

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
FOR THE FISCAL YEAR ENDED

DECEMBER 31, 2000

OR
☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
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 (I.R.S. Employer Identification No.)
incorporation or organization)

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 Special Common Stock, \$1.00 par value
Class A Common Stock, \$1.00 par value

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 ☒ 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 December 31, 2000, the aggregate market value of the Class A Special
Common Stock and Class A Common Stock held by non-affiliates of the Registrant
was \$37.421 billion and \$862.3 million, respectively.

As of December 31, 2000, there were 908,015,192 shares of Class A Special Common
Stock, 21,832,250 shares of Class A Common Stock and 9,444,375 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 2001.

COMCAST CORPORATION
2000 FORM 10-K ANNUAL REPORT
TABLE OF CONTENTS
PART I

Item 1	Business.....	1
Item 2	Properties.....	16
Item 3	Legal Proceedings.....	16
Item 4	Submission of Matters to a Vote of Security Holders.....	16
Item 4A	Executive Officers of the Registrant.....	17

PART II

Item 5	Market for the Registrant's Common Equity and Related Stockholder Matters.....	18
Item 6	Selected Financial Data.....	19
Item 7	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	21
Item 8	Financial Statements and Supplementary Data.....	31
Item 9	Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.....	64

PART III

Item 10	Directors and Executive Officers of the Registrant.....	64
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Item 11 Executive Compensation.....	64
Item 12 Security Ownership of Certain Beneficial Owners and Management.....	64
Item 13 Certain Relationships and Related Transactions.....	64

PART IV

Item 14 Exhibits, Financial Statement Schedules and Reports on Form 8-K.....	65
SIGNATURES.....	69

This Annual Report on Form 10-K is for the year ended December 31, 2000. This Annual Report modifies and supersedes documents filed prior to this Annual Report. The SEC allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Annual Report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Annual Report. In this Annual Report, "Comcast," "we," "us" and "our" refer to Comcast Corporation and its subsidiaries.

You should carefully review the information contained in this Annual Report, but should particularly consider any risk factors that we set forth in this Annual Report and in other reports or documents that we file from time to time with the SEC. In this Annual Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify those so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue" or the negative of those words and other comparable words. You should be aware that those statements are only our predictions. Actual events or results may differ materially. In evaluating those statements, you should specifically consider various factors, including the risks outlined below. Those factors may cause our actual results to differ materially from any of our forward-looking statements.

Factors Affecting Future Operations

We have acquired and we anticipate acquiring cable communications systems in new communities in which we do not have established relationships with the franchising authority, community leaders and cable subscribers. Further, a substantial number of new employees are being and must continue to be integrated into our business practices and operations. Our results of operations may be significantly affected by our ability to efficiently and effectively manage these changes.

In addition, our businesses may be affected by, among other things:

- o changes in laws and regulations,
- o changes in the competitive environment,
- o changes in technology,
- o industry consolidation and mergers,
- o franchise related matters,
- o market conditions that may adversely affect the availability of debt and equity financing for working capital, capital expenditures or other purposes,
- o demand for the programming content we distribute or the willingness of other video program distributors to carry our content, and
- o general economic conditions.

PART I

ITEM 1 BUSINESS

We are principally involved in three lines of business:

- o Cable-through the development, management and operation of broadband communications networks,
- o Commerce-through QVC, our electronic retail- ing subsidiary, and
- o Content-through our consolidated subsidiaries Comcast Spectacor, Comcast SportsNet and E! Entertainment Television, and through our other programming investments, including The Golf Channel, Speedvision and Outdoor Life.

We are currently the third largest cable operator in the United States and are in the process of deploying digital cable applications and high-speed cable modem service to expand the products available on our cable communications networks.

Our consolidated cable operations served approximately 7.7 million subscribers and passed approximately 12.9 million homes in the United States as of December 31, 2000. We have entered into an agreement to acquire, subject to receipt of necessary regulatory and other approvals, up to 700,000 cable subscribers from AT&T Corp. Upon completion of this pending transaction, which is expected to close by the end of the second quarter of 2001, we will serve approximately 8.4 million subscribers.

Through QVC, we market a wide variety of products directly to consumers primarily on merchandise-focused television programs. As of December 31, 2000, QVC was available, on a full and part-time basis, to over 77.9 million homes in the United States, over 8.9 million homes in the United Kingdom and over 22.6 million homes in Germany.

We are a Pennsylvania corporation that was organized in 1969. We have our principal executive offices at 1500 Market Street, Philadelphia, PA 19102-2148. Our telephone number is (215) 665-1700. We also have a world wide web site at <http://www.comcast.com>. The information posted on our web site is not incorporated into this Annual Report.

FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

You should see Note 10 to our consolidated financial statements in Item 8 of this Annual Report for information about our operations by industry segment.

GENERAL DEVELOPMENTS OF OUR BUSINESS

We entered into a number of significant transactions in 2000 which have closed or are expected to close in 2001. We have summarized these transactions below and have more fully described them in Note 3 to our consolidated financial statements in Item 8 of this Annual Report.

Pending Transactions as of December 31, 2000

Adelphia Cable Systems Exchange

On January 1, 2001, we completed our previously announced cable systems exchange with Adelphia Communications pursuant to which we received cable communications systems serving approximately 460,000 subscribers from Adelphia. In exchange, Adelphia received certain of our cable communications systems serving approximately 440,000 subscribers.

AT&T Cable Systems Acquisition

In August 2000, we entered into an agreement with AT&T to acquire cable communications systems serving up to 700,000 subscribers from AT&T in exchange for AT&T common stock that we currently own or may acquire, in a transaction intended to qualify as tax-free to both us and to AT&T. The transaction is subject to customary closing conditions and regulatory approvals and is expected to close by the end of the second quarter 2001.

Completed Transactions During 2000

Acquisition of Lenfest Communications, Inc.

In January 2000, we acquired Lenfest Communications, Inc., a cable communications company serving approximately 1.1 million subscribers primarily

in the Philadelphia area from AT&T and the other Lenfest stockholders for approximately 120.1 million shares of our Class A Special Common Stock with a value of \$6.014 billion. In connection with the acquisition, we assumed approximately \$1.326 billion of debt.

Consolidation of Comcast Cablevision of Garden State, L.P.

Comcast Cablevision of Garden State, L.P., formerly Garden State Cablevision L.P., a cable communications company serving approximately 216,000 subscribers in New Jersey, is a partnership which was owned 50% by Lenfest and 50% by us. We had accounted for our interest in Garden State Cable under the equity method. As a result of the acquisition of Lenfest Communications, Inc., we now own 100% of Garden State Cable. As such, the operating results of Garden State Cable have been included in our consolidated statement of operations from the date of our acquisition of Lenfest.

Acquisition of CalPERS' Interest in Jointly Owned Cable Properties

In February 2000, we acquired the California Public Employees Retirement System's 45% interest in Comcast MHCP Holdings, L.L.C., formerly a 55% owned consolidated subsidiary of ours, which serves subscribers in Michigan, New Jersey and Florida. As a result, we now own 100% of Comcast MHCP. The consideration was \$750.0 million in cash.

Acquisition of Remaining Interest in Jones Intercable, Inc.

In March 2000, we acquired from the public shareholders the approximate 60% interest in Jones Intercable, Inc. not previously held by us for approximately 35.6 million shares of our Class A Special Common Stock with a value of \$1.727 billion. Jones Intercable was formerly a 40% owned consolidated subsidiary of ours.

Acquisition of Prime Communications LLC

In August 2000, we acquired Prime Communications LLC, a cable communications company serving approximately 406,000 subscribers, for cash and through our conversion to equity of previously made loans to Prime. Upon closing, we assumed and immediately repaid \$532.0 million of Prime's debt with proceeds from borrowings under existing credit facilities.

AT&T Cable Systems Exchange

On December 31, 2000, we completed our previously announced cable systems exchange with AT&T Corp. pursuant to which we received cable communications systems serving approximately 770,000 subscribers. In exchange, AT&T received certain of our cable communications systems serving approximately 700,000 subscribers.

DESCRIPTION OF OUR BUSINESSES

Cable Communications

Technology and Capital Improvements

Our cable communications networks receive signals by means of:

- o special antennae,
- o microwave relay systems,
- o earth stations, and
- o coaxial and fiber optic cables.

Products and Services

We offer a variety of services over our cable communications networks, including traditional analog video and new services such as digital cable and high-speed cable modem service. Available service offerings depend on the bandwidth capacity of the cable communications system. Bandwidth, expressed in megahertz (MHz), is a measure of information-carrying capacity. It is the range of usable frequencies that can be carried by a cable communications system. The greater the bandwidth, the greater the capacity of the system. As of January 31, 2001, approximately 84% of our cable subscribers were served by a system with a capacity of at least 550-MHz and approximately 70% of our cable subscribers were served by a system with a capacity of at least 750-MHz.

Digital compression technology enables us to substantially increase the number of channels our cable communications systems can carry. Digital compression technology converts up to twelve analog signals into a digital format and compresses such signals into the bandwidth normally occupied by one analog signal. At the home, a set-top video terminal converts the digital signal into analog signals that can be viewed on a normal television set. Digital compression technology enables us to provide a significant number of additional programming choices to our subscribers.

We are deploying fiber optic cable and upgrading the technical quality of our cable communications networks.

As a result, the reliability and capacity of our systems have increased, aiding in the delivery of additional video programming and other services such as enhanced digital video, high-speed cable modem service and, in some areas, telephony.

We will incur significant capital expenditures in the future for the upgrading and rebuilding of the cable communications systems acquired or to be acquired by us as a result of our acquisitions of Lenfest Communications and Jones Intercable, the systems exchanges with AT&T and Adelphia, as well as the pending systems acquisition from AT&T.

Franchises

Cable communications systems are constructed and operated under non-exclusive franchises granted by state or local governmental authorities for varying lengths of time and are subject to federal, state and local legislation and regulation. Our franchises typically provide for periodic payment of fees to franchising authorities of up to 5% of "revenues" (as defined by each franchise agreement). We normally pass those fees on to subscribers. In many cases, we need the consent of the franchising authority to transfer our franchises.

Although franchises historically have been renewed, renewals may include less favorable terms and conditions. Under existing law, franchises should continue to be renewed for companies that have provided adequate service and have complied generally with franchise terms. The franchising authority may choose to award additional franchises to competing companies at any time. As of January 31, 2001, we served approximately 1,776 franchise areas in the United States.

Traditional Analog Video Services

We receive the majority of our revenues from subscription services. Subscribers typically pay us on a monthly basis and generally may discontinue services at any time. Monthly subscription rates and related charges vary according to the type of service selected and the type of equipment used by subscribers.

We offer a full range of traditional analog video services. We tailor both our basic channel line-up and our additional channel offerings to each system according to demographics, programming preferences, competition, price sensitivity and local regulation. Our service offerings include the following programming packages:

- o basic programming,
- o expanded basic programming,
- o premium services, and
- o pay-per-view programming.

All of our video subscribers receive our basic cable service. This service generally consists of national television networks, local broadcast television, locally-originated programming, including governmental and public access, and limited satellite-delivered programming.

Our expanded basic cable service includes a group of satellite-delivered or non-broadcast channels such as Entertainment and Sports Programming Network (ESPN), Cable News Network (CNN) and MTV Networks (MTV), in addition to the basic channel line-up.

For an additional monthly fee, subscribers can also subscribe to our premium services either individually or in packages of several channels. Our premium services generally offer, without commercial interruption, feature motion pictures, live and taped sporting events, concerts and other special features. The charge for premium services depends upon the type and level of service selected by the subscriber. Our premium services may include offerings such as:

- o Home Box Office(R),
- o Cinemax(R),
- o Showtime(R),
- o The Movie Channel(TM),
- o Encore(R), and
- o Starz(R).

Our pay-per-view service permits our subscribers to order, for a separate fee, individual feature motion pictures and special event programs, such as professional boxing, professional wrestling and concerts on an unedited, commercial-free basis.

New Service Offerings

The high bandwidth capacity of our cable communications networks enables us to deliver substantially more channels and/or new and advanced products and services to our subscribers. A variety of emerging technologies and the rapid growth of the Internet have presented us with substantial opportunities to provide new or expanded products and services to our subscribers and to expand our sources of revenue. As a result, we have introduced the following new services for the benefit of both our residential and commercial subscribers:

- o digital cable television service, and

- o high-speed cable modem service installed in personal computers.

We have and will continue to upgrade our cable communications systems so that we can provide these and other new services such as video on demand, commonly known as VOD, interactive television and cable telephony more rapidly to our subscribers.

Digital Cable Service

We offer digital cable television services to subscribers in substantially all of our cable communications systems.

Subscribers to our digital cable service may receive a mix of additional television programming, an interactive program guide and multiple channels of digital music. The additional programming falls into four categories:

- o additional expanded basic channels,
- o additional premium channels,
- o "multiplexes" of premium channels to which a subscriber previously subscribed, such as multiple channels of Home Box Office or Showtime, which are varied as to time of broadcast or programming content theme, and
- o additional pay-per-view programming, such as more pay-per-view options and/or frequent showings of the most popular films to provide near video-on-demand.

Subscribers typically pay us on a monthly basis for digital cable services and generally may discontinue services at any time. Monthly subscription rates vary generally according to the level of service and the number of digital converters selected by the subscriber. We expect that purchases of these services by our subscribers will increase in the future.

High-Speed Cable Modem Service

We market Excite@Home's high-speed cable modem services as Comcast@Home in areas served by certain of our cable communications systems. Residential subscribers can connect their personal computers via cable modems to a high-speed national network developed and managed by Excite@Home. Subscribers can then access online information, including the Internet, at faster speeds than that of conventional modems. We also provide businesses with Internet connectivity solutions and networked business applications. We provide national and local content and sell advertising to businesses.

Other Revenue Sources

We also generate revenues from advertising sales, installation services, commissions from electronic retailing and other services. We generate revenues from the sale of advertising time to local, regional and national advertisers on non-broadcast channels.

Sales and Marketing

Our sales efforts are primarily directed toward generating incremental revenues in our franchise areas and increasing the number of subscribers we serve. We sell our products and services through:

- o telemarketing,
- o direct mail advertising,
- o door-to-door selling,
- o cable television advertising,
- o local media advertising, and
- o retail outlets.

Programming

We generally pay a monthly fee per subscriber per channel. Our programming costs are increased by:

- o increases in the number of subscribers,
- o expansion of the number of channels provided to customers, and
- o increases in contract rates from programming suppliers.

We attempt to secure long-term programming contracts with volume discounts and/or marketing support and incentives from programming suppliers. Our programming contracts are generally for a fixed period of time and are subject to negotiated renewal. We have experienced increases in our cost of programming and we anticipate that future contract renewals will result in programming costs that are higher than our costs today, particularly for sports programming.

We utilize interactive programming guides to provide our subscribers with current programming information, as well as advertising and other content. We recently formed a joint venture with other companies, including various cable companies, to develop additional sources for the interactive guide.

Customer Service

We manage most of our cable communications systems in geographic clusters. Clustering improves our ability to sell advertising, enhances our ability to efficiently introduce and market new products, and allows us to more efficiently and effectively provide customer service and support. As part of our clustering strategy, we have consolidated our local customer service operations into large regional call centers. These regional call centers have technologically advanced telephone systems that provide 24-hour per day, 7-day per week call answering capability, telemarketing and other services.

Our Cable Communications Systems

The table below summarizes certain subscriber information for our cable communications systems as of December 31 (homes, subscribers and subscriptions in thousands):

	2000(9)	1999(9)	1998	1997	1996
Cable					
Homes Passed (1)	12,679	9,522	7,382	7,138	6,975
Subscribers (2)	7,607	5,720	4,511	4,366	4,280
Penetration (3)	60.0%	60.1%	61.1%	61.2%	61.4%
Digital Cable					
"Digital Ready" Subscribers (4)	7,258	4,637	1,570		
Subscriptions (5)	1,354	515	78		
Penetration (6)	18.7%	11.1%	5.0%		
Comcast@Home					
"Modem Ready" Homes Passed (7)	6,360	3,259	1,804	866	
Subscribers	400	142	51	10	
"Modem Ready" Penetration (8)	6.3%	4.4%	2.8%	1.2%	

- (1) A home is "passed" if we can connect it to our distribution system without further extending the transmission lines.
- (2) A dwelling with one or more television sets connected to a system counts as one cable subscriber.
- (3) Cable penetration means the number of cable subscribers as a percentage of cable homes passed.
- (4) A subscriber is "digital ready" if the subscriber is in a market where we have launched our digital cable service.
- (5) Each digital converter box counts as one digital cable subscription.
- (6) Digital cable penetration means the number of digital cable subscriptions as a percentage of "digital ready" subscribers. Certain subscribers may have multiple digital cable subscriptions.
- (7) A home passed is "modem ready" if we can connect it to our Internet service connection system without further upgrading the transmission lines.
- (8) "Modem ready" penetration means the number of Comcast@Home subscribers as a percentage of "modem ready" homes passed.
- (9) In April 1999, we acquired a controlling interest in Jones Intercable, Inc. In January 2000, we acquired Lenfest Communications, Inc. and began consolidating the results of Comcast Cablevision of Garden State, L.P. In August 2000, we acquired Prime Communications LLC. On January 1, 2001 and December 31, 2000, we completed our cable systems exchanges with Adelphia Communications and AT&T Corp., respectively. The subscriber information as of December 31, 2000 excludes the effects of our exchanges with Adelphia and AT&T.

Competition

Our cable communications systems compete with a number of different sources which provide news, information and entertainment programming to consumers, including:

- o local television broadcast stations that provide off-air programming which can be received using a roof-top antenna and television set,
- o program distributors that transmit satellite signals containing video programming, data and other information to receiving dishes of varying sizes located on the subscriber's premises,
- o satellite master antenna television systems, commonly known as SMATV, which generally serve condominiums, apartment and office complexes and residential developments,
- o other operators who build and operate communications systems in the same communities that we serve,

- o interactive online computer services,
- o newspapers, magazines and book stores,
- o movie theaters,
- o live concerts and sporting events, and
- o home video products.

In order to compete effectively, we strive to provide, at a reasonable price to subscribers:

- o superior technical performance,
- o superior customer service,
- o a greater variety of video programming, and
- o new products and services.

Federal law allows local telephone companies to provide, directly to subscribers, a wide variety of services that are competitive with our cable communications services. Some local telephone companies provide or plan to provide video services within and outside their telephone service areas through a variety of methods, including cable networks, satellite program distribution and wireless transmission facilities.

A local telephone company, Ameritech, and facilities-based competitors such as RCN Corporation and Knology Holdings, Inc., among others, are now offering cable and other communications services in various areas where we hold franchises. We anticipate that facilities-based competitors will develop in other franchise areas that we serve.

Local telephone companies and other businesses construct and operate communications facilities that provide access to the Internet and distribute interactive computer-based services, data and other non-video services to homes and businesses. These competitors are not required, in certain circumstances, to comply with some of the material obligations imposed upon our cable communications systems under our franchises. We are unable to predict the likelihood of success of competing video or cable service ventures by local telephone companies or other businesses. Nor can we predict the impact these competitive ventures might have on our business and operations.

We operate each of our cable communications systems pursuant to a non-exclusive franchise that is issued by the community's governing body such as a city council, a county board of supervisors or a state regulatory agency. Federal law prohibits franchising authorities from unreasonably denying requests for additional franchises, and it permits franchising authorities to operate cable systems. Companies that traditionally have not provided cable services and that have substantial financial resources (such as public utilities that own certain of the poles to which our cables are attached) may also obtain cable franchises and may provide competing communications services.

In the past few years, Congress has enacted legislation and the Federal Communications Commission, commonly known as the FCC, has adopted regulatory policies intended to provide a more favorable operating environment for existing and new technologies that provide, or have the potential to provide, substantial competition to our cable communications systems. These technologies include direct broadcast satellite service, commonly known as DBS, among others. According to recent government and industry reports, conventional, medium and high-power satellites currently provide video programming to over 14.5 million individual households, condominiums, apartment and office complexes in the United States. DBS providers with high-power satellites typically offer to their subscribers more than 300 channels of programming, including programming services substantially similar to those provided by cable communications systems.

DBS service can be received virtually anywhere in the continental United States through the installation of a small roof top or side-mounted antenna. DBS systems use video compression technology to increase channel capacity and digital technology to improve the quality of the signals transmitted to their subscribers. Our digital cable service is competitive with the programming, channel capacity and the digital quality of signals delivered to subscribers by DBS systems. We are and will continue to deploy digital cable service in the communities that we serve.

Two major companies, DirecTV and Echostar, are currently offering nationwide high-power DBS services. Federal legislation establishes, among other things, a permanent compulsory copyright license that permits satellite carriers to retransmit local broadcast television signals to subscribers who reside inside the local television station's market. These companies are transmitting local broadcast signals in many markets which we serve. As a result, satellite carriers are more competitive to cable communications system operators like us because they offer programming which more closely resembles what we offer. These companies and others are also developing ways to bring advanced communications services to their customers. They are currently offering satellite-delivered high-speed Internet access services with a telephone return path and are beginning to provide true two-way interactivity. We are unable to predict the effects these competitive developments might have on our business and operations.

Our cable communications systems also compete for subscribers with SMATV systems. SMATV system operators typically are not subject to regulation like local franchised cable communications system operators. SMATV systems offer subscribers both improved reception of local television stations and many of the same satellite-delivered programming services offered by franchised cable communications systems. In addition, some SMATV operators are developing and/or offering packages of telephony, data and video services to private residential and commercial developments. SMATV system operators often enter into exclusive service agreements with building owners or homeowners' associations, although some states have enacted laws to provide cable communications systems access to these complexes. Courts have reviewed challenges to these laws and have reached varying results.

Many of our cable communications systems are currently offering high-speed cable modem services to subscribers. These systems compete with a number of other companies, many of whom have substantial resources, such as:

- o existing Internet service providers, commonly known as ISPs,
- o local telephone companies, and
- o long distance telephone companies.

A number of companies, including telephone companies and ISP's, have asked local, state and federal governments to mandate that cable communications systems operators provide capacity on their broadband infrastructure so that these companies and others may deliver high-speed Internet access and interactive television services directly to customers over cable facilities.

The deployment of Digital Subscriber Line technology, known as DSL, allows Internet access to subscribers at data transmission speeds equal to or greater than that of modems over conventional telephone lines. Numerous companies, including telephone companies, have introduced DSL service and certain telephone companies are seeking to provide high-speed broadband services without regard to present service boundaries and other regulatory restrictions. We are unable to predict the likelihood of success of competing online services offered by our competitors or what impact these competitive ventures may have on our business and operations.

We expect advances in communications technology, as well as changes in the marketplace and the regulatory and legislative environment to occur in the future. We refer you to page 10 for a detailed discussion of legislative and regulatory factors. Other new technologies and services may develop and may compete with services that our cable communications systems offer. Consequently, we are unable to predict the effect that ongoing or future developments might have on our business and operations.

Commerce

QVC is a domestic and international electronic media general merchandise retailer which produces and distributes merchandise-focused television programs, via satellite, to affiliated video program distributors for retransmission to subscribers. At QVC, program hosts describe and demonstrate the products and viewers place orders directly with QVC. We own 57% of QVC.

Revenue Sources

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

Viewers place orders to purchase QVC 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. QVC's private label credit card program is serviced by an unrelated third party. QVC ships merchandise promptly from its distribution centers, typically within 24 hours after receipt of an order. QVC's return policy permits customers to return, within 30 days, any merchandise purchased for a full refund of the purchase price and original shipping charges.

Distribution Channels

In the United States, QVC is transmitted live 24 hours a day, 7 days a week, to 62.7 million cable television homes. An additional 0.7 million cable television homes receive QVC on a less than full time basis and 14.5 million home satellite dish users receive QVC programming. The QVC program schedule consists of one-hour and multi-hour program segments. Each program theme is devoted to a particular category of product or lifestyle. From time to time, special program segments are devoted to merchandise associated with a particular celebrity, event, geographical region or seasonal interest.

QVC sells products by means of electronic media in Germany and the United Kingdom. In the UK, this service currently reaches over 8.9 million cable television and home satellite dish-served homes. In Germany, this service currently is available to over 22.6 million cable television and home satellite dish-served homes. However, we estimate that only 9.5 million homes in Germany have programmed their television sets to receive this service.

QVC also offers an interactive shopping service, iQVC, on the Internet. The iQVC service offers a diverse array of merchandise, on-line, 24 hours a day, 7 days a week. iQVC also maintains a mailing list which e-mails product news to subscribers.

QVC Transmission

A transponder on a communications satellite transmits the QVC domestic signal. QVC subleases transponders for the transmission of its signals to the UK and Germany and has made arrangements for redundant coverage through other satellites in case of a failure. QVC has never had an interruption in programming due to transponder failure. We cannot offer assurances that there will not be an interruption or termination of satellite transmission due to transponder failure. Interruption or termination could have a material adverse effect on QVC's future results of operations.

Program Distributors

QVC has entered into affiliation agreements with video program distributors in the US to carry QVC programming. Generally, there are no charges to the programming distributors for the distribution of QVC. In return for carrying QVC, each programming distributor receives an allocated portion, based upon market share, of up to five percent of the net sales of merchandise sold to customers located in the programming distributor's service area. QVC has entered into multi-year affiliation agreements with various cable and satellite system operators for carriage of QVC programming. 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. Most of the affiliation agreements provide for the programming distributor to broadcast commercials regarding QVC on other channels and to distribute QVC's advertising material to subscribers. As of December 31, 2000, 9.5% of the total homes reached by QVC were attributable to QVC's affiliation agreements with us and 20.0% with AT&T's Liberty Media Group, the owner of a 43% interest in QVC, and their respective affiliated companies.

QVC's business depends on its affiliation with programming distributors for the transmission of QVC programming. If a significant number of homes are no longer served because of termination or non-renewal of affiliation agreements, our financial results could be adversely affected. QVC has incentive programs to induce programming distributors to enter into or extend affiliation agreements or to increase the number of homes under existing affiliation agreements. These incentives include various forms of marketing, carriage and launch support. QVC will continue to recruit additional programming distributors and seek to enlarge its audience.

Competition

QVC operates in a highly competitive environment. As a general merchandise retailer, QVC competes for consumer expenditures 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 retail stores. On television, QVC competes with other programs for channel space and viewer loyalty against similar electronic retailing programming, as well as against alternative programming supplied by other sources, including news, public affairs, entertainment and sports programmers. The use of digital compression provides programming distributors with greater channel capacity. While greater channel capacity increases the opportunity for QVC to be distributed, it also may adversely impact on QVC's ability to compete for television viewers to the extent it results in higher channel position, in placement of QVC in separate programming tiers, or in the addition of competitive channels.

Content

We have made investments in cable television networks and other programming-related enterprises as a means of generating additional revenues and subscriber interest. Our programming investments as of December 31, 2000 include:

Investment	Description	Ownership Percentage
Comcast Spectacor	Live sporting events, concerts and other events	66.0%
Comcast SportsNet	Regional sports programming and events	53.1%
E! Entertainment	Entertainment-related news and original programming	39.7%
Style	Fashion-related programming	39.7%
CN8-The Comcast Network	Regional and local programming	100.0%
Comcast Sports Southeast	Regional sports programming and events	72.4%
The Golf Channel	Golf-related programming	60.3%
Outdoor Life	Outdoor activities	16.8%
Speedvision	Automotive, marine and aviation	14.5%
The Sunshine Network	Regional sports and public affairs	15.6%
In Demand	Pay-per-view programming	11.1%
Home Team Sports	Regional sports programming and events	(a)

(a) The Company acquired 100% of Home Team Sports in February 2001. Home Team Sports is a regional sports programming network which provides sports related programming, including the Baltimore Orioles MLB baseball team, the Washington Wizards NBA basketball team, the Washington Capitals NHL hockey team and the Carolina Hurricanes NHL hockey team. Home Team Sports serves approximately 4.8 million subscribers in the Mid-Atlantic region.

Consolidated Programming Investments

Comcast Spectacor

Comcast Spectacor is our family of businesses that perform and/or host live sporting events, concerts and other special events. Comcast Spectacor consists principally of the Philadelphia Flyers NHL Hockey Team, the Philadelphia 76ers NBA Basketball Team, two large multi-purpose arenas in Philadelphia and Comcast SportsNet, our regional sports programming network.

Comcast SportsNet

Comcast SportsNet is a 24-hour regional sports programming network which provides sports-related programming, including the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and the Philadelphia Phillies MLB baseball team to approximately 2.7 million subscribers in the Philadelphia region. Comcast SportsNet is delivered to affiliates terrestrially.

E! Entertainment

E! Entertainment is a 24-hour network with programming dedicated to the world of entertainment. Programming formats include behind-the-scenes specials, original movies and series, news, talk shows and comprehensive coverage of entertainment industry awards shows and film festivals worldwide. The network has approximately 67 million subscribers.

Style

Style, an affiliate of E! Entertainment, is our 24-hour cable network dedicated to fashion, home design, beauty, health, fitness and more, with distribution to approximately 10 million subscribers. We launched Style in October 1998.

CN8-The Comcast Network

CN8-The Comcast Network, our regional programming service is delivered to approximately 3.9 million cable subscribers in Pennsylvania, New Jersey, Delaware and Maryland. CN8 provides original programming, including local and regional news and public affairs, regional sports, health, cooking and family-oriented programming. We intend to continue to introduce similar programming in other areas we serve.

Comcast Sports Southeast

Comcast Sports Southeast ("CSS") was created in September 1999. CSS is delivered to approximately 2.0 million cable subscribers primarily in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina and Tennessee. CSS is a satellite-delivered service that provides original sports programming and sports news geared toward the Southeast.

Other Programming Investments

The Golf Channel

The Golf Channel is a 24-hour network devoted exclusively to golf programming with distribution to approximately 37 million subscribers. The programming schedule includes live tournaments, golf instruction programs and golf news.

Outdoor Life

Outdoor Life is a 24-hour network devoted exclusively to adventure and the outdoor lifestyle. Its programming focuses on a wide range of outdoor activities including expeditions, skiing, cycling, surfing and camping.

Speedvision

Speedvision is a 24-hour network devoted to automotive, aviation and marine enthusiasts. Its programming includes original consumer news, motorsports coverage, lifestyle and instructional programs and historical documentaries.

The Sunshine Network

The Sunshine Network is a regional sports and public affairs network, which focuses its programming specifically on teams, events and programs from Florida. Programming rights include over 20 local teams and properties, including the Orlando Magic and Miami Heat NBA basketball teams and the Tampa Bay Lightning NHL hockey team.

In Demand

In Demand is the brand-name of a cable operator-controlled buying cooperative for pay-per-view programming.

----- LEGISLATION AND REGULATION

Cable

The Communications Act of 1934, as amended, establishes a national policy to regulate the development and operation of cable communications systems. The Communications Act allocates responsibility for enforcing federal policies among the FCC, state and local governmental authorities. The courts, especially the federal courts, play an important oversight role as these statutory and regulatory provisions are interpreted and enforced by the various federal, state and local governmental units.

We expect that court actions and regulatory proceedings will continue to refine the rights and obligations of various parties, including the government, under the Communications Act. The results of these judicial and administrative proceedings may materially affect our business operations. In the following paragraphs, we summarize the principal federal laws and regulations materially affecting the growth and operation of the cable communications industry. We also provide a brief description of certain state and local laws applicable to our businesses.

The Communications Act and FCC Regulations

The Communications Act and the regulations and policies of the FCC affect significant aspects of our cable system operations, including:

- o subscriber rates,
- o the content of programming we offer our subscribers, as well as the way we sell our program packages to subscribers and other video program distributors,
- o the use of our cable systems by local franchising authorities, the public and other unrelated third parties,
- o our franchise agreements with governmental authorities,
- o cable system ownership limitations and prohibitions, and
- o our use of utility poles and conduit.

Subscriber Rates

The Communications Act and the FCC's regulations and policies limit the ability of cable systems to raise rates for basic services and equipment in communities that are not subject to effective competition, as defined by federal law. Where there is no effective competition, federal law gives franchising authorities the power to regulate the monthly rates charged by the operator for:

- o the lowest level of programming service, typically called basic service, which generally includes local broadcast channels and public access or governmental channels required by the operator's franchise, and

- o the installation, sale and lease of equipment used by subscribers to receive basic service, such as converter boxes and remote control units.

The FCC has adopted detailed rate regulations, guidelines and rate forms that we and the franchising authority must use in connection with the regulation of our basic service and equipment rates. If the franchising authority concludes that our rates are not in accordance with the FCC's rate regulations, it may require us to reduce our rates and to refund overcharges to subscribers, with interest. We may appeal adverse rate decisions to the FCC.

The Communications Act and the FCC's regulations also:

- o prohibit regulation of rates charged by cable operators for programming offered on a per channel or per program basis, and for multi-channel groups of non-basic programming,
- o require operators to charge uniform rates throughout each franchise area that is not subject to effective competition,
- o prohibit regulation of non-predatory bulk discount rates offered by operators to subscribers in commercial and residential developments, and
- o permit regulated equipment rates to be computed by aggregating costs of broad categories of equipment at the franchise, system, regional or company level.

Content Requirements

The Communications Act and the FCC's regulations contain broadcast signal carriage requirements that allow certain local commercial television broadcast stations:

- o to elect once every three years to require a cable communications system to carry the station, subject to certain exceptions, or
- o to negotiate with us on the terms by which we carry the station on our cable communications system, commonly called retransmission consent.

The Communications Act and the FCC's regulations require a cable operator to devote up to one-third of its activated channel capacity for the mandatory carriage of local commercial television stations. The Communications Act also gives local non-commercial television stations 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 must obtain retransmission consent for:

- o all "distant" commercial television stations (except for commercial satellite-delivered independent "superstations" such as WGN),
- o commercial radio stations, and
- o certain low-power television stations.

The FCC recently adopted regulations which require us to carry the signals of local digital-only broadcast stations (both commercial and non-commercial) and the digital signals of those local broadcast stations that return their analog spectrum to the government and convert to a digital broadcast format. The FCC's rules give the digital-only broadcast stations the discretion to elect whether the operator will carry the station's signal in a digital or converted analog format and to tie the carriage of their digital signals with the carriage of their analog signals as a retransmission consent condition. We are unable to predict the ultimate outcome of this proceeding or the impact any new carriage requirements might have on the operations of our cable systems.

The Communications Act requires our cable systems to permit subscribers to purchase video programming 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. However, we are not required to comply with this requirement until 2002 for any of our cable systems that do not have addressable converter boxes or that have other substantial technological limitations. A limited number of our 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 this requirement.

To increase competition between cable operators and other video program distributors, the Communications Act:

- o precludes any satellite video programmer affiliated with a cable company, or with a common carrier providing video programming directly to its subscribers, from favoring an affiliated company over competitors,
- o requires such programmers to sell their satellite-delivered programming to other video program distributors, and
- o limits the ability of such programmers to offer exclusive programming arrangements to their affiliates.

The FCC has concluded that the program access rules do not apply to certain terrestrially-delivered

programming, such as Comcast SportsNet. The FCC decision is currently under appeal.

The Communications Act contains restrictions on the transmission by cable operators of obscene or indecent programming. The Communications Act requires the cable operator, upon the request of the subscriber, to scramble or otherwise fully block any channel the subscriber does not wish to receive. A three-judge federal district court determined that certain restrictions on channels primarily dedicated to sexually oriented programming were unconstitutional. The United States Supreme Court recently affirmed the lower court's ruling.

The FCC actively regulates other aspects of our programming, involving such areas as:

- o our use of syndicated and network programs and local sports broadcast programming,
- o advertising in children's programming,
- o political advertising,
- o origination cablecasting,
- o sponsorship identification, and
- o closed captioning of video programming.

Use of Our Cable Systems by The Government and Unrelated Third Parties

The Communications Act allows franchising authorities and unrelated third parties to have access to our cable systems' channel capacity. For example, it:

- o permits franchising authorities to require cable operators to set aside channels for public, educational and governmental access programming, and
- o requires a cable system with 36 or more activated channels to designate a significant 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 regulates various aspects of third party commercial use of channel capacity on our cable systems, including the rates and certain terms and conditions of the commercial use.

Recently, a number of companies, including telephone companies and ISPs have asked local, state and federal governments to mandate that cable communications systems operators provide capacity on their broadband infrastructure so that these companies and others may deliver high-speed Internet access and interactive television services directly to customers over cable facilities. Some cable operators, including us, have initiated litigation challenging municipal efforts to unilaterally impose so-called "open access" requirements. The few court decisions dealing with this issue have been inconsistent. The FCC recently initiated a regulatory proceeding to consider "open access" and related regulatory issues and, in connection with its review of the recent AOL-Time Warner merger, imposed, together with the Federal Trade Commission, "open access," technical performance and other requirements related to the merged company's Internet and Instant Messaging platforms. Whether the policy framework reflected in these agencies' merger reviews will be imposed on an industry-wide basis is uncertain. We cannot predict the ultimate outcome of this administrative proceeding or the impact of any new access requirements on the operation of our cable systems.

Franchise Matters

Although franchising matters are normally regulated at the local level through a franchise agreement and/or a local ordinance, the Communications Act provides oversight and guidelines to govern our relationship with local franchising authorities. For example, the Communications Act:

- o 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,
- o generally prohibits us from operating in communities without a franchise,
- o encourages competition with our existing cable systems by:
 - o allowing municipalities to operate cable systems without franchises, and
 - o preventing franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises covering an existing cable system's service area,
- o permits local authorities, when granting or renewing our franchises, to establish requirements for certain cable-related facilities and equipment, but prohibits franchising authorities from establishing requirements for specific video programming or information services other than in broad categories,
- o permits us to obtain modification of our franchise requirements from the franchise authority or by judicial action if warranted by changed circumstances,

- o generally prohibits franchising authorities from:
 - o imposing requirements during the initial cable franchising process or during franchise renewal that require, prohibit or restrict us from providing telecommunications services,
 - o imposing franchise fees on revenues we derive from providing telecommunications services over our cable systems, or
 - o restricting our use of any type of subscriber equipment or transmission technology, and
- o limits our payment of franchise fees to the local franchising authority to 5% of our gross revenues derived from providing cable services over our cable system.

The Communications Act contains procedures designed to protect us against arbitrary denials of the renewal of our franchises, although a franchising authority under various conditions can deny us a franchise renewal. Moreover, even if our franchise is renewed, the franchising authority may seek to impose upon us 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 our cable system or franchise, the franchising authority may attempt to impose more burdensome or onerous franchise requirements on us in connection with a request for such consent. Historically, cable operators providing satisfactory services to their subscribers and complying with the terms of their franchises have typically obtained franchise renewals. We believe that we have generally met the terms of our franchise agreements and have provided quality levels of service. We anticipate that our future franchise renewal prospects generally will be favorable.

Various courts have considered whether franchising authorities have the legal right to limit the number of franchises awarded within a community and to impose certain substantive franchise requirements (e.g. access channels, universal service and other technical requirements). These decisions have been inconsistent and, until the United States Supreme Court rules definitively on the scope of cable operators' constitutional and statutory 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

The Communications Act generally prohibits us from owning or operating a SMATV or wireless cable system in any area where we provide franchised cable service. We may, however, acquire and operate SMATV systems in our franchised service areas if the programming and other services provided to SMATV subscribers are offered according to the terms and conditions of our franchise agreement.

The Communications Act also authorizes the FCC to impose nationwide limits on the number of subscribers under the control of a cable operator and on the number of channels that can be occupied on a cable system by video programmers in which the cable operator has an attributable ownership interest. The FCC has adopted cable ownership regulations and established:

- o a 30% nationwide subscriber ownership limit,
- o subscriber ownership information reporting requirements, and
- o attribution rules that identify when the ownership or management by us or third parties of other communications businesses, including cable systems, television broadcast stations and local telephone companies, may be imputed to us for purposes of determining our compliance with the FCC's ownership restrictions.

Although a federal appellate court rejected constitutional challenges to the statutory ownership limitations and the United States Supreme Court recently declined to review that case, an appeal challenging the FCC's adoption of its cable ownership regulations is currently pending in federal court. We are unable to predict the outcome of this judicial proceeding or the impact any ownership restrictions might have on our business and operations.

The Communications Act eliminated the statutory prohibition on the common ownership, operation or control of a cable system and a television broadcast station in the same market. While the FCC has eliminated its regulations which precluded the cross-ownership of a national broadcasting network and a cable system, it has retained other regulations which prohibit the common ownership of other broadcasting interests and cable systems in the same geographical areas.

The 1996 amendments to the Communications Act made far-reaching changes in the relationship between local telephone companies and cable service providers. These amendments:

- o eliminated federal legal barriers to competition in the local telephone and cable communications businesses, including allowing local telephone companies to offer video services in their local telephone service areas,

- o preempted state and local laws and regulations which impose barriers to telecommunications competition,
- o set basic standards for relationships between telecommunications providers, and
- o generally limited acquisitions and prohibited certain joint ventures between local telephone companies and cable operators in the same market.

Local telephone companies may provide service as traditional cable operators with local franchises or they may opt to provide their programming over unfranchised "open video systems," subject to certain conditions, including, but not limited to, setting aside a portion of their channel capacity for use by unaffiliated program distributors on a non-discriminatory basis. A federal appellate court overturned various parts of the FCC's open video rules, including the FCC's preemption of local franchising requirements for open video operators. The FCC has modified its open video rules to comply with the federal court's decision. We are unable to predict the impact these rule modifications may have on our business and operations.

Pole Attachment Regulation

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 demonstrate to the FCC that they adequately regulate pole attachment rates, as is the case in certain states in which we operate. In the absence of state regulation, the FCC administers pole attachment rates on a formula basis. The FCC's original rate formula governs the maximum rate certain utilities may charge for attachments to their poles and conduit by cable operators providing only cable services. The FCC also adopted a second rate formula that became effective in February 2001 and governs the maximum rate certain utilities may charge for attachments to their poles and conduit by companies providing telecommunications services, including cable operators.

Any resulting increase in attachment rates due to the FCC's new rate formula will be phased in over a five-year period in equal annual increments, beginning in February 2001. Several parties have requested the FCC to reconsider its new regulations and several parties challenged the new rules in court. A federal appellate court upheld the constitutionality of the new statutory provision which requires that utilities provide cable systems and telecommunications carriers with nondiscriminatory access to any pole, conduit or right-of-way controlled by the utility. However, the same court determined in a separate case that the FCC did not have authority to regulate the rates, terms and conditions of cable operators' pole attachments that are simultaneously used to provide high-speed Internet access and cable services. Based upon this decision, a number of companies that control utility poles in areas served by us have already announced and unilaterally implemented significant changes in contract terms and increases in the rates charged for cable pole attachments. We have filed in several complaints filed at the FCC by various state cable associations challenging certain utilities' rate increases and the unilateral imposition of new contract terms. Although the adverse appellate court decision has been stayed pending review by the United States Supreme Court, if the decision is not reversed, the contract terms imposed by utilities on cable operators for pole attachments will likely be more onerous. We are unable to predict the outcome of the legal challenge to the FCC's new regulations or the ultimate impact any revised FCC rate formula, any new pole attachment rate regulations or any elimination or modification of the FCC's regulatory authority might have on our business and operations.

Other Regulatory Requirements of the Communications Act and the FCC

The Communications Act also includes provisions, among others, regulating:

- o customer service,
- o subscriber privacy,
- o marketing practices,
- o equal employment opportunity, and
- o technical standards and equipment compatibility.

The FCC actively regulates other parts of our cable operations and has adopted regulations implementing its authority under the Communications Act.

The FCC may 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. The FCC has ongoing rulemaking proceedings that may change its existing rules or lead to new regulations. We are unable to predict the impact that any further FCC rule changes may have on our business and operations.

Other bills and administrative proposals pertaining to cable communications have previously been introduced in Congress or have been considered by other governmental bodies over the past several years. It is probable that further attempts will be made by Congress and other governmental bodies relating to the regulation of cable

communications services.

Copyright

Our cable communications systems provide our subscribers with local and distant television and radio broadcast signals which are protected by the copyright laws. We generally do not obtain a license to use this programming directly from the owners of the programming; instead we comply with an alternative federal copyright licensing process. In exchange for filing certain reports and contributing a percentage of our revenues to a federal copyright royalty pool, we obtain blanket permission to retransmit copyrighted material.

In a report to Congress, the U.S. Copyright Office recommended that Congress make major revisions to both the cable television and satellite compulsory licenses. Congress recently modified the satellite compulsory license in a manner that permits DBS providers to become more competitive with cable operators like us. The possible simplification, modification or elimination of the cable communications compulsory copyright license is the subject of continuing legislative review. The elimination or substantial modification of the cable compulsory license could adversely affect our ability to obtain suitable programming and could substantially increase the cost of programming that remains available for distribution to our subscribers. We are unable to predict the outcome of this legislative activity.

Our cable communications systems often utilize music in the programs we provide to subscribers including local advertising, local origination programming and pay-per-view events. The right to use this music is controlled by music performing rights organizations who negotiate on behalf of their members for license fees covering each performance. The cable industry and one of these organizations have agreed upon a standard licensing agreement covering the performance of music contained in programs originated by cable operators and in pay-per-view events. Negotiations on a similar licensing agreement are in process with another music performing rights organization. Rate courts established by a federal court exist to determine appropriate copyright coverage and payments in the event the parties fail to reach a negotiated settlement. We are unable to predict the outcome of these proceedings or the amount of any license fees we may be required to pay for the use of music. We do not believe that the amount of such fees will be significant to our financial position, results of operations or liquidity.

State and Local Regulation

Our cable systems use local streets and rights-of-way. Consequently, we must comply with state and local regulation which is typically imposed through the franchising process. The terms and conditions of our franchises vary materially from jurisdiction to jurisdiction. Each franchise generally contains provisions governing:

- o cable service rates,
- o franchise fees,
- o franchise term,
- o system construction and maintenance obligations,
- o system channel capacity,
- o design and technical performance,
- o customer service standards,
- o franchise renewal,
- o sale or transfer of the franchise,
- o service territory of the franchisee,
- o indemnification of the franchising authority,
- o use and occupancy of public streets, and
- o types of cable services provided.

A number of states subject cable systems to the jurisdiction of state governmental agencies. Those states in which we operate that have enacted such state level regulation are Connecticut, New Jersey and Delaware. State and local franchising jurisdiction is not unlimited, however; it must be exercised consistently with federal law. The Communications Act immunizes franchising authorities from monetary damage awards arising from the regulation of cable systems or decisions made on franchise grants, renewals, transfers and amendments.

The summary of certain federal and state regulatory requirements in the preceding pages does not 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 systems operate. We are unable to predict the outcome of these proceedings or their impact upon our cable operations at this time.

Commerce and Content

The FCC does not directly regulate the content or transmission of programming services like those offered by QVC and E! Entertainment. The FCC does, however, exercise regulatory authority over the satellites and uplink facilities which transmit programming services such as those provided by QVC and E! Entertainment. The FCC has granted, subject to periodic reviews, permanent licenses 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. The FCC has licensing authority over satellites from which QVC and E! Entertainment obtain transponder capacity, but does not regulate their rates, terms or conditions of service. The FCC could, however, alter the regulatory obligations applicable to satellite service providers. The QVC programming services offered in the UK and Germany are regulated by the media authorities in those countries.

EMPLOYEES

As of December 31, 2000, we had approximately 35,000 employees. Of these employees, approximately 18,000 were associated with cable communications, approximately 11,000 were associated with commerce and approximately 6,000 were associated with other divisions. We believe that our relationships with our employees are good.

ITEM 2 PROPERTIES

Cable

A central receiving apparatus, distribution cables, servers, analog and digital converters, cable modems, customer service call centers and local business offices are the principal physical assets of a cable communications system. We own or lease the receiving and distribution equipment of each system and own or lease parcels of real property for the receiving sites, customer service call centers and local business offices. In order to keep pace with technological advances, we are maintaining, periodically upgrading and rebuilding the physical components of our cable communications systems.

Commerce

Television studios, customer service call centers, business offices, product warehouses and distribution centers are the principal physical assets of our commerce operations. These assets include QVC's studios and offices, Studio Park, located in West Chester, Pennsylvania. QVC owns the majority of these assets. In order to keep pace with technological advances, QVC is maintaining, periodically upgrading and rebuilding the physical components of our commerce operations. QVC's warehousing and distribution facilities will continue to be upgraded over the next several years.

Content

Two large multi-purpose arenas, television studios and business offices are the principal physical assets of our content operations. We own the arenas and own or lease the television studios and business offices of our content operations.

We believe that substantially all of our physical assets are in good operating condition.

ITEM 3 LEGAL PROCEEDINGS

We are subject to legal proceedings and claims which arise in the ordinary course of our business. In the opinion of our management, the amount of ultimate liability with respect to these actions will not materially affect our financial position, results of operations or liquidity.

ITEM 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 4A EXECUTIVE OFFICERS OF THE REGISTRANT

The current term of office of each of our officers expires at the first meeting of our Board of Directors following the next Annual Meeting of Shareholders, presently scheduled to be held in June 2001, or as soon thereafter as each of their successors is elected and qualified. The following table sets forth certain information concerning our executive officers, including their ages, positions and tenure as of December 31, 2000:

Name	Age	Officer Since	Position with Comcast
Ralph J. Roberts	80	1969	Chairman of the Board of Directors; Director
Julian A. Brodsky	67	1969	Vice Chairman of the Board of Directors; Director
Brian L. Roberts	41	1986	President; Director
Lawrence S. Smith	53	1988	Executive Vice President
John R. Alchin	52	1990	Executive Vice President; Treasurer
Stanley L. Wang	60	1981	Executive Vice President - Law and Administration
Lawrence J. Salva	44	2000	Senior Vice President

Ralph J. Roberts has served as a Director and as our Chairman of the Board of Directors for more than five years. Mr. Roberts devotes a major portion of his time to our business and affairs. Mr. Roberts has been the President and a Director of Sural Corporation ("Sural"), a privately-held investment company and our controlling shareholder, for more than five years. Mr. Roberts also presently serves as a Director of Comcast Cable Communications, Inc. Mr. Roberts is the father of Brian L. Roberts.

Julian A. Brodsky has served as a Director and as our Vice Chairman of the Board of Directors for more than five years. Mr. Brodsky devotes a major portion of his time to our business and affairs. Mr. Brodsky presently serves as the Treasurer and as a Director of Sural. Mr. Brodsky is also a Director of RBB Fund, Inc. and NDS Group plc.

Brian L. Roberts has served as our President and as a Director for more than five years. Mr. Roberts devotes a major portion of his time to our business and affairs. Mr. Roberts presently serves as Vice President and as a Director of Sural. As of December 31, 2000, our shares owned by Sural constituted approximately 87% of the voting power of the two classes of our voting common stock combined. Mr. Roberts has sole voting power over stock representing a majority of voting power of all Sural stock and, therefore, has voting control over Comcast. Mr. Roberts is our Principal Executive Officer. Mr. Roberts also presently serves as a Director of Comcast Cable Communications, Inc. and The Bank of New York. Mr. Roberts is a son of Ralph J. Roberts.

Lawrence S. Smith has served as an Executive Vice President for more than five years. For more than five years prior to January 2000, Mr. Smith served as our Principal Accounting Officer. Mr. Smith also presently serves as a Director of Comcast Cable Communications, Inc.

John R. Alchin was named an Executive Vice President in February 2000. Prior to that time, Mr. Alchin served as our Treasurer and as a Senior Vice President for more than five years. Mr. Alchin is our Principal Financial Officer.

Stanley L. Wang was named Executive Vice President - Law and Administration in February 2000. Prior to that time, Mr. Wang served as a Senior Vice President and as our Secretary and General Counsel for more than five years. Mr. Wang also presently serves as a Director of Comcast Cable Communications, Inc.

Lawrence J. Salva joined the Company in January 2000 as Senior Vice President and Chief Accounting Officer. Prior to that time, Mr. Salva was a national accounting consulting partner in the public accounting firm of PricewaterhouseCoopers for more than five years. Mr. Salva has served as our Principal Accounting Officer since January 2000.

PART II

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

Our Class A Special Common Stock is included on Nasdaq under the symbol CMCSK and our Class A Common Stock is included on Nasdaq under the symbol CMCSA. There is no established public trading market for our Class B Common Stock. Our Class B Common Stock can be converted, 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 our Class A Special and Class A Common Stock as furnished by Nasdaq (as adjusted for our two-for-one stock split in the form of a 100% stock dividend in May 1999).

	Class A Special				Class A			
	High		Low		High		Low	
2000								
First Quarter.....	\$54	9/16	\$38	5/16	\$51	7/16	\$36	1/4
Second Quarter.....	44	3/16	29	3/4	41	3/4	29	3/4
Third Quarter.....	41	1/16	31	1/16	40	11/16	30	3/4
Fourth Quarter.....	43	15/16	34		43	15/16	33	7/8
1999								
First Quarter.....	\$38	9/16	\$29	5/8	\$37	11/32	\$28	15/16
Second Quarter.....	42		29	7/16	39	11/16	28	3/8
Third Quarter.....	41	9/16	32	5/8	38	9/16	29	7/16
Fourth Quarter.....	56	1/2	35	11/16	53	1/8	32	1/16

We began paying quarterly cash dividends on our Class A Common Stock in 1977. From 1978, we paid equal dividends on shares of both our Class A Common Stock and our Class B Common Stock. From December 1986, when the Class A Special Common Stock was issued, through March 1999 we paid equal dividends on shares of our Class A Special, Class A and Class B Common Stock. We declared dividends of \$.0467 for the year ended December 31, 1998 on shares of our Class A Special, Class A and Class B Common Stock (as adjusted for our two-for-one stock split in the form of a 100% stock dividend in May 1999). Our Board of Directors eliminated the quarterly cash dividend on all classes of our common stock in March 1999. We do not intend to pay dividends on our Class A Special, Class A or Class B Common Stock for the foreseeable future.

If you hold shares of our Class A Special Common Stock, you cannot vote in the election of directors or otherwise, except where class voting is required by law. In that case, if you hold Class A Special Common Stock, you have one vote per share. Generally, if you hold Class A Common Stock, you have one vote per share. If you hold Class B Common Stock, you have 15 votes per share. Generally, including the election of directors, holders of Class A Common Stock and Class B Common Stock vote as one class except where class voting is required by law. If you hold Class A Common Stock or Class B Common Stock, you have cumulative voting rights.

As of December 31, 2000, there were 4,066 record holders of our Class A Special Common Stock, 1,597 record holders of our Class A Common Stock and one record holder of our Class B Common Stock.

ITEM 6 SELECTED FINANCIAL DATA

	2000(1)	Year Ended December 31,		1997	1996
		1999(1)	1998(1)		
(Dollars in millions, except per share data)					
Statement of Operations Data:					
Revenues (2).....	\$8,218.6	\$6,529.2	\$5,419.0	\$4,700.4	\$3,813.8
Operating (loss) income.....	(161.0)	664.0	557.1	466.6	465.9
Income (loss) from continuing operations before extraordinary items.....	2,045.1	780.9	1,007.7	(182.9)	(6.4)
Discontinued operations (3).....		335.8	(31.4)	(25.6)	(46.1)
Extraordinary items.....	(23.6)	(51.0)	(4.2)	(30.2)	(1.0)
Net income (loss).....	2,021.5	1,065.7	972.1	(238.7)	(53.5)
Basic earnings (loss) for common stockholders per common share (4)					
Income (loss) from continuing operations before extraordinary items.....	\$2.27	\$1.00	\$1.34	(\$.29)	(\$.01)
Discontinued operations (3).....		.45	(.04)	(.04)	(.10)
Extraordinary items.....	(.03)	(.07)	(.01)	(.04)	
Net income (loss).....	\$2.24	\$1.38	\$1.29	(\$.37)	(\$.11)
Diluted earnings (loss) for common stockholders per common share (4)					
Income (loss) from continuing operations before extraordinary items.....	\$2.16	\$.95	\$1.25	(\$.29)	(\$.01)
Discontinued operations (3).....		.41	(.03)	(.04)	(.10)
Extraordinary items.....	(.03)	(.06)	(.01)	(.04)	
Net income (loss).....	\$2.13	\$1.30	\$1.21	(\$.37)	(\$.11)
Cash dividends declared per common share (4).....			\$.0467	\$.0467	\$.0467
Balance Sheet Data (at year end):					
Total assets.....	\$35,744.5	\$28,685.6	\$14,710.5	\$11,234.3	\$10,660.4
Working capital (deficit).....	1,102.2	4,226.3	2,497.0	13.6	(12.6)
Long-term debt (5).....	10,517.4	8,707.2	5,464.2	5,334.1	5,998.3
Stockholders' equity.....	14,086.4	10,341.3	3,815.3	1,646.5	551.6
Supplementary Financial Data:					
Operating income before depreciation and amortization (6).....	\$2,470.3	\$1,880.0	\$1,496.7	\$1,293.1	\$1,047.0
Net cash provided by (used in) (7).....					
Operating activities.....	1,219.3	1,249.4	1,067.7	844.6	644.5
Financing activities.....	(271.4)	1,341.4	809.2	283.9	(88.0)
Investing activities.....	(1,218.6)	(2,539.3)	(1,415.3)	(1,045.8)	(749.5)

- (1) You should see "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 7 of this Annual Report for a discussion of events which affect the comparability of the information reflected in this financial data.
- (2) We have adjusted these amounts in accordance with Emerging Issues Task Force No. 00-10, "Accounting for Shipping and Handling Fees and Costs" (see Note 2 to our consolidated financial statements in Item 8 of this Annual Report).
- (3) In July 1999, we sold Comcast Cellular Corporation to SBC Communications, Inc. Comcast Cellular is presented as a discontinued operation for all periods presented (see Note 3 to our consolidated financial statements in Item 8 of this Annual Report).
- (4) We have adjusted these for our two-for-one stock split in the form of a 100% stock dividend in May 1999 (see Note 6 to our consolidated financial statements in Item 8 of this Annual Report).
- (5) Includes a \$666.0 million adjustment to carrying value at December 31, 1999 (see Note 5 to our consolidated financial statements in Item 8 of this Annual Report).

- (6) Operating income before depreciation and amortization is commonly referred to in our 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 our 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 businesses in our industries, although our measure of operating cash flow may not be comparable to similarly titled measures of other companies. Operating cash flow is the primary basis used by our management to measure the operating performance of our 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 those measurements as an indicator of our performance.
- (7) This represents net cash provided by (used in) operating activities, financing activities and investing activities as presented in our consolidated statement of cash flows which is included in Item 8 of this Annual Report.

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

Overview

We have experienced significant growth in recent years through both strategic acquisitions and growth in our existing businesses. We have historically met our cash needs for operations through our cash flows from operating activities. Cash requirements for acquisitions and capital expenditures have been provided through our financing activities and sales of investments, as well as our existing cash, cash equivalents and short-term investments.

We have acquired and we anticipate acquiring cable communications systems in new communities in which we do not have established relationships with the franchising authority, community leaders and cable subscribers. Further, a substantial number of new employees are being and must continue to be integrated into our business practices and operations. Our previously announced cable systems exchanges with AT&T Corp. ("AT&T") and Adelphia Communications ("Adelphia") closed on December 31, 2000 and January 1, 2001, respectively. Our previously announced cable systems acquisition from AT&T, which is subject to customary closing conditions and regulatory approvals, is expected to close by the end of the second quarter of 2001. Our results of operations may be significantly affected by our ability to efficiently and effectively manage these changes.

General Developments of Business

See "General Developments of Business" in Part I and Note 3 to our consolidated financial statements in Item 8.

Liquidity and Capital Resources

The cable communications and the electronic retailing industries are experiencing increasing competition and rapid technological changes. Our future results of operations will be affected by our ability to react to changes in the competitive environment and by our ability to implement new technologies. However, we believe that competition and technological changes will not significantly affect our ability to obtain financing.

We believe that we will be able to meet our current and long-term liquidity and capital requirements, including fixed charges, through our cash flows from operating activities, existing cash, cash equivalents and investments, and through available borrowings under our existing credit facilities.

Cash, Cash Equivalents and Short-term Investments

We have traditionally maintained significant levels of cash, cash equivalents and short-term investments to meet our short-term liquidity requirements. Our cash equivalents and short-term investments are recorded at fair value. Cash, cash equivalents and short-term investments as of December 31, 2000 were \$3.711 billion, substantially all of which is unrestricted. See Note 4 to our consolidated financial statements included in Item 8.

Capital Expenditures

During 2001, we expect to incur approximately \$1.65 billion of capital expenditures in our cable, commerce and content businesses, including approximately \$1.45 billion for our cable operations.

Cable

We expect our 2001 cable capital expenditures will include approximately \$550 million for the upgrading and rebuilding of certain of our cable communications systems, approximately \$550 million for the deployment of cable modems, digital converters and new service offerings, and the remainder for recurring capital projects.

The amount of such capital expenditures for years subsequent to 2001 will depend on numerous factors, some of which are beyond our control including:

- o competition,
- o cable system capacity of newly acquired systems, and
- o the timing and rate of deployment of new services.

National manufacturers are the primary source of supplies, equipment and materials utilized in the construction, rebuild and upgrade of our cable communications systems. Costs 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. Future increases in such costs may be significant to our financial position, results of operations and liquidity.

Commerce

During 2001, we expect to incur approximately \$150 million for our majority-owned electronic retailing subsidiary, QVC, Inc. ("QVC"), primarily for the

upgrading of QVC's warehousing facilities, distribution facilities and information systems.

New Business Initiatives

During 2001, we expect to incur \$275 million to \$325 million of capital expenditures in our new business initiatives primarily for the construction of our domestic wireline business and the construction of our international wireless operations. The amount of such capital expenditures for 2001 will depend on the timing and rate at which we elect to deploy resources in the targeted service areas.

We anticipate capital expenditures for years subsequent to 2001 will continue to be significant. As of December 31, 2000, we do not have any significant contractual obligations for capital expenditures.

Financing

See Notes 5 and 6 to our consolidated financial statements included in Item 8.

The \$1.587 billion increase in our long-term debt, including current portion, results principally from the \$2.146 billion of aggregate debt that we assumed in connection with our acquisitions of Lenfest Communications, Inc. ("Lenfest") in January 2000 and Prime Communications LLC ("Prime") in August 2000 (see Notes 3 and 5 to our consolidated financial statements included in Item 8), \$107.0 million of borrowings, net of retirements and repayments, and the \$666.0 million reduction to the carrying value of our 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES") during the year ended December 31, 2000 (see Note 5 to our consolidated financial statements included in Item 8).

As of December 31, 2000 and 1999, our long-term debt, including current portion, was \$10.811 billion and \$9.225 billion, respectively. Excluding the effects of interest rate risk management instruments, 28.5% and 25.4% of our long-term debt as of December 31, 2000 and 1999, respectively, was at variable rates.

In January 2001, our indirect wholly owned subsidiary, Comcast Cable Communications, Inc. ("Comcast Cable") sold an aggregate of \$1.5 billion of public debt consisting of \$500.0 million of 6.375% Senior Notes due 2006 and \$1.0 billion of 6.75% Senior Notes due 2011. In January 2001, we issued an additional \$192.8 million principal amount at maturity of our Zero Coupon Convertible Debentures due 2020 (the "Zero Coupon Debentures" - see Note 5 to our consolidated financial statements included in Item 8). We used substantially all of the net proceeds from the offerings to repay a portion of the amounts outstanding under Comcast Cable's commercial paper program and bank credit facility. After giving effect to these subsequent transactions, and excluding the effects of interest rate risk management instruments, 13.5% of our long-term debt was at variable rates.

We have, and may from time to time in the future, depending on certain factors including market conditions, make optional repayments on our debt obligations, which may include open market repurchases of our outstanding public notes and debentures.

Interest Rate Risk Management

We are exposed to the market risk of adverse changes in interest rates. To manage the volatility relating to these exposures, we maintain a mix of fixed and variable rate debt and enter into various derivative transactions pursuant to our policies. Positions are monitored using techniques including market value and sensitivity analyses. We do not hold or issue any derivative financial instruments for trading purposes and are not a party to leveraged instruments. The credit risks associated with our derivative financial instruments are controlled through the evaluation and monitoring of the creditworthiness of the counterparties. Although we may be exposed to losses in the event of nonperformance by the counterparties, we do not expect such losses, if any, to be significant.

Using interest rate exchange agreements ("Swaps"), we agree to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. Interest rate cap agreements ("Caps") are used to lock in a maximum interest rate should variable rates rise, but enable us to otherwise pay lower market rates. Interest rate collar agreements ("Collars") limit our exposure to and benefits from interest rate fluctuations on variable rate debt to within a certain range of rates.

The table set forth below summarizes the fair values and contract terms of financial instruments subject to interest rate risk maintained by us as of December 31, 2000 (dollars in millions):

	2001	2002	Expected Maturity Date			Thereafter	Total	Fair Value at 12/31/00
	----	----	----	----	----	-----	-----	-----
Debt								
Fixed Rate.....	\$107.9	\$208.6	\$7.9	\$308.6	\$705.9	\$6,386.2	\$7,725.1	\$7,165.3
Average Interest Rate.....	10.2%	9.6%	8.0%	8.1%	8.3%	5.3%	5.9%	
Variable Rate.....	\$186.0	\$239.4	\$61.3	\$0.1	\$2,597.6	\$1.8	\$3,086.2	\$3,086.2
Average Interest Rate.....	6.8%	6.4%	6.4%	7.9%	6.8%	7.9%	6.8%	
Interest Rate Instruments								
Variable to Fixed Swaps.....	\$197.5	\$143.5	\$36.7				\$377.7	\$3.7
Average Pay Rate.....	5.5%	4.9%	4.9%				5.2%	
Average Receive Rate.....	6.4%	6.0%	6.0%				6.2%	
Fixed to Variable Swaps.....				\$300.0		\$150.0	\$450.0	\$3.2
Average Pay Rate.....				7.5%		7.9%	7.7%	
Average Receive Rate.....				8.1%		8.3%	8.2%	

The notional amounts of interest rate instruments, as presented in the table above, are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The estimated fair value approximates the proceeds (costs) to settle the outstanding contracts. Interest rates on variable debt are estimated by us using the average implied forward London Interbank Offer Rate ("LIBOR") rates for the year of maturity based on the yield curve in effect at December 31, 2000, plus the borrowing margin in effect for each credit facility at December 31, 2000. Average receive rates on the Variable to Fixed Swaps are estimated by us using the average implied forward LIBOR rates for the year of maturity based on the yield curve in effect at December 31, 2000. While Swaps, Caps and Collars represent an integral part of our interest rate risk management program, their incremental effect on interest expense for the years ended December 31, 2000, 1999 and 1998 was not significant.

Equity Price Risk Management

During the year ended December 31, 1999, we entered into cashless collar agreements (the "Equity Collars") covering \$1.365 billion notional amount of investment securities which were accounted for at fair value. The Equity Collars limit our exposure to and benefits from price fluctuations in the underlying equity securities. The Equity Collars mature between 2001 and 2003. As we have accounted for the Equity Collars as a hedge, changes in the value of the Equity Collars were substantially offset by changes in the value of the underlying investment securities which were also marked-to-market through accumulated other comprehensive income in our consolidated balance sheet.

We adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended, on January 1, 2001, as required by the new statement. We refer you to page 29 for a discussion of the expected impact the adoption of the new statement will have on our consolidated financial position and results of operations.

Statement of Cash Flows

Cash and cash equivalents decreased \$270.7 million as of December 31, 2000 from December 31, 1999. The decrease in cash and cash equivalents resulted from cash flows from operating, financing and investing activities as explained below.

Net cash provided by operating activities from continuing operations amounted to \$1.219 billion for the year ended December 31, 2000 due principally to our operating income before depreciation and amortization (see "Results of Operations"), offset by changes in working capital as a result of the timing of receipts and disbursements and the effects of net interest and current income tax expense.

Net cash used in financing activities from continuing operations, which includes borrowings and repayments of debt, as well as the issuances and repurchases of our equity securities, was \$271.4 million for the year ended December 31, 2000. During the year ended December 31, 2000, we borrowed \$5.435 billion, consisting of \$2.150 billion of borrowings under Comcast Cable's commercial paper program, \$2.283 billion of borrowings under subsidiary revolving lines of credit and \$1.002 billion through the issuance of our \$1.285 billion principal

amount at maturity of Zero Coupon Debentures. During the year ended December 31, 2000, we repaid \$5.357 billion of our long-term debt, consisting primarily of \$3.861 billion of repayments on certain of our revolving credit facilities, \$826.7 million of repayments under Comcast Cable's commercial paper program and \$615.7 million of aggregate repurchases of various of our senior notes and of our senior subordinated debentures. In addition, during the year ended December 31, 2000, we received proceeds of \$30.5 million related to issuances of our common stock and the sale of put options on our common stock, we repurchased \$324.9 million of our common stock, and we incurred \$55.8 million of deferred financing costs.

