

COMCAST CORP
Form 10-Q
October 26, 2012
Table of Contents

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 September 30, 2012

OR

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

Commission File Number 001-32871

COMCAST CORPORATION

(Exact name of registrant as specified in its charter)

PENNSYLVANIA
(State or other jurisdiction of

incorporation or organization)

27-0000798
(I.R.S. Employer

Identification No.)

One Comcast Center, Philadelphia, PA
(Address of principal executive offices)

19103-2838
(Zip Code)

Registrant's telephone number, including area code: (215) 286-1700

Edgar Filing: COMCAST CORP - Form 10-Q

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.

Yes No

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).

Yes No

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.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

Yes No

As of September 30, 2012, there were 2,118,906,684 shares of our Class A common stock, 528,911,913 shares of our Class A Special common stock and 9,444,375 shares of our Class B common stock outstanding.

Table of Contents**TABLE OF CONTENTS**

	Page Number
PART I. FINANCIAL INFORMATION	
Item 1.	
<u>Financial Statements</u>	1
<u>Condensed Consolidated Balance Sheet as of September 30, 2012 and December 31, 2011 (Unaudited)</u>	1
<u>Condensed Consolidated Statement of Income for the Three and Nine Months Ended September 30, 2012 and 2011 (Unaudited)</u>	2
<u>Condensed Consolidated Statement of Comprehensive Income for the Three and Nine Months Ended September 30, 2012 and 2011 (Unaudited)</u>	3
<u>Condensed Consolidated Statement of Cash Flows for the Nine Months Ended September 30, 2012 and 2011 (Unaudited)</u>	4
<u>Condensed Consolidated Statement of Changes in Equity for the Nine Months Ended September 30, 2012 and 2011 (Unaudited)</u>	5
<u>Notes to Condensed Consolidated Financial Statements (Unaudited)</u>	6
Item 2.	
<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	28
Item 3.	
<u>Quantitative and Qualitative Disclosures About Market Risk</u>	42
Item 4.	
<u>Controls and Procedures</u>	42
PART II. OTHER INFORMATION	
Item 1.	
<u>Legal Proceedings</u>	42
Item 1A.	
<u>Risk Factors</u>	43
Item 2.	
<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	43
Item 6.	
<u>Exhibits</u>	44
<u>SIGNATURES</u>	45

This Quarterly Report on Form 10-Q is for the three and nine months ended September 30, 2012. 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. Throughout this Quarterly Report, we refer to Comcast Corporation as Comcast; Comcast and its consolidated subsidiaries, including NBCUniversal, as we, us and our; and Comcast Holdings Corporation as Comcast Holdings.

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, essential, 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

changes in consumer behavior driven by new technologies may adversely affect our competitive position, businesses and results of operations

programming expenses for our video services are increasing, which could adversely affect our future results of operations

Edgar Filing: COMCAST CORP - Form 10-Q

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

weak economic conditions may have a negative impact on our businesses, results of operations and financial condition

a decline in advertising expenditures or changes in advertising markets could negatively impact our results of operations

NBCUniversal's success depends on consumer acceptance of its content, which is difficult to predict, and our results of operations may be adversely affected if our content fails to achieve sufficient consumer acceptance or our costs to acquire content increase

the loss of our programming distribution agreements, or the renewal of these agreements on less favorable terms, could adversely affect our businesses and results of operations

our businesses depend on keeping pace with technological developments

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

sales of DVDs have been declining

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

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

we face risks arising from the outcome of various litigation matters

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

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

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****Condensed Consolidated Balance Sheet****(Unaudited)**

(in millions, except share data)	September 30, 2012	December 31, 2011
Assets		
Current Assets:		
Cash and cash equivalents	\$ 8,899	\$ 1,620
Investments	1,401	54
Receivables, net	5,123	4,351
Programming rights	1,037	987
Other current assets	1,606	1,561
Total current assets	18,066	8,573
Film and television costs	4,946	5,227
Investments	5,951	9,854
Property and equipment, net of accumulated depreciation of \$38,688 and \$36,528	26,984	27,559
Franchise rights	59,364	59,376
Goodwill	27,088	26,874
Other intangible assets, net of accumulated amortization of \$7,573 and \$6,665	17,871	18,165
Other noncurrent assets, net	2,184	2,190
Total assets	\$ 162,454	\$ 157,818
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses related to trade creditors	\$ 6,250	\$ 5,705
Accrued participations and residuals	1,282	1,255
Deferred revenue	887	790
Accrued expenses and other current liabilities	6,117	4,124
Current portion of long-term debt	2,799	1,367
Total current liabilities	17,335	13,241
Long-term debt, less current portion	35,791	37,942
Deferred income taxes	30,231	29,932
Other noncurrent liabilities	12,860	13,034
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests	16,896	16,014
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, 2,484,367,434 and 2,460,937,253; outstanding, 2,118,906,684 and 2,095,476,503	25	25
Class A Special common stock, \$0.01 par value authorized, 7,500,000,000 shares; issued, 599,846,677 and 671,947,577; outstanding, 528,911,913 and 601,012,813	6	7
Class B common stock, \$0.01 par value authorized, 75,000,000 shares; issued and outstanding, 9,444,375		
Additional paid-in capital	40,652	40,940
Retained earnings	15,774	13,971
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)	(48)	(152)
Total Comcast Corporation shareholders equity	48,892	47,274
Noncontrolling interests	449	381
Total equity	49,341	47,655

Total liabilities and equity

See accompanying notes to condensed consolidated financial statements.

\$ 162,454

\$ 157,818

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

(in millions, except per share data)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Revenue	\$ 16,544	\$ 14,339	\$ 46,633	\$ 40,800
Costs and Expenses:				
Operating costs and expenses	11,536	9,765	31,933	27,359
Depreciation	1,549	1,540	4,594	4,504
Amortization	411	393	1,221	1,134
	13,496	11,698	37,748	32,997
Operating income	3,048	2,641	8,885	7,803
Other Income (Expense):				
Interest expense	(633)	(637)	(1,898)	(1,863)
Investment income (loss), net	70	(147)	170	3
Equity in net income (losses) of investees, net	911	(40)	943	(40)
Other income (expense), net	987	(12)	924	(82)
	1,335	(836)	139	(1,982)
Income before income taxes	4,383	1,805	9,024	5,821
Income tax expense	(1,405)	(639)	(2,966)	(2,249)
Net income	2,978	1,166	6,058	3,572
Net (income) loss attributable to noncontrolling interests	(865)	(258)	(1,373)	(699)
Net income attributable to Comcast Corporation	\$ 2,113	\$ 908	\$ 4,685	\$ 2,873
Basic earnings per common share attributable to Comcast Corporation shareholders	\$ 0.79	\$ 0.33	\$ 1.74	\$ 1.04
Diluted earnings per common share attributable to Comcast Corporation shareholders	\$ 0.78	\$ 0.33	\$ 1.72	\$ 1.03
Dividends declared per common share attributable to Comcast Corporation shareholders	\$ 0.1625	\$ 0.1125	\$ 0.4875	\$ 0.3375

See accompanying notes to condensed consolidated financial statements.

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

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Net income	\$ 2,978	\$ 1,166	\$ 6,058	\$ 3,572
Unrealized gains (losses) on marketable securities, net of deferred taxes of \$(44), \$, \$(44) and \$(3)	75		75	5
Deferred gains (losses) on cash flow hedges, net of deferred taxes of \$(29), \$35, \$(20) and \$33	50	(59)	35	(57)
Amounts reclassified to net income:				
Realized (gains) losses on marketable securities, net of deferred taxes of \$, \$, \$ and \$5				(9)
Realized (gains) losses on cash flow hedges, net of deferred taxes of \$9, \$(13), \$8 and \$(7)	(15)	23	(14)	13
Employee benefit obligations, net of deferred taxes of \$(3), \$, \$(2) and \$(1)	11	(3)	6	(4)
Currency translation adjustments, net of deferred taxes of \$(4), \$, \$(2), and \$	17	(9)	10	(2)
Comprehensive income	3,116	1,118	6,170	3,518
Net (income) loss attributable to noncontrolling interests	(865)	(258)	(1,373)	(699)
Other comprehensive (income) loss attributable to noncontrolling interests	(16)	6	(8)	6
Comprehensive income attributable to Comcast Corporation	\$ 2,235	\$ 866	\$ 4,789	\$ 2,825

See accompanying notes to condensed consolidated financial statements.

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

(in millions)	Nine Months Ended September 30	
	2012	2011
Net cash provided by (used in) operating activities	\$ 11,239	\$ 10,206
Investing Activities		
Capital expenditures	(4,043)	(3,785)
Cash paid for intangible assets	(605)	(505)
Acquisitions, net of cash acquired	(95)	(6,407)
Proceeds from sales of businesses and investments	3,095	154
Return of capital from investees	2,281	6
Purchases of investments	(191)	(85)
Other	68	(39)
Net cash provided by (used in) investing activities	510	(10,661)
Financing Activities		
Proceeds from (repayments of) short-term borrowings, net	(555)	1,642
Proceeds from borrowings	2,248	
Repurchases and repayments of debt	(2,505)	(2,813)
Repurchases and retirements of common stock	(2,250)	(1,650)
Dividends paid	(1,176)	(881)
Issuances of common stock	215	252
Distributions to NBCUniversal noncontrolling member	(340)	(86)
Distributions to other noncontrolling interests	(157)	(151)
Other	50	(36)
Net cash provided by (used in) financing activities	(4,470)	(3,723)
Increase (decrease) in cash and cash equivalents	7,279	(4,178)
Cash and cash equivalents, beginning of period	1,620	5,984
Cash and cash equivalents, end of period	\$ 8,899	\$ 1,806

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Condensed Consolidated Statement of Changes in Equity

(Unaudited)

(in millions)	Redeemable Non- controlling Interests	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, January 1, 2011	\$ 143	\$ 24	\$ 8	\$	\$ 39,780	\$ 12,158	\$ (7,517)	\$ (99)	\$ 80	\$ 44,434	
Stock compensation plans		1			414	(40)				375	
Repurchase and retirement of common stock			(1)		(822)	(827)				(1,650)	
Employee stock purchase plan					50					50	
Dividends declared						(928)				(928)	
Other comprehensive income (loss)	(6)							(48)		(48)	
NBCUniversal transaction	15,192				1,612				211	1,823	
Issuance of subsidiary shares to noncontrolling interests	83				45				43	88	
Contributions from (distributions to) noncontrolling interests, net	(177)								(112)	(112)	
Net income (loss)	592					2,873			107	2,980	
Balance, September 30, 2011	\$ 15,827	\$ 25	\$ 7	\$	\$ 41,079	\$ 13,236	\$ (7,517)	\$ (147)	\$ 329	\$ 47,012	
Balance, January 1, 2012	\$ 16,014	\$ 25	\$ 7	\$	\$ 40,940	\$ 13,971	\$ (7,517)	\$ (152)	\$ 381	\$ 47,655	
Stock compensation plans					490	(169)				321	
Repurchase and retirement of common stock			(1)		(842)	(1,407)				(2,250)	
Employee stock purchase plan					62					62	
Dividends declared						(1,306)				(1,306)	
Other comprehensive income (loss)	8							104		104	
Contributions from (distributions to) noncontrolling interests, net	(353)								(119)	(119)	
Other	(43)				2				84	86	
Net income (loss)	1,270					4,685			103	4,788	
Balance, September 30, 2012	\$ 16,896	\$ 25	\$ 6	\$	\$ 40,652	\$ 15,774	\$ (7,517)	\$ (48)	\$ 449	\$ 49,341	

See accompanying notes to condensed consolidated financial statements.

Table of Contents**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 Securities and Exchange Commission (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 2011 Annual Report on Form 10-K.

On January 28, 2011, we closed the NBCUniversal transaction in which we acquired control of the businesses of NBC Universal, Inc. (now named NBCUniversal Media, LLC (NBCUniversal)), and on July 1, 2011, we closed the Universal Orlando transaction in which we acquired the remaining 50% equity interest in Universal City Development Partners, Ltd. (Universal Orlando) that we did not already own. NBCUniversal's and Universal Orlando's results of operations have been consolidated with our results following their respective acquisition dates. For a more complete discussion of the NBCUniversal and Universal Orlando transactions, refer to our consolidated financial statements included in our 2011 Annual Report on Form 10-K.

