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AT&T CORP  
Form 425  
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[COMCAST LOGO]

PRESS RELEASE

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FOR IMMEDIATE RELEASE

COMCAST REPORTS STRONG SECOND QUARTER RESULTS

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COMCAST CABLE REPORTS 13% PRO FORMA OPERATING  
CASH FLOW GROWTH

Year-End Guidance For New Services Increased Substantially

Comcast Digital Cable Guidance Increased  
from 2 Million to 2.2 Million Subscriptions

High-Speed Data Guidance Increased 27% to 950,000 Subscribers

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QVC ACHIEVES OPERATING CASH FLOW GROWTH OF 19%

Philadelphia, PA - August 1, 2001...Comcast Corporation today reported results for the three and six months ended June 30, 2001.

Brian L. Roberts, president of Comcast Corporation said, "We are pleased to report strong growth in all of Comcast's core businesses during the second quarter. Comcast Cable's marketing and sales efforts, aggressive plant upgrades and broadband service rollouts continue to yield industry-leading penetration results and double-digit cash flow growth while maintaining strong margins. Cable's impressive growth attests to the Company's ability to rapidly integrate and upgrade acquired systems and deliver new products, while driving cash flow margins on-par with or above the industry standard."

"As a result of strong market demand and our successful deployment strategies, we are also pleased to increase guidance on our digital cable and high speed

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data products. By year-end, we now anticipate having at least 2.2 million Digital Cable subscriptions and 950,000 high-speed data subscribers."

Mr. Roberts added, "Our Commerce and Content results are equally exciting. QVC again delivered outstanding results, with consolidated revenue growth of nearly 14% and consolidated operating cash flow growth of over 24% before start-up costs for QVC-Japan, our most recent new market entry. Our content businesses also generated double-digit revenue and cash flow growth, continuing to attract larger audiences."

### Cable Division Results

Pro forma cable division revenues for the quarter ended June 30, 2001 were \$1.285 billion, representing a 9.7% increase from the \$1.171 billion in the second quarter of 2000. Pro forma operating cash flow for the quarter was \$561.7 million, an increase of 13.0% over the \$497.1 million for the same period of 2000. Pro forma cable results for the second quarter assume that the Prime acquisition, completed on August 1, 2000, the cable systems exchanges with AT&T Corp. and Adelphia Communications Corp. completed on December 31, 2000 and on January 1, 2001, respectively, and the acquisition of 585,000 cable subscribers from AT&T completed on April 30, 2001 were effective on January 1, 2000. Pro forma results exclude the acquisition of approximately 112,000 cable subscribers from AT&T completed on June 30, 2001.

Cable subscribers grew to 8.307 million, a twelve-month trailing growth rate of 1%. Continuing strong demand for Comcast Digital Cable contributed to a 6.7% increase in pro forma video revenues in the second quarter. High-speed data service revenue more than doubled over the second quarter of 2000. Pro forma advertising revenues grew 9.9% as the ongoing success of Comcast MarketLink, our regional fiber interconnects, in attracting new advertising business helped offset a generally weak advertising environment. Operating cash flow margins improved to 43.7% from 42.5% reflecting the successful integration and improved operating performance of recently acquired cable properties.

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Mr. Roberts said, "The cable division continues to deliver terrific operating performance and growth, even as we integrate new cable systems and continue to make significant investments in our cable infrastructure. During the second quarter, we maintained our aggressive rebuild plan that will result in 95% of all our systems being upgraded by the end of this year."

The cable division added 200,900 Digital Cable subscriptions in the second quarter, a weekly average of approximately 15,500 to finish the quarter with 1.84 million Digital Cable units and a subscription penetration rate of nearly 23%. During the quarter, the cable division added more than 390,800 digital-ready subscribers to the Comcast Digital Cable footprint; this service is now available to nearly 97% of Comcast's cable subscribers.

During the quarter, the cable division added 101,300 Comcast@Home customers, a weekly average of approximately 7,800 net additions. At quarter end, 8.0 million homes, or nearly 60% of the homes in Comcast's footprint were marketed the Comcast@Home high-speed Internet service.

