



## Comcast Reports Third Quarter 2008 Results

- Consolidated Revenue Increased 10%; Pro Forma Growth of 7%
- Consolidated Operating Cash Flow Increased 10%; Pro Forma Growth of 8%
- Consolidated Operating Income Increased 20%
- EPS of \$0.26; Adjusted EPS of \$0.24 Increased 33%
- Free Cash Flow Increased 77% to \$928 Million
- Repurchased 40 Million Common Shares for \$800 Million

PHILADELPHIA--(BUSINESS WIRE)--Oct. 29, 2008--Comcast Corporation (NASDAQ: CMCSA, CMCSK) today reported results for the quarter ended September 30, 2008. The following table highlights financial results (dollars in millions, except per share amounts):

Consolidated	3rd Quarter			Year-to-Date		
	2008	2007	Growth	2008	2007	Growth
Revenue	\$8,549	\$7,781	10%	\$25,491	\$22,881	11%
Operating Cash Flow	\$3,237	\$2,929	10%	\$9,762	\$8,704	12%
Operating Income	\$1,670	\$1,391	20%	\$4,975	\$4,120	21%
Net Cash Provided by Operating Activities	\$2,445	\$1,598	53%	\$7,373	\$5,505	34%
Free Cash Flow	\$928	\$524	77%	\$2,793	\$1,334	109%
Net Income	\$771	\$560	38%	\$2,135	\$1,985	8%
Earnings per Share	\$0.26	\$0.18	44%	\$0.72	\$0.63	14%
Adjusted Net Income (1)	\$691	\$560	23%	\$1,911	\$1,685	13%
Adjusted Earnings per Share (1)	\$0.24	\$0.18	33%	\$0.64	\$0.54	19%
Pro Forma Revenue (2)	\$8,549	\$7,974	7%	\$25,491	\$23,515	8%
Pro Forma Operating Cash Flow (2)	\$3,237	\$3,004	8%	\$9,762	\$8,955	9%

See Notes below

Brian L. Roberts, Chairman and CEO of Comcast Corporation, said, "We delivered solid results in the third quarter, demonstrating the underlying strength of our subscription businesses and our ability to operate well in a challenging economic and competitive environment. Importantly, our financial position has never been stronger, reflecting disciplined and prudent balance sheet management and strong free cash flow growth. The success of our financial strategy enables us to grow the business, compete effectively and invest in our products and services. We will continue to apply this balanced approach to the business, as we remain focused on improving the customer experience and extending our long-term competitive advantage in order to build shareholder value."

### Consolidated Results

Revenue increased 10% in the third quarter of 2008 to \$8.5 billion, while Operating Cash Flow (as defined in Table 7) increased 10% to \$3.2 billion and Operating Income increased 20% to \$1.7 billion. This growth was due to solid operating results at Comcast Cable and in the Programming segment, as well as the positive impact of cable acquisitions. For the nine months ended September 30, 2008, revenue increased 11% to \$25.5 billion, Operating Cash Flow increased 12% to \$9.8 billion, and Operating Income increased 21% to \$5.0 billion, all compared to the same time period in 2007.

On a pro forma basis(2), Consolidated Revenue increased 7% to \$8.5 billion in the third quarter of 2008, while Consolidated Operating Cash Flow increased 8% to \$3.2 billion. Operating Cash Flow margin was 37.9%, a slight increase from the 37.7% reported in the third quarter of 2007. For the nine months ended September 30, 2008, pro forma Consolidated Revenue increased 8% to \$25.5 billion and pro forma Consolidated Operating Cash Flow increased 9% to \$9.8 billion. Operating Cash Flow margin was 38.3%, a slight increase from the 38.1% reported in the first nine months of 2007.

