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:
SEPTEMBER 30, 1999
OR

( ) Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Transition Period from ________ to ________.

Commission File Number 0-6983

COMCAST CORPORATION
[GRAPHIC OMITTED - LOGO]
(Exact name of registrant as specified in its charter)

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

1500 Market Street, Philadelphia, PA 19102-2148

(Address of principal executive offices)
(Zip Code)

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

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 ____

As of September 30, 1999, there were 715,051,949 shares of Class A Special Common Stock, 27,193,380 shares of Class A Common Stock and 9,444,375 shares of Class B Common Stock outstanding.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 1999

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This Quarterly Report on Form 10-Q is for the three months ended September 30, 1999. This Quarterly Report modifies and supersedes documents filed prior to this Quarterly Report. The SEC allows us to "incorporate by reference" information that we file with them, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report. In addition, information 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

The cable communications industry and the provision of programming content may be affected by, among other things:

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

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 1999

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

	(Dollars in millions, except share data) September 30, 1999	December 31, 1998
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$881.9	$870.7
Investments	5,354.1	3,653.4
Accounts receivable, less allowance for doubtful accounts of $133.2 and $120.7	541.6	549.3
Inventories, net	468.4	343.8
Other current assets	95.3	100.2
Total current assets	7,341.3	5,517.4
INVESTMENTS	2,683.2	602.4
PROPERTY AND EQUIPMENT	4,832.3	3,886.7
Accumulated depreciation	(1,622.5)	(1,362.3)
Property and equipment, net	3,209.8	2,524.4
DEFERRED CHARGES	11,496.6	8,214.5
Accumulated amortization	(2,466.0)	(2,148.2)
Deferred charges, net	9,030.6	6,066.3
	$22,264.9	$14,710.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	$2,197.3	$1,600.3
Accrued interest	140.9	73.5
Net liabilities of discontinued operations		165.2
Deferred income taxes	1,575.3	1,033.2
Current portion of long-term debt	178.4	113.5
Total current liabilities	4,091.9	2,985.7
LONG-TERM DEBT, less current portion	6,778.0	5,464.2
DEFERRED INCOME TAXES	2,883.7	1,500.1
MINORITY INTEREST AND OTHER	875.4	834.0
COMMITMENTS AND CONTINGENCIES		
COMMON EQUITY PUT OPTIONS		111.2
STOCKHOLDERS' EQUITY		
Preferred stock - authorized, 20,000,000 shares; 5% series A convertible, no par value, issued, zero and 6,370 at redemption value		31.9
5.25% series B mandatorily redeemable convertible, $1,000 par value, issued, 562,260 and 540,690 at redemption value	562.3	540.7
Class A special common stock, $1 par value - authorized, 2,500,000,000 shares; issued, 715,051,949 and 698,395,170	715.1	698.4
Class A common stock, $1 par value - authorized, 200,000,000 shares; issued, 27,193,380 and 31,690,063	27.2	31.7
Class B common stock, $1 par value - authorized, 50,000,000 shares; issued, 9,444,375	9.4	9.4
Additional capital	3,448.2	2,941.7
Accumulated deficit	(371.9)	(1,488.2)
Accumulated other comprehensive income	3,245.6	1,049.7
Total stockholders' equity	7,635.9	3,815.3
	$22,264.9	$14,710.5

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 1999
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT
(Unaudited)

	(Amounts in millions, except per share data)			
	Nine Months Ended September 30,		Three Months Ended September 30,	
	1999	1998	1999	1998
REVENUES				
Service income	$2,418.4	$2,049.8	$848.0	$664.3
Net sales from electronic retailing	1,959.2	1,648.5	677.1	573.9
	4,377.6	3,698.3	1,525.1	1,238.2
COSTS AND EXPENSES				
Operating	1,201.6	1,048.4	412.1	307.4
Cost of goods sold from electronic retailing	1,181.1	997.6	411.8	345.2
Selling, general and administrative	648.6	577.1	237.3	212.3
Depreciation	402.7	344.8	148.6	117.1
Amortization	456.2	364.1	164.1	123.2
	3,890.2	3,332.0	1,373.9	1,105.2
OPERATING INCOME	487.4	366.3	151.2	133.0
OTHER (INCOME) EXPENSE				
Interest expense	392.8	354.9	138.1	117.7
Investment income	(229.1)	(1,021.0)	(101.1)	(1,022.9)
Equity in net (income) losses of affiliates	(0.9)	345.4	(2.5)	108.6
Gain from equity offering of affiliate		(157.8)		(98.1)
Other income	(1,433.6)	(8.1)	(2.7)	(3.9)
	(1,270.8)	(486.6)	31.8	(898.6)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE, MINORITY INTEREST AND EXTRAORDINARY ITEMS	1,758.2	852.9	119.4	1,031.6
INCOME TAX EXPENSE	827.9	322.6	104.2	313.2
INCOME FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST AND EXTRAORDINARY ITEMS	930.3	530.3	15.2	718.4
MINORITY INTEREST INCOME	(18.2)	(44.4)	(5.4)	(5.2)
INCOME FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY ITEMS	948.5	574.7	20.6	723.6
(GAIN) LOSS FROM DISCONTINUED OPERATIONS, net of income tax expense (benefit) of $147.7, ($13.2), $159.6 and ($4.2)	(335.8)	21.4	(355.9)	6.6
INCOME BEFORE EXTRAORDINARY ITEMS	1,284.3	553.3	376.5	717.0
EXTRAORDINARY ITEMS	(44.4)	(3.0)	(41.4)	(3.0)
NET INCOME	1,239.9	550.3	335.1	714.0
PREFERRED DIVIDENDS	(22.4)	(21.7)	(7.3)	(7.4)
NET INCOME FOR COMMON STOCKHOLDERS	$1,217.5	$528.6	$327.8	$706.6
ACCUMULATED DEFICIT				
Beginning of period	($1,488.2)	($2,415.9)	($592.8)	($2,596.7)
Net income	1,239.9	550.3	335.1	714.0
Common dividends - $.035 and $.012 per share in 1998		(25.8)		(8.7)
Retirement of common stock	(123.6)	(7.3)	(114.2)	(7.3)
End of period	($371.9)	($1,898.7)	($371.9)	($1,898.7)
BASIC EARNINGS FOR COMMON STOCKHOLDERS PER COMMON SHARE				
Income from continuing operations before extraordinary items	$1.24	$.75	$.02	$.97
Discontinued operations	.45	(.03)	.47	(.01)
Extraordinary items	(.06)		(.05)	
Net income	$1.63	$.72	$.44	$.96
BASIC WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	747.0	731.0	755.2	738.6
DILUTED EARNINGS FOR COMMON STOCKHOLDERS PER COMMON SHARE				
Income from continuing operations before extraordinary items	$1.16	$.72	$.03	$.89
Discontinued operations	.41	(.03)	.43	(.01)
Extraordinary items	(.05)		(.05)	
Net income	$1.52	$.69	$.41	$.88
DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	815.4	804.2	823.9	808.6

