UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

(X) Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Quarterly Period Ended:

JUNE 30, 2003

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 000-50093

[COMCAST LOGO OMITTED]

COMCAST CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA	27-0000798
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1500 Market Street, Philadelphia, PA 19102-2148

(Address of principal executive offices)
(Zip Code)

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

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 twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days.

Yes X No ____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12-b2 of the Exchange Act). Yes X No ____

As of June 30, 2003, there were 1,356,302,510 shares of Class A Common Stock, 884,684,113 shares of Class A Special Common Stock and 9,444,375 shares of Class B Common Stock outstanding.

COMCAST CORPORATION AND SUBSIDIARIES
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QUARTER ENDED JUNE 30, 2003
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PART II. OTHER INFORMATION

This Quarterly Report on Form 10-Q is for the three and six months ended June 30, 2003. This Quarterly Report modifies and supersedes documents filed prior to this Quarterly Report. Information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report. In this Quarterly Report, "Comcast," "we," "us" and "our" refer to Comcast Corporation and its subsidiaries.

You should carefully review the information contained in this Quarterly Report and in other reports or documents that we file from time to time with the SEC. In this Quarterly 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

On November 18, 2002, we acquired AT&T Corp.'s broadband business, which we refer to as "Broadband" and we refer to this acquisition as the "Broadband acquisition." In this Quarterly Report, we refer to cable operations owned prior to the Broadband acquisition as "historical," and those we acquired in the Broadband acquisition as "newly acquired."

As a result of the Broadband acquisition, we have newly acquired cable operations in communities in which we do not have established relationships with the subscribers, franchising authority and community leaders. 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.

Factors that may cause our actual results to differ materially from any of our forward-looking statements presented in this Quarterly Report include, but are not limited to:

- o we may not successfully integrate Broadband or the integration may be more difficult, time-consuming or costly than we expect,

- o we may not realize the combination benefits we expect from the Broadband acquisition or these benefits may take longer to achieve, and

- o we may incur greater-than-expected operating costs, financing costs, subscriber loss and business disruption, including, without limitation, difficulties in maintaining relationships with employees, subscribers, suppliers or franchising authorities.

As more fully described elsewhere in this Quarterly Report and in our Annual Report on Form 10-K for the year ended December 31, 2002, the Broadband acquisition substantially increased the size of our cable operations and caused significant changes in our capital structure. As a result, direct comparisons of our results of operations for periods prior to November 18, 2002 to subsequent periods are not meaningful.

As more fully described elsewhere in this Quarterly Report, in July 2003 we and Liberty Media Corporation entered into an agreement pursuant to which Liberty will purchase our approximate 57% interest in QVC in a transaction we expect to close by the end of 2003.

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. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

(Dollars in millions, except share data)

	June 30, 2003	December 31, 2002
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 1,324	$ 781
Investments	2,161	3,266
Accounts receivable, less allowance for doubtful accounts of $275 and $258	1,376	1,408
Inventories, net	506	479
Assets held for sale		613
Deferred income taxes	137	129
Other current assets	389	400
Total current assets	5,893	7,076
INVESTMENTS	13,386	15,207
PROPERTY AND EQUIPMENT, net of accumulated depreciation of $5,447 and $4,061	19,079	18,866
FRANCHISE RIGHTS	48,332	48,222
GOODWILL	17,182	17,397
OTHER INTANGIBLE ASSETS, net of accumulated amortization of $1,806 and $1,022	4,864	5,599
OTHER NONCURRENT ASSETS, net	786	738
	$ 109,522	$ 113,105
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	$ 1,507	$ 1,663
Accrued expenses and other current liabilities	5,060	5,649
Liabilities related to assets held for sale		13
Deferred income taxes	557	1,105
Short-term debt		3,750
Current portion of long-term debt	2,416	3,203
Total current liabilities	9,540	15,383
LONG-TERM DEBT, less current portion	29,923	27,957
DEFERRED INCOME TAXES	23,622	23,110
OTHER NONCURRENT LIABILITIES	5,542	5,652
MINORITY INTEREST	2,814	2,674
COMMITMENTS AND CONTINGENCIES (NOTE 10)		
STOCKHOLDERS' EQUITY		
Preferred stock - authorized 20,000,000 shares; issued, zero		
Class A common stock, $0.01 par value - authorized, 7,500,000,000 shares; issued, 1,599,943,010 and 1,599,014,148; outstanding, 1,356,302,510 and 1,355,373,648	16	16
Class A special common stock, $0.01 par value - authorized, 7,500,000,000 shares; issued 931,973,956 and 930,633,433; outstanding, 884,684,113 and 883,343,590	9	9
Class B common stock, $0.01 par value - authorized, 75,000,000 shares; issued, 9,444,375		
Additional capital	44,694	44,620
Retained earnings	1,004	1,340
Treasury stock, 243,640,500 Class A common shares and 47,289,843 Class A special common shares	(7,517)	(7,517)
Accumulated other comprehensive loss	(125)	(139)
Total stockholders' equity	38,081	38,329
	$ 109,522	$ 113,105

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2003
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

(Dollars in millions, except per share data)

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
REVENUES				
Service revenues	$ 4,584	$ 1,714	$ 9,040	$ 3,393
Net sales from electronic retailing	1,101	990	2,163	1,978
	5,685	2,704	11,203	5,371
COSTS AND EXPENSES				
Operating (excluding depreciation)	1,878	722	3,808	1,465
Cost of goods sold from electronic retailing (excluding depreciation)	697	626	1,370	1,255
Selling, general and administrative	1,279	490	2,556	977

Depreciation	837	342	1,636	676
Amortization	383	46	749	99
	5,074	2,226	10,119	4,472
OPERATING INCOME	611	478	1,084	899
OTHER INCOME (EXPENSE)				
Interest expense	(492)	(182)	(1,017)	(369)
Investment income (loss), net	9	(459)	(221)	(707)
Equity in net losses of affiliates	(1)	(44)	(21)	(49)
Other income (expense)	24	9	42	(14)
	(460)	(676)	(1,217)	(1,139)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST	151	(198)	(133)	(240)
INCOME TAX (EXPENSE) BENEFIT	(77)	33	(9)	30
INCOME (LOSS) BEFORE MINORITY INTEREST	74	(165)	(142)	(210)
MINORITY INTEREST	(96)	(45)	(177)	(89)
NET LOSS	($ 22)	($ 210)	($ 319)	($ 299)
BASIC NET LOSS FOR COMMON STOCKHOLDERS PER COMMON SHARE	($ 0.01)	($ 0.22)	($ 0.14)	($ 0.31)
DILUTED NET LOSS FOR COMMON STOCKHOLDERS PER COMMON SHARE	($ 0.01)	($ 0.22)	($ 0.14)	($ 0.31)

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2003
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	(Dollars in millions) Six Months Ended June 30, 2003	2002
OPERATING ACTIVITIES		
Net loss	($ 319)	($ 299)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	1,636	676
Amortization	749	99
Non-cash interest (income) expense, net	(61)	22
Equity in net losses of affiliates	21	49
Losses (gains) on investments and other income (expense), net	257	739
Minority interest	126	89
Deferred income taxes	(226)	(4)
Proceeds from sales of trading securities	85	
Other	101	(10)
	2,369	1,361
Changes in working capital, net of effects of acquisitions and divestitures:		
Decrease in accounts receivable, net	32	9
(Increase) decrease in inventories, net	(27)	40
Decrease (increase) in other current assets	3	(18)
Decrease in accounts payable, accrued expenses and other current liabilities	(383)	(342)
	(375)	(311)
Net cash provided by operating activities	1,994	1,050
FINANCING ACTIVITIES		
Proceeds from borrowings	8,848	632
Retirements and repayments of debt	(11,545)	(1,169)
Other	(3)	66
Net cash used in financing activities	(2,700)	(471)
INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	(22)	(16)
Proceeds from sales of (purchases of) short-term investments, net	(20)	3
Proceeds from restructuring of TWE investment	2,100	
Proceeds from sales of investments and assets held for sale	1,492	596
Purchases of investments	(130)	(32)
Capital expenditures	(2,041)	(789)
Additions to intangible and other noncurrent assets	(130)	(133)
Net cash provided by (used in) investing activities	1,249	(371)
INCREASE IN CASH AND CASH EQUIVALENTS	543	208
CASH AND CASH EQUIVALENTS, beginning of period	781	350
CASH AND CASH EQUIVALENTS, end of period	$ 1,324	$ 558

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

Comcast Corporation and its subsidiaries ("Comcast" or the "Company") has prepared these unaudited condensed consolidated financial statements based upon Securities and Exchange Commission ("SEC") rules that permit reduced disclosure for interim periods.

These financial statements include all adjustments that are necessary for a fair presentation of the Company's results of operations and financial condition for the interim periods shown including normal recurring accruals and other items. The results of operations for the interim periods presented are not necessarily indicative of results for the full year.

For a more complete discussion of the Company's accounting policies and certain other information, refer to the financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2002.

On November 18, 2002, the Company completed the acquisition (the "Broadband acquisition") of AT&T Corp.'s ("AT&T") broadband business ("Broadband"). Accordingly, the accompanying financial statements include the results of Broadband from the date of the Broadband acquisition (see Note 4). The Broadband acquisition substantially increased the size of the Company's cable operations and caused significant changes in the Company's capital structure, including a substantially higher amount of debt. As a result, direct comparisons of the Company's results of operations and financial condition for periods prior to November 18, 2002 to subsequent periods are not meaningful.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to those classifications used in 2003. In the first quarter of 2003, QVC, Inc. ("QVC") completed the sale of its infomercial operations in Mexico ("QVC Mexico"). The results of operations for QVC Mexico for the 2003 and 2002 interim periods were not significant and are included in equity in net losses of affiliates in the Company's consolidated statement of operations.

2. RECENT ACCOUNTING PRONOUNCEMENTS

SFAS No. 143

The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations," in June 2001. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The Company adopted SFAS No. 143 on January 1, 2003, in accordance with the new statement. The adoption of SFAS No. 143 had no impact on the Company's financial condition or results of operations.

SFAS No. 148

The FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," in December 2002. SFAS No. 148 amends SFAS No. 123 to provide alternative methods of transition for an entity that voluntarily changes to the fair value based method of accounting for stock-based employee compensation. SFAS No. 148 also amends the disclosure provisions of SFAS No. 123 to require disclosure about the effects on reported net income of an entity's stock-based employee compensation in interim financial statements. SFAS No. 148 is effective for fiscal years beginning after December 31, 2002. The Company adopted SFAS No. 148 on

January 1, 2003. The Company did not change to the fair value based method of accounting for stock-based employee compensation. Accordingly, the adoption of SFAS No. 148 would only affect the Company's financial condition or results of operations if the Company elects to change to the fair value method specified in SFAS No. 123. The adoption of SFAS No. 148 requires the Company to disclose the effects of its stock-based employee compensation in interim financial statements beginning with the first quarter of 2003 (see Note 8).

SFAS No. 149

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." The Statement amends and clarifies accounting for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities under SFAS No. 133. SFAS No. 149 is effective for contracts entered into or modified after June 30, 2003, for hedging relationships designated after June 30, 2003, and to certain preexisting contracts. The Company adopted SFAS No. 149 on July 1, 2003 on a prospective basis in accordance with the new statement. The Company does not expect the adoption of SFAS No. 149 will have a material impact on its financial statements.

SFAS No. 150

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." This Statement establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. SFAS No. 150 requires that an issuer classify a financial instrument that is within its scope as a liability or, in some circumstances, as an asset, with many such financial instruments having been previously classified as equity. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective July 1, 2003. SFAS No. 150 is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments outstanding before the issuance date of the Statement and still existing at July 1, 2003. Restatement is not permitted. The Company is assessing the impact SFAS No. 150 may have on its financial statements.

