separation, reorganization, or liquidation, the Board of Directors shall take such action as may be necessary to enable the holders of the Class B Common Stock to receive upon any subsequent conversion of their stock into Class A Common Stock, in whole or in parts, in lieu of any shares of Class A Common Stock of this Corporation, the shares of stock, securities, or other assets as would be issuable or payable upon such corporate merger, consolidation, purchase, or acquisition of property or stock, separation, reorganization or liquidation in respect of or in exchange for such share or shares of Class A Common Stock.

(h) At all times the Board of Directors shall take such action to adjust the conversion privileges of the Class

B Common Stock and the number of shares of Class B Common Stock to be outstanding after any particular transaction to prevent the dilution of the conversion rights of the holders of the Class B Common Stock and to prevent the dilution of voting rights of the holders of the Class B Common Stock.

(i) In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the corporation, the holders of Class A Common Stock, the holders of Class A Special Common Stock and the holders of Class B Common Stock shall be entitled to receive the assets and funds of the corporation in proportion to the number of shares held by them, respectively, without regard to class.

(j) Except as expressly set forth herein, the rights of the holders of Class A Common Stock, the rights of the holders of Class A Special Common Stock and the rights of the holders of Class B Common Stock shall be in all respects identical.

(k) Neither the holders of the Class A Common Stock nor the holders of the Class B Common Stock shall have cumulative voting rights.

Microfilm Number 9545-1454

Filed with the Department of State on July 12, 1995

Entity Number 74263

/s/ Yvette Kane

Secretary of the Commonwealth

ARTICLES OF AMENDMENT-DOMESTIC BUSINESS CORPORATION
DSCB:15-1915 (Rev 89)

In compliance with the requirements of 15 Pa.C.S. Section 1915 (relating to articles of amendment), the undersigned business corporation, desiring to amend its Articles, hereby states that:

1. The name of the corporation is: COMCAST CORPORATION

2. The (a) address of this corporation's current registered office in this Commonwealth or (b) commercial registered office provider and the county of venue is (the Department is hereby authorized to correct the following address to conform to the records of the Department):

(a) 1500 Market Street, 35th Floor

Number and Street

Philadelphia, PA 19102 Philadelphia

City State Zip County

(b) Name of Commercial Registered Office Provider County

For a corporation represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the corporation is located for venue and official publication purposes.

3. The statute by or under which it was incorporated is: Pennsylvania Business Corporation Law

4. The original date of its incorporation is: March 5, 1969

5. (Check, and if appropriate complete, one of the following):

X The amendment shall be effective upon filing these Articles of Amendment in the Department of State.

--- The amendment shall be effective on: -----

DSCB:15-1915 (Rev 89)-2

6. (Check one of the following):

X The amendment to Article 5(f) was adopted by the shareholders pursuant to 15 Pa.C.S. Section 1914(a) and (b).

--- The amendment was adopted by the board of directors pursuant to 15 Pa.C.S. Section 1914 (c).

7. (Check, and if appropriate complete, one of the following):

-- The amendment adopted by the corporation, set forth in full, is as follows:

X The amendment adopted by the corporation as set forth in full in Exhibit A, attached hereto and made a part hereof.

8. (Check if the amendment restates the Articles):

-- The restated Articles of Incorporation supersede
the original Articles and all amendments thereto.

IN TESTIMONY WHEREOF, the undersigned corporation
has caused these Articles of Amendment to be signed by a duly
authorized officer thereof this 11th day of June, 1995.

COMCAST CORPORATION

(Name of Corporation)

BY: /s/ Stanley Wang

Stanley Wang, Secretary

EXHIBIT A

Article 5(f) of the Restated Articles of Incorporation of the Corporation shall be amended so as to read as follows:

"(f) Each and any provision of the Articles of Incorporation of this Corporation may from time to time, when and as desired, be amended by a resolution of the Board or Directors and the affirmative vote of a majority of the votes cast by all shareholders entitled to vote thereon, as determined in accordance with the provisions of paragraph (a) of this Article Five, so that each share of Class A Common Stock shall entitle the holder thereof to one (1) vote and each share of Class B Common Stock shall entitle the holder thereof to fifteen (15) votes. There shall be no class voting on any such amendment or on any other matter except with respect to certain amendments to the Articles of Incorporation regarding conversion rights of Class B Common Stock as set forth in paragraph (d) of this Article Five or as shall be required by applicable law, in which such case there shall be required the affirmative vote of a majority of the votes cast by the holders of the outstanding shares of each Class A Common Stock, Class A Special Common Stock and Class B Common Stock, voting as separate classes."

COMCAST
CORPORATION

[GRAPHIC OMITTED - LOGO]

9 1/8% SENIOR SUBORDINATED DEBENTURE DUE 2006

SEE REVERSE FOR
CERTAIN DEFINITIONS

COMCAST CORPORATION, a corporation duly organized and existing under the laws of the Commonwealth of Pennsylvania (hereinafter called the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to

