

COMCAST CORP
Form 10-Q
May 04, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended March 31, 2015

OR

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period from to

Registrant; State of

Incorporation; Address and Telephone

Commission File Number
001-32871

Number

I.R.S. Employer Identification No.
27-0000798

COMCAST CORPORATION
PENNSYLVANIA

One Comcast Center

Philadelphia, PA 19103-2838

(215) 286-1700

001-36438

NBCUNIVERSAL MEDIA, LLC

14-1682529

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DELAWARE

30 Rockefeller Plaza

New York, NY 10112-0015

(212) 664-4444

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

| | | |
|-------------------------|---|-----------------------------|
| Comcast Corporation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| NBCUniversal Media, LLC | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such period that the registrant was required to submit and post such files).

| | | |
|-------------------------|---|-----------------------------|
| Comcast Corporation | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| NBCUniversal Media, LLC | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

| | | | | | | | | |
|-------------------------|-------------------------|-------------------------------------|-------------------|--------------------------|-----------------------|-------------------------------------|---------------------------|--------------------------|
| Comcast Corporation | Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> | Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| NBCUniversal Media, LLC | Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> | Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

| | | |
|-------------------------|------------------------------|--|
| Comcast Corporation | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| NBCUniversal Media, LLC | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

Indicate the number of shares outstanding of each of the registrant's classes of stock, as of the latest practical date:

As of March 31, 2015, there were 2,122,916,309 shares of Comcast Corporation Class A common stock, 381,182,478 shares of Comcast Corporation Class A Special common stock and 9,444,375 shares of Comcast Corporation Class B common stock outstanding.

Not applicable for NBCUniversal Media, LLC.

NBCUniversal Media, LLC meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this form with the reduced disclosure format.

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Explanatory Note

This Quarterly Report on Form 10-Q is a combined report being filed separately by Comcast Corporation (Comcast) and NBCUniversal Media, LLC (NBCUniversal). Comcast owns all of the common equity interests in NBCUniversal, and NBCUniversal meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing its information within this Form 10-Q with the reduced disclosure format. Each of Comcast and NBCUniversal is filing on its own behalf the information contained in this report that relates to itself, and neither company makes any representation as to information relating to the other company. Where information or an explanation is provided that is substantially the same for each company, such information or explanation has been combined in this report. Where information or an explanation is not substantially the same for each company, separate information and explanation has been provided. In addition, separate condensed consolidated financial statements for each company, along with notes to the condensed consolidated financial statements, are included in this report. Unless indicated otherwise, throughout this Quarterly Report on Form 10-Q, we refer to Comcast and its consolidated subsidiaries, including NBCUniversal and its consolidated subsidiaries, as we, us and our; Comcast Cable Communications, LLC and its consolidated subsidiaries as Comcast Cable; Comcast Holdings Corporation as Comcast Holdings; and NBCUniversal, LLC as NBCUniversal Holdings.

This Quarterly Report on Form 10-Q is for the three months ended March 31, 2015. This Quarterly Report modifies and supersedes documents filed prior to this Quarterly Report. The Securities and Exchange Commission (SEC) allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report.

You should carefully review the information contained in this Quarterly Report and particularly consider any risk factors set forth in this Quarterly Report and in other reports or documents that we file from time to time with the SEC. In this Quarterly Report, we state our beliefs of future events and of our future financial performance. In some cases, you can identify these so-called forward-looking statements by words such as may, will, should, expects, believes, es, potential, or continue, or the negative of those words, and other comparable words. You should be aware that these statements are only our predictions. In evaluating these statements, you should specifically consider various factors, including the risks outlined below and in other reports we file with the SEC. Actual events or our actual results may differ materially from any of our forward-looking statements. We undertake no obligation to update any forward-looking statements.

Our businesses may be affected by, among other things, the following:

our businesses currently face a wide range of competition, and our businesses and results of operations could be adversely affected if we do not compete effectively

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changes in consumer behavior driven by new products and services may adversely affect our businesses and challenge existing business models

a decline in advertising expenditures or changes in advertising markets could negatively impact our businesses

our businesses depend on keeping pace with technological developments

we are subject to regulation by federal, state, local and foreign authorities, which may impose additional costs and restrictions on our businesses

changes to existing statutes, rules, regulations, or interpretations thereof, or adoption of new ones, could have an adverse effect on our businesses

programming expenses for our video services are increasing, which could adversely affect our Cable Communications segment's businesses

NBCUniversal's success depends on consumer acceptance of its content and its businesses may be adversely affected if its content fails to achieve sufficient consumer acceptance or the costs to create or acquire content increase

the loss of NBCUniversal's programming distribution agreements, or the renewal of these agreements on less favorable terms, could adversely affect its businesses

we rely on network and information systems and other technologies, as well as key properties, and a disruption, cyber attack, failure or destruction of such networks, systems, technologies or properties may disrupt our businesses

we may be unable to obtain necessary hardware, software and operational support

weak economic conditions may have a negative impact on our businesses

our businesses depend on using and protecting certain intellectual property rights and on not infringing the intellectual property rights of others

acquisitions and other strategic transactions present many risks, and we may not realize the financial and strategic goals that were contemplated at the time of any transaction

labor disputes, whether involving employees or sports organizations, may disrupt our operations and adversely affect our businesses

the loss of key management personnel or popular on-air and creative talent could have an adverse effect on our businesses

we face risks relating to doing business internationally that could adversely affect our businesses

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our Class B common stock has substantial voting rights and separate approval rights over several potentially material transactions, and our Chairman and CEO has considerable influence over our company through his beneficial ownership of our Class B common stock

Table of Contents**PART I: FINANCIAL INFORMATION****ITEM 1: FINANCIAL STATEMENTS**

Comcast Corporation

Condensed Consolidated Balance Sheet**(Unaudited)**

| (in millions, except share data) | March 31, 2015 | December 31, 2014 |
|--|-------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 3,937 | \$ 3,910 |
| Investments | 158 | 602 |
| Receivables, net | 6,144 | 6,321 |
| Programming rights | 945 | 839 |
| Other current assets | 1,737 | 1,859 |
| Total current assets | 12,921 | 13,531 |
| Film and television costs | 5,637 | 5,727 |
| Investments | 3,235 | 3,135 |
| Property and equipment, net of accumulated depreciation of \$46,037 and \$45,410 | 31,127 | 30,953 |
| Franchise rights | 59,364 | 59,364 |
| Goodwill | 27,302 | 27,316 |
| Other intangible assets, net of accumulated amortization of \$10,507 and \$10,170 | 16,852 | 16,980 |
| Other noncurrent assets, net | 2,319 | 2,333 |
| Total assets | \$ 158,757 | \$ 159,339 |
| Liabilities and Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 6,157 | \$ 5,638 |
| Accrued participations and residuals | 1,387 | 1,347 |
| Deferred revenue | 970 | 915 |
| Accrued expenses and other current liabilities | 5,808 | 5,293 |
| Current portion of long-term debt | 4,180 | 4,217 |
| Total current liabilities | 18,502 | 17,410 |
| Long-term debt, less current portion | 42,953 | 44,017 |
| Deferred income taxes | 32,855 | 32,959 |
| Other noncurrent liabilities | 10,837 | 10,819 |
| Commitments and contingencies (Note 11) | | |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | 1,099 | 1,066 |
| Equity: | | |
| Preferred stock authorized, 20,000,000 shares; issued, zero | | |
| Class A common stock, \$0.01 par value authorized, 7,500,000,000 shares; issued, 2,488,377,059 and 2,496,598,612; outstanding, 2,122,916,309 and 2,131,137,862 | 25 | 25 |
| Class A Special common stock, \$0.01 par value authorized, 7,500,000,000 shares; issued, 452,117,242 and 471,419,601; outstanding, 381,182,478 and 400,484,837 | 5 | 5 |
| Class B common stock, \$0.01 par value authorized, 75,000,000 shares; issued and outstanding, 9,444,375 | | |
| Additional paid-in capital | 38,660 | 38,805 |
| Retained earnings | 21,186 | 21,539 |
| Treasury stock, 365,460,750 Class A common shares and 70,934,764 Class A Special common shares | (7,517) | (7,517) |
| Accumulated other comprehensive income (loss) | (188) | (146) |
| Total Comcast Corporation shareholders equity | 52,171 | 52,711 |
| Noncontrolling interests | 340 | 357 |

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| | | |
|-------------------------------------|-------------------|-------------------|
| Total equity | 52,511 | 53,068 |
| Total liabilities and equity | \$ 158,757 | \$ 159,339 |

See accompanying notes to condensed consolidated financial statements.

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Comcast Corporation

Condensed Consolidated Statement of Income**(Unaudited)**

| (in millions, except per share data) | Three Months Ended March 31 | |
|--|--------------------------------|-----------------|
| | 2015 | 2014 |
| Revenue | \$ 17,853 | \$ 17,408 |
| Costs and Expenses: | | |
| Programming and production | 5,463 | 5,908 |
| Other operating and administrative | 5,079 | 4,749 |
| Advertising, marketing and promotion | 1,355 | 1,213 |
| Depreciation | 1,634 | 1,569 |
| Amortization | 432 | 401 |
| | 13,963 | 13,840 |
| Operating income | 3,890 | 3,568 |
| Other Income (Expense): | | |
| Interest expense | (656) | (642) |
| Investment income (loss), net | 33 | 113 |
| Equity in net income (losses) of investees, net | 33 | 32 |
| Other income (expense), net | 102 | (15) |
| | (488) | (512) |
| Income before income taxes | 3,402 | 3,056 |
| Income tax expense | (1,261) | (1,118) |
| Net income | 2,141 | 1,938 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (82) | (67) |
| Net income attributable to Comcast Corporation | \$ 2,059 | \$ 1,871 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | \$ 0.82 | \$ 0.72 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | \$ 0.81 | \$ 0.71 |
| Dividends declared per common share | \$ 0.25 | \$ 0.225 |

See accompanying notes to condensed consolidated financial statements.

