ORIGINAL

EMBARQ FLORIDA, INC.
DOCKET 060763-TL
FILED: FEBRUARY 6, 2007

BEFORE THE PUBLIC SERVICE COMMISSION

SURREBUTTAL TESTIMONY

OF

KENT W. DICKERSON

Q. Please state your name and business address.

A. My name is Kent W. Dickerson and I am employed by Embarq Corporation in the capacity of Director – Cost Support. My business address is 5454 W. 110th Street, Overland Park, KS 66211.

Q. Are you the same Kent W. Dickerson who filed Direct Testimony on behalf of Embarq in this case?

A. Yes.

Q. What is the purpose of your Surrebuttal Testimony?

A. While the filing of surrebuttal testimony was not specifically authorized in the Order on Procedure, I believe it would benefit the Commission for Embarq to respond to certain points raised by Mr. Wood in his Rebuttal Testimony filed on behalf of Treviso Bay Development, LLC. Specifically, I will respond to Mr. Wood's misinterpretation of the basis for Embarq's request for the relief, lest the Commission be misled by Mr. Wood's implications that the whole competitive landscape of Florida is impacted by what, in fact, is a waiver petition based on the facts and circumstances of a single development.

In addition, I will respond to Mr. Wood's alternative cost analysis and financial conclusions.

Granting Embarq's Petition does not threaten or harm Universal Service

Q. What are the goals of universal service as defined in the Florida Statutes?

A. Section 364.025 defines Universal Service to mean an "evolving level of access to telecommunications services that, taking into account advances in technologies, services, and market demand for essential services, the commission determines should be provided at just, reasonable, and affordable rates …" The law goes on to tie these expressed goals of Universal Service to the carrier of last resort obligation. For example, subsection (2) of 364.025 reads, "The Legislature finds that each telecommunication company should contribute its fair share to the support of the universal service objectives and carrier-of-last-resort obligations." Paragraph (4)(a) reads, Prior to January 1, 2009, the Legislature shall establish a permanent universal service mechanism upon the effective date of which any interim recovery mechanism for universal service objectives or carrier-of-last-resort obligations imposed on …", Subparagraph (4)(c)(5) reads "After January 1, 2001, a competitive local exchange telecommunications company may petition the commission to become the universal service provider and carrier of last resort …"

Q. How does the carrier of last resort obligation relate to the goals of universal service?

A. The goals of Universal Service and the Carrier of Last Resort (COLR) obligation are indisputably linked. That is, the existence of COLR obligation is to ensure Universal

Service goals and objectives are met.

Q. Will Comcast's digital voice service be available to the residents of Treviso Bay?

A. Yes. On both a national and local level, Comcast has trumpeted its plans for aggressively expanding the availability of its voice telephone services to its customers. On a national level, Comcast's recent release of its 2006 financial report prominently features the success it is having with its Comcast Digital Voice (CDV) telephone service (see Exhibit KWD-3). Driven by the success of their "Triple Play" offering of video, Internet and voice service, each offered for $33 per month for 12 months, Comcast announced significant increases in its revenue generating units. Specifically for CDV, Comcast report additions of over 1.5 million new customers for the service in 2006, compared to 290,000 in 2005. Further, in a presentation to the UBS Global Media and Communications Conference on December 7, 2006, Comcast reported that CDV was expected to be marketable to 80% of its customers by year-end 2006 and 90+% of its customers by year-end 2007 (see Exhibit KWD-4 pg 21). Clearly, Comcast has committed significant resources to the growth of its voice telephone service has publicly committed to the financial community its plans for nearly ubiquitous availability of its service in the very near term.

In addition, local Comcast officials in Florida have also communicated publicly the commitment of the company to the provision of its voice service to the Collier County area of which Treviso Bay is a part. In a newspaper article from the Naples News on August 24, 2005 (see Exhibit KWD-5) describing Comcast's launch of digital voice service in Collier County, Comcast's Larry Schweber, vice president and general manager for Comcast Southwest Florida, is quoted at stating that Comcast's digital voice service will be immediately available in about 80% of the areas in Collier County and all of Bonita Springs. The article further quotes Mr. Schweber as stating that "everyone in the two counties should be able to subscribe to the service" by the end of 2005. In an article from the Naples News dated October 15, 2005 dealing with Time Warner's announcement of its offer of digital phone service in Lee and Collier counties, Mr. Schweber is again quoted as stating that Comcast's digital phone service has been introduced to 100% of its Collier and Bonita Sprints markets (see Exhibit KWD-6). Further, Mr. Schweber is quoted as stating that if Comcast acquires Time Warner's Florida markets (which has now occurred), Comcast would extend its digital phone service to the former Timer Warner customers. And, the affidavit of Mr. Schweber that Comcast has agreed to submit in this docket in lieu of a deposition is consistent with its public statements regarding the availability of its digital voice services to Collier County residents, including the future residents of Treviso Bay.

Q. So, will the universal service goal of making voice service available be met in Treviso Bay if Embarq is relieved of its COLR obligations?

A. Yes. As the record demonstrates, Comcast will offer its retail digital voice service to the residents of Treviso Bay, at day one. In addition, residents will have access to voice service from competing VoIP providers via the broadband network each resident will be required to purchase under the bulk agreement that the developer has entered into with Comcast. Finally, wireless service will be available in the development from the numerous providers that serve the Collier County area. The accompanying result is there is no practical need or justification to require Embarq to construct and operate a duplicative and uneconomic network and provide service within Treviso Bay under a COLR obligation, when the purposes of that obligation will already have been satisfied via the competitive alternative that will be available in Treviso Bay.

Q. Would the granting of Embarq's COLR relief petition in Treviso Bay set the wide sweeping precedent and threat to Universal Service that Mr. Wood attempts to attach to it in his testimony?

A. No. Embarq's petition is filed under section 364.025(6)(d) which allows a local exchange telecommunications company to "seek a waiver of its carrier-of-last-resort obligation from the commission for good cause shown based on the facts and circumstances of provision of service to the multitenant business or residential property." The facts presented in Embarq's petition, including the existence of Comcast's exclusive data and video service arrangement, coupled with Comcast's ability and intent to offer its retail digital voice service within Treviso Bay, and the negative economic consequences to Embarq to meet an unnecessary COLR obligation, (absent the requested COLR relief), are all specific to the costs and circumstances surrounding Embarq's provision of voice services only to Treviso Bay.

Any potential future COLR relief petition sought by Embarq, or any other local exchange company, under section 364.025 (6)(d) would require a similar examination of the specific facts pertaining to the geography and service availability at the specific development underlying the petition. Absent an assurance that the goals of Universal

Service were otherwise met, (as is clearly the case in Treviso Bay), the Commission would simply deny the petition.

Granting Embarq's Petition does not harm Competition

Q. In his testimony, Mr. Wood also argues that granting Embarq's requested COLR relief within Treviso Bay will harm competition. Do you agree?

A. Not at all. I believe the opposite is the case in that competition will actually be harmed if Embarq's petition is ***not*** granted. The very basic tenets of finance and economics hold that, in order for any firm to be an effective competitor and competitive force, it must be financially and economically sound or it will cease to exist in the long run. Uneconomic forms of competition cannot exist beyond short periods of time, absent a subsidy source which is sustainable and outside of the eroding forces of competitive markets. To support its petition, Embarq has included a net present value (NPV) of cash flows analysis, which demonstrates the unworkable economic losses Embarq would incur in Treviso Bay absent the requested COLR relief. These losses are conservatively projected to continue 20 years into the future as a result of the demonstrably low customer penetration expected for Embarq's voice service, and the zero penetration of data or video services. These penetration estimates reflect the overwhelming competitive and economic advantage Comcast will enjoy under its contractually guaranteed 100% video and high speed data service penetrations and its ability and intent to offer its retail digital voice service in Treviso Bay.

Q. How does the negative economic impact Embarq projects in Treviso Bay affect competition?

A. The public policy goals for the benefits of competition will never result from requiring one competitor to suffer economic and financial losses stemming from the forced construction and operation of a voice network in a market already predictably cornered by another provider who is guaranteed 100% of the sales for two key consumer products (i.e. video and high speed data). Requiring any provider, including Embarq, to incur competitive losses in such a market only weakens that provider's financial ability to compete effectively in open markets elsewhere. Under the facts and circumstances of Treviso Bay, absent the requested relief Embarq is left to either absorb financial losses or attempt to recover them from customers elsewhere in its serving area, thus creating a downwardly decreasing ability to remain financially viable, and requiring higher prices to different set of customer outside of Treviso Bay (further harming Embarq's ability to compete for and retain those customers). This is hardly an effective, sustainable or beneficial form of competition.

The residents of Treviso Bay will be able to purchase voice communications from Comcast and will also have alternative VOIP voice service providers and multiple choices for wireless voice service. Forcing an unnecessary COLR obligation upon Embarq within Treviso Bay, resulting in financial losses and harm to Embarq and ultimately to the customers it serves, is not an effective or sustainable form of competition which benefits consumers.

Embarq's NPV of Cash Flows

Q. Starting at page 26 of his testimony Mr. Wood begins a series of Q&As pertaining to the NPV of cash flows analysis presented in your direct testimony. Do you agree with Mr. Wood's criticisms and conclusions?

A. Of course I do not, but more importantly I can easily explain why Mr. Wood is incorrect. Looking first at Mr. Wood's criticisms regarding Embarq's [redacted]% voice service penetration projection at page 26 of his testimony, he complains that Embarq's market share data analysis does not ensure "…the "right" answer for the Treviso Bay area will be [redacted]%".

Embarq agrees that this estimate might not prove to be precisely the "right" answer given it is projection of a future outcome (which Embarq hopes to never suffer). It is extremely telling however, that [redacted] market penetrations provided in the "Embarq – Florida Market Share Analysis Summer 2006" table (see Embarq response to Staff Date Request 3) [redacted]! Thus it is not necessary, or even advisable to identify what the exact penetration of Embarq's voice only services might be, absent the requested COLR relief, [redacted] result in negative, and harmful economic losses to Embarq. Obviously Embarq is convinced of this negative result, or it would have gladly gone forward with the construction and operation of a profitable network in Treviso Bay.

Q. On page 32, line 21, Mr. Wood claims that Embarq's NPV of cash flows analysis is "suspect" because it produces a negative NPV at year 10 using a 100% penetration assumption. Is Mr. Wood's conclusion correct?

A. Not at all. Mr. Wood's testimony indicates his apparent lack of understanding of the general realities of a wireline carrier's financial returns for serving residential customer markets.

First, Mr. Wood conveniently does not mention that his hypothetical 100% penetration NPV run produces a positive result somewhere between year [redacted]

Second, Mr. Wood makes further erroneous claims that this [redacted] year NPV payback period exceeds the useful life of the underlying assets. In reality, the bulk of these fiber and copper cable assets, when deployed in markets sufficiently open to competition, will be economically and physically useful well beyond [redacted] years. Mr. Wood also ignores that Comcast's 100% bulk contract of high speed data and video results in no revenue or cash generation for Embarq from these services, which further explains why the NPV payback period falls between [redacted] years.

Q. Are there other errors evidenced in Mr. Wood's calculations?

A. Yes, several. Mr. Wood claims that customer density of the Treviso Bay development is

2000 lines per mile. In fact the customer density is only 600 lines per mile when accurately reflected against the true land mass that the Treviso Bay development encompasses (see Exhibit KWD-1 which shows the entire Treviso Bay development area of approximately 2 square miles and 1200 planned residential units.) I would also point out that the loop lengths required to serve the entire development which stretches nearly 2 miles from north to south exceed 4.5 miles.

Mr. Wood is also incorrect in his claim that the fiber and copper loop network design underlying the network cost estimates is ".. a more expensive, data capable network…". Even prior to the advent and popularity of consumer data products such as DSL, there has always been a distance-based economic breakpoint at which loops become cheaper to construct using a combination of fiber feeder cable, DLC electronics and copper distribution cable, compared to a network constructed of 100% copper cable. This distance breakpoint has become shorter over time, and particularly in the very recent past, due to the dramatic cost increase of copper cable vs. fiber cable. Additionally, Mr. Wood ignores the real world cost efficiencies inherent in the cost estimates stemming from the efficient utilization of Embarq's existing 12K ft of fiber cable that currently passes by the entrance of the Treviso Bay development.