Net cash used in investing activities from continuing operations was \$1.219 billion for the year ended December 31, 2000. Net cash used in investing activities includes the effects of acquisitions, net of cash acquired, of \$187.3 million, consisting of our acquisition of certain cable communications systems, investments of \$1.011 billion, capital expenditures of \$1.637 billion and additions to deferred charges of \$409.2 million, offset by net proceeds from sales of short-term investments of \$1.028 billion and proceeds from sales of investments of \$997.3 million.

Results of Operations

The effects of our recent acquisitions were to increase our revenues and expenses, resulting in increases in our operating income before depreciation and amortization. The increases in our property and equipment, deferred charges and long-term debt (see Notes 5 and 8 to our consolidated financial statements included in Item 8) and the corresponding increases in depreciation expense, amortization expense and interest expense from 1999 to 2000 and from 1998 to 1999 are primarily due to the effects of our acquisitions of Jones Intercable, Inc. ("Jones Intercable"), Lenfest and Prime in April 1999, January 2000 and August 2000, respectively, as well as our increased levels of capital expenditures.

During 2001, we expect to incur \$110 million to \$150 million of operating losses before depreciation and amortization, primarily in connection with the expansion of our new domestic wireline and international wireless business initiatives. The amount of such operating losses will depend on the timing and rate at which we elect to deploy resources in the targeted service areas.

Our depreciation expense and amortization expense for years subsequent to 2000 will increase significantly as a result of our cable systems exchanges with AT&T and Adelphia which closed on December 31, 2000 and January 1, 2001, respectively.

Our summarized consolidated financial information for the three years ended December 31, 2000 is as follows (dollars in millions, "NM" denotes percentage is not meaningful):

	Year Ended December 31,		Increase/(Decrease)	
	2000	1999	\$	%
Revenues.....	\$8,218.6	\$6,529.2	\$1,689.4	25.9%
Cost of goods sold from electronic retailing.....	2,284.9	2,060.0	224.9	10.9
Operating, selling, general and administrative expenses.....	3,463.4	2,589.2	874.2	33.8
Operating income before depreciation and amortization (1)	2,470.3	1,880.0	590.3	31.4
Depreciation.....	837.3	572.0	265.3	46.4
Amortization.....	1,794.0	644.0	1,150.0	NM
Operating (loss) income.....	(161.0)	664.0	(825.0)	NM
Interest expense.....	691.4	538.3	153.1	28.4
Investment income.....	(983.9)	(629.5)	354.4	56.3
(Income) expense related to indexed debt.....	(666.0)	666.0	1,332.0	NM
Equity in net losses (income) of affiliates.....	21.3	(1.4)	(22.7)	NM
Other income.....	(2,825.5)	(1,409.4)	1,416.1	NM
Income tax expense.....	1,441.3	723.7	717.6	99.2
Minority interest.....	(115.3)	4.6	(119.9)	NM
Income from continuing operations before extraordinary items.....	\$2,045.1	\$780.9	\$1,264.2	NM
	=====	=====		
	Year Ended December 31,		Increase/(Decrease)	
	1999	1998	\$	%
Revenues.....	\$6,529.2	\$5,419.0	\$1,110.2	20.5%
Cost of goods sold from electronic retailing.....	2,060.0	1,735.7	324.3	18.7
Operating, selling, general and administrative expenses.....	2,589.2	2,186.6	402.6	18.4
Operating income before depreciation and amortization (1)	1,880.0	1,496.7	383.3	25.6
Depreciation.....	572.0	463.9	108.1	23.3
Amortization.....	644.0	475.7	168.3	35.4
Operating income.....	664.0	557.1	106.9	19.2
Interest expense.....	538.3	466.7	71.6	15.3
Investment (income) expense.....	(629.5)	187.8	(817.3)	NM
Expense related to indexed debt.....	666.0		666.0	NM
Equity in net (income) losses of affiliates.....	(1.4)	515.9	517.3	NM
Gain from equity offering of affiliate.....		(157.8)	(157.8)	NM
Other income.....	(1,409.4)	(2,012.9)	(603.5)	(30.0)
Income tax expense.....	723.7	594.0	129.7	21.8
Minority interest.....	4.6	44.3	(39.7)	(89.6)
Income from continuing operations before extraordinary items.....	\$780.9	\$1,007.7	(\$226.8)	(22.5%)
	=====	=====		

(1) Operating income before depreciation and amortization is commonly referred to in our 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 our 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 businesses in our industries, although our measure of operating cash flow may not be comparable to similarly titled measures of other companies. Operating cash flow is the primary basis used by our management to measure the operating performance of our 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 our 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 our significant business segments, including: "Cable" and "Commerce." The remaining components of our operations are not independently significant to our consolidated financial position or results of operations (see Note 10 to our consolidated financial statements included in Item 8).

Cable

The following table presents financial information for the years ended December 31, 2000, 1999 and 1998 for our cable segment (dollars in millions):

	Year Ended December 31,		Increase	
	2000	1999	\$	%
Analog video.....	\$3,536.8	\$2,558.0	\$978.8	38.3%
Digital video.....	114.5	30.9	83.6	NM
Cable modem.....	114.4	44.5	69.9	NM
Advertising sales.....	290.2	190.3	99.9	52.5
Other.....	129.1	105.6	23.5	22.3
Service income.....	4,185.0	2,929.3	1,255.7	42.9
Operating, selling, general and administrative expenses.....	2,285.4	1,576.3	709.1	45.0
Operating income before depreciation and amortization (a).....	\$1,899.6	\$1,353.0	\$546.6	40.4%
	=====	=====	=====	
	Year Ended December 31,		Increase	
	1999	1998	\$	%
Analog video.....	\$2,558.0	\$2,036.6	\$521.4	25.6%
Digital video.....	30.9	2.2	28.7	NM
Cable modem.....	44.5	14.3	30.2	NM
Advertising sales.....	190.3	138.7	51.6	37.2
Other.....	105.6	85.6	20.0	23.4
Service income.....	2,929.3	2,277.4	651.9	28.6
Operating, selling, general and administrative expenses.....	1,576.3	1,180.8	395.5	33.5
Operating income before depreciation and amortization (a).....	\$1,353.0	\$1,096.6	\$256.4	23.4%
	=====	=====	=====	

(a) See footnote (1) on page 25.

Of the \$978.8 million increase from 1999 to 2000 in analog video service income, which consists of our basic, expanded basic, premium and pay-per-view services, \$885.9 million is attributable to the effects of our acquisitions of Jones Intercable, Lenfest and Prime in April 1999, January 2000 and August 2000, respectively, and \$92.9 million relates principally to changes in rates and subscriber growth in our historical operations, offset by slightly lower pay-per-view revenue. The increase from 1999 to 2000 in digital video service income is due primarily to the addition of approximately 839,000 digital subscriptions during the year ended December 31, 2000 and, to a lesser extent, to the effects of a new, higher-priced digital service offering made in the second half of 2000. The increase from 1999 to 2000 in cable modem service income is primarily due to the addition of approximately 258,000 cable modem subscribers during the year ended December 31, 2000. Approximately one-half of the increase from 1999 to 2000 in advertising sales revenue is attributable to the effects of our acquisition of Lenfest, with the remaining increase attributable to the effects of the 2000 political campaigns and increased cable viewership. The increase from 1999 to 2000 in other service income, which includes installation revenues, guide revenues, commissions from electronic retailing and other product offerings, is primarily attributable to our acquisitions of Lenfest and Jones Intercable.

Of the \$521.4 million increase from 1998 to 1999 in analog video service income, \$378.5 million is attributable to the effects of our acquisitions of Jones Intercable and Greater Philadelphia Cablevision, Inc. in April 1999 and June 1999, respectively, and \$142.9 million relates principally to changes in rates and subscriber growth in our historical operations and higher pay-per-view revenue. The increase from 1998 to 1999 in digital video service income is due primarily to the addition of approximately 437,000 digital subscriptions during the year ended December 31, 1999. The increase from 1998 to 1999 in cable modem service income is primarily due to the addition of approximately 91,000 cable modem subscribers during the year ended December 31, 1999. The increase from 1998 to 1999 in advertising sales revenue is primarily attributable to our acquisition of Jones Intercable, strong economic conditions and increased cable viewership. The increase from 1998 to 1999 in other service income is primarily attributable to our acquisition of Jones Intercable.

The increases in operating, selling, general, and administrative expenses from 1999 to 2000 and from 1998 to 1999 are primarily due to the effects of our acquisitions of Jones Intercable, Lenfest and Prime, increases in the costs of cable programming as a result of changes in rates, subscriber growth and additional channel offerings, the effects of cable modem subscriber growth, and, to a lesser extent, to increases in labor costs and other volume related expenses in our historical operations. We anticipate the cost of cable programming will increase in the future as cable programming rates increase and additional sources of cable programming become available.

Commerce

The following table sets forth the operating results for our commerce segment, which consists of QVC, Inc. and subsidiaries (dollars in millions):

	Year Ended December 31,		Increase	
	2000	1999	\$	%
Net sales from electronic retailing.....	\$3,535.9	\$3,167.4	\$368.5	11.6%
Cost of goods sold from electronic retailing.....	2,284.9	2,060.0	224.9	10.9
Operating, selling, general and administrative expenses.....	631.8	568.6	63.2	11.1
Operating income before depreciation and amortization (a)....	\$619.2	\$538.8	\$80.4	14.9%
Gross margin.....	35.4%	35.0%		

	Year Ended December 31,		Increase	
	1999	1998	\$	%
Net sales from electronic retailing.....	\$3,167.4	\$2,676.4	\$491.0	18.3%
Cost of goods sold from electronic retailing.....	2,060.0	1,735.7	324.3	18.7
Operating, selling, general and administrative expenses.....	568.6	506.5	62.1	12.3
Operating income before depreciation and amortization (a)....	\$538.8	\$434.2	\$104.6	24.1%
Gross margin.....	35.0%	35.1%		

(a) See footnote (1) on page 25.

The increase in net sales from electronic retailing from 1999 to 2000 is primarily attributable to the effects of 4.7%, 10.0% and 41.0% increases in the average number of homes receiving QVC services in the United States ("US"), United Kingdom ("UK") and Germany, respectively; increases of 5.5% and 9.4% in net sales per home in the US and Germany (in Deutschemarks), respectively, and a 10.6% decrease in net sales per home in the UK (in British pounds); and the negative effects of fluctuations in foreign currency exchange rates during the year.

The increase in net sales from electronic retailing from 1998 to 1999 is primarily attributable to the effects of 4.1%, 11.4% and 35.2% increases in the average number of homes receiving QVC services in the US, UK and Germany, respectively; increases of 8.5%, 8.4% and 90.9% in net sales per home in the US, UK (in British pounds) and Germany (in Deutschemarks), respectively; and the negative effect of fluctuations in the Deutschemark exchange rate during the year.

The increases in cost of goods sold from electronic retailing are primarily related to the growth in net sales. The changes in gross margin are a result of shifts in sales mix.

In connection with new accounting guidance issued during the year ended December 31, 2000 (see discussion of EITF 00-10 in Note 2 to our consolidated financial statements included in Item 8), QVC reclassified shipping and handling revenue from cost of goods sold from electronic retailing to net sales from electronic retailing for all periods presented. This reclassification had no effect on QVC's reported operating income before depreciation and amortization and no significant effect on growth in net sales from electronic retailing. The effect of the reclassification was to increase QVC's net sales from electronic retailing by approximately 11% and to decrease gross margin by approximately four percentage points, respectively, for the years ended December 31, 1999 and 1998 as compared to the amounts previously reported.

The increases in operating, selling, general and administrative expenses from 1999 to 2000 and from 1998 to 1999 are primarily attributable to higher variable costs and personnel costs associated with the increases in sales volume.

Consolidated Analysis

Interest Expense

The increases in interest expense from 1999 to 2000 and from 1998 to 1999 are primarily due to the effects of our acquisitions of Lenfest in January 2000 and Jones Intercable in April 1999 and the issuance of the ZONES in October and November 1999, offset, in part, by the net effects of our borrowings and repayments and retirements of debt. We anticipate that, for the foreseeable future, interest expense will be a significant cost to us.

Investment (Income) Expense

During the years ended December 31, 2000, 1999 and 1998, we recognized pre-tax gains of \$824.6 million, \$323.0 million and \$0.7 million, respectively, on sales of certain of our investments.

During the years ended December 31, 2000 and 1999, in connection with certain mergers of publicly traded companies held by us and accounted for as investments available for sale, we recognized pre-tax gains of \$62.1 million and \$187.6 million, respectively, representing the difference between the fair value of the securities received by us and our basis in the securities exchanged. Such gains were recorded as reclassifications from accumulated other comprehensive income to investment income.

During the years ended December 31, 1999 and 1998, we recorded investment expense of \$18.1 million and \$105.5 million, respectively, related to changes in the value of and the settlement of call options on certain of our unrestricted equity investments, all of which expired by November 1999.

During the years ended December 31, 2000, 1999 and 1998, we recorded pre-tax losses of \$74.4 million, \$35.5 million and \$152.8 million, respectively, on certain of our investments based on a decline in value that was considered other than temporary.

(Income) Expense Related to Indexed Debt

The ZONES have been accounted for as an indexed debt instrument since the maturity value is dependent upon the fair value of Sprint PCS Stock. During the years ended December 31, 2000 and 1999, we recorded (income) expense related to indexed debt of (\$666.0) million and \$666.0 million, respectively, to reflect the (decrease) increase in fair value of the underlying Sprint PCS Stock during the respective periods.

Equity in Net Losses (Income) of Affiliates

Equity in net losses of affiliates for the year ended December 31, 1998 consists primarily of our proportionate share of the net losses of Sprint PCS, Comcast UK Cable Partners Limited ("Comcast UK Cable") and Teleport Communications, Inc. ("Teleport"). As a result of the restructuring of Sprint PCS, the sale of our interest in Comcast UK Cable and the merger of Teleport into AT&T during the year ended December 31, 1998 (see "Other Income" below), we no longer accounted for these investments under the equity method.

Gain From Equity Offering of Affiliate

During the year ended December 31, 1998, in connection with Teleport's issuance of shares of its Class A Common Stock, we recognized a \$157.8 million increase in our proportionate share of Teleport's net assets as a gain from equity offering of affiliate.

Other Income

In December 2000, in connection with our cable systems exchange with AT&T pursuant to which we received cable communications systems serving approximately 770,000 subscribers in exchange for

certain of our cable communications systems serving approximately 700,000 subscribers, we recorded a pre-tax gain of \$1.711 billion, representing the difference between the estimated fair value as of the closing date of the transaction and our cost basis in the systems exchanged.

In August 2000, we obtained the right to exchange our Excite@Home Series A Common Stock with AT&T and we waived certain of our Excite@Home Board level and shareholder rights under a stockholders agreement (see Note 4 to our consolidated financial statements included in Item 8). In connection with the transaction, we recorded a pre-tax gain of \$1.045 billion, representing the estimated fair value of the investment as of the closing date.

In August 2000, we exchanged all of the capital stock in a wholly owned subsidiary which held certain wireless licenses for approximately 3.2 million shares of AT&T common stock. In connection with the exchange, we recognized a pre-tax gain of \$98.1 million, representing the difference between the fair value of the AT&T common stock received of \$100.0 million and our cost basis in the subsidiary.

Other income for the year ended December 31, 1999 is primarily attributable to the receipt of a \$1.5 billion termination fee as liquidated damages from MediaOne Group, Inc. ("MediaOne"), net of transaction costs, in May 1999 as a result of MediaOne's termination of its Agreement and Plan of Merger with us dated March 1999.

In November 1998, we recognized a pre-tax gain of \$758.5 million on the restructuring of the ownership and management control of Sprint PCS, representing the difference between the aggregate fair value of the Sprint PCS common stock, convertible preferred stock and warrant received by us and our cost basis in our partnership interest in Sprint PCS.

In October 1998, we recognized a pre-tax gain of \$148.3 million on the exchange of our interest in Comcast UK Cable for approximately 4.8 million shares of NTL Incorporated ("NTL") common stock, representing the difference between the fair value of the NTL common stock received by us and our cost basis in Comcast UK Cable.

In July 1998, AT&T completed its merger with Teleport. Upon closing of the merger, we received 36.3 million shares (as adjusted for AT&T's 3-for-2 stock split in April 1999) of AT&T common stock in exchange for the 25.6 million shares of Teleport Class B Common Stock held by us. As a result of the exchange, we recognized a pre-tax gain of \$1.092 billion, representing the difference between the fair value of the AT&T common stock received by us and our cost basis in Teleport.

Income Tax Expense

The increases in income tax expense from 1999 to 2000 and from 1998 to 1999 are primarily the result of the effects of changes in our income before taxes and minority interest, and non-deductible goodwill amortization.

Minority Interest

The changes in minority interest from 1999 to 2000 and from 1998 to 1999 are attributable to the effects of our acquisition of a controlling interest in Jones Intercable in April 1999, our acquisition of the California Public Employees Retirement System's 45% interest in Comcast MHCP Holdings L.L.C. in February 2000 and to changes in the net income or loss of our other less than 100% owned consolidated subsidiaries.

Extraordinary Items

Extraordinary items for the years ended December 31, 2000, 1999 and 1998 consist of unamortized debt issue costs and debt extinguishment costs, net of related tax benefits, expensed in connection with the redemption and refinancing of certain indebtedness.

We believe that our operations are not materially affected by inflation.

Expected Impact of Adoption of SFAS No. 133

We adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended, on January 1, 2001, as required by the new statement. This statement establishes accounting and reporting standards for derivatives and hedging activities (see Note 2 to our consolidated financial statements included in Item 8). Adoption of the new statement will affect our accounting for our indexed debt instruments, equity option agreements, cashless collar agreements on investment securities, equity warrant agreements, and interest rate exchange agreements.

Under the new statement, our derivative instruments, which are comprised solely of derivative financial instruments, must be recorded at fair value on our consolidated balance sheet with changes in fair value recorded, except under specific circumstances, to our consolidated statement of operations. Recording changes in the fair value of our derivative instruments to our

consolidated statement of operations represents a change from our current accounting whereby generally these changes are recorded as a component of stockholders' equity. When specific circumstances exist, hedge accounting is permitted when the derivative instrument is designated as a hedge. Hedge accounting permits changes in the fair value of our derivative instruments to be either substantially offset in our consolidated statement of operations by changes in the fair value of the hedged item or deferred as a component of stockholders' equity until the hedged item is recognized in our consolidated statement of operations.

On January 1, 2001, in connection with our adoption of the new statement, we reclassified our investment in Sprint PCS from an available for sale security to a trading security. In connection with this reclassification, we expect to record pre-tax investment income of approximately \$1.1 billion, representing the accumulated unrealized gain on our investment in Sprint PCS previously recorded as a component of stockholders' equity. Further, beginning in the first quarter of 2001, we will record changes in the fair value of our investment in Sprint PCS to investment income or expense in our consolidated statement of operations. These adjustments will be substantially offset by the changes in the fair values of the Equity Collars described on page 23 and the derivative component of our indexed debt instruments described below.

Upon adoption of the new statement, the balance of our indexed debt instruments, included in long-term debt, will be reduced by approximately \$400 million. The new statement requires that we split our indexed debt instruments into their derivative and debt components. We will record the debt component at a discount from its value at maturity. Over the term of the indexed debt instruments, increases in the value of the debt component will be recorded to interest expense in our consolidated statement of operations. Changes in the fair value of the derivative component will be recorded to investment income or expense in our consolidated statement of operations.

Our right to exchange our Excite@Home common stock with AT&T is a hedge of our investment in Excite@Home. Therefore, although we have exercised our right to exchange our investment with AT&T, beginning in the first quarter of 2001 we will record changes in the fair value of this investment and of our investment in Excite@Home common stock to investment income or expense in our consolidated statement of operations until the transaction closes.

In connection with the adoption of the new statement, we expect to recognize as income a cumulative effect of change in accounting principle, net of tax, of approximately \$400 million in the first quarter of 2001. This gain will consist of the \$400 million adjustment related to our indexed debt instruments previously described and approximately \$200 million principally related to the reclassification of gains previously recognized as a component of other comprehensive income on our equity derivative instruments, net of related deferred income taxes.

The adoption of the new statement will also result in a decrease in other comprehensive income as a result of the reclassification to our consolidated statement of operations of pre-tax gains of approximately \$1.3 billion, primarily related to our investment in Sprint PCS as discussed above. The decrease will be recorded in the first quarter of 2001, net of related deferred income taxes, of approximately \$450 million.

Adoption of the new statement will likely result in volatility from period to period in investment (income) expense as reported on our consolidated statement of operations. We are unable to predict the effects this volatility may have on our future earnings.

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, 2000 and 1999, and the related consolidated statements of operations, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the consolidated financial statements of QVC, Inc. ("QVC") (a consolidated subsidiary) as of December 31, 1998 and for the year then ended, which statements reflect total revenues constituting 49% of the Company's consolidated revenues for the year ended December 31, 1998. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in the Company's consolidated financial statements for QVC, is based solely upon the report of such other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 report of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report 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, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
Philadelphia, Pennsylvania
February 23, 2001

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

(Dollars in millions, except share data)

	December 31,	
	2000	1999
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents.....	\$651.5	\$922.2
Investments.....	3,059.7	7,606.0
Accounts receivable, less allowance for doubtful accounts of \$141.7 and \$136.6.....	891.9	673.3
Inventories, net.....	438.5	402.8
Other current assets.....	102.8	100.1
Total current assets.....	5,144.4	9,704.4
INVESTMENTS.....	2,661.9	5,548.8
PROPERTY AND EQUIPMENT.....	6,799.2	5,153.2
Accumulated depreciation.....	(1,596.5)	(1,700.9)
Property and equipment, net.....	5,202.7	3,452.3
DEFERRED CHARGES		
Franchise and license acquisition costs.....	16,594.4	5,155.7
Excess of cost over net assets acquired and other.....	10,271.5	7,566.4
Accumulated amortization.....	26,865.9	12,722.1
	(4,130.4)	(2,742.0)
Deferred charges, net.....	22,735.5	9,980.1
	\$35,744.5	\$28,685.6
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses.....	\$2,852.9	\$2,737.5
Accrued interest.....	105.5	104.5
Deferred income taxes.....	789.9	2,118.6
Current portion of long-term debt.....	293.9	517.5
Total current liabilities.....	4,042.2	5,478.1
LONG-TERM DEBT, less current portion (including adjustment to carrying value of zero and \$666.0 million).....	10,517.4	8,707.2
DEFERRED INCOME TAXES.....	5,786.7	3,150.5
MINORITY INTEREST AND OTHER.....	1,257.2	1,008.5
COMMITMENTS AND CONTINGENCIES (NOTE 9).....		
COMMON EQUITY PUT OPTIONS.....	54.6	
STOCKHOLDERS' EQUITY		
Preferred stock - authorized, 20,000,000 shares.....		
5.25% series B mandatorily redeemable convertible, \$1,000 par value; issued, 59,450 and 569,640 at redemption value.....	59.5	569.6
Class A special common stock, \$1 par value - authorized, 2,500,000,000 shares; issued, 931,340,103 and 716,442,482; outstanding, 908,015,192 and 716,442,482	908.0	716.4
Class A common stock, \$1 par value - authorized, 200,000,000 shares; issued, 21,832,250 and 25,993,380.....	21.8	26.0
Class B common stock, \$1 par value - authorized, 50,000,000 shares; issued, 9,444,375.....	9.4	9.4
Additional capital.....	11,598.8	3,527.0
Retained earnings (accumulated deficit).....	1,056.5	(619.8)
Accumulated other comprehensive income.....	432.4	6,112.7
Total stockholders' equity.....	14,086.4	10,341.3
	\$35,744.5	\$28,685.6
	=====	=====

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(Amounts in millions, except per share data)

	Year Ended December 31,		
	2000	1999	1998
	-----	-----	-----
REVENUES			
Service income.....	\$4,682.7	\$3,361.8	\$2,742.6
Net sales from electronic retailing.....	3,535.9	3,167.4	2,676.4
	-----	-----	-----
	8,218.6	6,529.2	5,419.0
	-----	-----	-----
COSTS AND EXPENSES			
Operating.....	2,212.5	1,663.1	1,410.3
Cost of goods sold from electronic retailing.....	2,284.9	2,060.0	1,735.7
Selling, general and administrative.....	1,250.9	926.1	776.3
Depreciation.....	837.3	572.0	463.9
Amortization.....	1,794.0	644.0	475.7
	-----	-----	-----
	8,379.6	5,865.2	4,861.9
	-----	-----	-----
OPERATING (LOSS) INCOME.....	(161.0)	664.0	557.1
OTHER (INCOME) EXPENSE			
Interest expense.....	691.4	538.3	466.7
Investment (income) expense.....	(983.9)	(629.5)	187.8
(Income) expense related to indexed debt.....	(666.0)	666.0	
Equity in net losses (income) of affiliates.....	21.3	(1.4)	515.9
Gain from equity offering of affiliate.....			(157.8)
Other income.....	(2,825.5)	(1,409.4)	(2,012.9)
	-----	-----	-----
	(3,762.7)	(836.0)	(1,000.3)
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX			
EXPENSE, MINORITY INTEREST AND EXTRAORDINARY ITEMS.....	3,601.7	1,500.0	1,557.4
INCOME TAX EXPENSE.....	1,441.3	723.7	594.0
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS BEFORE			
MINORITY INTEREST AND EXTRAORDINARY ITEMS.....	2,160.4	776.3	963.4
MINORITY INTEREST.....	(115.3)	4.6	44.3
	-----	-----	-----
INCOME FROM CONTINUING OPERATIONS BEFORE			
EXTRAORDINARY ITEMS.....	2,045.1	780.9	1,007.7
GAIN (LOSS) FROM DISCONTINUED OPERATIONS, net of income tax expense			
(benefit) of \$166.1 million in 1999 and (\$19.1) million in 1998.....		335.8	(31.4)
	-----	-----	-----
INCOME BEFORE EXTRAORDINARY ITEMS.....	2,045.1	1,116.7	976.3
EXTRAORDINARY ITEMS	(23.6)	(51.0)	(4.2)
	-----	-----	-----
NET INCOME.....	2,021.5	1,065.7	972.1
PREFERRED DIVIDENDS.....	(23.5)	(29.7)	(29.1)
	-----	-----	-----
NET INCOME FOR COMMON STOCKHOLDERS.....	\$1,998.0	\$1,036.0	\$943.0
	=====	=====	=====
BASIC EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE			
Income from continuing operations before extraordinary items.....	\$2.27	\$1.00	\$1.34
Discontinued operations.....		.45	(.04)
Extraordinary items.....	(.03)	(.07)	(.01)
	-----	-----	-----
Net income.....	\$2.24	\$1.38	\$1.29
	=====	=====	=====
BASIC WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING.....	890.7	749.1	733.0
	=====	=====	=====
DILUTED EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE			
Income from continuing operations before extraordinary items.....	\$2.16	\$.95	\$1.25
Discontinued operations.....		.41	(.03)
Extraordinary items.....	(.03)	(.06)	(.01)
	-----	-----	-----
Net income.....	\$2.13	\$1.30	\$1.21
	=====	=====	=====
DILUTED WEIGHTED AVERAGE NUMBER OF			
COMMON SHARES OUTSTANDING.....	948.7	819.9	806.0
	=====	=====	=====

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in millions)

	Year Ended December 31,		
	2000	1999	1998
OPERATING ACTIVITIES			
Net income.....	\$2,021.5	\$1,065.7	\$972.1
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:			
Depreciation.....	837.3	572.0	463.9
Amortization.....	1,794.0	644.0	475.7
Non-cash interest (income) expense, net.....	(22.6)	(27.8)	29.2
Non-cash (income) expense related to indexed debt.....	(666.0)	666.0	
Equity in net losses (income) of affiliates.....	21.3	(1.4)	515.9
Gain from equity offering of affiliate.....			(157.8)
Gains on investments and other income, net.....	(3,679.3)	(1,917.0)	(1,758.5)
Minority interest.....	115.3	(4.6)	(44.3)
Discontinued operations.....		(335.8)	31.4
Extraordinary items.....	23.6	51.0	4.2
Deferred income taxes and other.....	1,102.3	(31.9)	418.2
	1,547.4	680.2	950.0
Changes in working capital.....	(328.1)	569.2	117.7
	-----	-----	-----
Net cash provided by operating activities from continuing operations	1,219.3	1,249.4	1,067.7
	-----	-----	-----
FINANCING ACTIVITIES			
Proceeds from borrowings.....	5,435.3	2,786.6	1,938.0
Retirements and repayments of debt.....	(5,356.5)	(1,368.2)	(1,113.4)
Issuances of common stock and sales of put options on common stock.....	30.5	17.1	41.8
Repurchases of common stock.....	(324.9)	(30.7)	(12.9)
Dividends.....		(9.4)	(36.0)
Deferred financing costs.....	(55.8)	(51.0)	(16.3)
Other.....		(3.0)	8.0
	-----	-----	-----
Net cash (used in) provided by financing activities from continuing operations	(271.4)	1,341.4	809.2
	-----	-----	-----
INVESTING ACTIVITIES			
Acquisitions, net of cash acquired.....	(187.3)	(755.2)	(309.7)
Proceeds from termination fee, net.....		1,460.0	
Proceeds from sales of (purchases of) short-term investments, net.....	1,028.1	(1,035.5)	145.9
Capital contributions to and purchases of investments.....	(1,010.7)	(2,012.2)	(202.1)
Proceeds from sales of investments.....	997.3	599.8	23.6
Proceeds from investees' repayments of loans.....			74.7
Capital expenditures.....	(1,636.8)	(893.8)	(898.9)
Sale of subsidiaries, net of cash sold.....		361.1	(140.4)
Additions to deferred charges.....	(409.2)	(263.5)	(108.4)
	-----	-----	-----
Net cash used in investing activities from continuing operations.....	(1,218.6)	(2,539.3)	(1,415.3)
	-----	-----	-----
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS			
- CONTINUING OPERATIONS.....	(270.7)	51.5	461.6
	-----	-----	-----
CASH AND CASH EQUIVALENTS, beginning of year.....	922.2	870.7	409.1
	-----	-----	-----
CASH AND CASH EQUIVALENTS, end of year.....	\$651.5	\$922.2	\$870.7
	=====	=====	=====

See notes to consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Dollars in millions, except per share data)

	Preferred Stock		Common Stock			Additional Capital	Retained Earnings (Accum- ulated Deficit)	Accumulated Other Comprehensive Income (Loss)		Total
	Series A	Series B	Class A Special	Class A	Class B			Unrealized Gains on Market- able Securities	Cumulative Translation Adjustments	
BALANCE, JANUARY 1, 1998.....	\$31.9	\$513.2	\$674.6	\$31.8	\$8.8	\$2,673.0	(\$2,415.9)	\$140.7	(\$11.6)	\$1,646.5
Comprehensive income:										
Net income.....							972.1			
Unrealized gains on marketable securities, net of deferred taxes of \$489.4.....							908.8			
Cumulative translation adjustments..									11.8	
Total comprehensive income.....										1,892.7
Conversion of convertible subordinated debt to common stock.....			20.8			336.8				357.6
Exercise of options.....			3.4		0.6	31.8				35.8
Retirement of common stock.....			(0.4)	(0.1)		(2.4)	(10.0)			(12.9)
Cash dividends, common, \$.0467 per share.....							(34.4)			(34.4)
Cash dividends, Series A preferred..						(1.6)				(1.6)
Series B preferred dividends.....		27.5				(27.5)				
Temporary equity related to put options.....						(79.8)				(79.8)
Proceeds from sales of put options..						11.4				11.4
BALANCE, DECEMBER 31, 1998.....	31.9	540.7	698.4	31.7	9.4	2,941.7	(1,488.2)	1,049.5	0.2	3,815.3
Comprehensive income:										
Net income.....							1,065.7			
Unrealized gains on marketable securities, net of deferred taxes of \$2,730.2.....								5,070.3		
Cumulative translation adjustments..									(7.3)	
Total comprehensive income.....										6,128.7
Acquisition.....			8.5			283.2				291.7
Exercise of options.....			2.2			23.7				25.9
Conversion of Series A preferred....	(31.9)		2.7			29.2				
Retirement of common stock.....				(0.8)		(4.6)	(25.3)			(30.7)
Cash dividends, Series A preferred..						(0.8)				(0.8)
Series B preferred dividends.....		28.9				(28.9)				
Share exchange.....			4.6	(4.9)		172.3	(172.0)			
Temporary equity related to put options.....						111.2				111.2
BALANCE, DECEMBER 31, 1999		569.6	716.4	26.0	9.4	3,527.0	(619.8)	6,119.8	(7.1)	10,341.3
Comprehensive income:										
Net income.....							2,021.5			
Unrealized losses on marketable securities, net of deferred taxes of \$3,055.3.....								(5,674.1)		
Cumulative translation adjustments..									(6.2)	
Total comprehensive loss.....										(3,658.8)
Acquisitions.....			155.7			7,585.2				7,740.9
Exercise of options.....			2.6			53.9	(27.7)			28.8
Retirement of common stock.....			(6.0)	(3.1)		(42.3)	(273.5)			(324.9)
Conversion of Series B preferred....		(533.6)	38.3			495.3				
Series B preferred dividends.....		23.5				(23.5)				
Share exchange.....			1.0	(1.1)		44.1	(44.0)			
Temporary equity related to put options.....						(40.9)				(40.9)
BALANCE, DECEMBER 31, 2000.....	\$	\$59.5	\$908.0	\$21.8	\$9.4	\$11,598.8	\$1,056.5	\$445.7	(\$13.3)	\$14,086.4

See notes to consolidated financial statements.

1. BUSINESS

Comcast Corporation and its subsidiaries (the "Company") is principally involved in three lines of business: cable, commerce and content.

The Company's cable business is principally involved in the development, management and operation of broadband communications networks in the United States ("US"). The Company's consolidated cable operations served approximately 7.7 million subscribers and passed approximately 12.9 million homes as of December 31, 2000.

Commerce is provided through the Company's consolidated subsidiary, QVC, Inc. ("QVC"). Through QVC, an electronic retailer, the Company markets a wide variety of products directly to consumers primarily on merchandise-focused television programs. QVC was available, on a full and part-time basis, to over 77.9 million homes in the US, over 8.9 million homes in the United Kingdom ("UK") and over 22.6 million homes in Germany as of December 31, 2000.

Content is provided through the Company's consolidated subsidiaries including Comcast Spectacor, Comcast SportsNet and E! Entertainment Television, Inc. ("E! Entertainment"), and through other programming investments including The Golf Channel, Speedvision and Outdoor Life.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER ITEMS

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and all wholly owned or controlled subsidiaries. All significant intercompany accounts and transactions among consolidated entities have been eliminated.

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 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, 2000 and 1999, and have not been comprehensively revalued for purposes of these consolidated financial statements since such dates.

Cash Equivalents

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. The carrying amounts of the Company's cash equivalents approximate their fair values.

Inventories - Electronic Retailing

Inventories are stated at the lower of cost or market. Cost is determined by the average cost method, which approximates the first-in, first-out method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Investments

Investments consist principally of equity securities and US Government obligations, commercial paper, repurchase agreements and certificates of deposit with maturities of greater than three months when purchased.

Investments in entities in which the Company has the ability to exercise significant influence over the operating and financial policies of the investee are accounted for under the equity method. 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, additional contributions made and dividends received. 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 20 years, which is consistent with the estimated lives of the underlying assets.

Unrestricted publicly traded investments are classified as available for sale and recorded at their fair value, with unrealized gains or losses resulting from changes in fair value between measurement dates recorded as a component of other comprehensive income.

Restricted publicly traded investments and investments in privately held companies are stated at cost, adjusted for any known diminution in value (see Note 4).

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.....	8-40 years
Operating facilities.....	5-20 years
Other equipment.....	2-10 years

Improvements 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 as a component of depreciation expense.

Capitalized Costs

The costs associated with the construction of cable transmission and distribution facilities and new cable service installations are capitalized. Costs include all direct labor and materials as well as certain indirect costs.

Deferred Charges

Franchise and license acquisition costs are amortized on a straight-line basis over their legal or estimated useful lives ranging principally from 3 to 20 years. The excess of cost over the fair value of net assets acquired is being amortized on a straight-line basis over estimated useful lives ranging principally from 20 to 30 years. QVC and certain of the Company's content subsidiaries have entered into multi-year affiliation agreements with various cable and satellite system operators for carriage of their respective programming. In connection with these affiliation agreements, the Company's subsidiaries generally pay a fee to the cable or satellite operator based on the number of subscribers. Cable or satellite distribution rights are capitalized and amortized on a straight-line basis over the term of the related distribution agreements ranging principally from 6 to 12 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 whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Such methodologies include evaluations based on the cash flows generated by the underlying assets, profitability information, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows is less than the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

carrying amount of the asset, a loss is recognized for the difference between the fair value and the carrying value of the asset.

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 component of other comprehensive income. Revenues and expenses are translated using average exchange rates prevailing during the year. Foreign currency transaction gains and losses are included in other (income) expense.

Revenue Recognition

Service income is recognized as service is provided. Credit risk is managed by disconnecting services to cable customers who are delinquent. Net sales from electronic retailing are recognized at the time of shipment to customers. The Company's policy is to allow customers to return merchandise for up to thirty days after date of shipment. An allowance for returned merchandise is provided as a percentage of sales based on historical experience. Advertising sales revenue is recognized at estimated realizable values when the advertising is aired.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, as permitted by Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation." Compensation expense for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of the grant over the amount an employee must pay to acquire the stock. Compensation expense for restricted stock awards is recorded annually based on the quoted market price of the Company's stock at the date of the grant and the vesting period. Compensation expense for stock appreciation rights is recorded annually based on the changes in quoted market prices of the Company's stock or other determinants of fair value at the end of the year (see Note 6).

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.

Investment Income

Investment income includes interest income, dividend income and gains, net of losses, on the sales of marketable securities and long-term investments. Gross realized gains and losses are recognized using the specific identification method (see Note 4). Investment income also includes impairment losses resulting from adjustments to the net realizable value of certain of the Company's investments.

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 consolidated financial statements in the period of enactment.

Derivative Financial Instruments

The Company employs derivative financial instruments for a number of purposes. The Company manages its exposure to fluctuations in interest rates by entering into interest rate exchange agreements ("Swaps"), interest rate cap agreements ("Caps") and interest rate collar agreements ("Collars"). The Company manages the cost of its share repurchases the sale of equity put option contracts ("Comcast Put Options"). The Company manages its exposure to fluctuations in the value of certain of its investments by entering into equity collar agreements ("Equity Collars") and equity put option agreements ("Equity Put Options"). The Company makes investments in businesses, to some degree, through the purchase of equity call option or call warrant agreements ("Equity Warrants"). The

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Company has issued indexed debt instruments whose value, in part, is derived from the market value of Sprint PCS common stock. The Company has also sold call options on certain of its investments in equity securities ("Covered Call Options").

Swaps, Caps and Collars are matched with either fixed or variable rate debt and periodic cash payments are accrued on a settlement basis as an adjustment to interest expense. Any premiums associated with these instruments are amortized over their term and realized gains or losses as a result of the termination of the instruments are deferred and amortized over the remaining term of the underlying debt. Unrealized gains and losses as a result of these instruments are recognized when the underlying hedged item is extinguished or otherwise terminated.

Proceeds from sales of Comcast Put Options are recorded in stockholders' equity and an amount equal to the redemption price of the common stock is reclassified from permanent equity to temporary equity. Subsequent changes in the market value of Comcast Put Options are not recorded. Equity Collars, Equity Put Options and Equity Warrants are marked to market on a current basis with the result included in accumulated other comprehensive income in the Company's consolidated balance sheet. Covered Call Options are marked to market on a current basis with the result included in investment (income) expense in the Company's consolidated statement of operations.

Those instruments that have been entered into by the Company to hedge exposure to interest rate risks are periodically examined by the Company to ensure that the instruments are matched with underlying liabilities, reduce the Company's risks relating to interest rates and, through market value and sensitivity analysis, maintain a high correlation to the interest expense of the hedged item. For those instruments that do not meet the above criteria, variations in their fair value are marked-to-market on a current basis in the Company's consolidated statement of operations.

The Company does not hold or issue any derivative financial instruments for trading purposes and is not a party to leveraged instruments (see Note 5). 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.

Sale of Stock by a Subsidiary or Equity Method Investee
Changes in the Company's proportionate share of the underlying equity of a consolidated subsidiary or equity method investee which result from the issuance of additional securities by such subsidiary or investee are recognized as gains or losses in the Company's consolidated statement of operations unless gain realization is not assured in the circumstances. Gains for which realization is not assured are credited directly to additional capital.

SFAS No. 133, as Amended

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes accounting and reporting standards for derivatives and hedging activities. The new standard requires that all derivative instruments be reported on the balance sheet at their fair values. For derivative instruments designated and effective as fair value hedges, changes in the fair value of the derivative instrument will be substantially offset in the statement of operations by changes in the fair value of the hedged item. For derivative instruments designated as cash flow hedges, the effective portion of any hedge is reported in other comprehensive income until it is recognized in earnings during the same period in which the hedged item affects earnings. The ineffective portion of all hedges will be recognized in current earnings each period. Changes in the fair value of derivative instruments that are not designated as a hedge will be recorded each period in current earnings.

In July 1999, the FASB issued SFAS No. 137 which deferred the effective date for implementation of SFAS No. 133 to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138 which addressed

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

certain issues causing implementation difficulties for entities that apply SFAS No. 133. The Company adopted SFAS No. 133, as amended, on January 1, 2001. Instruments that the Company has entered into that will be accounted for under SFAS No. 133, as amended, include indexed debt instruments, Swaps, Equity Warrants, Equity Put Options, and Equity Collars. See Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7 of the Company's Annual Report on Form 10-K for a discussion of the expected impact the adoption of SFAS No. 133 will have on the Company's consolidated financial position and results of operations.

SFAS No. 140

In September 2000, the FASB issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." SFAS No. 140 replaces SFAS No. 125 and addresses certain issues not previously addressed in SFAS No. 125. SFAS 140 is effective for transfers and servicing occurring after March 31, 2001. SFAS No. 140 is effective for disclosures about securitizations and collateral and for the recognition and reclassification of collateral for fiscal years ending after December 15, 2000. The adoption of SFAS No. 140 did not have a material impact on the Company's financial position or results of operations.

SAB No. 101, as Amended

In December 1999, the staff of the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements," which provides guidance in applying generally accepted accounting principles to selected revenue recognition issues. In March 2000 and June 2000, the staff of the SEC amended SAB No. 101 to delay the required implementation date of SAB No. 101 to the fourth quarter of fiscal years beginning after December 15, 1999. The Company adopted SAB No. 101, as amended, on October 1, 2000. The adoption of SAB No. 101, as amended, did not have a material impact on the Company's results of operations.

EITF 00-10

In May, July and September 2000, the Emerging Issues Task Force (the "EITF") reached a consensus on EITF Issue No. 00-10, "Accounting for Shipping and Handling Fees and Costs." EITF No. 00-10 requires that all amounts billed to a customer in a sale transaction for shipping and handling be classified as revenue. QVC previously classified shipping and handling revenue as an offset to cost of goods sold from electronic retailing. The Company has reclassified shipping and handling revenue from cost of goods sold from electronic retailing to net sales from electronic retailing for all periods presented in the accompanying consolidated statement of operations.

Securities Lending Transactions

The Company may enter into securities lending transactions pursuant to which the Company requires the borrower to provide cash collateral equal to the value of the loaned securities, as adjusted for any changes in the value of the underlying loaned securities. Loaned securities for which the Company maintains effective control are included in investments in the Company's consolidated balance sheet.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Earnings for Common Stockholders Per Common Share

Earnings for common stockholders per common share is computed by dividing net income, after deduction of preferred stock dividends, when applicable, by the weighted average number of common shares outstanding during the period on a basic and diluted basis. The following table reconciles the numerator and denominator of the computations of diluted earnings for common stockholders per common share ("Diluted EPS") for the years ended December 31, 2000, 1999 and 1998, respectively.

	(Amounts in millions, except per share data)		
	Year Ended December 31,		
	2000	1999	1998
Net income for common stockholders.....	\$1,998.0	\$1,036.0	\$943.0
Dilutive securities effect on net income for common stockholders.....			1.0
Preferred dividends.....	23.5	29.7	29.1
Net income for common stockholders used for Diluted EPS.....	\$2,021.5	\$1,065.7	\$973.1
Basic weighted average number of common shares outstanding.....	890.7	749.1	733.0
Dilutive securities:			
1 1/8% discount convertible subordinated debentures, redeemed March 1998.....			5.0
Series A and B convertible preferred stock.....	42.5	44.0	45.2
Stock option and restricted stock plans.....	15.4	26.8	22.8
Put options on Class A Special Common Stock.....	0.1		
Diluted weighted average number of common shares outstanding.....	948.7	819.9	806.0
Diluted earnings for common stockholders per common share.....	\$2.13	\$1.30	\$1.21

Comcast Put Options on a weighted average 1.5 million shares, 2.7 million shares and 2.9 million shares of its Class A Special Common Stock (see Note 6) were outstanding during the years ended December 31, 2000, 1999 and 1998, respectively. Comcast Put Options outstanding during the years ended December 31, 1999 and 1998 were not included in the computation of Diluted EPS as the Comcast Put Options' exercise price was less than the average market price of the Company's Class A Special Common Stock during the periods.

In December 2000, the Company issued \$1.285 billion principal amount at maturity of Zero Coupon Convertible Debentures due 2020 (the "Zero Coupon Debentures") (see Note 5). Holders may surrender the Zero Coupon Debentures for conversion at any time prior to maturity, unless previously redeemed, but only if the closing sale price of the Company's Class A Special Common Stock is greater than 110% of the accreted conversion price for at least 20 trading days of the 30 trading days prior to conversion. As the weighted average closing sale price of the Company's Class A Special Common Stock was not greater than 110% of the accreted conversion price during the period from the date of issuance of the Zero Coupon Debentures through December 31, 2000, the Zero Coupon Debentures have been excluded from Diluted EPS.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Reclassifications

Certain reclassifications have been made to the prior years' consolidated financial statements to conform to those classifications used in 2000.

3. ACQUISITIONS AND OTHER SIGNIFICANT EVENTS

AT&T Cable Systems Exchange

On December 31, 2000, the Company completed its previously announced cable systems exchange with AT&T Corp. ("AT&T") pursuant to which the Company received cable communications systems serving approximately 770,000 subscribers. In exchange, AT&T received certain of the Company's cable communications systems serving approximately 700,000 subscribers. In connection with the exchange, the Company recorded to other income a pre-tax gain of \$1.711 billion, representing the difference between the estimated fair value as of the closing date of the transaction and the Company's cost basis in the systems exchanged.

Acquisition of Prime Communications LLC

In December 1998, the Company agreed to invest in Prime Communications LLC ("Prime"), a cable communications company serving approximately 406,000 subscribers. Pursuant to the terms of this agreement, in December 1998 the Company acquired from Prime a \$50.0 million 12.75% subordinated note due 2008 issued by Prime. In July 1999, the Company made a loan to Prime in the form of a \$733.5 million 6% ten year note, convertible into 90% of the equity of Prime. Since that time, the Company made an additional \$70.0 million in loans to Prime (on the same terms as the original loan). In August 2000, the note, plus accrued interest of \$51.7 million on the note and the loans, was converted and the owners of Prime sold their remaining 10% equity interest in Prime to the Company for \$87.7 million. As a result, the Company now owns 100% of Prime and has assumed management control of Prime's operations (the "Prime Acquisition"). Upon closing, the Company assumed and immediately repaid \$532.0 million of Prime's debt with proceeds from borrowings under existing credit facilities.

Acquisition of Jones Intercable, Inc.

In April 1999, the Company acquired a controlling interest in Jones Intercable, Inc. ("Jones Intercable"), a cable communications company serving approximately 1.1 million subscribers, for aggregate consideration of \$706.3 million in cash. In June 1999, the Company purchased an additional 1.0 million shares of Jones Intercable Class A Common Stock for \$50.0 million in cash in a private transaction. The Company contributed its interest in Jones Intercable to Comcast Cable Communications, Inc. ("Comcast Cable"), an indirect wholly owned subsidiary of the Company.

In March 2000, the Jones Intercable shareholders approved a merger agreement pursuant to which the Jones Intercable shareholders, including Comcast Cable, received 1.4 shares of the Company's Class A Special Common Stock in exchange for each share of Jones Intercable Class A Common Stock and Common Stock (the "Jones Merger") and Jones Intercable was merged with and into a wholly owned subsidiary of the Company. In connection with the closing of the Jones Merger, the Company issued approximately 58.9 million shares of its Class A Special Common Stock to the Jones Intercable shareholders, including approximately 23.3 million shares to a subsidiary of the Company and 35.6 million shares with a value of \$1.727 billion to the public shareholders. As required under generally accepted accounting principles, the shares held by the subsidiary of the Company are presented as issued but not outstanding (held in treasury) in the Company's December 31, 2000 consolidated balance sheet.

Acquisition of CalPERS' Interest in Jointly Owned Cable Properties

In February 2000, the Company acquired the California Public Employees Retirement System's ("CalPERS") 45% interest in Comcast MHCP Holdings, L.L.C. ("Comcast MHCP"), formerly a 55% owned consolidated subsidiary of the Company which serves subscribers in Michigan, New Jersey and Florida. As a result, the Company now owns 100% of Comcast MHCP. The consideration was \$750.0 million in cash.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Acquisition of Lenfest Communications, Inc.

In January 2000, the Company acquired Lenfest Communications, Inc. ("Lenfest"), a cable communications company serving approximately 1.1 million subscribers primarily in the Philadelphia area from AT&T and the other Lenfest stockholders for approximately 120.1 million shares of the Company's Class A Special Common Stock with a value of \$6.014 billion (the "Lenfest Acquisition"). In connection with the Lenfest Acquisition, the Company assumed approximately \$1.326 billion of debt (see Note 5).

Consolidation of Comcast Cablevision of Garden State, L.P.

Comcast Cablevision of Garden State, L.P. ("Garden State Cable") (formerly Garden State Cablevision L.P.), a cable communications company serving approximately 216,000 subscribers in New Jersey, is a partnership which was owned 50% by Lenfest and 50% by the Company. The Company had accounted for its interest in Garden State Cable under the equity method. As a result of the Lenfest Acquisition, the Company now owns 100% of Garden State Cable. As such, the operating results of Garden State Cable have been included in the Company's consolidated statement of operations from the date of the Lenfest Acquisition.

Acquisition of Greater Philadelphia Cablevision, Inc.

In June 1999, the Company acquired Greater Philadelphia Cablevision, Inc. ("Greater Philadelphia"), a cable communications company serving approximately 79,000 subscribers in Philadelphia from Greater Media, Inc. for approximately 8.5 million shares of the Company's Class A Special Common Stock with a value of \$291.7 million.

The acquisitions completed by the Company during the years ended December 31, 2000 and 1999 were accounted for under the purchase method of accounting. As such, the operating results of the acquired systems have been included in the Company's consolidated statement of operations from the acquisition date. The Company recorded the final purchase price allocation related to the Company's acquisitions of Lenfest, Garden State Cable, CalPERS' interest in Comcast MHCP and of the public shareholders' interest in Jones Intercable during the fourth quarter of 2000. The allocation of the purchase price for the acquisition of Prime and the AT&T cable systems exchange, is preliminary pending completion of final appraisals. As the consideration given in exchange for Jones Intercable, Greater Philadelphia, Lenfest and the additional 50% interest in Garden State Cable was shares of the Company's Class A Special Common Stock, and in the case of Prime was primarily the conversion of convertible notes, the acquisitions of such interests had no significant impact on the Company's consolidated statement of cash flows during the years ended December 31, 2000 and 1999, respectively (see Note 8).

Unaudited Pro Forma Information

The following unaudited pro forma information for the years ended December 31, 2000, 1999 and 1998 has been presented as if the Jones Merger and the acquisitions of Lenfest, CalPERS' interest in Comcast MHCP and Prime, the consolidation of Garden State Cable and the cable systems acquired through the exchange with AT&T each occurred on January 1, 1999, and the acquisition of a controlling interest in Jones Intercable and the acquisition of Greater Philadelphia occurred on January 1, 1998. This 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 Jones Intercable, Greater Philadelphia, Lenfest, Garden State Cable, Comcast MHCP, Prime and the AT&T cable systems received in the exchange since such dates.

(Amounts in millions,
except per share data)
Year Ended December 31,

2000 1999 1998

	2000	1999	1998
Revenues	\$8,397.3	\$7,566.5	\$5,922.7
Income before extraordinary items	\$1,938.3	\$252.2	\$925.3
Net income	\$1,914.7	\$201.2	\$921.1
Diluted EPS	\$1.98	\$0.21	\$1.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Sale of Comcast Cellular Corporation

In July 1999, the Company sold Comcast Cellular Corporation ("Comcast Cellular") to SBC Communications, Inc. for \$361.1 million in cash and the assumption of \$1.315 billion of Comcast Cellular debt, and recognized a gain on the sale of \$355.9 million, net of income tax expense. The results of operations of Comcast Cellular have been presented as a discontinued operation in accordance with Accounting Principles Board ("APB") Opinion 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." During the year ended December 31, 1999, the Company recognized losses from discontinued operations of \$20.1 million.

Other Income

In August 2000, the Company obtained the right to exchange its Excite@Home Corporation ("Excite@Home") Series A Common Stock (the "Excite@Home Stock") with AT&T and waived certain of its Excite@Home Board level and shareholder rights under a stockholders agreement. The Company also agreed to cause its existing appointee to the Excite@Home Board of Directors to resign (see Note 4). In connection with the transaction, the Company recorded to other income a pre-tax gain of \$1.045 billion, representing the estimated fair value of the investment as of the closing date.

In August 2000, the Company exchanged all of the capital stock of a wholly owned subsidiary which held certain wireless licenses for approximately 3.2 million shares of AT&T common stock. In connection with the exchange, the Company recorded to other income a pre-tax gain of \$98.1 million, representing the difference between the fair value of the AT&T shares received of \$100.0 million and the Company's cost basis in the subsidiary.

During the year ended December 31, 1999, the Company received a \$1.5 billion termination fee as liquidated damages from MediaOne Group, Inc. ("MediaOne") as a result of MediaOne's termination of its Agreement and Plan of Merger with the Company dated March 1999. The termination fee, net of transaction costs, was recorded to other income in the Company's consolidated statement of operations.

Adelphia Cable Systems Exchange

On January 1, 2001, the Company completed its previously announced cable systems exchange with Adelphia Communications ("Adelphia") pursuant to which the Company received cable communications systems serving approximately 460,000 subscribers from Adelphia. In exchange, Adelphia received certain of the Company's cable communications systems serving approximately 440,000 subscribers. In connection with the exchange, the Company expects to record a gain and the acquisition will be accounted for as a purchase.

AT&T Cable Systems Acquisition

In August 2000, the Company entered into an agreement with AT&T to acquire cable communications systems serving up to 700,000 subscribers from AT&T in exchange for AT&T common stock that the Company currently owns or may acquire, in a transaction intended to qualify as tax-free to both the Company and to AT&T. Pursuant to the agreement, the agreed upon value of the cable communications systems to be acquired by the Company from AT&T is up to \$3.2 billion (subject to adjustment based on the actual number of subscribers acquired). Also pursuant to the agreement, approximately 39.6 million shares of the AT&T common stock currently owned by the Company will be valued at \$54.41 per share. The transaction is subject to customary closing conditions and regulatory approvals, will be accounted for as a purchase, and is expected to close by the end of the second quarter of 2001 (see Note 4).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

4. INVESTMENTS

	December 31,	
	2000	1999

	(Dollars in millions)	
Fair value method		
AT&T Corp.....	\$1,174.3	\$2,025.5
Excite@Home Corporation.....	1,479.1	918.0
Internet Capital Group, Inc.....	71.5	4,127.2
Sprint Corp. PCS Group.....	2,149.8	4,234.0
Other.....	322.4	667.4
	-----	-----
	5,197.1	11,972.1
Cost method.....	128.4	1,134.6
Equity method.....	396.1	48.1
	-----	-----
Total investments.....	5,721.6	13,154.8
Less, current investments.....	3,059.7	7,606.0
	-----	-----
Non-current investments.....	\$2,661.9	\$5,548.8
	=====	=====

Fair Value Method

The Company holds unrestricted equity investments in certain publicly traded companies, with an historical cost of \$4.490 billion and \$2.558 billion as of December 31, 2000 and 1999, respectively. The unrealized pre-tax gains on these investments as of December 31, 2000 and 1999 of \$707.1 million and \$9.414 billion, respectively, have been reported in the Company's consolidated balance sheet principally as a component of other comprehensive income, net of related deferred income tax expense of \$240.0 million and \$3.294 billion, respectively.

AT&T. In July 1998, AT&T merged with Teleport Communications Group Inc. ("Teleport") with AT&T as the surviving corporation. Upon closing of the transaction, the Company received approximately 36.3 million shares of unregistered AT&T common stock (as adjusted for AT&T's 3-for-2 stock split in April 1999) in exchange for the approximately 25.6 million shares of Teleport Class B Common Stock held by the Company. As a result of the exchange, the Company recorded to other income a pre-tax gain of \$1.092 billion during the year ended December 31, 1998, representing the difference between the fair value of the AT&T stock received and the Company's basis in Teleport.

In March 1999, AT&T merged with Tele-Communications, Inc. ("TCI"), with AT&T as the surviving corporation (the "AT&T/TCI Merger"). Upon closing of the AT&T/TCI Merger, the Company received approximately 3.6 million shares (as adjusted for AT&T's 3-for-2 stock split in April 1999) of AT&T common stock in exchange for the approximately 3.1 million shares of TCI Class A Common Stock held by the Company and the Company received approximately 3.6 million shares of Class A Liberty Media Group Tracking Shares for the approximately 2.3 million shares of TCI Ventures Group, Inc. ("TCI Ventures") common stock and the approximately 2.4 million shares of Liberty Media Group Class A Common Stock held by the Company. As a result of the exchange, the Company recorded to other income a pre-tax gain of \$187.6 million during the year ended December 31, 1999, representing the difference between the fair value of the stock received and the Company's basis in TCI and TCI Ventures.

As of December 31, 2000 and 1999, the Company holds approximately 68.0 million and 39.9 million shares of AT&T common stock. As of December 31, 2000 and 1999, the Company has recorded its investment in AT&T at its estimated fair value of \$1.174 billion and \$2.026 billion, respectively (see Note 3).

Excite@Home. Excite@Home provides Internet services to subscribers and businesses over the cable communications infrastructure in a limited number of cities in the United States. The Company holds approximately

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

29.1 million shares of Excite@Home Stock and, as of December 31, 2000 and 1999, has earned warrants to purchase an additional 2.1 million shares and 0.6 million shares, respectively, of Excite@Home Stock. As of December 31, 2000 and 1999, 10% and 30% of the Excite@Home shares held by the Company were contractually restricted shares (the "Restricted Shares") and 90% and 70% of the Excite@Home shares held by the Company were unrestricted shares (the "Unrestricted Shares"). The Company has recorded the Restricted Shares at their historical cost of \$0.3 million and \$0.6 million and the Unrestricted Shares and warrants, which are classified as available for sale, at their estimated fair value of \$151.8 million and \$918.0 million, respectively, as of December 31, 2000 and 1999. The investment in the Excite@Home Stock is included in current investments as of December 31, 2000.

On March 28, 2000 (the "Announcement Date"), Excite@Home and its principal cable partners, including the Company (the "Founding Cable Stockholders"), entered into an agreement (the "Letter Agreement") pursuant to which Excite@Home and the Founding Cable Stockholders agreed to enter into certain transactions which were completed on August 28, 2000. AT&T granted the Company the right to exchange its Excite@Home Stock with AT&T at any time between January 1, 2001 and June 4, 2002 at a price equal to the higher of \$48 per share or the average per share trading price for a 30-day trading period (as defined). The aggregate value of the Excite @Home Stock that AT&T would be required to purchase from the Company is limited to approximately \$1.5 billion. The Company has the right to elect payment in the form of cash or in shares of AT&T common stock. The Company accounts for this right as an investment, classified as available for sale, at its estimated fair value with unrealized gains or losses resulting from changes between measurement dates recorded as a component of accumulated other comprehensive income. As of December 31, 2000, the Company has recorded this investment, which is included in current investments in the Company's consolidated balance sheet, at its estimated fair value of \$1.327 billion. In January 2001, the Company exercised its right to exchange all of its Excite@Home Corporation Series A Common Stock with AT&T at \$48 per share for approximately 69.6 million shares of AT&T common stock. Under the terms of such exercise, the transaction is expected to close by March 31, 2001.

The Company agreed to enter into a new non-exclusive distribution agreement with Excite@Home for the period from June 2002 through June 2006. The Company may elect to terminate its existing exclusive distribution agreement with Excite@Home (which would otherwise expire in June 2002) or the new distribution agreement at any time beginning June 2001 on at least six months notice. In addition, unearned warrants previously held by the Company were amended to eliminate any previous performance vesting conditions and the Company received additional new warrants with an exercise price of \$29.54 per share to purchase two shares of Excite@Home Stock for each home passed by the Company's cable communications systems at the Announcement Date. The new warrants and the unearned previously held warrants vest in installments every six months beginning in June 2001 and will be fully vested in June 2006 provided that the Company has not elected to earlier terminate its existing or the new distribution agreement. The new warrants include customary registration rights and will expire in March 2015. The Company's right to sell its Excite@Home Stock to AT&T is not dependent upon its election to either continue or terminate its existing or the new distribution agreement.

Internet Capital Group. In August 1999, Internet Capital Group ("ICG"), an investee of the Company previously accounted for under the cost method, completed an initial public offering of its common stock. ICG is an Internet holding company engaged in managing and operating a network of business-to-business e-commerce companies. During the year ended December 31, 2000, the Company sold approximately 2.3 million shares of its ICG common stock for proceeds of \$327.1 million and recognized a pre-tax gain of \$325.9 million. Such gain was recorded as a reclassification from accumulated other comprehensive income to investment income. As of December 31, 2000 and 1999, the Company holds approximately 21.4 million and 23.7 million shares of ICG common stock and warrants and options to purchase approximately 0.6 million shares of ICG common stock, respectively. As of December 31, 2000 and 1999, the Company has recorded its investment in ICG at its estimated fair value of \$71.5 million and \$4.127 billion, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Sprint PCS. In November 1998, in connection with the restructuring of the ownership and management control of Sprint PCS, the Company recorded to other income a pre-tax gain of \$758.5 million, representing the difference between the aggregate fair value of the Sprint PCS common stock, convertible preferred stock and warrant received by the Company and the Company's cost basis in its partnership interest in Sprint PCS. As of December 31, 2000 and 1999, as adjusted for Sprint PCS' 2-for-1 stock split in February 2000, the Company holds approximately 88.2 million shares and 93.8 million shares of unregistered Sprint PCS common stock, 123,452 shares of Sprint PCS convertible preferred stock (convertible into approximately 4.0 million shares of unregistered Sprint PCS common stock) and a warrant to purchase approximately 6.0 million shares of unregistered Sprint PCS common stock at \$12.01 per share (the "Sprint PCS Stock"). The Company has registration rights, subject to customary restrictions, which will allow the Company to sell its Sprint PCS Stock. During the year ended December 31, 2000, the Company sold approximately 5.6 million of its shares of Sprint PCS common stock for proceeds of \$312.0 million and recognized a pre-tax gain of \$265.3 million. Such gain was recorded as a reclassification from accumulated other comprehensive income to investment income. As of December 31, 2000 and 1999, the Company has recorded its investment in Sprint PCS at its estimated fair value of \$2.150 billion and \$4.234 billion, respectively (see Note 5).

Equity Price Risk

During the year ended December 31, 1999, the Company entered into Equity Collars covering \$1.365 billion notional amount of investment securities which are accounted for at fair value. The Equity Collars limit the Company's exposure to and benefits from price fluctuations in the underlying equity securities. The Equity Collars mature between 2001 and 2003. As the Company has accounted for the Equity Collars as a hedge, changes in the value of the Equity Collars were substantially offset by changes in the value of the underlying investment securities which were also marked-to-market through accumulated other comprehensive income in the Company's consolidated balance sheet.

NTL Incorporated. In October 1998, the Company received approximately 4.8 million shares of NTL Incorporated ("NTL") common stock, an alternative telecommunications company in the UK, in exchange for all of the shares of Comcast UK Cable Partners Limited ("Comcast UK Cable"), a consolidated subsidiary of the Company, held by the Company. As a result of the exchange, the Company recorded to other income a pre-tax gain of \$148.3 million during the year ended December 31, 1998, representing the difference between the fair value of the NTL common stock received and the Company's basis in Comcast UK Cable. During the year ended December 31, 1999, the Company sold all 5.8 million shares (as adjusted for NTL's 5-for-4 stock split in October 1999) of its NTL common stock for total proceeds of \$498.3 million and recorded to investment income a pre-tax gain of \$284.2 million.

Sales of Other Investments

During the years ended December 31, 2000, 1999 and 1998, the Company recorded to investment income pre-tax gains of \$233.4 million, \$38.8 million and \$0.7 million, respectively, on sales of certain of its other investments.

Impairment Losses

During the years ended December 31, 2000, 1999 and 1998, the Company recorded to investment expense pre-tax losses of \$74.4 million, \$35.5 million and \$152.8 million, respectively, on certain of its investments based on declines in value that were considered other than temporary.

Investment Expense Related to Call Options

During the years ended December 31, 1999 and 1998, the Company recorded \$18.1 million and \$105.5 million, respectively, of investment expense related to changes in the value of and the settlement of call options on certain of the Company's fair value method investments, all of which expired by November 1999.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Equity Method

The Company records its proportionate interests in the net income (loss) of certain of its equity method investees in arrears. The Company's recorded investments exceed its proportionate interests in the book value of the investees' net assets by \$336.3 million as of December 31, 2000 (related to the Company's investments in The Golf Channel and Susquehanna Cable). Such excess is being amortized to equity in net income or loss, 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 totaled \$506.5 million and \$235.6 million as of December 31, 2000 and 1999, respectively. Summarized financial information is not presented for Sprint PCS, Teleport or Birmingham Cable Corporation Limited and Cable London, PLC (together, the "UK Investees") as of December 31, 2000 and 1999 or for the years ended December 31, 2000 and 1999, as such investments are no longer accounted for under the equity method. Summarized financial information for the Company's equity method investees for the year ended December 31, 1998 is as follows (dollars in millions).

	Sprint PCS ---	Teleport -----	UK Investees -----	Other -----	Combined -----
Year Ended December 31, 1998:					
Combined Results of Operations					
Revenues, net.....	\$1,136.5	\$605.8	\$197.8	\$638.6	\$2,578.7
Operating, selling, general and administrative expenses.....	2,587.6	558.7	153.3	653.8	3,953.4
Depreciation and amortization.....	749.5	163.4	69.7	69.1	1,051.7
Operating loss.....	(2,200.6)	(116.3)	(25.2)	(84.3)	(2,426.4)
Net loss (a).....	(2,572.8)	(190.6)	(78.8)	(134.2)	(2,976.4)
Company's Equity in Net Loss					
Equity in current period net loss..	(\$385.9)	(\$27.2)	(\$28.9)	(\$66.4)	(\$508.4)
Amortization expense.....	(3.5)		(0.5)	(3.5)	(7.5)
Total equity in net loss.....	(\$389.4)	(\$27.2)	(\$29.4)	(\$69.9)	(\$515.9)
	=====	=====	=====	=====	=====

(a) Net loss also represents loss from continuing operations before extraordinary items and cumulative effect of changes in accounting principles.

Golf Channel

During the year ended December 31, 2000, the Company exercised a call option to purchase shares held by certain founding members and members of management and purchased shares held by other minority shareholders of The Golf Channel for aggregate consideration of \$137.8 million. The Company's current ownership after these transactions is 60.3%. The Company will continue to record its investment in The Golf Channel under the equity method due to certain veto rights that are held by one of the remaining minority partners.

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.

Cost Method

It is not practicable to estimate the fair value of the Company's investments in privately held companies, accounted for under the cost method, due to a lack of quoted market prices.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Gain from Equity Offering of Affiliate

For the year ended December 31, 1998, Teleport issued shares of its Class A Common Stock. As a result of this stock issuance, the Company recognized a \$157.8 million increase in its proportionate share of Teleport's net assets as gain from equity offering of affiliate.

