

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:  
MARCH 31, 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 March 31, 1999, there were 699,483,529 shares of Class A Special Common Stock, 31,499,438 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 MARCH 31, 1999

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This Quarterly Report on Form 10-Q is for the three months ended March 31, 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:

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

COMCAST CORPORATION AND SUBSIDIARIES  
FORM 10-Q  
QUARTER ENDED MARCH 31, 1999

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEET  
(Unaudited)

(Dollars in millions, except share data)

	March 31, 1999	December 31 1998,
	-----	-----
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents.....	\$1,548.7	\$870.7
Investments.....	4,978.4	3,653.4
Accounts receivable, less allowance for doubtful accounts of \$123.8 and \$120.7.....	487.8	549.3
Inventories, net.....	321.4	343.8
Other current assets.....	202.8	207.1
	-----	-----
Total current assets.....	7,539.1	5,624.3
	-----	-----
INVESTMENTS.....	1,178.5	602.4
	-----	-----
PROPERTY AND EQUIPMENT.....	3,910.6	3,886.7
Accumulated depreciation.....	(1,427.3)	(1,362.3)
	-----	-----
Property and equipment, net.....	2,483.3	2,524.4
	-----	-----
DEFERRED CHARGES.....	8,305.5	8,214.5
Accumulated amortization.....	(2,229.5)	(2,148.2)
	-----	-----
Deferred charges, net.....	6,076.0	6,066.3
	-----	-----
	\$17,276.9	\$14,817.4
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses.....	\$1,399.7	\$1,600.3
Accrued interest.....	128.7	73.5
Net liabilities of discontinued operations.....	188.4	165.2
Deferred income taxes.....	1,592.1	1,140.1
Current portion of long-term debt.....	122.0	113.5
	-----	-----
Total current liabilities.....	3,430.9	3,092.6
	-----	-----
LONG-TERM DEBT, less current portion.....	6,168.7	5,464.2
	-----	-----
DEFERRED INCOME TAXES.....	1,697.1	1,500.1
	-----	-----
MINORITY INTEREST AND OTHER.....	840.3	834.0
	-----	-----
COMMITMENTS AND CONTINGENCIES		
COMMON EQUITY PUT OPTIONS.....	111.2	111.2
	-----	-----
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock - authorized, 20,000,000 shares; 5% series A convertible, no par value, issued, 6,370 at redemption value.....	31.9	31.9
5.25% series B mandatorily redeemable convertible, \$1,000 par value, issued, 547,786 and 540,690 at redemption value.....	547.8	540.7
Class A special common stock, \$1 par value -authorized, 2,500,000,000 shares; issued, 699,483,529 and 698,395,170.....	699.5	698.4
Class A common stock, \$1 par value - authorized, 200,000,000 shares; issued, 31,499,438 and 31,690,063 .....	31.5	31.7
Class B common stock, \$1 par value - authorized, 50,000,000 shares; issued, 9,444,375 .....	9.4	9.4
Additional capital.....	2,941.4	2,941.7
Accumulated deficit.....	(1,416.8)	(1,488.2)
Unrealized gains on marketable securities.....	2,185.3	1,049.5
Cumulative translation adjustments.....	(1.3)	0.2
	-----	-----
Total stockholders' equity.....	5,028.7	3,815.3
	-----	-----
	\$17,276.9	\$14,817.4
	=====	=====

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES  
FORM 10-Q  
QUARTER ENDED MARCH 31, 1999  
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT  
(Unaudited)

(Amounts in millions, except per share data)  
Three Months Ended March 31,  
1999                      1998  
-----                      -----

REVENUES		
Service income.....	\$724.4	\$709.8
Net sales from electronic retailing.....	649.6	544.6
	-----	-----
	1,374.0	1,254.4
	-----	-----
COSTS AND EXPENSES		
Operating.....	373.6	387.2
Cost of goods sold from electronic retailing.....	390.5	332.4
Selling, general and administrative.....	184.8	186.1
Depreciation.....	116.6	117.1
Amortization.....	121.9	122.2
	-----	-----
	1,187.4	1,145.0
	-----	-----
OPERATING INCOME.....	186.6	109.4
OTHER (INCOME) EXPENSE		
Interest expense.....	111.2	120.4
Investment (income) expense.....	(127.8)	1.6
Equity in net (income) losses of affiliates.....	(1.1)	129.5
Gain from equity offering of affiliate.....		(59.6)
Other.....	(0.2)	(2.7)
	-----	-----
	(17.9)	189.2
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE, MINORITY INTEREST AND EXTRAORDINARY ITEMS.....	204.5	(79.8)
INCOME TAX EXPENSE.....	87.4	6.4
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE MINORITY INTEREST AND EXTRAORDINARY ITEMS.....	117.1	(86.2)
MINORITY INTEREST.....	15.3	(17.2)
	-----	-----
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE EXTRAORDINARY ITEMS.....	101.8	(69.0)
LOSS FROM DISCONTINUED OPERATIONS, net of income tax benefit of \$11.9 and \$5.8.....	20.1	9.9
	-----	-----
INCOME (LOSS) BEFORE EXTRAORDINARY ITEMS.....	81.7	(78.9)
EXTRAORDINARY ITEMS.....	(0.7)	
	-----	-----
NET INCOME (LOSS).....	81.0	(78.9)
PREFERRED DIVIDENDS.....	(7.5)	(7.1)
	-----	-----
NET INCOME (LOSS) FOR COMMON STOCKHOLDERS.....	\$73.5	(\$86.0)
	=====	=====
ACCUMULATED DEFICIT		
Beginning of period.....	(\$1,488.2)	(\$2,415.9)
Net income (loss).....	81.0	(78.9)
Common dividends - \$.012 per share in 1998.....		(8.5)
Retirement of common stock.....	(9.6)	
	-----	-----
End of period.....	(\$1,416.8)	(\$2,503.3)
	=====	=====
BASIC EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE		
Income (loss) from continuing operations before extraordinary items....	\$.13	(\$ .11)
Loss from discontinued operations.....	(.03)	(.01)
Extraordinary items.....		
	-----	-----
Net income (loss).....	\$.10	(\$ .12)
	=====	=====
BASIC WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING.....	741.4	716.2
	=====	=====
DILUTED EARNINGS (LOSS) FOR COMMON STOCKHOLDERS PER COMMON SHARE		
Income (loss) from continuing operations before extraordinary items....	\$.12	(\$ .11)
Loss from discontinued operations.....	(.02)	(.01)
Extraordinary items.....		

Net income (loss).....	----- \$ .10 =====	----- (\$ .12) =====
DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING.....	----- 814.9 =====	----- 716.2 =====

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES  
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QUARTER ENDED MARCH 31, 1999  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
(Unaudited)

(Dollars in millions)  
Three Months Ended March 31,  
1999                      1998  
-----                      -----

OPERATING ACTIVITIES

Net income (loss).....	\$81.0	(\$78.9)
Adjustments to reconcile net income (loss) to net cash provided by operating activities from continuing operations:		
Depreciation.....	116.6	117.1
Amortization.....	121.9	122.2
Non-cash interest expense, net.....	(1.4)	12.3
Equity in net (income) losses of affiliates.....	(1.1)	129.5
Gain from equity offering of affiliate.....		(59.6)
Non-cash investment (income) expense, net.....	(101.2)	18.0
Minority interest.....	15.3	(17.2)
Loss from discontinued operations.....	20.1	9.9
Extraordinary items.....	0.7	
Deferred income taxes and other.....	25.3	(40.3)
	-----	-----
	277.2	213.0
Changes in working capital.....	23.1	69.6
	-----	-----
Net cash provided by operating activities from continuing operations .....	300.3	282.6
	-----	-----

FINANCING ACTIVITIES

Proceeds from borrowings.....	778.3	965.2
Retirement and repayment of debt.....	(66.4)	(736.8)
(Repurchase) issuance of common stock, net.....	(3.5)	5.8
Dividends.....	(9.0)	(8.9)
Deferred financing costs.....	(14.4)	(0.3)
	-----	-----
Net cash provided by financing activities from continuing operations .....	685.0	225.0
	-----	-----

INVESTING ACTIVITIES

Acquisitions, net of cash acquired.....		(136.9)
(Purchases of) proceeds from sales of short-term investments, net.....	(40.6)	132.0
Investments.....	(116.4)	(58.3)
Proceeds from sales of investments.....	50.7	
Proceeds from sales of call options.....		20.7
Capital expenditures.....	(122.4)	(194.7)
Additions to deferred charges.....	(78.6)	(18.9)
Other.....		(0.2)
	-----	-----
Net cash used in investing activities from continuing operations .....	(307.3)	(256.3)
	-----	-----

INCREASE IN CASH AND CASH EQUIVALENTS - CONTINUING OPERATIONS.....	678.0	251.3
CASH AND CASH EQUIVALENTS, beginning of period.....	870.7	409.1
	-----	-----
CASH AND CASH EQUIVALENTS, end of period.....	\$1,548.7	\$660.4
	=====	=====

See notes to condensed consolidated financial statements.

COMCAST CORPORATION AND SUBSIDIARIES  
FORM 10-Q  
QUARTER ENDED MARCH 31, 1999  
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 March 31, 1999 and the condensed consolidated statements of operations and accumulated deficit and of cash flows for the three months ended March 31, 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 (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows as of March 31, 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 results of operations for the period ended March 31, 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 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 issued Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement, which establishes accounting and reporting standards for derivatives and hedging activities, is effective for fiscal years beginning after June 15, 1999. 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. The Company is currently evaluating the impact the adoption of SFAS No. 133 will have on its financial position and results of operations.

**Earnings (Loss) for Common Stockholders Per Common Share**

Earnings (loss) for common stockholders per common share is computed by dividing net income (loss), 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.

COMCAST CORPORATION AND SUBSIDIARIES  
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
(Unaudited)

The following table reconciles the numerator and denominator of the computations of diluted earnings (loss) for common stockholders per common share ("Diluted EPS") for the three months ended March 31, 1999 and 1998, respectively.

(Amounts in millions, except per share data)  
Three Months Ended  
March 31,

	1999	1998
	-----	-----
Net income (loss) for common stockholders.....	\$73.5	(\$86.0)
Preferred dividends.....	7.5	
	-----	-----
Net income (loss) for common stockholders used for Diluted EPS.....	\$81.0	(\$86.0)
	=====	=====
Basic weighted average number of common shares outstanding.....	741.4	716.2
Dilutive securities:		
Series A and B convertible preferred stock.....	45.2	
Stock option and restricted stock plans.....	28.3	
	-----	-----
Diluted weighted average number of common shares outstanding.....	814.9	716.2
	=====	=====
Diluted earnings (loss) for common stockholders per common share.....	\$.10	(\$ .12)
	=====	=====

Put options sold by the Company on 5.5 million shares of its Class A Special Common stock (see Note 6) were outstanding during the three months ended March 31, 1999 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 period.

For the three months ended March 31, 1998, the Company's potential common shares of 86.6 million shares have an antidilutive effect on loss for common stockholders per common share and, therefore, have not been used in determining the total weighted average number of common shares outstanding.

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

AT&T Agreement

On May 4, 1999, the Company and AT&T Corp. ("AT&T") entered into an agreement (the "AT&T Agreement") pursuant to which the Company and AT&T agreed to exchange various cable systems (the "System Exchanges") to improve each company's geographic clustering of systems. 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 System Exchanges. The Company will pay for the net subscribers acquired in connection with the 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 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 determined based upon the average trading price during the 20-day trading period beginning June 3, 1999.

COMCAST CORPORATION AND SUBSIDIARIES  
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
(Unaudited)

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 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 the first quarter of 2000, subject to receipt of necessary shareholder, regulatory and other approvals. There can be no assurance, however, that such acquisition will be consummated.

#### Proposed Acquisition of MediaOne Group, Inc.

On March 22, 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. On April 22, 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.

#### Acquisition of 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, Inc. ("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. After closing, the Company controls approximately 37% of the economic and 47% 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 acquisition was funded with available cash and cash equivalents. Jones Intercable is a public company, which upon closing of certain pending transactions, will own or manage cable operations serving approximately 1.0 million customers.

#### Acquisition of Greater Philadelphia Cablevision

In February 1999, the Company agreed to acquire Greater Philadelphia Cablevision, Inc, a subsidiary of Greater Media, Inc. that operates a cable system serving approximately 79,000 subscribers in Philadelphia, Pennsylvania. The Company will issue approximately 8.4 million shares of its Class A Special Common Stock to complete the acquisition. The acquisition is expected to close in the fourth quarter of 1999, subject to receipt of all necessary regulatory and other approvals.

## COMCAST CORPORATION AND SUBSIDIARIES

FORM 10-Q

QUARTER ENDED MARCH 31, 1999

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

(Unaudited)

## Sale of Comcast Cellular

In January 1999, the Company agreed to sell its indirect wholly owned subsidiary, Comcast Cellular, to SBC Communications, Inc. for approximately \$400 million in cash and the assumption of approximately \$1.3 billion of Comcast Cellular debt. As of March 31, 1999, Comcast Cellular provides telephone communications services pursuant to licenses granted by the Federal Communications Commission to more than 862,000 subscribers in and around the City of Philadelphia, the State of Delaware and a significant portion of the State of New Jersey. Revenues for Comcast Cellular were \$109.8 million and \$105.4 million for the three months ended March 31, 1999 and 1998, respectively. The sale of Comcast Cellular is expected to close in the second quarter of 1999 subject to the receipt of all necessary regulatory and other approvals.

## 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. During the fourth quarter of 1998, the Company acquired a \$50 million 12.75% subordinated note due 2008 from Prime. In addition, under the terms of the agreement, the Company will lend Prime approximately \$735 million in the form of a 6% ten year note, expected to occur in the third quarter of 1999. In return, the Company will receive a convertible note giving the Company the right to acquire 90% of Prime. The note cannot be converted until the build out of certain of Prime's cable systems is complete and regulatory and other approvals are obtained, which is expected to occur in the third quarter of 2002. If the note is converted, the Company would assume approximately \$550 million of Prime debt. The Company would have the option to acquire the remaining 10% interest in Prime for approximately \$82 million, plus accrued interest at 7% per annum.

## 4. INVESTMENTS

	March 31, 1999	December 31, 1998
	-----	-----
	(Dollars in millions)	
Equity method.....	\$13.2	\$11.1
Fair value method.....	6,043.6	4,170.0
Cost method.....	100.1	74.7
	-----	-----
Total investments.....	6,156.9	4,255.8
Less current investments.....	4,978.4	3,653.4
	-----	-----
Non-current investments.....	\$1,178.5	\$602.4
	=====	=====

## Equity Method

The Company records its proportionate interests in the net income (loss) of substantially all of its equity method investees three months in arrears. The Company's recorded investments exceed its proportionate interests in the book value of the investees' net assets by \$81.3 million as of March 31, 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 original cost of investments accounted for under the equity method totaled \$203.9 million and \$215.3 million as of March 31, 1999 and December 31, 1998, respectively.

COMCAST CORPORATION AND SUBSIDIARIES  
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED  
(Unaudited)

Summarized financial information for the three months ended March 31, 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 three months ended March 31, 1999 as such investments are no longer accounted for under the equity method (dollars in millions):

	Sprint PCS -----	Teleport -----	UK Investees -----	Other -----	Combined -----
Three Months Ended March 31, 1998:					
Combined Results of Operations					
Revenues, net.....	\$141.2	\$150.4	\$57.3	\$290.7	\$639.6
Operating, selling, general and administrative expenses.....	478.0	154.1	45.0	316.6	993.7
Depreciation and amortization.....	122.7	48.0	19.7	29.1	219.5
Operating loss.....	(459.5)	(51.7)	(7.4)	(55.0)	(573.6)
Net loss (1).....	(559.4)	(72.5)	(30.1)	(72.6)	(734.6)
Company's Equity in Net Loss					
Equity in current period net loss.....	(\$83.9)	(\$10.6)	(\$10.4)	(\$22.6)	(\$127.5)
Amortization expense.....	(0.8)		(0.2)	(1.0)	(2.0)
	-----	-----	-----	-----	-----
Total equity in net loss.....	(\$84.7)	(\$10.6)	(\$10.6)	(\$23.6)	(\$129.5)
	=====	=====	=====	=====	=====

(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 November 1997, Teleport issued shares of its Class A Common Stock. As a result of the share issuance, the Company recognized a \$59.6 million increase in its proportionate share of Teleport's net assets as a gain from equity offering of affiliate for the three months ended March 31, 1998. The Company recorded its proportionate share of Teleport's net assets one quarter in arrears. In July 1998, in connection with AT&T's acquisition of Teleport, the Company exchanged its interest in Teleport for shares of AT&T common stock. As of March 31, 1999 and 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 March 31, 1999 and 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 \$2.682 billion and \$2.555 billion as of March 31, 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 \$6.044 billion and \$4.170 billion as of March 31, 1999 and December 31, 1998, respectively. The unrealized pre-tax gains as of March 31, 1999 and December 31, 1998 of \$3.362 billion and \$1.615 billion, respectively, have been reported in the Company's condensed

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consolidated balance sheet as a component of stockholders' equity, net of related deferred income tax expense of \$1.177 billion and \$565.1 million, respectively.

#### 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 three months ended March 31, 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) expense in the Company's condensed consolidated statement of operations and accumulated deficit.

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 three months ended March 31, 1999 and 1998, the Company recorded pre-tax investment expense of \$51.4 million and \$14.6 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 three months ended March 31, 1999, the Company recorded a pre-tax loss of \$35.3 million on certain of its investments based on a decline in value that was considered other than temporary. Such pre-tax loss is included in investment (income) expense in the Company's condensed consolidated statement of operations and accumulated deficit.

## 5. LONG-TERM DEBT

#### PHONES

In March 1999, the Company issued 13.05 million (as adjusted for AT&T's 3-for-2 stock split in April 1999) 3.35% Exchangeable Extendable Subordinated Debentures due 2029 (the "PHONES") for gross proceeds of \$718.3 million. The PHONES mature on May 15, 2029, unless extended as described below. At maturity, holders of the PHONES are 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. If the current market value of AT&T common stock is greater than 150% of the principal amount of the PHONES on May 15, 2029, the maturity will be extended to May 15, 2059.

