NORTHSTAR ELECTRONICS INC
Form 10-K/A
April 17, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

[x] ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from __ to __

Commission file number: **333-90031**

Northstar Electronics, Inc.

Name of small business issuer in its charter

Delaware	**#33-0803434**
State or other jurisdiction of incorporation or organization	IRS Employer Identification No.

Suite # 410 - 409 Granville Street,

Vancouver, British Columbia,

Canada V6C 1T2

Address of principal executive offices and Zip Code

Issuer s telephone number **(604) 685-0364**

Securities registered pursuant to section 12(b) of the Act

None

Securities registered pursuant to section 12(g) of the Act

100,000,000 shares of common stock with a par value of $0.0001 each

Check whether the issuer is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act [ ]

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 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. **(1) [x] Yes** [ ] No **(2) [x] Yes** [ ] No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [**x**]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] **No [x]**

EXPLANATORY NOTE: The registrant is filing this amendment to remove the auditor's letter in the financial section of the filing.

State issuer s revenues for its most recent fiscal year: **$379,020**

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of a specified date within the past 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act).

Note If determining whether a person is an affiliate will involve an unreasonable effort and expense, the issuer may calculate the aggregate market value of the common equity held by non-affiliates on the basis of reasonable assumptions, if the assumptions are stated.

Aggregate market value of voting common equity held by non-affiliates as of

December 31, 2011: **$630,000 approximately**

Aggregate market value of non-voting common equity held by non-affiliates as of

December 31, 2011: **Not Applicable**

State the number of shares outstanding of each of the issuer s classes of common equity, as of the latest practicable date.

Outstanding shares of common stock as of March 31, 2011: **53,377,824**

Documents incorporated by reference: **None**

Transitional Small Business Disclosure Format (Check one): Yes [ ] **No [X]**

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Risk Factors

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Part I

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Part II

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Signatures

Note Regarding Forward Looking Statements

Except for statements of historical fact, certain information contained herein constitutes forward looking statements within the meaning of Section 27A of the securities Act and Section 21E of the Securities Exchange Act. Forward looking statements address our current plans, intentions, beliefs and expectations and are statements of our expected future economic performance. Statements containing terms like will , believes , does not believe , plans , exp intends , estimates , anticipates , may and other phrases of similar meaning or the negative or other variations of th words or other comparable words or phrases are considered to imply uncertainty and are forward looking statements.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or achievements of the Company to be materially different from any future results or achievements of the Company expressed or implied by such forward looking statements. Such factors include, but are not limited to changes in economic conditions, government regulations, contract requirements and abilities, behavior of existing and new competitor companies and other risks and uncertainties discussed in this annual Form 10-K report.

We cannot guarantee our future results, level of activity, performance or achievements. Neither we nor any other person assumes responsibility for the accuracy and completeness of these forward looking statements. We are under no duty to update any of the forward looking statements after the date of this report.

Risk Factors

Investment in our common stock involves a high degree of risk. Prospective investors should carefully consider the following risk factors in addition to other information in this annual report before purchasing our common stock.

Because we have a net loss from operations of $1,807,955 for the year ended December 31, 2011 and have accumulated losses of $12,780,130 from inception, we face a risk of insolvency and we remain dependent on equity and debt financing to help pay operating costs and to help cover operating losses. Business financing is being pursued.

Although the Company has moved to obtain additional customers we are, at present, substantially dependent on two customers to generate future sales. Our future is uncertain if our relationships with these major customers fail. Please also refer to our December 31, 2011 year end financial statements and notes thereto.

PART I

Item 1. **Description of Business**

The business of the Company is primarily that of a holding company with subsidiaries. Its wholly owned subsidiary, **Northstar Network Ltd.** (**NNL**), carries out defense, aerospace and homeland security contract manufacturing. **Northstar Technical Inc.**, (**NTI**), our second subsidiary, has been involved in underwater sonar sensors primarily related to the fishing industry. NTI is presently under re-structuring due to a downward trend in the commercial fishing industry. NTI had developed, manufactured and sold undersea sonar communications systems in that industry over the past decade. However, much of the new technology developed using underwater communicating techniques did not receive strong market acceptance as the time taken for product development and market introduction was long. The lack of capital funding was predominantly responsible for this situation.

Subsequent to the year end, the Company entered into a Definitive Agreement to divest Northstar Network Ltd. to another company in exchange for cash and share purchase warrants. This transaction is expected to close on or before May 31, 2012. As well, the Company signed a Letter of Intent to acquire a development stage company specializing in advanced sonar technologies and systems. The following descriptions of the Company s business areas should be read in the context of the present situation, that is, the pre divesting of Northstar Network Ltd. and the pre acquiring of the sonar company.

Homeland Security and Military Defense:

NNL expects that design and manufacture of homeland security and anti-terrorism systems will grow to become a major component of its business over the next five years as the United States Department of Homeland Security and the United States Navy ramp up efforts to protect ports, on shore high value assets and ships from terrorists. NNL has designed and is capable of manufacturing sonar hardware for homeland security and military defense systems.

Research and Development:

The Company did not expend any efforts on research and development during the year.

CONTRACT MANUFACTURING (CM)

NNL has become a subcontractor to the aerospace and contract manufacturing industries and assembles electronic and mechanical systems under contract to the defense and aerospace industry (called build to print). Products are built according to designs provided by our customers. The main customers are currently Lockheed Martin MS2 and L-3 Communications MAPPS Inc., a Canadian subsidiary of L-3 Communications Inc., for whom the Company provides production engineering, contract manufacturing of console components, sourcing and procurement of replacement parts, assembly into full systems, testing and shipping.

The Company has attended defense and aerospace exhibitions in the United States and Canada and has participated in missions to meet prime contractors involved in major defense contracts.

The Company has attracted a variety of major customer prospects in this area for which bids are actively being submitted.

The CM Market

NNL has focused attention on the North American military and civilian markets. The United States and Canada have many programs where our services could be used. This includes programs to manufacture control consoles for submarines and naval surface ships, components for military helicopters and vehicles, and machined parts and specialized assemblies for fixed wing aircraft.

Competition CM

For control consoles produced for Lockheed Martin, NNL s competition would be primarily similar sized companies as NNL, in the United States, Canada or abroad.

However, we expect that, dependent upon the economic and political factors influencing major defense contractors such as Lockheed Martin, there will indeed be competition for future contracts. NNL s main competitive advantages are price (our labor and overhead rates are low compared to many other jurisdictions) and quality of our current work on naval machine control consoles (MCCs) and other aeronautics contracts.

Marketing CM

The benefits of our marketing efforts are contacts made through networking in the industry and attendance at trade shows, conferences and special missions sponsored by the Department of Defense and Department of Business Development/Trade. We continue to attend defense and aerospace exhibitions in Canada and the United States.

Technology Protection CM

NNL currently owns no proprietary technology requiring protection with respect to its CM activities.

Raw Material Sources and Availability CM

Materials and parts are available on an as needed basis from a variety of sources in the United States and Canada.

Dependence on One or a Few Major Customers CM

NNL currently depends to a great extent on Lockheed Martin MS2 and L-3 Communications MAPPS for its contracts. Lockheed Martin is comprised of many semi-autonomous divisions, which have many customers. Dealing with these divisions is similar to dealing with independent companies, regarding contract operations. We are trying to reduce our dependency on one or two divisions by contacting other divisions and other large prime contractors about CM opportunities with them.

Need for Government Approvals CM

There are no required government approvals applicable to our CM activities, except any required as part of a contract. In that event, the requirement would be passed down from the prime contractor as a part of the statement of work

Effect of Existing or Probable Government Regulations CM

Commerce between the United States and Canada in the defense and aerospace industry is governed by some general rules and regulations. These typically require a prime contractor, such as Lockheed Martin, to obtain certain United States government clearances before providing NNL with potentially sensitive information. Similarly, a Canadian prime contractor would need Canadian government clearances to give classified information to a United States subcontractor.

To date, these clearances have not caused any problems for our CM activities and we do not anticipate any in the foreseeable future.

Research and Development Expenditures CM

NNL did not incur expenditures in fiscal 2011 on CM research and development activities.

Costs and Effects of Compliance with Environmental Laws CM

NNL has incurred no costs or adverse effects in its compliance with any environmental laws.

SYSTEM INTEGRATION

NNL carries out multi-faceted contracts that require several subcontractors to perform specialized tasks. This ability to integrate the work of several components to create one complete system is one of Northstar s main areas of business system integration.

As a result of its capabilities and expertise, NNL developed an approach to securing and executing defense and other contracts. NNL brings together a number of Small Medium Size Enterprises (SME) affiliate companies thereby presenting a broad capability to prime defense contractors. Because NNL offers one stop shopping for multiple companies with a wide range of relevant expertise, it is anticipated that contract work for various Canadian government procurements will flow to NNL.

NNL has carried out several contracts for Lockheed Martin on the development and production of an underwater intruder detection system and is pursuing new contracts in the defense and homeland security areas. NNL is currently working on a defense contract for naval submarine upgrades.

EMPLOYEES

As of December 31, 2011 the Company had a total of 17 employees.

PUBLIC INFORMATION

The Company electronically files with the Securities and Exchange Commission (SEC) all its reports, including but not limited to its annual and quarterly reports. The SEC maintains an internet site (http://www.sec.gov) that contains reports and other information regarding issuers that do file electronically. The Company maintains a web site address at www.northstarelectronics.com

Item 2. **Description of Properties**

The Company rents its corporate offices located at: 410   409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2. Northstar Network Ltd has leased offices and operations facilities at: 1 Duffy Place, St. John s, Newfoundland, Canada.

Item 3. **Legal Proceedings**

There are no known legal filings registered or contemplated against the Company. Several debt claims have been registered against the company. The total of the registrations is approximately $85,000.

Item 4. **Submission of Matters to a Vote of Security Holders**

No change since previous filing. The Company has filed with the SEC an SB-1 registration statement April 2000, an S-8 registration November 2000 and quarterly reports (form 10QSB) for June and September 2000 and for March, June and September 2001, 2002, 2003, 2004, 2005, 2006 and 2007, form 10Q s for March, June and September 2008, 2009, 2010 and 2011 and annual reports (form 10KSB) for December 31, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007 and form 10K for 2008, 2009, 2010 and 2011.

PART II

Item 5. **Market for Registrant s Common Equity and Related Stockholder Matters**

No change since previous filing.

Item 6. **Management s Discussion and Analysis or Plan of Operation**

The following discussion, comparison and analysis should be read in conjunction with the Company s accompanying consolidated financial statements for the years ended December 31, 2011 and 2010 and the notes related thereto. The discussion of results, causes and trends should not be construed to infer conclusions that such results, causes or trends necessarily will continue in the future.