Net Income in the third quarter of 2008 was \$771 million, or \$0.26 per share compared to \$560 million or \$0.18 per share in the prior year. Net income in the third quarter of 2008 included favorable income tax adjustments. Excluding these adjustments and as reconciled in Table 7-B, Adjusted Earnings per Share increased 33% to \$0.24. Net income for the nine months ended September 30, 2008, increased 8% from last year to \$2.1 billion. Net income in the first nine months of 2008 and 2007 also included gains from the dissolution of cable partnerships. Excluding these gains in both periods and the income tax adjustments in the third quarter of 2008, Adjusted Earnings per Share for the nine months ended September 30, 2008 increased 19% to \$0.64 compared to \$0.54 in the first nine months of 2007.

Net Cash Provided by Operating Activities increased 53% to \$2.4 billion in the third quarter of 2008 and increased 34% to \$7.4 billion for the nine months ended September 30, 2008, due primarily to solid operating results in all segments, as well as a positive impact from the Economic Stimulus package.

Free Cash Flow (as defined in Table 7) totaled \$928 million in the third quarter of 2008 as compared to \$524 million in 2007, a 77% increase. Free Cash Flow for the nine months ended September 30, 2008 increased 109% to \$2.8 billion. The definition of Free Cash Flow remains unchanged and excludes any impact from the Economic Stimulus package (see Table 4). The increase in Free Cash Flow was due primarily to growth in consolidated Operating Cash Flow and lower capital expenditures. During the third quarter of 2008, consolidated capital expenditures decreased 14% from the prior year to \$1.3 billion, or 15.3% of total revenue, reflecting lower spending for residential services at Comcast Cable.

#### Pro Forma Cable Segment Results(2)

Revenue from our cable segment increased 7% to \$8.1 billion for the third quarter of 2008 as compared to \$7.6 billion in the third quarter of 2007 reflecting revenue increases across all product lines, with the exception of our advertising business, which has been impacted by weakness in the economy. The monthly average total revenue per basic subscriber increased 9% from \$101.74 to \$110.71, reflecting an increase in the number of customers taking multiple products. As of September 30, 2008, 22% of subscribers were three-product customers as compared to 15% at the end of last year's third quarter. For the nine months ended September 30, 2008, cable revenue increased 8% to \$24.1 billion.

Operating Cash Flow grew 7% to \$3.3 billion in the third quarter of 2008 from \$3.1 billion in the third quarter of 2007. Operating Cash Flow margin was 40.0%, a slight decrease from the 40.2% reported in the third quarter of 2007. Comcast continues to focus on controlling operating expenses; however, the company incurred expenses related to a divisional restructuring and employee reductions, the impact from two major hurricanes on Comcast systems in the southern U.S., and additional investments in Business Services. Excluding the impact of the hurricane and severance-related charges, which totaled \$59 million, Operating Cash Flow grew 9% in 3Q08. For the nine months ended September 30, 2008, Operating Cash Flow increased 8% to \$9.8 billion, a margin of 40.4%.

#### Video

- Basic video subscribers declined 147,000 or 0.6% sequentially during the third quarter.
- Added 417,000 digital cable subscribers during the third quarter - 69% or 16.8 million video subscribers have digital service.
- 7.3 million or 44% of digital cable subscribers have advanced services such as digital video recorders (DVR) and/or high-definition television service (HDTV).

Video revenue increased 4% to \$4.7 billion in the third quarter of 2008 from \$4.5 billion in 2007. The revenue increase reflects price increases for video services and growth in digital video customers, offset in part by an increasing number of customers in bundles and promotional offers, as well as a decline in basic video customers.

Basic video subscribers decreased by 147,000 to 24.4 million during the third quarter, including an estimated loss of 15,000 subscribers due to the hurricanes, compared to a 56,000 subscriber decline in the third quarter of 2007. Year to date through September 30, 2008, basic subscribers decreased 342,000, reflecting a more challenging competitive and economic environment.

Comcast added 417,000 digital cable customers in the third quarter of 2008, compared to 503,000 in the same period one year ago. Year to date through September 30, 2008, Comcast added 1.2 million digital cable customers. PPV revenue increased 9% in the third quarter and for the first nine months of 2008.