5. LONG-TERM DEBT

	December 31,	
	2000	1999

	(Dollars in millions)	

Commercial Paper	\$1,323.5	
Notes payable to banks due in installments through 2009.....	1,751.4	\$2,324.0
9-5/8% Senior notes, due 2002.....	200.0	200.0
8-1/8% Senior notes, due 2004.....	299.9	299.8
8-3/8% Senior notes, due 2005.....	696.3	
8-3/8% Senior notes, due 2007.....	597.2	596.8
8-7/8% Senior notes, due 2007.....	249.0	248.9
6.20% Senior notes, due 2008.....	798.2	798.1
7-5/8% Senior notes, due 2008.....	197.1	196.8
7-5/8% Senior notes, due 2008.....	147.4	
8-7/8% Senior notes, due 2017.....	545.8	545.7
8-1/2% Senior notes, due 2027.....	249.6	249.6
10-1/4% Senior subordinated debentures, due 2001.....	100.4	100.4
9-3/8% Senior subordinated debentures, due 2005.....		172.5
9-1/8% Senior subordinated debentures, due 2006.....		144.7
10-1/2% Senior subordinated debentures, due 2006.....	123.8	
8-1/4% Senior subordinated debentures, due 2008.....	149.1	
9-1/2% Senior subordinated debentures, due 2008.....		198.5
10-1/2% Senior subordinated debentures, due 2008.....		100.0
10-5/8% Senior subordinated debentures, due 2012.....	257.0	257.0
Zero Coupon Convertible Debentures, due 2020.....	1,002.0	
7% Disney Notes, due 2007.....	132.8	132.8
ZONES at principal amount, due 2029.....	1,806.8	1,806.8
Non-cash adjustment to carrying value.....		666.0
Other debt, due in installments.....	184.0	186.3

	10,811.3	9,224.7
Less current portion.....	293.9	517.5

	\$10,517.4	\$8,707.2
	=====	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Maturities of long-term debt outstanding as of December 31, 2000 for the four years after 2001 are as follows (dollars in millions):

2002.....	\$448.0
2003.....	69.2
2004.....	308.7
2005.....	3,303.5

Senior Notes Offerings

In January 2001, Comcast Cable sold an aggregate of \$1.5 billion of public debt consisting of \$500.0 million of 6.375% Senior Notes due 2006 and \$1.0 billion of 6.75% Senior Notes due 2011. Comcast Cable used substantially all of the net proceeds from the offerings to repay a portion of the amounts outstanding under its commercial paper program and bank credit facility.

Zero Coupon Convertible Debentures

In December 2000, the Company issued \$1.285 billion principal amount at maturity of Zero Coupon Debentures for proceeds of \$1.002 billion. In January 2001, the Company issued an additional \$192.8 million principal amount at maturity of Zero Coupon Debentures for proceeds of \$150.3 million. The Company used substantially all of the net proceeds from the offering to repay a portion of the amounts outstanding under Comcast Cable's commercial paper program and bank credit facility.

The Zero Coupon Debentures have a yield to maturity of 1.25%, computed on a semi-annual bond equivalent basis. The Zero Coupon Debentures may be converted, subject to certain restrictions, into shares of the Company's Class A Special Common Stock at the option of the holder at a conversion rate of 14.2566 shares per \$1,000 principal amount at maturity, representing an initial conversion price of \$54.67 per share. The Zero Coupon Debentures are senior unsecured obligations. The Company may redeem for cash all or part of the Zero Coupon Debentures on or after December 19, 2005. Holders may require the Company to repurchase the Zero Coupon Debentures on December 19, 2001, 2003, 2005, 2010 and 2015. The Company may choose to pay the repurchase price for 2001, 2003 and 2005 repurchases in cash or shares of its Class A Special Common Stock or a combination of cash and shares of its Class A Special Common Stock. The Company may pay the repurchase price for the 2010 and 2015 repurchases in cash only.

Holders may surrender the Zero Coupon Debentures for conversion at any time prior to maturity if the closing price of the Company's Class A Special Common Stock is greater than 110% of the accreted conversion price for at least 20 trading days of the 30 trading days prior to conversion.

Amounts outstanding under the Zero Coupon Debentures are classified as long-term in the Company's consolidated balance sheet as of December 31, 2000 as the Company has both the ability and the intent to refinance the Zero Coupon Debentures on a long-term basis with amounts available under the Comcast Cable Revolver (see "Comcast Cable Refinancing" below) in the event holders of the Zero Coupon Debentures exercise their rights to require the Company to repurchase the Zero Coupon Debentures in December 2001.

Comcast Cable Refinancing

In August 2000, the Company repaid and retired all amounts outstanding under the existing bank credit facilities of its cable communications subsidiaries, totaling approximately \$2.4 billion, with the proceeds from a new senior bank credit facility and new commercial paper program. The Company's new senior bank credit facility consists of a \$2.25 billion, five-year revolving credit facility and a \$2.25 billion, 364-day revolving credit facility (together, the "Comcast Cable Revolver"). The 364-day revolving credit facility supports Comcast Cable's new commercial paper program. The Company borrowed \$1.4 billion under the five-year facility and \$1.0 billion under the commercial paper program to repay and retire the subsidiaries' credit facilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Amounts outstanding under the commercial paper program are classified as long-term in the Company's consolidated balance sheet as of December 31, 2000 as the Company refinanced a portion of these obligations on a long-term basis with proceeds from the Comcast Cable senior notes offerings in January 2001 and has both the ability and the intent to refinance these obligations, if necessary, on a long-term basis with amounts available under the Comcast Cable Revolver.

ZONES

During the fourth quarter of 1999, the Company issued 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES") in the aggregate principal amount of \$1.807 billion. At maturity, holders of the ZONES are entitled to receive in cash an amount equal to the higher of (a) the principal amount of the ZONES, or (b) the market value of two shares of Sprint PCS Stock. Prior to maturity, each ZONES is exchangeable at the holders option for an amount of cash equal to 95% of the market value of two shares of Sprint PCS Stock.

The ZONES have been accounted for as an indexed debt instrument since the maturity value is dependent upon the fair value of Sprint PCS Stock. Therefore, the carrying value of the ZONES was adjusted each balance sheet date to reflect the fair value of the underlying Sprint PCS Stock with the change included in (income) expense related to indexed debt in the Company's consolidated statement of operations. During the years ended December 31, 2000 and 1999, the Company recorded (income) expense related to indexed debt of (\$666.0) million and \$666.0 million, respectively. The Company's investment in Sprint PCS was accounted for as available for sale, with changes in fair value being reflected in accumulated other comprehensive income (see Note 4). As of December 31, 2000, the number of Sprint PCS shares held by the Company exceeded the number of ZONES outstanding.

Debt Assumed

In connection with the Lenfest Acquisition, the consolidation of Garden State Cable and the Prime Acquisition (see Note 3), the Company assumed aggregate debt of \$2.146 billion with interest rates ranging between 6.95% and 10.5%, and maturities between 2001 and 2008.

Redemptions of Debt

During 2000, the Company repurchased certain senior subordinated debentures having an aggregate principal amount of \$615.7 million. During 1999, the Company repurchased certain senior subordinated debentures having an aggregate principal amount of \$192.2 million and repaid \$200.0 million in notes payable to insurance companies having an interest rate of 8.6%. In March 1999, the Company issued 8.7 million 3.35% Exchangeable Extendable Subordinated Debentures due 2029 (the "PHONES") for gross proceeds of \$718.3 million. At maturity, holders of the PHONES were entitled to receive in cash an amount equal to the higher of (a) the principal amount of the PHONES, or (b) the market value of AT&T common stock. In July 1999, the Company redeemed all \$718.3 million principal amount of the PHONES. The Company redeemed the PHONES due to its transaction with AT&T in which it intends to use AT&T shares as consideration for the purchase of cable systems from AT&T (see Note 3).

In March 1998, the Company completed the redemption of its \$541.9 million principal amount 1 1/8% discount convertible subordinated debentures due 2007 (the "1 1/8% Debentures"). The Company issued 20.8 million shares of its Class A Special Common Stock upon conversion of \$540.2 million principal amount of 1 1/8% Debentures while \$1.7 million principal amount of 1 1/8% Debentures was redeemed for cash at a redemption price of 67.112% of the principal amount, together with accrued interest thereon. Stockholders' equity was increased by the full amount of 1 1/8% Debentures converted plus accrued interest, less unamortized debt issue costs. Unamortized debt issue costs related to the 1 1/8% Debentures redeemed for cash were not significant. The issuance of the Company's Class A Special Common Stock upon conversion of the 1 1/8% Debentures had no impact on the Company's consolidated statement of cash flows due its noncash nature.

Extraordinary Items

Extraordinary items for the years ended December 31, 2000, 1999 and 1998 of \$23.6 million, \$51.0 million and \$4.2 million, respectively, consist of unamortized debt issue costs and debt extinguishment costs, net of related tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

benefits, expensed principally in connection with the redemptions and refinancings of certain indebtedness described above.

Interest Rates

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 .75%;
Federal Funds rate plus .5% to 1.25%; and
LIBOR plus .19% to 1.875%.

As of December 31, 2000 and 1999, the Company's effective weighted average interest rate on its variable rate debt outstanding was 7.34% and 6.67%, respectively.

Interest Rate Risk Management

The Company is exposed to the market risk of adverse changes in interest rates. To manage the volatility relating to these exposures, the Company's policy is to maintain a mix of fixed and variable rate debt and enter into various interest rate derivative transactions as described below.

Using Swaps, the Company agrees to exchange, at specified intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed-upon notional principal amount. Caps are used to lock in a maximum interest rate should variable rates rise, but enable the Company to otherwise pay lower market rates. Collars limit the Company's exposure to and benefits from interest rate fluctuations on variable rate debt to within a certain range of rates.

All derivative transactions must comply with a board-approved derivatives policy. In addition to prohibiting the use of derivatives for trading purposes or that increase risk, this policy requires quarterly monitoring of the portfolio, including portfolio valuation, measuring counterparty exposure and performing sensitivity analyses.

The following table summarizes the terms of the Company's existing Swaps, Caps and Collars as of December 31, 2000 and 1999 (dollars in millions):

	Notional Amount -----	Maturities -----	Average Interest Rate -----	Estimated Fair Value -----
As of December 31, 2000				
Variable to Fixed Swaps	\$377.7	2001-2003	5.2%	\$3.7
Fixed to Variable Swaps	450.0	2004-2008	7.7%	3.2
As of December 31, 1999				
Variable to Fixed Swaps	\$1,111.8	2000-2003	5.6%	\$16.9
Fixed to Variable Swaps	300.0	2004	7.7%	(3.9)
Caps	140.0	2000	6.8%	
Collar	50.0	2000	6.3%/4.0%	0.1

The notional amounts of interest rate instruments, as presented in the above table, are used to measure interest to be paid or received and do not represent the amount of exposure to credit loss. The estimated fair value approximates the proceeds (costs) to settle the outstanding contracts. While Swaps, Caps and Collars represent an integral part of the Company's interest rate risk management program, their incremental effect on interest expense for the years ended December 31, 2000, 1999 and 1998 was not significant.

Estimated Fair Value

The Company's long-term debt had estimated fair values of \$10.251 billion and \$9.231 billion as of December 31, 2000 and 1999, respectively. The estimated fair value of the Company's publicly traded debt is based on quoted

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

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.

Debt Covenants

Certain of the Company's subsidiaries' loan agreements contain restrictive covenants which, for example, 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 contain financial covenants which 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 all financial covenants for all periods presented.

As of December 31, 2000, \$286.3 million of the Company's cash, cash equivalents and short-term investments is restricted to use by subsidiaries of the Company under contractual or other arrangements. Restricted net assets of the Company's subsidiaries were approximately \$1.1 billion as of December 31, 2000.

Lines and Letters of Credit

As of December 31, 2000, certain subsidiaries of the Company had unused lines of credit of \$2.182 billion under their respective credit facilities.

As of December 31, 2000, the Company and certain of its subsidiaries had unused irrevocable standby letters of credit totaling \$138.6 million to cover potential fundings under various agreements.

6. STOCKHOLDERS' EQUITY

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. The shares can be issued with such designations, preferences, qualifications, privileges, limitations, restrictions, options, conversion rights and other special or related rights as the Company's board of directors shall from time to time fix by resolution.

In June 1997, the Company issued the Series B Preferred Stock. The Series B Preferred Stock has a 5.25% pay-in-kind annual dividend. Dividends are paid quarterly through the issuance of additional shares of Series B Preferred Stock (the "Additional Shares") and are cumulative from the issuance date (except that dividends on the Additional Shares will accrue from the date such Additional Shares are issued). The Series B Preferred Stock, including the Additional Shares, is convertible, at the option of the holder, into 42.4 million shares of the Company's Class A Special Common Stock, subject to adjustment in certain limited circumstances, which equals an initial conversion price of \$11.77 per share, increasing as a result of the Additional Shares to \$16.96 per share on June 30, 2004. The Series B Preferred Stock is mandatorily redeemable on June 30, 2017, or, at the option of the Company beginning on June 30, 2004 or at the option of the holder on June 30, 2004 or on June 30, 2012. Upon redemption, the Company, at its option, may redeem the Series B Preferred Stock with cash, Class A Special Common Stock or a combination thereof. The Series B Preferred Stock is generally non-voting. In December 2000, the Company issued approximately 38.3 million shares of its Class A Special Common Stock to the holder in connection with the holder's election to convert \$533.6 million at redemption value of Series B Preferred Stock. As the Company intends to redeem the Series B Preferred Stock with Class A Special Common Stock upon redemption, the Series B Preferred Stock has been classified as a component of stockholders' equity as of December 31, 2000 and 1999.

Common Stock

The Company's Class A Special Common Stock is generally nonvoting and each share of the Company's Class A Common Stock is entitled to one vote. Each share of the Company's 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.

Stock Split

In March 1999, the Company's board of directors authorized an increase in the number of authorized shares of the Company's Class A Special Common Stock from 500 million shares to 2.5 billion shares and also authorized a two-for-one stock split in the form of a 100% stock dividend (the "Stock Split") payable in May 1999. 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. The average number of shares outstanding and related prices, per share amounts, share conversions and stock option data have been retroactively restated to reflect the Stock Split. The Company's board of directors also eliminated the quarterly cash dividend of \$.0117 per share on all classes of its common stock. The last quarterly cash dividend was paid in March 1999.

Repurchase Program

Based on the trade date for stock repurchases, during the years ended December 31, 2000, 1999 and 1998, the Company repurchased 9.1 million shares, 1.0 million shares and 0.6 million shares, respectively, of its common stock for aggregate consideration of \$324.9 million, \$30.7 million and \$12.9 million, respectively, pursuant to its Board-authorized repurchase programs.

As part of the repurchase program, during the years ended December 31, 2000, 1999 and 1998, the Company sold Comcast Put Options on 2.0 million shares, 5.5 million shares and 4.0 million shares of its Class A Special Common Stock, respectively. The Comcast Put Options give the holder the right to require the Company to repurchase such shares at specified prices on specific dates. All Comcast Put Options sold during 1999 and 1998 expired unexercised. Comcast Put Options on 0.7 million shares expired unexercised during the fourth quarter of 2000 with the remaining Comcast Put Options set to mature on specific dates during the first quarter of 2001. The amount the Company would be obligated to pay to repurchase such shares upon exercise of the outstanding Comcast Put Options, totaling \$54.6 million, was reclassified from additional capital to common equity put options in the Company's December 31, 2000 consolidated balance sheet. The difference between the proceeds from the sale of the Comcast Put Options and their estimated fair value was not significant as of December 31, 2000.

Share Exchanges

During the years ended December 31, 2000 and 1999, the Company issued approximately 1.0 million shares and 4.6 million shares of its Class A Special Common Stock, respectively, in exchange for approximately 1.1 million shares and 4.9 million shares of its Class A Common Stock, respectively. The Class A Common Stock was subsequently retired.

Stock-Based Compensation Plans

As of December 31, 2000, the Company and its subsidiaries have several stock-based compensation plans for certain employees, officers, directors and other persons designated by the applicable compensation committees of the boards of directors of the Company and its subsidiaries. These plans are described below.

Comcast Option Plans. The Company maintains qualified and nonqualified stock option plans for certain employees, directors and other persons under which fixed stock options are granted and the option price is generally not less than the fair value of a share of the underlying stock at the date of grant (collectively, the "Comcast Option Plans"). Under the Comcast Option Plans, 59.3 million shares of Class A Special Common Stock were reserved as of December 31, 2000. Option terms are generally from five to 10 1/2 years, with options generally becoming exercisable between two and 9 1/2 years from the date of grant.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

A summary of the activity of the Comcast Option Plans as of and for the years ended December 31, 2000, 1999 and 1998 is presented below (options in thousands):

	2000		1999		1998	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Class A Special Common Stock						
Outstanding at beginning of year	40,416	\$16.01	43,002	\$11.09	32,220	\$7.75
Granted	15,300	39.43	7,403	34.16	16,350	16.53
Exercised	(4,805)	8.60	(7,527)	6.76	(3,970)	6.60
Canceled	(1,293)	25.98	(2,462)	12.90	(1,598)	10.48
Outstanding at end of year	49,618	23.69	40,416	16.01	43,002	11.09
Exercisable at end of year	13,267	11.35	10,947	8.19	15,390	\$7.30
Class B Common Stock						
Outstanding at beginning of year					658	\$2.85
Exercised					(658)	2.85
Outstanding at end of year						
Exercisable at end of year						

The following table summarizes information about the Class A Special Common Stock options outstanding under the Comcast Option Plans as of December 31, 2000 (options in thousands):

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Outstanding at 12/31/00	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Number Exercisable at 12/31/00	Weighted-Average Exercise Price
\$4.17 to \$10.58	13,088	3.4 years	\$8.26	8,297	\$8.14
\$11.00 to \$16.94	12,385	7.3 years	\$16.19	4,182	\$15.99
\$17.09 to \$37.56	13,066	8.6 years	\$31.61	756	\$19.42
\$37.75 to \$53.13	11,079	9.3 years	\$40.96	32	\$46.00
	49,618			13,267	

The weighted-average fair value at date of grant of a Class A Special Common Stock option granted under the Comcast Option Plans during 2000, 1999 and 1998 was \$21.20, \$20.41 and \$8.54, respectively. The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions: dividend yield of -0%, -0% and .44% for 2000, 1999 and 1998, respectively; expected volatility of 35.8%, 36.1% and 31.3% for 2000, 1999 and 1998, respectively; risk-free interest rate of 6.3%, 5.8% and 5.6% for 2000, 1999 and 1998, respectively; expected option lives of 8.0 years, 9.9 years and 9.9 years for 2000, 1999 and 1998, respectively; and a forfeiture rate of 3.0% for all years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Subsidiary Option Plans. Certain of the Company's subsidiaries maintain qualified and nonqualified combination stock option/stock appreciation rights ("SAR") plans (collectively, the "Tandem Plans") for employees, officers, directors and other designated persons. Under the Tandem Plans, the option price is generally not less than the fair value, as determined by an independent appraisal, of a share of the underlying common stock at the date of grant. If the SAR feature of the Tandem Plans is elected by the eligible participant, the participant receives 75% of the excess of the fair value of a share of the underlying common stock over the exercise price of the option to which it is attached at the exercise date. Option holders have stated an intention not to exercise the SAR feature of the Tandem Plans. Because the exercise of the option component is more likely than the exercise of the SAR feature, compensation expense is measured based on the stock option component. Under the Tandem Plans, option/SAR terms are ten years from the date of grant, with options/SARs generally becoming exercisable over four to five years from the date of grant.

The QVC Tandem Plan is the most significant of the Tandem Plans. Summary information related to the QVC Tandem Plan as of December 31, 2000, 1999 and 1998 is presented below (options/SARs in thousands):

	2000 -----	1999 -----	1998 -----
Options/SARs outstanding at end of year.....	219 =====	200 =====	206 =====
Weighted-average exercise price of options/SARs outstanding at end of year.....	\$789.51 =====	\$618.02 =====	\$500.82 =====
Options/SARs exercisable at end of year.....	79 =====	80 =====	37 =====
Weighted-average exercise price of options/SARs exercisable at end of year.....	\$606.92 =====	\$505.86 =====	\$397.46 =====

As of the latest valuation date, the fair value of a share of QVC Common Stock was \$1,216.00.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

Had compensation expense for the Company's aforementioned stock-based compensation plans been determined based on the fair value at the grant dates for awards under those plans under the provisions of SFAS No. 123, the Company's net income and net income per share would have changed to the pro forma amounts indicated below (dollars in millions, except per share data):

	2000	1999	1998
	-----	-----	-----
Net income - As reported.....	\$2,021.5	\$1,065.7	\$972.1
Net income - Pro forma.....	1,918.1	1,005.5	936.4
Net income for common stockholders -			
As reported.....	\$1,998.0	\$1,036.0	\$943.0
Net income for common stockholders -			
Pro forma.....	1,894.6	975.8	907.3
Basic earnings for common stockholders			
per common share - As reported.....	\$2.24	\$1.38	\$1.29
Basic earnings for common stockholders			
per common share - Pro forma.....	2.13	1.30	1.24
Diluted earnings for common stockholders			
per common share - As reported.....	\$2.13	\$1.30	\$1.21
Diluted earnings for common stockholders			
per common share - Pro forma.....	2.02	1.23	1.17

The pro forma effect on net income and net income per share for the years ended December 31, 2000, 1999 and 1998 by applying SFAS No. 123 may not be indicative of the pro forma effect on net income or loss in future years since SFAS No. 123 does not take into consideration pro forma compensation expense related to awards made prior to January 1, 1995 and since additional awards in future years are anticipated.

Other Stock-Based Compensation Plans

The Company maintains a restricted stock program under which management employees may be granted restricted shares of the Company's Class A Special Common Stock. The shares awarded vest annually, generally over a period not to exceed five years from the date of the award, and do not have voting or dividend rights until vesting occurs. At December 31, 2000, there were 1.2 million unvested shares granted under the program, of which 728,000 vested in January 2001. During the years ended December 31, 2000, 1999 and 1998, 504,000, 170,000 and 656,000 shares were granted under the program, respectively, with a weighted-average grant date market value of \$37.80, \$43.22 and \$17.33 per share, respectively. Compensation expense recognized during the years ended December 31, 2000, 1999 and 1998 under this program was \$9.2 million, \$4.7 million and \$5.3 million, respectively.

Certain of the Company's subsidiaries have SAR plans for certain employees, officers, directors and other persons (the "SAR Plans"). Under the SAR Plans, eligible participants are entitled to receive a cash payment equal to 100% of the excess, if any, of the fair value of a share of the underlying common stock at the exercise date over the fair value of such a share at the grant date. The SARs have a term of ten years from the date of grant and become exercisable over four to five years from the date of grant. Compensation expense related to the SAR Plans of \$2.2 million, \$6.4 million and \$14.8 million was recorded during the years ended December 31, 2000, 1999 and 1998, respectively. Compensation expense during the year ended December 31, 1998 included \$11.6 million related to the termination of a subsidiary SAR Plan.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

7. INCOME TAXES

The Company joins with its 80% or more owned subsidiaries (the "Consolidated Group") in filing consolidated federal income tax returns. QVC and E! Entertainment, each file separate consolidated federal income tax returns. Income tax expense consists of the following components:

	Year Ended December 31,		
	2000	1999	1998
	-----	-----	-----
	(Dollars in millions)		
Current expense			
Federal.....	\$321.4	\$606.7	\$135.5
State.....	42.8	188.4	27.5
Foreign.....	2.5	2.0	
	-----	-----	-----
	366.7	797.1	163.0
	-----	-----	-----
Deferred expense (benefit)			
Federal.....	998.6	(65.2)	424.6
State.....	76.0	(8.2)	6.4
	-----	-----	-----
	1,074.6	(73.4)	431.0
	-----	-----	-----
Income tax expense.....	\$1,441.3	\$723.7	\$594.0
	=====	=====	=====

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

	Year Ended December 31,		
	2000	1999	1998
	-----	-----	-----
	(Dollars in millions)		
Federal tax at statutory rate.....	\$1,260.6	\$525.0	\$545.1
Non-deductible depreciation and amortization.....	102.1	49.8	41.0
State income taxes, net of federal benefit.....	77.2	117.1	22.0
Foreign (income) losses and equity in net losses of affiliates..	8.0	(2.0)	(11.2)
Other.....	(6.6)	33.8	(2.9)
	-----	-----	-----
Income tax expense.....	\$1,441.3	\$723.7	\$594.0
	=====	=====	=====

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

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

	December 31, 2000	1999
	-----	-----
	(Dollars in millions)	-----
Deferred tax assets:		
Net operating loss carryforwards.....	\$289.8	\$240.0
Reserves for bad debts and obsolete inventory.....	109.0	106.9
Differences between book and tax basis of indexed debt securities.....		223.1
Other.....	163.5	153.5
Less: Valuation allowance.....		(178.2)
	-----	-----
	562.3	545.3
	-----	-----
Deferred tax liabilities:		
Temporary differences, principally book and tax basis of property and equipment and deferred charges.....	5,234.8	1,854.5
Differences between book and tax basis in investments.....	1,838.2	3,959.9
Differences between book and tax basis of indexed debt securities.....	65.9	
	-----	-----
	7,138.9	5,814.4
	-----	-----
Net deferred tax liability.....	\$6,576.6	\$5,269.1
	=====	=====

The Company recorded \$3.308 billion of deferred income tax liabilities in 2000 in connection with acquisitions principally related to basis differences in property and equipment and deferred charges. The Company recorded (\$3.055) billion, \$2.730 billion and \$489.4 million of deferred income taxes in 2000, 1999 and 1998, respectively, in connection with unrealized (losses) gains on marketable securities which are included in other comprehensive income.

The Company has recorded net deferred tax liabilities of \$789.9 million and \$2.119 billion, as of December 31, 2000 and 1999, respectively, which have been included in current liabilities, related primarily to current investments. The Company has net operating loss carryforwards of approximately \$470.0 million which expire primarily in periods through 2019.

8. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION

The Company made cash payments for interest of \$705.8 million, \$529.2 million and \$418.9 million during the years ended December 31, 2000, 1999 and 1998, respectively.

The Company made cash payments for income taxes of \$669.0 million, \$190.5 million and \$129.2 million during the years ended December 31, 2000, 1999 and 1998, respectively. The current tax payments principally relate to capital gains on security transactions, liquidated damages, and the income attributable to QVC.

During the year ended December 31, 2000, the Company acquired all of the capital stock and/or partnership interests not previously owned by the Company of Lenfest, Garden State Cable, Jones Intercable, Prime and Comcast MHCP, principally through the issuance of the Company's Class A Special Common Stock and the conversion of convertible notes. In addition, on December 31, 2000, the Company completed its cable systems

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

exchange with AT&T (see Note 3). The fair values of the assets and liabilities acquired by the Company during the year ended December 31, 2000 are presented as follows (in millions):

Current assets.....	\$198.1
Investments.....	437.3
Property, plant & equipment.....	1,030.9
Deferred charges.....	14,558.6
Current liabilities.....	(282.4)
Long-term debt.....	(2,146.5)
Deferred income taxes.....	(3,308.0)

Net assets acquired.....	\$10,488.0
	=====

9. COMMITMENTS AND CONTINGENCIES

Commitments

The Company and the owners of the 34% interest in Comcast Spectacor that the Company does not own (the "Minority Group") each have the right to initiate an "exit" process under which the fair market value of Comcast Spectacor would be determined by appraisal. Following such determination, the Company would have the option to acquire the interests in Comcast Spectacor owned by the Minority Group based on the appraised fair market value. In the event the Company did not exercise this option, the Company and the Minority Group would then be required to use their best efforts to sell Comcast Spectacor.

The Walt Disney Company ("Disney"), in certain circumstances, is entitled to cause Comcast Entertainment Holdings LLC ("Entertainment Holdings"), which is owned 50.1% by the Company and 49.9% by Disney, to purchase Disney's entire interest in Entertainment Holdings at its then fair market value (as determined by an appraisal process). If Entertainment Holdings elects not to purchase Disney's interests, Disney has the right, at its option, to purchase either the Company's entire interest in Entertainment Holdings or all of the shares of stock of E! Entertainment held by Entertainment Holdings in each case at fair market value. In the event that Disney exercises its rights, as described above, a portion or all of the Disney Notes (see Note 5) may be replaced with a three year note due to Disney.

Liberty Media Group ("Liberty"), a majority owned subsidiary of AT&T, may, at certain times, 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 the stock in QVC held by Liberty 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, 2000, 1999 AND 1998 (Continued)

Minimum annual rental commitments for office space, equipment and transponder service agreements under noncancellable operating leases as of December 31, 2000 are as follows:

(Dollars
in millions)

2001.....	\$73.0
2002.....	59.7
2003.....	55.9
2004.....	50.8
2005.....	41.5
Thereafter.....	228.0

Rental expense of \$76.7 million, \$71.1 million and \$64.8 million for 2000, 1999 and 1998, respectively, has been charged to operations.

Contingencies

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

In connection with a license awarded to an affiliate, the Company is contingently liable in the event of nonperformance by the affiliate to reimburse a bank which has provided a performance guarantee. The amount of the performance guarantee is approximately \$500 million; however the Company's current estimate of the amount of expenditures (principally in the form of capital expenditures) that will be made by the affiliate necessary to comply with the performance requirements will not exceed \$150 million.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998 (Continued)

10. FINANCIAL DATA BY BUSINESS SEGMENT

The following represents the Company's significant business segments, "Cable" and "Commerce." The components of net income (loss) below operating income (loss) are not separately evaluated by the Company's management on a segment basis (see the Company's consolidated statement of operations) (dollars in millions).

	Cable	Commerce	Corporate and Other(1)	Total
	-----	-----	-----	-----
2000				
Revenues	\$4,185.0	\$3,535.9	\$497.7	\$8,218.6
Operating income (loss) before depreciation and amortization (2)	1,899.6	619.2	(48.5)	2,470.3
Depreciation and amortization	2,417.7	125.9	87.7	2,631.3
Operating income (loss)	(518.1)	493.3	(136.2)	(161.0)
Interest expense	515.7	34.9	140.8	691.4
Assets	25,750.3	2,503.0	7,491.2	35,744.5
Long-term debt	6,711.0	302.0	3,504.4	10,517.4
Capital expenditures	1,248.1	155.9	232.8	1,636.8
1999				
Revenues	\$2,929.3	\$3,167.4	\$432.5	\$6,529.2
Operating income (loss) before depreciation and amortization (2)	1,353.0	538.8	(11.8)	1,880.0
Depreciation and amortization	1,026.6	117.2	72.2	1,216.0
Operating income (loss)	326.4	421.6	(84.0)	664.0
Interest expense	353.0	39.6	145.7	538.3
Assets	10,855.3	2,243.6	15,586.7	28,685.6
Long-term debt	4,735.3	476.7	3,495.2	8,707.2
Capital expenditures	739.6	80.1	74.1	893.8
1998				
Revenues	\$2,277.4	\$2,676.4	\$465.2	\$5,419.0
Operating income (loss) before depreciation and amortization (2)	1,096.6	434.2	(34.1)	1,496.7
Depreciation and amortization	674.2	126.1	139.3	939.6
Operating income (loss)	422.4	308.1	(173.4)	557.1
Interest expense	223.6	51.1	192.0	466.7
Assets	6,449.4	2,101.8	6,159.3	14,710.5
Long-term debt	3,462.1	626.8	1,375.3	5,464.2
Capital expenditures	711.1	67.2	120.6	898.9

- (1) Other includes segments not meeting certain quantitative guidelines for reporting. Other includes certain operating businesses such as Comcast-Spectacor, E! Entertainment, the Company's domestic wireline telecommunications and international wireless operations, the Company's consolidated UK cable and telecommunications operations (prior to October 29, 1998), the Company's DBS operations (prior to April 1, 1998) and elimination entries related to the segments presented. Corporate and other assets consist primarily of the Company's investments (see Note 4).
- (2) Operating income (loss) before depreciation and amortization is commonly referred to in the Company's businesses as "operating cash flow (deficit)." 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 businesses in the Company's industries, although the Company's measure of operating cash flow may not be comparable to similarly titled measures of other companies. Operating cash flow is the primary basis used by the Company's management to measure the operating performance of its 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.

COMCAST CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2000, 1999 and 1998 (Concluded)

11. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter (3)	Total Year
	-----	-----	-----	-----	-----
(Dollars in millions, except per share data)					
2000 (1)					
Revenues	\$1,938.9	\$1,912.1	\$1,960.0	\$2,407.6	\$8,218.6
Operating income before depreciation and amortization (2)	586.9	602.8	605.7	674.9	2,470.3
Operating income (loss)	41.2	(31.6)	(56.4)	(114.2)	(161.0)
Income (loss) from continuing operations before extraordinary items	(186.4)	198.8	1,249.1	783.6	2,045.1
Basic earnings (loss) for common stockholders per common share					
Income (loss) from continuing operations before extraordinary items	(.23)	.21	1.37	.87	2.27
Net income (loss)	(.24)	.20	1.37	.86	2.24
Diluted earnings (loss) for common stockholders per common share					
Income (loss) from continuing operations before extraordinary items	(.23)	.20	1.29	.81	2.16
Net income (loss)	(.24)	.19	1.29	.80	2.13
1999 (1)					
Revenues	\$1,446.7	\$1,549.2	\$1,599.3	\$1,934.0	\$6,529.2
Operating income before depreciation and amortization (2)	425.1	457.3	463.9	533.7	1,880.0
Operating income	186.6	149.8	151.0	176.6	664.0
Income (loss) from continuing operations before extraordinary items	101.8	826.3	20.4	(167.6)	780.9
Basic earnings (loss) for common stockholders per common share					
Income (loss) from continuing operations before extraordinary items .....	.13	1.10	.02	(.23)	1.00
Net income (loss) .....	.10	1.10	.44	(.24)	1.38
Diluted earnings (loss) for common stockholders per common share					
Income (loss) from continuing operations before extraordinary items .....	.12	1.01	.03	(.23)	.95
Net income (loss) .....	.10	1.01	.41	(.24)	1.30

- (1) Results of operations for 2000 were affected by the Lenfest Acquisition in the first quarter, the Prime Acquisition and the gain recognized on the Excite@Home transaction in the third quarter, the gain on the AT&T cable systems exchange in the fourth quarter and the ZONES fair value adjustments throughout 2000 (see Notes 3 and 5). Results of operations for 1999 were affected by the acquisition of a controlling interest in Jones Intercable and the receipt of the MediaOne termination fee in the second quarter and the ZONES fair value adjustment in the fourth quarter (see Notes 3 and 5).
- (2) See Note 10, note 2.
- (3) The Company's consolidated results of operations for the fourth quarter of 2000 and 1999 are also affected by the seasonality of the Company's commerce operations.

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

None.

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 our definitive Proxy Statement for our Annual Meeting of Shareholders presently scheduled to be held in June 2001, which shall be filed with the Securities and Exchange Commission within 120 days of the end of our latest fiscal year.

PART IV

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

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

Independent Auditors' Report.....	31
Consolidated Balance Sheet--December 31, 2000 and 1999.....	32
Consolidated Statement of Operations--Years Ended December 31, 2000, 1999 and 1998.....	33
Consolidated Statement of Cash Flows--Years Ended December 31, 2000, 1999 and 1998.....	34
Consolidated Statement of Stockholders' Equity--Years Ended December 31, 2000, 1999 and 1998.....	35
Notes to Consolidated Financial Statements.....	36

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

Schedule I - Condensed Financial Information of Registrant
Unconsolidated (Parent Only)
Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable, not required or the required information is included in the consolidated financial statements or notes thereto.

(c) Reports on Form 8-K:

None.

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

- 3.1(a) Amended and Restated Articles of Incorporation filed on July 24, 1990 (incorporated by reference to Exhibit 3.1(a) to our Annual Report on Form 10-K for the year ended December 31, 1995).
- 3.1(b) Amendment to Restated Articles of Incorporation filed on July 14, 1994 (incorporated by reference to Exhibit 3.1(b) to our Annual Report on Form 10-K for the year ended December 31, 1995).
- 3.1(c) Amendment to Restated Articles of Incorporation filed on July 12, 1995 (incorporated by reference to Exhibit 3.1(c) to our Annual Report on Form 10-K for the year ended December 31, 1995).
- 3.1(d) Amendment to Restated Articles of Incorporation filed on June 24, 1996 (incorporated by reference to Exhibit 4.1(d) to our Registration Statement on Form S-3, as amended, filed on July 16, 1996).
- 3.1(e) Form of Statement of Designations, Preferences and Rights of Series B Convertible Preferred Stock of the Company (incorporated by reference to Exhibit 3.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 1997).
- 3.1(f) Amendment to Restated Articles of Incorporation.
- 3.2 Amended and Restated By-Laws (incorporated by reference to Exhibit 3.1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 1999).
- 4.1 Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 2(a) to our Registration Statement on Form S-7 filed on September 17, 1980).
- 4.2 Specimen Class A Special Common Stock Certificate (incorporated by reference to Exhibit 4(2) to our Annual Report on Form 10-K for the year ended December 31, 1986).
- 4.3 Indenture, dated as of October 17, 1991, between the Company and Bank of Montreal/Harris Trust (successor to Morgan Guaranty Trust Company of New York), as Trustee (incorporated by reference to Exhibit 2 to our Current Report on Form 8-K filed on October 31, 1991).

- 4.4 Form of Debenture relating to our 10-1/4% Senior Subordinated Debentures due 2001 (incorporated by reference to Exhibit 4(19) to our Annual Report on Form 10-K for the year ended December 31, 1991).
- 4.5 Form of Debenture relating to our \$300,000,000 10-5/8% Senior Subordinated Debentures due 2012 (incorporated by reference to Exhibit 4(17) to our Annual Report on Form 10-K for the year ended December 31, 1992).
- 4.6 Indenture, dated as of February 20, 1991, between us and Bankers Trust Company, as Trustee (incorporated by reference to Exhibit 4.3 to our Registration Statement on Form S-3, filed on January 11, 1990).
- 4.7 Form of Debenture relating to our \$1,477,750,000 Principal Amount at Maturity of Zero Coupon Convertible Debentures due 2020.
- 10.1* Comcast Corporation 1986 Non-Qualified Stock Option Plan, as amended and restated, effective December 10, 1996 (incorporated by reference to Exhibit 10.3 to our Annual Report on Form 10-K for the year ended December 31, 1996).
- 10.2* Comcast Corporation 1987 Stock Option Plan, as amended and restated, effective December 15, 1998 (incorporated by reference to Exhibit 10.2 to our Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.3* Comcast Corporation 1996 Stock Option Plan, as amended and restated, effective June 21, 1999 (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 10.4* Comcast Corporation 1996 Deferred Compensation Plan, as amended and restated, effective December 19, 2000.
- 10.5* Comcast Corporation 1990 Restricted Stock Plan, as amended and restated, effective June 21, 1999 (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended June 30, 1999).
- 10.6* 1992 Executive Split Dollar Insurance Plan (incorporated by reference to Exhibit 10(12) to our Annual Report on Form 10-K for the year ended December 31, 1992).
- 10.7* Comcast Corporation 1996 Cash Bonus Plan, as amended and restated, effective December 19, 2000.
- 10.8* Comcast Corporation 1996 Executive Cash Bonus Plan, as amended and restated, effective December 19, 2000.
- 10.9* Compensation and Deferred Compensation Agreement by and between Comcast Corporation and Ralph J. Roberts, as amended and restated (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
- 10.10* Compensation Agreement by and between Comcast Corporation and Brian L. Roberts (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
- 10.11 The Comcast Corporation Retirement-Investment Plan, as amended and restated (incorporated by reference to Exhibit 10.3 to our Quarterly Report on Form 10-Q for the quarter ended March 31, 2000).
- 10.12 Defined Contribution Plans Master Trust Agreement, between Comcast Corporation and State Street Bank and Trust Company (incorporated by reference to Exhibit 10.2 to our Registration Statement on Form S-8 filed on October 5, 1995).
- 10.13 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., AT&T Corp. (as successor to Tele-Communications, Inc.), the Company and each of the Departing Subsidiaries that are signatories thereto (incorporated by reference to Exhibit 4 to our Current Report on Form 8-K filed on December 17, 1992, as amended by Form 8 filed January 8, 1993).
- 10.14* Comcast Corporation 1997 Deferred Stock Option Plan, as amended and restated, effective December 19, 2000.

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* Constitutes a management contract or compensatory plan or arrangement.

- 10.15 Amended and Restated Stockholders Agreement, dated as of February 9, 1995, among the Company, 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 our Quarterly Report on Form 10-Q for the quarter ended March 31, 1995).
- 10.16(a) 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 on February 17, 1995 by QVC Programming Holdings, Inc., the Company and AT&T Corp. (as successor to Tele-Communications, Inc.) with respect to the tender offer for all outstanding shares of QVC, Inc.).
- 10.16(b)** Amendment No. 3, dated as of July 19, 1996, to the Credit Agreement, dated as of February 15, 1995, among QVC, Inc. and the Banks listed therein.
- 10.17 Indenture dated as of May 1, 1997, between Comcast Cable Communications, Inc. and The Bank of New York (as successor in interest to Bank of Montreal Trust Company), as Trustee, in respect of Comcast Cable Communications, Inc.'s 8-1/8% Notes due 2004, 8-3/8% Notes due 2007, 8-7/8% Notes due 2017, 8-1/2% Notes due 2027, 6.20% Notes due 2008, 6.375% Notes due 2006 and 6.75% Notes due 2011 (incorporated by reference to Exhibit 4.1(a) to the Registration Statement on Form S-4 of Comcast Cable Communications, Inc.).
- 10.18 Purchase and Sale Agreement dated as of January 19, 1999 among SBC Communications Inc., Comcast Cellular Holdings Corporation, Comcast Financial Corporation and Comcast Corporation (incorporated by reference to Exhibit 10.34 to our Annual Report on Form 10-K for the year ended December 31, 1998).
- 10.19 Agreement and Plan of Merger, dated as of November 16, 1999, by and among Comcast Corporation, Comcast LCI Holdings, Inc., a wholly owned subsidiary of Comcast, Lenfest Communications, Inc. ("Lenfest") and Lenfest's stockholders as named therein. (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed on December 13, 1999).
- 10.20 Asset Exchange Agreement, dated as of August 11, 2000, among AT&T Corp. and Comcast Corporation (incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
- 10.21 Agreement and Plan of Reorganization, dated as of August 11, 2000, among Comcast Corporation, Comcast Cable Communications, Inc., Comcast CCCI II, LLC, Comcast Teleport, Inc., Comcast Heritage, Inc., Comcast Communications Properties, Inc., and AT&T Corp (incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
- 10.22 Five-Year Revolving Credit Agreement, dated as of August 24, 2000, among Comcast Cable Communications, Inc. and the Financial Institutions Party Hereto, Banc of America Securities LLC and Chase Securities Inc., as Joint Lead Arrangers and Joint Book Managers, BNY Capital Markets, Inc. and Salomon Smith Barney Inc., as Co-Arrangers, Bank of America, N.A., as Administrative Agent, Swing Line Lender and Letter of Credit Issuing Lender, Chase Securities Inc., as Syndication Agent and Citibank, N.A. and The Bank of New York, as Co-Documentation Agents (incorporated by reference to Exhibit 10.4 to the Comcast Cable Communications, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).
- 10.23 364-Day Revolving Credit Agreement, dated as of August 24, 2000, among Comcast Cable Communications, Inc. and the Financial Institutions Party Hereto, Banc of America Securities LLC and Chase Securities Inc., as Joint Lead Arrangers and Joint Book Managers, BNY Capital Markets, Inc. and Salomon Smith Barney Inc., as Co-Arrangers, Bank of America, N.A., as Administrative Agent, Chase Securities Inc., as Syndication Agent and Citibank, N.A. and The Bank of New York, as Co-Documentation Agents (incorporated by reference to Exhibit 10.5 to the Comcast Cable Communications, Inc. Quarterly Report on Form 10-Q for the quarter ended September 30, 2000).

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 ** 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.

- 10.24 Asset Exchange Closing Agreement dated as of January 1, 2001 among Comcast Corporation, the Comcast Parties, Adelphia Communications Corporation and the Adelphia Parties.
- 21 List of Subsidiaries.
- 23.1 Consent of Deloitte & Touche LLP.
- 23.2 Consent of KPMG LLP.
- 99.1 Report of Independent Public Accountants to QVC, Inc. for the year ended December 31, 1998.

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 2, 2001.

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 2, 2001
/s/ Julian A. Brodsky ----- Julian A. Brodsky	Vice Chairman of the Board of Directors; Director	March 2, 2001
/s/ Brian L. Roberts ----- Brian L. Roberts	President; Director (Principal Executive Officer)	March 2, 2001
/s/ John R. Alchin ----- John R. Alchin	Executive Vice President, Treasurer (Principal Financial Officer)	March 2, 2001
/s/ Lawrence J. Salva ----- Lawrence J. Salva	Senior Vice President (Principal Accounting Officer)	March 2, 2001
/s/ Sheldon M. Bonovitz ----- Sheldon M. Bonovitz	Director	March 2, 2001
/s/ Joseph L. Castle II ----- Joseph L. Castle II	Director	March 2, 2001
/s/ Felix G. Rohatyn ----- Felix G. Rohatyn	Director	March 2, 2001
/s/ Bernard C. Watson ----- Bernard C. Watson	Director	March 2, 2001
/s/ Irving A. Wechsler ----- Irving A. Wechsler	Director	March 2, 2001
/s/ Anne Wexler ----- Anne Wexler	Director	March 2, 2001

COMCAST CORPORATION AND SUBSIDIARIES

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF

REGISTRANT UNCONSOLIDATED (PARENT ONLY)

CONDENSED BALANCE SHEET

(In millions, except share data)

ASSETS	December 31, 1999
Cash and cash equivalents.....	\$8.6
Other current assets.....	16.2
Total current assets.....	24.8
Investments in and amounts due from subsidiaries eliminated upon consolidation.....	14,664.6
Property and equipment, net.....	11.7
Other assets, net.....	66.7
	\$14,767.8
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Accrued interest.....	\$34.9
Other current liabilities.....	694.3
Total current liabilities.....	729.2
Long-term debt, less current portion (including adjustment to carrying value of \$666.0 million).....	3,147.5
Deferred income taxes and other.....	549.8
Stockholders' equity	
5.25% series B mandatorily redeemable convertible, \$1,000 par value; issued, 569,640 at redemption value.....	569.6
Class A special common stock, \$1 par value - authorized, 2,500,000,000 shares; issued, 716,442,482;.....	716.4
Class A common stock, \$1 par value - authorized, 200,000,000 shares; issued, 25,993,380.....	26.0
Class B common stock, \$1 par value - authorized, 50,000,000 shares; issued, 9,444,375.....	9.4
Additional capital.....	3,527.0
Accumulated deficit.....	(619.8)
Accumulated other comprehensive income.....	6,112.7
Total stockholders' equity.....	10,341.3
	\$14,767.8
	=====

COMCAST CORPORATION AND SUBSIDIARIES

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF

REGISTRANT UNCONSOLIDATED (PARENT ONLY)

CONDENSED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT

(In millions, except per share data)

	Year Ended December 31, 1999	1998
REVENUES, principally intercompany fees eliminated upon consolidation.....	\$377.7	\$320.1
GENERAL AND ADMINISTRATIVE EXPENSES.....	91.3	83.2
OPERATING INCOME.....	286.4	236.9
OTHER (INCOME) EXPENSE		
Interest expense, including intercompany interest, net.....	275.8	239.1
Expense related to indexed debt.....	666.0	
Equity in net income of affiliates and other.....	(1,652.4)	(976.2)
	(710.6)	(737.1)
INCOME BEFORE INCOME TAX BENEFIT AND EXTRAORDINARY ITEMS.....	997.0	974.0
INCOME TAX BENEFIT.....	(113.5)	(2.1)
INCOME BEFORE EXTRAORDINARY ITEMS.....	1,110.5	976.1
EXTRAORDINARY ITEMS.....	(44.8)	(4.0)
NET INCOME.....	1,065.7	972.1
ACCUMULATED DEFICIT		
Beginning of year.....	(1,488.2)	(2,415.9)
Retirement of common stock.....	(25.3)	(10.0)
Share exchange.....	(172.0)	
Cash dividends, \$.0467 per share in 1998.....		(34.4)
End of year.....	(\$619.8)	(\$1,488.2)

COMCAST CORPORATION AND SUBSIDIARIES

SCHEDULE I -- CONDENSED FINANCIAL INFORMATION OF

REGISTRANT UNCONSOLIDATED (PARENT ONLY)

CONDENSED STATEMENT OF CASH FLOWS

(In millions)

	Year Ended December 31, 1999	1998
OPERATING ACTIVITIES		
Net income.....	\$1,065.7	\$972.1
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.....	6.8	13.2
Non-cash interest expense, net.....		3.7
Non-cash expense related to indexed debt.....	666.0	
Equity in net income of affiliates.....	(1,593.0)	(976.6)
Extraordinary items.....	44.8	4.0
Deferred income taxes and other.....	292.9	104.2
	483.2	120.6
Changes in working capital.....	79.0	155.2
Net cash provided by operating activities.....	562.2	275.8
FINANCING ACTIVITIES		
Proceeds from borrowings.....	2,525.4	
Retirement and repayment of debt.....	(962.9)	(50.6)
Issuances of common stock and sales of put options on common stock.....	17.1	41.8
Repurchases of common stock.....	(30.7)	(12.9)
Dividends.....	(9.4)	(36.0)
Other.....	(23.0)	(32.8)
Net cash provided by (used in) financing activities.....	1,516.5	(90.5)
INVESTING ACTIVITIES		
Net transactions with affiliates.....	(2,087.1)	(164.0)
Capital expenditures and other.....	(14.2)	(2.9)
Net cash used in investing activities.....	(2,101.3)	(166.9)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS.....	(22.6)	18.4
CASH AND CASH EQUIVALENTS, beginning of year.....	31.2	12.8
CASH AND CASH EQUIVALENTS, end of year.....	\$8.6	\$31.2

COMCAST CORPORATION AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 31, 2000, 1999 AND 1998

(In millions)

		Additions		
	Balance at Beginning of Year	Charged to Costs and Expenses	Deductions from Reserves(A)	Balance at End of Year
	-----	-----	-----	-----
Allowance for Doubtful Accounts				
2000	\$136.6	\$65.9	\$60.8	\$141.7
1999	120.7	48.6	32.7	136.6
1998	108.8	52.2	40.3	120.7
Allowance for Obsolete Electronic Retailing Inventories				
2000	\$89.2	\$46.3	\$30.0	\$105.5
1999	60.9	61.9	33.6	89.2
1998	44.5	39.0	22.6	60.9

(A) Uncollectible accounts and obsolete inventory written off.

EXHIBIT 3.1 (f)

The first paragraph of Article 5 of the corporation's Articles of Incorporation is amended to read as follows:

"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, Two Billion Five Hundred Million (2,500,000,000) 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 on 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 remainder of Article 5 of the corporation's Article of Incorporation shall remain in full force and effect.

FOR PURPOSES OF SECTIONS 1273 AND 1275 OF THE INTERNAL REVENUE CODE, THE AMOUNT OF ORIGINAL ISSUE DISCOUNT WITH RESPECT TO EACH \$1,000 OF PRINCIPAL AMOUNT OF THIS SECURITY IS \$220.59, THE ISSUE DATE IS DECEMBER 19, 2000, AND THE YIELD TO MATURITY IS 1.25% PER ANNUM.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY TO THE COMPANY OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS SECURITY IS EXCHANGEABLE FOR SECURITIES REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITORY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY.

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Certificate Number R-[]

Number of Zero Coupon Convertible Debentures due December 19, 2020 represented hereby: 400,000 (representing \$400,000,000.00 in aggregate principal amount at maturity)

Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) ("DTC"), to the Company (as defined below) or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Unless and until it is exchanged in whole or in part for securities in definitive registered form, this certificate may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any such nominee to a successor Depository or a nominee of such successor Depository.

COMCAST CORPORATION

ZERO COUPON CONVERTIBLE
DEBENTURE DUE DECEMBER 19, 2020
(each a "Debenture")

CUSIP 200300 BH 3

Issue Price: \$779.41 per \$1,000.00 principal amount at maturity
Maturity Amount: \$1,000.00

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

Cede & Co. or its registered assigns,

the Maturity Amount

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 19th day of December, 2020, at the office or agency of the Company in New York, New York. The "Maturity Amount" will equal \$1,000.00 per Debenture unless the Company elects to pay cash interest on the Debentures following a Tax Event, in which case the Maturity Amount will equal the Restated Principal Amount (as defined on the reverse hereof). No cash interest will be payable on the Debentures unless the Company elects to do so following a Tax Event as described on the reverse hereof. Original Issue Discount will accrue as specified on the reverse hereof. This Debenture is convertible to the Class A Special Common Stock of the Company and subject to additional provisions, in each case as specified on the reverse hereof. Capitalized terms used on the face hereof without definition have the meaning specified on the reverse hereof.

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 appearing hereon.

* * *

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

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Debentures of the series referred to on the reverse hereof.

THE BANK OF NEW YORK,
as Trustee,

By: _____
Authorized Officer

COMCAST CORPORATION

By: _____
Title:

Attest:

By: _____
Title:

[Reverse of Debenture]

ZERO COUPON CONVERTIBLE
DEBENTURE DUE DECEMBER 19, 2020

General

- - - - -

This Debenture is one of a duly authorized issue of debentures, notes, bonds or other evidences of indebtedness of the Company (herein called the "Securities") of the series hereinafter specified, all issued or to be issued under an indenture dated as of June 15, 1999 (herein called the "Indenture") executed between the Company and The Bank of New York, as successor in interest to Bank of Montreal Trust Company, a New York banking corporation with its principal offices in New York, New York (hereinafter called the "Trustee"), to which indenture and all supplemental indentures reference is hereby made 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. The terms of the Indenture are hereby incorporated by reference herein. The Securities may be issued in one or more series, which different series may be issued in various aggregate principal amounts, may mature at different times, may bear interest (if any) at different rates, may be subject to different redemption or repayment provisions (if any), may be subject to different sinking, purchase or analogous funds (if any) and may otherwise vary as provided in the Indenture. This Debenture is one of a series designated as Zero Coupon Convertible Debentures due December 19, 2020 (hereinafter called the "Debentures") of the Company, each Debenture representing \$1,000.00 principal amount at maturity, limited in aggregate number to 1,285,000 Debentures (or \$1,285,000,000 in aggregate principal amount at maturity) or 1,477,750 Debentures (or \$1,477,750,000 in aggregate principal amount at maturity if the underwriter's over-allotment option is exercised in full). The Debentures will be issued in denominations of \$1,000 principal amount at maturity and integral multiples thereof.

The Debentures are senior unsecured obligations of the Company and rank equal in right of payment with all existing and future senior unsecured indebtedness of the Company and senior in right of payment to all existing and future subordinated indebtedness of the Company.

The Maturity Amount, the Redemption Price, the Repurchase Price, the Change in Control Purchase Price and interest, if any, on the Debentures will be payable at the office or agency the Company maintains for such purpose within The City and State of New York or, at the Company's option, payment of cash interest may be made by check mailed to the holders of the Debentures at their respective addresses set forth in the register of holders of Debentures; provided that all cash payments with respect to Debentures to a holder of a minimum of \$100,000 principal amount at maturity of Debentures who has given written wire transfer instructions, on or prior to the relevant Record Date, to the paying agent, will be made by wire transfer of immediately available funds to the accounts specified by such holders. Until otherwise designated by the Company, the Company's office or agency in New York will be the office of the Trustee maintained for such purpose.

Interest

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No cash interest will be payable on the Debentures unless the Company elects to do so following a Tax Event as described below. If the principal amount hereof or any portion of such principal amount is not paid when due (whether upon acceleration pursuant to Section 4.01 of the Indenture, upon the date set for payment of the Redemption Price pursuant hereto, upon the date set for payment of Change in Control Purchase Price pursuant hereto, upon the date set for payment of the Repurchase Price pursuant hereto or upon the stated maturity of this Debenture) or if interest due hereon or any portion of such interest is not paid when due in accordance herewith, then in each such case the overdue amount shall, to the extent permitted by law, bear interest at the rate of 2.5% per annum, compounded semi-annually, which interest shall accrue from the date such overdue

amount was originally due to the date payment of such amount, including interest thereon, has been made or duly provided for. All such interest shall be payable as set forth in the Indenture. The accrual of such interest on overdue amounts shall be in lieu of, and not in addition to, the continued accrual of Original Issue Discount.

Original Issue Discount (the difference between the Issue Price and the principal amount at maturity of the Debenture), in the period during which a Debenture remains outstanding, shall accrue at 1.25% per annum, on a semiannual bond equivalent basis using a 360-day year composed of twelve 30-day months, from the Issue Date of this Debenture.

Redemption

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The Debentures are redeemable for cash at the option of the Company at any time on or after December 19, 2005, upon not less than 15 nor more than 60 days notice by mail to holders of Debentures, for a price equal to the Issue Price per Debenture plus accrued Original Issue Discount at a rate of 1.25% per annum compounded semi-annually to the date of redemption (the "Redemption Price"), on the basis of a 360-day year consisting of twelve 30-day months. The date of any such redemption is known as the "Redemption Date".

The table below shows Redemption Prices of the Debentures at December 19, 2005, at each following December 19 prior to maturity and at maturity on December 19, 2020. The prices reflect the accrued Original Issue Discount calculated through each date. The Redemption Price of a Debenture redeemed between these dates will include an additional amount reflecting the additional Original Issue Discount accrued since the immediately preceding date in the table to the actual Redemption Date.

Redemption Date	Issue Price	Accrued Original Issue Discount	Redemption Price
- - - - -	- - - - -	- - - - -	- - - - -
December 19, 2005.....	\$779.41	\$50.11	\$829.52
December 19, 2006.....	779.41	60.51	839.92
December 19, 2007.....	779.41	71.04	850.45
December 19, 2008.....	779.41	81.70	861.11
December 19, 2009.....	779.41	92.50	871.91
December 19, 2010.....	779.41	103.43	882.84
December 19, 2011.....	779.41	114.50	893.91
December 19, 2012.....	779.41	125.71	905.12
December 19, 2013.....	779.41	137.06	916.47
December 19, 2014.....	779.41	148.55	927.96
December 19, 2015.....	779.41	160.19	939.60
December 19, 2016.....	779.41	171.97	951.38
December 19, 2017.....	779.41	183.90	963.31
December 19, 2018.....	779.41	195.98	975.39
December 19, 2019.....	779.41	208.21	987.62
December 19, 2020.....	779.41	220.59	1,000.00

From and after the date a Tax Event occurs and the Company elects to pay cash interest at 1.25% per annum on the Debentures instead of accruing Original Issue Discount, the principal amount for redemption will be the Restated Principal Amount (as defined below).

If the Company redeems fewer than all of the outstanding Debentures, the Trustee will select the Debentures to be redeemed by lot, on a pro rata basis or by another method the Trustee considers fair and appropriate.

If the Trustee selects a portion of a holder's Debentures for partial redemption and the holder converts a portion of the same Debentures, the converted portion will be deemed to be from the portion selected for redemption. Each Debenture will be redeemed in whole.

Conversion

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Holders may convert each Debenture into 14.2566 shares of Class A Special Common Stock of the Company (the "Class A Special Common Stock") so long as the conditions described below are met, at any time until the close of business on the last Business Day prior to December 19, 2020. If a Debenture has been called for redemption, the holder will be entitled to convert the Debenture until the close of business on the Business Day immediately preceding the Redemption Date. A Holder may convert fewer than all of its Debentures so long as the Debentures converted are a multiple of \$1,000 principal amount at maturity.

Holders may surrender Debentures for conversion into Class A Special Common Stock only if the Closing Price of the Class A Special Common Stock is greater than 110% of the Accreted Conversion Price per share for at least 20 Trading Days (as defined below) of the 30 Trading Days prior to conversion. The "Accreted Conversion Price" as of any day will equal the sum of the Issue Price of a Debenture plus the accrued Original Issue Discount for the Debenture, with that sum divided by the number of Class A Special Common shares issuable upon conversion of a Debenture on that day. Even if the market price contingency described above has not occurred, the Debentures may be surrendered for conversion:

- (i) to the extent the Company has called the Debentures for redemption; Debentures called for redemption may be surrendered for conversion from the date of notice of the redemption until the close of business on the Redemption Date;
- (ii) if (a) the Company elect to make a distribution to all stockholders that would result in an adjustment to the conversion rate under subparagraph (3) or (4) of the paragraph below relating to the adjustment of the Conversion Rate and that, in the case of subparagraph (4), has a per share value equal to more than 15% of the Closing Price of the Class A Special Common Stock on the Trading Day preceding the declaration date for the distribution and (b) the Company does not provide that holders of the Debentures may participate in the distribution; Debentures may be surrendered for conversion at any time from and after the declaration date for the distribution until the Business Day immediately prior to its ex-dividend date or until the Company announces that the distribution will not take place; and
- (iii) if the Company is a party to a consolidation, merger or binding share exchange pursuant to which the Class A Special Common Stock will be converted into cash, securities or other property; Debentures may be surrendered for conversion at any time from and after the date which is 15 days prior to the anticipated effective date of the transaction until 15 days after the actual date of the transaction and, at the effective time of the transaction, the right to convert the Debentures into Class A Special Common Stock will be changed into a right to convert them into the kind and amount of cash, securities or other property which the holder would have received if the holder had converted the Debentures immediately prior to the transaction.

The "Closing Price" of any security on any date of determination means the closing sale price (or, if no Closing Price is reported, the last reported sale price) of such security (regular way) on the NYSE on such date or, if such security is not listed for trading on the NYSE on any such date, as reported in the composite transactions for the principal United States securities exchange on which such security is so listed, or if such security is not so listed on a United States national or regional securities exchange, as reported by the Nasdaq National Market, or if such security is not so reported, the last quoted bid price for such security in the over-the-counter market as reported by the National Quotation Bureau or similar organization. If no such quotation is available

for any day, the Board of Directors shall be entitled to determine the Closing Price on the basis of such quotations as it considers appropriate. To the extent that trading of Reference Shares regular way continues past 4:00 p.m., New York City time, "Closing Price" shall be deemed to refer to the price at the time that is then customary for determining the Trading Day's index levels for stocks traded on the primary national securities exchange or automated quotation system on which the Reference Shares are then traded or quoted. All references to 4:00 p.m., New York City time, in the definition of "Current Market Value" shall thereafter be deemed to refer to the then customary determination time.

A "Trading Day" is defined as a day on which the security, the Closing Price of which is being determined, (a) is not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (b) has traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of such security.

The initial Conversion Rate is 14.2566 shares of Class A Special Common Stock for each Debenture, subject to adjustment as described below. Holders will not receive any cash payment representing accrued Original Issue Discount upon conversion of a Debenture. Instead, upon conversion the Company will deliver to holders a fixed number of shares of Class A Special Common Stock and any cash payment to account for fractional shares. The cash payment for fractional shares will be based on the closing price of the Class A Special Common Stock on the Trading Day immediately prior to the conversion date. Delivery of shares of Class A Special Common Stock will be deemed to satisfy the obligation of the Company to pay the principal amount of the Debenture, including accrued Original Issue Discount. Accrued Original Issue Discount will be deemed paid in full rather than canceled, extinguished or forfeited. The Conversion Rate will not be adjusted to account for the accrued Original Issue Discount.

The Conversion Rate shall be adjusted from time to time by the Company as follows:

(1) If the Company shall hereafter pay a dividend or make a distribution to all holders of the outstanding Class A Special Common Stock in shares of the Company's Class A Special Common Stock, Class A Common Stock, par value \$1.00 per share ("Class A Common Stock") or Class B Common Stock, par value \$1.00 per share ("Class B Common Stock" and, along with the Class A Special Common Stock and the Class A Common Stock, the "Common Stock"), the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect at the opening of business on the date following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock and the total number of shares constituting such dividend or other distribution made on all shares of Common Stock, and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination, such increase to become effective immediately after the opening of business on the Trading Day following the date fixed for such determination. For the purpose of this subparagraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company. If any dividend or distribution of the type described in this subparagraph (1) is declared but not so paid or made, the Conversion Rate shall again be adjusted to the Conversion Rate that would then be in effect if such dividend or distribution had not been declared, such adjustment to become effective immediately upon the withdrawal of the declaration;

(2) If outstanding shares of Class A Special Common Stock shall be subdivided into a greater number of shares of Class A Special Common Stock, the Conversion Rate in effect at the opening of business on the Trading Day following the day upon which such subdivision becomes effective shall be proportionately increased, and conversely, in case outstanding shares of Class A Special Com-

mon Stock shall be combined into a smaller number of shares of Class A Special Common Stock, the Conversion Rate in effect at the opening of business on the Trading Day following the day upon which such combination becomes effective shall be proportionately decreased, such increase or decrease, as the case may be, to become effective immediately after the opening of business on the Trading Day following the day upon which such subdivision or combination becomes effective;

(3) If the Company shall issue rights or warrants to all holders of its outstanding Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Current Market Price (as defined below) on the date fixed for determination of stockholders entitled to receive such rights or warrants, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the date fixed for determination of stockholders entitled to receive such rights or warrants by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding on the date fixed for determination of stockholders entitled to receive such rights or warrants plus the total number of additional shares of Common Stock offered for subscription or purchase, and the denominator of which shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for determination of stockholders entitled to receive such rights or warrants plus the number of shares that the aggregate offering price of the total number of shares so offered would purchase at such Current Market Price. Such adjustment shall be successively made whenever any such rights or warrants are issued, and shall become effective immediately after the opening of business on the Trading Day following the date fixed for determination of stockholders entitled to receive such rights or warrants. To the extent that shares of Common Stock are not delivered after the expiration of such rights or warrants, the Conversion Rate shall be readjusted to the Conversion Rate that would then be in effect had the adjustments made upon the issuance of such rights or warrants been made on the basis of delivery of only the number of shares of Common Stock actually delivered. If such rights or warrants are not so issued, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such date fixed for the determination of stockholders entitled to receive such rights or warrants had not been fixed. In determining whether any rights or warrants entitle the holders to subscribe for or purchase shares of Common Stock at less than such Current Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights or warrants and any amount payable on exercise or conversion thereof, the value of such consideration, if other than cash, to be determined by the Board of Directors.

(4) If the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness or assets (including securities, but excluding any rights or warrants referred to in subparagraph (3) hereof, and excluding any dividend or distribution (x) paid exclusively in cash or (y) referred to in subparagraph (1) hereof (any of the foregoing hereinafter in this subparagraph (4) called the "Described Securities")), then, in each such case (unless the Company elects to reserve such Securities for distribution to the holders of Debentures upon the conversion of the Debentures so that any such holder converting Debentures will receive upon such conversion, in addition to the shares of Class A Special Common Stock to which such holder is entitled, the amount and kind of such Described Securities which such holder would have received if such holder had converted its Debentures into Class A Special Common Stock immediately prior to the Record Date hereof for such distribution of the Described Securities)), the Conversion Rate shall be increased so that the same shall be equal to the rate determined by multiplying the Conversion Rate in effect on the Record Date with respect to such distribution by a fraction, the numerator of which shall be the Current Market Price per share of the Class A Special Common Stock, and the denominator of which shall be the Current Market Price per share of the Class A Special Common Stock on such Record Date less the fair market value (as determined by the Board of Directors, whose determination shall be conclusive absent manifest error, and described in a certificate filed with the Trustee) on the Record Date of the portion of the Described Securities so distributed applicable to one share of Class A Special Common Stock, such in-

crease to become effective immediately prior to the opening of business on the day following such Record Date; provided, however, that if the then fair market value (as so determined) of the portion of the Described Securities so distributed applicable to one share of Class A Special Common Stock is equal to or greater than the Current Market Price of the Class A Special Common Stock on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Debentures shall have the right to receive upon conversion the amount of Described Securities such holder would have received had such holder converted each Debenture on the Record Date. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared, such adjustment to become effective immediately upon the withdrawal of the dividend or distribution. If the Board of Directors determines the fair market value of any distribution for purposes of this subparagraph (4) by reference to the actual or when issued trading market for any securities, it must in doing so consider the prices in such market over the same period used in computing the Current Market Price of the Class A Special Common Stock.

Rights or warrants distributed by the Company to all holders of Class A Special Common Stock entitling the holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"): (i) are deemed to be transferred with such shares of Class A Special Common Stock; (ii) are not exercisable; and (iii) are also issued in respect of future issuances of Class A Special Common Stock, shall be deemed not to have been distributed for purposes of this subparagraph (and no adjustment to the Conversion Rate under this subparagraph will be required) until the occurrence of the earliest Trigger Event, whereupon such rights and warrants shall be deemed to have been distributed and an appropriate adjustment (if any is required) to the Conversion Rate shall be made under this subparagraph (4). If any such right or warrant, including any such existing rights or warrants distributed prior to the date of original issuance of the Debentures, are subject to events, upon the occurrence of which such rights or warrants become exercisable to purchase different securities, evidences of indebtedness or other assets, then the date of the occurrence of any and each such event shall be deemed to be the date of distribution and Record Date with respect to new rights or warrants with such rights (and a termination or expiration of the existing rights or warrants without exercise by any of the holders thereof). In addition, in the event of any distribution (or deemed distribution) of rights or warrants, or any Trigger Event or other event (of the type described in the preceding sentence) with respect thereto that was counted for purposes of calculating a distribution amount for which an adjustment to the Conversion Rate under this subparagraph was made, (a) in the case of any such rights or warrants that shall all have been redeemed or repurchased without exercise by any holders thereof, the Conversion Rate shall be readjusted upon such final redemption repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash distribution, equal to the per share redemption or repurchase price received by a holder or holders of Class A Special Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Class A Special Common Stock as of the date of such redemption or repurchase, and (b) in the case of such rights or warrants that shall have expired or been terminated without exercise by any holders thereof, the Conversion Rate shall be readjusted as if such rights and warrants had not been issued.

