COMCAST CORP
Form 10-Q
October 25, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)
x Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2018
OR
c Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Transition Period from to

Commission File Number	Exact Name of Registrant; State of Incorporation; Address and Telephone Number of Principal Executive Offices	I.R.S. Employer Identification No.
001-32871	COMCAST CORPORATION PENNSYLVANIA One Comcast Center Philadelphia, PA 19103-2838 (215) 286-1700	27-0000798
001-36438	NBCUNIVERSAL MEDIA, LLC DELAWARE 30 Rockefeller Plaza New York, NY 10112-0015 (212) 664-4444	14-1682529

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

Comcast Corporation	Yes x	No c
NBCUniversal Media, LLC	Yes x	No c

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

Comcast Corporation	Yes x	No c
NBCUniversal Media, LLC	Yes x	No c

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

Comcast Corporation	Large accelerated filer	x	Accelerated filer	c	Non-accelerated filer	c	Smaller reporting company	c	Emerging growth company	c
NBCUniversal Media, LLC	Large accelerated filer	c	Accelerated filer	c	Non-accelerated filer	x	Smaller reporting company	c	Emerging growth company	c

If an emerging growth company, indicate by check mark whether the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Comcast Corporation c

NBCUniversal Media, LLC c

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

Comcast Corporation	Yes c	No x
NBCUniversal Media, LLC	Yes c	No x

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

As of September 30, 2018, there were 4,540,060,394 shares of Comcast Corporation Class A common stock and 9,444,375 shares of Comcast Corporation Class B common stock outstanding.

Not applicable for NBCUniversal Media, LLC.

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

TABLE OF CONTENTS

Explanatory Note

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

This Quarterly Report on Form 10-Q is for the three and nine months ended September 30, 2018. This Quarterly Report on Form 10-Q modifies and supersedes documents filed before it. The Securities and Exchange Commission (“SEC”) allows us to “incorporate by reference” information that we file with it, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report on Form 10-Q. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report on Form 10-Q.

You should carefully review the information contained in this Quarterly Report on Form 10-Q and particularly consider any risk factors set forth in this Quarterly Report on Form 10-Q and in other reports or documents that we file from time to time with the SEC. In this Quarterly Report on Form 10-Q, we state our beliefs of future events and of our future financial performance. In some cases, you can identify these so-called “forward-looking statements” by words such as “may,” “will,” “should,” “expects,” “believes,” “estimates,” “potential,” or “continue,” or the negative of these v and other comparable words. You should be aware that these statements are only our predictions. In evaluating these statements, you should consider various factors, including the risks outlined below and in other reports we file with the SEC. Actual events or our actual results could differ materially from our forward-looking statements as a result of any such factors, which could adversely affect our businesses, results of operations or financial condition. We undertake no obligation to update any forward-looking statements.

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

- our businesses currently face a wide range of competition, and our businesses and results of operations could be adversely affected if we do not compete effectively
- changes in consumer behavior driven by online distribution platforms for viewing content could adversely affect our businesses and challenge existing business models
- a decline in advertisers' expenditures or changes in advertising markets could negatively impact our businesses
- our businesses depend on keeping pace with technological developments
- we are subject to regulation by federal, state, local and foreign authorities, which impose additional costs and restrictions on our businesses
- programming expenses for our video services are increasing, which could adversely affect our Cable Communications segment's video business
- NBCUniversal's success depends on consumer acceptance of its content, and its businesses may be adversely affected if its content fails to achieve sufficient consumer acceptance or the costs to create or acquire content increase
- the loss of NBCUniversal's programming distribution agreements, or the renewal of these agreements on less favorable terms, could adversely affect its businesses
- we rely on network and information systems and other technologies, as well as key properties, and a disruption, cyber attack, failure or destruction of such networks, systems, technologies or properties may disrupt our businesses
- our businesses depend on using and protecting certain intellectual property rights and on not infringing the intellectual property rights of others
- we may be unable to obtain necessary hardware, software and operational support
- weak economic conditions may have a negative impact on our businesses
- acquisitions, including our acquisition of Sky plc, and other strategic initiatives present many risks, and we may not realize the financial and strategic goals that we had contemplated
- labor disputes, whether involving employees or sports organizations, may disrupt our operations and adversely affect our businesses
- the loss of key management personnel or popular on-air and creative talent could have an adverse effect on our businesses
- we face risks relating to doing business internationally that could adversely affect our businesses
- our Class B common stock has substantial voting rights and separate approval rights over several potentially material transactions, and our Chairman and CEO has considerable influence over our company through his beneficial ownership of our Class B common stock

Table of Contents

PART I: FINANCIAL INFORMATION
ITEM 1: FINANCIAL STATEMENTS
Comcast Corporation
Condensed Consolidated Statement of Income
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions, except per share data)	2018	2017	2018	2017
Revenue	$22,135	$21,081	$66,661	$62,954
Costs and Expenses:				
Programming and production	6,711	6,059	20,440	18,450
Other operating and administrative	6,444	6,535	19,323	18,642
Advertising, marketing and promotion	1,667	1,604	4,924	4,894
Depreciation	2,038	1,991	6,070	5,876
Amortization	580	555	1,750	1,645
Other operating gains	(141)	(442)	(341)	(442)
Total costs and expenses	17,299	16,302	52,166	49,065
Operating income	4,836	4,779	14,495	13,889
Interest expense	(830)	(766)	(2,413)	(2,279)
Investment and other income (loss), net	(111)	70	92	299
Income before income taxes	3,895	4,083	12,174	11,909
Income tax expense	(999)	(1,409)	(2,894)	(4,038)
Net income	2,896	2,674	9,280	7,871
Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock	10	32	60	135
Net income attributable to Comcast Corporation	$2,886	$2,642	$9,220	$7,736
Basic earnings per common share attributable to Comcast Corporation shareholders	$0.63	$0.56	$2.00	$1.64
Diluted earnings per common share attributable to Comcast Corporation shareholders	$0.62	$0.55	$1.98	$1.61
Dividends declared per common share	$0.19	$0.1575	$0.57	$0.4725

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Comcast Corporation

Condensed Consolidated Statement of Comprehensive Income
(Unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions)	2018	2017	2018	2017
Net income	$2,896	$2,674	$9,280	$7,871
Unrealized gains (losses) on marketable securities, net of deferred taxes of $(1), $35, $(1), and $26	2	(59)	—	(42)
Deferred gains (losses) on cash flow hedges, net of deferred taxes of $5, $(9), $8, and $(16)	(15)	16	(26)	28
Amounts reclassified to net income:				
Realized (gains) losses on marketable securities, net of deferred taxes of $—, $—, $— and $—	—	(1)	—	(1)
Realized (gains) losses on cash flow hedges, net of deferred taxes of $(5), $7, $(13) and $15	17	(12)	43	(26)
Employee benefit obligations, net of deferred taxes of $2, $3, $7 and $(30)	(8)	(6)	(24)	51
Currency translation adjustments, net of deferred taxes of $25, $(8), $22 and $(47)	(103)	20	(119)	166
Comprehensive income	2,789	2,632	9,154	8,047
Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock	10	32	60	135
Less: Other comprehensive income (loss) attributable to noncontrolling interests	(20)	5	(45)	87
Comprehensive income attributable to Comcast Corporation	$2,799	$2,595	$9,139	$7,825

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Comcast Corporation

Condensed Consolidated Statement of Cash Flows
(Unaudited)