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

Note 2: Earnings Per Share**Computation of Diluted EPS**

	2012		Three Months Ended September 30			
	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	\$ 2,113	2,668	\$ 0.79	\$ 908	2,739	\$ 0.33
Effect of dilutive securities:						
Assumed exercise or issuance of shares relating to stock plans		35			22	
Diluted EPS attributable to Comcast Corporation shareholders	\$ 2,113	2,703	\$ 0.78	\$ 908	2,761	\$ 0.33
	2012		Nine Months Ended September 30			
	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	\$ 4,685	2,687	\$ 1.74	\$ 2,873	2,757	\$ 1.04
Effect of dilutive securities:						
Assumed exercise or issuance of shares relating to stock plans		37			32	

Edgar Filing: COMCAST CORP - Form 10-Q

**Diluted EPS attributable to Comcast Corporation
shareholders**

\$ 4,685	2,724	\$ 1.72	\$ 2,873	2,789	\$ 1.03
-----------------	--------------	----------------	-----------------	--------------	----------------

6

Table of Contents

Diluted earnings per common share attributable to Comcast Corporation shareholders (diluted EPS) for the three and nine months ended September 30, 2012 excludes 21 million and 37 million, respectively, of potential common shares related to our share-based compensation plans, because the inclusion of the potential common shares would have had an antidilutive effect. For the three and nine months ended September 30, 2011, diluted EPS excluded 54 million and 45 million, respectively, of potential common shares.

Note 3: Film and Television Costs

(in millions)	September 30, 2012	December 31, 2011
Film Costs:		
Released, less amortization	\$ 1,518	\$ 1,428
Completed, not released	137	148
In production and in development	1,020	1,374
	2,675	2,950
Television Costs:		
Released, less amortization	1,013	1,002
In production and in development	203	201
	1,216	1,203
Programming rights, less amortization	2,092	2,061
	5,983	6,214
Less: Current portion of programming rights	1,037	987
Film and television costs	\$ 4,946	\$ 5,227

Note 4: Investments

(in millions)	September 30, 2012	December 31, 2011
Fair value method	\$4,144	\$ 3,028
Equity Method:		
A&E Television Networks		2,021
SpectrumCo	11	1,417
The Weather Channel	469	463
MSNBC.com		174
Clearwire LLC		69
Other	655	736
	1,135	4,880
Cost Method:		
AirTouch	1,534	1,523
Other	539	477
	2,073	2,000
Total investments	7,352	9,908
Less: Current investments	1,401	54
Noncurrent investments	\$5,951	\$ 9,854
Fair Value Method		

As of September 30, 2012, we held as collateral \$4 billion of fair value method equity securities related to our obligations under prepaid forward sale agreements. As of September 30, 2012, our prepaid forward sale obligations were recorded at \$3.4 billion within other current and noncurrent liabilities in our condensed consolidated balance sheet and had an estimated fair value of approximately \$3.5 billion. The estimated fair values are based on Level 2 inputs using 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.

Table of Contents**Clearwire**

In September 2012, we exchanged our ownership units in Clearwire Communications LLC (Clearwire LLC) and our voting Class B stock for 89 million Class A shares of Clearwire Corporation. Following this exchange, we now account for our investment as an available-for-sale security under the fair value method. As of September 30, 2012, the carrying value of our investment in Clearwire Corporation was \$119 million.

Equity Method**A&E Television Networks**

In March 2012, NBCUniversal exercised an option that required A&E Television Networks LLC (A&E Television Networks) to redeem a substantial portion of NBCUniversal's equity interest in A&E Television Networks. In July 2012, NBCUniversal entered into a redemption agreement with A&E Television Networks whereby A&E Television Networks agreed to redeem NBCUniversal's entire 15.8% equity interest for \$3 billion.

In August 2012, NBCUniversal closed this transaction, received cash proceeds of \$3 billion and recognized a pretax gain of \$1 billion, which is included in other income (expense), net. The net income attributable to noncontrolling interests and our consolidated income tax expense associated with this transaction were \$495 million and \$196 million, respectively.

SpectrumCo

In August 2012, SpectrumCo, LLC (SpectrumCo) closed its agreement to sell its advanced wireless services (AWS) spectrum licenses to Verizon Wireless for \$3.6 billion. Our portion of SpectrumCo's gain on sale of its AWS spectrum licenses was \$876 million for the three and nine months ended September 30, 2012, which is included in equity in net income (losses) of investees, net in our condensed consolidated statement of income. Following the close of the transaction, SpectrumCo distributed to us \$2.3 billion, which represents our portion of the sale proceeds. These proceeds are reflected as a return of capital from investees in our condensed consolidated statement of cash flows.

MSNBC.com

In July 2012, NBCUniversal acquired the remaining 50% equity interest in MSNBC Interactive News, LLC and other related entities (MSNBC.com) that it did not already own. The total purchase price was \$195 million, which was net of \$100 million of cash and cash equivalents held at MSNBC.com that were acquired in the transaction, which were not previously attributable to NBCUniversal. MSNBC.com is now a wholly owned consolidated subsidiary of NBCUniversal.

Cost Method

We hold two series of preferred stock of AirTouch Communications, Inc. (AirTouch), a subsidiary of Vodafone, which are redeemable in April 2020. As of September 30, 2012, the estimated fair value of the AirTouch preferred stock and the associated liability related to redeemable preferred shares issued by one of our consolidated subsidiaries was approximately \$1.9 billion. The estimated fair values are primarily based on Level 2 inputs using pricing models whose inputs are derived from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

Components of Investment Income (Loss), Net

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Gains on sales and exchanges of investments, net	\$ 1	\$ 6	\$ 28	\$ 27
Investment impairment losses	(1)		(22)	(3)
Unrealized gains (losses) on securities underlying prepaid forward sale agreements	500	(576)	988	(41)
	(470)	454	(920)	7

Edgar Filing: COMCAST CORP - Form 10-Q

Mark to market adjustments on derivative component of prepaid forward sale
agreements and indexed debt instruments

Interest and dividend income	32	28	89	80
Other, net	8	(59)	7	(67)
Investment income (loss), net	\$ 70	\$ (147)	\$ 170	\$ 3

Table of Contents**Note 5: Goodwill**

(in millions)	NBCUniversal						Total
	Cable Communications	Cable Networks	Broadcast Television	Filmed Entertainment	Theme Parks	Corporate and Other	
Balance, December 31, 2011	\$ 12,208	\$ 12,744	\$ 772	\$ 1	\$ 1,140	\$ 9	\$ 26,874
Acquisitions		311					311
Dispositions	(1)						(1)
Adjustments		(24)	(11)		(61)		(96)
Balance, September 30, 2012	\$ 12,207	\$ 13,031	\$ 761	\$ 1	\$ 1,079	\$ 9	\$ 27,088

The increase in goodwill in our Cable Networks segment primarily relates to \$232 million of goodwill associated with the acquisition of MSNBC.com and \$71 million of goodwill associated with the acquisition of a controlling interest in a previously held equity method investment based in Brazil. The preliminary allocation of purchase price for these acquisitions, including the changes in goodwill, are not yet final and are subject to change. We will finalize the amounts recognized as we obtain the information necessary to complete the analyses, but no later than July 2013 and May 2013, respectively.

Note 6: Long-Term Debt

As of September 30, 2012, our debt had an estimated fair value of \$46.1 billion. The estimated fair value of our publicly traded debt is based on quoted market values for the debt. To estimate the fair value of debt for which there are no quoted market prices, we use interest rates available to us for debt with similar terms and remaining maturities.

In July 2012, we issued \$1 billion aggregate principal amount of 3.125% senior notes due 2022 and \$1.25 billion aggregate principal amount of 4.650% senior notes due 2042. A portion of the proceeds from this offering was used to fund the repayment in July 2012 of \$202 million aggregate principal amount of our 10.625% senior subordinated debentures and the redemption of \$575 million aggregate principal amount of our 6.625% senior notes.

In October 2012, NBCUniversal issued \$1 billion aggregate principal amount of 2.875% senior notes due 2023 and \$1 billion aggregate principal amount of 4.450% senior notes due 2043. A portion of the proceeds from this issuance will be used to redeem in November 2012 the \$260 million aggregate principal amount outstanding of Universal Orlando's 8.875% senior notes due 2015 and the \$146 million aggregate principal amount outstanding of Universal Orlando's 10.875% senior subordinated notes due 2016. The carrying amount of these senior notes and senior subordinated notes was recorded in the current portion of long-term debt in our condensed consolidated balance sheet as of September 30, 2012.

Debt Repayments and Redemptions

(in millions)	Nine Months Ended September 30,
	2012
7% senior notes due 2055	\$ 1,125
6.625% senior notes due 2056	575
9.8% senior notes due 2012	553
10.625% senior subordinated debentures due 2012	202
Other	50
Total	\$ 2,505

Commercial Paper Program

During the nine months ended September 30, 2012, net repayments of commercial paper by NBCUniversal were \$550 million.

Table of Contents

Revolving Credit Facility

In June 2012, Comcast and Comcast Cable Communications, LLC entered into a new \$6.25 billion revolving credit facility due June 2017 with a syndicate of banks, which may be used for general corporate purposes. The new revolving credit facility replaces our prior \$6.8 billion revolving credit facility, which was terminated in connection with the execution of the new revolving credit facility. The interest rate on the new facility consists of a base rate plus a borrowing margin that is determined based on Comcast's credit rating. As of September 30, 2012, the borrowing margin for borrowings based on the London Interbank Offered Rate (LIBOR) was 1.125%. The terms of the new revolving credit facility's financial covenants and guarantees are substantially the same as those under the prior revolving credit facility. As of September 30, 2012, amounts available under the new facility totaled \$5.8 billion.

Note 7: Derivative Financial Instruments

We use derivative financial instruments to manage our exposure to the risks associated with fluctuations in interest rates, foreign exchange rates and equity prices.

We manage our exposure to fluctuations in interest rates by using derivative financial instruments such as interest rate exchange agreements (swaps), interest rate lock agreements (rate locks) and interest rate collars (collars). We sometimes enter into rate locks or collars to hedge the risk that the cash flows related to the interest payments on an anticipated issuance or assumption of fixed-rate debt may be adversely affected by interest rate fluctuations.

We manage our exposure to fluctuations in foreign exchange rates by using foreign exchange contracts such as forward contracts and currency options, as well as cross-currency swaps for our foreign currency denominated borrowings.

We manage our exposure to and benefits from price fluctuations in the common stock of some of our investments by using equity derivative financial instruments embedded in other contracts, such as prepaid forward sale agreements, whose values, in part, are derived from the market value of certain publicly traded common stock.

We manage the credit risks associated with our derivative financial instruments through diversification and the evaluation and monitoring of the creditworthiness of counterparties. Although we may be exposed to losses in the event of nonperformance by the counterparties, we do not expect such losses, if any, to be significant. We have agreements with certain counterparties that include collateral provisions. These provisions require a party with an aggregate unrealized loss position in excess of certain thresholds to post cash collateral for the amount in excess of the threshold. The threshold levels in our collateral agreements are based on our and the counterparties' credit ratings. As of September 30, 2012, neither we nor any of our counterparties were required to post collateral under the terms of the agreements.

During the three and nine months ended September 30, 2012, there were no significant changes in the composition of any of our derivative financial instruments or their classification in our condensed consolidated balance sheet. In addition, the impact of our derivative financial instruments on our condensed consolidated financial statements was not material for the three and nine months ended September 30, 2012 and 2011.

See Note 8 for additional information on the fair value of our derivative financial instruments as of September 30, 2012 and December 31, 2011.

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

Table of Contents

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, 2011 Total
	Level 1	September 30, 2012		Total	
		Level 2	Level 3		
Assets					
Trading securities	\$ 3,866	\$	\$	\$ 3,866	\$ 2,895
Available-for-sale securities	226	29	21	276	131
Interest rate swap agreements		234		234	246
Foreign exchange contracts		10		10	10
Equity warrants			2	2	2
Total	\$ 4,092	\$ 273	\$ 23	\$ 4,388	\$ 3,284
Liabilities					
Derivative component of prepaid forward sale agreements and indexed debt instruments	\$	\$ 2,153	\$	\$ 2,153	\$ 1,234
Contractual obligations			984	984	1,004
Contingent consideration			650	650	583
Cross-currency swap agreements		8		8	69
Foreign exchange contracts		15		15	8
Total	\$	\$ 2,176	\$ 1,634	\$ 3,810	\$ 2,898

The 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 are our estimates of the future revenue we expect to generate from certain NBCUniversal entities, which are related to our contractual obligations, and the future net tax benefits that will affect the payments to GE, which are related to contingent consideration. The discount rates used in the measurements of fair value were between 5.6% and 13% and are based on the underlying risk associated with our estimate of future revenue, as well as the terms of the respective contracts, and the uncertainty in the timing of our payments to GE. The fair value adjustments to these financial liabilities are recorded in other income (expense), net in our condensed consolidated statement of income.