No adjustment of the Conversion Rate shall be made pursuant to this subparagraph (4) in respect of rights or warrants distributed or deemed distributed on any Trigger Event to the extent that such rights or warrants are actually distributed, or reserved by the Company for

distribution to holders of Debentures upon conversion by such holders of Debentures to Class A Special Common Stock. If the Company implements a stockholder rights plan, the Company agrees that such rights plan will provide that upon conversion of the Debentures, the holders holding Class A Special Common Stock issued upon conversion shall receive the rights issued under such plan in lieu of the Company making an adjustment of the Conversion Rate pursuant to this subparagraph (4) unless there has already been an adjustment of the Conversion Rate pursuant to this subparagraph (4).

For purposes of this subparagraph (4) and subparagraphs (1) and (3), any dividend or distribution to which this subparagraph (4) is applicable that also includes shares of Class A Special Common Stock, or rights or warrants to subscribe for or purchase shares of Class A Special Common Stock (or both), shall be deemed instead to be (A) a dividend or distribution of the evidences of indebtedness, assets or shares of capital stock other than such shares of Class A Special Common Stock or rights or warrants (and any Conversion Rate increase required by this subparagraph (4) with respect to such dividend or distribution shall then be made) immediately followed by (B) a dividend or distribution of such shares of Class A Special Common Stock or such rights or warrants (and any further Conversion Rate increase required by subparagraphs (1) and (3) hereof with respect to such dividend or distribution shall then be made), except (C) the Record Date of such dividend or distribution shall be substituted as "the date fixed for the determination of stockholders entitled to receive such dividend or other distribution", "the date fixed for the determination of stockholders entitled to receive such rights or warrants" and "the date fixed for such determination" within the meaning of subparagraphs (1) and (3), and (D) any shares of Class A Special Common Stock included in such dividend or distribution shall not be deemed "outstanding at the close of business on the date fixed for such determination" within the meaning of subparagraph (1) hereof.

(5) If the Company shall distribute to all or substantially all stockholders of the Company an all-cash distribution in an aggregate amount that, together with (a) any cash and the fair market value of any other consideration payable in respect of a tender offer described in subparagraph (6) below consummated within the preceding 12 months and not triggering an adjustment in the Conversion Rate and (b) all other all-cash distributions to all or substantially all stockholders of the Company made within the preceding 12 months not triggering an adjustment of the Conversion Rate pursuant to this subparagraph (5), exceeds an amount equal to 12.5% of the Current Market Value of all outstanding shares of the Common Stock on the Trading Day immediately preceding the day on which the Company declared the distribution, then the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the close of business on such Record Date by a fraction, the numerator of which shall be the Current Market Price of the Class A Special Common Stock on the Trading Day immediately preceding the day on which the Company declared the distribution, and the denominator of which shall be the Current Market Price of the Class A Special Common Stock on the Record Date less the amount of cash so distributed (and not excluded as provided below) applicable to one share of Class A Special Common Stock, such increase to be effective immediately prior to the opening of business on the Trading Day following the Record Date; provided, however, that if the portion of the cash so distributed applicable to one share of Class A Special Common Stock is equal to or greater than the Current Market Price of the Class A Special Common Stock on the Record Date, in lieu of the foregoing adjustment, adequate provision shall be made so that each holder of Debentures shall have the right to receive upon conversion the amount of cash such holder would have received had such holder converted each Debenture on the Record Date. If such dividend or distribution is not so paid or made, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such dividend or distribution had not been declared. If any adjustment is required to be made as set forth in this subparagraph (5), such adjustment shall be based upon the amount by which such distribution exceeds the amount of the distribution permitted to be excluded pursuant hereto.

(6) If the Company shall purchase shares of its Common Stock pursuant to a tender offer made by the Company or any of its Subsidiaries to the extent that the same involves aggregate consideration to all holders of its Common Stock that, together with (a) any cash and the fair market value of any other consideration payable in respect of a tender offer described in this subparagraph (6) consummated within the preceding 12 months and not triggering an adjustment in the Conversion Rate and (b) all all-cash distributions to all or substantially all stockholders of the Company made within the preceding 12 months not triggering an adjustment of the Conversion Rate pursuant to subparagraph (5) above, exceeds an amount equal to 12.5% of the Current Market Value of all outstanding shares of the Common Stock on the Trading Day immediately preceding the day on which the Company declared the distribution, then the Conversion Rate shall be increased so that the same shall equal the rate determined by multiplying the Conversion Rate in effect immediately prior to the expiration time (the "Expiration Time") of such tender offer by a fraction, the numerator of which shall be the sum of (x) the fair market value of the aggregate consideration payable to all holders of the Company's Common Stock based on the acceptance (up to any maximum specified in the terms of the tender or exchange offer) of all shares validly tendered or exchanged and not withdrawn as of the Expiration Time (the shares deemed so accepted, up to any such maximum, being referred to as the "Purchased Shares") and (y) the product of the number of shares of Class A Special Common Stock outstanding (less any Purchased Shares) at the Expiration Time and the Current Market Price of the Class A Special Common Stock on the Trading Day next succeeding the Expiration Time, and the denominator of which shall be the number of shares of Common Stock outstanding (including any tendered or exchanged shares) at the Expiration Time multiplied by the Current Market Price of the Common Stock on the Trading Day next succeeding the Expiration Time, such increase to become effective immediately prior to the opening of business on the Trading Day following the Expiration Time. If the Company is obligated to purchase shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchases or all such purchases are rescinded, the Conversion Rate shall again be adjusted to be the Conversion Rate that would then be in effect if such tender or exchange offer had not been made.

"Current Market Price" per share of Common Stock at any date shall be deemed to be the average of the daily Closing Prices per share of Class A Special Common Stock for the ten consecutive Trading Days preceding the day before the Record Date (or, if earlier, the day before the related ex-dividend date) with respect to any distribution, issuance or other event requiring such computation. Notwithstanding the foregoing, if the Company shall engage in a transaction described in subparagraphs (1) or (2) relating to the adjustment of the Conversion Rate that treats unequally the Class A Special Common Stock, the Class A Common Stock or the Class B Common Stock (provided that distributions of one class of Common Stock on all classes of Common Stock, or the same class of Common Stock all shares of such class of Common Stock shall not be deemed to be unequal treatment), then the Current Market Price of the Class A Common Stock and the Class B Common Stock shall be adjusted in such manner (as determined by the Board of Directors, whose determination shall be conclusive absent manifest error, and described in a certificate filed with the Trustee) so as to reverse the effect of such unequal treatment.

"fair market value" shall mean the amount which a willing buyer would pay a willing seller in an arm's-length transaction.

"Record Date" shall mean, with respect to any dividend, distribution or other transaction or event in which the holders of Class A Special Common Stock have the right to receive any cash, securities or other property or in which the Class A Special Common Stock (or other applicable security) is exchanged for or converted into any combination of cash, securities or other property, the date fixed for determination of stockholders entitled to receive such cash, securities or other property (whether such date is fixed by the Board of Directors or by statute, contract or otherwise).

The Company may make such increases in the Conversion Rate, in addition to those required by subparagraphs (1) through (6) of the paragraph above relating to the adjustment of the Conversion Rate as the Board of Directors considers to be advisable to avoid or diminish any income tax to holders of Class A Special Common Stock or rights to purchase Class A Special Common Stock resulting from any dividend or distribution of stock (or rights to acquire stock) or from any event treated as such for income tax purposes.

To the extent permitted by applicable law, the Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least twenty (20) days, the increase is irrevocable during the period and the Board of Directors shall have made a determination that such increase would be in the best interests of the Company, which determination shall be conclusive. Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall mail to holders of record of the Debentures a notice of the increase at least fifteen (15) days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

No adjustment in the Conversion Rate shall be required unless such adjustment would require an increase or decrease of at least one percent (1%) in such rate; provided, however, that any adjustments that by reason of this paragraph are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Debenture shall be made by the Company and shall be made to the nearest cent or to the nearest one-thousandth (1/1000) of a share, as the case may be. No adjustment need be made for rights to purchase Class A Special Common Stock pursuant to a Company plan for reinvestment of dividends or interest. To the extent the Debentures become convertible into cash, assets, property or securities (other than capital stock of the Company), no adjustment need be made thereafter as to the cash, assets, property or such securities. Interest will not accrue on the cash.

If a holder submits its Debentures for conversion after the Company has elected to exercise its option to pay cash interest instead of accruing Original Issue Discount between a Record Date and the opening of business on the next interest payment date (except for Debentures or portions of Debentures called for redemption on a redemption date occurring during the period from the close of business on a Record Date and ending on the opening of business on the first Business Day after the next interest payment date, or if this interest payment date is not a business day, the second Business Day after the interest payment date), the holder must pay funds equal to the interest payable on the converted principal amount.

To convert a Debenture, a holder must (a) complete and manually sign the Conversion Notice set forth below and deliver such notice to a Conversion Agent, (b) surrender the Debenture to a Conversion Agent, (c) furnish appropriate endorsements and transfer documents if required by a Registrar or a Conversion Agent, and (d) pay any transfer or similar tax, if required.

Repurchase by the Company at the Option of the Holder
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Holders may require the Company to repurchase the Debentures on December 19, 2001, December 19, 2003, December 19, 2005, December 19, 2010 and December 19, 2015 (each, a "Repurchase Date"). The Company must repurchase any outstanding Debenture for which the holder delivers a written repurchase notice to the paying agent during the period beginning at any time from the opening of business on the date that is 20 Business Days prior to the relevant Repurchase Date until the close of business on the fifth day prior to the Repurchase Date. If the repurchase notice is given and withdrawn during the period, the Company shall not be obligated to repurchase the related Debentures.

The repurchase price payable (the "Repurchase Price") will be equal to the Issue Price plus accrued Original Issue Discount through the Repurchase Date. The Repurchase Price of a Debenture as of each Repurchase Date will be as follows:

\$789.18 per Debenture on December 19, 2001;

\$809.10 per Debenture on December 19, 2003;

\$829.52 per Debenture on December 19, 2005;

\$882.84 per Debenture on December 19, 2010; and

\$939.60 per Debenture on December 19, 2015.

The Company may pay the Repurchase Price for repurchases on the December 19, 2001, 2003 and 2005 Repurchase Dates in cash or shares of Class A Special Common Stock, or a combination of cash and shares of Class A Special Common Stock. The Company may pay the Repurchase Price for repurchases on the December 19, 2010 and 2015 Repurchase Dates in cash only.

If the Company has previously exercised its option to pay cash interest instead of accruing Original Issue Discount on the Debentures following a Tax Event, the Repurchase Price will be equal to the Restated Principal Amount plus the accrued and unpaid interest that accrued from the date the Company exercised its option through the Repurchase Date.

Tax Event

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The Company may pay cash interest on the Debentures from and after the date a Tax Event (as defined below) occurs instead of accruing Original Issue Discount. The principal amount will be restated (the "Restated Principal Amount") and will be fixed in an amount calculated by adding the Issue Price and the Original Issue Discount which had accrued up until the date on which the Company exercised the option to commence paying cash interest. This Restated Principal Amount will be the amount due at maturity. If the Company elects this option, interest will be based on a 360-day year comprised of twelve 30-day months. Interest will accrue from the option exercise date and will be payable semiannually on each June 19 and December 19.

A "Tax Event" occurs when the Company receives an opinion from an experienced independent tax counsel stating that, as a result of either:

- (i) any amendment, change or announced prospective change in the laws or regulations of the United States or any of its political subdivisions or taxing authorities of the United States; or
- (ii) any amendment, change, interpretation or application of the laws or regulations by any legislative body, court, government agency or regulatory authority,

there is more than an insubstantial risk that interest, including Original Issue Discount, payable on the Debentures either

- (i) would not be deductible on a current accrual basis; or
- (ii) would not be deductible under any other method,

in whole or in part, by the Company for United States federal income tax purposes.

If interest is payable on a date that is not a Business Day (as defined at the end of this paragraph), payment will be made on the next Business Day (and without any interest or other payment in respect of such de-

lay). However, if the next Business Day is in the next calendar year, payment of interest will be made on the preceding Business Day. A "Business Day" means each day except Saturday, Sunday and any day on which banking institutions in The City of New York are authorized or required by law to close.

Change in Control

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If the Company undergoes a Change in Control, Holders may require the Company to purchase the Debentures 35 Business Days after the Change in Control (the "Purchase Date"). The Company will pay a purchase price equal to the initial Issue Price plus accrued Original Issue Discount through the Purchase Date or, if the Company has elected to pay cash interest on the Debentures following a Tax Event, the Restated Principal Amount plus accrued and unpaid interest through the Purchase Date (the "Change in Control Purchase Price"). Holders may require the Company to purchase all or any part of the Debentures so long as the principal amount at maturity of the Debentures being purchased is a multiple of \$1,000.

A "Change in Control" is defined as follows:

- (i) any person or group (other than the Company, its Subsidiaries or any Permitted Holder, as defined below) after the first issuance of Debentures becomes the beneficial owner of voting stock of the Company representing more than 50% of the total voting power of all classes of voting stock of the Company entitled to vote generally in the election of the members of the Board of Directors; or
- (ii) the Company consolidates with or merges into another person (other than a Subsidiary), the Company sells, conveys, transfers or leases its properties and assets substantially as an entirety to a person (other than a Subsidiary), or any person (other than a Subsidiary) consolidates with or merges with or into the Company, and the outstanding common stock of the Company is reclassified into, exchanged for or converted into the right to receive any other property or security; provided that none of these circumstances will be a Change in Control if, after a transaction, the persons that beneficially owned the voting stock of the Company immediately prior to the transaction beneficially own, in substantially the same proportion, shares with a majority of the total voting power of all outstanding voting securities of the surviving or transferee person that are entitled to vote generally in the election of that person's board of directors;

unless, in each case, at least 80% of the consideration, other than cash payments for fractional shares, in the transaction or transactions constituting the Change in Control, consists of shares of voting common stock of the person that are, or upon issuance will be, traded on a national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States.

A "Permitted Holder" means (i) Mr. Brian L. Roberts, his spouse or children, any trust for his benefit or the benefit of his spouse or children, or any corporation or partnership in which the direct and beneficial owner of all of the equity interest is he or his spouse or children or any trust for the benefit of him, his heirs, executors, administrators or personal representatives upon his death or upon his incompetency or disability for purposes of the protection and management of his assets, and (ii) any person or group controlled by each or any of the persons referred to in clause (i). For purposes of this definition "beneficially own," "beneficial owner" and "beneficial ownership" shall have the meaning as defined pursuant to Rules 13d-3 and 13d-5 under the Exchange Act (except that a person shall be deemed to have "beneficial ownership" of all securities that such person has the right to acquire, whether the right is exercisable immediately or only after the passage of time, upon the happening of an event or otherwise).

Holders must deliver a written notice to the paying agent prior to the close of business on the Business Day prior to the date on which the Debentures are to be repurchased to exercise the repurchase right upon a

Change in Control. This notice must specify the Debentures submitted for repurchase. Holders may withdraw the notice by delivering a written notice of withdrawal to the paying agent before the same date.

Within 15 Business Days after a Change in Control, the Company will publish and mail to the Trustee and to each holder of the Debentures a written notice of the Change in Control which specifies the terms and conditions and the procedures required for exercise of a Holder's right to require the Company to purchase its Debentures.

Events of Default; Remedies

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In case an Event of Default, as defined in the Indenture, shall occur and be continuing, the Maturity Amount of all Debentures 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.

Calculations in Respect of the Debentures

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The Company will be responsible for making all calculations called for under the Debentures. The Company must make all these calculations in good faith and such calculations are final and binding on holders of the Debentures, absent manifest error. The Company will provide a schedule of its calculations to the Trustee and the Trustee is entitled to rely upon the accuracy of such calculations, without independent verification. The Trustee shall be entitled to conclusively rely on the accuracy of the information and calculations contained in each Officers' Certificate delivered under this Debenture and shall have no responsibility for verifying the accuracy thereof.

Modifications

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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 Securities, may be made by the Company with the consent of the holders of not less than a majority of the principal amount (for the purposes of the Debentures, the principal amount of the Debentures for consenting holders and all holders shall be calculated by reference to the principal amount at maturity of such Debentures) of the Securities then Outstanding of each series affected thereby; provided, however, that no such modification or alteration shall (i) change the stated maturity of the Principal of, or any sinking fund obligation or any installment of interest on, such holder's Security; (ii) reduce the Principal thereof or the rate of interest thereon, or any premium payable with respect thereto; (iii) change any place of payment where, or the currency in which, any Security or any premium or the interest thereon is payable; (iv) change the provisions for calculating the optional redemption price, including the definitions relating thereto; (v) make any change to Section 4.07 or 4.10 (except to include other provisions subject to Section 4.10); (vi) reduce the percentage in principal amount of outstanding Securities of the relevant series the consent of whose holders is required for any such supplemental indenture, for any waiver of compliance with any provisions of the Indenture or any defaults and their consequences provided for in the Indenture; (vii) alter or impair the right to convert any Security at the rate and upon the terms provided in Article 12; (viii) waive a default in the payment of Principal of or interest on any Security of such holder (except pursuant to a rescission of acceleration pursuant to Section 4.01); (ix) adversely affect the rights of such holder under any mandatory redemption or repurchase provision or any right of redemption or repurchase at the option of such holder; (x) modify any of the provisions of Section 7.02, except to increase any such percentage or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the holder of each outstanding Security affected thereby; or (xi) change or waive any provision that, pursuant to a board resolution or indenture supplemental hereto establishing the terms of one or more series of Securities, is prohibited to be so changed or waived.

It is also provided in the Indenture that the holders of a majority in aggregate principal amount (the principal amount of the Debentures for consenting holders and all holders shall be calculated by reference to the principal amount at maturity of such Debentures) of the Debentures then Outstanding may on behalf of the holders of all the Debentures 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 Principal of or interest on the Debentures. 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 in this Debenture.

Miscellaneous
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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, or interest on this Debenture at the place, at the respective times, at the rate, and in the coin or currency herein prescribed.

The Indenture permits both covenant defeasance and legal defeasance of the Debentures pursuant to Article 9 of the Indenture.

The Indenture contains provisions setting forth certain conditions to the institution of proceedings by holders of the Debentures 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 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 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 authorized denominations for the same aggregate principal amount will be issued to the transferee or transferees in exchange herefor; and this Debenture may be in like manner exchanged for one or more Debentures 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. Prior to due presentment of this Debenture for registration or transfer, 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 Principal of 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 State of New York, 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 capitalized terms used in this Debenture and not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

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

TEN COM-	as tenants in common	UNIF GIFT MIN ACT-.....Custodian.....
TEN ENT-	as tenants by the entirety	(Cust) (Minor)
JT TEN -	as joint tenants with right of survivorship and not as tenants in common	under Uniform Gifts to Minors Act_____ (State)

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

For Value Received, _____ hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF ASSIGNEE

:
:

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

the within Debenture and all rights thereunder, irrevocably constituting and appointing _____, Attorney to transfer said Debenture on the books of the within named Company with full power of substitution in the premises.

Dated:

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATEVER.

Name:

COMCAST CORPORATION
1996 DEFERRED COMPENSATION PLAN

December 19, 2000

TABLE OF CONTENTS

	Page ----
ARTICLE 1 - CONTINUATION AND COVERAGE OF PLAN.....	1
ARTICLE 2 - DEFINITIONS.....	1
ARTICLE 3 - INITIAL AND SUBSEQUENT ELECTIONS.....	8
ARTICLE 4 - MANNER OF DISTRIBUTION.....	13
ARTICLE 5 - BOOK ACCOUNTS.....	14
ARTICLE 6 - NONALIENATION OF BENEFITS.....	15
ARTICLE 7 - DEATH OF PARTICIPANT.....	15
ARTICLE 8 - HARDSHIP DISTRIBUTIONS.....	16
ARTICLE 9 - INTERPRETATION.....	16
ARTICLE 10 - AMENDMENT OR TERMINATION.....	17
ARTICLE 11 - WITHHOLDING OF TAXES.....	17
ARTICLE 12 - MISCELLANEOUS PROVISIONS.....	18
ARTICLE 13 - EFFECTIVE DATE.....	18

COMCAST CORPORATION
1996 DEFERRED COMPENSATION PLAN

(As Amended and Restated, Effective December 19, 2000)

ARTICLE 1 - CONTINUATION AND COVERAGE OF PLAN

1.1. Continuation of Plan. COMCAST CORPORATION, a Pennsylvania corporation, hereby amends and restates the Comcast Corporation 1996 Deferred Compensation Plan (the "Plan"), effective December 19, 2000. The Plan was initially adopted effective February 12, 1974 and was amended and restated effective August 15, 1996, and was further amended and restated effective June 21, 1999.

1.2. Plan Unfunded and Limited to Outside Directors and Select Group of Management or Highly Compensated Employees. The Plan is unfunded and is maintained primarily for the purpose of providing outside directors and a select group of management or highly compensated employees the opportunity to defer the receipt of compensation otherwise payable to such outside directors and eligible employees in accordance with the terms of the Plan.

ARTICLE 2 - DEFINITIONS

2.1. "Account" means the bookkeeping accounts established pursuant to Section 5.1 and maintained by the Administrator in the names of the respective Participants, to which all amounts deferred and earnings allocated under the Plan shall be credited, and from which all amounts distributed pursuant to the Plan shall be debited.

2.2. "Active Participant" means:

(a) Each Participant who is in active service as an Outside Director;
and

(b) Each Participant who is actively employed by a Participating Company as an Eligible Employee.

2.3. "Administrator" means the Committee.

2.4. "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2.5. "Annual Rate of Pay" means, as of any date, an employee's annualized base pay rate. An employee's Annual Rate of Pay shall not include sales commissions or other similar payments or awards.

2.6. "Applicable Interest Rate" means:

(a) Except as otherwise provided in Section 2.6(b), the Applicable Interest Rate means 12% per annum, compounded annually as of the last day of the calendar year.

(b) Except to the extent otherwise required by Section 10.2, effective for the period extending from a Participant's employment termination date to the date the Participant's Account is distributed in full, the Administrator, in its sole discretion, may designate the term "Applicable Interest Rate" for such Participant's Account to mean the lesser of (i) the rate in effect under Section 2.6(a) or (ii) the Prime Rate plus one percent, compounded annually as of the last day of the calendar year. Notwithstanding the foregoing, the Administrator may delegate its authority to determine the Applicable Interest Rate under this Section 2.6(b) to an officer of the Company or committee of two or more officers of the Company.

2.7. "Beneficiary" means such person or persons or legal entity or entities, including, but not limited to, an organization exempt from federal income tax under section 501(c)(3) of the Code, designated by a Participant or Beneficiary to receive benefits pursuant to the terms of the Plan after such Participant's or Beneficiary's death. If no Beneficiary is designated by the Participant or Beneficiary, or if no Beneficiary survives the Participant or Beneficiary (as the case may be), the Participant's Beneficiary shall be the Participant's Surviving Spouse if the Participant has a Surviving Spouse and otherwise the Participant's estate, and the Beneficiary of a Beneficiary shall be the Beneficiary's Surviving Spouse if the Beneficiary has a Surviving Spouse and otherwise the Beneficiary's estate.

2.8. "Board" means the Board of Directors of the Company, or the Executive Committee of the Board of Directors of the Company.

2.9. "Change of Control" means any transaction or series of transactions as a result of which any Person who was a Third Party immediately before such transaction or series of transactions directly or indirectly owns then-outstanding securities of the Company having more than 50 percent of the voting power for the election of directors of the Company.

2.10. "Code" means the Internal Revenue Code of 1986, as amended.

2.11. "Committee" means the Subcommittee on Performance Based Compensation of the Compensation Committee of the Board of Directors of the Company.

2.12. "Company" means Comcast Corporation, a Pennsylvania corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

2.13. "Company Stock" means Comcast Corporation Class A Special Common Stock, par value, \$1.00, including a fractional share, or such other securities issued by Comcast Corporation as may be subject to adjustment in the event that shares of Company Stock are changed into, or exchanged for, a different number or kind of shares of stock or other securities of the Company, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Company. In such event, the Committee shall make appropriate equitable anti-dilution adjustments to the number and class of

hypothetical shares of Company Stock credited to Participants' Accounts under the Company Stock Fund. Any reference to the term "Company Stock" in the Plan shall be a reference to the appropriate number and class of shares of stock as adjusted pursuant to this Section 2.13. The Committee's adjustment shall be effective and binding for all purposes of the Plan.

2.14. "Company Stock Fund" means a hypothetical investment fund pursuant to which income, gains and losses are credited to a Participant's Account as if the Account, to the extent deemed invested in the Company Stock Fund, were invested in hypothetical shares of Company Stock, and all dividends and other distributions paid with respect to Company Stock were held uninvested in cash, and reinvested in additional hypothetical shares of Company Stock as of the next succeeding December 31 (to the extent the Account continues to be deemed invested in the Company Stock Fund through such December 31), based on the Fair Market Value of the Company Stock for such December 31.

2.15. "Compensation" means:

(a) In the case of an Outside Director, the total cash remuneration for services as a member of the Board and as a member of any Committee of the Board; and

(b) In the case of an Eligible Employee, the total cash remuneration for services payable by a Participating Company, excluding sales commissions or other similar payments or awards.

2.16. "Death Tax Clearance Date" means the date upon which a Deceased Participant's or a deceased Beneficiary's Personal Representative certifies to the Administrator that (i) such Deceased Participant's or deceased Beneficiary's Death Taxes have been finally determined, (ii) all of such Deceased Participant's or deceased Beneficiary's Death Taxes apportioned against the Deceased Participant's or deceased Beneficiary's Account have been paid in full and (iii) all potential liability for Death Taxes with respect to the Deceased Participant's or deceased Beneficiary's Account has been satisfied.

2.17. "Death Taxes" means any and all estate, inheritance, generation-skipping transfer, and other death taxes as well as any interest and penalties thereon imposed by any governmental entity (a "taxing authority") as a result of the death of the Participant or the Participant's Beneficiary.

2.18. "Deceased Participant" means a Participant whose employment, or, in the case of a Participant who was an Outside Director, a Participant whose service as an Outside Director, is terminated by death.

2.19. "Disabled Participant" means:

(a) A Participant whose employment or, in the case of a Participant who is an Outside Director, a Participant whose service as an Outside Director, is terminated by reason of disability;

(b) The duly-appointed legal guardian of an individual described in Section 2.19(a) acting on behalf of such individual.

2.20. "Eligible Employee" means:

(a) Each employee of a Participating Company who, as of December 31, 1989, was eligible to participate in the Prior Plan;

(b) Each employee of a Participating Company who was, at any time before January 1, 1995, eligible to participate in the Prior Plan and whose Annual Rate of Pay is \$90,000 or more as of both (i) the date on which an Initial Election with respect to the deferral of Compensation is filed with the Administrator and (ii) the first day of each calendar year beginning after December 31, 1994.

(c) Each employee of a Participating Company whose Annual Rate of Pay is \$125,000 or more as of both (i) the date on which an Initial Election is filed with the Administrator and (ii) the first day of the calendar year in which such Initial Election is filed.

(d) Each employee of a Participating Company who has a title at or above the level of vice president whose Annual Rate of Pay is \$100,000 or more as of both (i) the date on which an Initial Election is filed with the Administrator and (ii) the first day of the calendar year in which such Initial Election is filed.

(e) Each New Key Employee.

(f) Each other employee of a Participating Company who is designated by the Committee, in its discretion, as an Eligible Employee.

2.21. "Fair Market Value"

(a) If shares of Company Stock are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed on the last trading day prior to the date of determination; or

(b) If shares of Company Stock are not so listed, but trades of Shares are reported on the Nasdaq National Market the last quoted sale price of a share on the Nasdaq National Market on the last trading day prior to the date of determination.

(c) If shares of Company Stock are not so listed nor trades of Shares so reported, Fair Market Value shall be determined by the Committee in good faith.

2.22. "Former Eligible Employee" means an employee of a Participating Company who, as of any relevant date, does not satisfy the requirements of an "Eligible Employee" but who previously met such requirements under the Plan or the Prior Plan.

2.23. "Grandfathered Participant" means an Inactive Participant who, on or before December 31, 1991, entered into a written agreement with the Company to terminate service to the Company or gives written notice of intention to terminate service to the Company, regardless of the actual date of termination of service.

2.24. "Hardship" means a Participant's severe financial hardship due to an unforeseeable emergency resulting from a sudden and unexpected illness or accident of the Participant, or, a sudden and unexpected illness or accident of a dependent (as defined by section 152(a) of the Code) of the Participant, or loss of the Participant's property due to casualty, or other similar and extraordinary unforeseeable circumstances arising as a result of events beyond the control of the Participant. A need to send the Participant's child to college or a desire to purchase a home is not an unforeseeable emergency. No Hardship shall be deemed to exist to the extent that the financial hardship is or may be relieved (a) through reimbursement or compensation by insurance or otherwise, (b) by borrowing from commercial sources on reasonable commercial terms to the extent that this borrowing would not itself cause a severe financial hardship, (c) by cessation of deferrals under the Plan, or (d) by liquidation of the Participant's other assets (including assets of the Participant's spouse and minor children that are reasonably available to the Participant) to the extent that this liquidation would not itself cause severe financial hardship. For the purposes of the preceding sentence, the Participant's resources shall be deemed to include those assets of his spouse and minor children that are reasonably available to the Participant; however, property held for the Participant's child under an irrevocable trust or under a Uniform Gifts to Minors Act custodianship or Uniform Transfers to Minors Act custodianship shall not be treated as a resource of the Participant. The Board shall determine whether the circumstances of the Participant constitute an unforeseeable emergency and thus a Hardship within the meaning of this Section. Following a uniform procedure, the Board's determination shall consider any facts or conditions deemed necessary or advisable by the Board, and the Participant shall be required to submit any evidence of the Participant's circumstances that the Board requires. The determination as to whether the Participant's circumstances are a case of Hardship shall be based on the facts of each case; provided however, that all determinations as to Hardship shall be uniformly and consistently made according to the provisions of this Section for all Participants in similar circumstances.

2.25. "Inactive Participant" means each Participant (other than a Retired Participant, Deceased Participant or Disabled Participant) who is not in active service as an Outside Director and is not actively employed by a Participating Company.

2.26. "Income Fund" means a hypothetical investment fund pursuant to which income, gains and losses are credited to a Participant's Account as if the Account, to the extent deemed invested in the Income Fund, were credited with interest at the Applicable Interest Rate.

2.27. "Initial Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which an Outside Director or an Eligible Employee may:

(a) Elect to defer all or any portion of the Compensation payable for the performance of services as an Outside Director or as an Eligible Employee following the time that such election is filed; and

(b) Designate the time of payment of the amount of deferred Compensation to which the Initial Election relates.

2.28. "Insider" means an Eligible Employee or Outside Director who is subject to the short-swing profit recapture rules of section 16(b) of the Securities Exchange Act of 1934, as amended.

2.29. "New Key Employee" means each employee of a Participating Company:

(a) Hired on or after August 15, 1996, whose Annual Rate of Pay on such employee's date of hire is \$125,000 or more;

(b) Hired on or after June 21, 1999, who has a title at or above the level of vice president and whose Annual Rate of Pay on such employee's date of hire is \$100,000 or more; and

(c) Who first becomes an Eligible Employee as a result of the amendment of the Plan effective June 21, 1999.

2.30. "Normal Retirement" means:

(a) For a Participant who is an employee of a Participating Company immediately preceding his termination of employment, a termination of employment that is treated by the Participating Company as a retirement under its employment policies and practices as in effect from time to time; and

(b) For a Participant who is an Outside Director immediately preceding his termination of service, his normal retirement from the Board.

2.31. "Outside Director" means a member of the Board, who is not an employee of a Participating Company.

2.32. "Participant" means each individual who has made an Initial Election, and who has an undistributed amount credited to an Account under the Plan, including an Active Participant, a Deceased Participant and an Inactive Participant.

2.33. "Participating Company" means:

(a) The Company;

(b) Comcast Cable Communications, Inc. and its subsidiaries;

(c) Comcast International Holdings, Inc.;

(d) Comcast Online Communications, Inc.;

(e) Comcast Business Communications, Inc.; and

(f) Any other entities identified in the discretion of the Committee.

2.34. "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

2.35. "Plan" means the Comcast Corporation 1996 Deferred Compensation Plan, as set forth herein, and as amended from time to time.

2.36. "Prime Rate" means the annual rate of interest identified by PNC Bank as its prime rate as of a Participant's employment termination date and as of the first day of each calendar year beginning thereafter.

2.37. "Prior Plan" means the Comcast Corporation Deferred Compensation Plan.

2.38. "Retired Participant" means a Participant who has terminated service pursuant to a Normal Retirement.

2.39. "Roberts Family" means each of the following:

(a) Brian L. Roberts;

(b) A lineal descendant of Brian L. Roberts; or

(c) A trust established for the benefit of any of Brian L. Roberts and/or a lineal descendant or descendants of Brian L. Roberts.

2.40. "Severance Pay" means any amount identified by a Participating Company as severance-pay, or any amount which is payable on account of periods beginning after the last date on which an employee (or former employee) is required to report for work for a Participating Company.

2.41. "Subsequent Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which a Participant or Beneficiary may elect to defer (or, in limited cases, accelerate) the time of payment or to change the manner of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election or Subsequent Election.

2.42. "Surviving Spouse" means the widow or widower, as the case may be, of a Deceased Participant or a Deceased Beneficiary (as applicable).

2.43. "Terminating Event" means either of the following events:

(a) The liquidation of the Company; or

(b) A Change of Control.

2.44. "Third Party" means any Person, together with such Person's Affiliates, provided that the term "Third Party" shall not include the Company, an Affiliate of the Company or any member or members of the Roberts Family.

ARTICLE 3 - INITIAL AND SUBSEQUENT ELECTIONS

3.1. Elections.

(a) Initial Elections. Each Outside Director and Eligible Employee shall have the right to defer all or any portion of the Compensation (including bonuses, if any) that he would otherwise be entitled to receive in a calendar year by filing an Initial Election at the time and in the manner described in this Article 3; provided that Severance Pay shall be included as "Compensation" for purposes of this Section 3.1 only to the extent permitted by the Administrator in its sole discretion. The Compensation of such Outside Director or Eligible Employee for a calendar year shall be reduced in an amount equal to the portion of the Compensation deferred by such Outside Director or Eligible Employee for such calendar year pursuant to such Outside Director's or Eligible Employee's Initial Election. Such reduction shall be effected on a pro rata basis from each periodic installment payment of such Outside Director's or Eligible Employee's Compensation for the calendar year (in accordance with the general pay practices of the Participating Company), and credited, as a bookkeeping entry, to such Outside Director's or Eligible Employee's Account in accordance with Section 5.1.

(b) Subsequent Elections. Each Participant or Beneficiary shall have the right to elect to defer (or, in limited cases, accelerate) the time of payment or to change the manner of payment of amounts previously deferred in accordance with the terms of a previously made Initial Election pursuant to the terms of the Plan by filing a Subsequent Election at the time, to the extent, and in the manner described in this Article 3.

3.2. Filing of Initial Election: General. An Initial Election shall be made on the form provided by the Administrator for this purpose. Except as provided in Section 3.3, no such Initial Election shall be effective unless it is filed with the Administrator on or before December 31 of the calendar year preceding the calendar year to which the Initial Election applies.

3.3. Filing of Initial Election by New Key Employees. Notwithstanding Section 3.1 and Section 3.2, a New Key Employee may elect to defer all or any portion of his Compensation to be earned in the calendar year in which the New Key Employee was employed, beginning with the payroll period next following the filing of an Initial Election with the Administrator and before the close of such calendar year by making and filing the Initial Election with the Administrator within 30 days of such New Key Employee's date of hire. Any Initial Election by such New Key Employee for succeeding calendar years shall be made in accordance with Section 3.1 and Section 3.2.

3.4. Calendar Years to which Initial Election May Apply. A separate Initial Election may be made for each calendar year as to which an Outside Director or Eligible Employee desires to defer all or any portion of such Outside Director's or Eligible Employee's Compensation. The failure of an Outside Director or Eligible Employee to make an Initial Election for any calendar year shall not affect such Outside Director's or Eligible Employee's right to make an Initial Election for any other calendar year.

3.5. Initial Election of Distribution Date. Each Outside Director or Eligible Employee shall, contemporaneously with an Initial Election, also elect the time of payment of

the amount of the deferred Compensation to which such Initial Election relates; provided, however, that, subject to acceleration pursuant to Section 3.6(d) or (e), Section 3.7, Section 7.1, 7.2, or Article 8, no distribution may commence earlier than January 2nd of the second calendar year beginning after the date the Initial Election is filed with the Administrator, nor later than January 2nd of the eleventh calendar year beginning after the date the Initial Election is filed with the Administrator. Further, each Outside Director or Eligible Employee may select with each Initial Election the manner of distribution in accordance with Article 4.

3.6. Subsequent Elections.

(a) Active Participants. Each Active Participant, who has made an Initial Election, or who has made a Subsequent Election, may elect to change the manner of distribution or defer the time of payment of any part or all of such Participant's Account for a minimum of two and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.6(a) shall not be limited.

(b) Inactive Participants. The Committee may, in its sole and absolute discretion, permit an Inactive Participant to make a Subsequent Election to change the manner of distribution, or defer the time of payment of any part or all of such Inactive Participant's Account for a minimum of two years and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.6(b) shall be determined by the Committee in its sole and absolute discretion.

(c) Surviving Spouses.

(i) General Rule. A Surviving Spouse who is a Deceased Participant's Beneficiary may elect to change the manner of distribution, or defer the time of payment, of any part or all of such Deceased Participant's Account the payment of which would be made neither within six (6) months after, nor within the calendar year of, the date of such election. Such election shall be made by filing a Subsequent Election with the Administrator in which the Surviving Spouse shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two nor more than ten years from the previously-elected payment date, or such Surviving Spouse may elect to defer payment until such Surviving Spouse's death. A Surviving Spouse may make a total of two (2) Subsequent Elections under this Section 3.6(c)(i), with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.6(c)(i) may specify different changes with respect to different parts of the Deceased Participant's Account.

(ii) Exception. Notwithstanding the above Section 3.6(c)(i), a Subsequent Election may be made by a Surviving Spouse within sixty (60) days of the Deceased Participant's death; provided, however, such election may only be made with respect to amounts

which would not be paid under the Deceased Participant's election as in effect on the date of the Deceased Participant's death until a date which is at least six (6) months from the Deceased Participant's date of death. Such election shall be made by filing a Subsequent Election with the Administrator in which the Surviving Spouse shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date, or such Surviving Spouse may elect to defer payment until such Surviving Spouse's death. A Surviving Spouse may only make one (1) Subsequent Election under this Section 3.6(c)(ii) with respect to all or any part of the Deceased Participant's Account. Such Surviving Spouse may, however, make one additional Subsequent Election under Section 3.6(c)(i) in accordance with the terms of Section 3.6(c)(i). The one (1) Subsequent Election permitted under this Section 3.6(c)(ii) may specify different changes for different parts of the Deceased Participant's Account.

(d) Beneficiary of a Deceased Participant Other Than a Surviving Spouse.

(i) General Rule. A Beneficiary of a Deceased Participant (other than a Surviving Spouse) may elect to change the manner of distribution, or defer the time of payment, of any part or all of such Deceased Participant's Account the payment of which would be made neither within six (6) months after, nor within the calendar year of, the date of such election. Such election shall be made by filing a Subsequent Election with the Administrator in which the Beneficiary shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date. A Beneficiary may make one (1) Subsequent Election under this Section 3.6(d)(i), with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.6(d)(i) may specify different changes for different parts of the Deceased Participant's Account.

(ii) Exception. Notwithstanding the above Section 3.6(d)(i), a Subsequent Election may be made by a Beneficiary within sixty (60) days of the Deceased Participant's death; provided, however, such election may only be made with respect to amounts which would not be paid under the Deceased Participant's election as in effect on the date of the Deceased Participant's death until a date which is at least six (6) months from the Deceased Participant's date of death. Such election shall be made by filing a Subsequent Election with the Administrator in which the Beneficiary shall specify the change in the manner of distribution or the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date. A Beneficiary may make one (1) Subsequent Election under this Section 3.6(d)(ii) with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.6(d)(ii) may specify different changes for different parts of the Deceased Participant's Account.

(e) Other Deferral and Acceleration by a Beneficiary. Any Beneficiary (other than a Surviving Spouse who has made a Subsequent Election under Section 3.6(c) or a Beneficiary who has made a Subsequent Election under Section 3.6(d)) may elect to change the manner of distribution from the manner of distribution in which payment of a Deceased Participant's Account would otherwise be made, and

(i) Defer the time of payment of any part or all of the Deceased Participant's Account or deceased Beneficiary's Account for one additional year from the date a payment would otherwise be made or begin (provided that if a Subsequent Election is made pursuant to this Section 3.6(e)(i), the Deceased Participant's Account or deceased Beneficiary's Account shall be in all events distributed in full on or before the fifth anniversary of the Deceased Participant's or a deceased Beneficiary's death); or

(ii) Accelerate the time of payment of a Deceased Participant's Account or deceased Beneficiary's Account from the date or dates that payment would otherwise be made or begin to the date that is the later of (A) six (6) months after the date of the Deceased Participant's or deceased Beneficiary's death and (B) January 2nd of the calendar year beginning after the Deceased Participant's or deceased Beneficiary's death, provided that if a Subsequent Election is made pursuant to this Section 3.6(e)(ii), the Deceased Participant's Account or deceased Beneficiary's Account shall be distributed in full on such accelerated payment date.

A Subsequent Election pursuant to this Section 3.6(e) must be filed with the Administrator within one hundred and twenty (120) days following the Deceased Participant's or deceased Beneficiary's death. One and only one Subsequent Election shall be permitted pursuant to this Section 3.6(e) with respect to a Deceased Participant's Account or deceased Beneficiary's Account, although if such Subsequent Election is filed pursuant to Section 3.6(e)(i), it may specify different changes for different parts of the Account.

(f) Disabled Participant. A Disabled Participant (who has not been permitted to make a Subsequent Election under Section 3.6(h)) may elect to change the form of distribution from the form of distribution that the payment of the Disabled Participant's Account would otherwise be made and may elect to accelerate the time of payment of the Disabled Participant's Account from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Participant became disabled. A Subsequent Election pursuant to this Section 3.6(f) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant on or before May 1 of a calendar year; (ii) the 60th day following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after May 1 and before November 2 of a calendar year or (iii) the December 31 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after November 1 of a calendar year.

(g) Retired Participant. A Retired Participant (who has not been permitted to make a Subsequent Election under Section 3.6(h)) may elect to change the form of distribution from the form of distribution that payment of the Retired Participant's Account would otherwise be made and may elect to defer the time of payment of the Retired Participant's Account for a minimum of two additional years from the date payment would otherwise be made (provided that if a Subsequent Election is made pursuant to this Section 3.6(g), the Retired Participant's Account shall be distributed in full on or before the fifth anniversary of the Retired Participant's Normal Retirement). A Subsequent Election pursuant to this Section 3.6(g) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the Participant's Normal Retirement on or before May 1 of a calendar year, (ii) the 60th day following the Participant's Normal Retirement after May 1 and before November 2 of a calendar

year or (iii) the December 31 following the Participant's Normal Retirement after November 1 of a calendar year.

(h) Retired Participants and Disabled Participants. The Committee may, in its sole and absolute discretion, permit a Retired Participant or a Disabled Participant to make a Subsequent Election to change the form of distribution that the payment of the Retired Participant's account would otherwise be made or to defer the time of payment of any part or all of such Retired or Disabled Participant's Account for a minimum of two years and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.6(h) shall be determined by the Committee in its sole and absolute discretion.

(i) Most Recently Filed Initial Election or Subsequent Election Controlling. Subject to acceleration pursuant to Section 3.6(e) or 3.6(f), Section 3.7 or Section 7.1, no distribution of the amounts deferred by a Participant for any calendar year shall be made before the payment date designated by the Participant or Beneficiary on the most recently filed Initial Election or Subsequent Election with respect to each deferred amount.

3.7. Distribution in Full Upon Terminating Event. The Company shall give Participants at least thirty (30) days notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. The Committee may, in its discretion, provide in such notice that notwithstanding any other provision of the Plan or the terms of any Initial Election or Subsequent Election, upon the consummation of a Terminating Event, the Account balance of each Participant shall be distributed in full and any outstanding Initial Elections or Subsequent Elections shall be revoked.

3.8. Withholding and Payment of Death Taxes.

(a) Notwithstanding any other provisions of this Plan to the contrary, including but not limited to the provisions of Article 3 and Article 7, or any Initial or Subsequent Election filed by a Deceased Participant or a Deceased Participant's Beneficiary (for purposes of this Section, the "Decedent"), the Administrator shall apply the terms of Section 3.8(b) to the Decedent's Account unless the Decedent affirmatively has elected, in writing, filed with the Administrator, to waive the application of Section 3.8(b).

(b) Unless the Decedent affirmatively has elected, pursuant to Section 3.8(a), that the terms of this Section 3.8(b) not apply:

(i) The Administrator shall prohibit the Decedent's Beneficiary from taking any action under any of the provisions of the Plan with regard to the Decedent's Account other than the Beneficiary's making of a Subsequent Election pursuant to Section 3.6;

(ii) The Administrator shall defer payment of the Decedent's Account until the later of the Death Tax Clearance Date and the payment date designated in the Decedent's Initial Election or Subsequent Election;

(iii) The Administrator shall withdraw from the Decedent's Account such amount or amounts as the Decedent's Personal Representative shall certify to the Administrator as being necessary to pay the Death Taxes apportioned against the Decedent's Account; the Administrator shall remit the amounts so withdrawn to the Personal Representative, who shall apply the same to the payment of the Decedent's Death Taxes, or the Administrator may pay such amounts directly to any taxing authority as payment on account of Decedent's Death Taxes, as the Administrator elects;

(iv) If the Administrator makes a withdrawal from the Decedent's Account to pay the Decedent's Death Taxes and such withdrawal causes the recognition of income to the Beneficiary, the Administrator shall pay to the Beneficiary from the Decedent's Account, within thirty (30) days of the Beneficiary's request, the amount necessary to enable the Beneficiary to pay the Beneficiary's income tax liability resulting from such recognition of income; additionally, the Administrator shall pay to the Beneficiary from the Decedent's Account, within thirty (30) days of the Beneficiary's request, such additional amounts as are required to enable the Beneficiary to pay the Beneficiary's income tax liability attributable to the Beneficiary's recognition of income resulting from a distribution from the Decedent's Account pursuant to this Section 3.8(b)(iv);

(v) Amounts withdrawn from the Decedent's Account by the Administrator pursuant to Sections 3.8(b)(iii) and 3.8(b)(iv) shall be withdrawn from the portions of Decedent's Account having the earliest distribution dates as specified in Decedent's Initial Election or Subsequent Election; and

(vi) Within a reasonable time after the later to occur of the Death Tax Clearance Date and the payment date designated in the Decedent's Initial Election or Subsequent Election, the Administrator shall pay the Decedent's Account to the Beneficiary.

ARTICLE 4 - MANNER OF DISTRIBUTION

4.1. Manner of Distribution. Amounts credited to an Account shall be distributed, pursuant to an Initial Election or Subsequent Election in either (a) a lump sum payment or (b) substantially equal annual installments over a five (5), ten (10) or fifteen (15) year period or (c) substantially equal monthly installments over a period not exceeding fifteen (15) years.

Notwithstanding any Initial Election or Subsequent Election to the contrary, distributions pursuant to Initial Elections or Subsequent Elections made after December 10, 1996 shall be made in one lump sum payment unless the portion of a Participant's Account subject to distribution, as of both the date of the Initial Election or Subsequent Election and the benefit commencement date, is more than \$10,000.

4.2. Determination of Account Balances for Purposes of Distribution. The amount of any distribution made pursuant to Section 4.1 shall be based on the balances in the Participant's Account on the date of distribution. For this purpose, the balance in a Participant's Account shall be calculated by crediting income, gains and losses under the Company Stock Fund and Income Fund, as applicable, through the date immediately preceding the date of distribution.

ARTICLE 5 - BOOK ACCOUNTS

5.1. Deferred Compensation Account. A deferred Compensation Account shall be established for each Outside Director and Eligible Employee when such Outside Director or Eligible Employee becomes a Participant. The balance of each Participant's Account as of January 1, 1997 shall include the balance of such Participant's account under the Prior Plan as of December 31, 1996. Compensation deferred pursuant to the Plan shall be credited to the Account on the date such Compensation would otherwise have been payable to the Participant. Income, gains and losses on the balance of the Account shall be credited to the Account as provided in Section 5.2.

5.2. Crediting of Income, Gains and Losses on Accounts.

(a) In General. Except as otherwise provided in this Section 5.2, the Administrator shall credit income, gains and losses with respect to each Participant's Account as if it were invested in the Income Fund.

(b) Investment Fund Elections.

(i) Each Active Participant, other than an Active Participant who is an Insider, may elect to have all or any portion of his Account (to the extent credited through the December 31 preceding the effective date of such election) credited with income, gains and losses as if it were invested in the Company Stock Fund or the Income Fund.

(ii) An investment fund election shall continue in effect until revoked or superseded, provided that notwithstanding any investment fund election to the contrary, as of the valuation date (as determined under Section 4.2) for the distribution of all or any portion of a Participant's Account that is subject to distribution in the form of installments described in Section 4.1(b) or (c), such Account, or portion thereof, shall be deemed invested in the Income Fund (and transferred from the Company Stock Fund to the Income Fund, to the extent necessary) until such Account, or portion thereof, is distributed in full.

(iii) In the absence of an effective election, a Participant shall be deemed to have elected to have the Account credited with income, gains and losses as if it were invested in the Income Fund.

(iv) Investment fund elections under this Section 5.2(b) shall be effective as of the first day of each calendar year beginning on and after January 1, 1997, provided that the election is filed with the Committee on or before the close of business on December 31 of the calendar year preceding such calendar year. An Active Participant may only make an investment fund election with respect to the Participant's accumulated Account as of December 31, and not with respect to Compensation to be deferred for a calendar year.

(v) If an Active Participant who was not an Insider becomes an Insider, then, notwithstanding the foregoing, such Active Participant may elect to transfer the portion of his Account, if any, deemed invested in the Company Stock Fund to be deemed invested in the Income Fund, effective as of the first day of any calendar month beginning after such Active Participant becomes an Insider.

(vi) If a Participant ceases to continue in service as an Active Participant, then, notwithstanding any election to the contrary, such Participant's Account shall be deemed invested in the Income Fund, effective as of the first day of any calendar year beginning after such Participant ceases to continue in service as an Active Participant.

(c) Timing of Credits. Compensation deferred pursuant to the Plan shall be deemed invested in the Income Fund on the date such Compensation would otherwise have been payable to the Participant. Accumulated Account balances subject to an investment fund election under Section 5.2(b) shall be deemed invested in the applicable investment fund as of the effective date of such election. The value of amounts deemed invested in the Company Stock Fund shall be based on hypothetical purchases and sales of Company Stock at Fair Market Value as of the effective date of an investment election.

5.3. Status of Deferred Amounts. Regardless of whether or not the Company is a Participant's employer, all Compensation deferred under this Plan shall continue for all purposes to be a part of the general funds of the Company.

5.4. Participants' Status as General Creditors. Regardless of whether or not the Company is a Participant's employer, an Account shall at all times represent a general obligation of the Company. The Participant 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 the Participant's Accounts. Nothing contained herein shall be deemed to create an escrow, trust, custodial account or fiduciary relationship of any kind. Nothing contained herein shall be construed to eliminate any priority or preferred position of a Participant in a bankruptcy matter with respect to claims for wages.

ARTICLE 6 - NONALIENATION OF BENEFITS

Except as otherwise required by applicable law, the right of any Participant or Beneficiary to any benefit or interest under any of the provisions of this Plan shall not be subject to encumbrance, attachment, execution, garnishment, assignment, pledge, alienation, sale, transfer, or anticipation, either by the voluntary or involuntary act of any Participant or any Participant's Beneficiary or by operation of law, nor shall such payment, right, or interest be subject to any other legal or equitable process.

ARTICLE 7 - DEATH OF PARTICIPANT

7.1. Death of Participant. A Deceased Participant's Account shall be distributed in accordance with the last Initial Election or Subsequent Election made by the Deceased Participant before the Deceased Participant's death, unless the Deceased Participant's Surviving Spouse or other Beneficiary timely elects to accelerate or defer the time or change the manner of payment pursuant to Section 3.6.

7.2. Designation of Beneficiaries. Each Participant and Beneficiary shall have the right to designate one or more Beneficiaries to receive distributions in the event of the Participant's or Beneficiary's death by filing with the Administrator a Beneficiary designation on the form provided by the Administrator for such purpose. The designation of a Beneficiary or Beneficiaries may be changed by a Participant or Beneficiary at any time prior to such

Participant's or Beneficiary's death by the delivery to the Administrator of a new Beneficiary designation form.

ARTICLE 8 - HARDSHIP DISTRIBUTIONS

Notwithstanding the terms of an Initial Election or Subsequent Election, if, at the Participant's request, the Board determines that the Participant has incurred a Hardship, the Board may, in its discretion, authorize the immediate distribution of all or any portion of the Participant's Account.

ARTICLE 9 - INTERPRETATION

9.1. Authority of Committee. The Committee shall have full and exclusive authority to construe, interpret and administer this Plan and the Committee's construction and interpretation thereof shall be binding and conclusive on all persons for all purposes.

9.2. Claims Procedure. An individual (hereinafter referred to as the "Applicant," which reference shall include the legal representative, if any, of the individual) does not receive timely payment of benefits to which the Applicant believes he is entitled under the Plan, the Applicant may make a claim for benefits in the manner hereinafter provided.

An Applicant may file a claim for benefits with the Administrator on a form supplied by the Administrator. If the Administrator wholly or partially denies a claim, the Administrator shall provide the Applicant with a written notice stating:

(a) The specific reason or reasons for the denial;

(b) Specific reference to pertinent Plan provisions on which the denial is based;

(c) A description of any additional material or information necessary for the Applicant to perfect the claim and an explanation of why such material or information is necessary; and

(d) Appropriate information as to the steps to be taken in order to submit a claim for review.

Written notice of a denial of a claim shall be provided within 90 days of the receipt of the claim, provided that if special circumstances require an extension of time for processing the claim, the Administrator may notify the Applicant in writing that an additional period of up to 90 days will be required to process the claim.

If the Applicant's claim is denied, the Applicant shall have 60 days from the date of receipt of written notice of the denial of the claim to request a review of the denial of the claim by the Administrator. Request for review of the denial of a claim must be submitted in writing. The Applicant shall have the right to review pertinent documents and submit issues and comments to the Administrator in writing. The Administrator shall provide a written decision within 60 days of its receipt of the Applicant's request for review, provided that if special

circumstances require an extension of time for processing the review of the Applicant's claim, the Administrator may notify the Applicant in writing that an additional period of up to 60 days shall be required to process the Applicant's request for review.

It is intended that the claims procedures of this Plan be administered in accordance with the claims procedure regulations of the Department of Labor set forth in 29 CFR ss. 2560.503-1.

Claims for benefits under the Plan must be filed with the Administrator at the following address:

Comcast Corporation
1500 Market Street
Philadelphia, PA 19102
Attention: General Counsel

ARTICLE 10 - AMENDMENT OR TERMINATION

10.1. Amendment or Termination. Except as otherwise provided by Section 10.2, the Company, by action of the Board or by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan. The Company, by action of the Board, reserves the right at any time to terminate this Plan.

10.2. Amendment of Rate of Credited Earnings. No amendment shall change the Applicable Interest Rate with respect to the portion of a Participant's Account that is attributable to an Initial Election or Subsequent Election made with respect to Compensation earned in a calendar year and filed with the Administrator before the date of adoption of such amendment by the Board. For purposes of this Section 10.2, a Subsequent Election to defer the payment of part or all of an Account for an additional period after a previously-elected payment date (as described in Section 3.6) shall be treated as a separate Subsequent Election from any previous Initial Election or Subsequent Election with respect to such Account.

ARTICLE 11 - WITHHOLDING OF TAXES

Whenever the Participating Company is required to credit deferred Compensation to the Account of a Participant, the Participating Company shall have the right to require the Participant to remit to the Participating Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the date on which the deferred Compensation shall be deemed credited to the Account of the Participant, or take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Participating Company's obligation to credit deferred Compensation to an Account shall be conditioned on the Participant's compliance, to the Participating Company's satisfaction, with any withholding requirement. To the maximum extent possible, the Participating Company shall satisfy all applicable withholding tax requirements by withholding tax from other Compensation payable by the Participating Company to the Participant, or by the Participant's delivery of cash to the Participating Company in an amount equal to the applicable withholding tax.

ARTICLE 12 - MISCELLANEOUS PROVISIONS

12.1. No Right to Continued Employment. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in service as an Outside Director or in the employment of a Participating Company as an executive or in any other capacity.

12.2. Expenses of Plan. All expenses of the Plan shall be paid by the Participating Companies.

12.3. Gender and Number. Whenever any words are used herein in any specific gender, they shall be construed as though they were also used in any other applicable gender. The singular form, whenever used herein, shall mean or include the plural form, and vice versa, as the context may require.

12.4. Law Governing Construction. The construction and administration of the Plan and all questions pertaining thereto, shall be governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and other applicable federal law and, to the extent not governed by federal law, by the laws of the Commonwealth of Pennsylvania.

12.5. Headings Not a Part Hereof. Any headings preceding the text of the several Articles, Sections, subsections, or paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of the Plan, nor shall they affect its meaning, construction, or effect.

12.6. Severability of Provisions. If any provision of this Plan is determined to be void by any court of competent jurisdiction, the Plan shall continue to operate and, for the purposes of the jurisdiction of that court only, shall be deemed not to include the provision determined to be void.

ARTICLE 13 - EFFECTIVE DATE

The effective date of this amendment and restatement of the Plan shall be December 19, 2000.

IN WITNESS WHEREOF, COMCAST CORPORATION has caused this Plan to be executed by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, as of the 19th day of December, 2000.

COMCAST CORPORATION

BY:

ATTEST:

1996 CASH BONUS PLAN

(Amended and Restated, Effective December 19, 2000)

1. PURPOSE

The purpose of the Plan is to promote the ability of Comcast Corporation (the "Company") and its Affiliates (as defined below) to retain and recruit employees and enhance the growth and profitability of the Company by providing the incentive of short-term and long-term cash bonus awards for continued employment and the attainment of performance objectives.

2. DEFINITIONS

(a) "Affiliate" means, with respect to any Person, any other person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

(b) "Award" or "Cash Bonus Award" means a cash bonus award granted under the Plan.

(c) "Award Period" means the period extending from January 1 of the first Plan Year to which an Award applies through December 31 of the last Plan Year to which such Award applies.

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

(e) "Change of Control" means any transaction or series of transactions as a result of which any Person who was a Third Party immediately before such transaction or series of transactions directly or indirectly owns then-outstanding securities of the Company having more than 50 percent of the voting power for the election of directors of the Company.

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

(g) "Company" means Comcast Corporation, a Pennsylvania corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

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

(i) "Eligible Employee" means an employee of the Company or an Affiliate of the Company, as determined by the Committee.

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

(k) "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

(l) "Plan" means the Comcast Corporation 1996 Cash Bonus Plan, as set forth herein, and as amended from time to time.

(m) "Plan Year" means the calendar year.

(n) "Roberts Family." Each of the following is a member of the Roberts Family:

(i) Brian L. Roberts;

(ii) a lineal descendant of Brian L. Roberts; or

(iii) a trust established for the benefit of any of Brian L. Roberts and/or a lineal descendant or descendants of Brian L. Roberts.

(o) "Target" means, for any Plan Year or Award Period, the performance objective or objectives established by the Committee.

(p) "Terminating Event" means any of the following events:

(i) the liquidation of the Sponsor; or

(ii) a Change of Control.

(q) "Third Party" means any Person, together with such Person's Affiliates, provided that the term "Third Party" shall not include the Company, an Affiliate of the Company or any member or members of the Roberts Family.

3. RIGHTS TO BE GRANTED

Rights that may be granted under the Plan are rights to cash payments, payable in accordance with the terms of the Plan and the Award document.

4. 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 Eligible Employees to whom Awards shall be granted under the Plan, to determine the amount of cash to be paid pursuant to each Award, and, pursuant to the provisions of the Plan, to determine the terms and conditions of each Award; 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 4(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.

5. ELIGIBILITY

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

6. CASH BONUS 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. Awards may be granted at any time from the date of adoption of the Plan by the Board until the Plan is terminated by the Board or the Committee.

(b) Non-uniformity of Awards. The provisions of Awards need not be the same with respect to each Grantee.

(c) Awards and Agreements. The terms of each Award shall be reflected in an Award document in form and substance satisfactory to the Committee.

(d) Conditions to Payment of Awards. The Committee shall establish such conditions on the payment of a bonus pursuant to an Award as it may, in its sole discretion, deem appropriate. The conditions shall be set forth in the Award document. The Award may provide for the payment of Awards in installments, or upon the satisfaction of divisional or Company-wide Targets, as determined by the Committee. The Committee may, in its sole discretion, waive, in whole or in part, any remaining conditions to payment of a Grantee's Award. The Grantee shall not be permitted to sell, transfer, pledge or assign any amount payable pursuant to the Plan or an Award (provided that the right to payment under an Award may pass by will or the laws of descent and distribution).

(e) Termination of Grantee's Employment.

(1) A transfer of an Eligible Employee between two employers, each of which is the Company or an Affiliate of the Company (a "Transfer"), shall not be deemed a termination of employment. The Committee may grant Awards pursuant to which the Committee reserves the right to modify the calculation of an Award in connection with a Transfer. In general, except as otherwise provided by the Committee at the time an Award is granted or in connection with a Transfer, upon the Transfer of a Grantee between divisions while

an Award is outstanding and unexpired, the outstanding Award shall be treated as having terminated and expired, and a new Award shall be treated as having been made, effective as of the effective date of the Transfer, for the portion of the Award which had not expired or been paid, but subject to the performance and payment conditions applicable generally to Awards for Grantees who are employees of the transferee division, all as shall be determined by the Committee in an equitable manner.

(2) In the event that a Grantee terminates employment with the Company and its Affiliates, all Awards remaining subject to conditions to payment shall be forfeited by the Grantee and deemed canceled by the Company.

(f) Time of Grant. Subject to Paragraph 7, following the satisfaction of the conditions to payment of an Award, the Company shall pay the Grantee (or the person to whom the right to payment may have passed by will or the laws of descent and distribution) the amount payable in connection with the lapse of such restrictions.

7. TAXES

The Company shall withhold the amount of any federal, state, local or other tax, charge or assessment attributable to the grant of any Award or lapse of restrictions under any Award as it may deem necessary or appropriate, in its sole discretion.

8. TERMINATING EVENTS

The Committee shall give Grantees at least thirty (30) days' notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. The Committee may, in its discretion, provide in such notice that upon the consummation of such Terminating Event, any remaining conditions to payment of a Grantee's Award shall be waived, in whole or in part.

9. AMENDMENT AND TERMINATION

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

10. EFFECTIVE DATE

The effective date of this amendment and restatement of the Plan is December 19, 2000, the date on which it was adopted by the Committee. To the extent provided by the Committee, the rules of the Plan, as amended and restated, shall apply to the

determination of payments to be made pursuant to the Plan on and after the effective date of this amendment and restatement of the Plan.

11. 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 19th day of December, 2000.

COMCAST CORPORATION

BY: _____

ATTEST: _____

-6-

COMCAST CORPORATION

1996 EXECUTIVE CASH BONUS PLAN
(as amended through December 19, 2000)

1. PURPOSE

The purpose of the Plan is to provide, subject to shareholder approval and approval by the Committee (as defined below), performance-based cash bonus compensation for certain employees of Comcast Corporation, a Pennsylvania corporation (the "Company") in accordance with a formula that is based on the financial success of the Company as part of an integrated compensation program which is intended to assist the Company in motivating and retaining employees of superior ability, industry and loyalty.

2. DEFINITIONS

The following words and phrases as used herein shall have the following meanings, unless a different meaning is plainly required by the context:

"Board of Directors" shall mean the Board of Directors of the Company.

"Cash Flow" shall mean the operating income before depreciation and amortization for the Company and those of its affiliates which are included with the Company in its consolidated financial statements as prepared by the Company in accordance with generally accepted accounting principles.

"Committee" shall mean the Subcommittee on Performance-Based Compensation of the Compensation Committee of the Board of Directors.

"Company" shall mean Comcast Corporation, a Pennsylvania corporation, and any successor thereto.

"First Tier Goal" shall mean the performance goal, measured in terms of level of Cash Flow, as established by the Committee for each Plan Year. The First Tier Goal is the performance measure which, if achieved, permits payment to each Participant of 66% of the Participant's Target Bonus. The Committee shall in all events establish the First Tier Goal for each Plan Year no later than 90 days after the first day of the Plan Year or, if sooner, within the first 25% of the Plan Year. The First Tier Goal shall be established at the discretion of the Committee, provided, however, that the Committee must determine that, as of the date the First Tier Goal is established, it is substantially uncertain whether the level of Cash Flow required to meet the First Tier Goal will be achieved.

"Participant" shall mean those persons eligible to participate in the Plan in accordance with Section 3.

"Plan" shall mean the 1996 Comcast Corporation Executive Cash Bonus Plan.

"Plan Year" shall mean the calendar year, except that the first Plan Year shall be the period from July 1, 1996 through December 31, 1996.

"Second Tier Goal" shall mean the performance goal, measured in terms of level of Cash Flow, as established by the Committee for each Plan Year. The Second Tier Goal is the performance measure which, if achieved, permits payment to each Participant of 100% of the Participant's Target Bonus. The Committee shall establish the Second Tier Goal for each Plan Year at the same time that it establishes the First Tier Goal for such Plan Year. The Second Tier Goal shall be a level of Cash Flow chosen at the discretion of the Committee that is higher than the level of Cash Flow chosen for the Plan Year as the First Tier Goal.

"Target Bonus" shall mean, with respect to any Participant for any Plan Year, the sum of (a) the Target Percentage of the Participant's base salary and any guaranteed bonus (other than any bonus awarded on account of the termination as of December 31, 1993, of the Company's discretionary cash bonus plan) as of the first day of the Plan Year and (b) the amount, if any, of such Participant's Target Bonus for any prior Plan Year which was not earned due to failure to meet the First Tier Goal or the Second Tier Goal; provided, however, that in no event shall any Participant's Target Bonus for any Plan Year exceed \$3,000,000.

"Target Percentage" shall mean, with respect to any Participant for any Plan Year, a percentage, not to exceed 150%, established by the Committee with respect to such Participant and such Plan Year. If no other percentage is selected by the Committee, the Target Percentage shall be 50%.

3. PARTICIPATION

The Participants in the Plan shall be

(a) Brian L. Roberts, Lawrence S. Smith, John R. Alchin and Stanley Wang;

(b) Effective for Plan Years beginning after 1999, Brian L. Roberts, Lawrence S. Smith, John R. Alchin, Stanley Wang, Stephen B. Burke, Michael A. Tallent, Bradley P. Dusto and David N. Watson;

(c) Effective for Plan Years beginning after 2000, Brian L. Roberts, Lawrence S. Smith, John R. Alchin, Stanley Wang, Stephen B. Burke, Michael A. Tallent, Bradley P. Dusto, David N. Watson, Arthur R. Block, Mark A. Coblitz and Robert A. Pick; and

(d) Effective for Plan Years beginning after 2004, Brian L. Roberts, Lawrence S. Smith, John R. Alchin, Stanley Wang, Stephen B. Burke, Michael A. Tallent, Bradley P. Dusto, David N. Watson, Arthur R. Block, Mark A. Coblitz, Robert A. Pick and Lawrence J. Salva.

In addition, Participants in the Plan shall include such other key executives as may be designated by the Committee to participate in the Plan from time to time.

4. TERM OF PLAN

Subject to approval of the Plan by the Committee and the shareholders of the Company, the Plan shall be in effect as of July 1, 1996 and shall continue until all amounts required to be paid with respect to all Plan Years up through and including the Plan Year ending December 31, 2003 are paid by the Company, unless sooner terminated by the Board of Directors.