In summary, the combination fiber, DLC and copper cable network design underlying Embarq's estimated construction costs are less costly than if Embarq had estimated costs based on an antiquated all copper cable network design serving an average loop length of 4.5 miles (note load coils would also be required at an additional cost).

Summary

Q. Please summarize your Surrebuttal testimony?

A. The facts in this case show good cause to grant Embarq's requested COLR relief in Treviso Bay. The evidence confirms that the residents of Treviso Bay will have the opportunity to purchase voice service from Comcast at day one of occupancy and will additionally be able to choose from alternative VoIP providers and numerous wireless providers. Thus, the Universal Service goal of ensuring the availability of voice service is satisfied and the accompanying COLR obligation is no longer required or appropriate. Embarq has demonstrated, using reasonable and factual evidence, that its prospects for positive financial returns in the Treviso Bay development are effectively nil. Contrary to Mr. Wood's dire predictions, granting Embarq's petition provides COLR relief only to Embarq only based on the specific facts and circumstances of the Treviso Bay development. It in no way constrains the Commission's discretion to rule on any future potential requests for COLR relief until specific facts and circumstances brought forward by a prospective petitioner at some future point.

Q. Does this conclude your testimony?

A. Yes.

Exhibit: KWD-3

PRESS RELEASE

Investor Contacts:		Press Contacts:	
Marlene S. Dooner	(215) 981-7392	D'Arcy Rudnay	(215) 981-8582
Daniel J. Goodwin	(215) 981-7518		

COMCAST REPORTS 2006 RESULTS AND OUTLOOK FOR 2007
ANNOUNCES 3-for-2 STOCK SPLIT

Triple Play and superior products power record-setting results

4th Quarter Cable Revenue increased 14%
Cable Operating Cash Flow increased 17%

Added 5 Million RGUs in 2006 – up 69%
Cable Revenue up 12%
Cable Operating Cash Flow up 15%

Expects Another Record-Setting Year in 2007 – 6.5 Million New RGUs
Minimum 14% Cable Operating Cash Flow Growth

Philadelphia, PA – February 1, 2007...Comcast Corporation (NASDAQ: CMCSA, CMCSK) today reported results for the quarter and the year ended December 31, 2006. The following table highlights financial and operational results (dollars in millions, except per share amounts; units in thousands):

			Growth	
Consolidated	4Q06	2006	Quarter	Year
Revenue	$7,031	$24,966	30%	18%
Operating Cash Flow[1]	$2,594	$9,442	30%	19%
Operating Income[1]	$1,218	$4,619	43%	31%
Earnings per Share[1]	$0.18	$1.19	200%	183%
Pro Forma Cable[2]				
Revenue	$6,894	$26,339	14%	12%
Operating Cash Flow	$2,749	$10,511	17%	15%
Revenue Generating Unit Additions	1,632	5,026	77%	69%

Brian L. Roberts, Chairman and CEO of Comcast Corporation, said, "2006 was simply our best year ever. Powered by our triple play offering and superior products, we added more RGUs than at any other time in our history and reported terrific growth in cable revenue and Operating Cash Flow. This record-setting performance demonstrates substantial operating momentum, and we could not be more enthusiastic about the future. Looking ahead, we are perfectly positioned to continue to offer consumers the best entertainment and communications value proposition available anywhere, and to continue to deliver significant value to our shareholders."

Mr. Roberts added, "Reflecting our strong results and outlook, our Board of Directors authorized a 3-for-2 stock split – the 11th stock split in our company's history."

See notes on page 6

Pro Forma Cable Segment Results[2]

Year ended December 31, 2006

Cable results are presented as if the acquisition of Susquehanna Communications and the Adelphia/Time Warner transactions were effective on January 1, 2005. Cable results also include the results of the Houston, TX cable systems received with the dissolution of the Texas/Kansas City cable partnership as if that transaction was effective on January 1, 2005. (See note 2 for additional details).

Revenue increased 12% to $26.3 billion for the year reflecting increasing consumer demand for Comcast's services and the success of Comcast's Triple Play offer.

Revenue generating units (RGUs)[3] increased 69%, or a record 5.0 million from prior year net additions of 3.0 million, to end the year at 50.8 million RGUs.

Operating Cash Flow (as defined in Table 7) grew 15% to $10.5 billion resulting in an Operating Cash Flow margin of 39.9%, an increase from the 38.8% reported last year. The margin improvement reflects strong revenue growth and our continuing success in controlling the growth of operating costs. In 2006, programming expense increased 8% to $5.4 billion, Comcast hired and trained 6,500 new employees to support higher service and installation activity that resulted from record RGU additions and integrated lower-margin operations received with the cable system acquisitions.

Video

- *Added 1.9 million new digital cable subscribers in 2006 – 59% above last year*
- *Added 80,000 basic cable subscribers during 2006 compared to a loss of 141,000 in the prior year*

Video revenue increased 8% to $16.6 billion in 2006, reflecting growth in both basic and digital cable customers and increased demand for advanced digital features including ON DEMAND, digital video recorders (DVRs) and HDTV programming, as well as higher basic cable pricing.

Basic cable subscribers increased by 80,000 to 24.2 million during 2006 with 12.7 million or 52% of video customers taking digital cable services. Comcast added 1.9 million digital cable customers in 2006, an increase of 59% from the 1.2 million digital cable customers added in 2005. The digital cable customer additions in 2006 include 900,000 digital cable and 1.0 million Digital Starter subscribers. During the year, 1.5 million digital cable customers subscribed to advanced services, like DVR and HDTV, either by upgrading their digital cable service or as new customers. Customers subscribing to digital cable with advanced services pay $75 or more per month, 15% more than the average Comcast Digital Cable subscriber. Growth in video revenue also reflects increasing ON DEMAND movie purchases. Pay-per-view revenue increased 27% to $633 million in 2006.

High-Speed Internet

- *Added 1.9 million high-speed Internet subscribers during 2006 - highest level of annual additions in Company history*

High-speed Internet revenues increased 23% to $5.5 billion in 2006, reflecting a 1.9 million or 19% increase in subscribers from the prior year and relatively stable average monthly revenue per subscriber. Comcast ended 2006 with 11.5 million high-speed Internet subscribers or 25% penetration of our footprint.

Phone

- *Added over 1.5 million Comcast Digital Voice (CDV) customers compared to 290,000 in the prior year*
- *CDV service now marketed to 32 million homes representing 68% of Comcast's footprint*

Phone revenue increased 45% to $955 million due to significant growth in CDV subscriber additions, offset by a $132 million decline in circuit-switched phone revenues as Comcast primarily focuses on marketing CDV in most markets. Comcast ended 2006 with a total of 1.9 million CDV customers or 5.7% of available homes.

See notes on page 6

Advertising revenue increased 13% to $1.7 billion in 2006 when compared to 2005, reflecting strong political advertising growth in the second half of 2006. Comcast reported political advertising revenue of more than $90 million in 2006.

Capital expenditures of $4.6 billion increased 15% in 2006 reflecting primarily the record increase in RGU additions during the year. Comcast added 69% more RGUs in 2006 than 2005. Consistent with historical trends, approximately 75% of cable capital expenditures were variable and directly associated with demand for new products in 2006.

Comcast delivered strong cable results as compared to the annual guidance updated on October 26, 2006:

	Guidance	Results
Revenue growth	10 - 11%	12%
Operating Cash Flow growth	At least 13%	15%
RGU addition growth	Approximately 60%	69%
Capital expenditures	Approximately $4.5 billion	$4.6 billion

Fourth Quarter 2006

- *Added 1.6 million RGUs during the quarter - most quarterly additions in Company history*
- *Record RGU additions fueled 14% growth in revenue and 17% growth in Operating Cash Flow*

Comcast Cable reported revenue of $6.9 billion in the fourth quarter of 2006, an increase of 14% from the prior year. Video revenue increased 9% reflecting growth in both basic and digital cable customers and increased demand for advanced digital features, such as DVR and HDTV. Comcast Cable added 613,000 digital cable subscribers and 110,000 basic cable subscribers during the fourth quarter of 2006, each representing the highest quarterly additions in more than 10 years. Driven by increasing ON DEMAND movie purchases, pay-per-view revenue increased 24% to $159 million in 2006. Pay-per-view revenue has increased more than 20% on average for the past eight quarters.

High-speed Internet revenues increased 23% in the quarter to $1.5 billion. The strong growth includes the addition of 488,000 high-speed Internet subscribers, a 12% increase from the same period last year and relatively stable monthly revenue per subscriber. Cable phone revenue increased 77% in the fourth quarter of 2006 to $302 million reflecting the addition of 508,000 CDV customers offset by the decline of 87,000 circuit-switched customers during the quarter.

Advertising revenue increased 26% to $501 million in the fourth quarter of 2006, reflecting double-digit growth in local and regional/national advertising, as well as a five-fold increase in political advertising to $54 million principally associated with the fall 2006 elections.

Operating Cash Flow grew 17% to $2.7 billion during the quarter, reflecting strong revenue growth and the Company's success in controlling the growth of operating costs, even as we experience higher service and installation activity from record RGU additions and integrate recently acquired cable systems. Operating Cash Flow margin for the quarter was 39.9% compared to 38.9% one year ago.

Comcast Cable capital expenditures of $1.4 billion for the quarter were 43% higher than the fourth quarter of 2005 driven by the record RGU additions during the period. Comcast added 77% more RGUs in the fourth quarter of 2006 than 2005.

Programming Segment Results[4]

Comcast's Programming segment consists of our national programming networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, VERSUS (formerly OLN), G4 and AZN Television.

The Programming segment reported 2006 revenue of $1.1 billion, a 15% increase from 2005, reflecting increases in network ratings, advertising and distribution revenue. Operating Cash Flow decreased 11%

See notes on page 6

to $241 million in 2006, reflecting investments in programming at all our networks, particularly programming and production expenses related to VERSUS' coverage of the National Hockey League.

For the fourth quarter of 2006, Comcast's Programming segment reported revenue of $283 million, a 21% increase compared to the prior year and Operating Cash Flow of $43 million, an increase of 35% from the same period last year reflecting increases in network ratings, advertising revenue and distribution revenue.

Corporate and Other[4]

Corporate and Other includes Comcast Spectacor, corporate overhead and other operations, and eliminations between Comcast's businesses. In 2006, Comcast reported Corporate and Other revenue of $203 million and an Operating Cash Flow loss of $362 million, as compared to revenue of $170 million and an Operating Cash Flow loss of $313 million in 2005.

For the quarter ended December 31, 2006, Corporate and Other revenue increased to $90 million from the $72 million reported in 2005. The Operating Cash Flow loss for the fourth quarter of 2006 was $109 million compared to a loss of $77 million in 2005.

Consolidated Results

Year ended December 31, 2006

Consolidated results include all acquisitions as of the date of their closing. Comcast acquired Susquehanna Communications in April 2006 and completed the Adelphia/Time Warner transactions in July 2006. As part of the Adelphia/Time Warner transactions Comcast transferred cable systems serving Los Angeles, Dallas and Cleveland to Time Warner (presented as discontinued operations for all periods). Consolidated results, as of December 31, 2006, include our interest in the Texas/Kansas City cable partnership as an equity method investment.

Revenue increased 18% in 2006 to $25.0 billion while ***Operating Cash Flow***[1] increased 19% to $9.4 billion and ***Operating Income*** increased 31% to $4.6 billion. This significant growth was due to strong results at Comcast Cable and the impact of cable system acquisitions in 2006.