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES
FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 1999
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	(Dollars in millions) Nine Months Ended September 30, 1999	1998
OPERATING ACTIVITIES		
Net income	$1,239.9	$550.3
Adjustments to reconcile net income to net cash provided by operating activities from continuing operations:		
Depreciation	402.7	344.8
Amortization	456.2	364.1
Non-cash interest (income) expense, net	(14.3)	30.4
Equity in net (income) losses of affiliates	(0.9)	345.4
Gain from equity offering of affiliate		(157.8)
Non-cash investment income, net	(136.0)	(976.6)
Minority interest income	(18.2)	(44.4)
Discontinued operations	(335.8)	21.4
Extraordinary items	44.4	3.0
Deferred income taxes and other	214.9	205.8
	1,852.9	686.4
Changes in working capital	534.9	90.2
Net cash provided by operating activities from continuing operations	2,387.8	776.6
FINANCING ACTIVITIES		
Proceeds from borrowings	935.0	1,023.3
Retirement and repayment of debt	(1,108.8)	(897.2)
(Repurchases) issuances of common stock, net	(15.4)	14.3
Issuances of common equity put options		11.4
Dividends	(9.4)	(27.1)
Deferred financing costs	(14.6)	(4.8)
Other	(3.0)	4.6
Net cash (used in) provided by financing activities from continuing operations	(216.2)	124.5
INVESTING ACTIVITIES		
Acquisitions, net of cash acquired	(755.2)	(269.4)
(Purchases of) proceeds from sales of short-term investments, net	(206.2)	125.2
Investments	(272.2)	(137.6)
Increase in notes receivable	(733.5)	
Proceeds from sale of discontinued operations	361.1	
Proceeds from sales of and distributions from investments	146.7	0.7
Proceeds from investee's repayment of loan		74.7
Proceeds from sales of call options		20.7
Capital expenditures	(545.3)	(643.1)
Additions to deferred charges	(155.8)	(46.6)
Other		(14.0)
Net cash used in investing activities from continuing operations	(2,160.4)	(889.4)
INCREASE IN CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS	11.2	11.7
CASH AND CASH EQUIVALENTS, beginning of period	870.7	409.1
CASH AND CASH EQUIVALENTS, end of period	$881.9	$420.8

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation

The condensed consolidated balance sheet as of December 31, 1998 has been condensed from the audited consolidated balance sheet as of that date. The condensed consolidated balance sheet as of September 30, 1999, the condensed consolidated statement of operations and accumulated deficit for the nine and three months ended September 30, 1999 and 1998 and the condensed consolidated statement of cash flows for the nine months ended September 30, 1999 and 1998 have been prepared by Comcast Corporation (the "Company") and have not been audited by the Company's independent auditors. In the opinion of management, all adjustments necessary to present fairly the financial position, results of operations and cash flows as of September 30, 1999 and for all periods presented have been made.

Certain information and note disclosures normally included in the Company's annual financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 1998 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"). The results of operations for the periods ended September 30, 1999 are not necessarily indicative of operating results for the full year.

The results of operations of Comcast Cellular Corporation ("Comcast Cellular"), an indirect wholly owned subsidiary of the Company, have been presented as a discontinued operation in accordance with Accounting Principles Board ("APB") Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" (see Note 3).

Stock Split

On March 3, 1999, the Company's board of directors authorized an increase in the number of authorized shares of the Company's Class A Special Common Stock from 500 million shares to 2.5 billion shares. On that date, the Company's board of directors also authorized a two-for-one stock split in the form of a 100% stock dividend (the "Stock Split") payable on May 5, 1999 to shareholders of record on April 20, 1999, subject to shareholder approval of the increase in authorized shares (which was obtained on April 20, 1999). The dividend was paid in Class A Special Common Stock to the holders of Class A Common, Class A Special Common and Class B Common Stock. The average number of shares outstanding and related prices, per share amounts, share conversions and stock option data have been retroactively restated to reflect the Stock Split. The Company's board of directors also eliminated the quarterly cash dividend of $.012 per share on all classes of its Common Stock. The last quarterly cash dividend was paid on March 25, 1999.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

New Accounting Pronouncement

In June 1998, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement establishes the accounting and reporting standards for derivatives and hedging activity. Upon the adoption of SFAS No. 133, all derivatives are required to be recognized in the statement of financial position as either assets or liabilities and measured at fair value. In July 1999, the FASB issued SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133 - an amendment of FASB Statement No. 133" deferring the effective date for implementation of SFAS No. 133 to fiscal years beginning after June 15, 2000. The Company is currently evaluating the impact the adoption of SFAS No. 133 will have on its financial position and results of operations.

Earnings for Common Stockholders Per Common Share

Earnings for common stockholders per common share is computed by dividing net income, after deduction of preferred stock dividends, when applicable, by the weighted average number of common shares outstanding during the period on a basic and diluted basis.

The following table reconciles the numerator and denominator of the computations of diluted earnings for common stockholders per common share ("Diluted EPS") for the nine and three months ended September 30, 1999 and 1998, respectively.

(Amounts in millions, except per share data)

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998
Net income for common stockholders	$1,217.5	$528.6	$327.8	$706.6
Dilutive securities effect on net income for common stockholders		1.0		
Preferred dividends	22.4	21.7	7.3	7.4
Net income for common stockholders used for Diluted EPS	$1,239.9	$551.3	$335.1	$714.0
Basic weighted average number of common shares outstanding	747.0	731.0	755.2	738.6
Dilutive securities: (see Note 6)				
1 1/8% discount convertible subordinated debentures, redeemed March 1998		6.8		
Series A and B convertible preferred stock	44.6	45.2	43.4	45.2
Stock option and restricted stock plans	23.8	21.2	25.3	24.8
Diluted weighted average number of common shares outstanding	815.4	804.2	823.9	808.6
Diluted earnings for common stockholders per common share	$1.52	$.69	$.41	$.88

Put options sold by the Company on a weighted average 3.6 million shares, 2.1 million shares, 1.2 million shares and 1.0 million shares, respectively, of its Class A Special Common stock (see Note 6) were outstanding during the nine and three months ended September 30, 1999 and 1998 but were not included in the computation of Diluted EPS as the options' exercise price was less than the average market price of the Company's Class A Special Common Stock during the periods.

Reclassifications

Certain reclassifications have been made to the prior year condensed consolidated financial statements to conform to those classifications used in 1999.

3. SIGNIFICANT EVENTS

Investment in Prime Communications

In December 1998, the Company agreed to invest in Prime Communications LLC ("Prime"), a cable television operator with cable communications systems serving approximately 430,000 subscribers. Pursuant to the terms of this agreement, in December 1998 the Company acquired from Prime a $50 million 12.75% subordinated note due 2008 issued by Prime. In July 1999, the Company made a loan to Prime in the form of a $733.5 million 6% ten year note (the "Prime Note"), convertible into 90% of the equity of Prime. In November 1999, the Company made an additional $20.0 million loan to Prime (on the same terms as the original loan), and delivered a notice of the Company's intention to convert the Prime Note. The Prime Note will be converted upon receipt of required regulatory approvals, which are expected to be obtained by the end of the second quarter of 2000. The owners of Prime have agreed that at the time of conversion, they will sell their remaining 10% equity interest in Prime to the Company, for approximately $82 million, plus accrued interest from July 1999 at 7% per annum. As a result, the Company would then own 100% of Prime and assume approximately $550 million of Prime debt.

Sale of Comcast Cellular

In July 1999, the Company completed the sale of Comcast Cellular to SBC Communications, Inc. for $361.1 million in cash and the assumption of $1.315 billion of Comcast Cellular debt, and recognized a gain on the sale of discontinued operations of $355.9 million, net of income tax expense. During the nine and three months ended September 30, 1999 and 1998, the Company recognized losses from discontinued operations of $20.1 million, $21.4 million, zero and $6.6 million, respectively.

