

- A basic tier that includes channels from all the local broadcast stations plus PEG channels, leased access channels, and a number of basic cable networks, such as ABC Family or WGN.
- An expanded basic tier that includes additional cable networks such as CNN, ESPN, Discovery Channel, Nickelodeon, Disney Channel, Weather Channel, and BET.
- Two different tiers of digital cable service that include access to an interactive programming guide, VOD programming, digital music channels, and numerous additional digital cable networks, such as Discovery Kids, Noggin, Fine Living, Toon Disney, and National Geographic.
- A broad selection of Hispanic programming networks including Discovery en Español, CNN en Español, and Toon Disney en Español.
- Up to 15 networks transmitted in HDTV, including all four major broadcast networks, local public broadcast stations' HDTV signals, and ESPN-HD.
- A selection of premium services that often include the choice of HBO, Showtime, Cinemax, STARZ, and a wide variety of multicultural programming networks.

As the Commission noted last November, "Comcast, for example, offers over 1,000 program and price combinations and allows its subscribers to create a mix of services to meet varied program interests or financial constraint."²⁰⁶

Culturally Diverse Programming. Comcast also is expanding culturally diverse offerings to subscribers. In the past year, Comcast has launched several services catering to multicultural audiences, both in linear and VOD formats. In total, Comcast carries over 50 multicultural cable networks and is in talks to carry several more. Comcast strives to be sensitive to the needs of each community; service offerings are often tailored to address the unique cultural needs of individual communities. For example, in Colorado, Comcast recently revamped its lineup of Spanish-language networks to address the interests of Hispanic viewers

²⁰⁶ See FCC, *Report on the Packaging and Sale of Video Programming Services to the Public* 65 & n.319 (Nov. 18, 2004), available at http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-254432A1.pdf.

by adding eight channels and VOD services.²⁰⁷ New offerings included Go!TV, a Latin American network dedicated solely to soccer, and TBN enlace, a Hispanic faith and religious programming channel.²⁰⁸ Comcast Colorado customers also have access to the CableLatino package, which includes 22 additional Spanish-language networks and more than 100 hours of Spanish VOD content.²⁰⁹ Comcast also recently announced the availability of five international channels -- TV5 (French), C1RW (Russian), SBTN (Vietnamese), TV JAPAN (Japanese) and GMA Pinoy TV (Filipino) -- as new digital premium networks for its Southern California subscribers.²¹⁰

HDTV. Comcast has continued to place a heavy emphasis on expanding the availability of HD service. "For an extra \$5-per-month set-top charge, Comcast customers can get up to 15 channels of HD programming -- a price point that is much more affordable than anything DIRECTV or EchoStar can offer."²¹¹ Comcast's HD service is now available in 72 markets, representing over 94% of the households passed by Comcast. To promote these HD offerings, Comcast has partnered with local consumer electronic retailers and has stressed its local presence as a significant advantage over satellite. These efforts have elicited a strong and favorable consumer response; several months ago, Comcast passed a significant milestone when it

²⁰⁷ See Ryan Peacock, *Diversity On Demand; Satellite-, Cable-TV Operators Expand Multicultural Offerings*, Rocky Mt. News, Aug. 22, 2005, available at http://www.rockymountainnews.com/drmn/technology/article/0,1299,DRMN_49_4019708,00.html.

²⁰⁸ See *id.*

²⁰⁹ See *id.*

²¹⁰ *Comcast Brings Int'l Flavor to Calif.*, Multichannel News, Sept. 15, 2005, available at <http://multichannel.com/index.asp?layout=articlePrint&articleid=CA6257450>.

²¹¹ John P. Ourand, *Cable's Best HD Buy? Local Sale and Promos*, CableWORLD, Feb. 21 - Mar. 6, 2005, at 18. In some markets, Comcast's customers can now receive 16 HDTV channels.

deployed its one-millionth HD set-top box.²¹² Thus, it is no surprise that, in *CableWORLD*'s affiliate sales survey, "programming executives picked Comcast as the MSO that was furthest along with HD."²¹³

VOD. Comcast's VOD service has been another successful service that has enjoyed widespread consumer adoption. Overall VOD audience and usage numbers have grown exponentially since its inception,²¹⁴ and industry analysts estimate that, "by the end of 2005, 23.9 million U.S. homes will have access to VOD from their local cable operator."²¹⁵ Launched in 2004, Comcast ON DEMAND is now available to 87% of Comcast's customers.²¹⁶ Comcast ON DEMAND provides a wide variety of VOD content.²¹⁷ And more is continuously being added, including the recently launched PBS Kids Sprout on Demand;²¹⁸ independent films and

²¹² See *id.*

²¹³ *Id.*

²¹⁴ Approximately 21 million cable households currently have VOD capability. *Boom Times Ahead for VOD?*, CableFAX Databriefs, July 11, 2005. Advertisers are scrutinizing VOD usage, increasing the likelihood that more incentives for VOD programming will develop. Rentrak, a research solutions firm, offers OnDemand Essentials, which tracks and reports on VOD usage. See Press Release, Rentrak Corp., *Rentrak and Charter Team to Track Video On Demand Content Usage and Ratings* (March 23, 2005); see also Press Release, Rentrak Corp., *Rentrak Adds Bresnan Communications Systems to OnDemand Essentials Trials* (July 20, 2005).

²¹⁵ 2005 Mid-Year Industry Overview at 17 (citing Kagan Research LLC).

²¹⁶ See Ken Kerschbaumer, *ME TV: Cable Operators Fine-Tune Economical Ways for Consumers To Customize Viewing Time*, Broad. & Cable, June 13, 2005, available at <http://www.broadcastingcable.com/index.asp?layout=articlePrint&articleID=CA607716>.

²¹⁷ See Comcast Corp., *On Demand* (listing programming from popular linear networks and industry leaders, such as HBO, Nickelodeon, Discovery Networks (including Discovery Kids, Animal Planet, and TLC), MTV, Comedy Central, Boomerang, BBC America, CNN, A&E, Food Network, HGTV, ESPN, NFL Network, NBA On Demand, The Travel Channel, and Gratis en Español), at <http://comcast.m0.net/mp/com/mic/Index.asp?email=&cmp=&custom=> (last visited Aug. 8, 2005). Comcast's Philadelphia system offers 5,500 free VOD programs. See Kerschbaumer, *supra* note 216 (reporting that more than 90% of the free VOD programs were watched at least once during March 2005).

²¹⁸ See Press Release, Comcast Corp., *Big Bird, Barney, and Bob the Builder Come Together in a Whole New Way as PBS Kids Sprout Launches on Comcast* (Apr. 4, 2005), available at <http://www.cmcsk.com/>

(footnoted continued...)

multicultural programming, such as “Gratis en Español,” “Bollywood and Beyond,”²¹⁹ and Fox Sports En Español;²²⁰ Starz programming that adds more than 325 top movies a month to the 3,500 program choices Comcast was already offering;²²¹ and access to a vast array of consistently updated local programming and information, including newscasts from local broadcast stations.²²²

For example, in the Washington, DC metropolitan area, Comcast’s local VOD programming includes information on community service initiatives such as *America’s Promise*, an introduction to the “100 Best Communities for Young People” project, a program developed by America’s Promise and focused on providing safe communities for young people; *Live Right: Topics on Substance Abuse*, a five-episode series that explores topics such as drug and alcohol use as they relate to teenagers, the Columbian drug culture, young people’s experiences with

(...footnote continued)

[phoenix.zhtml?c=147565&p=irol-newsArticle&ID=691220&highlight=sprout](http://www.phoenix.zhtml?c=147565&p=irol-newsArticle&ID=691220&highlight=sprout). PBS Kids Sprout experienced more than 4 million hits in April 2005, making it the most popular free kids VOD category for Comcast “right out of the box.” Pamela McClintock, *Growth Spurt For Kids VOD: Comcast Boasts Record Debut with PBS Kids VOD*, Variety, May 10, 2005 (quoting Brian Roberts, Chairman and CEO of Comcast Corporation).

²¹⁹ See Simon Applebaum, *Deep Local Roots in Seattle*, CableWORLD, July 11, 2005 (“Comcast is presenting exclusively to its on-demand customers in the area the new movie *The Immigrant Garden*, which was shot 100 miles southwest of Seattle last year.”). See Glenn Lovell, *Multicultural TV Programming a Hit*, Contra Costa Times, July 27, 2005, at F4, available at <http://www.fortwayne.com/mld/cctimes/entertainment/12233696.htm?template=contentModules/printstory.jsp> (describing Comcast’s offering of Bollywood movies on demand). In addition, Comcast’s “Gratis en Espanol” service offers on-demand Spanish-language content, including movies, sports, music, and family programming. See *id.*

²²⁰ See Press Release, Comcast Corp., *Fox Sports En Español and Comcast Strike Video-On-Demand Deal* (June 8, 2005) (noting that Comcast ON DEMAND features 10 hours of the Spanish-language sports network’s marquee events and programs), available at <http://www.cmcsk.com/phoenix.zhtml?c=147565&p=irol-newsArticle&ID=719441&highlight=international>.

²²¹ See *Comcast 2Q05 Earnings Release* at 1.