Net Income increased to $2.5 billion, or $1.19 per share, in 2006, compared to net income of $928 million or $0.42 per share in 2005. In addition to strong operating results at Comcast Cable, the year includes an estimated one-time gain, included in investment income, of $646 million (or $405 million net of tax) related to the Adelphia/Time Warner transactions. Also included in this year's results is a one-time gain of $195 million, net of tax, on discontinued operations related to the transfer of cable systems to Time Warner. Excluding these gains and reconciled in Table 7-C, Adjusted Net Income for 2006 would be $1.9 billion or $0.90 per share.

Net Cash Provided by Operating Activities increased to $6.6 billion in 2006 from $4.8 billion in 2005 due primarily to stronger operating results, the cable system acquisitions and changes in operating assets and liabilities.

Free Cash Flow (described further on Table 4) increased $628 million to $2.6 billion in 2006 compared to $2.0 billion in 2005, due primarily to growth in consolidated Operating Cash Flow, the cable system acquisitions and changes in working capital.

Fourth Quarter 2006

Driven by strong results at Comcast Cable and the impact of cable acquisitions in 2006, Comcast reported consolidated revenue of $7.0 billion, an increase of 30%, in the fourth quarter of 2006 while consolidated Operating Cash Flow[1] increased 30% to $2.6 billion. Consolidated operating income increased 43% to $1.2 billion in the fourth quarter of 2006 compared to $849 million reported in 2005.

Net income increased to $390 million, or $0.18 per share, for the fourth quarter of 2006 compared to net income of $133 million, or $0.06 per share, in the prior year. Strong operating results at Comcast Cable contributed to the growth in net income. Included in this quarter's results are two adjustments reducing the gains recorded on the Adelphia/Time Warner transactions in the third quarter of 2006. These reductions represent a refinement of estimated gains due primarily to updated valuations. The first

See notes on page 6

adjustment, included in investment income, is $49 million (or $30 million net of tax). The second is an adjustment of $39 million net of tax on the gain on discontinued operations related to the transfer of cable systems to Time Warner. Excluding these adjustments and reconciled in Table 7-C, Adjusted Net Income for the fourth quarter of 2006 would be $459 million or $0.21 per share.

Pro Forma Consolidated Results[5]

Pro forma consolidated results are presented as if the acquisition of Susquehanna Communications and the Adelphia/Time Warner transactions were effective on January 1, 2005. Pro forma consolidated results also include the results of the Houston, TX cable systems received with the dissolution of the Texas/Kansas City cable partnership as if that transaction was effective on January 1, 2005 as well. (See note 2 for additional details).

Revenue increased 12% to $27.6 billion in 2006 while ***Operating Cash Flow*** increased 14% to $10.4 billion for the year reflecting record setting results at Comcast Cable.

Comcast delivered strong consolidated results as compared to the annual guidance updated on October 26, 2006:

	Guidance	Results
Revenue growth[5]	10 - 11%	12%
Operating Cash Flow growth[5]	At least 12%	14%
Free Cash Flow Conversion	25-30%	28%

Share Repurchase Program

In 2006, Comcast repurchased $2.3 billion or 75.4 million Class A Special Common (CMCSK) shares, reducing the number of total shares outstanding by more than 3%. Comcast repurchased $447 million or 11.2 million shares of its CMCSK stock during the fourth quarter of 2006.

Availability under the Company's stock repurchase program, as of December 31, 2006, is $3.0 billion. Comcast expects that repurchases continue from time to time in the open market or in private transactions, subject to market conditions.

Since the inception of the repurchase program in December 2003, the Company has invested $7.4 billion in its common stock and related securities, reducing the number of shares outstanding by 11%. These investments include repurchasing $6.0 billion or 202.3 million shares of common stock and redeeming several debt issues for $1.4 billion that were exchangeable into 47.3 million shares of common stock. The share amounts above are not adjusted for today's announced stock split.

2007 Financial Outlook

- Cable revenue growth of at least 12%[2]
- Cable Operating Cash Flow growth of at least 14%[2]
- Cable RGU net additions of approximately 6.5 million, 30% above 2006 RGU net additions[2] of 5 million
    - RGU outlook includes an expected decrease of 500,000 circuit-switched phone RGUs
- Cable capital expenditures of approximately $5.7 billion, including commercial services capital expenditures of approximately $250 million
- Corporate and other capital expenditures of approximately $250 million primarily due to the relocation of Comcast's headquarters
- Consolidated revenue growth of at least 11%[5]
- Consolidated Operating Cash Flow growth of at least 13%[5]
- Consolidated Free Cash Flow approximately the same as 2006

See notes on page 6

Notes:

1 Operating Cash Flow percentage growth is adjusted as if stock options had been expensed in 2005. Operating income and earnings per share percentage growth are unadjusted. Per share amounts are not adjusted for today's announced stock split. See Tables 7-A and 7-B for reconciliation of "as adjusted" financial data.

2 Cable results are presented on a pro forma, as adjusted, basis. Pro forma results adjust only for certain acquisitions and dispositions, including Susquehanna Communications (April 2006), the Adelphia/Time Warner transactions (July 2006) and the dissolution of the Texas/Kansas City cable partnership (effective January 1, 2007). Effective August 1, 2006, our economic interest in the Texas/Kansas City cable partnership tracked solely the performance of the Houston, TX cable systems. Accordingly, we included the systems' results in Cable pro forma data. Cable results are presented as if the transactions noted above were effective on January 1, 2005. The net impact of these transactions was to increase the number of basic cable subscribers by 2.6 million. These "As Adjusted" results are presented as if stock options had been expensed in 2005. Please refer to Tables 7-A and 7-B for a reconciliation of pro forma, "As Adjusted" financial data.

3 Represents the sum of basic and digital cable, high-speed Internet and net phone subscribers, excluding additional outlets. Subscriptions to DVR and/or HDTV services by existing Comcast Digital Cable customers do not result in additional RGUs.

4 Operating Cash Flow adjusted as if stock options had been expensed in 2005.

5 Pro forma consolidated results are presented on a pro forma, as adjusted, basis as described in note 2.

###

Conference Call Information

Comcast Corporation will host a conference call with the financial community today February 1, 2007 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 Thursday, February 1, 2007. To participate via telephone, please dial (800) 263-8495 with the conference ID number 5668483. A telephone replay will begin immediately following the call and will be available until Friday, February 2, 2007 at midnight Eastern Time (ET). To access the rebroadcast, please dial (800) 642-1687 and enter passcode number 5668483. To automatically receive Comcast financial news by email, please visit www.cmcsa.com or www.cmcsk.com and subscribe to email alerts.

###

This press release contains forward-looking statements. Readers are cautioned that such forward-looking statements involve risks and uncertainties that could cause actual events or our actual results to differ materially from those expressed in any such forward-looking statements. Readers are directed to Comcast's periodic and other reports filed with the Securities and Exchange Commission (SEC) for a description of such risks and uncertainties.

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

###

About Comcast:

Comcast Corporation (Nasdaq: CMCSA, CMCSK) (http://www.comcast.com) is the nation's leading provider of cable, entertainment and communications products and services. With 24.2 million cable customers, 11.5 million high-speed Internet customers, and 2.5 million voice customers, Comcast is principally involved in the development, management and operation of broadband cable networks and in the delivery of programming content. Comcast's programming networks and investments include E! Entertainment Television, Style Network, The Golf Channel, VERSUS (formerly OLN), G4, AZN Television, PBS KIDS Sprout, TV One and four regional Comcast SportsNets. Comcast also has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team, the Philadelphia 76ers NBA basketball team and two large multipurpose arenas in Philadelphia.

comcast

TABLE 1

Condensed Consolidated Statement of Operations
(Unaudited)

(dollars in millions, except per share data)	Three Months Ended December 31, 2006	Three Months Ended December 31, 2005	Twelve Months Ended December 31, 2006	Twelve Months Ended December 31, 2005
Revenues	$7,031	$5,416	$24,966	$21,075
Operating expenses	2,451	1,943	9,010	7,513
Selling, general and administrative expenses	1,986	1,433	6,514	5,490
	4,437	3,376	15,524	13,003
Operating cash flow	2,594	2,040	9,442	8,072
Depreciation expense	1,080	888	3,828	3,413
Amortization expense	296	303	995	1,138
	1,376	1,191	4,823	4,551
Operating income	1,218	849	4,619	3,521
Other income (expense)				
Interest expense	(562)	(462)	(2,064)	(1,795)
Investment income (loss), net	55	53	990	89
Equity in net (losses) income of affiliates	(38)	(23)	(124)	(42)
Other income (expense)	(21)	5	173	(53)
	(566)	(427)	(1,025)	(1,801)
Income before income taxes and minority interest	652	422	3,594	1,720
Income tax expense	(221)	(303)	(1,347)	(873)
Income before minority interest	431	119	2,247	847
Minority interest	(2)	(12)	(12)	(19)
Net income from continuing operations	429	107	2,235	828
Income from discontinued operations, net of tax	-	26	103	100
Gain (loss) on discontinued operations, net of tax	(39)	-	195	-
Net income	$390	$133	$2,533	$928
Basic earnings per common share				
Income from continuing operations per common share	$ 0.21	$ 0.05	$ 1.06	$ 0.37
Income from discontinued operations per common share	-	0.01	0.05	0.05
Gain (loss) on discontinued operations per common share	(0.02)	-	0.09	-
Net income per common share	$ 0.19	$ 0.06	$ 1.20	$ 0.42
Diluted earnings per common share				
Income from continuing operations per common share	$ 0.20	$ 0.05	$ 1.05	$ 0.37
Income from discontinued operations per common share	-	0.01	0.05	0.05
Gain (loss) on discontinued operations per common share	(0.02)	-	0.09	-
Net income per common share	$ 0.18	$ 0.06	$ 1.19	$ 0.42
Basic weighted-average number of common shares	2,084	2,169	2,107	2,197
Diluted weighted-average number of common shares	2,109	2,179	2,120	2,208

comcast

TABLE 2

Condensed Consolidated Balance Sheet

(Unaudited)

(dollars in millions)	December 31, 2006	December 31, 2005
ASSETS		
Current Assets		
Cash and cash equivalents	$1,239	$947
Investments	1,735	148
Accounts receivable, net	1,450	1,008
Other current assets	778	685
Current assets of discontinued operations	-	60
Total current assets	5,202	2,848
Investments	8,847	12,675
Property and equipment, net	21,248	17,704
Franchise rights	55,927	48,804
Goodwill	13,768	13,498
Other intangible assets, net	4,881	3,118
Other noncurrent assets, net	532	635
Noncurrent assets of discontinued operations, net	-	4,118
	$110,405	$103,400
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued expenses related to trade creditors	$2,862	$2,239
Accrued expenses and other current liabilities	3,032	2,482
Deferred income taxes	563	2
Current portion of long-term debt	983	1,689
Current liabilities of discontinued operations	-	112
Total current liabilities	7,440	6,524
Long-term debt, less current portion	27,992	21,682
Deferred income taxes	27,089	27,370
Other noncurrent liabilities	6,498	6,920
Minority interest	251	657
Noncurrent liabilities of discontinued operations	-	28
Stockholders' equity	41,135	40,219
	$110,405	$103,400

Comcast

TABLE 3
Condensed Consolidated Statement of Cash Flows
(Unaudited)

(dollars in millions)	Twelve Months Ended December 31, 2006	2005
OPERATING ACTIVITIES		
Net cash provided by operating activities	$6,618	$4,835
FINANCING ACTIVITIES		
Proceeds from borrowings	7,497	3,978
Retirements and repayments of debt	(2,039)	(2,706)
Repurchases of common stock	(2,347)	(2,313)
Issuances of common stock	410	93
Other	25	15
Net cash provided by (used in) financing activities	3,546	(933)
INVESTING ACTIVITIES		
Capital expenditures	(4,395)	(3,621)
Cash paid for intangible assets	(306)	(281)
Acquisitions, net of cash acquired	(5,110)	(199)
Proceeds from sales and restructuring of investments	2,720	861
Purchases of investments	(2,812)	(306)
Proceeds from sales (purchases) of short-term investments, net	33	(86)
Other investing activities	(2)	(116)
Net cash used in investing activities	(9,872)	(3,748)
INCREASE IN CASH AND CASH EQUIVALENTS	292	154
CASH AND CASH EQUIVALENTS, beginning of period	947	793
CASH AND CASH EQUIVALENTS, end of period	$1,239	$947

TABLE 4
Calculation of Free Cash Flow
(Unaudited) (1)

(dollars in millions)	Twelve Months Ended December 31, 2006	2005
Net Cash Provided by Operating Activities	$6,618	$4,835
Capital Expenditures	(4,395)	(3,621)
Cash paid for Intangible Assets	(306)	(281)
Non-operating items, net of tax	706	1,062
Free Cash Flow	$2,623	$1,995

(1) See Non-GAAP and Other Financial Measures in Table 7 for the definition of Free Cash Flow.