Acquisition of Greater Philadelphia Cablevision

On June 30, 1999, the Company completed the acquisition of Greater Philadelphia Cablevision, Inc. ("Greater Philadelphia"), a subsidiary of Greater Media, Inc. that operates a cable system serving approximately 79,000 subscribers in Philadelphia, Pennsylvania, by issuing approximately 8.5 million shares of its Class A Special Common Stock with a value of $291.7 million based upon the average closing price of the Company's Class A Special Common Stock for a ten-day period before and after the announcement of the transaction in February 1999. The acquisition was accounted for under the purchase method of accounting. As such, the operating results of Greater Philadelphia have been included in the accompanying condensed consolidated statement of operations and accumulated deficit from the acquisition date. The allocation of the purchase price to the assets and liabilities of Greater Philadelphia is preliminary pending a final appraisal. As the consideration given in exchange for Greater Philadelphia was shares of the Company's Class A Special Common Stock, the Greater Philadelphia acquisition had no significant impact on the Company's condensed consolidated statement of cash flows.

Adelphia Agreement

In May 1999, the Company and Jones Intercable, Inc., a consolidated subsidiary of the Company, ("Jones Intercable" - see "Acquisition of a Controlling Interest in Jones Intercable" below) entered into an agreement (the "Adelphia Agreement") to exchange certain cable systems with Adelphia Communications ("Adelphia"). Under the terms of the Adelphia Agreement, the Company and Jones Intercable, in the aggregate, will receive approximately 464,000 cable subscribers from Adelphia. In exchange, Adelphia will receive current systems owned by the Company and Jones Intercable serving, in the aggregate, approximately 440,000 subscribers. All of the systems involved in the transactions will be valued based upon independent appraisals with any difference in relative value to be funded with cash or additional cable systems. The system exchanges are subject to customary closing and regulatory approvals and are expected to close by mid-2000.

AT&T Agreement

In May 1999, the Company and AT&T Corp. ("AT&T") entered into an agreement (the "AT&T Agreement") to exchange various cable systems (the "AT&T System Exchanges"). Under the terms of the AT&T Agreement, the Company will pay AT&T approximately $3.4 billion (subject to adjustment based on the actual number of net subscribers acquired and the per subscriber price of certain subscribers) for the approximately 750,000 net subscribers to be acquired as a result of the AT&T System Exchanges. The Company will pay for the net subscribers acquired in connection with the AT&T System Exchanges with shares of AT&T common stock currently owned or subsequently acquired by the Company and other securities or assets which would permit the AT&T System Exchanges to be tax-free to the extent possible. The value of any currently owned AT&T common stock to be exchanged will be $54.41 per share, based upon the average trading price during the 20-day trading period beginning June 3, 1999.

Under the terms of the AT&T Agreement, the Company also has an option to acquire from AT&T, following approximately three years, additional cable systems with a total of between 1.0 million and 1.4 million subscribers for approximately $4.8 billion to $6.7 billion (subject to reduction for any long-term debt and other liabilities of the acquired cable systems). The Company will pay for these cable systems with shares of the Company's Class A Special Common Stock (valued on the same basis as described in the prior paragraph) and other securities or assets which would permit the acquisition to be tax-free (or if such result can not be obtained, with cash).

Under the terms of the AT&T Agreement, the Company has also agreed to offer AT&T-branded residential wireline telephony in its cable system markets, provided AT&T has concluded separate residential telephony agreements with at least two other non-AT&T affiliated multi-system cable operators. AT&T has agreed to grant the Company the most favorable terms AT&T has reached with any of those or other multi-system cable operators.

The majority of the AT&T System Exchanges and the exercise of the Company's option to acquire the additional cable systems are contingent upon the completion of AT&T's acquisition of MediaOne (see Proposed Acquisition of MediaOne Group, Inc. below), which is expected to close in 2000, subject to receipt of necessary regulatory and other approvals. There can be no assurance, however, that such acquisition will be consummated.

Proposed Acquisition of MediaOne Group, Inc.

In March 1999, the Company and MediaOne Group, Inc. ("MediaOne"), entered into an Agreement and Plan of Merger (the "Merger Agreement") pursuant to which MediaOne was to be merged with and into the Company. Under the terms of the Merger Agreement, MediaOne could terminate the Merger Agreement under certain conditions, provided that it pay a termination fee of $1.5 billion in cash to the Company. In April 1999, AT&T submitted an offer to purchase MediaOne. On May 1, 1999, the MediaOne board of directors notified the Company that it had determined that the AT&T offer was superior to the Company's offer. On May 6, 1999, MediaOne terminated the Merger Agreement and MediaOne paid the Company the termination fee. The termination fee was recorded to other income in the Company's condensed consolidated statement of operations and accumulated deficit, net of transaction costs, for the nine months ended September 30, 1999.

Acquisition of a Controlling Interest in Jones Intercable

In May 1998, the Company agreed to purchase from BCI Telecom Holding ("BTH") 6.4 million Class A Common Shares in Jones Intercable, and a 49% interest in the BTH subsidiaries which were to continue to own BTH's remaining 6.4 million shares of Jones Intercable Class A Common Stock. At the same time, the Company agreed to acquire approximately 2.9 million shares of Common Stock of Jones Intercable (the "Control Shares"), if and when acquired by BTH from affiliates of Jones Intercable's controlling shareholder under an existing option (the "Control Option") to acquire such shares (which absent extraordinary circumstances would not have been exercisable until December 2001). The Company was to purchase the remaining 51% of the BTH subsidiaries when the Control Shares were acquired. The Company, BTH, Jones Intercable and Jones Intercable's controlling shareholder agreed in August 1998 to accelerate the Control Option to permit its early exercise and the early closing of the transactions with BTH. The transaction closed on April 7, 1999. The Company paid $706.3 million in cash to acquire the 12.8 million shares of Jones Intercable Class A Common Stock and the Control Shares. In June 1999, the Company purchased an additional 1.0 million shares of Jones Intercable Class A Common Stock for $50.0 million through a private transaction. As a result, the Company controls 39.6% of the economic and 48.3% of the voting interest in Jones Intercable. In addition, the Control Shares represent shares having the right to elect approximately 75% of the Board of Directors of Jones Intercable. The share acquisitions were funded with available cash and cash equivalents. Jones Intercable is a public company, which owns cable operations serving approximately 1.0 million customers. The acquisition was accounted for under the purchase method of accounting. As such, the operating results of Jones Intercable have been included in the accompanying condensed consolidated statement of operations and accumulated deficit from the acquisition date. The allocation of the purchase price to the assets and liabilities of Jones Intercable is preliminary pending a final appraisal.

In August 1999, the Company announced its intention to commence an offer to exchange 1.4 shares of its Class A Special Common Stock for each share of Class A Common Stock or Common Stock of Jones Intercable for up to 79% of the combined number of shares of Jones Intercable Class A Common Stock and Common Stock outstanding (subject to certain terms and conditions to be contained in the offer documents). The offer would commence upon registration of the Company's Class A Special Common Stock to be offered in the exchange offer with the SEC pursuant to an effective registration statement.

4. INVESTMENTS

	September 30, 1999	December 31, 1998
	(Dollars in millions)	
Equity method	$46.3	$11.1
Fair value method	7,711.2	4,170.0
Cost method	279.8	74.7
Total investments	8,037.3	4,255.8
Less current investments	5,354.1	3,653.4
Non-current investments	$2,683.2	$602.4

Equity Method
The Company records its proportionate interests in the net income (loss) of certain of its equity method investees in arrears. The Company's recorded investments exceed its proportionate interests in the book value of the investees' net assets by $79.1 million as of September 30, 1999 (primarily related to the Company's investment in The Golf Channel). Such excess is being amortized to equity in net income or loss, primarily over a period of twenty years, which is consistent with the estimated lives of the underlying assets. The cost basis of investments accounted for under the equity method totaled $237.2 million and $215.3 million as of September 30, 1999 and December 31, 1998, respectively.