(in millions)	Nine Months Ended September 30 2018	2017
Operating Activities		
Net income	$9,280	$7,871
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation, amortization and other operating gains	7,479	7,079
Share-based compensation	607	594
Noncash interest expense (income), net	289	187
Net (gain) loss on investment activity and other	118	(133)
Deferred income taxes	877	681
Changes in operating assets and liabilities, net of effects of acquisitions and divestitures:		
Current and noncurrent receivables, net	(225)	123
Film and television costs, net	64	(71)
Accounts payable and accrued expenses related to trade creditors	(85)	(20)
Other operating assets and liabilities	103	(454)
Net cash provided by operating activities	18,507	15,857
Investing Activities		
Capital expenditures	(6,607)	(6,839)
Cash paid for intangible assets	(1,375)	(1,136)
Acquisitions and construction of real estate properties	(129)	(325)
Construction of Universal Beijing Resort	(257)	(47)
Acquisitions, net of cash acquired	(88)	(429)
Proceeds from sales of investments	127	120
Purchases of investments	(840)	(2,064)
Other	579	797
Net cash provided by (used in) investing activities	(8,590)	(9,923)
Financing Activities		
Proceeds from (repayments of) short-term borrowings, net	2,909	(2,807)
Proceeds from borrowings	9,850	11,460
Repurchases and repayments of debt	(4,405)	(5,021)
Repurchases of common stock under repurchase program and employee plans	(4,282)	(4,212)
Dividends paid	(2,487)	(2,147)
Purchase of Universal Studios Japan noncontrolling interests	—	(2,299)
Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock	(209)	(198)
Other	(242)	103
Net cash provided by (used in) financing activities	1,134	(5,121)
Increase (decrease) in cash, cash equivalents and restricted cash	11,051	813
Cash, cash equivalents and restricted cash, beginning of period	3,571	3,415
Cash, cash equivalents and restricted cash, end of period	$14,622	$4,228

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Comcast Corporation

Condensed Consolidated Balance Sheet
(Unaudited)

(in millions, except share data)	September 30, 2018	December 31, 2017
Assets		
Current Assets:		
Cash and cash equivalents	$ 10,616	$ 3,428
Receivables, net	8,983	8,834
Programming rights	1,223	1,613
Other current assets	2,384	2,468
Total current assets	23,206	16,343
Film and television costs	7,377	7,087
Investments	7,724	6,931
Property and equipment, net of accumulated depreciation of $50,934 and $49,916	39,855	38,470
Franchise rights	59,365	59,364
Goodwill	36,703	36,780
Other intangible assets, net of accumulated amortization of $13,391 and $11,950	18,649	18,133
Other noncurrent assets, net	7,756	4,354
Total assets	$ 200,635	$ 187,462
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses related to trade creditors	$ 7,036	$ 6,908
Accrued participations and residuals	1,809	1,644
Deferred revenue	1,633	1,687
Accrued expenses and other current liabilities	5,976	6,620
Current portion of long-term debt	3,173	5,134
Total current liabilities	19,627	21,993
Long-term debt, less current portion	69,711	59,422
Deferred income taxes	25,167	24,259
Other noncurrent liabilities	12,468	10,972
Commitments and contingencies (Note 11)		
Redeemable noncontrolling interests and redeemable subsidiary preferred stock	1,317	1,357
Equity:		
Preferred stock—authorized, 20,000,000 shares; issued, zero	—	—
Class A common stock, $0.01 par value—authorized, 7,500,000,000 shares; issued, 5,412,851,422 and 5,507,854,670; outstanding, 4,540,060,394 and 4,635,063,642	54	55
Class B common stock, $0.01 par value—authorized, 75,000,000 shares; issued and outstanding, 9,444,375	—	—
Additional paid-in capital	37,394	37,497
Retained earnings	41,218	38,202
Treasury stock, 872,791,028 Class A common shares	(7,517)	(7,517)
Accumulated other comprehensive income (loss)	374	379
Total Comcast Corporation shareholders’ equity	71,523	68,616
Noncontrolling interests	822	843
Total equity	72,345	69,459
Total liabilities and equity	$ 200,635	$ 187,462

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Comcast Corporation

Condensed Consolidated Statement of Changes in Equity
(Unaudited)

(in millions)	Redeemable Noncontrolling Interests and Redeemable Subsidiary Preferred Stock	Common Stock A	Common Stock B	Additional Paid-In Capital	Retained Earnings	Treasury Stock at Cost	Accumulated Other Comprehensive Income (Loss)	Non-controlling Interests	Total Equity
Balance, December 31, 2016	$ 1,446	$ 56	$ —	$ 38,230	$ 23,065	$ (7,517)	$ 98	$ 2,231	$ 56,163
Stock compensation plans				440					440
Repurchases of common stock under repurchase program and employee plans		(1)		(633)	(3,587)				(4,221)
Employee stock purchase plans				140					140
Dividends declared					(2,239)				(2,239)
Other comprehensive income (loss)							89	87	176
Contributions from (distributions to) noncontrolling interests, net	(31)							(81)	(81)
Purchase of Universal Studios Japan noncontrolling interests				(696)			194	(1,736)	(2,238)
Other	(114)			48	(1)			252	299
Net income (loss)	52				7,736			83	7,819
Balance, September 30, 2017	$ 1,353	$ 55	$ —	$ 37,529	$ 24,974	$ (7,517)	$ 381	$ 836	$ 56,258
Balance, December 31, 2017	$ 1,357	$ 55	$ —	$ 37,497	$ 38,202	$ (7,517)	$ 379	$ 843	$ 69,459
Cumulative effects of adoption of accounting standards					(43)		76		33
Stock compensation plans				434					434
Repurchases of common stock under repurchase program and employee plans		(1)		(757)	(3,530)				(4,288)
Employee stock purchase plans				161					161
Dividends declared					(2,631)				(2,631)
Other comprehensive income (loss)							(81)	(45)	(126)
Contributions from (distributions to) noncontrolling interests, net	(42)							277	277
Other	(35)			59				(276)	(217)
Net income (loss)	37				9,220			23	9,243
Balance, September 30, 2018	$ 1,317	$ 54	$ —	$ 37,394	$ 41,218	$ (7,517)	$ 374	$ 822	$ 72,345

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Comcast Corporation

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1: Condensed Consolidated Financial Statements

Business and Basis of Presentation

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

The year-end condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles in the United States ("GAAP"). For a more complete discussion of our accounting policies and certain other information, refer to our consolidated financial statements included in our 2017 Annual Report on Form 10-K and the footnotes within this Form 10-Q.

On October 9, 2018, we acquired a controlling interest in Sky plc. Beginning in the fourth quarter of 2018, Sky's results will be included in our consolidated financial statements. See Note 6 for additional information on the transaction.

Reclassifications

Reclassifications have been made to our condensed consolidated financial statements for the prior year periods to conform to classifications used in 2018. See Note 7 for a discussion of the effects of the adoption of new accounting pronouncements and tax reform on our condensed consolidated financial statements.

Note 2: Segment Information

We present our operations in five reportable business segments:

- Cable Communications: Consists of the operations of Comcast Cable, which is one of the nation's largest providers of video, high-speed Internet, voice, and security and automation services ("cable services") to residential customers under the XFINITY brand; we also provide these and other services to business customers and sell advertising.
- Cable Networks: Consists primarily of our national cable networks that provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, our international cable networks, our cable television studio production operations, and various digital properties.
- Broadcast Television: Consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, our broadcast television studio production operations, and various digital properties.
- Filmed Entertainment: Consists primarily of the operations of Universal Pictures, which produces, acquires, markets and distributes filmed entertainment worldwide; our films are also produced under the Illumination, DreamWorks Animation and Focus Features names.
- Theme Parks: Consists primarily of our Universal theme parks in Orlando, Florida; Hollywood, California; and Osaka, Japan. In addition, along with a consortium of Chinese state-owned companies, we are developing a Universal theme park and resort in Beijing, China.

We use Adjusted EBITDA to evaluate the profitability of our operating segments and the components of net income attributable to Comcast Corporation excluded from Adjusted EBITDA are not separately evaluated. Our financial data by business segment is presented in the tables below.