#### High-Speed Internet

-- Added 382,000 high-speed Internet subscribers during the third quarter - penetration reached 30% of homes passed or 14.7 million customers.

High-speed Internet revenue increased 9% to \$1.8 billion in the third quarter of 2008 from \$1.7 billion in 2007 reflecting an 11% increase in subscribers and a 2% decline in average monthly revenue per subscriber to \$41.74 as a result of additional bundling and the recent introduction of new offers and speed tiers.

#### Phone

-- Added 483,000 Comcast Digital Voice (CDV) customers during the third quarter - penetration reached 13% of homes passed or 6.1 million customers.

Phone revenue increased 44% from \$479 million to \$690 million in the third quarter of 2008, reflecting significant growth in CDV subscribers and a 5% decrease in average revenue per subscriber to \$38.98, resulting from an increase in the number of customers receiving service as part of a promotional offer or in a new product package. The increase in CDV revenue was also partially offset by a \$49 million or 96% decline in circuit-switched phone revenue as Comcast exits that product offering.

Year to date through September 30, 2008, phone revenue increased 52% from \$1.3 billion to \$1.9 billion, reflecting significant growth in CDV customers, partially offset by a \$182 million decline in circuit-switched phone revenue.

#### Advertising

Advertising revenue decreased 10% to \$374 million in the third quarter of 2008 from \$417 million in 2007, reflecting one less week in the broadcast advertising calendar as well as continued softness in the advertising marketplace, only partially offset by an increase in political advertising. Year to date through September 30, 2008, ad sales decreased 3% to \$1.1 billion.

#### Programming Segment Results

Comcast's Programming segment consists of national programming networks E! Entertainment Television, Style Network, Golf Channel, VERSUS, and G4.

The Programming segment reported third quarter 2008 revenue of \$347 million, a 5% increase from \$330 million in 2007, reflecting higher distribution revenue and strong international revenue growth, offset by one less week in the broadcast advertising calendar. Operating Cash Flow increased to \$105 million, an increase of 9% from the same period last year.

Year to date through September 30, 2008, Programming segment revenue increased 11% to \$1.1 billion from \$966 million in the nine months ended September 30, 2007. During the same period, Operating Cash Flow increased 30% to \$307 million in 2008, reflecting the favorable timing of certain marketing and programming expenses in the first nine months of the year, which are expected to be reversed in the fourth quarter.

#### Corporate and Other

Corporate and Other includes corporate overhead, Comcast-Spectacor, Comcast Interactive Media (CIM), and other operations and eliminations between Comcast's businesses. For the third quarter of 2008, Corporate and Other revenue increased 38% to \$71 million from \$51 million in the third quarter of 2007, reflecting strong results at CIM from internet advertising and search revenue. The Operating Cash Flow loss for the third quarter of 2008 decreased to \$119 million compared to a loss of \$143 million in 2007, which included \$55 million of At Home litigation expense.

Year to date through September 30, 2008, Corporate and Other revenue increased 43% to \$268 million from \$187 million in the same period of 2007. Operating Cash Flow loss for Corporate and Other decreased 9% to \$300 million for the nine months ended September 30, 2008 compared to a loss of \$332 million in 2007.

#### Share Repurchases and Dividends

In the third quarter of 2008, Comcast repurchased 39.7 million of its common shares for \$800 million, reducing the number of total shares outstanding by 1.4%. Year to date, Comcast repurchased 140.9 million of its common shares for \$2.8 billion.

As of September 30, 2008, Comcast had approximately \$4.1 billion of availability remaining under its share repurchase authorization. We have previously indicated our plan to fully use our remaining share repurchase authorization by the end of 2009, subject to market conditions. Given the overall economy and the unprecedented turmoil and instability in the capital markets, the company may not complete its share repurchase authorization in 2008 and 2009 as previously planned. The company believes this is a disciplined and responsible approach given the difficult market conditions.