Summarized financial information for the nine and three months ended September 30, 1998 for the Company's equity method investees is presented below. Summarized financial information is not presented for Sprint PCS, Teleport Communications Group Inc. ("Teleport") or Birmingham Cable Corporation Limited and Cable London, PLC (together, the "UK Investees") as of or for the nine and three months ended September 30, 1999 as such investments are no longer accounted for under the equity method (dollars in millions):

	Sprint PCS	Teleport	UK Investees	Other	Combined
Nine months ended September 30, 1998:					
Combined Results of Operations					
Revenues, net	$477.3	$605.8	$176.5	$584.1	$1,843.7
Operating, selling, general and administrative expenses	1,300.0	558.7	136.0	613.5	2,608.2
Depreciation and amortization	389.8	163.4	61.9	55.1	670.2
Operating loss	(1,212.5)	(116.3)	(21.4)	(84.5)	(1,434.7)
Net loss (1)	(1,600.2)	(190.6)	(70.6)	(123.2)	(1,984.6)
Company's Equity in Net Loss					
Equity in current period net loss	($240.0)	($27.2)	($25.9)	($47.2)	($340.3)
Amortization expense	(2.3)		(0.5)	(2.3)	(5.1)
Total equity in net loss	($242.3)	($27.2)	($26.4)	($49.5)	($345.4)
Three months ended September 30, 1998:					
Combined Results of Operations					
Revenues, net	$192.3	$295.3	$60.4	$48.8	$596.8
Operating, selling, general and administrative expenses	428.5	257.4	45.8	37.2	768.9
Depreciation and amortization	151.4	66.3	21.1	11.6	250.4
Operating loss	(387.6)	(28.4)	(6.5)		(422.5)
Net loss (1)	(542.2)	(55.9)	(20.0)	(9.3)	(627.4)
Company's Equity in Net Loss					
Equity in current period net loss	($81.3)	($7.5)	($7.7)	($10.1)	($106.6)
Amortization expense	(0.8)		(0.2)	(1.0)	(2.0)
Total equity in net loss	($82.1)	($7.5)	($7.9)	($11.1)	($108.6)

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

Sprint PCS. Effective November 1998, in connection with the restructuring of Sprint PCS, the Company accounts for its investment in Sprint PCS under the fair value method.

Teleport. In April 1998 and November 1997, Teleport issued shares of its Class A Common Stock. As a result of the share issuances, the Company recognized a $157.8 million and $98.1 million increase in its proportionate share of Teleport's net assets as a gain from equity offering of affiliate for the nine and three months ended September 30, 1998, respectively. The Company recorded its proportionate share of Teleport's net assets one quarter in arrears. In July 1998, AT&T completed its merger with Teleport. Upon closing of the merger, the Company received 24.2 million shares of AT&T common stock in exchange (the "Exchange") for the 25.6 million shares of Teleport Class B Common Stock held by the Company. As a result of the Exchange, the Company recognized a pre-tax gain of $1.092 billion during the nine and three months ended September 30, 1998, representing the difference between the fair value of the AT&T stock received and the Company's basis in Teleport. Such gain is included in investment income in the Company's condensed consolidated statement of operations and accumulated deficit. As of December 31, 1998, the Company has recorded its investment in AT&T at its estimated fair value.

UK Investees. In October 1998, the Company exchanged its interest in Comcast UK Cable Partners Limited ("Comcast UK Cable") for shares of NTL Incorporated ("NTL") common stock. As of December 31, 1998, the Company has recorded its investment in NTL at its estimated fair value.

Other. The Company's other equity investees include investments in cable communications and content providers. The Company does not consider these other equity method investments to be individually significant to its consolidated financial position, results of operations or liquidity.

Fair Value Method
The Company holds unrestricted equity investments in certain publicly traded companies, with an historical cost (including $1.999 billion of pre-tax gains recognized during 1998) of $2.714 billion and $2.555 billion as of September 30, 1999 and December 31, 1998, respectively. The Company has recorded these investments, which are classified as available for sale, at their estimated fair values of $7.711 billion and $4.170 billion as of September 30, 1999 and December 31, 1998, respectively. The unrealized pre-tax gains as of September 30, 1999 and December 31, 1998 of $4.997 billion and $1.615 billion, respectively, have been reported in the Company's condensed consolidated balance sheet as a component of accumulated other comprehensive income, net of related deferred income tax expense of $1.749 billion and $565.1 million, respectively.

Sales of NTL Common Stock
During the three months ended September 30, 1999, the Company sold approximately 0.9 million shares of NTL common stock for total proceeds of $89.8 million and recognized a pre-tax gain of $50.1 million. Such gain is included in investment income in the Company's condensed consolidated statement of operations and accumulated deficit for the nine and three months ended September 30, 1999. In October and November 1999, the Company sold all of its remaining 4.9 million shares (as adjusted for NTL's 5-for-4 stock split in October 1999) of NTL common stock for total proceeds of $408.5 million. The Company expects to recognize a pre-tax gain of approximately $234.1 million on the October and November 1999 sales of NTL common stock.

AT&T Acquisition of TCI
In March 1999, AT&T merged with Tele-Communications, Inc. ("TCI") with AT&T as the surviving corporation (the "AT&T/TCI Merger"). Upon closing of the AT&T/TCI Merger, the Company received approximately 3.6 million shares (as adjusted for AT&T's 3-for-2 stock split in April 1999) of AT&T common stock in exchange for the approximately 3.1 million shares of TCI Class A Common Stock held by the Company and the Company received approximately 3.6 million shares of Class A Liberty Media Group ("New Liberty") Tracking Shares for the approximately 2.3 million shares of TCI Ventures Group, Inc. ("TCI Ventures") common stock and the approximately 2.4 million shares of Liberty Media Group ("Old Liberty") Class A Common Stock held by the Company. As a result of the exchange, the Company recognized a pre-tax gain of $187.6 million during the nine months ended September 30, 1999, representing the difference between the fair value of the stock received and the Company's basis in TCI and TCI Ventures. Such gain is included in investment income in the Company's condensed consolidated statement of operations and accumulated deficit for the nine months ended September 30, 1999.

In March 1998, the Company sold call options relating to its unrestricted equity investments in TCI, TCI Ventures and Old Liberty common stock (together, the "TCI Stock") for $20.7 million. Such call options expire between March and November 1999. During the nine and three months ended September 30, 1999 and 1998, the Company recorded investment (expense) income of ($93.0) million, ($32.1) million, $7.8 million and $8.1 million, respectively, related to changes in the value of the call options and settlement of the TCI and TCI Ventures call options.

Impairment Losses

During the nine months ended September 30, 1999, the Company recorded pre-tax losses of $35.5 million on certain of its investments based on a decline in value that was considered other than temporary. During the nine and three months ended September 30, 1998, the Company recorded pre-tax losses of $91.2 million on certain of its investments based on a decline in value that was considered other than temporary. Such losses are included in investment income in the Company's condensed consolidated statement of operations and accumulated deficit.

5. LONG-TERM DEBT

ZONES

In November 1999, the Company issued approximately 8.1 million 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES II") for gross proceeds of $657.1 million. In October 1999, the Company issued approximately 16.1 million 2.0% Exchangeable Subordinated Debentures due 2029 for gross proceeds of $1.15 billion (the "ZONES I", and together with the ZONES II, the "ZONES") resulting in combined proceeds of $1.807 billion. The ZONES II mature on November 15, 2029.The ZONES I mature on October 15, 2029. At maturity, holders of the ZONES are entitled to receive in cash an amount equal to the higher of (a) the principal amount of the ZONES, or (b) the market value of Sprint PCS stock. Prior to maturity, each ZONES is exchangeable at the holders option for an amount of cash equal to 95% of the market value of Sprint PCS stock.

