Comcast and AT&T Broadband: Creating the New Broadband Leader

July 9, 2001

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Safe Harbor

Caution Concerning Forward-Looking Statements

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Brian L. Roberts
President, Comcast Corporation

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Terms of the Proposed Transaction

- Merger between Comcast and AT&T Broadband
- Values AT&T Broadband at $58 billion, including assumed debt of $13.5 billion
  - *Prepared to acquire AT&T's interests in TWE, Cablevision and Rainbow Media by assuming more debt and issuing more equity to reflect their values*
- AT&T shareholders will own a majority of the economic and voting interests in NewCo
  - *Comcast will issue 1.0525 billion shares*
- Tax free to AT&T and all AT&T shareholders

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AT&T Shareholders:
A Better Alternative... Now!

- Delivers a premium value for AT&T's broadband assets
  - *$12.60 of value per AT&T share; which represents 75% of AT&T's per share market price*[1]
- Provides additional upside from significant cost savings and synergy opportunities
- Eliminates risks, costs and uncertainties inherent in creating a broadband tracking stock
- Consistent with goals of AT&T's existing restructuring plan

[1] AT&T's per share market price based on AT&T when-issued closing price of $16.80 as of 7/06/01

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Creating the New Broadband Leader

Benefits to Comcast and AT&T shareholders:

- The largest broadband company
- Powerful platform for growth
  - *Opportunity to launch new products and build new programming assets*
- Significant ongoing cost savings and synergies
- Industry leading management team with proven integration success
- Financially strong with solid investment grade balance sheet
- Creates one of the world's leading media, content and distribution platforms

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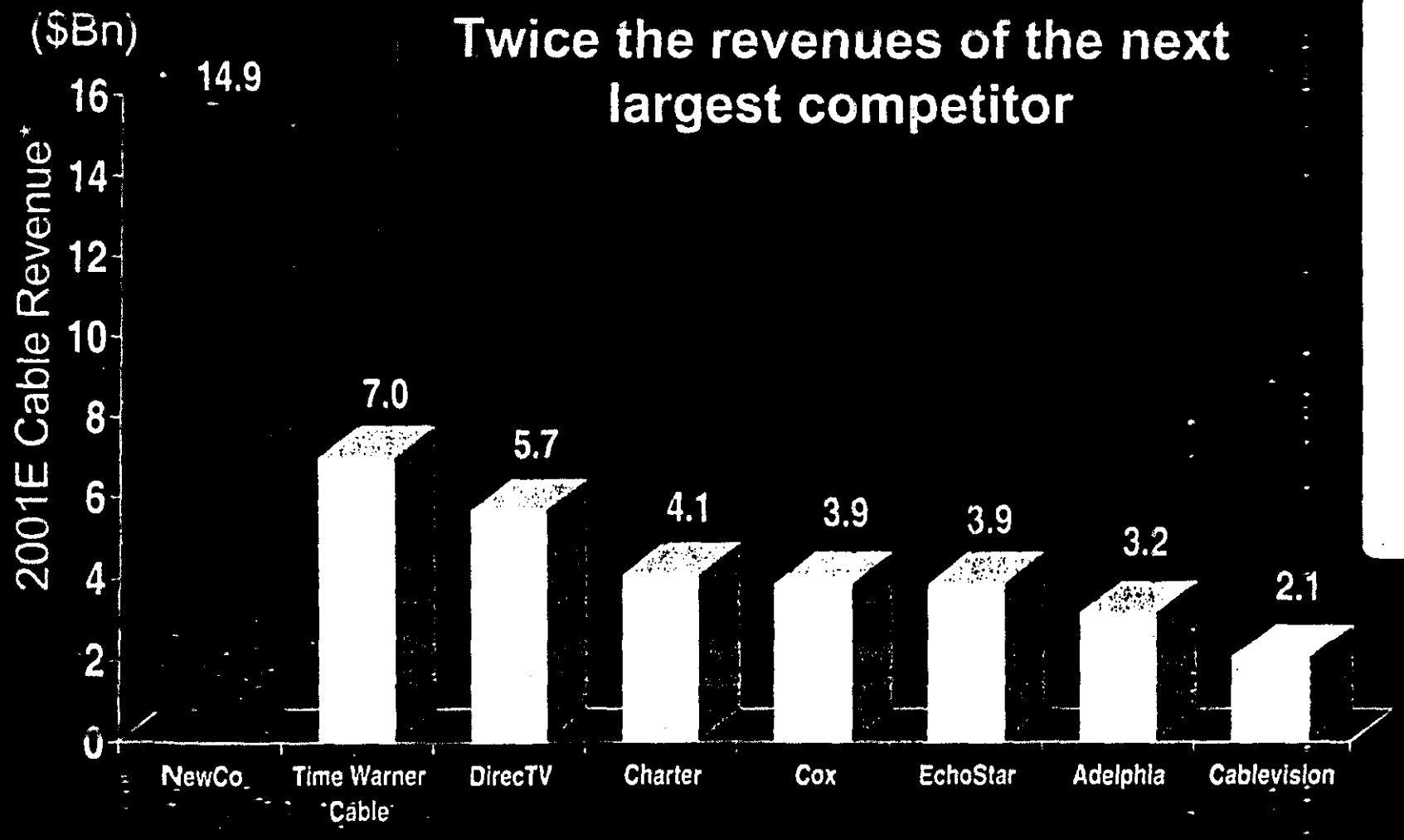
The Largest Broadband Company