DISCUSSION

The following table sets forth for the years indicated items included in the Company s consolidated statement of operations:

	2011	2010	2009	2008	2007

Total revenue	$ 379,020	$3,186,964	$3,913134	$2,254,657	$1,611,203
Cost of goods sold	207,930	2,806,881	3,080,792	2,148,539	725,706
Gross margin	171,090	380,083	832,342	106,118	885,497
Expenses	1,979,045	1,710,411	1,830,507	1,846,748	1,664,315
Net (loss)	$1,807,955	$(1,330,328)	$(998,165)	$(1,740,630)	$ (778,818)
Net (loss) per share	$(0.04)	$(0.04)	$(0.03)	$(0.06)	$(0.03)

During the year the Company attempted to adequately carry out production on its contracts, develop delivery requirements with suppliers and to improve internal systems. A shortage of working capital in support of production became an issue as the Company took measures to provide that support. Sufficient capital was not raised and consequent production restrictions caused delays with contract deliveries. The delays resulted in increased production costs (cost of goods sold) and delays in the receipt of prospective contract increases.

As a result of an inability to obtain sufficient operating funding for production demands, NNL could not achieve its contract revenue goals for the year, and, in fact, fell far short. New financing opportunities were pursued late in the fiscal year. In 2011, the Company had a large decrease in contract billings resulting in lower revenues while at the same time maintained production expenditures which further increased the loss position. The lack of required operating capital caused greater material/production/shipping costs and hence insufficient margins which resulted in the large loss for the year and further hindered the ability to finance working capital, causing a further decline in production. The loss increased to $(1,807,955) from a loss of $(1,330,328) for 2010. In view of these issues, contract revenue performance fell well below expectations for 2011.

Production on the first phase of the P3 project slowed down as per its scheduled completion in the first quarter. As well, expected purchase orders for production on the second phase of the project were delayed early in the year. The slowdown in production on the P3 project, as noted above, resulted in lower revenues. A Frigate Console project is underway. Lack of sufficient operating capital has caused delays in shipset deliveries. Also, the Submarine Sonar upgrade contract is underway.

NNL s total revenues for 2011 were $379,020 ($3,186,964 for 2010, $3,913,134 for 2009 and $2,254,657 for 2008). We incurred a net loss from operations of $(1,807,955) [$(1,330,328) for 2010 $(998,165) for 2009 and $(1,740,630) for 2008]. Total revenue for 2011 includes sales of $379,020 and $nil in recovery of research and development costs (2010 includes sales of $3,186,964 and $0 in recovery of research and development costs and 2009: $3,913,134 in sales and $0 in recovery of costs).

Defense Sonar Development Contract Opportunity

During 2011 NNL submitted a proposal for another Project X prototype system for an Undisclosed prospective customer. It is expecting to receive information on this program in the current year.

Contract Manufacturing

NNL remained active pursuing new contract manufacturing opportunities during 2011. During 2010 the Company was awarded a contract for additional P3/CP140 aircraft ASLEP upgrades from Lockheed Martin Aeronautics. The Master PO contract was altered to an Open PO contract during the year and numerous Pos were terminated due to slow delivery threatening production work flows. These have been taken in-house at Lockheed s facilities. The primary casue was lack of operating capital as previously described.

Systems Integration

NNL will continue to pursue contract systems integration business in 2012.

Description of Existing Contracts:

Marine Naval Consoles - L-3 Communications MAPPS Inc.

The contract, awarded in March 2009, is to manufacture 66 Standard Marine Consoles and 60 Local Operating Panels as part of its Integrated Platform Management System (IPMS) for the Halifax Class naval frigates of the Canadian

Navy. NNL had to re-schedule deliveries during 2011 due to the unavailability of sufficient working capital to maintain the production schedule and alterations by the customer. Future delivery timetables also require adequate funding be available for production of additional consoles in the new year. Subsequent to the year end additions were received for the existing contract.

Wing Box Assemblies for P3/CP140 MLU Program - Lockheed Martin Aeronautics Co.

The former original Master Purchase Order contract for 48 aircraft wound down in 2011. A follow-on Master Purchase Order for 67 aircraft was received at the beginning of the 3rd Quarter 2010. Production was delayed through the first quarter of 2011 while the customer continued to refine its purchase order requirements. Only minimal production was possible during 2011 due to insufficient contract project funding support in place in early 2011.

Results of Operations

Gross margins increased to 45% compared with 11.9% for 2010, 21.3% for 2009, 4.7% for 2008 and 55% for 2007). A significant cause of any fluctuation in the gross margin percentages would be due to changes in the revenue mix where the Company is now generating greater revenues with significantly more direct costs attached.

During 2011 and 2010, the Company did not spend funds on design engineering and prototype development related to the development of engineering systems ($0 in 2009, $295,302 in 2008, $234,019 in 2007, $389,222 in 2006 and $816,622 in 2005).

The Company generated contract and sales revenues of $379,020 in 2011 (2010: $3,186,964) (2009: $3,913,134) (2008: $1,899,061) (2007: $664,110) (2006: $577,237) (2005: $492,810) and government incentive research and development recoveries of $nil included in revenues (2009: $nil) (2008: $124,663) (2007: $153,286) (2006: $311,698) (2005: $671,720).

The Company incurred a loss of $(1,807,955) for 2011 (compared to losses of $(1,330,328) for 2010, $(998,165) for 2009, $(1,740,630) for 2008, $(778,818) for 2007, $(969,286) for 2006 and $(984,768) for 2005.

The Company expects that design, engineering, development and manufacture of defense systems will continue to be the major component of its business over the next five years.

Liquidity and Capital Resources

The Company used cash in operations of $(1,023,191) in 2011 compared to cash used by operations of $(777,903) in 2010 $(467,412) in 2009, $(806,715) in 2008, $(773,520) in 2007, $(607,410) in 2006, and $(311,237) in 2005. In 2011 the Company raised equity financing of $637,000 compared to $777,604 equity funding during 2010, $287,500 equity funding during 2009, $144,088 equity funding during 2008 and $134,250 equity funding during 2007 and $304,325 equity funding during 2006. The net cash was used to fund operations.

The Company s working capital and capital requirements will depend on many factors, including the ability of the Company to increase contract manufacturing sales in order to generate sufficient funds to cover the current level of operating expenses. During the most recent fiscal year the Company increased its long-term debt by $90,650 (decreased by: 2010 $23,078, increased by: 2009 - $33,900, 2008 - 211,979, 2007 - $747,902).

The Company is negotiating to secure equity financing in the short term.

With respect to the trade payables, the Company's suppliers have been reasonably cooperative with the Company to date. The Company will maintain its focus on reducing the outstanding amounts payable with increased cash flow from operations and from debt financing. The Company expects its suppliers will continue to be supportive in the future, and the Company will continue with its communications regarding future prospects.

With respect to government loans, the various agencies holding the loans have been cooperative with the Company to date. The loans were in a normal status during the year. The Company anticipates continued lendor cooperation into the future.

The availability of sufficient future funds will depend to an extent on obtaining manufacturing contracts on a timely basis. Accordingly, the Company may be required to issue securities to finance any project start-up and working capital requirements for new contracts and general business expansion. There can be no assurance whether or not such future financings will be available or on satisfactory terms.

Working Capital and Operations

In March 2009 the Company received a contract from L-3 Communications MAPPS Inc., a subsidiary company of L-3 Communications Inc., for US$2.05M for the engineering design and assembly of Machine Control Consoles (MCCs) for the Halifax Class, Canadian Naval Frigate Upgrade Program. In 2010 the Company received a contract upgrade increasing the total contract value to US$3.4M.

Over the next six months the Company expects to require approximately US$1,250,000 to cover production costs associated with new contracts and an additional $500,000 for working capital over the subsequent twelve months. The Company is attempting to secure financing by way of private placements of equity financings.

Although the Company raised working capital through equity funding during 2011 a large amount of equity-based working capital is further required to efficiently carry out existing and expected contracts. We believe that with sufficient working capital, the Company s revenues and backlog of work can grow in 2011 with the prospect of an improved bottom line.

Certain statements in this report and elsewhere (such as in other filings by the Company with the Securities and Exchange Commission ("SEC"), press releases, presentations by the Company of its management and oral statements) may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and "should," and variations of these words and similar expressions, are intended to identify these forward-looking statements. Actual results may materially differ from any forward-looking statements. Factors that might cause or contribute to such differences include, among others, competitive pressures and constantly changing technology and market acceptance of the Company's products and services. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Item 7. **Financial Statements**

NORTHSTAR ELECTRONICS, INC.

Index to Un Consolidated Financial Statements December 31, 2011 and 2010 (U.S. Dollars)

NORTHSTAR ELECTRONICS, INC.

Consolidated Balance Sheets

December 31

(US Dollars)		**2011**		**2010**
Assets				
Current				
Cash and cash equivalents	$	2,358	$	135,311
Accounts receivable (note 5)		175,361		51,088
Investment tax credits receivable		-		-
Inventory (note 2d)		281,830		121,311
Prepaid expenses		24,603		7,967
		484,152		315,677
Deferred contract costs (note 6)		36,389		56,977
Intangible asset (note 7)		-		12,120
Equipment (note 7)		30,791		44,920
	$	551,332	$	429,694
Liabilities				
Current				
Accounts payable and accrued liabilities	$	2,430,675	$	1,969,659
Loans payable (note 8)		707,207		580,830
Due to Cabot Management Limited (note 9a)		53,593		55,049
Due to Directors (note 9)		1,088,281		1,208,265
Deferred revenue		141,101		34,883
Current portion of long-term debt (note 10)		2,061,655		1,318,587
		6,482,512		5,167,273
Long-term debt (note 10)		-		706,393
		6,480,155		5,873,666
Stockholders Deficit				
Common Stock (note 15&16)				
Authorized:				
100,000,000 Common shares with a par value of $0.0001 each				

20,000,000 Preferred shares with a par value of $0.0001 each		
Issued and outstanding:		
53,377,824 Common shares (36,143,942 - 2010)	5,338	3,614
488,586 Preferred series A shares (488,586 2010)	409,299	409,299
Additional Paid-in Capital	7,058,546	5,764,443
Accumulated Other Comprehensive Income (Loss)	(624,233)	(649,153)
Accumulated Deficit	(12,780,130)	(10,972,175)
	$ 551,332	$ 429,694

See notes to consolidated financial statements

Nature of operations and going concern (note 1)

Contingent liabilities (note 11)

Commitment (note 12)

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NORTHSTAR ELECTRONICS, INC.

Consolidated Statements of Operations and Comprehensive Loss

Years Ended December 31

(US Dollars)

	2011	2010	2009
Revenues	$ 379,020	$ 3,186,964	$ 3,913,134
Cost of Goods Sold	207,930	2,806,881	3,080,792
Gross Margin	171,090	380,083	832,342
Expenses			
Salaries, wages and benefits	752,442	373,918	383,848
Research and development	-	-	-
Travel, marketing and business development	2,682	47,779	32,316
Management fees	135,000	210,000	175,727
Finance fees	158,150	70,000	-
Consulting	114,000	16,458	98,731
Rent	122,863	110,851	139,779
Professional fees	98,113	162,286	108,882
Office and miscellaneous	152,106	192,320	146,025
Bad debts	-	5,415	15,596
Interest on long-term debt	389,516	411,507	274,159
Telephone and utilities	25,693	31,694	37,323
Loss on disposal of assets	19,104	4,307	1,839
Foreign exchange loss (gain)	(2,100)	(3,350)	396,781
Depreciation	11,476	15,013	15,102
Amortization of intangible asset	-	2,213	4,399
Interest and penalties (note 14)	-	60,000	-
	1,979,045	1,710,411	1,830,507
Net loss for the year	(1,807,955)	(1,330,328)	(998,165)
Other comprehensive income			
Foreign currency translation adjustment	24,920	(190,811)	(546,874)
Net loss and comprehensive loss for the year	(1,783,035)	(1,521,139)	(1,545,039)

Loss Per Share (Basic and Diluted)	$ (0.04)	$ (0.04)	$ (0.03)
Weighted Average Number of Common Shares Outstanding (Basic and Diluted)	42,697,731	34,762,851	31,140,586

See notes to consolidated financial statements

NORTHSTAR ELECTRONICS, INC.