Changes in Contractual Obligations and Contingent Consideration

(in millions)	Contractual Obligations	Contingent Consideration
Balance, December 31, 2011	\$ 1,004	\$ 583
Acquisition accounting adjustments	(20)	
Fair value adjustments	65	106
Payments	(65)	(39)
Balance, September 30, 2012	\$ 984	\$ 650

Nonrecurring Fair Value Measures

We have assets and liabilities required to be recorded at fair value on a nonrecurring basis when certain circumstances occur. In the case of film or stage play production costs, upon the occurrence of an event or change in circumstance that may indicate that the fair value of a production is less than its unamortized costs, we determine the fair value of the production and record an adjustment for the amount by which the unamortized

Table of Contents

capitalized costs exceed the production's fair value. The estimate of fair value of a production is determined using Level 3 inputs, primarily an analysis of future expected cash flows. Fair value adjustments of \$155 million were recorded during the nine months ended September 30, 2012.

Note 9: Noncontrolling Interests

Certain of the subsidiaries that we consolidate are not wholly owned. Some of the agreements with the minority partners of these subsidiaries contain redemption features whereby interests held by the minority partners, including GE's 49% interest in NBCUniversal, are redeemable either (i) at the option of the holder or (ii) upon the occurrence of an event that is not solely within our control. If interests were to be redeemed under these agreements, we would generally be required to purchase the interest at fair value on the date of redemption. These interests are presented on the balance sheet outside of equity under the caption Redeemable noncontrolling interests. Noncontrolling interests that do not contain such redemption features are presented in equity.

The table below presents the changes in equity resulting from net income attributable to Comcast Corporation and transfers to or from noncontrolling interests.

(in millions)	Nine Months Ended September 30	
	2012	2011
Net income attributable to Comcast Corporation	\$ 4,685	\$ 2,873
Transfers from (to) noncontrolling interests:		
Increase in Comcast Corporation additional paid-in capital resulting from the issuance of noncontrolling equity interest		1,657
Increase in Comcast Corporation additional paid-in capital resulting from the purchase of noncontrolling interest	2	
Changes in equity resulting from net income attributable to Comcast Corporation and transfers from (to) noncontrolling interests	\$ 4,687	\$ 4,530

Note 10: Pension Plans and Postretirement Benefits

The tables below present the components of net periodic benefit expense related to our active pension plans and postretirement benefit plans.

(in millions)	Three Months Ended September 30			
	2012		2011	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Service cost	\$ 32	\$ 7	\$ 27	\$ 8
Interest cost	4	7	3	7
Total benefits expense	\$ 36	\$ 14	\$ 30	\$ 15

(in millions)	Nine Months Ended September 30			
	2012		2011	
	Pension Benefits	Postretirement Benefits	Pension Benefits	Postretirement Benefits
Service cost	\$ 95	\$ 23	\$ 72	\$ 23
Interest cost	13	22	9	22
Prior service cost				(13)
Other	(2)			
Total benefits expense	\$ 106	\$ 45	\$ 81	\$ 32

In April 2012, NBCUniversal provided funding to its qualified defined benefit plan of \$76 million. The expected return on the plan assets is 5%.

In October 2012, NBCUniversal provided notice to its plan participants of an amendment to both the qualified and nonqualified NBCUniversal defined benefit plans that will freeze future benefits effective December 31, 2012. In addition, effective January 1, 2013, NBCUniversal will provide additional benefits to eligible employees through its other retirement benefit plans.

Table of Contents**Note 11: Share-Based Compensation**

Our approach to long-term incentive compensation includes awarding stock options and restricted share units (RSUs) to certain employees and directors. We grant these awards under various plans. 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 2012, we granted 21.8 million stock options and 5.7 million RSUs related to our annual management grant program. The weighted-average fair values associated with these grants were \$7.38 per stock option and \$27.43 per RSU.

Recognized Share-Based Compensation Expense

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Stock options	\$ 32	\$ 30	\$ 99	\$ 86
Restricted share units	38	35	114	113
Employee stock purchase plans	4	4	12	10
Total	\$ 74	\$ 69	\$ 225	\$ 209

As of September 30, 2012, we had unrecognized pretax compensation expense related to nonvested stock options and nonvested RSUs of \$353 million and \$384 million, respectively.

For the three and nine months ended September 30, 2012, the employee cost associated with participation in our employee stock purchase plans was satisfied with payroll deductions of \$14 million and \$50 million, respectively. For the three and nine months ended September 30, 2011, the employee cost associated with participation in our employee stock purchase plans was satisfied with payroll deductions of \$16 million and \$44 million, respectively.

Note 12: Supplemental Financial Information**Receivables**

(in millions)	September 30, 2012	December 31, 2011
Receivables, gross	\$ 5,569	\$ 4,978
Less: Allowance for returns and customer incentives	251	425
Less: Allowance for doubtful accounts	195	202
Receivables, net	\$ 5,123	\$ 4,351

Accumulated Other Comprehensive Income (Loss)

(in millions)	September 30, 2012	September 30, 2011
Unrealized gains (losses) on marketable securities	\$ 97	\$ 22
Deferred gains (losses) on cash flow hedges	(90)	(149)
Unrecognized gains (losses) on employee benefit obligations	(54)	(18)
Cumulative translation adjustments	(1)	(2)
Accumulated other comprehensive income (loss), net of deferred taxes	\$ (48)	\$ (147)

Operating Costs and Expenses

Edgar Filing: COMCAST CORP - Form 10-Q

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Programming and production	\$ 5,726	\$ 4,338	\$ 15,017	\$ 11,932
Cable Communications technical labor	590	597	1,757	1,758
Cable Communications customer service	485	474	1,460	1,403
Advertising, marketing and promotion	1,223	1,101	3,713	3,186
Other	3,512	3,255	9,986	9,080
Operating costs and expenses (excluding depreciation and amortization)	\$ 11,536	\$ 9,765	\$ 31,933	\$ 27,359

Table of Contents**Net Cash Provided by Operating Activities**

(in millions)	Nine Months Ended September 30	
	2012	2011
Net income	\$ 6,058	\$ 3,572
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,815	5,638
Amortization of film and television costs	7,295	4,769
Share-based compensation	278	260
Noncash interest expense (income), net	158	111
Equity in net (income) losses of investees, net	(943)	40
Cash received from investees	178	228
Net (gain) loss on investment activity and other	(1,071)	97
Deferred income taxes	321	770
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Change in receivables, net	(763)	290
Change in film and television costs	(7,290)	(5,342)
Change in accounts payable and accrued expenses related to trade creditors	424	(242)
Change in other operating assets and liabilities	779	15
Net cash provided by operating activities	\$ 11,239	\$ 10,206

Cash Payments for Interest and Income Taxes

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Interest	\$ 567	\$ 612	\$ 1,725	\$ 1,809
Income taxes	\$ 833	\$ 596	\$ 1,855	\$ 1,166

Noncash Investing and Financing Activities

During the nine months ended September 30, 2012:

we acquired \$602 million of property and equipment and intangible assets that were accrued but unpaid, which is a noncash investing activity

we recorded a liability of \$432 million for a quarterly cash dividend of \$0.1625 per common share paid in October 2012, which is a noncash financing activity

NBCUniversal acquired controlling interests in MSNBC.com and a previously held equity method investment based in Brazil

NBCUniversal entered into a capital lease transaction that resulted in an increase in property and equipment and debt of \$85 million

Note 13: Receivables Monetization

Edgar Filing: COMCAST CORP - Form 10-Q

NBCUniversal monetizes certain of its accounts receivable under programs with a syndicate of banks. We account for receivables monetized through these programs as sales in accordance with the appropriate accounting guidance. We receive deferred consideration from the assets sold in the form of a receivable, which is funded by residual cash flows after the senior interests have been fully paid. The deferred consideration is recorded in receivables, net at its initial fair value, which reflects the net cash flows we expect to receive related to these interests. The accounts receivable we sold that underlie the deferred consideration are generally short-term in nature and, therefore, the fair value of the deferred consideration approximated its carrying value as of September 30, 2012.

NBCUniversal is responsible for servicing the receivables and remitting collections to the purchasers under the monetization programs. NBCUniversal performs this service for a fee that is equal to the prevailing market rate

Table of Contents

for such services. As a result, no servicing asset or liability has been recorded in our condensed consolidated balance sheet as of September 30, 2012. The servicing fees are a component of net (loss) gain on sale, which is presented in the table below.

Effect on Income from Receivables Monetization and Cash Flows on Transfers

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Interest (expense)	\$ (3)	\$	\$ (9)	\$
Net (loss) gain on sale ^(a)	\$	\$ (7)	\$ (1)	\$ (24)
Net cash proceeds (payments) on transfers ^(b)	\$ 293	\$ (168)	\$ 70	\$ (542)

(a) Net (loss) gain on sale is included in other income (expense), net in our condensed consolidated statement of income.

(b) Net cash proceeds (payments) on transfers are included within net cash provided by operating activities in our condensed consolidated statement of cash flows.

Receivables Monetized and Deferred Consideration

(in millions)	September 30, 2012	December 31, 2011
Monetized receivables sold	\$ 896	\$ 961
Deferred consideration	\$ 372	\$ 268

In addition to the amounts presented above, we had \$1 billion and \$781 million payable to our monetization programs as of September 30, 2012 and December 31, 2011, respectively. These amounts represent cash receipts that have not yet been remitted to the monetization programs as of the balance sheet date and are recorded to accounts payable and accrued expenses related to trade creditors.

Note 14: Commitments and Contingencies**Contingencies****Antitrust Cases**

We are defendants in two purported class actions originally filed in December 2003 in the United States District Courts for the District of Massachusetts and the Eastern District of Pennsylvania. The potential class in the Massachusetts case, which has been transferred to the Eastern District of Pennsylvania, is our customer base in the Boston Cluster area, and the potential class in the Pennsylvania case is our customer base in the Philadelphia and Chicago Clusters, as those terms are defined in the complaints. In each case, the plaintiffs allege that certain customer exchange transactions with other cable providers resulted in unlawful horizontal market restraints in those areas and seek damages under antitrust statutes, including treble damages.

Classes of Chicago Cluster and Philadelphia Cluster customers were certified in October 2007 and January 2010, respectively. We appealed the class certification in the Philadelphia Cluster case to the Third Circuit Court of Appeals, which affirmed the class certification in August 2011 and denied our petition for a rehearing en banc in September 2011. In March 2010, we moved for summary judgment dismissing all of the plaintiffs' claims in the Philadelphia Cluster. In April 2012, the District Court issued a decision dismissing some of the plaintiffs' claims, but allowing two claims to proceed to trial. The plaintiffs' claims concerning the other two clusters are stayed pending determination of the Philadelphia Cluster claims. In June 2012, the U.S. Supreme Court granted our petition to review the Third Circuit Court of Appeals' ruling, and has scheduled oral argument for November 2012. In September 2012, the trial court stayed all trial and pretrial proceedings pending resolution of the Supreme Court appeal.

We also are among the defendants in a purported class action filed in the United States District Court for the Central District of California in September 2007. The potential class is comprised of all persons residing in the United States who have subscribed to an expanded basic level of video service provided by one of the defendants. The plaintiffs allege that the defendants who produce video programming have entered into agreements with the defendants who distribute video programming via cable and satellite (including us), which preclude the distributor

defendants from reselling channels to customers on an unbundled basis in violation of federal

Table of Contents

antitrust laws. The plaintiffs seek treble damages and injunctive relief requiring each distributor defendant to resell certain channels to its customers on an unbundled basis. In October 2009, the Central District of California issued an order dismissing the plaintiffs' complaint with prejudice. In March 2012, a panel of the Ninth Circuit Court of Appeals affirmed the District Court's order. In April 2012, the plaintiffs filed a petition for a rehearing, which the Ninth Circuit denied in May 2012. In August 2012, the plaintiffs filed a petition for writ of certiorari with the U.S. Supreme Court, and in October 2012, we filed a brief in opposition to the petition.

In addition, we are the defendant in 22 purported class actions filed in federal district courts throughout the country. All of these actions have been consolidated by the Judicial Panel on Multidistrict Litigation in the United States District Court for the Eastern District of Pennsylvania for pre-trial proceedings. In a consolidated complaint filed in November 2009 on behalf of all plaintiffs in the multidistrict litigation, the plaintiffs allege that we improperly tie the rental of set-top boxes to the provision of premium cable services in violation of Section 1 of the Sherman Antitrust Act, various state antitrust laws and unfair/deceptive trade practices acts in California, Illinois and Alabama. The plaintiffs also allege a claim for unjust enrichment and seek relief on behalf of a nationwide class of our premium cable customers and on behalf of subclasses consisting of premium cable customers from California, Alabama, Illinois, Pennsylvania and Washington. In January 2010, we moved to compel arbitration of the plaintiffs' claims for unjust enrichment and violations of the unfair/deceptive trade practices acts of Illinois and Alabama. In September 2010, the plaintiffs filed an amended complaint alleging violations of additional state antitrust laws and unfair/deceptive trade practices acts on behalf of new subclasses in Connecticut, Florida, Minnesota, Missouri, New Jersey, New Mexico and West Virginia. In the amended complaint, plaintiffs omitted their unjust enrichment claim, as well as their state law claims on behalf of the Alabama, Illinois and Pennsylvania subclasses. In June 2011, the plaintiffs filed another amended complaint alleging only violations of Section 1 of the Sherman Antitrust Act, antitrust law in Washington and unfair/deceptive trade practices acts in California and Washington. The plaintiffs seek relief on behalf of a nationwide class of our premium cable customers and on behalf of subclasses consisting of premium cable customers from California and Washington. In July 2011, we moved to compel arbitration of certain claims and to stay the remaining claims pending arbitration.