Prior to maturity, the Company may redeem all of the ZONES for cash at the higher of the original principal amount of ZONES or the then current market value of the Sprint PCS stock, plus, in either case, a per ZONES premium of (a) 4.5% if redeemed prior to the first anniversary of the ZONES issuance date, (b) 3.0% if redeemed prior to the second anniversary of the ZONES issuance date, (c) 1.5% if redeemed prior to the third anniversary of the ZONES issuance date, or (d) zero if redeemed on or after the third anniversary of the ZONES issuance date.

Interest on the ZONES is payable quarterly (subject to deferral at the Company's option) equal to 2.0% per year of the original principal amount, plus the amount of the quarterly cash dividend paid on a share of Sprint PCS stock. The principal amount of the ZONES will be adjusted if Sprint PCS changes the dividend paid on its stock or if there are special distributions on or in respect of the Sprint PCS stock.

The ZONES are unsecured, subordinated obligations ranking equally with all of the Company's existing and future subordinated debt and trade obligations.

The ZONES are being accounted for as an indexed debt instrument since the maturity value is dependent upon the fair value of Sprint PCS stock. The Company's investment in Sprint PCS is accounted for as an "available for sale" security under SFAS No. 115, with changes in fair value being reflected in accumulated other comprehensive income (see Note 4).

PHONES

In March 1999, the Company issued 8.7 million 3.35% Exchangeable Extendable Subordinated Debentures due 2029 (the "PHONES") for gross proceeds of $718.3 million. At maturity, holders of the PHONES were entitled to receive in cash an amount equal to the higher of (a) the principal amount of the PHONES, or (b) the market value of AT&T common stock.

In July 1999, the Company redeemed all $718.3 million principal amount of the PHONES. The Company redeemed the PHONES due to its transaction with AT&T in which it intends to use AT&T shares as consideration for the purchase of cable systems from AT&T in accordance with the AT&T Agreement (see Note 3). In connection with the PHONES redemption, the Company incurred debt extinguishment costs of $32.3 million and wrote-off unamortized debt acquisition costs of $14.9 million, resulting in an extraordinary loss, net of tax, of $30.7 million during the nine and three months ended September 30, 1999.

Interest Rates

As of September 30, 1999 and December 31, 1998, the Company's effective weighted average interest rate on its long-term debt outstanding was 7.56% and 7.71%, respectively.

Lines of Credit

As of September 30, 1999, certain subsidiaries of the Company had unused lines of credit of $1.151 billion, $551.0 million of which is restricted by the covenants of the related debt agreements and to subsidiary general purposes and dividend declaration.

6. STOCKHOLDERS' EQUITY

Repurchase Program

In September 1998, the Company announced that its board of directors had authorized a market repurchase program (the "Repurchase Program") pursuant to which the Company may purchase, in the open market or in private transactions up to $500.0 million of its outstanding common equity securities, subject to certain restrictions and market conditions. Based on the trade date for stock repurchases, during the nine and three months ended September 30, 1999 and 1998, the Company repurchased 1.0 million, 0.5 million, 0.6 million and 0.5 million shares, respectively, of its common stock pursuant to the Repurchase Program. As part of the Repurchase Program, in September 1998, the Company sold put options on 5.5 million shares of its Class A Special Common Stock. During the nine months ended September 30, 1999, put options covering all 5.5 million shares expired unexercised. Upon expiration, the Company reclassified $111.2 million, the amount it would have been obligated to pay to repurchase such shares had the put options been exercised, from common equity put options to additional capital in the Company's condensed consolidated balance sheet.

Share Exchange

During the three months ended September 30, 1999, the Company issued approximately 3.5 million shares of its Class A Special Common Stock in exchange for approximately 3.7 million shares of its Class A Common Stock. The Class A Common Stock was subsequently retired.

Series A Preferred Stock Conversion

In July 1999, the Company exercised its right to convert all 6,370 shares of its Series A Preferred Stock into approximately 2.7 million shares of its Class A Special Common Stock.

Comprehensive Income

Total comprehensive income for the nine and three months ended September 30, 1999 and 1998 was $3.436 billion, $749.5 million, $862.8 million and $760.0 million, respectively. Total comprehensive income includes net income, unrealized gains on marketable securities and foreign currency translation gains (losses) for the periods presented.

7. STATEMENT OF CASH FLOWS - SUPPLEMENTAL INFORMATION

The Company made cash payments for interest of $349.5 million, $274.8 million, $94.3 million and $67.4 million during the nine and three months ended September 30, 1999 and 1998, respectively.

The Company made cash payments for income taxes of $143.7 million, $104.0 million, $31.2 million and $31.0 million during the nine and three months ended September 30, 1999 and 1998, respectively.

8. COMMITMENTS AND CONTINGENCIES

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

9. FINANCIAL DATA BY BUSINESS SEGMENT
(Dollars in millions)

	Cable Communications	Electronic Retailing	Corporate and Other (1)	Total
Nine Months Ended September 30, 1999				
Revenues, net	$2,127.1	$1,959.2	$291.3	$4,377.6
Operating income (loss) before depreciation and amortization (2)	980.7	377.1	(11.5)	1,346.3
Depreciation and amortization	722.6	86.7	49.6	858.9
Operating income (loss)	258.1	290.4	(61.1)	487.4
Interest expense	254.7	30.3	107.8	392.8
Capital expenditures	474.4	48.6	22.3	545.3
Three Months Ended September 30, 1999				
Revenues, net	$773.5	$677.1	$74.5	$1,525.1
Operating income (loss) before depreciation and amortization (2)	356.8	124.8	(17.7)	463.9
Depreciation and amortization	267.9	29.1	15.7	312.7
Operating income (loss)	88.9	95.7	(33.4)	151.2
Interest expense	95.7	9.7	32.7	138.1
Capital expenditures	184.4	23.5	11.0	218.9
As of September 30, 1999				
Assets	$9,573.1	$2,276.7	$10,415.1	$22,264.9
Long-term debt, less current portion	5,060.9	501.8	1,215.3	6,778.0
Nine Months Ended September 30, 1998				
Revenues, net	$1,681.2	$1,648.5	$368.6	$3,698.3
Operating income (loss) before depreciation and amortization (2)	802.5	291.6	(18.9)	1,075.2
Depreciation and amortization	495.1	97.0	116.8	708.9
Operating income (loss)	307.4	194.6	(135.7)	366.3
Interest expense	163.0	39.4	152.5	354.9
Capital expenditures	488.2	57.3	97.6	643.1
Three Months Ended September 30, 1998				
Revenues, net	$571.7	$573.9	$92.6	$1,238.2
Operating income (loss) before depreciation and amortization (2)	277.2	103.8	(7.7)	373.3
Depreciation and amortization	171.5	38.7	30.1	240.3
Operating income (loss)	105.7	65.1	(37.8)	133.0
Interest expense	55.1	13.0	49.6	117.7
Capital expenditures	194.5	15.6	30.8	240.9

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(1) Other includes segments not meeting certain quantitative guidelines for reporting. Other includes certain other operating businesses, including Comcast-Spectacor, L.P., E! Entertainment Television, Inc., Comcast UK Cable (prior to October 29, 1998), the Company's DBS operations (prior to April 1, 1998) and elimination entries related to the segments presented. Corporate and other assets consist primarily of the Company's investments (see Note 4).

(2) See note (a) on page 15.

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

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

Overview

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

In July 1999, we sold Comcast Cellular Corporation ("Comcast Cellular") to SBC Communications, Inc. for $361.1 million in cash and the assumption of $1.315 billion of Comcast Cellular debt. We recognized a gain in the third quarter of $355.9 million, net of income tax expense. The gain has been reflected as gain on disposal of discontinued operations in our condensed consolidated statement of operations and accumulated deficit.

General Developments of Business

See Note 3 to our condensed consolidated financial statements included in Item 1.