FIN 45

In November 2002, the FASB issued Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others" ("FIN 45"). FIN 45 expands on the accounting guidance of SFAS No.'s 5, 57, and 107 and supercedes FIN 34. FIN 45 clarifies that a guarantor is required to disclose in its interim and annual financial statements its obligations under certain guarantees that it has issued, including the nature and terms of the guarantee, the maximum potential amount of future payments under the guarantee, the carrying amount, if any, for the guarantor's obligations under the guarantee, and the nature and extent of any recourse provisions or available collateral that would enable the guarantor to recover the amounts paid under the guarantee. FIN 45 also clarifies that, for certain guarantees, a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. FIN 45 does not prescribe a specific approach for subsequently measuring the guarantor's recognized liability over the term of the related guarantee. The initial recognition and initial measurement provisions of FIN 45 apply on a prospective basis to certain guarantees issued or modified after December 31, 2002. The disclosure requirements in FIN 45 are effective for financial statements of interim or annual periods ending after December 15, 2002. The Company adopted the disclosure provisions of FIN 45 in the fourth quarter of 2002 and adopted the initial recognition and measurement provisions of FIN 45 on January 1, 2003, as required by the Interpretation. The impact of the adoption of FIN 45 will depend on the nature and terms of guarantees entered into or modified by the Company in the future. The adoption of FIN 45 in the first quarter of 2003 did not have a material impact on the Company's consolidated financial statements (see Note 10).

3. EARNINGS PER SHARE

Earnings (loss) per common share is computed by dividing net income (loss) for common stockholders by the weighted average number of common shares outstanding during the period on a basic and diluted basis.

The Company's potentially dilutive securities include potential common shares related to the Company's Zero Coupon Convertible Debentures due 2020 (the "Zero Coupon Debentures"), stock options, restricted stock, and Class A Special common stock held in treasury. Diluted earnings for common stockholders per common share ("Diluted EPS") considers the impact of potentially dilutive securities except in periods in which there is a loss as the inclusion of the potential common shares would have an antidilutive effect. Diluted EPS excludes the impact of potential common shares related to the Company's Zero Coupon Debentures in periods in which the weighted average closing sale price of the Company's Class A Special common stock during the period is not greater than

110% of the accreted conversion price. Diluted EPS excludes the impact of potential common shares related to the Company's stock options in periods in which the option exercise price is greater than the average market price of the Company's common stock for the period.

Diluted EPS for the three months ended June 30, 2003 and 2002 and for the six months ended June 30, 2003 and 2002 excludes approximately 196.5 million, 84.5 million, 189.6 million and 83.5 million potential common shares, respectively, related to the Company's stock option and restricted stock plans, Zero Coupon Debentures, and common stock held in treasury because the assumed issuance of such potential common shares is antidilutive in periods in which there is a loss.

Weighted average shares outstanding and loss per share were the same for both Basic EPS and Diluted EPS for both the three and six months ended June 30, 2003 and 2002 since the Company reported a net loss for each period. Weighted average shares outstanding during the three and six months ended June 30, 2003 were 2.255 billion shares, and during the three and six months ended June 30, 2002 were 952 million shares.

4. ACQUISITIONS AND OTHER SIGNIFICANT EVENTS

Acquisition of Broadband
On November 18, 2002, the Company completed the acquisition of Broadband. The allocation of the purchase price for the Broadband acquisition recorded during the fourth quarter of 2002 is preliminary. The values of certain assets and liabilities are based on preliminary valuations and are subject to adjustment as additional information is obtained. Such additional information includes: reports from valuation specialists; information related to the cost of terminating or meeting contractual obligations; and information related to preacquisition contingencies.

As of the acquisition date, the Company initiated certain integration activities based on a preliminary plan to terminate employees and exit certain contractual obligations. Under the guidance in Emerging Issues Task Force ("EITF") 95-3, "Recognition of Liabilities in Connection with a Purchase Business Combination," the plan must be finalized within one year of the acquisition date and must identify all significant actions to be taken to complete the plan. Therefore, costs related to terminating employees and exiting contractual obligations of the acquired entity are included in the purchase price allocation. Changes to these estimated termination or exit costs are reflected as adjustments to the purchase price allocation to the extent they occur within one year of the acquisition date or if there are reductions in the amount of estimated termination or exit costs accrued. Otherwise, changes will affect future results of operations.

Liabilities associated with exit activities recorded in the purchase price allocation consist of accrued employee termination and related costs of $602 million and $929 million associated with either the cost of terminating contracts or the present value of remaining amounts payable under non-cancelable contracts. Amounts paid, adjustments made against these accruals and interest accretion during the six months ended June 30, 2003 were as follows (in millions):

	Employee Termination and Related Costs	Contract Exit Costs
Balance, December 31, 2002	$492	$913
Payments	(143)	(24)
Adjustments		(26)
Interest accretion		20
Balance, June 30, 2003	$349	$883

Bresnan Transaction

On March 20, 2003, the Company completed the previously announced transaction with Bresnan Broadband Holdings, LLC and Bresnan Communications, LLC (together, "Bresnan") pursuant to which the Company transferred cable systems serving approximately 314,000 subscribers in Montana, Wyoming and Colorado to Bresnan that the Company had acquired in connection with the Broadband acquisition. The Company received $525 million in cash, plus preferred and common equity interests in Bresnan in exchange for these cable systems. The assets (which consist primarily of cable franchise rights, other intangible assets and property and equipment) for these cable systems were reported as assets held for sale in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," in the Company's consolidated balance sheet as of December 31, 2002. The transfer of these cable systems was accounted for at fair value with no gain or loss recognized. The results of operations for these cable systems for the first quarter of 2003 were not significant and were included in equity in net losses of affiliates in the Company's consolidated statement of operations.

TWE Restructuring

On March 31, 2003, the Company announced the successful completion of the previously announced restructuring of Time Warner Entertainment Company L.P. ("TWE"). As a result of the restructuring, AOL Time Warner, Inc. ("AOL Time Warner") assumed complete control over TWE's content assets, including Home Box Office, Warner Bros., and stakes in The WB Network, Comedy Central and Court TV. All of AOL Time Warner's interests in cable, including those held through TWE, are now held through or for the benefit of a new subsidiary of AOL Time Warner called Time Warner Cable, Inc. ("TWC"). In exchange for its 27.6% interest in TWE, the Company received common-equivalent preferred stock of AOL Time Warner, which will be converted into $1.5 billion of AOL Time Warner common stock valued upon completion of an effective registration statement filing with the SEC, and the Company received a 21% economic stake in the business of TWC. In addition, the Company received $2.1 billion in cash which was used immediately to repay amounts outstanding under certain of the Company's credit facilities (see Notes 5 and 7). The TWE restructuring was accounted for as a fair value exchange with no gain or loss recognized. Under the restructuring agreement, the Company has registration rights that should facilitate the disposal or monetization of its shares in TWC and in AOL Time Warner.

As part of the process of obtaining approval of the Broadband acquisition from the Federal Communications Commission ("FCC"), at the closing of the Broadband acquisition, the Company placed its entire interest in TWE in trust for orderly disposition. Any non-cash consideration received in respect of such interest as a result of the TWE restructuring, including the AOL Time Warner and TWC stock, will remain in trust until disposed of or FCC approval is obtained to remove such interests from the trust.

Under the trust, the trustee has exclusive authority to exercise any management or governance rights associated with the securities in trust. The trustee also has the obligation, subject to the rights of the Company as described in the last sentence of this paragraph, to exercise available registration rights to effect the sale of such interests in a manner intended to maximize the value received consistent with the goal of disposing such securities in their entirety by November 2007. Following this time, if any securities remain in trust, the trustee will be obligated to dispose of the remaining interests as quickly as possible, and in any event by May 2008. The trustee is also obligated, through November 2007, to effect certain specified types of sale or monetization transactions with respect to the securities as may be proposed by the Company from time to time.

As a condition of the closing of the TWE restructuring, the Company entered into a three-year nonexclusive agreement with AOL Time Warner under which the AOL High-Speed Broadband service will be made available over a three-year period on certain of the Company's cable systems which pass approximately 10 million homes.

Sale of QVC

On March 3, 2003, the Company announced that Liberty Media Corporation ("Liberty") delivered a notice to it, pursuant to the stockholders agreement between the Company and Liberty, which triggered an exit rights process with respect to Liberty's approximate 42% interest in QVC. On June 25, 2003, the Company and Liberty entered into an agreement (the "June 2003 Agreement") which superceded and replaced the exit rights process of the

stockholders agreement, and pursuant to which Liberty had to deliver to the Company, no later than June 30, 2003, a notice setting forth Liberty's determination of the aggregate fair value of the Company's and Liberty's interests in QVC. On June 30, 2003, Liberty delivered notice to the Company setting the aggregate fair value of the Company's and Liberty's interests in QVC at $13.75 billion. Under the terms of the June 2003 Agreement, the Company had to elect either to purchase Liberty's interest in QVC or sell the Company's approximate 57% interest in QVC to Liberty, based on the value determined by Liberty.

On July 3, 2003, the Company elected to sell its interest in QVC under a stock purchase agreement with Liberty for approximately $7.9 billion. Liberty will purchase the Company's interest in QVC in part with shares of Liberty's Series A common stock (valued at $11.71 per share) representing 7.5% of the shares of Liberty common stock outstanding (after giving effect to that issuance), or approximately 218 million shares based on the number of Liberty shares currently outstanding. The remainder of the purchase price will be paid in the form of a three-year senior unsecured note bearing interest at LIBOR plus 1.5%. The values of the shares and the note to be delivered to the Company are approximately $2.6 billion and $5.3 billion, respectively. Under the stock purchase agreement, the Company will have registration rights that should facilitate the disposal or monetization of its shares in Liberty and in the note.

The Company expects to record a pre-tax gain on the sale of approximately $6.5 billion. The fair value of the consideration to be received from Liberty upon consummation of the transaction will be determined at the closing date and will affect the actual pre-tax gain to be recorded by the Company. The transaction is subject to customary closing conditions and regulatory approvals. The Company expects to close the transaction by the end of 2003.

Effective in the third quarter, the Company will classify QVC as an asset held for sale and will report the results of operations for QVC in discontinued operations for all periods presented in accordance with SFAS No. 144.

Unaudited Pro Forma Information
The following unaudited pro forma information has been presented as if the Broadband acquisition occurred on January 1, 2002. 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 Broadband since January 1, 2002.

	(Amounts in millions, except per share data) Six Months Ended June 30, 2002
Revenues....................................	$10,190
Net loss....................................	($14,172)
Diluted EPS.................................	($6.28)

The unaudited pro forma information for the six months ended June 30, 2002 includes $11.781 billion, net of tax, of goodwill and franchise impairment charges recorded by Broadband prior to the closing of the Broadband acquisition.

5. INVESTMENTS

	June 30, 2003	December 31, 2002
	(in millions)	
Fair value method (see Note 7)		
AT&T Corp.	$	$ 287
Cablevision	861	694
Microsoft	1,951	1,967
Sprint Corp. PCS Group	357	369
Vodaphone	1,559	1,759
Other	109	82
	4,837	5,158
Equity Method		
Cable related	2,167	2,094
Other	223	236
	2,390	2,330
Cost method, principally TWC and AOL Time Warner at June 30, 2003 and TWE at December 31, 2002 (see Note 4)	8,320	10,985
Total investments	15,547	18,473
Less, current investments	2,161	3,266
Non-current investments	$13,386	$15,207

Fair Value Method
The Company holds unrestricted equity investments in certain publicly traded companies, which it accounts for as available for sale or trading securities. The net unrealized pre-tax gains on investments accounted for as available for sale securities as of June 30, 2003 and December 31, 2002 of $63 million and $72 million, respectively, have been reported in the Company's consolidated balance sheet principally as a component of accumulated other comprehensive loss, net of related deferred income taxes of $22 million and $25 million, respectively.

