



**TABLE 1**  
**Condensed Consolidated Statement of Operations (Unaudited)**  
(amounts in millions, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenues	\$5,578	\$5,098	\$16,539	\$15,072
Operating expenses	2,007	1,837	5,908	5,500
Selling, general and administrative expenses	1,472	1,401	4,293	4,027
	<u>3,479</u>	<u>3,238</u>	<u>10,201</u>	<u>9,527</u>
Operating Cash Flow	2,099	1,860	6,338	5,545
Depreciation expense	914	869	2,679	2,480
Amortization expense	302	305	862	868
	<u>1,216</u>	<u>1,174</u>	<u>3,541</u>	<u>3,348</u>
Operating Income	883	686	2,797	2,197
Other Income (Expense)				
Interest expense	(423)	(435)	(1,334)	(1,419)
Investment income (loss), net	(104)	89	36	231
Equity in net losses of affiliates	(18)	(29)	(22)	(66)
Other income (expense)	17	63	(61)	82
	<u>(528)</u>	<u>(312)</u>	<u>(1,381)</u>	<u>(1,172)</u>
Income before Income Taxes and Minority Interest	355	374	1,416	1,025
Income tax expense	(143)	(156)	(614)	(466)
Income Before Minority Interest	212	218	802	559
Minority interest	10	2	(7)	(12)
Net Income	<u>\$222</u>	<u>\$220</u>	<u>\$795</u>	<u>\$547</u>
Net Income per common share	<u>\$0.10</u>	<u>\$0.10</u>	<u>\$0.36</u>	<u>\$0.24</u>
Basic weighted average number of common shares	<u>2,196</u>	<u>2,234</u>	<u>2,206</u>	<u>2,249</u>
Diluted weighted average number of common shares	<u>2,209</u>	<u>2,243</u>	<u>2,219</u>	<u>2,259</u>



**TABLE 2**  
**Condensed Consolidated Balance Sheet (Unaudited)**  
(dollars in millions)

	September 30, 2005	December 31, 2004
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$579	\$452
Investments	207	1,555
Accounts receivable, net	990	959
Other current assets	587	569
Total current assets	2,363	3,535
INVESTMENTS	13,018	12,812
PROPERTY AND EQUIPMENT, net	18,781	18,711
FRANCHISE RIGHTS	51,111	51,071
GOODWILL	14,111	14,020
OTHER INTANGIBLE ASSETS, net	3,378	3,851
OTHER NONCURRENT ASSETS, net	635	694
	\$103,397	\$104,694
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses related to trade creditors	\$1,980	\$2,041
Accrued expenses and other current liabilities	2,667	2,735
Deferred income taxes	17	360
Current portion of long-term debt	2,498	3,499
Total current liabilities	7,162	8,635
LONG-TERM DEBT, less current portion	20,107	20,093
DEFERRED INCOME TAXES	27,130	26,815
OTHER NONCURRENT LIABILITIES	7,388	7,261
MINORITY INTEREST	605	468
STOCKHOLDERS' EQUITY	41,005	41,422
	\$103,397	\$104,694



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

	Nine Months Ended September 30,	
	2005	2004
<b>OPERATING ACTIVITIES</b>		
Net cash provided by operating activities	<b>\$3,940</b>	<b>\$4,435</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from borrowings	2,333	1,354
Retirements and repayments of debt	(1,942)	(2,289)
Repurchases of common stock and stock options	(1,291)	(1,007)
Issuances of common stock	76	50
Other, net	27	14
Net cash used in financing activities	<b>(797)</b>	<b>(1,878)</b>
<b>INVESTING ACTIVITIES</b>		
Capital expenditures	(2,753)	(2,610)
Proceeds from sales and restructuring of investments	626	200
Purchases of investments	(310)	(118)
Acquisitions, net of cash acquired	(196)	(296)
Additions to intangible and other noncurrent assets	(317)	(572)
Purchases of short-term investments, net	(66)	(20)
Proceeds from settlement of contract of acquired company	-	26
Net cash used in investing activities	<b>(3,016)</b>	<b>(3,390)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>127</b>	<b>(833)</b>
CASH AND CASH EQUIVALENTS, beginning of period	<b>452</b>	<b>1,550</b>
CASH AND CASH EQUIVALENTS, end of period	<b>\$579</b>	<b>\$717</b>

**TABLE 4**  
**Calculation of Free Cash Flow (Unaudited) (1)**  
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Operating Cash Flow	\$2,099	\$1,860	\$6,338	\$5,545
Interest, Net (2)	417	403	1,243	1,309
Cash Paid for Income Taxes	48	39	475	189
Capital Expenditures	911	878	2,753	2,610
<b>FREE CASH FLOW</b>	<b>\$723</b>	<b>\$540</b>	<b>\$1,867</b>	<b>\$1,437</b>
Changes in Working Capital and Other Items (3)	(211)	384	(680)	388
Net Cash Provided by Operating Activities Less Capital Expenditures	<b>\$512</b>	<b>\$924</b>	<b>\$1,187</b>	<b>\$1,825</b>