Liquidity and Capital Resources

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

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

Cash, Cash Equivalents and Short-term Investments

We have traditionally maintained significant levels of cash, cash equivalents and short-term investments to meet our short-term liquidity requirements. Our cash equivalents and short-term investments are recorded at fair value. Cash, cash equivalents and short-term investments as of September 30, 1999 were $6.236 billion. As of September 30, 1999, $409.6 million of our cash, cash equivalents and short-term investments is restricted to use by subsidiaries under contractual or other arrangements.

Investments

See Notes 3 and 4 to our condensed consolidated financial statements included in Item 1.

We do not have any significant contractual funding commitments with respect to any of our investments. However, to the extent we do not fund our investees' capital calls, we expose ourselves to dilution of our ownership interests. We continually evaluate our existing investments, as well as new investment opportunities.

Financing

See Notes 5 and 6 to our condensed consolidated financial statements included in Item 1.

As of September 30, 1999 and December 31, 1998, our long-term debt, including current portion, was $6.956 billion and $5.578 billion, respectively, of which 26.9% and 18.0%, respectively, was at variable rates.

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

Equity Price Risk

In November 1999, we issued approximately 8.1 million 2.0% Exchangeable Subordinated Debentures due 2029 (the "ZONES II") for gross proceeds of $657.1 million. In October 1999, we issued approximately 16.1 million 2.0% Exchangeable Subordinated Debentures due 2029 for gross proceeds of approximately $1.15 billion (the "ZONES I", and together with the ZONES II, the "ZONES") for combined proceeds of $1.807 billion. At maturity, holders of the ZONES are entitled to receive in cash an amount equal to the higher of (a) the principal amount of the ZONES, or (b) the market value of Sprint PCS stock. The ZONES are being accounted for as an indexed debt instrument since the maturity value is dependent upon the fair value of Sprint PCS stock.

During the nine months ended September 30, 1999, we entered into cashless collar agreements (the "Equity Collars") covering $1.365 billion notional amount of investment securities accounted for at fair value. The

Equity Collars limit our exposure to and benefits from price fluctuations in the underlying equity securities. The Equity Collars mature between 2001 and 2003. As we account for the Equity Collars as a hedge, changes in the value of the Equity Collars are substantially offset by changes in the value of the underlying investment securities which are also marked-to-market through accumulated other comprehensive income in our condensed consolidated balance sheet.

Interest Rate Risk

During the nine months ended September 30, 1999, we have entered into interest rate exchange agreements ("Swaps") with an aggregate notional amount of $300.0 million and as part of our acquisition of a controlling interest in Jones Intercable, Inc. ("Jones Intercable") (see Note 3 to our condensed consolidated financial statements included in Item 1), we acquired Swaps with an aggregate notional amount of $400.0 million. Swaps with an aggregate notional amount of $350.0 million either were terminated or expired during the nine months ended September 30, 1999. As of September 30, 1999, we have Swaps with an aggregate notional amount of $1.412 billion having an average pay rate of 6.30% and an average receive rate of 5.71%.

Year 2000 Readiness Disclosure

The Year 2000 Issue is the result of computer programs being written using two digits rather than four to define the applicable year. Certain of our computer programs that have date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000 (the "Year 2000 Issue"). If this situation occurs, the potential exists for computer system failure or miscalculations by computer programs, which could cause disruption of operations. We are in the process of evaluating and addressing the impact of the Year 2000 Issue on our operations to ensure that our information technology and business systems recognize calendar Year 2000. We are utilizing both internal and external resources in implementing our Year 2000 program, which consists of the following phases:

Assessment Phase. Structured evaluation, including a detailed inventory outlining the impact that the Year 2000 Issue may have on current operations.

Detailed Planning Phase. Establishment of priorities, development of specific action steps and allocation of resources to address the issues identified in the Assessment Phase.

Conversion Phase. Implementation of the necessary system modifications as outlined in the Detailed Planning Phase.

Testing Phase. Verification that the modifications implemented in the Conversion Phase will be successful in resolving the Year 2000 Issue so that all inventory items will function properly, both individually and on an integrated basis.

Implementation Phase. Final roll-out of fully tested components into an operational unit.

Based on an inventory conducted in 1997, we identified computer systems that required modification or replacement so that they will properly utilize dates beyond December 31, 1999. Many of our critical systems were new and were already Year 2000 compliant as a result of the recent rebuild of many of our cable communications systems. In addition, we have communicated with our significant software suppliers and service bureaus to determine their plans for remediating the Year 2000 Issue in their software which we use or rely upon.

As of October 31, 1999, we are in the final stages of our Year 2000 program. We believe that all key systems are Year 2000 compliant. Other systems that required remediation are substantially complete. Further, contingency plans have been created for our key systems and operations. Additionally, in the majority of our operations, business continuity preparations are being implemented to create post-Year 2000 response teams to further mitigate Year 2000 risk.

Through September 30, 1999, we have incurred approximately $13.5 million in connection with our Year 2000 remediation program. We estimate that we will incur between approximately $2.5 million to $8.5 million of additional expense through December 1999 in connection with our Year 2000 remediation program. Our estimate to complete the remediation plan includes the estimated time associated with mitigating the Year 2000 Issue for third party software. However, there can be no guarantee that the systems of other companies on which we rely will be converted on a timely basis, or that a failure to convert by another company would not have a material adverse effect on us.

Our management will continue to periodically report the progress of our Year 2000 remediation program to the Audit Committee of our Board of Directors.

The costs of the project and the date on which we plan to complete the Year 2000 modifications and replacements are based on our best estimates, which were derived using assumptions of future events including the continued availability of resources and the reliability of third party modification plans. However, there can be no guarantee that these estimates will be achieved and actual results could differ materially from those plans. Specific factors that may cause such material differences include, but are not limited to, the availability and cost of personnel with appropriate necessary skills and the ability to locate and correct all relevant computer code and similar uncertainties.

We believe that with modifications to existing software and conversions to new software, the Year 2000 Issue can be mitigated. However, if such modifications and conversions are not made, or are not completed within an adequate time frame, the Year 2000 Issue could have a material adverse impact on our operations.

Statement of Cash Flows

Cash and cash equivalents increased $11.2 million as of September 30, 1999 from December 31, 1998. 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 from continuing operations amounted to $2.388 billion for the nine months ended September 30, 1999, due principally to the effects of the receipt of the $1.5 billion termination fee in May 1999 from MediaOne Group, Inc., our acquisition of a controlling interest in Jones Intercable in April 1999 (see Note 3 to our condensed consolidated financial statements included in Item 1), increases in our operating income before depreciation and amortization (see "Results of Operations") and changes in working capital as a result of the timing of receipts and disbursements.

Net cash used in financing activities from continuing operations, which includes borrowings and repayments of debt, as well as the issuances and repurchases of our equity securities, was $216.2 million for the nine months ended September 30, 1999. During the nine months ended September 30, 1999, we borrowed $935.0 million, consisting primarily of $718.3 million of PHONES and $215.1 million under revolving lines of credit held by our subsidiaries. During the nine months ended September 30, 1999, we repaid $1.109 billion of our long-term debt, including $718.3 million of PHONES. In addition, during the nine months ended September 30, 1999, we had net repurchases of $15.4 million of our common stock and we paid cash dividends of $9.4 million on our common stock and Series A Preferred Stock. Deferred financing costs of $14.6 million were incurred during the nine months ended September 30, 1999 primarily in connection with the issuance of the PHONES.