The West Virginia Attorney General also filed a complaint in West Virginia state court in July 2009 alleging that we improperly tie the rental of set-top boxes to the provision of digital cable services in violation of the West Virginia Antitrust Act and the West Virginia Consumer Credit and Protection Act. The Attorney General also alleges a claim for unjust enrichment/restoration. We removed the case to the United States District Court for West Virginia, and it was subsequently transferred to the United States District Court for the Eastern District of Pennsylvania and consolidated with the multidistrict litigation described above. In March 2010, the Eastern District of Pennsylvania denied the Attorney General's motion to remand the case back to West Virginia state court. In June 2010, the Attorney General moved to sever and remand the portion of the claims seeking civil penalties and injunctive relief back to West Virginia state court. We filed a brief in opposition to the motion in July 2010.

We believe the claims in each of the pending actions described above in this item are without merit and intend to defend the actions vigorously. We cannot predict the outcome of any of the actions described above, including a range of possible loss, or how the final resolution of any such actions would impact our results of operations or cash flows for any one period or our consolidated financial position. In addition, as any action nears a trial, there is an increased possibility that the action may be settled by the parties. Nevertheless, the final disposition of any of the above actions is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations or cash flows for any one period.

Other

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 financial position, results of operations or cash flows, any litigation resulting from any such legal proceedings or claims could be time consuming, costly and injure our reputation.

Table of Contents**Note 15: Financial Data by Business Segment**

We present our operations in five reportable business segments:

Cable Communications: Consists primarily of video, high-speed Internet and voice services (cable services) for residential and business customers in the United States.

Cable Networks: Consists primarily of our national cable television networks, our regional sports and news networks, our international cable networks, our cable television production studio, and our related digital media properties.

Broadcast Television: Consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local television stations, our broadcast television production operations, and our related digital media properties.

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

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

In evaluating the profitability of our operating segments, the components of net 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)	Three Months Ended September 30, 2012				
	Operating Income (Loss)				
	Revenue ^(g)	Before Depreciation and Amortization ^(h)	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures
Cable Communications ^(a)	\$ 9,976	\$ 3,998	\$ 1,607	\$ 2,391	\$ 1,364
NBCUniversal					
Cable Networks	2,165	809	192	617	56
Broadcast Television ^(c)	2,777	88	22	66	17
Filmed Entertainment	1,355	72	4	68	
Theme Parks	614	316	65	251	55
Headquarters and Other ^(e)	8	(143)	54	(197)	81
Eliminations ^(f)	(97)	(2)		(2)	
NBCUniversal	6,822	1,140	337	803	209
Corporate and Other	112	(101)	14	(115)	9
Eliminations ^(f)	(366)	(29)	2	(31)	
Comcast Consolidated	\$ 16,544	\$ 5,008	\$ 1,960	\$ 3,048	\$ 1,582

(in millions)	Three Months Ended September 30, 2011				
	Operating Income (Loss)				
	Revenue ^(g)	Before Depreciation and Amortization ^(h)	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures
Cable Communications ^(a)	\$ 9,331	\$ 3,714	\$ 1,579	\$ 2,135	\$ 1,254

Edgar Filing: COMCAST CORP - Form 10-Q

NBCUniversal						
Cable Networks	2,097	751	183	568	7	
Broadcast Television	1,511	(7)	24	(31)	16	
Filmed Entertainment	1,096	54	6	48	2	
Theme Parks	580	285	63	222	42	
Headquarters and Other ^(e)	9	(132)	56	(188)	41	
Eliminations ^(f)	(93)					
NBCUniversal	5,200	951	332	619	108	
Corporate and Other	107	(91)	23	(114)	46	
Eliminations ^(f)	(299)		(1)	1		
Comcast Consolidated	\$ 14,339	\$ 4,574	\$ 1,933	\$ 2,641	\$ 1,408	

Table of Contents

Nine Months Ended September 30, 2012

Operating Income (Loss)

Before

(in millions)	Revenue ^(g)	Depreciation and Amortization ^(h)	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures
Cable Communications ^(a)	\$ 29,472	\$ 12,054	\$ 4,802	\$ 7,252	\$ 3,544
NBCUniversal					
Cable Networks	6,555	2,402	553	1,849	87
Broadcast Television ^(c)	6,168	274	64	210	36
Filmed Entertainment	3,778	(5)	12	(17)	4
Theme Parks	1,565	708	190	518	154
Headquarters and Other ^(e)	31	(444)	150	(594)	195
Eliminations ^(f)	(299)				
NBCUniversal	17,798	2,935	969	1,966	476
Corporate and Other	416	(255)	44	(299)	23
Eliminations ^(f)	(1,053)	(34)		(34)	
Comcast Consolidated	\$ 46,633	\$ 14,700	\$ 5,815	\$ 8,885	\$ 4,043

Nine Months Ended September 30, 2011

Operating Income (Loss)

Before

(in millions)	Revenue ^(g)	Depreciation and Amortization ^(h)	Depreciation and Amortization	Operating Income (Loss)	Capital Expenditures
Cable Communications ^(a)	\$ 27,756	\$ 11,349	\$ 4,791	\$ 6,558	\$ 3,488
NBCUniversal					
Cable Networks ^(b)	5,902	2,262	523	1,739	37
Broadcast Television	4,094	218	54	164	33
Filmed Entertainment	2,972	(62)	15	(77)	4
Theme Parks ^(d)	1,376	607	133	474	82
Headquarters and Other ^(e)	34	(381)	120	(501)	83
Eliminations ^(f)	(856)	(234)	(54)	(180)	
NBCUniversal	13,522	2,410	791	1,619	239
Corporate and Other	423	(319)	55	(374)	58
Eliminations ^(f)	(901)	1	1		
Comcast Consolidated	\$ 40,800	\$ 13,441	\$ 5,638	\$ 7,803	\$ 3,785

(a) For the three and nine months ended September 30, 2012 and 2011, Cable Communications segment revenue was derived from the following sources:

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Residential:				
Video	50.3%	52.4%	51.1%	53.0%
High-speed Internet	24.1%	23.6%	24.1%	23.4%
Voice	9.0%	9.5%	9.0%	9.4%
Business services	6.2%	5.0%	5.9%	4.7%
Advertising	6.1%	5.3%	5.5%	5.3%
Other	4.3%	4.2%	4.4%	4.2%
Total	100%	100%	100%	100%

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 and nine months ended September 30, 2012 and 2011, 2.8% of Cable Communications revenue was derived from franchise and other regulatory fees.

(b)

Edgar Filing: COMCAST CORP - Form 10-Q

For the nine months ended September 30, 2011, our Cable Networks segment included the results of operations of the businesses we contributed to NBCUniversal, as well as the results of operations of the NBCUniversal contributed cable networks for the period January 29, 2011 through September 30, 2011.

- (c) For the three and nine months ended September 30, 2012, our Broadcast Television segment included all revenue and operating costs and expenses associated with our broadcast of the 2012 London Olympics, which generated \$120 million of operating income before depreciation and amortization. This amount reflects the settlement of a \$237 million liability associated with the unfavorable Olympics contract that had been recorded through the application of acquisition accounting in 2011.

Table of Contents

- (d) For the period January 29, 2011 through June 30, 2011, we recorded Universal Orlando as an equity method investment in our consolidated results of operations. However, our Theme Parks segment included the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011 to reflect our measure of operating performance for our Theme Parks segment.
- (e) NBCUniversal Headquarters and Other activities included costs and expenses associated with overhead, employee benefits and headquarter initiatives.
- (f) NBCUniversal eliminations for the nine months ended September 30, 2011 included the elimination of the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011. These results were not included in NBCUniversal's total and our consolidated results of operations for the period January 29, 2011 through June 30, 2011 because we recorded Universal Orlando as an equity method investment during this period. Also 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 receives incentives offered by our Cable Networks segment in connection with its distribution of the Cable Networks' content, which are recorded as a reduction to programming expenses

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

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

- (g) No single customer accounted for a significant amount of revenue in any period.
- (h) 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 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 attributable to Comcast Corporation, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

Table of Contents**Note 16: Condensed Consolidating Financial Information**

Comcast Corporation (Comcast Parent) and four of our 100% owned cable holding company subsidiaries, 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), have fully and unconditionally guaranteed each other's debt securities. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the Combined CCHMO Parents.

Comcast Corporation provides an unconditional subordinated guarantee of the \$185 million principal amount currently outstanding of Comcast Holdings ZONES due October 2029. Comcast Corporation does not guarantee the \$62 million principal amount currently outstanding of Comcast Holdings ZONES due November 2029.

Condensed Consolidating Balance Sheet

September 30, 2012

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Assets							
Cash and cash equivalents	\$	\$	\$	\$	\$ 8,899	\$	\$ 8,899
Investments					1,401		1,401
Receivables, net					5,123		5,123
Programming rights					1,037		1,037
Other current assets	220	17	4		1,365		1,606
Total current assets	220	17	4		17,825		18,066
Film and television costs					4,946		4,946
Investments					5,951		5,951
Investments in and amounts due from subsidiaries eliminated upon consolidation	73,335	95,225	48,954	86,304	40,884	(344,702)	
Property and equipment, net	248				26,736		26,984
Franchise rights					59,364		59,364
Goodwill					27,088		27,088
Other intangible assets, net	11				17,860		17,871
Other noncurrent assets, net	1,090	1		147	1,813	(867)	2,184
Total assets	\$ 74,904	\$ 95,243	\$ 48,958	\$ 86,451	\$ 202,467	\$ (345,569)	\$ 162,454
Liabilities and Equity							
Accounts payable and accrued expenses related to trade creditors	\$ 16	\$	\$	\$	\$ 6,234	\$	\$ 6,250
Accrued participations and residuals					1,282		1,282
Accrued expenses and other current liabilities	1,170	294	24	275	5,241		7,004
Current portion of long-term debt		2,112	243		444		2,799
Total current liabilities	1,186	2,406	267	275	13,201		17,335
Long-term debt, less current portion	23,029	1,827	1,514	117	9,304		35,791
Deferred income taxes				747	30,208	(724)	30,231
Other noncurrent liabilities	1,797				11,206	(143)	12,860
Redeemable noncontrolling interests					16,896		16,896
Equity:							
Common stock	31						31
Other shareholders' equity	48,861	91,010	47,177	85,312	121,203	(344,702)	48,861
Total Comcast Corporation shareholders' equity	48,892	91,010	47,177	85,312	121,203	(344,702)	48,892
Noncontrolling interests					449		449
Total equity	48,892	91,010	47,177	85,312	121,652	(344,702)	49,341
Total liabilities and equity	\$ 74,904	\$ 95,243	\$ 48,958	\$ 86,451	\$ 202,467	\$ (345,569)	\$ 162,454

Table of Contents**Condensed Consolidating Balance Sheet****December 31, 2011**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Assets							
Cash and cash equivalents	\$	\$	\$	\$	\$ 1,620	\$	\$ 1,620
Investments					54		54
Receivables, net					4,351		4,351
Programming rights					987		987
Other current assets	235	8	3		1,315		1,561
Total current assets	235	8	3		8,327		8,573
Film and television costs					5,227		5,227
Investments					9,854		9,854
Investments in and amounts due from subsidiaries eliminated upon consolidation	71,222	89,568	45,725	88,336	36,949	(331,800)	
Property and equipment, net	262				27,297		27,559
Franchise rights					59,376		59,376
Goodwill					26,874		26,874
Other intangible assets, net	9				18,156		18,165
Other noncurrent assets, net	912	30	5	148	1,761	(666)	2,190
Total assets	\$ 72,640	\$ 89,606	\$ 45,733	\$ 88,484	\$ 193,821	\$ (332,466)	\$ 157,818
Liabilities and Equity							
Accounts payable and accrued expenses related to trade creditors	\$ 10	\$	\$	\$	\$ 5,695	\$	\$ 5,705
Accrued participations and residuals					1,255		1,255
Accrued expenses and other current liabilities	1,030	189	77	272	3,346		4,914
Current portion of long-term debt	26		554	202	585		1,367
Total current liabilities	1,066	189	631	474	10,881		13,241
Long-term debt, less current portion	22,451	3,953	1,764	111	9,663		37,942
Deferred income taxes				727	29,728	(523)	29,932
Other noncurrent liabilities	1,849				11,328	(143)	13,034
Redeemable noncontrolling interests					16,014		16,014
Equity:							
Common stock	32						32
Other shareholders equity	47,242	85,464	43,338	87,172	115,826	(331,800)	47,242
Total Comcast Corporation shareholders equity	47,274	85,464	43,338	87,172	115,826	(331,800)	47,274
Noncontrolling interests					381		381
Total equity	47,274	85,464	43,338	87,172	116,207	(331,800)	47,655
Total liabilities and equity	\$ 72,640	\$ 89,606	\$ 45,733	\$ 88,484	\$ 193,821	\$ (332,466)	\$ 157,818