²²² See Peter J. Howe, *Comcast Launches Video-On-Demand Package with Local Programming*, Boston Globe, Apr. 16, 2004, at D1 (describing on-demand offerings in Boston market); see also *id.* (quoting Jon Abbott, general manager of public TV station WGBH, as saying that VOD “can extend the reach and impact of some of our award-winning programs”).

substance abuse rehabilitation, and college students' thoughts on the use and effects of drugs and alcohol; and *In Their Own Words*, a documentary about the events of D-Day as told by World War II veterans from Maryland.²²³ In Baltimore, Maryland, Comcast, City Council President Sheila Dixon, and Baltimore's Enoch Pratt Library announced a \$200,000 media partnership to promote literacy initiatives and that will feature the library's *E-Stories*, a collection of live-action, multicultural storyteller performances targeted at children and teenagers. And, in Comcast's markets across the country, Comcast is increasingly offering VOD programming that features local news and sports stories from local broadcast stations, regional news channels, and government affairs networks. The majority of this programming is available to Comcast customers at no additional charge.

Comcast has made VOD a priority, and has "undertaken an intense marketing blitz that makes customers well aware that free VOD is available and of where to find it."²²⁴ These efforts have led to embrace of the technology by thousands of customers.²²⁵ As Brian L. Roberts, Comcast's Chairman and CEO, recently explained: "In June, our customers viewed over 112 million ON DEMAND programs, a 10 million increase in 3 months, as we continue to

²²³ *In Their Own Words* is now being shown in every 11th grade class in Maryland.

²²⁴ Ken Kerschbaumer, *Comcast, A Cable Giant Grows Demand For Video-On-Demand*, *Broad. & Cable*, June 20, 2005, at 2A.

²²⁵ See Farhi, *supra* note 172 ("The very function of the networks -- picking the shows and dictating the day and time viewers have to watch them -- is gradually giving way to an age in which viewers take over those roles, with a much broader selection of programs.").

provide an unmatched product with more choice and customer value.”²²⁶ Mr. Roberts also noted that Comcast customers are on pace to view over *one billion* VOD streams in 2005.²²⁷

Comcast also has been aggressively seeking ways to further improve its VOD service. A new service known as “Select On Demand” is specifically designed as an incubator for new programming content.²²⁸ Select On Demand includes 15 new virtual VOD channels, each a collection of original programming organized by particular themes. For example, a “Wheels and Wings” channel is focused on content for car enthusiasts, while another channel, “Anime Selects,” offers a broad array of animation programming.²²⁹ Through the Select On Demand service, Comcast can provide consumers with access to programming that may be too narrow in its appeal to warrant creation of a traditional linear network. These offerings also give creative start-up programmers an opportunity to gain exposure and to build an audience.

²²⁶ Comcast 2Q05 Earnings Release at 1.

²²⁷ See Transcript, *Q2 2005 Comcast Corporation Earnings Conference Call*, Thomson StreetEvents Final Transcript, at 2 (Aug. 2, 2005) (“*Comcast Earnings Call Transcript*”); see also John M. Higgins, *Empty Screens*, *Broad. & Cable*, Sept. 19, 2005 (noting that Comcast’s President Steve Burke reports that Comcast’s customers watched 125 million VOD streams last month and by year’s end that number would likely be up to 200 million per month).

²²⁸ See Shirley Brady, *Comcast’s Matt Strauss Discusses Select On Demand*, *CableWORLD*, June 20, 2005, available at http://www.findarticles.com/p/articles/mi_m0DIZ/is_2005_June_20/ai_n14711650 (quoting Matt Strauss, Comcast’s Vice President of Video on Demand Investments, as saying: “Roughly 60 to 70% of all digital subs use on demand every month. So when we look at the landscape it’s really clear that the future of television is not going to be adding channel 343 to the digital lineup, but it’s going to be to migrate more and more programming over to on demand, which really is a superior way to watch programming.”); see also *id.* (quoting Matt Strauss as saying: “The genesis of Select on Demand was that as we continue to grow the [VOD] offering and expand the offering, there is really now more than ever a crossroad in cable television where programming that was potentially too targeted to warrant being a linear network, or programming that really couldn’t work well in a linear environment, now could have a destination on TV.”).

²²⁹ See *id.* More details about Select On Demand are available at <http://www.selectondemand.com/>.

DVR. DVR service has also been a successful way for Comcast to distinguish its service from its competitors. Comcast now boasts more than 575,000 DVR subscribers.²³⁰ During the second quarter of 2005, Comcast deployed nearly 300,000 advanced set-top-boxes with DVR and/or HDTV programming capability.²³¹

B. Comcast Continues To Bring New Broadband Technologies and Innovative Services to More Consumers than Ever Before.

Given the intense and growing competition that Comcast faces, Comcast believes it to be essential to continue to invest and to innovate.²³² In a marketplace in which convergence is now a reality, one important strategy is to offer all Comcast customers the convenience of obtaining multiple communications services -- video, high-speed Internet, and telephone -- at a discounted price.²³³ Earlier this year, Comcast began offering its Comcast Digital Voice digital phone service to 22,000 customers in Boston, Chicago, Hartford, Philadelphia, and Portland, Oregon. Comcast plans to rapidly deploy Comcast Digital Voice service to additional markets over the next year. As Comcast's Brian Roberts has explained, "Our main goal is to quickly evolve the

²³⁰ See *In re Applications for Consent to the Assignment and/or Transfer of Control of Licenses from Adelphia Communications Corporation to Time Warner Cable Inc. and Comcast Corporation*, Applications and Public Interest Statement, filed in MB Docket No. 05-192, at 47 (May 18, 2005). There are currently over 9 million households with DVRs (or about 8% of U.S. television households), see Kagan Research LLC, *Kagan Media Index*, Kagan Media Money, July 26, 2005, at 6, and those numbers are projected to increase to 55 million households by 2010, see Joel Meyer, *DVRs on the Rise*, *Broad. & Cable*, July 21, 2005, available at <http://www.broadcastingcable.com/index.asp?layout=articlePrint&articleID=CA628453>.

²³¹ *Comcast 2Q Earnings Release* at 2.

²³² See Walsh, *supra* note 197 ("Comcast Corp. thinks it can win a raging battle for new subscribers by offering products that go far beyond standard cable television, including new telephone service, hundreds of free movies and even TiVo technology.").

²³³ See Mike Farrell, *Comcast Learns To Love the Bundle*, *Multichannel News*, May 23, 2005, at 87.

product to not just be voice, but to be [an] integrated communications product.”²³⁴ Comcast envisions that Comcast Digital Voice service will eventually incorporate unified messaging and video phone capabilities. The company hopes to see widespread consumer adoption of Comcast Digital Voice service as it becomes available in more markets and is more prominently marketed.²³⁵

In addition to focusing on creating an attractive bundle, Comcast is improving the quality of its existing services. For example, in July 2005, Comcast increased its standard download speed for its high speed Internet service to 6 Mbps (with 8 Mbps available to users who subscribe to the premium service), marking the third time Comcast has raised broadband speeds without raising the price.²³⁶ And, for no additional charge, Comcast now offers a broadband security solution to help customers protect their households and enhance their online experience.²³⁷

²³⁴ Robert Luke, *Comcast To Go After BellSouth's Turf*, Atlanta J. Const., Mar. 18, 2005, at F1 (quoting Brian Roberts, Comcast's President and CEO).

²³⁵ Comcast projects that it will win 250,000 digital phone subscribers by the end of 2005 and about a million new phone customers in 2006. See Ken Belson, *Comcast Profit Rises 64% on Digital TV and Internet Services*, N.Y. Times, Aug. 3, 2005, at C7.

²³⁶ See Press Release, Comcast Corp., *Comcast Delivers New Ultra-Fast Speed Tiers - 8Mbps and 6Mbps* (July 12, 2005), available at <http://www.cmcsk.com/phoenix.zhtml?c=147565&p=irol-newsArticle&t=Regular&id=729042&>. As of June 30, 2005, over 7.7 million customers subscribed to Comcast's high-speed Internet service. *Comcast 2Q Earnings Release* at 2.

²³⁷ See Press Release, Comcast Corp., *Comcast Launches Comprehensive Internet Security Solution to Help Keep Customers Safe Online* (Aug. 16, 2005) (explaining that customers can receive nearly \$115 in value to protect their households and enhance their online experience with Internet security options), available at <http://www.cmcsk.com/phoenix.zhtml?c=147565&p=irol-newsArticle&t=Regular&id=743655&>.

C. Comcast Actively Maintains Its Commitment to Good Corporate Citizenship.

As a matter of corporate philosophy, and also as a matter of competitive differentiation, Comcast is deeply engaged in the local communities it serves. As one regional manager explains, “In spite of our size, we really are a very locally run corporation, and we want our customers to have the same feeling that they are dealing with somebody local.”²³⁸ Thus, Comcast has local offices, hires local people, actively participates in local civic activities, sponsors local events, and dedicates resources to improving all aspects of the communities it serves.

Comcast’s commitment to its customers and their communities is manifested in numerous ways, such as producing and distributing local programming, funding college scholarship programs, or coordinating volunteers to landscape a community center. Among Comcast’s community outreach achievements over the past year are the following:

- As of the end of 2004, Comcast had provided free cable television services to approximately 17,000 schools as part of the Cable in the Classroom Initiative. In addition, Comcast provided free high-speed Internet service to almost 7,250 schools and 1,500 libraries and youth and community centers.
- Comcast was named by the Washington Business Journal as one of the area’s top 50 local corporate philanthropists with respect to both overall charitable donations and volunteer hours.²³⁹
- In October 2004, in the fourth annual “Comcast Cares” Day, over 30,000 volunteers donated 180,000 hours in which they “built houses, raked leaves, painted schools and distributed food for the hungry in the largest numbers ever posted by the company.”²⁴⁰

²³⁸ Peter J. Howe, *Comcast Returning Call-Center Jobs to N.E.*, Boston Globe, Dec. 24, 2004 (quoting Robin Higgle, Comcast’s director of talent management for its New England region).

²³⁹ See Wash. Bus. J., *Business Philanthropy Guide, Top Corporate Philanthropists* (May 2005) (ranking Comcast 21st with respect to local giving and 15th with respect to total volunteer hours).