Twice the revenues of the next largest competitor



*Statistics include video, residential telephony and high speed data businesses.
Source: Wall Street estimates

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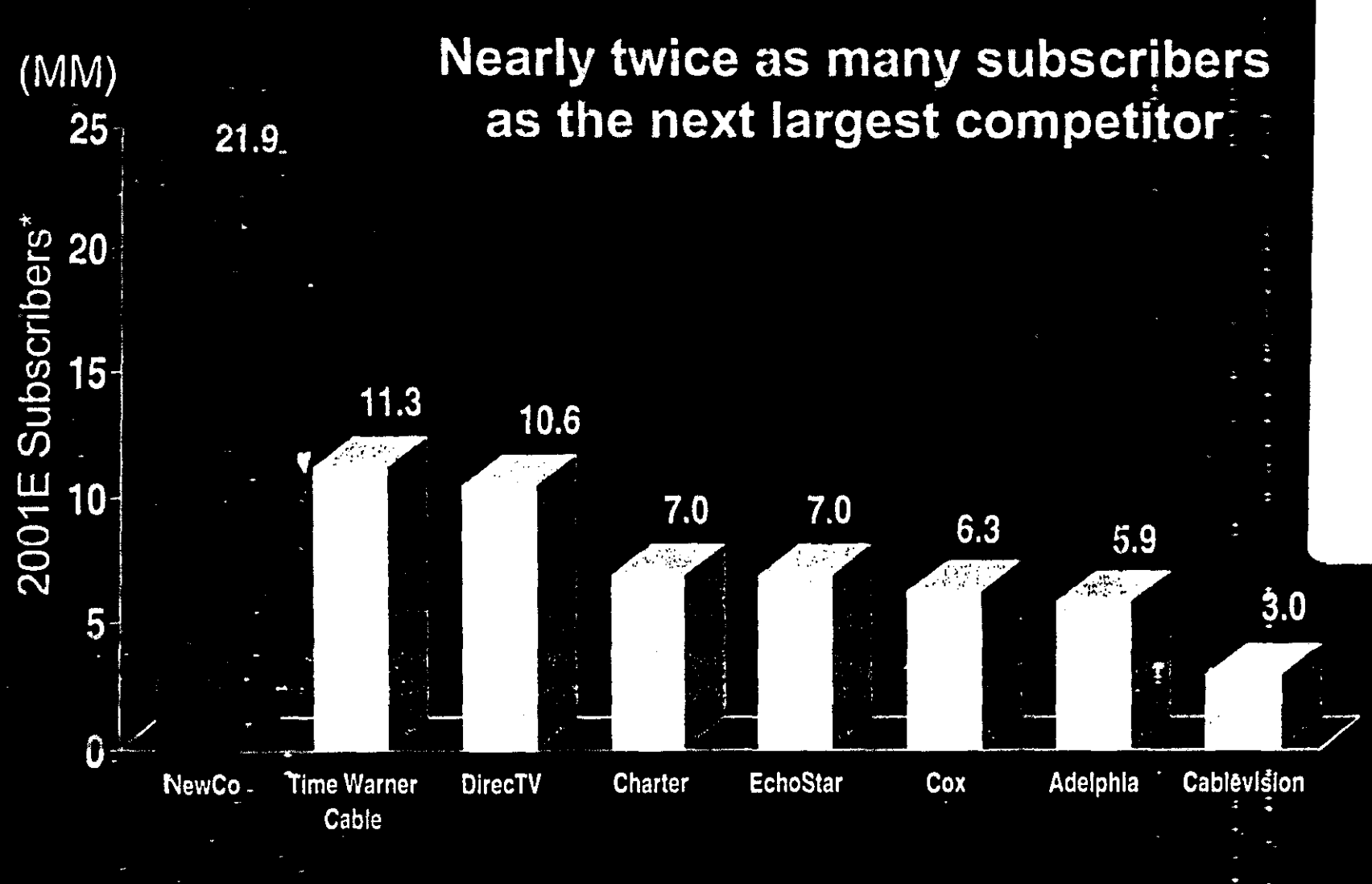
The Largest Broadband Company