9 1/8%
DUE
2006

, or registered assigns, the principal sum of DOLLARS

in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, upon presentation and surrender of this Debenture, on the fifteenth day of October, 2006, at the office or agency of the Company in New York, New York, and to pay interest hereon to the registered holder hereof in like coin or currency, at the rate per annum specified in the title of this Debenture, semi-annually on the fifteenth day of April and October in each year, commencing April 15, 1996, until payment of said principal amount has been made or duly provided for. Such interest shall be payable from the April 15 or the October 15, as the case may be, next preceding the date hereof to which interest has been paid, or duly provided for, unless the date hereof is an April 15 or October 15 to which interest has been paid, or duly provided for, in which case from the date hereof, or unless the date hereof is after April 1 or October 1, as the case may be, and prior to the following April 15 or October 15, in which case from such April 15 or October 15; provided, however, that if the Company shall default in the payment of interest due on such April 15 or October 15, then from the next preceding April 15 or October 15, to which interest has been paid or duly provided for, or if no interest has been paid, or duly provided for, on this Debenture, from October 10, 1995 any such interest payable on any April 1 or October 15 shall (subject to exceptions provided in the Indenture referred to on the reverse hereof) be paid to the person in whose name this Debenture or the Debentures in exchange or substitution for which this Debenture shall have been issued, shall have been registered at the close of business on the April 1 or October 1, as the case may be, next preceding such April 15 or October 15, whether or not such April 1 or October 1 is a Business Day. Payment of the principal of, premium, if any, and interest on this Debenture will be made at the office or agency of the Company maintained for that purpose in New York, New York; provided, however, that, at the option of the Company, payment of interest may be made by check mailed to the address of the person entitled thereto as such address shall appear on the books maintained for the registration of the Debentures.

THE PROVISIONS OF THIS DEBENTURE ARE CONTINUED ON THE REVERSE HEREOF AND SUCH CONTINUED PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Debenture shall not be entitled to any benefit under the Indenture referred to on the reverse hereof or any indenture supplemental thereto, or become valid or obligatory for any purpose, until the Trustee under said Indenture, or a successor trustee thereunder, shall have signed the form of certificate of authentication hereon.

IN WITNESS WHEREOF, COMCAST CORPORATION has caused this instrument to be duly executed under its corporate seal.

Dated:

TRUSTEE'S CERTIFICATE

THIS IS ONE OF THE DEBENTURES OF THE SERIES REFERRED TO ON THE REVERSE HEREOF.

HARRIS TRUST AND SAVINGS BANK
AS TRUSTEE,

BY: AUTHORIZED OFFICER

COMCAST CORPORATION

ATTEST: Stanley Wang By: Brian L. Roberts
Secretary President

COMCAST CORPORATION CORPORATE SEAL (Graphic Omitted)

9 1/8% Senior Subordinated Debenture Due 2006

This debenture is one of a duly authorized issue of debentures of the Company (hereinafter called the "Debentures"), all issued or to be issued in one or more series under an indenture dated as of October 17, 1991 (herein called the "Indenture"), executed between the Company and Morgan Guaranty Trust Company of New York, a New York banking corporation (the "Original Trustee"), for which Harris Trust and Savings Bank, an Illinois banking corporation, is acting as Trustee (hereinafter called the "Trustee") pursuant to an Agreement of Resignation, Appointment and Acceptance, dated as of July 8, 1994 by and among the Company, the Original Trustee, the Trustee and Bank of Montreal Trust Company. Reference is hereby made to such Indenture and all indentures supplemental thereto for a specification of the rights and limitations of rights thereunder of the registered holders of the Debentures, the rights and obligations thereunder of the Company and the rights, duties and immunities thereunder of the Trustee and the terms upon which the Debentures are, and are to be, authenticated and delivered. This Debenture is one of the series designated on the face hereof, limited in aggregate principal amount to \$250,000,000.

The Debentures shall not be redeemable prior to October 15, 2000. On and after October 15, 2000, the Debentures shall be redeemable, in whole or in part, at the election of the Company at the following respective percentages of the principal amount thereof if redeemed during the twelve-month period beginning October 15 of the years indicated, together, in each case, with interest accrued to the date fixed for redemption:

Year	Percentage
2000.....	104.562%
2001.....	102.281%
2002 or thereafter.....	100.000%

such redemption to be made in accordance with the applicable provisions of Article V of the Indenture.

The indebtedness evidenced by the Debentures is, to the extent provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, as defined in the Indenture, and each holder of this Debenture, by accepting the same, agrees to and shall be bound by the provisions of the Indenture.

In case an Event of Default, as defined in the Indenture, shall occur with respect to the Debentures of this series and be continuing, the principal of all Debentures of this series then Outstanding under the Indenture may be declared, or may become, due and payable upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be annulled by the holders of a majority in aggregate principal amount of the Debentures of this series then Outstanding.

To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the Debentures, may be made by the Company with the consent of the holders of not less than 66-2/3% of the Debentures then Outstanding of each series affected by such supplement; provided, however, that no such modifications or alterations shall (i) extend the time or times of payment of the principal of, premium, if any, or the interest on, any Debenture, or reduce the principal amount of, premium, if any, or the rate of interest on, any Debenture without the consent of the holder of each Debenture so affected, or (ii) reduce the percentage of Debentures of this series, the vote or consent of the holders of which is required for such modifications and alterations, without the consent of the holders of all Debentures of this series then Outstanding under the Indenture. It is also provided in the Indenture that the holders of a majority in aggregate principal amount of the Debentures of this series then Outstanding may on behalf of the holders of all the Debentures of this series, under circumstances specified in the Indenture, waive a past Event of Default under the Indenture and its consequences, except a default in the payment of the principal of, premium, if any, or interest on the Debentures of this series. Any such consent or waiver by the holder of this Debenture shall be conclusive and binding upon such holder and upon all future holders of this Debenture and of any Debenture or Debentures issued in exchange or substitution herefor, irrespective of whether or not any notation of such consent or waiver is made upon this Debenture.