Statements of Changes in Stockholders Deficit

Years Ended December 31

(US Dollars)

$	Par Value	$	Additional Paid-In Capital	$	Other Comprehensiv Income (Loss
	2,997	$	4,954,639	$	88,935
	-		-		(546,874)
	134		119,622		-
	63		53,437		-
	-		46,475		-
	-		-		-
	3,194		5,174,173		(457,939)
	-		-		(190,811)
	98		155,781		-
	319		411,740		-
	16		32,812		-
	3		6,597		-
	51		96,949		-

	(67)	(113,609)	-
	-	-	-
$	**3,614**	**$ 5,764,443**	**$ (649,153)**
	-	-	24,920
	208	199,792	
	921	636,079	
	595	458,232	
	-	-	-

ensed Consolidated Statement of Changes in Equity

(Unaudited)

ons)	Redeemable Non-controlling Interests	Common Stock A	A Special	B	Additional Paid-In Capital	Retained Earnings	Treasury Stock at Cost	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity
, 1, 2009	$ 171	$ 24	$ 9	$	$ 40,620	$ 7,427	$ (7,517)	$ (113)	$ 126	$ 40,576
sation					108					108
nase and ent of n stock					(353)	(112)				(465)
ee stock e plan					46					46
ds d						(582)				(582)
hensive (loss)								41		41
rchase) diary o (from) rolling s, net					30				(35)	(5)
utions utions to) rolling s	10								(19)	(19)
ome	(13)					2,683			(2)	2,681

e, ber 30,	**$ 168**	**$ 24**	**$ 9**	**$**	**$ 40,451**	**$ 9,416**	**$ (7,517)**	**$ (72)**	**$ 70**	**$ 42,381**
, 1, 2010	$ 166	$ 24	$ 8	$	$ 40,247	$ 10,005	$ (7,517)	$ (46)	$ 90	$ 42,811
sation					160	(4)				156
hase and ent of n stock					(603)	(297)				(900)
ee stock e plan					45					45
ds d						(796)				(796)
hensive (loss)								(70)		(70)
rchase) diary o (from) rolling , net	(20)				11					11
utions utions to) rolling s									(26)	(26)
ome	(2)					2,617			20	2,637
e, ber 30,	**$ 144**	**$ 24**	**$ 8**	**$**	**$ 39,860**	**$ 11,525**	**$ (7,517)**	**$ (116)**	**$ 84**	**$ 43,868**

s to condensed consolidated financial statements.

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Condensed Consolidated Statement of Comprehensive Income

(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
ons)	2010	2009	2010	2009
ome from consolidated operations	$ 870	$ 934	$ 2,635	$ 2,668
gains (losses) during the period, net of deferred $21, $(1), $45 and $(2)	(36)	2	(77)	6
ification adjustments for losses (gains) included ncome attributable to Comcast Corporation, net red taxes of $(1), $(3), $(4) and $(17)	2	6	7	31
tive translation adjustments	4			4
hensive income	840	942	2,565	2,709
come) loss attributable to noncontrolling s	(3)	10	(18)	15
ehensive income attributable to Comcast ation	**$ 837**	**$ 952**	**$ 2,547**	**$ 2,724**

s to condensed consolidated financial statements.

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ES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
dited)

1: Condensed Consolidated Financial Statements

f Presentation

e prepared these unaudited condensed consolidated financial statements based on Securities and ge Commission (SEC) rules that permit reduced disclosure for interim periods. These financial nts include all adjustments that are necessary for a fair presentation of our results of operations and l condition for the periods shown, including normal, recurring accruals and other items. We also ed events or transactions that occurred after the balance sheet date through the issuance date of nancial statements to determine if financial statement recognition or additional disclosure is d. The results of operations for the interim periods presented are not necessarily indicative of for the full year.

r-end condensed consolidated balance sheet was derived from audited financial statements but t include all disclosures required by generally accepted accounting principles in the United States P). For a more complete discussion of our accounting policies and certain other information, refer to ual financial statements for the preceding fiscal year as filed with the SEC.

ifications have been made to the prior year s condensed consolidated financial statements between and operating expenses to conform to classifications used in 2010.

2: Recent Accounting Guidance

dation of Variable Interest Entities

2009, the Financial Accounting Standards Board (FASB) updated the accounting guidance related onsolidation of variable interest entities (VIEs). The updated guidance (i) requires an ongoing sment of whether an enterprise is the primary beneficiary of a VIE, (ii) changes the quantitative ch previously required for determining the primary beneficiary of a VIE and replaces it with a ive approach, and (iii) requires additional disclosure about an enterprise s involvement in VIEs. We d the updated guidance on January 1, 2010 and it did not impact our consolidated financial nts.

3: Earnings Per Share

arnings per common share attributable to Comcast Corporation shareholders (basic EPS) is ed by dividing net income attributable to Comcast Corporation by the weighted-average number of n shares outstanding during the period.

entially dilutive securities include potential common shares related to our stock options and our ed share units (RSUs). Diluted earnings per common share attributable to Comcast Corporation lders (diluted EPS) considers the impact of potentially dilutive securities using the treasury stock , except in periods in which there is a loss, because the inclusion of the potential common shares ave an antidilutive effect. Diluted EPS excludes the impact of potential common shares related to k options in periods in which the option exercise price is greater than the average market price of s A common stock or our Class A Special common stock, as applicable.

EPS for the three and nine months ended September 30, 2010 excludes approximately 178 million million, respectively, of potential common shares related to our share-based compensation plans, the inclusion of the potential common shares would have had an antidilutive effect. For the three e months ended September 30, 2009, diluted EPS excludes approximately 199 million and lion, respectively, of potential common shares.

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Computation of Diluted EPS

	Three Months Ended September 30					
	2010			2009		
ons, except per share data)	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount
PS attributable to Comcast ation shareholders	$ 867	2,802	$ 0.31	$ 944	2,872	$ 0.33
f dilutive securities:						
d exercise or issuance of elating to stock plans		8			5	
EPS attributable to Comcast ation shareholders	**$ 867**	**2,810**	**$ 0.31**	**$ 944**	**2,877**	**$ 0.33**

	Nine Months Ended September 30					
	2010			2009		
ons, except per share data)	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount
PS attributable to Comcast ation shareholders	$ 2,617	2,816	$ 0.93	$ 2,683	2,882	$ 0.93
f dilutive securities:						
d exercise or issuance of elating to stock plans		10			8	
EPS attributable to st Corporation olders	**$ 2,617**	**2,826**	**$ 0.93**	**$ 2,683**	**2,890**	**$ 0.93**

4: Acquisitions and Other Significant Events

niversal Transaction

ered into agreements with General Electric Company (GE) in December 2009 to form a new y of which we will own 51% and control, with the remaining 49% to be owned by GE. Under the f the transaction, GE will contribute NBC Universal s businesses, including its cable and broadcast s, filmed entertainment, televised entertainment, theme parks and unconsolidated investments, as other GE assets used primarily in NBC Universal s business. NBC Universal sold $4.0 billion te principal amount of senior notes in April 2010 and $5.1 billion aggregate principal amount of notes in October 2010 in connection with the transaction. We will contribute our national nming networks, our regional sports networks and certain of our Internet businesses, as well as sets used primarily in those businesses. We will also make a cash payment to GE of $7.1 billion, tain adjustments primarily based on the free cash flow generated by NBC Universal between oer 4, 2009 and the closing. The transaction is subject to various regulatory approvals and is d to close by the end of 2010.

l be entitled to cause the new company to redeem half of GE s interest 3.5 years after the closing remaining interest 7 years after the closing. If GE exercises its first redemption right, we have the purchase the remainder of GE s interest at that time. If GE does not exercise its first redemption e have the right to purchase half of GE s interest 5 years after the closing. We also will have the purchase GE s remaining interest, if any, 8 years after the closing. The redemption and purchase ill equal the ownership percentage being acquired multiplied by 120% of the fully distributed market trading value of the new company, less half of the excess of 120% of that value over $28.15 Subject to various limitations, we are committed to fund up to $2.875 billion in cash or common or each of the two redemptions (for an aggregate of up to $5.75 billion), with amounts not used in redemption to be available for the second redemption.

ults of operations for the new company will be consolidated with our results of operations, as we ntrol the new company. When the transaction is completed, the NBC Universal businesses will be d at

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ir value and the businesses we contribute will be recorded at their historical or carry-over basis. nterest will be recorded in our consolidated financial statements as a redeemable noncontrolling

the nine months ended September 30, 2010, we acquired CIMCO Communications, Inc. CO), a phone and high-speed Internet service provider for businesses, Paciolan, Inc. (Paciolan), a ber of automated ticketing software, New Global Telecom, Inc. (NGT), a phone service provider ll to medium-sized businesses, and made other smaller acquisitions. The aggregate purchase price ese acquisitions was approximately $195 million. The results of operations for CIMCO and NGT orted in our Cable segment. Paciolan is managed by Comcast Spectacor, whose results of ons are reported in Corporate and Other. The results of operations for these acquisitions have been d in our consolidated results of operations since their respective acquisition dates and were not l to our consolidated financial statements.

5: Investments

ons)	September 30, 2010	December 31, 2009
ue method	$ 2,644	$ 1,933
method, primarily SpectrumCo and Clearwire	2,087	2,341
ethod, primarily AirTouch redeemable preferred shares	1,722	1,723
vestments	6,453	5,997
urrent investments	72	50
rent investments	**$ 6,381**	**$ 5,947**

eptember 30, 2010 and December 31, 2009, the estimated fair value of the AirTouch redeemable ed stock was $1.731 billion and $1.524 billion, respectively, which exceeded our carrying basis as date.

Components of Investment Income (Loss), Net

	Three Months Ended September 30		Nine Months Ended September 30	
ons)	2010	2009	2010	2009
n sales and exchanges of investments, net	$ 3	$ 10	$ 14	$ 14
ent impairment losses	(10)	(2)	(24)	(21)
zed gains (losses) on securities underlying forward sale agreements	475	456	706	836
market adjustments on derivative ent of prepaid forward sale agreements	(399)	(357)	(545)	(697)
market adjustments on derivative ent of ZONES	(1)	2	1	6
and dividend income	25	25	70	79
et	16	14	(12)	1
ent income (loss), net	**$ 109**	**$ 148**	**$ 210**	**$ 218**

6: Goodwill

ons)	Cable	Programming	Total

			Corporate and Other	
, December 31, 2009(a)	$ 12,828	$ 1,630	$ 475	$ 14,933
tions	74	13	10	97
ents and adjustments	(1)			(1)
e, September 30, 2010	**$ 12,901**	**$ 1,643**	**$ 485**	**$ 15,029**

December 31, 2009 Cable segment and Corporate and Other amounts have been adjusted for segment ssifications to be consistent with our 2010 management reporting presentation.