Table of Contents

Comcast Corporation

	Three Months Ended September 30, 2018				
(in millions)	Revenue	Adjusted EBITDA[d]	Depreciation and Amortization	Capital Expenditures	Cash Paid for Intangible Assets
Cable Communications	$13,787	$ 5,615	$ 2,071	$ 1,944	$ 353
NBCUniversal					
Cable Networks	2,884	968	180	11	6
Broadcast Television	2,452	321	32	37	—
Filmed Entertainment	1,819	214	26	9	6
Theme Parks	1,528	725	170	269	23
Headquarters and Other[a]	15	(161)	106	79	43
Eliminations[b]	(73)	(1)	—	—	—
NBCUniversal	8,625	2,066	514	405	78
Corporate and Other[c]	276	(378)	33	35	14
Eliminations[b]	(553)	10	—	—	—
Comcast Consolidated	$22,135	$ 7,313	$ 2,618	$ 2,384	$ 445
	Three Months Ended September 30, 2017				
(in millions)	Revenue	Adjusted EBITDA[d]	Depreciation and Amortization	Capital Expenditures	Cash Paid for Intangible Assets
Cable Communications	$13,339	$ 5,216	$ 2,015	$ 2,061	$ 284
NBCUniversal					
Cable Networks	2,603	906	179	5	4
Broadcast Television	2,125	316	33	66	4
Filmed Entertainment	1,753	383	32	18	6
Theme Parks	1,550	775	166	199	18
Headquarters and Other[a]	15	(122)	97	66	37
Eliminations[b]	(70)	(1)	—	—	—
NBCUniversal	7,976	2,257	507	354	69
Corporate and Other[c]	266	(349)	24	19	12
Eliminations[b]	(500)	9	—	—	—
Comcast Consolidated	$21,081	$ 7,133	$ 2,546	$ 2,434	$ 365
	Nine Months Ended September 30, 2018				
(in millions)	Revenue	Adjusted EBITDA[d]	Depreciation and Amortization	Capital Expenditures	Cash Paid for Intangible Assets
Cable Communications	$41,015	$ 16,668	$ 6,171	$ 5,398	$ 950
NBCUniversal					
Cable Networks[e]	8,994	3,422	548	22	15
Broadcast Television[e]	8,340	1,245	106	99	75
Filmed Entertainment	5,176	555	117	24	20
Theme Parks	4,170	1,789	492	811	158
Headquarters and Other[a]	44	(497)	314	179	106
Eliminations[b][e]	(256)	(3)	—	—	—

NBCUniversal	26,468	6,511	1,577	1,135	374
Corporate and Other[c]	922	(1,167)	72	74	51
Eliminations[b][e]	(1,744)	(38)	—	—	—
Comcast Consolidated	$66,661	$ 21,974	$ 7,820	$ 6,607	$ 1,375

7

Table of Contents

Comcast Corporation

	Nine Months Ended September 30, 2017				
(in millions)	Revenue	Adjusted EBITDA[d]	Depreciation and Amortization	Capital Expenditures	Cash Paid for Intangible Assets
Cable Communications	$39,646	$ 15,683	$ 5,928	$ 5,798	$ 897
NBCUniversal					
Cable Networks	7,939	3,076	574	15	11
Broadcast Television	6,574	1,054	96	125	11
Filmed Entertainment	5,862	1,041	79	47	17
Theme Parks	3,982	1,723	494	671	57
Headquarters and Other[a]	32	(542)	292	119	101
Eliminations[b]	(242)	(2)	—	—	—
NBCUniversal	24,147	6,350	1,535	977	197
Corporate and Other[c]	679	(845)	58	64	42
Eliminations[b]	(1,518)	30	—	—	—
Comcast Consolidated	$62,954	$ 21,218	$ 7,521	$ 6,839	$ 1,136

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

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

- our Cable Networks segment generates revenue by selling programming to our Cable Communications segment, which represents a substantial majority of the revenue elimination amount
- our Broadcast Television segment generates revenue from the fees received under retransmission consent agreements with our Cable Communications segment
- our Cable Communications segment generates revenue by selling advertising and by selling the use of satellite feeds to our Cable Networks segment
- our Cable Networks and Broadcast Television segments generate revenue by selling advertising to our Cable Communications segment
- our Filmed Entertainment and Broadcast Television segments generate revenue by licensing content to our Cable Networks segment; for segment reporting, this revenue is recognized as the programming rights asset for the licensed content is amortized based on third party revenue

(c) Corporate and Other activities include costs associated with overhead and personnel, revenue and expenses associated with other business development initiatives, including our wireless phone service, and the operations of Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania.

(d) We use Adjusted EBITDA as the measure of profit or loss for our operating segments. Adjusted EBITDA is defined as net income attributable to Comcast Corporation before net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock, income tax expense, investment and other income (loss), net, interest expense, depreciation and amortization expense, and other operating gains and losses (such as impairment charges related to fixed and intangible assets and gains or losses on the sale of long-lived assets), if any. From time to time we may exclude from Adjusted EBITDA the impact of certain events, gains, losses or other charges (such as significant legal settlements) that affect the period-to-period comparability of our operating performance. Our reconciliation of the aggregate amount of Adjusted EBITDA for our reportable segments to consolidated income before income taxes is presented in the table below.

	Three Months Ended	Nine Months Ended

	September 30		September 30	
(in millions)	2018	2017	2018	2017
Adjusted EBITDA	$7,313	$7,133	$21,974	$21,218
Adjustment for legal settlement	—	(250)	—	(250)
Depreciation	(2,038)	(1,991)	(6,070)	(5,876)
Amortization	(580)	(555)	(1,750)	(1,645)
Other operating gains	141	442	341	442
Interest expense	(830)	(766)	(2,413)	(2,279)
Investment and other income (loss), net	(111)	70	92	299
Income before income taxes	$3,895	$4,083	$12,174	$11,909

(e) The revenue and operating costs and expenses associated with our broadcast of the 2018 PyeongChang Olympics were reported in our Cable Networks and Broadcast Television segments. The revenue and operating costs and expenses associated with our broadcast of the 2018 Super Bowl were reported in our Broadcast Television segment. Included in Eliminations are transactions relating to these events that our Broadcast Television and Cable Networks segments enter into with our other segments.

Table of Contents

Comcast Corporation

Note 3: Revenue

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions)	2018	2017	2018	2017
Residential:				
Video	$5,591	$5,760	$16,878	$17,206
High-Speed Internet	4,321	3,942	12,740	11,682
Voice	982	1,013	2,982	3,081
Business services	1,803	1,629	5,290	4,757
Advertising	684	594	1,932	1,774
Other	406	401	1,193	1,146
Total Cable Communications[a]	13,787	13,339	41,015	39,646
Distribution	1,680	1,533	5,251	4,645
Advertising	820	787	2,746	2,519
Content licensing and other	384	283	997	775
Total Cable Networks	2,884	2,603	8,994	7,939
Advertising	1,355	1,241	5,107	3,790
Content licensing	538	432	1,541	1,458
Distribution and other	559	452	1,692	1,326
Total Broadcast Television	2,452	2,125	8,340	6,574
Theatrical	601	515	1,564	2,003
Content licensing	719	662	2,100	2,080
Home entertainment	260	299	733	919
Other	239	277	779	860
Total Filmed Entertainment	1,819	1,753	5,176	5,862
Total Theme Parks	1,528	1,550	4,170	3,982
Headquarters and Other	15	15	44	32
Eliminations[b]	(73)	(70)	(256)	(242)
Total NBCUniversal	8,625	7,976	26,468	24,147
Corporate and Other	276	266	922	679
Eliminations[b]	(553)	(500)	(1,744)	(1,518)
Total revenue	$22,135	$21,081	$66,661	$62,954

(a) For the three and nine months ended September 30, 2018, 2.6% and 2.7%, respectively, of Cable Communications segment revenue was derived from franchise and other regulatory fees. For both the three and nine months ended September 30, 2017, 2.8% of Cable Communications segment revenue was derived from franchise and other regulatory fees.

(b) Included in Eliminations are transactions that our segments enter into with one another. See Note 2 for a description of these transactions.

We operate primarily in the United States, but also in select international markets, primarily in Europe and Asia. The table below summarizes revenue by geographic location.