Commerce: QVC

QVC's consolidated revenues for the quarter ended June 30, 2001 were \$876.0

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million, representing a 13.7% increase from the \$770.6 million reported in the second quarter of 2000. Consolidated operating cash flow for the quarter was \$159.8 million, an increase of 19.3% over the \$134.0 million reported in the prior year quarter. Excluding the results of QVC-Japan, consolidated operating cash flow increased 24.1% to \$166.4 million.

Mr. Roberts said, "QVC's domestic business increased revenue by 15% and continued to drive sustainable improvements in productivity that resulted in operating cash flow growth of nearly 23% and cash flow margin expansion from 20.6% to 22.0%."

### Content

Comcast's content businesses include E! Networks, Comcast-Spectacor, Home Team Sports, acquired on February 14, 2001, and The Golf Channel, consolidated effective June 2001, when Comcast increased its equity ownership to 91%. Pro forma results assume that the Home Team Sports acquisition and the consolidation of The Golf Channel occurred on January 1, 2000.

Solid growth in carriage continued to drive the results of E! Networks and The Golf Channel, contributing to double-digit increases in revenue and operating cash flow for both cable networks. As a whole, Comcast's content business segment reported pro forma revenue and operating cash flow growth of 15.0% and 21.1%, respectively, in the second quarter.

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### Business Communications

The Company's business communications results include the operating results of new initiatives in both the U.S. and Europe.

Comcast Business Communications (CBC) reported revenues of \$9.6 million and an operating cash flow loss of \$15.9 million in the second quarter as it continued to build out its network in central and northern New Jersey and Philadelphia. CBC has been established to further leverage Comcast's domestic cable infrastructure by providing a complete voice, data and Internet service bundle to small and medium-sized businesses in eight key markets served by Comcast Cable.

### Consolidated Financials

For the three months ended June 30, 2001, the Company reported consolidated revenues of \$2.299 billion, a 20.2% increase from the \$1.912 billion reported in the second quarter of 2000. Consolidated operating cash flow increased 16.2% to \$700.4 million from the \$602.8 million reported in the second quarter of 2000. The Company's consolidated results include the Prime acquisition, completed on August 1, 2000, the cable systems exchanges with AT&T Corp. and Adelphia Communications Corp. completed on December 31, 2000 and on January 1, 2001, respectively, the acquisition of 585,000 cable subscribers from AT&T completed on April 30, 2001, the acquisition of Home Team Sports on February 14, 2001, and the consolidation of The Golf Channel as of June, 2001. Pro forma results assume that all acquisitions and exchanges were effective on January 1, 2000. Pro forma results exclude the acquisition of approximately 112,000 cable subscribers from AT&T completed on June 30, 2001 although these assets are included in the Company's balance sheet. On a pro forma basis, and excluding the effects of the Company's new business communications initiatives, the Company's consolidated revenues and operating cash flow for the quarter ended June 30, 2001 increased

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11.4% and 16.0%, respectively, over the second quarter of 2000.

For the six months ended June 30, 2001, the Company reported consolidated revenues of \$4.495 billion, a 16.7% increase from the \$3.851 billion reported in the first half of 2000. Consolidated operating cash flow increased 12.7% to \$1.341 billion from the \$1.190 billion reported for the six months ended June 30, 2000. On a pro forma basis, and excluding the effects of the Company's new business communications initiatives, the Company's consolidated revenues and operating cash flow for the six months ended June 30, 2001 increased 10.0% and 14.7%, respectively, over the same 2000 period.

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### Financial Guidance: 2001

Comcast is reiterating 2001 revenue and cash flow growth guidance for its cable, commerce and content operations and its new business communications initiatives. Comcast is increasing its guidance for cable new service units and cable capital expenditures as follows:

- o Comcast Cable expects to have 2.2 million Digital Cable subscriptions at year-end 2001, up from previous guidance of 2.0 million Digital Cable subscriptions.
- o Comcast Cable expects to have 950,000 Comcast@Home high-speed data customers at year-end 2001, up from previous guidance of 750,000 customers.
- o As a result of its accelerated rebuild program and higher Digital Cable and Comcast@Home year-end customer targets, Comcast Cable expects to invest \$1.75 billion in capital expenditures in 2001, up from previous guidance of \$1.45 billion.