Prior to maturity, each PHONES is exchangeable at the holders option, at any time after March 11, 2000, for an amount of cash equal to 95% of the market value of AT&T common stock. If the maturity of the PHONES is extended to 2059, the early exchange ratio will be increased to 100%. Prior to maturity, the Company may redeem all of the PHONES at a per PHONES premium (as adjusted for AT&T's 3-for-2 stock split in April 1999) of (a) \$2.47687 if redeemed prior to May 15, 2000, (b) \$1.65125 if redeemed prior to May 15, 2001, (c) \$0.82563 if redeemed prior to May 15, 2002, or (d) zero if redeemed on or after May 15, 2002.

Interest on the PHONES is payable quarterly (subject to deferral at the Company's option) equal to 1.75% per year of the original principal amount, plus the amount of the quarterly cash dividend paid on a share of AT&T common stock (1.60% as of the issuance date). The principal amount of the PHONES will be adjusted if AT&T changes the dividend paid on its common stock or if there are special distributions on or in respect of the AT&T common stock.

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

The PHONES are being accounted for as an indexed debt instrument since the maturity value is dependent upon the fair value of AT&T common stock. The Company's investment in AT&T 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).

**Interest Rates**

As of March 31, 1999 and December 31, 1998, the Company's effective weighted average interest rate on its long-term debt outstanding was 7.16% and 7.71%, respectively.

**Lines of Credit**

As of March 31, 1999, certain subsidiaries of the Company had unused lines of credit of \$913.5 million, \$313.5 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 three months ended March 31, 1999, the Company repurchased 0.4 million shares of its common stock for aggregate consideration of \$11.5 million 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. The put options give the holder the right to require the Company to repurchase such shares at specified prices on specific dates during the period from April through September 1999. The amount the Company would be obligated to pay to repurchase such shares if all outstanding put options were exercised, totaling \$111.2 million, has been reclassified to a temporary equity account in the Company's condensed consolidated balance sheet as of March 31, 1999 and December 31, 1998.

**Comprehensive Income (Loss)**

Total comprehensive income (loss) for the three months ended March 31, 1999 and 1998 was \$1.215 billion and (\$6.7) million, respectively. Total comprehensive income (loss) includes net income (loss), unrealized gains (losses) 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 \$56.4 million and \$60.4 million during the three months ended March 31, 1999 and 1998, respectively.

The Company made cash payments for income taxes of \$18.9 million and \$14.9 million during the three months ended March 31, 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.

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

	Cable Communications -----	Electronic Retailing -----	Corporate and Other (1) -----	Total -----
Three Months Ended March 31, 1999				
Revenues, net.....	\$604.8	\$649.6	\$119.6	\$1,374.0
Operating income before depreciation and amortization (2).....	280.5	130.9	13.7	425.1
Depreciation and amortization.....	194.2	28.4	15.9	238.5
Operating income (loss).....	86.3	102.5	(2.2)	186.6
Interest expense.....	65.7	10.4	35.1	111.2
Capital expenditures.....	105.6	11.0	5.8	122.4
As of March 31, 1999				
Assets.....	\$6,368.9	\$2,190.5	\$8,717.5	\$17,276.9
Long-term debt, less current portion....	3,462.2	571.8	2,134.7	6,168.7
Three Months Ended March 31, 1998				
Revenues, net.....	\$541.2	\$544.6	\$168.6	\$1,254.4
Operating income before depreciation and amortization (2).....	249.4	95.1	4.2	348.7
Depreciation and amortization.....	161.9	29.5	47.9	239.3
Operating income (loss).....	87.5	65.6	(43.7)	109.4
Interest expense.....	53.5	13.3	53.6	120.4
Capital expenditures.....	140.3	19.5	34.9	194.7

(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) 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 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.

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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 January 1999, we agreed to sell our indirect wholly owned subsidiary, Comcast Cellular Corporation ("Comcast Cellular"), to SBC Communications, Inc. for approximately \$400 million in cash and the assumption of approximately \$1.3 billion of Comcast Cellular debt. We expect to recognize a pre-tax gain on the sale of approximately \$600 million. We expect to complete this sale in the second quarter of 1999 if we receive all the necessary regulatory and other approvals. The results of Comcast Cellular have been presented as a discontinued operation in our condensed consolidated financial statements.

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, through our cash flows from operating activities, existing cash, cash equivalents, short-term investments, lines of credit and other external financing.

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 March 31, 1999 were \$6.527 billion. As of March 31, 1999, our cash, cash equivalents and short-term investments include \$4.920 billion of our investments in AT&T Corp. ("AT&T"), Sprint PCS, NTL Incorporated ("NTL") and Liberty Media Group ("New Liberty") (see Note 4 to our condensed consolidated financial statements included in Item 1). As of March 31, 1999, \$346.9 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 March 31, 1999 and December 31, 1998, our long-term debt, including current portion, was \$6.291 billion and \$5.578 billion, respectively, of which 16.9% and 18.0%, respectively, was at variable rates.

We may from time to time, 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.

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Year 2000 Issue

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:

- o Assessment Phase. Structured evaluation, including a detailed inventory outlining the impact that the Year 2000 Issue may have on current operations.
- o Detailed Planning Phase. Establishment of priorities, development of specific action steps and allocation of resources to address the issues identified in the Assessment Phase.
- o Conversion Phase. Implementation of the necessary system modifications as outlined in the Detailed Planning Phase.
- o 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.
- o Implementation Phase. Final roll-out of fully tested components into an operational unit.

Based on an inventory conducted in 1997, we have identified computer systems that will require modification or replacement so that they will properly utilize dates beyond December 31, 1999. Many of our critical systems are new and are already Year 2000 compliant as a result of the recent rebuild of many of our cable communications systems. In addition, we have initiated communications with all of 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 March 31, 1999, we are in the Testing Phase of our Year 2000 remediation program and have entered the Implementation Phase with respect to certain of our key systems. Through March 31, 1999, we have incurred approximately \$6.0 million in connection with our Year 2000 remediation program. We estimate that we will incur between approximately \$10 million to \$16 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. We plan to complete the Year 2000 mitigation by the third quarter of 1999. Our management has investigated and may consider potential contingency plans in the event that our Year 2000 remediation program is not completed by that date.

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.

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Statement of Cash Flows

Cash and cash equivalents increased \$678.0 million as of March 31, 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 \$300.3 million for the three months ended March 31, 1999 due principally to 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 provided by financing activities from continuing operations, which includes borrowings and repayments of debt, as well as the issuances and repurchases of our equity securities, was \$685.0 million for the three months ended March 31, 1999. During the three months ended March 31, 1999, we borrowed \$778.3 million, consisting primarily of \$718.3 million of 3.35% Exchangeable Extendable Subordinated Debentures due 2029 (the "PHONES"). During the three months ended March 31, 1999, we repaid \$66.4 million of our long-term debt. In addition, during the three months ended March 31, 1999, we had net repurchases of \$3.5 million of our common stock and we paid cash dividends of \$9.0 million on our common stock and Series A Preferred Stock. Deferred financing costs of \$14.4 million were incurred during the three months ended March 31, 1999 in connection with the issuance of the PHONES.

Net cash used in investing activities from continuing operations was \$307.3 million for the three months ended March 31, 1999. Net cash used in investing activities includes investments of \$116.4 million, capital expenditures of \$122.4 million, additions to deferred charges of \$78.6 million and net purchases of short-term investments of \$40.6 million, offset by proceeds from sales of investments of \$50.7 million.

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Results of Operations

Our summarized consolidated financial information for the three months ended March 31, 1999 and 1998 is as follows (dollars in millions, "NM" denotes percentage is not meaningful):

	Three Months Ended March 31,		Increase / (Decrease)	
	1999	1998	\$	%
Revenues.....	\$1,374.0	\$1,254.4	\$119.6	9.5%
Cost of goods sold from electronic retailing.....	390.5	332.4	58.1	17.5
Operating, selling, general and administrative expenses.....	558.4	573.3	(14.9)	(2.6)
<hr/>				
Operating income before depreciation and amortization (1) .....	425.1	348.7	76.4	21.9
Depreciation.....	116.6	117.1	(0.5)	(0.4)
Amortization.....	121.9	122.2	(0.3)	(0.2)
<hr/>				
Operating income.....	186.6	109.4	77.2	70.6
<hr/>				
Interest expense.....	111.2	120.4	(9.2)	(7.6)
Investment (income) expense.....	(127.8)	1.6	129.4	NM
Equity in net (income) losses of affiliates.....	(1.1)	129.5	(130.6)	NM
Gain from equity offering of affiliate.....		(59.6)	(59.6)	NM
Other income.....	(0.2)	(2.7)	(2.5)	(92.6)
Income tax expense.....	87.4	6.4	81.0	NM
Minority interest.....	15.3	(17.2)	32.5	NM
<hr/>				
Income (loss) from continuing operations before extraordinary items.....	\$101.8	(\$69.0)	\$170.8	NM
	=====	=====		

(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 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.

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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):

	Three Months Ended March 31,		Increase	
	1999	1998	\$	%
Service income.....	\$604.8	\$541.2	\$63.6	11.8%
Operating, selling, general and administrative expenses.....	324.3	291.8	32.5	11.1
Operating income before depreciation and amortization (a).....	\$280.5	\$249.4	\$31.1	12.5%

(a) See footnote (1) on page 16.

Of the \$63.6 million increase in service income for the three month period from 1998 to 1999, \$13.4 million is attributable to the effects of the acquisitions of cable communications systems, \$6.7 million is attributable to subscriber growth, \$24.9 million relates to changes in rates, \$5.0 million is attributable to growth in cable advertising sales and \$13.6 million relates to other product offerings (e.g., digital cable, high speed data services, etc.).

Of the \$32.5 million increase in operating, selling, general and administrative expenses for the three month period from 1998 to 1999, \$7.3 million is attributable to the effects of the acquisitions of cable communications systems, \$9.5 million is attributable to an increase in the costs of cable programming as a result of changes in rates, subscriber growth and additional channel offerings, \$1.3 million is attributable to growth in advertising sales and \$14.4 million results 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.

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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 of ours (dollars in millions):

	Three Months Ended March 31,		Increase	
	1999	1998	\$	%
Net sales from electronic retailing.....	\$649.6	\$544.6	\$105.0	19.3%
Cost of goods sold from electronic retailing.....	390.5	332.4	58.1	17.5
Operating, selling, general and administrative expenses.....	128.2	117.1	11.1	9.5
Operating income before depreciation and amortization (a).....	\$130.9	\$95.1	\$35.8	37.6%
Gross margin.....	39.9%	39.0%		

(a) See footnote (1) on page 16.

The increase in net sales from electronic retailing of \$105.0 million for the three month period from 1998 to 1999 is due to the effects of 4.2%, 10.8% and 42.2% increases in the average number of homes receiving QVC services in the United States ("US"), United Kingdom ("UK") and Germany, respectively, and 8.6%, 18.3% and 87.7% 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 increase in gross margin is a result of a slight shift in sales mix to higher margin products.

Of the \$11.1 million increase in operating, selling, general and administrative expenses for the three month period from 1998 to 1999, \$8.6 million is attributable to higher variable costs associated with the increase in sales volume. The remaining increase is attributable to personnel and facilities based costs associated with Studio Park, QVC's production, studio and administrative facility and expansion in the 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 decreases in depreciation expense, amortization expense, interest expense and other income for the three month period from 1998 to 1999 was primarily due to 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

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) Expense

In March 1999, AT&T merged with TeleCommunications, 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 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



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held by us. As a result of the exchange, we recognized a pre-tax gain of \$187.6 million during the three months ended March 31, 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 three months ended March 31, 1999 and 1998, we recorded pre-tax investment expense of \$51.4 million and \$14.6 million, respectively, related to changes in the value of the call options and settlement of the TCI and TCI Ventures call options.

During the three months ended March 31, 1999, we recorded a pre-tax loss of \$35.3 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 November 1997, Teleport Communications Group Inc. ("Teleport") issued shares of its Class A Common Stock. As a result of the stock issuance, we recognized a \$59.6 million increase in our proportionate share of Teleport's net assets as a gain from equity offering of affiliate for the three months ended March 31, 1998. We recorded our proportionate share of Teleport's net losses one quarter in arrears.

Income Tax Expense

The \$81.0 million increase in income tax expense for the three month period from 1998 to 1999 is 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

The \$32.5 million increase in minority interest expense for the three month period from 1998 to 1999 is primarily attributable to the effects of the sale of Comcast UK Cable in October 1998 and the increase in QVC net income for the three months ended March 31, 1999 as compared to the prior year period.

For the three months ended March 31, 1999 and 1998, our earnings from continuing operations (net income (loss) from continuing operations plus income tax expense (benefit), equity in net (income) losses of affiliates, fixed charges (interest expense) and extraordinary items) were \$299.3 million and \$187.3 million, respectively. Such earnings were adequate to cover our fixed charges of \$111.2 million and \$120.4 million for the three months ended March 31, 1999 and 1998, respectively. Fixed charges include non-cash interest expense of \$0.5 million and \$14.4 million for the three months ended March 31, 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.

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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:

- 3.1 Amended and Restated By-Laws, effective March 4, 1999.
- 10.1 Agreement and Plan of Merger dated as of March 22, 1999 between Comcast Corporation and MediaOne Group, Inc. (incorporated by reference to Exhibit 2.1 to our Current Report on Form 8-K filed on March 24, 1999).
- 10.2\* Comcast Corporation 1997 Deferred Stock Option Plan, as amended and restated, effective January 27, 1999.
- 10.3\* Comcast Corporation 1996 Stock Option Plan, as amended and restated, effective March 3, 1999.
- 10.4\* Comcast Corporation 1996 Deferred Compensation Plan, as amended and restated, effective March 3, 1999.
- 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 January 21, 1999 relating to our announcement that we would sell Comcast Cellular Corporation, an indirect wholly owned subsidiary of ours, to SBC Communications, Inc.
- (ii) We filed a Current Report on Form 8-K under Item 5 on March 11, 1999 to file the tax opinion and the Form of Supplemental Indenture as exhibits to our preliminary prospectus supplement filed on March 9, 1999.
- (iii) We filed a Current Report on Form 8-K under Item 5 on March 16, 1999 to file the Form of Exchangeable Extendable Subordinated Debentures due 2029 as an exhibit to our prospectus supplement filed on March 15, 1999.
- (iv) We filed a Current Report on Form 8-K under Item 5 on March 24, 1999 relating to our announcement that we had entered into an Agreement and Plan of Merger with MediaOne Group, Inc.

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\* Constitutes a management contract or compensatory plan or arrangement.

COMCAST CORPORATION AND SUBSIDIARIES  
FORM 10-Q  
QUARTER ENDED MARCH 31, 1999

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

Date: May 14, 1999

COMCAST CORPORATION

BY-LAWS

AS OF MARCH 4, 1999

AMENDED AND RESTATED BYLAWS OF  
COMCAST CORPORATION

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ARTICLE I - OFFICES

Section 1-1. Registered Office. The registered office of the Corporation shall be located within the Commonwealth of Pennsylvania at such place as the Board of Directors (hereinafter referred to as the "Board of Directors" or the "Board") shall determine from time to time.

Section 1-2. Other Offices. The Corporation may also have offices at such other places, within or without the Commonwealth of Pennsylvania, as the Board of Directors may determine from time to time.

ARTICLE II - MEETINGS OF SHAREHOLDERS

Section 2-1. Place of Meetings of Shareholders. Meetings of shareholders shall be held at such places, within or without the Commonwealth of Pennsylvania, as may be fixed from time to time by the Board of Directors. If no such place is fixed by the Board of Directors, meetings of the shareholders shall be held at the registered office of the Corporation.

Section 2-2. Annual Meeting of Shareholders.

(a) Time. A meeting of the shareholders of the Corporation shall be held in each calendar year, on such date and at such time as the Board of Directors may determine, or if the Board of Directors fails to set a date and time, on the second Thursday of June at 9:00 o'clock a.m., if not a holiday on which national banks are or may elect to be closed ("Holiday"), and if such day is a Holiday, then such meeting shall be held on the next business day at such time.

(b) Election of Directors. At such annual meeting, there shall be held an election of Directors to serve for the ensuing year and until their successors shall have been selected and qualified or until their earlier death, resignation or removal.

Section 2-3. Special Meetings of Shareholders. Except as expressly required by law, special meetings of the shareholders may be called at any time, but only by:

(i) the Chairman of the Board or the President of the Corporation; or

(ii) by the Board of Directors.

Upon the written request of any person who has called a special meeting and is entitled to do so, under these Bylaws or applicable law, which request specifies the general nature of the business to be transacted at such meeting, it shall be the duty of the Secretary to fix the date, time and place of such meeting, which shall be held no more than 60 days after the receipt of such request, and to give due notice thereof as required by Section 2-4 hereof; provided, however, that if the Board of Directors or the officer calling the meeting fixes the time and place of the meeting, the Secretary shall give notice of the date, time and place of the meeting as fixed by the Board of Directors or officer calling the meeting. If the Secretary neglects or refuses to fix the time and place of such meeting within one day after receipt of such request, the person or persons calling the meeting may do so.

Section 2-4. Notices of Meetings of Shareholders. Written notice, complying with Article VI of these Bylaws, of any meeting of the shareholders, shall be given to each shareholder of record entitled to vote at the meeting, other than those excepted by Section 1707 of the Pennsylvania Business Corporation Law of 1988, as amended (the "Pennsylvania BCL"), at least five days prior to the day named for the meeting (10 days in the case of a meeting to consider a fundamental change under Chapter 19 of the Pennsylvania BCL), except as provided in Section 6-6. Such notices may be given by, or at the direction of, the Secretary or other authorized person. If the Secretary or other authorized person neglects or refuses to give notice of a meeting within one day after the date, time and place of the meeting have been fixed, the person or persons calling the meeting may do so.

Section 2-5. Quorum of and Action by Shareholders.