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7: Long-Term Debt

ch 2010, we issued $1.4 billion principal amount of 5.15% notes due 2020 and $1.0 billion al amount of 6.4% notes due 2040. The net proceeds of these issuances will be used for working and general corporate purposes, which may include the repayment of debt at its maturity and a portion of our payment to GE due upon closing of the NBC Universal transaction.

8: Fair Value Measurements and Derivative Financial Instruments

derivative financial instruments to manage our exposure to the risks associated with fluctuations est rates and equity prices. Our objective is to manage the financial and operational exposure from these risks by offsetting gains and losses on the underlying exposures with gains and losses derivatives used to economically hedge them. Derivative financial instruments that receive ted hedge accounting treatment are evaluated for effectiveness at the time they are designated, as throughout the hedging period. We do not engage in any speculative or leveraged derivative ions. All derivative transactions must comply with a derivatives policy authorized by our Board of rs.

nage the credit risks associated with our derivative financial instruments through the evaluation nitoring of the creditworthiness of the counterparties. Although we may be exposed to losses in the f nonperformance by the counterparties, we do not expect such losses, if any, to be significant.

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

iodically examine the instruments we use to hedge exposure to interest rate and equity price risks e that the instruments are matched with underlying assets or liabilities, to reduce our risks relating ges in interest rates or equity prices and, through market value and sensitivity analysis, to maintain orrelation to the risk inherent in the hedged item. For those instruments that do not meet the above ons, and for those derivative financial instruments that are not designated as a hedge, changes in ue are recognized on a current basis in earnings.

eptember 30, 2010, our derivative financial instruments designated as hedges included (i) the ive component of one of our prepaid forward sale agreements, which is recorded to other rent liabilities, (ii) our interest rate swap agreements, which are recorded to other current or rent assets or liabilities, and (iii) our interest rate collars, which are recorded to other current es. Changes in the fair value of the derivative component of our prepaid forward sale agreements orded to investment income (loss), net. Changes in the fair value of our interest rate swap ents are recorded to interest expense. These amounts are completely offset by changes in the fair f the related debt because the swaps are deemed to be 100% effective. The difference between e and fixed rates to be paid or received under the terms of the interest rate swap agreements is as interest rates change and recognized as an adjustment to interest expense for the related debt. ective portion of changes in the fair value of our interest rate collars is recorded to accumulated omprehensive income (loss). The ineffective portion, if any, of changes in the fair value of our rate collars is recorded to investment income (loss), net.

eptember 30, 2010, our derivative financial instruments not designated as hedges included (i) the ve component of our indexed debt instruments (our ZONES debt), which is recorded to long-term nd (ii) the derivative component of certain of our prepaid forward sale agreements, which is d to other current and noncurrent liabilities.

eptember 30, 2010, our debt had an estimated fair value of $34.932 billion. The estimated fair f our publicly traded debt is based on quoted market values for the debt. To estimate the fair value for which there are no quoted market prices, we use interest rates available to us for debt with terms and remaining maturities.

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

Recurring Fair Value Measures

	Fair value as of September 30, 2010				December 31, 2009
ons)	Level 1	Level 2	Level 3	Total	Total
securities	$ 2,544	$	$	$ 2,544	$ 1,855
le-for-sale securities	98			98	76
warrants			2	2	2
rate swap agreements		321		321	143
	$ 2,642	**$ 321**	**$ 2**	**$ 2,965**	**$ 2,076**
ies					
ive component of ZONES	$	$ 14	$	$ 14	$ 15
ive component of prepaid forward eements		894		894	349
rate swap agreements		1		1	1
rate collars		124		124	
	$	**$ 1,033**	**$**	**$ 1,033**	**$ 365**

Amount of Gain (Loss) Recognized in Income on Derivative Financial Instruments

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
ons)	2010	2009	2010	2009
ated Fair Value Hedging Relationships				
Income (Expense):				
rate swap agreements (fixed to variable)	$ 60	$ 43	$ 178	$ (108)
rm debt interest rate swap agreements (fixed ble)	(60)	(43)	(178)	108
ent Income (Expense):				
zed gains (losses) on securities underlying forward sale agreement	13	22	29	35
market adjustments on derivative ent of prepaid forward sale agreement	(8)	(16)	(15)	(28)
oss) on fair value hedging relationships	5	6	14	7
ignated				
ent Income (Expense):				
zed gains (losses) on securities underlying forward sale agreements	462	434	677	801
market adjustments on derivative ent of prepaid forward sale agreements	(391)	(341)	(530)	(669)

market adjustments on derivative ent of ZONES	(1)	2	1	6
ain (loss)	**$ 75**	**$ 101**	**$ 162**	**$ 145**

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fference between variable and fixed rates received under the terms of our interest rate swap ents reduced interest expense by approximately $33 million and $98 million during the three and onths ended September 30, 2010, respectively. These amounts during the three and nine months eptember 30, 2009 were approximately $26 million and $74 million, respectively.

9: Noncontrolling Interests

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

the nine months ended September 30, 2010, we acquired all of the noncontrolling interest of one echnology ventures, which had a carrying value of approximately $20 million, for approximately on. The difference between the amount paid and the carrying value of the noncontrolling interest in an increase of approximately $11 million to additional paid-in capital of Comcast Corporation.

le below presents the changes in equity resulting from net income attributable to Comcast ation and transfers to or from noncontrolling interests.

	Nine Months Ended September 30	
ons)	2010	2009
ome attributable to Comcast Corporation	$ 2,617	$ 2,683
rs from (to) noncontrolling interests:		
e in Comcast Corporation additional paid-in capital resulting from the e of noncontrolling interest	11	30
s from net income attributable to Comcast Corporation and transfers from controlling interests	**$ 2,628**	**$ 2,713**

10: Equity

Based Compensation

ard of Directors may grant share-based awards, in the form of stock options and RSUs, to certain ees and directors. Additionally, through our employee stock purchase plan, employees are able to e shares of Comcast Class A common stock at a discount through payroll deductions.

ch 2010, we granted 30.9 million stock options and 8.4 million RSUs related to our annual ment grant program. The fair values associated with these grants were $5.11 per stock option and per RSU.

Recognized Share-Based Compensation Expense

	Three Months Ended September 30		Nine Months Ended September 30	
ons)	2010	2009	2010	2009

ptions	$ 25	$ 28	$ 78	$ 75
ed share units	32	29	100	69
ee stock purchase plan	3	3	9	10
	$ 60	**$ 60**	**$ 187**	**$ 154**

eptember 30, 2010, there was $312 million of unrecognized pretax compensation cost related to ed stock options and $312 million related to nonvested RSUs.

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ployee cost associated with participation in the employee stock purchase plan was satisfied with deductions of approximately $13 million and $39 million for the three and nine months ended ber 30, 2010, respectively. For the three and nine months ended September 30, 2009, the employee s $11 million and $38 million, respectively.

ulated Other Comprehensive Income (Loss)

	September 30,	
ons)	2010	2009
zed gains (losses) on marketable securities	$ 22	$ 23
d gains (losses) on cash flow hedges	(133)	(64)
zed gains (losses) on employee benefit obligations	(5)	(31)
ulated other comprehensive income (loss), net of deferred taxes	**$ (116)**	**$ (72)**

d losses on cash flow hedges in the table above relate primarily to interest rate lock agreements erest rate collars. As of September 30, 2010, we expect $16 million of unrealized losses, $10 net of deferred taxes, related to the interest rate lock agreements, to be reclassified as an ent to interest expense over the next 12 months.

11: Statement of Cash Flows Supplemental Information

le below presents adjustments to reconcile net income from consolidated operations to net cash d by operating activities.

	Nine Months Ended September 30	
ons)	2010	2009
ome from consolidated operations	$ 2,635	$ 2,668
nents to reconcile net income from consolidated operations to net cash d by operating activities:		
ation	4,167	4,148
zation	746	760
ased compensation	226	192
h interest expense (income), net	105	125
n net (income) losses of affiliates, net	98	44
losses on investments and noncash other (income) expense, net	(78)	(146)
d income taxes	(241)	572
s in operating assets and liabilities, net of effects of acquisitions and ures:		
in accounts receivable, net	(145)	(11)
in accounts payable and accrued expenses related to trade creditors	57	(73)
in other operating assets and liabilities	162	(554)
h provided by operating activities	**$ 7,732**	**$ 7,725**

Cash Payments for Interest and Income Taxes

	Three Months Ended	Nine Months Ended

ons)	September 30 2010	September 30 2009	September 30 2010	September 30 2009
	$ 661	$ 615	$ 1,630	$ 1,678
Taxes	$ 668	$ 194	$ 1,794	$ 940

h Financing and Investing Activities

the nine months ended September 30, 2010, we:

recorded a liability of approximately $264 million for a quarterly cash dividend of $0.0945 per common share paid in October 2010, which is a noncash financing activity

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acquired approximately $554 million of property and equipment and software that was accrued but unpaid, which is a noncash investing activity

12: Commitments and Contingencies

tments

our subsidiaries supports debt compliance with respect to obligations of a cable system in which d an ownership interest, which expires March 2011. Although there can be no assurance, we that this cable system will be able to support its debt compliance requirements on its own and that not be required to fund our obligation under this commitment. The total notional amount of our ment was $410 million as of September 30, 2010, at which time there were no quoted market or similar agreements.

gencies

st Cases

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

of Philadelphia Cluster and Chicago Cluster customers were certified in May 2007 and October espectively. In March 2009, as a result of a Third Circuit Court of Appeals decision clarifying the ds for class certification, the order certifying the Philadelphia Cluster class was vacated without ce to the plaintiffs filing a new motion. In January 2010, in its decision on the plaintiffs new the Eastern District of Pennsylvania certified a class subject to certain limitations. In June 2010, rd Circuit Court of Appeals granted our petition for an interlocutory appeal from the class ation decision. In March 2010, we moved for summary judgment dismissing all of the plaintiffs n the Philadelphia Cluster; the summary judgment motion is stayed pending the class certification The plaintiffs claims concerning the other two clusters are stayed pending determination of the lphia Cluster claims.

o are among the defendants in a purported class action filed in the United States District Court for ntral District of California in September 2007. The potential class is comprised of all persons in the United States who have subscribed to an expanded basic level of video service provided by the defendants. The plaintiffs allege that the defendants who produce video programming have into agreements with the defendants who distribute video programming via cable and satellite ing us), which preclude the distributor defendants from reselling channels to customers on an dled basis in violation of federal antitrust laws. The plaintiffs seek treble damages and injunctive equiring each distributor defendant to resell certain channels to its customers on an unbundled n October 2009, the Central District of California issued an order dismissing the plaintiffs nt with prejudice. The plaintiffs have appealed that order to the Ninth Circuit Court of Appeals.