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

Comcast Corporation will hold its quarterly conference call with investors today, August 1, 2001, at 4:30 p.m. Eastern Time (ET). The call will be broadcast live via the Internet at [www.cmcsk.com](http://www.cmcsk.com). The slide presentation referenced during the conference call will be available at [www.cmcsk.com](http://www.cmcsk.com) shortly before 4:30 p.m. A recording of the call will be available on the Company's website from 8 p.m. ET on August 1, 2001 through midnight ET on August 8, 2001.

In addition, the conference call is available by dialing (847) 413-3149. A telephone replay will begin immediately following the call until August 2, 2001 at midnight ET. To access the rebroadcast, please dial (630) 652-3000 and enter code 4403651.

To automatically receive Comcast financial news by email, please visit [www.cmcsk.com](http://www.cmcsk.com) and subscribe to e-mail Alerts.

Comcast Corporation ([www.comcast.com](http://www.comcast.com)) is principally involved in the development, management and operation of broadband cable networks, and in the provision of electronic commerce and programming content. Comcast Cable is the

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third largest cable company in the United States serving more than 8.4 million cable subscribers. Comcast's commerce and content businesses include majority ownership of QVC, Comcast-Spectacor, Comcast SportsNet and The Golf Channel, a controlling interest in E! Networks, and other programming investments. Comcast's Class A Special and Class A Common Stock are traded on The Nasdaq Stock Market under the symbols CMCSK and CMCSA, respectively.

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### COMCAST.

#### Condensed Consolidated Statement of Operations (Unaudited) (in millions, except per share data)

	Three Months Ended	
	June 30, 2001	2000
Service revenues	\$1,422.5	\$1,141.5
Net sales from electronic retailing	876.0	770.6
	2,298.5	1,912.1
Cost of goods sold from electronic retailing	555.2	488.2
Operating, selling, general and administrative expenses	1,042.9	821.1
	700.4	602.8
Operating cash flow	700.4	602.8
Depreciation expense	250.9	204.8
Amortization expense	582.8	429.6
	(133.3)	(31.6)
Operating income (loss)	(133.3)	(31.6)
Interest expense	(176.2)	(163.2)
Investment income	502.7	314.8
Income (expense) related to indexed debt		289.5
Equity in net losses of affiliates	(9.5)	(1.1)
Other income (expense)	(6.3)	2.2
	310.7	442.2
Income before income taxes, minority interest, extraordinary items and cumulative effect of accounting change	177.4	410.6
Income tax expense	(103.8)	(185.1)
Minority interest	(36.9)	(26.7)
	36.7	198.8
Income before extraordinary items and cumulative effect of accounting change	36.7	198.8
Extraordinary items	(1.5)	(11.1)
Cumulative effect of accounting change		

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Net income (loss)	35.2	187.7
Preferred dividends		(7.6)
Net income (loss) for common stockholders	=====	=====
	\$35.2	\$180.1
Basic earnings (loss) for common stockholders per common share		
Income before extraordinary items and cumulative effect of accounting change	\$0.04	\$0.21
Extraordinary items		(0.01)
Cumulative effect of accounting change		
Net income (loss)	-----	-----
	\$0.04	\$0.20
Basic weighted average number of common shares outstanding	=====	=====
	951.1	909.8
Diluted earnings (loss) for common stockholders per common share		
Income before extraordinary items and cumulative effect of accounting change	\$0.04	\$0.20
Extraordinary items		(0.01)
Cumulative effect of accounting change		
Net income (loss)	-----	-----
	\$0.04	\$0.19
Diluted weighted average number of common shares outstanding	=====	=====
	965.6	974.7

Comcast.  
Condensed Consolidated Balance Sheet (Unaudited)  
(in millions)

	June 30, 2001
	-----
ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$745.9
Investments	1,928.7
Accounts receivable, net	828.8
Inventories, net	471.8
Other current assets	186.3
Total current assets	----- 4,161.5
INVESTMENTS	----- 2,844.6
PROPERTY AND EQUIPMENT	8,290.6
Accumulated depreciation	(1,818.3)
Property and equipment, net	----- 6,472.3