(a) General Rule. A meeting of shareholders duly called shall not be organized for the transaction of business unless a quorum is present, in person or by proxy, as to at least one of the matters to be considered. Except as provided in subsections (c), (d) and (e) of this Section 2-5, the presence, in person or by proxy, of shareholders entitled to cast at least a majority of the votes that all shareholders are entitled to cast on a particular matter to be acted upon at the meeting shall constitute a quorum for the purpose of consideration of and action on the matter. To the extent that a quorum is present with respect to consideration of and action on a particular matter or matters but a quorum is not present as to another matter or matters, consideration of and action on the matter or matters for which a quorum is present may occur, and, after such consideration and action, the meeting may be adjourned for purposes of the consideration of and action on the matter or matters for which a quorum is not present.

(b) Action by Shareholders. Except as otherwise specifically provided by law, all matters coming before a meeting of shareholders shall be determined by a vote of shares. Except as otherwise provided by a resolution adopted by the Board of Directors, by the Pennsylvania BCL or by these Bylaws, whenever any corporate action is to be taken by vote of

the shareholders of the Corporation at a duly organized meeting of shareholders, it shall be authorized by a majority of the votes cast at the meeting by the holders of shares entitled to vote with respect to such matter.

(c) Continuing Quorum. The shareholders present at a duly organized meeting can continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

(d) Election of Directors at Adjourned Meetings. Those shareholders who attend a meeting called for the election of Directors that has been previously adjourned for lack of a quorum (whether with respect to a particular matter or all matters to be considered and acted upon at such meeting), although less than a quorum as fixed in subsection (a), shall nevertheless constitute a quorum for the purpose of electing Directors at such reconvened meeting.

(e) Conduct of Other Business at Adjourned Meetings. Those shareholders entitled to vote who attend a meeting of shareholders that has been previously adjourned for one or more periods aggregating at least 15 days because of an absence of a quorum (whether with respect to a particular matter or all matters to be considered and acted upon at such meeting), although less than a quorum as fixed in subsection (a), shall nevertheless constitute a quorum for the purpose of acting upon any matter set forth in the notice of meeting if the notice states that those shareholders who attend the adjourned meeting shall nevertheless constitute a quorum for the purpose of acting upon the matter.

#### Section 2-6. Adjournments.

(a) General Rule. Adjournments of any regular or special meeting of shareholders, including one at which Directors are to be elected, may be taken for such periods as the shareholders present and entitled to vote shall direct.

(b) Lack of Quorum. Without limiting the generality of Section 2-6(c), if a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in the Pennsylvania BCL, adjourn the meeting to such time and place as they may determine. To the extent, as set forth in Section 2-5(a), that a quorum was not present with respect to consideration of and action on a particular matter at a duly called and organized meeting, consideration of and action on such matter may be adjourned to such date, time and place as those present may determine, and the balance of the matters to be considered at such meeting for which a quorum was present may be considered and acted upon at the initial meeting.

(c) Notice of an Adjourned Meeting. When a meeting of shareholders is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the

business to be transacted at an adjourned meeting, other than by announcement at the meeting at which the adjournment is taken, unless the Board fixes a new record date for the adjourned meeting.

Section 2-7. Voting List, Voting and Proxies.

(a) Voting List. The officer or agent having charge of the transfer books for shares of the Corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be produced and kept open at the date, time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof except that, if the Corporation has 5,000 or more shareholders, in lieu of the making of the list the Corporation may make the information therein available at the meeting by any other means.

(b) Method of Voting. At the discretion of the presiding officer of a meeting of shareholders, (i) in elections for directors voting need not be by ballot but may be taken by voice unless a shareholder demands, before the vote begins, that it be taken by ballot and (ii) with respect to any other action to be taken by vote at the meeting, as set forth in Section 2-5(b), voting need not be by ballot but may be taken by voice, to the fullest extent permitted by applicable law (including the Pennsylvania BCL).

(c) Proxies. At all meetings of shareholders, shareholders entitled to vote may attend and vote either in person or by proxy. Every proxy shall be executed in writing by the shareholder or by such shareholder's duly authorized attorney-in-fact and shall be filed with the Secretary of the Corporation. A proxy transmitted by telegram, telex, cablegram, datagram, or similar transmission, or any other communication method authorized by law for this purpose pursuant to the Pennsylvania BCL, from a shareholder or attorney-in-fact, or a photographic, facsimile, or similar reproduction of a proxy in writing executed by a shareholder or attorney-in-fact, may be treated as properly executed in writing by the Judge or Judges of Election in their discretion and shall be treated as properly executed in writing if it sets forth a confidential and unique identification number or other mark furnished by the Corporation to the shareholder for purposes of a particular meeting or transaction. A proxy, unless coupled with an interest (as defined in Section 1759(c) of the Pennsylvania BCL), shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until written notice thereof has been given to the Secretary of the Corporation. An unrevoked proxy shall not be valid after three years from the date of its execution unless a longer time is expressly provided therein. A proxy shall not be revoked by the death or incapacity of the maker unless, before the vote is counted or the authority is exercised, written notice of the death or incapacity is given to the Secretary of the Corporation.

(d) Judges of Election. In advance of any meeting of shareholders of the Corporation, the Board of Directors may appoint one or three Judges of Election, who need not be shareholders and who will have such duties as provided in Section 1765(a)(3) of the Pennsylvania BCL, to act at the meeting or any adjournment thereof. If one or three Judges of Election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, appoint one or three Judges of Election at the meeting. In case any person appointed as a Judge of Election fails to appear or refuses to act, the vacancy may be filled by appointment made by the Board of Directors in advance of the convening of the meeting or at the meeting by the presiding officer. A person who is a candidate for office to be filled at the meeting shall not act as a Judge of Election. Unless the Pennsylvania BCL permits otherwise, this Section 2-7(d) may be modified only by a Bylaw amendment adopted by the shareholders.

(e) Action by Written Consents in Lieu of Meeting. Any action required or permitted to be taken at a meeting of the shareholders or a class of shareholders may be taken without a meeting if, prior or subsequent to the action, a consent or consents thereto in writing, setting forth the action so taken, shall be signed by all of the shareholders who would be entitled to vote at a meeting for such purpose and shall be filed with the Secretary of the Corporation. Insertion in the minute book of the Corporation shall be deemed filing with the Secretary regardless of whether the Secretary or some other authorized person has actual possession of the minute book. Written consents by all of the shareholders executed pursuant to this Section 2-7(e) may be executed in any number of counterparts and shall be deemed effective as of the date set forth therein. No action required or permitted to be taken at a meeting of the shareholders or a class of shareholders may be taken without a meeting except as provided in this Section 2-7(e) upon the unanimous written consent of shareholders.

Section 2-8. Participation in Meetings by Conference Equipment. The Board of Directors may permit, by resolution with respect to a particular meeting of the shareholders, or the presiding officer of such meeting may permit, one or more persons to participate in that meeting, count for the purposes of determining a quorum and exercise all rights and privileges to which such person might be entitled were such person personally in attendance, including the right to vote, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Unless the Board of Directors so permits by resolution, or the presiding officer of such meeting so permits, no person may participate in a meeting of the shareholders by means of conference telephone or similar communications equipment.

Section 2-9. Business at Meetings of Shareholders. Except as otherwise provided by law (including but not limited to Rule 14a-8 promulgated under the Securities and Exchange Act of 1934, as amended, or any successor provision thereto) or in these Bylaws, the business which shall be conducted at any meeting of the shareholders shall (a) have been specified in the written notice of the meeting (or any supplement thereto) given by the Corporation, or (b) be brought before the meeting at the direction of the Board of Directors, or

(c) be brought before the meeting by the presiding officer of the meeting unless a majority of the Directors then in office object to such business being conducted at the meeting, or (d) in the case of any matters intended to be brought by a shareholder before an annual meeting of shareholders for specific action at such meeting, have been specified in a written notice given to the Secretary of the Corporation, by or on behalf of any shareholder who shall have been a shareholder of record on the record date for such meeting and who shall continue to be entitled to vote thereat (the "Shareholder Notice"), in accordance with all of the following requirements:

(i) Each Shareholder Notice must be delivered to, or mailed and received at, the principal executive offices of the Corporation (a) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of shareholders, not less than 60 days nor more than 90 days prior to such anniversary date, and (b) in the case of an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first; and

(ii) Each such Shareholder Notice must set forth: (a) the name and address of the shareholder who intends to bring the business before the meeting; (b) the general nature of the business which such shareholder seeks to bring before the meeting and the text of the resolution or resolutions which the proposing shareholder proposes that the shareholders adopt; and (c) a representation that the shareholder is a holder of record of the stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to bring the business specified in the notice before the meeting. The presiding officer of the meeting may, in his or her sole discretion, refuse to acknowledge any business proposed by a shareholder not made in compliance with the foregoing procedure.

#### ARTICLE III - BOARD OF DIRECTORS

##### Section 3-1.

(a) General Powers. Except as otherwise provided by law or these Bylaws, all powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. Unless the Pennsylvania BCL permits otherwise, this Section 3-1(a) may be modified only by a Bylaw amendment adopted by the shareholders.

(b) Number. The number of members of the Board of Directors shall be as determined by the Board of Directors from time to time.

(c) Vacancies. Each Director shall hold office until the expiration of the term for which such person was selected and until such person's successor has been selected and qualified or until such person's earlier death, resignation or removal. Any vacancies on the Board of Directors, including vacancies resulting from an increase in the number of Directors, may be filled by a majority vote of the remaining members of the Board (though less than a quorum) or by a sole remaining Director or by the shareholders and each person so selected shall be a Director to serve for the balance of the unexpired term.

(d) Removal. The entire Board of Directors or any individual Director may be removed from office with or without assigning any cause, by the vote of the shareholders entitled to elect directors.

(e) Qualification. A Director must be a natural person at least 18 years of age.

Section 3-2. Place of Meetings. Meetings of the Board of Directors may be held at such place within or without the Commonwealth of Pennsylvania as the Board of Directors may appoint from time to time or as may be designated in the notice of the meeting.

Section 3-3. Regular Meetings. A regular meeting of the Board of Directors shall be held annually, immediately following the annual meeting of the shareholders, at the place where such meeting of the shareholders is held or at such other place and time after the annual meeting of shareholders as the Board of Directors may designate. At such meeting, the Board of Directors shall elect officers of the Corporation. In addition to such regular meeting, the Board of Directors shall have the power to fix by resolution the place, date and time of other regular meetings of the Board of Directors.

Section 3-4. Special Meetings. Special meetings of the Board of Directors shall be held whenever ordered by the Chairman of the Board, by the President, or by the majority of the Board of Directors.

Section 3-5. Participation in Meetings by Conference Equipment. Any Director may participate in any meeting of the Board of Directors or of any committee (provided such Director is otherwise entitled to participate), be counted for the purpose of determining a quorum thereof and exercise all rights and privileges to which such Director might be entitled were such Director personally in attendance, including the right to vote, or any other rights attendant to presence in person at such meeting, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 3-6. Notices of Meetings of Board of Directors.

(a) Regular Meetings. No notice shall be required to be given of any regular meeting, unless the same is held at other than the place, date or time for holding such meeting as fixed in accordance with Section 3-3 of these Bylaws, in which event one day's notice shall be given of the place and time of such meeting complying with Article VI of these Bylaws.

(b) Special Meetings. Written notice stating the place, date and time of any special meeting of the Board of Directors shall be sufficient if given at least one day, as provided in Article VI, in advance of the date and time fixed for the meeting.

Section 3-7. Quorum; Action by the Board of Directors. A majority of the Directors in office shall be necessary to constitute a quorum for the transaction of business and the acts of a majority of the Directors present and voting at a meeting at which a quorum is present shall be the acts of the Board of Directors. If there is no quorum present at a duly convened meeting of the Board of Directors, the majority of those present may adjourn the meeting from place to place and from time to time.

Section 3-8. Informal Action by the Board of Directors. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if, prior or subsequent to the action, a written consent or consents thereto by all of the Directors in office is filed with the Secretary of the Corporation. In addition to other means of filing with the Secretary, insertion in the minute book of the Corporation shall be deemed filing with the Secretary regardless of whether the Secretary or some other authorized person has actual possession of the minute book. Written consents by all the Directors, executed pursuant to this Section 3-8, may be executed in any number of counterparts and shall be deemed effective as of the date set forth therein.

Section 3-9. Committees.

(a) Establishment and Powers. The Board of Directors of the Corporation may, by resolution adopted by a majority of the Directors in office, establish one or more committees to consist of one or more Directors of the Corporation. Any committee, to the extent provided in the applicable resolution of the Board of Directors or in the Bylaws, shall have and may exercise all of the powers and authority of the Board of Directors, except that a committee shall not have any power or authority as to the following:

(i) The submission to shareholders of any action requiring approval of shareholders under the Pennsylvania BCL.

(ii) The creation or filling of vacancies in the Board of Directors.

(iii) The adoption, amendment or repeal of the Bylaws.

(iv) The amendment or repeal of any resolution of the Board of Directors that by its terms is amendable or repealable only by the Board of Directors.

(v) Action on matters committed by the Bylaws or resolution of the Board of Directors to another committee of the Board of Directors.

(b) Executive Committee. By approval of the resolution adopting these Bylaws, the Board of Directors confirmed and authorized the continued existence of an Executive Committee of the Board of Directors, to consist of three members elected by the Board, who shall serve in such capacity for so long as they remain Directors or until replaced by the Board. The initial members of the Executive Committee shall be those Directors that have been most recently designated by the Board of Directors to serve on the Executive Committee. The Executive Committee shall continue to exist from year to year until the Board directs otherwise and, to the fullest extent permitted by applicable law, as such law may change from time to time, shall have all of the powers of the full Board of Directors in the intervals between meetings of the Board of Directors. The Executive Committee shall act by majority vote of its members and shall otherwise be governed by the Bylaws pertaining to meetings of the Board of Directors, notice thereof, quorum, actions by unanimous consent in writing, and all other matters, as set forth in Section 3-9(e) below.

(c) Alternate Members. The Board of Directors may designate one or more Directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee or for the purpose of any written action by the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another Director to act at the meeting in the place of the absent or disqualified member.

(d) Term. Each committee, including, without limitation, the Executive Committee, of the Board of Directors shall serve at the pleasure of the Board of Directors.

(e) Status of Committee Action. The term "Board of Directors" or "Board", when used in any provision of these Bylaws relating to the organization or procedures of or the manner of taking action by the Board of Directors, shall be construed to include and refer to the Executive Committee or any other committee of the Board of Directors. Any

provision of these Bylaws relating or referring to action to be taken by the Board of Directors or the procedure required therefor shall be satisfied by the taking of corresponding action by a committee of the Board of Directors to the extent authority to take the action has been delegated to the committee in accordance with this Section 3-9.

Section 3-10. Nomination. Nominations for the election of Directors may be made by the Board of Directors or a committee appointed by the Board of Directors or by any shareholder of record entitled to vote in the election of Directors generally at the record date of the meeting and also on the date of the meeting at which Directors are to be elected. However, any shareholder entitled to vote in the election of Directors generally may nominate one or more persons for election as Directors at a meeting only if written notice of such shareholder's intention to make such nomination or nominations has been delivered personally to, or been mailed to and received by the Corporation at, the principal executive offices of the Corporation, addressed to the attention of the President, (a) with respect to an election to be held at an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of shareholders, not less than 90 days nor more than 120 days prior to such anniversary date, and (b) with respect either to an election to be held at an annual meeting that is called for a date that is not within 30 days before or after the anniversary date of the immediately preceding annual meeting, or to a special meeting of shareholders called for the purpose of electing Directors, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first. Each such notice shall set forth: (i) the name and address of the shareholder intending to make the nomination and of the person or persons to be nominated; (ii) a representation that the shareholder is a holder of record of shares of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (iv) such other information regarding each nominee proposed by such shareholder as would have been required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission had the nominee been nominated by the Board of Directors; and (v) the written consent of each nominee to serve as a Director of the Corporation if so elected. The presiding officer of the meeting may, in his or her sole discretion, declare invalid or refuse to acknowledge any nomination not made in compliance with the foregoing procedure.

#### ARTICLE IV - OFFICERS

Section 4-1. Election and Office. The Corporation shall have a President, a Secretary and a Treasurer who shall be elected by the Board of Directors. The Board of Directors may create the positions of, define the powers and duties of and elect as additional officers a Chairman of the Board, one or more Vice Chairmen of the Board, one or more Vice

Presidents, and one or more other officers or assistant officers. Any number of offices may be held by the same person. The President and the Secretary shall be natural persons of the age of 18 years or older. The Treasurer may be a corporation, but if a natural person shall be of the age of 18 years or older.

Section 4-2. Term. Each officer and assistant officer shall serve at the pleasure of the Board of Directors until the first meeting of the Board of Directors following the next annual meeting of shareholders and until his or her successor has been selected and qualified, or until his or her earlier death, resignation or removal. Officers may, but need not, be Directors.

Section 4-3. Powers and Duties of the President. Unless otherwise determined by the Board of Directors, the President shall have the usual duties of an executive officer with general supervision over and direction of the affairs of the Corporation. In the exercise of these duties and subject to the limitations of the laws of the Commonwealth of Pennsylvania, these Bylaws and the actions of the Board of Directors, the President may appoint, suspend and discharge employees, agents and assistant officers, and fix the compensation of all officers and assistant officers, shall preside at all meetings of the shareholders at which the President shall be present and, unless there is a Chairman of the Board, shall preside at all meetings of the Board of Directors. The President shall also do and perform such other duties as from time to time may be assigned to the President by the Board of Directors.

Unless otherwise determined by the Board of Directors, the President shall have full power and authority on behalf of the Corporation to attend and to act and to vote at any meeting of the shareholders of any corporation in which this Corporation may hold stock and, at any such meeting, shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock and which, as the owner thereof, the Corporation might have possessed and exercised. The President shall also have the right to delegate such power.

Section 4-4. Powers and Duties of the Secretary. Unless otherwise determined by the Board of Directors, the Secretary shall be responsible for the keeping of the minutes of all meetings of the shareholders, the Board of Directors, and all committees of the Board, in books provided for that purpose, and for the giving and serving of all notices for the Corporation. The Secretary shall perform all other duties ordinarily incident to the office of Secretary and shall have such other powers and perform such other duties as may be assigned to the Secretary by the Board of Directors. The minute books of the Corporation may be held by a person other than the Secretary.