Comcast.

TABLE 5

Pro Forma Financial Data by Business Segment

(Unaudited) (1)

(dollars in millions)	Cable	Programming (2)	Corporate and Other	Total
Three Months Ended December 31, 2006				
Revenues	$6,894	$283	$90	$7,267
Operating Cash Flow	$2,749	$43	($109)	$2,683
Operating Income (Loss)	$1,357	$1	($120)	$1,238
Operating Cash Flow Margin	39.9%	15.4%	NM	36.9%
Capital Expenditures (3)	$1,381	($2)	$15	$1,394
Three Months Ended December 31, 2005, as adjusted (4)				
Revenues	$6,029	$235	$72	$6,336
Operating Cash Flow	$2,348	$32	($77)	$2,303
Operating Income (Loss)	$922	($10)	($91)	$821
Operating Cash Flow Margin	38.9%	13.8%	NM	36.4%
Capital Expenditures (3)	$967	$5	$14	$986
Twelve Months Ended December 31, 2006				
Revenues	$26,339	$1,053	$203	$27,595
Operating Cash Flow	$10,511	$241	($362)	$10,390
Operating Income (Loss)	$5,246	$75	($430)	$4,891
Operating Cash Flow Margin	39.9%	22.9%	NM	37.7%
Capital Expenditures (3)	$4,640	$16	$30	$4,686
Twelve Months Ended December 31, 2005, as adjusted (4)				
Revenues	$23,556	$919	$170	$24,645
Operating Cash Flow	$9,132	$272	($313)	$9,091
Operating Income (Loss)	$3,652	$118	($363)	$3,407
Operating Cash Flow Margin	38.8%	29.6%	NM	36.9%
Capital Expenditures (3)	$4,030	$16	$38	$4,084

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

(2) Programming includes our national networks E! Entertainment Television and Style Network (E! Networks), The Golf Channel, VERSUS (formerly OLN), G4 and AZN Television.

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

	4Q06	4Q05	YTD 4Q06	YTD 4Q05
New Service Offerings				
Customer Premise Equipment (CPE)	$712	$512	$2,482	$2,080
Scalable Infrastructure	330	214	917	881
	1,042	726	3,399	2,961
Recurring Capital Projects				
Line Extensions	62	64	320	293
Support Capital	144	97	528	387
	206	161	848	680
Upgrades	133	80	393	389
Total	$1,381	$967	$4,640	$4,030

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.

(4) Adjusted as if stock options had been expensed in 2005. See Tables 7-A and 7-B for Reconciliation of "As Adjusted" Financial Data.

Comcast

TABLE 6

Pro Forma Data - Cable Segment Components

(Unaudited) (1) (2)

(dollars in millions, except per subscriber and per unit data)	Three Months Ended December 31, 2006	Three Months Ended December 31, 2005	Twelve Months Ended December 31, 2006	Twelve Months Ended December 31, 2005
Revenues:				
Video (3)	$4,214	$3,865	$16,599	$15,386
High-Speed Internet	1,454	1,184	5,451	4,445
Phone	302	171	955	658
Advertising	501	398	1,651	1,463
Other (4)	226	229	908	877
Franchise Fees	197	182	775	727
Total Revenues	$6,894	$6,029	$26,339	$23,556
Programming Expense			$5,406	$5,021
Operating Cash Flow (5)	$2,749	$2,348	$10,511	$9,132
Operating Income (5)	$1,357	$922	$5,246	$3,652
Operating Cash Flow Margin (5)	39.9%	38.9%	39.9%	38.8%
Capital Expenditures	$1,381	$967	$4,640	$4,030

	4Q06	4Q05	3Q06
Video			
Homes Passed (000's)	47,400	46,700	47,200
Basic Subscribers (000's)	24,161	24,081	24,051
Basic Penetration	51.0%	51.6%	50.9%
Quarterly Net Basic Subscriber Additions (000's)	110	28	10
Digital Subscribers (000's)	12,666	10,804	12,053
Digital Penetration	52.4%	44.9%	50.1%
Quarterly Net Digital Subscriber Additions (000's)	613	365	558
Digital Set-Top Boxes	19,492	16,450	18,440
Monthly Average Video Revenue per Basic Subscriber	$58.41	$53.54	$57.75
Monthly Average Total Revenue per Basic Subscriber	$95.34	$83.51	$91.89
High-Speed Internet			
"Available" Homes (000's)	46,902	45,912	46,731
Subscribers (000's)	11,487	9,619	11,000
Penetration	24.5%	21.0%	23.5%
Quarterly Net Subscriber Additions (000's)	488	436	536
Monthly Average Revenue per Subscriber	$43.12	$41.99	$43.14
Phone			
Comcast Digital Voice			
"Available" Homes (000's)	32,435	18,580	30,800
Subscribers (000's)	1,855	306	1,348
Penetration	5.7%	1.6%	4.4%
Quarterly Net Subscriber Additions (000's)	508	147	483
Circuit Switched Phone			
"Available" Homes (000's)	8,866	8,462	8,858
Subscribers (000's)	652	986	740
Penetration	7.4%	11.7%	8.4%
Quarterly Net Subscriber Additions (000's)	(87)	(56)	(102)
Monthly Average Total Phone Revenue per Subscriber	$43.92	$46.20	$45.09
Total Revenue Generating Units (000's) (6)	50,822	45,796	49,190
Quarterly Net Additions	1,632	920	1,486

(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 data includes the results of Susquehanna Communications acquired on April 30, 2006, cable systems acquired in the Adelphia/Time Warner transactions on July 31, 2006, and cable systems serving Houston, Texas included as a result of the dissolution of our cable partnership with Time Warner, which was initiated in July 2006. The net impact of these transactions was to increase the number of basic cable subscribers by 2.6 million.

Pro forma subscriber data also includes 13,000 subscribers acquired in various small acquisitions during 2005. The impact of these acquisitions on our segment operating results was not material.

(3) Video revenues consist of our basic, expanded basic, digital, premium, pay-per-view and equipment 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) Adjusted as if stock options had been expensed in 2005.

(6) Represents the sum of basic and digital video, high-speed Internet and net phone subscribers, excluding additional outlets. Subscriptions to DVR and/or HDTV services by existing Comcast Digital customers do not result in additional RGUs.

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 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, excluding impairment charges related to fixed and intangible assets and gains or losses on 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 performance measure in 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 in the United States (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.

Beginning in 2006, we changed our definition of Free Cash Flow, which is a non-GAAP financial measure, to mean "Net Cash Provided by Operating Activities From Continuing Operations" (as stated in our Consolidated Statement of Cash Flows) reduced by capital expenditures and cash paid for intangible assets; and increased by any payments related to certain non-operating items, net of estimated tax benefits (such as income taxes on investment sales, and non-recurring payments related to income tax and litigation contingencies of acquired companies). We believe that Free Cash Flow is also useful to investors as it is one of the bases for comparing our performance with other companies in our industries, although our measure of Free Cash Flow may not be comparable to similar measures used by other companies.

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.

In certain circumstances we also present data, as adjusted, in order to enhance comparability between periods. In connection with the adoption of FAS 123R, we have adjusted 2005 data as if stock options had been expensed.

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. 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.

We provide reconciliations of Consolidated Operating Cash Flow in Table 1, Free Cash Flow in Table 4, Pro Forma and "As Adjusted" in Tables 7-A and 7-B, and Adjusted Net Income in Table 7-C.

Comcast.

TABLE 7-A

Reconciliation of Pro Forma (1), "As Adjusted" Financial Data by Business Segment

(Unaudited)

(dollars in millions)	Cable (2)	Programming	Corporate, Other and Eliminations (2) (6)	Total	Cable: Pro Forma Adjustments (1) (3)	Cable: Cable Pro Forma	Total: Pro Forma Adjustments (1) (4)	Total: Total Pro Forma
Three Months Ended December 31, 2006								
Revenue	$6,895	$283	($147)	$7,031	($1)	$6,894	$236	$7,267
Operating Expenses (excluding depreciation and amortization)	4,146	240	51	4,437	(1)	4,145	147	4,584
Operating Cash Flow	$2,749	$43	($198)	$2,594	$ -	$2,749	$89	$2,683
Depreciation and Amortization	1,388	42	(54)	1,376	4	1,392	69	1,445
Operating Income (Loss)	$1,361	$1	($144)	$1,218	($4)	$1,357	$20	$1,238
Capital Expenditures	$1,381	($2)	($35)	$1,344	$ -	$1,381	$50	$1,394
Three Months Ended December 31, 2005								
Revenue	$5,108	$235	$73	$5,416	$919	$6,027	$920	$6,336
Segment reclassifications (5)	2	-	(2)	-	-	2	-	-
Revenue	$5,110	$235	$71	$5,416	$919	$6,029	$920	$6,336
Operating Expenses (excluding depreciation and amortization)	3,051	200	125	3,376	608	3,659	609	3,985
Segment reclassifications (5)	(8)	5	3	-	-	(8)	-	-
Stock option adjustment (6)	30	(2)	(28)	-	-	30	-	-
Operating Cash Flow	$2,037	$32	($29)	$2,040	$311	$2,348	$311	$2,351
Depreciation and Amortization	1,134	42	15	1,191	292	1,426	291	1,482
Operating Income (Loss)	$903	($10)	($44)	$849	$19	$922	$20	$869
Capital Expenditures	$815	$5	$48	$868	$152	$967	$118	$986

Reconciliation of Total Pro Forma (1), "As Adjusted" Financial Data

(dollars in millions)	Three Months Ended December 31, 2005: Total Pro Forma	2005: Adjustment (6)	2005: Total Pro Forma, As Adjusted	2006: Total Pro Forma	% Growth As Adjusted	% Growth
Revenue	$6,336	$ -	$6,336	$7,267	15%	15%
Operating Expenses (excluding depreciation and amortization)	3,985	48	4,033	4,584		
Operating Cash Flow	$2,351	($48)	$2,303	$2,683	16%	14%
Depreciation and Amortization	1,482	-	1,482	1,445		
Operating Income (Loss)	$869	($48)	$821	$1,238	51%	43%
Operating Cash Flow Margin	37.1%	NM	36.4%	36.9%		

Reconciliation of Total "As Adjusted" Financial Data

(dollars in millions, except per share data)	Three Months Ended December 31, 2005: Historical Total	2005: Adjustment (6)	2005: As Adjusted	2006: Total	% Growth As Adjusted	% Growth
Revenue	$5,416	$ -	$5,416	$7,031	30%	30%
Operating Expenses (excluding depreciation and amortization)	3,376	48	3,424	4,437		
Operating Cash Flow	$2,040	($48)	$1,992	$2,594	30%	27%
Depreciation and Amortization	1,191	-	1,191	1,376		
Operating Income (Loss)	$849	($48)	$801	$1,218	52%	43%
Operating Cash Flow Margin	37.7%	NM	36.8%	36.9%		
Earnings Per Share	$0.06	($0.01)	$0.05	$0.18	260%	200%

(1) Pro forma data is adjusted only for timing of 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. Pro Forma results are presented as if the acquisitions and dispositions were effective on January 1, 2005. Minor differences may exist due to rounding.

(2) Beginning on August 1, 2006, the cable segment includes the operating results of the cable systems serving Houston, TX as a result of the dissolution of our cable partnership with Time Warner. This adjustment is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated amounts.