Comcast paid quarterly cash dividends of \$185 million on April 30, 2008, \$182 million on July 30, 2008 and \$180 million on October 29, 2008.

## 2008 Financial Outlook

For 2008, Comcast reaffirms the following previously issued guidance:

- Consolidated Revenue and Operating Cash Flow growth of 8% to 10%(2)
- Consolidated Capital Expenditures as a percent of revenue expected to decline to approximately 18%
- Consolidated Free Cash Flow growth of at least 20% from the \$2.3 billion reported in 2007

Given that actual capital expenditures have been trending lower than initially forecasted, and Free Cash Flow is highly sensitive to the level of our capital expenditures, we will exceed the above guidance for Free Cash Flow growth.

The outlook above does not reflect the impact of any tax law changes, including the U.S. Government Economic Stimulus package or any future sales or acquisitions of businesses or operating assets (or related tax effects).

Notes:

- 1 Net income and earnings per share are adjusted for gains, net of tax, related to the dissolution of the Texas/Kansas City Cable Partnership in 2007, the dissolution of the Insight Midwest Partnership in 2008, and gains related to the settlement of an uncertain tax position of an acquired entity and certain state tax law changes in 2008. Please refer to Table 7-B for a reconciliation of adjusted net income and earnings per share. Earnings per share amounts are presented on a diluted basis.
- 2 Pro forma results adjust for certain cable segment acquisitions and dispositions, including the acquisitions of Comcast SportsNet Bay Area/Comcast SportsNet New England (June 2007), the cable system acquired from Patriot Media (August 2007), and the dissolution of the Insight Midwest Partnership (January 2008). Consolidated and cable pro forma results are presented as if the transactions noted above were effective on January 1, 2007. The net impact of these transactions increased the number of basic cable subscribers by 765,000. Please refer to Table 7-A for a reconciliation of pro forma financial data.

## Conference Call Information

Comcast Corporation will host a conference call with the financial community today, October 29, 2008 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on Comcast's Investor Relations website at [www.cmcsa.com](http://www.cmcsa.com) or [www.cmcsk.com](http://www.cmcsk.com). A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on October 29, 2008. Those parties interested in participating via telephone should dial (800) 263-8495 with the conference ID number 65905828. A telephone replay will begin immediately following the call until Friday, October 31, 2008 at midnight ET. To access the rebroadcast, please dial (800) 642-1687 and enter passcode number 65905828. To automatically receive Comcast financial news by email, please visit [www.cmcsa.com](http://www.cmcsa.com) or [www.cmcsk.com](http://www.cmcsk.com) and subscribe to email alerts.

## Caution Concerning Forward-Looking Statements

This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve

risks and uncertainties that could cause actual events or our actual results to differ materially from those expressed in any such forward-looking statements. Readers are directed to Comcast's periodic and other reports filed with the Securities and Exchange Commission (SEC) for a description of such risks and uncertainties. We undertake no obligation to update any forward-looking statements.

#### Non-GAAP Financial Measures

In this discussion, we sometimes refer to financial measures that are not presented according to generally accepted accounting principles in the U.S. (GAAP). Certain of these measures are considered "non-GAAP financial measures" under the SEC regulations; those rules require the supplemental explanations and reconciliations provided in Table 7 of this release. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

#### About Comcast Corporation

Comcast Corporation (Nasdaq: CMCSA, CMCSK) (<http://www.comcast.com>) is the nation's leading provider of entertainment, information and communications products and services. With 24.4 million cable customers, 14.7 million high-speed Internet customers, and 6.1 million Comcast Digital Voice customers, Comcast is principally involved in the development, management and operation of broadband cable systems and in the delivery of programming content.

Comcast's content networks and investments include E! Entertainment Television, Style Network, Golf Channel, VERSUS, G4, PBS KIDS Sprout, TV One, ten Comcast SportsNet networks and Comcast Interactive Media, which develops and operates Comcast's Internet business. Comcast also has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia.

[Click here to view financial tables](#)

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