5. BONUS ENTITLEMENT

Each Participant shall be entitled to receive a bonus in accordance with the provisions of Section 6 of the Plan only after certification by the Committee that the performance goals set forth in Section 6 have been satisfied. The bonus payment under the Plan shall be paid to each Participant as soon as practicable following the close of the Plan Year with respect to which the bonus is to be paid. Notwithstanding anything contained herein to the contrary, no bonus shall be payable under the Plan without the prior disclosure of the terms of the Plan to the shareholders of the Company and the approval of the Plan by such shareholders.

6. AMOUNT OF PERFORMANCE-BASED COMPENSATION BONUS

(a) Each Participant in the Plan shall be entitled to a bonus with respect to a Plan Year which is equal to 66% of the Participant's Target Bonus if the Company's Cash Flow for the Plan Year is at least equal to the First Tier Goal, and 100% of the Target Bonus if the Company's Cash Flow for the Plan Year is at least equal to the Second Tier Goal. If the level of Cash Flow for the Plan Year is higher than the First Tier Goal and lower than the Second Tier Goal, the bonus with respect to such Plan Year shall be such percentage of the Participant's Target Bonus in excess of 66% as is determined by prorating the difference between 100% and 66% according to the level of Cash Flow in excess of the First Tier Goal divided by the difference between the levels of Cash Flow represented by the Second Tier Goal and the First Tier Goal. If the level of Cash Flow for a Plan Year is below the First Tier Goal established with respect to such Plan Year, no bonus shall be payable under the Plan for that Plan Year.

(b) In the event any payment of a bonus otherwise payable under the Plan occurs more than two months after the close of the Plan Year with respect to which the bonus is paid because the required disclosure of the terms of the Plan to the shareholders of the Company and the approval of the Plan by such shareholders delays such bonus payment, the amount of the bonus otherwise payable shall be increased by the amount such bonus payment would earn if it were invested in an investment bearing a 7% annual rate of return, compounded daily, or such other reasonable rate of interest as may be determined by the Committee, during the period from the close of the Plan Year with respect to which such bonus is paid and the date the bonus is actually paid.

(c) Notwithstanding anything contained herein to the contrary, in the event there is a significant acquisition or disposition of any assets, business division, company or other business operations of the Company that is reasonably expected to have an effect on Cash Flow as otherwise determined under the terms of the Plan, the First Tier Goal and the Second Tier Goal shall be adjusted to take into account the impact of such acquisition or disposition by increasing or decreasing such goals in the same proportion as Cash Flow of the Company would have been affected for the prior Plan Year on a pro forma basis had such an acquisition or disposition occurred on the same date during the prior Plan Year (except in the case of the first Plan Year the adjustment shall be made by reference to the effect such an acquisition or disposition on the same date during the prior calendar year would have had on Cash Flow for the period commencing July 1, 1995 and ending December 31, 1995). Such adjustment shall be based upon the historical equivalent of Cash Flow of the assets so acquired or disposed of for the prior Plan Year, as shown by such records as are available to the Company, as further adjusted to reflect any aspects of the transaction that should be taken into account to ensure comparability between amounts in the prior Plan Year and the current Plan Year.

(d) Notwithstanding the determination of the amount of a Participant's bonus payable with respect to any Plan Year under Section 6(a), the Committee shall have the discretion to reduce or eliminate the bonus otherwise payable to a Participant if it determines that such a reduction or elimination of the bonus is in the best interests of the Company.

7. COMMITTEE

(a) Powers. The Committee shall have the power and duty to do all things necessary or convenient to effect the intent and purposes of the Plan and not inconsistent with any of the provisions hereof, whether or not such powers and duties are specifically set forth herein, and, by way of amplification and not limitation of the foregoing, the Committee shall have the power to:

(i) provide rules and regulations for the management, operation and administration of the Plan, and, from time to time, to amend or supplement such rules and regulations;

(ii) construe the Plan, which construction, as long as made in good faith, shall be final and conclusive upon all parties hereto; and

(iii) correct any defect, supply any omission, or reconcile any inconsistency in the Plan in such manner and to such extent as it shall deem expedient to carry the same into effect, and it shall be the sole and final judge of when such action shall be appropriate.

The resolution of any questions with respect to payments and entitlements pursuant to the provisions of the Plan shall be determined by the Committee, and all such determinations shall be final and conclusive.

(b) Indemnity. No member of the Committee shall be directly or indirectly responsible or under any liability by reason of any action or default by him as a member of the Committee, or the exercise of or failure to exercise any power or discretion as such member. No member of the Committee shall be liable in any way for the acts or defaults of any other member of the Committee, or any of its advisors, agents or representatives. The Company shall indemnify and save harmless each member of the Committee against any and all expenses and liabilities arising out of his own membership on the Committee.

(c) Compensation and Expenses. Members of the Committee shall receive no separate compensation for services other than compensation for their services as members of the Board of Directors, which compensation can include compensation for services at any committee meeting attended in their capacity as members of the Board of Directors. Members of the Committee shall be entitled to receive their reasonable expenses incurred in administering the Plan. Any such expenses, as well as extraordinary expenses authorized by the Company, shall be paid by the Company.

(d) Participant Information. The Company shall furnish to the Committee in writing all information the Company deems appropriate for the Committee to exercise its powers and duties in administration of the Plan. Such information shall be conclusive for all purposes of the Plan and the Committee shall be entitled to rely thereon without any investigation thereof; provided, however, that the Committee may correct any errors discovered in any such information.

(e) Inspection of Documents. The Committee shall make available to each Participant, for examination at the principal office of the Company (or at such other location as may be determined by the Committee), a copy of the Plan and such of its records, or copies thereof, as may pertain to any benefits of such Participant under the Plan.

8. EFFECTIVE DATE, TERMINATION AND AMENDMENT

(a) Effective Date of Participation in Plan. Subject to shareholder and Committee approval of the Plan, participation in this Plan shall be effective as of July 1, 1996 and shall continue thereafter until the Plan is terminated.

(b) Amendment and Termination of the Plan. The Plan may be terminated or revoked by the Company at any time and amended by the Company from time to time, provided that neither the termination, revocation or amendment of the Plan may, without the written approval of the Participant, reduce the amount of a bonus payment that is due, but has not yet been paid, and provided further that no changes that would increase the amount of bonuses determined under provisions of the Plan shall be effective without approval by the Committee and without disclosure to and approval by the shareholders of the Company in a separate vote prior to payment of such bonuses. In addition, the Plan may be modified or amended by the Committee, as it deems appropriate, in order to comply with any rules, regulations or other guidance promulgated by the Internal Revenue Service with respect to applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), as they relate to the exemption for "performance-based compensation" under the limitations on the deductibility of compensation imposed under Code Section 162(m).

9. MISCELLANEOUS PROVISIONS

(a) Unsecured Creditor Status. A Participant entitled to a bonus payment hereunder, shall rely solely upon the unsecured promise of the Company, as set forth herein, for the payment thereof, and nothing herein contained shall be construed to give to or vest in a Participant or any other person now or at any time in the future, any right, title, interest, or claim in or to any specific asset, fund, reserve, account, insurance or annuity policy or contract, or other property of any kind whatever owned by the Company, or in which the Company may have any right, title, or interest, nor or at any time in the future.

(b) Other Company Plans. It is agreed and understood that any benefits under this Plan are in addition to any and all benefits to which a Participant may

otherwise be entitled under any other contract, arrangement, or voluntary pension, profit sharing or other compensation plan of the Company, whether funded or unfunded, and that this Plan shall not affect or impair the rights or obligations of the Company or a Participant under any other such contract, arrangement, or voluntary pension, profit sharing or other compensation plan.

(c) Separability. If any term or condition of the Plan shall be invalid or unenforceable to any extent or in any application, then the remainder of the Plan, with the exception of such invalid or unenforceable provision, shall not be affected thereby, and shall continue in effect and application to its fullest extent.

(d) Continued Employment. Neither the establishment of the Plan, any provisions of the Plan, nor any action of the Committee shall be held or construed to confer upon any Participant the right to a continuation of employment by the Company. The Company reserves the right to dismiss any employee (including a Participant), or otherwise deal with any employee (including a Participant) to the same extent as though the Plan had not been adopted.

(e) Incapacity. If the Committee determines that a Participant is unable to care for his affairs because of illness or accident, any benefit due such Participant under the Plan may be paid to his spouse, child, parent, or any other person deemed by the Committee to have incurred expense for such Participant (including a duly appointed guardian, committee, or other legal representative), and any such payment shall be a complete discharge of the Company's obligation hereunder.

(g) Jurisdiction. The Plan shall be construed, administered, and enforced according to the laws of the Commonwealth of Pennsylvania, except to the extent that such laws are preempted by the Federal laws of the United States of America.

(h) Withholding. The Participant shall make appropriate arrangements with the Company for satisfaction of any federal, state or local income tax withholding requirements and Social Security or other tax requirements applicable to the accrual or payment

of benefits under the Plan. If no other arrangements are made, the Company may provide, at its discretion, for any withholding and tax payments as may be required.

Executed this 19th day of December, 2000.

COMCAST CORPORATION

BY: _____

ATTEST: _____

COMCAST CORPORATION
1997 DEFERRED STOCK OPTION PLAN

(As Amended and Restated Effective December 19, 2000)

December 19, 2000

TABLE OF CONTENTS

	Page
ARTICLE 1 - CONTINUATION AND COVERAGE OF PLAN.....	1
1.1. Continuation of Plan.....	1
1.2. Plan Unfunded and Limited to Outside Directors and Select Group of Management or Highly Compensated Employees.....	1
ARTICLE 2 - DEFINITIONS.....	1
2.1. "Account".....	1
2.2. "Active Participant".....	1
2.3. "Administrator".....	1
2.4. "Affiliate".....	1
2.5. "Annual Rate of Pay".....	2
2.6. "Beneficiary".....	2
2.7. "Board".....	2
2.8. "Change of Control".....	2
2.9. "Code".....	2
2.10. "Comcast Option Plan or Plans".....	2
2.11. "Comcast Plan".....	2
2.12. "Committee".....	3
2.13. "Common Stock".....	3
2.14. "Company".....	3
2.15. "Date of Grant".....	3
2.16. "Death Tax Clearance Date".....	3
2.17. "Death Taxes".....	3
2.18. "Deceased Participant".....	3
2.19. "Deferred Stock Units".....	4
2.20. "Disabled Participant".....	4
2.21. "Eligible Employee".....	4
2.22. "Fair Market Value".....	5
2.23. "Former Eligible Employee".....	5
2.24. "Former Outside Director".....	5
2.25. "Immediate Family".....	5
2.26. "Initial Election".....	5
2.27. "New Key Employee".....	6
2.28. "Normal Retirement".....	6
2.29. "Option".....	6
2.30. "Option Shares".....	6
2.31. "Other Available Shares".....	6
2.32. "Outside Director".....	7
2.33. "Participant".....	7
2.34. "Participating Company".....	7

2.35.	"Permitted Transferee".....	7
2.36.	"Person".....	7
2.37.	"Personal Representative".....	8
2.38.	"Plan".....	8
2.39.	"Prime Rate".....	8
2.40.	"Related Corporation".....	8
2.41.	"Retired Participant".....	8
2.42.	"Roberts Family".....	8
2.43.	"Share" or "Shares".....	8
2.44.	"Share Withholding Election".....	8
2.45.	"Special Common Stock".....	9
2.46.	"Subsequent Election".....	9
2.47.	"Successor-in-Interest".....	9
2.48.	"Surviving Spouse".....	9
2.49.	"Terminating Event".....	9
2.50.	"Third Party".....	9
ARTICLE 3 - INITIAL AND SUBSEQUENT ELECTIONS.....		10
3.1.	Elections.....	10
3.2.	Filing of Initial Election: General.....	10
3.3.	Options to which Initial Elections May Apply.....	10
3.4.	Initial Election of Distribution Date.....	10
3.5.	Subsequent Elections.....	10
3.6.	Distribution in Full upon Terminating Event.....	14
3.7.	Withholding and Payment of Death Taxes.....	14
ARTICLE 4 - MANNER OF DISTRIBUTION.....		15
4.1.	Manner of Distribution.....	15
ARTICLE 5 - BOOK ACCOUNTS.....		15
5.1.	Account.....	15
5.2.	Crediting of Dividend Equivalents.....	15
5.3.	Status of Deferred Amounts.....	15
5.4.	Participants' Status as General Creditors.....	15
ARTICLE 6 - NONALIENATION OF BENEFITS.....		16
6.1.	Alienation Prohibited.....	16
ARTICLE 7 - DEATH OF PARTICIPANT.....		16
7.1.	Death of Participant.....	16
7.2.	Designation of Beneficiaries.....	16

ARTICLE 8 - INTERPRETATION.....	16
8.1. Authority of Committee.....	16
8.2. Claims Procedure.....	16
ARTICLE 9 - AMENDMENT OR TERMINATION.....	17
9.1. Amendment or Termination.....	17
ARTICLE 10 - WITHHOLDING OF TAXES ON EXERCISE OF OPTION.....	18
10.1. In General.....	18
10.2. Share Withholding Election.....	18
ARTICLE 11 - CAPITAL ADJUSTMENTS.....	18
11.1. Capital Adjustments.....	18
ARTICLE 12 - MISCELLANEOUS PROVISIONS.....	19
12.1. No Right to Continued Employment.....	19
12.2. Expenses of Plan.....	19
12.3. Gender and Number.....	19
12.4. Law Governing Construction.....	19
12.5. Headings Not a Part Hereof.....	19
12.6. Severability of Provisions.....	19
12.7. Expiration of Options.....	19
ARTICLE 13 - EFFECTIVE DATE.....	20
13.1. Effective Date.....	20

COMCAST CORPORATION
1997 DEFERRED STOCK OPTION PLAN

(as amended and restated effective December 19, 2001)

ARTICLE 1 - CONTINUATION AND COVERAGE OF PLAN

1.1. Continuation of Plan. COMCAST CORPORATION, a Pennsylvania corporation, hereby amends and restates the Comcast Corporation 1997 Deferred Stock Option Plan (the "Plan"), effective December 19, 2000. The Plan was initially adopted effective September 16, 1997 and was amended and restated effective June 21, 1999.

1.2. Plan Unfunded and Limited to Outside Directors and Select Group of Management or Highly Compensated Employees. The Plan is unfunded and is maintained primarily for the purpose of providing outside directors and a select group of management or highly compensated employees the opportunity to defer the receipt of Shares and corresponding recognition of compensation income upon the exercise of Options.

ARTICLE 2 - DEFINITIONS

2.1. "Account" means the bookkeeping accounts established pursuant to Section 5.1 and maintained by the Administrator in the names of the respective Participants, to which Deferred Stock Units, dividend equivalents and earnings on dividend equivalents shall be credited, and from which all amounts distributed pursuant to the Plan shall be debited.

2.2. "Active Participant" means:

(a) Each Participant who is in active service as an Outside Director;

(b) Each Participant who is actively employed by a Participating Company as an Eligible Employee; and

(c) A Permitted Transferee of an individual described in Section 2.2(a) or Section 2.2(b), if applicable.

2.3. "Administrator" means the Committee.

2.4. "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. For purposes of this definition, the term "control," including its correlative terms "controlled by" and "under common control with," mean, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

2.5. "Annual Rate of Pay" means, as of any date, an employee's annualized base pay rate. An employee's Annual Rate of Pay shall not include sales commissions or other similar payments or awards.

2.6. "Beneficiary" means such person or persons or legal entity or entities, including, but not limited to, an organization exempt from federal income tax under section 501(c)(3) of the Code, designated by a Participant or Beneficiary to receive benefits pursuant to the terms of the Plan after such Participant's or Beneficiary's death. If no Beneficiary is designated by the Participant or Beneficiary or if no Beneficiary survives the Participant or Beneficiary (as the case may be), the Participant's Beneficiary shall be the Participant's Surviving Spouse if the Participant has a Surviving Spouse and otherwise the Participant's estate and the Beneficiary of a Beneficiary shall be the Beneficiary's Surviving Spouse if the Beneficiary has a Surviving Spouse and otherwise the Beneficiary's estate.

2.7. "Board" ans the Board of Directors of the Company, or the Executive Committee of the Board of Directors of the Company.

2.8. "Change of Control" means any transaction or series of transactions as a result of which any Person who was a Third Party immediately before such transaction or series of transactions directly or indirectly owns then-outstanding securities of the Company having more than 50 percent of the voting power for the election of directors of the Company.

2.9. "Code" means the Internal Revenue Code of 1986, as amended.

2.10. "Comcast Option Plan or Plans" means the Comcast Corporation 1986 Non-Qualified Stock Option Plan, the Comcast Corporation 1987 Stock Option Plan, or the Comcast Corporation 1996 Stock Option Plan, or any other incentive or non-qualified stock option plan subsequently adopted by the Company or a Related Corporation.

2.11. "Comcast Plan" means any restricted stock, stock bonus, stock option or other compensation plan, program or arrangement established or maintained by the Company or an Affiliate, including, but not limited to this Plan, the Comcast Corporation 1990 Restricted Stock Plan and the Comcast Option Plans.

2.12. "Committee" means the Subcommittee on Performance Based Compensation of the Compensation Committee of the Board of Directors of the Company.

2.13. "Common Stock" means the Company's Class A Common Stock, par value \$1.00 per share, including a fractional share.

2.14. "Company" means Comcast Corporation, a Pennsylvania corporation, including any successor thereto by merger, consolidation, acquisition of all or substantially all the assets thereof, or otherwise.

2.15. "Date of Grant" means the date as of which an Option is granted.

2.16. "Death Tax Clearance Date" means the date upon which a Deceased Participant's or a deceased Beneficiary's Personal Representative certifies to the Administrator that (i) such Deceased Participant's or deceased Beneficiary's Death Taxes have been finally determined, (ii) all of such Deceased Participant's or deceased Beneficiary's Death Taxes apportioned against the Deceased Participant's or deceased Beneficiary's Account have been

paid in full and (iii) all potential liability for Death Taxes with respect to the Deceased Participant's or deceased Beneficiary's Account has been satisfied.

2.17. "Death Taxes" means any and all estate, inheritance, generation-skipping transfer, and other death taxes as well as any interest and penalties thereon imposed by any governmental entity (a "taxing authority") as a result of the death of the Participant or the Participant's Beneficiary.

2.18. "Deceased Participant" means:

(a) A Participant whose employment, or, in the case of a Participant who was an Outside Director, a Participant whose service as an Outside Director, is terminated by death;

(b) A Participant who dies following termination of active employment or active service; or

(c) A Permitted Transferee of an individual described in Section 2.18(a) or 2.18(b), if applicable.

2.19. "Deferred Stock Units" mean the number of hypothetical Shares determined as the excess of (a) the number of Option Shares over (b) the number of Other Available Shares having a Fair Market Value as of the date of exercise of an Option equal to the exercise price for such Option Shares (hereinafter referred to in this Section 2.19 as the "Payment Shares"), as to which an Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest provides to the Company evidence of ownership of sufficient Payment Shares to pay the exercise price for such Option Shares; provided, however, that if the Option is for Common Stock, the Deferred Stock Units shall be credited to the Participant's Account as Deferred Common Stock Units, and if the Option is for Special Common Stock, the Deferred Stock Units shall be credited to the Participant's Account as Deferred Special Common Stock Units. Provision of a notarized statement under oath to the Company by the Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest attesting to the number of Payment Shares owned by the Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest and held by a securities broker for the Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest in "street name" or provision of the certificate numbers to the Company by the Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest of the Payment Share stock certificates actually held by the Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest shall constitute acceptable evidence of ownership.

2.20. "Disabled Participant" means:

(a) A Participant whose employment or, in the case of a Participant who is an Outside Director, a Participant whose service as an Outside Director, is terminated by reason of disability;

(b) A Participant who becomes disabled (as determined by the Committee) following termination of active service;

(c) The duly-appointed legal guardian of an individual described in Section 2.20(a) or 2.20(b) acting on behalf of such individual; or

(d) A Permitted Transferee of an individual described in Section 2.20(a) or 2.20(b), if applicable.

2.21. "Eligible Employee" means:

(a) Each employee of a Participating Company whose Annual Rate of Pay is \$125,000 or more as of both (i) the date on which an Initial Election is filed with the Administrator and (ii) the first day of the calendar year in which such Initial Election is filed;

(b) Each employee of a Participating Company who has a title at or above the level of vice president whose Annual Rate of Pay is \$100,000 or more as of both (i) the date on which an Initial Election is filed with the Administrator and (ii) the first day of the calendar year in which such Initial Election is filed;

(c) Each New Key Employee; and

(d) Each other employee of a Participating Company who is designated by the Committee, in its discretion, as an Eligible Employee.

2.22. "Fair Market Value" shall mean:

(a) If Shares are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed on the last trading day prior to the date of determination.

(b) If Shares are not so listed, but trades of Shares are reported on the NASDAQ National Market, the last quoted sale price of a share on the NASDAQ National Market on the last trading day prior to the date of determination.

(c) If Shares are not so listed nor trades of Shares so reported, Fair Market Value shall be determined by the Committee in good faith.

2.23. "Former Eligible Employee" means an individual who has ceased to be actively employed by a Participating Company for any reason but who, immediately preceding his termination of employment, was an Eligible Employee.

2.24. "Former Outside Director" means an individual who has ceased to be a member of the Board, but who, immediately preceding his cessation of service as a member of the Board was an Outside Director.

2.25. "Immediate Family" means an Outside Director's, Former Outside Director's, Eligible Employee's or Former Eligible Employee's spouse and lineal descendants, any trust all

beneficiaries of which are any of such persons and any other entity all members or owners of which are any of such persons.

2.26. "Initial Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which an Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee who:

(a) Elects, within the time or times specified in Article 3, to defer the receipt of Shares pursuant to the exercise of all or part of an Option; and

(b) Designates the time that such Shares and any dividend equivalents shall be distributed.

2.27. "New Key Employee" means each employee of a Participating Company:

(a) Hired on or after the effective date of the Plan whose Annual Rate of Pay on such employee's date of hire is \$125,000 or more;

(b) Hired on or after June 21, 1999, who has a title at or above the level of vice president and whose Annual Rate of Pay on such employee's date of hire is \$100,000 or more; and

(c) Who first becomes an Eligible Employee as a result of the amendment of the Plan effective June 21, 1999.

2.28. "Normal Retirement" means:

(a) For a Participant who is an employee of a Participating Company immediately preceding his termination of employment, a termination of employment that is treated by the Participating Company as a retirement under its employment policies and practices as in effect from time to time; and

(b) For a Participant who is an Outside Director immediately preceding his termination of service, his normal retirement from the Board.

2.29. "Option" means a non-qualified stock option to purchase Shares granted pursuant to a Comcast Option Plan; provided that each Option with a different Date of Grant shall be considered a separate Option.

2.30. "Option Shares" mean the Shares that are subject to the portion of an Option as to which an Initial Election or Subsequent Election is in effect as adjusted to reflect a Share Withholding Election.

2.31. "Other Available Shares" means, as of any date, the excess, if any of:

(a) The total number of Shares owned by a Person; over

(b) The sum of:

(i) The number of Shares owned by such Person for less than six months; plus

(ii) The number of Shares owned by such Person that has, within the preceding six months, been the subject of a withholding certification under any Comcast Plan; plus

(iii) The number of Shares owned by such Person that has, within the preceding six months, been received in exchange for Shares surrendered as payment, in full or in part of the exercise price for an option to purchase any securities of the Company or an Affiliate under any Comcast Plan, but only to the extent of the number of Shares surrendered; plus

(iv) The number of Shares owned by such Person as to which evidence of ownership has, within the preceding six months, been provided to the Company in connection with the crediting of Deferred Stock Units to such Person's Account.

For purposes of this Section 2.31, a Share that is subject to a deferral election pursuant to this Plan or another Comcast Plan shall not be treated as owned by a Person until all conditions to the delivery of such Share have lapsed. The number of Other Available Shares shall be determined separately for Common Stock and Special Common Stock.

2.32. "Outside Director" means a member of the Board, who is not an employee of a Participating Company.

2.33. "Participant" means each Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee who is the grantee or transferee of an Option that has made an Initial Election or Subsequent Election and that has an undistributed amount credited to an Account under the Plan.

2.34. "Participating Company" means the Company and each Related Corporation.

2.35. "Permitted Transferee" means a member of the Immediate Family of an Outside Director, Former Outside Director, Eligible Employee or Former Eligible Employee to whom the right to exercise an Option has been transferred pursuant to a Comcast Option Plan.

2.36. "Person" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization.

2.37. "Personal Representative" means the executor, the administrator, or the personal representative of a deceased individual's estate.

2.38. "Plan" means the Comcast Corporation 1997 Deferred Stock Option Plan, as set forth herein, and as amended from time to time.

2.39. "Prime Rate" means the annual rate of interest identified by PNC Bank as its prime rate as of the first day of each calendar year.

2.40. "Related Corporation" means a corporate subsidiary of the Company, as defined in section 424(f) of the Code, or the corporate parent of the Company, as defined in section 424(e) of the Code.

2.41. "Retired Participant" means a Participant who has terminated employment pursuant to a Normal Retirement.

2.42. "Roberts Family" means each of the following:

(a) Brian L. Roberts;

(b) A lineal descendant of Brian L. Roberts; or

(c) A trust established for the benefit of Brian L. Roberts and/or a lineal descendant or descendants of Brian L. Roberts.

2.43. "Share" or "Shares" means for all purposes of the Plan, a share or shares of Common Stock or Special Common Stock, or such other securities as may be issued by the Company, subject to adjustment as provided in Article 11.

2.44. "Share Withholding Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with the rules applicable to the filing of Initial Elections under Article 3, pursuant to which an Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee elects to have the number of Shares deferred pursuant to the exercise of all or part of an Option and credited under the Plan as Deferred Stock Units adjusted so that Deferred Stock Units that would, but for a Share Withholding Election, be credited to an Account under the Plan, shall be deemed distributed pursuant to the Plan to satisfy applicable withholding tax liabilities, as described in Section 10.2. With respect to Options that become subject to an Initial Election after June 21, 1999, a Share Withholding Election must be filed not later than the applicable deadline for filing such Initial Election under Article 3. With respect to Options that are subject to an Initial Election on June 21, 1999, a Share Withholding Election must be filed on or before February 26, 1999.

2.45. "Special Common Stock" means the Company's Class A Special Common Stock, par value \$1.00 per share, including a fractional share.

2.46. "Subsequent Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which a Participant or Beneficiary may elect to defer (or, in limited cases, accelerate) the time of receipt of Shares previously deferred in accordance with the terms of a previously made Initial Election or Subsequent Election.

2.47. "Successor-in-Interest" means the Beneficiary of a deceased Former Outside Director, a deceased Former Eligible Employee or another deceased Participant, to whom the right to exercise an Option or the right to payment under the Plan shall have passed, as applicable.

2.48. "Surviving Spouse" means the widow or widower, as the case may be, of a Deceased Participant or a Deceased Beneficiary (as applicable).

2.49. "Terminating Event" means either of the following events:

- (a) The liquidation of the Company; or
- (b) A Change of Control.

2.50. "Third Party" means any Person, together with such Person's Affiliates, provided that the term "Third Party" shall not include the Company, an Affiliate of the Company or any member or members of the Roberts Family.

ARTICLE 3 - INITIAL AND SUBSEQUENT ELECTIONS

3.1. Elections.

(a) Initial Elections. Each Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee who is the grantee or transferee of an Option, shall have the right to make an Initial Election to defer the receipt of Shares upon exercise of all or part of such Option by filing an Initial Election at the time and in the manner described in this Article 3.

(b) Subsequent Elections. Each Participant and Beneficiary shall have the right to elect to defer (or, in limited cases, accelerate) the time of receipt of Shares previously deferred in accordance with the terms of a previously made Initial Election by filing a Subsequent Election at the time, to the extent, and in the manner described in this Article 3.

3.2. Filing of Initial Election: General. An Initial Election shall be made on the form provided by the Administrator for this purpose. No such Initial Election shall be effective unless it is filed with the Administrator on or before a date that is both (i) more than six (6) months prior to the exercise of such Option and (ii) in the calendar year preceding the calendar year in which such Option is exercised, provided that an Initial Election filed with the Administrator on or before December 31, 1997, shall be effective with respect to the exercise of any Option after December 31, 1997.

3.3. Options to which Initial Elections May Apply. A separate Initial Election may be made for each Option, or a portion of such Option, with respect to which an Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee desires to defer receipt of Shares upon exercise of all or a portion of such Option. The failure of such a Person to make an Initial Election with respect to an Option shall not affect such Person's right to make an Initial Election for any other Option.

3.4. Initial Election of Distribution Date. Each Participant who elects to defer the receipt of Shares shall, on the Initial Election, also elect the distribution date for such Shares; provided, however, that subject to acceleration pursuant to Section 3.5(d), Section 3.5(e), Section 3.6 or Section 7.1, no distribution may be made earlier than January 2nd of the third calendar year beginning after the date of the Initial Election nor later than January 2nd of the eleventh

calendar year beginning after the date of the Initial Election. The designation of the distribution date for Shares may vary with each separate Initial Election.

3.5. Subsequent Elections.

(a) Active Participants. Each Active Participant who has made an Initial Election, or who has made a Subsequent Election pursuant to this Section 3.5(a), may elect to defer the time of payment of part or all of such Active Participant's Account for a minimum of two and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the distribution would otherwise be made. The number of Subsequent Elections under this Section 3.5(a) shall not be limited.

(b) Surviving Spouses.

(i) General Rule. A Surviving Spouse who is a Deceased Participant's Beneficiary may elect to defer the time of payment, of any part or all of such Deceased Participant's Account the payment of which would be made neither within six (6) months after, nor within the calendar year of, the date of such election. Such election shall be made by filing a Subsequent Election with the Administrator in which the Surviving Spouse shall specify the change in the time of payment, which shall be no less than two nor more than ten years from the previously-elected payment date, or such Surviving Spouse may elect to defer payment until such Surviving Spouse's death. A Surviving Spouse may make a total of two (2) Subsequent Elections under this Section 3.5(b)(i), with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.5(b)(i) may specify different changes with respect to different parts of the Deceased Participant's Account.

(ii) Exception. Notwithstanding the above Section 3.5(b)(i), a Subsequent Election may be made by a Surviving Spouse within sixty (60) days of the Deceased Participant's death; provided, however, such election may only be made with respect to amounts which would not be paid under the Deceased Participant's election as in effect on the date of the Deceased Participant's death until a date which is at least six (6) months from the Deceased Participant's date of death. Such election shall be made by filing a Subsequent Election with the Administrator in which the Surviving Spouse shall specify the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date, or such Surviving Spouse may elect to defer payment until such Surviving Spouse's death. A Surviving Spouse may only make one (1) Subsequent Election under this Section 3.5(b)(ii) with respect to all or any part of the Deceased Participant's Account. Such Surviving Spouse may, however, make one additional Subsequent Election under Section 3.5(b)(i) in accordance with the terms of Section 3.5(b)(i). The one (1) Subsequent Election permitted under this Section 3.5(b)(ii) may specify different changes for different parts of the Deceased Participant's Account.

(c) Beneficiary of a Deceased Participant Other Than a Surviving Spouse

(i) General Rule. A Beneficiary of a Deceased Participant (other than a Surviving Spouse) may elect to defer the time of payment, of any part or all of such

Deceased Participant's Account the payment of which would be made neither within six (6) months after, nor within the calendar year of, the date of such election. Such election shall be made by filing a Subsequent Election with the Administrator in which the Beneficiary shall specify the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date. A Beneficiary may make one (1) Subsequent Election under this Section 3.5(c)(i), with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.5(c)(i) may specify different changes for different parts of the Deceased Participant's Account.

(ii) Exception. Notwithstanding the above Section 3.5(c)(i), a Subsequent Election may be made by a Beneficiary within sixty (60) days of the Deceased Participant's death; provided, however, such election may only be made with respect to amounts which would not be paid under the Deceased Participant's election as in effect on the date of the Deceased Participant's death until a date which is at least six (6) months from the Deceased Participant's date of death. Such election shall be made by filing a Subsequent Election with the Administrator in which the Beneficiary shall specify the change in the time of payment, which shall be no less than two (2) nor more than ten (10) years from the previously-elected payment date. A Beneficiary may make one (1) Subsequent Election under this Section 3.5(c)(ii) with respect to all or any part of the Deceased Participant's Account. Subsequent Elections pursuant to this Section 3.5(c)(ii) may specify different changes for different parts of the Deceased Participant's Account.

(d) Other Deferral and Acceleration by a Beneficiary. Any Beneficiary (other than a Surviving Spouse who has made a Subsequent Election under Section 3.5(b) or a Beneficiary who has made a Subsequent Election under Section 3.5(c)) may elect to:

(i) Defer the time of payment of any part or all of the Deceased Participant's Account or deceased Beneficiary's Account for one additional year from the date payment would otherwise be made (provided that if a Subsequent Election is made pursuant to this Section 3.5(d)(i), the Deceased Participant's Account or deceased Beneficiary's Account shall be in all events distributed in full on or before the fifth anniversary of the Deceased Participant's or deceased Beneficiary's death); or

(ii) Accelerate the time of payment of a Deceased Participant's Account or deceased Beneficiary's Account from the date or dates that payment would otherwise be made to the date that is the later of (A) six (6) months after the date of the Deceased Participant's or deceased Beneficiary's death and (B) January 2nd of the calendar year beginning after the Deceased Participant's or deceased Beneficiary's death, provided that if a Subsequent Election is made pursuant to this Section 3.5(d)(ii), the Deceased Participant's Account or deceased Beneficiary's Account shall be distributed in full on such accelerated payment date.

A Subsequent Election pursuant to this Section 3.5(d) must be filed with the Administrator within one hundred twenty (120) days following the Deceased Participant's or deceased Beneficiary's death. One and only one Subsequent Election shall be permitted pursuant to this Section 3.5(d) with respect to a Deceased Participant's Account or deceased Beneficiary's Account, although if such Subsequent Election is filed pursuant to Section 3.5(d)(i), it may specify different changes for different parts of the Account.

(e) Acceleration by Disabled Participant or Permitted Transferee of Disabled Participant. A Disabled Participant, or the Permitted Transferee of a Disabled Participant if applicable, may elect to accelerate the time of payment of the Disabled Participant's Account from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Participant became disabled. A Subsequent Election pursuant to this Section 3.5(e) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant on or before May 1 of a calendar year, (ii) the 60th day following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after May 1 and before November 2 of a calendar year or (iii) the December 31 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after November 1 of a calendar year.

(f) Retired Participants and Disabled Participants. The Committee may, in its sole and absolute discretion, permit a Retired Participant or a Disabled Participant to make a Subsequent Election to defer the time of payment of any part or all of such Retired or Disabled Participant's Account for a minimum of two years and a maximum of ten additional years from the previously-elected payment date, by filing a Subsequent Election with the Administrator on or before the close of business on June 30 of the calendar year preceding the calendar year in which the lump-sum distribution or initial installment payment would otherwise be made. The number of Subsequent Elections under this Section 3.5(f) shall be determined by the Committee in its sole and absolute discretion.

(g) Retired Participant or Permitted Transferee of Retired Participant. A Retired Participant (who has not been permitted to make a Subsequent Election under Section 3.5(f)) or a Permitted Transferee of a Retired Participant may elect to defer the time of payment of the Retired Participant's Account for a minimum of two additional years from the date payment would otherwise be made (provided that if a Subsequent Election is made pursuant to this Section 3.5(g), the Retired Participant's Account shall be distributed in full on or before the fifth anniversary of the Retired Participant's Normal Retirement). A Subsequent Election pursuant to this Section 3.5(g) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the Participant's Normal Retirement on or before May 1 of a calendar year, (ii) the 60th day following the Participant's Normal Retirement after May 1 and before November 2 of a calendar year or (iii) the December 31 following the Participant's Normal Retirement after November 1 of a calendar year.

(h) Disabled Participant or Permitted Transferee of Disabled Participant. A Disabled Participant (who has not been permitted to make a Subsequent Election under 3.5(f)) or a Permitted Transferee of a Disabled Participant may elect to defer the time of payment of the Disabled Participant's Account for a minimum of two additional years from the date payment would otherwise be made (provided that if a Subsequent Election is made pursuant to this Section 3.5(h), the Disabled Participant's Account shall be distributed in full on or before the fifth anniversary of the date the Participant became a Disabled Participant). A Subsequent Election pursuant to this Section 3.5(h) must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant on or before May 1 of a calendar year, (ii) the 60th day following the date the Participant becomes a Disabled Participant

if the Participant becomes a Disabled Participant after May 1 and before November 2 of a calendar year or (iii) the December 31 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after November 1 of a calendar year.

(i) Most Recently Filed Initial Election or Subsequent Election Controlling. Subject to acceleration pursuant to Section 3.5(d), or 3.5(e), Section 3.6 or 7.1, no distribution of the amounts deferred pursuant to this Article 3 for any calendar year shall be made before the distribution date designated by the Participant or Beneficiary, Permitted Transferee or Successor-in-Interest, as applicable, on the most recently filed Initial Election or Subsequent Election with respect to each deferred amount.

3.6. Distribution in Full upon Terminating Event. The Company shall give Participants at least thirty (30) days notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. The Company may, in its discretion, provide in such notice that notwithstanding any other provision of the Plan or the terms of any Initial or Subsequent Election, upon the consummation of a Terminating Event, the Account balance of each Participant shall be distributed in full and any outstanding Initial Elections or Subsequent Elections shall be revoked.

3.7. Withholding and Payment of Death Taxes.

(a) Notwithstanding any other provisions of this Plan to the contrary, including but not limited to the provisions of Article 3 and Article 7, or any Initial or Subsequent Election filed by a Deceased Participant or a Deceased Participant's Beneficiary (for purposes of this Section, the "Decedent"), the Administrator shall apply the terms of Section 3.7(b) to the Decedent's Account unless the Decedent affirmatively has elected, in writing, filed with the Administrator, to waive the application of Section 3.7(b).

(b) Unless the Decedent affirmatively has elected, pursuant to Section 3.7(a), that the terms of this Section 3.7(b) not apply:

(i) The Administrator shall prohibit the Decedent's Beneficiary from taking any action under any of the provisions of the Plan with regard to the Decedent's Account other than the Beneficiary's making of a Subsequent Election pursuant to Section 3.5;

(ii) The Administrator shall defer payment of the Decedent's Account until the later of the Death Tax Clearance Date and the payment date designated in the Decedent's Initial Election or Subsequent Election;

(iii) The Administrator shall withdraw from the Decedent's Account such amount or amounts as the Decedent's Personal Representative shall certify to the Administrator as being necessary to pay the Death Taxes apportioned against the Decedent's Account; the Administrator shall remit the amounts so withdrawn to the Personal Representative, who shall apply the same to the payment of the Decedent's Death Taxes, or the Administrator may pay such amounts directly to any taxing authority as payment on account of Decedent's Death Taxes, as the Administrator elects;

(iv) If the Administrator makes a withdrawal from the Decedent's Account to pay the Decedent's Death Taxes and such withdrawal causes the recognition of income to the Beneficiary, the Administrator shall pay to the Beneficiary from the Decedent's Account, within thirty (30) days of the Beneficiary's request, the amount necessary to enable the Beneficiary to pay the Beneficiary's income tax liability resulting from such recognition of income; additionally, the Administrator shall pay to the Beneficiary from the Decedent's Account, within thirty (30) days of the Beneficiary's request, such additional amounts as are required to enable the Beneficiary to pay the Beneficiary's income tax liability attributable to the Beneficiary's recognition of income resulting from a distribution from the Decedent's Account pursuant to this Section 3.7(b)(iv);

(v) Amounts withdrawn from the Decedent's Account by the Administrator pursuant to Sections 3.7(b)(iii) and 3.7(b)(iv) shall be withdrawn from the portions of Decedent's Account having the earliest distribution dates as specified in Decedent's Initial Election or Subsequent Election; and

(vi) Within a reasonable time after the later to occur of the Death Tax Clearance Date and the payment date designated in the Decedent's Initial Election or Subsequent Election, the Administrator shall pay the Decedent's Account to the Beneficiary.

ARTICLE 4 - MANNER OF DISTRIBUTION

4.1. Manner of Distribution. Deferred Stock Units credited to an Account shall be distributed in a lump sum in shares of Common Stock and/or Special Common Stock, as applicable. Dividend equivalents shall be distributed in a lump sum in cash.

ARTICLE 5 - BOOK ACCOUNTS

5.1. Account. An Account shall be established for each Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee when such Person becomes a Participant. Deferred Stock Units shall be credited to the Account as of the date of exercise of an Option as to which an Initial or Subsequent Election is in effect.

5.2. Crediting of Dividend Equivalents. The Account of each Participant shall be credited with dividend equivalents at the same rate per Deferred Stock Unit as are actually paid per Share. Dividend equivalents credited to Accounts shall be credited with interest annually at the Prime Rate.

5.3. Status of Deferred Amounts. Regardless of whether or not the Company is a Participant's employer, all Deferred Stock Units and dividend equivalents under this Plan shall continue for all purposes to be a part of the general funds of the Company.

5.4. Participants' Status as General Creditors. Regardless of whether or not the Company is a Participant's employer, an Account shall at all times represent a general obligation of the Company. The Participant 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 the Participant's Accounts. Nothing contained herein shall be deemed to create an escrow, trust, custodial

account or fiduciary relationship of any kind. Nothing contained herein shall be construed to eliminate any priority or preferred position of a Participant in a bankruptcy matter with respect to claims for wages.

ARTICLE 6 - NONALIENATION OF BENEFITS

6.1. Alienation Prohibited. Except as otherwise required by applicable law, the right of any Participant or Beneficiary to any benefit or interest under any of the provisions of this Plan shall not be subject to encumbrance, attachment, execution, garnishment, assignment, pledge, alienation, sale, transfer, or anticipation, either by the voluntary or involuntary act of any Participant or any Participant's Beneficiary or by operation of law, nor shall such payment, right, or interest be subject to any other legal or equitable process.

ARTICLE 7 - DEATH OF PARTICIPANT

7.1. Death of Participant. Except as provided in Section 3.7, a Deceased Participant's Account shall be distributed in accordance with the last Initial Election or Subsequent Election made by the Deceased Participant before the Deceased Participant's death, unless the Deceased Participant's Surviving Spouse, Permitted Transferee, Successor-in-Interest or Beneficiary timely elects to accelerate or defer the time of payment pursuant to Section 3.5(b), Section 3.5(c), Section 3.5(d), Section 3.5(e), or Section 3.5(f).

7.2. Designation of Beneficiaries. Each Participant and Beneficiary shall have the right to designate one or more Beneficiaries to receive distributions in the event of the Participant's or Beneficiary's death by filing with the Administrator a Beneficiary designation on the form provided by the Administrator for such purpose. The designation of a Beneficiary or Beneficiaries may be changed by a Participant or Beneficiary at any time prior to such Participant's or Beneficiary's death by the delivery to the Administrator of a new Beneficiary designation form.

ARTICLE 8 - INTERPRETATION

8.1. Authority of Committee. The Committee shall have full and exclusive authority to construe, interpret and administer this Plan and the Committee's construction and interpretation thereof shall be binding and conclusive on all persons for all purposes.

8.2. Claims Procedure. An individual (hereinafter referred to as the "Applicant," which reference shall include the legal representative, if any, of the individual) does not receive timely payment of benefits to which the Applicant believes he is entitled under the Plan, the Applicant may make a claim for benefits in the manner hereinafter provided.

An Applicant may file a claim for benefits with the Administrator on a form supplied by the Administrator. If the Administrator wholly or partially denies a claim, the Administrator shall provide the Applicant with a written notice stating:

- (a) The specific reason or reasons for the denial;

(b) Specific reference to pertinent Plan provisions on which the denial is based;

(c) A description of any additional material or information necessary for Applicant to perfect the claim and an explanation of why such material or information is necessary; and

(d) Appropriate information as to the steps to be taken in order to submit a claim for review.

Written notice of a denial of a claim shall be provided within 90 days of the receipt of the claim, provided that if special circumstances require an extension of time for processing the claim, the Administrator may notify the Applicant in writing that an additional period of up to 90 days will be required to process the claim.

If the Applicant's claim is denied, the Applicant shall have 60 days from the date of receipt of written notice of the denial of the claim to request a review of the denial of the claim by the Administrator. Request for review of the denial of a claim must be submitted in writing. The Applicant shall have the right to review pertinent documents and submit issues and comments to the Administrator in writing. The Administrator shall provide a written decision within 60 days of its receipt of the Applicant's request for review, provided that if special circumstances require an extension of time for processing the review of the Applicant's claim, the Administrator may notify the Applicant in writing that an additional period of up to 60 days shall be required to process the Applicant's request for review.

It is intended that the claims procedures of this Plan be administered in accordance with the claims procedure regulations of the Department of Labor set forth in 29 CFR ss. 2560.503-1.

Claims for benefits under the Plan must be filed with the Administrator at the following address:

Comcast Corporation
1500 Market Street
Philadelphia, PA 19102
Attention: General Counsel

ARTICLE 9 - AMENDMENT OR TERMINATION

9.1. Amendment or Termination. The Company, by action of the Board or by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan. The Company, by action of the Board, reserves the right to terminate this Plan at any time.

ARTICLE 10 - WITHHOLDING OF TAXES ON EXERCISE OF OPTION

10.1. In General. Whenever the Company proposes or is required to credit Deferred Stock Units to an Account in connection with the exercise of an Option, the Company shall have the right to require the Participant to remit to the Company an amount sufficient to satisfy any

federal, state and local withholding tax requirements prior to the date on which Deferred Stock Units shall be deemed credited to the Account, or take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to credit Deferred Stock Units to an Account on the exercise of an Option subject to an Initial or Subsequent Election shall be conditioned on the Participant's compliance, to the Company's satisfaction, with any withholding requirement. Except as otherwise provided in Section 10.2, the Company shall satisfy all applicable withholding tax requirements by withholding tax from other compensation payable by the Company to the Participant, or by the Participant's delivery of cash or other property acceptable to the Company having a value equal to the applicable withholding tax.

10.2. Share Withholding Election. With respect to any Option subject to an Initial Election, an Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee may elect to have the number of Option Shares determined such that Shares subject to such Option are withheld by the Company to the extent necessary to satisfy any withholding tax liabilities incurred in connection with the exercise of such Option. The number of Shares subject to an Option to be withheld pursuant to such a Share Withholding Election shall have a Fair Market Value approximately equal to the sum of:

(a) The minimum amount of withholding taxes required to be withheld by the Company under applicable law, plus

(b) Either (i) the minimum amount of withholding taxes arising because of the recognition of income (and consequent non-deferral of income) with respect to such withheld Shares, or (ii) the amount of withholding taxes arising because of the recognition of income (and consequent non-deferral of income) with respect to such withheld Shares, calculated at the highest applicable marginal tax rates, as indicated on the Share Withholding Election.

Notwithstanding any other provision of the Plan or the terms of any Initial or Subsequent Election, the number of Deferred Stock Units credited to Participants' Accounts shall be adjusted appropriately to reflect the withholding of Shares pursuant to such Share Withholding Elections.

ARTICLE 11 - CAPITAL ADJUSTMENTS

11.1. Capital Adjustments. In the event that the Common Stock or Special Common Stock is changed into, or exchanged for, a different number or kind of shares of stock or other securities of the Company, whether through merger, consolidation, reorganization, recapitalization, stock dividends, stock split-ups or other substitution of securities of the Company, the Committee shall make appropriate equitable anti-dilution adjustments to the number of Deferred Stock Units credited to Participants' Accounts. The Committee's adjustment shall be effective and binding for all purposes of the Plan.

ARTICLE 12 - MISCELLANEOUS PROVISIONS

12.1. No Right to Continued Employment. Nothing contained herein shall be construed as conferring upon any Participant the right to remain in service as an Outside Director or in the employment of a Participating Company as an executive or in any other capacity.

12.2. Expenses of Plan. All expenses of the Plan shall be paid by the Participating Companies.

12.3. Gender and Number. Whenever any words are used herein in any specific gender, they shall be construed as though they were also used in any other applicable gender. The singular form, whenever used herein, shall mean or include the plural form, and vice versa, as the context may require.

12.4. Law Governing Construction. The construction and administration of the Plan and all questions pertaining thereto, shall be governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and other applicable federal law and, to the extent not governed by federal law, by the laws of the Commonwealth of Pennsylvania.

12.5. Headings Not a Part Hereof. Any headings preceding the text of the several Articles, Sections, subsections, or paragraphs hereof are inserted solely for convenience of reference and shall not constitute a part of the Plan, nor shall they affect its meaning, construction, or effect.

12.6. Severability of Provisions. If any provision of this Plan is determined to be void by any court of competent jurisdiction, the Plan shall continue to operate and, for the purposes of the jurisdiction of that court only, shall be deemed not to include the provision determined to be void.

12.7. Expiration of Options. Notwithstanding any provision of the Plan or an Initial or Subsequent Election, no Initial or Subsequent Election shall be effective with respect to an Option that has expired. In addition, no provision of the Plan or an Initial or Subsequent Election shall be construed to extend the expiration date of any Option.

ARTICLE 13 - EFFECTIVE DATE

13.1. Effective Date. The effective date of the Plan this amendment and restatement of the Plan shall be December 19, 2000.

IN WITNESS WHEREOF, COMCAST CORPORATION has caused this Plan to be executed by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, as of the 19th day of December, 2000.

COMCAST CORPORATION

BY:

ATTEST:

ASSET EXCHANGE CLOSING AGREEMENT

DATED AS OF JANUARY 1, 2001

AMONG

COMCAST CORPORATION,

THE COMCAST PARTIES,

ADELPHIA COMMUNICATIONS CORPORATION

AND

THE ADELPHIA PARTIES

Table of Contents

PAGE

ARTICLE 1
DEFINITIONS

Section 1.01.	Terms Defined in this Section.....	1
Section 1.02.	Other Definitions.....	9
Section 1.03.	Rules of Construction.....	12

ARTICLE 2
EXCHANGE

Section 2.01.	Exchange of Comcast Assets and Adelphia Assets.....	12
Section 2.02.	Comcast Assumed Liabilities.....	17
Section 2.03.	Adelphia Assumed Liabilities.....	18
Section 2.04.	Adelphia Adjustments.....	19
Section 2.05.	Comcast Adjustments.....	21
Section 2.06.	Final Working Capital Adjustment.....	22
Section 2.07.	Capacity Adjustment.....	24
Section 2.08.	Post-Closing Allocations.....	26

ARTICLE 3
RELATED MATTERS

Section 3.01.	Employees.....	26
Section 3.02.	Use of Names and Logos.....	29
Section 3.03.	Transfer Laws.....	30
Section 3.04.	Further Assurances.....	30
Section 3.05.	Use Of Qualified Intermediaries.....	30

ARTICLE 4
COMCAST'S REPRESENTATIONS AND WARRANTIES

Section 4.01.	Organization and Qualification of Comcast.....	32
Section 4.02.	Authority.....	33
Section 4.03.	No Conflicts; Required Consents.....	33
Section 4.04.	Assets, Title, Condition, and Sufficiency.....	33
Section 4.05.	Comcast Systems Franchises, Systems Licenses, Systems Contracts, Owned Property and Real Property Interests.....	34
Section 4.06.	Employee Benefits.....	36
Section 4.07.	Litigation.....	36
Section 4.08.	Cable Operations.....	37
Section 4.09.	Tax Returns; Other Reports.....	37
Section 4.10.	Comcast Systems Information.....	37

Section 4.11.	Compliance with Legal Requirements.....	38
Section 4.12.	Real Property.....	41
Section 4.13.	Financial Statements.....	41
Section 4.14.	Interim Operation of Systems.....	42
Section 4.15.	Employees.....	43
Section 4.16.	Environmental.....	44
Section 4.17.	Accounts Receivable.....	45
Section 4.18.	Transactions with Affiliates.....	45
Section 4.19.	System Intellectual Property Rights.....	45
Section 4.20.	Bonds.....	45
Section 4.21.	Taxpayer Identification Number.....	45
Section 4.22.	Undisclosed Material Liabilities.....	45
Section 4.23.	Insurance.....	46
Section 4.24.	Intellectual Property.....	46
Section 4.25.	Brokers.....	46
Section 4.26.	Systems Options.....	46
Section 4.27.	Comcast Pole Audits.....	46
Section 4.28.	Inventory.....	47
Section 4.29.	Internet Services.....	47
Section 4.30.	Telephony Assets.....	47
Section 4.31.	Capital Leases.....	47
Section 4.32.	Capitalization of the Comcast LLCs.....	47
Section 4.33.	Ownership of the Comcast LLC Interests.....	47
Section 4.34.	Comcast LLC Assets and Liabilities.....	47

ARTICLE 5 ADELPHIA'S REPRESENTATIONS AND WARRANTIES

Section 5.01.	Organization and Qualification of Adelphia.....	48
Section 5.02.	Authority.....	48
Section 5.03.	No Conflicts; Required Consents.....	48
Section 5.04.	Assets, Title, Condition, and Sufficiency.....	49
Section 5.05.	Adelphia Systems Franchises, Systems Licenses, Systems Contracts, Owned Property and Real Property Interests.....	49
Section 5.06.	Employee Benefits.....	51
Section 5.07.	Litigation.....	52
Section 5.08.	Cable Operations.....	52
Section 5.09.	Tax Returns; Other Reports.....	52
Section 5.10.	Adelphia Systems Information.....	53
Section 5.11.	Compliance with Legal Requirements.....	53
Section 5.12.	Real Property.....	56
Section 5.13.	Financial Statements.....	57
Section 5.14.	Interim Operations of Systems.....	57
Section 5.15.	Employees.....	58
Section 5.16.	Environmental.....	59
Section 5.17.	Accounts Receivable.....	60

Section 5.18.	Transactions with Affiliates.....	60
Section 5.19.	System Intellectual Property Rights.....	60
Section 5.20.	Bonds.....	60
Section 5.21.	Taxpayer Identification Number.....	60
Section 5.22.	Undisclosed Material Liabilities.....	61
Section 5.23.	Insurance.....	61
Section 5.24.	Intellectual Property.....	61
Section 5.25.	Brokers.....	61
Section 5.26.	Systems Options.....	61
Section 5.27.	Adelphia Pole Audits.....	62
Section 5.28.	Inventory.....	62
Section 5.29.	Internet Services.....	62
Section 5.30.	Telephony Assets.....	62
Section 5.31.	Capital Leases.....	62

ARTICLE 6 COVENANTS

Section 6.01.	Confidentiality and Publicity.....	62
Section 6.02.	Title Defects.....	63
Section 6.03.	Leased Vehicles and Other Capital Leases.....	64
Section 6.04.	Post-closing Obtaining Of Consents.....	64
Section 6.05.	Transitional Services.....	65
Section 6.06.	Cooperation upon Inquiries as to Rates.....	70
Section 6.07.	Books and Records.....	71
Section 6.08.	Taxes.....	71
Section 6.09.	Estoppel Certificates.....	72
Section 6.10.	Termination of Certain Affiliate Contracts.....	72
Section 6.11.	Change of Names of Comcast LLCs.....	72
Section 6.12.	Payment of Gateway Proceeds.....	73
Section 6.13.	Telephony Services.<.....	73
Section 6.14.	Transfer of Jones Telecommunications.....	73

ARTICLE 7 CLOSING

Section 7.01.	Closing.....	74
Section 7.02.	Adelphia's Obligations.....	74
Section 7.03.	Comcast's Obligations.....	75

ARTICLE 8 INDEMNIFICATION

Section 8.01.	Indemnification by Adelphia.....	77
Section 8.02.	Indemnification by Comcast.....	78
Section 8.03.	Procedure for Certain Indemnified Claims.....	79
Section 8.04.	Determination of Indemnification Amounts and Related Matters...	80

Section 8.05.	Time and Manner of Certain Claims.....	80
Section 8.06.	Other Indemnification.....	81
Section 8.07.	Exclusivity.....	81

ARTICLE 9
MISCELLANEOUS PROVISIONS

Section 9.01.	Expenses.....	81
Section 9.02.	Brokers.....	81
Section 9.03.	Performance of Obligations of Parties.....	82
Section 9.04.	Waivers.....	82
Section 9.05.	Notices.....	82
Section 9.06.	Entire Agreement; Prior Representations; Amendments.....	83
Section 9.07.	Specific Performance.....	83
Section 9.08.	Jurisdiction.....	84
Section 9.09.	WAIVER OF JURY TRIAL.....	84
Section 9.10.	Binding Effect; Benefits.....	84
Section 9.11.	Headings and Schedules.....	84
Section 9.12.	Counterparts.....	85
Section 9.13.	GOVERNING LAW.....	85
Section 9.14.	Severability.....	85
Section 9.15.	Third Parties; Joint Ventures.....	85
Section 9.16.	Construction.....	85
Section 9.17.	Attorneys' Fees.....	85
Section 9.18.	Tax Consequences.....	85
Section 9.19.	Time.....	86

EXHIBIT A.....	Intentionally Deleted
EXHIBIT B-1.....	Comcast Converted LLCs
EXHIBIT B-2.....	Comcast New LLCs
EXHIBIT C.....	Comcast Systems

ASSET EXCHANGE CLOSING AGREEMENT

THIS ASSET EXCHANGE CLOSING AGREEMENT ("Agreement") is made and entered into as of January 1, 2001 among Comcast Corporation, a Pennsylvania corporation ("Comcast"), and the Comcast Parties (as defined below), on the one hand, and Adelphia Communications Corporation, a Delaware corporation ("Adelphia"), and the Adelphia Parties (as defined below), on the other hand.

RECITALS

A. Comcast and Adelphia entered into a letter agreement dated as of May 25, 1999 (the "Comcast/Adelphia Letter Agreement") providing for, among other things, an exchange of certain cable television systems.

B. Jones Intercable Inc., a Colorado corporation ("Jones"), and Adelphia entered into a letter agreement dated as of May 25, 1999 (the "Jones/Adelphia Letter Agreement", and together with the Comcast/Adelphia Letter Agreement, the "Letter Agreements") providing for, among other things, an exchange of certain cable television systems.

C. After entering into the Jones/Adelphia Letter Agreement, Jones became a wholly owned subsidiary of Comcast and thereafter was merged with and into Comcast Cable Communications, Inc., a Delaware corporation and a wholly owned subsidiary of Comcast.

D. This Agreement supersedes the Letter Agreements and sets forth the terms and conditions on which the Comcast Parties (as defined below) are conveying to the Adelphia Entities (as defined below) substantially all of the assets of the Comcast Systems (as defined below), and the Adelphia Entities are conveying to the Comcast Parties substantially all of the assets of the Adelphia Systems (as defined below), in such a manner as to effect a like-kind exchange of such assets under Section 1031 of the United States Internal Revenue Code.

AGREEMENTS

In consideration of the mutual covenants and promises set forth in this Agreement, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

SECTION 1.01. Terms Defined in this Section. In addition to terms defined elsewhere in this Agreement, the following terms with initial capital letters, when used in this Agreement, will have the meanings set forth below:

"@Home Solutions" means At Home Network Solutions, Inc.

"Adelphia Entities" means Adelphia and the Adelphia Parties.

"Adelphia Leased Property" means the premises demised under the Adelphia Leases.

"Adelphia Parties" means those entities listed on Schedule 1.01, which Schedule includes for each such entity its Employee Identification Number for federal tax purposes.

"Adelphia Service Area" means any geographic area in which the Adelphia Systems (i) are authorized to provide cable television service pursuant to an Adelphia Systems Franchise or (ii) provide cable television service and in which a franchise or other authorization is not required pursuant to applicable Legal Requirements.

"Adelphia Systems" means the cable television systems operating under the Adelphia Systems Franchises listed on Schedule 2.01(b)(iii)(B) and any closely related multi-channel video systems. For the avoidance of doubt, the Adelphia Systems include the internet service operations of those systems, including internet service contracts with Subscribers.

"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person, with "control" for such purpose meaning the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or voting interests, by contract or otherwise. For purposes hereof, (i) Montgomery Cablevision Associates, L.P. and Adelphia Cablevision Associates of Radnor, L.P. shall be treated as Affiliates of Adelphia and (ii) no party hereto will be treated as an Affiliate of Excite@Home or ServiceCo LLC, or any of their respective Affiliates.

"Assets" means the Comcast Assets or the Adelphia Assets, as the context requires.

"Assumed Liabilities" means the Comcast Assumed Liabilities or the Adelphia Assumed Liabilities, as the context requires.

"AT&T Transaction" means the exchange of cable television systems contemplated by the Asset Exchange Agreement dated as of August 11, 2000, as amended from time to time, among Comcast, certain Affiliates of Comcast, AT&T Corp. and certain Affiliates of AT&T Corp.

"Basic Service Tier" means the lowest service tier offered to Subscribers of a System, as identified on Schedules 4.10 and 5.10, as applicable.

"Business Day" means any day other than a Saturday or Sunday or a day on which banks in New York, New York are authorized or required to be closed.

"Cable Act" means Title VI of the Communications Act, 47 USC ss. 521, et seq.

"CERCLA" means the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C.A.ss.ss.9601 et seq.).

"Closing Date" means the date of this Agreement.

"Closing Time" means 12:01 a.m., local time in the location of each System, on the Closing Date.

"Cut-Off Date" means December 31, 2000.

"Cut-Off Time" means 11:59 p.m., local time in the location of each System, on the Cut-Off Date.

"Code" means the Internal Revenue Code of 1986.

"Comcast Converted LLCs" means the limited liability companies listed on Exhibit B-1.

"Comcast New LLCs" means the limited liability companies listed on Exhibit B-2.

"Comcast Entities" means Comcast and the Comcast Parties.

"Comcast Leased Property" means premises demised under the Comcast Leases.

"Comcast LLC's" means the Comcast Converted LLCs and the Comcast New LLCs.

"Comcast Parties" means Comcast Cablevision Corporation of California, LLC, a Delaware limited liability company, Jones Cable Holdings II, LLC, a Colorado limited liability company, and Comcast Cablevision of Muncie, LP, an Indiana limited partnership.

"Comcast Service Area" means any geographic area in which the Comcast Systems are authorized to provide cable television service pursuant to a Comcast Systems Franchise or provide cable television service in which a franchise or other authorization is not required pursuant to applicable Legal Requirements.

"Comcast Systems" means the cable television systems listed on Exhibit C. For the avoidance of doubt, the Comcast Systems include (i) the

Internet service operations of those systems, including internet service contracts with Subscribers, (ii) interests in advertising sales businesses that are primarily related to the Comcast Systems and (iii) operations primarily related to the provision of wide area network services to the Palmdale School District, Palmdale, California.

"Communications Act" means the Communications Act of 1934.

"Contract" means any written agreement, contract, mortgage, deed of trust, bond, indenture, lease, license, note, franchise, certificate, option, warrant or right, and any oral obligation, right or agreement.

"Copyright Act" means the Copyright Act of 1976.

"Deposits" means all monies which are on deposit with third parties as of the Cut-Off Time for the account of Transferor (or a Comcast LLC), or as security for such party's performance of its obligations (other than any deposits which are Excluded Assets or the full benefit of which will not be available to Transferee (or a Comcast LLC) following Closing), including deposits on real property leases and deposits for utilities.

"Environmental Law" means any Legal Requirement or agreement with third parties whether now or hereafter in effect concerning human health, safety, welfare or the environment, including Legal Requirements relating to emissions, discharges, releases or threatened releases of Hazardous Substances into the environment, air (including both ambient and within buildings and other structures), surface water, ground water or land or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, presence, disposal, transport or handling of Hazardous Substances.

"ERISA" means the Employee Retirement Income Security Act of 1974.

"ERISA Affiliate" means, as to any Person, any trade or business, whether or not incorporated, which together with such Person would be deemed a single employer within the meaning of Section 4001 of ERISA.

"Excite@Home" means the Excite @ Home Corporation, a Delaware corporation.

"Excluded Assets" means the Comcast Excluded Assets or the Adelphia Excluded Assets, as the context requires.

"Expanded Basic Services" means the service tier or tiers identified as such on Schedules 4.10 and 5.10.

"FAA" means the Federal Aviation Administration.

"FCC" means the Federal Communications Commission.

"GAAP" means generally accepted accounting principles in the United States consistently applied, including the statements and interpretations of the U.S. Financial Accounting Standards Board.

"Gateway Partnership Agreement" means the Limited Partnership Agreement of Gateway/Jones Communications Ltd. dated September 12, 1998 by and between Jones Intercable of Ft. Myers, Inc. and Gateway/Jones Communications Services, Inc.

"Gateway Partnership Interest" means the 5% general partner interest in Gateway/Jones Communications, Ltd.

"Governmental Authority" means (i) the United States of America, (ii) any state, commonwealth, territory or possession of the United States of America and any political subdivision thereof (including counties, municipalities, provinces, parishes and the like), (iii) any foreign (as to the United States of America) sovereign entity and any political subdivision thereof and (iv) any court, quasi-governmental authority, tribunal, department, commission, board, bureau, agency, authority or instrumentality of any of the foregoing.

"Hazardous Substances" means (i) any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive or otherwise hazardous substance, waste or material, (ii) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C.A. ss.ss. 6901 et seq.); (iii) any "hazardous substance" as defined by CERCLA; (iv) any substance regulated by the Toxic Substances Control Act (TSCA) (42 U.S.C. ss. 2601 et seq.); (v) asbestos or asbestos-containing material of any kind or character; (vi) polychlorinated biphenyls; (vii) any substances regulated under the provisions of Subtitle I of RCRA relating to underground storage tanks; (viii) any substance the presence, use, treatment, storage or disposal of which is prohibited by or regulated under any Legal Requirement; and (ix) any other substance which by any Legal Requirement requires special handling, reporting or notification of or to any Governmental Authority in its collection, storage, use, treatment, presence or disposal.

"Jones Telecommunications" means Jones Telecommunications of California, LLC, a Colorado limited liability company.

"Judgment" means any judgment, judicial decision, writ, order, injunction, award or decree of or by any Governmental Authority.

"Leased Property" means Comcast Leased Property or Adelphia Leased Property, as the context requires.

"Legal Requirement" means applicable common law and any statute, ordinance, code, law, rule, regulation, order, technical or other written standard, requirement or procedure enacted, adopted, promulgated, applied or followed by

or any agreement entered into by any Governmental Authority, including any Judgment.

"Lien" means, with respect to any property or asset, any security agreement, financing statement filed with any Governmental Authority, conditional sale agreement, capital lease or other title retention agreement relating to such property or asset, any lease, consignment or bailment given for purposes of security, any right of first refusal, equitable interest, lien, mortgage, indenture, pledge, option, charge, encumbrance, adverse interest, constructive trust or other trust, claim, attachment, exception to or defect in title or other ownership interest (including reservations, rights of entry, possibilities of reverter, encroachments, easements, rights-of-way, restrictive covenants, leases and licenses) of any kind, which otherwise constitutes an interest in or claim against property, whether arising pursuant to any Legal Requirement, any Contract or otherwise.

"Litigation" means any claim, action, suit, proceeding, arbitration, investigation, hearing or other activity or procedure that could result in a Judgment, and any notice of any of the foregoing.

"Losses" means any claims, losses, liabilities, damages, Liens, penalties, costs and expenses, including interest which may be imposed in connection therewith, reasonable expenses of investigation, reasonable fees and disbursements of counsel and other experts and the cost to any Person making a claim or seeking indemnification under this Agreement with respect to funds expended by such Person by reason of the occurrence of any event with respect to which indemnification is sought and the reasonable costs of enforcing indemnification rights in respect thereof, but will in no event include incidental or consequential damages.

"Material Adverse Effect" means a material adverse effect on: (i) the Comcast Assets or the Adelphia Assets, as the context requires, taken as a whole, (ii) the business, operations or condition (financial or otherwise) of the Comcast Systems or the Adelphia Systems, as the context requires, taken as a whole or (iii) the business, operations or condition (financial or otherwise) of the Comcast Entities or the Adelphia Entities, as the context requires, taken as a whole, in the case of each of the foregoing, without giving effect to the transactions contemplated by this Agreement (except for purposes of Sections 4.03 or 5.03) or the announcement thereof or changes in conditions that are applicable to the economy or the cable television industry in general.

"Material Adelphia Contracts" means (i) all Adelphia Systems Franchises and (ii) the Adelphia Systems Licenses and Adelphia Systems Contracts required by Section 5.05(a) to be disclosed on Schedule 2.01(b)(iv)(B) or 2.01(b)(v)(B), respectively.

"Material Comcast Contracts" means (i) all Comcast Systems Franchises and (ii) the Comcast Systems Licenses and Comcast Systems

Contracts required by Section 4.05(a) to be disclosed on Schedule 2.01(b)(iv)(A) or 2.01(b)(v)(A), respectively.

"Owned Property" means the Comcast Owned Property or Adelphia Owned Property, as the context requires.

"Parent" means Comcast or Adelphia, as the context requires.

"Party" or "party" means a Comcast Entity or an Adelphia Entity, as the context requires.