(3) Cable Pro Forma adjustments include cable systems serving Houston, TX prior to August 1, 2006.

(4) Total Pro Forma adjustments include cable systems serving Houston, TX for all periods.

(5) To be consistent with our management reporting, reclassifications were made to technology development ventures, programming headquarters and other.

(6) To be consistent with our management reporting, the 2005 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005. For the three months ended December 31, 2005, the adjustments reducing operating income before depreciation and amortization by segment were $30 million for Cable, ($2) million for Programming and $20 million for Corporate and Other. For the three months ended December 31, 2005, the total adjustment of $48 million is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated 2005 amounts.

Comcast.

TABLE 7-B

Reconciliation of Pro Forma [1], "As Adjusted" Financial Data by Business Segment

(Unaudited)

(dollars in millions)	Cable [2]	Programming	Corporate, Other and Eliminations [2] [6]	Total	Cable: Pro Forma Adjustments [1] [3]	Cable: Cable Pro Forma	Total: Pro Forma Adjustments [1] [4]	Total: Total Pro Forma
Twelve Months Ended December 31, 2006								
Revenue	$24,100	$1,053	($187)	$24,966	$2,239	$26,339	$2,629	$27,595
Operating Expenses (excluding depreciation and amortization)	14,396	812	316	15,524	1,432	15,828	1,681	17,205
Operating Cash Flow	$9,704	$241	($503)	$9,442	$807	$10,511	$948	$10,390
Depreciation and Amortization	4,657	166	-	4,823	608	5,265	676	5,499
Operating Income (Loss)	$5,047	$75	($503)	$4,619	$199	$5,246	$272	$4,891
Capital Expenditures	$4,327	$16	$52	$4,395	$313	$4,640	$291	$4,686
Twelve Months Ended December 31, 2005								
Revenue	$19,979	$919	$177	$21,075	$3,569	$23,548	$3,570	$24,645
Segment reclassifications [5]	8	-	(8)	-	-	8	-	-
Revenue	$19,987	$919	$169	$21,075	$3,569	$23,556	$3,570	$24,645
Operating Expenses (excluding depreciation and amortization)	11,941	636	426	13,003	2,384	14,325	2,385	15,388
Segment reclassifications [5]	(17)	10	7	-	-	(17)	-	-
Stock option adjustment [6]	116	1	(117)	-	-	116	-	-
Operating Cash Flow	$7,947	$272	($147)	$8,072	$1,185	$9,132	$1,185	$9,257
Depreciation and Amortization	4,346	154	51	4,551	1,134	5,480	1,133	5,684
Operating Income (Loss)	$3,601	$118	($198)	$3,521	$51	$3,652	$52	$3,573
Capital Expenditures	$3,409	$16	$196	$3,621	$621	$4,030	$463	$4,084

Reconciliation of Total Pro Forma [1], "As Adjusted" Financial Data

(dollars in millions)	2005 Total Pro Forma	2005 Adjustment [6]	2005 Total Pro Forma, As Adjusted	2006 Total Pro Forma	% Growth As Adjusted	% Growth
	Twelve Months Ended December 31,					
Revenue	$24,645	$ -	$24,645	$27,595	12%	12%
Operating Expenses (excluding depreciation and amortization)	15,388	166	15,554	17,205		
Operating Cash Flow	$9,257	($166)	$9,091	$10,390	14%	12%
Depreciation and Amortization	5,684	-	5,684	5,499		
Operating Income (Loss)	$3,573	($166)	$3,407	$4,891	44%	37%
Operating Cash Flow Margin	37.6%	NM	36.9%	37.7%		

Reconciliation of Total "As Adjusted" Financial Data

(dollars in millions, except per share data)	2005 Historical Total	2005 Adjustment [6]	2005 As Adjusted	2006 Total	% Growth As Adjusted	% Growth
	Twelve Months Ended December 31,					
Revenue	$21,075	$ -	$21,075	$24,966	18%	18%
Operating Expenses (excluding depreciation and amortization)	13,003	166	13,169	15,524		
Operating Cash Flow	$8,072	($166)	$7,906	$9,442	19%	17%
Depreciation and Amortization	4,551	-	4,551	4,823		
Operating Income (Loss)	$3,521	($166)	$3,355	$4,619	38%	31%
Operating Cash Flow Margin	38.3%	NM	37.5%	37.8%		
Earnings Per Share	$0.42	($0.04)	$0.38	$1.19	213%	183%

(1) Pro forma data is adjusted only for timing of 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. Pro Forma results are presented as if the acquisitions and dispositions were effective on January 1, 2005. Minor differences may exist due to rounding.

(2) Beginning on August 1, 2006, the cable segment includes the operating results of the cable systems serving Houston, TX as a result of the dissolution of our cable partnership with Time Warner. This adjustment is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated amounts.

(3) Cable Pro Forma adjustments include cable systems serving Houston, TX prior to August 1, 2006.

(4) Total Pro Forma adjustments include cable systems serving Houston, TX for all periods.

(5) To be consistent with our management reporting, reclassifications were made to technology development ventures, programming headquarters and other.

(6) To be consistent with our management reporting, the 2005 segment amounts have been adjusted as if stock options had been expensed as of January 1, 2005. For the twelve months ended December 31, 2005, the adjustments reducing operating income before depreciation and amortization by segment were $116 million for Cable, $1 million for Programming and $49 million for Corporate and Other. For the twelve months ended December 31, 2005, the total adjustment of $166 million is reversed in the Corporate, Other and Eliminations column to reconcile to our consolidated 2005 amounts.

Comcast

TABLE 7-C

Reconciliation of Net Income to Adjusted Net Income

(Unaudited)

(dollars in millions, except per share data)	Three Months Ended December 31, 2006		2005	
	$	EPS (1)	$	EPS (1)
Net Income	$390	$0.18	$133	$0.06
Adjustments:				
Investment income	-	-	53	0.02
Other income	-	-	5	-
Tax effect of adjustments (at 40%) and refinement of effective tax rate	-	-	(111)	(0.05)
Adjustment to gain on discontinued operations, net of tax	(39)	(0.02)	-	-
Adjustment to gain on Adelphia/Time Warner transactions, net of tax	(30)	(0.01)	-	-
Adjusted Net Income (2)	$459	$0.21	$186	$0.09

(dollars in millions, except per share data)	Twelve Months Ended December 31, 2006		2005	
	$	EPS (1)	$	EPS (1)
Net Income	$2,533	$1.19	$928	$0.42
Adjustments:				
Investment income	-	-	89	0.04
Other income (expense)	-	-	(56)	(0.02)
Tax effect of adjustments (at 40%) and refinement of effective tax rate	-	-	(13)	(0.01)
Gain on discontinued operations, net of tax	195	0.09	-	-
Gain on Adelphia/Time Warner transactions, net of tax	405	0.20	-	-
Adjusted Net Income (2)	$1,933	$0.90	$908	$0.41

(1) Based on diluted average number of common shares for the respective periods as presented in Table 1.

(2) For 2006, Adjusted Net Income excludes a one-time gain on discontinued operations, net of tax, and a one-time investment gain, net of tax, related to the Adelphia/Time Warner transactions.

For 2005, Adjusted Net Income excludes Investment Income and Other Income (Expense) (as presented in our Consolidated Statement of Operations), net of a 40% income tax rate and excludes in the fourth quarter of 2005 a refinement to our effective tax rate.

Exhibit: KWD-4

comcast®

UBS
34th Annual Global Media & Communications Conference

December 7, 2006

Safe Harbor

Caution Concerning Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify those so-called "forward-looking statements" by words such as "may," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of those words and other comparable words. We wish to take advantage of the "safe harbor" provided for by the Private Securities Litigation Reform Act of 1995 and we caution you that actual events or results may differ materially from the expectations we express in our forward-looking statements as a result of various risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from these forward looking statements include: (1) changes in the competitive environment, (2) changes in our programming costs, (3) changes in laws and regulations, (4) changes in technology, (5) adverse decisions in litigation matters, (6) risks associated with acquisitions and other strategic transactions, (7) changes in assumptions underlying our critical accounting policies and (8) other risks described from time to time in reports and other documents we file with the Securities and Exchange Commission.

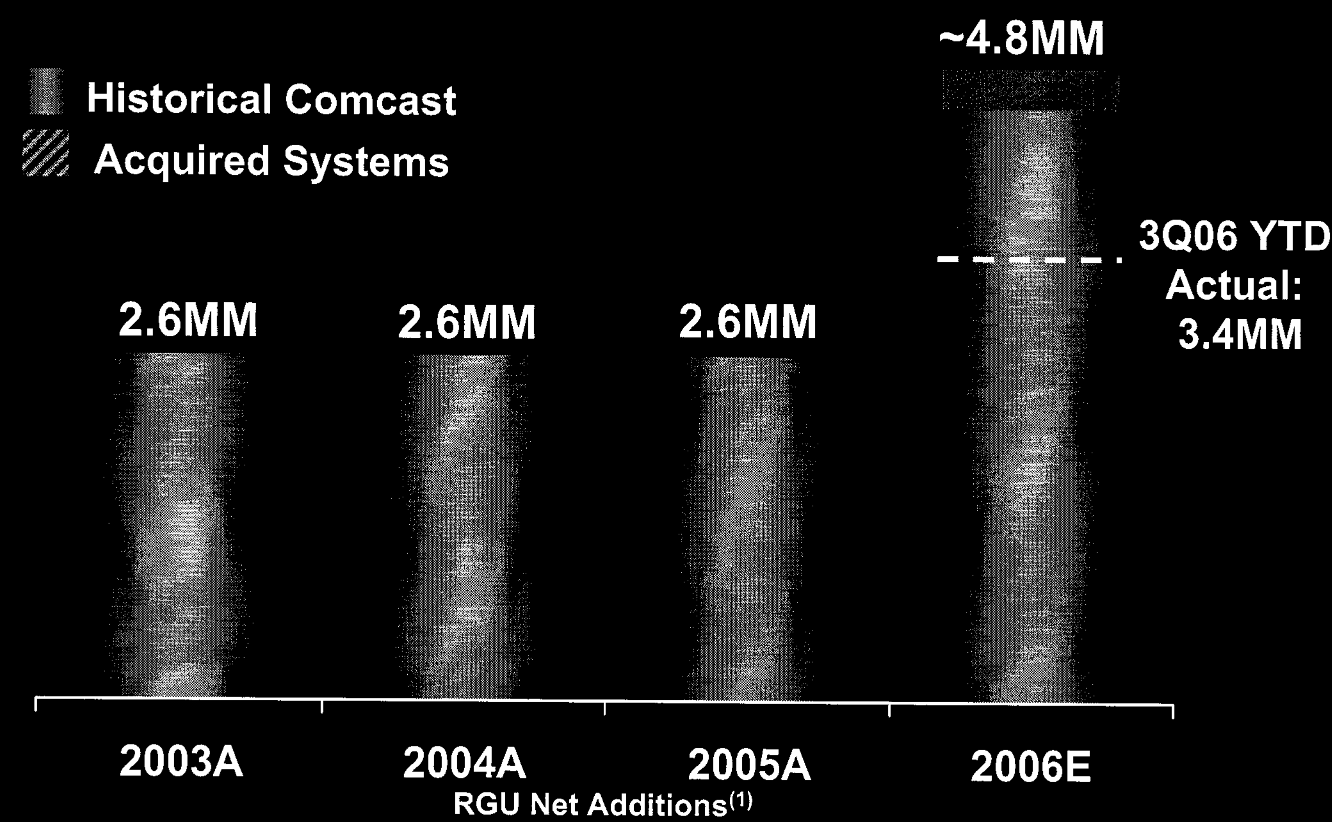
Non-GAAP Financial Measures

Our presentation may also contain non-GAAP financial measures, as defined in Regulation G, adopted by the SEC. We provide a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure in our quarterly earnings releases, which can be found on the investor relations page of our web site at www.cmcsa.com or www.cmcsk.com.