²⁴⁰ Linda Haugsted, *Comcast Cared — 30,000 Ways*, Multichannel News, Oct. 11, 2004, at 69.

- In March 2005, Comcast committed \$2.2 million to City Year -- a leading citizen service organization that brings together young people from diverse backgrounds for a year of rigorous full-time community service -- in order to promote youth leadership development and training. And once again in June 2005, Comcast honored five young leaders from City Year with the Comcast Leadership Award at City Year's annual national convention.²⁴¹
- In May 2005, Comcast and its employees donated over \$2.3 million to 107 local United Way agencies in twenty-seven states.²⁴²
- In June 2005, Comcast awarded over \$1 million in scholarship grants to high school seniors and offered scholarship support, work experience, and career opportunities to 19 interns through the Emma L. Bowen Foundation Diversity Internship Program.²⁴³
- On September 20, 2005, Comcast will continue its commitment to the Partnership for a Drug Free America ("PDFA") by hosting a Town Hall Meeting in Philadelphia, which will feature guest speakers such as Pennsylvania Attorney General Tom Corbett, Philadelphia Police Commissioner Sylvester Johnson, Comcast's Brian Roberts, A&E Network's CEO Abbey Raven, and PDFA's CEO Steve Pasierb. The Town Hall Meeting will be taped for broadcast on CN8, A&E, and Comcast On Demand, and will introduce the groundbreaking A&E series *Intervention*, which will be available in October on Comcast On Demand.²⁴⁴
- Other community involvement in the Washington, D.C. Metro Area has included Comcast's Drive, Think, Live Public Safety Campaign; the Alexandria Scholarship Fund

²⁴¹ See Press Release, Comcast Corp., *Comcast Promotes Youth Leadership Development* (Mar. 9, 2005), available at http://www.comcast.com/InTheCommunity/news/release/InTheNews_71.html; Press Release, Comcast Corp., *Comcast Recognizes Innovation and Community Service* (June 22, 2005), available at http://www.comcast.com/InTheCommunity/news/release/InTheNews_75.html.

²⁴² See Press Release, Comcast Corp., *Comcast Reaffirms Its Commitment to the Communities It Serves with \$2.3 Million Contribution to United Way* (May 3, 2005), available at http://www.comcast.com/InTheCommunity/news/release/InTheNews_72.html.

²⁴³ See Press Release, Comcast Corp., *Comcast Recognizes High School Seniors* (June 6, 2005), available at http://www.comcast.com/InTheCommunity/news/release/InTheNews_73.html; Press Release, Comcast Corp., *Comcast More Than Doubles Commitment to Emma L. Bowen Foundation Diversity Internship Program* (June 28, 2005), available at http://www.comcast.com/InTheCommunity/news/release/InTheNews_76.html.

²⁴⁴ Through its partnership with PDFA, Comcast has donated over \$50 million in advertising airtime to support delivery of PDFA's message, has worked in each of its local communities to promote a drug-free environment, and has coordinated with PDFA to host Town Hall Meetings to "provide a platform for dialogue between community leaders, government officials, medical experts, parents and children, and open discussion about constructive and effective ways to deliver the message of drug abuse." See generally Comcast Corp., *Educating Kids and Parents with the Information They Need*, at http://www.comcast.com/InTheCommunity/partners/partners_dfaInfo.html (last visited Sept. 19, 2005).

to support students at T.C. Williams High School; and the Comcast Outdoor Film Festival in Alexandria and Arlington, Virginia.²⁴⁵

In addition to these achievements, Comcast continues to finance and support The Comcast Reading Network (a company-wide effort dedicated to advancing literacy levels and reading skills) and the Cable in the Classroom initiative (a cable industry program that provides schools, teachers, and families with a variety of resources, such as cable and high-speed Internet service and programming and online content, to support the best possible learning experiences for children in their homes, schools, and communities).²⁴⁶

Comcast also has established a comprehensive program to promote diversity both inside the company and in the communities it serves. In 2005 alone, Comcast funded 20 diversity programs throughout the Nation.²⁴⁷ Comcast also implemented a supplier diversity program that includes a nationwide training program to educate diverse suppliers on how to establish a business relationship with Comcast.²⁴⁸ In addition, Comcast encourages larger suppliers to either partner with a vendor of diversity or to spend with vendors of diversity themselves. In 2005,

²⁴⁵ See Press Release, Comcast Corp., *Comcast Launches Public Safety Campaign Throughout the Region to Promote Driver Safety Among Young People* (Feb. 1, 2005), available at <http://www.theautochannel.com/news/2005/02/01/018989.html>.

²⁴⁶ See Comcast Corp., *The Comcast Reading Network*, at http://www.comcast.com/InTheCommunity/literacy/reading_network.html (last visited Sept. 12, 2005); Comcast Corp., *Cable in the Classroom*, at http://www.comcast.com/InTheCommunity/literacy/cable_classroom.html (last visited Sept. 12, 2005).

²⁴⁷ Comcast Corp., *2005 Diversity Program Funded*, at http://www.comcast.com/InTheCommunity/diversity/programs_funded2005.html (last visited Sept. 12, 2005). In 2004, the Comcast Foundation established the Diversity Fund “to support local non-profit organizations encouraging tolerance, acceptance, and understanding of different perspectives among young people.” Comcast Corp., *Diversity*, at http://www.comcast.com/InTheCommunity/diversity/diversity_intro.html (last visited Sept. 12, 2005).

²⁴⁸ Press Release, Comcast Corp., *Diversity Inc Magazine Names Comcast One of the Top 10 Companies for Supplier Diversity* (Apr. 12, 2005), available at http://www.rednova.com/news/technology/143224/diversityinctm_magazine_names_comcast_one_of_the_top_10_companies/index.html. Comcast also facilitates partnerships between vendors when a relationship may be beneficial for all parties involved. See *id.*

Comcast's diversity initiatives earned it a spot on DiversityInc Magazine's Top 10 companies for supplier diversity and Top 25 Notable Companies for Diversity.²⁴⁹ "In addition, Comcast was named one of the 2005 Top 40 Companies for Hispanics by *Hispanic Business* magazine, for the company's overall commitment to the Hispanic market, based on factors such as recruitment, promotion, procurement, philanthropy, and marketing; and was ranked number 7 among their list of Top 10 Companies for Philanthropic Giving."²⁵⁰

Ever since its early days as the provider of cable service in Tupelo, Mississippi, Comcast has always been an active corporate citizen. As the number of communities Comcast serves has expanded, Comcast has brought its philosophy of responsible corporate citizenship to each and every new community it serves. Comcast knows that cable service is a local service, tailored to the individual needs of each community, and addressing the demands of the citizens of those communities. Comcast's employees live and work in each community we serve. Comcast acknowledges that it has a duty to actively participate in local civic activities, sponsor local events, and invest resources in strengthening and improving the communities it serves. And Comcast also recognizes that, when it comes to competing in the marketplace, its local presence and support for community partners and activities provide a significant differentiation from its two biggest competitors, the nationwide DBS providers. Community involvement and good

²⁴⁹ See *id.*

²⁵⁰ Janet Perez, *Diversity Report: Top 40 Companies*, Hispanic Bus., Sept. 2005, available at <http://www.hispanicbusiness.com/news/newsbyid.asp?id=25161&cat=Magazine&more=/magazine/>; Press Release, Hispanic Business, *Top 10 Companies for Philanthropic Giving* (Sept. 2005), available at <http://www.hispanicbusiness.com/news/newsbyid.asp?id=25416&cat=Headlines&more=%2Fnews%2Fmore%2Dnews%2Easp>.

corporate citizenship will continue to be hallmarks of Comcast's relationship with its communities and its customers.

V. CONCLUSION

The video marketplace today is intensely competitive and becoming more so each day. Cable's current competitors have established their roles in the marketplace and continue to take market share, and new means of accessing video programming are emerging rapidly. Virtually without exception, every American consumer can select from among multiple multichannel video programming platforms, and these MVPDs plus a growing array of other video delivery media make it increasingly easy for consumers to watch the programming they want, where they want, and when they want it.

The Internet, in particular, is having a profound effect on how video programming is consumed. It also provides a useful model for public policy, since it is clear that investment and innovation have flourished most where government regulation has intruded least. In the cable industry as well, deregulation and competition have spurred investment, innovation, and new and better services. But, too much remains of a statutory regime that was crafted for the entirely different circumstances of 1992.

The abundant video programming choices available to consumers today should lead the Commission to conclude definitively that the aspirations of Congress and the Commission dating back some 13 years -- to ensure sustained multichannel video competition -- have been achieved. Intense competition is now a reality in all segments of the video business -- production, aggregation, and distribution. Having succeeded in promoting this extensive competition, Congress and the Commission should more aggressively follow the path of deregulation -- while treating like services alike -- in order to further adapt the public policy model to the circumstances of the dynamic and intensely competitive marketplace that has emerged.