The cost, fair value and gross unrealized gains and losses related to the Company's available for sale securities are as follows (in millions):

	June 30, 2003	December 31, 2002
Cost	$77	$322
Gross unrealized gains	64	73
Gross unrealized losses	(1)	(1)
Fair value	$140	$394

Cost Method
In connection with the Broadband acquisition, the Company acquired an indirect interest in CC VIII, LLC ("CC VIII"), a cable joint venture with Charter Communications, Inc. ("Charter"). In April 2002, AT&T exercised its rights to cause Paul G. Allen ("Allen"), Charter's Chairman, or his designee to purchase this indirect interest. In June 2003, Allen purchased the Company's interest in CC VIII for $728 million in cash. The Company accounted

for the sale of its interest in CC VIII at fair value with no gain or loss recognized. The Company used the proceeds from the sale to repay a portion of the amounts outstanding under its revolving credit facilities.

Investment Income (Loss), Net
Investment income (loss), net for the interim periods includes the following (in millions):

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
Interest and dividend income	$ 49	$ 11	$ 82	$ 18
Gains (losses) on sales and exchanges of investments, net		(103)	22	(101)
Investment impairment losses	(15)	(208)	(70)	(221)
Unrealized gains (losses) on trading securities	307	(420)	292	(1,440)
Mark to market adjustments on derivatives related to trading securities	(294)	324	(305)	1,171
Mark to market adjustments on derivatives and hedged items	(38)	(63)	(242)	(134)
Investment income (loss), net	$ 9	($ 459)	($ 221)	($ 707)

6. GOODWILL

The changes in the carrying amount of goodwill by business segment (see Note 11) for the periods presented are as follows (in millions):

	Cable	Commerce	Corporate and Other	Total
Balance, December 31, 2002	$ 15,644	$ 835	$ 918	$ 17,397

Purchase price allocation adjustments	(215)			(215)
Intersegment transfers	20		(20)	
Balance, June 30, 2003	$ 15,449	$ 835	$ 898	$ 17,182

During the six months ended June 30, 2003, the Company adjusted its preliminary purchase price allocation of the Broadband acquisition. These adjustments resulted in a reduction of goodwill and corresponding adjustments to franchise rights, other noncurrent liabilities, deferred income taxes and certain working capital accounts (see Note 4).

7. LONG-TERM DEBT

	June 30, 2003	December 31, 2002
	(in millions)	
Notes exchangeable into common stock	$ 5,613	$ 5,459
Bank and public debt	26,084	28,702
Other, including capital lease obligations......	642	749
Total debt	$32,339	$34,910

The Cross-Guarantee Structure

To simplify the Company's capital structure, effective with the acquisition of Broadband, the Company and four of its cable holding company subsidiaries fully and unconditionally guaranteed each other's debt securities (the "Cross-Guarantee Structure"). Comcast Holdings Corporation ("Comcast Holdings") is not a guarantor, and none of its debt is guaranteed. Comcast MO of Delaware, Inc. (formerly, MediaOne of Delaware, Inc. and Continental Cablevision, Inc.) was not originally a part of the Cross-Guarantee Structure. On March 12, 2003, the Company announced the successful completion of a bondholder consent solicitation related to Comcast MO of Delaware, Inc.'s $1.7 billion aggregate principal amount in debt securities to permit it to become part of the Cross-Guarantee Structure. As of June 30, 2003, $23.766 billion of the Company's debt securities were entitled to the benefits of the Cross-Guarantee Structure (see Note 12).

Senior Notes Offerings

In January, March and May 2003, the Company sold an aggregate of $4.0 billion of public debt consisting of $600 million of 5.85% senior notes due 2010, $900 million of 6.50% senior notes due 2015, $750 million of 5.50% senior notes due 2011, $750 million of 7.05% senior notes due 2033 and $1.0 billion of 5.30% senior notes due 2014. The Company used all of the net proceeds from the offerings to repay a portion of its short-term debt outstanding and to repay a portion of amounts outstanding under its revolving credit facilities due in 2005 and 2007.

Repayments of Debt with Proceeds from TWE Restructuring

On March 31, 2003, in connection with the closing of the TWE restructuring, the Company received $2.1 billion in cash which was used to repay debt, including the remaining outstanding balance of its short-term debt (see Note 4).

Redemptions and Refinancings of Debt

In May 2003, the Company redeemed at their respective scheduled redemption price $433 million aggregate principal amount of certain of its senior notes and senior subordinated notes with maturities ranging from 2003 to 2023 and interest rates ranging from 8 1/4% to 9.65%. The Company financed the redemptions with amounts available under its existing credit facilities.

In May 2003, the Company borrowed an aggregate of $2.75 billion, representing all amounts available under two new credit agreements. Borrowings under the new credit agreements, which bear interest at LIBOR plus 1.125% and LIBOR plus 0.875%, respectively, and are due in 2006, were used to repay a portion of the $3.18 billion that was outstanding under the Company's term loan due 2004. The new credit agreements replaced the Company's 364-day credit facility, which expired in May 2003.

Notes Exchangeable into Common Stock
As a result of the Broadband acquisition, the Company assumed exchangeable notes (the "Exchangeable Notes") which are mandatorily redeemable at the Company's option into shares of Cablevision NY Group ("Cablevision") Class A common stock or its cash equivalent, Microsoft Corporation ("Microsoft") common stock or its cash equivalent, (i) Vodafone ADRs, (ii) the cash equivalent, or (iii) a combination of cash and Vodafone ADRs, and Comcast Class A Special common stock or its cash equivalent. The maturity value of the Exchangeable Notes varies based upon the fair market value of the security to which it is indexed. The Company's Exchangeable Notes are collateralized by the Company's investments in Cablevision, Microsoft and Vodafone, respectively, and the Comcast Class A Special common stock held in treasury. The Exchangeable Notes mature in tranches from 2003 through 2007.

During the three months ended June 30, 2003, the Company settled $176 million of its obligations relating to Vodafone exchangeable notes by delivering the underlying shares of Vodafone common stock to the counterparty upon maturity of the instruments, and the equity collar agreements related to the underlying Vodafone shares expired. The transaction, which respresented a non-cash financing and investing activity, had no effect on the Company's statement of cash flows due to its non-cash nature. As of June 30, 2003, the securities held by the Company collateralizing the Exchangeable Notes were sufficient to satisfy the debt obligations associated with the outstanding Exchangeable Notes (see Notes 5 and 9).

ZONES
At maturity, holders of the Company's 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES") are entitled to receive in cash an amount equal to the higher of the principal amount of the ZONES or the market value of Sprint PCS common 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 Sprint PCS Stock. As of June 30, 2003, the number of Sprint PCS shares held by the Company exceeded the number of ZONES outstanding.

The Company split the accounting for the Exchangeable Notes and the ZONES into derivative and debt components. The Company records the change in the fair value of the derivative component of the Exchangeable Notes and the ZONES (see Note 5) and the change in the carrying value of the debt component of the Exchangeable Notes and the ZONES as follows (in millions):

	Exchangeable Notes	ZONES	
	Six Months Ended June 30, 2003		Six Months Ended June 30,
		2003	2002
Balance at Beginning of Period:			
Debt component	$ 6,981	$ 491	$ 468
Derivative component	(1,522)	208	1,145
Total	5,459	699	1,613

Decrease in debt component due to maturities...	(176)		
(Decrease) increase in debt component to interest expense	(55)	12	11
Increase (decrease) in derivative component to investment income (loss), net	385	65	(935)
Balance at End of Period:			
Debt component	6,750	503	479
Derivative component	(1,137)	273	210
Total	$ 5,613	$ 776	$ 689

Interest Rates
Excluding the derivative component of the Exchangeable Notes and the ZONES whose changes in fair value are recorded to investment income (loss), net, the Company's effective weighted average interest rate on its total debt outstanding was 6.53% and 6.00% as of June 30, 2003 and December 31, 2002, respectively.

Derivatives
The Company uses derivative financial instruments to manage its exposure to fluctuations in interest rates and securities prices. The Company has issued indexed debt instruments and prepaid forward sale agreements whose value, in part, is derived from the market value of certain publicly traded common stock.

Lines and Letters of Credit
As of June 30, 2003, certain subsidiaries of the Company had unused lines of credit of $5.163 billion under their respective credit facilities.

As of June 30, 2003, the Company and certain of its subsidiaries had unused irrevocable standby letters of credit totaling $400 million to cover potential fundings under various agreements.

8. STOCKHOLDERS' EQUITY

Stock-Based Compensation
The Company accounts for stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations, as permitted by SFAS No. 123, "Accounting for Stock-Based Compensation," as amended. 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. The Company records compensation expense for restricted stock awards based on the quoted market price of the Company's stock at the date of the grant and the vesting period. The Company records compensation expense for stock appreciation rights based on the changes in quoted market prices of the Company's stock or other determinants of fair value.

The following table illustrates the effect on net loss and loss per share if the Company had applied the fair value recognition provisions of SFAS No. 123 to stock-based compensation (dollars in millions, except per share data):

	Three Months Ended	Six Months Ended

	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Net loss, as reported	($ 22)	($210)	($319)	($299)
Deduct: Total stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(45)	(36)	(83)	(69)
Pro forma, net loss	($ 67)	($246)	($402)	($368)
Basic and Diluted loss for common stockholders per common share:				
As reported	($0.01)	($0.22)	($0.14)	($0.31)
Pro forma	($0.03)	($0.26)	($0.18)	($0.39)

Total stock-based compensation expense was determined under the fair value method for all awards assuming accelerated vesting of the Company's stock options as permitted under SFAS No. 123. Had the Company applied the fair value recognition provisions of SFAS No. 123 assuming straight-line rather than accelerated vesting of its stock options, total stock-based compensation expense, net of related tax effects, would have been $38 million and $28 million for the three months ended June 30, 2003 and 2002, respectively, and $71 million and $55 million for the six months ended June 30, 2003 and 2002, respectively.

The weighted-average fair value at date of grant of a Class A common stock option granted under the Company's option plans during the three and six months ended June 30, 2003 was $7.15 and $10.27, respectively. The weighted-average fair value at date of grant of a Class A Special common stock option granted under the option plans during the three and six months ended June 30, 2002 was $12.98 and $16.30, respectively. The fair value of each option granted during the interim periods in 2003 and 2002 was estimated on the date of grant using the Black- Scholes option-pricing model with the following weighted-average assumptions:

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002
	Class A Common Stock	Class A Special Common Stock	Class A Common Stock	Class A Special Common Stock
Dividend yield....................	0%	0%	0%	0%
Expected volatility...............	29.8%	30.0%	29.4%	29.2%
Risk-free interest rate...........	2.0%	5.3%	3.3%	5.3%
Expected option lives (in years)...	3.1	8.0	6.6	8.0
Forfeiture rate...................	3.0%	3.0%	3.0%	3.0%

The pro forma effect on net loss and net loss per share for the interim periods by applying SFAS No. 123 may not be indicative of the 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.

Comcast Option Plans

The Company maintains stock option plans for certain employees, directors and other persons (collectively, the "Comcast Option Plans"). The following table summarizes the activity of the Comcast Option Plans during the six months ended June 30, 2003 (options in thousands):

	Class A Common Stock		Class A Special Common Stock	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Outstanding at beginning of period	63,575	$ 43.31	64,890	$ 28.57
Granted	23,327	28.64		
Exercised	(486)	16.32	(2,100)	8.63
Canceled	(1,535)	49.48	(604)	36.36
Outstanding at end of period	84,881	39.34	62,186	29.16
Exercisable at end of period	57,384	44.68	26,277	21.67

Comprehensive Loss

The Company's total comprehensive loss for the interim periods was as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Net loss...	($22)	($210)	($319)	($299)
Unrealized gains (losses) on marketable securities...	3	(223)	(28)	(364)
Reclassification adjustments for losses included in net loss..............................	3	198	27	203
Unrealized gains on the effective portion of cash flow hedges...............................		4		
Foreign currency translation gains (losses)..........	9	5	15	(7)
Comprehensive loss.................................	($7)	($226)	($305)	($467)

9. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION

The Company made cash payments for interest and income taxes during the interim periods as follows (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest	$ 452	$ 237	$1,019	$ 347
Income taxes	$ 156	$ 129	$ 197	$ 159

During the three months ended June 30, 2003, the Company entered into non-cash financing and investing activities related to certain of its Exchangeable Notes (see Note 7).