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions)	2018	2017	2018	2017
United States	$20,244	$19,142	$61,060	$57,047
Foreign	1,891	1,939	5,601	5,907
Total revenue	$22,135	$21,081	$66,661	$62,954

No single customer accounted for a significant amount of revenue in any period presented.

Comcast Corporation

Cable Communications Segment

Residential

Our Cable Communications segment generates revenue from residential customers subscribing to our video, high-speed Internet, voice, and security and automation services, which we market individually and as bundled services at a discounted rate in the United States. Revenue from residential customers that purchase bundled services at a discounted rate is allocated between the separate services based on the respective stand-alone selling prices. The stand-alone selling prices are determined based on the current prices at which we separately sell the cable services. Significant judgment is used to determine performance obligations that should be accounted for separately and the allocation of revenue when services are combined in a bundle. Revenue related to our security and automation services is reported in other revenue.

We recognize revenue from residential cable services as the services are provided on a monthly basis. Subscription rates and related charges vary according to the services and features customers receive. Customers are typically billed in advance and pay on a monthly basis. Installation fees are deferred and recognized as revenue over the period of benefit to the customer, which is less than a year for residential customers. While a portion of our residential customers are subject to contracts for their cable services, which are typically 2 years in length, based on our evaluation of the terms of these contracts, we recognize revenue for these cable services on a basis that is consistent with our customers that are not subject to contracts. Our cable services generally involve customer premise equipment, such as set-top boxes, cable modems and wireless gateways. The timing and pattern of recognition for customer premise equipment revenue are consistent with those of our residential cable services. Sales commissions related to our residential customers are expensed as incurred, as the related period of benefit is less than a year.

Under the terms of our cable franchise agreements, we are generally required to pay the cable franchising authority an amount based on our gross video revenue. We generally pass these and other similar fees through to our cable services customers and classify these fees in the respective cable service revenue, with the corresponding costs included in other operating and administrative expenses.

Business Services

Our Cable Communications segment generates revenue from business customers subscribing to a variety of products and services. Our small business services offerings primarily include high-speed Internet services, as well as voice and video services, similar to those that we provide to our residential customers, and also include cloud-based solutions that provide file sharing, online backup and web conferencing, among other features. We also offer Ethernet network services that connect multiple locations and provide higher downstream and upstream speed options to medium-sized customers and larger enterprises, as well as advanced voice services. In addition, we provide cellular backhaul services to mobile network operators to help these customers manage their network bandwidth.

Recently, we have expanded our enterprise service offerings to include a software-defined networking product and our managed solutions business to offer enterprise customers support related to Wi-Fi networks, router management, network security, business continuity risks and other services. We primarily offer our enterprise service offerings to Fortune 1000 companies and other large enterprises with multiple locations both within and outside of our cable distribution footprint where we have agreements with other companies to use their networks to provide coverage.

We recognize revenue from business services as the services are provided on a monthly basis. Substantially all of our business customers are initially under contracts, with terms typically ranging from 2 years for small and medium-sized businesses to up to 5 years for larger enterprises. At any given time, the amount of future revenue to be earned related to fixed pricing under existing agreements is equal to approximately half of our annual business services revenue, of which the substantial majority will be recognized within 2 years. Customers with contracts may only discontinue service in accordance with the terms of their contracts. We receive payments from business customers based on a billing schedule established in our contracts, which is typically on a monthly basis. Installation revenue related to our business services customers and sales commissions are generally deferred and recognized over the respective contract terms.

Advertising

Our Cable Communications segment generates revenue from the sale of advertising and from our advanced advertising business. As part of our distribution agreements with cable networks, we generally receive an allocation of scheduled advertising time on cable networks that we sell to local, regional and national advertisers. In most cases, the available advertising units are sold by our sales force. We also represent the advertising sales efforts of other multichannel video providers in some markets. Since we are acting as the principal in these arrangements, we record the advertising that is sold in advertising revenue and the fees paid to multichannel video providers in other operating and administrative expenses. In some cases, we work with representation firms as an extension of our sales force to sell a portion of the advertising units allocated to us and record the revenue net of agency commissions. In addition, we generate revenue from the sale of advertising online and on our On Demand service. We enter into advertising arrangements with customers and have determined that a contract exists once all terms and conditions are agreed upon, typically when the number of advertising units is specifically identified and the timing of airing is scheduled. Advertisements are generally aired or viewed within one year once all terms and conditions are agreed upon. Advertising revenue is recognized in the period in which advertisements are aired or viewed. Payment terms vary by contract, although terms generally require payment within 30 to 60 days from when advertisements are aired or viewed. Our advanced advertising business provide technology, tools, marketplace solutions and data-driven insights to various customers in the media industry to more effectively engage with their targeted audiences. Revenue earned from our advanced advertising business is recognized when services are provided.

NBCUniversal Segments

Distribution

Our Cable Networks segment generates distribution revenue from the distribution of our cable network programming to traditional and virtual multichannel video providers. Our Broadcast Television segment generates distribution revenue from the fees received under retransmission consent agreements and associated fees received from NBC-affiliated local broadcast television stations.

Distribution revenue is recognized as programming is provided on a monthly basis, generally under multiyear agreements. Monthly fees received under distribution agreements with multichannel video providers are generally based on the number of subscribers. Payment terms and conditions vary by contract type, although terms generally include payment within 30 to 60 days.

Advertising

Our Cable Networks and Broadcast Television segments generate advertising revenue from the sale of advertising on our cable and broadcast networks, our owned local broadcast television stations, and various digital properties.

We enter into advertising arrangements with customers and have determined that a contract exists once all terms and conditions are agreed upon, typically when the number of advertising units is specifically identified and the timing of airing is scheduled. Advertisements are generally aired or viewed within one year once all terms are agreed upon. Advertising revenue is recognized, net of agency commissions, in the period in which advertisements are aired or viewed and payment occurs thereafter, generally within 30 days. In some instances, we guarantee audience ratings for the advertisements. To the extent there is a shortfall in contracts where the ratings were guaranteed, a portion of the revenue is deferred until the shortfall is settled, typically by providing additional advertising units generally within one year of the original airing.

Theatrical

Our Filmed Entertainment segment theatrical revenue is generated from the worldwide theatrical release of our produced and acquired films for exhibition in movie theaters and is affected by the timing, nature and number of films released in movie theaters and their acceptance by audiences. Theatrical revenue is also affected by the number of exhibition screens, ticket prices, the percentage of ticket sale retention by the exhibitors and the popularity of competing films at the time our films are released. We recognize theatrical revenue as the films are viewed and exhibited in theaters and payment generally occurs within 60 days after exhibition.

Content Licensing

Our Cable Networks, Broadcast Television and Filmed Entertainment segments generate revenue from the licensing of our owned film and television content in the United States and internationally to cable, broadcast and premium networks and subscription video on demand services. Our content licensing agreements generally include fixed pricing and span multiple years. For example, following a film’s theatrical release, our Filmed Entertainment segment may license the exhibition rights of a film to different customers over multiple successive distribution windows.

We recognize revenue when the content is delivered and available for use by the licensee. When the term of an existing agreement is renewed or extended, we recognize revenue at the later of when the content is available or when the renewal or extension period begins. Payment terms and conditions vary by contract type, although payments are generally collected over the license term. The amount of future revenue to be earned related to fixed pricing under existing agreements primarily relates to our Filmed Entertainment segment, which at any given time equals approximately 1 to 2 years of our annual Filmed Entertainment content licensing revenue. The substantial majority of this revenue will be recognized within 2 years. This amount may fluctuate from period to period depending on the timing of the release and the availability of content under existing agreements and may not represent the total content licensing revenue expected to be recognized as it does not include revenue from future agreements or from variable pricing or optional purchases under existing agreements.

For our content licensing agreements that include variable pricing, such as pricing based on the number of subscribers to a subscription video on demand service sold by our customers, we generally recognize revenue as our customers sell to their subscribers.