Respectfully submitted,

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September 19, 2005

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- 7 KDFI-TV 27
- 8 ABC — WFAA-TV 8
- 9 WB — KDAF-TV 33
- 10 Telemundo — KXTX-TV 39
- 11 CBS — KTVF-TV 11
- 13 PBS — KERA-TV 13
- 14 KFWD-TV 52
- 17 TBN — KDTX-TV 58
- 20 Telefutera — KSTR-TV 49
- 21 UPN — KTXA-TV 21
- 23 Univision — KUVN-TV 23
- 26 PAX — KPXD-TV 68
- 29 KMPX-TV 29
- 30 Local Education
- 31 Local Government
- 32 Local Education
- 47 TV Guide
- 49 Weatherscan Local

Entertainment

- 50 USA Network
- 51 TNT
- 52 TBS
- 53 FX
- 54 Spike TV

- 60 ESPN
- 61 ESPN Classic
- 62 ESPNNews
- 63 ESPNU
- 64 ESPN 2
- 65 Fox Sports Net — Southwest
- 68 Speed Channel

News

- 70 CNN
- 71 CNN Headline News
- 72 Fox News
- 73 CNBC
- 74 MSNBC
- 75 Bloomberg TV
- 76 CNN International
- 77 CNBC World
- 78 ABC News Now
- 79 C-SPAN
- 80 C-SPAN 2
- 81 C-SPAN 3
- 89 The Weather Channel

Information

- 90 Discovery
- 91 National Geographic
- 92 Science Channel
- 93 Discovery Times
- 94 Pentagon Channel
- 95 Military Channel
- 96 Military History Channel
- 97 History Channel International
- 98 History Channel
- 99 Biography
- 100 Animal Planet
- 101 The Learning Channel

- 110 Lifetime
- 111 Lifetime Movie Network
- 112 Lifetime Real Women
- 113 SoapNet
- 114 Oxygen
- 115 WE: Women's Entertainment

- 120 QVC
- 121 HSN
- 122 Shop at Home
- 123 America's Store
- 125 Jewelry
- 126 EXPO
- 127 Shop NBC

- 130 Style
- 131 Discovery Health
- 132 Wisdom
- 133 Fit TV
- 134 Food Network
- 135 Home & Garden Television (HGTV)
- 136 Fine Living
- 137 DIY (Do It Yourself)
- 138 Discovery Home
- 139 Wealth TV
- 140 Travel Channel

Pop Culture

- 150 Sci-Fi Channel
- 151 A&E
- 152 Crime & Investigation Network
- 153 Court TV
- 154 GSN
- 155 Bravo
- 156 TRIO
- 157 Logo
- 158 Ovation
- 159 BBC America
- 160 Comedy Central
- 161 E! Entertainment Television
- 162 ABC Family

Music

- 170 MTV
- 171 MTV2
- 172 MTV Jams
- 174 MTV Hits
- 175 VH1
- 176 VH1 Classics
- 177 VH1 Soul
- 179 BET Jazz
- 180 CMT
- 181 VH1 Country
- 182 Great American Country
- 183 Gospel Music Channel
- 184 Soundtrack Channel

Movies

- 190 Turner Classic Movies
- 191 AMC
- 192 Fox Movie Channel
- 200 Hallmark Channel
- 202 Family Net
- 203 AmericanLife TV
- 204 TV Land

- 210 Disney
- 211 Toon Disney
- 212 Nickelodeon
- 213 Nick Too
- 214 Nick Toons
- 215 GAS
- 216 Noggin
- 217 Cartoon
- 218 Boomerang
- 219 Discovery Kids

- 230 BET
- 231 TV One
- 232 Black Family Channel
- 234 Galavisión
- 235 Mun2
- 236 Si TV
- 237 AZN Television

- 240 EWTN
- 241 INSP
- 242 I-Life
- 243 Church
- 244 JCTV
- 411 Verizon Information
- 300 Fox College Sports — Atlantic
- 301 Fox College Sports — Central
- 302 Fox College Sports — Pacific
- 303 Tennis Channel
- 304 NFL Network
- 305 Fuel
- 307 Outdoor Channel
- 308 The Sportsman Channel
- 312 Fox Soccer Channel
- 313 GoTV
- 315 TVG (Horse Racing)
- 316 Horse Racing TV
- 318 Mav TV
- 319 Blackbelt TV
- 320 G4
- Movies**
- 340 Starz!
- 341 Starz! West
- 342 Starz! Edge
- 343 Starz! Edge West
- 344 Starz! in Black
- 345 Starz! Kids & Family
- 346 Starz! Cinema
- 347 Starz! Comedy
- 348 Encore
- 349 Encore West
- 350 Encore Love
- 351 Encore Love West
- 352 Encore Westerns
- 353 Encore Westerns West
- 354 Encore Mystery
- 355 Encore Mystery West

- 356 Encore Drama
- 357 Encore Drama West
- 358 Encore Action
- 359 Encore Action West
- 360 Encore WAM!
- 361 Showtime
- 362 Showtime West
- 363 Showtime Showcase
- 364 Showtime Showcase West
- 365 Showtime Too
- 366 Showtime Too West
- 367 Showtime Beyond
- 368 Showtime Beyond West
- 369 Showtime Extreme
- 370 Showtime Extreme West
- 371 Showtime Women
- 372 Showtime Women West
- 373 Showtime Next
- 374 Showtime Next West
- 375 Showtime Family Zone
- 376 Showtime Family Zone West
- 377 The Movie Channel
- 378 The Movie Channel West
- 379 The Movie Channel Xtra
- 380 The Movie Channel Xtra West
- 381 Flix
- 382 Flix West
- 383 Independent Film Channel
- 384 Sundance
- HBO**
- 400 HBO
- 401 HBO West
- 402 HBO 2
- 403 HBO 2 West
- 404 HBO Signature
- 405 HBO Signature West
- 406 HBO Family
- 407 HBO Family West
- 408 HBO Comedy
- 409 HBO Comedy West

- 410 HBO Zone
- 412 HBO Zone West
- 413 HBO Latino
- 414 HBO Latino West
- Cinemax**
- 415 Cinemax
- 416 Cinemax West
- 417 Max! Max
- 418 More! Max West
- 419 Action Max
- 420 Action Max West
- 421 Thriller Max
- 422 Thriller Max West
- 423 Women's Max
- 424 Action
- 425 First Star Max
- 426 Outer Max
- Other Premium Channels**
- 430 Playboy TV
- 431 Playboy TV en Español
- 440 Galavisión
- 442 ESPN Deportes
- 443 Fox Sports World Español
- 444 GoTV
- 446 CNN en Español
- 447 Canal SUR
- 448 TVE Internacional
- 452 History Español
- 453 Discovery en Español
- 455 Utilísima
- 456 Infinito
- 457 MTV Español
- 458 VH Uno
- 459 Telehit
- 462 De Película
- 463 De Película Clásico
- 464 Cine Latino
- 465 Cine Mexicano
- 466 La Familia
- 469 TV Chile
- 470 TV Colombia

- 472 Sorpresa
- 473 Toon Disney Español
- 474 Boomerang (ESP)
- 477 TBN Enlace
- 478 EWTN Español
- International Premiums**
- 480 36TV (Vietnamese)
- 481 CCTV-4 (Mandarin Chinese)
- 482 CCTV-9 (Chinese)
- 483 TV Japan
- 484 MBC (Korean)
- 485 The Filipino Channel
- 486 TV Asia
- 487 AP7 (Arabic)
- 488 RAI (Italian)
- 489 TV 5 (French)
- 490 TVP Polonia (Polish)
- 491 Rong A Rang (Farsi)
- 492 NTV (Farsi)
- 495 RTN Russian
- 497 Channel 1 Russian
- Entertainment**
- 500 USA Network
- 501 TNT
- 502 TBS
- 503 Galavisión
- 504 FX
- 505 Spike TV
- 508 ESPN
- 509 ESPN 2
- 510 Fox Sports Net — Southwest
- 513 Fox Sports World Español
- 514 Fox Soccer Channel
- 515 ESPN Deportes
- 516 GoTV
- News**
- 518 CNN en Español
- 519 CNN
- 520 CNN Headline News

- 521 Fox News
- 522 CNBC
- 523 MSNBC
- 524 C-SPAN
- 525 Canal Sur
- Information**
- 529 TVE Internacional
- 530 History Español
- 531 Discovery
- 532 Discovery en Español
- 534 Animal Planet
- 535 TLC
- 537 Lifetime
- 538 Lifetime Movie Network
- 540 QVC
- 541 HSN
- 542 Shop at Home
- 543 Shop NBC
- 545 Discovery Health
- 546 Utilísima
- 549 Infinito
- 550 Food Network
- 551 Home & Garden Television (HGTV)
- 552 Travel Channel
- Pop Culture**
- 555 E! Entertainment Television
- 556 A&E
- 557 St TV
- 558 Mun2
- 559 Comedy Central
- 560 Sci-Fi Channel
- Music**
- 562 MTV Español
- 563 MTV2
- 564 Telehit
- 565 VH Uno
- 566 CMT

- Movies**
- 569 De Película
- 570 De Película Clásico
- 571 Cine Mexicano
- 572 Cine Latino
- 574 ABC Family
- 575 La Familia
- 576 TV Chile
- 577 TV Colombia
- 578 TV Land
- 580 Nickelodeon
- 581 Disney
- 582 Toon Disney (ESP)*
- 583 Boomerang (ESP)*
- 584 Cartoon (ESP)*
- 585 Sorpresa
- 588 TBN Enlace
- 589 EWTN Español
- Digital Music**
- 600 Showcase
- 601 Today's Country
- 602 Classic Country
- 603 Bluegrass
- 604 R&B and Hip-Hop
- 605 Classic R&B
- 606 Smooth R&B
- 607 R&B Hits
- 608 Rap
- 609 Metal
- 610 Rock
- 611 Arena Rock
- 612 Classic Rock
- 613 Alternative
- 614 Retro-Active
- 615 Electronica
- 616 Dance

- Lifestyle
- Sports
- Arts & Entertainment
- Premium
- News & Information
- Digital Music

*A Spanish-language Secondary Audio Program (SAP) is available for selection.

Digital Music (cont.)