(1) Free Cash Flow is defined as Operating Cash Flow less net interest, cash paid for taxes, and capital expenditures. It is unaffected by fluctuations in working capital levels from period to period and cash payments associated with intangible and other noncurrent assets, acquisitions and investments. Cash payments for intangible and other noncurrent assets include long-term technology license agreements including computer software and long-term contract rights to service multi-dwelling properties. For the nine months ended September 30, 2005, cash payments for intangibles and other noncurrent assets of \$317 million included licenses and software intangibles of \$129 million and multiple dwelling unit contracts of \$53 million. For the nine months ended September 30, 2004, cash payments for intangible assets and other noncurrent assets of \$572 million included a long-term strategic license agreement with Gemstar of approximately \$250 million, other licenses and software intangibles of \$126 million and multiple dwelling unit contracts of \$157 million. For the nine months ended September 30, 2005, cash payments for acquisitions and investments totaling \$506 million included MGM Inc., Liberate Technologies, and MetaTV. In 2004, cash payments for acquisitions and investments totaling \$414 primarily related to the acquisition of TechTV.

(2) Includes interest expense net of interest income and excludes non-cash interest and subsidiary preferred dividends.

(3) Free Cash Flow excludes amounts necessary to reconcile Free Cash Flow to "Net Cash Provided by Operating Activities Less Capital Expenditures." For the nine months ended September 30, 2005, this amount includes \$418 million in cash payments for liabilities incurred as part of the acquisition of AT&T Broadband, including \$220 million in payments representing our share of the settlement payments related to certain AT&T litigation. For the nine months ended September 30, 2004, this amount includes income tax refunds of \$536 million offset by \$271 million in cash payments for liabilities recorded as part of the acquisition of AT&T Broadband. For the three months ended September 30, 2005, this amount includes \$35 million in cash payments for liabilities incurred as part of the acquisition of AT&T Broadband. For the three months ended September 30, 2004, this amount includes \$72 million in cash payments for liabilities recorded as part of the acquisition of AT&T Broadband. The remaining changes for both periods substantially relate to reductions in accruals associated with the timing of payments of interest.



**TABLE 5**  
**Pro Forma Financial Data by Business Segment (Unaudited) (1)**  
(dollars in millions)

	<u>Cable (2)</u>	<u>Content (3)</u>	<u>Corporate and Other (4)</u>	<u>Total</u>
<b><u>Three Months Ended September 30, 2005</u></b>				
Revenues	\$5,319	\$237	\$22	\$5,578
Operating Cash Flow	\$2,116	\$74	(\$91)	\$2,099
Operating Income (Loss)	\$948	\$36	(\$101)	\$883
Operating Cash Flow Margin	39.8%	31.4%	NM	37.6%
Capital Expenditures (5)	\$899	\$4	\$8	\$911
<b><u>Three Months Ended September 30, 2004</u></b>				
Revenues	\$4,844	\$207	\$47	\$5,098
Operating Cash Flow	\$1,858	\$62	(\$60)	\$1,860
Operating Income (Loss)	\$746	\$20	(\$80)	\$686
Operating Cash Flow Margin	38.4%	30.2%	NM	36.5%
Capital Expenditures (5)	\$871	\$4	\$3	\$878
<b><u>Nine Months Ended September 30, 2005</u></b>				
Revenues	\$15,750	\$684	\$105	\$16,539
Operating Cash Flow	\$6,286	\$248	(\$196)	\$6,338
Operating Income (Loss)	\$2,893	\$136	(\$232)	\$2,797
Operating Cash Flow Margin	39.9%	36.2%	NM	38.3%
Capital Expenditures (5)	\$2,718	\$11	\$24	\$2,753
<b><u>Nine Months Ended September 30, 2004</u></b>				
Revenues	\$14,334	\$582	\$161	\$15,077
Operating Cash Flow	\$5,499	\$208	(\$160)	\$5,547
Operating Income (Loss)	\$2,327	\$92	(\$220)	\$2,199
Operating Cash Flow Margin	38.4%	35.8%	NM	36.8%
Capital Expenditures (5)	\$2,578	\$14	\$18	\$2,610

- (1) See Non-GAAP and Other Financial Measures in Table 7. Historical financial data by business segment, as required under generally accepted accounting principles, is available in the Company's quarterly report on Form 10-Q. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.
- (2) Pro forma financial data includes the results of the 30,000 cable subscribers acquired from US Coastal Cable in April 2004.
- (3) Content includes our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, OLN, G4 and AZN Television.
- (4) Corporate and Other includes Comcast-Spectacor, Corporate activities and all other businesses not presented in the Cable or Content segments and elimination entries. Beginning in the third quarter of 2004, Comcast-Spectacor includes the operating results of its investment in a sports-event related business.
- (5) Our Cable segment's capital expenditures are comprised of the following categories:

	<u>3Q05</u>	<u>3Q04</u>	<u>YTD 3Q05</u>	<u>YTD 3Q04</u>
<b>New Service Offerings</b>				
Customer Premise Equipment (CPE)	\$484	\$392	\$1,416	\$1,022
Scalable Infrastructure	204	152	640	383
	<u>688</u>	<u>544</u>	<u>2,056</u>	<u>1,405</u>
<b>Recurring Capital Projects</b>				
Line Extensions	83	84	228	225
Support Capital	75	45	214	210
	<u>158</u>	<u>129</u>	<u>442</u>	<u>435</u>
<b>Upgrades</b>				
	53	198	220	738
<b>Total</b>	<u>\$899</u>	<u>\$871</u>	<u>\$2,718</u>	<u>\$2,578</u>

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



**TABLE 6**  
**Pro Forma Data - Cable Segment Components (Unaudited) (1) (2)**  
(dollars in millions, except average monthly revenue per subscriber data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2005	2004	2005	2004
Revenues:				
Video (3)	\$3,406	\$3,222	\$10,209	\$9,655
High-Speed Internet	1,020	808	2,927	2,269
Phone	171	173	514	528
Advertising	333	319	991	918
Other (4)	216	161	599	481
Franchise Fees	173	161	510	483
<b>Total Revenues</b>	<b>\$5,319</b>	<b>\$4,844</b>	<b>\$15,750</b>	<b>\$14,334</b>
Operating Cash Flow	\$2,116	\$1,858	\$6,286	\$5,499
Operating Income	\$948	\$746	\$2,893	\$2,327
Operating Cash Flow Margin	39.8%	38.4%	39.9%	38.4%
Capital Expenditures	\$899	\$871	\$2,718	\$2,578
Operating Cash Flow, Net of Capital Expenditures	\$1,217	\$987	\$3,568	\$2,921

	3Q05	3Q04	2Q05
<b>Video</b>			
Homes Passed (000's)	41,400	40,500	41,200
Basic Subscribers (000's)	21,409	21,501	21,455
Basic Penetration	51.8%	53.0%	52.1%
Quarterly Net Basic Subscriber Additions (000's)	(46)	9	(77)
Digital Subscribers (000's)	9,447	8,406	9,140
Digital Penetration	44.1%	39.1%	42.6%
Quarterly Net Digital Subscriber Additions (000's)	307	341	284
Digital Set-Top Boxes	14,398	12,482	13,859
Monthly Average Video Revenue per Basic Subscriber	\$52.98	\$49.97	\$53.37
Monthly Average Total Revenue per Basic Subscriber	\$82.70	\$75.10	\$82.64
<b>High-Speed Internet</b>			
"Available" Homes (000's)	40,980	38,060	40,758
Subscribers (000's)	8,142	6,556	7,705
Penetration	19.9%	17.2%	18.9%
Quarterly Net Subscriber Additions (000's)	437	549	297
Monthly Average Revenue per Subscriber	\$42.88	\$42.90	\$43.34
<b>Phone</b>			
"Available" Homes (000's) (5)	16,524	9,978	11,454
Subscribers (000's)	1,242	1,213	1,230
Penetration	7.5%	12.2%	10.7%
Quarterly Net Subscriber Additions (000's)	12	(12)	2
Monthly Average Revenue per Subscriber	\$46.03	\$47.18	\$46.06
Total Revenue Generating Units (000's) (6)	40,240	37,676	39,530
Quarterly Net Additions	710	887	506

- (1) See Non-GAAP and Other Financial Measures in Table 7. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.
- (2) Pro forma financial and subscriber data includes the results of the 30,000 cable subscribers acquired from US Coastal Cable in April 2004. Pro forma subscriber data also includes 67,000 subscribers acquired in various small acquisitions during the periods presented. The impact of these acquisitions on our segment operating results was not material.
- (3) Video revenues consist of our basic, expanded basic, premium, pay-per-view, equipment and digital services.
- (4) Other revenues include installation revenues, guide revenues, commissions from electronic retailing, other product offerings, commercial data services and revenues of our digital media center and regional sports programming networks.
- (5) Available homes includes circuit switched and Comcast Digital Voice homes.
- (6) The sum total of all basic video, digital video, high-speed Internet and phone subscribers, excluding additional outlets.