"Pay TV" means a la carte tiers or premium programming services selected by and sold to Subscribers on a per channel or per program basis.

"Permitted Lien" means any (i) Lien securing Taxes, assessments and governmental charges not yet due and payable or being contested in good faith (and for which adequate accruals or reserves have been established), (ii) customary zoning law or ordinance or any similar Legal Requirement, (iii) customary rights reserved to any Governmental Authority to regulate the affected property, (iv) as to all Owned Property and Real Property Interests, any Lien (other than Liens securing indebtedness or arising out of the obligation to pay money) which (A) does not and will not individually or in the aggregate with one or more other Liens interfere with the right or ability to own, use, enjoy or operate the Owned Property and Real Property Interests as currently being used or operated, or materially detract from their value, or (B) is disclosed, in the case of the Comcast Parties, on Schedule 6.02(a) or, in the case of the Adelphia Parties, on Schedule 6.02(b), (v) in the case of Leased Property, the rights of any lessor or any Lien granted by any lessor of Leased Property and (vi) any inchoate materialmen's, mechanics', workmen's, repairmen's or other like Liens arising in the ordinary course of business; provided that "Permitted Liens" will not include any Lien securing a debt or other claim (other than any Lien described in clause (v) above) which could prevent or interfere with the conduct of the business of the affected System as it is currently being conducted.

"Person" means any human being, Governmental Authority, corporation, limited liability company, general or limited partnership, joint venture, trust, association or unincorporated entity of any kind.

"Post-Closing Tax Period" means with respect to a taxable period which commences before but ends after the date hereof, the portion of such period after but not including the date hereof.

"Powerlink" means the internet services provided by Adelphia and its Affiliates which are offered under the "Powerlink" trademark.

"Pre-Closing Tax Period" means (i) any taxable period ending on or before the Closing Date and (ii) with respect to a taxable period that commences

before but ends after the date hereof, the portion of such period up to and including the date hereof.

"Prime Rate" means the prime rate of interest, as announced from time to time, of The Bank of New York in New York City.

"Real Property Interests" means the Comcast Real Property Interests or Adelphia Real Property Interests, as the context requires.

"Service Area" means a Comcast Service Area or an Adelphia Service Area, as the context requires.

"Subscriber" means a subscriber of a System.

"Subscriber Determination Date" means any date as of which the number of Individual Subscribers and Subscriber Equivalents is to be determined under the terms of this Agreement.

"System" means any of the Comcast Systems or the Adelphia Systems, as the context requires.

"Systems Franchises" means the Comcast Systems Franchises or Adelphia Systems Franchises, as the context requires.

"Systems Licenses" means the Comcast Systems Licenses or Adelphia Systems Licenses, as the context requires.

"Tangible Personal Property" means the Comcast Tangible Personal Property or Adelphia Tangible Personal Property, as the context requires.

"Taxes" means all levies and assessments of any kind or nature imposed by any Governmental Authority, including all income, sales, use, ad valorem, value added, franchise, severance, net or gross proceeds, withholding, payroll, employment, FICA, excise or property taxes, levies, and any payment required to be made to any state abandoned property administrator or other public official pursuant to an abandoned property, escheat or similar law (an "Escheat Payment"), together with any interest thereon and any penalties, additions to tax or additional amounts applicable thereto. For purposes of this Agreement, an Escheat Payment shall be attributable to a Pre-Closing Tax Period and treated as a liability of the relevant Transferor (and shall not be included among the Assumed Liabilities of the relevant Transferee) if the relevant abandoned or unclaimed property was either accrued as an unclaimed property liability during the Pre-Closing Tax Period or first proffered by the applicable System at least one year before the Cut-Off Date.

"Title Policies" means the Comcast Title Policies and the Adelphia Title Policies.

"Transaction Documents" means the instruments and documents described in Sections 7.02 and 7.03 which are being executed and delivered by or on behalf of the Comcast Entities or the Adelphia Entities, as the case may be, or any of their respective Affiliates in connection with this Agreement or the transactions contemplated hereby.

"Transferee" means a Comcast Party or an Adelphia Party, as applicable, insofar as the term refers to a party to this Agreement that will receive Systems (either directly or through the transfer of Comcast LLC Interests) from another party to this Agreement. The Parent of a Transferee may, with respect to any given System or portion thereof to be received by such Transferee, designate an entity that is directly wholly owned by such Transferee and a disregarded entity for United States federal income tax purposes to serve as a substitute transferee of such System or portion thereof and for purposes of this Agreement such entity shall be treated as the Transferee in respect of such System or portion thereof except as the Agreement may otherwise require.

"Transferor" means a Comcast Party or an Adelphia Party, as applicable, insofar as the term refers to a party to this Agreement that will transfer Systems (either directly or through the transfer of Comcast LLC Interests) to another party to this Agreement.

SECTION 1.02. Other Definitions. The following terms are defined in the Sections indicated:

Term	Section
450 MHZ	2.07(b)
550 MHZ	2.07(b)
750 MHZ	2.07(b)
1031 Exchange	2.01(a)
@Home Solutions Service Fee	6.05(f)
@Home Solutions Service Period	6.05(b)(viii)
Adelphia	Preamble
Adelphia Assets	2.01(b)
Adelphia Assumed Liabilities	2.03
Adelphia Billing Services Separation	6.05(a)(i)
Adelphia Designated Employees	3.01(a)
Adelphia Environmental Permits	5.16(c)
Adelphia Estoppel Certificates	6.09
Adelphia Excluded Assets	2.01(c)
Adelphia Excluded Liabilities	2.02
Adelphia Leases	5.12
Adelphia Owned Property	2.01(b)(ii)
Adelphia Plans	5.06
Adelphia Real Property Interests	2.01(b)(ii)
Adelphia Recipient	7.02(k)
Adelphia System Employees	5.15(a)

Term	Section
Adelphia Systems Contracts	2.01(b)(v)
Adelphia Systems Financial Statements	5.13
Adelphia Systems Franchises	2.01(b)(iii)
Adelphia Systems Licenses	2.01(b)(iv)
Adelphia Systems Option	5.26
Adelphia Tangible Personal Property	2.01(b)(i)
Adelphia Title Policies	7.02(d)
Adelphia Working Capital Adjustment	2.04(a)
Adjustment Certificate	2.06(a)
Adlink	1.02, 2.01(a)
Advertising Accounts Receivable	2.04(c)(ii)
Agreement	Preamble
Apportioned Obligations	6.08(b)
Base Amount	2.07(c)
Books and Records	2.01(b)(vii)
Business Employees	3.01(a)
Cap	8.04(a)
Capacity Adjustment	2.07(c)
Capacity Certification	2.07(a)
CARS	2.01(b)(iv)
Closing	7.01
Comcast	Preamble
Comcast/Adelphia Letter Agreement	Recitals
Comcast Assets	2.01(b)
Comcast Assumed Liabilities	2.02
Comcast Designated Employees	3.01(a)
Comcast Environmental Permits	4.16(c)
Comcast Estoppel Certificates	6.09
Comcast Excluded Assets	2.01(c)
Comcast Excluded Liabilities	2.03
Comcast Leases	4.12
Comcast LLC Interests	2.01(a)
Comcast Owned Property	2.01(b)(ii)
Comcast PA	2.01(a)
Comcast Parties	2.01(a)
Comcast Plans	4.06
Comcast Provider	7.02(k)
Comcast Real Property Interests	2.01(b)(ii)
Comcast System Employees	4.15(a)
Comcast Systems Contracts	2.01(b)(v)
Comcast Systems Financial Statements	4.13
Comcast Systems Franchises	2.01(b)(iii)
Comcast Systems Licenses	2.01(b)(iv)
Comcast Systems Option	4.26
Comcast Tangible Personal Property	2.01(b)(i)

Term	Section
Comcast Title Policies	7.03(d)
Comcast Working Capital Adjustment	2.05(a)
Confidential Information	6.01(a)
Customer Accounts Receivable	2.04(c)(i)(A)
Designated Employees	3.01(a)
Dispute Notice	2.06(a)
EEO	4.11(b)
Eligible Accounts Receivable	2.04(c)(i)(B)
Estimated Working Capital Deficit	2.06(a)
Final Working Capital Deficit	2.06(b)
Franchise Matter	8.03
Gateway Partnership	2.01(b)(viii)
Gateway Payment	6.12
Gateway Proceeds	6.12
Gateway Services Agreement	7.02(k)
Hired Employees	3.01(d)(i)
Indemnatee	8.03
Indemnitor	8.03
Independent Accountant	2.06(a)
Initial Period	2.06(b)
Insurance Proceeds	2.01(b)(viii)
Internet Service Fee	6.05(d)
Internet Service Period	6.05(a)(vii)
Jones	Recitals
Jones/Adelphia Letter Agreement	Recitals
Jones Holdings	6.14
Letter Agreements	Recitals
LLC Transfer Consents	2.01(a)
mile	2.07(b)
Minimum Damage Requirement	8.04(a)
Other Relinquished Property Agreements	3.05(f)
Other Replacement Property Agreements	3.05(g)
Palmdale License	6.14
Proprietary Rights	3.02
Rate Regulatory Matter	6.06(c)
Rebuild Differential	2.07(b)
Retained Employee Benefits	3.01(c)
Retained Employees	3.01(a)
Solution Services	6.05(b)(viii)
Title Commitments	6.02
Title Company	6.02
Transfer Taxes	6.08(c)
Transitional Services	6.05
WARN	4.15(b)
Working Capital Deficit	2.06(a)
Working Capital Adjustment	2.06(a)

SECTION 1.03. Rules of Construction. Unless otherwise expressly provided in this Agreement (a) accounting terms used in this Agreement will have the meaning, ascribed to them under GAAP; (b) words used in this Agreement, regardless of the gender used, will be deemed and construed to include any other gender, masculine, feminine, or neuter, as the context requires; (c) the word "including" is not limiting, and the word "or" is not exclusive; (d) the capitalized term "Section" refers to sections of this Agreement unless the context otherwise requires; (e) references to a particular Section include all subsections thereof, (f) references to a particular statute or regulation include all amendments thereto, rules and regulations thereunder and any successor statute, rule or regulation, or published clarifications or interpretations with respect thereto, in each case as from time to time in effect; (g) references to a Person include such Person's successors and assigns to the extent not prohibited by this Agreement; and (h) references to a "day" or number of "days" (without the explicit qualification "Business") will be interpreted as a reference to a calendar day or number of calendar days. "Knowledge" and words of similar import, when used with reference to a party, mean the actual knowledge of a particular matter of (i) with respect to Adelphia, Bob Wall, Steve Delgado, Larry Brett and any other regional vice presidents for each of the states in which the Adelphia Systems are located, and (ii) with respect to Comcast, Rick Palmer, John Barrett and the regional vice presidents for each of the states in which the Comcast Systems are located. Reference to any Comcast Party's Assets (or any category thereof), Systems or Excluded Assets will be deemed to refer to the portion of the Comcast Assets (or such category), Systems or Excluded Assets, respectively, owned or operated by such Comcast Party or a Comcast LLC owned by such Comcast Party. Reference to any Comcast LLC's Assets (or any category thereof) or Systems will be deemed to refer to that portion of the Comcast Assets (or such category) or Systems, respectively, owned or operated by such Comcast LLC. Reference to any Adelphia Party's Assets (or any category thereof), Systems or Excluded Assets will be deemed to refer to the portion of the Adelphia Assets (or such category), Systems or Excluded Assets, respectively, owned or operated by such Adelphia Party. Unless the context otherwise requires, references to "Transferor" will be deemed to refer to each Transferor with respect to the Systems to be transferred by it pursuant to this Agreement (either directly or through the transfer of Comcast LLC Interests), and references to "Transferee" will be deemed to refer to each Transferee with respect to the Systems to be transferred to it pursuant to this Agreement (either directly or through the transfer of Comcast LLC Interests).

ARTICLE 2 EXCHANGE

SECTION 2.01. Exchange of Comcast Assets and Adelphia Assets.

(a) Exchange Covenant. On the terms and conditions set forth in this Agreement, the Comcast Parties and the Adelphia Parties are exchanging at Closing simultaneously all of the right, title and interest of the Adelphia Parties in, to and under the Adelphia Assets for all of the right, title and interest of the Comcast Parties in, to and under the Comcast Assets, in each case free and clear of all Liens (except Permitted Liens); provided that this Agreement shall not constitute an agreement to assign any Asset or any claim or right or any benefit arising thereunder or resulting therefrom without the consent of a third party thereto if such assignment without such consent would constitute a breach or other contravention of such Asset or in any way adversely affect the rights of the Transferee thereunder. Each of the Comcast Entities and the Adelphia Entities acknowledges that the parties to this Agreement desire and intend to effect their respective transfers and acquisitions of the Adelphia Assets or the Comcast Assets, as the case may be, pursuant to this Agreement as one or more exchanges of like-kind properties under Section 1031 of the Code (a "1031 Exchange"). Notwithstanding anything to the contrary in this Agreement, the exchange is occurring in accordance with the match-ups and in the manner set forth in Schedule 2.01(a). It is understood that if, pursuant to such match-ups, a System is divided so that it is transferred in part to one Transferee and in part to one or more other Transferees (or is divided between two or more Comcast LLCs in accordance with the following paragraph) such division will be disregarded for purposes of the representations and warranties set forth in Articles 4 and 5.

Notwithstanding the foregoing paragraph and other provisions of this Agreement, the Parties agree that in lieu of the Comcast Parties transferring to the Adelphia Parties at Closing the Comcast Assets and in lieu of the Adelphia Parties assuming the Adelphia Assumed Liabilities, the following applies: Prior to the Closing and subject to the receipt of applicable consents ("LLC Transfer Consents"), the Comcast LLCs collectively hold all of the Comcast Assets and are liable for all of the Adelphia Assumed Liabilities in the following manner: (i) with respect to the Comcast New LLCs, the Comcast Parties have transferred or caused to be transferred certain Comcast Assets to the Comcast New LLCs and the Comcast New LLCs have assumed certain Adelphia Assumed Liabilities and (ii) with respect to the Comcast Converted LLCs, certain Comcast Affiliates which held Comcast Assets and are liable for Adelphia Assumed Liabilities have been converted (either by merger or statutory conversion) into limited liability companies. Each of the Comcast LLCs is a wholly owned disregarded entity for United States federal income tax purposes. At the Closing, the Comcast Parties are transferring to the Adelphia Parties 100% of the interests in each Comcast LLC (collectively, "Comcast LLC Interests"), free and clear of all Liens, which, for United States federal income tax purposes, will be treated as a direct transfer of the Comcast Assets. In addition, at the Closing, Comcast Cable Communications, Inc. a Pennsylvania corporation and a wholly owned subsidiary of Comcast ("Comcast PA"), is transferring all of the limited liability company interests in Adlink Cable Advertising, LLC, a Delaware limited liability company ("Adlink") which it holds to ACC Operations, Inc. Except as the context may

otherwise require, the term "Comcast Parties" as used in this Agreement shall include the Comcast LLCs and the Comcast Affiliates who owned the Comcast Systems prior to or in connection with the reorganization that resulted in the Comcast Systems being owned by the Comcast LLCs. The other provisions of this Agreement shall be construed consistently with the intent of this paragraph. To the extent that any LLC Transfer Consent has not been obtained prior to Closing, the provisions of Section 6.04 shall apply.

(b) Comcast and Adelphia Assets. "Comcast Assets" and "Adelphia Assets" mean all of the assets and properties, real and personal, tangible and intangible, owned, held for use or used by the Comcast Entities (or their Affiliates) or the Adelphia Entities (or their Affiliates), respectively, primarily in the operation of the Comcast Systems or the Adelphia Systems, respectively, as of the Closing Time that are not Comcast Excluded Assets or Adelphia Excluded Assets, including the following types of assets and properties:

(i) Tangible Personal Property. All tangible personal property, including towers, tower equipment, aboveground and underground cable, distribution systems, head-end equipment, line amplifiers, microwave equipment, converters, testing equipment, motor vehicles, office equipment, furniture, fixtures, supplies, inventory and other physical assets (the "Comcast Tangible Personal Property" or the "Adelphia Tangible Personal Property," as the case may be), including, with respect to the Comcast Tangible Personal Property, the items described on Schedule 2.01(b)(i)(A) and, with respect to the Adelphia Tangible Personal Property, the items described on Schedule 2.01(b)(i)(B);

(ii) Real Property. All fee interests in real property (including improvements thereon) (the "Comcast Owned Property" or the "Adelphia Owned Property," as the case may be), including the interests described as Comcast Owned Property on Schedule 2.01(b)(ii)(A) or Adelphia Owned Property on Schedule 2.01(b)(ii)(B), as the case may be, and all leases (including Comcast Leases or Adelphia Leases, as the case may be), easements, rights of access and other interests in real property (the "Comcast Real Property Interests" or the "Adelphia Real Property Interests," as the case may be), including, with respect to the Comcast Real Property Interests, those described on Schedule 2.01(b)(ii)(A) and, with respect to the Adelphia Real Property Interests, those described on Schedule 2.01(b)(ii)(B);

(iii) Franchises. All franchises and similar authorizations or similar permits issued by any Governmental Authority (the "Comcast Systems Franchises" or the "Adelphia Systems Franchises," as the case may be), including, with respect to the Comcast Systems Franchises, those described on Schedule 2.01(b)(iii)(A) and, with respect to the Adelphia Systems Franchises, those described on Schedule 2.01(b)(iii)(B);

(iv) Licenses. All cable television relay service ("CARS") and business radio licenses, copyright notices and other licenses, authorizations, consents or permits issued by the FCC or any other Governmental Authority (other than the Comcast Systems Franchises and the Adelphia Systems Franchises) (the "Comcast Systems Licenses" or the "Adelphia Systems Licenses," as the case may be), including, with respect to the Comcast Systems Licenses, those described on Schedule 2.01(b)(iv)(A) and, with respect to the Adelphia Systems Licenses, those described on Schedule 2.01(b)(iv)(B);

(v) Contracts. All pole line or joint line agreements, underground conduit agreements, crossing agreements, bulk service, commercial service or multiple-dwelling agreements (including the relevant portions of any national multiple dwelling unit agreements to the extent necessary to permit the assignment of single property supplement agreements related thereto), access agreements, system specific programming agreements or signal supply agreements, agreements with community groups, commercial leased access agreements, capacity license agreements, partnership, joint venture or other similar agreements or arrangements, Contracts relating to the use of Assets to provide, or the provision by the Systems of, telephone or high speed data services, advertising interconnect agreements and other Contracts (including all Contracts in respect of Real Property Interests) (the "Comcast Systems Contracts" or the "Adelphia Systems Contracts," as the case may be), including with respect to the Comcast Systems Contracts, those described on Schedule 2.01(b)(v)(A) and, with respect to the Adelphia Systems Contracts, those described on Schedule 2.01(b)(v)(B);

(vi) Accounts Receivable and Current Assets. All Subscriber, trade and other accounts receivable (including advertising accounts receivable) and pre-paid expense items;

(vii) Books and Records. All engineering records, files, data, drawings, blueprints, schematics, reports, lists, plans and processes and all files of correspondence, lists, records and reports concerning Subscribers and prospective Subscribers of the Comcast Systems or Adelphia Systems, signal and program carriage and dealings with Governmental Authorities, including all reports filed by or on behalf of either party with the FCC and statements of account filed by or on behalf of either party with the U.S. Copyright Office (the "Books and Records"); and

(viii) Insurance Claims. All rights to insurance proceeds receivable after the Closing in respect of any Comcast Assumed Liabilities or Adelphia Assumed Liabilities insured on a "claims made" basis and all insurance proceeds (to the extent not already expended by the Transferor to restore or replace the lost or damaged asset, which replacement asset shall be a transferred Asset) received prior to Closing in respect of any

asset which, if held by a Comcast Entity at the Closing would be a Comcast Asset, or by an Adelphia Entity at the Closing, would be an Adelphia Asset ("Insurance Proceeds");

in the case of each of the foregoing, owned, held for use or used primarily in the operation of the Comcast Systems or the Adelphia Systems, as applicable; provided that, in addition to the foregoing, the Comcast Assets shall also include all of the limited liability company interests in Adlink owned by Comcast PA. For the avoidance of doubt, no adjustments will be made under Section 2.04 or 2.07 in respect of the cable television system operated by the Gateway Partnership.

(c) Comcast and Adelphia Excluded Assets. "Comcast Excluded Assets" and "Adelphia Excluded Assets" mean all: (i) cable programming services agreements (including cable guide contracts but excluding system specific programming agreements listed on Schedule 2.01(b)(v)(A) with respect to the Comcast Entities or on Schedule 2.01(b)(v)(B) with respect to the Adelphia Entities) and any payments received or to be received with respect thereto, and retransmission consent agreements (other than those listed on Schedule 2.01(c)(i) with respect to the Comcast Entities or on Schedule 2.01(c)(ii) with respect to the Adelphia Entities); (ii) vehicle leases and capital leases of Tangible Personal Property (it being understood and agreed that the vehicles and Tangible Personal Property covered by such leases will be transferred to Transferee (or owned by a Comcast LLC) at Closing free and clear of any obligations or Liens under such leases in accordance with Section 6.03 hereof); (iii) all employee benefit plans of any nature and their assets, except as expressly provided to the contrary in Section 3.01; (iv) insurance policies, other than the matters described in Section 2.01(b)(viii); (v) bonds, letters of credit, surety instruments and other similar items and any stocks, bonds, certificates of deposit and similar investments; (vi) cash and cash equivalents, other than (A) Insurance Proceeds and (B) petty cash; (vii) patents, copyrights, trademarks, trade names, service marks, service names, logos and similar proprietary rights (subject to Section 3.02); (viii) contracts for Subscriber billing services and any equipment leased with respect to the provision of services under such contracts (subject to Section 6.05); (ix) all contracts relating to national advertising sales representation; (x) any master purchasing agreements which relate to both the Systems and other cable television systems of Transferor or its Affiliates; (xi) rights or obligations under any agreement governing or evidencing an obligation of Transferor (or a Comcast LLC) for borrowed money; (xii) Subscriber deposits and advance payments held by Transferor (or a Comcast LLC) as of the Cut-Off Time for which an adjustment is made in favor of Transferee pursuant to Section 2.04(b)(vi) or 2.05(b)(vi); (xiii) the account books of original entry, general ledgers, and financial records used in connection with the Systems, provided that Transferor will, at Transferee's request, provide copies of, or information contained in, such books, records and ledgers (other than information pertaining to programming agreements other than System-specific programming) to the extent reasonably requested by the

Transferee after the Closing Date; (xiv) all proprietary software of the Comcast Entities and the Adelphia Entities and their respective Affiliates and licenses relating to third party software and maintenance agreements with respect thereto; (xv) all contracts with ServiceCo LLC, Excite@Home, PowerLink, @Home Solutions or any other data service providers relating to the provision of high speed internet access or with any competitive local exchange carrier service provider providing for the use of the System's distribution plant, except, in the case of Comcast, contracts with Teleport Communications Group Inc. set forth on Schedule 2.01(b)(v)(A) and, in the case of Adelphia, contracts with Adelphia Business Solutions, Inc. (f/k/a Hyperion Telecommunications, Inc.) set forth on Schedule 2.01(b)(v)(B); (xvi) all accounts receivable from Comcast or any of its Affiliates, in the case of the Comcast Excluded Assets, and from Adelphia or any of its Affiliates, in the case of the Adelphia Excluded Assets; (xvii) all accounts receivable from or loans to employees rendering service in connection with the Assets; (xviii) all cooperative marketing receivables; (xix) all contracts and assets related primarily to paging services; (xx) all accounts receivables arising under infomercial programming agreements; (xxi) the Gateway Partnership Interest; and (xxii) contracts and/or assets specifically described on Schedule 2.01(c)(i) with respect to the Comcast Entities and Schedule 2.01(c)(ii) with respect to the Adelphia Entities.

(d) Each Parent will cause any of its Affiliates that owns any Asset, but that is not a Party to this Agreement, to transfer such Asset to the appropriate Transferee (or Comcast LLC) promptly.

SECTION 2.02. Comcast Assumed Liabilities. After Closing, the Comcast Entities will assume, pay, discharge and perform the following (the "Comcast Assumed Liabilities"): (i) obligations and liabilities under the Adelphia Systems Franchises, Adelphia Systems Licenses or Adelphia Systems Contracts except for liabilities or obligations to the extent arising from or relating to any breach of or default under any of the foregoing occurring at or prior to the Closing Time; (ii) obligations and liabilities of the Adelphia Entities arising prior to the Closing Time in connection with the ownership of the Adelphia Assets or the operation of the Adelphia Systems but only to the extent that there is an adjustment in favor of the Comcast Entities with respect thereto pursuant to Section 2.04; and (iii) all other obligations and liabilities to the extent attributable to actions occurring or conditions first occurring after the Closing Time and arising out of or relating to the ownership of the Adelphia Assets or operation of the Adelphia Systems after Closing, except to the extent that such obligations or liabilities relate to any Adelphia Excluded Asset and except to the extent otherwise provided for by . All obligations and liabilities arising out of or relating to the Adelphia Assets or the Adelphia Systems other than the Comcast Assumed Liabilities will remain and be the obligations and liabilities solely of the Adelphia Entities (the "Adelphia Excluded Liabilities"), including (A) any long-term debt (including the current portion thereof) and any interest thereon; (B) any obligation or liability with respect to periods prior to and including the Closing Time (y) for payment of

franchise fees pertaining to the Adelphia System, except as set forth in Section 2.04(b)(iv); and (z) for the refund of monies to Subscribers of the Adelphia Systems, other than any refunds referred to in Section 2.04(b)(vi); (C) any liability or obligation of the Adelphia Entities, or any member of any consolidated, affiliated, combined or unitary group of which any of the Adelphia Entities is or has been a member, for Taxes; provided that Transfer Taxes incurred in connection with the transactions contemplated by this Agreement and Apportioned Obligations shall be paid in the manner set forth in Section 6.08 hereof; (D) any intercompany accounts payable; (E) any line expense accrual with respect to PowerLink and @ Home Solutions; (F) any Retained Employee Benefits of Adelphia or any of its Affiliates; (G) Escheat Payments attributable to a Pre-Closing Tax Period; (H) any liabilities related to or arising from Harron Communications Corp.'s (d/b/a Adelphia) attachments on poles owned by The Detroit Edison Company except for obligations and liabilities arising after the Closing (and not relating to any pre-closing breach or default) pursuant to the Pole and Conduit Use Agreement dated January 31, 1977 between The Detroit Edison Company and Harron Cablevision of Michigan, Inc., as successor in interest to Huron CATV, Inc.; (I) liabilities relating primarily to paging services; and (J) copyright royalty payments to be paid by an Adelphia Entity.

SECTION 2.03. Adelphia Assumed Liabilities. After Closing, the Adelphia Entities will assume, pay, discharge and perform the following (the "Adelphia Assumed Liabilities"): (i) obligations and liabilities under the Comcast Systems Franchises, Comcast Systems Licenses or Comcast Systems Contracts except for liabilities or obligations to the extent arising from or relating to any breach of or default under any of the foregoing occurring at or prior to the Closing Time; (ii) obligations and liabilities of the Comcast Entities arising prior to the Closing Time in connection with the ownership of the Comcast Assets or the operation of the Comcast Systems but only to the extent that there is an adjustment in favor of the Adelphia Entities with respect thereto pursuant to Section 2.05; and (iii) all other obligations and liabilities to the extent attributable to actions occurring or conditions first occurring after the Closing Time and arising out of or relating to the ownership of the Comcast Assets or operation of the Comcast Systems after Closing, except to the extent that such obligations or liabilities relate to any Comcast Excluded Asset and except to the extent otherwise provided for by Section 6.08. All obligations and liabilities arising out of or relating to the Comcast Assets or the Comcast Systems other than the Adelphia Assumed Liabilities will remain and be the obligations and liabilities solely of the Comcast Entities (not including the Comcast LLCs) (the "Comcast Excluded Liabilities"), including (A) any long-term debt (including the current portion thereof) and any interest thereon; (B) any obligation or liability with respect to periods prior to and including the Closing Time (y) for payment of franchise fees pertaining to the Comcast Systems, except as set forth in Section 2.05(b)(iv); and (z) for the refund of monies to Subscribers of the Comcast Systems, other than any refunds referred to in Section 2.05(b)(vi); (C) any liability or obligation of the Comcast Entities, or any member of any consolidated, affiliated, combined or

unitary group of which any of the Comcast Entities is or has been a member, for Taxes; provided that Transfer Taxes incurred in connection with the transactions contemplated by this Agreement and Apportioned Obligations shall be paid in the manner set forth in Section 6.08 hereof and (D) any intercompany accounts payable; (E) any Retained Employee Benefits of Comcast or any of its Affiliates (including, prior to the Closing Time, the Comcast LLCs); (F) Escheat Payments attributable to a Pre-Closing Tax Period; (G) liabilities relating primarily to paging services; and (H) copyright royalty payments to be paid by a Comcast Entity (excluding the Comcast LLCs).

SECTION 2.04. Adelphia Adjustments.

(a) The "Adelphia Working Capital Adjustment," which may be a positive or a negative number, shall be the number obtained by subtracting (x) the sum of the liabilities of the Adelphia Entities (as defined and determined in accordance with GAAP) on the Cut-Off Date which constitute Comcast Assumed Liabilities, from (y) the sum of the current assets of the Adelphia Entities (as defined and determined in accordance with GAAP, except that inventory shall not be included as a current asset) on the Cut-Off Date which are included within the Adelphia Assets; provided that for such purpose, (i) the amount of accounts receivable included in such current assets shall be calculated as set forth in Section 2.04(c) and (ii) Insurance Proceeds and Gateway Proceeds shall be disregarded.

(b) Without limiting the foregoing, in connection with the determination of the Adelphia Working Capital Adjustment:

(i) The amount of service charges of the Adelphia Systems that have been prepaid by subscribers shall be a liability;

(ii) The amount of accrued but unpaid pole rentals of the Adelphia Systems, if any, shall be a liability;

(iii) The amount of prepaid pole rental expense and pole rental deposits of Adelphia Entities to the extent that the Comcast Entities receive the benefit thereof shall be a current asset;

(iv) The amount of franchise fees of Adelphia Entities payable by Comcast Entities after the Cut-Off Date covering periods prior to the Cut-Off Date shall be a liability, and the accrued but unpaid liabilities under all agreements which constitute Adelphia Assets shall be liabilities;

(v) The economic value of accrued vacation time credited by a Comcast Party to any Hired Employees as provided in Section 3.01(d) shall be a liability;

(vi) The amount of all refundable deposits, including accrued interest if applicable, from subscribers of the Adelphia Systems for converters, encoders, decoders and any related equipment, and any other prepaid item shall be a liability;

(vii) The amount of all prepaid expenses of Adelphia Entities which are part of the Adelphia Assets (except for prepaid expenses related to the Adelphia Excluded Assets, inventory or any insurance or bonds) shall be current assets, but only to the extent that such prepaid expenses will accrue to the benefit of any Comcast Entity upon and after the Cut-Off Date; and

(viii) The amount of any previously paid launch fees relating to any cable programming services agreements that are Adelphia Excluded Assets shall not be liabilities.

(c) The amount of accounts receivable included in the Adelphia Working Capital Adjustment shall equal the Customer Accounts Receivable of the Adelphia Systems plus 100% of the Advertising Accounts Receivable of the Adelphia Systems that are 120 or fewer days past due as of the Cut-Off Date, in the case of national agency accounts, or 90 or fewer days past due as of the Cut-Off Date, in the case of all other Advertising Accounts Receivable.

(i) Eligible Accounts Receivable.

(A) "Customer Accounts Receivable" shall equal (x) 100% of the face amount of all Eligible Accounts Receivable of the Comcast or Adelphia Systems, as the case may be, that are 30 or fewer days past due as of the Cut-Off Date, plus (y) 95% of the face amount of all Eligible Accounts Receivable of such Systems that are more than 30 but less than 60 days past due as of the Cut-Off Date plus (z) 50% of the face amount of all Eligible Accounts Receivable of such Systems that are more than 60 days but less than 90 days past due as of the Cut-Off Date.

(B) "Eligible Accounts Receivable" of a System means accounts receivable arising in the ordinary course of business resulting from the provision of cable television, Internet or wide area network services to that System's Subscribers as of the Cut-Off Date and that relate to periods of time prior to the Cut-Off Date. Accounts receivable from Subscribers whose service has been disconnected shall not be included in Eligible Accounts Receivable. In the event that any account receivable consists of more than one portion that is past due, each such portion shall be deemed to be past due for the number of days such portion is past due. For purposes of making "past due" calculations under this subsection (i), the billing statements of a

System will be deemed to be due and payable on the first day of the service period to which such billing statements relates. Cash received after the billing cutoff date immediately preceding the Cut-Off Date will be applied to the current portion of receivables.

(ii) Advertising Accounts Receivable. "Advertising Accounts Receivable" of a System means accounts receivable arising in the ordinary course of business representing amounts owed to a System in connection with commercial advertising that is cablecast on a System, net of commissions payable to third parties. In the event that any account receivable consists of more than one portion that is past due, each such portion shall be deemed to be past due for the number of days such portion is past due. For purposes of making "past due" calculations under this subsection (ii), invoices will be deemed to be due and payable upon invoice.

SECTION 2.05. Comcast Adjustments.

(a) The "Comcast Working Capital Adjustment," which may be a positive or negative number, shall be the number obtained by subtracting (x) the sum of the liabilities of the Comcast Entities (as defined and determined in accordance with GAAP) on the Cut-Off Date which constitute Adelphia Assumed Liabilities, from (y) the sum of the current assets of the Comcast Entities (as defined and determined in accordance with GAAP, except that inventory shall not be included as a current asset) on the Cut-Off Date which are included within the Comcast Assets; provided that for such purpose, (i) the amount of accounts receivable included in such current assets shall be calculated as set forth in Section 2.05(c), and (ii) Insurance Proceeds shall be disregarded.

(b) Without limiting the foregoing, in connection with the determination of the Comcast Working Capital Adjustment:

(i) The amount of service charges of the Comcast Systems that have been prepaid by subscribers shall be a liability;

(ii) The amount of accrued but unpaid pole rentals of the Comcast Systems, if any, shall be a liability;

(iii) The amount of prepaid pole rental expenses and pole rental deposits of Comcast Entities to the extent that the Adelphia Entities receive the benefit thereof shall be a current asset;

(iv) The amount of franchise fees of Comcast Entities payable by Adelphia Entities after the Cut-Off Date covering periods prior to the Cut-Off Date shall be a liability, and the accrued but unpaid liabilities under all agreements which constitute Comcast Assets shall be liabilities;

(v) The economic value of accrued vacation time credited by an Adelphia Party (including the Comcast LLCs) to any Hired Employees as provided in Section 3.01(d) shall be a liability;

(vi) The amount of all refundable deposits, including accrued interest if applicable, from subscribers of the Comcast Systems for converters, encoders, decoders and any related equipment, and any other prepaid item shall be a liability;

(vii) The amount of all prepaid expenses of Comcast Entities which are part of the Comcast Assets (except for prepaid expenses related to the Comcast Excluded Assets, inventory or any insurance or bonds) shall be current assets, but only to the extent that such prepaid expenses will accrue to the benefit of any Adelphia Entity upon and after the Cut-Off Date; and

(viii) The amount of any previously paid launch fees relating to any cable programming services agreements that are Comcast Excluded Assets shall not be liabilities.

(c) The amount of accounts receivable included in the Comcast Working Capital Adjustment shall be determined in the same manner as provided in Section 2.04(c) with respect to the Adelphia Working Capital Adjustment.

(d) For purposes of this Section 2.05, the fact that the Comcast Parties are transferring to the Adelphia Parties Comcast LLC Interests rather than assets and liabilities shall be disregarded.

SECTION 2.06 . Final Working Capital Adjustment. (a) On or before 90 days after the Closing Date, each Parent shall prepare in good faith and deliver to the other a final calculation of the Working Capital Adjustment applicable to the Systems transferred by such Parent's Affiliates (each an "Adjustment Certificate"), together with appropriate supporting documentation, which shall evidence in reasonable detail the nature and extent of each adjustment. The Parties shall cooperate with one another and provide reasonable access to their personnel and records to permit the other Parties to prepare and review the Adjustment Certificates. Within 3 Business Days of receipt by Adelphia and Comcast of the other Parent's Adjustment Certificate (the day upon which the later of the two Adjustment Certificates is so received, the "Receipt Date"), the Parent which has the Working Capital Deficit (as defined below) shall pay an amount equal to the Working Capital Deficit to the other Parent, together with interest thereon at the Prime Rate from and including the Closing Date to but excluding the date of payment. As used herein, "Working Capital Adjustment" means the Comcast Working Capital Adjustment or the Adelphia Working Capital Adjustment. As used herein, "Working Capital Deficit" means the excess of the larger Working Capital Adjustment over the smaller Working Capital Adjustment. "Estimated Working Capital Deficit" means the Working

Capital Deficit based on the Adjustment Certificates as delivered by the parties pursuant to this Section 2.06(a). For the avoidance of doubt, (i) the Parent with the smaller Working Capital Adjustment shall be the Parent with a Working Capital Deficit, (ii) any positive number is greater than any negative number and (iii) a smaller negative number is greater than a larger negative number.

(b) Within 30 days of the Receipt Date (such 30 day period, the "Initial Period"), each of Adelphia and Comcast may give the other Parent written notice of such Parent's objections, if any, to the other Parent's Adjustment Certificate. Such notice (the "Dispute Notice") shall describe in reasonable detail the dispute and shall set forth the disagreeing Parent's determination as to the applicable Working Capital Adjustment, together with appropriate supporting documentation, which shall evidence in reasonable detail the nature and extent of each adjustment. If a Parent fails to so object to the Adjustment Certificate delivered by the other Parent within the Initial Period, the Working Capital Adjustment set forth in such Adjustment Certificate will be final and conclusive. The Parents shall negotiate in good faith for a period of fifteen (15) days, or such longer period of time as agreed by the Parents to resolve any disputed items. If, after such fifteen (15) day period (as extended by mutual written agreement, if applicable), the Parents fail so to resolve such disputed items the Parents agree to engage promptly (and in any event within 10 days) the New York office of PricewaterhouseCoopers or, if unavailable, another "big five" accounting firm which is not the auditor of either Parent and is mutually acceptable to both Parents (the "Independent Accountant") to resolve the dispute within fifteen (15) days after such engagement. The determination of the Independent Accountant as to each item in dispute will be within the range for such item as set forth in the Adjustment Certificate, on the one hand, and in the Dispute Notice, on the other hand. The Independent Accountant's determination shall be final and binding on the parties. All fees and costs of the Independent Accountant shall be borne one-half by each Parent. Within two Business Days after both the Adelphia Working Capital Adjustment and the Comcast Working Capital Adjustment have been conclusively determined as provided above (whether as a result of a Parent failing to deliver a Dispute Notice within the Initial Period, as a result of an agreement by the Parents or as a result of a determination by the Independent Accountant), the parties shall recalculate the Working Capital Deficit by using the Adelphia Working Capital Adjustment and the Comcast Working Capital Adjustment, in each case as so conclusively determined (such recalculated amount, the "Final Working Capital Deficit").

(c) Within two Business Days after the date on which the Final Working Capital Deficit has been calculated, the difference between the Estimated Working Capital Deficit and the Final Working Capital Deficit shall be paid by Adelphia or Comcast, as the case may be, together with interest thereon at the Prime Rate from and including the Closing Date to but excluding the date of payment.

(d) (i) All payments to be made pursuant to this Section 2.06 shall be paid by wire or accounts transfer of immediately available funds to the accounts designated by the recipient by written notice to the party owing such payment.

(ii) Each Parent shall be entitled to assign to one or more subsidiaries the obligation to make, or the right to receive, any payment under this Section 2.06, provided that any Parent assigning any such obligation shall be responsible for any breach by its assignee.

SECTION 2.07. Capacity Adjustment. (a) Within ninety (90) days after the Closing Date, each Parent will deliver to the other Parent a certification (the "Capacity Certification") of the actual miles of plant included in the Systems transferred to such Parent's Affiliates as of the Closing Date and the actual technical capacity of such plant as of the Cut-Off Date expressed in MHZ, as determined by a physical survey and engineering review of such plant. Each Parent will have ten (10) Business Days after the date that both Parents have received the other Parent's Capacity Certification to raise in writing to such other Parent any objections to such other Parent's Capacity Certification. If no objections are raised to a Parent's Capacity Certification during such ten (10) Business Day period, the Capacity Certification shall be deemed final. If a Parent raises an objection in writing to the other Parent during such ten (10) Business Day period, the Parents shall then attempt for a ten (10) Business Day period to resolve among themselves the matters in dispute. If no resolution is reached during such ten (10) Business Day period, the matters shall be immediately submitted to a mutually acceptable independent engineering consultant who shall deliver a determination as to any disputes within 20 Business Days of the end of the ten (10) Business Day dispute resolution period referred to above and whose determination with respect to the matters in dispute shall be final and binding on the Parents. The parties shall provide each other reasonable access to their Systems for purposes of making the determinations hereunder.

(b) The Parents (and any engineer engaged under Section 2.08(a)) shall calculate the cost to rebuild/upgrade each Parent's Systems to 750 MHZ basing the cost per mile to upgrade on the following:

Adelphia Systems

450 MHZ	\$20,000 per mile
550 MHZ	\$9,000 per mile

Comcast Systems

450 MHZ (California)	\$23,000 per mile
450 MHZ (Florida)	\$20,000 per mile
550 MHZ (California)	\$11,000 per mile
550 MHZ (Florida)	\$9,000 per mile

The amount by which one Parent's rebuild/upgrade expense calculated in accordance with the foregoing exceeds the other Parent's rebuild/upgrade expense is herein referred to as the "Rebuild Differential" and, for the avoidance of doubt, the Parent with the smaller rebuild/upgrade expense shall be deemed to have the Rebuild Differential in its favor.

As used in Sections 2.07, 4.10(a) and 5.10(a).

"450 MHZ" means any System or portion thereof which does not meet the criteria of 550 MHZ or 750 MHZ.

"550 MHZ" means any System or portion thereof which (i) has a forward bandwidth of at least 550 MHZ and (ii) is return activation capable.

"750 MHZ" means any System or portion thereof which (i) has a forward bandwidth of 750 MHZ or greater, (ii) has fiber deployed to nodes serving home counts no greater than 2,000 and (iii) is return activation capable.

"mile" means (i) for an aerial System or portion thereof, one (1) mile of cable bearing strand and (ii) for an underground System or portion thereof, one (1) mile of trench.

(c) The parties acknowledge that, based on preliminary information provided by each party and set forth on Schedule 2.08, there is a \$49,754,380 Rebuild Differential in favor of Comcast (the "Base Amount"). In the event the final Capacity Certifications of the Parents reflect a Rebuild Differential in favor of Comcast equal to the Base Amount there shall be no additional cash payments due from either Parent under this . If, however, the final Capacity Certifications reflect a Rebuild Differential in favor of Comcast of greater than the Base Amount, then Adelphia shall pay to Comcast, as agent for the Comcast Parties, an amount equal to the excess over the Base Amount. Conversely, if the Capacity Certifications show a Rebuild Differential in favor of Comcast of less than the Base Amount, then Comcast shall pay to Adelphia, as agent for the Adelphia Parties, an amount equal to the shortfall below the Base Amount. Any payments required hereunder shall be made within five (5) Business Days of final determination of the amount due, together with interest thereon at the Prime Rate from and including the Closing Date to but excluding the date of payment, and shall be paid as set forth in Section 2.06(d). Any payment made under this Section 2.07 is referred to herein as the "Capacity Adjustment".

(d) For the avoidance of doubt, no party shall have any claim in respect of a breach of the representations and warranties set forth in Section 4.10(a) or 5.10(a), to the extent the information that would constitute such a breach was taken into account in a final Capacity Certification.

(e) Each Parent shall be entitled to assign to one or more subsidiaries (or, with respect to receipts of payment, to qualified intermediaries) the obligation

to make, or the right to receive, any payment under Section 2.07(c), provided that any Parent assigning any such obligation shall be responsible for any breach by its assignee.

SECTION 2.08. Post-Closing Allocations. The Comcast Entities and the Adelphia Entities will each use commercially reasonable efforts to reach agreement on the allocated value of each class of the Comcast Assets and the Adelphia Assets. Each of the Comcast Entities and the Adelphia Entities will file all tax returns and schedules thereto, including those returns and forms required by Section 1031 or 1060 of the Code, consistent with any such agreed-upon allocations, unless otherwise required by applicable Legal Requirements. In the event the parties do not reach agreement on such allocations, the Comcast Entities and the Adelphia Entities will each reflect the Assets acquired by such party on its books for tax reporting purposes in accordance with such party's own determination of such allocations.

ARTICLE 3 RELATED MATTERS

SECTION 3.01. Employees.

(a) Each Transferor has provided to the Transferee a written list of those employees primarily rendering services in connection with the Assets (the "Business Employees"), and identified on such list those of such Transferor's Business Employees such Transferor desired to retain as an employee after the date hereof ("Retained Employees"). Each Transferee provided to the Transferor a written list of those Business Employees, other than Retained Employees, of the Transferor that the Transferee desired to employ (or have a Comcast LLC employ) as of the date hereof (the "Adelphia Designated Employees," in the case of the Adelphia Parties as Transferors, and the "Comcast Designated Employees," in the case of the Comcast Parties as Transferors, and together the "Designated Employees"). As of the date hereof, the Comcast LLCs have no employees, other than Comcast Designated Employees. Effective as of the date hereof, the Comcast Parties have extended offers of employment to each of the Adelphia Designated Employees, and the Comcast LLCs, at the direction of Adelphia, have extended offers to each of the Comcast Designated Employees, in accordance with the following provisions. Each Transferor has cooperated in all reasonable respects with Transferee to allow Transferee to evaluate and interview employees other than Retained Employees in order to make hiring decisions. Each Transferor has permitted Transferee, at Transferee's cost, to conduct pre-employment physical examinations (including drug-screening tests) and other appropriate pre-hire investigations of such of the Transferor's Business Employees (other than Retained Employees) that the Transferee has designated, and each Transferor has permitted Transferee to make any offer of employment, or continuing employment, to any Designated Employee of Transferor conditional

upon Transferee's receipt, review and approval of the results of such pre-hire examinations and investigations; provided that no such offer of employment shall have been effective until the date hereof. Transferee represents and agrees on behalf of itself and its Affiliates that it has not solicited and will not solicit, between the date hereof and the first anniversary of the date hereof, the performance of services by any Retained Employee of the Transferor; provided that this clause shall not prevent Transferee from hiring any Retained Employee as a result of placing general advertisements in trade journals, newspapers or similar publications which are not directed at Transferor, its Affiliates or the Retained Employees.

(b) All claims and obligations under, pursuant to or in connection with any welfare, medical, insurance, disability or other employee benefit plans of Transferor or its Affiliates or arising under any Legal Requirement affecting employees of Transferor or its Affiliates incurred through and including the date hereof will remain the responsibility of Transferor, whether or not such employees have been or are employed by Transferee or its Affiliates after the date hereof. Except as expressly provided in this Section 3.01, Transferee will not have or assume any obligation or liability under or in connection with any such plan maintained by Transferor or Transferor's Affiliates.

(c) Except as expressly provided in this Section 3.01, Transferor will remain solely responsible for, and will indemnify and hold harmless Transferee from and against, all Losses arising from or with respect to, all salaries, phantom awards and stock incentive and all severance, vacation, medical, sick, holiday, continuation coverage and other compensation or benefits to which Transferor's or its Affiliates' employees may be entitled (including "sticking" or "staying" bonuses), whether or not such employees have been or are employed by Transferee or its Affiliates after the date hereof, as a result of their employment by Transferor or its Affiliates, the termination of their employment by Transferor or its Affiliates, the consummation of the transactions effected hereby or pursuant to any applicable Legal Requirement (including without limitation the Worker Adjustment Retraining and Notification Act) or otherwise relating to their employment by Transferor or its Affiliates. All such salaries, compensation or benefit obligations of a Transferor or its Affiliates, except as expressly provided in this Section 3.01, are referred to herein as the "Retained Employee Benefits."

(d) Notwithstanding anything to the contrary in this Section 3.01, each Transferee and its Affiliates will, effective as of January 1, 2001:

(i) permit those Designated Employees of the Transferor or its Affiliates who become Transferee's or its Affiliates' employees pursuant to this Section 3.01 (the "Hired Employees") and the Hired Employees' dependents, to participate in Transferee's and its Affiliates' employee benefit plans to the same extent as similarly situated employees of Transferee and its Affiliates and their dependents; provided that nothing in this Agreement shall limit or affect Transferee's or its Affiliates' right to

limit or alter future participation by Hired Employees in Transferee's or its Affiliates' employee benefit plans;

(ii) give each Hired Employee credit for his or her past service with Transferor or its Affiliates (including past service with any prior owner or operator of a System) for purposes of eligibility to participate, benefit eligibility and vesting under its employee benefit and other plans, as well as for all purposes under any post-retirement medical or life insurance benefit plan maintained by Transferee or its Affiliates, to the extent such service was credited under the corresponding plan or plans maintained by Transferor or its Affiliates;

(iii) not subject any Hired Employee to any limitations regarding benefits for pre-existing conditions (except to the extent applicable under the corresponding benefit plan of Transferor or its Affiliates prior to the date hereof);

(iv) give each Hired Employee credit for accrued vacation time to the same extent as Transferee's and its Affiliates' similarly situated employees (taking into account such Hired Employee's past service with Transferor or its Affiliates (including past service with any prior owner or operator of a System)); provided that Transferor or its Affiliates shall pay to such Hired Employee, promptly after the date hereof, an amount equal to the excess, if any, of the value of the vacation time credited to such Hired Employee by Transferee or its Affiliates as of January 1, 2001, over the vacation time that would have been accrued by such employee as of January 1, 2001, as an employee of Transferor or its Affiliates, had the transactions contemplated herein not occurred; and

(e) Adelphia or its Affiliates shall promptly pay to each Adelphia Designated Employee who is a Hired Employee the value of such Hired Employee's accrued sick days as of December 31, 2000, which could have been carried over under Adelphia's sick day policy to subsequent years had the transactions contemplated herein not occurred.

(f) Transferor will retain full responsibility and liability for offering and providing "continuation coverage" of any "qualified beneficiary" who was, immediately prior to the date hereof, covered by a "group health plan" sponsored or contributed to by Transferor or its Affiliates and who has experienced a "qualifying event" or is receiving "continuation coverage" through and including the date hereof. Transferee and its Affiliates have not taken and will not take any actions that would alter its medical or dental plans from the provisions in effect immediately prior to the date hereof in a manner that would provide incentive for Hired Employees to elect continuation coverage under Transferor's or its Affiliates' medical or dental plans in lieu of coverage under its medical or dental plans, unless such modifications will apply equally to the Hired Employees and other employees covered by Transferee's and its Affiliates' medical and dental

plans. As used in this Section 3.01(i), "continuation coverage," "qualified beneficiary," "group health plan," and "qualifying event" all will have the meanings given such terms under Code Section 4980B.

(g) As soon as practicable after the date hereof, each Transferor shall cause each of its former Business Employees who was employed, prior to the date hereof, by Transferor or its Affiliates and who becomes a Hired Employee of Transferee or its Affiliates, to be permitted to elect to receive a distribution of the full account balances of such former Business Employee under any Code Section 401(k) plan maintained by such Transferor, and the Transferee or its Affiliates shall in each case permit to the extent allowed by Code Section 402(c) the Hired Employee to roll over any amounts so distributed in cash into a Code Section 401(k) plan maintained by the Transferee or its Affiliates.

(h) If Transferee or its Affiliates discharge any Hired Employee without "cause" (as defined in the applicable severance plan) within six months after the date hereof and such Hired Employee would have been entitled to severance pursuant to Transferor's or its Affiliates' severance plan if such Hired Employee had been discharged without "cause" by Transferor or its Affiliates prior to the date hereof, then Transferee or its Affiliates will pay severance benefits to such Hired Employee equal to the amount payable to such Hired Employee under Transferee's or its Affiliates' severance plan, if any, counting the period of employment with both Transferee, Transferor and their respective Affiliates for purposes of calculating such benefits.

(i) Each of the Comcast Entities and the Adelphia Entities agrees to cooperate with the other Parties and to exchange all information required to implement the provisions of this Section 3.01.

(j) Nothing in this Section 3.01 or elsewhere in this Agreement will be deemed to make any employee of the Parties a third party beneficiary of this Agreement.

(k) For purposes hereof, the Comcast LLCs are Affiliates of Comcast prior to the Closing and Affiliates of Adelphia following the Closing.

SECTION 3.02. Use of Names and Logos. For a period of 90 days after Closing, each Transferee will be entitled to use the trademarks, trade names, service marks, service names, logos and similar proprietary rights of the related Transferor to the extent incorporated in or on the Assets it receives (collectively, the "Proprietary Rights"); provided that (i) each Transferee acknowledges that the Proprietary Rights belong to such Transferor, and that Transferee acquires no rights therein during or pursuant to such 90-day period; (ii) all such Assets will be used in a manner consistent with the use made by the Transferor of such Assets prior to Closing; and (iii) each Transferee will exercise reasonable efforts to remove all Proprietary Rights from the Assets it receives as soon as reasonably practicable following Closing. Notwithstanding the foregoing, a Transferee will

not be required to remove or discontinue using any such Proprietary Rights that are affixed to converters or other items located in customer homes or properties such that prompt removal is impracticable for Transferee; provided that such Proprietary Rights will be removed or discontinued promptly upon the return of such converters or other items to Transferee's possession. The Comcast LLCs will be treated as Transferees for purposes of the foregoing.

SECTION 3.03. Transfer Laws. Each of the Comcast Entities and the Adelphia Entities waives compliance by all other Parties with Legal Requirements relating to bulk transfers applicable to the transactions contemplated hereby.

SECTION 3.04. Further Assurances. After Closing, each of Comcast and Adelphia, at the request of the other, will promptly execute and deliver, or cause to be executed and delivered, to the other all such documents and instruments, in addition to those otherwise required by this Agreement, in form and substance reasonably satisfactory to the other as the other may reasonably request in order to carry out or evidence the terms of this Agreement and to vest in the Transferee (or in the case of the Comcast Entities as Transferor, in the Comcast LLCs) good and marketable title to the Assets. Without limiting the generality of the foregoing, each of the Comcast Entities and the Adelphia Entities will take, or cause to be taken, all actions consistent with the terms of this Agreement, including execution and delivery of any documents or instruments, as the other may reasonably request to effect the qualification of the transactions contemplated hereby as a like-kind exchange under Section 1031 of the Code and will adhere to Section 1060 of the Code relating to allocations. Section 3.05 . Use Of Qualified Intermediaries.

(a) The Comcast Entities and the Adelphia Entities each desire to exchange the Comcast Assets and the Adelphia Assets in a 1031 Exchange and to have the flexibility to effectuate such 1031 Exchange with one or more "qualified intermediaries," as defined in Section 1.1031(k)-1(g)(4) of the Treasury Regulations.

(b) To facilitate the completion of such 1031 Exchanges, concurrently with, or, with respect to receipt of the Capacity Adjustment, subsequent to the execution of this Agreement, each of the Comcast Entities or the Adelphia Entities, as the case may be, may be assigning or may assign, as the case may be, to one or more qualified intermediaries: (i) its rights and obligations (including any and all rights under this Agreement) with respect to the transfer of all or a portion of its Assets (to be treated as "relinquished property," as defined in Section 1.1031(k)-1(a) of the Treasury Regulations, in connection with one or more such 1031 Exchanges) and/or (ii) its respective rights to receive all or a portion of the Assets it is to receive (to be treated as "replacement property," as defined in Section 1.1031(k)-1(a) of the Treasury Regulations, in connection with one or more such 1031 Exchanges) and any applicable Capacity Adjustment or Gateway Payment.

(c) (i) No party is assuming any responsibility for the tax consequences to any other party arising out of such 1031 Exchanges; (ii) if a party is assigning any portion of this Agreement to a qualified intermediary, any consents or approvals required by this Agreement to be obtained by such party from another shall have been obtained from the other to the same extent as if the assigning party had never assigned this Agreement to the qualified intermediary, and any notices to be given to the assigning party shall have been given to the assigning party to the same extent as if the assigning party had never assigned this Agreement to the qualified intermediary; and (iii) assignment(s) by a party to a qualified intermediary do not limit or modify any obligations or liabilities of any party set forth in this Agreement, and, notwithstanding any such assignment(s), the assigning party remains directly and primarily bound by all representations, warranties and covenants contained in this Agreement and all remedies related thereto to the same extent as if such party had never assigned this Agreement to a qualified intermediary.

(d) Without limiting the generality of the foregoing, to implement such 1031 Exchanges, each of the Comcast Entities and the Adelphia Entities may be entering or may have entered into a written contract with a qualified intermediary pursuant to which: (i) the qualified intermediary is agreeing or agreed to acquire all or a portion of the Comcast or Adelphia Assets from such Comcast Entity or Adelphia Entity and transfer all or a portion of the Comcast or Adelphia Assets to the applicable Adelphia Entity or Comcast Entity, as the case may be, and to acquire and transfer to such party replacement property designated by such Comcast Entity or Adelphia Entity in accordance with Section 1.1031(k)-1(g)(4)(iii)(B) of the Treasury Regulations under Section 1031 of the Code; (ii) this Agreement is being assigned to the qualified intermediary concurrently with the execution of this Agreement; and (iii) concurrently with the execution of this Agreement, the qualified intermediary is directing such Comcast Entity or Adelphia Entity to directly transfer the Comcast or Adelphia Assets, as the case may be, to the applicable Adelphia Entity or Comcast Entity, as the case may be, and after consummation of the transactions contemplated by this Section, the qualified intermediary will reassign the Agreement to the original party.

(e) If any Comcast Entity or Adelphia Entity is assigning to a qualified intermediary its rights and obligations under this Agreement to dispose of the relinquished property and/or to acquire the replacement property, such party's Parent has notified the other of its intent to do so and has furnished to the other a copy of the form of applicable assignment within five (5) days prior to the date hereof.

(f) The Adelphia Entities and the Comcast Entities may be assigning to a qualified intermediary one or more agreements ("Other Relinquished Property Agreements") to dispose of assets other than those which are the subject of this Agreement to one or more parties other than the Comcast Entities or the Adelphia Entities. Each of the Adelphia Entities and the Comcast Entities acknowledges that the proceeds received by such qualified intermediary may be

used to purchase a portion of the Comcast or Adelphia Assets, as the case may be. The Adelphia Entities' and Comcast Entities' intention in connection with any such assignment of Other Relinquished Property Agreements to a qualified intermediary is to cause all or a portion of proceeds from the sale of the assets subject to the Other Relinquished Property Agreements to be used by the qualified intermediary to purchase a portion of the Comcast or Adelphia Assets, as the case may be, pursuant to a like-kind exchange under Section 1031 of the Code.

(g) The Comcast Entities and the Adelphia Entities may be assigning to a qualified intermediary one or more agreements ("Other Replacement Property Agreements") to acquire assets other than those which are subject to this Agreement from one or more parties other than Adelphia Entities or Comcast Entities. Each of the Comcast Entities and the Adelphia Entities acknowledges that any cash proceeds received by any such qualified intermediary from the disposition of the Comcast Assets or the Adelphia Assets, as the case may be, may be used to acquire the property which is the subject of one or more Other Replacement Property Agreements pursuant to a like-kind exchange under Section 1031 of the Code.

(h) Unless the context otherwise requires, "Comcast Party" and "Comcast Entity" as used in this Section 3.05 shall not include the Comcast LLCs.

(i) Each of the Adelphia Parties hereby appoints Adelphia as its agent to execute any agreements or instruments in connection with the assignment by one or more of the Comcast Entities of its rights and obligations hereunder to a qualified intermediary and any transactions or other matters in connection therewith.

ARTICLE 4 COMCAST'S REPRESENTATIONS AND WARRANTIES

Each of the Comcast Entities (but not the Comcast LLCs) represents and warrants to the Adelphia Entities as at the Closing Date, as follows:

SECTION 4.01 . Organization and Qualification of Comcast. Each of the Comcast Entities is a corporation, limited partnership or a limited liability company, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and has all requisite corporate, limited partnership or limited liability company power and authority to own and lease the Comcast Assets owned or leased by it and to conduct its activities as such activities are currently conducted. Each of the Comcast Entities is duly qualified to do business as a foreign entity and is in good standing in all jurisdictions in which the ownership or leasing of the Comcast Assets or the nature of its activities in connection with the Comcast Systems makes such qualification necessary, with

only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 4.02. Authority. Each of the applicable Comcast Entities has all requisite corporate, limited partnership or limited liability company power and authority to execute, deliver and perform this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby by each applicable Comcast Entity have been duly and validly authorized by all necessary corporate, limited partnership or limited liability company action on the part of each such Comcast Entity. Each of this Agreement and the Transaction Documents has been duly and validly executed and delivered by each applicable Comcast Entity and is a valid and binding obligation of each such Comcast Entity which is a party, enforceable against each such Comcast Entity in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

SECTION 4.03. No Conflicts; Required Consents. Except as described on Schedule 4.03 or 4.26, and subject to compliance with the HSR Act, the execution, delivery and performance by each applicable Comcast Entity of this Agreement and the Transaction Documents to which it is a party do not and will not: (i) conflict with or violate any provision of the organizational documents of such Comcast Entity; (ii) violate any provision of any Legal Requirement; (iii) without regard to requirements of notice, lapse of time, or elections of other Persons, or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or right of cancellation or termination, or accelerate or permit the acceleration of the performance required by, or otherwise adversely affect the rights or obligations of any Comcast Entity under, any Comcast Systems Contract, Comcast Systems Franchise or Comcast Systems License; (iv) result in the creation or imposition of any Lien against or upon any of the Comcast Assets other than a Permitted Lien; or (v) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person, in the case of clauses (ii), (iii), (iv) and (v) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

SECTION 4.04. Assets, Title, Condition, and Sufficiency. (a) The Comcast LLCs have good, marketable and indefeasible title to all of the material Comcast Assets (other than Comcast Assets that are leased), and all material Comcast Assets are free and clear of all Liens, except Permitted Liens. The Comcast LLCs have valid leasehold interests in all leased Comcast Assets. Schedule 2.01(b)(i)(A) lists all material Comcast Tangible Personal Property. Schedule

2.01(b)(ii)(A) lists all material Comcast Owned Property and Comcast Real Property Interests. Except as described on Schedule 2.01(b)(i)(A), the Comcast Tangible Personal Property and improvements on Comcast Owned Property and Comcast Leased Property have no material defect, are in good operating condition and repair, and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use of same, ordinary wear and tear excepted), are adequate and suitable for their present uses and, in the case of plants, buildings and other structures, are structurally sound.

(b) Except for items included in the Comcast Excluded Assets, (i) the Comcast Assets are all of the assets of the Comcast Entities or their Affiliates owned, used or held for use primarily in connection with the Comcast Systems and (ii) together with the Adelphia Transitional Services, the right, title and interest in the Comcast Assets held by the Comcast LLCs at Closing will be sufficient to permit the Comcast LLCs to operate the Comcast Systems substantially as they are being operated and in compliance with all material applicable Legal Requirements and contractual requirements, and to enable performance of all of the Adelphia Assumed Liabilities.

(c) There are no developments affecting any of the material Comcast Assets pending or, to Comcast's knowledge threatened, which might materially detract from the value, materially interfere with any present or intended use or materially adversely affect the marketability of such Comcast Assets.

Section 4.05. Comcast Systems Franchises, Systems Licenses, Systems Contracts, Owned Property and Real Property Interests. (a) Except as described on Schedules 2.01(b)(ii)(A), (iii)(A), (iv)(A), (v)(A) or 2.01(c)(i) and except for the Comcast Excluded Assets, no Comcast Entity is bound or affected by any of the following that relate wholly or primarily to the Comcast Assets or the Comcast Systems: (i) leases of real or material personal property; (ii) franchises, and similar authorizations or permits for the construction or operation of cable television systems, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or, to the extent material, any other Governmental Authority; (iv) material crossing agreements, easements, rights of way or access agreements; (v) pole line or joint line agreements or underground conduit agreements; (vi) bulk service, commercial service or multiple-dwelling unit service or access agreements (other than customary subscription agreements to provide cable service with respect to commercial accounts and customary non-bulk-billed access agreements); (vii) system specific programming agreements or signal supply agreements; (viii) any agreement with the FCC or any other Governmental Authority relating to the operation or construction of the Comcast Systems that are not fully reflected in the Comcast Systems Franchises, or any agreements with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the Comcast Systems; (ix) commercial leased access agreements or capacity license agreements; (x) any partnership, joint venture or other similar agreement

or arrangement; (xi) any agreement that limits the freedom of the Comcast Systems to compete in any line of business or with any Person or in any area or which would so limit the freedom of any of the Adelphia Entities after the Closing Date; (xii) any must-carry elections or retransmission consents relating to the Comcast Systems or Assets; (xiii) any advertising interconnect agreement; (xiv) any agreement with any employee of the Comcast Systems; (xv) any Contract granting any Person the right to use any portion of the Comcast Systems' cable plant included within the Comcast Assets; (xvi) any Contract that is not the subject matter of any other clause of this Section 4.05(a) that will remain effective for more than one year after Closing or (xvii) any Contract other than those described in any other clause of this Section 4.05(a) which individually provides for payments by or to any Comcast Entity in any twelve-month period exceeding \$100,000 individually or is otherwise material to the Comcast Systems. Except for the facilities agreements with Teleport Communications Group, Inc. which are set forth on Schedule 2.01(b)(v)(A) and the Excluded Assets, no Comcast Entity is bound or affected by any of the following that relate wholly or primarily to the Comcast Assets or the Comcast Systems: (i) any contract with ServiceCo LLC, PowerLink or Excite@Home or any of their respective Affiliates or (ii) except for customary contracts with internet service Subscribers, any Contract providing for the use of Comcast Assets to provide, or for the provision by the Comcast Systems of, telephone or high speed data services.

(b) Comcast has provided to Adelphia true and complete copies of each of the contracts and agreements set forth in Schedules 2.01(b)(ii)(A), (iii)(A), (iv)(A) and (v)(A) (together with any notices alleging continuing non-compliance with the requirements of any such contract or agreement, and including in each case any amendments thereto, and in the case of oral contracts and agreements, true and complete written summaries thereof) and of each document evidencing or insuring any Comcast Entity's ownership of the Comcast Owned Property. Except as described in Schedule 4.05(b): (i) the Comcast Entities are in compliance in all material respects with each of the Material Comcast Contracts; (ii) each of the Comcast Entities has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its respective material obligations under each of the Material Comcast Contracts to which it is a party; (iii) there has not occurred any material default (without regard to lapse of time or to the giving of notice, or both) by a Comcast Entity and, to the knowledge of Comcast, there has not occurred any material default (without regard to lapse of time or to the giving of notice, or both) by any Person, under any of the Material Comcast Contracts; and (iv) the Material Comcast Contracts are valid and binding agreements and are in full force and effect.

(c) Schedule 4.05(c) lists the date on which each Comcast Systems Franchise will expire. There are no applications relating to any Comcast Systems Franchise or Comcast Systems Licenses pending before any Governmental Authority that are material to any of such Comcast Systems. No Comcast Entity has received, nor does any Comcast Entity have notice that it will receive, from

any Governmental Authority a preliminary assessment that a Comcast Systems Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. No Comcast Entity or any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of a Comcast Systems Franchise as provided in Section 626(c)(1) of the Communications Act. The Comcast Entities have timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each Comcast Systems Franchise expiring within 36 months of the date of this Agreement. Such notices of renewal have been filed pursuant to the formal renewal procedures established by Section 626(a) of the Communications Act. To Comcast's knowledge, there exist no facts or circumstances that make it likely that any Comcast Systems Franchise will not be renewed or extended on commercially reasonable terms. As of the date hereof, no Governmental Authority has commenced, or given notice that it intends to commence, a proceeding to revoke or suspend a Comcast Systems Franchise.

SECTION 4.06 . Employee Benefits. "Comcast Plans" shall mean each employee benefit plan or arrangement, including each pension or welfare benefit plan, employment agreement, incentive compensation arrangement or multi-employer plan (as defined in Section 3(37) of ERISA), in which any Comcast System Employees (as defined in Section 4.15) participate. The Comcast Plans are set forth in Schedule 4.06. None of the Comcast Entities, any of their ERISA Affiliates, any Comcast Plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or to the knowledge of Comcast, any Comcast Plan that is a multi-employer plan (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to a Comcast Plan. No material "reportable event" (as defined in Section 4043(c)(1), (2), (3), (5), (6), (7), (10) and (13) of ERISA), "accumulated funding deficiency" (as defined in Section 302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et. seq. of ERISA) has occurred or exists and is continuing with respect to any Comcast Plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or to the knowledge of Comcast, any Comcast Plan that is a multi-employer plan (as defined in Section 3(37) of ERISA). After the date hereof, none of the Adelphia Entities or any of their respective ERISA Affiliates will be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue or contribute to any Comcast Plan currently or in the past maintained or contributed to by any Comcast Entity or any of their current or former ERISA Affiliates. Since December 31, 1999 there has been no change in the Comcast Plans or level of compensation provided Comcast System Employees that would materially increase the cost of operating the Comcast Systems.