Except with respect to the rights of the holders of Senior Indebtedness set forth in this Debenture and in the Indenture, no reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, premium, if any, and interest on this Debenture at the place, at the respective times, at the rate, and in the coin or currency herein prescribed.

The Indenture contains provisions setting forth certain conditions to the institution of proceedings by holders of the Debentures of this series with respect to this Debenture and the Indenture and the enforcement of remedies under this Debenture and the Indenture, including, without limitation, the appointment of a receiver or trustee. However no reference herein to the Indenture and no provision of this Debenture or of the Indenture shall impair or affect the right of any holder of any Debenture to receive payment of the principal of, premium, if any, and interest on such Debenture, on or after the respective dates expressed in this Debenture, or to institute suit for the enforcement of any such payment on or after such respective dates and any such right or such enforcement thereof shall not require the consent of any other such holder.

The Debentures of this series are issuable only as registered Debentures without coupons, in denominations of \$1,000 and any integral multiple of \$1,000.

The transfer of this Debenture is registrable by the registered holder hereof, in person or by his attorney duly authorized in writing, on the books of the Company to be kept for that purpose at the office or agency of the Company in New York, New York, upon surrender and cancellation of this Debenture and upon presentation of a duly executed written instrument of transfer, and thereupon a new Debenture or Debentures of this series, of authorized denominations for the same aggregate principal amount, will be issued to the transferee or transferees in exchange herefor; and this Debenture, with or without others of like form, may be in like manner exchanged for one or more Debentures of this series of other authorized denominations but of the same aggregate principal amount, all in the manner and subject to the conditions in the Indenture contained and without payment of any service or other charge, except for any stamp or other tax or governmental charge in connection therewith. The Company, the Trustee, any paying agent and any Debenture registrar may deem and treat the person in whose name this Debenture is registered as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof or of interest hereon (subject to the provisions of the first paragraph on the face hereof) and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on this Debenture or for any claim based hereon or otherwise in any manner in respect hereof, or in respect of the Indenture, against any subsidiary, incorporator, stockholder, officer, director or employee, as such, past, present or future, of the Company or any subsidiary, incorporator, stockholder, officer, director or employee, as such, past, present or future, of any predecessor or successor corporation, whether by virtue of any constitutional provision or statute or rule of law, or by the enforcement of any assessment or penalty or in any other manner, all such liability being expressly waived and released by the acceptance hereof and as part of the consideration for the issue hereof.

The Indenture and this Debenture shall be deemed to be a contract made under the laws of the Commonwealth of Pennsylvania, and for all purposes shall be construed in accordance with the laws of said jurisdiction, except that the rights, duties, obligations, immunities and limitations of rights of the Trustee, pursuant to the Indenture and the Debenture shall be governed by and construed in accordance with the laws of the State of New York.

All terms used in this Debenture shall have meanings ascribed to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of the within Debenture, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of
survivorship and not as tenants
in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors
Act _____
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

/ /

(NAME AND ADDRESS OF ASSIGNEE, INCLUDING ZIP CODE, MUST BE PRINTED
OR TYPEWRITTEN)

the within Debenture, and all rights thereunder, hereby irrevocably constituting
and appointing

- -----Attorney
to transfer said Debenture on the books of the Company, with full power of
substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the
name as it appears upon the face of the within Debenture in every particular,
without alteration or enlargement or any change whatever.

COMCAST CORPORATION
1990 RESTRICTED STOCK PLAN
(As Amended and Restated, Effective December 13, 1995)

1. PURPOSE

The purpose of the Plan is to promote the ability of Comcast Corporation (the "Company") to retain certain key employees and enhance the growth and profitability of the Company by providing the incentive of long-term awards for continued employment and the attainment of performance objectives.

2. DEFINITIONS

(a) "Award" means an award of Restricted Stock granted under the Plan.

(b) "Board" means the Board of Directors of the Company.

(c) "Code" means the Internal Revenue Code of 1986, as amended.

(d) "Committee" means the Subcommittee on Performance Based Compensation of the Compensation Committee of the Board.

(e) "Company" means Comcast Corporation.

(f) "Date of Grant" means the date on which an Award is granted.

(g) "Eligible Employee" means a management employee of the Company or a Subsidiary, as determined by the Committee.

(h) "Grantee" means an Eligible Employee who is granted an Award.

(i) "Plan" means the Comcast Corporation 1990 Restricted Stock Plan, as set forth herein, and as amended from time to time.

(j) "Plan Year" means the 12-consecutive-month period extending from January 3 to January 2.

(k) "Restricted Stock" means Shares subject to restrictions as set forth in an Award.

(l) "Rule 16b-3" means Rule 16b-3 promulgated under the 1935 Act, as in effect from time to time.

(m) "Share" or "Shares" means a share or shares of Class A Special Common Stock, \$1.00 par value, of the Company.

(n) "Subsidiary" means a corporation that, at the time in question, is a subsidiary corporation of the Company within the meaning of section 424(f) of the Code.

(o) "1933 Act" means the Securities Act of 1933, as amended.

(p) "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 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.

4. SHARES SUBJECT TO THE PLAN

(a) Not more than 4,875,000 Shares in the aggregate may be issued under the Plan pursuant to the grant of Awards, subject to adjustment in accordance with Paragraph 10. 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) If Restricted Stock is forfeited pursuant to the terms of an Award, other Awards with respect to such Shares may be granted.