*Source: Wall Street estimates

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Powerful National Presence

- Present in 41 states
- 85% of subscribers in top 50 DMAs

Source: Company data and 2001 Cable TV Fact Book

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Powerful Major Market Presence

Leader in 8 of top 10 DMAs

70% of NewCo subscribers in top 20 DMAs

Greater than 45% market share in 14 of the top 20 DMAs

Top 20 DMAs	NewCo Subs in 000's
1. New York, NY	670
2. Los Angeles, CA	530
3. Chicago, IL	1,750
4. Philadelphia, PA	1,790
5. San Francisco-Oakland-San Jose, CA	1,830
6. Boston, MA	1,680
7. Dallas-Fort Worth, TX	560
8. Washington, DC	860
9. Detroit, MI	830
10. Atlanta, GA	680
11. Houston, TX	--
12. Seattle-Tacoma, WA	960
13. Tampa/St. Petersburg-Sarasota, FL	210
14. Minneapolis-St. Paul, MN	340
15. Cleveland, OH	90
16. Miami/Ft Lauderdale, FL	780
17. Phoenix, AZ	--
18. Denver, CO	620
19. Sacramento-Stockton-Modesto, CA	550
20. Pittsburgh, PA	620

Source: Wall Street estimates, Cable Fact Book, Company figures

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Powerful Platform for Growth

Benefits of scale and scope:

- Develop new programming content
- Deploy new products and services, including next generation telephony
- Establishes national advertising platform
- New Internet opportunities
- Growth and value creation from operating efficiencies

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Stephen B. Burke
President
Comcast Cable Communications

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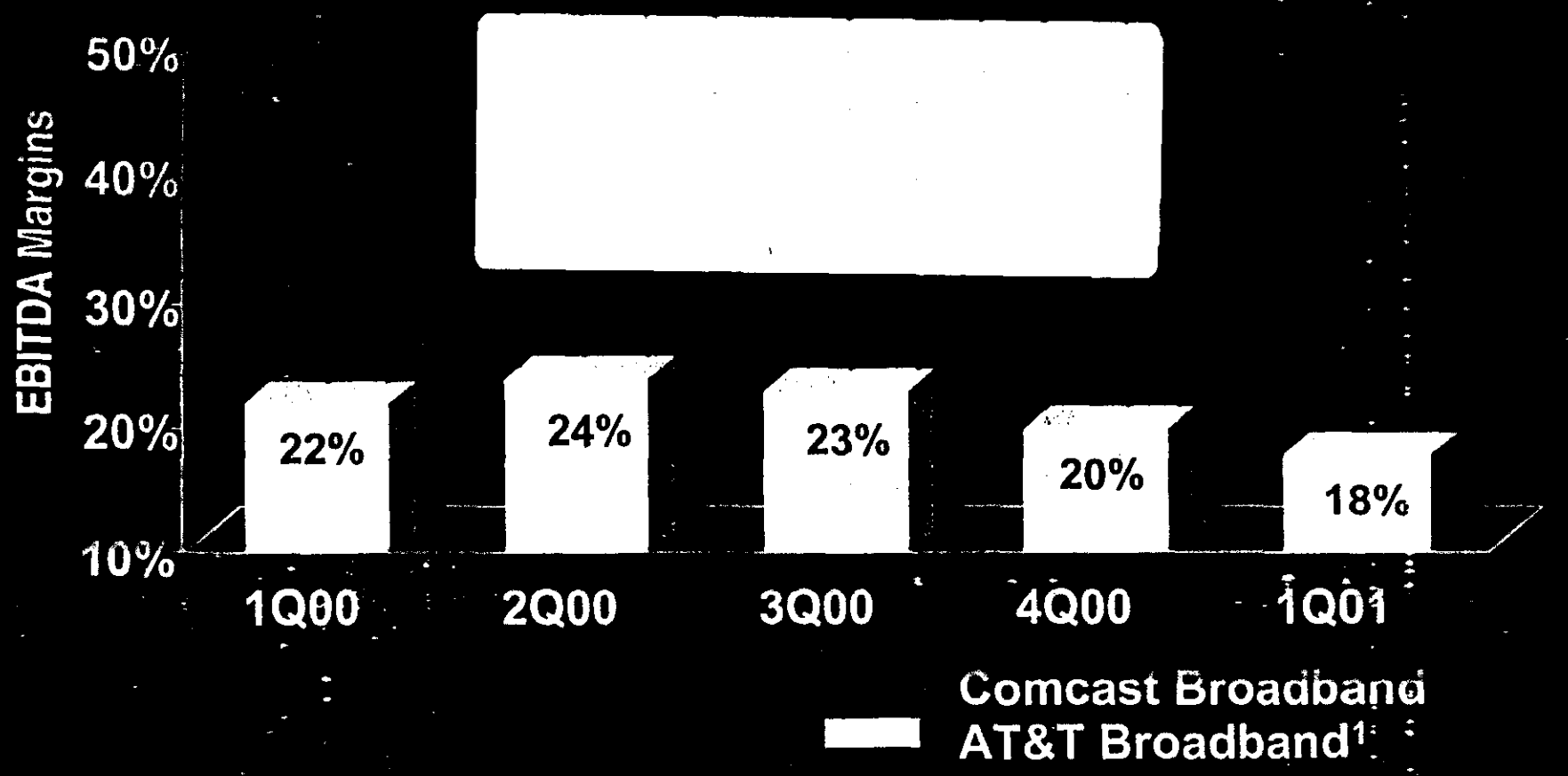
Opportunity for Value Creation