Table of Contents

Comcast Corporation

Home Entertainment
Our Filmed Entertainment segment generates revenue from the sale of our produced and acquired films on standard-definition digital video discs and Blu-ray discs (together, “DVDs”) and through digital distribution services. Our Cable Networks and Broadcast Television networks also generate revenue from the sale of owned programming on DVDs and through digital distribution services, which is reported in other revenue. We recognize revenue from DVD sales, net of estimated returns and customer incentives, on the date that DVDs are delivered to and made available for sale by retailers. Payment terms generally include payment within 60 to 90 days from delivery to the retailer.

Theme Parks
Our Theme Parks segment generates revenue primarily from ticket sales and guest spending at our Universal theme parks in Orlando, Florida; Hollywood, California; and Osaka, Japan. Guest spending includes in-park spending on food, beverages and merchandise. We recognize revenue from theme park ticket sales when the tickets are used, generally within a year from the date of purchase. For annual passes, we generally recognize revenue on a straight-line basis over the period the pass is available to be used. We recognize revenue from guest spending at the point of sale.

Condensed Consolidated Balance Sheet
The following tables summarize our accounts receivable and other balances that are not separately presented in our condensed consolidated balance sheet that relate to the recognition of revenue and collection of the related cash, as well as deferred costs associated with our contracts with customers.

(in millions)	September 30, 2018	December 31, 2017
Receivables, gross	$ 9,300	$ 9,122
Less: Allowance for doubtful accounts	317	288
Receivables, net	$ 8,983	$ 8,834

(in millions)	September 30, 2018	December 31, 2017
Noncurrent receivables, net (included in other noncurrent assets, net)	$ 1,207	$ 1,184
Contract acquisition and fulfillment costs (included in other noncurrent assets, net)	$ 928	$ 922
Noncurrent deferred revenue (included in other noncurrent liabilities)	$ 572	$ 497

In our Cable Communications segment, we manage credit risk by screening applicants through the use of internal customer information, identification verification tools and credit bureau data, as well as offering customers the opportunity to establish automatic monthly payments. If a customer’s account is delinquent, various measures are used to collect outstanding amounts, including termination of the customer’s cable services.

Note 4: Earnings Per Share
Computation of Diluted EPS

	Three Months Ended September 30					
	2018			2017		
(in millions, except per share data)	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount	Net Income Attributable to Comcast Corporation	Shares	Per Share Amount
Basic EPS attributable to Comcast Corporation shareholders	$2,886	4,564	$ 0.63	$2,642	4,698	$ 0.56
Effect of dilutive securities:						
Assumed exercise or issuance of shares relating to stock plans		55			79	
Diluted EPS attributable to Comcast Corporation shareholders	$2,886	4,619	$ 0.62	$2,642	4,777	$ 0.55

Table of Contents

Comcast Corporation

(in millions, except per share data)	Nine Months Ended September 30 2018 Net Income Attributable to Comcast Corporation	Shares	Per Share Amount	2017 Net Income Attributable to Comcast Corporation	Shares	Per Share Amount
Basic EPS attributable to Comcast Corporation shareholders	$9,220	4,599	$ 2.00	$7,736	4,725	$ 1.64
Effect of dilutive securities:						
Assumed exercise or issuance of shares relating to stock plans		56			81	
Diluted EPS attributable to Comcast Corporation shareholders	$9,220	4,655	$ 1.98	$7,736	4,806	$ 1.61

Diluted earnings per common share attributable to Comcast Corporation shareholders (“diluted EPS”) considers the impact of potentially dilutive securities using the treasury stock method. Our potentially dilutive securities include potential common shares related to our stock options and our restricted share units (“RSUs”). The amount of potential common shares related to our share-based compensation plans that were excluded from diluted EPS because their effect would have been antidilutive was not material for the three and nine months ended September 30, 2018 and 2017.

Note 5: Long-Term Debt

As of September 30, 2018, our debt had a carrying value of $72.9 billion and an estimated fair value of $74.5 billion. The estimated fair value of our publicly traded debt was primarily based on Level 1 inputs that use quoted market values for the debt. The estimated fair value of debt for which there are no quoted market prices was based on Level 2 inputs that use interest rates available to us for debt with similar terms and remaining maturities. See Note 6 for information regarding the financing of the Sky transaction.

Debt Borrowings

(in millions)	Nine Months Ended September 30, 2018
Comcast sterling-denominated term loan due 2021 (see Note 6)	$ 3,913
Comcast revolving credit facility (see Note 6)	1,500
Comcast 3.90% senior notes due 2038	1,200
Comcast 3.55% senior notes due 2028	1,000
Comcast 4.00% senior notes due 2048	1,000
Comcast 4.25% senior notes due 2053	800
Universal Beijing Resort term loans (see Note 6)	386
Other	51
Total	$ 9,850

Debt Repayments

(in millions)	Nine Months Ended September 30, 2018
NBCUniversal Enterprise 1.662% senior notes due 2018	$ 1,100
Comcast 5.70% senior notes due 2018	1,000
Comcast 5.875% senior notes due 2018	900

NBCUniversal Enterprise senior floating rate notes due 2018	700
Universal Studios Japan term loans maturing 2022	362
Other	343
Total	$ 4,405

Revolving Credit Facilities

As of September 30, 2018, $1.5 billion was outstanding under our consolidated revolving credit facilities. Amounts available under our consolidated revolving credit facilities, net of amounts outstanding under our commercial paper programs and outstanding letters of credit, totaled $3.8 billion, which included $823 million available under NBCUniversal Enterprise's revolving credit facility.

Table of Contents

Comcast Corporation

Commercial Paper Programs
As of September 30, 2018, Comcast had $3 billion face amount of commercial paper outstanding. As of September 30, 2018, NBCUniversal Enterprise had $794 million face amount of commercial paper outstanding.
Note 6: Significant Transactions
Sky Transaction
On October 9, 2018, in connection with our offer to acquire the share capital of Sky, we acquired a controlling interest in Sky through a series of purchases of Sky shares and acceptances of the offer at our offer price of £17.28 per Sky share. Because shareholders owning over 90% of the fully diluted share capital of Sky have either accepted our offer or sold their Sky shares to us, we have exercised, in accordance with applicable U.K. law, our right to acquire the remaining shares of Sky, which we expect will be completed in the fourth quarter of 2018. The consideration under our offer implies a value of approximately £30.2 billion (approximately $39.4 billion using the exchange rate on October 9, 2018) for the fully diluted share capital of Sky. As of October 9, 2018, Sky had outstanding indebtedness that will be consolidated in our financial statements with an aggregate principal amount of approximately $11 billion using the exchange rates as of such date, which is not guaranteed by us, Comcast Cable Communications, LLC or NBCUniversal.
Sky is one of Europe’s leading media and entertainment companies, connecting customers to a broad range of video content through its pay television services. It also provides communication services, including residential high-speed Internet, voice, and wireless phone services. Sky operates the Sky News broadcast network and sports and entertainment networks, produces original content, and has exclusive content rights.
To finance our acquisition, in September 2018, we borrowed £3.0 billion ($3.9 billion using the exchange rate on the date of borrowing) under our £7.0 billion unsecured sterling-denominated term loan credit agreement and $1.5 billion under Comcast’s revolving credit facility, and issued $3.0 billion of commercial paper under Comcast’s commercial paper program, all of which were classified as long-term debt at September 30, 2018. The proceeds from the term loan borrowing were restricted as to use for purchase of Sky shares and were classified as restricted cash in other noncurrent assets, net. Additionally, in October 2018, we issued $27.0 billion aggregate amount of senior unsecured fixed and floating rate notes that will mature between 2020 and 2058, and borrowed £3.6 billion ($4.8 billion using the exchange rates on the dates of borrowings) under our £7.0 billion unsecured sterling-denominated term loan credit agreement and $3.0 billion under our $3.0 billion unsecured dollar-denominated term loan credit agreement. The unsecured term loans and senior notes are guaranteed by Comcast Cable Communications, LLC and NBCUniversal.
In October 2018, we used a portion of the net proceeds from the senior notes offering to repay the commercial paper outstanding and revolving credit facility borrowings, and to replenish a portion of our cash, in each case, that had been previously used for purchases of Sky shares.
Acquisition-Related Expenses
As a result of the Sky transaction, we have incurred incremental expenses related to legal, accounting, valuation and other professional services, which are reflected in other operating and administrative expenses. We also incurred certain financing costs associated with our borrowings, which are reflected in interest expense. The table below presents the amounts related to these expenses included in our consolidated statement of operations. Additional acquisition-related fees are expected in the fourth quarter of 2018.