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DEFERRED CHARGES	30,434.5
Accumulated amortization	(5,272.2)
	-----
Deferred charges, net	25,162.3
	-----
	\$38,640.7
	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
Accounts payable and accrued expenses	\$3,116.0
Accrued interest	143.3
Deferred income taxes	225.8
Current portion of long-term debt	548.0
	-----
Total current liabilities	4,033.1
	-----
LONG-TERM DEBT, less current portion	11,450.7
	-----
DEFERRED INCOME TAXES	6,426.2
	-----
MINORITY INTEREST & OTHER	1,670.2
	-----
COMMON EQUITY PUT OPTIONS	-----
STOCKHOLDERS' EQUITY	
5.25% series B convertible preferred stock	
Class A special common stock	914.2
Class A common stock	21.8
Class B common stock	9.4
Additional capital	11,747.5
Retained earnings	2,075.8
Accumulated other comprehensive income	291.8
	-----
Total stockholders' equity	15,060.5
	-----
	\$38,640.7
	=====

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Pro Forma Financial Data by Business Segment (Unaudited) (1)  
(in millions, except margin data)

	(2) Cable	Commerce	(3) Content	(4) Business Communications	O
	-----	-----	-----	-----	-----
Three Months Ended June 30, 2001					
Revenues	\$1,284.8	\$876.0	\$201.0	\$9.6	
Operating Cash Flow (Deficit)	\$561.7	\$159.8	\$55.7	(\$38.8)	
Operating Cash Flow Margin	43.7%	18.2%	27.7%	(404.2)%	
Capital Expenditures (6)	\$511.6	\$41.9	\$5.1	\$77.0	
Total Debt (7)	\$8,043.4	\$413.7	\$440.8		\$3

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Three Months Ended June 30, 2000

Revenues	\$1,170.9	\$770.6	\$174.8	\$10.2	
Operating Cash Flow (Deficit)	\$497.1	\$134.0	\$46.0	(\$9.0)	
Operating Cash Flow Margin	42.5%	17.4%	26.3%	(88.2)%	
Capital Expenditures (6)	\$262.8	\$43.2	\$9.6	\$3.3	
Total Debt (7)	\$6,063.6	\$526.8	\$402.2		\$3

Six Months Ended June 30, 2001

Revenues	\$2,507.1	\$1,760.0	\$418.1	\$19.1	
Operating Cash Flow (Deficit)	\$1,082.2	\$332.5	\$103.7	(\$73.8)	
Operating Cash Flow Margin	43.2%	18.9%	24.8%	(386.4)%	
Capital Expenditures (6)	\$949.3	\$68.0	\$14.2	\$115.5	

Six Months Ended June 30, 2000

Revenues	\$2,297.4	\$1,591.6	\$362.6	\$19.7	
Operating Cash Flow (Deficit)	\$966.6	\$278.7	\$87.3	(\$14.1)	
Operating Cash Flow Margin	42.1%	17.5%	24.1%	(71.6)%	
Capital Expenditures (6)	\$491.3	\$77.9	\$21.1	\$8.3	

- (1) The information presented above is not necessarily indicative of what the results would have operated the acquired businesses and exchanged systems since the beginning of 2000. Historic business segment, as required under generally accepted accounting principles, is available in Quarterly Report on Form 10-Q.
- (2) The Company acquired Prime Communications LLC in August 2000. The Company completed its syst Corp. and Adelphia Communications Corp. in December 2000 and January 2001, respectively. In acquired cable systems serving 585,000 subscribers from AT&T Corp. Pro forma financial data is presented as if these acquisitions and systems exchanges occurred at the beginning of 200 the Company acquired a cable system serving approximately 112,000 subscribers in Baltimore, forma financial data by business segment excludes the effects of this acquisition for all pe
- (3) Content includes E! Entertainment Television, Inc. , Comcast-Spectacor, Home Team Sports and Company acquired Home Team Sports and consolidated The Golf Channel in February 2001 and Jun Pro forma data for our Content segment is presented as if these events occurred at the begin
- (4) Business Communications includes the Company's domestic wireline telecommunications business wireless operations.
- (5) Other includes Corporate and elimination entries related to the segments presented.
- (6) For acquired businesses, includes capital expenditures made by the Company subsequent to the the Company.
- (7) Total debt includes both current and long-term portions as reported in the Company's condens sheet.