Substantial EBITDA margin improvement opportunity



Note: margins include corporate overhead allocation.
[1] AT&T Broadband margins exclude restructuring and other charges
Source: Company Reports

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Cost Savings and Synergy Opportunities

Potential margin improvement

Comcast margin[1]	41%
AT&T Broadband margin[1]	18%
Difference	23%
AT&T 2001 LQA Broadband revenues[2]	x $10Bn
Potential margin improvement	$2.3Bn

[1] Margin figures are based on 1Q01 publicly available information and include corporate overhead allocation.
[2] Annualized 1Q01 AT&T Broadband revenues

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Cost Savings and Synergy Opportunities

Sources of margin improvement

- Core cable operating efficiencies
- Productivity improvements
- Corporate overhead reduction
- Improved telephone economics

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Cost Savings and Synergy Opportunities

Value from economies of scale and scope

- Programming savings
- Hardware procurement
- Other savings

Targeted annual expense reduction: $300 - $500MM
Targeted annual capex reduction: $200 - $500MM

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Cost Savings and Synergy Opportunities

- Potential annual cost reductions and synergies: $2.6 to $2.8 billion
- Targeted as near term and highly achievable: $1.25 billion

Economies of Scale and Scope*: $300 - $500 Million

Margin Improvement: $2.3 Billion

*Excludes revenue enhancement and capex reduction

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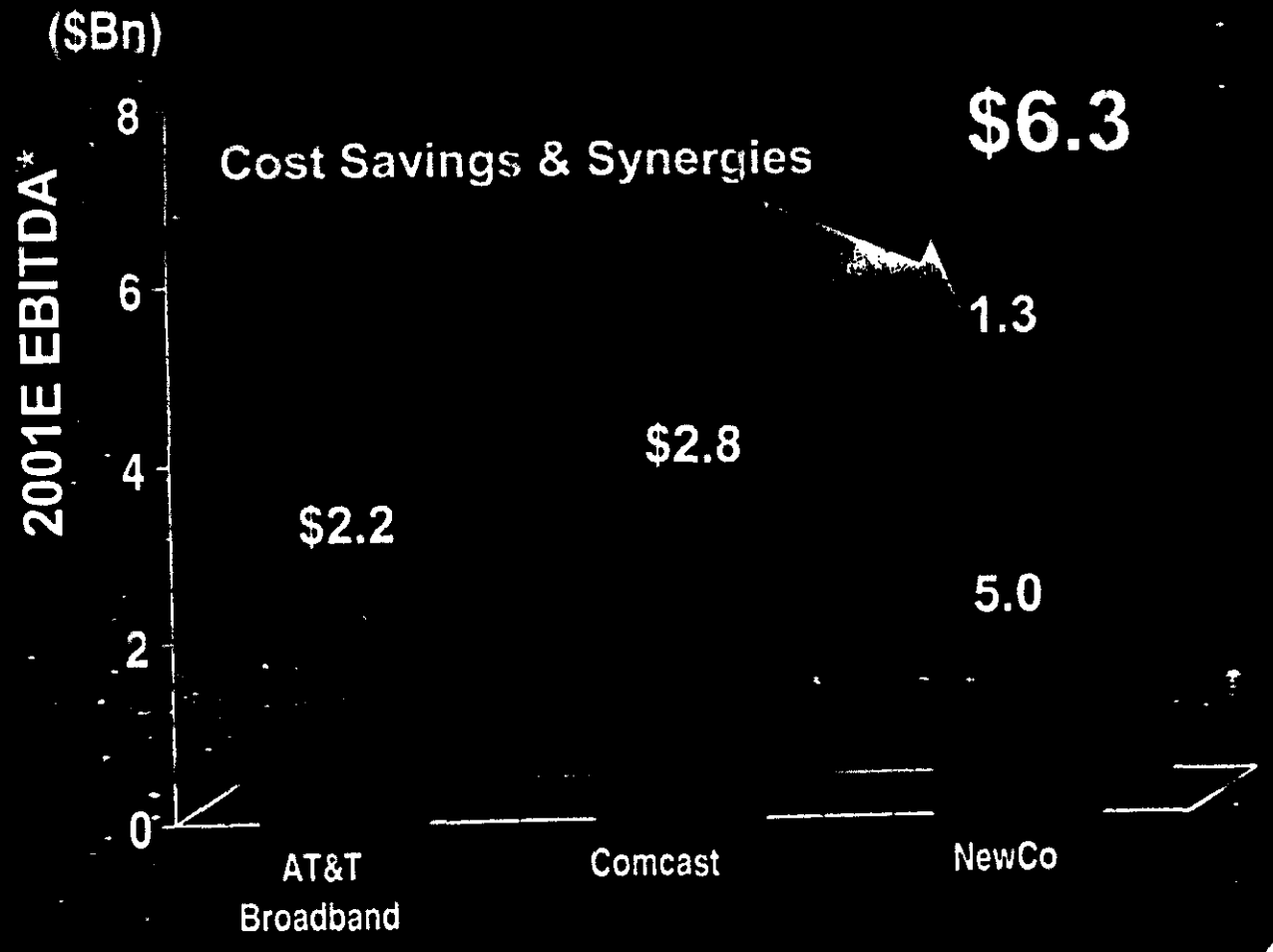
Pro Forma Cash Flow