Section 4-5. Powers and Duties of the Treasurer. Unless otherwise determined by the Board of Directors, the Treasurer shall have charge of all the funds and securities of the Corporation. When necessary or proper, unless otherwise determined by the Board of Directors, the Treasurer shall endorse for collection on behalf of the Corporation checks, notes and other obligations, and shall deposit the same to the credit of the Corporation to such banks or

depositories as the Board of Directors may designate and may sign all receipts and vouchers for payments made to the Corporation. The Treasurer shall be responsible for the regular entry in books of the Corporation to be kept for such purpose of a full and accurate account of all funds and securities received and paid by the Treasurer on account of the Corporation. Whenever required by the Board of Directors, the Treasurer shall render a statement of the financial condition of the Corporation. The Treasurer shall have such other powers and shall perform the duties as may be assigned to such officer from time to time by the Board of Directors. The Treasurer shall give such bond, if any, for the faithful performance of the duties of such office as shall be required by the Board of Directors.

Section 4-6. Powers and Duties of the Chairman and Vice Chairmen of the Board of Directors. Unless otherwise determined by the Board of Directors, the Chairman of the Board shall preside at all meetings of the Board of Directors. The Chairman and each Vice Chairman of the Board of Directors shall have such other powers and perform such further duties as may be assigned to such officer by the Board of Directors. To be eligible to serve, the Chairman and each Vice Chairman of the Board of Directors must be a Director of the Corporation.

Section 4-7. Powers and Duties of Certain Other Officers. Unless otherwise determined by the Board of Directors, each Vice Chairman, Senior Vice President, Vice President and each assistant officer shall have the powers and perform the duties of his or her respective superior officer, except to the extent such powers and duties are limited by the President, such superior officer or the Board of Directors. Senior Vice Presidents, Vice Presidents and assistant officers shall have such rank as may be designated by the Board of Directors, with Senior Vice Presidents serving as superior officers to Vice Presidents. Senior Vice Presidents and Vice Presidents may be designated as having responsibility for a specific area of the Corporation's affairs, in which event such Senior Vice Presidents or Vice President shall be superior to the other Senior Vice Presidents or Vice Presidents, respectively, in relation to matters within his or her area. The President shall be the superior officer of the Senior Vice Presidents, Vice Presidents and all other officer positions created by the Board of Directors unless the Board of Directors provides otherwise. The Treasurer and Secretary shall be the superior officers of the Assistant Treasurers and Assistant Secretaries, respectively.

Section 4-8. Vacancies. The Board of Directors shall have the power to fill any vacancies in any office occurring for any reason.

Section 4-9. Delegation of Office. The Board of Directors may delegate the powers or duties of any officer of the Corporation to any other person from time to time.

## ARTICLE V - CAPITAL STOCK

### Section 5-1. Share Certificates.

(a) Execution. Except as otherwise provided in Section 5-5, the shares of the Corporation shall be represented by certificates. Unless otherwise provided by the Board of Directors, every share certificate shall be signed by two officers and sealed with the corporate seal, which may be a facsimile, engraved or printed, but where such certificate is signed by a transfer agent or a registrar, the signature of any corporate officer upon such certificate may be a facsimile, engraved or printed. In case any officer who has signed, or whose facsimile signature has been placed upon, any share certificate shall have ceased to be such officer because of death, resignation or otherwise, before the certificate is issued, it may be issued with the same effect as if the officer had not ceased to be such at the date of its issue. The provisions of this Section 5-1 shall be subject to any inconsistent or contrary agreement at the time between the Corporation and any transfer agent or registrar.

(b) Designations, Voting Rights, Preferences, Limitations and Special Rights. To the extent the Corporation is authorized to issue shares of more than one class or series, every certificate shall set forth upon the face or back of the certificate (or shall state on the face or back of the certificate that the Corporation will furnish to any shareholder upon request and without charge) a full or summary statement of the designations, voting rights, preferences, limitations and special rights of the shares of each class or series authorized to be issued so far as they have been fixed and determined and the authority of the Board of Directors to fix and determine the designations, voting rights, preferences, limitations and special rights of the classes and series of shares of the Corporation.

(c) Fractional Shares. Except as otherwise determined by the Board of Directors, shares or certificates therefor may be issued as fractional shares for shares held by any dividend reinvestment plan or employee benefit plan created or approved by the Corporation's Board of Directors, but not by any other person.

Section 5-2. Transfer of Shares. Transfer of shares shall be made on the books of the Corporation only upon surrender of the share certificate, duly endorsed or with duly executed stock powers attached and otherwise in proper form for transfer, which certificate shall be canceled at the time of the transfer.

### Section 5-3. Determination of Shareholders of Record.

(a) Fixing Record Date. The Board of Directors of the Corporation may fix a time prior to the date of any meeting of shareholders as a record date for the determination of the shareholders entitled to notice of, or to vote at, the meeting, which time, except in the case of an adjourned meeting, shall be not more than 90 days prior to the date of

the meeting of shareholders. Only shareholders of record on the date fixed shall be so entitled notwithstanding any transfer of shares on the books of the Corporation after any record date fixed as provided in this subsection. The Board of Directors may similarly fix a record date for the determination of shareholders of record for any other purpose. When a determination of shareholders of record has been made as provided in this Section 5-3 for purposes of a meeting, the determination shall apply to any adjournment thereof unless the Board of Directors fixes a new record date for the adjourned meeting.

(b) Determination when No Record Date Fixed. If a record date is not fixed:

(i) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held.

(ii) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(c) Certification by Nominee. The Board of Directors may adopt a procedure whereby a shareholder of the Corporation may certify in writing to the Corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. The resolution of the Board of Directors may set forth:

(i) the classification of shareholder who may certify;

(ii) the purpose or purposes for which the certification may be made;

(iii) the form of certification and information to be contained therein;

(iv) if the certification is with respect to a record date, the time after the record date within which the certification must be received by the Corporation; and

(v) such other provisions with respect to the procedure as are deemed necessary or desirable.

Upon receipt by the Corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth

in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

Section 5-4. Lost Share Certificates. Unless waived in whole or in part by the Board of Directors or any of the Chairman, any Vice Chairman, the President, any Senior Vice President, Secretary or Treasurer, unless the Board of Directors prohibits such waiver by such officer, any person requesting the issuance of a new certificate in lieu of an alleged lost, destroyed, mislaid or wrongfully taken certificate shall (a) give to the Corporation his or her bond of indemnity with an acceptable surety, and (b) satisfy such other requirements as may be imposed by the Corporation. Thereupon, a new share certificate shall be issued to the registered owner or his or her assigns in lieu of the alleged lost, destroyed, mislaid or wrongfully taken certificate, provided that the request therefor and issuance thereof have been made before the Corporation has notice that such shares have been acquired by a bona fide purchaser.

Section 5-5. Uncertificated Shares. Notwithstanding anything herein to the contrary, any or all classes and series of shares, or any part thereof, may be represented by uncertificated shares to the extent determined by the Board of Directors, except that shares represented by a certificate that is issued and outstanding shall continue to be represented thereby until the certificate is surrendered to the Corporation. Within a reasonable time after the issuance or transfer of uncertificated shares, the Corporation shall send to the registered owner thereof a written notice containing the information required to be set forth or stated on certificates. The rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical. Notwithstanding anything herein to the contrary, the provisions of Section 5-2 shall be inapplicable to uncertificated shares and in lieu thereof the Board of Directors shall adopt alternative procedures for registration of transfers.

#### ARTICLE VI - NOTICES; COMPUTING TIME PERIODS

Section 6-1. Contents of Notice. Whenever any notice of a meeting of the Board of Directors or of shareholders is required to be given pursuant to these Bylaws or the Articles of Incorporation of the Corporation, as the same may be amended from time to time (the "Articles"), or otherwise, the notice shall specify the place, date and time of the meeting; in the case of a special meeting of shareholders or where otherwise required by law or the Bylaws, the general nature of the business to be transacted at such meeting; and any other information required by law.

Section 6-2. Method of Notice. Except as provided in Section 6-6, whenever written notice is required to be given to any person under the provisions of the Articles or these Bylaws, it may be given to the person either personally or by sending a copy thereof by first class or express mail, postage prepaid, or by telegram (with messenger service specified), telex or TWX (with answerback received) or courier service, charges prepaid, or by telecopier, to such

person's address (or to such person's telex, TWX, telecopier or telephone number) appearing on the books of the Corporation or, in the case of Directors, supplied by such Director to the Corporation for the purpose of notice. If the notice is sent by mail, telegraph or courier service, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office or courier service for delivery to that person or, in the case of telex, TWX or telecopier, when dispatched. Except as otherwise provided in these Bylaws, or as otherwise directed by the Board of Directors, notices of meetings may be given by, or at the direction of, the Secretary.

#### Section 6-3. Computing Time Periods.

(a) Days to be Counted. In computing the number of days for purposes of these Bylaws, all days shall be counted, including Saturdays, Sundays and any Holiday; provided, however, that if the final day of any time period falls on a Saturday, Sunday or Holiday, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or Holiday. In computing the number of days for the purpose of giving notice of any meeting, the date upon which the notice is given shall be counted but the day set for the meeting shall not be counted.

(b) One Day Notice. In any case where only one day's notice is being given, notice must be given at least 24 hours in advance of the date and time specified for the meeting in question by delivery in person or by telephone, telex, TWX, telecopier or similar means of communication. Section 6-4. Waiver of Notice. Whenever any notice is required to be given under the provisions of the Pennsylvania BCL or other applicable law or the Articles or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of the notice. Except as otherwise required by law or the next sentence, neither the business to be transacted at, nor the purpose of, a meeting need be specified in the waiver of notice of the meeting. In the case of a special meeting of shareholders, the waiver of notice shall specify the general nature of the business to be transacted. Attendance of a person at any meeting shall constitute a waiver of notice of the meeting except where a person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting was not lawfully called or convened.

Section 6-5. Modification of Proposal Contained in Notice. Whenever the language of a proposed resolution is included in a written notice of a meeting required to be given under the provisions of the Pennsylvania BCL or the Articles or these Bylaws, the meeting considering the resolution may without further notice adopt it with such clarifying or other amendments as do not enlarge its original purpose.

Section 6-6. Bulk Mail. Notice of any regular or special meeting of the shareholders, or any other notice required by the Pennsylvania BCL or by the Articles of these bylaws to be given to all shareholders or to all holders of a class or a series of shares, may be given by any class of post-paid mail if the notice is deposited in the United States mail at least 20 days prior to the day named for the meeting or any corporate or shareholder action specified in the notice.

Section 6-7. Shareholders without Forwarding Addresses. Notice or other communications need not be sent to any shareholder with whom the Corporation has been unable to communicate for more than 24 consecutive months because communications to the shareholder have been returned unclaimed or the shareholder has otherwise failed to provide the Corporation with a current address. Whenever the shareholder provides the Corporation with a current address, the corporation shall commence sending notices and other communications to the shareholder in the same manner as to other shareholders.

ARTICLE VII - LIMITATION OF DIRECTORS' LIABILITY AND  
INDEMNIFICATION OF DIRECTORS, OFFICERS AND OTHER PERSONS

Section 7-1. Limitation of Directors' Liability. No Director of the Corporation shall be personally liable for monetary damages as such for any action taken or any failure to take any action unless: (a) the Director has breached or failed to perform the duties of his or her office under Subchapter B of Chapter 17 of the Pennsylvania BCL (relating to standard of care and justifiable reliance), and (b) the breach or failure to perform constitutes self-dealing, wilful misconduct or recklessness; provided, however, that the provisions of this Section shall not apply to the responsibility or liability of a Director pursuant to any criminal statute, or to the liability of a Director for the payment of taxes pursuant to local, state or federal law. This Section shall be applicable to any action taken and any failure to take any action on or after January 27, 1987.

Section 7-2. Indemnification and Insurance.

(a) Indemnification of Directors and Officers.

(i) Each Indemnitee (as defined below) shall be indemnified and held harmless by the Corporation for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability and loss (including without limitation attorneys fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this Section shall be made, however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted wilful misconduct or recklessness.

(ii) The right to indemnification provided in this Section shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Corporation in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law; provided that, if Pennsylvania law continues so to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this Section or otherwise.

(iii) To the extent that an Indemnitee has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Corporation shall indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(iv) Indemnification pursuant to this Section shall continue as to an Indemnitee who has ceased to be a Director or officer and shall inure to the benefit of his or her heirs, executors and administrators.

(v) For purposes of this Article, (A) "Indemnitee" shall mean each Director and each officer of the Corporation who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding, by reason of the fact that he or she is or was a Director or officer of the Corporation or is or was serving in any capacity at the request or for the benefit of the Corporation as a Director, officer, employee, agent, partner, or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise; and (B) "Proceeding" shall mean any threatened, pending or completed action, suit or proceeding (including without limitation an action, suit or proceeding by or in the right of the Corporation), whether civil, criminal, administrative or investigative.

(b) Indemnification of Employees and Other Persons. The Corporation may, by action of its Board of Directors and to the extent provided in such action, indemnify employees and other persons, and provide for advancement of expenses to such persons in the manner set forth in (a)(ii), above, as though they were Indemnitees, except that, if Pennsylvania law continues to so require, to the extent that an employee or agent of the Corporation has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Corporation shall indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(c) Non-Exclusivity of Rights. The rights to indemnification and to the advancement of expenses provided in or pursuant to this Article shall not be exclusive of any

other rights that any person may have or hereafter acquire under any statute, provision of the Articles or Bylaws, agreement, vote of shareholders or Directors, or otherwise.

(d) Insurance. The Corporation may purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person under Pennsylvania or other law. The Corporation may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

(e) Fund For Payment of Expenses. The Corporation may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, under the Articles, by agreement, vote of shareholders or Directors, or otherwise.

Section 7-3. Amendment. The provisions of this Article VII relating to the limitation of Directors' and officers' liability, to indemnification and to the advancement of expenses shall constitute a contract between the Corporation and each of its Directors and officers which may be modified as to any Director or officer only with that person's consent or as specifically provided in this Section. Notwithstanding any other provision of these Bylaws relating to their amendment generally, any repeal or amendment of this Article VII which is adverse to any Director or officer shall apply to such Director or officer only on a prospective basis, and shall not reduce any limitation on the personal liability of a Director of the Corporation, or limit the rights of an Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment. Notwithstanding any other provision of these Bylaws, no repeal or amendment of these Bylaws shall affect any or all of this Article so as either to reduce the limitation of Directors' liability or limit indemnification or the advancement of expenses in any manner unless adopted by (a) the unanimous vote of the Directors of the Corporation then serving, or (b) the affirmative vote of shareholders entitled to cast at least eighty percent (80%) of the votes that all shareholders are entitled to cast in the election of Directors; provided that no such amendment shall have retroactive effect inconsistent with the preceding sentence.

Section 7-4. Changes in Pennsylvania Law. References in this Article to Pennsylvania law or to any provision thereof shall be to such law, as it existed on the date this Article was adopted [January 27, 1987] or as such law thereafter may be changed; provided that (a) in the case of any change which expands the liability of Directors or limits the indemnification rights or the rights to advancement of expenses which the Corporation may provide, the rights to limited liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law; and (b) if such change permits the Corporation without the requirement of any further action by shareholders or Directors to limit further the liability of Directors (or limit the liability of

officers) or to provide broader indemnification rights or rights to the advancement of expenses than the Corporation was permitted to provide prior to such change, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be so broadened to the extent permitted by law.

#### ARTICLE VIII - FISCAL YEAR

Section 8-1. Determination of Fiscal Year. The Board Directors shall have the power by resolution to fix the fiscal year of the Corporation. If the Board of Directors shall fail to do so, the President shall fix the fiscal year.

#### ARTICLE IX - AMENDMENTS

Section 9-1. Except as otherwise expressly provided in these Bylaws:

(a) Shareholders. The shareholders entitled to vote thereon shall have the power to alter, amend or repeal these Bylaws, by the vote of a majority of the votes cast at a duly organized meeting of shareholders by the holders of shares entitled to vote thereon, at any regular or special meeting, duly convened after notice to the shareholders of such purpose. In the case of a meeting of shareholders to amend or repeal these Bylaws, written notice shall be given to each shareholder that the purpose, or one of the purposes, of the meeting is to consider the adoption, amendment or repeal of the Bylaws.

(b) Board of Directors. The Board of Directors (but not a committee thereof), shall have the power to alter, amend and repeal these Bylaws, regardless of whether the shareholders have previously adopted the Bylaw being amended or repealed, subject to the power of the shareholders to change such action; provided, however, that the Board of Directors shall not have the power to amend these Bylaws on any subject that is expressly committed to the shareholders by the express terms hereof by Section 1504 of the Pennsylvania BCL or otherwise.

#### ARTICLE X - EXEMPTION FROM CERTAIN PROVISIONS OF THE PENNSYLVANIA BUSINESS CORPORATION LAW

Section 10-1. Control Transactions. Pursuant to Section 2541(a)(2) of the Pennsylvania BCL, it is hereby provided that Section 2541 of the Pennsylvania BCL and the special right of certain shareholders to receive payment for their shares following a control transaction as set forth therein shall not be applicable to this Corporation.

Section 10-2. Inapplicability of Certain Corporate Law Provisions. Subchapters G, H, I and J of Chapter 25 of the Pennsylvania Business Corporation Law of 1988, as amended, shall not be applicable to this Corporation.

ARTICLE XI. INTERPRETATION OF BYLAWS; SEPARABILITY

Section 11-1. Interpretation. All words, terms and provisions of these Bylaws shall be interpreted and defined by and in accordance with the Pennsylvania BCL.

Section 11-2. Separability. The provisions of these Bylaws are independent of and separable from each other, and no provision shall be affected or rendered invalid or unenforceable by virtue of the fact that for any reason any other or others of them may be invalid or unenforceable in whole or in part.

ARTICLE XII. DETERMINATIONS BY THE BOARD

Section 12-1. Effect of Board Determinations. Any determination involving interpretation or application of these Bylaws made in good faith by the Board of Directors shall be final, binding and conclusive on all parties in interest.