- 617 Adult Alternative
- 618 Soft Rock
- 619 Hit List
- 620 Party Favorites
- 621 90s
- 622 80s
- 623 70s
- 624 Solid Gold Oldies
- 625 Singers and Standards
- 626 Big Band & Swing
- 627 Easy Listening
- 628 Smooth Jazz
- 629 Jazz
- 630 Blues
- 631 Reggae
- 632 Soundscapes
- 633 Classical Masterpieces
- 634 Opera
- 635 Light Classical
- 636 Show Tunes
- 637 Contemporary Christian
- 638 Gospel
- 639 Radio Disney
- 640 Sounds of the Seasons
- 641 Musica Urbana
- 642 Salsa Merengue
- 643 Rock en Español
- 644 Pop Latino
- 645 Mexicana
- 646 Americana

- 700 Movie/Event Previews
- 701 TVN Events

HDTV Broadcast

- 801 ABC — WFAA 9
- 802 NBC — KXAS 41
- 803 CBS — KTVT 19
- 804 FOX — KOPW 35
- 805 PBS — KERA 14
- 806 UPN — KTXA 16
- 807 WB — KDAF 32
- 808 KDFI 36

HDTV National

- 810 INF HDTV
- 811 ESPN HDTV
- 812 ESPN 2 HDTV
- 813 NFL Network HDTV
- 817 HD Net
- 818 HD Net Movies
- 819 Universal HDTV
- 820 Discovery HDTV
- 821 Weather TV HD

HDTV Premium

- 830 HBO HDTV
- 831 Channel HDTV
- 832 Showtime HDTV
- 833 TMC HDTV
- 834 Starz HDTV

VIDEO ON DEMAND

- Sports
 - ESPN
 - ESPN2
 - ESPN Deportes
 - Fox Sports Español
 - Fox Soccer Channel
 - Speed Channel
 - Fuel
- News
 - ABC News
 - CNN
- Info & Education
 - Discovery
 - Discovery Times
 - Discovery Science
 - Military Channel
 - Animal Planet
 - TLC
- Women
 - SoapNet
- Shopping
 - ShopTV

Home & Leisure

- Discovery Health
- Discovery Home
- Travel Channel
- Food Network
- HDTV
- DIY
- Fine Living
- Pop
- A&E
- Cartoon & Adult Swim
- Music
 - MUSIC Unlimited
 - Soundtrack Channel
 - Great American Country
- Movies
 - Total Hollywood TV
- Family
 - ABC Family
- Kids
 - KIDS Unlimited
 - Disney
 - Toon Disney
 - Radio Disney
 - Jatix
 - Backyard
 - Mainstreet
 - PBS Kids
 - Scholastic
 - Blooming
 - Cartoon
- People & Culture
 - Discovery Kids
 - Black Family Channel
- New Releases and Library
 - Action & Adventure
 - Comedy
 - Drama
 - Honor/Sol-Fi
 - Kids & Family
 - Musicals/Other

Specialty Channels

- Ten
- Hustler
- Sundance On Demand
- Showtime On Demand
- TMC On Demand
- Starz On Demand
- Etc. On Demand
- HBO On Demand
- Cinemax On Demand
- HBO
- Starz
- WWE On Demand

*Subscription to corresponding premium channels and packages required.

Programming services offered within each package are subject to change, and not all programming services will be available at all times. Blackout restrictions also apply.

Verizon FIOS TV

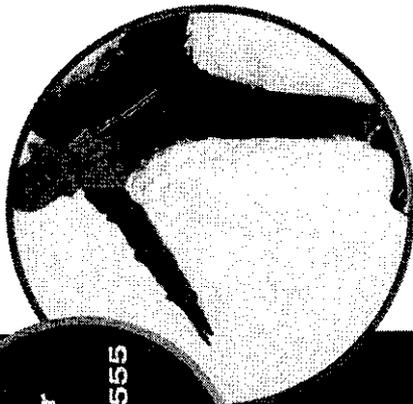
ATTACHMENT 2



Verizon FiOS TV



Rates & Packages



Customer Service
1-888-553-1555



We never stop working for you.



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VRATECARD

Here's everything you need to create your perfect Fios® TV package. First, choose your service. Then, add to it from our selection of digital packages and premium channels below.

Reference the Channel Lineup for a complete listing of channels included in each package.

Service	Number of Channels	Monthly Price
Basic*	15-35	\$12.95
Digital Service (Requires Set Top Box [STB] and Router ²)		
Expanded Basic ³	160+ Basic	\$39.95
La Conexión ⁴	115+ Basic	\$32.95

Save \$5 per month when qualifying voice or data services are bundled with Fios TV Digital Service.

Now, add more channels for just a few dollars.

Package (Requires STB)	Number of Channels	Monthly Price
Sports Package	15	\$5.95
Movie Package	26	\$11.95
Sports/Movie Package Combination	41	\$14.95
Spanish Language Package	26	\$11.95

Premium Channels* (Requires STB)	Number of Channels	Monthly Price
HBO	14	\$14.95
Cinemax	12	\$14.95
HBO/Cinemax Combination	26	\$24.95
Playboy TV	1	\$14.95
Playboy TV en Español	1	\$14.95

International Premiums* (Requires STB)	Number of Channels	Monthly Price
International Premium Channels	15	Individually Priced

Video On Demand and Pay Per View (Requires STB)	Price
On Demand Movies	
New Releases	\$3.95
Library	\$2.95
On Demand Subscriptions	
WWE	\$7.95/mo.
On Demand Adult	\$11.95
PPV Movies	\$3.95
PPV Events	Varies
PPV Sports	Varies

*Router is eligible for the Movie Package or Sports Package or Spanish Language Package may be added to Basic service, but Router provided will be a new or a fully inspected, tested and warranted return unit. If service is cancelled within the first 12 months, router must be returned or \$49.99 equipment fee applies. If you maintain service for twelve (12) consecutive months, ownership of the router shall transfer to you after which all maintenance of the router shall be at your sole cost and expense, and the risk of loss will be yours should the router be damaged or stolen.

²Expanded Basic includes all Basic channels, additional digital programming, digital music channels and access to Pay Per View and Video On Demand (VOD).

³La Conexión includes all Basic channels, digital programming including popular English-language networks and Spanish-language networks, digital music channels and access to PPV and VOD. La Conexión cannot be combined with the Spanish Language Package.

Set Top Box (STB)	Monthly Price
Standard Definition	\$3.95
High Definition (includes HDTV channels)	\$9.95
Digital Video Recorder (includes HDTV channels)	\$12.95

Initial Installation	One-Time Charges
Existing Outlet Hookup (up to 3)	\$50.00
Additional Outlet/Set Top Box Hookup (existing outlet)	\$19.95
New Outlet Installation (per outlet)	\$54.95
Outlet Relocation	\$54.95

Subsequent Installations/Charges	One-Time Charges
Set Top Box Addition or Upgrade/Downgrade	\$24.95
Premises Visit ¹	\$50.00
New Outlet Installation (per outlet)	\$54.95
Outlet Relocation (per outlet)	\$54.95
Setup of TV Equipment (new TV with existing STB)	\$50.00
Disconnect of Set Top Box ²	\$24.95 + \$5.00/STB
Downgrade of Service from Digital to Analog	\$50.00 + \$5.00/STB
Fios TV Service Disconnect	No Charge
Fios TV Service Reconnect (up to 3 outlets) ³	\$50.00

Other Services and Charges	One-Time Charges
Seasonal Service Suspension (charged at initiation, 2-6 months) ⁴	\$24.95
Replacement Remote	\$5.00 + S&H
Unreturned/Damaged Receiver - Standard Definition	\$240.00
Unreturned/Damaged Receiver - High Definition	\$350.00
Unreturned/Damaged Recorder (DVR)	\$550.00

¹Expanded Basic or La Conexión, required for purchase of Movie Package or Sports Package. The Spanish Language Package may be added to Basic service. 30-day minimum billing period required for all Premium Channels and Subscriptions. Video On Demand is included with all Premium Channels, at no extra charge (where applicable). 30-day minimum billing period required for all Premium Channels and International Premiums.

²A premises visit charge is assessed when relocating or installing new outlets or when a technician installation is required to set up a new or additional TV with an existing Fios TV STB. The premises visit charge is not assessed when adding new upgrade/downgrading existing or disconnecting STB receivers.

³The STB disconnect charge is assessed only when the customer maintains at least one Fios TV STB. All STB receivers are disconnected, the service disconnects except sports.

⁴The seasonal suspension requires a minimum suspension of two months and a maximum suspension of six months.

Programme services offered with each package are subject to change, and the number of channels within each package and the terms and conditions regarding your service may vary. For a complete list of channels and terms, please refer to the Fios TV Terms of Service. It is required to provide a valid residential use only within the United States. For all services, the customer is responsible for any damage to or misuse of any equipment in use. The customer is responsible for any damage to or misuse of any equipment in use. The customer is responsible for any damage to or misuse of any equipment in use. The customer is responsible for any damage to or misuse of any equipment in use. The customer is responsible for any damage to or misuse of any equipment in use. ©2005 Verizon. All Rights Reserved.

ATTACHMENT 3



PRESS RELEASE

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COMCAST REPORTS SECOND QUARTER 2005 RESULTS

Revenue Increased 10.5% to \$5.6 Billion

Operating Income Increased 23.2% to \$1.0 Billion

Operating Cash Flow Increased 13.2% to \$2.2 Billion
20th Consecutive Quarter of Double-Digit Growth

Growth in New Services Continues

Added 1.1 Million Revenue Generating Units
During the First Half of 2005 Including
507,000 During the Second Quarter

Philadelphia, PA – August 2, 2005...Comcast Corporation (NASDAQ: CMCSA, CMCSK) today reported results for the quarter ended June 30, 2005. Comcast will discuss second quarter results on a conference call and webcast today at 8:30 AM Eastern Time. A live broadcast of the conference call will be available on the investor relations website at www.cmcsa.com and www.cmcsk.com.