10. COMMITMENTS AND CONTINGENCIES

Commitments

Certain subsidiaries of the Company support debt compliance with respect to obligations aggregating $1.021 billion as of June 30, 2003 of certain cable television partnerships and investments in which the Company holds an ownership interest (see Note 5). The obligations expire between May 2008 and September 2010. Although there can be no assurance, management believes that it will not be required to meet its obligations under such commitments. The total notional amount of commitments for the Company was $1.021 billion as of June 30, 2003, at which time there were no quoted market prices for similar agreements.

Contingencies

Litigation has been filed against the Company as a result of alleged conduct of the Company with respect to its investment in and distribution relationship with At Home Corporation. At Home was a provider of high-speed Internet access and content services which filed for bankruptcy protection in September 2001. Filed actions are: (i) class action lawsuits against the Company, Brian L. Roberts (the Company's President and Chief Executive Officer and a director), AT&T (the former controlling shareholder of At Home and also a former distributor of the At Home service) and other corporate and individual defendants in the Superior Court of San Mateo County, California, alleging breaches of fiduciary duty on the part of the Company and the other defendants in connection with transactions agreed to in March 2000 among At Home, the Company, AT&T and Cox Communications, Inc. (Cox is also an investor in At Home and a former distributor of the At Home service); (ii) class action lawsuits against Comcast Cable Communications, Inc., AT&T and others in the United States District Court for the Southern District of New York, alleging securities law violations and common law fraud in connection with disclosures made

by At Home in 2001; and (iii) a lawsuit brought in the United States District Court for the District of Delaware in the name of At Home by certain At Home bondholders against the Company, Brian L. Roberts, Cox and others, alleging breaches of fiduciary duty relating to the March 2000 transactions and seeking recovery of alleged short- swing profits of at least $600 million pursuant to Section 16(b) of the Securities Exchange Act of 1934 purported to have arisen in connection with certain transactions relating to At Home stock effected pursuant to the March 2000 agreements. The actions in San Mateo County, California have been stayed by the United States Bankruptcy Court for the Northern District of California, the court in which At Home filed for bankruptcy, as violating the automatic bankruptcy stay. In the Southern District of New York actions, the court ordered the actions consolidated into a single action. An amended consolidated class action complaint was filed on November 8, 2002. All of the defendants served motions to dismiss on February 11, 2003.

Under the terms of the Broadband acquisition, the Company is contractually liable for 50% of any liabilities of AT&T relating to At Home, including any resulting from any pending or threatened litigation. AT&T will be liable for the other 50% of these liabilities. In addition to the actions against AT&T described above, where the Company is also a defendant, there are two additional actions brought by At Home's bondholders' liquidating trust against AT&T, not naming the Company: (i) a lawsuit filed against AT&T and certain of its senior officers in Santa Clara, California state court alleging various breaches of fiduciary duties, misappropriation of trade secrets and other causes of action in connection with the transactions in March 2000 described above, and prior and subsequent alleged conduct on the part of the defendants, and (ii) an action filed against AT&T in the District Court for the Northern District of California, alleging that AT&T infringes an At Home patent by using its broadband distribution and high-speed Internet backbone networks and equipment. Both of these actions are in the discovery stage. AT&T moved to dismiss the Santa Clara action on the grounds that California is an inconvenient forum, but the court denied AT&T's motion. AT&T also moved to transfer the Northern District of California action to the Southern District of New York as being a more convenient venue. AT&T's motion was denied on April 25, 2003.

The Company denies any wrongdoing in connection with the claims which have been made directly against the Company, its subsidiaries and Brian L. Roberts, and intends to defend all of these claims vigorously. In management's opinion, the final disposition of these claims is not expected to have a material adverse effect on the Company's consolidated financial position, but could possibly be material to the Company's consolidated results of operations of any one period. Further, no assurance can be given that any adverse outcome would not be material to such consolidated financial position.

Management is continuing to evaluate this litigation and is unable to currently determine what impact, if any, that the Company's 50% share of the AT&T At Home potential liabilities would have on the Company's consolidated financial position or results of operations. No assurance can be given that any adverse outcome would not be material.

Some of the entities formerly attributed to Broadband which are now subsidiaries of the Company are parties to an affiliation term sheet with Starz Encore Group LLC, an affiliate of Liberty Media Corporation, which extends to 2022. The term sheet purports to require annual fixed price payments, subject to adjustment for various factors, including inflation. The term sheet also purports to require the Company to pay two-thirds of Starz Encore's programming costs above levels designated in the term sheet. Excess programming costs that may be payable by the Company in future years are not presently estimable, and could be significant.

By letter dated May 29, 2001, Broadband disputed the enforceability of the excess programming pass-through provisions of the Starz Encore term sheet and questioned the validity of the term sheet as a whole. Broadband also has raised certain issues concerning the uncertainty of the provisions of the term sheet and the contractual interpretation and application of certain of its provisions to, among other things, the acquisition and disposition of cable systems. In July 2001, Starz Encore filed a lawsuit in Colorado state court seeking payment of the 2001 excess programming costs and a declaration that the term sheet is a binding and enforceable contract. In October 2001, Broadband and Starz Encore agreed to delay any further proceedings in the litigation until August 31, 2002 to allow the parties time to continue negotiations toward a potential business resolution of this dispute. As part of

this standstill agreement, Broadband and Starz Encore settled Starz Encore's claim for the 2001 excess programming costs, and Broadband agreed to continue to make the standard monthly payments due under the term sheet, with a full reservation of rights with respect to these payments. Broadband and Starz Encore agreed to extend the standstill agreement to and including January 31, 2003, with a requirement that the parties attempt to mediate the dispute. A mediation session held in January 2003 did not result in any resolution of the matter.

On November 18, 2002, the Company and Comcast Holdings filed suit against Starz Encore in the United States District Court for the Eastern District of Pennsylvania. The Company and Comcast Holdings seek a declaratory judgment that, pursuant to their rights under a March 17, 1999 contract with a predecessor of Starz Encore, upon the completion of the Broadband acquisition that contract now provides the terms under which Starz Encore programming is acquired and transmitted by the Company's cable systems. On January 8, 2003, Starz Encore filed a motion to dismiss the lawsuit on the grounds that claims asserted by the Company and Comcast Holdings raised issues of state law that the United States District Court should decline to decide. The Company has responded contesting these assertions. That motion has been submitted to the Court for decision.

On January 31, 2003, Starz Encore filed an amended complaint in its lawsuit against Broadband in Colorado state court. The amended complaint adds the Company and Comcast Holdings as defendants and adds new claims against the Company, Comcast Holdings and Broadband asserting alleged breaches of, and interference with, the standstill agreement relating to the lawsuit filed by the Company and Comcast Holdings in federal District Court in Pennsylvania and to the defendants' position that since the completion of the Broadband acquisition, the March 17, 1999 contract now provides the terms under which Starz Encore programming is acquired and transmitted by the Company's cable systems.

On March 3, 2003, Starz Encore filed a motion for leave to file a second amended complaint that would add allegations that Broadband has breached certain purported joint-marketing obligations under the term sheet and that the Company and Comcast Holdings have breached certain purported joint-marketing obligations under the March 17, 1999 contract and other agreements. The Company, Comcast Holdings and Broadband opposed Starz Encore's motion for leave to file a second amended complaint and, in light of Starz Encore's pending motion for leave to amend, sought an extension of time from the Court to respond to Starz Encore's amended complaint. Both Starz Encore's motion to amend and the Company's motion to extend time are fully briefed and have been submitted to the Court for decision.

On April 3, 2003, the Company and Comcast Holdings filed a motion for summary judgment in the federal action in Pennsylvania. On April 16, 2003, Starz Encore filed a motion seeking (i) to strike the affidavit supporting the summary judgment motion or, in the alternative, (ii) a general postponement of Starz Encore's response date (or at a minimum a three week extension). On April 29, 2003, the Company and Comcast Holdings filed an opposition to Starz Encore's motion. The Court has not yet ruled on either motion.

An entity formerly attributed to Broadband, which is now a subsidiary of the Company, is party to a master agreement that may not expire until December 31, 2012, under which it purchases certain billing services from CSG Systems, Inc. The master agreement requires monthly payments, subject to adjustment for inflation. The master agreement also contains a most favored nation provision that may affect the amounts paid thereunder.

On May 10, 2002, Broadband filed a demand for arbitration against CSG before the American Arbitration Association asserting, among other things, the right to terminate the master agreement and seeking damages under the most favored nation provision or otherwise. On May 31, 2002, CSG answered Broadband's arbitration demand and asserted various counterclaims, including for (i) breach of the master agreement; (ii) a declaration that the Company is now bound by the master agreement to use CSG as its exclusive provider for certain billing and customer care services; (iii) tortious interference with prospective contractual relations; and (iv) civil conspiracy. The evidentiary hearing commenced on May 9, 2003 and concluded on June 17, 2003. The parties filed and exchanged opening post-hearing briefs on July 25, 2003 and are scheduled to file and exchange reply briefs on August 8, 2003. Final oral arguments are currently scheduled for September 10 and 11, 2003.

On June 21, 2002, CSG filed a lawsuit against Comcast Holdings in federal court in Denver, Colorado asserting claims related to the master agreement and the pending arbitration. On November 4, 2002, CSG withdrew its complaint against Comcast Holdings without prejudice. On November 15, 2002, the Company initiated a lawsuit against CSG in federal court in Philadelphia, Pennsylvania asserting that cable systems owned by Comcast Holdings are not required to use CSG as a billing service or customer care provider pursuant to the master agreement, and that the former Broadband cable systems owned by the Company may be added to a billing service agreement between the Company and CSG. CSG moved to dismiss or stay the lawsuit on the ground that the issues raised by the complaint could be wholly or substantially determined by the above-mentioned arbitration. By Order dated February 10, 2003, the Court stayed the lawsuit until further notice.

On January 8, 2003, Liberty Digital, Inc. filed a complaint in Colorado state court against the Company and Comcast Cable Holdings, LLC (formerly AT&T Broadband LLC and Tele-Communications, Inc.), a wholly owned subsidiary of the Company. The complaint alleges that Comcast Cable Holdings breached a 1997 "contribution agreement" between Liberty Digital and Comcast Cable Holdings and that the Company tortiously interfered with that agreement. The complaint alleges that this purported agreement obligates Comcast Cable Holdings to pay fees to Liberty Digital totaling $18 million (increasing at CPI) per year through 2017. The Company and Comcast Cable Holdings filed their answer to the complaint on March 5, 2003, in which the Company and Comcast Cable Holdings denied the essential allegations of the complaint and asserted various affirmative defenses.

In management's opinion, the final disposition of the Starz Encore, CSG and Liberty Digital contractual disputes is not expected to have a material adverse effect on the Company's consolidated financial position or results of operations. However, no assurance can be given that any adverse outcome would not be material to such consolidated financial position or results of operations.

The Company is subject to other 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 such actions is not expected to materially affect the financial condition, 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 $165 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 $50 million.

11. 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) before depreciation and amortization are not separately evaluated by the Company's management on a segment basis (in millions).