Cash flow enhanced by cost savings and synergy opportunities



* Source: Wall Street estimates

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Financial Powerhouse

NewCo to have investment grade profile

Leverage

($ in Billions)	
Comcast	$11.2
Assumed debt	13.5
Pro forma debt	$24.7

Credit Profile

	Debt/01 EBITDA
Without synergies	4.7x
$1.25Bn of synergies	3.8x
Target Rating	Investment Grade

2002 leverage ratios would decline significantly

[1] Comcast debt based on 3/31/01 reported debt adjusted to exclude ZONES and to include impact of subsequent events.
[2] EBITDA multiples based on EBITDA forecasts from Wall Street estimates.

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Accretive to Comcast Shareholders

Transaction is EBITDA accretive to Comcast shareholders

($ millions)	Year 1	Year 2	Year 3
EBITDA accretion (dilution) / share[1,2]	(4%) to (1%)	2.5% to 5%	6% to 9%
Synergy assumption	$400 - $600	$700 - $900	$1,000 - $1,250

Proposal represents 15x-16x 2002 estimated EBITDA after taking into account Year 1 synergies

[1] EBITDA forecasts based on Wall Street consensus estimates
[2] Assumes $58Bn transaction pro forma for full year 2002 and the assumption of $13.5Bn of debt

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Comcast: Proven Integration Success

Comcast has grown revenues 13x since 1990, through integration of 11 significant acquisitions

Nearly doubled cable subscribers from 4.5MM to 8.4MM through five major transactions in 24 months

Rapidly and significantly improved acquired systems

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Comcast's Integration Success

Dramatic Improvement in 12-24 months

	EW Scripps			Jones Intercable			Lenfest		
	1997	1999	Growth	1999	2000	Growth	1999	2000	Growth
Revenue (MM)	$ 309	$ 407	+32%	$ 537	$ 582	+8%	$ 515	$ 568	+10%
OCF (MM)	$ 134	$ 207	+54%	$ 198	$ 249	+25%	$ 199	$ 267	+34%
Margin	43%	51%	+ 8 pts	37%	43%	+ 6 pts	39%	47%	+ 8 pts
OCF/Subscriber	$ 168	$ 236	+40%	$ 181	$ 221	+22%	$ 152	$ 200	+ 32%

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Comcast's Integration Success

Rapid improvement in operating performance of systems recently acquired from AT&T

AT&T Broadband[1]

	2000	2001E	Growth
Revenue (MM)	$ 426	$ 461	+ 8%
OCF (MM)	$ 113	$ 149	+32%
OCF Margin	26%	32%	+ 6 pts
OCF/Subscriber	$ 148	$ 193	+30%