Table of Contents**Condensed Consolidating Statement of Income****For the Three Months Ended September 30, 2012**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenue:							
Service revenue	\$	\$	\$	\$	\$ 16,544	\$	\$ 16,544
Management fee revenue	211	205	129			(545)	
	211	205	129		16,544	(545)	16,544
Costs and Expenses:							
Operating costs and expenses	99	205	129		11,648	(545)	11,536
Depreciation	8				1,541		1,549
Amortization	1				410		411
	108	205	129		13,599	(545)	13,496
Operating income (loss)	103				2,945		3,048
Other Income (Expense):							
Interest expense	(363)	(81)	(33)	(4)	(152)		(633)
Investment income (loss), net	1			(3)	72		70
Equity in net income (losses) of investees, net	2,281	1,641	1,216	2,047	911	(7,185)	911
Other income (expense), net					987		987
	1,919	1,560	1,183	2,040	1,818	(7,185)	1,335
Income (loss) before income taxes	2,022	1,560	1,183	2,040	4,763	(7,185)	4,383
Income tax (expense) benefit	91	28	12	3	(1,539)		(1,405)
Net income (loss)	2,113	1,588	1,195	2,043	3,224	(7,185)	2,978
Net (income) loss attributable to noncontrolling interests					(865)		(865)
Net income (loss) attributable to Comcast Corporation	\$ 2,113	\$ 1,588	\$ 1,195	\$ 2,043	\$ 2,359	\$ (7,185)	\$ 2,113
Comprehensive income (loss) attributable to Comcast Corporation	\$ 2,235	\$ 1,591	\$ 1,195	\$ 2,043	\$ 2,444	\$ (7,273)	\$ 2,235

Table of Contents**Condensed Consolidating Statement of Income****For the Three Months Ended September 30, 2011**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenue:							
Service revenue	\$	\$	\$	\$	\$ 14,339	\$	\$ 14,339
Management fee revenue	200	194	119			(513)	
	200	194	119		14,339	(513)	14,339
Costs and Expenses:							
Operating costs and expenses	84	194	119		9,881	(513)	9,765
Depreciation	8				1,532		1,540
Amortization					393		393
	92	194	119		11,806	(513)	11,698
Operating income (loss)	108				2,533		2,641
Other Income (Expense):							
Interest expense	(358)	(82)	(43)	(8)	(146)		(637)
Investment income (loss), net	1			(5)	(143)		(147)
Equity in net income (losses) of investees, net	1,072	1,369	787	1,338	(40)	(4,566)	(40)
Other income (expense), net	(3)				(9)		(12)
	712	1,287	744	1,325	(338)	(4,566)	(836)
Income (loss) before income taxes	820	1,287	744	1,325	2,195	(4,566)	1,805
Income tax (expense) benefit	88	29	15	5	(776)		(639)
Net income (loss)	908	1,316	759	1,330	1,419	(4,566)	1,166
Net (income) loss attributable to noncontrolling interests					(258)		(258)
Net income (loss) attributable to Comcast Corporation	\$ 908	\$ 1,316	\$ 759	\$ 1,330	\$ 1,161	\$ (4,566)	\$ 908
Comprehensive income (loss) attributable to Comcast Corporation	\$ 866	\$ 1,319	\$ 759	\$ 1,330	\$ 1,155	\$ (4,563)	\$ 866

Table of Contents**Condensed Consolidating Statement of Income****For the Nine Months Ended September 30, 2012**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenue:							
Service revenue	\$	\$	\$	\$	\$ 46,633	\$	\$ 46,633
Management fee revenue	625	610	381		46,633	(1,616)	46,633
	625	610	381			(1,616)	46,633
Costs and Expenses:							
Operating costs and expenses	290	610	381		32,268	(1,616)	31,933
Depreciation	23				4,571		4,594
Amortization	3				1,218		1,221
	316	610	381		38,057	(1,616)	37,748
Operating income (loss)	309				8,576		8,885
Other Income (Expense):							
Interest expense	(1,084)	(246)	(102)	(20)	(446)		(1,898)
Investment income (loss), net	4			(2)	168		170
Equity in net income (losses) of investees, net	5,186	4,863	3,591	5,171	943	(18,811)	943
Other income (expense), net					924		924
	4,106	4,617	3,489	5,149	1,589	(18,811)	139
Income (loss) before income taxes	4,415	4,617	3,489	5,149	10,165	(18,811)	9,024
Income tax (expense) benefit	270	86	36	8	(3,366)		(2,966)
Net income (loss)	4,685	4,703	3,525	5,157	6,799	(18,811)	6,058
Net (income) loss attributable to noncontrolling interests					(1,373)		(1,373)
Net income (loss) attributable to Comcast Corporation	\$ 4,685	\$ 4,703	\$ 3,525	\$ 5,157	\$ 5,426	\$ (18,811)	\$ 4,685
Comprehensive income (loss) attributable to Comcast Corporation	\$ 4,789	\$ 4,710	\$ 3,525	\$ 5,157	\$ 5,506	\$ (18,898)	\$ 4,789

Table of Contents**Condensed Consolidating Statement of Income****For the Nine Months Ended September 30, 2011**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenue:							
Service revenue	\$	\$	\$	\$	\$ 40,800	\$	\$ 40,800
Management fee revenue	598	574	353		40,800	(1,525)	40,800
	598	574	353		40,800	(1,525)	40,800
Costs and Expenses:							
Operating costs and expenses	321	574	353	5	27,631	(1,525)	27,359
Depreciation	22				4,482		4,504
Amortization	2				1,132		1,134
	345	574	353	5	33,245	(1,525)	32,997
Operating income (loss)	253			(5)	7,555		7,803
Other Income (Expense):							
Interest expense	(1,077)	(255)	(129)	(24)	(378)		(1,863)
Investment income (loss), net	4				(1)		3
Equity in net income (losses) of investees, net	3,419	4,028	2,386	4,054	(40)	(13,887)	(40)
Other income (expense), net	(19)			1	(64)		(82)
	2,327	3,773	2,257	4,031	(483)	(13,887)	(1,982)
Income (loss) before income taxes	2,580	3,773	2,257	4,026	7,072	(13,887)	5,821
Income tax (expense) benefit	293	89	45	10	(2,686)		(2,249)
Net income (loss)	2,873	3,862	2,302	4,036	4,386	(13,887)	3,572
Net (income) loss attributable to noncontrolling interests					(699)		(699)
Net income (loss) attributable to Comcast Corporation	\$ 2,873	\$ 3,862	\$ 2,302	\$ 4,036	\$ 3,687	\$ (13,887)	\$ 2,873
Comprehensive income (loss) attributable to Comcast Corporation	\$ 2,825	\$ 3,869	\$ 2,302	\$ 4,036	\$ 3,680	\$ (13,887)	\$ 2,825

Table of Contents**Condensed Consolidating Statement of Cash Flows****For the Nine Months Ended September 30, 2012**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Net cash provided by (used in) operating activities	\$ (393)	\$ (39)	\$ (122)	\$ (4)	\$ 11,797	\$	\$ 11,239
Investing Activities:							
Net transactions with affiliates	3,015	39	675	205	(3,934)		
Capital expenditures	(8)				(4,035)		(4,043)
Cash paid for intangible assets	(4)				(601)		(605)
Acquisitions, net of cash acquired					(95)		(95)
Proceeds from sales of businesses and investments					3,095		3,095
Return of capital from investees					2,281		2,281
Purchases of investments					(191)		(191)
Other				1	67		68
Net cash provided by (used in) investing activities	3,003	39	675	206	(3,413)		510
Financing Activities:							
Proceeds from (repayments of) short-term borrowings, net	(1)				(554)		(555)
Proceeds from borrowings	2,248						2,248
Repurchases and repayments of debt	(1,726)		(553)	(202)	(24)		(2,505)
Repurchases and retirements of common stock	(2,250)						(2,250)
Dividends paid	(1,176)						(1,176)
Issuances of common stock	215						215
Distributions (to) from noncontrolling interests					(497)		(497)
Other	80				(30)		50
Net cash provided by (used in) financing activities	(2,610)		(553)	(202)	(1,105)		(4,470)
Increase (decrease) in cash and cash equivalents					7,279		7,279
Cash and cash equivalents, beginning of period					1,620		1,620
Cash and cash equivalents, end of period	\$	\$	\$	\$	\$ 8,899	\$	\$ 8,899

Table of Contents**Condensed Consolidating Statement of Cash Flows****For the Nine Months Ended September 30, 2011**

(in millions)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non- Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Net cash provided by (used in) operating activities	\$ (476)	\$ (60)	\$ (141)	\$ (19)	\$ 10,902	\$	\$ 10,206
Investing Activities:							
Net transactions with affiliates	3,066	760	141	19	(3,986)		
Capital expenditures	(4)				(3,781)		(3,785)
Cash paid for intangible assets	(2)				(503)		(505)
Acquisitions, net of cash acquired					(6,407)		(6,407)
Proceeds from sales of businesses and investments					154		154
Return of capital from investees					6		6
Purchases of investments					(85)		(85)
Other					(39)		(39)
Net cash provided by (used in) investing activities	3,060	760	141	19	(14,641)		(10,661)
Financing Activities:							
Proceeds from (repayments of) short-term borrowings, net	397	300			945		1,642
Repurchases and repayments of debt	(750)	(1,000)			(1,063)		(2,813)
Repurchases and retirements of common stock	(1,650)						(1,650)
Dividends paid	(881)						(881)
Issuances of common stock	252						252
Distributions (to) from noncontrolling interests					(237)		(237)
Other	48				(84)		(36)
Net cash provided by (used in) financing activities	(2,584)	(700)			(439)		(3,723)
Increase (decrease) in cash and cash equivalents					(4,178)		(4,178)
Cash and cash equivalents, beginning of period					5,984		5,984
Cash and cash equivalents, end of period	\$	\$	\$	\$	\$ 1,806	\$	\$ 1,806

Table of Contents

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

Overview

We are a leading provider of entertainment, information and communication products and services. On January 28, 2011, we closed the NBCUniversal transaction in which we acquired control of the businesses of NBCUniversal, and on July 1, 2011, we closed the Universal Orlando transaction in which we acquired the remaining 50% equity interest in Universal Orlando that we did not already own. We report our operations as the following five reportable business segments.

Cable Communications

We are one of the nation's leading providers of video, high-speed Internet and voice services to residential and business customers. As of September 30, 2012, our cable systems served 22 million video customers, 19 million high-speed Internet customers and 9.8 million voice customers and passed more than 52 million homes and businesses in 39 states and the District of Columbia. Our Cable Communications segment generates revenue primarily from subscriptions to our cable services, which we market individually and in packages, and from the sale of advertising. During the nine months ended September 30, 2012, our Cable Communications segment generated 63% of our consolidated revenue and more than 80% of our operating income before depreciation and amortization.

NBCUniversal

NBCUniversal is a leading media and entertainment company that develops, produces and distributes entertainment, news and information, sports and other content for global audiences.

Cable Networks

Our Cable Networks segment consists primarily of our national cable networks, which provide entertainment, news and information, and sports programming, our regional sports and news networks, our international cable networks, our cable television production studio, and our related digital media properties. Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, the sale of advertising, and the licensing and sale of our owned programming.

Broadcast Television

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local television stations, our broadcast television production operations, and our related digital media properties. Our Broadcast Television segment generates revenue primarily from the sale of advertising and the licensing and sale of our owned programming.

Filmed Entertainment

Our Filmed Entertainment segment consists of the operations of Universal Pictures, including Focus Features, which produces, acquires, markets and distributes filmed entertainment worldwide in various media formats for theatrical, home entertainment, television and other distribution platforms. We also develop, produce and license stage plays. Our Filmed Entertainment segment generates revenue primarily from the worldwide theatrical release of our owned and acquired films, content licensing and home entertainment.

Theme Parks

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando and Hollywood. We also receive fees related to intellectual property licenses and other services from third parties that own and operate Universal Studios Japan and Universal Studios Singapore. Our Theme Parks segment generates revenue primarily from theme park attendance and per capita spending, as well as from licensing and other fees. Per capita spending includes ticket price and in-park spending on food, beverage and merchandise.