(in millions)	Three Months Ended September 30 2018	Nine Months Ended September 30 2018
Other operating and administrative expenses	$ 8	$ 29
Interest expense	$ 34	$ 45

Preliminary Purchase Price Allocation and Unaudited Pro Forma Information

We will apply acquisition accounting to Sky and its results of operations will be included in our consolidated results of operations from the date of acquisition. The assets and liabilities acquired as a result of the transaction will be recorded at their estimated fair values. Due to the limited time since the acquisition date and limitations on access to Sky information prior to the acquisition date, the initial accounting for the transaction is incomplete at this time. As a result, we are unable to provide amounts recognized as of the acquisition date for assets and liabilities acquired. Also, because the initial accounting for the transaction is incomplete, we are unable to provide supplemental pro forma revenue and earnings of the combined entity. We will include this information in future filings.

Table of Contents

Comcast Corporation

Universal Beijing Resort

We entered into an agreement with a consortium of Chinese state-owned companies to build and operate a Universal theme park and resort in Beijing, China (“Universal Beijing Resort”). We own a 30% interest in Universal Beijing Resort and the construction will be funded through a combination of debt financing and equity contributions from the investors in accordance with their equity interests. The debt financing, which is being provided by a syndicate of Chinese financial institutions, contains certain financial and operating covenants and a maximum borrowing limit of ¥26.6 billion RMB (approximately $4 billion as of quarter end). The debt financing is secured by the assets of Universal Beijing Resort and the equity interests of the investors. For the nine months ended September 30, 2018, Universal Beijing Resort borrowed $386 million of term loans under the debt financing agreements.

We have concluded that Universal Beijing Resort is a variable interest entity based on its governance structure, and we consolidate it because we have the power to direct activities that most significantly impact its economic performance. There are no liquidity arrangements, guarantees or other financial commitments between us and Universal Beijing Resort, and therefore our maximum risk of financial loss is our 30% interest. Universal Beijing Resort’s results of operations are reported in our Theme Parks segment. Our condensed consolidated statement of cash flows includes the costs of construction and related borrowings in the "construction of Universal Beijing Resort" and "proceeds from borrowings" captions, respectively, and equity contributions from our investing partner are included in other financing activities.

In March 2018, Universal Beijing Resort received initial equity investments through a combination of cash and noncash contributions from the investors. As of September 30, 2018, our condensed consolidated balance sheet included assets, primarily property and equipment, and liabilities, including the term loans, of Universal Beijing Resort totaling $1.2 billion and $728 million, respectively.

FCC Spectrum Auction

On April 13, 2017, the Federal Communications Commission announced the results of its spectrum auction. In the auction, NBCUniversal relinquished its spectrum rights in the New York, Philadelphia and Chicago designated market areas (“DMAs”) where NBC and Telemundo had overlapping spectrum. NBCUniversal received proceeds of $482 million in July 2017, which were recorded in other investing activities in our condensed consolidated statement of cash flows. NBCUniversal recognized a pretax gain of $337 million in other operating gains for the three and nine months ended September 30, 2017 in our condensed consolidated statement of income. NBC and Telemundo stations share broadcast signals in these DMAs. In connection with the auction, we also acquired the rights to $1.7 billion of spectrum, which were recorded to other intangible assets, net in our condensed consolidated balance sheet. We had previously made a deposit of $1.8 billion to participate in the auction in the third quarter of 2016 and received a refund for amounts in excess of the purchase price in the second quarter of 2017.

Universal Studios Japan

On April 6, 2017, we acquired the remaining interests in Universal Studios Japan that we did not already own for $2.3 billion. The acquisition was funded through cash on hand and borrowings under our commercial paper program. Because we maintained control of Universal Studios Japan, the difference between the consideration transferred and the recorded value of the noncontrolling interests, as well as the related tax and accumulated other comprehensive income impacts, were recorded to additional paid-in capital.

Note 7: Recent Accounting Pronouncements and Tax Reform

Revenue Recognition

In May 2014, the Financial Accounting Standards Board (“FASB”) updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue and by reducing the number of standards to which an entity has to refer. The core principle of the new standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

We adopted the updated guidance on January 1, 2018 on a full retrospective basis, which required us to reflect the impact of the updated guidance for all periods presented. Upon adoption, we also implemented changes in our presentation of certain revenues and expenses, primarily in our Cable Communications segment.

The adoption of the new standard did not have a material impact on our consolidated results of operations or financial position for any period presented. The updated guidance also requires additional disclosures regarding the nature, timing and uncertainty of our revenue transactions (see Note 3).

The tables below present the effects on our condensed consolidated statement of income and balance sheet for the prior year periods presented.

Table of Contents

Comcast Corporation

Condensed Consolidated Statement of Income

(in millions)	Three Months Ended September 30, 2017 Previously Reported	Effects of Adoption	As Adjusted	Nine Months Ended September 30, 2017 Previously Reported	Effects of Adoption	As Adjusted
Revenue	$20,983	$ 98	$ 21,081	$62,611	$ 343	$ 62,954
Total costs and expenses	$16,191	$ 111	$ 16,302	$48,731	$ 334	$ 49,065
Operating income	$4,792	$ (13)	$ 4,779	$13,880	$ 9	$ 13,889
Net income attributable to Comcast Corporation	$2,650	$ (8)	$ 2,642	$7,729	$ 7	$ 7,736

Condensed Consolidated Balance Sheet

(in millions)	December 31, 2017 Previously Reported	Effects of Adoption	As Adjusted
Total current assets	$16,060	$ 283	$16,343
Film and television costs	$7,076	$ 11	$7,087
Other intangible assets, net	$18,779	$ (646)	$18,133
Other noncurrent assets, net	$3,489	$ 865	$4,354
Total assets	$186,949	$ 513	$187,462
Total current liabilities	$21,561	$ 432	$21,993
Deferred income taxes	$24,256	$ 3	$24,259
Other noncurrent liabilities	$10,904	$ 68	$10,972
Total equity	$69,449	$ 10	$69,459
Total liabilities and equity	$186,949	$ 513	$187,462

Cable Communications

A summary of the changes implemented for the Cable Communications segment is presented below.

Changes to Presentation of Revenue and Related Costs

- Revenue from our residential video services decreased with corresponding increases to high-speed Internet and voice revenue due to a change in the allocation of revenue among our cable services included in a bundle that our residential customers purchase at a discount.
- Revenue from franchise and other regulatory fees, which was previously presented in other revenue, is now presented with the corresponding cable services. This resulted in increases to video, voice and business services revenue.
- Residential customer late fees are now presented in other revenue. These fees were previously presented as a reduction to other operating costs and expenses.
- Certain costs, including costs related to the fulfillment of contracts with customers, are now presented as other assets and the related costs are recognized over time in operating costs and expenses, which are comprised of total costs and expenses, excluding depreciation and amortization expense and other operating gains. These amounts were previously presented as intangible assets, and the expenses were previously presented in amortization expense. The payments related to these assets are now presented in net cash provided by operating activities rather than in cash paid for intangible assets in our consolidated statement of cash flows.