Net cash used in investing activities from continuing operations was $2.160 billion for the nine months ended September 30, 1999. Net cash used in investing activities includes acquisitions, net of cash acquired, of $755.2 million, consisting primarily of our acquisition of a controlling interest in Jones Intercable, investments of $272.2 million, a $733.5 million loan in the form of a 6% ten year convertible note we issued to Prime Communications LLC, capital expenditures of $545.3 million, additions to deferred charges of $155.8 million and net purchases of short-term investments of $206.2 million, offset by proceeds from sales of and distributions from investments of $146.7 million and the $361.1 million of proceeds from the sale of Comcast Cellular.

Results of Operations

Our summarized consolidated financial information for the nine and three months ended September 30, 1999 and 1998 is as follows (dollars in millions, "NM" denotes percentage is not meaningful):

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998	Increase / (Decrease) $	Increase / (Decrease) %
Revenues	$4,377.6	$3,698.3	$679.3	18.4%
Cost of goods sold from electronic retailing	1,181.1	997.6	183.5	18.4
Operating, selling, general and administrative expenses	1,850.2	1,625.5	224.7	13.8
Operating income before depreciation and amortization (1)	1,346.3	1,075.2	271.1	25.2
Depreciation	402.7	344.8	57.9	16.8
Amortization	456.2	364.1	92.1	25.3
Operating income	487.4	366.3	121.1	33.1
Interest expense	392.8	354.9	37.9	10.7
Investment income	(229.1)	(1,021.0)	(791.9)	(77.6)
Equity in net (income) losses of affiliates	(0.9)	345.4	(346.3)	NM
Gain from equity offering of affiliate		(157.8)	(157.8)	NM
Other income	(1,433.6)	(8.1)	1,425.5	NM
Income tax expense	827.9	322.6	505.3	NM
Minority interest income	(18.2)	(44.4)	(26.2)	(59.0)
Income from continuing operations before extraordinary items	$948.5	$574.7	$373.8	65.0%

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998	Increase / (Decrease) $	Increase / (Decrease) %
Revenues	$1,525.1	$1,238.2	$286.9	23.2%
Cost of goods sold from electronic retailing	411.8	345.2	66.6	19.3
Operating, selling, general and administrative expenses	649.4	519.7	129.7	25.0
Operating income before depreciation and amortization (1)	463.9	373.3	90.6	24.3
Depreciation	148.6	117.1	31.5	26.9
Amortization	164.1	123.2	40.9	33.2
Operating income	151.2	133.0	18.2	13.7
Interest expense	138.1	117.7	20.4	17.3
Investment income	(101.1)	(1,022.9)	(921.8)	(90.1)
Equity in net (income) losses of affiliates	(2.5)	108.6	(111.1)	NM
Gain from equity offering of affiliate		(98.1)	(98.1)	NM
Other income	(2.7)	(3.9)	(1.2)	(30.8)
Income tax expense	104.2	313.2	(209.0)	(66.7)
Minority interest income	(5.4)	(5.2)	0.2	3.8
Income from continuing operations before extraordinary items	$20.6	$723.6	($703.0)	(97.2%)

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(1) Operating income before depreciation and amortization is commonly referred to in our businesses as "operating cash flow." Operating cash flow is a measure of a company's ability to generate cash to service its obligations, including debt service obligations, and to finance capital and other expenditures. In part due to the capital intensive nature of our businesses and the resulting significant level of non-cash depreciation expense and amortization expense, operating cash flow is frequently used as one of the bases for comparing businesses in our industries, although our measure of operating cash flow may not be comparable to similarly titled measures of other companies. Operating cash flow is the primary basis used by our management to measure the operating performance

of our businesses. Operating cash flow does not purport to represent net income or net cash provided by operating activities, as those terms are defined under generally accepted accounting principles, and should not be considered as an alternative to such measurements as an indicator of our performance. See "Statement of Cash Flows" above for a discussion of net cash provided by operating activities.

Operating Results by Business Segment

The following represent the operating results of our significant business segments, "Cable Communications" and "Electronic Retailing." The remaining components of our operations are not independently significant to our consolidated financial position or results of operations (see Note 9 to our condensed consolidated financial statements included in Item 1).

Cable Communications

The following table presents the operating results of our cable communications segment (dollars in millions):

	Nine Months Ended September 30, 1999	Nine Months Ended September 30, 1998	Increase $	Increase %
Service income	$2,127.1	$1,681.2	$445.9	26.5%
Operating, selling, general and administrative expenses	1,146.4	878.7	267.7	30.5
Operating income before depreciation and amortization (a)	$980.7	$802.5	$178.2	22.2%

	Three Months Ended September 30, 1999	Three Months Ended September 30, 1998	Increase $	Increase %
Service income	$773.5	$571.7	$201.8	35.3%
Operating, selling, general and administrative expenses	416.7	294.5	122.2	41.5
Operating income before depreciation and amortization (a)	$356.8	$277.2	$79.6	28.7%

(a) See footnote (1) on page 19.

Of the respective $445.9 million and $201.8 million increases in service income for the nine and three month periods from 1998 to 1999, $295.3 million and $149.0 million are attributable to the effects of the acquisitions of cable communications systems, $18.1 million and $5.6 million are attributable to subscriber growth, $68.6 million and $21.5 million relate to changes in rates, $16.2 million and $5.6 million are attributable to growth in cable advertising sales and $47.7 million and $20.1 million relate to other product offerings (e.g., digital cable, high speed data services, etc.).

Of the respective $267.7 million and $122.2 million increases in operating, selling, general and administrative expenses for the nine and three month periods from 1998 to 1999, $192.6 million and $90.0 million are attributable to the effects of the acquisitions of cable communications systems, $31.3 million and $11.0 million are attributable to increases in the costs of cable programming as a result of changes in rates, subscriber growth and additional channel offerings, $3.6 million and $1.4 million are attributable to growth in advertising sales and $40.2 million and $19.8 million result from increases in the cost of labor, other volume related expenses and costs associated with new product offerings. We anticipate that the cost of cable programming will increase in the future as cable programming rates increase and additional sources of cable programming become available.

Electronic Retailing

The following presents the operating results of our electronic retailing segment, consisting of the operations of QVC, Inc. and its subsidiaries ("QVC"), a majority owned and controlled subsidiary (dollars in millions):

	Nine Months Ended September 30,		Increase	
	1999	1998	$	%
Net sales from electronic retailing	$1,959.2	$1,648.5	$310.7	18.8%
Cost of goods sold from electronic retailing	1,181.1	997.6	183.5	18.4
Operating, selling, general and administrative expenses	401.0	359.3	41.7	11.6
Operating income before depreciation and amortization (a)	$377.1	$291.6	$85.5	29.3%
Gross margin	39.7%	39.5%		

	Three Months Ended September 30,		Increase	
	1999	1998	$	%
Net sales from electronic retailing	$677.1	$573.9	$103.2	18.0%
Cost of goods sold from electronic retailing	411.8	345.2	66.6	19.3
Operating, selling, general and administrative expenses	140.5	124.9	15.6	12.5
Operating income before depreciation and amortization (a)	$124.8	$103.8	$21.0	20.2%
Gross margin	39.2%	39.9%		

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(a) See footnote (1) on page 19.

The increase in net sales from electronic retailing of $310.7 million for the nine month period from 1998 to 1999 is due to the effects of 4.2%, 11.4% and 37.0% increases in the average number of homes receiving QVC services in the United States ("US"), United Kingdom ("UK") and Germany, respectively, and 9.0%, 9.9% and 92.2% increases in net sales per home in the US, UK and Germany, respectively. The increase in net sales from electronic retailing of $103.2 million for the three month period from 1998 to 1999 is due to the effects of 4.8%, 11.6% and 31.4% increases in the average number of homes receiving QVC services in the US, UK and Germany, respectively, and 7.9%, 6.0% and 81.5% increases in net sales per home in the US, UK and Germany, respectively.