COMCAST CORPORATION  
1997 DEFERRED STOCK OPTION PLAN

(As Amended and Restated, Effective January 27, 1999)

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COMCAST CORPORATION  
1997 DEFERRED STOCK OPTION PLAN

(As Amended and Restated, Effective January 27, 1999)

1. ESTABLISHMENT OF PLAN

COMCAST CORPORATION, a Pennsylvania corporation, hereby amends and restates the Comcast Corporation 1997 Deferred Stock Option Plan (the "Plan"), effective January 27, 1999. The Plan was initially adopted effective September 16, 1997. The Plan is unfunded and is maintained primarily for the purpose of providing a select group of management or highly compensated employees the opportunity to defer the receipt of Shares and corresponding recognition of compensation income upon the exercise of Options.

2. DEFINITIONS

2.1 "A Stock" means the Company's Class A Common Stock, par value, \$1.00, including a fractional share.

2.2 "Account" means the bookkeeping accounts established pursuant to Paragraph 5.1 and maintained by the Administrator in the names of the respective Participants, to which Deferred Stock Units, dividend equivalents and earnings on dividend equivalents shall be credited, and from which all amounts distributed under the Plan shall be debited.

2.3 "Active Participant" means:

2.3.1 Each Participant who is in active service as an Outside Director;

2.3.2 Each Participant who is actively employed by a Participating Company as an Eligible Employee; and

2.3.3 A Permitted Transferee of an individual described in Paragraph 2.3.1 or 2.3.2, if applicable.

2.4 "Administrator" means the Committee.

2.5 "Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, is in control of, is controlled by, or is under common control with, such

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

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

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

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

2.9 "Comcast Option Plan or Plans" means the Comcast Corporation 1986 Non-Qualified Stock Option Plan, the Comcast Corporation 1987 Stock Option Plan, or the Comcast Corporation 1996 Stock Option Plan, or any other incentive or non-qualified stock option plan subsequently adopted by the Company or an Affiliate.

2.10 "Comcast Plan" means any restricted stock, stock bonus, stock option or other compensation plan, program or arrangement established or maintained by the Company or an Affiliate, including, but not limited to this Plan, the Comcast Corporation 1990 Restricted Stock Plan and the Comcast Option Plans.

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

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

2.13 "Date of Grant" means the date as of which an Option is granted.

2.14 "Deceased Participant" means:

2.14.1 A Participant whose employment, or, in the case of a Participant who was an Outside Director, a Participant whose service as an Outside Director, is terminated by death;

2.14.2 A Participant who dies following termination of active service; or

2.14.3 A Permitted Transferee of an individual described in Paragraph 2.14.1 or 2.14.2, if applicable.

2.15 "Deferred Stock Units" mean the number of hypothetical Shares determined as the excess of (1) the number of Option Shares over (2) the number of Other Available Shares having a Fair Market Value as of the date of exercise of an Option equal to the exercise price for such Option Shares, as to which an Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee or Successor-in-Interest provides to the Company evidence of ownership of sufficient Shares to pay the exercise price for such Option Shares; provided, however, that if the Option is for A Stock, the Deferred Stock Units shall be credited to the Participant's Account as Deferred A Stock Units, and if the Option is for K Stock, the Deferred Stock Units shall be credited to the Participant's Account as Deferred K Stock Units.

2.16 "Disabled Participant" means:

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

2.16.2 A Participant who becomes disabled (as determined by the Committee) following termination of active service;

2.16.3 The duly-appointed legal guardian of an individual described in Paragraph 2.16.1 or 2.16.2 acting on behalf of such individual; or

2.16.4 A Permitted Transferee of an individual described in Paragraph 2.16.1 or 2.16.2, if applicable.

2.17 "Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with Article 3, pursuant to which an Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee:

2.17.1 Elects, within the time or times specified in Article 3, to defer the receipt of Shares pursuant to the exercise of all or part of an Option; and

2.17.2 Designates the time that such Shares and any dividend equivalents shall be distributed.

2.18 "Eligible Employee" means:

2.18.1 Each employee of a Participating Company whose Annual Rate of Pay is \$125,000 or more as of both (1) the date on which an Election is filed with the Administrator and (2) the first day of the Plan Year in which such Election is filed;

2.18.2 Each New Key Employee; and

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

2.19 "Fair Market Value."

2.19.1 If Shares are listed on a stock exchange, Fair Market Value shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed on the last trading day prior to the date of determination.

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

2.19.3 If Shares are not so listed nor trades of Shares so reported, Fair Market Value shall be determined by the Committee in good faith.

2.20 "Former Eligible Employee" means an individual who has ceased to be actively employed by a Participating Company for any reason but who, immediately preceding his termination of employment, was an Eligible Employee.

2.21 "Former Outside Director" means an individual who has ceased to be a member of the Board, but who, immediately preceding his cessation of service as a member of the Board, was an Outside Director.

2.22 "Immediate Family" means an Outside Director's, Former Outside Director's, Eligible Employee's or Former Eligible Employee's spouse and lineal descendants, any trust all beneficiaries of which are any of such persons and any partnership all partners of which are any of such persons.

2.23 "K Stock" means the Company's Class A Special Common Stock, par value, \$1.00, including a fractional share.

2.24 "New Key Employee" means each employee of a Participating Company hired on or after the effective date of the Plan whose Annual Rate of Pay on his date of hire is \$125,000 or more.

2.25 "Normal Retirement" means:

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

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

2.26 "Other Available Shares" means, as of any date, the excess, if any of:

2.26.1 The total number of Shares owned by a Person; over

2.26.2 The sum of:

2.26.2.1 The number of Shares owned by such Person for less than six months; plus

2.26.2.2 The number of Shares owned by such Person that has, within the preceding six months, been the subject of a withholding certification under any Comcast Plan; plus

2.26.2.3 The number of Shares owned by such Person that has, within the preceding six months, been received in exchange for Shares surrendered as payment, in full or in part, of the exercise price for an option to purchase any securities of the Company or an Affiliate under any Comcast Plan, but only to the extent of the number of Shares surrendered.

For purposes of this Paragraph 2.26, a Share that is subject to a deferral election pursuant to this Plan or another Comcast Plan shall not be treated as owned by a Person until all conditions to the delivery of such Share have lapsed. The number of Other Available Shares shall be determined separately for Shares of A Stock and Shares of K Stock.

2.27 "Option" means a non-qualified stock option to purchase Shares granted pursuant to a Comcast Option Plan; provided that each Option with a different Date of Grant shall be considered a separate Option.

2.28 "Option Shares" mean the Shares that are subject to the portion of an Option as to which an Election is in effect, as adjusted to reflect a Share Withholding Election.

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

2.30 "Parent Company" means all corporations that, at the time in question, are parent corporations of the Company within the meaning of section 424(e) of the Code.

2.31 "Participant" means each Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee that has made an Election and that has an undistributed amount credited to an Account under the Plan.

2.32 "Participating Company" means the Company and each of the Parent Companies and Subsidiary Companies.

2.33 "Permitted Transferee" means a member of the Immediate Family of an Outside Director, Former Outside Director, Eligible Employee or Former Eligible Employee to whom the right to exercise an Option has been transferred pursuant to a Comcast Option Plan.

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

2.35 "Plan" means the Comcast Corporation 1997 Deferred Stock Option Plan, as set forth herein, and as may be amended from time to time.

2.36 "Plan Year" means the calendar year.

2.37 "Prime Rate" means the annual rate of interest identified by PNC Bank as its prime rate as of the first day of each calendar year.

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

2.39 "Roberts Family." Each of the following is a member of the Roberts Family:

2.39.1 Brian L. Roberts;

2.39.2 A lineal descendant of Brian L. Roberts; or

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

2.40 "Share" or "Shares" means for all purposes of the Plan, a share or shares of A Stock or K Stock, or such other securities issued by the Company as may be subject to adjustment in the event that Shares are changed into or exchanged for a different number or kind of shares of stock or other securities of the Company, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Company. In such event, the Committee shall make appropriate equitable anti-dilution adjustments to the number and class of Deferred Stock Units credited to Participants' Accounts. The Committee's adjustment shall be effective and binding for all purposes of the Plan.

2.41 "Share Withholding Election" means a written election on a form provided by the Administrator, filed with the Administrator in accordance with the rules applicable to the filing of Elections under Article 3, pursuant to which an Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee elects to have the number of Shares deferred pursuant to the exercise of all or part of an Option and credited under the Plan as Deferred Stock Units adjusted so that Deferred Stock Units that would, but for a Share Withholding Election, be credited to an Account under the Plan, shall be deemed distributed pursuant to the Plan to satisfy applicable withholding tax liabilities, as described in Paragraph 10.2. With respect to Options that become subject to an Election after January 27, 1999, a Share Withholding Election must be filed not later than the applicable deadline for filing an Election under Article 3. With respect to Options that are subject to an Election on January 27, 1999, a Share Withholding Election must be filed on or before February 26, 1999.

2.42 "Subsidiary Companies" means all corporations that, at the time in question, are subsidiary corporations of the Company within the meaning of section 424(f) of the Code.

2.43 "Successor-in-Interest" means the estate or beneficiary of a deceased Former Outside Director, a deceased Former Eligible Employee or another deceased Participant, to whom the right to exercise an Option or the right to payment under the Plan shall have passed, as applicable.

2.44 "Terminating Event" means any of the following events:

2.44.1 The liquidation of the Company; or

2.44.2 A Change of Control.

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

### 3. DEFERRAL ELECTIONS

3.1 Elections. Each Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest and Permitted Transferee who is the grantee or transferee of an Option, shall have the right to make an Election to defer the receipt of Shares upon exercise of all or part of such Option by filing an Election at the time and in the manner described in this Article 3.

3.2 Filing of Elections. An Election to defer the receipt of Shares upon exercise of all or part of an Option shall be made on the form provided by the Administrator for this purpose. No such Election shall be effective unless it is filed with the Administrator on or before the date that is both (i) six (6) months prior to the exercise of such Option and (ii) in the calendar year preceding the calendar year in which such Option is exercised, provided that an Election filed with the Administrator on or before December 31, 1997 shall be effective with respect to the exercise of any Option after December 31, 1997.

3.3 Options to which Elections May Apply. A separate Election may be made for each Option, or a portion of such Option, with respect to which an Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee desires to defer receipt of Shares upon exercise of all or a portion of such Option, but the failure of such a Person to make an Election with respect to an Option shall not affect such Person's right to make an Election for any other Option.

#### 3.4 Election of Distribution Date.

3.4.1 Each Participant who elects to defer the receipt of Shares shall, on the Election, also elect the distribution date for such Shares; provided, however, that, subject to acceleration pursuant to Paragraph 3.4.3, Paragraph 3.4.4 or Paragraph 3.5, no distribution may be made earlier than January 2nd of the third calendar year beginning after the date of the Election nor later than January 2nd of the eleventh calendar year beginning after the date of the Election. The designation of the time for distribution of benefits under the Plan may vary with each separate Election. Subject to acceleration pursuant to Paragraph 3.4.3, Paragraph 3.4.4 or Paragraph 3.5, no distribution of the amounts deferred by a Participant for any Plan Year shall be made before the distribution date designated by the Participant on the most recently filed Election with respect to such deferred amounts.

3.4.2 Each Active Participant who has previously elected to receive a distribution of part or all of his or her Account, or who, pursuant to this Paragraph 3.4.2 has elected to defer the distribution date for Shares for an additional period from the originally-elected distribution date, may elect to defer the time of payment of such amount for a minimum of two and a maximum of ten additional years from the previously-elected distribution date, by filing an Election with the Administrator on or before the close of business on June 30 of the Plan Year preceding the Plan Year in which the distribution would otherwise be made.

3.4.3 A Deceased Participant's Successor-in-Interest or the Permitted Transferee of a Deceased Participant, if applicable, may elect to:

3.4.3.1 Defer the time of payment of the Deceased Participant's Account for a minimum of two additional years from the date payment would otherwise be made (provided that if an Election is made pursuant to this Paragraph 3.4.3.1, the Deceased Participant's Account shall be distributed in full on or before the fifth anniversary of the Deceased Participant's death); or

3.4.3.2 Accelerate the time of payment of such amount from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Deceased Participant's death.

An Election pursuant to this Paragraph 3.4.3 must be filed with the Administrator on or before the close of business on (i) the June 30 following the Participant's death on or before May 1 of a calendar year, (ii) the 60th day following the Participant's death after May 1 and before November 2 of a calendar year or (iii) the December 31 following the Participant's death after November 1 of a calendar year. One and only one Election shall be permitted pursuant to this Paragraph 3.4.3 with respect to a Deceased Participant's Account.

3.4.4 A Disabled Participant, or the Permitted Transferee of a Disabled Participant, if applicable, may elect to accelerate the time of payment of the Disabled Participant's Account from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Participant became disabled. An Election pursuant to this Paragraph 3.4.4 must be filed with the Administrator on or before the close of business on the later of (i)

the June 30 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant on or before May 1 of a calendar year, (ii) the 60th day following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after May 1 and before November 2 of a calendar year or (iii) the December 31 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after November 1 of a calendar year.

3.4.5 A Retired Participant, or the Permitted Transferee of a Retired Participant, if applicable, may elect to defer the time of payment of the Retired Participant's Account for a minimum of two additional years from the date payment would otherwise be made (provided that if an Election is made pursuant to this Paragraph 3.4.5, the Retired Participant's Account shall be distributed in full on or before the fifth anniversary of the Retired Participant's Normal Retirement). An Election pursuant to this Paragraph 3.4.5 must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the Participant's Normal Retirement on or before May 1 of a calendar year, (ii) the 60th day following the Participant's Normal Retirement after May 1 and before November 2 of a calendar year or (iii) the December 31 following the Participant's Normal Retirement after November 1 of a calendar year.

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

#### 4. FORM OF DISTRIBUTION

4.1 Form of Distribution. Deferred Stock Units credited to an Account shall be distributed in the form of shares of A Stock and/or K Stock, as applicable. Dividend equivalents shall be distributed in a lump sum in cash.

#### 5. BOOK ACCOUNTS

5.1 Account. An Account shall be established for each Outside Director, Former Outside Director, Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee when such Person becomes a Participant. Deferred Stock Units shall be credited to the Account as of the date of exercise of an Option as to which an Election is in effect.

5.2 Crediting of Dividend Equivalents. The Account of each Participant shall be credited with dividend equivalents at the same rate per Deferred Stock Unit as are actually paid per Share. Earnings shall be credited with respect to dividend equivalents credited to Accounts and credited with interest annually at the Prime Rate.

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

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

## 6. NON-ASSIGNABILITY, ETC.

6.1 Non-assignability. The right of each Participant in or to any Account, benefit or payment hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Participant; and no Account, benefit or payment shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

6.2 Designation of Beneficiaries. Each Participant shall have the right to designate one or more beneficiaries to receive distributions in the event of the Participant's death by filing with the Administrator a beneficiary designation on the form provided by the Administrator for such purpose. The designation of beneficiary or beneficiaries may be changed by a Participant at any time prior to his or her death by the delivery to the Administrator of a new beneficiary designation form. If no beneficiary shall have been designated, or if no designated beneficiary shall survive the Participant, the Participant's estate shall be deemed to be the beneficiary.

## 7. INTERPRETATION

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

7.2 Claims Procedure. The Committee shall administer a reasonable claims procedure with respect to the Plan in accordance with Department of Labor Regulation section 2560.503-1, or any successor provision.

#### 8. AMENDMENT OR TERMINATION

8.1 Amendment or Termination. The Company, by action of the Board or by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan. The Company, by action of the Board, reserves the right to terminate this Plan at any time.

#### 9. MISCELLANEOUS PROVISIONS

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

9.2 Governing Law. This Plan shall be interpreted under the laws of the Commonwealth of Pennsylvania.

9.3 Expiration of Options. Notwithstanding any provision of the Plan or an Election, no Election shall be effective with respect to an Option that has expired. In addition, no provision of the Plan or an Election shall be construed to extend the expiration date of any Option.

#### 10. WITHHOLDING OF TAXES ON EXERCISE OF OPTION

10.1 In General. Whenever the Company proposes or is required to credit Deferred Stock Units to an Account in connection with the exercise of an Option, the Company shall have the right to require the optionee to remit to the Company an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the date on which Deferred Stock Units shall be deemed credited to the Account, or take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Company's obligation to credit Deferred Stock Units to an Account on the exercise of an Option subject to an Election shall be conditioned on the optionee's compliance, to the Company's satisfaction, with any withholding requirement. Except as otherwise provided in Paragraph 10.2, the Company shall satisfy all applicable withholding tax requirements by withholding tax from other compensation payable by the Company to the optionee, or by the optionee's delivery of cash or other property acceptable to the Company having a value equal to the applicable withholding tax.

10.2 Share Withholding Election. With respect to any Option subject to an Election, an Eligible Employee, Former Eligible Employee, Successor-in-Interest or Permitted Transferee may elect to have the number of Option Shares determined such that Shares subject to such Option are withheld by the Company to the extent necessary to satisfy any withholding tax liabilities incurred in connection with the exercise of such Option. The number of Shares subject to an Option to be withheld pursuant to such a Share Withholding Election shall have a Fair Market Value approximately equal to the sum of (i) the minimum amount of withholding taxes required to be withheld by the Company under applicable law, plus (ii) either (a) the minimum amount of withholding taxes arising because of the recognition of income (and consequent non-deferral of income) with respect to such withheld Shares or (b) the amount of withholding taxes arising because of the recognition of income (and consequent non-deferral of income) with respect to such withheld Shares, calculated at the highest applicable marginal tax rates; as indicated on the Share Withholding Election. Notwithstanding any other provision of the Plan or the terms of any Election, the number of Deferred Stock Units credited to Participants' Accounts shall be adjusted appropriately to reflect the withholding of Shares pursuant to such Share Withholding Elections.

11. EFFECTIVE DATE

The effective date of the Plan this amendment and restatement of the Plan shall be January 27, 1999.

IN WITNESS WHEREOF, COMCAST CORPORATION has caused this Plan to be executed by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, as of the 27th day of January 1999.

COMCAST CORPORATION

BY: /s/ Stanley Wang

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Stanley Wang

ATTEST: /s/ Arthur R. Block

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Arthur R. Block

COMCAST CORPORATION

1996 STOCK OPTION PLAN

(As Amended and Restated, Effective March 3, 1999)

1. Purpose of Plan

The purpose of the Plan is to assist the Company in retaining valued employees, officers and directors by offering them a greater stake in the Company's success and a closer identity with it, and to aid in attracting individuals whose services would be helpful to the Company and would contribute to its success.