Brian L. Roberts, Chairman and CEO of Comcast Corporation said, "This is our 20th consecutive quarter reporting double-digit operating cash flow growth and, at 40.8%, cable's Operating Cash Flow margins are the highest in 2 ½ years. We are posting solid results in the second quarter with revenue growth of 10.5% and Operating Cash Flow growth of 13.2%. Operating income increased 23.2% to \$1.0 billion.

Our consistently strong performance - double-digit revenue and cash flow growth and free cash flow growth above 20% - demonstrates the inherent strength of our business and reinforces our confidence in the future.

We are extending our competitive advantage with industry-leading products. In video, we are continuing to expand our ON DEMAND, HDTV and DVR offerings and are beginning to rollout our enhanced basic – 100% digital service. We recently announced an important new agreement with Starz Encore that significantly enhances our ON DEMAND service, adding more than 325 top movies a month to the 3,500 program choices our customers enjoy today. In June, our customers viewed over 112 million ON DEMAND programs, a 10 million increase in 3 months, as we continue to provide an unmatched product with more choice and customer value.

We also recently announced a 50% increase in the speed of our high-speed Internet service – now 6 megabits per second – and continue to deliver a growing array of valuable enhancements and features like security and online gaming. Our strategy of product innovation and differentiation is working - we added 1.1 million revenue generating units during the first six months of this year - more than we did in the first half of last year.

We believe Comcast Digital Voice will be the next engine for growth and are ramping up the rollout of this service in markets like Philadelphia, Indianapolis, Boston, Hartford, Chicago and Portland. We are on track to extend our offering to 15 million homes in 20 markets by year end and expect to offer our fully-featured digital voice service across our 41 million homes by the end of 2006.

We are excited about the future of our business and are positioning Comcast to continue to deliver the best entertainment and communications services to our customers and to build value for our shareholders.”

Comcast Cable Results

Cable results for the quarter and the six months ended June 30, 2005 are presented on a pro forma basis. Pro forma cable results adjust only for certain acquisitions and dispositions and are presented as if the acquisitions and dispositions were effective on January 1, 2004. Please refer to Table 7-A for a reconciliation of pro forma data.

Second Quarter 2005

Comcast Cable reported revenue of \$5.3 billion for the quarter ended June 30, 2005, representing a 10.1% increase from the second quarter of 2004. Comcast Cable added 507,000 revenue generating units in the second quarter of 2005, an increase of 22.1% from the 415,000 added in the same quarter last year.

Video revenue increased \$192 million or 5.9% to \$3.4 billion in the second quarter of 2005, driven by higher monthly revenue per basic subscriber and a 13.3% increase in the number of digital customers. Comcast Cable added 284,000 new digital customers in the second quarter of 2005 and with more than 9.1 million subscribers, digital cable penetration reached 42.6% of basic subscribers. As expected, basic subscribers are essentially unchanged from a year ago at 21.4 million, and declined seasonally by 77,000 or 0.2% from the first quarter of 2005.

Digital cable subscriber and video revenue growth reflects strong consumer demand for new digital features and services including Comcast ON DEMAND, high-definition television (HDTV) programming and digital video recorders (DVRs), as well as the initial rollout of an enhanced basic - 100% digital service in a number of markets. During the second quarter, pay-per-view revenues increased 24.0% – the seventh consecutive quarter of pay-per-view revenue growth, driven by more movie and event purchases through the Comcast ON DEMAND service. During the second quarter, Comcast Cable deployed nearly 300,000 advanced set-top boxes with DVR and/or HDTV programming capability, generating an incremental \$5 to \$10 of monthly revenue per box.

Comcast High-speed Internet service revenues increased 28.8% to \$982 million in the second quarter of 2005, reflecting a 28.3% increase in subscribers and strong average revenue per subscriber. Comcast Cable ended the second quarter of 2005 with more than 7.7 million high-speed Internet subscribers, adding 297,000 subscribers during the second quarter of 2005 for a penetration rate of 18.9% of available homes. Average monthly revenue per high-speed Internet subscriber of \$43.34 in the second quarter of 2005, was in line with the second quarter of 2004 and increased \$0.53 from the \$42.81 reported in the first quarter of 2005.

Advertising revenue for the second quarter of 2005 increased 9.9% to \$362 million, reflecting growth of 6.5% in local advertising and growth of 16.7% in regional/national advertising as a result of the continuing success of our regional interconnect strategy. The growth in advertising revenue during the quarter was slightly offset by a decline in political advertising when compared to the prior year. Advertising revenue growth in the second half of 2005 will reflect a significant decline in political advertising when compared to the 2004 election year.

Comcast Cable added 15,000 Comcast Digital Voice customers (CDV – Comcast's phone service using IP technology), reflecting the rollout of CDV in new markets late in the second quarter. As expected, CDV customer additions were offset by a decline in the number of Comcast's circuit-switched telephone customers as Comcast transitions to marketing Comcast Digital Voice. Comcast Cable reported 2,000 net new phone customers in the second quarter of 2005. Cable phone revenue declined 4.0% from the second quarter of 2004 to \$170 million in the second quarter of 2005, due primarily to a decline in access revenue per customer.

Cable operating income before depreciation and amortization (Operating Cash Flow) grew 13.2% to \$2.2 billion in the second quarter, an increase from the \$1.9 billion reported for the second quarter of 2004. Second quarter 2005 Operating Cash Flow margin increased to 40.8% from 39.7% in the second quarter of 2004.

Cable capital expenditures increased 4.8% to \$936 million compared to the \$893 million in the second quarter of the prior year. The increase in capital expenditures reflects the purchase of digital set-top boxes to meet expected demand, as well as certain capital investments, including equipment for digital simulcasting and our integrated service platform, which are expected to decline in the second half of 2005.

Year-to-date June 2005

For the six months ended June 30, 2005, Comcast Cable reported revenue of \$10.4 billion, representing a 9.9% increase from the prior year. Comcast Cable added a total of 1.1 million new revenue generating units during the first half of 2005, a 7.9% increase from the first half of last year.

Video revenue increased 5.8% during the period, driven by higher monthly revenue per basic subscriber and a 13.3% increase in the number of digital customers. Comcast Cable added nearly 484,000 digital cable subscribers during the first six months of 2005 to end the period with more than 9.1 million digital subscribers. Comcast Cable basic subscribers declined 106,000 during the first six months of 2005, ending the period at 21.4 million subscribers.

Comcast Cable added nearly 712,000 high-speed Internet subscribers during the first half of 2005 to end the period with more than 7.7 million subscribers. Revenues for this service increased 30.6% from the prior year to \$1.9 billion, reflecting strong year over year subscriber growth. Advertising revenue increased 9.8% from the same period of 2004 to \$658 million, including the decline in political advertising from the 2004 election year. Cable phone revenue declined 3.5% from the same period one year ago to \$343 million, primarily due to lower revenue per customer. Comcast Cable added 7,000 phone subscribers in the first six months of 2005 compared to a loss of 42,000 subscribers in the first half of 2004.

Operating Cash Flow grew 14.5% from the same period one year ago to \$4.2 billion, reflecting strong revenue growth and the Company's success in controlling the growth of operating costs. Operating Cash Flow margin for the first six months of 2005 increased to 40.0% from 38.4% during the first six months of the prior year. Comcast Cable capital expenditures were \$1.8 billion for the first six months of 2005 compared to \$1.7 billion last year. As previously described, the level of capital expenditures is expected to decline in the second half of 2005.

Content

Comcast's content segment consists of our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, Outdoor Life Network, G4 and AZN Television (formerly International Channel Networks).

Comcast's content segment reported second quarter 2005 revenue of \$234 million, a 17.7% increase from the second quarter of 2004 reflecting increases in distribution and advertising revenue for all the networks. The content segment reported Operating Cash Flow of \$97 million in the second quarter of 2005, a 25.4% increase above the second quarter of 2004.

For the six months ended June 30, 2005, Comcast's content segment reported revenue of \$447 million, a 19.2% increase compared to the prior year period, and Operating Cash Flow of \$174 million, an increase of 19.1% from the same time last year.

Corporate and Other

Corporate and Other includes Comcast-Spectacor, corporate overhead and other operations and eliminations between Comcast's businesses. In the second quarter of 2005, we reported Corporate and Other revenue of \$36 million and an Operating Cash Flow loss of \$63 million as compared to revenue of \$28 million and an Operating Cash Flow loss of \$45 million in the second quarter of 2004.

For the six months ended June 30, 2005, Corporate and Other revenue declined to \$83 million from the \$114 million reported in the same period of 2004. The Operating Cash Flow loss for the year-to-date period ended June 30, 2005, was \$105 million compared to \$100 million in 2004. Results for the six month period and the quarter ended June 30, 2005, were impacted by the absence of National Hockey League games.

Consolidated Results

For the three months ended June 30, 2005, the Company reported consolidated revenues of \$5.6 billion, a 10.5% increase from the \$5.1 billion reported in the same period of 2004. Consolidated Operating Cash Flow increased to \$2.2 billion or 13.2%, in the second quarter of 2005, from the \$2.0 billion reported in the same prior year period. Operating income increased to \$1.0 billion in the second quarter of 2005 compared to operating income of \$852 million in the second quarter of 2004.

Free Cash Flow (described further on Table 4) was \$422 million in the second quarter of 2005 compared to \$500 million reported in the second quarter of 2004, reflecting increases in Operating Cash Flow and capital expenditures and the timing of income tax payments in the second quarter of 2005. For the three months ended June 30, 2005, the Company reported consolidated net income of \$430 million or \$0.19 per share compared to consolidated net income of \$262 million or \$0.12 per share in the second quarter of 2004. The increase in net income is primarily due to the growth in Operating Cash Flow.