[1] Based on 765,000 subscribers acquired in swaps as of 12/31/00

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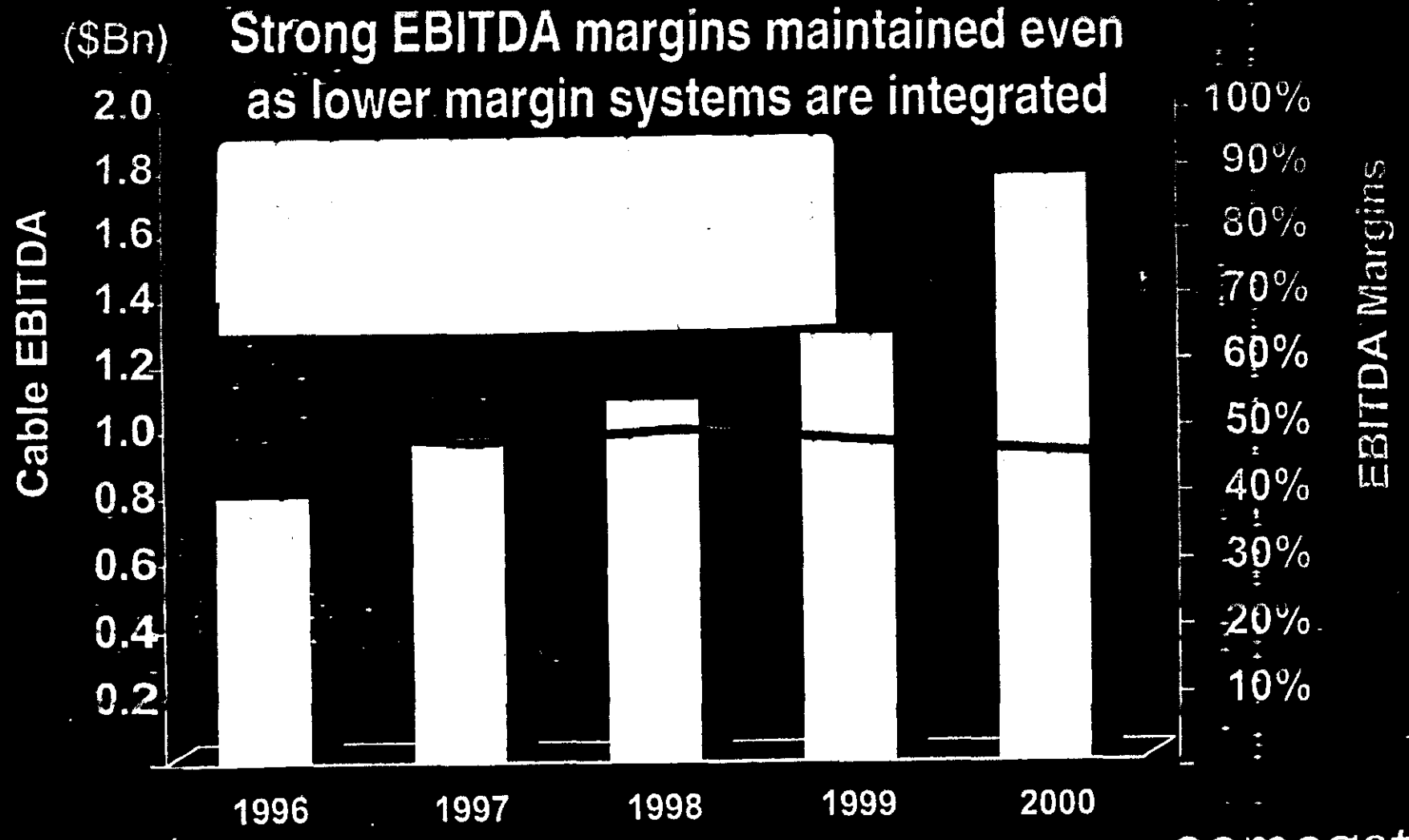
Comcast's Superior Operating Track Record

Strong EBITDA margins maintained even as lower margin systems are integrated



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Building Value Through Content

Merger allows NewCo to capitalize on Comcast's fastest growing business segment

New channels have fast track to profitability

Platform of 22 million subscribers

Track record of significant growth in distribution, revenues and operating cash flow

QVC — Tripled OCF in six years ($209MM in 1994 to $619MM in 2000)

E! — 40% subscriber growth in three years (46MM to 65MM)

The Golf Channel — Grew revenues from $0 to $100MM in five years

Comcast SportsNet — Regional sports network covers nearly 50% of Comcast subscribers

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Building Value Through Investments

Investment	Value at initial investment	Current trading or realized value
Sprint PCS	$ 680MM	$ 2.7Bn
TCG - AT&T	$ 150MM	$ 2.2Bn
Excite@Home	$ 10MM	$ 1.7Bn
Other	$ 100MM	$ 0.5Bn
Total	$ 940MM	$ 7.1Bn