	Cable	Commerce	Corporate and Other (1)	Total
Three Months Ended June 30, 2003				
Revenues (2)	$ 4,379	$ 1,101	$ 205	$ 5,685
Operating income before depreciation and amortization (3)	1,597	219	15	1,831
Depreciation and amortization	1,133	34	53	1,220
Operating income (loss)	464	185	(38)	611
Interest expense	379	2	111	492
Capital expenditures	1,047	16	7	1,070
Three Months Ended June 30, 2002				
Revenues (2)	$ 1,541	$ 990	$ 173	$ 2,704
Operating income before depreciation and amortization (3)	654	194	18	866
Depreciation and amortization	298	29	61	388

Operating income (loss)	356	165	(43)	478
Interest expense	141	3	38	182
Capital expenditures	331	51	8	390
Six Months Ended June 30, 2003				
Revenues (2)	$ 8,611	$ 2,163	$ 429	$ 11,203
Operating income before depreciation and amortization (3)	3,018	430	21	3,469
Depreciation and amortization	2,213	65	107	2,385
Operating income (loss)	805	365	(86)	1,084
Interest expense	827	3	187	1,017
Capital expenditures	2,000	29	12	2,041
Six Months Ended June 30, 2002				
Revenues (2)	$ 3,010	$ 1,978	$ 383	$ 5,371
Operating income before depreciation and amortization (3)	1,251	386	37	1,674
Depreciation and amortization	591	56	128	775
Operating income (loss)	660	330	(91)	899
Interest expense	287	6	76	369
Capital expenditures	689	83	17	789
As of June 30, 2003				
Assets	$ 96,200	$ 3,237	$ 10,085	$109,522
Long-term debt, less current portion	21,677		8,246	29,923
As of December 31, 2002				
Assets	$106,291	$ 3,000	$ 3,814	$113,105
Long-term debt, less current portion	26,033	1	1,923	27,957

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(1) Other includes segments not meeting certain quantitative guidelines for reporting including the Company's content operations and elimination entries related to the segments presented. Corporate and other assets consist primarily of the Company's investments and intangible assets related to the Company's content operations (see Notes 5 and 6).

(2) Revenues include $241 million, $146 million, $456 million and $286 million during the three months ended June 30, 2003 and 2002 and during the six months ended June 30, 2003 and 2002, respectively, of non-US revenues, principally related to the Company's commerce segment. No single customer accounted for a significant amount of the Company's revenues in any period.

(3) Operating income before depreciation and amortization is defined as operating income before depreciation and amortization and impairment charges, if any, related to fixed and intangible assets. As such, it eliminates the significant level of non-cash depreciation and amortization expense that results from the capital intensive nature of the Company's businesses and intangible assets recognized in business combinations, and is unaffected by the Company's capital structure or investment activities. The Company's management and Board of Directors use this measure in evaluating the Company's consolidated operating performance and the operating performance of all of its operating segments. This metric is used to allocate resources and capital to the Company's operating segments and is a significant component of the Company's annual incentive compensation programs. This measure is also useful to investors as it is one of the bases for comparing the Company's operating performance with other companies in its industries, although the Company's measure may not be directly comparable to similar measures used by other companies. This measure should not be considered as a substitute for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with generally accepted accounting principles.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2003
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

12. CONDENSED CONSOLIDATING FINANCIAL INFORMATION

In November 2002, in order to simplify the Company's capital structure, the Company and four of its cable holding company subsidiaries, Comcast Cable Communications, Inc. (Comcast Cable or "CCCI"), Comcast Cable Communications Holdings, Inc. (Comcast Cable Communications Holdings or "CCCH"), Comcast MO Group, Inc. ("Comcast MO Group"), and Comcast Cable Holdings, LLC (Comcast Cable Holdings or "CCH"), fully and unconditionally guaranteed each other's debt securities. Comcast MO of Delaware, Inc. ("Comcast MO of Delaware") was not originally a part of the Cross-Guarantee Structure. On March 12, 2003, the Company announced the successful completion of a bondholder consent solicitation related to Comcast MO of Delaware's $1.7 billion aggregate principal amount in debt securities to permit it to become part of the Cross-Guarantee Structure (see Note 7). Comcast MO Group and CCH (as of December 31, 2002) and Comcast MO Group, CCH and Comcast MO of Delaware (as of June 30, 2003 and for the three and six months ended June 30, 2003) are collectively referred to as the "Combined CCHMO Parents." Condensed consolidating financial information of the Company is as follows (in millions):

Comcast Corporation
Condensed Consolidating Balance Sheet
As of June 30, 2003

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
ASSETS							
Cash and cash equivalents	$	$	$	$	$1,324	$	$1,324
Investments	50				2,111		2,161
Accounts receivable, net					1,376		1,376
Inventories, net					506		506
Deferred income taxes					137		137
Other current assets	6				383		389
Total current assets	56				5,837		5,893
INVESTMENTS					13,386		13,386
INVESTMENTS IN AND AMOUNTS DUE FROM SUBSIDIARIES ELIMINATED UPON CONSOLIDATION	45,268	21,148	27,176	34,350	14,162	(142,104)	
PROPERTY AND EQUIPMENT, net					19,079		19,079
FRANCHISE RIGHTS					48,332		48,332
GOODWILL					17,182		17,182
OTHER INTANGIBLE ASSETS, net					4,864		4,864
OTHER NONCURRENT ASSETS, net	90	49	31		616		786

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Total Assets..................................	$45,414	$21,197	$27,207	$34,350	$123,458	($142,104)	$109,522
LIABILITIES AND STOCKHOLDERS' EQUITY							
Accounts payable..............................	$	$	$	$	$1,507	$	$1,507
Accrued expenses and other current liabilities.................................	270	99	75	309	4,307		5,060
Deferred income taxes.........................					557		557
Current portion of long-term debt.............		308		152	1,956		2,416
Total current liabilities...................	270	407	75	461	8,327		9,540
LONG-TERM DEBT, less current portion..........	6,768	6,628	3,498	6,513	6,516		29,923
DEFERRED INCOME TAXES.........................					23,622		23,622
OTHER NONCURRENT LIABILITIES..................	295			200	5,047		5,542
MINORITY INTEREST.............................					2,814		2,814
STOCKHOLDERS' EQUITY							
Common stock..................................	25						25
Other stockholders' equity....................	38,056	14,162	23,634	27,176	77,132	(142,104)	38,056
Total Stockholders' Equity..................	38,081	14,162	23,634	27,176	77,132	(142,104)	38,081
Total Liabilities and Stockholders' Equity ...	$45,414	$21,197	$27,207	$34,350	$123,458	($142,104)	$109,522

Comcast Corporation
Condensed Consolidating Balance Sheet
As of December 31, 2002

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
ASSETS							
Cash and cash equivalents...................	$	$	$	$	$781	$	$781
Investments.................................	30				3,236		3,266
Accounts receivable, net....................					1,408		1,408
Inventories, net............................					479		479
Assets held for sale........................					613		613
Deferred income taxes.......................					129		129
Other current assets........................	22				378		400
Total current assets......................	52				7,024		7,076
INVESTMENTS.................................					15,207		15,207
INVESTMENTS IN AND AMOUNTS DUE FROM SUBSIDIARIES ELIMINATED UPON CONSOLIDATION..............................	39,356	21,818	33,683	40,749	13,913	(149,519)	
PROPERTY AND EQUIPMENT, net.................					18,866		18,866
FRANCHISE RIGHTS............................					48,222		48,222
GOODWILL....................................					17,397		17,397
OTHER INTANGIBLE ASSETS, net................					5,599		5,599
OTHER NONCURRENT ASSETS, net................	74	99	121		444		738
Total Assets................................	$39,482	$21,917	$33,804	$40,749	$126,672	($149,519)	$113,105
LIABILITIES AND STOCKHOLDERS' EQUITY							
Accounts payable............................	$1	$	$	$	$1,662	$	$1,663
Accrued expenses and other current liabilities...............................	208	107	46	469	4,819		5,649
Liabilities related to assets held for sale......................................					13		13
Deferred income taxes.......................					1,105		1,105
Short-term debt.............................			3,750				3,750
Current portion of long-term debt...........				1,465	1,738		3,203
Total current liabilities.................	209	107	3,796	1,934	9,337		15,383
LONG-TERM DEBT, less current portion........	680	7,897	6,005	4,932	8,443		27,957
DEFERRED INCOME TAXES.......................					23,110		23,110
OTHER NONCURRENT LIABILITIES................	264			200	5,188		5,652
MINORITY INTEREST...........................					2,674		2,674
STOCKHOLDERS' EQUITY							
Common stock................................	25						25
Other stockholders' equity..................	38,304	13,913	24,003	33,683	77,920	(149,519)	38,304
Total Stockholders' Equity..................	38,329	13,913	24,003	33,683	77,920	(149,519)	38,329

Total Liabilities and Stockholders' Equity...	$39,482	$21,917	$33,804	$40,749	$126,672	($149,519)	$113,105

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Three Months Ended June 30, 2003

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues........................	$	$	$	$	$4,584	$	$4,584
Net sales from electronic retailing......					1,101		1,101
Management fee revenue..................	92	34	58	58		(242)	
	92	34	58	58	5,685	(242)	5,685
COSTS AND EXPENSES							
Operating (excluding depreciation).......					1,878		1,878
Cost of goods sold from electronic retailing (excluding depreciation).....					697		697
Selling, general and administrative......	38	34	58	58	1,333	(242)	1,279
Depreciation............................					837		837
Amortization............................					383		383
	38	34	58	58	5,128	(242)	5,074
OPERATING INCOME...........................	54				557		611
OTHER INCOME (EXPENSE)							
Interest expense........................	(79)	(139)	(93)	(77)	(104)		(492)
Investment income, net..................					9		9
Equity in net (losses) income of affiliates............................	(5)	272	(70)	(20)	181	(359)	(1)
Other income............................					24		24
	(84)	133	(163)	(97)	110	(359)	(460)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST........................	(30)	133	(163)	(97)	667	(359)	151
INCOME TAX BENEFIT (EXPENSE)...............	8	49	32	27	(193)		(77)
INCOME (LOSS) BEFORE MINORITY INTEREST......	(22)	182	(131)	(70)	474	(359)	74
MINORITY INTEREST..........................					(96)		(96)
NET INCOME (LOSS)..........................	($22)	$182	($131)	($70)	$378	($359)	($22)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Three Months Ended June 30, 2002

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues.........................	$	$	$	$	$1,714	$	$1,714
Net sales from electronic retailing......					990		990
					2,704		2,704
COSTS AND EXPENSES							
Operating (excluding depreciation).......					722		722
Cost of goods sold from electronic retailing (excluding depreciation).....					626		626
Selling, general and administrative......					490		490
Depreciation.............................					342		342
Amortization.............................					46		46
					2,226		2,226
OPERATING INCOME.........................					478		478
OTHER INCOME (EXPENSE)							
Interest expense.........................		(140)			(42)		(182)
Investment loss, net.....................					(459)		(459)
Equity in net income (losses) of affiliates............................		227			92	(363)	(44)
Other income.............................					9		9
		87			(400)	(363)	(676)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST...................		87			78	(363)	(198)
INCOME TAX BENEFIT (EXPENSE)...............		49			(16)		33
INCOME (LOSS) BEFORE MINORITY INTEREST......		136			62	(363)	(165)
MINORITY INTEREST..........................					(45)		(45)
NET INCOME (LOSS)..........................	$	$136	$	$	$17	($363)	($210)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Six Months Ended June 30, 2003

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues.........................	$	$	$	$	$9,040	$	$9,040
Net sales from electronic retailing......					2,163		2,163
Management fee revenue...................	187	71	116	116		(490)	
	187	71	116	116	11,203	(490)	11,203
COSTS AND EXPENSES							
Operating (excluding depreciation).......					3,808		3,808
Cost of goods sold from electronic retailing (excluding depreciation).....					1,370		1,370
Selling, general and administrative......	76	71	116	116	2,667	(490)	2,556
Depreciation.............................					1,636		1,636
Amortization.............................					749		749
	76	71	116	116	10,230	(490)	10,119
OPERATING INCOME.........................	111				973		1,084