5. ADMINISTRATION OF THE PLAN

(a) Administration. The Plan shall be administered by the Committee.

(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:

- (i) select those Employees to whom Awards shall be granted under the Plan, to determine the number of Shares 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

- (ii) 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.

The determination of the Committee in all matters as stated above 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, wilful 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.

6. ELIGIBILITY

Awards may be granted only to Eligible Employees of the Company and its Subsidiaries, as determined by the Committee. No Awards shall be granted to an individual who is not an Eligible Employee of the Company or a Subsidiary of the Company.

7. RESTRICTED STOCK AWARDS

The Committee may grant Awards in accordance with the Plan. 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 within ten (10) years from the date of adoption of the Plan by the Board.

(b) Shares Awarded. 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. A certificate shall be issued to each Grantee in respect of Shares 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.

(d) Restrictions. Subject to the provisions of the Plan and the Award, during a period set by the Committee commencing with the Date of Grant, which shall extend for at least six (6) months from the Date of Grant (except as otherwise provided by Paragraph 12), the Grantee shall not be permitted to sell, transfer, pledge or assign Restricted Stock awarded under the Plan.

(e) Lapse of Restrictions. Subject to the provisions of the Plan and the Award, restrictions upon Shares subject to an Award shall lapse 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 the restrictions upon such Shares shall lapse only if the Grantee on the date of such lapse is, and has been an employee of the Company or of a subsidiary or affiliate of the Company continuously from the Date of Grant. The Award may provide for the lapse of restrictions in installments, as determined by the Committee. The Committee may, in its sole discretion, waive, in whole or in part, any remaining restrictions with respect to such Grantee's Restricted Stock.

(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.

(g) Termination of Grantee's Employment. A transfer of an Eligible Employee between two employers, each of which is the Company or a Subsidiary, shall not be deemed a termination of employment. In the event that a Grantee terminates employment with the Company and its Subsidiaries, all Shares remaining subject to restrictions shall be forfeited by the Grantee and deemed cancelled by the Company.

(h) Delivery of Shares. Except as otherwise provided by Paragraph 8, when the restrictions imposed on Restricted Stock lapse with respect to one or more Shares, the Company shall notify the Grantee that such restrictions no longer apply, and shall deliver to the Grantee (or the person to whom ownership rights may have passed by will or the laws of descent and distribution) a certificate for the number of Shares for which restrictions have lapsed 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 time the applicable restrictions lapse, as determined by the Committee.

8. DEFERRAL ELECTIONS

A Grantee may elect to defer the receipt of Restricted Stock as to which restrictions have lapsed as provided by the Committee in the Award, consistent, however, with the following:

(a) Deferral Election.

- (i) Election. Each Grantee shall have the right to defer the receipt of all or any portion of the Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions by filing an election to defer the receipt of such Restricted Stock on a form provided by the Committee for this purpose.
- (ii) Deadline for Deferral Election. No election to defer the receipt of Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions shall be effective unless it is filed with the Committee on or before the last day of the calendar year ending before the first day of the Plan Year in which the applicable restrictions may lapse; provided that an election to defer the receipt of Restricted Stock as to which the Award provides for the potential lapse of applicable restrictions

within the same Plan Year as the Plan Year in which the Award is granted shall be effective if it is filed with the Committee on or before the earlier of (A) the 30th day following the Date of Grant or (B) the last day of the month that precedes the month in which the applicable restrictions may lapse.

(iii) Deferral Period. Subject to Paragraph 8(b), all Restricted Stock that is subject to a deferral election under this Paragraph 8(a) shall be delivered to the Grantee (or the person to whom ownership rights may have passed by will or the laws of descent and distribution) without any legend or restrictions (except those that may be imposed by the Committee, in its sole judgment, under Paragraph 9(a)), on the earlier of (A) the last day of the fifth Plan Year beginning after the date as of which the applicable restrictions lapse or (B) within sixty (60) days following the Grantee's termination of employment for any reason.

(iv) Effect of Failure of Restrictions on Shares to Lapse. A deferral election under this Paragraph 8(a) shall be null and void in the event that the restrictions on Restricted Stock identified in a deferral election do not lapse as of the end of the Plan Year following the Plan Year in which the deferral election is filed with the Committee by reason of the failure to satisfy any condition precedent to the lapse of the restrictions in such Plan Year.

(b) Additional Deferral Election. On or before the last day of the calendar year ending before the first day of the Plan Year in which Restricted Stock subject to a deferral election under Paragraph 8(a) is to be delivered to a Grantee, the Grantee may elect to re-defer the receipt of all or any portion of such Restricted Stock until the earlier of (i) the last day of the fifth Plan Year beginning after the date on which the Restricted Stock would have been delivered but for the Grantee's election pursuant to this Paragraph 8(b) or (ii) within sixty (60) days following the Grantee's termination of employment for any reason.

(c) Status of Deferred Shares. A Grantee's right to delivery of Shares subject to a deferral election under Paragraph 8(a) or 8(b) 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.