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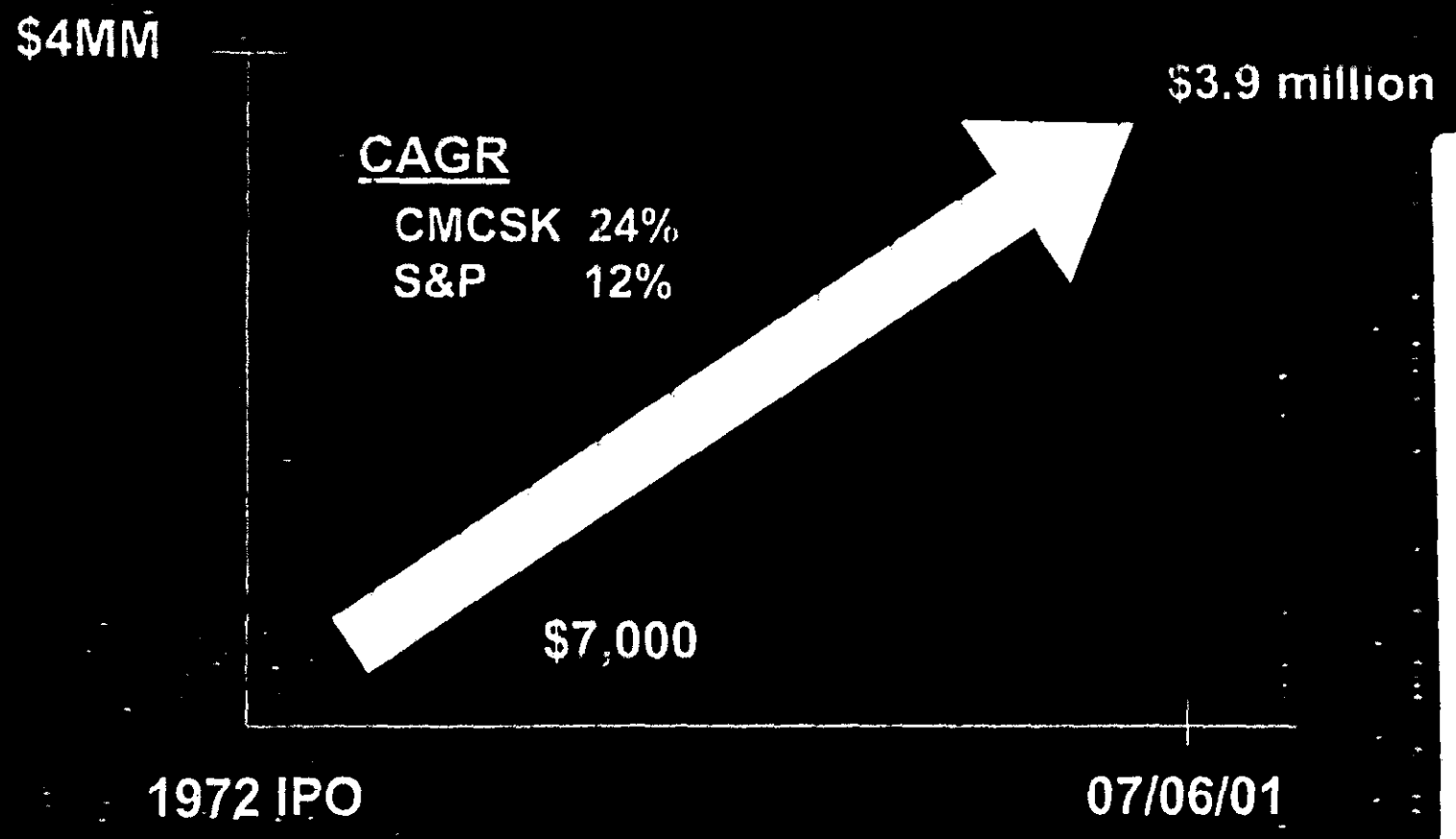
Comcast: Shareholder Value Creation