Table of Contents**Corporate and Other**

Our other business interests primarily include Comcast-Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center, a large, multipurpose arena in Philadelphia. Comcast-Spectacor also owns Global Spectrum, which provides venue management services, and Ovations Food Services, which provides food services for sporting events, concerts and other events.

Significant Developments

The following are the more significant developments in our businesses during the nine months ended September 30, 2012:

our broadcasts of the 2012 Super Bowl and 2012 London Olympics, which resulted in a combined increase in Broadcast Television segment revenue of \$1.4 billion

the completion of SpectrumCo's transaction to sell its AWS spectrum licenses to Verizon Wireless for \$3.6 billion, of which our portion of the proceeds was \$2.3 billion

the redemption by A&E Television Networks of NBCUniversal's 15.8% equity interest in A&E Television Networks for \$3 billion in cash proceeds

Consolidated Operating Results

(in millions)	Three Months Ended September 30		Increase/ (Decrease)	Nine Months Ended September 30		Increase/ (Decrease)
	2012	2011		2012	2011	
Revenue	\$ 16,544	\$ 14,339	15.4%	\$ 46,633	\$ 40,800	14.3%
Costs and Expenses:						
Operating costs and expenses	11,536	9,765	18.1	31,933	27,359	16.7
Depreciation	1,549	1,540	0.6	4,594	4,504	2.0
Amortization	411	393	4.9	1,221	1,134	7.8
Operating income	3,048	2,641	15.4	8,885	7,803	13.9
Other income (expense) items, net	1,335	(836)	NM	139	(1,982)	107.1
Income before income taxes	4,383	1,805	142.8	9,024	5,821	55.0
Income tax expense	(1,405)	(639)	120.0	(2,966)	(2,249)	31.9
Net income	2,978	1,166	155.4	6,058	3,572	69.6
Net (income) loss attributable to noncontrolling interests	(865)	(258)	NM	(1,373)	(699)	96.5
Net income attributable to Comcast Corporation	\$ 2,113	\$ 908	132.8%	\$ 4,685	\$ 2,873	63.0%

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.

The comparability of our consolidated results of operations was impacted by the NBCUniversal transaction, which closed on January 28, 2011, and the Universal Orlando transaction, which closed on July 1, 2011. NBCUniversal's and Universal Orlando's results of operations are included in our consolidated financial statements following their respective acquisition dates.

We also incurred transaction costs directly related to the NBCUniversal transaction in 2011. Incremental expenses were primarily related to legal, accounting and valuation services and investment banking fees. In addition, NBCUniversal incurred transaction-related costs associated with severance and other related compensation charges. Total transaction-related expenses incurred during the three and nine months ended September 30, 2011 were \$14 million and \$143 million, respectively.

Edgar Filing: COMCAST CORP - Form 10-Q

For a more complete discussion of the NBCUniversal and Universal Orlando transactions, refer to our consolidated financial statements included in our 2011 Annual Report on Form 10-K.

Table of Contents

Each of our businesses is subject to seasonal and cyclical variations. Revenue and operating costs and expenses in our Broadcast Television segment are cyclical as a result of our periodic broadcasts of the Olympic Games and the Super Bowl. Because we broadcasted the 2012 Super Bowl in February 2012 and the 2012 London Olympics in July and August 2012, during the nine months ended September 30, 2012, our advertising revenue increased as a result of increased demand for advertising time and our operating costs and expenses also increased as a result of our programming and production costs and amortization of the related rights fees. All of the revenue and operating costs and expenses associated with our broadcasts of the 2012 Super Bowl and the 2012 London Olympics are reported in our Broadcast Television segment.

Consolidated Revenue

Our Cable Communications segment and the NBCUniversal segments accounted for substantially all of the increases in consolidated revenue for the three and nine months ended September 30, 2012 compared to the same periods in 2011. The remaining changes in consolidated revenue related to our other business activities, primarily Comcast-Spectacor. Revenue for our Cable Communications and NBCUniversal segments is discussed separately under the heading Segment Operating Results.

Consolidated Operating Costs and Expenses

Our Cable Communications segment and the NBCUniversal segments accounted for substantially all of the increases in consolidated operating costs and expenses for the three and nine months ended September 30, 2012 compared to the same periods in 2011. The remaining changes in consolidated operating costs and expenses related to our other business activities, primarily Comcast-Spectacor. Operating costs and expenses for our Cable Communications and NBCUniversal segments are discussed separately under the heading Segment Operating Results.

Consolidated Depreciation and Amortization

Consolidated depreciation and amortization increased slightly for the three months ended September 30, 2012 compared to the same period in 2011. Consolidated depreciation and amortization increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to the impact of consolidating NBCUniversal and Universal Orlando following the close of each transaction.

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 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 GAAP, in Note 15 to our condensed consolidated financial statements. This measure should not be considered a substitute for operating income (loss), net income attributable to Comcast Corporation, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

Table of Contents**Cable Communications Segment Results of Operations**

(in millions)	Three Months Ended September 30		Increase/ (Decrease)	
	2012	2011	\$	%
Revenue				
Residential:				
Video	\$ 5,021	\$ 4,892	\$ 129	2.7%
High-speed Internet	2,403	2,209	194	8.8
Voice	895	883	12	1.5
Business services	621	464	157	33.6
Advertising	607	492	115	23.5
Other	429	391	38	9.4
Total revenue	9,976	9,331	645	6.9
Operating costs and expenses				
Programming	2,095	1,960	135	6.9
Technical labor	590	597	(7)	(1.1)
Customer service	485	474	11	2.4
Marketing	729	649	80	12.3
Other	2,079	1,937	142	7.2
Total operating costs and expenses	5,978	5,617	361	6.4
Operating income before depreciation and amortization	\$ 3,998	\$ 3,714	\$ 284	7.7%

(in millions)	Nine Months Ended September 30		Increase/ (Decrease)	
	2012	2011	\$	%
Revenue				
Residential:				
Video	\$ 15,069	\$ 14,724	\$ 345	2.3%
High-speed Internet	7,106	6,501	605	9.3
Voice	2,662	2,621	41	1.6
Business services	1,744	1,293	451	34.9
Advertising	1,635	1,459	176	12.1
Other	1,256	1,158	98	8.3
Total revenue	29,472	27,756	1,716	6.2
Operating costs and expenses				
Programming	6,280	5,882	398	6.8
Technical labor	1,757	1,758	(1)	(0.0)
Customer service	1,460	1,403	57	4.1
Marketing	2,024	1,819	205	11.3
Other	5,897	5,545	352	6.3
Total operating costs and expenses	17,418	16,407	1,011	6.2
Operating income before depreciation and amortization	\$ 12,054	\$ 11,349	\$ 705	6.2%

Customer Metrics

(in thousands)	Total Customers		Net Additional Customers	
	September 30, 2012	September 30, 2011	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2012
Video customers	22,002	22,348	(117)	(330)
High-speed Internet customers	19,025	17,808	287	882
Voice customers	9,787	9,196	123	445

Customer data includes residential and business customers.

Table of Contents

Cable Communications Segment Revenue

Our average monthly total revenue per video customer for the three months ended September 30, 2012 increased to \$151 from \$139 for the three months ended September 30, 2011. Our average monthly total revenue per video customer for the nine months ended September 30, 2012 increased to \$148 from \$137 for the nine months ended September 30, 2011. The increases in average monthly total revenue per video customer were primarily due to increases in the number of residential customers receiving multiple services, rate adjustments, higher contributions from business services and declines in the total number of video customers.

Video

Our video revenue increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to rate adjustments and additional residential customers receiving higher levels of video service, which were partially offset by declines in the number of residential video customers. For the three and nine months ended September 30, 2012, the number of video customers decreased primarily due to competitive pressures in our service areas. We may experience further declines in the number of residential video customers. As of September 30, 2012, 54% of our digital video customers subscribed to at least one of our high-definition television (HDTV) or digital video recorder (DVR) services.

High-Speed Internet

Our high-speed Internet revenue increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in the number of residential customers, rate adjustments and additional residential customers receiving higher levels of service.

Voice

Our voice revenue increased slightly for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in the number of residential customers, including those receiving multiple services as part of promotional offers.

Business Services

Our business services revenue increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in the number of business customers.

Advertising

Our advertising revenue increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in political and automotive advertising revenue and improvements in the local and regional advertising markets.

Other

Our other revenue increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in franchise and other regulatory fees.

Cable Communications Segment Operating Costs and Expenses

Programming expenses increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in fees charged by programming networks and fees incurred to secure rights for additional programming options for our customers. Technical labor expenses decreased slightly for the three months ended September 30, 2012 and remained flat for the nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to an increase in customer self-installation activities. Customer service expenses increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in labor costs associated with higher levels of customer service activity. Marketing expenses increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in the number of sales employees and media spending for residential and business services. Other operating costs and expenses increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to increases in activity related to business services, advertising, network operations, and franchise and other regulatory fees.

Table of Contents**NBCUniversal Segments Overview**

The discussion below compares the NBCUniversal segments' actual results for the three months ended September 30, 2012 to the actual results for the same period in 2011, and the actual results for the nine months ended September 30, 2012 to pro forma combined results for the same period in 2011. Management believes reviewing our operating results by combining actual and pro forma results for the NBCUniversal segments for 2011 is more useful in identifying trends in, or reaching conclusions regarding, the overall operating performance of these segments for the current period. Our pro forma amounts presented in the tables below include adjustments as if the NBCUniversal and Universal Orlando transactions had occurred on January 1, 2010. Our pro forma data was also adjusted for the effects of acquisition accounting and the elimination of costs and expenses directly related to the transactions but does not include adjustments for costs related to integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. Pro forma amounts are not necessarily indicative of what our results would have been had we operated the NBCUniversal contributed businesses or Universal Orlando since January 1, 2010, nor of our future results.

The operating results of the NBCUniversal segments for the three and nine months ended September 30, 2012 and 2011 are presented in the table below.

(in millions)	Actual Three Months Ended September 30		Increase/ (Decrease)	
	2012	2011	\$	%
Revenue				
Cable Networks	\$ 2,165	\$ 2,097	\$ 68	3.2%
Broadcast Television	2,777	1,511	1,266	83.8
Filmed Entertainment	1,355	1,096	259	23.6
Theme Parks	614	580	34	5.8
Headquarters, other and eliminations	(89)	(84)	(5)	(5.5)
Total revenue	\$ 6,822	\$ 5,200	\$ 1,622	31.2%
Operating Income Before Depreciation and Amortization				
Cable Networks	\$ 809	\$ 751	\$ 58	7.6%
Broadcast Television	88	(7)	95	NM
Filmed Entertainment	72	54	18	31.1
Theme Parks	316	285	31	11.2
Headquarters, other and eliminations	(145)	(132)	(13)	(8.6)
Total operating income before depreciation and amortization	\$ 1,140	\$ 951	\$ 189	19.9%

Table of Contents

(in millions)	2012		2011		Increase/(Decrease)	
	Actual	Actual	Pro Forma	Pro Forma		
	Nine	Nine		Combined		
	Months	Months		Nine		
	Months	Months		Months		
	Ended	Ended	NBCUniversal	Ended	\$	%
	September 30	September 30 ^(a)	Businesses ^(b)	September 30		
Revenue						
Cable Networks	\$ 6,555	\$ 5,902	\$ 388	\$ 6,290	\$ 265	4.2%
Broadcast Television	6,168	4,094	464	4,558	1,610	35.3
Filmed Entertainment	3,778	2,972	353	3,325	453	13.6
Theme Parks	1,565	1,376	115	1,491	74	4.9
Headquarters, other and eliminations	(268)	(822)	544	(278)	10	3.8
Total revenue	\$ 17,798	\$ 13,522	\$ 1,864	\$ 15,386	\$ 2,412	15.7%
Operating Income Before Depreciation and Amortization						
Cable Networks	\$ 2,402	\$ 2,262	\$ 152	\$ 2,414	\$ (12)	(0.5)%
Broadcast Television	274	218	(15)	203	71	35.2
Filmed Entertainment	(5)	(62)	(3)	(65)	60	92.2
Theme Parks	708	607	37	644	64	10.0
Headquarters, other and eliminations	(444)	(615)	136	(479)	35	7.5
Total operating income before depreciation and amortization	\$ 2,935	\$ 2,410	\$ 307	\$ 2,717	\$ 218	8.0%

(a) Actual amounts include the results of operations of the businesses we contributed to NBCUniversal for the nine months ended September 30, 2011, as well as the results of operations for the NBCUniversal acquired businesses and Universal Orlando for the period January 29, 2011 through September 30, 2011. Headquarters, other and eliminations includes the elimination of the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011 in order to reconcile to our condensed consolidated financial statements because Universal Orlando was recorded as an equity method investment during that period.