(d) Non-Assignability, Etc. The right of a Grantee to receive Shares subject to a deferral election under this Paragraph 8 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 hereunder shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

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 the lapse of restrictions on 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 assessment attributable to the grant of any Award or lapse of restrictions under any Award. The Company shall not be required to deliver Shares pursuant to any Award 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 or the lapse of restrictions under any Award, 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 prior to the delivery or transfer of any certificate or certificates for Shares subject to such Award, 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 liabilities incurred in connection with grant of any Award or the lapse of restrictions under any Award under the Plan 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 both of the following: (A) 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 time of such election that the Grantee has held for at least six months a number of shares of the same class as that of the Shares subject to the Award that is at least equal to the number to be withheld by the Company in payment of withholding taxes in excess of such minimum amount; and (B) to pay to the Company in cash all or a portion of the taxes to be withheld in connection with such grant or lapse of restrictions. In all cases, the Shares so withheld by the Company shall have a fair market value that does not exceed the amount of taxes to be withheld minus the cash payment, if any, made by the Grantee. The fair market value of such Shares shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed or, if not so listed, on the NASDAQ Stock Market on the last trading day prior to the date of such grant or lapse of restriction. 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. In addition, with respect to persons subject to reporting requirements under Section 16(a) of the 1934 Act, such election must be made at least six months prior to the date the amount of tax to be withheld or paid is determined (which election will remain in effect with regard to all future grants of Awards or lapses of restrictions, as applicable, unless revoked upon six months prior notice). 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. No Shares withheld pursuant to this Paragraph 9(c)(ii) shall 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.

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. MERGERS, DISPOSITIONS AND CERTAIN OTHER TRANSACTIONS

If before the lapse of all restrictions on Restricted Stock, the Company or any subsidiary or affiliate of the Company shall be merged into or consolidated with or otherwise combined with or acquired by another person or entity, or there is a reorganization or a liquidation or partial liquidation of the Company, the Company may choose to take no action with regard to the Awards outstanding, or, notwithstanding any other provision of the Plan, the Company may eliminate any restrictions that may continue to apply to Restricted Stock or the Company shall take such action as the Board shall determine to be reasonable under the circumstances in order to permit Grantees to realize the value of rights granted to them under the Plan.

12. AMENDMENT AND TERMINATION

The Plan may be terminated by the Board at any time. The Plan may be amended by the Board at any time. No Award shall be affected by any such termination or amendment without the written consent of the Grantee.

13. EFFECTIVE DATE

The Plan shall become effective on the date on which the Plan is adopted by the Board. The adoption of the Plan and the grant of Awards pursuant to the Plan is subject to the approval of the shareholders of the Company to the extent that such approval (a) is required pursuant to the By-law of the National Association of Securities Dealers, Inc., and the schedules thereto, in connection with issuers whose securities are included in the NASDAQ National Market System, or (b) is requiring to satisfy the conditions on Rule 16b-3. If shareholder approval is required to satisfy the foregoing conditions, the Board shall submit the Plan to the shareholders the Company for their approval at the first annual meeting of shareholders held after the adoption of the Plan by the Board.

14. GOVERNING LAW

The Plan and all determinations made and actions taken pursuant to the Plan shall be governed in accordance with Pennsylvania Law.

Executed this 13th day of December, 1995

[CORPORATE SEAL]

COMCAST CORPORATION

ATTEST:/s/ Arthur R. Block

BY: /s/ Stanley Wang

Entity Name

Amcell - Tel, Inc.
 Amcell Holding Corp.
 Amcell of Atlantic City, Inc.
 Amcell of Cumberland County, Inc.
 Amcell of Hunterdon, Inc.
 Amcell of Ocean County, Inc.
 Amcell of Pennsylvania Holdings, Inc.
 Amcell of Trenton, Inc.
 Amcell of Vineland Holdings, Inc.
 American Cellular Network Corp.
 American Cellular Network Corp. of Delaware
 American Cellular Network Corp. of Maryland
 American Cellular Network Corp. of Pennsylvania
 At Home Entertainment, Inc.
 Aurora/Elgin Cellular Telephone Company, Inc.
 AWACS Financial Corporation
 AWACS Garden State, Inc.
 AWACS Investment Holdings, Inc.
 AWACS Purchasing Corporation
 AWACS, Inc.
 Box Office Enterprises, Inc.
 Cable Enterprises, Inc.
 Cable Management of Detroit
 Cable Shopping Mall, Inc.
 Cablevision Investment of Detroit, Inc.

 California Ad Sales, Inc.
 Cell South of New Jersey, Inc.
 CID Transaction Co.
 Classic Services, Inc.
 Clinton Cable TV Investors, Inc.
 Coastal Cable TV, Inc.
 COM Indiana, Inc.
 COM Indianapolis, Inc.
 COM Inkster, Inc.
 COM Maryland, Inc.
 COM MH, Inc.
 COM Philadelphia, Inc.
 COM Telephony Services, Inc.
 Comcast Argentina, Inc.
 Comcast Australia, Inc.
 Comcast Brazil, Inc.
 Comcast Cable Communications, Inc.
 Comcast Cable Communications, Inc.
 Comcast Cable Guide, Inc.
 Comcast Cable Investors, Inc.
 Comcast Cable of Indiana, Inc.

Comcast Cable of Maryland, Inc.

Comcast Cable Tri-Holdings, Inc.

Comcast CablePhone, Inc.

Comcast Cablevision Corporation of Alabama

Comcast Cablevision Corporation of California

Comcast Cablevision Corporation of Connecticut

Comcast Cablevision Corporation of Florida

Comcast Cablevision Corporation of the Southeast

Comcast Cablevision Investment Corporation

Comcast Cablevision of Arkansas, Inc.

Comcast Cablevision of Birmingham, Inc.

Comcast Cablevision of Boca Raton, Inc.