OTHER INCOME (EXPENSE)							
Interest expense.........................	(123)	(274)	(206)	(192)	(222)		(1,017)
Investment loss, net.....................					(221)		(221)
Equity in net income (losses) of affiliates.............................	(310)	501	(407)	(282)	302	175	(21)
Other income.............................					42		42
	(433)	227	(613)	(474)	(99)	175	(1,217)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST.........................	(322)	227	(613)	(474)	874	175	(133)
INCOME TAX BENEFIT (EXPENSE)................	3	96	72	67	(247)		(9)
INCOME (LOSS) BEFORE MINORITY INTEREST......	(319)	323	(541)	(407)	627	175	(142)
MINORITY INTEREST...........................					(177)		(177)
NET INCOME (LOSS)...........................	($319)	$323	($541)	($407)	$450	$175	($319)

Comcast Corporation
Condensed Consolidating Statement of Operations
For the Six Months Ended June 30, 2002

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
REVENUES							
Service revenues.........................	$	$	$	$	$3,393	$	$3,393
Net sales from electronic retailing......					1,978		1,978
					5,371		5,371
COSTS AND EXPENSES							
Operating (excluding depreciation).......					1,465		1,465
Cost of goods sold from electronic retailing (excluding depreciation).....					1,255		1,255
Selling, general and administrative......					977		977
Depreciation.............................					676		676
Amortization.............................					99		99
					4,472		4,472
OPERATING INCOME............................					899		899
OTHER INCOME (EXPENSE)							
Interest expense.........................		(280)			(89)		(369)
Investment loss, net.....................					(707)		(707)
Equity in net income (losses) of affiliates.............................		419			188	(656)	(49)
Other expense............................					(14)		(14)
		139			(622)	(656)	(1,139)
INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST...................		139			277	(656)	(240)
INCOME TAX BENEFIT (EXPENSE)................		98			(68)		30
INCOME (LOSS) BEFORE MINORITY INTEREST......		237			209	(656)	(210)
MINORITY INTEREST...........................					(89)		(89)
NET INCOME (LOSS)...........................	$	$237	$	$	$120	($656)	($299)

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2003
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
(Unaudited)

Comcast Corporation
Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2003

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
OPERATING ACTIVITIES							
Net income (loss)............................	($319)	$323	($541)	($407)	$450	$175	($319)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:							
Depreciation..............................					1,636		1,636
Amortization..............................					749		749
Non-cash interest (income) expense, net...			3	(88)	24		(61)
Equity in net (income) losses of affiliates..............................	310	(501)	407	282	(302)	(175)	21
Losses (gains) on investments and other (income) expense, net...................					257		257
Minority interest.........................					126		126
Deferred income taxes.....................					(226)		(226)
Proceeds from sales of trading securities.					85		85
Other.....................................					101		101
	(9)	(178)	(131)	(213)	2,900		2,369
Changes in working capital							
Decrease in accounts receivable, net....					32		32
Increase in inventories, net............					(27)		(27)
Decrease in other current assets........					3		3
Increase (decrease) in accounts payable, accrued expenses and other current liabilities............	62	(8)	29	(160)	(306)		(383)
	62	(8)	29	(160)	(298)		(375)
Net cash provided by (used in) operating activities..................	53	(186)	(102)	(373)	2,602		1,994
FINANCING ACTIVITIES							
Proceeds from borrowings..................	8,138	600			110		8,848
Retirements and repayments of debt........	(2,050)	(1,554)	(6,250)	(1,764)	73		(11,545)
Other.....................................					(3)		(3)
Net cash provided by (used in) financing activities..................	6,088	(954)	(6,250)	(1,764)	180		(2,700)
INVESTING ACTIVITIES							
Net transactions with affiliates............	(6,141)	1,140	6,352	2,137	(3,488)		
Acquisitions, net of cash acquired...........					(22)		(22)
Proceeds from sales of (purchases of) short-term investments, net...............					(20)		(20)
Proceeds from restructuring of TWE investment................................					2,100		2,100
Proceeds from sales of investments and assets held for sale......................					1,492		1,492
Purchases of investments.....................					(130)		(130)
Capital expenditures.........................					(2,041)		(2,041)
Additions to intangible and other noncurrent assets.........................					(130)		(130)
Net cash provided by (used in) investing act...........................	(6,141)	1,140	6,352	2,137	(2,239)		1,249
INCREASE IN CASH AND CASH EQUIVALENTS........					543		543
CASH AND CASH EQUIVALENTS, beginning of period.................................					781		781
CASH AND CASH EQUIVALENTS, end of period.....	$	$	$	$	$1,324	$	$1,324

Comcast Corporation
Condensed Consolidating Statement of Cash Flows
For the Six Months Ended June 30, 2002

	Comcast Parent	CCCI Parent	CCCH Parent	Combined CCHMO Parents	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
OPERATING ACTIVITIES							
Net income (loss)............................	$	$237	$	$	$120	($656)	($299)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:							
Depreciation..............................					676		676
Amortization..............................					99		99
Non-cash interest (income) expense, net...		(8)			30		22
Equity in net (income) losses of affiliates..............................		(419)			(188)	656	49
Losses (gains) on investments and other (income) expense, net...................					739		739
Minority interest.........................					89		89
Deferred income taxes.....................					(4)		(4)
Other.....................................					(10)		(10)
		(190)			1,551		1,361
Changes in working capital							
Decrease in accounts receivable, net....					9		9
Decrease in inventories.................					40		40
Increase in other current assets........					(18)		(18)
Decrease in accounts payable, accrued expenses and other current liabilities.		(27)			(315)		(342)
		(27)			(284)		(311)
Net cash provided by (used in) operating activities............................		(217)			1,267		1,050
FINANCING ACTIVITIES							
Proceeds from borrowings..................		624			8		632
Retirements and repayments of debt........		(840)			(329)		(1,169)
Other.....................................					66		66
Net cash used in financing activities........		(216)			(255)		(471)
INVESTING ACTIVITIES							
Net transactions with affiliates..........		433			(433)		
Acquisitions, net of cash required........					(16)		(16)
Proceeds from sales of (purchase of) short-term investments, net............					3		3
Proceeds from sales of investments........					596		596
Purchases of investments..................					(32)		(32)
Capital expenditures......................					(789)		(789)
Additions to intangible and other noncurrent assets.......................					(133)		(133)
Net cash provided by (used in) investing activities...................		433			(804)		(371)
INCREASE IN CASH AND CASH EQUIVALENTS........					208		208
CASH AND CASH EQUIVALENTS, beginning of period.................................					350		350
CASH AND CASH EQUIVALENTS, end of period.....	$	$	$	$	$558	$	$558

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We have grown significantly in recent years through both strategic acquisitions and growth in our existing businesses. On November 18, 2002, we completed the acquisition of AT&T Corp.'s broadband business (the "Broadband acquisition"). The Broadband acquisition substantially increased the size of our cable operations and caused significant changes in our capital structure, including a substantially higher amount of debt. As a result, direct comparisons of our results of operations for periods prior to November 18, 2002 to subsequent periods are not meaningful. See "Results of Operations" for a discussion of the effects of the Broadband acquisition on our results of operations.

We have historically met our cash needs for operations through our cash flows from operating activities. We have generally financed our acquisitions and capital expenditures through issuances of our common stock, borrowings of long-term debt, sales of investments and from existing cash, cash equivalents and short-term investments.

General Developments of Business

Refer to Note 4 to our financial statements included in Item 1 for a discussion of our acquisitions and other significant events.

Liquidity and Capital Resources

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.

Available sources of financing to fund these requirements include our existing cash and cash equivalents, amounts available under our lines of credit, which total $5.163 billion as of June 30, 2003, and through the future sales or monetizations of our investments.

As more fully described in Note 4 to our financial statements included in Item 1 (see Sale of QVC), in July 2003 we and Liberty Media Corporation ("Liberty") entered into a stock purchase agreement pursuant to which Liberty will purchase our approximate 57% interest in QVC for approximately $7.9 billion in a transaction we expect to close by the end of 2003. Upon closing of the transaction, we expect to receive from Liberty shares of Liberty Series A common stock and a three-year senior unsecured note bearing interest at LIBOR plus 1.5%. The values of the shares and the note to be delivered to us are approximately $2.6 billion and $5.3 billion, respectively. Under the stock purchase agreement, we will have registration rights that should facilitate the disposal or monetization of our shares in Liberty and in the note.

Cash and Cash Equivalents

We have traditionally maintained significant levels of cash and cash equivalents to meet our short-term liquidity requirements. Our cash equivalents are recorded at fair value. Cash and cash equivalents as of June 30, 2003 were $1.324 billion, substantially all of which is unrestricted.

Investments

A significant portion of our investments are in publicly traded companies and are reflected at fair value which fluctuates with market changes.

We do not have any significant contractual funding commitments with respect to any of our investments. Our ownership interests in these investments may, however, be diluted if we do not fund our investees' non-binding capital calls. We continually evaluate our existing investments, as well as new investment opportunities.

Refer to Note 5 to our financial statements included in Item 1 for a discussion of our investments.

Financing

As of June 30, 2003 and December 31, 2002, our debt, including capital lease obligations, was $32.339 billion and $34.910 billion, respectively.

The $2.571 billion decrease from December 31, 2002 to June 30, 2003 results principally from the effects of our net repayments during 2003. Included in our debt as of June 30, 2003 and December 31, 2002 was short-term debt and current portion of long-term debt of $2.416 billion and $6.953 billion, respectively.

In January, March and May 2003, we sold an

aggregate of $4.0 billion of public debt consisting of $600 million of 5.85% senior notes due 2010, $900 million of 6.50% senior notes due 2015, $750 million of 5.50% senior notes due 2011, $750 million of 7.05% senior notes due 2033 and $1.0 billion of 5.30% senior notes due 2014. We used all of the net proceeds from the offerings to repay a portion of our short-term debt outstanding and to repay a portion of amounts outstanding under our revolving credit facilities due in 2005 and 2007.

On March 31, 2003, in connection with the closing of the TWE restructuring, we received $2.1 billion in cash which was used to repay debt, including the remaining outstanding balance of our short-term debt.

In May 2003, we redeemed at their respective scheduled redemption price $433 million aggregate principal amount of certain of our senior notes and senior subordinated notes with maturities ranging from 2003 to 2023 and interest rates ranging from 8 1/4% to 9.65%. We financed the redemptions with amounts available under our existing credit facilities.

In May 2003, we borrowed an aggregate of $2.75 billion, representing all amounts available under two new credit agreements. Borrowings under the new credit agreements, which bear interest at LIBOR plus 1.125% and LIBOR plus 0.875%, respectively, and are due in 2006, were used to repay a portion of the $3.18 billion that was outstanding under our term loan due 2004. The new credit agreements replaced our 364-day credit facility, which expired in May 2003.

In June 2003, we sold our interest in CC VIII, LLC, a cable joint venture with Charter Communications, Inc. ("Charter") to Paul G. Allen, Charter's Chairman, for $728 million in cash. We used the proceeds from the sale to repay a portion of the amounts outstanding under our revolving credit facilities.

During 2003, we settled our obligations relating to certain of our Exchangeable Notes by delivering the underlying shares of common stock to the counterparty upon maturity of the instruments, and the equity collar agreements related to the underlying shares expired. The transaction, which represented a non-cash financing and investing activity, had no effect on our statement of cash flows due to its non-cash nature. As of June 30, 2003, the securities held by us collateralizing the Exchangeable Notes were sufficient to satisfy the debt obligations associated with the outstanding Exchangeable Notes.

Excluding the effects of interest rate risk management instruments, 18.5% and 31.8% of our long- term debt, including short-term debt and current portion, as of June 30, 2003 and December 31, 2002, respectively, was at variable rates.

We have and may 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.

Refer to Note 7 to our financial statements included in Item 1 for a discussion of our long-term debt.

Equity Price Risk Management

We have entered into cashless collar agreements (the "Equity Collars") and prepaid forward sales agreements ("Prepaid Forward Sales") which we account for at fair value. The Equity Collars and Prepaid Forward Sales limit our exposure to and benefits from price fluctuations in the common stock of certain of our investments accounted for as trading securities.