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Comcast Corporation

Condensed Consolidated Statement of Comprehensive Income**(Unaudited)**

| (in millions) | Three Months Ended March 31 | |
|--|--------------------------------|-----------------|
| | 2015 | 2014 |
| Net income | \$ 2,141 | \$ 1,938 |
| Unrealized gains (losses) on marketable securities, net of deferred taxes of \$ and \$(17) | | 30 |
| Deferred gains (losses) on cash flow hedges, net of deferred taxes of \$23 and \$1 | (39) | (2) |
| Amounts reclassified to net income: | | |
| Realized (gains) losses on marketable securities, net of deferred taxes of \$ and \$30 | | (50) |
| Realized (gains) losses on cash flow hedges, net of deferred taxes of \$(22) and \$2 | 37 | (3) |
| Currency translation adjustments, net of deferred taxes of \$23 and \$(1) | (40) | 2 |
| Comprehensive income | 2,099 | 1,915 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (82) | (67) |
| Comprehensive income attributable to Comcast Corporation | \$ 2,017 | \$ 1,848 |

See accompanying notes to condensed consolidated financial statements.

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Comcast Corporation

Condensed Consolidated Statement of Cash Flows**(Unaudited)**

| (in millions) | Three Months Ended March 31 | |
|---|--------------------------------|-----------------|
| | 2015 | 2014 |
| Net cash provided by operating activities | \$ 5,245 | \$ 4,486 |
| Investing Activities | | |
| Capital expenditures | (1,726) | (1,448) |
| Cash paid for intangible assets | (273) | (217) |
| Acquisitions and construction of real estate properties | (24) | |
| Proceeds from sales of businesses and investments | 180 | 300 |
| Purchases of investments | (32) | (37) |
| Other | 181 | (103) |
| Net cash provided by (used in) investing activities | (1,694) | (1,505) |
| Financing Activities | | |
| Proceeds from (repayments of) short-term borrowings, net | (150) | (364) |
| Proceeds from borrowings | | 2,187 |
| Repurchases and repayments of debt | (909) | (2,260) |
| Repurchases and retirements of common stock | (2,000) | (750) |
| Dividends paid | (572) | (508) |
| Issuances of common stock | 28 | 20 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | (62) | (66) |
| Other | 141 | 96 |
| Net cash provided by (used in) financing activities | (3,524) | (1,645) |
| Increase (decrease) in cash and cash equivalents | 27 | 1,336 |
| Cash and cash equivalents, beginning of period | 3,910 | 1,718 |
| Cash and cash equivalents, end of period | \$ 3,937 | \$ 3,054 |

See accompanying notes to condensed consolidated financial statements.

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Comcast Corporation

Condensed Consolidated Statement of Changes in Equity**(Unaudited)**

| (in millions) | Redeemable Noncontrolling Interests and Redeemable Subsidiary Preferred Stock | Common Stock | | | | Additional Paid-In Capital | Retained Earnings | Treasury Stock at Cost | Accumulated Other Comprehensive Income (Loss) | Non- controlling Interests | Total Equity |
|---|--|--------------|-------------|-----------|------------------|----------------------------------|----------------------|------------------------------|---|----------------------------------|-----------------|
| | | A | A | Special | B | | | | | | |
| Balance, December 31, 2013 | \$ 957 | \$ 25 | \$ 5 | \$ | \$ 38,890 | \$ 19,235 | \$ (7,517) | \$ 56 | \$ 364 | \$ 51,058 | |
| Stock compensation plans | | | | | 242 | (206) | | | | 36 | |
| Repurchases and retirements of common stock | | | | | (172) | (578) | | | | (750) | |
| Employee stock purchase plans | | | | | 26 | | | | | 26 | |
| Dividends declared | | | | | | (585) | | | | (585) | |
| Other comprehensive income (loss) | | | | | | | | (23) | | (23) | |
| Issuance of subsidiary shares to noncontrolling interests | 82 | | | | | | | | | | |
| Contributions from (distributions to) noncontrolling interests, net | (5) | | | | | | | | (37) | (37) | |
| Other | (5) | | | | (1) | | | | (6) | (7) | |
| Net income (loss) | 24 | | | | | 1,871 | | | 43 | 1,914 | |
| Balance, March 31, 2014 | \$ 1,053 | \$ 25 | \$ 5 | \$ | \$ 38,985 | \$ 19,737 | \$ (7,517) | \$ 33 | \$ 364 | \$ 51,632 | |
| Balance, December 31, 2014 | \$ 1,066 | \$ 25 | \$ 5 | \$ | \$ 38,805 | \$ 21,539 | \$ (7,517) | \$ (146) | \$ 357 | \$ 53,068 | |
| Stock compensation plans | | | | | 232 | (189) | | | | 43 | |
| Repurchases and retirements of common stock | | | | | (407) | (1,593) | | | | (2,000) | |
| Employee stock purchase plans | | | | | 30 | | | | | 30 | |
| Dividends declared | | | | | | (630) | | | | (630) | |
| Other comprehensive income (loss) | | | | | | | | (42) | | (42) | |
| Contributions from (distributions to) noncontrolling interests, net | | | | | | | | | (34) | (34) | |
| Other | 7 | | | | | | | | (39) | (39) | |
| Net income (loss) | 26 | | | | | 2,059 | | | 56 | 2,115 | |
| Balance, March 31, 2015 | \$ 1,099 | \$ 25 | \$ 5 | \$ | \$ 38,660 | \$ 21,186 | \$ (7,517) | \$ (188) | \$ 340 | \$ 52,511 | |

See accompanying notes to condensed consolidated financial statements.

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Comcast Corporation

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1: Condensed Consolidated Financial Statements

Basis of Presentation

We have prepared these unaudited condensed consolidated financial statements based on SEC rules that permit reduced disclosure for interim periods. These financial statements include all adjustments that are necessary for a fair presentation of our consolidated results of operations, financial condition and cash flows for the periods shown, including normal, recurring accruals and other items. The consolidated results of operations for the interim periods presented are not necessarily indicative of results for the full year.

The year-end condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles in the United States (GAAP). For a more complete discussion of our accounting policies and certain other information, refer to our consolidated financial statements included in our 2014 Annual Report on Form 10-K.

Reclassifications

Reclassifications have been made to our condensed consolidated financial statements for the prior year period to conform to classifications used in 2015.

Note 2: Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue, and by reducing the number of standards to which entities have to refer. In April 2015, the FASB voted to propose deferring the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also proposed permitting early adoption of the updated accounting guidance, but not before the original effective date of December 15, 2016. The updated accounting guidance provides companies with alternative methods of adoption. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements and our method of adoption.

Debt Issuance Costs

In April 2015, the FASB updated the accounting guidance related to the balance sheet presentation of debt issuance costs. The updated accounting guidance requires that debt issuance costs be presented as a direct deduction from the associated debt liability. The updated accounting guidance will be effective for us on January 1, 2016, and early adoption is permitted. The updated accounting guidance will be applied retrospectively to all prior periods presented. We do not currently expect that the updated accounting guidance will have a material impact on our consolidated balance sheet.

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Note 3: Earnings Per Share**Computation of Diluted EPS**

| | Three Months Ended March 31 | | | | | |
|---|--|--------------|---------------------|--|--------------|---------------------|
| | 2015 | | | 2014 | | |
| | Net Income Attributable to Comcast Corporation | Shares | Per Share Amount | Net Income Attributable to Comcast Corporation | Shares | Per Share Amount |
| (in millions, except per share data) | | | | | | |
| Basic EPS attributable to Comcast Corporation shareholders | \$ 2,059 | 2,520 | \$ 0.82 | \$ 1,871 | 2,603 | \$ 0.72 |
| Effect of dilutive securities: | | | | | | |
| Assumed exercise or issuance of shares relating to stock plans | | 36 | | | 42 | |
| Diluted EPS attributable to Comcast Corporation shareholders | \$ 2,059 | 2,556 | \$ 0.81 | \$ 1,871 | 2,645 | \$ 0.71 |

Diluted earnings per common share attributable to Comcast Corporation shareholders (diluted EPS) considers the impact of potentially dilutive securities using the treasury stock method. Our potentially dilutive securities include potential common shares related to our stock options and our restricted share units (RSUs).

The amount of potential common shares related to our share-based compensation plans that were excluded from diluted EPS because their effect would have been antidilutive was not material for the three months ended March 31, 2015 and 2014.

Note 4: Significant Transactions**Time Warner Cable Merger and Related Divestiture Transactions**

On February 12, 2014, we entered into an agreement and plan of merger (the merger agreement) with Time Warner Cable Inc. (Time Warner Cable), which contemplated that Time Warner Cable would become our wholly owned subsidiary. On April 24, 2015, we and Time Warner Cable entered into a termination agreement, which terminated the merger agreement.

On April 25, 2014, we entered into an agreement with Charter Communications, Inc. (Charter), which contemplated three transactions: (1) a spin-off of certain of our existing cable systems into a newly formed public entity, (2) an exchange of certain former Time Warner Cable cable systems for Charter cable systems, and (3) a sale to Charter of certain former Time Warner Cable cable systems for cash (collectively, the divestiture transactions). In accordance with the terms of this agreement, the divestiture transactions became terminable upon termination of the merger agreement. On April 24, 2015, we delivered a notice of termination of the agreement to Charter.

In connection with the Time Warner Cable merger and the divestiture transactions, we incurred incremental expenses of \$99 million and \$17 million for the three months ended March 31, 2015 and 2014, respectively. The transaction-related expenses included legal, accounting and valuation services and advisory fees, all of which are reflected in other operating and administrative expenses.