Comcast Cablevision of Broward County, Inc.

Comcast Cablevision of Bryant, Inc.

Comcast Cablevision of Burlington County, Inc.

Comcast Cablevision of Cambridge, Inc.

Comcast Cablevision of Carolina, Inc.

Comcast Cablevision of Central New Jersey, Inc.

Comcast Cablevision of Chesterfield County, Inc.

Comcast Cablevision of Clinton

Comcast Cablevision of Clinton, Inc.

Comcast Cablevision of Clinton, Inc.

Comcast Cablevision of Danbury, Inc.

Comcast Cablevision of Delmarva, Inc.

Comcast Cablevision of Detroit

Comcast Cablevision of Detroit, Inc.

Comcast Cablevision of Dothan, Inc.

Comcast Cablevision of Flint, Inc.

Comcast Cablevision of Fontana, Inc.

Comcast Cablevision of Fort Wayne Limited Partnership

Comcast Cablevision of Gadsden, Inc.

Comcast Cablevision of Garden State, Inc.

Comcast Cablevision of Gloucester County, Inc.

Comcast Cablevision of Grosse Pointe, Inc.

Comcast Cablevision of Groton, Inc.

Comcast Cablevision of Hallandale, Inc.

Comcast Cablevision of Harford County, Inc.

Comcast Cablevision of Hopewell Valley, Inc.

Comcast Cablevision of Huntsville, Inc.

Comcast Cablevision of Indianapolis, Inc.

Comcast Cablevision of Indianapolis, L.P.

Comcast Cablevision of Inkster Limited Partnership

Comcast Cablevision of Inland Valley, Inc.

Comcast Cablevision of Jersey City, Inc.

Comcast Cablevision of Laurel, Inc.

Comcast Cablevision of Lawrence, Inc.

Comcast Cablevision of Little Rock, Inc.

Comcast Cablevision of Lompoc, Inc.

Comcast Cablevision of London, Inc.

Comcast Cablevision of Lower Merion, Inc.

Comcast Cablevision of Macomb County, Inc.

Comcast Cablevision of Macomb, Inc.

Comcast Cablevision of Marianna, Inc.

Comcast Cablevision of Maryland Limited Partnership

Comcast Cablevision of Mercer County, Inc.

Comcast Cablevision of Meridian, Inc.

Comcast Cablevision of Middletown, Inc.

Comcast Cablevision of Mobile, Inc.

Comcast Cablevision of Monmouth County, Inc.

Comcast Cablevision of Mt. Clemens

Comcast Cablevision of Mt. Clemens, Inc.

Comcast Cablevision of New Haven, Inc.

Comcast Cablevision of New Haven, Inc.

Comcast Cablevision of New Jersey, Inc.

Comcast Cablevision of Newport Beach, Inc.

Comcast Cablevision of North Orange, Inc.

Comcast Cablevision of Northwest New Jersey, Inc.

Comcast Cablevision of Oakland County, Inc.

Comcast Cablevision of Ocean County, Inc.

Comcast Cablevision of Paducah, Inc.

Comcast Cablevision of Panama City, Inc.

Comcast Cablevision of Perry, Inc.

Comcast Cablevision of Philadelphia, Inc.

Comcast Cablevision of Philadelphia, L.P.

Comcast Cablevision of Plainfield, Inc.

Comcast Cablevision of Quincy, Inc.

Comcast Cablevision of San Bernardino, Inc.

Comcast Cablevision of Santa Ana, Inc.

Comcast Cablevision of Santa Maria, Inc.

Comcast Cablevision of Seal Beach, Inc.

Comcast Cablevision of Shelby, Inc.

Comcast Cablevision of Simi Valley, Inc.

Comcast Cablevision of Southeast Michigan, Inc.

Comcast Cablevision of Sterling Heights, Inc.

Comcast Cablevision of Tallahassee, Inc.

Comcast Cablevision of Taylor, Inc.

Comcast Cablevision of the Meadowlands, Inc.

Comcast Cablevision of the Shoals, Inc.

Comcast Cablevision of Tupelo, Inc.

Comcast Cablevision of Tuscaloosa, Inc.

Comcast Cablevision of Utica, Inc.

Comcast Cablevision of Warren

Comcast Cablevision of Warren, Inc.

Comcast Cablevision of West Florida, Inc.

Comcast Cablevision of West Palm Beach, Inc.

Comcast Cablevision of Westmoreland, Inc.

Comcast Cablevision of Willow Grove, Inc.

Comcast CAP of Philadelphia Holdings, Inc.

Comcast CAP of Philadelphia, Inc.

Comcast Cellular Communications, Inc.

Comcast Cellular Corporation

Comcast Cellular Holding Company, Inc.

Comcast Cellular Management, Inc.

Comcast Cellular Partnership Holding Company, Inc.

Comcast Central Europe, Inc.

Comcast Central NJ Holding Company Inc.

Comcast Communications Properties, Inc.

Comcast Consulting Company, Inc.

Comcast Content and Communication Corporation

Comcast Crystalvision, Inc.

Comcast Darlington Limited

Comcast DBS, Inc.

Comcast DC Radio, Inc.

Comcast Delaware Services, Inc.

Comcast Directory Assistance Partnership

Comcast Directory Services, Inc.

Comcast do Brasil S/C Ltda.

Comcast Europe Holdings, Inc.

Comcast FCI, Inc.

Comcast Financial Agency Corporation

Comcast Financial Corporation

Comcast France Holdings, Inc.