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Pro Forma Other Data - Cable Segment (Unaudited) (1) (2)

(3)		Comcast	(4)	
Video	Advertising	@Home	Other	Total
-----	-----	-----	-----	-----

Three Months Ended June 30, 2001



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Revenue (millions)	\$1,089.0	\$87.9	\$64.7	\$43.2	\$1,284.8
Monthly average revenue per cable subscriber	\$43.69	\$3.53	\$2.60	\$1.73	\$51.50
Three Months Ended June 30, 2000					
Revenue (millions)	\$1,020.8	\$80.0	\$30.7	\$39.4	\$1,170.9
Monthly average revenue per cable subscriber	\$41.38	\$3.24	\$1.24	\$1.60	\$47.40
Six Months Ended June 30, 2001					
Revenue (millions)	\$2,145.3	\$158.7	\$119.2	\$83.9	\$2,507.1
Monthly average revenue per cable subscriber	\$43.09	\$3.19	\$2.39	\$1.69	\$50.30
Six Months Ended June 30, 2000					
Revenue (millions)	\$2,018.2	\$144.9	\$57.3	\$77.0	\$2,297.4
Monthly average revenue per cable subscriber	\$40.99	\$2.94	\$1.16	\$1.57	\$46.60

	2Q01	1Q01	2Q00	Growth vs. 1Q01	Gr vs.
	----	----	----	-----	-----
Cable					
Homes Passed (000's)	13,472.5	13,401.8	13,130.8	0.5%	2.1%
Subscribers (000's)	8,306.5	8,314.7	8,221.5	(0.1)%	1.1%
Subscribers (000's) including Baltimore acquire 6/30/01	8,418.3				
Penetration	61.7%	62.0%	62.6%	(0.3) pts	(0.1) pts
Quarterly Net Subscriber Additions (000's)	(8.2)	47.0	10.3	NM	NM
Digital Cable					
"Digital Ready" Subscribers (000's)	8,042.4	7,651.6	7,085.2	5.1%	13.1%
Subscriptions (000's) (5)	1,840.1	1,639.2	1,038.6	12.3%	77.1%
Penetration (6)	22.9%	21.4%	14.7%	1.5 pts	8.0 pts
Quarterly Net Subscription Additions (000's)	200.9	158.3	192.6	26.9%	4.1%
Monthly Average Revenue per Subscription	\$10.79	\$10.61	\$10.01	1.7%	7.1%
Comcast @Home					
"Modem Ready" Homes Passed (000's)	7,955.8	7,913.0	4,969.3	0.5%	60.0%
Subscribers (000's)	675.6	574.3	296.9	17.6%	127.0%
"Modem Ready" Penetration	8.5%	7.3%	6.0%	1.2 pts	2.5 pts
Quarterly Net Subscriber Additions (000's)	101.3	95.0	51.2	6.6%	97.0%
Monthly Average Revenue per Subscriber	\$36.93	\$36.76	\$41.06	0.5%	(10.0)%

- (1) The information presented above is not necessarily indicative of what the results would have been had the Company operated the acquired businesses and exchanged systems since the beginning of 2000.
- (2) The Company acquired Prime Communications LLC in August 2000. The Company completed its systems exchanges with AT&T Corp. and Adelphia Communications Corp. in December 2000 and January 2001, respectively. In April 2001, the Company acquired cable systems serving 585,000 subscribers from AT&T Corp. Pro forma other data for our Cable segment is presented as if these acquisitions and systems exchanges occurred at the beginning of 2000. On June 30, 2001, the Company acquired a cable system serving approximately 112,000 subscribers in Baltimore, Maryland from AT&T. Pro forma other data by business segment excludes the effects of this acquisition for all periods presented unless otherwise noted.
- (3) Video revenues consist of our basic, expanded basic, premium, pay-per-view and digital services.

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- (4) Other Cable subscriber revenues include installation revenues, guide revenues, commissions from electronic retailing, and other product offerings.
- (5) Each digital converter box counts as one digital cable subscription.
- (6) Digital cable subscriptions as a percentage of "digital ready" subscribers. Certain subscribers may have multiple digital cable subscriptions.