The change in the fair value of our investments accounted for as trading securities was substantially offset by the changes in the fair values of the Equity Collars and the derivative components of the ZONES, Exchangeable Notes and Prepaid Forward Sales. See "Results of Operations - Investment Income (Loss), Net" below.

Statement of Cash Flows

Cash and cash equivalents increased $543 million as of June 30, 2003 from December 31, 2002. The increase in cash and cash equivalents resulted from cash flows from operating, financing and investing activities, which are explained below.

Net cash provided by operating activities, which amounted to $1.994 billion for the six months ended June 30, 2003, is comprised of operating income excluding depreciation and amortization (see "Results of Operations"), the effects of interest payments and changes in working capital as a result of the timing of receipts and disbursements, including income tax payments.

Net cash used in financing activities consists primarily of borrowings and repayments of debt. Net cash used in financing activities was $2.700 billion for the six months ended June 30, 2003. During the six months ended June 30, 2003, we borrowed $8.848 billion, consisting of:

- $3.988 billion of senior notes,
- $3.100 billion under revolving credit facilities,
- $1.650 billion under a term loan due 2006, and
- $110 million under capital leases and other.

During the six months ended June 30, 2003, we repaid $11.545 billion of our debt, consisting of:

- $3.750 billion of our short-term debt,
- $3.200 billion of our revolving credit facilities,
- $2.750 billion of our term loans,
- $1.800 billion of our senior notes, and
- $45 million under capital leases and other.

Net cash provided by investing activities was $1.249 billion for the six months ended June 30, 2003, including capital expenditures of $2.041 billion, proceeds from the restructuring of our TWE investment of $2.100 billion, and proceeds from sales of investments and assets held for sale of $1.492 billion.

Results of Operations

The effects of the Broadband acquisition were to increase our revenues and expenses, resulting in increases in our operating income. The increases in our depreciation expense from the 2002 to 2003 interim periods are primarily due to the effects of the Broadband acquisition and our increased levels of capital expenditures. The increases in our amortization expense and interest expense from the 2002 to 2003 interim periods are primarily due to the effects of the Broadband acquisition.

As the effect of the Broadband acquisition was to substantially increase the size of our cable operations, direct comparisons of our results of operations for periods prior to November 18, 2002 to subsequent periods are not meaningful. Refer to "Pro Forma Results" below for additional information relating to our cable segment operating results as if the Broadband acquisition occurred on January 1, 2002.

Our summarized financial information for the interim periods is as follows (dollars in millions, "NM" denotes percentage is not meaningful):

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Increase / (Decrease) $	Increase / (Decrease) %
Revenues	$5,685	$2,704	$2,981	110.3%
Cost of goods sold from electronic retailing	697	626	71	11.3
Operating, selling, general and administrative expenses	3,157	1,212	1,945	160.5
Depreciation	837	342	495	144.7
Amortization	383	46	337	732.6
Operating income	611	478	133	27.8
Interest expense	(492)	(182)	310	170.3
Investment income (loss), net	9	(459)	468	NM
Equity in net losses of affiliates	(1)	(44)	(43)	(97.7)
Other income	24	9	15	166.7
Income tax (expense) benefit	(77)	33	(110)	NM
Minority interest	(96)	(45)	51	113.3
Net loss	($22)	($210)	($188)	(89.5%)

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002	Increase / (Decrease) $	Increase / (Decrease) %
Revenues	$11,203	$5,371	$5,832	108.6%
Cost of goods sold from electronic retailing	1,370	1,255	115	9.2
Operating, selling, general and administrative expenses	6,364	2,442	3,922	160.6
Depreciation	1,636	676	960	142.0
Amortization	749	99	650	656.6
Operating income	1,084	899	185	20.6
Interest expense	(1,017)	(369)	648	175.6
Investment loss, net	(221)	(707)	(486)	(68.7)
Equity in net losses of affiliates	(21)	(49)	(28)	(57.1)
Other income (expense)	42	(14)	56	NM
Income tax (expense) benefit	(9)	30	(39)	NM
Minority interest	(177)	(89)	88	98.9
Net loss	($319)	($299)	$20	6.7%

Consolidated Operating Results

Revenues

The increases in consolidated revenues for the interim periods from 2002 to 2003 are primarily attributable to increases in service revenues in our Cable segment principally due to the effects of the Broadband acquisition and, to a lesser extent, to increases in net sales in our Commerce segment (see "Operating Results by Business Segment" below). The remaining increases are primarily the result of increases in revenues from our content operations, principally due to increases in distribution and advertising revenues of our cable channels.

Cost of goods sold from electronic retailing

Refer to the "Commerce" section of "Operating Results by Business Segment" below for a discussion of the increases in cost of goods sold from electronic retailing.

Operating, selling, general and administrative expenses

The increases in consolidated operating, selling, general

and administrative expenses for the interim periods from 2002 to 2003 are primarily attributable to increases in expenses in our Cable segment principally due to the effects of the Broadband acquisition and, to a lesser extent, to increases in expenses in our Commerce segment (see "Operating Results by Business Segment" below). The remaining increases are primarily the result of increased expenses in our content operations, and also due to increases in corporate overhead as a result of the Broadband acquisition.

Depreciation and Amortization

The increases in depreciation and amortization expense for the interim periods from 2002 to 2003 are primarily attributable to our Cable segment and are principally due to the effects of the Broadband acquisition, as well as our increased levels of capital expenditures. As a result of the Broadband acquisition, we recorded approximately $4 billion of franchise related customer relationship intangible assets which we are amortizing over their average estimated useful life of approximately four years.

Operating Results by Business Segment

The following represent the operating results of our significant business segments, "Cable" and "Commerce." The remaining components of our operations are not independently significant to our consolidated financial condition or results of operations. Refer to Note 11 to our financial statements included in Item 1 for a summary of our financial data by business segment (dollars in millions).

Cable

The discussion of our cable segment operating results is presented as a historical comparison of the 2003 interim periods and the pre-Broadband acquisition 2002 interim periods. In order to provide additional information relating to our cable segment operating results, we also present a discussion comparing our cable segment operating results on a pro forma basis. Pro forma data is used by management to evaluate performance when significant acquisitions or dispositions occur. Historical data reflects results of acquired businesses only after the acquisition dates while pro forma data enhances comparability of financial information between periods by adjusting the data as if the acquisitions (or dispositions) occurred at the beginning of the prior year. Our pro forma data is only adjusted for the timing of acquisitions and does not include adjustments for costs related to integration activities, cost savings or synergies that have or may be achieved by the combined businesses. In the opinion of management, this information is not indicative of what our results would have been had we operated Broadband since January 1, 2002, nor of our future results.

Pro Forma Results

As previously described, the following discussion includes the pro forma results of our cable segment operations as if the Broadband acquisition had occurred on January 1, 2002.

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Increase/(Decrease) $	Increase/(Decrease) %
Video	$3,037	$2,888	$149	5.1%
High-speed Internet	548	349	199	56.6
Phone	205	208	(3)	(1.9)
Advertising sales	285	264	21	8.3
Other	153	161	(8)	(5.0)
Franchise fees	151	139	12	8.7
Revenues	4,379	4,009	370	9.2
Operating, selling, general and administrative expenses	2,782	2,832	(50)	(1.8)
Operating income before depreciation and amortization (a)	$1,597	$1,177	$420	35.7%

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002	Increase/(Decrease) $	Increase/(Decrease) %
Video	$6,018	$5,715	$303	5.3%
High-speed Internet	1,040	661	379	57.3
Phone	430	383	47	12.0
Advertising sales	521	481	40	8.3
Other	299	326	(27)	(8.3)
Franchise fees	302	287	15	5.2
Revenues	8,610	7,853	757	9.6
Operating, selling, general and administrative expenses	5,592	5,630	(38)	(0.7)
Operating income before depreciation and amortization (a)	$3,018	$2,223	$795	35.8%

(a) Operating income before depreciation and amortization is defined as operating income before depreciation and amortization and impairment charges, if any, related to fixed and intangible assets. As such, it eliminates the significant level of non-cash depreciation and amortization expense that results from the capital intensive nature of our businesses and intangible assets recognized in business combinations, and is unaffected by our capital structure or investment activities. Our management and Board of Directors use this measure in evaluating our consolidated operating performance and the operating performance of all of our operating segments. This metric is used to allocate resources and capital to our operating segments and is a significant component of our annual incentive compensation programs. We believe that this measure is also useful to investors as it is one of the bases for comparing our operating performance with other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. Because we use this measure as the measure of our segment profit or loss, we reconcile it to operating income, the most directly comparable financial measure calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP), in the business segment footnote to our financial statements. This measure should not be considered as a substitute for operating income (loss), net income (loss), net cash provided by operating activities or other measures of performance or liquidity reported in accordance with GAAP.

Video revenue consists of our basic, expanded basic, premium, pay-per-view, equipment and digital cable services. The increases in video revenue for the interim periods from 2002 to 2003 are primarily due to the effects of increases in average monthly revenue per basic subscriber as a result of rate increases in our traditional analog video service and growth in digital subscribers. These increases were offset by lower pay-per-view revenue due to the absence of major boxing events in the second quarter of 2003 and the continuing impact of pre-

acquisition basic subscriber losses in the newly acquired cable systems. From June 30, 2002 to June 30, 2003, we added approximately 1,127,000 digital subscribers, or a 19.4% increase in digital subscribers.

The increases in high-speed Internet revenue for the interim periods from 2002 to 2003 are primarily due to the addition of approximately 1,474,000 high-speed Internet subscribers from June 30, 2002 to June 30, 2003, or a 50.6% increase in high-speed Internet subscribers, as well as to the effects of increases in average monthly revenue per subscriber as a result of rate increases.

The decrease in phone revenue for the three-month interim period from 2002 to 2003 is primarily due to our reduced marketing efforts during 2003. The increase in phone revenue for the six-month interim period from 2002 to 2003 is primarily due to an increase in the number of phone subscribers during 2002 offset, to some extent, by the effects of our reduced marketing efforts during 2003. During the three months ended June 30, 2003, our phone subscribers decreased by approximately 52,000 subscribers primarily as a result of our reduced marketing efforts. We anticipate that our phone subscribers may decrease by up to a total of approximately 150,000 subscribers for all of 2003.

The increases in advertising sales revenue for the interim periods from 2002 to 2003 are primarily due to the effects of growth in regional/national advertising as a result of the continuing success of our regional interconnects, and growth in a soft local advertising market.

Other revenue includes installation revenues, guide revenues, commissions from electronic retailing, revenues of our digital media center, revenues of our regional sports programming networks and revenue from other product offerings.

The increases in franchise fees collected from our cable subscribers for the interim periods from 2002 to 2003 are primarily attributable to the increase in our revenues upon which the fees apply.

The decreases in operating, selling, general and administrative expense for the interim periods from 2002 to 2003 are primarily due to the effects of approximately $100 million and $188 million of acquisition and employee termination related costs recorded by Broadband during the three and six months ended June 30, 2002, offset by the effects of increases in the costs of cable programming, high-speed Internet subscriber growth, and increases in labor costs and other volume related expenses in our operations.