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Note 5: Film and Television Costs

| (in millions) | March 31, 2015 | December 31, 2014 |
|---|-------------------|----------------------|
| Film Costs: | | |
| Released, less amortization | \$ 1,244 | \$ 1,371 |
| Completed, not released | 444 | 71 |
| In production and in development | 952 | 1,189 |
| | 2,640 | 2,631 |
| Television Costs: | | |
| Released, less amortization | 1,361 | 1,273 |
| In production and in development | 407 | 505 |
| | 1,768 | 1,778 |
| Programming rights, less amortization | 2,174 | 2,157 |
| | 6,582 | 6,566 |
| Less: Current portion of programming rights | 945 | 839 |
| Film and television costs | \$ 5,637 | \$ 5,727 |

Note 6: Investments

| (in millions) | March 31, 2015 | December 31, 2014 |
|-------------------------------|-------------------|----------------------|
| Fair Value Method | \$ 182 | \$ 662 |
| Equity Method: | | |
| The Weather Channel | 336 | 335 |
| Hulu | 279 | 167 |
| Other | 534 | 517 |
| | 1,149 | 1,019 |
| Cost Method: | | |
| AirTouch | 1,572 | 1,568 |
| Other | 490 | 488 |
| | 2,062 | 2,056 |
| Total investments | 3,393 | 3,737 |
| Less: Current investments | 158 | 602 |
| Noncurrent investments | \$ 3,235 | \$ 3,135 |

Investment Income (Loss), Net

| (in millions) | Three Months Ended March 31 | |
|--|--------------------------------|-------|
| | 2015 | 2014 |
| Gains on sales and exchanges of investments, net | \$ | \$ 83 |
| Investment impairment losses | (15) | (5) |
| Unrealized gains (losses) on securities underlying prepaid forward sale agreements | 42 | (113) |
| Mark to market adjustments on derivative component of prepaid forward sale agreements and indexed debt instruments | (38) | 117 |
| Interest and dividend income | 28 | 28 |
| Other, net | 16 | 3 |

| | | |
|--------------------------------------|--------------|---------------|
| Investment income (loss), net | \$ 33 | \$ 113 |
|--------------------------------------|--------------|---------------|

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Fair Value Method

During the three months ended March 31, 2015, we settled \$517 million of our obligations under prepaid forward sale agreements by delivering equity securities. As of March 31, 2015, we have no remaining liabilities related to obligations under prepaid forward sale agreements.

Cost Method

AirTouch

We hold two series of preferred stock of AirTouch Communications, Inc. (*AirTouch*), a subsidiary of Verizon Communications Inc., which are redeemable in April 2020. As of March 31, 2015, the estimated fair values of the AirTouch preferred stock and the associated liability related to the redeemable subsidiary preferred shares issued by one of our consolidated subsidiaries were each \$1.7 billion. The estimated fair values are based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

Note 7: Long-Term Debt

As of March 31, 2015, our debt had a carrying value of \$47.1 billion and an estimated fair value of \$54.9 billion. The estimated fair value of our publicly traded debt is primarily based on Level 1 inputs that use quoted market values for the debt. The estimated fair value of debt for which there are no quoted market prices is based on Level 2 inputs that use interest rates available to us for debt with similar terms and remaining maturities.

Debt Repayments

In January 2015, we repaid at maturity \$900 million aggregate principal amount of 6.50% senior notes due 2015. In April 2015, we repaid at maturity \$1 billion aggregate principal amount of 3.65% senior notes due 2015.

Revolving Credit Facilities

As of March 31, 2015, amounts available under our consolidated revolving credit facilities, net of amounts outstanding under our commercial paper programs and outstanding letters of credit, totaled \$6.6 billion, which included \$650 million available under NBCUniversal Enterprise Inc. s (NBCUniversal Enterprise) revolving credit facility.

Commercial Paper Programs

As of March 31, 2015, NBCUniversal Enterprise had \$700 million face amount of commercial paper outstanding.

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Note 8: Fair Value Measurements

The accounting guidance related to financial assets and financial liabilities (financial instruments) establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). Level 1 consists of financial instruments whose values are based on quoted market prices for identical financial instruments in an active market. Level 2 consists of financial instruments that are valued using models or other valuation methodologies. These models use inputs that are observable either directly or indirectly. Level 3 consists of financial instruments whose values are determined using pricing models that use significant inputs that are primarily unobservable, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. Our financial instruments that are accounted for at fair value on a recurring basis are presented in the table below.

Recurring Fair Value Measures

| (in millions) | Fair Value as of | | | | December 31, 2014 Total |
|--|------------------|---------------|-----------------|-----------------|-------------------------------|
| | Level 1 | Level 2 | 2015 Level 3 | Total | |
| Assets | | | | | |
| Trading securities | \$ 42 | \$ | \$ | \$ 42 | \$ 523 |
| Available-for-sale securities | 1 | 121 | 10 | 132 | 132 |
| Interest rate swap agreements | | 91 | | 91 | 84 |
| Other | | 48 | 8 | 56 | 71 |
| Total | \$ 43 | \$ 260 | \$ 18 | \$ 321 | \$ 810 |
| Liabilities | | | | | |
| Derivative component of prepaid forward sale agreements and indexed debt instruments | \$ | \$ 3 | \$ | \$ 3 | \$ 361 |
| Contractual obligations | | | 904 | 904 | 883 |
| Contingent consideration | | | 632 | 632 | 644 |
| Other | | 50 | | 50 | 8 |
| Total | \$ | \$ 53 | \$ 1,536 | \$ 1,589 | \$ 1,896 |
| Contractual Obligations and Contingent Consideration | | | | | |

The estimated fair values of the contractual obligations and contingent consideration in the table above are primarily based on certain expected future discounted cash flows, the determination of which involves the use of significant unobservable inputs. The most significant unobservable inputs we use include our estimates of the future revenue we expect to generate from certain NBCUniversal businesses, which are related to our contractual obligations, and future net tax benefits that will affect payments to General Electric Company (GE), which are related to our contingent consideration. The discount rates used in the measurements of fair value were between 5% and 13% and are based on the underlying risk associated with our estimate of future revenue, the terms of the respective contracts and the uncertainty in the timing of our payments to GE. The fair value adjustments to contractual obligations and contingent consideration are sensitive to the assumptions related to future revenue and tax benefits, respectively, as well as to current interest rates, and therefore the adjustments are recorded to other income (expense), net in our condensed consolidated statement of income.

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Changes in Contractual Obligations and Contingent Consideration

| (in millions) | Contractual Obligations | Contingent Consideration |
|--------------------------------|----------------------------|-----------------------------|
| Balance, December 31, 2014 | \$ 883 | \$ 644 |
| Fair value adjustments | 40 | 7 |
| Payments | (19) | (19) |
| Balance, March 31, 2015 | \$ 904 | \$ 632 |

Fair Value of Redeemable Subsidiary Preferred Stock

As of March 31, 2015, the fair value of the NBCUniversal Enterprise redeemable subsidiary preferred stock was \$764 million. The estimated fair value is based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

Note 9: Share-Based Compensation

Our share-based compensation primarily consists of awards of stock options and RSUs to certain employees and directors as part of our approach to long-term incentive compensation. Additionally, through our employee stock purchase plans, employees are able to purchase shares of Comcast Class A common stock at a discount through payroll deductions.

In March 2015, we granted 17.6 million stock options and 5.1 million RSUs related to our annual management awards. The weighted-average fair values associated with these grants were \$11.79 per stock option and \$59.50 per RSU.

Recognized Share-Based Compensation Expense

| (in millions) | Three Months Ended March 31 | |
|-------------------------------|--------------------------------|--------------|
| | 2015 | 2014 |
| Stock options | \$ 35 | \$ 36 |
| Restricted share units | 58 | 48 |
| Employee stock purchase plans | 8 | 6 |
| Total | \$ 101 | \$ 90 |

As of March 31, 2015, we had unrecognized pretax compensation expense of \$461 million and \$725 million related to nonvested stock options and nonvested RSUs, respectively.

Note 10: Supplemental Financial Information**Receivables**

| (in millions) | March 31, 2015 | December 31, 2014 |
|---|-------------------|----------------------|
| Receivables, gross | \$ 6,634 | \$ 6,885 |
| Less: Allowance for returns and customer incentives | 297 | 359 |
| Less: Allowance for doubtful accounts | 193 | 205 |

Receivables, net

\$ 6,144

\$ 6,321

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Accumulated Other Comprehensive Income (Loss)

| (in millions) | March 31, 2015 | March 31, 2014 |
|---|-------------------|-------------------|
| Unrealized gains (losses) on marketable securities | \$ 1 | \$ 47 |
| Deferred gains (losses) on cash flow hedges | (6) | (50) |
| Unrecognized gains (losses) on employee benefit obligations | (68) | 71 |
| Cumulative translation adjustments | (115) | (35) |
| Accumulated other comprehensive income (loss), net of deferred taxes | \$ (188) | \$ 33 |

Net Cash Provided by Operating Activities

| (in millions) | Three Months Ended March 31 | |
|---|--------------------------------|-----------------|
| | 2015 | 2014 |
| Net income | \$ 2,141 | \$ 1,938 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,066 | 1,970 |
| Share-based compensation | 135 | 119 |
| Noncash interest expense (income), net | 51 | 42 |
| Equity in net (income) losses of investees, net | (33) | (32) |
| Cash received from investees | 22 | 18 |
| Net (gain) loss on investment activity and other | (121) | (59) |
| Deferred income taxes | (119) | (226) |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | |
| Current and noncurrent receivables, net | 119 | 195 |
| Film and television costs, net | (38) | 154 |
| Accounts payable and accrued expenses related to trade creditors | 372 | 82 |
| Other operating assets and liabilities | 650 | 285 |
| Net cash provided by operating activities | \$ 5,245 | \$ 4,486 |

Cash Payments for Interest and Income Taxes

| (in millions) | Three Months Ended March 31 | |
|---|--------------------------------|--------|
| | 2015 | 2014 |
| Interest | \$ 691 | \$ 623 |
| Income taxes | \$ 118 | \$ 186 |
| Noncash Investing and Financing Activities | | |

During the three months ended March 31, 2015:

we acquired \$978 million of property and equipment and intangible assets that were accrued but unpaid

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we recorded a liability of \$630 million for a quarterly cash dividend of \$0.25 per common share paid in April 2015

we used \$517 million of equity securities to settle our obligations under prepaid forward sale agreements

we recorded a liability of \$123 million for a capital contribution for an investment that was accrued but unpaid

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Comcast Corporation

Note 11: Commitments and Contingencies**Contingencies**

We are a defendant in several unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and also in certain of these cases we expect that any potential liability would be in part or in whole the responsibility of our equipment and technology vendors under applicable contractual indemnification provisions.