Sustainable Growth

- Superior Products and Triple Play Deliver Value and Sustainable Growth
  - Momentum in RGU Additions
  - Accelerating Revenue and OCF Growth

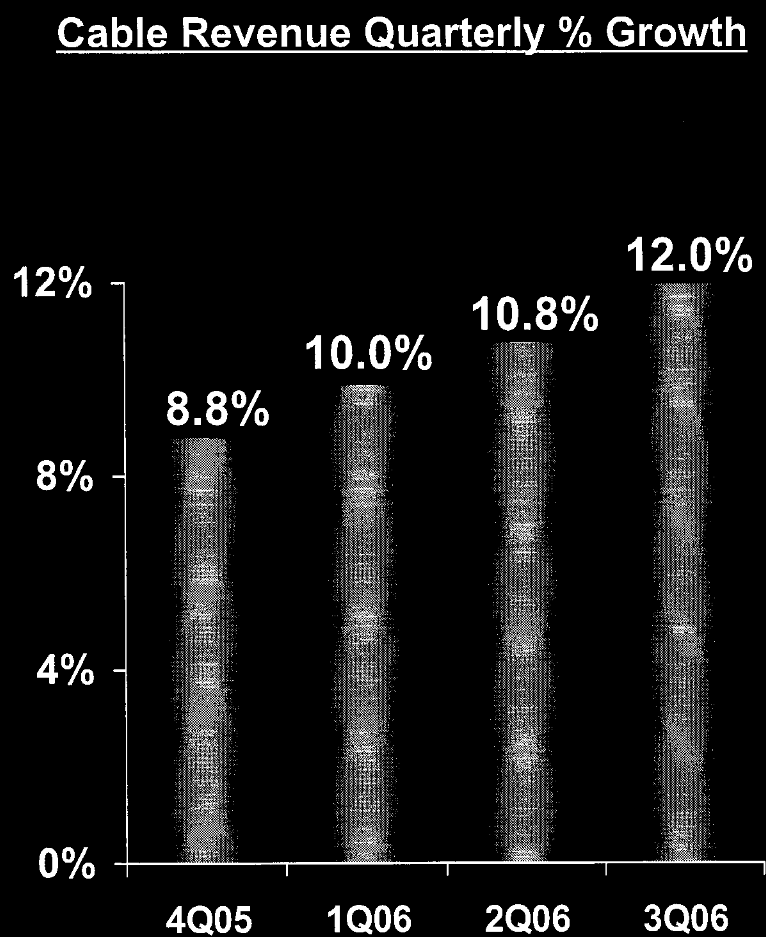
Superior Products and Triple Play Drive RGU Momentum

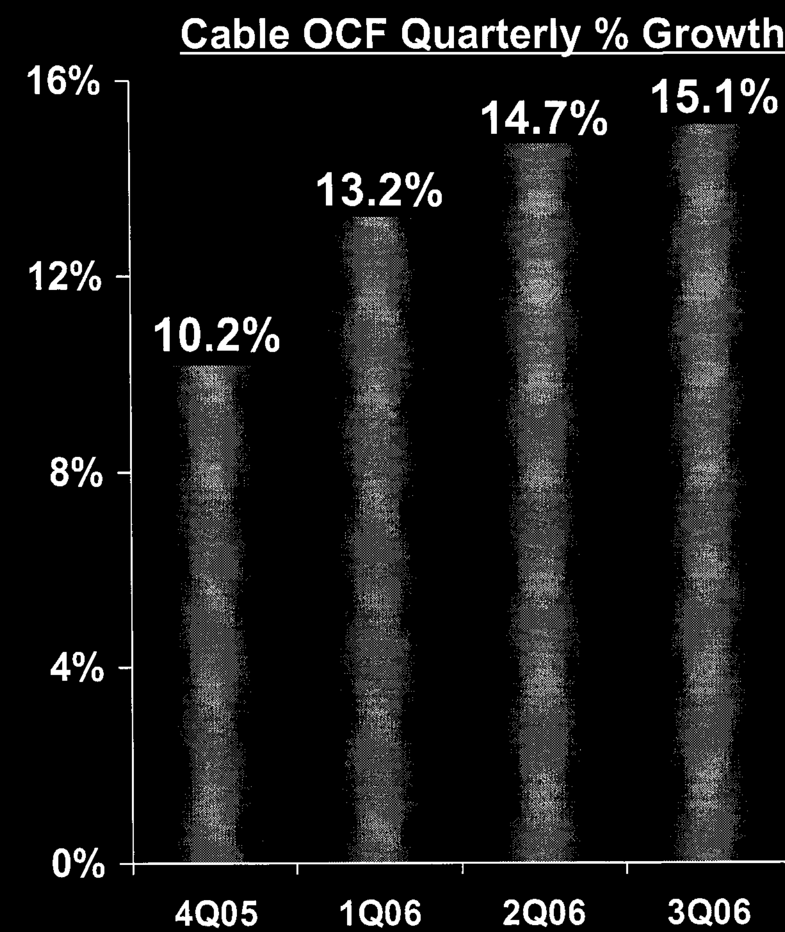


New Company Record 3Q06: 1.5MM RGUs Added

(1) 2006E reflects guidance issued on October 26, 2006.

Superior Products and Triple Play Drive Accelerating Growth





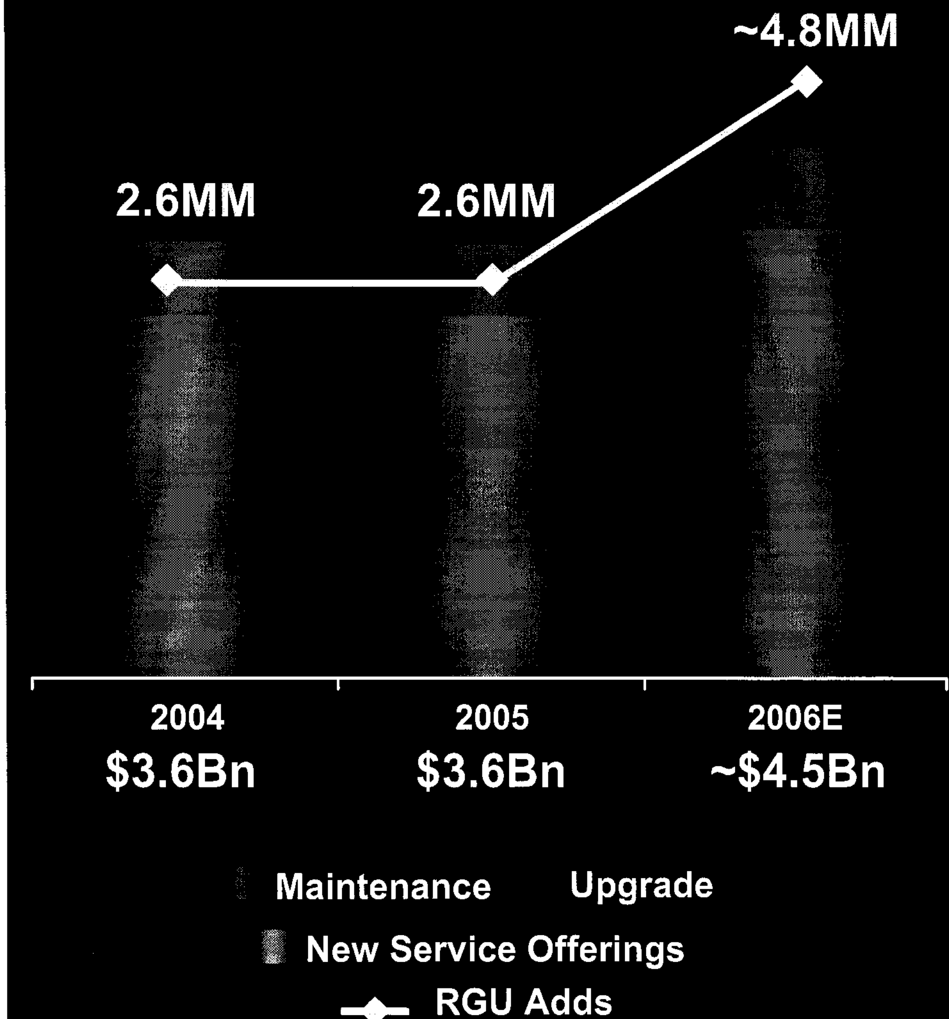
Sustainable Double-Digit Growth

Investing to Extend Our Competitive Advantage

- Superior Video, Voice and High-Speed Internet Services
- Significant Capacity for Future Products

Innovate • Differentiate

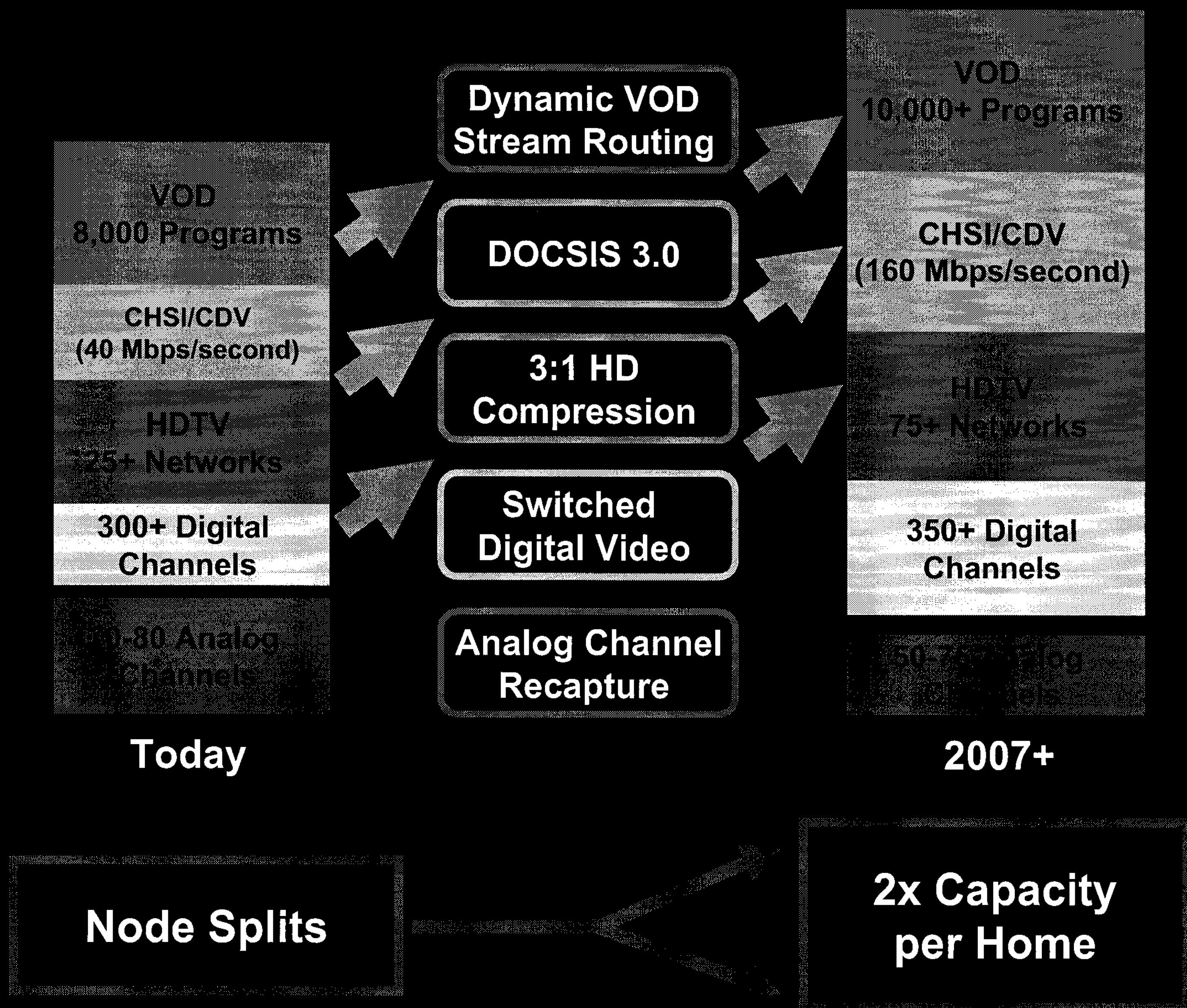
Cable Capital Expenditures Support Accelerating Growth



- 2006: 25% Capex Increase Supports 85% Increase in RGU Additions
- ~75% of Total Capex is Variable and Revenue-Driven
- Incremental Returns on Variable Capex Exceeds 30%(1)

(1)Levered after-tax returns

Significant Capacity for Future Growth



Investments for Growth and Differentiation

Cable

Susquehanna + Adelphia/TW
+ Houston System
Transactions

Add 3.7MM Net New Video Subs

Content

THE GOLF CHANNEL. Golf's Home.