ion, we are the defendant in 22 purported class actions filed in federal district courts throughout ntry. All of these actions have been consolidated by the Judicial Panel on Multidistrict Litigation in ted States District Court for the Eastern District of Pennsylvania for pre-trial proceedings. In a dated complaint filed in November 2009 on behalf of all plaintiffs in the multi-district litigation, ntiffs allege that we improperly tie the rental of set-top boxes to the provision of premium cable s in violation of Section 1 of the Sherman Antitrust Act, various state antitrust laws and

leceptive trade practices acts in California, Illinois and Alabama. The plaintiffs also allege a claim
ust enrichment and seek relief on behalf of a nationwide class of our premium cable customers and
alf of subclasses consisting of premium cable customers from California, Alabama, Illinois,
lvania and Washington. In January 2010, we moved to compel arbitration of the plaintiffs claims
ust enrichment and violations of the unfair/deceptive trade practices acts of Illinois and Alabama.
ember 2010, the plaintiffs filed an amended complaint alleging

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ons of additional state antitrust laws and unfair/deceptive trade practices acts on behalf of new ses in Connecticut, Florida, Minnesota, Missouri, New Jersey, New Mexico and West Virginia. In nded complaint, plaintiffs dropped their unjust enrichment claim, as well as their state law claims lf of the Alabama, Illinois, and Pennsylvania subclasses.

est Virginia Attorney General also filed a complaint in West Virginia state court in July 2009 g that we improperly tie the rental of set-top boxes to the provision of premium cable services in n of the West Virginia Antitrust Act and the West Virginia Consumer Credit and Protection Act. orney General also alleges a claim for unjust enrichment/restitution. We removed the case to the States District Court for West Virginia, and it was subsequently transferred to the United States Court for the Eastern District of Pennsylvania and consolidated with the multi-district litigation ed above. In March 2010, the Eastern District of Pennsylvania denied the Attorney General s to remand the case back to West Virginia state court. In June 2010, the Attorney General moved to nd remand the portion of his claims seeking civil penalties and injunctive relief back to West a state court. We filed a brief in opposition to the motion in July 2010.

Litigation

several of our current officers have been named as defendants in a purported class action lawsuit the United States District Court for the Eastern District of Pennsylvania in February 2008. The l class comprises participants in our retirement investment (401(k)) plan that invested in the plan s y stock account. The plaintiffs assert that the defendants breached their fiduciary duties under the yee Retirement Income Security Act of 1974 (ERISA) in managing the plan by allowing ants to continue to invest in the company stock account during a time in 2007 when we allegedly out had not disclosed) that we would not meet our forecasted results. In July 2010, the parties to settle this action with a payment by us of $5 million and our agreement to take certain action pect to the administration of the plan.

a defendant in several unrelated lawsuits claiming infringement of various patents relating to aspects of our businesses. In certain of these cases other industry participants are also defendants, o in certain of these cases we expect that any potential liability would be in part or in whole the ibility of our equipment and technology vendors under applicable contractual indemnification ons. We are also subject to other legal proceedings and claims that arise in the ordinary course of iness. While the amount of ultimate liability with respect to such actions is not expected to lly affect our financial position, results of operations or cash flows, any litigation resulting from h legal proceedings or claims could be time consuming, costly and injure our reputation.

* * *

eve the claims in each of the actions described above in this item are without merit and intend to the actions vigorously. Although we cannot predict the outcome of any of the actions described r how the final resolution of any such actions would impact our results of operations or cash flows one period or our consolidated financial condition, the final disposition of any of the above actions xpected to have a material adverse effect on our consolidated financial position, but could possibly rial to our consolidated results of operations or cash flows for any one period.

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13: Financial Data by Business Segment

ortable segments consist of our Cable and Programming businesses. In evaluating the profitability egments, the components of net income (loss) below operating income (loss) before depreciation ortization are not separately evaluated by our management. Assets are not allocated to segments agement reporting, although over 95% of our assets relate to the Cable segment. Our financial data ness segment is presented in the table below.

ons)	Cable(a)(b)	Programming(c)	Corporate and Other(d)(e)	Eliminations(f)	Total
months ended September 30, 2010					
e(g)	$ 8,981	$ 416	$ 174	$ (82)	$ 9,489
ng income (loss) before depreciation ortization(h)	3,546	150	(115)	(3)	3,578
ation and amortization	1,552	52	29	(9)	1,624
ng income (loss)	1,994	98	(144)	6	1,954
expenditures	1,318	7	41		1,366
months ended September 30, 2009					
e(g)(i)(j)	$ 8,402	$ 383	$ 153	$ (93)	$ 8,845
ng income (loss) before depreciation ortization(h)(i)	3,312	118	(104)		3,326
ation and amortization(i)	1,545	49	26	(5)	1,615
ng income (loss)(i)	1,767	69	(130)	5	1,711
expenditures	1,212	9	6		1,227
onths ended September 30, 2010					
e(g)	$ 26,607	$ 1,255	$ 630	$ (276)	$ 28,216
ng income (loss) before depreciation ortization(h)	10,786	423	(326)	(3)	10,880
ation and amortization	4,696	155	84	(22)	4,913
ng income (loss)	6,090	268	(410)	19	5,967
expenditures	3,351	19	59		3,429
onths ended September 30, 2009					
e(g)(i)(j)	$ 25,303	$ 1,128	$ 509	$ (251)	$ 26,689
ng income (loss) before depreciation ortization(h)(i)	10,215	343	(252)	(1)	10,305
ation and amortization(i)	4,708	146	76	(22)	4,908
ng income (loss)(i)	5,507	197	(328)	21	5,397
expenditures	3,450	23	35		3,508

e segment revenue was derived from the following services:

	Three Months Ended September 30		Nine Months Ended September 30	
	2010	2009	2010	2009
o(j)	54.3%	56.9%	55.0%	57.7%
-speed Internet	24.1%	23.1%	23.9%	22.9%
e	10.4%	9.9%	10.2%	9.6%
rtising(j)	5.1%	4.3%	4.8%	4.0%
chise fees	2.8%	2.8%	2.8%	2.8%
r(j)	3.3%	3.0%	3.3%	3.0%

	100.0%	100.0%	100.0%	100.0%

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

Cable segment includes our regional sports networks.

Programming segment consists primarily of our consolidated national programming networks, E!, Golf
nel, VERSUS, G4 and Style.

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orate and Other activities include Comcast Interactive Media, Comcast Spectacor, a portion of the operating ts of our less than wholly owned technology development ventures (see (e) below), corporate activities and all businesses not presented in our Cable or Programming segments.

onsolidate our less than wholly owned technology development ventures that we control or of which we are dered the primary beneficiary. These ventures are with Motorola. The ventures have been created to share the of development of new technologies for set-top boxes and other devices. The results of these entities are ded within Corporate and Other except for cost allocations, which are made to the Cable segment based on our entage ownership in each entity.

ded in the Eliminations column are transactions that our segments enter into with one another. The most non types of transactions are the following:

our Programming segment generates revenue by selling cable network programming to our Cable segment, which represents a substantial majority of the revenue elimination amount

our Cable segment receives incentives offered by our Programming segment when negotiating programming contracts that are recorded as a reduction to programming expenses

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

our Cable segment generates revenue by providing network services to Comcast Interactive Media

U.S. revenue was not significant in any period. No single customer accounted for a significant amount of our ue in any period.

easure the performance of our operating segments, we use operating income (loss) before depreciation and tization, excluding impairments related to fixed and intangible assets, and gains or losses from the sale of s, if any. This measure eliminates the significant level of noncash depreciation and amortization expense that ts from the capital-intensive nature of our businesses and from intangible assets recognized in business binations. It is also unaffected by our capital structure or investment activities. We use this measure to evaluate onsolidated operating performance, the operating performance of our operating segments, and to allocate rces and capital to our operating segments. It is also a significant performance measure in our annual incentive pensation programs. We believe that this measure is useful to investors because it is one of the bases for paring our operating performance with other companies in our industries, although our measure may not be tly comparable to similar measures used by other companies. This measure should not be considered a itute for operating income (loss), net income (loss) attributable to Comcast Corporation, net cash provided by ting activities, or other measures of performance or liquidity reported in accordance with GAAP.

2009 Cable segment and Corporate and Other amounts have been adjusted for segment reclassifications to be istent with our 2010 management reporting presentation. The adjustments resulted in the reclassification of ue, operating income (loss) before depreciation and amortization, depreciation and amortization, and operating ne from Corporate and Other to our Cable segment for the amounts presented below.

illions)	Three Months Ended September 30,	Nine Months Ended September 30,

	2009		2009	
nue	$	2	$	7
ating income (loss) before depreciation and tization	$	(2)	$	(6)
eciation and amortization	$	4	$	10
ating income (loss)	$	(6)	$	(16)

assifications have been made to prior year amounts between revenue and operating expenses to conform to ifications used in 2010.

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14: Condensed Consolidating Financial Information

st Corporation and four of our wholly owned cable holding company subsidiaries, Comcast Cable unications, LLC (CCCL), Comcast MO Group, Inc. (Comcast MO Group), Comcast Cable gs, LLC (CCH) and Comcast MO of Delaware, LLC (Comcast MO of Delaware), have fully and itionally guaranteed each other s debt securities. Comcast MO Group, CCH and Comcast MO of re are collectively referred to as the Combined CCHMO Parents.

st Corporation provides an unconditional subordinated guarantee of the $185 million principal currently outstanding of Comcast Holdings ZONES due October 2029 and the $202 million al amount currently outstanding of Comcast Holdings 10 5/8% senior subordinated debentures due Comcast Corporation does not guarantee the $61 million principal amount currently outstanding of st Holdings ZONES due November 2029. We have included Comcast Holdings condensed dated financial information for all periods presented. Our condensed consolidating financial tion is presented in the tables below.