We are also subject to other legal proceedings and claims that arise in the ordinary course of our business. While the amount of ultimate liability with respect to such actions is not expected to materially affect our results of operations, cash flows or financial position, any litigation resulting from any such legal proceedings or claims could be time-consuming and injure our reputation.

Note 12: Financial Data by Business Segment

We present our operations in five reportable business segments:

Cable Communications: Consists of the operations of Comcast Cable, which is the nation's largest provider of video, high-speed Internet and voice services (cable services) to residential customers under the XFINITY brand; we also provide similar and other services to small and medium-sized businesses and sell advertising.

Cable Networks: Consists primarily of our national cable networks, our regional sports and news networks, our international cable networks and our cable television production operations.

Broadcast Television: Consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, and our broadcast television production operations.

Filmed Entertainment: Consists primarily of the studio operations of Universal Pictures, which produces, acquires, markets and distributes filmed entertainment worldwide.

Theme Parks: Consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California.

In evaluating the profitability of our operating segments, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management. Our financial data by business segment is presented in the tables below.

| (in millions) | Revenue ^(d) | Three Months Ended March 31, 2015 | | | Capital Expenditures |
|-------------------------------------|------------------------|---|-------------------------------|-------------------------|----------------------|
| | | Operating Income (Loss) Before Depreciation and Amortization ^(e) | Depreciation and Amortization | Operating Income (Loss) | |
| Cable Communications ^(a) | \$ 11,430 | \$ 4,674 | \$ 1,675 | \$ 2,999 | \$ 1,445 |
| NBCUniversal | | | | | |

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| | | | | | | | | | |
|---------------------------------------|------------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
| Cable Networks | 2,359 | | 898 | | 184 | | 714 | | 6 |
| Broadcast Television | 2,248 | | 182 | | 29 | | 153 | | 11 |
| Filmed Entertainment | 1,446 | | 293 | | 5 | | 288 | | 1 |
| Theme Parks | 651 | | 263 | | 66 | | 197 | | 162 |
| Headquarters and Other ^(b) | 4 | | (140) | | 80 | | (220) | | 88 |
| Eliminations ^(c) | (104) | | (2) | | | | (2) | | |
| NBCUniversal | 6,604 | | 1,494 | | 364 | | 1,130 | | 268 |
| Corporate and Other | 204 | | (225) | | 27 | | (252) | | 13 |
| Eliminations ^(c) | (385) | | 13 | | | | 13 | | |
| Comcast Consolidated | \$ 17,853 | \$ | 5,956 | \$ | 2,066 | \$ | 3,890 | \$ | 1,726 |

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Comcast Corporation

| (in millions) | Three Months Ended March 31, 2014 | | | | |
|---------------------------------------|-----------------------------------|--|-------------------------------------|-------------------------------|-------------------------|
| | Revenue ^(d) | Operating Income (Loss) Before Depreciation and Amortization ^(e) | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures |
| Cable Communications ^(a) | \$ 10,757 | \$ 4,400 | \$ 1,584 | \$ 2,816 | \$ 1,145 |
| NBCUniversal | | | | | |
| Cable Networks | 2,505 | 895 | 189 | 706 | 11 |
| Broadcast Television | 2,621 | 122 | 27 | 95 | 11 |
| Filmed Entertainment | 1,351 | 288 | 5 | 283 | 1 |
| Theme Parks | 487 | 170 | 69 | 101 | 144 |
| Headquarters and Other ^(b) | 2 | (163) | 75 | (238) | 124 |
| Eliminations ^(c) | (90) | (1) | | (1) | |
| NBCUniversal | 6,876 | 1,311 | 365 | 946 | 291 |
| Corporate and Other | 174 | (153) | 21 | (174) | 12 |
| Eliminations ^(c) | (399) | (20) | | (20) | |
| Comcast Consolidated | \$ 17,408 | \$ 5,538 | \$ 1,970 | \$ 3,568 | \$ 1,448 |

(a) For the three months ended March 31, 2015 and 2014, Cable Communications segment revenue was derived from the following sources:

| | Three Months Ended March 31 | |
|---------------------|--------------------------------|--------|
| | 2015 | 2014 |
| Residential: | | |
| Video | 46.6% | 48.1% |
| High-speed Internet | 26.6% | 25.6% |
| Voice | 7.9% | 8.5% |
| Business services | 9.7% | 8.5% |
| Advertising | 4.4% | 4.7% |
| Other | 4.8% | 4.6% |
| Total | 100.0% | 100.0% |

Subscription revenue received from customers who purchase bundled services at a discounted rate is allocated proportionally to each service based on the individual service's price on a stand-alone basis.

For both the three months ended March 31, 2015 and 2014, 2.8% of Cable Communications segment revenue was derived from franchise and other regulatory fees.

(b) NBCUniversal Headquarters and Other activities include costs associated with overhead, allocations, personnel costs and headquarter initiatives.

(c) Included in Eliminations are transactions that our segments enter into with one another. The most common types of transactions are the following:

our Cable Networks and Broadcast Television segments generate revenue by selling programming to our Cable Communications segment, which represents a substantial majority of the revenue elimination amount

our Cable Communications segment generates revenue by selling advertising and by selling the use of satellite feeds to our Cable Networks segment

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our Filmed Entertainment and Broadcast Television segments generate revenue by licensing content to our Cable Networks segment

our Cable Communications segment receives incentives offered by our Cable Networks segment in connection with its distribution of the Cable Networks content that are recorded as a reduction to programming expenses

- (d) No single customer accounted for a significant amount of revenue in any period.

- (e) We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses on the sale of assets, if any, as the measure of profit or loss for our operating segments. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of certain of our businesses and from intangible assets recognized in business combinations. Additionally, it is unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

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Note 13: Condensed Consolidating Financial Information

Comcast (Comcast Parent), Comcast Cable Communications, LLC (CCCL Parent), Comcast MO Group, Inc. (Comcast MO Group), Comcast Cable Holdings, LLC (CCH) and Comcast MO of Delaware, LLC (Comcast MO of Delaware) (collectively, the cable guarantors) and NBCUniversal (NBCUniversal Media Parent) have fully and unconditionally guaranteed each other s debt securities. In addition, the Comcast and Comcast Cable Communications, LLC \$6.25 billion revolving credit facility due June 2017 and the Comcast commercial paper program are also fully and unconditionally guaranteed by NBCUniversal Media Parent. The Comcast commercial paper program is supported by the Comcast and Comcast Cable Communications, LLC revolving credit facility. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the Combined CCHMO Parents.

Comcast Parent and the cable guarantors also fully and unconditionally guarantee NBCUniversal Enterprise s \$4 billion senior notes, as well as its \$1.35 billion revolving credit facility due March 2018 and the associated commercial paper program. NBCUniversal Media Parent does not guarantee the NBCUniversal Enterprise senior notes, credit facility or commercial paper program.

Comcast Parent provides an unconditional subordinated guarantee of the \$185 million principal amount currently outstanding of Comcast Holdings ZONES due October 2029. Neither the cable guarantors nor NBCUniversal Media Parent guarantee the Comcast Holdings ZONES due October 2029. None of Comcast Parent, the cable guarantors nor NBCUniversal Media Parent guarantee the \$62 million principal amount currently outstanding of Comcast Holdings ZONES due November 2029.

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Comcast Corporation

Condensed Consolidating Balance Sheet**March 31, 2015**

| | | | Combined | | | Non- | Elimination | Consolidated |
|--|------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|
| | Comcast | Comcast | CCCL | CCHMO | NBCUniversal | Guarantor | and | Consolidated |
| (in millions) | Parent | Holdings | Parent | Parents | Media Parent | Subsidiaries | Adjustments | Corporation |
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ | \$ 339 | \$ 3,598 | \$ | \$ 3,937 |
| Investments | | | | | | 158 | | 158 |
| Receivables, net | | | | | | 6,144 | | 6,144 |
| Programming rights | | | | | | 945 | | 945 |
| Other current assets | 279 | | | | 64 | 1,394 | | 1,737 |
| Total current assets | 279 | | | | 403 | 12,239 | | 12,921 |
| Film and television costs | | | | | | 5,637 | | 5,637 |
| Investments | 31 | | | | 372 | 2,832 | | 3,235 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 82,713 | 105,551 | 112,432 | 60,289 | 41,900 | 101,682 | (504,567) | |
| Property and equipment, net | 200 | | | | | 30,927 | | 31,127 |
| Franchise rights | | | | | | 59,364 | | 59,364 |
| Goodwill | | | | | | 27,302 | | 27,302 |
| Other intangible assets, net | 10 | | | | | 16,842 | | 16,852 |
| Other noncurrent assets, net | 1,201 | 148 | | | 97 | 1,970 | (1,097) | 2,319 |
| Total assets | \$ 84,434 | \$ 105,699 | \$ 112,432 | \$ 60,289 | \$ 42,772 | \$ 258,795 | \$ (505,664) | \$ 158,757 |
| Liabilities and Equity | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 7 | \$ | \$ | \$ | \$ | \$ 6,150 | \$ | \$ 6,157 |
| Accrued participations and residuals | | | | | | 1,387 | | 1,387 |
| Accrued expenses and other current liabilities | 1,534 | 283 | 343 | 21 | 407 | 4,190 | | 6,778 |
| Current portion of long-term debt | 1,761 | | | 676 | 1,003 | 740 | | 4,180 |
| Total current liabilities | 3,302 | 283 | 343 | 697 | 1,410 | 12,467 | | 18,502 |
| Long-term debt, less current portion | 26,566 | 126 | 1,828 | 822 | 9,217 | 4,394 | | 42,953 |
| Deferred income taxes | | 682 | | | 67 | 33,059 | (953) | 32,855 |
| Other noncurrent liabilities | 2,395 | | | | 1,103 | 7,483 | (144) | 10,837 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | | | | | | 1,099 | | 1,099 |
| Equity: | | | | | | | | |
| Common stock | 30 | | | | | | | 30 |
| Other shareholders equity | 52,141 | 104,608 | 110,261 | 58,770 | 30,975 | 199,953 | (504,567) | 52,141 |
| Total Comcast Corporation shareholders equity | 52,171 | 104,608 | 110,261 | 58,770 | 30,975 | 199,953 | (504,567) | 52,171 |
| Noncontrolling interests | | | | | | 340 | | 340 |
| Total equity | 52,171 | 104,608 | 110,261 | 58,770 | 30,975 | 200,293 | (504,567) | 52,511 |