1000 shares of Comcast purchased in the IPO for $7 per share



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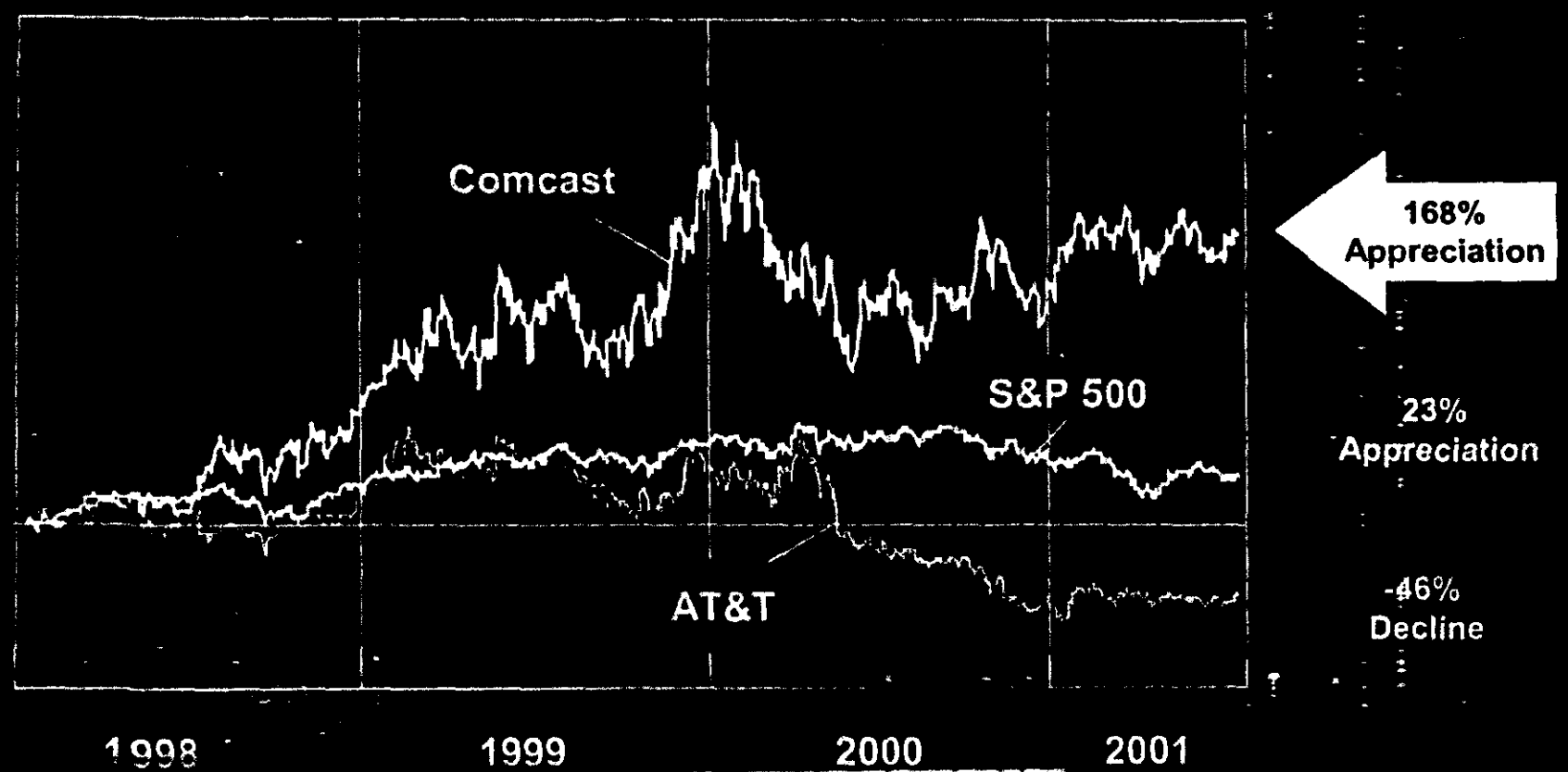
Comcast: Outperforming the Market



Source: FactSet

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Comcast: Outperforming the Market

Comcast has outperformed cable industry peers, Nasdaq and S&P 500 for every period over past 10 years

	1 Year	3 Years	5 Years	7 Years	10 Years
Comcast	7%	26%	37%	26%	25%
Cable Composite[1]	0%	17%	35%	24%	20%
Nasdaq	(49%)	2%	12%	16%	16%
S&P 500	(18%)	1%	13%	15%	12%

[1] Consists of Cox, Cablevision, Adelphia and Charter
Source: FactSet

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Creating the New Broadband Leader

What we would create:

- Leader in eight of the top 10 markets
- Presence in 18 of the top 20 markets
- 22 million basic subscribers
- Expanded platform to launch new products and build new programming assets

What Comcast delivers:

- Superior operating track record
- Proven integration success
- Significant synergy opportunities
- Industry leading returns to shareholders
  - *24% CAGR since IPO*

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Creating the New Broadband Leader

One of the world's leading media companies

Premier national distribution network

Positioned to expand relationship with customers

Compelling content opportunities

Industry leading management team

Financial strength and flexibility

Expanded margins and multiples

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