Comcast Funding, Inc.

Comcast FW, Inc.

Comcast Garden State, Inc.

Comcast Heritage, Inc.

Comcast Holdings, Inc.

Comcast IAP, Inc.

Comcast International Holdings, Inc.

Comcast International Programming, Inc.

Comcast Investment Holdings, Inc.

Comcast ISD, Inc.

Comcast Learning Ventures, Inc.

Comcast Management Corporation

Comcast Merger, Inc.

Comcast Mexico, Inc.

Comcast MH Holdings, Inc.

Comcast MHCP Holdings, L.L.C.

Comcast MHCP, Inc.

Comcast Michigan Holdings, Inc.

Comcast Midwest Management, Inc.

Comcast MLP Partner, Inc.

Comcast Multicable Media, Inc.

Comcast Network Communciations of Connecticut, Inc.

Comcast Network Communications of South Florida, Inc.

Comcast Network Communications of Southeast Michigan, Inc.

Comcast Network Communications of Southern California, Inc.

Comcast Network Communications of Southern New Jersey, Inc.

Comcast Network Communications, Inc.

Comcast PC Communications, Inc.

Comcast PCS Communications, Inc.

Comcast Prism, Inc.

Comcast Programming Holdings, Inc.

Comcast Programming Ventures, Inc.

Comcast PTK, Inc.

Comcast Publishing Holdings Corporation

Comcast Publishing Holdings Financial Corporation

Comcast QVC, Inc.

Comcast Real Estate Holdings of Alabama, Inc.

Comcast Real Estate Holdings, Inc.

Comcast RSA, Inc.

Comcast RVC, Inc.

Comcast RVC, Limited

Comcast Satellite Communications California, Inc.

Comcast Satellite Communications Mid-Atlantic, Inc.

Comcast Satellite Communications Midwest, Inc.

Comcast Satellite Communications Northeast, Inc.

Comcast Satellite Communications South Central, Inc.

Comcast Satellite Communications Southeast, Inc.

Comcast Satellite Communications, Inc.

Comcast Sound Communications, Inc.

Comcast Sound Communications, Inc.

Comcast Storer Finance Sub, Inc.

Comcast Storer, Inc.

Comcast Technology, Inc.

Comcast Teesside Limited

Comcast Telephony Communications, Inc.

Comcast Telephony Services

Comcast Telephony Services II, Inc.

Comcast Telephony Services, Inc.

Comcast Teleport Partners, Inc.

Comcast Teleport, Inc.

Comcast TM, Inc.

Comcast U.K. Consulting, Inc.

Comcast U.K. Holdings, Inc.

Comcast UK Cable Partners Consulting, Inc.

Comcast UK Cable Partners Limited

Comcast UK Programming Limited

Comcast Venezuela PCS, Inc.

CSNJ Merger Co., Inc.

CVN Companies, Inc.

CVN Direct Marketing Corp.

CVN Distribution Co., Inc.

CVN Management, Inc.

CVN Michigan, Inc.

DCCS S.A.

Deonica S.A.

Diamonique (Pennsylvania) Corporation

Diamonique Corporation

Dinara S.A.

East Rutherford Realty, Inc.

Eastern TeleLogic Corporation

First Television Corporation

Florida Telecommunications Services, Inc.

Hebcom Enterprises, Inc.

Joliet Cellular Telephone Company, Inc.

Liberty City Funding Corporation

Long Branch Cellular Telephone Company

M H Lightnet Inc.

Mobile Enterprises, Inc.

Mt. Clemens Cable TV Investors, Inc.

Multicast do Brazil S.A.

Multiview Cable Corporation

New Brunswick Cellular Telephone Company

New England Microwave, Inc.

New Hope Cable TV, Inc.

Ocean County Cellular Telephone Company

Philadelphia Cable Investment Corporation

Q2 Inc.

QDirect Ventures, Inc.

QExhibits, Inc.

QFlight, Inc.

QVC

QVC - QRT, Inc.

QVC Britain

QVC Britain I, Inc.

QVC Britain II, Inc.

QVC Britain III, Inc.

QVC Chesapeake, Inc.

QVC de Mexico

QVC Delaware, Inc.

QVC Holdings, Inc.

QVC International, Inc.

QVC Local, Inc.

QVC Mexico II, Inc.

QVC Mexico III, Inc.

QVC Mexico, Inc.

QVC Network of Colorado, Inc.

QVC of Thailand, Inc.

QVC Realty, Inc.

QVC San Antonio, Inc.

QVC, Inc.

SCI 11, Inc.

SCI 34, Inc.

SCI 36, Inc.

SCI 37, Inc.

SCI 38, Inc.

SCI 39, Inc.

SCI 44, Inc.

SCI 48, Inc.

SCI 55, Inc.

Selkirk Communications (Delaware) Corporation

Selkirk Systems, Inc.

Storer Administration, Inc.

Storer Broadcast Finance Corp.

Storer Cable Advertising Sales, Inc.

Storer Cable TV of Radnor, Inc.

Storer Communications, Inc.

Storer Disbursements, Inc.

Storer Finance Corp.

Vineland Cellular Telephone Company, Inc.

Westmoreland Financial Corporation

Wilmington Cellular Telephone Company

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the following Registration Statements of Comcast Corporation and its subsidiaries on Forms S-3 and S-8 of our report dated February 29, 1996 appearing in the Annual Report on Form 10-K of Comcast Corporation and its subsidiaries for the year ended December 31, 1995 and to the reference to us under the heading "Experts" in the Prospectus contained in the following Registration Statements.