Changes to the Timing of Recognition of Revenue and Related Costs

- Installation revenue and commission expense are now recognized as revenue and operating costs and expenses, respectively, over a period of time rather than recognized immediately as they were previously. We recorded a deferred revenue liability related to upfront installation fees that are not distinct services, which required us to allocate the installation fees to the respective service. The installation fees are generally recognized as revenue over the period that the fee would influence a customer to renew their service. This period is less than a year for residential customers and the term of the related contract for business services customers. Incremental costs to obtain a contract with a customer, such as commissions for our business customers, are now deferred and recognized over the contract term. Sales commissions related to our residential customers are expensed as incurred as the related period of benefit is less than a year.

Table of Contents

Comcast Corporation

The table below presents the effects these changes had on our Cable Communications segment revenue, operating costs and expenses, and depreciation and amortization expense as a result of the updated guidance for the prior year periods. Previously reported amounts are based on amounts previously presented in the segment information footnote.

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017		
(in millions)	Previously Reported	Effects of Adoption	As Adjusted	Previously Reported	Effects of Adoption	As Adjusted
Residential:						
Video	$ 5,825	$ (65)	$ 5,760	$ 17,396	$ (190)	$ 17,206
High-speed Internet	3,709	233	3,942	10,994	688	11,682
Voice	840	173	1,013	2,559	522	3,081
Business services	1,575	54	1,629	4,596	161	4,757
Advertising	542	52	594	1,628	146	1,774
Other	712	(311)	401	2,064	(918)	1,146
Total Cable Communications revenue	$ 13,203	$ 136	$ 13,339	$ 39,237	$ 409	$ 39,646
Operating costs and expenses	$ 7,957	$ 166	$ 8,123	$ 23,473	$ 490	$ 23,963
Depreciation and amortization expense	$ 2,049	$ (34)	$ 2,015	$ 6,030	$ (102)	$ 5,928

NBCUniversal Segments

The adoption of the updated guidance impacted the timing of recognition for some of our revenue contracts, primarily for content licensing agreements. As a result of the adoption of the updated guidance, when the term of existing content licensing agreements is renewed or extended, revenue is not recognized until the date when the renewal or extension period begins. Under the prior guidance, revenue for the content licensing renewal period was recognized on the date that the renewal was agreed to contractually. This change resulted in delayed revenue recognition for content licensing renewals or extensions in our Cable Networks, Broadcast Television and Filmed Entertainment segments. This change also impacted the timing of the related amortization of our film and television costs and participations and residuals expenses. The adoption of the updated guidance did not have a material impact on the results of operations or financial position for the NBCUniversal segments.

Financial Assets and Financial Liabilities

In January 2016, the FASB updated the accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The updated accounting guidance, among other things, requires that all nonconsolidated equity investments, except those accounted for under the equity method, be measured at fair value and the changes in fair value be recognized in net income. On January 1, 2018, we adopted the updated guidance prospectively along with a related clarifying update and as a result, we recorded an immaterial cumulative effect adjustment to retained earnings, accumulated other comprehensive income (loss) and investments. See Note 9 for further information.

Tax Reform

On December 22, 2017, new federal tax reform legislation was enacted in the United States (“2017 Tax Act”), resulting in significant changes from previous tax law. The new legislation reduced the federal corporate income tax rate to 21% from 35% effective January 1, 2018. In the fourth quarter of 2017, we recorded a net income tax benefit of approximately $12.7 billion on the date of enactment of the new legislation, primarily relating to a reduction of our net deferred tax liabilities as a result of the rate change. This amount also includes the reversal of our net deferred tax liabilities related to cumulative undistributed foreign earnings and deferred tax assets for related foreign tax credits, partially offset by the one-time deemed repatriation tax on undistributed foreign earnings and profits.

The adjustments to deferred tax assets and liabilities, and the liability related to the transition tax, are provisional amounts based on information available as of September 30, 2018. These amounts are subject to change as we obtain information necessary to complete the calculations. During the nine months ended September 30, 2018, we recorded immaterial adjustments to the provisional amounts related to the cumulative temporary differences and the one-time deemed repatriation tax on undistributed foreign earnings and profits. We expect to complete our analysis of the provisional items in the fourth quarter of 2018.

In February 2018, the FASB issued guidance that permits companies to reclassify disproportionate tax effects recorded in accumulated other comprehensive income as a result of the 2017 Tax Act to retained earnings. We adopted the guidance as of January 1, 2018 and, as a result, we recorded an immaterial cumulative effect adjustment to retained earnings and accumulated other comprehensive income (loss).

Table of Contents

Comcast Corporation

In February 2018, the Bipartisan Budget Act of 2018 was enacted. As part of this legislation, various tax provisions that had expired on December 31, 2016 were retroactively extended to December 31, 2017, including the statute permitting the immediate deduction for certain film and television production costs. We recorded an income tax benefit of $128 million in the first quarter of 2018 as a result of the enactment of this legislation.

Restricted Cash

In November 2016, the FASB updated the accounting guidance related to restricted cash. The new standard requires that the statement of cash flows present the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents, and a reconciliation of such total to amounts on the balance sheet. We adopted the updated guidance on January 1, 2018 and as required applied the retrospective transition method. The adoption did not have a material impact for any period presented.

Leases

In February 2016, the FASB updated the accounting guidance related to leases. The updated accounting guidance requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. The asset and liability are initially measured based on the present value of committed lease payments. For a lessee, the recognition, measurement and presentation of expenses and cash flows arising from a lease do not significantly change from previous guidance. For a lessor, the accounting applied is also largely unchanged from previous guidance. We will adopt the updated accounting guidance in the first quarter of 2019 and prior periods will not be adjusted. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

Note 8: Film and Television Costs

(in millions)	September 30, 2018	December 31, 2017
Film Costs:		
Released, less amortization	$ 1,573	$ 1,734
Completed, not released	242	50
In production and in development	1,010	1,149
	2,825	2,933
Television Costs:		
Released, less amortization	2,286	2,260
In production and in development	905	818
	3,191	3,078
Programming rights, less amortization	2,584	2,689
	8,600	8,700
Less: Current portion of programming rights	1,223	1,613
Film and television costs	$ 7,377	$ 7,087

Note 9: Investments

(in millions)	September 30, 2018	December 31, 2017
Equity method	$ 4,163	$ 3,546
Marketable equity securities	322	433
Nonmarketable equity securities	1,528	1,186
Other investments	1,798	1,785
Total investments	7,811	6,950
Less: Current investments	87	19
Noncurrent investments	$ 7,724	$ 6,931

Table of Contents

Comcast Corporation

Investment and Other Income (Loss), Net

(in millions)	Three Months Ended September 30 2018	2017	Nine Months Ended September 30 2018	2017
Equity in net income (losses) of investees, net	$(76)	$(39)	$(56)	$12
Realized and unrealized gains (losses) on equity securities, net	(38)	7	(50)	—
Other income (loss), net	3	102	198	287
Investment and other income (loss), net	$(111)	$70	$92	$299

Beginning January 1, 2018, in connection with our adoption of the updated accounting guidance related to the recognition and measurement of financial assets and financial liabilities (see Note 7), we updated the presentation and accounting policies for our investments previously classified as fair value and cost method investments. The investment categories presented in the table above are based on the new guidance and updated policies, where applicable, are presented below.

Equity Method

Atairos

In February 2018, we amended our agreement with Atairos, which primarily increases our commitment to fund Atairos from up to $4 billion to up to $5 billion in the aggregate at any one time, subject to certain offsets.

As of September 30, 2018 and December 31, 2017, we had an investment in Atairos of $2.9 billion and $2.4 billion, respectively. For the nine months ended September 30, 2018 and 2017, we made cash capital contributions to Atairos totaling $133 million and $994 million, respectively. Atairos follows investment company accounting and records its investments at their fair values each reporting period with the net gains or losses reflected in its statement of income. We recognize our share of Atairos' income and losses in equity in net income (losses) of investees, net. For the three and nine months ended September 30, 2018, our share of Atairos' income was $38 million and $224 million, respectively. For the three and nine months ended September 30, 2017, our share of Atairos' income was $7 million and $106 million, respectively.