2. Definitions

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

(b) "Board" means the board of directors of the Sponsor.

(c) "Cash Right" means any right to receive cash in lieu of Shares granted under the Plan and described in Paragraph 3(a)(iii).

(d) "Cause" means:

(i) for an employee of a Company, a finding by the Committee, after full consideration of the facts presented on behalf of both the Company and the employee, that the employee has breached his employment contract with a Company, has disclosed trade secrets of a Company or has been engaged in any sort of disloyalty to a Company, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty in the course of his employment.

(ii) for a Non-Employee Director, a finding by the Committee, after full consideration of the facts presented on behalf of both the Company and the Director, that such Non-Employee Director has disclosed trade secrets of a Company, or has been engaged in any sort of disloyalty to a Company, including, without

limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty in the course of his service as a Non-Employee Director.

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

(f) "Code" means the Internal Revenue Code of 1986, as amended.

(g) "Comcast Plan" means any restricted stock, stock bonus, stock option or other compensation plan, program or arrangement established or maintained by the Company or an Affiliate, including but not limited to this Plan, the Comcast Corporation 1997 Deferred Stock Option Plan, the Comcast Corporation 1990 Restricted Stock Plan and the Comcast Corporation 1987 Stock Option Plan.

(h) "Committee" means the committee described in Paragraph 5.

(i) "Common Stock" means the Sponsor's Class A Special Common Stock, par value, \$1.00.

(j) "Company" means the Sponsor and each of the Parent Companies and Subsidiary Companies.

(k) "Date of Grant" means the date as of which an Option is granted.

(l) "Disability" means a disability within the meaning of section 22(e)(3) of the Code.

(m) "Election Date" means the date on which an individual is first elected to the Board as a Non-Employee Director, or is elected to the Board as a Non-Employee Director following a period of one year or more during which such individual was not a member of the Board.

(n) "Fair Market Value." If Shares are listed on a stock exchange,

Fair Market Value shall be determined based on the last reported sale price of a Share on the principal exchange on which Shares are listed on the last trading day prior to the date of determination, or, if Shares are not so listed, but trades of Shares are reported on the Nasdaq National Market, the last quoted sale price of a Share on the Nasdaq National Market on the last trading day prior to the date of determination.

(o) "Grant Date" means each February 1st after the date of adoption of the Plan by the Board.

(p) "Immediate Family" means an Optionee's spouse and lineal descendants, any trust all beneficiaries of which are any of such persons and any partnership all partners of which are any of such persons.

(q) "Incentive Stock Option" means an Option granted under the Plan, designated by the Committee at the time of such grant as an Incentive Stock Option within the meaning of section 422 of the Code and containing the terms specified herein for Incentive Stock Options; provided, however, that to the extent an Option granted under the Plan and designated by the Committee at the time of grant as an Incentive Stock Option fails to satisfy the requirements for an incentive stock option under section 422 of the Code for any reason, such Option shall be treated as a Non-Qualified Option.

(r) "Non-Employee Director" means an individual who is a member of the Board, and who is not an employee of a Company, including an individual who is a member of the Board and who previously was an employee of a Company.

(s) "Non-Qualified Option" means:

(i) an Option granted under the Plan, designated by the Committee at the time of such grant as a Non-Qualified Option and containing the terms specified herein for Non-Qualified Options; and

(ii) an Option granted under the Plan and designated by the Committee at the time of grant as an Incentive Stock Option, to the extent such Option fails to satisfy the requirements for an incentive stock option under section 422 of the Code for any reason.

(t) "Option" means any stock option granted under the Plan and described in either Paragraph 3(a)(i) or Paragraph 3(a)(ii).

(u) "Optionee" means a person to whom an Option has been granted under the Plan, which Option has not been exercised in full and has not expired or terminated.

(v) "Other Available Shares" means, as of any date, the excess, if any of:

(i) the total number of Shares owned by an Optionee; over

(ii) the sum of:

(x) the number of Shares owned by such Optionee for less than six months; plus

- (y) the number of Shares owned by such Optionee that has, within the preceding six months, been the subject of a withholding certification pursuant to Paragraph 16(b) or any similar withholding certification under any other Comcast Plan; plus
- (z) the number of Shares owned by such Optionee that has, within the preceding six months, been received in exchange for Shares surrendered as payment, in full or in part, of the exercise price for an option to purchase any securities of the Sponsor or an Affiliate under any Comcast Plan, but only to the extent of the number of Shares surrendered.

For purposes of this Paragraph 2(v), a Share that is subject to a deferral election pursuant to another Comcast Plan shall not be treated as owned by an Optionee until all conditions to the delivery of such Share have lapsed. For purposes of Paragraphs 7(d), 8(d) and 16(b), the number of Other Available Shares shall be determined separately for the Sponsor's Class A Special Common Stock, par value, \$1.00, and for the Sponsor's Class A Common Stock, par value, \$1.00.

(w) "Outside Director" means a member of the Board who is an "outside director" within the meaning of section 162(m)(4)(C) of the Code and applicable Treasury Regulations issued thereunder.

(x) "Parent Company" means all corporations that, at the time in question, are parent corporations of the Sponsor within the meaning of section 424(e) of the Code.

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

(z) "Plan" means the Comcast Corporation 1996 Stock Option Plan.

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

(i) Brian L. Roberts;

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

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

(bb) "Share" or "Shares" means:

(i) for all purposes of the Plan, a share or shares of Common Stock or such other securities issued by the Sponsor as may be the subject of an adjustment under Paragraph 11.

(ii) solely for purposes of Paragraphs 2(n), 2(v), 7(d), 8(d) and 16(b), the term "Share" or "Shares" also means a share or shares of the Sponsor's Class A Common Stock, par value, \$1.00.

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

(dd) "Subsidiary Companies" means all corporations that, at the time in question, are subsidiary corporations of the Sponsor within the meaning of section 424(f) of the Code.

(ee) "Ten Percent Shareholder" means a person who on the Date of Grant owns, either directly or within the meaning of the attribution rules contained in section 424(d) of the Code, stock possessing more than 10% of the total combined voting power of all classes of stock of his employer corporation or of its parent or subsidiary corporations, as defined respectively in sections 424(e) and (f) of the Code, provided that the employer corporation is a Company.

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

(i) the liquidation of the Sponsor; or

(ii) a Change of Control.

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

(hh) "1933 Act" means the Securities Act of 1933, as amended.

(ii) "1934 Act" means the Securities Exchange Act of 1934, as amended.

### 3. Rights To Be Granted

(a) Types of Options and Other Rights Available for Grant. Rights that may be granted under the Plan are:

(i) Incentive Stock Options, which give an Optionee who is an employee of a Company the right for a specified time period to purchase a specified number of Shares for a price not less than the Fair Market Value on the Date of Grant;

(ii) Non-Qualified Options, which give the Optionee the right for a specified time period to purchase a specified number of Shares for a price determined by the Committee; and

(iii) Cash Rights, which give an Optionee the right for a specified time period, and subject to such conditions, if any, as shall be determined by the Committee and stated in the option document, to receive a cash payment of such amount per Share as shall be determined by the Committee and stated in the option document, in lieu of exercising a Non-Qualified Option.

(b) Limit on Grant of Options. Subject to the approval of the Sponsor's shareholders, effective June 16, 1998, the maximum number of Shares for which Options may be granted to any single individual in any calendar year, adjusted as provided in Paragraph 11, shall be 5,000,000 Shares.

(c) Presumption of Incentive Stock Option Status. Each Option granted under the Plan to an employee of a Company is intended to be an Incentive Stock Option, except to the extent any such grant would exceed the limitation of Paragraph 9 and except for any Option specifically designated at the time of grant as an Option that is not an Incentive Stock Option.

### 4. Shares Subject to Plan

Subject to adjustment as provided in Paragraph 11, not more than 20,000,000 Shares in the aggregate may be issued pursuant to the Plan upon exercise of Options. Shares delivered pursuant to the exercise of an Option may, at the Sponsor's option, be either treasury Shares or Shares originally issued for such purpose. If an Option covering Shares terminates or expires without having been exercised in full, other Options may be granted covering the Shares as to which the Option terminated or expired.

## 5. Administration of Plan

(a) Committee. The Plan shall be administered by the Subcommittee on Performance Based Compensation of the Compensation Committee of the Board or any other committee or subcommittee designated by the Board, provided that the committee administering the Plan is composed of two or more non-employee members of the Board, each of whom is an Outside Director. Notwithstanding the foregoing, if Non-Employee Directors are granted Options in accordance with the provisions of Paragraph 8, the directors to whom such Options will be granted, the timing of grants of such Options, the Option Price of such Options and the number of Option Shares included in such Options shall be as specifically set forth in Paragraph 8. No member of the Committee shall participate in the resolution of any issue that exclusively involves an Option granted to such member.

(b) Meetings. The Committee shall hold meetings at such times and places as it may determine. Acts approved at a meeting by a majority of the members of the Committee or acts approved in writing by the unanimous consent of the members of the Committee shall be the valid acts of the Committee.

(c) Exculpation. No member of the Committee shall be personally liable for monetary damages for any action taken or any failure to take any action in connection with the administration of the Plan or the granting of Options thereunder unless (i) the member of the Committee has breached or failed to perform the duties of his office, and (ii) the breach or failure to perform constitutes self-dealing, wilful misconduct or recklessness; provided, however, that the provisions of this Paragraph 5(c) shall not apply to the responsibility or liability of a member of the Committee pursuant to any criminal statute.

(d) Indemnification. Service on the Committee shall constitute service as a member of the Board. Each member of the Committee shall be entitled without further act on his part to indemnity from the Sponsor to the fullest extent provided by applicable law and the Sponsor's By-laws in connection with or arising out of any actions, suit or proceeding with respect to the administration of the Plan or the granting of Options thereunder in which he may be involved by reasons of his being or having been a member of the Committee, whether or not he continues to be such member of the Committee at the time of the action, suit or proceeding.

## 6. Eligibility

(a) Eligible individuals to whom Options may be granted shall be employees, officers or directors of a Company who are selected by the Committee for the grant of Options. Eligible individuals to whom Cash Rights may be granted shall be individuals who are employees of a Company on the Date of Grant. The terms and conditions of Options granted to individuals other than Non-Employee Directors shall be determined by the Committee, subject to Paragraph 7. The terms and conditions of Cash Rights shall be determined by the Committee,

subject to Paragraph 7. The terms and conditions of Options granted to Non-Employee Directors shall be determined by the Committee, subject to Paragraph 8.

(b) An Incentive Stock Option shall not be granted to a Ten Percent Shareholder except on such terms concerning the option price and term as are provided in Paragraph 7(b) and 7(g) with respect to such a person. An Option designated as Incentive Stock Option granted to a Ten Percent Shareholder but which does not comply with the requirements of the preceding sentence shall be treated as a Non-Qualified Option. An Option designated as an Incentive Stock Option shall be treated as a Non-Qualified Option if the Optionee is not an employee of a Company on the Date of Grant.

#### 7. Option Documents and Terms - In General

All Options granted to Optionees other than Non-Employee Directors shall be evidenced by option documents. The terms of each such option document shall be determined from time to time by the Committee, consistent, however, with the following:

(a) Time of Grant. All Options shall be granted within 10 years from the earlier of (i) the date of adoption of the Plan by the Board, or (ii) approval of the Plan by the shareholders of the Sponsor.

(b) Option Price. The option price per Share with respect to any Option shall be determined by the Committee, provided, however, that with respect to any Incentive Stock Options, the option price per share shall not be less than 100% of the Fair Market Value of such Share on the Date of Grant, and provided further that with respect to any Incentive Stock Options granted to a Ten Percent Shareholder, the option price per Share shall not be less than 110% of the Fair Market Value of such Share on the Date of Grant.

(c) Restrictions on Transferability. No Option granted under this Paragraph 7 shall be transferable otherwise than by will or the laws of descent and distribution and, during the lifetime of the Optionee, shall be exercisable only by him or for his benefit by his attorney-in-fact or guardian; provided that the Committee may, in its discretion, at the time of grant of a Non-Qualified Option or by amendment of an option document for an Incentive Stock Option or a Non-Qualified Option, provide that Options granted to or held by an Optionee may be transferred, in whole or in part, to one or more transferees and exercised by any such transferee; provided further that (i) any such transfer is without consideration and (ii) each transferee is a member of such Optionee's Immediate Family; and provided further that any Incentive Stock Option granted pursuant to an option document which is amended to permit transfers during the lifetime of the Optionee shall, upon the effectiveness of such amendment, be treated thereafter as a Non-Qualified Option. No transfer of an Option shall be effective unless the Committee is notified of the terms and conditions of the transfer and the Committee determines that the transfer complies with the requirements for transfers of Options under the Plan and the option document. Any person to whom an Option has been transferred may

exercise any Options only in accordance with the provisions of Paragraph 7(g) and this Paragraph 7(c).

(d) Payment Upon Exercise of Options. Full payment for Shares purchased upon the exercise of an Option shall be made in cash, by certified check payable to the order of the Sponsor, or, at the election of the Optionee and as the Committee may, in its sole discretion, approve, by surrendering Shares with an aggregate Fair Market Value equal to the aggregate option price, or by delivering such combination of Shares and cash as the Committee may, in its sole discretion, approve; provided, however, that Shares may be surrendered in satisfaction of the option price only if the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares as of the date the Option is exercised that is at least equal to the number of Shares to be surrendered in satisfaction of the Option Price; provided further, however, that the option price may not be paid in Shares if the Committee determines that such method of payment would result in liability under section 16(b) of the 1934 Act to an Optionee. Except as otherwise provided by the Committee, if payment is made in whole or in part in Shares, the Optionee shall deliver to the Sponsor certificates registered in the name of such Optionee representing Shares legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind and having a Fair Market Value on the date of delivery that is not greater than the option price accompanied by stock powers duly endorsed in blank by the record holder of the Shares represented by such certificates. If the Committee, in its sole discretion, should refuse to accept Shares in payment of the option price, any certificates representing Shares which were delivered to the Sponsor shall be returned to the Optionee with notice of the refusal of the Committee to accept such Shares in payment of the option price. The Committee may impose such limitations and prohibitions on the use of Shares to exercise an Option as it deems appropriate.

(e) Issuance of Certificate Upon Exercise of Options; Payment of Cash. Only whole Shares shall be issuable upon exercise of Options. Any right to a fractional Share shall be satisfied in cash. Upon satisfaction of the conditions of Paragraph 10, a certificate for the number of whole Shares and a check for the Fair Market Value on the date of exercise of any fractional Share to which the Optionee is entitled shall be delivered to such Optionee by the Sponsor.

(f) Termination of Employment. For purposes of the Plan, a transfer of an employee between two employers, each of which is a Company, shall not be deemed a termination of employment. For purposes of Paragraph 7(g), an Optionee's termination of employment shall be deemed to occur on the date an Optionee ceases to serve as an active employee of a Company, as determined by the Committee in its sole discretion, or, if the Optionee is a party to an employment agreement with a Company, on the effective date of the Optionee's termination of employment as determined under such agreement.

(g) Periods of Exercise of Options. An Option shall be exercisable in whole or in part at such time or times as may be determined by the Committee and stated in the

option document, provided, however, that if the grant of an Option would be subject to section 16(b) of the 1934 Act, unless the requirements for exemption therefrom in Rule 16b-3(c)(1), under such Act, or any successor provision, are met, the option document for such Option shall provide that such Option is not exercisable until not less than six months have elapsed from the Date of Grant. Except as otherwise provided by the Committee in its discretion, no Option shall first become exercisable following an Optionee's termination of employment for any reason; provided further, that:

(i) In the event that an Optionee terminates employment with the Company for any reason other than death or Cause, any Option held by such Optionee and which is then exercisable shall be exercisable for a period of 90 days following the date the Optionee terminates employment with the Company (unless a longer period is established by the Committee); provided, however, that if such termination of employment with the Company is due to the Disability of the Optionee, he shall have the right to exercise those of his Options which are then exercisable for a period of one year following such termination of employment (unless a longer period is established by the Committee); provided, however, that in no event shall an Incentive Stock Option be exercisable after five years from the Date of Grant in the case of a grant to a Ten Percent Shareholder, nor shall any other Option be exercisable after ten years from the Date of Grant.

(ii) In the event that an Optionee terminates employment with the Company by reason of his death, any Option held at death by such Optionee which is then exercisable shall be exercisable for a period of one year from the date of death (unless a longer period is established by the Committee) by the person to whom the rights of the Optionee shall have passed by will or by the laws of descent and distribution; provided, however, that in no event shall an Incentive Stock Option be exercisable after five years from the Date of Grant in the case of a grant to a Ten Percent Shareholder, nor shall any other Option be exercisable after ten years from the Date of Grant.

(iii) In the event that an Optionee's employment with the Company is terminated for Cause, each unexercised Option held by such Optionee shall terminate and cease to be exercisable; provided further, that in such event, in addition to immediate termination of the Option, the Optionee, upon a determination by the Committee shall automatically forfeit all Shares otherwise subject to delivery upon exercise of an Option but for which the Sponsor has not yet delivered the Share certificates, upon refund by the Sponsor of the option price.

(h) Date of Exercise. The date of exercise of an Option shall be the date on which written notice of exercise, addressed to the Sponsor at its main office to the

attention of its Secretary, is hand delivered, telecopied or mailed first class postage prepaid; provided, however, that the Sponsor shall not be obligated to deliver any certificates for Shares pursuant to the exercise of an Option until the Optionee shall have made payment in full of the option price for such Shares. Each such exercise shall be irrevocable when given. Each notice of exercise must (i) specify the Incentive Stock Option, Non-Qualified Option or combination thereof being exercised; and (ii) include a statement of preference (which shall be binding on and irrevocable by the Optionee but shall not be binding on the Committee) as to the manner in which payment to the Sponsor shall be made (Shares or cash or a combination of Shares and cash). Each notice of exercise shall also comply with the requirements of Paragraph 15.

(i) Cash Rights. The Committee may, in its sole discretion, provide in an option document for an eligible Optionee that Cash Rights shall be attached to Non-Qualified Options granted under the Plan. All Cash Rights that are attached to Non-Qualified Options shall be subject to the following terms:

(i) Such Cash Right shall expire no later than the Non-Qualified Option to which it is attached.