(b) Pro forma amounts include the results of operations for the NBCUniversal acquired businesses for the period January 1, 2011 through January 28, 2011 and Universal Orlando for the six months ended June 30, 2011 and other pro forma adjustments that include the effects of acquisition accounting.

Cable Networks Segment Actual and Pro Forma Results of Operations

(in millions)	Actual		Increase/(Decrease)	
	Three Months			
	Ended			
	September 30	September 30	\$	%
2012	2011			
Revenue				
Distribution	\$ 1,157	\$ 1,095	\$62	5.7%
Advertising	807	803	4	0.6
Content licensing and other	201	199	2	0.6
Total revenue	2,165	2,097	68	3.2
Operating costs and expenses	1,356	1,346	10	0.8
Operating income before depreciation and amortization	\$ 809	\$ 751	\$58	7.6%

Table of Contents

(in millions)	2012		2011		Increase/(Decrease)	
	Actual	Actual	Pro Forma	Pro Forma Combined		
	Nine Months Ended September 30	Nine Months Ended September 30 ^(a)	NBCUniversal Businesses ^(b)	Nine Months Ended September 30	\$	%
Revenue						
Distribution	\$ 3,467	\$ 3,101	\$ 188	\$ 3,289	\$ 178	5.4%
Advertising	2,545	2,297	162	2,459	86	3.5
Content licensing and other	543	504	38	542	1	0.1
Total revenue	6,555	5,902	388	6,290	265	4.2
Operating costs and expenses	4,153	3,640	236	3,876	277	7.1
Operating income before depreciation and amortization	\$ 2,402	\$ 2,262	\$ 152	\$ 2,414	\$ (12)	(0.5)%

(a) Actual amounts include the results of operations for the Comcast Content Business for the nine months ended September 30, 2011 and the results of operations for the NBCUniversal acquired businesses for the period January 29, 2011 through September 30, 2011.

(b) Pro forma amounts include the results of operations for the NBCUniversal acquired businesses for the period January 1, 2011 through January 28, 2011 and other pro forma adjustments that include the effects of acquisition accounting.

Cable Networks Segment Revenue

Our Cable Networks revenue increased for the three months ended September 30, 2012 compared to the same period in 2011 primarily due to an increase in distribution revenue as a result of rate increases. Advertising revenue remained flat compared to the same period in 2011 due to an increase in the price and volume of advertising units sold, which was partially offset by continuing declines in audience ratings at certain of our cable networks.

Our Cable Networks revenue increased for the nine months ended September 30, 2012 compared to the same period in 2011 due to increases in distribution and advertising revenue. The increase in distribution revenue was primarily due to rate increases, and the increase in advertising revenue was primarily due to increases in the price and volume of advertising units sold, which was partially offset by continuing declines in audience ratings at certain of our cable networks.

For both the three and nine months ended September 30, 2012, 13% of our total Cable Networks segment revenue was generated from our Cable Communications segment. For both the three and nine months ended September 30, 2011, 13% of our total Cable Networks segment revenue and pro forma combined 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.

The current collective bargaining agreement between the National Hockey League (NHL) and its players' association expired at the end of the 2011-12 season. If the NHL player lockout continues, the number of NHL games that we broadcast on our cable and broadcast networks, and our results of operations associated with these broadcasts, may be affected.

Cable Networks Segment Operating Costs and Expenses

Our operating costs and expenses remained flat for the three months ended September 30, 2012 compared to the same period in 2011. Our operating costs and expenses increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to higher programming and production expenses resulting from our continuing investment in original programming and an increase in sports rights costs.

Table of Contents**Broadcast Television Segment Actual and Pro Forma Results of Operations**

(in millions)	Actual Three Months Ended September 30		Increase/(Decrease)	
	2012	2011	\$	%
Revenue				
Advertising	\$ 1,988	\$ 974	\$ 1,014	104.1%
Content licensing	385	399	(14)	(3.4)
Other	404	138	266	192.0
Total revenue	2,777	1,511	1,266	83.8
Operating costs and expenses	2,689	1,518	1,171	77.1
Operating income (loss) before depreciation and amortization	\$ 88	\$ (7)	\$ 95	NM

(in millions)	2012		2011		Increase/(Decrease)	
	Actual	Actual	Pro Forma	Pro Forma	\$	%
	Nine Months Ended September 30	For the Period January 29 through September 30 ^(a)	NBCUniversal Businesses ^(b)	Combined Nine Months Ended September 30		
Revenue						
Advertising	\$ 4,367	\$ 2,683	\$ 315	\$ 2,998	\$ 1,369	45.7%
Content licensing	1,173	1,080	111	1,191	(18)	(1.5)
Other	628	331	38	369	259	70.1
Total revenue	6,168	4,094	464	4,558	1,610	35.3
Operating costs and expenses	5,894	3,876	479	4,355	1,539	35.3
Operating income (loss) before depreciation and amortization	\$ 274	\$ 218	\$ (15)	\$ 203	\$ 71	35.2%

(a) Actual amounts include the results of operations for the NBCUniversal acquired businesses for the period January 29, 2011 through September 30, 2011.

(b) Pro forma amounts include the results of operations for the NBCUniversal acquired businesses for the period January 1, 2011 through January 28, 2011 and other pro forma adjustments that include the effects of acquisition accounting.

Broadcast Television Segment Revenue

Our Broadcast Television revenue increased for the three months ended September 30, 2012 compared to the same period in 2011 primarily due to our broadcast of the 2012 London Olympics, which resulted in significant increases in both advertising and other revenue totaling \$1.2 billion. Excluding the impact of the 2012 London Olympics, Broadcast Television revenue increased 5% for the three months ended September 30, 2012, primarily due to an increase in the price and volume of advertising units sold, including the impact of higher political advertising in 2012.

Our Broadcast Television revenue increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to our broadcasts of the 2012 London Olympics and the 2012 Super Bowl. Excluding the impact of both of these events, Broadcast Television revenue increased 4% for the nine months ended September 30, 2012, primarily due to an increase in advertising revenue resulting from an increase in the price of advertising units sold.

Broadcast Television Segment Operating Costs and Expenses

Our operating costs and expenses increased for the three months ended September 30, 2012 compared to the same period in 2011 primarily due to an increase in programming and production costs of \$1.1 billion associated with our broadcast of the 2012 London Olympics. Excluding these costs, operating costs and expenses for the three months ended September 30, 2012 increased 7% primarily due to an increase in programming and production costs, including the impact of the early start to our 2012 fall primetime schedule.

Edgar Filing: COMCAST CORP - Form 10-Q

Our operating costs and expenses increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to the increase in programming and production costs associated with our broadcast of the 2012 London Olympics and the 2012 Super Bowl.

Table of Contents**Filmed Entertainment Segment Actual and Pro Forma Results of Operations**

(in millions)	Actual Three Months		Increase/ (Decrease)	
	Ended			
	September 30 2012	2011	\$	%
Revenue				
Theatrical	\$ 410	\$ 196	\$ 214	109.3%
Content licensing	368	337	31	9.1
Home entertainment	482	427	55	12.9
Other	95	136	(41)	(30.3)
Total revenue	1,355	1,096	259	23.6
Operating costs and expenses	1,283	1,042	241	23.2
Operating income (loss) before depreciation and amortization	\$ 72	\$ 54	\$ 18	31.1%

(in millions)	2012		2011		Increase/ (Decrease)	
	Actual Nine Months Ended September 30	Actual For the Period January 29 through September 30 ^(a)	Pro Forma NBCUniversal Businesses ^(b)	Pro Forma Combined Nine Months Ended September 30		
					\$	%
	Revenue					
Theatrical	\$ 1,176	\$ 816	\$ 58	\$ 874	\$ 302	34.6%
Content licensing	1,127	867	171	1,038	89	8.5
Home entertainment	1,179	947	96	1,043	136	13.0
Other	296	342	28	370	(74)	(19.8)
Total revenue	3,778	2,972	353	3,325	453	13.6
Operating costs and expenses	3,783	3,034	356	3,390	393	11.6
Operating income (loss) before depreciation and amortization	\$ (5)	\$ (62)	\$ (3)	\$ (65)	\$ 60	92.2%

(a) Actual amounts include the results of operations for the NBCUniversal acquired businesses for the period January 29, 2011 through September 30, 2011.

(b) Pro forma amounts include the results of operations for the NBCUniversal acquired businesses for the period January 1, 2011 through January 28, 2011 and other pro forma adjustments that include the effects of acquisition accounting.

Filmed Entertainment Segment Revenue

Our Filmed Entertainment revenue increased for the three months ended September 30, 2012 compared to the same period in 2011 primarily due to increases in theatrical, home entertainment and content licensing revenue. The increase in theatrical revenue was due to the performance of our 2012 releases, including *Ted* and *The Bourne Legacy*, compared to same period in 2011. The increase in home entertainment revenue was due to an increase in the number of titles released and the performance of our current year releases compared to the same period in 2011. The increase in content licensing revenue was primarily due to a higher volume of our owned and acquired films made available to licensees in 2012.

Our Filmed Entertainment revenue increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to increases in theatrical, home entertainment and content licensing revenue. The increase in theatrical revenue was due to the performance of our 2012 releases, which included *Ted*, *Dr. Seuss' The Lorax*, *Safe House* and *The Bourne Legacy*, compared to the same period in 2011. The

Edgar Filing: COMCAST CORP - Form 10-Q

increase in home entertainment revenue was primarily due to the performance of our current year releases compared to the same period in 2011. The increase in content licensing revenue was primarily due to a higher volume of our owned and acquired films made available to licensees in 2012.

Table of Contents**Filmed Entertainment Segment Operating Costs and Expenses**

Our operating costs and expenses increased for the three months ended September 30, 2012 compared to the same period in 2011 due to increases in the amortization of film costs primarily associated with the increase in theatrical revenue from our 2012 releases.

Our operating costs and expenses increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to higher amortization of film costs resulting from the increase in theatrical revenue and the underperformance of *Battleship*, as well as an increase in marketing costs associated with our 2012 theatrical and home entertainment releases.

Theme Parks Segment Actual and Pro Forma Results of Operations

(in millions)	Actual Three Months Ended		Increase/ (Decrease)	
	September 30		\$	%
	2012	2011		
Revenue	\$ 614	\$ 580	\$ 34	5.8%
Operating costs and expenses	298	295	3	0.7
Operating income before depreciation and amortization	\$ 316	\$ 285	\$ 31	11.2%

(in millions)	2012		2011		Increase/(Decrease)	
	Actual	Actual For the Period January 29 through September 30 ^(a)	Pro Forma NBCUniversal Businesses ^(b)	Pro Forma Combined	\$	%
	Nine Months Ended September 30			Nine Months Ended September 30		
Revenue	\$ 1,565	\$ 1,376	\$ 115	\$ 1,491	\$ 74	4.9%
Operating costs and expenses	857	769	78	847	10	1.1
Operating income before depreciation and amortization	\$ 708	\$ 607	\$ 37	\$ 644	\$ 64	10.0%

(a) Actual amounts include the results of operations for the NBCUniversal acquired businesses and Universal Orlando for the period January 29, 2011 through September 30, 2011. The results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011 are included in segment results above but are not included in total NBCUniversal and our consolidated results because Universal Orlando was recorded as an equity method investment during that period.

(b) Pro forma amounts include the results of operations for the NBCUniversal acquired businesses and Universal Orlando for the period January 1, 2011 through January 28, 2011 and other pro forma adjustments that include the effects of acquisition accounting.

Theme Parks Segment Revenue

Our Theme Parks segment revenue increased for the three months ended September 30, 2012 compared to the same period in 2011 primarily due higher guest attendance at our Universal theme parks.

Edgar Filing: COMCAST CORP - Form 10-Q

Our Theme Parks segment revenue increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to higher guest attendance and increases in per capita spending at our Universal theme parks.

Theme Parks Segment Operating Costs and Expenses

Our Theme Parks segment operating costs and expenses increased for the three and nine months ended September 30, 2012 compared to the same periods in 2011 primarily due to additional costs associated with higher guest attendance at our Universal theme parks.

Headquarters, Other and Eliminations

Headquarters and other operating costs and expenses increased for the three months ended September 30, 2012 compared to the same period in 2011 primarily due to increases in administrative costs.

Table of Contents

Headquarters and other operating costs and expenses decreased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to transaction-related costs associated with the NBCUniversal transaction, including severance and other compensation-related costs, included in the prior year period.

Eliminations include the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011. Our Theme Parks segment included the results of operations of Universal Orlando for this period because these amounts reflected our segment performance measure. These amounts were not included when we measured total NBCUniversal and our consolidated results of operations because we recorded Universal Orlando as an equity method investment for the period January 29, 2011 through June 30, 2011.