The increase in cost of goods sold is primarily related to the growth in net sales. The changes in gross margin are a result of a shift in sales mix.

Of the respective $41.7 million and $15.6 million increases in operating, selling, general and administrative expenses for the nine and three month periods from 1998 to 1999, $27.0 million and $9.2 million are attributable to higher variable costs associated with the increase in sales volume. The remaining increases are attributable to higher personnel costs to support the increased sales volume in the US, UK and Germany.

Consolidated Analysis

The effects of our recent acquisitions, as well as increased levels of capital expenditures, were to increase our revenues and expenses resulting in increases in our operating income before depreciation and amortization. The increases in depreciation expense, amortization expense and interest expense for the nine and three month periods from 1998 to 1999 are primarily due to the effects of our acquisition of a controlling interest in Jones Intercable on April 7, 1999, offset in part by the effects of the sale of Comcast UK Cable Partners Limited ("Comcast UK Cable"), a consolidated subsidiary of ours, in October 1998. In addition, our equity in net losses of affiliates has decreased principally as a result of the restructuring of Sprint PCS in November 1998.

Interest Expense

The $37.9 million and $20.4 million increases in interest expense for the nine and three month periods from 1998 to 1999 are primarily due to the effects of our acquisition of a controlling interest in Jones Intercable and the issuance of the 6.20% nonrecourse notes issued by Comcast Cable Communications, Inc. ("Comcast Cable"), a wholly owned subsidiary of ours, in November 1998, offset in part by the effects of the sale of Comcast UK Cable in October 1998.

We anticipate that, for the foreseeable future, interest expense will be a significant cost to us and will have a significant adverse effect on our ability to realize net earnings. We believe we will continue to be able to meet our obligations through our ability both to generate operating income before depreciation and amortization and to obtain external financing.

Investment Income

During the three months ended September 30, 1999, we sold approximately 0.9 million shares of NTL common stock for total proceeds of $89.8 million and recognized a pre-tax gain of $50.1 million. In October and November 1999, we sold all of our remaining 4.9 million shares (as adjusted for NTL's 5-for-4 stock split in October 1999) of NTL common stock for total proceeds of $408.5 million. As a result of these transactions, we expect to recognize a pre-tax gain of approximately $234.1 million in the fourth quarter.

In March 1999, AT&T Corp ("AT&T") merged with Tele-Communications, Inc. ("TCI") with AT&T as the surviving corporation (the "AT&T/TCI Merger"). Upon closing of the AT&T/TCI Merger, we received approximately 3.6 million shares (as adjusted for AT&T's 3-for-2 stock split in April 1999) of AT&T common stock in exchange for the approximately 3.1 million shares of TCI Class A Common Stock held by us and we received approximately 3.6 million shares of Liberty Media Group ("New Liberty") Class A Tracking Shares for the approximately 2.3 million shares of TCI Ventures Group, Inc. ("TCI Ventures") common stock and the approximately 2.4 million shares of Liberty Media Group ("Old Liberty") Class A Common Stock held by us. As a result of the exchange, we recognized a pre-tax gain of $187.6 million during the nine months ended September 30, 1999, representing the difference between the fair value of the AT&T stock received and our basis in TCI and TCI Ventures.

In March 1998, we sold call options relating to our unrestricted equity investments in TCI, TCI Ventures and Old Liberty common stock for $20.7 million. Such call options expire between March and November 1999. During the nine and three months ended September 30, 1999 and 1998, we recorded investment (expense) income of ($93.0) million, ($32.1) million, $7.8 million and $8.1 million, respectively, related to changes in the value of the call options and settlement of the TCI and TCI Ventures call options.

In July 1998, AT&T completed its merger with Teleport Communications Group, Inc. ("Teleport"). Upon closing of the merger, we received 24.2 million shares of AT&T common stock in exchange (the "Exchange") for the 25.6 million shares of Teleport Class B Common Stock held by us. As a result of the Exchange, we recognized a pre-tax gain of $1.092 billion during the nine and three months ended September 30, 1998, representing the difference between the fair value of the AT&T stock received and our basis in Teleport. Such gain is included in investment income in our condensed consolidated statement of operations and accumulated deficit.

During the nine months ended September 30, 1999, we recorded pre-tax losses of $35.5 million on certain of our investments based on a decline in value that was considered other than temporary. During the nine and three months ended September 30, 1998, we recorded pre-tax losses of $91.2 million on certain of our investments based on a decline in value that was considered other than temporary.

Gain From Equity Offering of Affiliate

In April 1998 and November 1997, Teleport issued shares of its Class A Common Stock. As a result of the stock issuances, we recognized a $157.8 million and $98.1 million increase in our proportionate share of Teleport's net assets as a gain from equity offering of affiliate for the nine and three months ended September 30, 1998, respectively. We recorded our proportionate share of Teleport's net losses one quarter in arrears.

Other Income

The $1.426 billion increase in other income for the nine month period from 1998 to 1999 is primarily attributable to the receipt of the $1.5 billion MediaOne termination fee, net of transaction costs, in May 1999.

Income Tax Expense

The $505.3 million increase and $209.0 million decrease in income tax expense for the nine and three month periods from 1998 to 1999, respectively, are primarily the result of the effects of changes in our income before taxes and minority interest, and non-deductible foreign losses and non-deductible equity in net losses of affiliates.

Minority Interest Income

The $26.2 million decrease and $0.2 million increase in minority interest income for the nine and three month periods from 1998 to 1999 are attributable to the effects of our acquisition of a controlling interest in Jones Intercable in April 1999, the sale of Comcast UK Cable in October 1998 and to changes in the net income or loss of our other less than 100% owned consolidated subsidiaries.

For the nine and three months ended September 30, 1999 and 1998, our earnings from continuing operations (income from continuing operations plus income tax expense, equity in net losses of affiliates, fixed charges (interest expense) and extraordinary items) were $2.168 billion, $1.598 billion, $260.4 million and $1.263 billion, respectively. Such earnings were adequate to cover our fixed charges of $392.8 million, $354.9 million, $138.1 million and $117.7 million for the nine and three months ended September 30, 1999 and 1998, respectively. Fixed charges include non-cash interest expense of $2.3 million, $37.3 million, $0.5 million and $11.3 million for the nine and three months ended September 30, 1999 and 1998, respectively.

We believe that any losses incurred in the future by us will not significantly affect the performance of our normal business activities because of our existing cash, cash equivalents and short-term investments, our ability to generate operating income before depreciation and amortization and our ability to obtain external financing.

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

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

27.1 Financial Data Schedule.

(b) Reports on Form 8-K:

(i) We filed a Current Report on Form 8-K under Item 5 on July 22, 1999 relating to our announcement that we had completed the sale of our indirect wholly owned subsidiary, Comcast Cellular Corporation to SBC Communications, Inc.

(ii) We filed a Current Report on Form 8-K under Item 5 on August 11, 1999 relating to our announcement that we plan to commence an offer to exchange 1.4 shares of our Class A Special Common Stock for each share of Class A Common Stock or Common Stock of Jones Intercable, Inc. for up to 79% of the combined number of shares of Jones Intercable, Inc. Class A Common Stock and Common Stock outstanding.

SIGNATURE

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 S. SMITH

Lawrence S. Smith
Executive Vice President
(Principal Accounting Officer)

Date: November 15, 1999

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

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COMCAST CORPORATION
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9-MOS
DEC-31-1999
SEP-30-1999
882
5,354
542
(133)
468
7,341
4,832
(1,623)
22,265
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22,265
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4,378
(1,181)
(3,890)
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(393)
1,758
(828)
930
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(44)
0
1,240
1.63
1.52

Loss before income tax expense and other items excludes the effect of minority interests, net of tax, of $18.2.