(ii) Such Cash Right shall provide for the cash payment of such amount per Share as shall be determined by the Committee and stated in the option document.

(iii) Such Cash Right shall be subject to the same restrictions on transferability as the Non-Qualified Option to which it is attached.

(iv) Such Cash Right shall be exercisable only when such conditions to exercise as shall be determined by the Committee and stated in the option document, if any, have been satisfied.

(v) Such Cash Right shall expire upon the exercise of the Non-Qualified Option to which it is attached.

(vi) Upon exercise of a Cash Right that is attached to a Non-Qualified Option, the Option to which the Cash Right is attached shall expire.

#### 8. Option Documents and Terms - Non-Employee Directors

Options granted pursuant to the Plan to Non-Employee Directors shall be granted, without any further action by the Committee, in accordance with the terms and conditions set forth in this Paragraph 8. Options granted pursuant to Paragraph 8(a) shall be evidenced by option documents. The terms of each such option document shall be consistent with Paragraphs 8(b) through 8(g), as follows:

(a) Grant of Options to Non-Employee Directors. Each Non-Employee Director shall be granted, commencing on the Grant Date next following the adoption of this Plan by the Board and on each successive Grant Date thereafter, a Non-Qualified Option to purchase 5,400 Shares. Notwithstanding the preceding sentence, each newly elected Non-Employee Director:

(i) shall be granted a Non-Qualified Option to purchase 9,000 Shares on the Election Date; and

(ii) shall not be entitled to the grant of an Option hereunder on the Grant Date immediately following the Non-Employee Director's Election Date if such Election Date is within ninety (90) days of the Grant Date.

(b) Option Price. The option price per Share with respect to any Option granted under this Paragraph 8 shall be 100% of the Fair Market Value of such Share on the Grant Date.

(c) Restrictions on Transferability. No Option granted under this Paragraph 8 shall be transferable otherwise than by will or the laws of descent and distribution and, during the lifetime of the Optionee, shall be exercisable only by him or for his benefit by his attorney-in-fact or guardian; provided that the Committee may, in its discretion, at the time of grant of an Option or by amendment of an option document for an Option, provide that Options may be transferred, in whole or in part, to one or more transferees and exercised by any such transferee; provided further that (i) any such transfer is without consideration, and (ii) each transferee is a member of such Optionee's Immediate Family. No transfer of an Option shall be effective unless the Committee is notified of the terms and conditions of the transfer and the Committee determines that the transfer complies with the requirements for transfers of Options under the Plan and the option document. Any person to whom an Option has been transferred may exercise any Options only in accordance with the provisions of Paragraph 8(f) and this Paragraph 8(c).

(d) Payment Upon Exercise of Options. Full payment for Shares purchased upon the exercise of an Option shall be made in cash, by certified check payable to the order of the Sponsor, or, at the election of the Optionee and as the Committee may, in its sole discretion, approve, by surrendering Shares with an aggregate Fair Market Value equal to the aggregate option price, or by delivering such combination of Shares and cash as the Committee may, in its sole discretion, approve; provided, however, that Shares may be surrendered in satisfaction of the option price only if the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares as of the date the Option is exercised that is at least equal to the number of Shares to be surrendered in satisfaction of the Option Price; provided further, however, that the option price may not be paid in Shares if the Committee determines that such method of payment would result in liability under section 16(b) of the 1934 Act to an Optionee. Except as otherwise provided by the Committee, if payment is made in

whole or in part in Shares, the Optionee shall deliver to the Sponsor certificates registered in the name of such Optionee representing Shares legally and beneficially owned by such Optionee, free of all liens, claims and encumbrances of every kind and having a Fair Market Value on the date of delivery that is not greater than the option price accompanied by stock powers duly endorsed in blank by the record holder of the Shares represented by such certificates. If the Committee, in its sole discretion, should refuse to accept Shares in payment of the option price, any certificates representing Shares which were delivered to the Sponsor shall be returned to the Optionee with notice of the refusal of the Committee to accept such Shares in payment of the option price. The Committee may impose such limitations and prohibitions on the use of Shares to exercise an Option as it deems appropriate.

(e) Issuance of Certificate Upon Exercise of Options; Payment of Cash. Only whole Shares shall be issuable upon exercise of Options granted under this Paragraph 8. Any right to a fractional Share shall be satisfied in cash. Upon satisfaction of the conditions of Paragraph 10, a certificate for the number of whole Shares and a check for the Fair Market Value on the date of exercise of any fractional Share to which the Optionee is entitled shall be delivered to such Optionee by the Sponsor.

(f) Periods of Exercise of Options. An Option granted under this Paragraph 8 shall not be exercisable for six months after the Date of Grant, and shall then be exercisable in its entirety. No Option shall first become exercisable following an Optionee's termination of service as a Non-Employee Director for any reason; provided further, that:

(i) In the event that an Optionee terminates service as a Non-Employee Director for any reason other than death or Cause, any Option held by such Optionee and which is then exercisable shall be exercisable for a period of 90 days following the date the Optionee terminates service as a Non-Employee Director; provided, however, that if such termination of employment with the Company is due to the Disability of the Optionee, he shall have the right to exercise those of his Options which are then exercisable for a period of one year following the date the Optionee terminates service as a Non-Employee Director; provided, however, that in no event shall an Option be exercisable after five years from the Grant Date.

(ii) In the event that an Optionee terminates service as a Non-Employee Director by reason of his death, any Option held at death by such Optionee which is then exercisable shall be exercisable for a period of one year from the date of death by the person to whom the rights of the Optionee shall have passed by will or by the laws of descent and distribution; provided, however, that in no event shall an Option be exercisable after five years from the Grant Date.

(iii) In the event that an Optionee's service as a Non-Employee Director is terminated for Cause, each unexercised Option shall

terminate and cease to be exercisable; provided further, that in such event, in addition to immediate termination of the Option, the Optionee shall automatically forfeit all Shares otherwise subject to delivery upon exercise of an Option but for which the Sponsor has not yet delivered the Share certificates, upon refund by the Sponsor of the option price.

(g) Date of Exercise. The date of exercise of an Option granted under this Paragraph 8 shall be the date on which written notice of exercise, addressed to the Sponsor at its main office to the attention of its Secretary, is hand delivered, telecopied or mailed first class postage prepaid; provided, however, that the Sponsor shall not be obligated to deliver any certificates for Shares pursuant to the exercise of an Option until the Optionee shall have made payment in full of the option price for such Shares. Each such exercise shall be irrevocable when given. Each notice of exercise must (i) specify the Option being exercised; and (ii) include a statement as to the manner in which payment to the Sponsor shall be made (Shares or cash or a combination of Shares and cash). Each notice of exercise shall also comply with the requirements of Paragraph 15.

#### 9. Limitation on Exercise of Incentive Stock Options.

The aggregate Fair Market Value (determined as of the time Options are granted) of the Shares with respect to which Incentive Stock Options may first become exercisable by an Optionee in any one calendar year under the Plan and any other plan of the Company shall not exceed \$100,000. The limitations imposed by this Paragraph 9 shall apply only to Incentive Stock Options granted under the Plan, and not to any other options or stock appreciation rights. In the event an individual receives an Option intended to be an Incentive Stock Option which is subsequently determined to have exceeded the limitation set forth above, or if an individual receives Options that first become exercisable in a calendar year (whether pursuant to the terms of an option document, acceleration of exercisability or other change in the terms and conditions of exercise or any other reason) that have an aggregate Fair Market Value (determined as of the time the Options are granted) that exceeds the limitations set forth above, the Options in excess of the limitation shall be treated as Non-Qualified Options.

#### 10. Rights as Shareholders

An Optionee shall not have any right as a shareholder with respect to any Shares subject to his Options until the Option shall have been exercised in accordance with the terms of the Plan and the option document and the Optionee shall have paid the full purchase price for the number of Shares in respect of which the Option was exercised and the Optionee shall have made arrangements acceptable to the Sponsor for the payment of applicable taxes consistent with Paragraph 16.

## 11. Changes in Capitalization

(a) Except as provided in Paragraph 11(b), in the event that Shares are changed into or exchanged for a different number or kind of shares of stock or other securities of the Sponsor, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Sponsor, the Board shall make appropriate equitable anti-dilution adjustments to the number and class of shares of stock available for issuance under the Plan, and subject to outstanding Options, and to the option prices and the amounts payable pursuant to any Cash Rights. Any reference to the option price in the Plan and in option documents shall be a reference to the option price as so adjusted. Any reference to the term "Shares" in the Plan and in option documents shall be a reference to the appropriate number and class of shares of stock available for issuance under the Plan, as adjusted pursuant to this Paragraph 11. The Board's adjustment shall be effective and binding for all purposes of this Plan.

(b) Paragraph 11(a) shall not apply to the number of Shares that become subject to the grant of Options under Paragraph 8(a). Paragraph 11(a) shall apply for the purpose of making appropriate equitable anti-dilution adjustments to Options granted pursuant to Paragraph 8(a) before the effective date of the relevant event giving rise to the adjustment under Paragraph 11(a).

## 12. Terminating Events

(a) The Sponsor shall give Optionees at least thirty (30) days' notice (or, if not practicable, such shorter notice as may be reasonably practicable) prior to the anticipated date of the consummation of a Terminating Event. Upon receipt of such notice, and for a period of ten (10) days thereafter (or such shorter period as the Board shall reasonably determine and so notify the Optionees), each Optionee shall be permitted to exercise the Option to the extent the Option are then exercisable; provided that, the Sponsor may, by similar notice, require the Optionee to exercise the Option, to the extent the Option is then exercisable, or to forfeit the Option (or portion thereof, as applicable). The Committee may, in its discretion, provide that upon the Optionee's receipt of the notice of a Terminating Event under this Paragraph 12(a), the entire number of Shares covered by Options shall become immediately exercisable. Upon the close of the period described in this Paragraph 12(a) during which an Option may be exercised in connection with a Terminating Event, such Option (including such portion thereof that is not exercisable) shall terminate to the extent that such Option have not theretofore been exercised.

(b) Notwithstanding Paragraph 12(a), in the event the Terminating Event is not consummated, the Option shall be deemed not to have been exercised and shall be exercisable thereafter to the extent it would have been exercisable if no such notice had been given.

### 13. Interpretation

The Committee shall have the power to interpret the Plan and to make and amend rules for putting it into effect and administering it. It is intended that the Incentive Stock Options granted under the Plan shall constitute incentive stock options within the meaning of section 422 of the Code, and that Shares transferred pursuant to the exercise of Non-Qualified Options shall constitute property subject to federal income tax pursuant to the provisions of section 83 of the Code. The provisions of the Plan shall be interpreted and applied insofar as possible to carry out such intent.

### 14. Amendments

The Board or the Committee may amend the Plan from time to time in such manner as it may deem advisable. Nevertheless, neither the Board nor the Committee may, without obtaining approval within twelve months before or after such action by such vote of shareholders as may be required by Pennsylvania law for any action requiring shareholder approval, or by a majority of votes cast at a duly held shareholders' meeting at which a majority of all voting stock is present and voting on such amendment, either in person or in proxy (but not, in any event, less than the vote required pursuant to Rule 16b-3(b) under the 1934 Act) change the class of individuals eligible to receive an Incentive Stock Option, extend the expiration date of the Plan, decrease the minimum option price of an Incentive Stock Option granted under the Plan or increase the maximum number of shares as to which Options may be granted, except as provided in Paragraph 11 hereof. In addition, the provisions of Paragraph 8 that determine (i) which directors shall be granted Options; (ii) the number of Shares subject to Options; (iii) the option price of Shares subject to Options; and (iv) the timing of grants of Options shall not be amended more than once every six months, other than to comport with changes in the Code or the Employee Retirement Income Security Act of 1974, as amended, if applicable. No outstanding Option shall be affected by any such amendment without the written consent of the Optionee or other person then entitled to exercise such Option.

### 15. Securities Law

(a) In General. The Committee shall have the power to make each grant under the Plan subject to such conditions as it deems necessary or appropriate to comply with the then-existing requirements of the 1933 Act or the 1934 Act, including Rule 16b-3 (or any similar rule) of the Securities and Exchange Commission.

(b) Acknowledgment of Securities Law Restrictions on Exercise. To the extent required by the Committee, unless the Shares subject to the Option are covered by a then current registration statement or a Notification under Regulation A under the 1933 Act, each notice of exercise of an Option shall contain the Optionee's acknowledgment in form and substance satisfactory to the Committee that:

(i) the Shares subject to the Option are being purchased for investment and not for distribution or resale (other than a distribution or resale which, in the opinion of counsel satisfactory to the Sponsor, may be made without violating the registration provisions of the Act);

(ii) the Optionee has been advised and understands that (A) the Shares subject to the Option have not been registered under the 1933 Act and are "restricted securities" within the meaning of Rule 144 under the 1933 Act and are subject to restrictions on transfer and (B) the Sponsor is under no obligation to register the Shares subject to the Option under the 1933 Act or to take any action which would make available to the Optionee any exemption from such registration;

(iii) the certificate evidencing the Shares may bear a restrictive legend; and

(iv) the Shares subject to the Option may not be transferred without compliance with all applicable federal and state securities laws.

(c) Delay of Exercise Pending Registration of Securities. Notwithstanding any provision in the Plan or an option document to the contrary, if the Committee determines, in its sole discretion, that issuance of Shares pursuant to the exercise of an Option should be delayed pending registration or qualification under federal or state securities laws or the receipt of a legal opinion that an appropriate exemption from the application of federal or state securities laws is available, the Committee may defer exercise of any Option until such Shares are appropriately registered or qualified or an appropriate legal opinion has been received, as applicable.

#### 16. Withholding of Taxes on Exercise of Option

(a) Whenever the Company proposes or is required to deliver or transfer Shares in connection with the exercise of an Option, the Company shall have the right to (i) require the recipient to remit to the Sponsor an amount sufficient to satisfy any federal, state and local withholding tax requirements prior to the delivery or transfer of any certificate or certificates for such Shares or (ii) take any action whatever that it deems necessary to protect its interests with respect to tax liabilities. The Sponsor's obligation to make any delivery or transfer of Shares on the exercise of an Option shall be conditioned on the recipient's compliance, to the Sponsor's satisfaction, with any withholding requirement. In addition, if the Committee grants Options or amends option documents to permit Options to be transferred during the life of the Optionee, the Committee may include in such option documents such provisions as it determines are necessary or appropriate to permit the Company to deduct compensation expenses recognized upon exercise of such Options for federal or state income tax purposes.

(b) Except as otherwise provided in this Paragraph 16(b), any tax liabilities incurred in connection with the exercise of an Option under the Plan other than an Incentive Stock Option shall be satisfied by the Sponsor's withholding a portion of the Shares underlying the Option exercised having a Fair Market Value approximately equal to the minimum amount of taxes required to be withheld by the Sponsor under applicable law, unless otherwise determined by the Committee with respect to any Optionee. Notwithstanding the foregoing, the Committee may permit an Optionee to elect one or both of the following: (i) to have taxes withheld in excess of the minimum amount required to be withheld by the Sponsor under applicable law; provided that the Optionee certifies in writing to the Sponsor that the Optionee owns a number of Other Available Shares having a Fair Market Value that is at least equal to the Fair Market Value of Option Shares to be withheld by the Company for the then-current exercise on account of withheld taxes in excess of such minimum amount, and (ii) to pay to the Sponsor in cash all or a portion of the taxes to be withheld upon the exercise of an Option. In all cases, the Shares so withheld by the Company shall have a Fair Market Value that does not exceed the amount of taxes to be withheld minus the cash payment, if any, made by the Optionee. Any election pursuant to this Paragraph 16(b) must be in writing made prior to the date specified by the Committee, and in any event prior to the date the amount of tax to be withheld or paid is determined. An election pursuant to this Paragraph 16(b) may be made only by an Optionee or, in the event of the Optionee's death, by the Optionee's legal representative. No Shares withheld pursuant to this Paragraph 16(b) shall be available for subsequent grants under the Plan. The Committee may add such other requirements and limitations regarding elections pursuant to this Paragraph 16(b) as it deems appropriate.

#### 17. Effective Date and Term of Plan

This amendment and restatement of the Plan is effective as of March 3, 1999, provided that subject to the approval of the Sponsor's shareholders, the increase in the maximum number of Shares for which Options may be granted to any single individual in any calendar year to 5,000,000, as provided in Paragraph 3(b), is effective as of June 16, 1998. The Plan shall expire no later than the tenth anniversary of the date the Plan was initially adopted by the Board, unless sooner terminated by the Board.

#### 18. General

Each Option shall be evidenced by a written instrument containing such terms and conditions not inconsistent with the Plan as the Committee may determine. The issuance of Shares on the exercise of an Option shall be subject to all of the applicable requirements of the corporation law of the Sponsor's state of incorporation and other applicable laws, including

federal or state securities laws, and all Shares issued under the Plan shall be subject to the terms and restrictions contained in the Articles of Incorporation and By-Laws of the Sponsor, as amended from time to time.

Executed as of the 3rd day of March, 1999.

COMCAST CORPORATION

By: /s/ Stanley Wang

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Attest: /s/ Arthur R. Block

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COMCAST CORPORATION

1996 DEFERRED COMPENSATION PLAN

(As Amended and Restated, Effective March 3, 1999)

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COMCAST CORPORATION  
1996 DEFERRED COMPENSATION PLAN

(As Amended and Restated, Effective March 3, 1999)

1. ESTABLISHMENT OF PLAN

COMCAST CORPORATION, a Pennsylvania corporation, hereby amends and restates the Comcast Corporation 1996 Deferred Compensation Plan (the "Plan"), effective as of March 3, 1999. The Plan was adopted effective as of August 15, 1996, to permit outside directors and eligible employees to defer the receipt of compensation otherwise payable to such outside directors and eligible employees in accordance with the terms of the Plan. The Plan is a continuation of the Prior Plan, which was initially effective as of February 12, 1974. The Plan is unfunded and is maintained primarily for the purpose of providing deferred compensation to outside directors and to a select group of management or highly compensated employees.