For the six months ended June 30, 2005, consolidated revenue increased 9.9% to \$11.0 billion from the \$10.0 billion reported in the same period of 2004. The Operating Cash Flow for the period ended June 30, 2005 was \$4.2 billion, an increase of 15.0% when compared to \$3.7 billion in 2004. Operating income increased to \$1.9 billion in the first half of 2005 compared to operating income of \$1.5 billion during the first half of 2004.

Free Cash Flow was \$1.1 billion during the year-to-date period, an increase of 27.5% from the \$897 million reported during the same period of last year. For the six months ended June 30, 2005, the Company reported consolidated net income of \$573 million or \$0.26 per share compared to consolidated net income of \$327 million or \$0.14 per share in the six months ended June 30, 2004. The increase in year-to-date net income is due primarily to the growth in Operating Cash Flow.

Share Repurchase Program

Comcast repurchased \$334 million, or 10.5 million shares, of its common stock under its stock repurchase program during the second quarter of 2005. During 2005, the Company repurchased \$637 million of its Class A Special Common Stock, or 19.9 million shares. Remaining availability under the Company's stock repurchase program is \$2 billion. Since the inception of the repurchase program in December 2003, Comcast has repurchased \$2.0 billion or 67.7 million shares of its common stock.

Financial Guidance 2005

Comcast reaffirms the following previously issued guidance for 2005:

- Consolidated revenue growth of approximately 10%.
- Total Revenue Generating Unit growth of at least 2.5 million units.
- Consolidated Operating Cash Flow growth of 14% to 15%.*
- Consolidated Free Cash Flow growth of 35% to 45%.*
- Consolidated capital expenditures of \$3.2 - \$3.3 billion.

*Does not include any impact from the adoption of SFAS No. 123R (Accounting for stock-based compensation).

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This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could significantly affect actual results from those expressed in any such forward-looking statements. Readers are directed to Comcast's Quarterly Report on Form 10-Q for a description of such risks and uncertainties.

In this discussion we sometimes refer to financial measures that are not presented according to generally accepted accounting principles (GAAP). Certain of these measures are considered "non-GAAP financial measures" under the Securities and Exchange Commission (SEC) regulations; those rules require the supplemental explanation and reconciliation provided in table 7 of this release.

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Comcast Corporation will host a conference call with the financial community today August 2, 2005 at 8:30 a.m. Eastern Time (ET). The conference call will be broadcast live on the Company's Investor Relations website at www.cmcsa.com or www.cmcsk.com. A recording of the call will be available on the Investor Relations website starting at 12:30 p.m. ET on August 2, 2005.

Those parties interested in participating via telephone should dial (847) 413-2408. A telephone replay will begin immediately following the call until Wednesday, August 3, 2005 at midnight ET. To access the rebroadcast, please dial (630) 652-3000 and enter passcode number 12020969#.

To automatically receive Comcast financial news by email, please visit www.cmcsa.com or www.cmcsk.com and subscribe to e-mail Alerts.

About Comcast:

Comcast Corporation (Nasdaq: CMCSA, CMCSK) (www.comcast.com) is the nation's leading provider of cable, entertainment and communications products and services. With 21.4 million cable customers, 7.7 million high-speed Internet customers, and 1.2 million voice customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content.

The Company's content networks and investments include E! Entertainment Television, Style Network, The Golf Channel, Outdoor Life Network, G4, AZN Television, PBS KIDS Sprout, TV One and four regional Comcast SportsNets. The Company also has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia. Comcast Class A common stock and Class A Special common stock trade on The NASDAQ Stock Market under the symbols CMCSA and CMCSK, respectively.



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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2005	2004	2005	2004
Revenues	\$5,598	\$5,066	\$10,961	\$9,974
Operating expenses	1,944	1,794	3,901	3,663
Selling, general and administrative expenses	1,445	1,320	2,821	2,626
	<u>3,389</u>	<u>3,114</u>	<u>6,722</u>	<u>6,289</u>
Operating Cash Flow	2,209	1,952	4,239	3,685
Depreciation expense	891	813	1,765	1,611
Amortization expense	270	287	560	563
	<u>1,161</u>	<u>1,100</u>	<u>2,325</u>	<u>2,174</u>
Operating Income	1,048	852	1,914	1,511
Other Income (Expense)				
Interest expense	(467)	(484)	(911)	(984)
Investment income, net	176	151	140	142
Equity in net losses of affiliates	(16)	(20)	(4)	(37)
Other income (expense)	30	12	(78)	19
	<u>(277)</u>	<u>(341)</u>	<u>(853)</u>	<u>(860)</u>
Income before Income Taxes and Minority Interest	771	511	1,061	651
Income tax expense	(331)	(234)	(471)	(310)
Income Before Minority Interest	440	277	590	341
Minority interest	(10)	(15)	(17)	(14)
Net Income	<u>\$430</u>	<u>\$262</u>	<u>\$573</u>	<u>\$327</u>
Net Income per common share	<u>\$0.19</u>	<u>\$0.12</u>	<u>\$0.26</u>	<u>\$0.14</u>
Basic weighted average number of common shares	<u>2,207</u>	<u>2,257</u>	<u>2,211</u>	<u>2,257</u>
Diluted weighted average number of common shares	<u>2,221</u>	<u>2,267</u>	<u>2,224</u>	<u>2,268</u>



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

	June 30, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$1,335	\$452
Investments	848	1,555
Accounts receivable, net	1,031	959
Other current assets	570	569
Total current assets	<u>3,784</u>	<u>3,535</u>
INVESTMENTS	13,208	12,812
PROPERTY AND EQUIPMENT, NET	18,797	18,711
FRANCHISE RIGHTS	51,075	51,071
GOODWILL	14,118	14,020
OTHER INTANGIBLE ASSETS, net	3,658	3,851
OTHER NONCURRENT ASSETS, net	707	694
	<u>\$105,347</u>	<u>\$104,694</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses related to trade creditors	\$2,042	\$2,041
Accrued expenses and other current liabilities	2,663	2,735
Deferred income taxes	110	360
Current portion of long-term debt	3,367	1,854
Current portion of exchangeable debt	1,017	1,645
Total current liabilities	<u>9,199</u>	<u>8,635</u>
LONG-TERM DEBT, less current portion	19,697	20,039
LONG-TERM EXCHANGEABLE DEBT, less current portion	49	54
DEFERRED INCOME TAXES	26,995	26,815
OTHER NONCURRENT LIABILITIES	7,310	7,261
MINORITY INTEREST	679	468
STOCKHOLDERS' EQUITY	41,418	41,422
	<u>\$105,347</u>	<u>\$104,694</u>



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

	Six Months Ended June 30,	
	2005	2004
OPERATING ACTIVITIES		
Net cash provided by operating activities	\$2,517	\$2,633
FINANCING ACTIVITIES		
Proceeds from borrowings	1,495	1,058
Retirements and repayments of debt	(279)	(1,617)
Repurchases of common stock and stock options	(660)	(511)
Issuances of common stock	59	38
Other, net	83	8
Net cash provided by (used in) financing activities	698	(1,024)
INVESTING ACTIVITIES		
Capital expenditures	(1,842)	(1,732)
Proceeds from sales and restructuring of investments	317	51
Purchases of investments	(305)	(106)
Acquisitions, net of cash acquired	(134)	(336)
Additions to intangible and other noncurrent assets	(305)	(453)
Purchases of short-term investments, net	(63)	(15)
Proceeds from settlement of contract of acquired company	-	26
Net cash used in investing activities	(2,332)	(2,565)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	883	(956)
CASH AND CASH EQUIVALENTS, beginning of period	452	1,550
CASH AND CASH EQUIVALENTS, end of period	\$1,335	\$594

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

	Six Months Ended June 30,	
	2005	2004
Operating Cash Flow	\$4,239	\$3,685
Interest, Net (2)	(826)	(906)
Cash Paid for Income Taxes	(427)	(150)
Capital Expenditures	(1,842)	(1,732)
FREE CASH FLOW	\$1,144	\$897
Changes in Working Capital and Other Items (3)	(469)	4
Net Cash Provided by (Used in) Operating Activities Less Capital Expenditures	\$675	\$901

(1) Free Cash Flow is defined as Operating Cash Flow less net interest, cash paid for taxes, and capital expenditures. It is unaffected by fluctuations in working capital levels from period to period and cash payments associated with intangible and other noncurrent assets. Cash payments for intangible and other noncurrent assets include long-term technology license agreements including computer software, long term rights to service multi-dwelling properties and programming content for our cable networks. In 2005, cash payments for intangibles and other noncurrent assets of \$305 million included licenses and software intangibles of approximately \$105 million, multiple dwelling unit contracts of approximately \$67 million and acquisitions of additional ownership interests in certain of our majority owned subsidiaries. In 2004, cash payments for intangible assets of \$453 million included a long-term strategic license agreement with Gemstar of approximately \$250 million, other licenses and software intangibles of \$104 million and multiple dwelling unit contracts of \$69 million. In 2005, cash payments for acquisitions and investments totaling \$439 million included MGM Inc., Liberate Technologies, and MetaTV. In 2004, cash payments for acquisitions primarily related to the acquisition of TechTV.

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

(3) Free Cash Flow excludes amounts necessary to reconcile Free Cash Flow to "Net Cash Provided by Operating Activities Less Capital Expenditures." In 2005, this amount includes \$383 million in cash payments for liabilities incurred as part of the acquisition of AT&T Broadband, including \$220 million in payments representing our share of the settlement payments related to certain AT&T litigation. In 2004, this amount includes income tax refunds of \$536 million offset by \$199 million in cash payments for liabilities recorded as part of the acquisition of AT&T Broadband.