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| | | | | | | | | |
|-------------------------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|
| Total liabilities and equity | \$ 84,434 | \$ 105,699 | \$ 112,432 | \$ 60,289 | \$ 42,772 | \$ 258,795 | \$ (505,664) | \$ 158,757 |
|-------------------------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|

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Comcast Corporation

Condensed Consolidating Balance Sheet**December 31, 2014**

| | | | Combined | | | Non- | Elimination | Consolidated |
|--|------------------|-------------------|-------------------|------------------|------------------|-------------------|------------------------------|-------------------|
| | Comcast | Comcast | CCCL | CCHMO | NBCUniversal | Guarantor | and | Comcast |
| (in millions) | Parent | Holdings | Parent | Parents | Media Parent | Subsidiaries | Consolidation Adjustments | Corporation |
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ | \$ 385 | \$ 3,525 | \$ | \$ 3,910 |
| Investments | | | | | | 602 | | 602 |
| Receivables, net | | | | | | 6,321 | | 6,321 |
| Programming rights | | | | | | 839 | | 839 |
| Other current assets | 267 | | | | 41 | 1,551 | | 1,859 |
| Total current assets | 267 | | | | 426 | 12,838 | | 13,531 |
| Film and television costs | | | | | | 5,727 | | 5,727 |
| Investments | 36 | | | | 378 | 2,721 | | 3,135 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 84,142 | 103,420 | 110,323 | 58,677 | 41,239 | 98,152 | (495,953) | |
| Property and equipment, net | 199 | | | | | 30,754 | | 30,953 |
| Franchise rights | | | | | | 59,364 | | 59,364 |
| Goodwill | | | | | | 27,316 | | 27,316 |
| Other intangible assets, net | 11 | | | | | 16,969 | | 16,980 |
| Other noncurrent assets, net | 1,224 | 148 | | | 92 | 1,949 | (1,080) | 2,333 |
| Total assets | \$ 85,879 | \$ 103,568 | \$ 110,323 | \$ 58,677 | \$ 42,135 | \$ 255,790 | \$ (497,033) | \$ 159,339 |
| Liabilities and Equity | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 19 | \$ | \$ | \$ 1 | \$ | \$ 5,618 | \$ | \$ 5,638 |
| Accrued participations and residuals | | | | | | 1,347 | | 1,347 |
| Accrued expenses and other current liabilities | 1,547 | 283 | 233 | 47 | 331 | 3,767 | | 6,208 |
| Current portion of long-term debt | 1,650 | | | 677 | 1,006 | 884 | | 4,217 |
| Total current liabilities | 3,216 | 283 | 233 | 725 | 1,337 | 11,616 | | 17,410 |
| Long-term debt, less current portion | 27,616 | 126 | 1,827 | 822 | 9,218 | 4,408 | | 44,017 |
| Deferred income taxes | | 701 | | | 67 | 33,127 | (936) | 32,959 |
| Other noncurrent liabilities | 2,336 | | | | 1,143 | 7,484 | (144) | 10,819 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | | | | | | 1,066 | | 1,066 |
| Equity: | | | | | | | | |
| Common stock | 30 | | | | | | | 30 |
| Other shareholders equity | 52,681 | 102,458 | 108,263 | 57,130 | 30,370 | 197,732 | (495,953) | 52,681 |
| Total Comcast Corporation shareholders equity | 52,711 | 102,458 | 108,263 | 57,130 | 30,370 | 197,732 | (495,953) | 52,711 |
| Noncontrolling interests | | | | | | 357 | | 357 |
| Total equity | 52,711 | 102,458 | 108,263 | 57,130 | 30,370 | 198,089 | (495,953) | 53,068 |

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| | | | | | | | | |
|-------------------------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|
| Total liabilities and equity | \$ 85,879 | \$ 103,568 | \$ 110,323 | \$ 58,677 | \$ 42,135 | \$ 255,790 | \$ (497,033) | \$ 159,339 |
|-------------------------------------|------------------|-------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|

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Comcast Corporation

Condensed Consolidating Statement of Income**For the Three Months Ended March 31, 2015**

| | Combined | | | | | Non- | Elimination | Consolidated |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|------------------------|
| | Comcast | Comcast | CCCL | CCHMO | NBCUniversal | Guarantor | and | Consolidated |
| (in millions) | Parent | Holdings | Parent | Parents | Media Parent | Subsidiaries | Consolidation Adjustments | Comcast Corporation |
| Revenue | | | | | | | | |
| Service revenue | \$ | \$ | \$ | \$ | \$ | \$ 17,853 | \$ | \$ 17,853 |
| Management fee revenue | 244 | | 237 | 150 | | | (631) | |
| | 244 | | 237 | 150 | | 17,853 | (631) | 17,853 |
| Costs and Expenses: | | | | | | | | |
| Programming and production | | | | | | 5,463 | | 5,463 |
| Other operating and administrative | 226 | | 237 | 150 | 237 | 4,860 | (631) | 5,079 |
| Advertising, marketing and promotion | | | | | | 1,355 | | 1,355 |
| Depreciation | 8 | | | | | 1,626 | | 1,634 |
| Amortization | 1 | | | | | 431 | | 432 |
| | 235 | | 237 | 150 | 237 | 13,735 | (631) | 13,963 |
| Operating income (loss) | 9 | | | | (237) | 4,118 | | 3,890 |
| Other Income (Expense): | | | | | | | | |
| Interest expense | (410) | (3) | (44) | (29) | (120) | (50) | | (656) |
| Investment income (loss), net | 1 | 2 | | | (6) | 36 | | 33 |
| Equity in net income (losses) of investees, net | 2,322 | 2,226 | 1,973 | 1,646 | 1,231 | 885 | (10,250) | 33 |
| Other income (expense), net | (5) | | | | (11) | 118 | | 102 |
| | 1,908 | 2,225 | 1,929 | 1,617 | 1,094 | 989 | (10,250) | (488) |
| Income (loss) before income taxes | 1,917 | 2,225 | 1,929 | 1,617 | 857 | 5,107 | (10,250) | 3,402 |
| Income tax (expense) benefit | 142 | | 15 | 10 | (5) | (1,423) | | (1,261) |
| Net income (loss) | 2,059 | 2,225 | 1,944 | 1,627 | 852 | 3,684 | (10,250) | 2,141 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | | (82) | | (82) |
| Net income (loss) attributable to Comcast Corporation | \$ 2,059 | \$ 2,225 | \$ 1,944 | \$ 1,627 | \$ 852 | \$ 3,602 | \$ (10,250) | \$ 2,059 |
| Comprehensive income (loss) attributable to Comcast Corporation | \$ 2,017 | \$ 2,209 | \$ 1,943 | \$ 1,626 | \$ 801 | \$ 3,601 | \$ (10,180) | \$ 2,017 |

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Comcast Corporation

Condensed Consolidating Statement of Income**For the Three Months Ended March 31, 2014**

| | | | Combined | | | Non- | Elimination | Consolidated |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| | Comcast | Comcast | CCCL | CCHMO | NBCUniversal | Guarantor | and | Comcast |
| (in millions) | Parent | Holdings | Parent | Parents | Media Parent | Subsidiaries | Consolidation Adjustments | Corporation |
| Revenue | | | | | | | | |
| Service revenue | \$ | \$ | \$ | \$ | \$ | \$ 17,408 | \$ | \$ 17,408 |
| Management fee revenue | 230 | | 223 | 141 | | | (594) | |
| | 230 | | 223 | 141 | | 17,408 | (594) | 17,408 |
| Costs and Expenses: | | | | | | | | |
| Programming and production | | | | | | 5,908 | | 5,908 |
| Other operating and administrative | 93 | | 223 | 141 | 257 | 4,629 | (594) | 4,749 |
| Advertising, marketing and promotion | | | | | | 1,213 | | 1,213 |
| Depreciation | 7 | | | | | 1,562 | | 1,569 |
| Amortization | 1 | | | | | 400 | | 401 |
| | 101 | | 223 | 141 | 257 | 13,712 | (594) | 13,840 |
| Operating income (loss) | 129 | | | | (257) | 3,696 | | 3,568 |
| Other Income (Expense): | | | | | | | | |
| Interest expense | (387) | (3) | (45) | (29) | (124) | (54) | | (642) |
| Investment income (loss), net | 1 | 3 | | | 1 | 108 | | 113 |
| Equity in net income (losses) of investees, net | 2,038 | 2,267 | 2,165 | 1,511 | 1,071 | 714 | (9,734) | 32 |
| Other income (expense), net | | | | | (4) | (11) | | (15) |
| | 1,652 | 2,267 | 2,120 | 1,482 | 944 | 757 | (9,734) | (512) |
| Income (loss) before income taxes | 1,781 | 2,267 | 2,120 | 1,482 | 687 | 4,453 | (9,734) | 3,056 |
| Income tax (expense) benefit | 90 | | 16 | 10 | (5) | (1,229) | | (1,118) |
| Net income (loss) | 1,871 | 2,267 | 2,136 | 1,492 | 682 | 3,224 | (9,734) | 1,938 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | | (67) | | (67) |
| Net income (loss) attributable to Comcast Corporation | \$ 1,871 | \$ 2,267 | \$ 2,136 | \$ 1,492 | \$ 682 | \$ 3,157 | \$ (9,734) | \$ 1,871 |
| Comprehensive income (loss) attributable to Comcast Corporation | \$ 1,848 | \$ 2,269 | \$ 2,138 | \$ 1,493 | \$ 685 | \$ 3,134 | \$ (9,719) | \$ 1,848 |