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Pro Forma Other Data - Commerce Segment (QVC) (Unaudited)			
	Base (1) -----	UK --	Germany -----
 Three Months Ended June 30, 2001			
Revenue (millions)	\$756.8	\$64.0	\$41.8
Gross Margin	37.2%	34.4%	28.4%
Operating Cash Flow (Deficit) (millions)	\$166.5	\$3.2	(\$2.7)
Operating Cash Flow Margin	22.0%	4.9%	(6.4)%
Average Homes (millions) (3)	71.7	9.2	23.1
Revenue per Average Home (in local currency)	\$10.56	pounds4.78	4.05 DM
 Three Months Ended June 30, 2000			
Revenue (millions)	\$657.9	\$71.5	\$29.7
Gross Margin	37.0%	33.8%	29.2%
Operating Cash Flow (Deficit) (millions)	\$135.8	\$2.0	(\$4.7)
Operating Cash Flow Margin	20.6%	2.8%	(15.8)%
Average Homes (millions) (3)	69.2	8.3	21.8
Revenue per Average Home (in local currency)	\$9.51	pounds5.62	2.86 DM
 Six Months Ended June 30, 2001			
Revenue (millions)	\$1,511.9	\$132.7	\$87.9
Gross Margin	37.3%	34.7%	28.7%
Operating Cash Flow (Deficit) (millions)	\$337.1	\$8.6	(\$3.4)
Operating Cash Flow Margin	22.3%	6.5%	(3.9)%
Average Homes (millions) (3)	71.2	9.0	23.1
Revenue per Average Home (in local currency)	\$21.22	pounds10.09	8.26 DM
 Six Months Ended June 30, 2000			
Revenue (millions)	\$1,354.6	\$150.5	\$64.2
Gross Margin	36.5%	34.5%	28.8%
Operating Cash Flow (Deficit) (millions)	\$275.4	\$10.0	(\$7.4)
Operating Cash Flow Margin	20.3%	6.6%	(11.5)%
Average Homes (millions) (3)	68.5	8.3	21.0
Revenue per Average Home (in local currency)	\$19.78	pounds11.49	6.24 DM

(1) Base Business includes domestic channel and iQVC.

(2) Other includes domestic and international infomercial businesses, and start-up costs for QVC April 2001.

(3) Note that while QVC has the potential to serve this many homes in Germany, it is estimated t

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40% of the homes in Germany are programmed to receive the QVC channel.

### Comcast. Summary of Investments (Unaudited)

Company	Ticker	June 30, 2001	December 31, 2000
		(in millions)	
AT&T Corp. (1) (2)	T	\$1,837.3	\$1,174.3
Sprint Corp PCS Group	PCS	2,156.9	2,149.8
Other		316.6	1,873.0
		-----	-----
Fair Value Investments		\$4,310.8	\$5,197.1
Cost Method Investments		300.4	128.4
Equity Method Investments		162.1	396.1
		-----	-----
Total Investments		\$4,773.3	\$5,721.6
		=====	=====
Current Investments		\$1,928.7	\$3,059.7
Non-Current Investments		2,844.6	2,661.9
		-----	-----
Total Investments		\$4,773.3	\$5,721.6
		=====	=====

- (1) Of approximately 68 million shares of AT&T Corp. held by the Company at December 31,2000, 63.9 million shares were exchanged with AT&T Corp. for cable communications systems in April 2001.
- (2) In June 2001, the Company and AT&T entered into an agreement whereby AT&T issued to the Company approximately 80.3 million unregistered shares of AT&T common stock and the Company agreed to settle its right under a previous agreement to exchange an aggregate 31.2 million Excite@Home Corporation shares and warrants held by the Company for shares of AT&T common stock. Under the terms of the June 2001 agreement, the Company retained the Excite@Home shares and warrants.