Condensed Consolidating Balance Sheet

September 30, 2010

						Elimination	
			Combined		Non-	and	Consolidated
	Comcast	CCCL	CCHMO	Comcast	Guarantor	Consolidation	Comcast
ons)	Parent	Parent	Parents	Holdings	Subsidiaries	Adjustments	Corporation
S							
d cash ents	$	$	$	$	$ 4,542	$	$ 4,542
ents					72		72
ts receivable,					1,868		1,868
urrent assets	170				520		690
urrent assets	170				7,002		7,172
ents					6,381		6,381
ents in and s due from aries ted upon dation	67,962	85,786	48,960	71,404	9,199	(283,311)	
y and ent, net	280				23,048		23,328
se rights					59,452		59,452
ll					15,029		15,029
ntangible net	9				3,741		3,750
oncurrent net	1,161	61		148	863	(820)	1,413
ssets	**$ 69,582**	**$ 85,847**	**$ 48,960**	**$ 71,552**	**$ 124,715**	**$ (284,131)**	**$ 116,525**

LITIES AND Y							
ts payable and expenses							
creditors	$ 14	$ 3	$	$	$ 3,280	$	$ 3,297
d expenses and rrent es	1,028	264	32	262	1,674		3,260
portion of rm debt	1,261	1,000			39		2,300
rrent es	2,303	1,267	32	262	4,993		8,857
rm debt, less portion	21,842	3,977	2,346	315	258		28,738
d income				686	27,338	(677)	27,347
oncurrent es	1,653				6,061	(143)	7,571
able rolling s					144		144
n stock	32						32
hareholders	43,752	80,603	46,582	70,289	85,837	(283,311)	43,752
omcast tion lders equity	43,784	80,603	46,582	70,289	85,837	(283,311)	43,784
trolling s					84		84
quity	43,784	80,603	46,582	70,289	85,921	(283,311)	43,868
abilities and	**$ 69,582**	**$ 85,847**	**$ 48,960**	**$ 71,552**	**$ 124,715**	**$ (284,131)**	**$ 116,525**

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Condensed Consolidating Balance Sheet

December 31, 2009

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
S							
d cash equivalents	$	$	$	$	$ 671	$	$ 671
ents					50		50
ts receivable, net					1,711		1,711
urrent assets	169	2			620		791
urrent assets	169	2			3,052		3,223
ents					5,947		5,947
ents in and amounts n subsidiaries ted upon dation	73,943	80,766	47,141	69,959	5,721	(277,530)	
y and equipment, net	299				23,556		23,855
se rights					59,452		59,452
ll					14,933		14,933
ntangible assets, net	11				4,094		4,105
oncurrent assets, net	419	13		6	780		1,218
ssets	**$ 74,841**	**$ 80,781**	**$ 47,141**	**$ 69,965**	**$ 117,535**	**$ (277,530)**	**$ 112,733**
LITIES AND Y							
ts payable and expenses related creditors	$ 14	$	$	$	$ 3,080	$	$ 3,094
d expenses and other liabilities	1,009	176	75	131	1,608		2,999
portion of long-term	1,100				56		1,156
urrent liabilities	2,123	176	75	131	4,744		7,249
rm debt, less current	20,089	4,925	2,352	326	248		27,940
d income taxes	8,068			697	19,035		27,800
oncurrent liabilities	1,840			171	4,756		6,767
able noncontrolling s					166		166
n stock	32						32
hareholders equity	42,689	75,680	44,714	68,640	88,496	(277,530)	42,689
omcast Corporation lders equity	42,721	75,680	44,714	68,640	88,496	(277,530)	42,721
trolling interests					90		90
uity	42,721	75,680	44,714	68,640	88,586	(277,530)	42,811
abilities and equity	**$ 74,841**	**$ 80,781**	**$ 47,141**	**$ 69,965**	**$ 117,535**	**$ (277,530)**	**$ 112,733**

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Condensed Consolidating Statement of Operations

For the Three Months Ended September 30, 2010

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
e:							
revenue	$	$	$	$	$ 9,489	$	$ 9,489
ement fee revenue	202	182	113			(497)	
	202	182	113		9,489	(497)	9,489
nd Expenses:							
ng (excluding ation and ation)					3,792		3,792
general and trative	106	182	113	15	2,200	(497)	2,119
ation	8				1,369		1,377
zation	2				245		247
	116	182	113	15	7,606	(497)	7,535
ng income (loss)	86			(15)	1,883		1,954
ncome (Expense):							
expense	(357)	(101)	(44)	(8)	(35)		(545)
ent income (loss),	2			(1)	108		109
n net income of affiliates, net	1,057	1,119	701	1,137	(40)	(4,014)	(40)
ncome (expense)	(24)						(24)
	678	1,018	657	1,128	33	(4,014)	(500)
(loss) before taxes	764	1,018	657	1,113	1,916	(4,014)	1,454
tax (expense)	103	36	16	9	(748)		(584)
ome (loss) from dated operations	867	1,054	673	1,122	1,168	(4,014)	870
come) loss able to trolling interests					(3)		(3)
ome (loss) table to Comcast ation	**$ 867**	**$ 1,054**	**$ 673**	**$ 1,122**	**$ 1,165**	**$ (4,014)**	**$ 867**

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Condensed Consolidating Statement of Operations

For the Three Months Ended September 30, 2009

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
e:							
revenue	$	$	$	$	$ 8,845	$	$ 8,845
ement fee revenue	192	168	108			(468)	
	192	168	108		8,845	(468)	8,845
nd Expenses:							
ng (excluding ation and ation)					3,530		3,530
general and trative	92	168	108	15	2,074	(468)	1,989
ation	7				1,355		1,362
zation					253		253
	99	168	108	15	7,212	(468)	7,134
ng income (loss)	93			(15)	1,633		1,711
ncome (Expense):							
expense	(335)	(254)	(79)	(8)	(31)		(707)
ent income (loss),	1			2	145		148
n net income of affiliates, net	1,101	1,267	853	1,319	(234)	(4,323)	(17)
ncome (expense)					2		2
	767	1,013	774	1,313	(118)	(4,323)	(574)
(loss) before taxes	860	1,013	774	1,298	1,515	(4,323)	1,137
tax (expense)	84	89	28	7	(411)		(203)
ome (loss) from dated operations	944	1,102	802	1,305	1,104	(4,323)	934
come) loss able to trolling interests					10		10
ome (loss) table to Comcast ation	**$ 944**	**$ 1,102**	**$ 802**	**$ 1,305**	**$ 1,114**	**$ (4,323)**	**$ 944**

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Condensed Consolidating Statement of Operations

For the Nine Months Ended September 30, 2010

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
e:							
revenue	$	$	$	$	$ 28,216	$	$ 28,216
ement fee revenue	600	539	335			(1,474)	
	600	539	335		28,216	(1,474)	28,216
nd Expenses:							
ng (excluding ation and ation)					11,351		11,351
general and trative	337	539	335	44	6,204	(1,474)	5,985
ation	22				4,145		4,167
zation	2				744		746
	361	539	335	44	22,444	(1,474)	22,249
ng income (loss)	239			(44)	5,772		5,967
ncome (Expense):							
expense	(1,049)	(303)	(130)	(25)	(105)		(1,612)
ent income et	5			1	204		210
n net income of affiliates, net	3,187	3,403	2,131	3,439	(98)	(12,160)	(98)
ncome (expense)	(72)				3		(69)
	2,071	3,100	2,001	3,415	4	(12,160)	(1,569)
(loss) before taxes	2,310	3,100	2,001	3,371	5,776	(12,160)	4,398
tax (expense)	307	106	46	24	(2,246)		(1,763)
ome (loss) from dated operations	2,617	3,206	2,047	3,395	3,530	(12,160)	2,635
come) loss able to trolling interests					(18)		(18)
ome (loss) table to st Corporation	**$ 2,617**	**$ 3,206**	**$ 2,047**	**$ 3,395**	**$ 3,512**	**$ (12,160)**	**$ 2,617**

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Condensed Consolidating Statement of Operations

For the Nine Months Ended September 30, 2009

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
e:							
revenue	$	$	$	$	$ 26,689	$	$ 26,689
ement fee revenue	576	504	323			(1,403)	
	576	504	323		26,689	(1,403)	26,689
nd Expenses:							
ng (excluding ation and ation)					10,703		10,703
general and trative	252	504	323	43	5,962	(1,403)	5,681
ation	21				4,127		4,148
zation					760		760
	273	504	323	43	21,552	(1,403)	21,292
ng income (loss)	303			(43)	5,137		5,397
ncome (Expense):							
expense	(969)	(562)	(179)	(18)	(100)		(1,828)
ent income et	(6)			7	217		218
n net income of affiliates, net	3,120	3,592	2,436	3,512	(329)	(12,375)	(44)
ncome (expense)					13		13
	2,145	3,030	2,257	3,501	(199)	(12,375)	(1,641)
(loss) before taxes	2,448	3,030	2,257	3,458	4,938	(12,375)	3,756
tax (expense)	235	197	63	19	(1,602)		(1,088)
ome (loss) from dated operations	2,683	3,227	2,320	3,477	3,336	(12,375)	2,668
come) loss able to trolling interests					15		15
ome (loss) table to Comcast ation	**$ 2,683**	**$ 3,227**	**$ 2,320**	**$ 3,477**	**$ 3,351**	**$ (12,375)**	**$ 2,683**

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Condensed Consolidating Statement of Cash Flows

For the Nine Months Ended September 30, 2010

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
h provided by (used ating activities	$ (1,320)	$ (137)	$ (141)	$ (223)	$ 9,553	$	$ 7,732
g Activities:							
nsactions with s	1,268	137	141	236	(1,782)		
expenditures	(3)				(3,426)		(3,429)
id for intangible					(372)		(372)
tions, net of cash d					(183)		(183)
ls from sales of ents					21		21
es of investments					(54)		(54)
					149		149
h provided by (used sting activities	1,265	137	141	236	(5,647)		(3,868)
ng Activities:							
ls from borrowings	2,394				26		2,420
hases and ents of debt	(600)			(13)	(36)		(649)
hases of common	(892)						(892)
nds paid	(800)						(800)
	(47)				(25)		(72)
h provided by (used ncing activities	55			(13)	(35)		7
e (decrease) in cash h equivalents					3,871		3,871
d cash equivalents, ng of period					671		671
nd cash ents, end of period	**$**	**$**	**$**	**$**	**$ 4,542**	**$**	**$ 4,542**

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Condensed Consolidating Statement of Cash Flows

For the Nine Months Ended September 30, 2009

ons)	Comcast Parent	CCCL Parent	Combined CCHMO Parents	Comcast Holdings	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
h provided by) operating s	$ 22	$ (330)	$ (197)	$ 6	$ 8,224	$	$ 7,725
g Activities:							
nsactions with s	472	3,296	551	256	(4,575)		
expenditures	(24)				(3,484)		(3,508)
id for intangible	(6)				(377)		(383)
tions, net of cash d					(36)		(36)
ls from sales of ents					31		31
es of investments					(142)		(142)
					37		37
h provided by) investing s	442	3,296	551	256	(8,546)		(4,001)
ng Activities:							
ls from ngs	1,792				51		1,843
hases and ents of debt	(1,241)	(2,836)	(312)	(262)	(58)		(4,709)
hases of common	(438)						(438)
ds paid	(568)						(568)
	(9)	(130)	(42)		(4)		(185)
h provided by) financing s	(464)	(2,966)	(354)	(262)	(11)		(4,057)
e (decrease) in d cash equivalents					(333)		(333)
d cash ents, beginning of					1,195		1,195
nd cash ents, end of	**$**	**$**	**$**	**$**	**$ 862**	**$**	**$ 862**

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2: MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL DITION AND RESULTS OF OPERATIONS

view

a leading provider of video, high-speed Internet and phone services (cable services), offering a of entertainment, information and communications services to residential and commercial ers. As of September 30, 2010, our cable systems served approximately 22.9 million video ers, 16.7 million high-speed Internet customers and 8.4 million phone customers and passed over on homes and businesses in 39 states and the District of Columbia. We report the results of these ons as our Cable segment, which generates approximately 94% of our consolidated revenue. Our egment also includes the operations of our regional sports networks. Our Programming segment s primarily of our consolidated national programming networks, E!, Golf Channel, VERSUS, G4 le. Revenue from our Programming segment is generated primarily from monthly per subscriber fees paid by multichannel video providers, the sale of advertising and the licensing of our mming internationally.