In April 2018, we sold a controlling interest in our arena management-related businesses to Atairos and received as consideration additional equity interests in Atairos. We account for our retained ownership in the businesses as an equity method investment. In connection with the sale of the businesses, we recognized a pretax gain of $200 million in other operating gains in the second quarter of 2018.

In July 2017, we sold a business to a company owned by Atairos and received as consideration an investment in that company, which we account for as an equity method investment. In connection with the sale of the business, we recognized a pretax gain of $105 million in other operating gains in the third quarter of 2017.

Hulu

As of September 30, 2018 and December 31, 2017, we had an investment in Hulu of $219 million and $249 million, respectively. For the nine months ended September 30, 2018 and 2017, we made cash capital contributions to Hulu totaling $341 million and $198 million, respectively. We recognize our proportionate share of Hulu's income and losses in equity in net income (losses) of investees, net. For the three and nine months ended September 30, 2018, we recognized our proportionate share of Hulu's losses of $132 million and $370 million, respectively. For the three and nine months ended September 30, 2017, we recognized our proportionate share of Hulu's losses of $62 million and $168 million, respectively.

The Weather Channel

In March 2018, we sold our investment in The Weather Channel cable network and recognized a pretax gain of $64 million in other income (loss), net.

Marketable Equity Securities

We classify publicly traded investments with readily determinable fair values that are not accounted for under the equity method as marketable equity securities. Marketable equity securities are recorded at cost and adjusted to fair value at each reporting period. The changes in fair value between measurement dates are recorded in realized and unrealized gains (losses) on equity securities, net. The fair values of our marketable equity securities are based on Level 1 inputs that use quoted market prices.

Table of Contents

Snap

In March 2017, we acquired an interest in Snap Inc. for $500 million as part of its initial public offering, which we have classified as a marketable equity security. Snap is a camera company whose primary product is Snapchat, a camera app that was created to help people communicate through short videos and images. As of September 30, 2018 and December 31, 2017, we had an investment in Snap of $249 million and $430 million, respectively. For the three and nine months ended September 30, 2018, we recognized unrealized losses of $135 million and $180 million, respectively, in realized and unrealized gains (losses) on equity securities, net related to our investment in Snap.

Nonmarketable Equity Securities

We classify investments without readily determinable fair values that are not accounted for under the equity method as nonmarketable equity securities. The accounting guidance requires nonmarketable equity securities to be recorded at cost and adjusted to fair value at each reporting period. However, the guidance allows for a measurement alternative, which is to record the investments at cost, less impairment, if any, and subsequently adjust for observable price changes of identical or similar investments of the same issuer. We apply this measurement alternative to a majority of our nonmarketable equity securities. When an observable event occurs, we estimate the fair values of our nonmarketable equity securities based on Level 2 inputs that are derived from observable price changes of similar securities adjusted for insignificant differences in rights and obligations. The changes in value are recorded in realized and unrealized gains (losses) on equity securities, net.

Other Investments

AirTouch

We hold two series of preferred stock of Verizon Americas, Inc., formerly known as AirTouch Communications, Inc. (“AirTouch”), a subsidiary of Verizon Communications Inc., which are redeemable in April 2020. As of both September 30, 2018 and December 31, 2017, we had an investment in AirTouch of $1.6 billion. We account for our investment in AirTouch as a held to maturity investment using the cost method. As of September 30, 2018, the estimated fair value of the AirTouch preferred stock and the estimated fair value of the associated liability related to the redeemable subsidiary preferred shares issued by one of our consolidated subsidiaries were each $1.7 billion. The estimated fair values are based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

Note 10: Supplemental Financial Information

Share-Based Compensation

Our share-based compensation plans consist primarily of awards of RSUs and stock options to certain employees and directors as part of our approach to long-term incentive compensation. Additionally, through our employee stock purchase plans, employees are able to purchase shares of our common stock at a discount through payroll deductions. In March 2018, we granted 12.1 million RSUs and 41.0 million stock options related to our annual management awards. The weighted-average fair values associated with these grants were $35.94 per RSU and $7.15 per stock option.

Recognized Share-Based Compensation Expense

	Three Months Ended September 30		Nine Months Ended September 30	
(in millions)	2018	2017	2018	2017
Restricted share units	$94	$99	$279	$284
Stock options	50	52	155	155
Employee stock purchase plans	7	8	24	25
Total	$151	$159	$458	$464

As of September 30, 2018, we had unrecognized pretax compensation expense of $914 million and $489 million related to nonvested RSUs and nonvested stock options, respectively.

Table of Contents

Comcast Corporation

Cash Payments for Interest and Income Taxes

(in millions)	Nine Months Ended September 30 2018	2017
Interest	$2,240	$2,277
Income taxes	$1,533	$3,415

Noncash Investing and Financing Activities

During the nine months ended September 30, 2018:

- we acquired $2.1 billion of property and equipment and intangible assets that were accrued but unpaid
- we recorded a liability of $864 million for a quarterly cash dividend of $0.19 per common share to be paid in October 2018
- we received noncash contributions from noncontrolling interests totaling $391 million related to Universal Beijing Resort (see Note 6)

Cash, Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported in the condensed consolidated balance sheet to the total of the amounts reported in our condensed consolidated statement of cash flows.

(in millions)	September 30, 2018	December 31, 2017
Cash and cash equivalents	$ 10,616	$ 3,428
Restricted cash included in other current assets	47	60
Restricted cash included in other noncurrent assets, net	3,959	83
Cash, cash equivalents and restricted cash, end of period	$ 14,622	$ 3,571

Accumulated Other Comprehensive Income (Loss)

(in millions)	September 30, 2018	September 30, 2017
Unrealized gains (losses) on marketable securities	$ 2	$ (43)
Deferred gains (losses) on cash flow hedges	28	(12)
Unrecognized gains (losses) on employee benefit obligations	294	270
Cumulative translation adjustments	50	166
Accumulated other comprehensive income (loss), net of deferred taxes	$ 374	$ 381

Note 11: Commitments and Contingencies

Redeemable Subsidiary Preferred Stock

As of September 30, 2018, the fair value of the NBCUniversal Enterprise redeemable subsidiary preferred stock was $742 million. The estimated fair value is based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

Contingencies

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

Table of Contents

Comcast Corporation

Note 12: Condensed Consolidating Financial Information
Comcast ("Comcast Parent"), Comcast Cable Communications, LLC ("CCCL Parent"), and NBCUniversal ("NBCUniversal Media Parent") have fully and unconditionally guaranteed each other's debt securities, including the Comcast revolving credit facility.
Comcast Parent and CCCL Parent also fully and unconditionally guarantee NBCUniversal Enterprise's $3 billion aggregate principal amount of senior notes and $1.6 billion revolving credit facility and commercial paper program. NBCUniversal Media Parent does not guarantee the NBCUniversal Enterprise senior notes, revolving credit facility or commercial paper program.
Comcast Parent provides an unconditional guarantee of the Universal Studios Japan $3.5 billion term loans with a final maturity of March 2022. Comcast Parent also provides an unconditional subordinated guarantee of the $185 million principal amount currently outstanding of Comcast Holdings' ZONES due October 2029. Neither CCCL Parent nor NBCUniversal Media Parent guarantee the Comcast Holdings' ZONES due October 2029. None of Comcast Parent, CCCL Parent nor NBCUniversal Media Parent guarantee the $62 million principal amount currently outstanding of Comcast Holdings' ZONES due November 2029 or the Universal Beijing Resort term loans.

Table of Contents

Comcast Corporation

Condensed Consolidating Statement of Income
For the Three Months Ended September 30, 2018

(in millions)	Comcast Parent	Comcast Holdings	CCCL Parent	NBCUniversal Media Parent	Non-Guarantor Subsidiaries	Elimination and Consolidation Adjustments	Consolidated Comcast Corporation
Revenue:							
Service revenue	$ —	$ —	$ —	$ —	$ 22,135	$ —	$ 22,135