### Comcast. Reconciliation of Diluted EPS to OCF per share (Unaudited) (dollars in millions, except per share data)

	Three Months End	
	June 30,	2000
	2001	2000
	-----	-----
Net income (loss) as reported	\$ 35.2	\$ 18

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Items to reconcile net income (loss) to operating cash flow:		
Depreciation & amortization	833.7	63
Interest expense	176.2	16
Investment income - unrealized gain on trading securities (1)	(392.4)	
Investment expense - mark to market adjustments on derivatives and hedged items	310.1	
Investment income - gain on settlement of Share Exchange Agreement (2)	(296.3)	
Investment income - gain on sales and exchanges of investments	(151.7)	(27)
Investment income - reclassification of unrealized gains (3)		
Investment expense - investment impairment losses (4)	45.0	
(Income) expense related to indexed debt (5)		(28)
Other income - gain on Adelphia systems exchange (6)		
Income tax expense	103.8	18
Cumulative effect of accounting change, net of tax (7)		
All other, net (8)	36.8	(
	-----	---
Operating Cash Flow as reported	\$ 700.4	\$60
	=====	====
Diluted earnings (loss) per share as reported		
	\$ 0.04	\$ 0
	-----	---
Items to reconcile diluted earnings (loss) per share to operating cash flow per share, net of estimated income tax expense, assuming a 35% rate:		
Depreciation & amortization	0.56	0
Interest expense	0.12	0
Investment income - unrealized gain on trading securities (1)	(0.26)	
Investment expense - mark to market adjustments on derivatives and hedged items	0.21	
Investment income - gain on settlement of Share Exchange Agreement (2)	(0.20)	
Investment income - gain on sales and exchanges of investments	(0.10)	(0
Investment income - reclassification of unrealized gains (3)		
Investment expense - investment impairment losses (4)	0.03	
(Income) expense related to indexed debt (5)		(0
Other income - gain on Adelphia systems exchange (6)		
Cumulative effect of accounting change (7)		
All other, net (8)	0.07	0
	-----	---
Operating Cash Flow per share, net of estimated income tax expense	\$ 0.47	\$ 0
	=====	====
Diluted weighted average shares outstanding	965.6	97
	=====	====

- (1) In connection with the adoption of SFAS No. 133 (Derivatives) in the first quarter of 2001, investment in Sprint PCS from an available for sale security to a trading security.
- (2) Represents the gain recognized by the Company in connection with the settlement of its right described previously in note 2 to its Summary of Investments.
- (3) In connection with the adoption of SFAS No. 133, the Company reclassified its investment in sale security to a trading security. The gain represents the accumulated unrealized gain on PCS previously recorded as a component of accumulated other comprehensive income.
- (4) The Company records losses on its investments for which the Company has determined that a de was considered other than temporary. The loss for the six months ended June 30, 2001 relates investment in AT&T, a portion of which was exchanged on April 30, 2001.
- (5) Represents non-cash expense associated with the mark-to-market adjustment related to the Com

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31, 2000, the ZONES were accounted for as an indexed debt instrument since the maturity value of Sprint PCS stock.

- (6) Represents the gain recognized upon the completion of the Company's cable systems exchange with Corporation in January 2001.
- (7) Represents the effects of adopting SFAS No. 133 in the first quarter of 2001.
- (8) Includes interest and dividend income, equity in net losses of affiliates, other income (excluding extraordinary items).

Note: The following notice is included to meet certain legal requirements:

### ADDITIONAL INFORMATION

Subject to future developments, Comcast may file with the Commission (i) a preliminary proxy statement for solicitation of proxies from the shareholders of AT&T Corp. ("AT&T") in connection with AT&T's broadband tracking stock proposal and (ii) a registration statement to register the Comcast shares to be issued in the proposed transaction. Investors and security holders are urged to read the proxy statement and registration statement (when and if available) and any other relevant documents filed with the Commission, as well as any amendments or supplements to those documents, because they will contain important information. Investors and security holders may obtain a free copy of the proxy statement and the registration statement (when and if available) and other relevant documents at the Commission's Internet web site at [www.sec.gov](http://www.sec.gov). The proxy statement and registration statement (when and if available) and such other documents may also be obtained free of charge from Comcast by directing such request to: Comcast Corporation, 1500 Market Street, Philadelphia, Pennsylvania 19102-2148, Attention: General Counsel.

Comcast, its directors and certain other Comcast employees and advisors may be deemed to be "participants" in Comcast's solicitation of proxies from AT&T's shareholders. A detailed list of the names, affiliations and interests of the participants in the solicitation is contained in a filing made by Comcast with the Commission pursuant to Rule 14a-12 on July 9, 2001.