lowing are the more significant developments in our businesses during the nine months ended ber 30, 2010:

- an increase in consolidated revenue of 5.7% to $28.2 billion and an increase in consolidated operating income of 10.6% to $6.0 billion
- an increase in Cable segment revenue of 5.2% to $26.6 billion and an increase in operating income before depreciation and amortization of 5.6% to $10.8 billion
- an increase in Programming segment revenue of 11.3% to $1.3 billion and an increase in operating income before depreciation and amortization of 23.2% to $423 million
- the addition of 766,000 high-speed Internet customers and 731,000 phone customers; a decrease of 622,000 video customers
- a reduction in Cable segment capital expenditures of 2.9% to $3.4 billion
- the repurchase of 54 million shares of our Class A Special common stock, including 438,000 shares which did not settle until October 2010, under our share repurchase authorization for $900 million
- the payment of $800 million in dividends

the issuance of $2.4 billion aggregate principal amount of notes

Universal Transaction

ered into agreements with General Electric Company (GE) in December 2009 to form a new y of which we will own 51% and control, with the remaining 49% to be owned by GE. Under the f the transaction, GE will contribute NBC Universal s businesses, including its cable and broadcast ks, filmed entertainment, televised entertainment, theme parks and unconsolidated investments, as other GE assets used primarily in NBC Universal s business. NBC Universal sold $4.0 billion te principal amount of senior notes in April 2010 and $5.1 billion aggregate principal amount of notes in October 2010 in connection with the transaction. We will contribute our national nming networks, our regional sports networks and certain of our Internet businesses, as well as ssets used primarily in those businesses. We will also make a cash payment to GE of $7.1 billion, rtain adjustments primarily based on the free cash flow generated by NBC Universal between ber 4, 2009 and the closing. The transaction is subject to various regulatory approvals and is d to close by the end of 2010.

be entitled to cause the new company to redeem half of GE s interest 3.5 years after the closing remaining interest 7 years after the closing. If GE exercises its first redemption right, we have the purchase the remainder of GE s interest at that time. If GE does not exercise its first redemption e have the right to purchase half of GE s interest 5 years after the closing. We also will have the purchase GE s remaining

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, if any, 8 years after the closing. The redemption and purchase price will equal the ownership age being acquired multiplied by 120% of the fully distributed public market trading value of the mpany, less half of the excess of 120% of that value over $28.15 billion. Subject to various ons, we are committed to fund up to $2.875 billion in cash or common stock for each of the two tions (for an aggregate of up to $5.75 billion), with amounts not used in the first redemption to be e for the second redemption.

e incurred expenses related to legal, accounting and valuation services of $21 million and $57 for the three and nine months ended September 30, 2010, respectively, which are reflected in ng, selling, general and administrative expenses. We also incurred certain financing and other costs with GE associated with NBC Universal s debt facilities entered into at the December 2009 ent date and with the sale of NBC Universal s senior notes in 2010. Other income (expense) s $43 million and $91 million of these costs for the three and nine months ended September 30, espectively. Interest expense includes $2 million and $6 million of these costs for the three and onths ended September 30, 2010, respectively.

olidated Operating Results

	Three Months Ended September 30		Increase/ (Decrease)	Nine Months Ended September 30		Increase/ (Decrease)
ons)	2010	2009		2010	2009	
e(a)	$ 9,489	$ 8,845	7.3%	$ 28,216	$ 26,689	5.7%
nd expenses:						
ng, selling, general ninistrative (excluding ation and ation)(a)	5,911	5,519	7.1	17,336	16,384	5.8
ation	1,377	1,362	1.1	4,167	4,148	0.4
zation	247	253	(2.3)	746	760	(1.9)
ing income	1,954	1,711	14.2	5,967	5,397	10.6
come (expense) et	(500)	(574)	(12.7)	(1,569)	(1,641)	(4.3)
before income taxes	1,454	1,137	27.8	4,398	3,756	17.1
tax expense	(584)	(203)	187.8	(1,763)	(1,088)	62.0
ome from consolidated ons	870	934	(6.9)	2,635	2,668	(1.3)
come) loss attributable ontrolling interests	(3)	10	NM	(18)	15	NM
ome attributable to st Corporation	**$ 867**	**$ 944**	**(8.2)%**	**$ 2,617**	**$ 2,683**	**(2.5)%**

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

assifications have been made to the prior year s amounts to conform to classifications used in 2010.

dated Revenue

ble and Programming segments accounted for substantially all of the increases in consolidated for the three and nine months ended September 30, 2010 compared to the same periods in 2009. naining changes related to our other business activities, primarily Comcast Interactive Media and st Spectacor. Cable segment revenue and Programming segment revenue are discussed separately ment Operating Results.

dated Operating, Selling, General and Administrative Expenses

ble segment accounted for substantially all of the increases in consolidated operating, selling, and administrative expenses for the three and nine months ended September 30, 2010 compared to he periods in 2009. The remaining changes related to our other business activities, primarily st Interactive Media and Comcast Spectacor, costs associated with the NBC Universal transaction million and $57 million for the three and nine months ended September 30, 2010, respectively, and gramming segment. Cable segment and Programming segment operating, selling, general and trative expenses are discussed separately in Segment Operating Results.

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dated Depreciation and Amortization

iation expense and amortization expense remained relatively stable for three and nine months eptember 30, 2010 compared to the same periods in 2009.

ent Operating Results

ment operating results are presented based on how we assess operating performance and internally inancial information. To measure the performance of our operating segments, we use operating (loss) before depreciation and amortization, excluding impairments related to fixed and intangible and gains or losses from the sale of assets, if any. This measure eliminates the significant level of n depreciation and amortization expense that results from the capital- intensive nature of our ses and from intangible assets recognized in business combinations. Additionally, it is unaffected capital structure or investment activities. We use this measure to evaluate our consolidated g performance and the operating performance of our operating segments and to allocate resources ital to our operating segments. It is also a significant performance measure in our annual incentive sation programs. We believe that this measure is useful to investors because it is one of the bases paring our operating performance with that of other companies in our industries, although our e may not be directly comparable to similar measures used by other companies. Because we use tric to measure our segment profit or loss, we reconcile it to operating income (loss), the most comparable financial measure calculated and presented in accordance with generally accepted ting principles in the United States (GAAP) in the business segment footnote to our condensed dated financial statements (see Note 13 to our condensed consolidated financial statements). This e should not be considered a substitute for operating income (loss), net income (loss) attributable to st Corporation, net cash provided by operating activities, or other measures of performance or y we have reported in accordance with GAAP.

Segment Results of Operations

	Three Months Ended September 30		Increase/(Decrease)	
ons)	2010	2009	$	%
	$ 4,881	$ 4,777	$ 104	2.2%
eed Internet	2,164	1,930	234	12.2
	934	829	105	12.6
sing(a)	461	363	98	27.2
)	293	265	28	10.3
se fees	248	238	10	4.5
e(a)	8,981	8,402	579	6.9
ng expenses(a)	3,605	3,381	224	6.6
general and administrative expenses(a)	1,830	1,709	121	7.2
ing income before depreciation and amortization	**$ 3,546**	**$ 3,312**	**$ 234**	**7.1%**

	Nine Months Ended September 30		Increase/(Decrease)	
ons)	2010	2009	$	%
	$ 14,640	$ 14,590	$ 50	0.3%
eed Internet	6,364	5,768	596	10.3
	2,727	2,407	320	13.3
sing(a)	1,267	1,018	249	24.5
)	868	810	58	7.1
se fees	741	710	31	4.4
e(a)	26,607	25,303	1,304	5.2

ng expenses(a)	10,685	10,141	544	5.4
general and administrative expenses(a)	5,136	4,947	189	3.8
ing income before depreciation and zation	**$ 10,786**	**$ 10,215**	**$ 571**	**5.6%**

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assifications have been made to the prior year s amounts to conform to classifications used in 2010.

Segment Revenue

erage monthly total revenue per video customer for the three months ended September 30, 2010 ed to approximately $130 from approximately $118 for the three months ended September 30, Our average monthly total revenue per video customer for the nine months ended September 30, creased to approximately $127 from approximately $117 for the nine months ended September 30, he increase in average monthly total revenue per video customer was primarily due to an increased of customers receiving multiple services, rate adjustments and a higher contribution from our rcial services business.

evenue increased for the three and nine months ended September 30, 2010 compared to the same in 2009 primarily due to revenue growth from rate adjustments and customer upgrades to our and advanced services which was offset by declines in video customers. During the three and nine ended September 30, 2010, the number of video customers decreased by approximately 275,000 2,000, respectively. As previously disclosed, we expect further declines in the number of video ers during the remainder of 2010. During the three and nine months ended September 30, 2010, we or upgraded approximately 219,000 and 1.0 million customers to our digital video service, vely, including those customers added or upgraded in connection with the transition from analog al transmission of channels we distribute. As of September 30, 2010, approximately 85% of our llion video customers subscribed to at least one of our digital video services.

peed Internet

h-speed Internet revenue increased during the three and nine months ended September 30, 2010 ed to the same periods in 2009 primarily due to an increase in the number of residential and rcial customers and rate adjustments. During the three and nine months ended September 30, 2010, ed approximately 249,000 and 766,000 high-speed Internet customers, respectively.

one revenue increased during the three and nine months ended September 30, 2010 compared to e periods in 2009 primarily due to an increase in the number of residential and commercial phone ers. During the three and nine months ended September 30, 2010, we added approximately) and 731,000 phone customers, respectively.

sing

sing revenue increased during the three and nine months ended September 30, 2010 compared to he periods in 2009 primarily due to improvements in the overall television advertising market, g political advertising.

o generate revenue from our regional sports networks, our digital media center, commissions from ic retailing networks and fees for other services.

ise Fees

reases in franchise fees collected from our cable customers during the three and nine months ended ber 30, 2010 compared to the same periods in 2009 were primarily due to increases in the revenue h the fees apply.

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Segment Operating Expenses

ons)	Three Months Ended September 30 2010	2009	Increase/(Decrease) $	%
rogramming	$ 1,846	$ 1,759	$ 87	4.9%
al labor	594	573	21	3.7
eed Internet	124	134	(10)	(7.2)
	148	135	13	8.8
	893	780	113	14.6
perating expenses(a)	**$ 3,605**	**$ 3,381**	**$ 224**	**6.6%**

ons)	Nine Months Ended September 30 2010	2009	Increase/(Decrease) $	%
rogramming	$ 5,580	$ 5,292	$ 288	5.4%
al labor	1,696	1,745	(49)	(2.8)
eed Internet	377	387	(10)	(2.6)
	434	421	13	2.9
	2,598	2,296	302	13.2
perating expenses(a)	**$ 10,685**	**$ 10,141**	**$ 544**	**5.4%**

ssifications have been made to the prior year s amounts to conform to classifications used in 2010.

rogramming expenses increased during the three and nine months ended September 30, 2010 ed to the same periods in 2009 primarily due to increased rates and additional programming offered. Technical labor expenses increased during the three months ended September 30, 2010 ed to the same period in 2009 primarily due to an increase in customer service activity levels. cal labor expenses decreased during the nine months ended September 30, 2010 compared to the eriod in 2009 primarily due to operational efficiencies. High-speed Internet expenses and phone es include certain direct costs for providing these services but do not fully reflect the amount of g expenses that would be necessary to provide these services on a stand-alone basis. Other related sociated with providing these services are generally shared among all our cable services and are cated to these items. Other operating expenses increased during the three and nine months ended ber 30, 2010 compared to the same periods in 2009 primarily due to an increase in advertising , the continued expansion of commercial services and other service enhancement initiatives.