PGA TOUR

PBS KIDS Sprout

FEAR NET

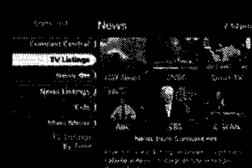
VERSUS

NHL

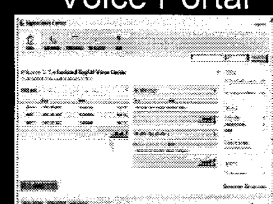
Cross-Product Services

TV Planner

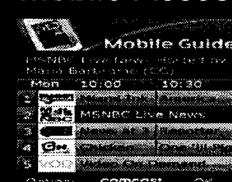
VRN Guide



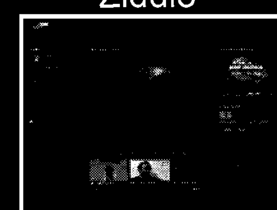
Voice Portal



Mobile Access



Ziddio



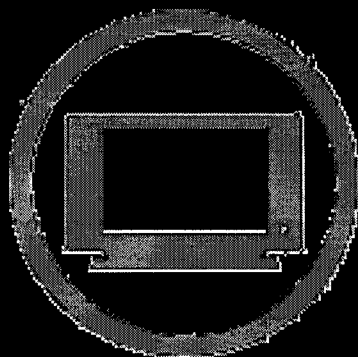
David N. Watson

Executive Vice President
Operations
Comcast Cable

Positioned for Growth

- Expand Penetration of Digital, High-Speed Internet and Voice with Triple Play
- Optimize Revenue Opportunity with Triple Play: Selling Additional Services
- Remain Focused on Product Superiority and Cross Product Integration
- Extend Distribution Channels for All Services

"Triple Play Changes Everything…"

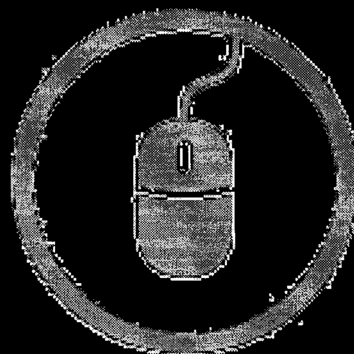


tv

Digital Starter

ON DEMAND

Interactive Guide

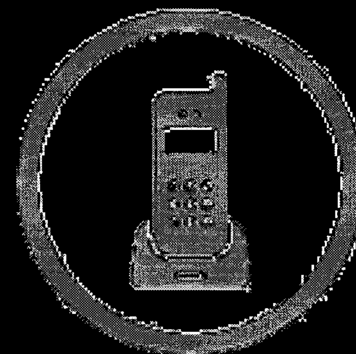


internet

6 Mbps

Webmail

McAfee Security



voice

Unlimited Local and LD

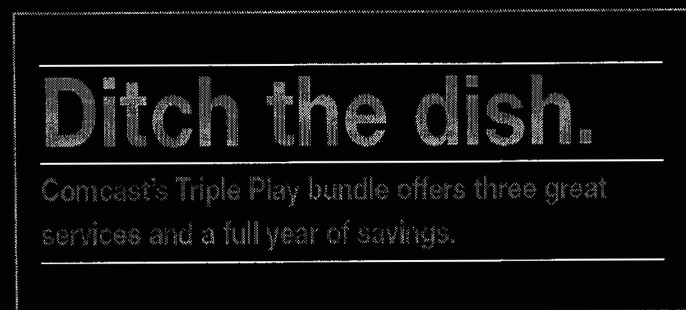
12 Most Popular Calling Features

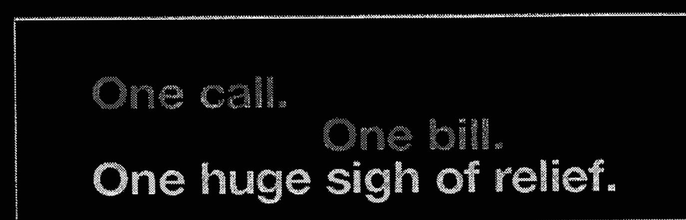
Voicemail

Three Products: Each $33 Per Month for 12 Months

“Triple Play Changes Everything…”

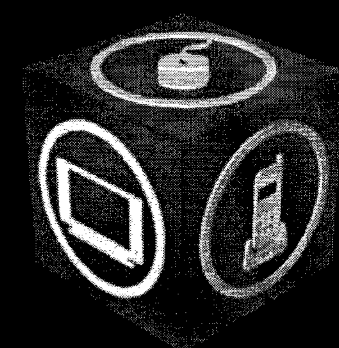
- Enhances Value and Convenience for the Consumer
  - Three Superior Products for $99/month
  - One Bill and One Truck Roll
- Competitive Winback
  - 44% of Triple Play Customers had a Competitive Video or Internet Service
- Operational Efficiency
  - Sell-In; Installation; Service





"Triple Play Changes Everything…"

- Lifts Take Rate for Video and HSD
- Triple Play Sell-In: 35% … 50% New to Comcast
- Strong Financial Results
  - Triple Play Monthly ARPU: $120 - $130
- Targets 23MM Non-Video Households



TV Spots

Optimizing Revenue Opportunity with Triple Play

Bundle	Starter	Preferred Plus	Premier	Ultimate
Promo	$99	$129.99	$159.99	$249.99
Content	Digital Starter HSI 6 MB CDV Unlimited	Includes Starter With Digital Preferred *HBO & Starz!*	Includes Preferred Plus With All Premiums Add'l Digital Programming HD DVR	Includes Premier With HSI 8 MB CDV Family Plan 3 AOs Same Day Service Guarantee
Retail Price	$137.44	$175.40	$209.30	$265.71
Bundle Roll to Price	$132.44 ($5 discount)	$155.40 ($20 discount)	$179.30 ($30 discount)	$249.99 (Every day low price)
Marketing Path	Preferred Plus @ $129.99	Premier @ $159.99	Ultimate @ $249.99	

A Superior Video Experience

Digital Cable

ON DEMAND

HDTV

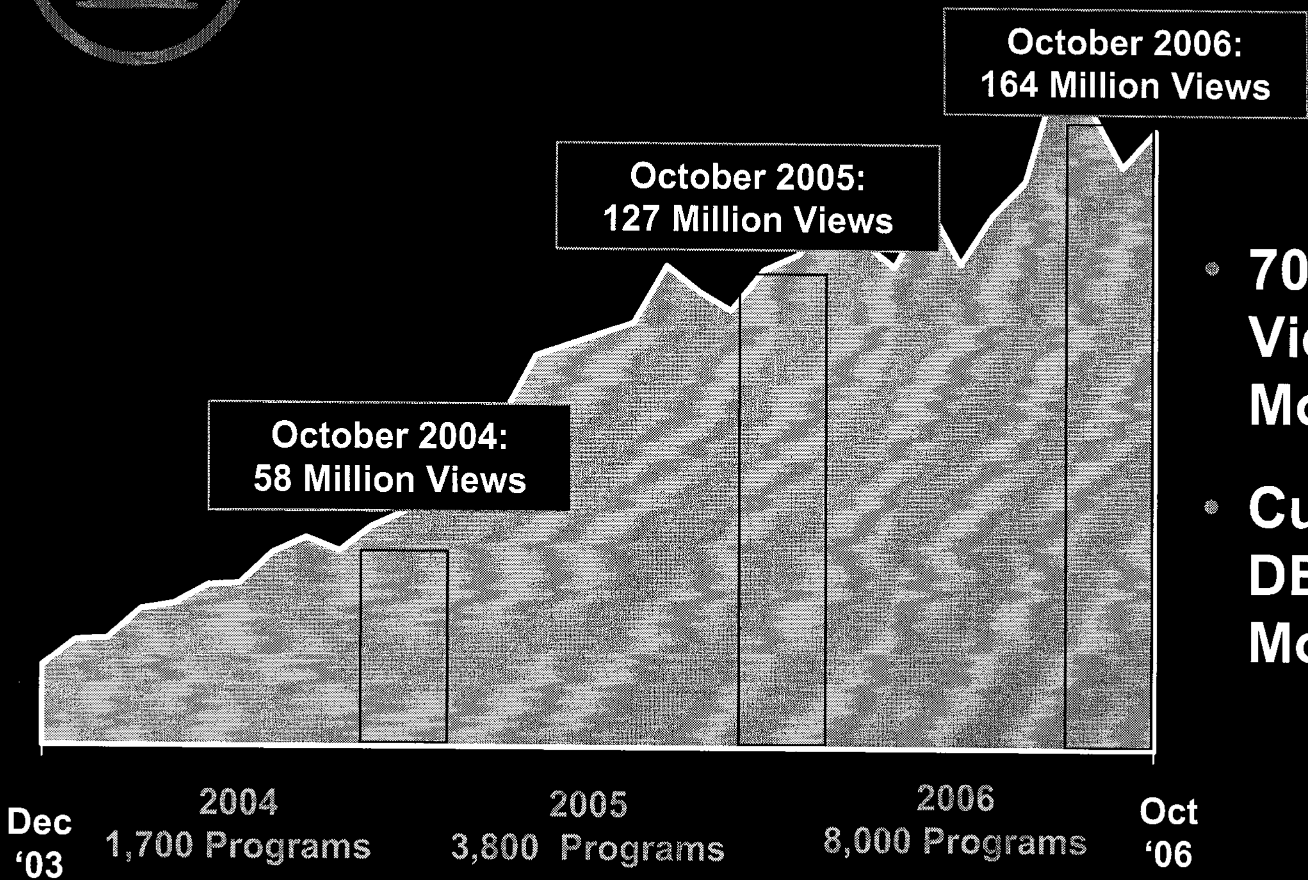
DVR

12 Million Digital Cable Subscribers:

50% of Video Customers

1.7MM	6.2MM	4.1MM
Digital Starter	Digital Cable	Digital Cable with HD/DVR
$50+/month	$65+/month	$75+/month

A Superior Video Experience



- 70% of Customers View ON DEMAND Monthly
- Customers View ON DEMAND 27x a Month on Average

3 Billion+ ON DEMAND Views Since 2004

A Superior Hi-Def Experience

- **A Growing High-Def Offering**
  - Up to 20 Linear HD Channels Today… and Growing
- **Leveraging ON DEMAND**
  - 100+ Hours of HD ON DEMAND
  - HD VOD Hours to Double in 2007 and Again in 2008
- **Blockbuster HD ON DEMAND**