SECTION 4.07 . Litigation. Except as set forth in Schedule 4.07: (i) there is no Litigation pending or, to Comcast's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against any Comcast Entity and (ii) there is no Judgment requiring any Comcast Entity to take any action of any kind with respect to the Comcast Assets or the operation of the

Comcast Systems, or to which any Comcast Entity (with respect to the Comcast Systems), the Comcast Systems or the Comcast Assets are subject or by which they are bound or affected, in either case, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

SECTION 4.08. Cable Operations. Except as described on Schedule 4.08 and other than SMATV system operators and direct broadcast satellite service providers, no Person, other than the Transferors, is providing wireline cable television services or multipoint multichannel distribution service or other multichannel video programming services or, to the knowledge of Comcast, intending to provide any such services in the Comcast Service Areas. Except as described in Schedule 4.08, no Person, other than the Transferors, has been granted or, to the knowledge of Comcast, has a current application pending for a franchise or other operating authority for a wireline cable television franchise or open video system in any of the communities or unincorporated areas presently served by the Comcast Systems.

SECTION 4.09. Tax Returns; Other Reports. With respect to the Comcast Systems, the Comcast Entities have timely filed in proper form all federal, state, local and foreign tax returns and other reports required to be filed, and have timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure to file or pay which could have affected or resulted in the imposition of a Lien upon the Comcast Assets, except such amounts as are being contested diligently and in good faith and for which appropriate reserves have been established. No Comcast Entity has received notice of, and Comcast has no knowledge of, any deficiency or assessment or proposed deficiency or assessment from any Governmental Authority which could have affected or resulted in the imposition of a Lien upon the Comcast Assets. Except as described on Schedule 4.09, there are no pending or ongoing property, sales and use, or franchise fee or tax audits relating to the Comcast Systems, and no Comcast Entity has received any property, sales and use, or franchise fee or tax audit notice with respect thereto.

SECTION 4.10. Comcast Systems Information. Schedule 4.10 sets forth a true and complete description in all material respects of the following information:

(a) as of September 30, 2000, for each Comcast System the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHZ, included in such Comcast System;

(b) as of the date set forth on such Schedule (which shall be no earlier than September 30, 2000), the number of cable television Subscribers served by each of the Comcast Systems, determined in accordance with past practice for each such System; provided that bulk-billed and other accounts not billed by

individual unit shall be equivalatized in accordance with past practice for each such System;

(c) as of the date set forth on such Schedule (which shall be no earlier than September 30, 2000) a description of basic and optional or tier services available from each of the Comcast Systems on a headend-by-headend basis and the rates charged by the applicable Comcast Entity for each;

(d) the stations and signals carried by each of the Comcast Systems and the channel position of each such signal and station;

(e) the municipalities served by each of the Comcast Systems;

(f) the channel capacity of each of the Comcast Systems; and

(g) the rate increases instituted by each of the Comcast Systems in the previous 12 months ending on the date of this Agreement.

SECTION 4.11 . Compliance with Legal Requirements. (a) Except as set forth in Schedule 4.11 and except with respect to those matters covered by Sections 4.11(b), (c), (d) and (e), which matters are covered exclusively by such sections, the operation of the Comcast Systems has not violated or infringed, and does not violate or infringe, in any material respect any Legal Requirement. No Comcast Entity has received notice or has knowledge of any violation by a Comcast Entity or the Comcast Systems of any material Legal Requirement applicable to the operation of the Comcast Systems.

(b) Except as set forth in Schedule 4.11, and subject to the limitations set forth in Sections 4.11(d) and (e), with respect to the Comcast Systems, each Comcast Entity has been and is in compliance in all material respects with the Communications Act and the Cable Act, including requirements of those Acts specifically referred to herein; there have been submitted to the FCC all material required filings, including cable television registration statements, annual reports and aeronautical frequency usage notices, to utilize all frequencies currently used in the frequency bands 108-137 and 225-400 MHZ in the manner currently used that are required under the rules and regulations of the FCC; the operation of the Comcast Systems has been and is in material compliance with the rules and regulations of the FCC, and no Comcast Entity has received notice from the FCC of any violation of its rules and regulations with respect to the Comcast Systems; each Comcast Entity is and since 1992 has been with respect to the Comcast Systems certified as in compliance with the FCC's equal employment opportunity ("EEO") rules and has received no written notices with respect to non-compliance with EEO rules; the Comcast Systems are in compliance with all signal leakage criteria prescribed by the FCC; each Comcast Entity has filed all FCC Forms 320 for the Comcast Systems for the last two reporting periods, and all such Forms 320 show "passing" or "satisfactory" signal leakage scores; for each semi-annual reporting period since 1997-1; each Comcast Entity has filed

with the United States Copyright Office all required Statements of Account in proper form, and has paid when due all required copyright royalty fee payments, relating to the Comcast Systems' carriage of television and radio broadcast signals; and each Comcast Entity is otherwise in compliance with the requirements of the compulsory copyright license described in Section 111 of the Copyright Act and with all applicable rules and regulations of the Copyright Office. Comcast has provided to Adelphia true and complete copies of all reports and filings for the past year, made or filed pursuant to FCC and Copyright Office rules and regulations by the Comcast Entities with respect to the Comcast Systems and will provide to Adelphia, upon Adelphia's request, all other past reports and filings made or filed pursuant to FCC and Copyright Office rules and regulations by the Comcast Entities with respect to the Comcast Systems within the past five (5) years. The Comcast Entities hold all licenses, registrations or permits from the FCC for business radio, satellite earth receiving facilities and CARS or private operational fixed service microwave facilities, that are necessary or appropriate to carry on the business of the Comcast Systems as conducted on the date hereof. Each of the Comcast Systems Licenses is in full force and effect and has not been revoked, canceled, encumbered or adversely affected in any manner. Each Comcast System has provided all required Subscriber privacy notices to new Subscribers at the time of installation and to all Subscribers on an annual basis, and the Comcast Systems have taken commercially reasonable steps to prevent unauthorized access to personally identifiable information. Each Comcast System has provided all customer notices required by the Cable Act, including customer service, notices of availability of basic service, and equipment compatibility. All notifications to the FAA have been made with respect to the antenna structures which are being used in connection with the operation of the Comcast Systems, and all such antenna structures that require registration with the FCC have been so registered by Comcast. No Comcast Entity has received any request for commercial leased access with respect to the Comcast Systems within the past 120 days, except for those requests set forth in Schedule 4.11(b). There are no complaints or other proceedings instituted before the FCC concerning commercial leased access, program access, or any other aspect of the Comcast Systems' operations.

(c) Except as provided in Schedule 4.11, with respect to the Comcast Systems, the Comcast Entities are and have been in compliance in all material respects with the must carry and retransmission consent provisions of the Cable Act, including, (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) to the extent required, duly and timely notifying non-commercial educational stations of the location of the cable system's principal head-end, (iii) duly and timely notifying Subscribers of the channel alignment on the Comcast Systems, (iv) duly and timely notifying "local commercial and noncommercial television stations" of the broadcast signals carried on the Comcast Systems and their channel positions, if applicable, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after

January 1, 2000, on the Comcast Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations," (vii) complying with applicable channel placement obligations, and (viii) obtaining retransmission consent for all commercial broadcast signals carried on the Comcast Systems after January 1, 1997, except for the signals carried pursuant to a must carry election. No oral or written notices have been received from the FCC, the United States Copyright Office, any local or other television station or system or from any other person or entity, station or Governmental Authority claiming to have a right of objection challenging or questioning the right of the Comcast Systems to carry or furnish, or not to carry or furnish, any of the signals or any other station or service to any Subscriber. Except as provided in Schedule 4.11, no Comcast Entity has received with respect to any of the Comcast Systems any notification of any petition or submission that is currently pending before the FCC to modify any television market or for a waiver of any rules or regulations of the FCC as they apply to such Comcast System. Each Comcast Entity has complied with all written requests it has received for network nonduplication, syndicated exclusivity, and sports blackout protection which are applicable to the Comcast Systems.

(d) Each Comcast Entity has used commercially reasonable efforts to establish rates charged and a la carte packages provided to Subscribers of the Comcast Systems, effective as of September 2, 1993, that would be allowable under the Cable Act. Notwithstanding the foregoing, the Comcast Entities make no representation or warranty that the rates charged to Subscribers would be allowable under any rules or regulations of the FCC or any authoritative interpretation thereof promulgated after the date of Closing. Comcast has provided to Adelphia true and complete copies of all rate Forms (and any associated Forms 1200, any successive Forms 1210, and Forms 1205 filed within the one year period immediately preceding the date of this Agreement) that have been prepared with respect to the Comcast Systems, copies of all correspondence with any Governmental Authority relating to rate regulation generally or specific rates charged to Subscribers of the Comcast Systems, and any other documentation supporting an exemption from the rate regulation provisions of the Cable Act claimed by the Comcast Entities with respect to the Comcast Systems. Schedule 4.11(d) sets forth a list of (i) all pending complaints with respect to any rates which have been filed with the FCC for the Comcast Systems and (ii) those franchising authorities that have been certified upon filing FCC Form 328 or have filed FCC Form 328 with the FCC for certification to regulate any of the Comcast Systems' rates. Except as set forth in Schedule 4.11(d), each Comcast System is operating pursuant to a valid franchise or similar authorization or permit issued by the appropriate Governmental Authority in every market in which such System is supplying cable television service.

(e) Each Comcast Entity has used commercially reasonable efforts to comply in all material respects with any customer service standards applicable to it with respect to the Comcast Systems. The Comcast Entities have received no

written notice with respect to the Comcast Systems from any Governmental Authority with respect to an intention to enforce customer service standards pursuant to the Cable Act and no Comcast Entity has agreed with any Governmental Authority to establish customer service standards in respect of the Comcast Systems that exceed the FCC standards promulgated pursuant to the Cable Act.

SECTION 4.12. Real Property. Schedule 2.01(b)(ii)(A) sets forth all leases included in the Comcast Real Property Interests ("Comcast Leases") and all ownership interests in real property included in the Comcast Owned Property. The Comcast Owned Property and Comcast Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the Comcast Systems as currently conducted. The current use and occupancy of all Comcast Owned Property and the Comcast Leased Property do not constitute nonconforming uses under any applicable Legal Requirement in the nature of a zoning law or ordinance. Each parcel of Comcast Owned Property and, to Comcast's knowledge, each parcel of Comcast Leased Property has access to and over public streets, or private streets or property for which the applicable Comcast Entity has a valid right of ingress and egress, (ii) conforms in its current use, occupancy and operation to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use and (iii) conforms in its use, occupancy and operation to all restrictive covenants, if any, or other encumbrances affecting all or part of such parcel. Each Person upon, under or across whose property any of the Comcast Assets are located, maintained, installed or operated (other than drop lines to customer dwellings) has granted to the applicable Comcast Entity such easements, licenses or rights of way as are necessary for the location, maintenance, installation and operation of such Comcast Assets upon, under or across such property, except where the failure to have any such easements, licenses or rights of way would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 4.13. Financial Statements. Comcast has provided to Adelphia financial statements for the Comcast Systems consisting of balance sheets and statements of operations as of and for the 12 months ended December 31, 1999 and as of and for the nine months ended September 30, 2000 (the "Comcast Systems Financial Statements"). The Comcast Systems Financial Statements are management reports that fairly present in accordance with GAAP, except for the absence of footnotes, in all material respects, such Comcast Systems' financial position, and results of operations as of the dates and for the periods indicated, subject to normal adjustments, allocations and accruals (none of which will be material to the financial position or operating results of the Systems) and exclusive of the final allocation of Comcast's purchase price to acquire Systems. Such purchase price allocations would primarily affect franchise costs, property and equipment, depreciation and amortization.

SECTION 4.14. Interim Operation of Systems. Except as set forth on Schedule 4.14, since May 25, 1999

(a) there has been no Material Adverse Effect with respect to the Comcast Assets, the Comcast Entities or the Comcast Systems;

(b) neither the Comcast Assets nor the financial condition or operations of the Comcast Systems have been materially and adversely affected as a result of any fire, explosion, accident, casualty, labor trouble, flood, drought, riot, storm, condemnation, or act of God or public force or otherwise;

(c) the Comcast Entities have, with respect to the Comcast Systems, made capital expenditures in the ordinary course consistent with past practices;

(d) each of the Comcast Entities has with respect to its Systems and Assets:

(i) operated or caused to be operated its Systems only in the usual, regular and ordinary course and in accordance with applicable Legal Requirements (including commencing and continuing planned upgrades and rebuild of Systems, completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and continuing work on existing construction projects) and, to the extent consistent with such operation, (i) used its reasonable best efforts to preserve the business organization of its Systems intact, including preserving existing relationships with Governmental Authorities, suppliers, customers and others having business dealings with its Systems, (ii) used commercially reasonable efforts to keep available the services of its employees providing services in connection with its Systems, and (iii) continued normal marketing, advertising and promotional expenditures with respect to its Systems;

(ii) maintained or caused to be maintained its books, records and accounts with respect to its Assets and the operation of its Systems in the usual, regular and ordinary manner on a basis consistent with past practices; and

(iii) maintained inventory sufficient for the operation of its Systems, in the ordinary course of business for a period of at least 30 days; and

(e) none of the Comcast Entities has, with respect to its Systems or Assets:

(i) engaged in any marketing, Subscriber installation or collection practices other than in the ordinary course of business except as set forth in Schedule 4.14(e)(i);

(ii) except (x) for "staying" or "sticking" bonuses to induce such employees to remain with such Comcast Entity which have been paid for by such Comcast Entity on or prior to Closing or (y) as may be done in the ordinary course of business and consistent with past practices, granted or agreed to grant to any employee of the Systems any increase in (i) wages or bonuses or (ii) any severance, profit sharing, retirement, deferred compensation, insurance or other compensation or benefits; or

(iii) sold, assigned, transferred or otherwise disposed of any of the Assets except in the ordinary course of business and except for (i) the disposition of obsolete or worn-out equipment, (ii) dispositions with respect to which such Assets are replaced with Assets of at least equal value and (iii) assignments and transfers carried out in order to transfer to the Comcast LLCs the Comcast Assets.

SECTION 4.15. Employees. (a) There are no collective bargaining agreements applicable to any persons employed by any Comcast Entity or any of their respective Affiliates that primarily render services in connection with the Comcast Systems ("Comcast System Employees"), and no Comcast Entity or any of their respective Affiliates has any duty to bargain with any labor organization with respect to any such persons. There are not pending any unfair labor practice charges against any Comcast Entity or any of their respective Affiliates, or any demand for recognition, or any other request or demand from a labor organization for representative status, with respect to any Comcast System Employees.

(b) Each Comcast Entity has, with respect to the Comcast System Employees, complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including, the Worker Adjustment and Retraining Notification Act, 29 U.S.C. ss. 2101, et seq. ("WARN"), ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker's compensation, equal employment opportunity, age, sex, race and disability discrimination, immigration control and the payment and withholding of Taxes. No Comcast Entity is a party to any material labor or employment dispute involving any of its employees who render services in connection with the Comcast Systems.

(c) Except as described on Schedule 4.15(c), no Comcast Entity has employment agreements, either written or oral, with any Comcast System Employee, and none of the employment agreements listed on Schedule 4.15(c) require Adelphia to employ any person after the date hereof.

(d) No Comcast Entity has a sick day policy (or its equivalent) that permits employees to carry over accrued sick days (or their equivalent) past the end of a calendar year.

SECTION 4.16. Environmental. (a) No Comcast Entity has received any notice, notification, demand, request for information, citation, summons or order relating to any "Superfund" evaluation or investigation, and no Comcast Entity is the subject of any pending or, to Comcast's knowledge, threatened investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person with respect to (i) the Comcast Systems or the Comcast Assets, including the Comcast Owned Property or the Comcast Leased Property and any property previously owned, operated or leased by any Comcast Entity in connection with the Comcast Systems and (ii) relating to or arising out of any Environmental Law.

(b) Except as disclosed on Schedule 4.16, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any Comcast Owned Property or Comcast Leased Property or other Comcast Asset.

(c) Except as disclosed on Schedule 4.16, each Comcast Entity is in material compliance with all Environmental Laws, insofar as they relate to the Comcast Assets, the Comcast Owned Property or the Comcast Leased Property. Except as disclosed on Schedule 4.16, each Comcast Entity has been and is in compliance with all permits, licenses, franchises, certificates, approvals and other similar authorizations of Governmental Authorities relating to or required by Environmental Laws and affecting, or relating in any way to, the Comcast Systems or the Comcast Assets ("Comcast Environmental Permits"). Such Comcast Environmental Permits are valid and in full force and effect and are transferable and will not be terminated or impaired or become terminable as a result of the transactions contemplated hereby. No Comcast Entity has received any notice of, has any knowledge of circumstances relating to, and there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on the Comcast Assets, the Comcast Owned Property or the Comcast Leased Property), which could interfere with or prevent compliance with or which have resulted in or are reasonably likely to give rise to any liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law and in connection with the Comcast Systems or the Comcast Assets, including, without limitation, the Comcast Owned Property and the Comcast Leased Property. Except as disclosed on Schedule 4.16, no Comcast Owned Property or Comcast Leased Property nor any property to which Hazardous Substances located on or resulting from the use of any Comcast Asset, Comcast Owned Property or Comcast Leased Property or any property previously owned, leased or operated by any Comcast Entity in connection with the Comcast Systems have been transported is listed or, to Comcast's knowledge, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on

any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(d) Except as disclosed on Schedule 4.16, no polychlorinated biphenyls, electromagnetic fields, radioactive material, lead, asbestos-containing material, incinerator, sump, surface impoundment, lagoon, landfill, septic, wastewater treatment or other disposal system or underground storage tank (active or inactive) is or has been present at, on or under any Comcast Owned Property or Comcast Leased Property or in any Comcast Asset.

(e) Comcast has provided or made available to Adelphia copies of all environmental assessments, studies, audits, tests, reviews or other analyses of or relating to the Comcast Assets and/or Systems prior to the date hereof.

(f) Except as disclosed on Schedule 4.16, none of the Comcast Owned Property or Comcast Leased Property is located in New Jersey or Connecticut.

SECTION 4.17. Accounts Receivable. All of the accounts receivable that are the subject of the adjustments provided in Section 2.05 have arisen from bona fide transactions in the ordinary course of the business of the Comcast Systems, consistent with past practices.

SECTION 4.18. Transactions with Affiliates. Except as set forth on Schedule 4.18, with respect to the Comcast Systems, no Comcast Party is a party to any Contract or any other arrangement of any kind whatsoever with any Affiliate.

SECTION 4.19. System Intellectual Property Rights. There is no trademark, trade name, service mark, service name, logo or similar proprietary right owned, licensed, used or held for use by Comcast or any of its Affiliates primarily in the operation of the Comcast Systems.

SECTION 4.20. Bonds. Schedule 4.20 contains a list of all franchise, construction, fidelity, performance or other bonds and copies of all letters of credit posted by any Comcast Entity or any of their respective Affiliates in connection with its Systems or its Assets.

SECTION 4.21. Taxpayer Identification Number. The U.S. Taxpayer Identification Number of each Comcast Entity is as set forth in Schedule 4.21.

SECTION 4.22. Undisclosed Material Liabilities. There are no liabilities of the Comcast Systems of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a liability, other than:

(a) the Comcast Excluded Liabilities;

(b) the liabilities disclosed on Schedule 4.22;

(c) the liabilities disclosed in the Comcast Systems Financial Statements or the notes thereto;

(d) the liabilities arising in the ordinary course of business since September 30, 2000; and

(e) other liabilities which, individually or in the aggregate, are not material to the Comcast Systems.

SECTION 4.23. Insurance. All material Comcast Assets are covered by currently effective insurance policies in such types and amounts as are consistent with customary practices and standards in the cable television industry. Comcast does not know of any threatened termination of, premium increase with respect to, or material alteration of coverage under, any of such policies. Except as set forth on Schedule 4.23, after the Closing the Comcast Entities shall continue to have coverage under such policies and bonds with respect to events occurring prior to the Closing.

SECTION 4.24. Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Comcast Systems have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent, license or other intellectual property right infringement.

SECTION 4.25. Brokers. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of any Comcast Entity who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

SECTION 4.26. Systems Options. Except as disclosed on Schedule 4.26, none of the Comcast Systems or any material Comcast Assets are subject to any purchase option, right of first refusal or similar arrangement which would be triggered by the transactions contemplated by this Agreement ("Comcast Systems Option"). All Comcast System Options have been waived in connection with the transactions contemplated by this Agreement.

SECTION 4.27. Comcast Pole Audits. Schedule 4.27 lists and describes the results of any audits or investigations conducted by any of the parties to the pole attachment agreements for the Comcast Systems during the previous three (3) years. All fees due and payable under the pole attachment agreements for the Comcast Systems have been paid.

SECTION 4.28. Inventory. The Comcast Assets include such amounts of inventory as are sufficient to operate the Comcast Systems in a manner consistent with past practice for a period not less than 30 days.

SECTION 4.29. Internet Services. All assets that are part of a headend and that are used to provide internet services to Subscribers within the Comcast Systems are included in the Comcast Assets.

SECTION 4.30. Telephony Assets. Except as set forth on Schedule 4.30, no residential telephony services are being provided by Comcast or its Affiliates in connection with or utilizing the Comcast Systems.

SECTION 4.31. Capital Leases. There are no capital leases of real property included in the Comcast Assets.

SECTION 4.32. Capitalization of the Comcast LLCs. The Comcast LLC Interests constitute 100% of the equity interests in the Comcast LLCs. The Comcast LLC Interests have been duly authorized, validly issued and fully paid. Except as set forth in this Section, there are outstanding (a) no securities of the Comcast LLCs convertible into or exchangeable for equity interests of the Comcast LLCs, and (b) no options or other rights to acquire and no obligation of the Comcast LLCs to issue any equity interests.

SECTION 4.33. Ownership of the Comcast LLC Interests. The Comcast Parties are the holders of record and the beneficial owners of 100% of the Comcast LLC Interests, free and clear of any Lien and any other limitation or restriction (including any restriction on the right to sell, vote or otherwise dispose of the Comcast LLC Interests) and at the Closing the Comcast Parties will transfer and deliver to the Adelphia Parties valid title to the Comcast LLC Interests free and clear of any Lien and any such limitation or restriction.

SECTION 4.34. Comcast LLC Assets and Liabilities. The Comcast New LLCs have no assets, and no liabilities of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable, or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, in each case, other than the Comcast Assets and the Adelphia Assumed Liabilities. Except for such assets and liabilities as would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the applicable Comcast Converted LLC, no Comcast Converted LLC has any assets, or any liabilities of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable, or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, in each case, other than the Comcast Assets and the Adelphia Assumed Liabilities.

ARTICLE 5
ADELPHIA'S REPRESENTATIONS AND WARRANTIES

Each of the Adelphia Entities represent and warrant to the Comcast Entities as at the Closing Date, as follows:

SECTION 5.01. Organization and Qualification of Adelphia. Each of the Adelphia Entities is a corporation, limited partnership or limited liability company duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and has all requisite corporate, limited partnership or limited liability company power and authority to own and lease the Adelphia Assets owned or leased by it and to conduct its activities as such activities are currently conducted. Each of the Adelphia Entities is duly qualified to do business as a foreign entity and is in good standing in all jurisdictions in which the ownership or leasing of the Adelphia Assets or the nature of its activities in connection with the Adelphia Systems makes such qualification necessary, with only such exceptions as would not, individually or in the aggregate, result in a Material Adverse Effect.

SECTION 5.02. Authority. Each of the applicable Adelphia Entities has all requisite corporate, limited partnership or limited liability company power and authority to execute, deliver and perform this Agreement and the Transaction Documents to which it is a party and to consummate the transactions contemplated hereby and thereby. The execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby by each applicable Adelphia Entity have been duly and validly authorized by all necessary corporate, limited partnership or limited liability company action on the part of each such Adelphia Entity. Each of this Agreement and the Transaction Documents has been duly and validly executed and delivered by each applicable Adelphia Entity and is a valid and binding obligation of each such Adelphia Entity which is a party, enforceable against each such Adelphia Entity in accordance with its terms, except as the same may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to the enforcement of creditors' rights generally or by principles governing the availability of equitable remedies.

SECTION 5.03. No Conflicts; Required Consents. Except as described on Schedules 5.03 or 5.26, and subject to compliance with the HSR Act, the execution, delivery and performance by each applicable Adelphia Entity of this Agreement and the Transaction Documents to which it is a party do not and will not: (i) conflict with or violate any provision of the organizational documents of such Adelphia Entity; (ii) violate any provision of any Legal Requirement; (iii) without regard to requirements of notice, lapse of time, or elections of other Persons, or any combination thereof, conflict with, violate, result in a breach of, constitute a default under or give rise to any third party's right(s) of first refusal or right of cancellation or termination, or accelerate or permit the acceleration of the

performance required by, or otherwise adversely affect the rights or obligations of any Adelphia Entity under, any Adelphia Systems Contract, Adelphia Systems Franchise or Adelphia Systems License; (iv) result in the creation or imposition of any Lien against or upon any of the Adelphia Assets other than a Permitted Lien; or (v) require any consent, approval or authorization of, or filing of any certificate, notice, application, report or other document with, any Governmental Authority or other Person, in the case of clauses (ii), (iii), (iv) and (v) with only such exceptions as would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

SECTION 5.04. Assets, Title, Condition, and Sufficiency. (a) The Adelphia Entities have good, marketable and indefeasible title to all of the material Adelphia Assets (other than Adelphia Assets that are leased), and all material Adelphia Assets are free and clear of all Liens, except Permitted Liens. The Adelphia Entities have valid leasehold interests in all leased Adelphia Assets. Schedule 2.01(b)(i)(B) lists all material Adelphia Tangible Personal Property. Schedule 2.01(b)(ii)(B) lists all material Adelphia Owned Property and Adelphia Real Property Interests. Except as described on Schedule 2.01(b)(i)(B), the Adelphia Tangible Personal Property and improvements on Adelphia Owned Property and Adelphia Leased Property have no material defect, are in good operating condition and repair, and have been reasonably maintained consistent with standards generally followed in the industry (giving due account to the age and length of use of same, ordinary wear and tear excepted), are adequate and suitable for their present uses and, in the case of plants, buildings and other structures, are structurally sound.

(b) Except for items included in the Adelphia Excluded Assets, (i) the Adelphia Assets are all of the assets of the Adelphia Entities or their Affiliates owned, used or held for use primarily in connection with the Adelphia Systems, and (ii) together with the Comcast Transitional Services, the right, title and interest in the Adelphia Assets conveyed to the Comcast Entities at Closing will be sufficient to permit the Comcast Entities to operate the Adelphia Systems substantially as they are being operated and in compliance with all material applicable Legal Requirements and contractual requirements, and to enable performance of all of the Comcast Assumed Liabilities.

(c) There are no developments affecting any of the material Adelphia Assets pending or, to Adelphia's knowledge threatened, which might materially detract from the value, materially interfere with any present or intended use or materially adversely affect the marketability of such Adelphia Assets.

SECTION 5.05. Adelphia Systems Franchises, Systems Licenses, Systems Contracts, Owned Property and Real Property Interests. (a) Except as described on Schedules 2.01(b)(ii)(B), (iii)(B), (iv)(B) or (v)(B) or 2.01(c)(ii) and except for the Adelphia Excluded Assets, no Adelphia Entity is bound or affected by any of the following that relate wholly or primarily to the Adelphia Assets or the

Adelphia Systems: (i) leases of real or material personal property; (ii) franchises, and similar authorizations or permits for the construction or operation of cable television systems, or Contracts of substantially equivalent effect; (iii) other licenses, authorizations, consents or permits of the FCC or, to the extent material, any other Governmental Authority; (iv) material crossing agreements, easements, rights of way or access agreements; (v) pole line or joint line agreements or underground conduit agreements; (vi) bulk service, commercial service or multiple-dwelling unit service or access agreements (other than customary subscription agreements to provide cable service with respect to commercial accounts and customary non-bulk-billed access agreement); (vii) system specific programming agreements or signal supply agreements; (viii) any agreement with the FCC or any other Governmental Authority relating to the operation or construction of the Adelphia Systems that are not fully reflected in the Adelphia Systems Franchises, or any agreements with community groups or similar third parties restricting or limiting the types of programming that may be shown on any of the Adelphia Systems; (ix) commercial leased access agreements or capacity license agreements; (x) any partnership, joint venture or other similar agreement or arrangement; (xi) any agreement that limits the freedom of any of the Adelphia Systems to compete in any line of business or with any Person or in any area or which would so limit the freedom of the Comcast Entities after the Closing Date; (xii) any must-carry elections or retransmission consents relating to the Adelphia Systems or Assets; (xiii) any advertising interconnect agreement; (xiv) any agreement with any employee of the Adelphia Systems; (xv) any Contract granting any Person the right to use any portion of the Adelphia Systems' cable plant included within the Adelphia Assets; (xvi) any Contract that is not the subject matter of any other clause of this Section 5.05(a) that will remain effective for more than one year after Closing; or (xvii) any Contract other than those described in any other clause of this Section 5.05(a) which individually provides for payments by or to any Adelphia Entity in any twelve-month period exceeding \$100,000 individually or is otherwise material to the Adelphia Systems. Except for the facilities agreements with Adelphia Business Solution, Inc. and its Subsidiaries which are set forth on Schedule 2.01(b)(v)(B) and the Excluded Assets, no Adelphia Entity is bound or affected by any of the following that relate wholly or primarily to the Adelphia Assets or the Adelphia Systems: (i) any contract with ServiceCo LLC, PowerLink or Excite@Home or any of their respective Affiliates or (ii) except for customary contracts with internet service Subscribers, any Contract providing for the use of Adelphia Assets to provide, or for the provision by the Adelphia Systems of, telephone or high speed data services.

(b) Adelphia has provided to Comcast true and complete copies of each of the contracts and agreements set forth in Schedules 2.01(b)(ii)(B), (iii)(B), (iv)(B) and (v)(B) (together with any notices alleging continuing non-compliance with the requirements of any such contract or agreement, and including in each case any amendments thereto, and in the case of oral contracts and agreements, true and complete written summaries thereof) and of each document evidencing

or insuring any Adelphia Entity's ownership of the Adelphia Owned Property. Except as described in Schedule 5.05(b): (i) the Adelphia Entities are in compliance in all material respects with each of the Material Adelphia Contracts; (ii) each of the Adelphia Entities has fulfilled when due, or has taken all action necessary to enable it to fulfill when due, all of its respective material obligations under each of the Material Adelphia Contracts to which it is a party; (iii) there has not occurred any material default (without regard to lapse of time or to the giving of notice, or both) by an Adelphia Entity and, to the knowledge of Adelphia, there has not occurred any material default by any Person, under any of the Material Adelphia Contracts; and (iv) the Material Adelphia Contracts are valid and binding agreements and are in full force and effect.

(c) Schedule 5.05(c) lists the date on which each Adelphia Systems Franchise will expire. There are no applications relating to any Adelphia Systems Franchise or Adelphia Systems Licenses pending before any Governmental Authority that are material to any of such Adelphia Systems. No Adelphia Entity has received, nor does any Adelphia Entity have notice that it will receive, from any Governmental Authority a preliminary assessment that an Adelphia Systems Franchise should not be renewed as provided in Section 626(c)(1) of the Communications Act. No Adelphia Entity or any Governmental Authority has commenced or requested the commencement of an administrative proceeding concerning the renewal of an Adelphia Systems Franchise as provided in Section 626(c)(1) of the Communications Act. The Adelphia Entities have timely filed notices of renewal in accordance with the Communications Act with all Governmental Authorities with respect to each Adelphia Systems Franchise expiring within 36 months of the date of this Agreement. Such notices of renewal have been filed pursuant to the formal renewal procedures established by Section 626(a) of the Communications Act. To Adelphia's knowledge, there exist no facts or circumstances that make it likely that any Adelphia Systems Franchise will not be renewed or extended on commercially reasonable terms. As of the date hereof, no Governmental Authority has commenced, or given notice that it intends to commence, a proceeding to revoke or suspend an Adelphia Systems Franchise.

Section 5.06. Employee Benefits. "Adelphia Plans" shall mean each employee benefit plan or arrangement, including each pension or welfare benefit plan, employment agreement, incentive compensation arrangement or multi-employer plan (as defined in Section 3(37) of ERISA), in which any Adelphia System Employees (as defined in Section 5.15) participate. The Adelphia Plans are set forth in Schedule 5.06. None of the Adelphia Entities, any of their ERISA Affiliates, any Adelphia Plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or to the knowledge of Adelphia, any Adelphia Plan that is a multi-employer plan (as defined in Section 3(37) of ERISA) is in material violation of any provision of ERISA with respect to an Adelphia Plan. No material "reportable event" (as defined in Section 4043(c)(1), (2), (3), (5), (6), (7), (10) and (13) of ERISA), "accumulated funding deficiency" (as defined in Section

302 of ERISA) or "withdrawal liability" (as determined under Section 4201 et. seq. of ERISA) has occurred or exists and is continuing with respect to any Adelphia Plan other than a multi-employer plan (as defined in Section 3(37) of ERISA), or to the knowledge of Adelphia, any Adelphia Plan that is a multi-employer plan (as defined in Section 3(37) of ERISA). After the date hereof, none of the Comcast Entities or any of their respective ERISA Affiliates will be required, under ERISA, the Code or any collective bargaining agreement, to establish, maintain or continue or contribute to any Adelphia Plan currently or in the past maintained or contributed to by any Adelphia Entity or any of their current or former ERISA Affiliates. Since December 31, 1999 there has been no change in the Adelphia Plans or level of compensation provided Adelphia System Employees that would materially increase the cost of operating the Adelphia Systems.

SECTION 5.07. Litigation. Except as set forth in Schedule 5.07: (i) there is no Litigation pending or, to Adelphia's knowledge, threatened, by or before any Governmental Authority or private arbitration tribunal, against any Adelphia Entity, and (ii) there is no Judgment requiring any Adelphia Entity to take any action of any kind with respect to the Adelphia Assets or the operation of the Adelphia Systems, or to which any Adelphia Entity (with respect to the Adelphia Systems), the Adelphia Systems or the Adelphia Assets are subject or by which they are bound or affected, in either case, which could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or materially delay or prevent the consummation of the transactions contemplated hereby.

SECTION 5.08. Cable Operations. Except as described on Schedule 5.08 and other than SMATV system operators and direct broadcast satellite service providers, no Person, other than the Transferors, is providing wireline cable television services or multipoint multichannel distribution service or other multichannel video programming services or, to the knowledge of Adelphia, intending to provide any such services in the Adelphia Service Areas. Except as described on Schedule 5.08, no Person, other than the Transferors, other than the Adelphia Entities has been granted or, to the knowledge of Adelphia, has a current application pending for a franchise or other operating authority for a wireline cable television franchise or open video system in any of the communities or unincorporated areas presently served by the Adelphia Systems.

SECTION 5.09. Tax Returns; Other Reports. With respect to the Adelphia Systems, the Adelphia Entities have timely filed in proper form all federal, state, local and foreign tax returns and other reports required to be filed, and have timely paid all Taxes which have become due and payable, whether or not so shown on any such return or report, the failure to file or pay which could have affected or resulted in the imposition of a Lien upon the Adelphia Assets, except such amounts as are being contested diligently and in good faith and for which appropriate reserves have been established. No Adelphia Entity has received notice of, and Adelphia has no knowledge of, any deficiency or assessment or proposed deficiency or assessment from any Governmental Authority which

could have affected or resulted in the imposition of a Lien upon the Adelphia Assets. Except as described on Schedule 5.09, there are no pending or ongoing property, sales and use, or franchise fee or tax audits relating to the Adelphia Systems, and no Adelphia Entity has received any property, sales and use, or franchise fee or tax audit notice with respect thereto.

SECTION 5.10. Adelphia Systems Information. Schedule 5.10 sets forth a true and complete description in all material respects of the following information:

(a) as of September 30, 2000, for each Adelphia System the approximate number of miles of plant, aerial and underground and the technical capacity of such plant expressed in MHZ, included in such Adelphia System;

(b) as of the date set forth on such Schedule (which shall be no earlier than September 30, 2000), the number of cable television Subscribers served by each of the Adelphia Systems, determined in accordance with past practice for each such System; provided that bulk-billed and other accounts not billed by individual unit shall be equivalatized in accordance with past practice for each such System;

(c) as of the date set forth on such Schedule (which shall be no earlier than September 30, 2000), a description of basic and optional or tier services available from each of the Adelphia Systems on a headend-by-headend basis and the rates charged by the applicable Adelphia Entity for each;

(d) the stations and signals carried by each of the Adelphia Systems and the channel position of each such signal and station;

(e) the municipalities served by each of the Adelphia Systems;

(f) the channel capacity of each of the Adelphia Systems; and

(g) the rate increases instituted by each of the Adelphia Systems in the previous 12 months ending on the date of this Agreement.

SECTION 5.11. Compliance with Legal Requirements. (a) Except as set forth in Schedule 5.11, and except with respect to those matters covered by Sections 5.11(b), (c), (d) and (e), which matters are covered exclusively by such sections, the operation of the Adelphia Systems has not violated or infringed, and does not violate or infringe, in any material respect any Legal Requirement. No Adelphia Entity has received notice and has no knowledge of any violation by any Adelphia Entity or the Adelphia Systems of any material Legal Requirement applicable to the operation of the Adelphia Systems.

(b) Except as set forth in Schedule 5.11, and subject to the limitations set forth in Sections 5.11(d) and (e): with respect to the Adelphia Systems, each

Adelphia Entity has been and is in compliance in all material respects with the Communications Act and the Cable Act, including requirements of those Acts specifically referred to herein; there have been submitted to the FCC all material required filings, including cable television registration statements, annual reports and aeronautical frequency usage notices, to utilize all frequencies currently used in the frequency bands 108-137 and 225-400 MHZ in the manner currently used that are required under the rules and regulations of the FCC; the operation of the Adelphia Systems has been and is in material compliance with the rules and regulations of the FCC, and no Adelphia Entity has received notice from the FCC of any violation of its rules and regulations with respect to the Adelphia Systems; each Adelphia Entity is and since 1992 has been with respect to the Adelphia Systems certified as in compliance with the FCC's EEO rules and has received no written notices with respect to non-compliance with EEO rules; the Adelphia Systems are in compliance with all signal leakage criteria prescribed by the FCC; each Adelphia Entity has filed all FCC Forms 320 for the Adelphia Systems for the last two reporting periods, and all such Forms 320 show "passing" or "satisfactory" signal leakage scores; for each semi-annual reporting period since 1997-1; each Adelphia Entity has filed with the United States Copyright Office all required Statements of Account in proper form, and has paid when due all required copyright royalty fee payments, relating to the Adelphia Systems' carriage of television and radio broadcast signals; and each Adelphia Entity is otherwise in compliance with the requirements of the compulsory copyright license described in Section 111 of the Copyright Act and with all applicable rules and regulations of the Copyright Office. Adelphia has provided to Comcast true and complete copies of all reports and filings for the past year, made or filed pursuant to FCC and Copyright Office rules and regulations by the Adelphia Entities with respect to the Adelphia Systems and will provide to Comcast, upon Comcast's request, all other past reports and filings made or filed pursuant to FCC and Copyright Office rules and regulations by the Adelphia Entities with respect to the Adelphia Systems within the past five (5) years. The Adelphia Entities hold all licenses, registrations or permits from the FCC for business radio, satellite earth receiving facilities and CARS or private operational fixed service microwave facilities, that are necessary or appropriate to carry on the business of the Adelphia Systems as conducted on the date hereof. Each of the Adelphia Systems Licenses is in full force and effect and has not been revoked, canceled, encumbered or adversely affected in any manner. Each Adelphia System has provided all required Subscriber privacy notices to new Subscribers at the time of installation and to all Subscribers on an annual basis, and the Adelphia Systems have taken commercially reasonable steps to prevent unauthorized access to personally identifiable information. Each Adelphia System has provided all customer notices required by the Cable Act, including customer service, notices of availability of basic service, and equipment compatibility. All notifications to the FAA have been made with respect to the antenna structures which are being used in connection with the operation of the Adelphia Systems, and all such antenna structures that require registration with the FCC have been so registered by Adelphia. No Adelphia Entity has received any request for commercial leased

access with respect to the Adelphia Systems within the past 120 days, except for those requests set forth on Schedule 5.11(b). There are no complaints or other proceedings instituted before the FCC concerning commercial leased access, program access, or any other aspect of the Adelphia Systems' operations.

(c) Except as provided in Schedule 5.11, with respect to the Adelphia Systems, the Adelphia Entities are and have been in compliance in all material respects with the must carry and retransmission consent provisions of the Cable Act, including, (i) duly and timely notifying "local commercial television stations" of inadequate signal strength or increased copyright liability, if applicable, (ii) to the extent required, duly and timely notifying non-commercial educational stations of the location of the cable system's principal head-end, (iii) duly and timely notifying Subscribers of the channel alignment on the Adelphia Systems, (iv) duly and timely notifying "local commercial and noncommercial television stations" of the broadcast signals carried on the Adelphia Systems and their channel positions, if applicable, (v) maintaining the requisite public file identifying broadcast signal carriage, (vi) carrying the broadcast signals after January 1, 2000, on the Adelphia Systems for all "local commercial television stations" which elected must carry status and, if required, up to two "qualified low power stations," (vii) complying with applicable channel placement obligations, and (viii) obtaining retransmission consent for all commercial broadcast signals carried on the Adelphia Systems after January 1, 1997, except for the signals carried pursuant to a must carry election. No oral or written notices have been received from the FCC, the United States Copyright Office, any local or other television station or system or from any other person or entity, station or Governmental Authority claiming to have a right of objection challenging or questioning the right of the Adelphia Systems to carry or furnish, or not to carry or furnish, any of the signals or any other station or service to any Subscriber. Except as provided in Schedule 5.11, no Adelphia Entity has received with respect to any of the Adelphia Systems any notification of any petition or submission that is currently pending before the FCC to modify any television market or for a waiver of any rules or regulations of the FCC as they apply to such Adelphia System. Each Adelphia Entity has complied with all written requests it has received for network nonduplication, syndicated exclusivity, and sports blackout protection which are applicable to the Adelphia Systems.

(d) Each Adelphia Entity has used commercially reasonable efforts to establish rates charged and a la carte packages provided to Subscribers of the Adelphia Systems, effective as of September 2, 1993, that would be allowable under the Cable Act. Notwithstanding the foregoing, the Adelphia Entities make no representation or warranty that the rates charged to Subscribers would be allowable under any rules or regulations of the FCC or any authoritative interpretation thereof promulgated after the date of Closing. Adelphia has provided to Comcast true and complete copies of all rate Forms (and any associated Forms 1200, any successive Forms 1210, and Forms 1205 filed within the one year period immediately preceding the date of this Agreement) that have

been prepared with respect to the Comcast Systems, copies of all correspondence with any Governmental Authority relating to rate regulation generally or specific rates charged to Subscribers of the Adelphia Systems, and any other documentation supporting an exemption from the rate regulation provisions of the Cable Act claimed by the Adelphia Entities with respect to the Adelphia Systems. Schedule 5.11(d) sets forth a list of (i) all pending complaints with respect to any rates which have been filed with the FCC for the Adelphia Systems and (ii) those franchising authorities that have been certified upon filing FCC Form 328 or have filed FCC Form 328 with the FCC for certification to regulate any of the Adelphia Systems' rates. Except as set forth in Schedule 5.11(d), each Adelphia System is operating pursuant to a valid franchise or similar authorization or permit issued by the appropriate Governmental Authority in every market in which such System is supplying cable television service.

(e) Each Adelphia Entity has used commercially reasonable efforts to comply in all material respects with any customer service standards applicable to it with respect to the Adelphia Systems. The Adelphia Entities have received no written notice with respect to the Adelphia Systems from any Governmental Authority with respect to an intention to enforce customer service standards pursuant to the Cable Act and no Adelphia Entity has agreed with any Governmental Authority to establish customer service standards in respect of the Adelphia Systems that exceed the FCC standards promulgated pursuant to the Cable Act.

SECTION 5.12. Real Property. Schedule 2.01(b)(ii)(B) sets forth all leases included in the Adelphia Real Property Interests (the "Adelphia Leases") and all ownership interests in real property included in the Adelphia Owned Property. The Adelphia Owned Property and Adelphia Real Property Interests include all leases, fee interests, material easements, material access agreements and other material real property interests necessary to operate the Adelphia Systems as currently conducted. The current use and occupancy of all Adelphia Owned Property and the Adelphia Leased Property do not constitute nonconforming uses under any applicable Legal Requirement in the nature of a zoning law or ordinance. Each parcel of Adelphia Owned Property and, to Adelphia's knowledge, each parcel of Adelphia Leased Property has access to and over public streets, or private streets or property for which the applicable Adelphia Entity has a valid right of ingress and egress, (ii) conforms in its current use, occupancy and operation to all material zoning requirements without reliance upon a variance issued by a Governmental Authority or a classification of the parcel in question as a nonconforming use and (iii) conforms in its use, occupancy and operation to all restrictive covenants, if any, or other encumbrances affecting all or part of such parcel. Each Person upon, under or across whose property any of the Adelphia Assets are located, maintained, installed or operated (other than drop lines to customer dwellings) has granted to the applicable Adelphia Entity such easements, licenses or rights of way as are necessary for the location, maintenance, installation and operation of such Adelphia Assets upon, under or

across such property, except where the failure to have any such easements, licenses or rights of way would not, individually or in the aggregate, have a Material Adverse Effect.

SECTION 5.13. Financial Statements. Adelphia has provided to Comcast financial statements for the Adelphia Systems consisting of balance sheets and statements of operations as of and for the 12 months ended December 31, 1999 and as of and for the nine months ended September 30, 2000 (the "Adelphia Systems Financial Statements"). The Adelphia Systems Financial Statements are management reports that fairly present in accordance with GAAP except for the absence of footnotes, in all material respects, such Adelphia Systems' financial position, and results of operations as of the dates and for the periods indicated, subject to normal adjustments, allocations and accruals (none of which will be material to the financial position or operating results of the Systems).

SECTION 5.14. Interim Operations of Systems. Except as set forth in Schedule 5.14, since May 25, 1999

(a) there has been no Material Adverse Effect with respect to the Adelphia Assets, the Adelphia Entities that are Transferors or the Adelphia Systems;

(b) neither the Adelphia Assets nor the financial condition or operations of the Adelphia Systems have been materially and adversely affected as a result of any fire, explosion, accident, casualty, labor trouble, flood, drought, riot, storm, condemnation, or act of God or public force or otherwise;

(c) the Adelphia Entities have, with respect to the Adelphia Systems made capital expenditures in the ordinary course consistent with past practices;

(d) each of the Adelphia Entities has with respect to its Systems and Assets:

(i) operated or caused to be operated its Systems only in the usual, regular and ordinary course and in accordance with applicable Legal Requirements (including commencing and continuing planned upgrades and rebuild of Systems, completing line extensions, placing conduit or cable in new developments, fulfilling installation requests and continuing work on existing construction projects) and, to the extent consistent with such operation, (i) used its reasonable best efforts to preserve the business organization of its Systems intact, including preserving existing relationships with Governmental Authorities, suppliers, customers and others having business dealings with its Systems, (ii) used commercially reasonable efforts to keep available the services of its employees providing services in connection with its Systems, and (iii) continued normal marketing, advertising and promotional expenditures with respect to its Systems;

(ii) maintained or caused to be maintained its books, records and accounts with respect to its Assets and the operation of its Systems in the usual, regular and ordinary manner on a basis consistent with past practices; and

(iii) maintained inventory sufficient for the operation of its Systems, in the ordinary course of business for a period of at least 30 days; and

(e) none of the Adelphia Entities has, with respect to its Systems or Assets:

(i) engaged in any marketing, Subscriber installation or collection practices other than in the ordinary course of business except as set forth in Schedule 5.14(e)(i);

(ii) except (x) for "staying" or "sticking" bonuses to induce such employees to remain with such Adelphia Entity which have been paid for by such Adelphia Entity on or prior to Closing or (y) as may be done in the ordinary course of business and consistent with past practices, granted or agreed to grant to any employee of the Systems any increase in (i) wages or bonuses or (ii) any severance, profit sharing, retirement, deferred compensation, insurance or other compensation or benefits; or

(iii) sold, assigned, transferred or otherwise disposed of any of the Assets except in the ordinary course of business and except for (i) the disposition of obsolete or worn-out equipment, or (ii) dispositions with respect to which such Assets are replaced with Assets of at least equal value.

SECTION 5.15. Employees. (a) There are no collective bargaining agreements applicable to any persons employed by any Adelphia Entity or any of their respective Affiliates that primarily render services in connection with the Adelphia Systems ("Adelphia System Employees"), and no Adelphia Entity or any of their respective Affiliates has any duty to bargain with any labor organization with respect to any such persons. There are not pending any unfair labor practice charges against any Adelphia Entity or any of their respective Affiliates, or any demand for recognition, or any other request or demand from a labor organization for representative status, with respect to any Adelphia System Employees.

(b) Each Adelphia Entity has, with respect to the Adelphia System Employees, complied in all material respects with all applicable Legal Requirements relating to the employment of labor, including WARN, ERISA, continuation coverage requirements with respect to group health plans and those relating to wages, hours, collective bargaining, unemployment insurance, worker's compensation, equal employment opportunity, age, sex, race and

disability discrimination, immigration control and the payment and withholding of Taxes. No Adelphia Entity is a party to any material labor or employment dispute involving any of its employees who render services in connection with the Adelphia Systems.

(c) Except as described on Schedule 5.15(c), no Adelphia Entity has employment agreements, either written or oral, with any Adelphia System Employee, and none of the employment agreements listed on Schedule 5.15(c) require Comcast to employ any person after the date hereof.

SECTION 5.16. Environmental. (a) No Adelphia Entity has received any notice, notification, demand, request for information, citation, summons or order relating to any "Superfund" evaluation or investigation, and no Adelphia Entity is the subject of any pending or, to Adelphia's knowledge, threatened investigation, action, claim, suit, review, complaint, penalty or proceeding of any Governmental Authority or other Person with respect to (i) the Adelphia Systems or the Adelphia Assets, including the Adelphia Owned Property or the Adelphia Leased Property and any property previously owned, operated or leased by any Adelphia Entity in connection with the Adelphia Systems and (ii) relating to or arising out of any Environmental Law.

(b) Except as disclosed on Schedule 5.16, no Hazardous Substance has been discharged, disposed of, dumped, injected, pumped, deposited, spilled, leaked, emitted, or released at, on or under any Adelphia Owned Property or Adelphia Leased Property or other Adelphia Asset.

(c) Except as disclosed on Schedule 5.16, each Adelphia Entity is in material compliance with all Environmental Laws, insofar as they relate to the Adelphia Assets, the Adelphia Owned Property or the Adelphia Leased Property. Except as disclosed on Schedule 5.16, each Adelphia Entity has been and is in compliance with all permits, licenses, franchises, certificates, approvals and other similar authorizations of Governmental Authorities relating to or required by Environmental Laws and affecting, or relating in any way to, the Adelphia Systems or the Adelphia Assets ("Adelphia Environmental Permits"). Such Adelphia Environmental Permits are valid and in full force and effect and are transferable and will not be terminated or impaired or become terminable as a result of the transactions contemplated hereby. No Adelphia Entity has received any notice of, any knowledge of circumstances relating to, and there are no past events, facts, conditions, circumstances, activities, practices or incidents (including but not limited to the presence, use, generation, manufacture, disposal, release or threatened release of any Hazardous Substances from or on the Adelphia Assets, the Adelphia Owned Property or the Adelphia Leased Property), which could interfere with or prevent compliance with or which have resulted in or are reasonably likely to give rise to any liability of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, arising under or relating to any Environmental Law and in connection with the Adelphia Systems or the Adelphia Assets, including, without limitation, the

Adelphia Owned Property and the Adelphia Leased Property. Except as disclosed on Schedule 5.16, no Adelphia Owned Property or Adelphia Leased Property nor any property to which Hazardous Substances located on or resulting from the use of any Adelphia Asset, Adelphia Owned Property or Adelphia Leased Property or any property previously owned, leased or operated by any Adelphia Entity in connection with the Adelphia Systems have been transported is listed or, to Adelphia's knowledge, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal, state, local or foreign list of sites requiring investigation or cleanup.

(d) Except as disclosed on Schedule 5.16, no polychlorinated biphenyls, electromagnetic fields, radioactive material, lead, asbestos-containing material, incinerator, sump, surface impoundment, lagoon, landfill, septic, wastewater treatment or other disposal system or underground storage tank (active or inactive) is or has been present at, on or under any Adelphia Owned Property or Adelphia Leased Property or in any Adelphia Asset.

(e) Adelphia has provided or made available to Comcast copies of all environmental assessments, studies, audits, tests, reviews or other analyses of or relating to the Adelphia Assets and/or Systems prior to the date hereof.

(f) Except as disclosed on Schedule 5.16, none of the Adelphia Owned Property or Adelphia Leased Property is located in New Jersey or Connecticut.

SECTION 5.17. Accounts Receivable. All of the accounts receivable that are the subject of the adjustments provided in Section 2.05 have arisen from bona fide transactions in the ordinary course of the business of the Adelphia Systems, consistent with past practices.

SECTION 5.18. Transactions with Affiliates. Except as set forth on Schedule 5.18, with respect to the Adelphia Systems, no Adelphia Party is a party to any Contract or any other arrangement of any kind whatsoever with any Affiliate.

SECTION 5.19. System Intellectual Property Rights. There is no trademark, trade name, service mark, service name, logo or similar proprietary right owned, licensed, used or held for use by Adelphia or any of its Affiliates primarily in the operation of the Adelphia Systems.

SECTION 5.20. Bonds. Schedule 5.20 contains a list of all franchise, construction, fidelity, performance or other bonds and copies of all letters of credit posted by any Adelphia Entity or any of their respective Affiliates in connection with its Systems or its Assets.

SECTION 5.21. Taxpayer Identification Number. The U.S. Taxpayer Identification Number of each Adelphia Entity is as set forth in Schedule 1.01.

SECTION 5.22. Undisclosed Material Liabilities. There are no liabilities of the Adelphia Systems of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which would reasonably be expected to result in such a liability, other than:

(a) the Adelphia Excluded Liabilities;

(b) the liabilities disclosed on Schedule 5.22;

(c) the liabilities disclosed in the Adelphia Systems Financial Statements or the notes thereto;

(d) the liabilities arising in the ordinary course of business since September 30, 2000; and

(e) other liabilities which, individually or in the aggregate, are not material to the Adelphia Systems.

SECTION 5.23. Insurance. All material Adelphia Assets are covered by currently effective insurance policies in such types and amounts as are consistent with customary practices and standards in the cable television industry. Adelphia does not know of any threatened termination of, premium increase with respect to, or material alteration of coverage under, any of such policies. Except as set forth on Schedule 5.23, after the Closing the Adelphia Entities shall continue to have coverage under such policies and bonds with respect to events occurring prior to the Closing.

SECTION 5.24. Intellectual Property. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Adelphia Systems have been operated in such a manner so as not to violate or infringe upon the rights, or give rise to any rightful claim of any Person for copyright, trademark, service mark, patent, license or other intellectual property right infringement.

SECTION 5.25. Brokers. There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of any Adelphia Entity who might be entitled to any fee or commission in connection with the transactions contemplated by this Agreement.

SECTION 5.26. Systems Options. Except as disclosed on Schedule 5.26, none of the Adelphia Systems or any material Adelphia Assets are subject to any purchase option, right of first refusal or similar arrangement which would be triggered by the transactions contemplated by this Agreement ("Adelphia Systems Option"). All Adelphia Systems Options have been waived in connections with the transactions contemplated by this Agreement.

SECTION 5.27. Adelphia Pole Audits. Schedule 5.27 lists and describes the results of any audits or investigations conducted by any of the parties to the pole attachment agreements for the Adelphia Systems during the previous three (3) years. All fees due and payable under the pole attachment agreements for the Adelphia systems have been paid.

SECTION 5.28. Inventory. The Adelphia Assets include such amounts of inventory as are sufficient to operate the Adelphia Systems in a manner consistent with past practice for a period not less than 30 days.

SECTION 5.29. Internet Services. All assets that are part of a headend and that are used to provide internet services to Subscribers within the Adelphia Systems are included in the Adelphia Assets.

SECTION 5.30. Telephony Assets. Except as set forth on Schedule 5.30, no residential telephony services are being provided by Adelphia or its Affiliates in connection with or utilizing the Adelphia Systems.

SECTION 5.31. Capital Leases. There are no capital leases of real property included in the Adelphia Assets.

ARTICLE 6 COVENANTS

SECTION 6.01. Confidentiality and Publicity. (a) Following the Closing, each party and its Affiliates will keep confidential any non-public information that such party or its Affiliates received from another party or its Affiliates in connection with this Agreement unrelated to the Systems or Assets transferred by the other party or its Affiliates pursuant to this Agreement as well as any non-public information in the possession of such party or its Affiliates related to the Systems or Assets transferred by such party or its Affiliates to the other party or its Affiliates pursuant to this Agreement (any such information that a party is required to keep confidential pursuant to this sentence shall be referred to as "Confidential Information"). Each party and its Affiliates will not disclose any Confidential Information to any other Person (other than its Affiliates and its and its Affiliates' directors, officers and employees, and representatives of its advisers and lenders, in each case, whose knowledge thereof is necessary in order to facilitate the consummation of the transactions contemplated hereby, in which case such party shall be responsible for any breach by any such Person) or use such information to the detriment of the other; provided that (i) such party and its Affiliates may use and disclose any such information once it has been publicly disclosed (other than by such party or any of its Affiliates in breach of the obligations under this Section) or which, to its knowledge, rightfully has come into the possession of such party or its Affiliates (other than from the other party or its Affiliates), and (ii) to the extent that such party or its Affiliates may, in the reasonable judgment of its counsel, be compelled by Legal Requirements to

disclose any of such information, such party or its Affiliates may disclose such information if it has used commercially reasonable efforts, and has afforded the other the opportunity, to obtain an appropriate protective order, or other satisfactory assurance of confidential treatment, for the information compelled to be disclosed.

(b) Adelphia and Comcast each will consult with and cooperate with the other with respect to the content and timing of all press releases and other public announcements, and any oral or written statements to Comcast System Employees and Adelphia System Employees concerning this Agreement and the transactions contemplated hereby. Except as required by applicable Legal Requirements or by any national securities exchange or quotation system, neither Adelphia nor Comcast will make any such release, announcement or statement without the prior written consent and approval of the other not to be unreasonably withheld. Adelphia and Comcast will each respond promptly to any such request for consent and approval.

SECTION 6.02. Title Defects. (a) Prior to Closing, the Parent of each Transferee has had the option to obtain at its own expense, (i) commitments to issue to such Transferee title insurance policies ("Title Commitments") in amounts reasonably satisfactory to such Transferee's Parent at ordinary premium rates without any requirement for additional premiums to be issued by a nationally recognized title insurance company (a "Title Company") and containing, to the extent available, legible photocopies of all recorded items described as exceptions therein, committing to insure good and marketable fee or a valid leasehold title, as applicable, in such Transferee to each parcel of Transferor's Owned Real Property or Leased Property marked by an asterisk on Schedule 2.01(b)(ii)(A) or Schedule 2.01(b)(ii)(B), as applicable, by ALTA extended coverage owner's or leasehold policies, as applicable, of title insurance, and (ii) surveys of each parcel of Transferor's Owned Property or Leased Property marked by a double asterisk on Schedule 2.01(b)(ii)(A) or Schedule 2.01(b)(ii)(B) ("Surveys"), in such form as is necessary to obtain the title insurance to be issued pursuant to the related Title Commitments with the standard printed exceptions relating to survey matters deleted, certified to such Transferee and to the Title Company with respect to that Owned Property or Leased Property. The cost to obtain such Title Commitments and Surveys and other documents required by the Title Company to issue such policies and Surveys was borne by Transferee and the cost to delete or insure over any title defects was borne by Transferor.

(b) With respect to the title defects listed on Schedule 6.02(a) in the case of a Comcast Party as Transferor, and Schedule 6.02(b)-Part I, in the case of an Adelphia Party as Transferor, each Transferor of the applicable parcel of Owned Property or the leaseholds for the applicable Leased Property will use commercially reasonable efforts for 180 days following Closing to remedy the title defect following Closing on terms satisfactory to such Transferee, in its reasonable discretion.

(c) With respect to the title defect(s) listed on Schedule 6.02(b) - Part II ("Part II Defects"), on or before March 1, 2001 Adelphia will either (i) deliver a deed conveying good, marketable and insurable title to the Adelphia Owned Property so identified, or (ii) Adelphia will commence and diligently thereafter prosecute to completion such proceedings to "quiet title" (or similar proceedings), and shall otherwise take such actions, as are necessary to vest in the Comcast Transferee good, marketable, and insurable title to the applicable Adelphia Owned Property, in either case subject only to Permitted Liens existing on the date hereof other than the Part II Defect (unless such Lien hereafter arises out of the acts or omissions of a Comcast Party or affiliate).

(d) With respect to the title defects listed on Schedule 6.02(b)-Part III (the "Part III Defects"), at the Closing, (i) at Adelphia's request and expense, Comcast Cablevision Communications, Inc. (successor by merger to Jones Intercable, Inc.), in its capacity as general partner of Cable TV Fund 12-A, Ltd. in the exercise of its powers under the partnership agreement of Cable TV Fund 12-A Ltd. following its dissolution, shall execute and deliver a deed without warranty transferring each applicable Adelphia Owned Property to Ft. Myers Acquisition Limited Partnership and (ii) Ft. Myers Acquisition Limited Partnership will execute and deliver a special warranty deed transferring the Adelphia Owned Property to the applicable Comcast Transferee. All transfer taxes will be paid by Adelphia.

(e) With respect to the title defect listed on Schedule 6.02(b)-Part IV (the "Part IV Defect"), if the Part IV Defect is not remedied within 90 days following the Closing, Adelphia will promptly thereafter commence and diligently prosecute to completion such proceedings to "quiet title" or other similar proceedings, and shall otherwise take such action, as may be necessary to discharge the Part IV Defect of record.

(f) The obligations of the parties under this Section 6.02 are in addition to, and not in substitution for, their obligations under Sections 8.01 and 8.02.

SECTION 6.03. Leased Vehicles and Other Capital Leases. Each Transferor has paid the remaining balances on any leases for vehicles included in its Tangible Personal Property and any other capital leases of Tangible Personal Property and Real Property and will deliver (either directly or through the delivery of the Comcast LLC Interests) title to such vehicles and Tangible Personal Property free and clear of all Liens to its Transferee at Closing.

Section 6.04. Post-closing Obtaining Of Consents. (a) Each Transferor will use its commercially reasonable efforts to obtain consents, authorizations and approvals required to be obtained in connection with the transfer of Assets or Comcast LLC Interests by such Transferor to the extent such consents, authorizations and approvals were not obtained prior to Closing. Each Transferee will cooperate with its Transferor in connection with the foregoing. Notwithstanding the foregoing, Transferor shall have no obligation to make any

payment (other than customary filing fees) to any Person to obtain any such consent, authorization or approval, and Transferor will afford the Parent of the applicable Transferee the opportunity to review and approve the form of such other consents, authorizations and approvals prior to delivery to the Person whose consent, authorization or approval is sought and Transferor will not accept or agree or accede to any modifications or amendments to, or any conditions to the transfer of, any of the Systems Franchises, Systems Licenses, Systems Contracts or Real Property Interests of Transferor's Systems that are not approved in writing by the Parent of the applicable Transferee, which approval will not be unreasonably withheld. In addition, no party will have any obligation to obtain any consent, authorization or approval:

(i) with respect to license agreements relating to pole attachments where the licensing authority will not consent to an assignment of such license agreement but requires that the Transferee enter into a new agreement with such licensing authority on overall terms which are no less favorable to the applicable Transferee than the original license agreement was to the Transferor, in which case the applicable Transferee shall use its commercially reasonable efforts to enter into such agreement and Transferor will cooperate with and assist the applicable Transferee in obtaining such agreements; or

(ii) with respect to Contracts evidencing Leased Property, if the Transferor has obtained and made properly operational prior to Closing substitute Leased Property that is reasonably satisfactory to the Parent of the applicable Transferee.

(b) In those instances where a consent, authorization or approval has not been obtained prior to Closing, the relevant Transferor and its Transferee will cooperate in a mutually agreeable arrangement under which such Transferee will obtain the benefits and be responsible for the obligations in accordance with this Agreement in respect of any Asset of such Transferor or any claim or right or any benefit arising thereunder the assignment of which without the consent of the third party thereto would constitute a breach or other contravention of such Asset or in any way adversely affect the rights of such Transferee thereunder, including sub-contracting, sub-licensing, or sub-leasing to such Transferee, or under which such Transferor will enforce for the benefit of such Transferee, with such Transferee assuming such Transferor's obligations, any and all rights of such Transferor against the third party in question. Such Transferor will promptly pay to such Transferee when received all monies received by such Transferor in respect of any such Asset or any claim or right or any benefit arising thereunder. For purposes of the foregoing, the term "Transferee" shall include the Comcast LLCs.

SECTION 6.05 . Transitional Services. Following the Closing, the Comcast Parties and the Adelphia Parties, as applicable, will provide the services set forth in this Section (the "Transitional Services") for the periods indicated to allow for

conversion of existing or replacement arrangements. All Transitional Services will be provided on terms and conditions reasonably satisfactory to both Parents and at the actual out-of-pocket cost to the provider thereof except with respect to the Transitional Services described in Sections 6.05(a)(vii), 6.05(a)(viii) and 6.05(b)(iv), payment for which is set forth in Sections 6.05(d), 6.05(e) and 6.05(f), respectively. The provision of a Transitional Service (or component thereof) shall be terminated at the request of the recipient of such service upon 15 days notice to the Parent of the party providing such service.

(a) The Adelphia Parties shall provide the following Transitional Services to the Comcast Parties for the periods indicated below; provided that, upon the request of the Comcast Parties, the Adelphia Parties will provide any or all such Transitional Services for such additional period as may be reasonably requested by the Comcast Parties if the Comcast Parties are unable to begin providing the relevant service to one or more of the Adelphia Systems due to the failure of Adelphia or Adelphia's third party service provider to facilitate in a timely manner the commencement of such service by Comcast or Comcast's third party service provider.

(i) billing services for the Adelphia Systems and for all Subscribers served by the Adelphia Systems, including Subscribers receiving internet services from Powerlink and Solution Services, for a period ending 60 days after the relevant third party provider of billing services for each of the Adelphia Systems completes the segregation of the cable television systems owned and operated by Adelphia and its Affiliates which are not part of the Adelphia Systems from the Adelphia Systems (the "Adelphia Billing Services Separation"); provided that in the case of Powerlink- and Solution Services-related billing services, such services shall be provided for a period ending 270 days after Closing;

(ii) customer service call center services for the Adelphia Systems located in New Mexico, Indiana, Michigan and (for overnight calls only) Pennsylvania for a period ending on the later of (x) 180 days after the Closing Date and (y) 90 days after the Adelphia Billing Services Separation;

(iii) maintenance of addressable controllers for the Adelphia Systems located in Pennsylvania, Michigan and New Jersey for a period ending on the later of (x) 120 days after the Closing Date and (y) 60 days after the Adelphia Billing Services Separation;

(iv) payment processing and remittance services for the Adelphia Systems for a period ending 90 days after the Adelphia Billing Services Separation;

(v) refund processing for the Adelphia Systems for a period ending 30 days after the Adelphia Billing Services Separation;

(vi) provision of daily, weekly and monthly System billing reports for all services provided in relation to the Adelphia Systems including internet-related services related to Powerlink and the Solution Services, together with the data necessary to close the System books and records for accounting purposes for the Adelphia Systems, for a period ending 60 days after the Adelphia Billing Services Separation; and

(vii) in respect of all Subscribers within the Adelphia Systems who receive internet-related services from Powerlink, for a period of 270 days after the Closing Date (the "Adelphia Internet Service Period") and subject to Section 6.05(d),

(A) maintain technical and customer service support in a manner consistent with past practice, including Tier 1 service, Tier 2 service and technical troubleshooting service;

(B) provide email forwarding/DHCP capabilities and maintain current systems related to such features;

(C) maintain all internet circuits;

(D) maintain all networking equipment, including CMTS, switches, and proxy servers located at any headends; and

(E) maintain email support through Powerlink and web ordering through the Adelphia.com world wide web site, if available.