Segment Selling, General and Administrative Expenses

ons)	Three Months Ended September 30 2010	2009	Increase/(Decrease) $	%
er service	$ 459	$ 471	$ (12)	(2.7)%
ng	520	443	77	17.3
strative and other	851	795	56	7.4
elling, general and administrative es(a)	**$ 1,830**	**$ 1,709**	**$ 121**	**7.2%**

Increase/(Decrease)

	Nine Months Ended September 30			
ons)	2010	2009	$	%
er service	$ 1,354	$ 1,402	$ (48)	(3.5)%
ng	1,402	1,216	186	15.3
strative and other	2,380	2,329	51	2.2
elling, general and administrative es(a)	**$ 5,136**	**$ 4,947**	**$ 189**	**3.8%**

assifications have been made to the prior year s amounts to conform to classifications used in 2010.

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ing expenses increased during the three and nine months ended September 30, 2010 compared to e periods in 2009 primarily due to an increase in direct sales efforts and additional marketing costs ed with attracting and retaining customers, as well as the launch of our XFINITY brand.

amming Segment Results of Operations

	Three Months Ended			
	September 30		Increase/(Decrease)	
ons)	2010	2009	$	%
e	$ 416	$ 383	$ 33	8.7%
ng, selling, general and administrative	266	265	1	0.8
ing income before depreciation and zation	**$ 150**	**$ 118**	**$ 32**	**26.3%**

	Nine Months Ended			
	September 30		Increase/(Decrease)	
ons)	2010	2009	$	%
e	$ 1,255	$ 1,128	$ 127	11.3%
ng, selling, general and administrative	832	785	47	6.1
ing income before depreciation and zation	**$ 423**	**$ 343**	**$ 80**	**23.2%**

mming Segment Revenue

mming revenue increased during the three and nine months ended September 30, 2010 compared to eriods in 2009 primarily due to growth in advertising revenue and programming license fee e. For both the three and nine months ended September 30, 2010, advertising accounted for mately 40% of total Programming revenue. For the three and nine months ended September 30, dvertising accounted for approximately 42% and 41%, respectively, of total Programming revenue. h of the three and nine months ended September 30, 2010 and 2009, approximately 12% of our mming revenue was generated from our Cable segment. These amounts are eliminated in our dated financial statements but are included in the amounts presented above.

olidated Other Income (Expense) Items

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
ons)	2010	2009	2010	2009
expense	$ (545)	$ (707)	$ (1,612)	$ (1,828)
ent income (loss), net	109	148	210	218
n net (losses) income of affiliates, net	(40)	(17)	(98)	(44)
ncome (expense)	(24)	2	(69)	13
	$ (500)	**$ (574)**	**$ (1,569)**	**$ (1,641)**

t Expense

creases in interest expense for the three and nine months ended September 30, 2010 compared to e periods in 2009 were primarily due to the effects of early extinguishment costs associated with ayment and redemption of our debt obligations in connection with the cash tender offer in July We recognized approximately $180 million of interest expense primarily associated with the m incurred in a cash tender offer during the three months ended September 30, 2009.

nent Income (Loss), Net

nponents of investment income (loss), net for the three and nine months ended September 30, 2010 9 are presented in a table in Note 5 to our condensed consolidated financial statements.

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ncome (Expense)

ection with the NBC Universal transaction, we agreed to share with GE certain financing and other sociated with NBC Universal s debt facilities entered into at the December 2009 agreement date h the sale of NBC Universal s senior notes in 2010. Other income (expense) for the three and nine ended September 30, 2010 includes expenses for our share of these costs of $43 million and $91 respectively.

e Tax Expense

tax expense for the three and nine months ended September 30, 2010 and 2009 reflects an e income tax rate that differs from the federal statutory rate primarily due to state income taxes and on uncertain tax positions. Income tax expense for the three and nine months ended September 30, as reduced by approximately $251 million and $436 million, respectively, primarily due to the tion of tax benefits associated with uncertain tax positions and related interest and certain ate reorganizations, which primarily affected our deferred income tax liabilities and other ent liabilities. We expect our 2010 annual effective tax rate to be approximately 40%.

dity and Capital Resources

sinesses generate significant cash flows from operating activities. We believe that we will be able our current and long-term liquidity and capital requirements, including fixed charges, through our ows from operating activities, existing cash, cash equivalents and investments, available ngs under our existing credit facilities, and our ability to obtain future external financing.

icipate that we will continue to use a substantial portion of our cash flows to fund our capital itures, to invest in business opportunities, to meet our debt repayment obligations and to return o shareholders.

ting Activities

nents of Net Cash Provided by Operating Activities

	Nine Months Ended September 30	
ons)	2010	2009
ng income	$ 5,967	$ 5,397
ation and amortization	4,913	4,908
ng income before depreciation and amortization	10,880	10,305
h share-based compensation expense	226	192
s in operating assets and liabilities	(10)	(239)
sis operating income	11,096	10,258
ts of interest	(1,630)	(1,678)
ts of income taxes	(1,794)	(940)
s from interest, dividends and other nonoperating items	63	85
tax benefit under share-based compensation presented in financing s	(3)	
h provided by operating activities	**$ 7,732**	**$ 7,725**

crease in interest payments during the nine months ended September 30, 2010 compared to the eriod in 2009 was primarily due to the effects of our debt repayments and decreases in interest rates subject to variable interest rate swap agreements.

rease in income tax payments during the nine months ended September 30, 2010 compared to the eriod in 2009 was primarily due to an increase in taxable income and the reversal of the benefits e 2008 and 2009 economic stimulus acts.

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ng Activities

h used in investing activities for the nine months ended September 30, 2010 consisted primarily of expenditures of $3.4 billion, cash paid for intangible assets of $372 million and acquisitions of illion. Capital expenditures have been our most significant recurring investing activity and we hat this will continue in the future.

ing Activities

h provided by financing activities for the nine months ended September 30, 2010 consisted y of proceeds from borrowings of $2.4 billion, partially offset by debt repurchases and repayments) million, repurchases of our Class A Special common stock of $892 million and dividend ts of $800 million.

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

le Borrowings Under Credit Facilities

ditionally maintain significant availability under our lines of credit and our commercial paper n to meet our short-term liquidity requirements. As of September 30, 2010, amounts available ll of our credit facilities totaled approximately $6.4 billion.

Repurchases and Dividends

the nine months ended September 30, 2010, we repurchased 54 million shares of our Class A common stock under our share repurchase authorization for $900 million. Approximately $7.5 of our share repurchases, or 438,000 shares, did not settle until October 2010. As of September 30, e had $2.4 billion of availability remaining under our share repurchase authorization. We intend to te repurchases under the current share repurchase authorization by the end of 2012, subject to conditions.

uary, May, July and October 2010, our Board of Directors approved a quarterly dividend of 5 per share as part of our planned annual dividend of $0.378 per share. We expect to continue to rterly dividends, although each dividend is subject to approval by our Board of Directors.

Quarterly Dividends Declared

ons)	Amount	Month of Payment
nonths ended March 31, 2010	$ 267	April
nonths ended June 30, 2010	$ 265	July
nonths ended September 30, 2010	$ 264	October

ds declared in October 2010 are expected to be paid in January 2011.

al Accounting Judgments and Estimates

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

eve our judgments and related estimates associated with the valuation and impairment testing of le franchise rights and the accounting for income taxes are critical in the preparation of our sed consolidated financial statements. We performed our annual impairment testing as of July 1, d no impairment charge was recorded.

ll discussion of the accounting judgments and estimates that we have identified as critical in the tion of our consolidated financial statements, please refer to our 2009 Annual Report on Form

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3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT KET RISK

e evaluated the information required under this item that was disclosed in our 2009 Annual Report n 10-K and believe there have been no significant changes to this information.

4: CONTROLS AND PROCEDURES

sions regarding disclosure controls and procedures

ncipal executive and principal financial officers, after evaluating the effectiveness of our disclosure s and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act 4, as amended (the Exchange Act)) as of the end of the period covered by this report, have led that, based on the evaluation of these controls and procedures required by paragraph (b) of ge Act Rules 13a-15 or 15d-15, our disclosure controls and procedures were effective.

s in internal control over financial reporting

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

PART II: OTHER INFORMATION

1: LEGAL PROCEEDINGS

o Note 12 to our condensed consolidated financial statements of this Quarterly Report on Form r a discussion of recent developments related to our legal proceedings.

1A: RISK FACTORS

ave been no significant changes from the risk factors previously disclosed in Item 1A of our 2009 Report on Form 10-K.

2: UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF CEEDS

le below summarizes our repurchases under our existing share repurchase authorization during the onths ended September 30, 2010.

Purchases of Equity Securities

	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)
1, 2010		$		$	$ 2,740,974,710
1-31, 2010	9,955,565	$ 17.17	9,955,565	$ 170,892,395	$ 2,570,082,315
	7,588,000	$ 17.02	7,588,000	$ 129,122,095	$ 2,440,960,220

ber 1-30,						
	17,543,565	**$**	**17.10**	**17,543,565**	**$ 300,014,490**	**$ 2,440,960,220**

007, our Board of Directors authorized a $7 billion addition to the existing share repurchase authorization. r this authorization, we may repurchase shares in the open market or in private transactions, subject to market itions. The current share repurchase authorization does not have an expiration date. As of September 30, 2010, ad approximately $2.4 billion of availability remaining under our share repurchase authorization. We intend to plete repurchases under the current share repurchase authorization by the end of 2012, subject to market itions.

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al number of shares purchased during the three months ended September 30, 2010 does not include res received in the administration of employee share-based compensation plans.

6: EXHIBITS

Description

Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

2010 Spotlight Long Term Incentive Plan (formerly named the 2003 Cable Division Advertising/Sales Group Long Term Plan), as amended and restated effective January 1, 2010.

2003 Stock Option Plan, as amended and restated effective July 23, 2010.

2002 Restricted Stock Plan, as amended and restated effective July 23, 2010.

The following financial statements from Comcast Corporation s Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2010, filed with the Securities and Exchange Commission on October 27, 2010, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheet; (ii) the Condensed Consolidated Statement of Operations; (iii) the Condensed Consolidated Statement of Cash Flows; (iv) the Condensed Consolidated Statement of Changes in Equity; (v) the Condensed Consolidated Statement of Comprehensive Income and (vi) the Notes to Condensed Consolidated Financial Statements.

nstitutes a management contract or compensatory plan or arrangement.

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SIGNATURES

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

COMCAST CORPORATION

/s/ LAWRENCE J. SALVA
Lawrence J. Salva

Senior Vice President, Chief Accounting Officer

and Controller

(Principal Accounting Officer)

ctober 27, 2010

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