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Comcast Corporation

Condensed Consolidating Statement of Cash Flows**For the Three Months Ended March 31, 2015**

| (in millions) | Combined | | | | | | Elimination | Consolidated |
|---|-------------------|---------------------|----------------|------------------|---------------------------------|-----------------------------------|-------------------------------------|------------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMO Parents | NBCUniversal Media Parent | Non- Guarantor Subsidiaries | and Consolidation Adjustments | Comcast Corporation |
| Net cash provided by (used in) operating activities | \$ (294) | \$ (1) | \$ 82 | \$ (48) | \$ (361) | \$ 5,867 | \$ | \$ 5,245 |
| Investing Activities | | | | | | | | |
| Net transactions with affiliates | 3,609 | 1 | (82) | 48 | 321 | (3,897) | | |
| Capital expenditures | (6) | | | | | (1,720) | | (1,726) |
| Cash paid for intangible assets | | | | | | (273) | | (273) |
| Acquisitions and construction of real estate properties | | | | | | (24) | | (24) |
| Proceeds from sales of businesses and investments | | | | | | 180 | | 180 |
| Purchases of investments | | | | | | (32) | | (32) |
| Other | | | | | (5) | 186 | | 181 |
| Net cash provided by (used in) investing activities | 3,603 | 1 | (82) | 48 | 316 | (5,580) | | (1,694) |
| Financing Activities | | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | | | | | | (150) | | (150) |
| Proceeds from borrowings | | | | | | | | |
| Repurchases and repayments of debt | (900) | | | | (1) | (8) | | (909) |
| Repurchases and retirements of common stock | (2,000) | | | | | | | (2,000) |
| Dividends paid | (572) | | | | | | | (572) |
| Issuances of common stock | 28 | | | | | | | 28 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | | (62) | | (62) |
| Other | 135 | | | | | 6 | | 141 |
| Net cash provided by (used in) financing activities | (3,309) | | | | (1) | (214) | | (3,524) |
| Increase (decrease) in cash and cash equivalents | | | | | (46) | 73 | | 27 |
| Cash and cash equivalents, beginning of period | | | | | 385 | 3,525 | | 3,910 |
| Cash and cash equivalents, end of period | \$ | \$ | \$ | \$ | \$ 339 | \$ 3,598 | \$ | \$ 3,937 |

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Comcast Corporation

Condensed Consolidating Statement of Cash Flows**For the Three Months Ended March 31, 2014**

| | Combined | | | | | | Elimination | Consolidated |
|---|-----------|-----------|-----------|-----------|-----------------|---------------------------|------------------------------|------------------------|
| | Comcast | Comcast | CCCL | CCHMO | NBCUniversal | Non- | and | Consolidated |
| (in millions) | Parent | Holdings | Parent | Parents | Media Parent | Guarantor Subsidiaries | Consolidation Adjustments | Comcast Corporation |
| Net cash provided by (used in) operating activities | \$ (96) | \$ (2) | \$ 110 | \$ (47) | \$ (306) | \$ 4,827 | \$ | \$ 4,486 |
| Investing Activities | | | | | | | | |
| Net transactions with affiliates | 1,370 | 2 | (110) | 47 | 483 | (1,792) | | |
| Capital expenditures | | | | | | (1,448) | | (1,448) |
| Cash paid for intangible assets | | | | | | (217) | | (217) |
| Acquisitions and construction of real estate properties | | | | | | | | |
| Proceeds from sales of businesses and investments | | | | | | 300 | | 300 |
| Purchases of investments | (10) | | | | (6) | (21) | | (37) |
| Other | | | | | | (103) | | (103) |
| Net cash provided by (used in) investing activities | 1,360 | 2 | (110) | 47 | 477 | (3,281) | | (1,505) |
| Financing Activities | | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | (1,350) | | | | | 986 | | (364) |
| Proceeds from borrowings | 2,184 | | | | | 3 | | 2,187 |
| Repurchases and repayments of debt | (1,000) | | | | (1) | (1,259) | | (2,260) |
| Repurchases and retirements of common stock | (750) | | | | | | | (750) |
| Dividends paid | (508) | | | | | | | (508) |
| Issuances of common stock | 20 | | | | | | | 20 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | | (66) | | (66) |
| Other | 140 | | | | | (44) | | 96 |
| Net cash provided by (used in) financing activities | (1,264) | | | | (1) | (380) | | (1,645) |
| Increase (decrease) in cash and cash equivalents | | | | | 170 | 1,166 | | 1,336 |
| Cash and cash equivalents, beginning of period | | | | | 336 | 1,382 | | 1,718 |
| Cash and cash equivalents, end of period | \$ | \$ | \$ | \$ | \$ 506 | \$ 2,548 | \$ | \$ 3,054 |

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ITEM 2: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

We are a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. We present our operations for Comcast Cable in one reportable business segment, referred to as Cable Communications, and our operations for NBCUniversal in four reportable business segments.

Cable Communications Segment

Comcast Cable is the nation's largest provider of video, high-speed Internet and voice services (cable services) to residential customers under the XFINITY brand, and we also provide similar and other services to small and medium-sized businesses. As of March 31, 2015, our cable systems had 27.2 million total customer relationships, served 22.4 million video customers, 22.4 million high-speed Internet customers and 11.3 million voice customers, and passed more than 54 million homes and businesses. Our Cable Communications segment generates revenue primarily from subscriptions to our cable services, which we market individually and in bundled service packages, and from the sale of advertising. During the three months ended March 31, 2015, our Cable Communications segment generated 64% of our consolidated revenue and 78% of our operating income before depreciation and amortization.

NBCUniversal Segments

NBCUniversal is one of the world's leading media and entertainment companies that develops, produces and distributes entertainment, news and information, sports, and other content for global audiences. The Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks segments comprise the NBCUniversal businesses (collectively, the NBCUniversal segments).

Cable Networks

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks, which provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, various international cable networks, our cable television production operations, and related digital media properties. Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, from the sale of advertising on our cable networks and related digital media properties, from the licensing of our owned programming through distribution to subscription video on demand services and various other distribution platforms, and from the sale of our owned programming electronically through digital distributors such as iTunes.

Broadcast Television

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, our broadcast television production operations, and related digital media properties. Our Broadcast Television segment generates revenue primarily from the sale of advertising on our broadcast networks, owned local broadcast television stations and related digital media properties, from the licensing of our owned programming through various distribution platforms, including to cable and broadcast networks and to subscription video on demand services, and from fees received under retransmission consent agreements.

Filmed Entertainment

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide, and it also develops, produces and licenses live stage plays. Our films are produced primarily under the Universal Pictures, Focus Features and Illumination names. Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our produced and acquired films for exhibition in movie theaters, from the licensing of our owned and acquired films through various distribution platforms, and from

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the sale of our owned and acquired films on standard-definition video discs and Blu-ray discs (together, DVDs) and electronically through digital distributors. Our Filmed Entertainment segment also generates revenue from the production and licensing of live stage plays, from the distribution of filmed entertainment produced by third parties, and from Fandango, our movie ticketing and entertainment business.

Theme Parks

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California. Our Theme Parks segment generates revenue primarily from theme park attendance and per capita spending. Per capita spending includes ticket price and in-park spending on food, beverages and merchandise. Our Theme Parks segment also receives fees from third parties that own and operate Universal Studios Japan and Universal Studios Singapore for intellectual property licenses and other services.

Other

Our other business interests primarily include Comcast-Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania and operates arena management-related businesses.

Time Warner Cable Merger and Related Divestiture Transactions

On February 12, 2014, we entered into an agreement and plan of merger (the merger agreement) with Time Warner Cable Inc. (Time Warner Cable), which contemplated that Time Warner Cable would become our wholly owned subsidiary. On April 24, 2015, we and Time Warner Cable entered into a termination agreement, which terminated the merger agreement.

On April 25, 2014, we entered into an agreement with Charter Communications, Inc. (Charter), which contemplated three transactions: (1) a spin-off of certain of our existing cable systems into a newly formed public entity, (2) an exchange of certain former Time Warner Cable cable systems for Charter cable systems, and (3) a sale to Charter of certain former Time Warner Cable cable systems for cash (collectively, the divestiture transactions). In accordance with the terms of this agreement, the divestiture transactions became terminable upon termination of the merger agreement. On April 24, 2015, we delivered a notice of termination of the agreement to Charter.

Competition

The results of operations of our reportable business segments are affected by competition, as all of our businesses operate in intensely competitive, consumer-driven and rapidly changing environments and compete with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers.