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

	Corporate and Other (4)		Cable (3)	Cable (2)	Total
Three Months Ended June 30, 2005					
Revenues	\$36	\$234	\$97	\$2,175	\$5,598
Operating Cash Flow	(\$63)	\$34	\$97	\$2,175	\$2,209
Operating Income (Loss)	(\$74)	\$68	\$68	\$1,054	\$1,048
Operating Cash Flow Margin	NM	41.2%	41.2%	40.8%	39.4%
Capital Expenditures (5)	\$11	\$3	\$3	\$936	\$950
Three Months Ended June 30, 2004					
Revenues	\$28	\$199	\$199	\$4,840	\$5,067
Operating Cash Flow	(\$45)	\$77	\$77	\$1,920	\$1,952
Operating Income (Loss)	(\$63)	\$38	\$38	\$877	\$852
Operating Cash Flow Margin	NM	38.7%	38.7%	39.7%	38.5%
Capital Expenditures (5)	\$5	\$6	\$6	\$893	\$904
Six Months Ended June 30, 2005					
Revenues	\$83	\$447	\$447	\$10,431	\$10,961
Operating Cash Flow	(\$105)	\$174	\$174	\$4,170	\$4,239
Operating Income (Loss)	(\$131)	\$100	\$100	\$1,945	\$1,914
Operating Cash Flow Margin	NM	38.8%	38.8%	40.0%	38.7%
Capital Expenditures (5)	\$16	\$7	\$7	\$1,819	\$1,842
Six Months Ended June 30, 2004					
Revenues	\$114	\$375	\$375	\$9,490	\$9,979
Operating Cash Flow	(\$100)	\$146	\$146	\$3,641	\$3,687
Operating Income (Loss)	(\$140)	\$72	\$72	\$1,581	\$1,513
Operating Cash Flow Margin	NM	38.8%	38.8%	38.4%	37.0%
Capital Expenditures (5)	\$15	\$10	\$10	\$1,707	\$1,732

(1) See Non-GAAP and Other Financial Measures in Table 7. Historical financial data by business segment, as required under generally accepted accounting principles, is available in the Company's quarterly report on Form 10-Q. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

(2) Pro forma financial data includes the results of the 30,000 cable subscribers acquired from US Coastal Cable in April 2004.

(3) Content includes our national networks (E! Entertainment Television and Style Network (E! Networks), The Golf Channel, Outdoor Life Network, G4 and AZN Television).

(4) Corporate and Other includes Comcast-Spectacor, Corporate activities and all other businesses not presented in the Cable or Content segments and elimination entries. Beginning in the third quarter of 2004, Comcast-Spectacor includes the operating results of its investment in a sports-event related business.

(5) Our Cable segment's capital expenditures are comprised of the following categories:

	2005	2004	2005	2004	YTD	YTD
New Service Offerings	\$469	\$338	\$932	\$630	\$630	\$630
Customer Premise Equipment (CPE)	227	110	436	231	231	231
Scalable Infrastructure	696	448	1,368	861	861	861
Recurring Capital Projects	81	81	145	141	141	141
Line Extensions	92	76	139	165	165	165
Support Capital	173	157	284	306	306	306
Upgrades	67	288	167	540	540	540
Total	\$936	\$893	\$1,819	\$1,707	\$1,707	\$1,707

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



TABLE 6

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Revenues:				
Video (3)	\$3,441	\$3,249	\$6,803	\$6,433
High-Speed Internet	982	763	1,907	1,461
Phone	170	176	343	355
Advertising	362	330	658	599
Other (4)	203	159	383	320
Franchise Fees	170	163	337	322
Total Revenues	\$5,328	\$4,840	\$10,431	\$9,490
Operating Cash Flow	\$2,175	\$1,920	\$4,170	\$3,641
Operating Income	\$1,054	\$877	\$1,945	\$1,581
Operating Cash Flow Margin	40.8%	39.7%	40.0%	38.4%
Capital Expenditures	\$936	\$893	\$1,819	\$1,707
Operating Cash Flow, Net of Capital Expenditures	\$1,239	\$1,027	\$2,351	\$1,934

	2005	2004	1Q05
Video			
Homes Passed (000's)	41,200	40,300	41,000
Basic Subscribers (000's)	21,448	21,485	21,525
Basic Penetration	52.1%	53.3%	52.6%
Quarterly Net Basic Subscriber Additions (000's)	(77)	(96)	(29)
Digital Subscribers (000's)	9,140	8,065	8,856
Digital Penetration	42.6%	37.5%	41.1%
Quarterly Net Digital Subscriber Additions (000's)	284	206	200
Digital Set-Top Boxes	13,859	11,926	13,365
Monthly Average Video Revenue per Basic Subscriber	\$53.38	\$50.29	\$52.04
Monthly Average Total Revenue per Basic Subscriber	\$82.67	\$74.91	\$78.99
High-Speed Internet			
"Available" Homes (000's)	40,758	37,323	40,483
Subscribers (000's)	7,705	6,007	7,408
Penetration	18.9%	16.1%	18.3%
Quarterly Net Subscriber Additions (000's)	297	327	414
Monthly Average Revenue per Subscriber	\$43.34	\$43.50	\$42.81
Phone			
"Available" Homes (000's) (5)	12,227	9,766	11,277
Subscribers (000's)	1,230	1,225	1,228
Penetration	10.1%	12.5%	10.9%
Quarterly Net Subscriber Additions (000's)	3	(22)	4
Monthly Average Revenue per Subscriber	\$46.06	\$47.71	\$47.07
Total Revenue Generating Units (000's) (6)	39,523	36,782	39,017
Quarterly Net Additions	507	415	589

(1) See Non-GAAP and Other Financial Measures in Table 7. All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

(2) Pro forma financial and subscriber data includes the results of the 30,000 cable subscribers acquired from US Coastal Cable in April 2004. Pro forma subscriber data also includes 60,000 subscribers acquired in various small acquisitions during the periods presented. The impact of these acquisitions on our segment operating results was not material.

(3) Video revenues consist of our basic, expanded basic, premium, pay-per-view, equipment and digital services.

(4) Other revenues include installation revenues, guide revenues, commissions from electronic retailing, other product offerings, commercial data services and revenues of our digital media center and regional sports programming networks.

(5) Available homes includes circuit switched and Comcast Digital Voice homes.

(6) The sum total of all basic video, digital video, high-speed Internet and phone subscribers, excluding additional outlets.



TABLE 7

Non-GAAP and Other Financial Measures

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

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

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

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

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

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

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

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



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

	Historical				Adjustments (1)			Pro forma
	Cable	Content	Corporate		Cable	Corporate		
			and Other	Total		and Other		
Three Months Ended June 30, 2004								
Revenues	\$4,838	\$199	\$29	\$5,066	\$2	(\$1)		\$5,067
Operating expenses (excluding depreciation and amortization)	2,918	122	74	3,114	-	(1)		3,115
Operating Cash Flow	\$1,920	\$77	(\$45)	\$1,952	-	-		\$1,952
Depreciation and amortization	1,043	39	18	1,100	-	-		1,100
Operating income (loss)	\$877	\$38	(\$63)	\$852	-	-		\$852
Capital expenditures	\$893	\$6	\$5	\$904	-	-		\$904
Six Months Ended June 30, 2004								
Revenues	\$9,485	\$375	\$114	\$9,974	\$5	-		\$9,979
Operating expenses (excluding depreciation and amortization)	5,846	229	214	6,289	3	-		6,292
Operating Cash Flow	\$3,639	\$146	(\$100)	\$3,685	\$2	-		\$3,687
Depreciation and amortization	2,060	74	40	2,174	-	-		2,174
Operating income (loss)	\$1,579	\$72	(\$140)	\$1,511	\$2	-		\$1,513
Capital expenditures	\$1,707	\$10	\$15	\$1,732	-	-		\$1,732

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2005	2005	2004	2004	2005	2005	2004	2004
Operating Cash Flow	\$2,209	\$2,209	\$1,952	\$1,952	\$4,239	\$4,239	\$3,685	\$3,685
Less:								
Interest, net (2)	(422)	(422)	(459)	(459)	(826)	(826)	(906)	(906)
Cash Paid for Income Taxes	(415)	(415)	(89)	(89)	(427)	(427)	(150)	(150)
Change in Operating Assets and Liabilities, net of acquisitions	(103)		442		(191)		3	
Other (3)	(84)		13		(278)		1	
Net Cash Provided by Operating Activities	\$1,185		\$1,859		\$2,517		\$2,633	
Less: Capital Expenditures		(950)		(904)		(1,842)		(1,732)
Free Cash Flow		\$422		\$500		\$1,144		\$897

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

	Free Cash Flow
2004 Operating Income	\$2.9
Add: Depreciation and Amortization	4.6
2004 Operating Cash Flow	7.5
Less: 2004 Capital Expenditures	3.7
2004 Consolidated Interest, net	1.7
2004 Consolidated Cash Paid for Income Taxes	0.2
2004 Free Cash Flow	\$1.9
2005 Free Cash Flow Growth	35% to 45%
Projected 2005 Free Cash Flow	\$2.6 to \$2.8

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

	June 30, 2005	December 31, 2004
Current portion of long-term debt	\$4,384	\$3,499
Long-term debt	19,746	20,093
Total Debt	\$24,130	\$23,592
Exchangeable debt	1,066	1,699
Debt excluding exchangeables	\$23,064	\$21,893

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

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

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