2. DEFINITIONS

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

2.2 "Active Participant" means:

2.2.1 Each Participant who is in active service as an Outside Director; and

2.2.2 Each Participant who is actively employed by a Participating Company as an Eligible Employee.

2.3 "Administrator" means the Committee.

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

and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

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

2.6 "Applicable Interest Rate" means:

2.6.1 Except as otherwise provided in Section 2.6.2, the Applicable Interest Rate means 12% per annum, compounded annually as of the last day of the Plan Year.

2.6.2 Except to the extent otherwise required by Section 9.2, effective for the period extending from a Participant's employment termination date to the date the Participant's Account is distributed in full, the Administrator, in its sole discretion, may designate the term "Applicable Interest Rate" for such Participant's Account to mean the lesser of (1) the rate in effect under Section 2.6.1 or (2) the Prime Rate plus one percent, compounded annually as of the last day of the Plan Year. Notwithstanding the foregoing, the Administrator may delegate its authority to determine the Applicable Interest Rate under this Section 2.6.2 to an officer of the Company or committee of two or more officers of the Company.

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

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

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

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

2.11 "Company Stock" means Comcast Corporation Class A Special Common Stock, par value, \$1.00, including a fractional share, or such other securities issued by Comcast

Corporation as may be the subject to adjustment in the event that shares of Company Stock are changed into or exchanged for a different number or kind of shares of stock or other securities of the Company, whether through merger, consolidation, reorganization, recapitalization, stock dividend, stock split-up or other substitution of securities of the Company. In such event, the Committee shall make appropriate equitable anti-dilution adjustments to the number and class of hypothetical shares of Company Stock credited to Participants' Accounts under the Company Stock Fund. Any reference to the term "Company Stock" in the Plan shall be a reference to the appropriate number and class of shares of stock as adjusted pursuant to this Section 2.12. The Committee's adjustment shall be effective and binding for all purposes of the Plan.

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

2.13 "Compensation" means:

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

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

2.14 "Deceased Participant" means:

2.14.1 A Participant whose employment, or, in the case of a Participant who was an Outside Director, a Participant whose service as an Outside Director, is terminated by death; or

2.14.2 An Inactive Participant who dies following termination of active service.

2.15 "Disabled Participant" means:

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

2.15.2 An Inactive Participant who becomes disabled (as determined by the Committee) following termination of active service; or

2.15.3 The duly-appointed legal guardian of an individual described in Section 2.15.1 or 2.15.2 acting on behalf of such individual.

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

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

2.16.2 Designate the time that part or all of the Account shall be distributed; and

2.16.3 Designate the manner in which income, gains and losses will be credited to the Account.

2.17 "Eligible Employee" means:

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

2.17.2 Each employee of a Participating Company who was, at any time before January 1, 1995, eligible to participate in the Prior Plan and whose Annual Rate of Pay is \$90,000 or more as of both (1) the date on which an Election with respect to the deferral of Compensation is filed with the Administrator and (2) the first day of each calendar year beginning after December 31, 1994.

2.17.3 Each employee of a Participating Company whose Annual Rate of Pay is \$125,000 or more as of both (1) the date on which an Election is filed with the Administrator and (2) the first day of the Plan Year in which such Election is filed.

2.17.4 Each New Key Employee.

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

2.18 "Fair Market Value."

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

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

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

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

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

2.21 "Hardship" means a Participant's serious financial hardship, as determined by the Board on a uniform and nondiscriminatory basis pursuant to the Participant's request under Section 7.3.

2.22 "Inactive Participant" means each Participant who is not in active service as an Outside Director and is not actively employed by a Participating Company.

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

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

2.25 "New Key Employee" means each employee of a Participating Company hired on or after August 15, 1996 whose annual rate of pay on his date of hire is \$125,000 or more.

2.26 "Normal Retirement" means:

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

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

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

2.28 "Parent Company" means all corporations that, at the time in question, are parent corporations of the Company within the meaning of section 424(e) of the Code.

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

2.30 "Participating Company" means:

2.30.1 the Company;

2.30.2 Comcast Cable Communications, Inc. and its subsidiaries;

2.30.3 Comcast International Holdings, Inc.;

2.30.4 Comcast Online Communications, Inc.;

2.30.5 Comcast Telecommunications, Inc.; and

2.30.6 any other entities identified in the discretion of the Subcommittee.

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

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

2.33 "Plan Year" means the calendar year.

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

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

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

2.37 "Roberts Family." Each of the following is a member of the Roberts Family:

2.37.1 Brian L. Roberts;

2.37.2 A lineal descendant of Brian L. Roberts; or

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

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

2.39 "Subsidiary Companies" means all corporations that, at the time in question, are subsidiary corporations of the Company within the meaning of section 424(f) of the Code.

2.40 "Terminating Event" means any of the following events:

2.40.1 The liquidation of the Company; or

2.40.2 A Change of Control.

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

3. ELECTION TO DEFER COMPENSATION

3.1 Elections. Each Outside Director and Eligible Employee shall have the right to defer all or any portion of the Compensation (including bonuses, if any) which he or she shall receive in the following Plan Year by filing an Election at the time and in the manner described in this Article 3; provided that Severance Pay shall be included as "Compensation" for purposes of this Section 3.1 only to the extent permitted by the Administrator in its sole discretion. The amount of Compensation deferred by a Participant for a Plan Year pursuant to an Election shall be withheld on a pro-rata basis from each periodic installment payment of the Participant's Compensation for the Plan Year (in accordance with the general pay practices of the Participating Companies), and credited to the Participant's Account in accordance with Section 5.1. Except to the extent permitted by the Administrator in its sole discretion, no Election filed by a Former Eligible Employee shall be valid or effective.

3.2 Filing of Elections. An Election to defer all or any portion of the Compensation payable for the performance of services as an Outside Director or as an Eligible Employee shall be made on the form provided by the Administrator for this purpose. Except as provided in Section 3.3, no such Election shall be effective unless it is filed with the Administrator on or before the close of business on December 31 of the Plan Year preceding the Plan Year to which the Election applies.

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

3.4 Plan Years to which Elections May Apply. A separate Election may be made for each Plan Year as to which an Outside Director or Eligible Employee desires to defer all or any portion of his or her Compensation, but the failure of an Outside Director or Eligible Employee to make an Election for any Plan Year shall not affect such Employee's right to make an Election for any other Plan Year.

3.5 Election of Distribution Date. Each Participant who elects to defer all or any portion of his or her Compensation for any Plan Year shall, on the Election, also elect the time of payment and form of distribution of the amount of the deferred Compensation to which the particular Election relates; provided, however, that, subject to acceleration pursuant to Section 3.6.3, Section 3.6.4, Section 7.1, Section 7.2 or Section 7.3, no distribution may commence earlier than January 2nd of the second calendar year beginning after the date the Election is filed with the Administrator, nor later than January 2nd of the eleventh calendar year beginning after the date the Election is filed with the Administrator. Each Participant may select a form of distribution in accordance with Article 4.

3.6 Designation of Payment Date.

- 3.6.1 The designation of the time for distribution of benefits to begin under the Plan may vary with each separate Election, provided that except as otherwise provided in Section 3.6.3 or 3.6.4, no portion of a Participant's Account subject to distribution in installments pursuant to Section 4.1.2 or Section 4.1.3 may be deferred to a later date after such distribution has begun.
- 3.6.2 Each Active Participant who has previously elected to receive a distribution of part or all of his or her Account, or who, pursuant to this Section 3.6.2, has elected to defer payment for an additional period from the originally-elected payment date, may elect to change the form of distribution or defer the time of payment of such amount to begin for a minimum of one and a maximum of ten additional years from the previously-elected payment date, by filing an Election with the Administrator on or before the close of business on June 30 of the Plan Year preceding the Plan Year in which the distribution would otherwise be made, provided that an Election applicable to the 1997 Plan Year shall not be effective unless it is filed with the Administrator on or before the close of business on October 15, 1996.
- 3.6.3 A Deceased Participant's estate or beneficiary to whom the right to payment under the Plan shall have passed may elect to change the form of distribution from the form of distribution that payment of the Deceased Participant's Account would otherwise be made, and
- 3.6.3.1 Defer the time of payment of the Deceased Participant's Account to begin for a minimum of one additional year from the date payment would otherwise begin (provided that if an Election is made pursuant to this Section 3.6.3.1, the Deceased Participant's Account shall be distributed in full on or before the fifth anniversary of the Deceased Participant's death); or
- 3.6.3.2 Accelerate the time of payment of such amount to begin from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Deceased Participant's death.

An Election pursuant to this Section 3.6.3 must be filed with the Administrator on or before the close of business on (i) the June 30

following the Participant's death on or before May 1 of a calendar year, (ii) the 60th day following the Participant's death after May 1 and before November 2 of a calendar year or (iii) the December 31 following the Participant's death after November 1 of a calendar year. Such estate or beneficiary, as applicable, shall be entitled to one and only one Election pursuant to this Section 3.6.3 with respect to a Participant's Account, but shall otherwise be treated as the Participant for all other purposes of the Plan.

3.6.4 A Disabled Participant may elect to:

3.6.4.1 Change the form of distribution from the form of distribution that payment of the Disabled Participant's Account would otherwise be made; and

3.6.4.2 Accelerate the time of payment of the Disabled Participant's Account to begin from the date payment would otherwise be made to January 2nd of the calendar year beginning after the Participant became disabled.

An Election pursuant to this Section 3.6.4 must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant on or before May 1 of a calendar year, (ii) the 60th day following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after May 1 and before November 2 of a calendar year or (iii) the December 31 following the date the Participant becomes a Disabled Participant if the Participant becomes a Disabled Participant after November 1 of a calendar year.

3.6.5 A Retired Participant may elect to:

3.6.5.1 Change the form of distribution from the form of distribution that payment of the Retired Participant's Account would otherwise be made, and

3.6.5.2 Defer the time of payment of the Retired Participant's Account to begin for a minimum of one additional year from the date payment would otherwise begin (provided that if an Election is made pursuant to this Section 3.6.5.2, the Retired Participant's Account shall be distributed in full)

on or before the fifth anniversary of the Retired Participant's Normal Retirement).

An Election pursuant to this Section 3.6.5 must be filed with the Administrator on or before the close of business on the later of (i) the June 30 following the Participant's Normal Retirement on or before May 1 of a calendar year, (ii) the 60th day following the Participant's Normal Retirement after May 1 and before November 2 of a calendar year or (iii) the December 31 following a Participant's Normal Retirement after November 1 of a calendar year.

- 3.6.6 Except as provided in Section 3.6.4, Section 3.6.5 or Section 3.6.7, or if permitted by the Administrator in its sole discretion pursuant to this Section 3.6.6, no Inactive Participant who has previously elected to receive a distribution of part or all of his her Account, or who, pursuant to this Section 3.6.6, has elected to defer payment for an additional period from the originally elected payment date, may elect to defer the payment of such amount to any subsequent date. An Inactive Participant, if permitted by the Administrator in its sole discretion, may elect to defer the payment of such amount for a minimum of one and a maximum of ten additional years from the previously-elected payment date, but not later than the date permitted by the Administrator, by filing an Election with the Administrator on or before the close of business on June 30 of the Plan Year preceding the Plan Year in which the distribution would otherwise be made.
- 3.6.7 Except as provided in Section 3.6.4 or Section 3.6.6, no Grandfathered Participant who has previously elected to receive a distribution of part or all of his or her Account, or who, pursuant to this Section 3.6, has elected to defer payment for an additional period from the originally-elected payment date, may elect to defer the payment of such amount to any subsequent date.
- 3.6.8 Subject to acceleration pursuant to Section 3.6.3, Section 3.6.4, Section 7.1, Section 7.2 or Section 7.3, no distribution of the amounts deferred by a Participant for any Plan Year shall be made before the payment date designated by the Participant on the most recently filed Election with respect to such deferred amounts. Distribution of the amounts deferred for any Plan Year by a Participant (other than a Grandfathered Participant and an Inactive Participant who makes an Election under Section 3.6.5) who ceases

to be an Active Participant shall be made on the payment date designated by the Participant on the last Election filed with respect to such deferred amounts before the Participant ceased to be an Active Participant.

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

#### 4. FORMS OF DISTRIBUTION

4.1 Forms of Distribution. Amounts credited to an Account shall be distributed, pursuant to an Election, from among the following forms of distribution:

- 4.1.1 A lump sum payment.
- 4.1.2 Substantially equal annual installments over a five (5), ten (10) or fifteen (15) year period.
- 4.1.3 Substantially equal monthly installments over a period not exceeding fifteen (15) years.

Notwithstanding any Election to the contrary, distributions pursuant to Elections made after December 10, 1996 shall be made in the form of a lump sum payment unless the portion of a Participant's Account subject to distribution pursuant to Section 4.1.2 or Section 4.1.3, as of both the date of the Election and the benefit commencement date, is more than \$10,000.

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

#### 5. BOOK ACCOUNTS

5.1 Deferred Compensation Account. A deferred Compensation Account shall be established for each Outside Director and Eligible Employee when such Outside Director or Eligible Employee becomes a Participant. The balance of each Participant's Account as of January 1, 1997 shall include the balance of such Participant's account under the Prior Plan as of

December 31, 1996. Compensation deferred pursuant to the Plan shall be credited to the Account on the date such Compensation would otherwise have been payable to the Participant. Income, gains and losses on the balance of the Account shall be credited to the Account as provided in Section 5.2.

5.2 Crediting of Income, Gains and Losses on Accounts.

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

5.2.2 Investment Fund Elections.

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

5.2.2.2 An investment fund Election shall continue in effect until revoked or superseded, provided that notwithstanding any investment fund Election to the contrary, as of the valuation date (as determined under Section 4.2) for the distribution of all or any portion of a Participant's Account that is subject to distribution in the form of installments described in Section 4.1.2 or 4.1.2, such Account, or portion thereof, shall be deemed invested in the Income Fund (and transferred from the Company Stock Fund to the Income Fund, to the extent necessary) until such Account, or portion thereof, is distributed in full.

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

5.2.2.4 Investment fund Elections under this Section 5.2.2 shall be effective as of the first day of each Plan Year beginning on and after January 1, 1997, provided that the election is filed with the Committee on or before the close of business on December 31 of the Plan Year preceding such Plan Year.

An Active Participant may only make an investment fund Election with respect to the Participant's accumulated Account as of December 31, and not with respect to Compensation to be deferred for a Plan Year.

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

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

5.2.3 Timing of Credits. Compensation deferred pursuant to the Plan shall be deemed invested in the Income Fund on the date such Compensation would otherwise have been payable to the Participant. Accumulated Account balances subject to an investment fund Election under Section 5.2.2 shall be deemed invested in the applicable investment fund as of the effective date of such Election. The value of amounts deemed invested in the Company Stock Fund shall be based on hypothetical purchases and sales of Company Stock at Fair Market Value as of the effective date of an investment Election.

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

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

6. NON-ASSIGNABILITY, ETC.

The right of each Participant in or to any account, benefit or payment hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Participant; and no Account, benefit or payment shall be subject to anticipation, alienation, sale, transfer, assignment or encumbrance.

7. DEATH OR DISABILITY OF PARTICIPANT

7.1 Death of Participant. A Deceased Participant's Account shall be distributed in accordance with the last Election made by the Deceased Participant before the Deceased Participant's death, unless the Deceased Participant's estate or beneficiary to whom the right to payment under the Plan shall have passed timely elects to accelerate or defer the time or change the form of payment pursuant to Section 3.6.3.

7.2 Disability of Participant. A Disabled Participant's Account shall be distributed in accordance with the last Election made by the Disabled Participant before the Disabled Participant's termination of service or date of disability, as applicable, unless the Disabled Participant timely elects to accelerate the time or change the form of payment pursuant to Section 3.6.4.

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

7.4 Designation of Beneficiaries. Each Participant shall have the right to designate one or more beneficiaries to receive distributions in the event of the Participant's death by filing with the Administrator a beneficiary designation on the form provided by the Administrator for such purpose. The designation of beneficiary or beneficiaries may be changed by a Participant at any time prior to his or her death by the delivery to the Administrator of a new beneficiary designation form. If no beneficiary shall have been designated, or if no designated beneficiary shall survive the Participant, the Participant's estate shall be deemed to be the beneficiary.

8. INTERPRETATION

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

8.2 Claims Procedure. The Committee shall administer a reasonable claims procedure with respect to the Plan in accordance with Department of Labor Regulation section 2560.503-1, or any successor provision.

9. AMENDMENT OR TERMINATION

9.1 Amendment or Termination. Except as otherwise provided by Section 9.2, the Company, by action of the Board or by action of the Committee, reserves the right at any time, or from time to time, to amend or modify this Plan. The Company, by action of the Board, reserves the right at any time, or from time to time terminate this Plan.

9.2 Amendment of Rate of Credited Earnings. No amendment shall change the Applicable Interest Rate with respect to the portion of a Participant's Account that is attributable to an Election made with respect to Compensation earned in a Plan Year and filed with the Administrator before the date of adoption of such amendment by the Board. For purposes of this Section 9.2, an Election to defer the payment of part or all of an Account for an additional period after a previously-elected payment date (as described in Section 3.6) shall be treated as a separate Election from any previous Election with respect to such Account.

10. MISCELLANEOUS PROVISIONS

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

10.2 Governing Law. This Plan shall be interpreted under the laws of the Commonwealth of Pennsylvania.

11. EFFECTIVE DATE

The effective date of the Plan this amendment and restatement of the Plan shall be March 3, 1999.

IN WITNESS WHEREOF, COMCAST CORPORATION has caused this Plan to be executed by its officers thereunto duly authorized, and its corporate seal to be affixed hereto, as of the 3rd day of March, 1999.

COMCAST CORPORATION

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_

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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3-MOS	DEC-31-1999	
	MAR-31-1999	
		1,549
		4,978
		501
		124
		321
		203
		3,911
	(1,427)	
	17,277	
	3,431	
		6,169
	548	
		32
		740
		3,709
17,277		
		1,374
	1,374	
		391
	(1,187)	
	(129)	
	0	
	(111)	
	205	
	(87)	
	117	
	(20)	
	(1)	
		0
		81
		0.10
		0.10

Loss before income tax expense and other items excludes the effect of minority interests, net of tax, of \$15.3.