Consolidated Other Income (Expense) Items

(in millions)	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Interest expense	\$ (633)	\$ (637)	\$ (1,898)	\$ (1,863)
Investment income (loss), net	70	(147)	170	3
Equity in net income (losses) of investees, net	911	(40)	943	(40)
Other income (expense), net	987	(12)	924	(82)
Total	\$ 1,335	\$ (836)	\$ 139	\$ (1,982)

Interest Expense

Interest expense remained flat for the three months ended September 30, 2012 compared to the same period in 2011. Interest expense increased for the nine months ended September 30, 2012 compared to the same period in 2011 primarily due to interest expense related to the consolidation of NBCUniversal and Universal Orlando, which was partially offset by a decrease in our outstanding debt.

Investment Income (Loss), Net

The components of investment income (loss), net for the three and nine months ended September 30, 2012 and 2011 are presented in a table in Note 4 to our condensed consolidated financial statements.

Equity in Net Income (Losses) of Investees, Net

The increases in equity in net income (losses) of investees, net for the three and nine months ended September 30, 2012 compared to the same periods in 2011 were primarily due to income of \$876 million related to SpectrumCo's gain on the sale of its AWS spectrum licenses to Verizon Wireless. See Note 4 for additional information.

Other Income (Expense), Net

The increases in other income (expense), net for the three and nine months ended September 30, 2012 compared to the same periods in 2011 were primarily due to the \$1 billion gain related to the sale of NBCUniversal's equity interest in A&E Television Networks. See Note 4 for additional information.

Consolidated Income Tax Expense

Income tax expense for the three and nine months ended September 30, 2012 and 2011 reflects an effective income tax rate that differs from the federal statutory rate primarily due to state income taxes, interest on uncertain tax positions, the partnership structure of NBCUniversal and foreign income taxes. The effective income tax rate for the three and nine months ended September 30, 2011 was also impacted by \$137 million of income tax expense related to certain changes in state tax laws. We now expect our 2012 annual effective tax rate to be in the range of 33% to 35%, primarily due to the impact of the portion of the gain associated with NBCUniversal's sale of its equity interest in A&E Television Network being attributable to our noncontrolling interest.

Table of Contents**Consolidated Net (Income) Loss Attributable to Noncontrolling Interests**

The changes in net (income) loss attributable to noncontrolling interests for the three and nine months ended September 30, 2012 compared to the same periods in 2011 were primarily due to GE's allocated share of the increases in earnings of NBCUniversal in the current year periods.

Liquidity and Capital Resources

Our businesses generate significant cash flows from operating activities. We believe that we will be able to continue to meet our current and long-term liquidity and capital requirements, including fixed charges, as well as potential future redemptions of GE's noncontrolling equity interest in NBCUniversal, through our cash flows from operating activities, existing cash, cash equivalents and investments, available borrowings under our existing credit facilities, and our ability to obtain future external financing.

We anticipate that we will continue to use a substantial portion of our cash flows to meet our debt repayment obligations, to fund our capital expenditures, to invest in business opportunities and to return capital to shareholders. The cash flows generated from our Cable Communications segment and other businesses are used to invest in their respective core businesses and to return capital to shareholders. The cash flows generated from NBCUniversal are used to invest in its core businesses and to fund potential future redemptions of GE's noncontrolling interest in NBCUniversal.

Operating Activities**Components of Net Cash Provided by Operating Activities**

(in millions)	Nine Months Ended September 30	
	2012	2011
Operating income	\$ 8,885	\$ 7,803
Depreciation and amortization	5,815	5,638
Operating income before depreciation and amortization	14,700	13,441
Noncash share-based compensation	278	260
Changes in operating assets and liabilities	(254)	(721)
Cash basis operating income	14,724	12,980
Payments of interest	(1,725)	(1,809)
Payments of income taxes	(1,855)	(1,166)
Proceeds from investments and other	201	243
Excess tax benefits under share-based compensation	(106)	(42)
Net cash provided by operating activities	\$ 11,239	\$ 10,206

The changes in operating assets and liabilities for the nine months ended September 30, 2012 compared to the same period in 2011 primarily relate to a decrease in film and television costs, partially offset by the settlement in 2012 of a \$237 million liability associated with the unfavorable Olympic contract that had been recorded through the application of acquisition accounting in 2011, as well as the timing of other operating items, including accounts receivable and accounts payable related to trade creditors.

The decrease in interest payments for the nine months ended September 30, 2012 compared to the same period in 2011 was primarily due to the repayment and redemption of certain of our debt obligations.

The increase in income tax payments for the nine months ended September 30, 2012 compared to the same period in 2011 was primarily due to an increase in taxable income, which resulted in higher federal tax payments made in 2012, and the lower net impact in 2012 of the economic stimulus legislation.

Investing Activities

Net cash provided by investing activities for the nine months ended September 30, 2012 consisted primarily of proceeds from sales of businesses and investments and return of capital from investees, offset by capital expenditures and cash paid for intangible assets.

Table of Contents

During the nine months ended September 30, 2012, we received a \$2.3 billion distribution from SpectrumCo, representing our portion of the proceeds from the sale of its AWS spectrum licenses. In addition, NBCUniversal received \$3 billion in cash proceeds related to A&E Television Networks' redemption of NBCUniversal's 15.8% equity interest. Following the close of the transaction, NBCUniversal no longer receives dividends from A&E Television Networks. During the nine months ended September 30, 2012 and 2011, NBCUniversal received \$129 million and \$138 million, respectively, in dividends from A&E Television Networks, which were included in net cash provided by operating activities.

Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2012 consisted primarily of repayments of debt, repurchases of our common stock, dividend payments, repayments of our short-term borrowings and NBCUniversal distributions to GE, offset by proceeds from borrowings and issuances of common stock. Distributions to GE for the nine months ended September 30, 2012 represented tax distributions to GE and included \$158 million related to NBCUniversal's sale of its equity interest in A&E Television Networks. NBCUniversal expects to make further tax distributions to GE of approximately \$50 million in the fourth quarter of 2012 associated with this transaction.

In October 2012, NBCUniversal issued \$1 billion aggregate principal amount of 2.875% senior notes due 2023 and \$1 billion aggregate principal amount of 4.450% senior notes due 2043. A portion of the proceeds from this issuance will be used in November 2012 to redeem the \$260 million aggregate principal amount outstanding of Universal Orlando's 8.875% senior notes due 2015 and the \$146 million aggregate principal amount outstanding of Universal Orlando's 10.875% senior subordinated notes due 2016.

We have made, and may from time to time in the future make, optional repayments on our debt obligations, which may include repurchases of our outstanding public notes and debentures, depending on various factors, such as market conditions.

Available Borrowings Under Credit Facilities

We maintain significant availability under our lines of credit and our commercial paper programs to meet our short-term liquidity requirements. In June 2012, Comcast and Comcast Cable Communications, LLC entered into a new \$6.25 billion revolving credit facility due June 2017 with a syndicate of banks, which may be used for general corporate purposes. The new revolving credit facility replaced our prior \$6.8 billion revolving credit facility, which was terminated in connection with the execution of the new revolving credit facility. The interest rate on the new facility consists of a base rate plus a borrowing margin that is determined based on Comcast's credit rating. As of September 30, 2012, the borrowing margin for LIBOR-based borrowings was 1.125%. The terms of the new revolving credit facility's financial covenants and guarantees are substantially the same as those under the prior revolving credit facility. As of September 30, 2012, \$5.8 billion was available under the new revolving credit facility and \$1.4 billion was available under NBCUniversal's \$1.5 billion revolving credit facility.

Share Repurchases and Dividends

In February 2012, our Board of Directors approved a \$6.5 billion share repurchase authorization that does not have an expiration date. Under this authorization, we may repurchase shares in the open market or in private transactions. We intend to repurchase \$3.0 billion during 2012, subject to market conditions. During the nine months ended September 30, 2012, we repurchased 75 million shares of our Class A Special common stock for \$2.25 billion.

In February 2012, our Board of Directors approved an increase to our dividend of 44% to \$0.65 per share on an annualized basis. In February, May and July 2012, our Board of Directors approved a quarterly dividend of \$0.1625 per share. We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors.

Table of Contents**Quarterly Dividends Declared**

(in millions)	Amount	Month of Payment
Three months ended March 31, 2012	\$ 439	April
Three months ended June 30, 2012	\$ 435	July
Three months ended September 30, 2012	\$ 432	October

Critical Accounting Judgments and Estimates

The preparation of our condensed consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses, and the related disclosure of contingent liabilities. We base our judgments on our historical experience and on various other assumptions that we believe are reasonable under the circumstances, the results of which form the basis for making estimates about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe our judgments and related estimates associated with the valuation and impairment testing of our cable franchise rights, accounting for income taxes, accounting for film and television costs and the fair value of acquisition-related assets and liabilities are critical in the preparation of our condensed consolidated financial statements. We performed our annual impairment testing of our cable franchise rights as of July 1, 2012 and no impairment charge was recorded.

For a more complete discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our condensed consolidated financial statements, please refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2011 Annual Report on Form 10-K.

ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have evaluated the information required under this item that was disclosed in our 2011 Annual Report on Form 10-K and there have been no significant changes to this information.

ITEM 4: CONTROLS AND PROCEDURES**Conclusions regarding disclosure controls and procedures**

Our principal executive and principal financial officers, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)) as of the end of the period covered by this report, have concluded that, based on the evaluation of these controls and procedures required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15, our disclosure controls and procedures were effective.

Changes in internal control over financial reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION**ITEM 1: LEGAL PROCEEDINGS**

Refer to Note 14 to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of recent developments related to our legal proceedings.

Edgar Filing: COMCAST CORP - Form 10-Q

In addition to the matters described in Note 14, the California Attorney General and the Alameda County, California District Attorney are investigating whether certain of our waste disposal policies, procedures and

Table of Contents

practices are in violation of the California Business and Professions Code and the California Health and Safety Code. These entities have not specified the relief that may be sought. We are cooperating with the investigation. While we are unable to predict the outcome of this investigation, we do not believe that the outcome will have a material effect on our results of operations, financial condition or cash flows.

ITEM 1A: RISK FACTORS

There have been no significant changes from the risk factors previously disclosed in Item 1A of our 2011 Annual Report on Form 10-K.

ITEM 2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

The table below summarizes our Class A Special common stock repurchases under our Board-authorized share repurchase program during the three months ended September 30, 2012.

Purchase of Equity Securities

Period	Total Number of Shares Purchased	Average Price Per Share	Total Number of Shares Purchased as Part of Publicly Announced Authorization	Total Dollar Amount Purchased Under the Authorization	Maximum Dollar Value of Shares That May Yet Be Purchased Under the Authorization ^(a)
July 1-31, 2012		\$		\$	\$ 5,000,000,000
August 1-31, 2012	11,758,250	\$ 31.89	11,758,250	\$ 375,000,000	\$ 4,625,000,000
September 1-30, 2012	11,152,653	\$ 33.62	11,152,653	\$ 375,000,000	\$ 4,250,000,000
Total	22,910,903	\$ 32.74	22,910,903	\$ 750,000,000	\$ 4,250,000,000

(a) In February 2012, our Board of Directors approved a \$6.5 billion share repurchase authorization that does not have an expiration date. Under this authorization, we may repurchase shares in the open market or in private transactions. We intend to repurchase \$3.0 billion during 2012, subject to market conditions.

The total number of shares of common stock repurchased during the three months ended September 30, 2012 does not include any shares received in the administration of employee share-based compensation plans.

Table of Contents

ITEM 6: EXHIBITS

Exhibit No.	Description
10.1*	Comcast Corporation 2005 Deferred Compensation Plan dated August 29, 2012.
10.2*	Comcast Corporation 2002 Restricted Stock Plan dated August 29, 2012.
10.3*	Comcast Corporation 2002 Employee Stock Purchase Plan dated August 29, 2012.
10.4*	Comcast-NBCUniversal 2011 Employee Stock Purchase Plan dated August 29, 2012.
10.5*	Amendment No. 7 to Employment Agreement with Brian L. Roberts (incorporated by reference to Exhibit 99.1 to our Current Report on Form 8-K filed on September 14, 2012).
31	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial statements from Comcast Corporation's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012, filed with the Securities and Exchange Commission on October 26, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheet; (ii) the Condensed Consolidated Statement of Income; (iii) the Condensed Consolidated Statement of Comprehensive Income; (iv) the Condensed Consolidated Statement of Cash Flows; (v) the Condensed Consolidated Statement of Changes in Equity; and (vi) the Notes to Condensed Consolidated Financial Statements.

* Constitutes a management contract or compensatory plan or arrangement.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COMCAST CORPORATION

By: /s/ LAWRENCE J. SALVA
Lawrence J. Salva

Senior Vice President, Chief Accounting Officer
and Controller

(Principal Accounting Officer)

Date: October 26, 2012