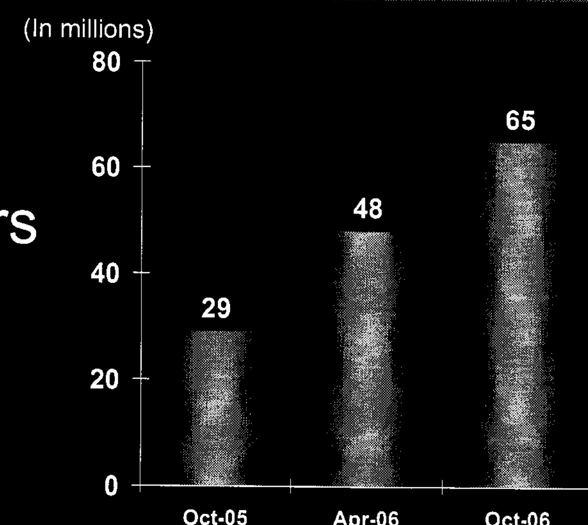
2 Million HD-VOD Views Since Launch

A Better Broadband Experience

- Largest Broadband Provider:
  - 11.0MM Subscribers
  - 24% Penetration
- Delivering Value: Speed + Features
  - Increased Speed → 6.0/8.0 Mbps
  - PowerBoost: Bursts of Download Speed up to 12/16 Mbps
  - 65+ New Features in the past 3 Years
- Strong Subscriber Growth and Avg. Revenue per Sub: $42+

A Video-Rich Experience

550MM+ Video Downloads YTD

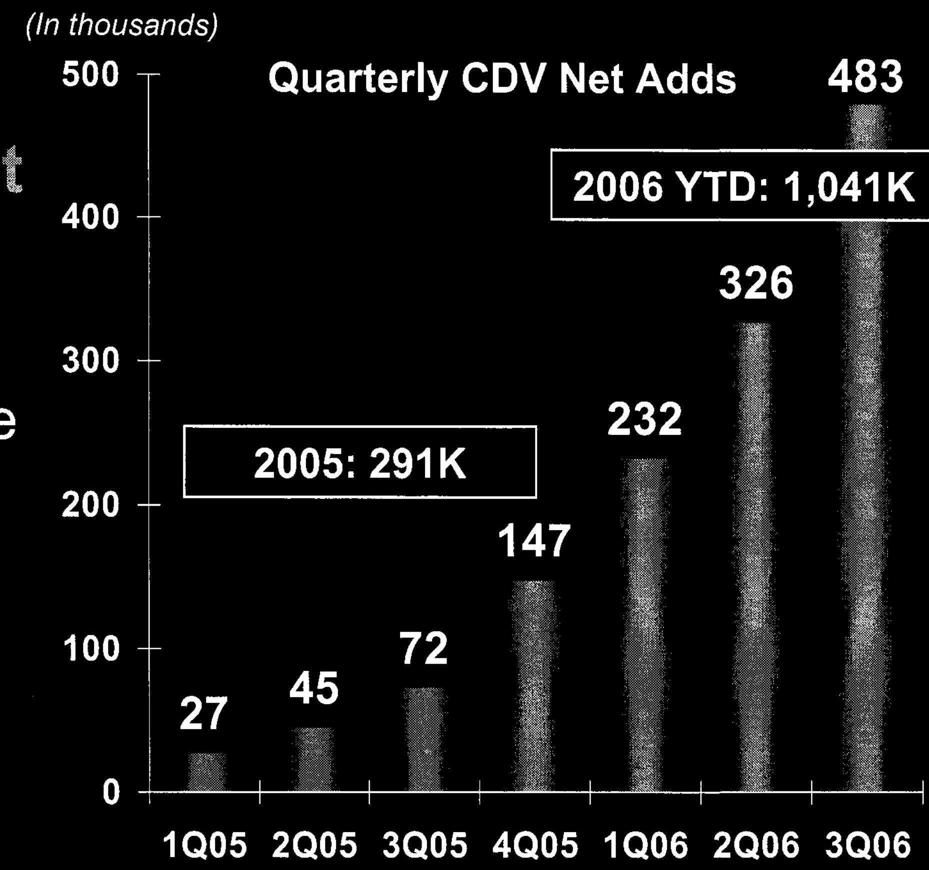


Video Downloads per Month on Comcast.net

A Significant Growth Opportunity: Comcast Digital Voice

Ramping CDV Deployment

- YE06: 80% Homes Marketable
- YE07: 90%+ Homes Marketable
- CDV Sell-In Rate: 45%+
- 80% of CDV Customers Take All Three Products



Extend Distribution for All Services

Multiple Sales Channels

- Video: 3,400 Retail Locations
- Online: 3,700 Retail Locations

Enabling Self-Installs

- Video and HSD; Phone Next
- Self-Installs:
  - 25% of Digital Upgrades
  - On Track to Reach 1MM Digital self-installs in 2006
  - 30% HSD Connects

comcast®

- Sustainable Growth
- Triple Play Powering our Business
- Extending our Competitive Advantage

More To Come . . .

comcast®

naplesnews.com

Comcast to offer digital voice service in Collier, Lee

RIDDHI TRIVEDI-ST. CLAIR, rtrivedi@naplesnews.com

Wednesday, August 24, 2005

UPDATE □ Consumers in Collier and Lee County will now have an option for their home phone service. The area is the first market in the southeastern United States and only the eighth in the country to offer Comcast digital voice service.

Company officials announced the launch in a press conference Tuesday at Comcast's office in Bonita Springs. The company announced its entry into the phone service market nationwide earlier this year.

The service is already being offered in several national markets, including Indianapolis, Boston, Portland, Philadelphia and Chicago.

The phone service □ like the cable and Internet services □ will be hosted by Comcast's broadband network. Through the network, the company is already the largest provider of Internet service in the country. It currently has 21.5 million cable customers, 7.4 million Internet customers and 1.2 million voice customers.

The company had total revenues of $20.3 billion last year, including $3.1 billion from its Internet service subscribers.

The plans for phone service have on the drawing board for a long time, said Brad Goar, director of marketing for Comcast Southwest Florida. The only reason it wasn't introduced before was because it would have taken a significant investment in and expansion of the company's bandwidth infrastructure and capacity.

With the number of broadband Internet subscribers growing, the company has already significantly grown its capacity and has the capacity to grow further as needed to serve the growing number of users from the phone service, said Mary Beth Bower, director of technical operation.

Since 1996, the company has invested $39 billion, in part to build a flexible and secure two-way network nationally, said Kimberly Sullivan, manager of public and community relations.

"It is not Voice over Internet Protocol (VoIP) like other providers. The call is not directed over the public Internet," Goar said. "We will be using our proprietary system, our broadband."

The advantage of the digital voice service over a VoIP provider is more security and better voice quality, said Larry Schweber, vice president and general manager for Comcast Southwest Florida.

The service will be immediately available in about 80 percent of the areas in Collier County and all of Bonita Springs. By the end of the year, everyone in the two counties should be able to subscribe to the service, Schweber said.

The Lee and Collier market was chosen as a launch market because of the growth in the market and the market demographics, he said. The large presence of an older population that is more likely to use home phone service made it a promising market.

Consumers who already subscribe to the company's cable and Internet services can get unlimited local and domestic long distance home phone service for $39.95 a month, Schweber said. There are smaller discounts for consumers who subscribe to either one of the two services.

"Those who don't have either can still get their home phone through Comcast," Schweber said. "And it includes the 12 standard, most asked-for features like voice mail, 3-way calling, call blocking, call forwarding."

Consumers can keep their current phone numbers and the service will also include E-911 or enhanced 911, a service that enables emergency personnel to identify the location of anyone making a 911 call.

The innovative aspect of the service is that consumers will be able to access their voice-mail as well as their billing information through the Web, Schweber said.

"The plan for the future is for customers to see if the party they want to reach is available and reach them through their choice of audio, video or Internet communication," Schweber said. "Unified messaging is what we are going for so you can choose to retrieve your messages and data and communicate through your choice of your computer, phone or your TV."

Comcast entered the Southwest Florida market just over five years ago and so far has invested $30 million in its operations in the area.

The home phone service has already been tested on approximately 100 consumers throughout Lee and Collier counties, Schweber said, through a "friends and family" program.

Three of those who have tried out the service for the last couple weeks were present at the press conference to provide testimonials.

"Love it," chorused Marco Islane residents Carol Polinksy, Sandy Rick and Judy Sacher, when asked how they like their new phone service.

Despite a more than $54 price tag for those not subscribing to Comcast's cable or Internet service, all three felt they were paying less than they were with their previous service.

The new home phone service is Comcast's big push for 2005-06, Goar said. By the end of 2005, Comcast hopes to be providing phone service to 15 million homes in 20 markets and to 40 million homes by the end of 2006.

Customers can find out if they can get the service by calling their local provider or Comcast.

naplesnews.com

Time Warner to offer digital phone service

But the company doesn't plan to compete with Comcast on same streets to deliver service to homeowners in Southwest Florida

By Riddhi Trivedi-St. Clair

Saturday, October 15, 2005

Consumers in Lee and Collier counties may have yet another option for phone service by the end of the year.

However, if a proposed merger-acquisition between the nation's two leading cable TV providers goes through, the option may be short-lived.

Barely a month after Comcast launched its digital phone service, Time Warner officials revealed that the second-largest provider has plans to start its own service by year's end.

If all the technical details are sorted out and the required equipment and lines are in place, the service could be test-marketed by the end of November, said Chuck Hugan, director of marketing for Time Warner Cable.

"We have to make sure that when the customer picks up the phone, they can hear a dial tone," Hugan said. "And they are able to call 911 and dial 0 for the operator."

The company has to establish its own system as well as secure connections with the existing local provider or carrier — Sprint for the Lee and Collier areas.

This would be the 40th market in which Time Warner launches service, following larger metros like San Antonio, Rochester, Raleigh and in Hawaii.

Time Warner has about 90,000 customers between the two counties. The company provides cable services, video on demand and high-speed Internet to about 12 million residential and business customers nationwide.

Comcast has more than 225,000 customers in Lee and Collier and more than 23 million nationally.

The introduction of digital phone service is a multimillion-dollar investment for Time Warner.

Although the Southwest Florida market is much smaller than others in the country, Time Warner is introducing the service here to remain competitive in the local market with other providers. But it won't be going head to head with Comcast, its larger rival, to provide service to individual homeowners.

"We don't go in and build our lines on the same street as Comcast has theirs. If we both serve the same street, we both lose," Hugan said.

The only place in which he sees the two companies competing would be gated communities where both would bid to provide service to an entire community.

Competition would probably be a good thing, said Larry Schweber, vice president and general manager for Comcast.

"It's what makes the market stronger; and the more choices, the more competition you have, the better," he said. "It makes sure that as providers we continue to offer the very best service we can, and ultimately it is our service that is going to prevail."

It could also prompt existing providers to provide a more responsive service to the consumer, said Salvatore Morgera, a professor of electrical engineering for Florida Atlantic University.

Increased competition would mean lower overall costs for consumers and choices from a variety of platforms.

It's unclear what or how much effect a proposed merger between the two companies might have on services being offered or proposed by Time Warner.

Both Comcast and Time Warner bid to buy bankrupt Adelphia earlier this year. The two companies later came to an agreement under which they would acquire each other's share in certain markets and share Adelphia's market base.

Comcast would acquire Florida, Louisiana, Mississippi, Tennessee and Minnesota from Time Warner. Time Warner in turn would get Dallas, Los Angeles and Cleveland.

The deal is awaiting FCC approval and is expected to go through sometime in the first or second quarter of 2006, Schweber said.

Until then, Time Warner is free to provide and even introduce competing or complementary service in the same area as Comcast, Morgera said.

If and when the deal does go through, it doesn't necessarily mean a drop in service in the area, he said.

"If we look back at the history of U.S. telecommunications, it was consolidated to a great extent and then divested considerably, " Morgera said. "Then over the years it has consolidated in some sectors once again but nevertheless the quality and variety of services hasn't been affected."

Comcast's digital phone service has been introduced to 100 percent of its Collier and Bonita Springs markets and about 80 to 90 percent in the rest of Lee County, Schweber said.

If Comcast does acquire Time Warner here, Comcast would extend the same services to Time Warner clients.

The presence of digital phone service, even by just one provider, could be a good thing since those services provide a better platform for services such as emergency alerting systems, Morgera said.

Plus Comcast acquiring Time Warner didn't necessarily mean elimination of competition from the local market, Schweber said.

"There is us, Sprint, Vonage and I am sure there are other Voice Over Internet Protocol providers out there," Schweber said. "We continue to have major competition and consumers will continue to have a choice."