Registration Statements on Form S-8

Title of Securities Registered	Registration Statement Number
The Comcast Corporation Retirement Investment Plan	33-41440
The Comcast Corporation Retirement Investment Plan	33-63223
Storer Communications Retirement Savings Plan	33-54365
Stock Option Plans	33-25105
Stock Option Plans	33-56903

Registration Statements on Form S-3:

Title of Securities Registered	
Senior Debentures; Senior Subordinated Debentures; Subordinated Debentures; Preferred Stock, without par value; Depository Shares representing Preferred Stock; Class A Common Stock, \$1.00 par value; Class A Special Common Stock, \$1.00 par value and Warrants	33-40386
Class A Special Common Stock, \$1.00 par value	33-46988
Senior Debentures, Senior Subordinated Debentures and Subordinated Debentures	33-57410
Senior Debentures; Senior Subordinated Debentures; Subordinated Debentures; Preferred Stock, without par value; Depository Shares representing Preferred Stock; Class A Common Stock, \$1.00 par value; Class A Special Common Stock, \$1.00 par value and Warrants	33-50785

/s/ Deloitte & Touche LLP
 March 1, 1996
 Philadelphia, Pennsylvania

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Comcast Corporation:

As independent public accountants, we hereby consent to the incorporation of our report dated February 17, 1995 on Comcast International Holdings, Inc. and Subsidiaries incorporated by reference in Comcast Corporation's Form 10-K for the year ended December 31, 1995, into Comcast Corporation's previously filed Registration Statements File No. 33-41440; File No. 33-63223; File No. 33-54365; File No. 33-25105; File No. 33-56903; File No. 33-40386; File No. 33-46988; File No. 33-57410; and File No. 33-50785. It should be noted that we have not audited any financial statements of Comcast International Holdings, Inc. and Subsidiaries subsequent to December 31, 1994 or performed any audit procedures subsequent to the date of our report.

/s/ Arthur Andersen LLP

Philadelphia, Pa.,
March 1, 1996

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Comcast Corporation:

As independent public accountants, we hereby consent to the incorporation of our report dated October 17, 1995 on Garden State Cablevision L.P. included in Comcast Corporation's Form 10-K for the year ended December 31, 1995, into Comcast Corporation's previously filed Registration Statements File No. 33-41440; File No. 33-63223; File No. 33-54365; File No. 33-25105; File No. 33-56903; File No. 33-40386; File No. 33-46988; File No. 33-57410; and File No. 33-50785.

/s/ Arthur Andersen LLP

Philadelphia, Pa.
March 1, 1996

Consent of Independent Auditors

The Board of Directors
QVC, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 33-41440, 33-63223, 33-54365, 33-25105, and 33-56903) on Form S-8 and (Nos. 33-40386, 33-46988, 33-57410, and 33-50785) on Form S-3 of Comcast Corporation of our report dated February 2, 1996, with respect to the consolidated balance sheet of QVC, Inc. and subsidiaries as of December 31, 1995, and the related consolidated statements of operations, shareholders' equity, and cash flows for the eleven-month period ended December 31, 1995 (such consolidated financial statements are not separately presented herein), which report is included in the Form 10-K of Comcast Corporation for the year ended December 31, 1995.

/s/ KPMG Peat Marwick LLP

Philadelphia, Pennsylvania
February 29, 1996

This schedule contains summary financial information extracted from the consolidated statement of operations and consolidated balance sheet and is qualified in its entirety by reference to such financial statements.

0000022301
COMCAST CORPORATION
1,000

YEAR	
DEC-31-1995	
DEC-31-1995	
	539,061
	370,982
	471,971
	(81,273)
	390,698
	1,653,658
	2,575,633
	(932,031)
	9,580,308
1,122,069	
	6,943,766
	0
	0
	239,338
	(1,066,989)
9,580,308	
	3,362,946
	3,362,946
	(898,271)
	(3,033,155)
	(86,618)
	0
	(524,727)
	(45,410)
	(42,171)
	(37,849)
	0
	(6,084)
	0
	(43,933)
	(.18)
	(.18)

Loss before income taxes and other items excludes the effect of minority interests, net of tax, of \$49,732.

Independent Auditors' Report

The Board of Directors
QVC, Inc.:

We have audited the consolidated balance sheet of QVC, Inc. and subsidiaries as of December 31, 1995, and the related consolidated statements of operations, shareholders' equity and cash flows for the eleven-month period ended December 31, 1995 (such consolidated financial statements are not separately presented herein). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of QVC, Inc. and subsidiaries as of December 31, 1995, and the results of their operations and their cash flows for the eleven-month period then ended, in conformity with generally accepted accounting principles.

/s/ KPMG Peat Marwick LLP

Philadelphia, Pennsylvania
February 2, 1996

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Garden State Cablevision L.P.:

We have audited the accompanying balance sheets of Garden State Cablevision L.P. (a Delaware Limited Partnership) as of December 31, 1994 and 1993, and the related statements of operations, partners' (deficit) capital and cash flows for each of the three years in the period ended December 31, 1994. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, the financial statements referred to above present fairly, in all material respects, the financial position of Garden State Cablevision L.P. as of December 31, 1994 and 1993, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1994, in conformity with generally accepted accounting principles.

/s/ Arthur Andersen LLP

Philadelphia, Pa.,
October 17, 1995