(viii) in respect of all Subscribers within the Adelphia Systems who receive internet-related or other services from @Home Solutions ("Solution Services") for a period of 270 days after the Closing Date (the "@Home Solutions Service Period") and subject to Section 6.05(f),

(A) maintain technical and customer service support in a manner consistent with past practice, including Tier 1 service, Tier 2 service and technical troubleshooting service;

(B) provide email forwarding, if necessary, DHCP capabilities and maintain current systems related to such features;

(C) maintain all internet circuits;

(D) maintain all networking equipment, including CMTS, switches, proxy servers located at any headends, and modems, if applicable; and

(E) maintain email support through @Home Solutions.

For the avoidance of doubt, the Adelphia Parties shall be obligated to provide the services set forth in clauses (i), (vii) and (viii) through the end of the applicable service period both for Adelphia's Subscribers within the Adelphia Systems who receive Powerlink internet services and Solutions Services as of the Closing Date and for Subscribers within the Adelphia System who begin receiving such services after the Closing Date but prior to the termination of the applicable service period.

(b) The Comcast Parties shall provide the following Transitional Services to the Adelphia Parties for the periods indicated below; provided that, upon the request of the Adelphia Parties, the Comcast Parties will provide any or all such Transitional Services for such additional period as may be reasonably requested by the Adelphia Parties if the Adelphia Parties are unable to begin providing the relevant service to the Comcast Systems due to the failure of Comcast or Comcast's third party service provider to facilitate in a timely manner the commencement of such service by Adelphia or Adelphia's third party service provider.

(i) billing services for the Comcast Systems and for all Subscribers served by the Comcast Systems, including Subscribers receiving internet services from Excite@Home, for a period ending 60 days after the Closing Date; provided that in the case of Excite@Home related billing services, such services shall be provided during the Comcast Internet Service Period;

(ii) provision of daily, weekly and monthly System billing reports, together with the data necessary to close the System books and records for accounting purposes for the Comcast Systems for a period ending 90 days after the Closing Date;

(iii) payment processing and remittance services for the Comcast Systems for a period ending 60 days after the Closing Date; and

(iv) in respect of all Subscribers within the Comcast Systems who receive internet-related services from Excite@Home, for a period ending on the earlier to occur of (i) 270 days after the Closing Date and (ii) the termination by Excite@Home of its services to Comcast in any Comcast System or portion thereof (the "Comcast Internet Service Period") and subject to Section 6.05(e)

(A) maintain technical and customer service support in a manner consistent with past practice, including Tier 1 service, Tier 2 service and technical troubleshooting service;

(B) provide email forwarding/DHCP capabilities and maintain current systems related to such features;

(C) maintain all internet circuits;

(D) maintain all networking equipment, including CMTS, switches, and proxy servers located at any headends; and

(E) maintain email support through Excite@Home.

For the avoidance of doubt, the Comcast Parties shall be obligated to provide the services set forth in clauses (i) and (iv) through the end of the applicable service period both for Comcast's Subscribers within the Comcast Systems who receive Excite@Home internet services as of the Closing Date and for Subscribers within the Comcast System who begin receiving such services after the Closing Date but prior to the termination of the applicable service period.

(c) The Adelphia Parties will provide the Comcast Parties (or, following the consummation of the AT&T Transaction, an Affiliate of AT&T) with the following services with respect to the Comcast Broward, Florida cable television system: (i) customer service call center services for a period ending 120 days after the Closing Date and (ii) billing services for a period ending 180 days after the Closing Date.

(d) In consideration for the Transitional Services to be provided by the Adelphia Parties described in Section 6.05(a)(vii), Comcast shall pay Adelphia an amount equal to 35% of all internet service fees (to the extent related to Powerlink-related services) received by Comcast and its Affiliates from subscribers within the Adelphia Systems who receive internet services from Powerlink during the Adelphia Internet Service Period (the "Adelphia Internet Service Fee"). The Adelphia Internet Service Fee shall be payable no later than 10 days after the end of each calendar month in which the fees are received by Comcast and its Affiliates.

(e) In consideration for the Transitional Services to be provided by the Comcast Parties described in Section 6.05(b)(iv), Adelphia shall pay Comcast an amount equal to 35% of all internet service fees (to the extent related to Excite@Home-related services) received by Adelphia and its Affiliates from subscribers within the Comcast Systems who receive internet services from Excite@Home during the Comcast Internet Service Period (the "Comcast Internet Service Fee"). The Comcast Internet Service Fee shall be payable no later than 10 days after the end of each calendar month in which the fees are received by Adelphia and its Affiliates.

(f) In consideration for the Solution Services to be provided by the Adelphia Parties described above, Comcast shall pay Adelphia an amount equal to 35% of all Solution Service fees (to the extent related to Solution Services) received by Comcast and its Affiliates from subscribers within the Adelphia Systems who receive Solution Services during the @Home Solutions Service Period (the "@Home Solutions Service Fee"). The @Home Solutions Service

Fee shall be payable no later than 10 days after the end of each calendar month in which the fees are received by Comcast and its Affiliates.

(g) Comcast and Adelphia agree that in respect of all commercial Subscribers within the Comcast Systems who receive high speed data services from Comcast, Comcast and Adelphia shall make a good faith effort to agree upon terms and conditions for the delivery by Comcast of transition services after the Closing Date. To the extent that it is commercially reasonable, Comcast shall make a good faith effort to provide such services for a 180 day period.

SECTION 6.06. Cooperation upon Inquiries as to Rates. Each Transferor and its related Transferee agree as follows:

(a) For a period of twelve (12) months after Closing, Transferor will cooperate with and assist Transferee by providing, upon request, all information in Transferor's possession (and not previously provided to Transferee) relating directly to the rates set forth in Schedules 4.10 or 5.10, as applicable, or on any of the FCC Forms identified in Sections 4.11(d) or 5.11(d) that Transferee may reasonably require to justify such rates in response to any inquiry, order or requirement of any Governmental Authority or any Rate Regulatory Matter (as defined below) instituted before or after the date of this Agreement.

(b) If at any time after Closing, any Governmental Authority continues or commences a Rate Regulatory Matter with respect to a System transferred to Transferee involving any time period prior to Closing, Transferee will (i) promptly notify Transferor, and (ii) keep Transferor informed as to the progress of any such proceeding. Transferor will have the right to participate, at its expense, in the defense of such matter. Notwithstanding the provisions set forth in Article 8 of this Agreement, Transferee may settle any such Rate Regulatory Matter only upon Transferor's prior written consent, which consent will not be unreasonably withheld, if Transferor will bear any liability with respect to such settlement in accordance with Article 8 hereof or otherwise.

(c) For purposes hereof, "Rate Regulatory Matter" means any proceeding or investigation with respect to a System arising out of or related to the Cable Act (other than those affecting the cable television industry generally) dealing with, limiting or affecting the rates which can be charged by such System for programming, equipment, installation, service or otherwise.

(d) If Transferor is required following Closing pursuant to any Rate Regulatory Matter or any other Legal Requirement, settlement or otherwise to reimburse any Subscribers of Transferor's Systems any Subscriber payments previously made by it, including fees for cable television service, late fees and similar payments, Transferee will, at Transferor's request, make such reimbursement through Transferee's billing system on terms reasonably specified by Transferee. In such event, Transferor will pay to Transferee all such payments made by Transferee through its billing system. Without limiting the foregoing,

Transferee will provide to Transferor all information in its possession that is reasonably required by Transferor in connection with such reimbursement.

(e) For purposes of the foregoing, the fact that the Comcast Parties are transferring to the Adelphia Parties Comcast LLC Interests rather than assets and liabilities shall be disregarded.

SECTION 6.07. Books and Records. Each party agrees to maintain in its possession for a period of 3 years after Closing, and provide access by the other party upon reasonable notice and at reasonable times to, all books and records transferred to such party pursuant to this Agreement (or transferred to a Comcast LLC prior to the execution of this Agreement); provided that a party may destroy any such books and records so transferred after having given the other party reasonable notice of its intent to do so and a reasonable opportunity to obtain such books and records.

SECTION 6.08. Taxes. (a) Each party agrees to furnish or cause to be furnished to each other party, upon request, as promptly as practicable, such information and assistance relating to the Assets (including, without limitation, access to books and records) as is reasonably necessary for the filing of all Tax returns, the making of any election relating to Taxes, the preparation for any audit by any taxing authority, and the prosecution or defense of any claim, suit or proceeding relating to any Tax. Each party shall retain all books and records with respect to Taxes pertaining to the Assets for a period of at least six years following the date hereof. At the end of such period, each party shall provide the other with at least ten days prior written notice before destroying any such books and records, during which period the party receiving such notice can request the party possessing such books and records to retain them for an additional reasonable period of time by notice to the party possessing such records specifying the reason for such request. Approval of such request shall not be unreasonably withheld by the party possessing such books and records. Each party shall cooperate with each other in the conduct of any audit or other proceeding relating to Taxes involving the Assets.

(b) All real property taxes, personal property taxes and similar ad valorem obligations levied with respect to the Assets for a taxable period which includes (but does not end on) the date hereof (collectively, the "Apportioned Obligations") shall be apportioned between the applicable Transferor and the applicable Transferee based on the number of days of such taxable period included in the Pre-Closing Tax Period and the number of days of the Post-Closing Tax Period. Such Transferor shall be liable for the proportionate amount of such taxes that is attributable to the Pre-Closing Tax Period, and such Transferee shall be liable for the proportionate amount of such taxes that is attributable to the Post-Closing Tax Period.

(c) All sales, use, transfer and similar taxes or assessments, including transfer fees and similar assessments for Franchises, Licenses and Contracts,

arising from or payable by reason of the conveyance of the Adelphia Assets and the Comcast Assets (collectively, "Transfer Taxes"), will be paid by the applicable Transferor. Each applicable Transferor represents and warrants to the applicable Transferee that, with respect to the transactions contemplated by this agreement, such Transferor is entitled to an exemption from Transfer Taxes for isolated, casual or occasional sales in each jurisdiction that would otherwise impose a Transfer Tax on the transactions. Each such Transferor and Transferee shall cooperate in providing each other with any appropriate resale exemption certifications and other similar documentation.

(d) Apportioned Obligations and Transfer Taxes shall be timely paid, and all applicable filings, reports and returns shall be timely filed, as provided by applicable law. The paying party shall be entitled to reimbursement from the non-paying party in accordance with this Section 6.08(a). Upon payment of any such Apportioned Obligation or Tax, the paying party shall present a statement to the non-paying party setting forth the amount of reimbursement to which the paying party is entitled under this Section 6.08, together with such supporting evidence as is reasonably necessary to calculate the amount to be reimbursed. The non-paying party shall make such reimbursement promptly but in no event later than 10 days after the presentation of such statement. Any payment not made within such time shall bear interest at the Prime Rate for each day until paid.

SECTION 6.09. Estoppel Certificates. Prior to Closing, each Transferor, with respect to each of its Systems and Assets, has used its commercially reasonable efforts to obtain certificates in form reasonably acceptable to its Transferee, executed by the lessor of each of the Comcast Leases under which a Comcast Entity is a lessee and which is preceded by a triple asterisk on Schedule 2.01(b)(ii)(A), in the case of a Comcast Entity (the "Comcast Estoppel Certificates"), and by the lessor of each of the Adelphia Leases under which an Adelphia Entity is a lessee and which is preceded by a triple asterisk on Schedule 2.01(b)(ii)(B), in the case of an Adelphia Entity (the "Adelphia Estoppel Certificates"), each certifying that the respective real property lease has not been modified except as shown and is in full force and effect and that the parties are not in default thereunder, and stating the amount of the rent payable thereunder.

SECTION 6.10. Termination of Certain Affiliate Contracts. The Comcast Entities have terminated prior to Closing all Contracts listed on Schedule 4.18 (except for those agreements designated with an asterisk) and the Adelphia Entities have terminated prior to Closing all contracts listed on Schedule 5.18 (except for those agreements designated with an asterisk).

SECTION 6.11. Change of Names of Comcast LLCs. Adelphia shall, promptly and in any event within 90 days after the Closing Date, change the name of each Comcast LLC with the relevant authority in each Comcast LLC's jurisdiction of formation to remove "Comcast" and "Jones" from the name of each such entity.

SECTION 6.12. Payment of Gateway Proceeds. If Adelphia or any of its Affiliates sells the Gateway Partnership Interest pursuant to the right of first refusal set forth in Section 12.1 of the Gateway Partnership Agreement or otherwise, and such sale occurs on or prior to June 30, 2001, Adelphia shall pay to Comcast, or any Affiliate designated by Comcast, the greater of the proceeds of such sale or \$247,900 (the "Gateway Proceeds") within 5 days of such sale. If such sale does not occur by June 30, 2001 and on such date there are no consents required to be obtained to transfer the Gateway Partnership Interest pursuant to the Gateway Partnership Agreement and Adelphia has complied with Section 12.1 of the Gateway Partnership Agreement, Adelphia shall transfer the Gateway Partnership Interest to Comcast or its designated Affiliate free and clear of any Liens except those under the Gateway Partnership Agreement; provided, however, that if Adelphia or any of its Affiliates shall fail to receive any consents required by the Gateway Partnership Agreement or fail to comply with Section 12.1 of the Gateway Partnership Agreement, then on June 30, 2001, Adelphia shall pay Comcast \$247,900. The payment of the Gateway Proceeds upon the sale by Adelphia or any of its Affiliates of the Gateway Partnership Interest or \$247,900 on June 30, 2001 shall hereinafter be referred to as the "Gateway Payment." Adelphia shall provide two (2) days' written notice to Comcast in advance of any payments due pursuant to this Section 6.13.

SECTION 6.13 . Telephony Services. (a) Comcast and its Affiliates shall assume the Service Agreement effective as of December 1, 1997 between Adelphia Communications Corporation and PECO Adelphia Communications (the "Lansdale Agreement") subject to the right of termination set forth therein. If Comcast at any time elects to terminate the Lansdale Agreement in accordance with its terms, Adelphia shall promptly cause PECO Adelphia Communications to remove all equipment owned or leased by it located on real property owned or leased by Comcast or its Affiliates. Adelphia shall indemnify Comcast against any Losses arising out of the removal of such equipment.

SECTION 6.14 . Transfer of Jones Telecommunications. Within 5 days of the approval of the revocation of the CPCN (the "Palmdale License") by the California Public Utility Commission, Comcast shall cause Jones Holdings II, LLC, a Colorado limited liability company ("Jones Holdings"), to transfer to Adelphia Business Solutions Operations, Inc. all of Jones Holdings' right, title and interest in, to and under substantially all of the assets utilized in connection with the operation of an ATM network for the Palmdale School District, except for the Palmdale License, and Adelphia Business Solutions Operations, Inc. shall assume all related liabilities and obligations. For the avoidance of doubt, such assets are not being transferred at Closing, and the failure to transfer such assets at Closing will not constitute a breach of any provision of this Agreement.

ARTICLE 7
CLOSING

SECTION 7.01. Closing. The closing of the transactions contemplated by this Agreement ("Closing") is taking place promptly after the execution and delivery of this Agreement at the offices of Davis Polk & Wardwell, 450 Lexington Avenue, New York, NY 10017.

SECTION 7.02. Adelphia's Obligations. At Closing, Adelphia or the applicable Adelphia Party is delivering or causing to be delivered to Comcast or the applicable Comcast Party the following:

(a) Bill of Sale and Assignment and Assumption Agreements. An executed Bill of Sale and Assignment and Assumption Agreements in the form of Exhibit 7.02(a).

(b) Vehicle Titles. Title certificates to all vehicles included among the Adelphia Assets, endorsed for transfer of title to the applicable Comcast Entity, and separate bills of sale therefor, if required by the laws of the States in which such vehicles are titled.

(c) Deeds and Other Real Estate Transfer Documents. Special warranty deeds conveying to the applicable Comcast Entity, subject only to Permitted Liens, each parcel of the Adelphia Owned Property, assignments of leases of Adelphia Leased Property and such other documents as may be necessary to convey other Real Property Interests, in each case, in form and substance reasonably satisfactory to Comcast.

(d) Title Policies. ALTA extended coverage owner's and leasehold policies of title insurance (the "Adelphia Title Policies"), insuring the applicable Comcast Entity's fee or leasehold title in each parcel of the Adelphia Owned Property and Leased Property marked by an asterisk on Schedule 2.01(b)(ii)(B) endorsed to delete or modify to the satisfaction of Comcast the standard printed exceptions (including, only with respect to those Adelphia Owned and Leased Properties marked by a double asterisk on Schedule 2.01(b)(ii)(B), with respect to survey matters) and to delete or insure over any title defects, other than Permitted Liens, or the irrevocable written commitment of the Title Company to deliver the Adelphia Title Policies.

(e) Adelphia FCC Counsel Opinion. An opinion of Fleischman & Walsch, special FCC counsel to Adelphia, dated as of Closing.

(f) Adelphia Counsel Opinion. An opinion of Colin Higgin, deputy counsel to Adelphia, dated as of Closing.

(g) Estoppel Certificates. Any estoppel certificates obtained in respect of the Adelphia Leases.

(h) Lien Releases. Evidence satisfactory to Comcast that all Liens (other than Permitted Liens) affecting or encumbering the Adelphia Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form and substance satisfactory to Comcast effecting such terminations, releases or waivers.

(i) FIRPTA Certificate. A FIRPTA Non-Foreign Seller Certificate certifying that none of the Adelphia Entities is a foreign person within the meaning of Section 1445 of the Code, reasonably satisfactory in form and substance to Comcast.

(j) Books and Records. All Adelphia Books and Records. Delivery of the foregoing will be deemed made to the extent such lists, files and records are then located at any of the offices included in the Adelphia Owned Property or Leased Property.

(k) Services Agreement. A services agreement between Ft. Myers Cablevision, LLC ("Adelphia Recipient") and Comcast Cablevision Corporation of California, LLC ("Comcast Provider") providing for the management by the Comcast Provider of cable services to the Gateway cable television system located in Fort Lee, Florida from the date hereof until June 30, 2001 (the "Gateway Services Agreement") duly executed by the Adelphia Recipient.

(l) Other. Documents evidencing the Adelphia Entities' existence, good standing and authority to enter into the transactions contemplated hereby.

SECTION 7.03. Comcast's Obligations. At Closing, Comcast or the applicable Comcast party is delivering or causing to be delivered to Adelphia or the applicable Adelphia party the following:

(a) Assignment of LLC Interests. Instruments of assignment for the Comcast LLC Interests with any required transfer stamps affixed thereto.

(b) Vehicle Titles. To the extent not previously transferred to the applicable Comcast New LLC or registered in the name of a Comcast Converted LLC, title certificates to all vehicles included among the Comcast Assets, endorsed for transfer of title to the applicable Comcast LLC, and separate bills of sale therefor, if required by the laws of the States in which such vehicles are titled.

(c) Deeds and Other Real Estate Transfer Documents. To the extent not previously transferred to the applicable Comcast New LLC or recorded in the name of a Comcast Converted LLC, special warranty deeds conveying to the applicable Comcast LLC, subject only to Permitted Liens, each parcel of the

Comcast Owned Property, assignments of leases of Comcast Leased Property and such other documents as may be necessary to convey other Real Property Interests, in each case, in form and substance reasonably satisfactory to Adelphia.

(d) Title Policies. ALTA extended coverage owner's and leasehold policies of title insurance (the "Comcast Title Policies"), insuring the applicable Comcast LLC's fee or leasehold title in each parcel of the Comcast Owned Property and Leased Property marked by an asterisk on Schedule 2.01(b)(ii)(A), endorsed to delete or modify to the satisfaction of Adelphia the standard printed exceptions (including, only with respect to those Comcast Owned and Leased Properties marked by a double asterisk on Schedule 2.01(b)(ii)(A), with respect to survey matters) and to delete or insure over any title defects, other than Permitted Liens, or the irrevocable written commitment of the Title Company to deliver the Comcast Title Policies.

(e) Comcast FCC Counsel Opinion. An opinion of Dow, Lohnes & Albertson, special FCC counsel to Comcast, dated as of the Closing.

(f) Comcast Counsel Opinion. An opinion of Arthur Block, counsel to Comcast, dated as of Closing.

(g) Estoppel Certificates. Any estoppel certificates obtained in respect of the Comcast Leases.

(h) Lien Releases. Evidence satisfactory to Adelphia that all Liens (other than Permitted Liens) affecting or encumbering the Comcast Assets have been terminated, released or waived, as appropriate, or original, executed instruments in form and substance satisfactory to Adelphia effecting such terminations, releases or waivers.

(i) FIRPTA Certificate. A FIRPTA Non-Foreign Seller Certificate certifying that none of the Comcast Entities is a foreign person within the meaning of Section 1445 of the Code, reasonably satisfactory in form and substance to Adelphia.

(j) Books and Records. All Comcast Books and Records. Delivery of the foregoing will be deemed made to the extent such lists, files and records are then located at any of the offices included in the Comcast Owned Property or Leased Property.

(k) Assignment of Adlink Interest. An instrument of assignment for all limited liability company interests of Adlink held by Comcast PA.

(l) Gateway Services Agreement. The Gateway Services Agreement duly executed by the Comcast Provider.

(m) Other. Documents evidencing the Comcast Entities' and Comcast LLCs' existence and good standing and the Comcast Entities' authority to enter into the transactions contemplated hereby.

ARTICLE 8
INDEMNIFICATION

SECTION 8.01. Indemnification by Adelphia. From and after Closing, the Adelphia Entities, jointly and severally, will indemnify and hold harmless Comcast and its Affiliates, shareholders, officers, employees, agents and representatives, and any Person claiming by or through any of them, as the case may be, from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by any of the Adelphia Entities in this Agreement or in any Transaction Document not being true and accurate in all respects (determined without regard to any materiality or Material Adverse Effect qualification contained therein) when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date);

(b) any failure by the Adelphia Entities (or, after the Closing, the Comcast LLCs) to perform in all respects any of their respective covenants, agreements, or obligations in this Agreement or in any Transaction Document;

(c) other than with respect to Comcast Assumed Liabilities, the ownership or operation of the Adelphia Assets or the Adelphia Systems prior to the Closing Time;

(d) all Adelphia Excluded Liabilities;

(e) the Adelphia Assumed Liabilities;

(f) the Adelphia Excluded Assets;

(g) any Asset or any claim or right or any benefit arising thereunder held by a Comcast Entity for the benefit of an Adelphia Entity or a Comcast LLC pursuant to Section 6.04(b);

(h) with respect to the Adelphia Systems or Assets, any Environmental Law and actions occurring or conditions existing on or prior to the Closing Date (including matters disclosed or required to be disclosed in Schedule 5.16);

(i) any failure to obtain any consent, approval or authorization disclosed on Schedule 5.03 or 5.26 or which would have been required to be disclosed on either such Schedule if all qualifications as to materiality or Material Adverse Effect contained therein were removed provided, however, that the

Adelphia Entities shall be liable for all Losses (including, for purposes of this proviso, incidental and consequential losses) related to or arising out of their failure to comply with any applicable provision of the New Jersey Industrial Site Recovery Act in connection with this transaction;

(j) any title defect listed on Schedule 6.02(b); or

(k) any deed delivered by Comcast Cablevision Communications, Inc. pursuant to Section 6.02(d)(i).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by a Comcast Entity or any other Indemnatee under this Section, in addition to any indemnity obligation of the Adelphia Entities under this Section, Adelphia will furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Comcast of notice thereof.

SECTION 8.02. Indemnification by Comcast. From and after Closing, the Comcast Entities (other than the Comcast LLCs), jointly and severally, will indemnify and hold harmless Adelphia, its Affiliates (including, after the Closing, the Comcast LLCs), officers and directors, employees, agents and representatives, and any Person claiming by or through any of them, as the case may be, from and against any and all Losses arising out of or resulting from:

(a) any representations and warranties made by any Comcast Entity in this Agreement or in any Transaction Document not being true and accurate in all respects (determined without regard to any materiality or Material Adverse Effect qualification contained therein when made or at Closing (or, in the case of any representation or warranty made as of a specific date, as of such date));

(b) any failure by the Comcast Entities (including, prior to the Closing, the Comcast LLCs,) to perform in all respects any of their respective covenants, agreements, or obligations in this Agreement or in any Transaction Document;

(c) other than with respect to Adelphia Assumed Liabilities, the ownership or operation of the Comcast Assets or the Comcast Systems prior to the Closing Time;

(d) all Comcast Excluded Liabilities;

(e) the Comcast Assumed Liabilities;

(f) the Comcast Excluded Assets;

(g) any Asset or any claim or right or any benefit arising thereunder held by an Adelphia Entity for the benefit of a Comcast Entity pursuant to Section 6.04(b);

(h) with respect to the Comcast Systems or Assets, any Environmental Law and actions occurring or conditions existing on or prior to the Closing Date (including matters disclosed or required to be disclosed in Schedule 4.16);

(i) any failure to obtain any consent, approval or authorization disclosed on Schedule 4.03 or 4.26 or which would have been required to be disclosed on either such Schedule if all qualifications as to materiality or Material Adverse Effect contained therein were removed; or

(j) any title defect listed on Schedule 6.02(a).

If, by reason of the claim of any third party relating to any of the matters subject to such indemnification, a Lien is placed or made upon any of the properties or assets owned or leased by an Adelphia Entity or any other Indemnatee under this Section, in addition to any indemnity obligation of the Comcast Entities under this Section, Comcast will furnish a bond sufficient to obtain the prompt release thereof within 10 days after receipt from Adelphia of notice thereof.

SECTION 8.03. Procedure for Certain Indemnified Claims. Promptly after receipt by a party entitled to indemnification hereunder (the "Indemnatee") of written notice of the assertion or the commencement of any Litigation with respect to any matter referred to in Sections 8.01 or 8.02 or the assertion by any Governmental Authority of a claim of noncompliance under any Franchise relating, in whole or in part, to any pre-Closing period (a "Franchise Matter"), the Indemnatee will give written notice thereof to the party or parties from whom indemnification is sought pursuant hereto (the "Indemnitor") and thereafter will keep the Indemnitor reasonably informed with respect thereto; provided that failure of the Indemnatee to give the Indemnitor notice and keep it reasonably informed as provided herein will not relieve the Indemnitor of its obligations hereunder, except to the extent that such failure to give notice will prejudice any defense or claim available to the Indemnitor. The Indemnitor will be entitled to assume the defense of any such Litigation or Franchise Matter with counsel reasonably satisfactory to the Indemnatee, at the Indemnitor's sole expense. If the Indemnitor assumes the defense of any Litigation or Franchise Matter, (i) it will not settle the Litigation or Franchise Matter unless the settlement will include as an unconditional term thereof the giving by the claimant or the plaintiff of a release of the Indemnatee, satisfactory to the Indemnatee, from all liability with respect to such Litigation or Franchise Matter and (ii) it shall indemnify and hold the Indemnatee harmless from and against any and all losses caused by or arising out of any settlement or judgment of such claim and may not claim that it does not have an indemnification obligation with respect thereto. If the Indemnitor does not assume the defense of any Litigation or Franchise Matter, the Indemnatee may defend against or settle such claim in such manner and on such terms as it in good faith deems appropriate and shall be entitled to indemnification in respect thereof in accordance with Section 8.01 or 8.02, as applicable. Each party shall cooperate, and cause their respective Affiliates to cooperate, in the defense or prosecution of any Litigation or Franchise Matter and shall furnish or cause to be

furnished such records, information and testimony, and attend such conferences, discovery proceedings, hearings, trials or appeals, as may be reasonably requested in connection therewith.

SECTION 8.04. Determination of Indemnification Amounts and Related Matters. (a) The Adelphia Entities will have no liability under Section 8.01(a) unless the aggregate amount of Losses otherwise subject to their indemnification obligations thereunder exceeds \$5.0 million (the "Minimum Damage Requirement"), in which case the Adelphia Entities, jointly and severally, shall be liable for the full amount of such Losses and not just for the amount of such excess; provided that for purposes of this paragraph the Minimum Damage Requirement will not apply to any Losses resulting from or arising out of breaches of the representations and warranties in Sections 5.01, 5.02, 5.03, 5.04 (relating to title to the Adelphia Assets), 5.09, 5.15, 5.25, 5.26, 5.28 or 5.31. The maximum liability of the Adelphia Entities in the aggregate under Section 8.01(a) shall not exceed \$200.0 million (the "Cap"); provided that for purposes of this paragraph the Cap shall not apply to breaches of the representations and warranties in Sections 5.01, 5.02, 5.03, 5.04 (relating to title to the Adelphia Assets), 5.09, 5.15, 5.25, 5.26, 5.28 or 5.31.

(b) The Comcast Entities will have no liability under Section 8.02(a) unless the aggregate amount of Losses otherwise subject to their indemnification obligations thereunder exceeds the Minimum Damage Requirement, in which case the Comcast Entities, jointly and severally, shall be liable for the full amount of such Losses and not just for the amount of such excess; provided that for purposes of this paragraph the Minimum Damage Requirement will not apply to any Losses resulting from or arising out of breaches of the representations and warranties in Sections 4.01, 4.02, 4.03, 4.04 (relating to title to the Comcast Assets) 4.09, 4.15, 4.25, 4.26, 4.28, 4.31, 4.32, 4.33 or 4.34. The maximum liability of the Comcast Entities in the aggregate under Section 8.02(a) shall not exceed the Cap; provided that for purposes of this paragraph the Cap shall not apply to breaches of the representations and warranties in Sections 4.01, 4.02, 4.03, 4.04 (relating to title to the Comcast Assets), 4.09, 4.15, 4.25, 4.26, 4.28, 4.31, 4.32, 4.33 or 4.34.

(c) Amounts payable by the Indemnitor to the Indemnitee in respect of any Losses under Sections 8.01 or 8.02 will be payable by the Indemnitor as incurred by the Indemnitee, and will bear interest at the Prime Rate plus 2% from the date the Losses for which indemnification is sought were incurred by the Indemnitee until the date of payment of indemnification by the Indemnitor.

SECTION 8.05. Time and Manner of Certain Claims. The representations and warranties of Comcast and Adelphia in this Agreement and any Transaction Document will survive Closing for a period of 12 months; provided that the representations and warranties of the parties contained in Sections 4.04 and 5.04 of this Agreement relating to the title to a parcel of Owned Property or a Real Property Interest marked by an asterisk on Schedule 2.01(b)(ii)(A) or Schedule

2.01(b)(ii)(B), as applicable, shall not survive the Closing if a Title Policy is delivered with respect to such Owned Property or Real Property Interest at Closing. Notwithstanding the foregoing, (i) the liability of the parties will extend beyond the 12-month period following Closing with respect to any claim which has been asserted in a bona fide written notice before the expiration of such 12-month period specifying in reasonable detail the facts and circumstances giving rise to such right, (ii) all such representations and warranties with respect to any federal, state or local Taxes (Sections 4.09 and 5.09), with respect to any FCC or Copyright matters (Sections 4.11 and 5.11) and with respect to any environmental matters (Sections 4.16 and 5.16) will survive until the expiration of the applicable statute of limitations (giving effect to any waiver, mitigation or extension thereof), and (iii) the representations and warranties of the parties in Sections 4.01, 4.02, 4.03, 4.15, 4.25, 4.26, 4.28, 4.31, 4.32, 4.33, 4.34, 5.01, 5.02, 5.03, 5.15, 5.25, 5.26, 5.28 or 5.31 will survive Closing and will continue in full force and effect without limitation.

SECTION 8.06. Other Indemnification. The provisions of Sections 8.03, 8.04 and 8.05 will be applicable to any claim for indemnification made under any other provision of this Agreement, and all references in Sections 8.03, 8.04 and 8.05 to Sections 8.01 and 8.02 will be deemed to be references to such other provisions of this Agreement.

SECTION 8.07. Exclusivity. Except as specifically set forth in this Agreement, each Party waives any rights and claims it may have against the other Parties to this Agreement, whether in law or in equity, relating to the Systems or the Assets or the transactions contemplated hereby. After the Closing, Article 8 will provide the exclusive remedy for any misrepresentation or breach of warranty arising out of this Agreement or the transactions contemplated hereby.

ARTICLE 9 MISCELLANEOUS PROVISIONS

SECTION 9.01. Expenses. Except as otherwise specifically provided in Section 9.17 or elsewhere in this Agreement, each of the parties will pay its own expenses (including any expenses related to such party's use of a qualified intermediary) and the fees and expenses of its counsel, accountants, and other experts in connection with this Agreement; provided that all filing fees under the HSR Act will be divided equally between the Parents.

SECTION 9.02. Brokers. The Adelphia Entities, jointly and severally, will indemnify and hold Comcast and its Affiliates harmless from and against any and all losses arising from any employment by Adelphia or its Affiliates of, or services rendered to it or its Affiliates by, any finder, broker, agency or other intermediary, in connection with the transactions contemplated hereby, or any allegation of any such employment or services. The Comcast Entities (other than the Comcast LLCs), jointly and severally, will indemnify and hold Adelphia and

its Affiliates harmless from and against any and all Losses arising from any employment by Comcast or its Affiliates of, or services rendered to it or its Affiliates by, any finder, broker, agency or other intermediary, in connection with the transactions contemplated hereby, or any allegation of any such employment or services.

SECTION 9.03. Performance of Obligations of Parties. Each Parent agrees to take all action necessary to cause its Affiliates which are Parties to this Agreement (and, in the case of Adelphia, the Comcast LLCs) to perform their respective obligations under this Agreement as if such Parent were a party to such obligations and were directly responsible therefor.

SECTION 9.04. Waivers. No action taken pursuant to this Agreement, including any investigation by or on behalf of any party hereto, will be deemed to constitute a waiver by the party taking the action of compliance with any representation, warranty, covenant or agreement contained herein or in any Transaction Document. The waiver by any party hereto of any condition or of a breach of another provision of this Agreement or any Transaction Document will be in writing and will not operate or be construed as a waiver of any other condition or subsequent breach. The waiver by any party of any of the conditions precedent to its obligations under this Agreement will not preclude it from seeking redress for breach of this Agreement other than with respect to the condition so waived.

SECTION 9.05. Notices. All notices, requests, demands, applications, services of process and other communications which are required to be or may be given under this Agreement or any Transaction Document will be in writing and will be deemed to have been duly given if sent by telecopy or facsimile transmission, upon answer back requested, or delivered by courier or mailed, certified first class mail, postage prepaid, return receipt requested, to the parties at the following addresses:

To Adelphia:	Adelphia Communications Corporation 1 North Main Street Coudersport, Pennsylvania 16915 ATTN: Colin Higgin, Esq. Fax: (814) 274-6586 Phone: (814) 274-9830 And Buchanan Ingersoll Professional Corporation One Oxford Centre 301 Grant Street-- 20th Floor Pittsburgh, Pennsylvania 15219 ATTN: Bruce I. Booken Fax: (412) 562-1041
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Phone: (412) 562-8839

To Comcast: Comcast Corporation
1500 Market Street
Philadelphia, Pennsylvania 19102-2184
ATTN: General Counsel
Fax: (215) 981-7794
Phone: (215) 665-1700

Copies (which shall not constitute notice) Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
ATTN: William L. Taylor
Fax: (212) 450-4800
Phone: (212) 450-4000

or to such other address as any party will have furnished to the other by notice given in accordance with this Section. Such notice will be effective, (i) if delivered in person or by courier, upon actual receipt by the intended recipient, or (ii) if sent by telecopy or facsimile transmission, upon confirmation of transmission received, or (iii) if mailed, upon the date of delivery as shown by the return receipt therefor.

SECTION 9.06. Entire Agreement; Prior Representations; Amendments. This Agreement supersedes the Letter Agreements and embodies the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior representations, agreements and understandings, oral or written, with respect thereto. Notwithstanding any representations which may have been made by either party in connection with the transactions contemplated by this Agreement, each party acknowledges that it has not relied on any representation by the other party with respect to such transactions, the Assets, or the Systems except those contained in this Agreement, the Schedules or the Exhibits hereto. This Agreement may not be modified orally, but only by an agreement in writing signed by the party or parties against whom any waiver, change, amendment, modification or discharge may be sought to be enforced.

SECTION 9.07. Specific Performance. The parties recognize that their rights under this Agreement are unique and, accordingly, the parties will, in addition to such other remedies as may be available to any of them at law or in equity, have the right to enforce their rights hereunder by actions for injunctive relief and specific performance to the extent permitted by applicable law so long as the party seeking such relief is prepared to consummate the transactions contemplated hereby and the transactions will be accomplished in a manner that qualifies as a like-kind exchange under Section 1031 of the Code. The parties agree that monetary damages would not be adequate compensation for any loss incurred by reason of a breach of the provisions of this Agreement and hereby agree to waive the defense in any action for specific performance that a remedy at

law would be adequate. The parties waive any requirement for security or the posting of any bond or other surety in connection with any temporary or permanent award or injunctive, mandatory or other equitable relief.

SECTION 9.08. Jurisdiction. Except as otherwise expressly provided in this Agreement, the parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby may be brought in the United States District Court for the District of Delaware or any Delaware State court, and each of the parties hereby consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 9.05 shall be deemed effective service of process on such party.

SECTION 9.09. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT, THE TRANSACTION DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

SECTION 9.10. Binding Effect; Benefits. This Agreement will inure to the benefit of and will be binding upon the parties hereto and their respective heirs, legal representatives, successors, and permitted assigns. None of the Comcast Entities or the Adelphia Entities will assign this Agreement or delegate any of its duties hereunder to any other Person without the prior written consent of the other Parent, which consent will not be unreasonably withheld; provided, however, that pursuant to Section 3.05, each of the Comcast Entities and the Adelphia Entities may assign this Agreement to one or more qualified intermediaries for the purposes of one or more 1031 Exchanges. For purposes of this Section, any change in control of Comcast or Adelphia will not constitute an assignment by it of this Agreement.

SECTION 9.11. Headings and Schedules. The section and other headings contained in this Agreement are for reference purposes only and will not affect the meaning or interpretation of this Agreement. Reference to Schedules will, unless otherwise indicated, refer to the Schedules attached to this Agreement, which will be incorporated in and constitute a part of this Agreement by such reference.

SECTION 9.12. Counterparts. This Agreement may be executed in any number of counterparts, each of which, when executed, will be deemed to be an original and all of which together will be deemed to be one and the same instrument.

SECTION 9.13. GOVERNING LAW. THE VALIDITY, PERFORMANCE, AND ENFORCEMENT OF THIS AGREEMENT AND ALL TRANSACTION DOCUMENTS, UNLESS EXPRESSLY PROVIDED TO THE CONTRARY, WILL BE GOVERNED BY THE LAWS OF THE STATE DELAWARE, WITHOUT GIVING EFFECT TO THE PRINCIPLES OF CONFLICTS OF LAW OF SUCH STATE.

SECTION 9.14. Severability. Any term or provision of this Agreement which is invalid or unenforceable will be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining rights of the Person intended to be benefitted by such provision or any other provisions of this Agreement.

SECTION 9.15. Third Parties; Joint Ventures. This Agreement constitutes an agreement solely among the parties hereto, and, except as otherwise provided in Article 8, is not intended to and will not confer any rights, remedies, obligations, or liabilities, legal or equitable, including any right of employment, on any Person other than the parties hereto and their respective successors, or assigns, or otherwise constitute any Person a third party beneficiary under or by reason of this Agreement. Nothing in this Agreement, expressed or implied, is intended to or will constitute the parties hereto partners or participants in a joint venture.

SECTION 9.16. Construction. This Agreement has been negotiated by Comcast and Adelphia and their respective legal counsel, and legal or equitable principles that might require the construction of this Agreement or any provision of this Agreement against the party drafting this Agreement will not apply in any construction or interpretation of this Agreement.

SECTION 9.17. Attorneys' Fees. If any Litigation between an Adelphia Entity and a Comcast Entity with respect to this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby will be resolved or adjudicated by a Judgment of any court, the party prevailing under such Judgment will be entitled, as part of such Judgment, to recover from the other party its reasonable attorneys' fees and costs and expenses of litigation.

SECTION 9.18. Tax Consequences. No party to this Agreement makes any representation or warranty, express or implied, with respect to the tax implications of any aspect of this Agreement on any other party to this Agreement, and all parties expressly disclaim any such representation or warranty with respect to any tax consequences arising under this Agreement. Each party has relied solely on its own tax advisors with respect to the tax implications of this Agreement.

SECTION 9.19. Time. Time is of the essence under this Agreement. If the last day for the giving of any notice or the performance of any act required or permitted under this Agreement is a day that is not a Business Day, the time for the giving of such notice or the performance of such act will be extended to the next succeeding Business Day.

The Comcast Entities and the Adelphia Entities have executed this Agreement as of the date first written above.

COMCAST CORPORATION

By:

Name: Arthur R. Block
Title: Senior Vice President

COMCAST CABLEVISION
CORPORATION OF
CALIFORNIA, LLC

By: COMCAST CABLE COMMUNICATIONS,
INC., its managing member

By:

Name: Arthur R. Block
Title: Senior Vice President

COMCAST CABLEVISION OF MUNCIE, LP.

By: COMCAST CABLEVISION OF
MUNCIE, LLC, its general
partner

By: COMCAST CABLEVISION
CORPORATION OF
CALIFORNIA, LLC,
its managing member

By: COMCAST CABLE COMMUNICATIONS,
INC., its managing member

By:

Name: Arthur R. Block
Title: Senior Vice President

JONES CABLE HOLDINGS II, LLC

By: COMCAST CABLE COMMUNICATIONS, INC.,
its managing member

By:

Name: Arthur R. Block
Title: Senior Vice President

ADELPHIA COMMUNICATIONS CORPORATION

By:

Name: Michael J. Rigas
Title: Secretary

ADELPHIA CABLEVISION ASSOCIATES OF RADNOR, L.P.

By: Highland Video Associates, L.P.,
its general partner

By: Highland Holdings, its general partner

By:

Name:
Title:

CENTURY NEW MEXICO CABLE TELEVISION CORP.

By:

Name: Michael J. Rigas
Title: Secretary

CLEAR CABLEVISION, INC.

By:

Name: Michael J. Rigas
Title: Secretary

FRONTIERVISION OPERATING PARTNERS, L.P.

By: FrontierVision Holdings, L.P.,
its general partner

By: FrontierVision Partners, L.P.,
its general partner

By: Adelpia GP Holdings, LLC,
its general partner

By: ACC Operations, Inc.,
its sole member

By:

Name: Michael J. Rigas
Title: Secretary

FT. MYERS ACQUISITION L.P.

By: Olympus Communications, L.P.,
its general partner

By: ACC Operations, Inc.,
its general partner

By:

Name: Michael J. Rigas
Title: Secretary

FT. MYERS CABLEVISION, LLC

By: Ft. Myers Acquisition L.P.,
its sole member

By: Olympus Communications, L.P.,
its general partner

By: ACC Operations, Inc.,
its general partner

By:

Name: Michael J. Rigas
Title: Secretary

HARRON CABLEVISION OF MICHIGAN, INC.

By:

Name: Michael J. Rigas
Title: Secretary

HARRON COMMUNICATIONS CORP.

By:

Name: Michael J. Rigas
Title: Secretary

HUNTINGTON CATV, INC.

By:

Name: Michael J. Rigas
Title: Secretary

MANCHESTER CABLEVISION, INC.

By:

Name: Michael J. Rigas
Title: Secretary

MICKELSON MEDIA, INC.

By:

Name: Michael J. Rigas
Title: Secretary

MONTGOMERY CABLEVISION ASSOCIATES, L.P.

By: Highland Video Associates, L.P.,
its general partner

By: Highland Holdings, its general partner

By:

Name:
Title:

SENTINEL COMMUNICATIONS OF MUNCIE,
INDIANA, INC.

By:

Name: Michael J. Rigas
Title: Secretary

UCA, LLC

By: ACC Operations, Inc., its sole member

By:

Name: Michael J. Rigas
Title: Secretary

EXHIBIT A

[Intentionally Deleted]

COMCAST CONVERTED LLCs

Comcast Cablevision of Orange County, LLC (DE)
Comcast Cablevision of Fontana, LLC (DE)
Comcast Cablevision of Inland Empire, LLC (DE)
Comcast Cablevision of San Bernardino, LLC (DE)
Comcast Cablevision of Newport Beach, LLC (DE)
Comcast Cablevision of Santa Ana, LLC (DE)
Comcast Cablevision of Seal Beach, LLC (DE)
Comcast Cablevision of Simi Valley, LLC (DE)
Jones Communications of California, LLC (CO)
California Ad Sales, LLC (DE)
Jones Cable Holdings II, LLC (CO)
Comcast Cablevision Corporation of California, LLC (DE)

COMCAST NEW LLCs

Comcast Cablevision of Pennsylvania, LLC (DE)
Comcast Cablevision of Orange County II, LLC (DE)
Comcast Cablevision of West Palm Beach III, LLC (DE)
Jones Communications of California II, LLC (DE)
Comcast Cablevision of West Palm Beach, LLC (FL)
Comcast Cablevision of Boca Raton, LLC (FL)
Comcast Cablevision of West Palm Beach II, LLC (FL)
Comcast Cablevision of West Palm Beach IV, LLC (FL)
Comcast Cablevision of West Palm Beach V, LLC (FL)
Jones Communications of California III, LLC (CA)
Comcast Cablevision of New Jersey, LLC (NJ)
Comcast Cablevision of Muncie, LLC

EXHIBIT C

COMCAST SYSTEMS

Inland Empire, CA
Orange County, CA
Simi Valley, CA
Palmdale/Littlerock, CA
Oxnard, CA
Palm Beach County, FL (Boca & West Palm Beach)

Entity Name -----	Organization Place -----
1227844 Ontario Ltd.	Ontario
Affiliate Investment, Inc.	DE
Affiliate Marks Investment, Inc.	DE
Affiliate Relations Holdings, Inc.	DE
Affiliate Sales & Marketing, Inc.	DE
BroadNet Austria GmbH	Austria
BroadNet Czech s.r.o.	Czech Republic
BroadNet Deutschland GmbH	Germany
BroadNet Europe SPRL	Belgium
BroadNet France S.A.S.	France
BroadNet Hellas S.A.	Greece
BroadNet Holdings B.V.	The Netherlands
BroadNet Hungary Holdings Ltd	UK
BroadNet Italy Holdings Ltd	UK
BroadNet Italy SPA	Italy
BroadNet Magyarorszag Kft	Hungary
BroadNet Norge AS	Norway
BroadNet Poland Holdings Ltd	UK
BroadNet Polska s.p.z.o.o.	Poland
BroadNet Slovakia s.r.o.	Slovakia
BroadNet Suisse A.S.	Switzerland
BroadNet UK Ltd.	UK
Cable TV Fund 12-B, Ltd.	CO
Cable TV Fund 12-B/C/D Venture	CO
Cable TV Fund 12-C, Ltd.	CO
Cable TV Fund 12-D, Ltd.	CO
Cable TV Fund 14-A, Ltd.	CO
Cable TV Fund 14-B, Ltd.	CO
Cablevision Investment of Detroit, Inc.	MI
CAH, Inc.	PA
CDirect Mexico I, Inc.	DE
CDirect Mexico II, Inc.	DE
Classic Services, Inc.	DE
Clinton Cable TV Investors, Inc.	MI
Coastal Cable TV, Inc.	CT
COM Indiana, Inc.	DE
COM Indianapolis, Inc.	DE
COM Inkster, Inc.	MI
COM MH, Inc.	DE
COM South Limited Partnership	DE

Entity Name -----	Organization Place -----
COM South, Inc.	CO
COM Sports Holding Company, Inc.	DE
COM Sports Ventures, Inc.	DE
Comcast Cablevision of Chicago, LLC	DE
Comcast 38GHZ, Inc.	DE
Comcast Asbc, Inc.	DE
Comcast Brazil, Inc.	DE
Comcast BroadNet Payroll Services, Inc.	DE
Comcast Business Communications Purchasing, LLC	DE
Comcast Business Communications, Inc.	PA
Comcast Business Telephony Services, Inc.	DE
Comcast Cable Communications of Pennsylvania, Inc.	PA
Comcast Cable Communications, Inc.	DE
Comcast Cable Communications, LLC	DE
Comcast Cable Funding	DE
Comcast Cable Funding GP, Inc.	DE
Comcast Cable Funding LP, Inc.	DE
Comcast Cable Funding, Inc.	DE
Comcast Cable Funding, L.P.	DE
Comcast Cable Investors, Inc.	DE
Comcast Cable of Indiana, Inc.	DE
Comcast Cable of Maryland, Inc.	DE
Comcast Cable SC Investment, Inc.	DE
Comcast Cable Tri-Holdings, Inc.	DE
Comcast Cable Trust I	DE
Comcast Cable Trust II	DE
Comcast Cable Trust III	DE
Comcast Cablevision Corporation of Alabama	AL
Comcast Cablevision Corporation of California, LLC	DE
Comcast Cablevision Corporation of Connecticut	CT
Comcast Cablevision Investment Corporation	DE
Comcast Cablevision of Alabama, Inc.	AL
Comcast Cablevision of Arkansas, Inc.	DE
Comcast Cablevision of Avalon, LLC	DE
Comcast Cablevision of Bryant, Inc.	AR
Comcast Cablevision of Burlington County, Inc.	DE
Comcast Cablevision of Carolina, Inc.	SC
Comcast Cablevision of Central New Jersey, Inc.	DE
Comcast Cablevision of Chesterfield County, Inc.	VA
Comcast Cablevision of Clinton	MI
Comcast Cablevision of Clinton, Inc.	CT

Entity Name

Organization Place

Entity Name	Organization Place
Comcast Cablevision of Clinton, Inc.	MI
Comcast Cablevision of Danbury, Inc.	DE
Comcast Cablevision of Delmarva, Inc.	DE
Comcast Cablevision of Detroit	MI
Comcast Cablevision of Detroit, Inc.	MI
Comcast Cablevision of Flint, Inc.	MI
Comcast Cablevision of Fort Wayne Limited Partnership	IN
Comcast Cablevision of Garden State, L.P.	DE
Comcast Cablevision of Georgia/South Carolina, Inc.	CO
Comcast Cablevision of Gloucester County, Inc.	DE
Comcast Cablevision of Grosse Pointe, Inc.	MI
Comcast Cablevision of Groton, Inc.	CT
Comcast Cablevision of Harford County, Inc.	MD
Comcast Cablevision of Hopewell Valley, Inc.	NJ
Comcast Cablevision of Howard County, Inc.	MD
Comcast Cablevision of Indianapolis, Inc.	DE
Comcast Cablevision of Indianapolis, L.P.	DE
Comcast Cablevision of Inkster Limited Partnership	MI
Comcast Cablevision of Jersey City, Inc.	NJ
Comcast Cablevision of Lake County, LLC	DE
Comcast Cablevision of Laurel, Inc.	MS
Comcast Cablevision of Lawrence, Inc.	NJ
Comcast Cablevision of Little Rock, Inc.	AR
Comcast Cablevision of Lompoc, LLC	DE
Comcast Cablevision of Long Beach Island, LLC	DE
Comcast Cablevision of Lower Merion, Inc.	PA
Comcast Cablevision of Macomb County, Inc.	MI
Comcast Cablevision of Macomb, Inc.	MI
Comcast Cablevision of Marianna, Inc.	DE
Comcast Cablevision of Maryland Limited Partnership	MD
Comcast Cablevision of Maryland LLC	DE
Comcast Cablevision of Maryland, Inc.	CO
Comcast Cablevision of Mercer County, Inc.	NJ
Comcast Cablevision of Meridian, Inc.	MS
Comcast Cablevision of Middletown, Inc.	DE
Comcast Cablevision of Missouri, Inc.	CO
Comcast Cablevision of Monmouth County, Inc.	DE
Comcast Cablevision of Mt. Clemens	MI
Comcast Cablevision of Mt. Clemens, Inc.	MI
Comcast Cablevision of Muncie, LLC	IN
Comcast Cablevision of Muncie, LP	IN

Entity Name

Organization Place

Comcast Cablevision of New Castle County, Inc.
Comcast Cablevision of New Haven, Inc.
Comcast Cablevision of New Jersey, Inc.
Comcast Cablevision of New Jersey, LLC
Comcast Cablevision of New Mexico, Inc.
Comcast Cablevision of Northwest New Jersey, Inc.
Comcast Cablevision of Ocean County, Inc.
Comcast Cablevision of Paducah, Inc.
Comcast Cablevision of Panama City, Inc.
Comcast Cablevision of Pennsylvania, LLC
Comcast Cablevision of Perry, Inc.
Comcast Cablevision of Philadelphia Area I, Inc.
Comcast Cablevision of Philadelphia Area I, LLC
Comcast Cablevision of Philadelphia, Inc.
Comcast Cablevision of Plainfield, Inc.
Comcast Cablevision of Potomac, LLC
Comcast Cablevision of Quincy, Inc.
Comcast Cablevision of Santa Maria, LLC
Comcast Cablevision of Shelby, Inc.
Comcast Cablevision of South Jersey, Inc.
Comcast Cablevision of Southeast Michigan, Inc.
Comcast Cablevision of Southeast Pennsylvania, Inc.
Comcast Cablevision of Sterling Heights, Inc.
Comcast Cablevision of Tallahassee, Inc.
Comcast Cablevision of Taylor, Inc.
Comcast Cablevision of the District, LLC
Comcast Cablevision of the Meadowlands, Inc.
Comcast Cablevision of the South
Comcast Cablevision of the South, Inc.
Comcast Cablevision of the South, L.P.
Comcast Cablevision of the South, LLC
Comcast Cablevision of Tupelo, Inc.
Comcast Cablevision of Utica, Inc.
Comcast Cablevision of Virginia, Inc.
Comcast Cablevision of Warren
Comcast Cablevision of Warren, Inc.
Comcast Cablevision of West Florida, Inc.
Comcast Cablevision of Willow Grove, Inc.
Comcast Cablevision of Wisconsin, Inc.
Comcast Capital Corporation
Comcast CCCI II, LLC

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PA
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CO
CO
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DE

Entity Name	Organization Place
-----	-----
Comcast CCCI, LLC	DE
Comcast CICG GP, Inc.	DE
Comcast CICG LP, Inc.	DE
Comcast CICG, L.P.	DE
Comcast Commercial Online Communications, Inc.	DE
Comcast Communications Properties, Inc.	DE
Comcast Concurrent Holdings, Inc.	DE
Comcast Corporate Investments II, Inc.	DE
Comcast Corporate Investments, Inc.	DE
Comcast Corporation Trust I	DE
Comcast Corporation Trust II	DE
Comcast Corporation Trust III	DE
Comcast Crystalvision, Inc.	DE
Comcast DC Radio, Inc.	DE
Comcast do Brasil Ltda.	Brazil
Comcast Entertainment Holdings LLC	DE
Comcast Financial Agency Corporation	DE
Comcast Florida Programming Investments, Inc.	DE
Comcast Funding GP, Inc.	DE
Comcast Funding LP, Inc.	DE
Comcast Funding, L.P.	DE
Comcast FW, Inc.	DE
Comcast Garden State LP, Inc.	DE
Comcast Garden State, Inc.	DE
Comcast Hattiesburg Holding Company, Inc.	DE
Comcast Heritage, Inc.	DE
Comcast HTS Holdings, Inc.	DE
Comcast HTS, LLC	DE
Comcast ICG Holdings 1, Inc.	DE
Comcast ICG Holdings 10, Inc.	DE
Comcast ICG Holdings 2, Inc.	DE
Comcast ICG Holdings 3, Inc.	DE
Comcast ICG Holdings 4, Inc.	DE
Comcast ICG Holdings 5, Inc.	DE
Comcast ICG Holdings 6, Inc.	DE
Comcast ICG Holdings 7, Inc.	DE
Comcast ICG Holdings 8, Inc.	DE
Comcast ICG Holdings 9, Inc.	DE
Comcast ICG, Inc.	DE
Comcast International Holdings, Inc.	DE
Comcast Investment Holdings, Inc.	DE

Entity Name	Organization Place
-----	-----
Comcast LCI Bond Holdings, LLC	DE
Comcast LCP, Inc.	DE
Comcast Life Insurance Holding Company	DE
Comcast MAC Baltimore County, LLC	MD
Comcast MAC Harford County, LLC	MD
Comcast MAC Howard County, LLC	MD
Comcast MAC Maryland, LLC	MD
Comcast MH Holdings, Inc.	DE
Comcast MH Telephony Communications of Michigan, Inc.	MI
Comcast MH Telephony Communications of New Jersey, Inc.	NJ
Comcast MHCP Holdings, L.L.C.	DE
Comcast Michigan Holdings, Inc.	MI
Comcast Midwest Management, Inc.	DE
Comcast Netherlands, Inc	DE
Comcast Network Communications, Inc.	DE
Comcast New Media Development, Inc.	PA
Comcast Online Communications Investment Holdings, Inc.	DE
Comcast Online Communications, Inc.	DE
Comcast Online Communications, LLC	DE
Comcast Online Holdings, Inc.	DE
Comcast PC Investments Holdings 1, Inc.	DE
Comcast PC Investments Holdings 10, Inc.	DE
Comcast PC Investments Holdings 2, Inc.	DE
Comcast PC Investments Holdings 3, Inc.	DE
Comcast PC Investments Holdings 4, Inc.	DE
Comcast PC Investments Holdings 5, Inc.	DE
Comcast PC Investments Holdings 6, Inc.	DE
Comcast PC Investments Holdings 7, Inc.	DE
Comcast PC Investments Holdings 8, Inc.	DE
Comcast PC Investments Holdings 9, Inc.	DE
Comcast PC Investments, Inc.	DE
Comcast Philadelphia Interconnect Partner, Inc.	DE
Comcast Prime, LLC	DE
Comcast Primestar Holdings, Inc.	DE
Comcast Programming Holdings, Inc.	DE
Comcast Programming Ventures II, Inc.	PA
Comcast Programming Ventures, Inc.	DE
Comcast PSM Holdings, Inc.	PA
Comcast QIH GP, Inc.	DE
Comcast QIH LP, Inc.	DE
Comcast QIH, L.P.	DE

Entity Name

Organization Place

Comcast QVC, Inc.	DE
Comcast Rapid, LLC	DE
Comcast Real Estate Holdings of Alabama, Inc.	AL
Comcast SC Investment, Inc.	DE
Comcast SCH Holdings, LLC	DE
Comcast Soccer, LLC	DE
Comcast Southeast Sports Channel, LLC	DE
Comcast Spectacor Foundation	PA
Comcast Spectacor, L.P.	PA
Comcast Sports Holding Company, Inc.	DE
Comcast Technology, Inc.	DE
Comcast Telecommunications of Michigan, LLC	DE
Comcast Telephony Communications Holdings, Inc.	DE
Comcast Telephony Communications of California, Inc.	CA
Comcast Telephony Communications of Connecticut, Inc.	CT
Comcast Telephony Communications of Delaware, Inc.	DE
Comcast Telephony Communications of Florida, Inc.	FL
Comcast Telephony Communications of Georgia, Inc.	GA
Comcast Telephony Communications of Indiana, Inc.	IN
Comcast Telephony Communications of Maryland, Inc.	MD
Comcast Telephony Communications of Michigan, Inc.	MI
Comcast Telephony Communications of New Jersey, Inc.	NJ
Comcast Telephony Communications of Pennsylvania, Inc.	PA
Comcast Telephony Communications of South Carolina, Inc.	SC
Comcast Telephony Communications, Inc.	DE
Comcast Telephony Services Holdings, Inc.	DE
Comcast Teleport, Inc.	DE
Comcast TM, Inc.	DE
Comcast TSIX Holdings, Inc.	DE
Comcast WCS Communications, Inc.	DE
Comcast WCS ME02, Inc.	DE
Comcast WCS ME04, Inc.	DE
Comcast WCS ME05, Inc.	DE
Comcast WCS ME16, Inc.	DE
Comcast WCS ME19, Inc.	DE
Comcast WCS ME22, Inc.	DE
Comcast WCS ME26, Inc.	DE
Comcast WCS ME28, Inc.	DE
Comcast WCS Merger Holdings, LLC	DE
Comcast WCS MergerCo, Inc.	DE
Comcast Wink, Inc.	DE

Entity Name	Organization Place
-----	-----
ComCon Entertainment Holdings, Inc.	DE
CV Directo de Mexico S. de R.L. de C.V.	Mexico
CVN Companies, Inc.	MN
CVN Distribution Co., Inc.	MN
Diamonique Corporation	PA
Diamonique Corporation	NJ
E! Entertainment Television International Holdings, Inc.	DE
E! Entertainment Television, Inc.	DE
E! Online, Inc.	DE
E! Online, LLC	CA
Eastecnica IV S.G.P.S.	Portugal
ER Marks, Inc.	DE
Exclamation Music, Inc.	CA
Exclamation Productions, Inc.	CA
EZShop International, Inc.	DE
First Television Corporation	DE
Florida Telecommunications Services, Inc.	FL
Flyers Skate Zone, Inc.	PA
Flyers Skate Zone, L.P.	PA
FPS Rink, Inc.	PA
FPS Rink, L.P.	PA
G4 Media, LLC	DE
Garden State Telecommunications LLC	DE
Global Spectrum, Inc.	PA
Globe Facilities Limited Partnership	DE
IDS/Jones Joint Venture Partners	CO
Innovative Retailing, Inc.	DE
Interactive Technology Acquisitions, Inc.	DE
Interactive Technology Holdings, LLC	DE
Interactive Technology Services, Inc.	PA
Jones Cable Corporation	CO
Jones Cable Holdings II, LLC	CO
Jones Cable Holdings, Inc.	CO
Jones Cable Income Fund 1-B/C Venture	CO
Jones Communications of Arizona, Inc.	CO
Jones Futurex, Inc.	CO
Jones Panarama Properties, LLC	DE
Jones Panorama Properties, Inc.	CO
Jones Programming Services, Inc.	CO
Jones Spacelink Cable Corporation	CO
Jones Telecommunications of Maryland, Inc.	CO

Entity Name	Organization Place
-----	-----
Jones Telecommunications of Virginia, Inc.	VA
LenComm, Inc.	CA
Lenfest Advertising, Inc.	DE
Lenfest Atlantic Communications, Inc.	DE
Lenfest Australia Group Pty Ltd.	Australia
Lenfest Australia Investment Pty Ltd.	Australia
Lenfest Australia, Inc.	DE
Lenfest Clearview, Inc.	DE
Lenfest Delaware Properties, Inc.	DE
Lenfest International, Inc.	DE
Lenfest Investments, Inc.	DE
Lenfest Jersey, Inc.	DE
Lenfest MCN Delmarva Associates, L.P.	DE
Lenfest MCN Delmarva Investments, Inc.	DE
Lenfest MCN Delmarva, Inc.	DE
Lenfest MCN, Inc.	DE
Lenfest New Castle County	DE
Lenfest Oaks, Inc.	PA
Lenfest Philadelphia Interconnect, Inc.	DE
Lenfest Raystay Holdings, Inc.	DE
Lenfest West, Inc.	CA
Lenfest York, Inc.	DE
M H Lightnet Inc.	DE
Mobile Enterprises, Inc.	DE
Mt. Clemens Cable TV Investors, Inc.	MI
MTCB S.A.	Brazil
New England Microwave, Inc.	CT
Ovations Food Services, Inc.	PA
Ovations Food Services, L.P.	PA
Pattison Development, Inc.	PA
Pattison Realty, Inc.	PA
Philadelphia 76ers, Inc.	DE
Philadelphia 76ers, L.P.	DE
Philadelphia Flyers Enterprises Co.	Nova Scotia
Philadelphia Phantoms, Inc.	PA
Philadelphia Phantoms, L.P.	PA
Philadelphia Sports Media, Inc.	PA
Philadelphia Sports Media, L.P.	PA
Pioneer Studios, Inc.	DE
Q The Music, Inc.	DE
Q2, Inc.	NY

Entity Name

Organization Place

QDirect Ventures, Inc.	DE
QExhibits, Inc.	DE
QFit, Inc.	DE
QHealth, Inc.	DE
QK Holdings, Inc.	DE
QVC	UK
QVC Britain	UK
QVC Britain I, Inc.	DE
QVC Britain II, Inc.	DE
QVC Britain III, Inc.	DE
QVC Chesapeake, Inc.	VA
QVC de Mexico de C.V.	Mexico
QVC Delaware, Inc.	DE
QVC Deutschland GmbH	Germany
QVC Germany I, Inc.	DE
QVC Germany II, Inc.	DE
QVC Handel GmbH	Germany
QVC Holdings, Inc.	DE
QVC International, Inc.	DE
QVC Local, Inc.	DE
QVC Logistik GmbH	Germany
QVC Mexico II, Inc.	DE
QVC Mexico III, Inc.	DE
QVC Mexico, Inc.	DE
QVC Middle East, Inc.	DE
QVC ProductWorks, Inc.	DE
QVC Properties Ltd.	UK
QVC Publishing, Inc.	DE
QVC Realty, Inc.	PA
QVC Rocky Mount, Inc.	NC
QVC San Antonio, Inc.	TX
QVC St. Lucie, Inc.	FL
QVC Studio GmbH	Germany
QVC Virginia, Inc.	VA
QVC, Inc.	DE
Raystay Co.	PA
Saturn Cable TV, Inc.	CO
SCI 11, Inc.	DE
SCI 34, Inc.	DE
SCI 36, Inc.	DE
SCI 37, Inc.	DE

Entity Name

Organization Place

SCI 38, Inc.	DE
SCI 48, Inc.	DE
SCI 55, Inc.	DE
Selkirk Communications (Delaware) Corporation	DE
shop.eonline.com, LLC	CA
Spectacor Adjoining Real Estate New Arena, L.P.	DE
Spectrum Arena Limited Partnership	PA
StarNet Development, Inc.	UT
StarNet Interactive Entertainment, Inc.	DE
StarNet, Inc.	DE
Suburban Digital Services, Inc.	DE
Suburban Networks, Inc.	DE
Tele-Link Telecomunicacoes S.A.	Brazil
TGC, Inc.	DE
TGW Telecomunicacoes S.A.	Brazil
The Comcast Foundation	DE
The Intercable Group, Ltd.	CO
Tri-State Media, Inc.	DE

INDEPENDENT AUDITORS' CONSENT AND REPORT ON SCHEDULES

To the Board of Directors and Stockholders
Comcast Corporation
Philadelphia, Pennsylvania

We consent to the incorporation by reference in the following Registration Statements of Comcast Corporation and it's subsidiaries (the "Company") on Form S-3 and S-8 of our report dated February 23, 2001, appearing in the Annual Report on Form 10-K of Comcast Corporation and its subsidiaries for the year ended December 31, 2000.

Registration Statements on Form S-8:

Title of Securities Registered	Registration Statement Number
The Comcast Corporation Retirement Investment Plan	33-63223
Stock Options Plans	33-56903
The 1996 Comcast Corporation Stock Option Plan	333-08577
The 1996 Comcast Corporation Deferred Compensation Plan	333-18715
Comcast Spectacor 401(k) Plan	333-69709

Registration Statements on Form S-3:

Title of Securities Registered

Senior Debt Securities; Subordinated Debt Securities; Warrants; Purchase Contracts; Units Guaranteed Trust Preferred Securities; Guaranteed Trust Preferred Securities Guarantees; Preferred Stock, without par value; Depository Shares; Class A Common Stock, \$1.00 par value; and Class A Special Common Stock, \$1.00 par value 333-81391

Senior Debt Securities; Subordinated Debt Securities; Preferred Stock, without par value; Depository Shares; Class A Common Stock, \$1.00 par value; Class A Special Common Stock, \$1.00 par value; Warrants; Purchase Contracts; Units; Guaranteed Trust; and Preferred Securities Guarantees 333-54032

Our audits of the financial statements referred to in our aforementioned report also included the financial statement schedules of the company, listed in Item 14(b)(i). These financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

February 23, 2001
Philadelphia, Pennsylvania

Consent of Independent Certified Public Accountants

The Board of Directors
QVC, Inc.:

We consent to the incorporation by reference in the registration statements (Nos. 33-63223, 33-56903, 333-08577, 333-18715 and 333-69709) on Form S-8 and (Nos. 333-54032 and 333-81391) on Form S-3 of Comcast Corporation of our report dated February 3, 1999, with respect to the consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows of QVC, Inc. and subsidiaries for the year ended December 31, 1998 (such consolidated financial statements are not separately presented herein), which report is included as an exhibit to the Form 10-K of Comcast Corporation for the year ended December 31, 2000.

/s/ KPMG LLP

Philadelphia, Pennsylvania
February 28, 2001

Independent Auditors' Report

The Board of Directors and Shareholders
QVC, Inc.:

We have audited the consolidated statements of operations and comprehensive income, shareholders' equity and cash flows for the year ended December 31, 1998 of QVC, Inc. and subsidiaries. These consolidated financial statements, which are not separately presented herein, 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 results of operations and cash flows of QVC, Inc. and subsidiaries for the year ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ KPMG LLP

Philadelphia, Pennsylvania
February 3, 1999