Our cost of programming increases as a result of changes in rates, subscriber growth, additional channel offerings and our acquisitions. 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.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
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Historical Results

	Three Months Ended June 30, 2003	2002	Increase $	%
Video	$3,037	$1,186	$1,851	156.1%
High-speed Internet	548	140	408	291.4
Phone	205	6	199	NM
Advertising sales	285	100	185	185.0
Other	153	58	95	163.8
Franchise fees	151	51	100	196.1
Revenues	4,379	1,541	2,838	184.2
Operating, selling, general and administrative expenses	2,782	887	1,895	213.6
Operating income before depreciation and amortization (a)	$1,597	$654	$943	144.2%

	Six Months Ended June 30, 2003	2002	Increase $	%
Video	$6,018	$2,336	$3,682	157.6%
High-speed Internet	1,040	259	781	301.5
Phone	430	12	418	NM
Advertising sales	521	181	340	187.8
Other	300	120	180	150.0
Franchise fees	302	102	200	196.1
Revenues	8,611	3,010	5,601	186.1
Operating, selling, general and administrative expenses	5,593	1,759	3,834	218.0
Operating income before depreciation and amortization (a)	$3,018	$1,251	$1,767	141.2%

____
(a) See footnote (a) on page 36.

Of the $1.851 billion and $3.682 billion increases in video revenues for the interim periods from 2002 to 2003, $1.780 billion and $3.532 billion, respectively, is attributable to the effects of our acquisition of Broadband and $71 million and $150 million, respectively, relates to changes in rates and subscriber growth in our historical operations, driven principally by growth in digital subscribers. From June 30, 2002 to June 30, 2003, we added approximately 435,000 digital subscribers in our historical operations, or a 22.0% increase in digital subscribers. During the three and six months ended June 30, 2003, we added approximately 162,000 and 331,000 digital subscribers, respectively, in our consolidated cable operations.

The increases in high-speed Internet revenue for the interim periods from 2002 to 2003 are primarily due to the effects of the Broadband acquisition and growth in high-speed Internet subscribers. From June 30, 2002 to June 30, 2003, we added approximately 713,000 high- speed Internet subscribers in our historical operations, or a 61.0% increase in high-speed Internet subscribers. During the three and six months ended June 30, 2003, we added approximately 351,000 and 768,000 high-speed Internet subscribers, respectively, in our consolidated cable operations.

The increases in phone revenue are attributable to the effects of our acquisition of Broadband.

The increases in advertising sales revenue for the interim periods from 2002 to 2003 are primarily due to the effects of the Broadband acquisition, as well as to the effects of growth in regional/national advertising as a result of the continuing success of our regional interconnects, and growth in a soft local advertising market.

The increases in other revenue for the interim periods from 2002 to 2003 are primarily attributable to the effects of the Broadband acquisition.

The increases in franchise fees collected from our

cable subscribers for the interim periods from 2002 to 2003 are primarily attributable to the increases in our revenues upon which the fees apply.

The increases in operating, selling, general and administrative expense for the interim periods from 2002 to 2003 are primarily due to the effects of the Broadband acquisition, as well as to the effects of increases in the costs of cable programming, high-speed Internet subscriber growth, and, to a lesser extent, increases in labor costs and other volume related expenses in our historical operations.

Commerce (QVC, Inc. and Subsidiaries)

	Three Months Ended June 30, 2003	Three Months Ended June 30, 2002	Increase $	Increase %
Net sales from electronic retailing	$1,101	$990	$111	11.3%
Cost of goods sold from electronic retailing	697	626	71	11.3
Operating, selling, general and administrative expenses	185	170	15	8.8
Operating income before depreciation and amortization (a)	$219	$194	$25	13.2%
Gross margin	36.7%	36.7%		

	Six Months Ended June 30, 2003	Six Months Ended June 30, 2002	Increase $	Increase %
Net sales from electronic retailing	$2,163	$1,978	$185	9.4%
Cost of goods sold from electronic retailing	1,370	1,255	115	9.2
Operating, selling, general and administrative expenses	363	337	26	7.7
Operating income before depreciation and amortization (a)	$430	$386	$44	11.5%
Gross margin	36.7%	36.5%		

(a) See footnote (a) on page 36.

Of the $111 million and $185 million increases in net sales from electronic retailing for the interim periods from 2002 to 2003, $93 million and $167 million, respectively, are attributable to increases in net sales in Germany, Japan, and the United Kingdom, and to the effects of fluctuations in foreign currency exchange rates during the interim periods. The remaining increases in net sales from electronic retailing are attributable to growth in QVC's U.S. operations. Changes in the average number of homes receiving QVC services and net sales per home in the United States as compared to the prior year interim periods are as follows:

	Three Months Ended June 30, 2003	Six Months Ended June 30, 2003
Increase in average number of homes	2.4%	2.7%

Increase (decrease) in net sales per home....................	0.4%	(1.1%)

It is unlikely that the number of homes receiving the QVC service domestically will continue to grow at rates comparable to prior periods given that the QVC service is already received by approximately 97% of all U.S. cable television homes and substantially all satellite television homes in the U.S. Future growth in domestic sales will depend increasingly on continued additions of new customers from homes already receiving the QVC service and growth in repeat sales to existing customers.

The increases in cost of goods sold are primarily related to the growth in net sales. The increase in gross margin for the six month interim period from 2002 to 2003 is primarily due to the effects of shifts in sales mix.

The increases in operating, selling, general and administrative expenses 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 for the interim periods from 2002 to 2003 are due to the effects of our increased amount of debt outstanding as a result of the Broadband acquisition.

We anticipate that, for the foreseeable future, interest expense will be significant. We believe we will continue to be able to meet our obligations through our ability both to generate cash flow from operations and to obtain external financing.

Investment Income (Loss), Net

Investment income (loss), net for the interim periods includes the following (in millions):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Interest and dividend income..................................	$49	$11	$82	$18
Gains (losses) on sales and exchanges of investments, net......		(103)	22	(101)
Investment impairment losses..................................	(15)	(208)	(70)	(221)
Unrealized gains (losses) on trading securities................	307	(420)	292	(1,440)
Mark to market adjustments on derivatives related to trading securities............................	(294)	324	(305)	1,171
Mark to market adjustments on derivatives and hedged items.....	(38)	(63)	(242)	(134)
Investment income (loss), net............................	$9	($459)	($221)	($707)

Investment income (loss), net during the 2003 interim periods includes fair value adjustments for the derivative component of the Comcast Exchangeable Notes. There is no corresponding offset to these adjustments in our statement of operations since the underlying Comcast common stock held in treasury will continue to be carried at our historical cost and not adjusted for changes in fair value. Accordingly, our future results of operations may be affected by fluctuations in the fair value of the derivative component of the Comcast Exchangeable Notes in future periods.

Equity in Net Losses of Affiliates

The decreases in equity in net losses of affiliates for the interim periods from 2002 to 2003 are primarily attributable to decreases in the net losses of certain of our international equity method investees.

Other Income (Expense)

The changes in other income (expense) for the interim periods from 2002 to 2003 are primarily attributable to lease rental income related to certain assets acquired in connection with the Broadband acquisition.

Income Tax (Expense) Benefit

The changes in income tax (expense) benefit for the interim periods from 2002 to 2003 are primarily the result of the effects of changes in our income (loss) before taxes and minority interest.

Minority Interest

The increases in minority interest for the interim periods from 2002 to 2003 are attributable to the effects of changes in the net income or loss of our less than wholly owned consolidated subsidiaries, as well as to the minority interests in certain subsidiaries acquired in connection with the Broadband acquisition.

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

ITEM 4. CONTROLS AND PROCEDURES

Our chief executive officer and our co-chief financial officers, after evaluating the effectiveness of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) or 15d-15(e)) as of the end of the period covered by this quarterly report, have concluded, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, that our disclosure controls and procedures were adequate and designed to ensure that material information relating to us and our consolidated subsidiaries would be made known to them by others within those entities.

Changes in internal control over financial reporting. There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Refer to Note 10 to our condensed financial statements included in Item 1 for a discussion of recent developments related to our legal proceedings.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED JUNE 30, 2003

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

At the Annual Meeting on May 7, 2003, the shareholders approved the following proposals:

To ratify the appointment of Deloitte & Touche LLP as the Company's independent auditors for the 2003 fiscal year.

Class of Stock	For	Against	Abstain
Class A	222,875,542	6,887,126	3,007,862
Class B	141,665,625		

To approve the 2003 Stock Option Plan.

Class of Stock	For	Against	Abstain
Class A	147,846,481	42,626,229	2,782,001
Class B	141,665,625		

To approve the amended and restated 2002 Restricted Stock Plan.

Class of Stock	For	Against	Abstain
Class A	165,885,062	23,680,216	3,689,432
Class B	141,665,625		

To approve the amended and restated 2002 Employee Stock Purchase Plan.

Class of Stock	For	Against	Abstain
Class A	223,890,208	5,887,583	2,992,688
Class B	141,665,625		

To approve the 2002 Supplemental Cash Bonus Plan.

Class of Stock	For	Against	Abstain
Class A	215,138,532	14,389,016	3,242,983
Class B	141,665,625		

To approve the amended and restated 2002 Non-Employee Director Compensation Plan (Stock Program).

Class of Stock	For	Against	Abstain
Class A	216,197,458	13,227,317	3,345,756
Class B	141,665,625		

To approve an amendment to the Company's Amended and Restated Articles of Incorporation.

Class of Stock	For	Against	Abstain
Class A	220,235,565	8,867,163	3,667,804
Class B	141,665,625		

ITEM 5. OTHER INFORMATION

The information under this Item is being provided as required by Item 11 of Form 8-K. Participants in the Comcast Corporation Retirement-Investment Plan, the Company's 401(k) plan, were subject to a "blackout notice," as defined in Regulation BTR, as a result of the transition of the plan administrator from Putnam Investments to Fidelity Investments. The blackout period commenced on June 16, 2003 and ended on July 7, 2003.

During the blackout period, the ability of participants in the plan to make certain changes and elections with regard to their assets and investment options under the plan was suspended. From June 16, 2003 through June 24, 2003, the ability of all participants to receive in-kind distributions of Company stock from their plan accounts was suspended. From June 24, 2003 through July 7, 2003, the ability of all participants in the plan to enroll in the plan and to purchase, sell or otherwise acquire or transfer an interest in plan assets, to make changes in investment options and to initiate distributions and loans was suspended. The ability of the Company's directors and executive officers to purchase, sell or otherwise transfer any equity securities of the Company (or derivative securities of those equity securities) acquired in connection with service to or employment with the Company was also suspended from June 16, 2003 through July 7, 2003. All of the Company's equity securities were subject to the blackout period.

The person designated by the Company to respond to inquiries about the blackout period was Elizabeth Weber at Comcast Corporation, 1500 Market Street, Philadelphia, PA 19102-2148; telephone (215) 665-1700.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

31 Certifications of Chief Executive Officer and Co-Chief Financial Officers pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32 Certification of Chief Executive Officer and Co-Chief Financial Officers pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K:

(i) We filed a Current Report on Form 8-K under Items 7(c) and 9 on May 9, 2003 announcing our results of operations for the quarter ended March 31, 2003.

SIGNATURES

Pursuant to the requirements 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.

COMCAST CORPORATION

/S/ LAWRENCE J. SALVA

Lawrence J. Salva
Senior Vice President and Controller
(Principal Accounting Officer)

Date: August 1, 2003

Exhibit 31

CERTIFICATIONS

I, Brian L. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comcast Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986.]

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2003

/s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Chief Executive Officer

I, Lawrence S. Smith, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comcast Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986.]

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2003

/s/ LAWRENCE S. SMITH

Name: Lawrence S. Smith
Co-Chief Financial Officer

I, John R. Alchin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Comcast Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial

information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) [Paragraph omitted pursuant to SEC Release Nos. 33-8238 and 34-47986.]

    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2003

/s/ JOHN R. ALCHIN

Name: John R. Alchin
Co-Chief Financial Officer

Exhibit 32

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act

August 1, 2003

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Ladies and Gentlemen:

The certification set forth below is being submitted in connection with the quarterly report on Form 10-Q of Comcast Corporation (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Brian L. Roberts, the Chief Executive Officer, Lawrence S. Smith, the Co-Chief Financial Officer and John R. Alchin, the Co-Chief Financial Officer of Comcast Corporation, each certifies that, to the best of his knowledge:

1. the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Comcast Corporation.

/s/ BRIAN L. ROBERTS

Name: Brian L. Roberts
Chief Executive Officer

/s/ LAWRENCE S. SMITH

Name: Lawrence S. Smith
Co-Chief Financial Officer

/s/ JOHN R. ALCHIN

Name: John R. Alchin
Co-Chief Financial Officer