## TABLE 7

### Non-GAAP and Other Financial Measures

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

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

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

Free Cash Flow, which is a non-GAAP financial measure, is defined as Operating Cash Flow less net interest, cash paid for taxes, and capital expenditures. As such, it is unaffected by fluctuations in working capital levels from period to period and cash payments associated with intangible and other non-current assets which are detailed in our quarterly and annual reports on Forms 10Q/K. We believe that Free Cash Flow is also useful to investors as it is one of the bases for comparing our operating performance with other companies in our industries, although our measure of Free Cash Flow is accrual-based and may not be comparable to similar measures used by other companies.

Debt Excluding Exchangeables, which is a non-GAAP financial measure, refers to the aggregate amount of our consolidated debt and capital lease obligations less the amount of notes that are collateralized by securities that we own.

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

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

Following are quantitative reconciliations of Free Cash Flow, Debt Excluding Exchangeables, Consolidated Operating Cash Flow, and, although not required by Regulation G, reconciliations of business segment Operating Cash Flow and pro forma data.



**TABLE 7-A**  
**Reconciliation of Historical and Pro Forma Data by Business Segment (Unaudited) (1)**  
(dollars in millions)

	Historical				Adjustments (1)		
	Cable	Content	Corporate and Other	Total	Cable	Corporate and Other	Pro forma
<b>Three Months Ended September 30, 2004</b>							
Revenues	\$4,844	\$207	\$47	\$5,098	-	-	\$5,098
Operating Expenses (excluding depreciation and amortization)	2,986	145	107	3,238	-	-	3,238
Operating Cash Flow	\$1,858	\$62	(\$60)	\$1,860	-	-	\$1,860
Depreciation and amortization	1,112	42	20	1,174	-	-	1,174
Operating Income (loss)	\$746	\$20	(\$80)	\$686	-	-	\$686
Capital expenditures	\$871	\$4	\$3	\$878	-	-	\$878
<b>Nine Months Ended September 30, 2004</b>							
Revenues	\$14,329	\$582	\$161	\$15,072	\$5	-	\$15,077
Operating expenses (excluding depreciation and amortization)	8,832	374	321	9,527	3	-	9,530
Operating Cash Flow	\$5,497	\$208	(\$160)	\$5,545	\$2	-	\$5,547
Depreciation and amortization	3,172	116	60	3,348	-	-	3,348
Operating Income (loss)	\$2,325	\$92	(\$220)	\$2,197	\$2	-	\$2,199
Capital expenditures	\$2,578	\$14	\$18	\$2,610	-	-	\$2,610

**Reconciliation of Operating Cash Flow to Free Cash Flow (Unaudited)**  
(dollars in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2005	2004	2005	2004	2005	2004	2005	2004
Operating Cash Flow	\$2,099	\$2,099	\$1,860	\$1,860	\$6,338	\$6,338	\$5,545	\$5,545
Less:								
Interest, net (2)	(417)	(417)	(403)	(403)	(1,243)	(1,243)	(1,309)	(1,309)
Cash Paid for Income Taxes	(48)	(48)	(39)	(39)	(475)	(475)	(189)	(189)
Change in Operating Assets and Liabilities, net of acquisitions	(138)		(114)		(329)		(111)	
Other (3)	(73)		498		(351)		499	
Net Cash Provided by Operating Activities	\$1,423		\$1,802		\$3,940		\$4,435	
Less: Capital Expenditures		(911)		(878)		(2,753)		(2,610)
Free Cash Flow		\$723		\$540		\$1,867		\$1,437

**Calculation of 2005 Estimated Free Cash Flow**  
(dollars in billions)

	Free Cash Flow
2004 Operating Income	\$2.9
Add: Depreciation and Amortization	4.6
2004 Operating Cash Flow	7.5
Operating Cash Flow Growth of 13%	1.0
Less: Projected 2005 Capital Expenditures	(3.5)
Projected 2005 Consolidated Interest, net and Cash Paid for Income Taxes	(2.5)
Projected 2005 Free Cash Flow	\$2.5
2004 Free Cash Flow	\$1.9
2005 Free Cash Flow Growth	approximately 30%

**Reconciliation of Total Debt to Debt Excluding Exchangeables (Unaudited)**  
(dollars in millions)

	September 30, 2005	December 31, 2004
Current portion of long-term debt	\$2,498	\$3,499
Long-term debt	20,107	20,093
Total Debt	\$22,605	\$23,592
Exchangeable debt	115	1,699
Debt excluding exchangeables	\$22,490	\$21,893

(1) Pro forma data is only adjusted for timing of the acquisitions (or dispositions) and does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. There were no pro forma adjustments to the three and nine months ending September 30, 2005. Minor differences may exist due to rounding.

(2) Includes interest expense net of interest income and excludes non-cash interest and subsidiary preferred dividends.

(3) Includes non-cash interest expense included in Operating Cash Flow, cash related to other (income) expense, dividends, and the net effect of changes in accrued income taxes.