Competition for our bundled cable services that include video, high-speed Internet and/or voice services consists primarily of direct broadcast satellite (DBS) providers, which have a national footprint and compete in all of our service areas, and phone companies with fiber-based networks, which overlap approximately 55% of our service areas and are continuing to expand their fiber-based networks. Our high-speed Internet services primarily compete with phone companies with fiber-based networks, which overlap approximately 60% of our service areas and also are continuing to expand their fiber-based networks. Many of these DBS and phone company competitors offer features, pricing and packaging for these services, individually and in bundles, comparable to what we offer. In May 2014, AT&T, our largest phone company competitor, announced its intention to acquire DirecTV, the nation's largest DBS provider. If completed, this transaction will create an even larger competitor for our cable services that will have the ability to expand its cable service offerings to include bundled wireless offerings.

There also continue to be new companies, some with significant financial resources, that potentially may compete on a larger scale with some or all of our cable services. For example, companies continue to emerge that provide Internet streaming and downloading of video programming, and existing companies have launched or announced plans to launch online video services that involve both linear and on-demand programming, some of which charge a lower, or even a nominal or no, fee. Google is providing high-speed Internet and video services in a limited number of areas in which we operate and recently announced plans to expand into additional

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geographical areas. Moreover, wireless technology, such as 3G and 4G wireless broadband services and Wi-Fi networks, may compete with our video and high-speed Internet services, and our voice services are facing increased competition as customers replace landline phones with mobile phones and Internet-based phone services such as Skype.

Each of NBCUniversal's businesses also faces substantial and increasing competition from providers of similar types of content, as well as from other forms of entertainment and recreational activities. NBCUniversal also must compete to obtain talent, programming and other resources required in operating these businesses.

Technological changes are further intensifying and complicating the competitive landscape for all of our businesses by challenging existing business models and affecting consumer behavior. Services and devices that enable online digital distribution of movies, television shows, and other cable and broadcast video programming continue to gain consumer acceptance and evolve. Two traditional providers of video services have begun to offer smaller packages of programming networks, including one that is providing video services directly to customers over the Internet, at prices lower than our traditional video services. These services and devices may negatively affect demand for our video services, as well as demand for content from our cable networks, broadcast television and filmed entertainment businesses, as the number of entertainment choices available to consumers increases and the challenges posed by audience fragmentation intensify and audience ratings are pressured. In addition, delayed viewing and advertising skipping have become more common as the penetration of digital video recorders (DVRs) and similar products has increased and as content has become increasingly available via video on demand services and Internet sources, which may have a negative impact on our advertising revenue.

In our Cable Communications segment, we believe that adding more content and delivering through an increasing variety of platforms will assist in attracting and retaining customers for our cable services. To further enhance our video and high-speed Internet services, we continue to develop and launch new technology initiatives, such as our X1 platform and Cloud DVR technology, and deploy wireless gateway devices. In our NBCUniversal segments, to compete for consumers of our content and for customers at our theme parks, we have invested, and will continue to invest, substantial amounts in acquiring content and producing original content for our cable networks and broadcast television networks and our owned local broadcast television stations, including the acquisition of sports rights. We will also continue to invest in our film productions and in the development of new theme park attractions.

Seasonality and Cyclicity

Each of our businesses is subject to seasonal and cyclical variations. In our Cable Communications segment, our results are impacted by the seasonal nature of customers receiving our cable services in college and vacation markets. This generally results in a reduction in net customer additions in the second quarter and an increase in net customer additions in the third and fourth quarters of each year.

Revenue in our Cable Communications, Cable Networks and Broadcast Television segments is subject to cyclical advertising patterns and changes in viewership levels. Our U.S. advertising revenue is generally higher in the second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and in the period leading up to and including the holiday season. U.S. advertising revenue is also cyclical, with a benefit in even-numbered years due to advertising related to candidates running for political office and issue-oriented advertising. Revenue in our Cable Networks and Broadcast Television segments fluctuates depending on the timing of when our programming is aired on television, which typically results in higher advertising revenue in the second and fourth quarters of each year. Our revenue and operating costs and expenses are cyclical as a result of our periodic broadcasts of major sporting events such as the Olympic Games, which affects our Cable Networks and Broadcast Television segments, and the Super Bowl, which affects our Broadcast Television segment. Our advertising revenue generally increases in the period of these broadcasts due to increased demand for advertising time, and our operating costs and expenses also increase as a result of our production costs and the amortization of the related rights fees.

Revenue in our Filmed Entertainment segment fluctuates due to the timing of the release of films in movie theaters, on DVD and electronically through digital distributors. Release dates are determined by several factors, including competition and the timing of vacation and holiday periods. As a result, revenue tends to be seasonal,

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with increases experienced each year during the summer months and around the holidays. Revenue in our Cable Networks, Broadcast Television and Filmed Entertainment segments also fluctuates due to the timing of when our content is made available to licensees.

Revenue in our Theme Parks segment fluctuates with changes in theme park attendance that result from the seasonal nature of vacation travel, local entertainment offerings and seasonal weather variations. Our theme parks generally experience peak attendance during the summer months when schools are closed and during early winter and spring holiday periods.

Consolidated Operating Results

| (in millions) | Three Months Ended March 31 | | Increase/ (Decrease) |
|--|--------------------------------|-----------------|-------------------------|
| | 2015 | 2014 | |
| Revenue | \$ 17,853 | \$ 17,408 | 2.6% |
| Costs and Expenses: | | | |
| Programming and production | 5,463 | 5,908 | (7.5) |
| Other operating and administrative | 5,079 | 4,749 | 6.9 |
| Advertising, marketing and promotion | 1,355 | 1,213 | 11.8 |
| Depreciation | 1,634 | 1,569 | 4.1 |
| Amortization | 432 | 401 | 7.9 |
| Operating income | 3,890 | 3,568 | 9.0 |
| Other income (expense) items, net | (488) | (512) | (4.7) |
| Income before income taxes | 3,402 | 3,056 | 11.3 |
| Income tax expense | (1,261) | (1,118) | 12.8 |
| Net income | 2,141 | 1,938 | 10.5 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (82) | (67) | 22.3 |
| Net income attributable to Comcast Corporation | \$ 2,059 | \$ 1,871 | 10.0% |

All percentages are calculated based on actual amounts. Minor differences may exist due to rounding.

Percentage changes that are considered not meaningful are denoted with NM.

Consolidated Revenue

Our Cable Communications, Filmed Entertainment and Theme Parks segments accounted for the increase in consolidated revenue for the three months ended March 31, 2015. The increase in consolidated revenue was offset by a decrease in our Cable Networks and Broadcast Television segments. Consolidated revenue for the three months ended March 31, 2015 includes \$376 million of revenue associated with our broadcast of the 2015 Super Bowl in February 2015 and consolidated revenue for the three months ended March 31, 2014 includes \$1.1 billion of revenue associated with our broadcast of the 2014 Sochi Olympics in February 2014. Excluding the impact of these events, consolidated revenue increased 7.2% for the three months ended March 31, 2015.

Revenue for our Cable Communications and NBCUniversal segments is discussed separately below under the heading Segment Operating Results. Revenue for our other businesses is discussed separately below under the heading Corporate and Other Results of Operations.

Consolidated Costs and Expenses

Our Cable Communications, Filmed Entertainment and Theme Parks segments accounted for substantially all of the increase in consolidated costs and expenses, excluding depreciation and amortization (operating costs and expenses) for the three months ended March 31, 2015. The increase was partially offset by lower operating costs and expenses in our Cable Networks and Broadcast Television segments, which were primarily due to our broadcast of the 2014 Sochi Olympics in February 2014. Our consolidated operating costs and expenses also include transaction-related costs associated with the Time Warner Cable merger and the divestiture transactions of \$99 million and \$17 million for the three months ended March 31, 2015 and 2014, respectively. These transactions were terminated on April 24, 2015.

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Operating costs and expenses for our Cable Communications and NBCUniversal segments are discussed separately below under the heading Segment Operating Results. Operating costs and expenses for our corporate and other businesses are discussed separately below under the heading Corporate and Other Results of Operations.

Segment Operating Results

Our segment operating results are presented based on how we assess operating performance and internally report financial information. We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of certain of our businesses and from intangible assets recognized in business combinations. Additionally, it is unaffected by our capital structure or investment activities. We use this measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. We believe that this measure is useful to investors because it is one of the bases for comparing our operating performance with that of other companies in our industries, although our measure may not be directly comparable to similar measures used by other companies. Because we use operating income (loss) before depreciation and amortization to measure 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 to our condensed consolidated financial statements (see Note 12 to Comcast's condensed consolidated financial statements and Note 10 to NBCUniversal's condensed consolidated financial statements). This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation or NBCUniversal, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

Cable Communications Segment Results of Operations

| (in millions) | Three Months Ended March 31 | | Increase/ (Decrease) | |
|--|--------------------------------|-----------------|-------------------------|-------------|
| | 2015 | 2014 | \$ | % |
| Revenue | | | | |
| Residential: | | | | |
| Video | \$ 5,331 | \$ 5,178 | \$ 153 | 3.0% |
| High-speed Internet | 3,044 | 2,750 | 294 | 10.7 |
| Voice | 906 | 920 | (14) | (1.5) |
| Business services | 1,114 | 917 | 197 | 21.4 |
| Advertising | 504 | 507 | (3) | (0.7) |
| Other | 531 | 485 | 46 | 9.4 |
| Total revenue | 11,430 | 10,757 | 673 | 6.3 |
| Operating costs and expenses | | | | |
| Programming | 2,644 | 2,452 | 192 | 7.8 |
| Technical and product support | 1,421 | 1,384 | 37 | 2.7 |
| Customer service | 578 | 548 | 30 | 5.4 |
| Franchise and other regulatory fees | 334 | 321 | 13 | 4.2 |
| Advertising, marketing and promotion | 783 | 706 | 77 | 10.9 |
| Other | 996 | 946 | 50 | 5.3 |
| Total operating costs and expenses | 6,756 | 6,357 | 399 | 6.3 |
| Operating income before depreciation and amortization | \$ 4,674 | \$ 4,400 | \$ 274 | 6.2% |

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| (in thousands) | Total Customers | | Net Additional Customers Three Months Ended | |
|---|-----------------|-----------|--|-------|
| | March 31 | | March 31 | |
| | 2015 | 2014 | 2015 | 2014 |
| Total customer relationships | 27,234 | 26,800 | 199 | 124 |
| Single product customers | 8,399 | 8,605 | (10) | (147) |
| Double product customers | 8,890 | 8,656 | 140 | 116 |
| Triple products customers | 9,945 | 9,539 | 69 | 155 |
| Video customers | 22,375 | 22,601 | (8) | 24 |
| High-speed Internet customers | 22,369 | 21,068 | 407 | 383 |
| Voice customers | 11,270 | 10,865 | 77 | 142 |
| Average monthly total revenue per customer relationship | \$ 140.41 | \$ 134.10 | | |

Customer metrics include residential and business customers and are presented based on actual amounts. Minor differences may exist due to rounding. Customer relationships represent the number of residential and business customers that subscribe to at least one of our cable services. Single product, double product and triple product customers represent customers that subscribe to one, two or three of our cable services, respectively.

Cable Communications Segment Revenue

Our Cable Communications segment leverages our existing cable distribution system to grow revenue by, among other things, adding new residential and business services customers, encouraging existing customers to add new or higher-tier services, and expanding other services such as our business services offerings, advertising, and our home security and automation services. We offer our cable services in bundles and often provide promotional incentives. We seek to balance promotional offers and rate increases with their expected effects on the number of customers and overall revenue.

Video

Video revenue increased 3.0% for the three months ended March 31, 2015 compared to the same period in 2014. An increase in the number of customers receiving additional and higher levels of video service and rate adjustments accounted for an increase in revenue of 4.4% for the three months ended March 31, 2015. As of March 31, 2015, the number of customers who subscribed to our advanced services, which are high-definition video or DVR services, increased 4.6% to 13.2 million customers compared to the same period in 2014. The increase in revenue was partially offset by fewer residential video customers compared to the same period in 2014. The decrease in the number of residential video customers was primarily due to competitive pressures in our service areas from phone and DBS competitors, and the impact of rate adjustments. We may experience further declines in the number of residential video customers.

High-Speed Internet

High-speed Internet revenue increased 10.7% for the three months ended March 31, 2015 compared to the same period in 2014. An increase in the number of residential customers receiving our high-speed Internet service accounted for an increase in revenue of 5.7% for the three months ended March 31, 2015. The remaining increase in revenue for the three months ended March 31, 2015 was primarily due to customers receiving higher levels of service and rate adjustments. Our customer base continues to grow as consumers continue to choose our high-speed Internet service and seek higher-speed offerings.

Voice

Voice revenue decreased 1.5% for the three months ended March 31, 2015 compared to the same period in 2014. While the growth rate of residential customer additions slowed for the three months ended March 31, 2015, the increase in the number of residential customers receiving our voice service through our discounted bundled offerings accounted for an increase of 3.2% compared to the same period in 2014. The increase in revenue was more than offset by the impact of the allocation of voice revenue for our bundled customers. The amount allocated to voice revenue in the bundled rate decreased for the three months ended March 31, 2015 because video and high-speed Internet rates increased, while voice rates remained relatively flat.

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Business Services

Business services revenue increased 21.4% for the three months ended March 31, 2015 compared to the same period in 2014. The increase was primarily due to rate adjustments as well as a higher number of small business customers receiving our high-speed Internet and voice services. The remaining increase was primarily related to continued growth in our medium-sized business services, including Ethernet network and advanced voice services, which represented 23% of total business services revenue during the three months ended March 31, 2015. We believe the increase in the number of business customers is primarily the result of our efforts to gain market share from competitors by offering competitive services and pricing.

Advertising

Advertising revenue decreased slightly for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to a decrease in political advertising revenue and a decrease in our core national advertising markets, which were partially offset by an increase in revenue in our core local advertising markets. Excluding political advertising revenue, advertising revenue increased 1.3% for the three months ended March 31, 2015 compared to the same period in 2014.

Other

Other revenue increased 9.4% for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to an increase in revenue from our home security and automation services, as well as an increase in cable franchise and other regulatory fees.

Cable Communications Segment Operating Costs and Expenses

Our most significant operating cost is the programming expense we incur to provide content to our video customers. We anticipate that our programming expenses will continue to increase. We have and will continue to attempt to maintain a consistent operating margin through rate adjustments, the sale of additional cable services, including advanced services, and the continued growth of business services, as well as by achieving operating efficiencies.

Programming expenses increased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to increases in programming license fees, including sports programming costs and retransmission consent fees, and fees to secure rights for additional programming for our customers across an increasing number of platforms.

Technical and product support expenses increased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to expenses related to the development, delivery and support of our enhanced devices and services, including our X1 platform, Cloud DVR technology and wireless gateways, and the continued growth in business services and home security and automation services.

Customer service expenses increased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to increased support for improving the customer experience. The increase in customer service expenses was also due to sales and related support activities associated with the continued deployment of our enhanced devices and services, which include our X1 platform, Cloud DVR technology, wireless gateways, and home security and automation services, and the continued growth in business services.

Franchise and other regulatory fees increased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to increases in revenue from residential cable services and business services that are related to the fees we are required to pay federal, state and local authorities.

Advertising, marketing and promotion expenses increased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to an increase in spending associated with attracting new residential and business services customers and encouraging existing customers to add additional or higher-tier services.

Other costs and expenses increased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to an increase in costs to support our advertising sales business, as well as an increase in other administrative costs.

Table of Contents**NBCUniversal Segments Results of Operations**

| (in millions) | Three Months Ended March 31 | | Increase/ (Decrease) | |
|--|--------------------------------|-----------------|-------------------------|---------------|
| | 2015 | 2014 | \$ | % |
| Revenue | | | | |
| Cable Networks | \$ 2,359 | \$ 2,505 | \$ (146) | (5.9)% |
| Broadcast Television | 2,248 | 2,621 | (373) | (14.2) |
| Filmed Entertainment | 1,446 | 1,351 | 95 | 7.0 |
| Theme Parks | 651 | 487 | 164 | 33.7 |
| Headquarters, other and eliminations | (100) | (88) | (12) | NM |
| Total revenue | \$ 6,604 | \$ 6,876 | \$ (272) | (4.0)% |
| Operating Income Before Depreciation and Amortization | | | | |
| Cable Networks | \$ 898 | \$ 895 | \$ 3 | 0.3% |
| Broadcast Television | 182 | 122 | 60 | 48.9 |
| Filmed Entertainment | 293 | 288 | 5 | 1.7 |
| Theme Parks | 263 | 170 | 93 | 54.6 |
| Headquarters, other and eliminations | (142) | (164) | 22 | 13.8 |
| Total operating income before depreciation and amortization | \$ 1,494 | \$ 1,311 | \$ 183 | 14.0% |

Cable Networks Segment Results of Operations

| (in millions) | Three Months Ended March 31 | | Increase/ (Decrease) | |
|--|--------------------------------|---------------|-------------------------|--------------|
| | 2015 | 2014 | \$ | % |
| Revenue | | | | |
| Distribution | \$ 1,358 | \$ 1,473 | \$ (115) | (7.8)% |
| Advertising | 851 | 896 | (45) | (5.0) |
| Content licensing and other | 150 | 136 | 14 | 9.2 |
| Total revenue | 2,359 | 2,505 | (146) | (5.9) |
| Operating costs and expenses | | | | |
| Programming and production | 1,023 | 1,187 | (164) | (13.8) |
| Other operating and administrative | 305 | 303 | 2 | 0.6 |
| Advertising, marketing and promotion | 133 | 120 | 13 | 10.7 |
| Total operating costs and expenses | 1,461 | 1,610 | (149) | (9.3) |
| Operating income before depreciation and amortization | \$ 898 | \$ 895 | \$ 3 | 0.3% |

Cable Networks Segment Revenue

Cable Networks revenue decreased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to decreases in distribution revenue and advertising revenue, which were partially offset by an increase in content licensing and other revenue. The decrease in distribution revenue was primarily due to \$177 million in revenue in the prior year period associated with our broadcast of the 2014 Sochi Olympics, which was partially offset by an increase in distribution revenue related to the contractual rates charged under distribution agreements in the current year period. The decrease in advertising revenue was primarily due to \$80 million in advertising revenue in the prior year period associated with the 2014 Sochi Olympics, which was partially offset by the benefit from a reduction in deferred advertising revenue in the current year period. While we continued to experience audience ratings declines that negatively affected advertising revenue, higher prices and an increase in the volume of advertising units sold offset the impact of audience ratings. The increase in content licensing and other revenue was primarily due to the timing of availability of content under our licensing agreements with digital distributors. Excluding \$257 million of revenue associated with our broadcast of the 2014 Sochi Olympics in the prior year period, Cable Networks segment revenue increased 4.9% for the three months ended March 31, 2015.

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For the three months ended March 31, 2015 and 2014, 14% and 12%, respectively, of our Cable Networks segment revenue was generated from our Cable Communications segment. These amounts are eliminated in our condensed consolidated financial statements but are included in the amounts presented above.

Cable Networks Segment Operating Costs and Expenses

Operating costs and expenses decreased for the three months ended March 31, 2015 compared to the same period in 2014 primarily due to a decrease in programming and production costs, which was partially offset by an increase in advertising, marketing and promotion expenses. The decrease in programming and production costs was primarily due to costs associated with our broadcast of the 2014 Sochi Olympics in the prior year period, which was partially offset by our continu