

COMCAST CORP  
Form 10-Q  
October 25, 2018  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2018

OR

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

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

| Commission File Number | 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<br>PENNSYLVANIA<br>One Comcast Center<br>Philadelphia, PA 19103-2838<br>(215) 286-1700    | 27-0000798                         |
| 001-36438              | NBCUNIVERSAL MEDIA, LLC<br>DELAWARE<br>30 Rockefeller Plaza<br>New York, NY 10112-0015<br>(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 ☒ No ☐

NBCUniversal Media, LLC Yes ☒ No ☐

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 ☒ No ☐

NBCUniversal Media, LLC Yes ☒ No ☐

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.

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

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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 ☐ No ☒

NBCUniversal Media, LLC Yes ☐ No ☒

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.

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## Explanatory Note

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

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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
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## PART I: FINANCIAL INFORMATION

## ITEM 1: FINANCIAL STATEMENTS

Comcast Corporation

Condensed Consolidated Statement of Income

(Unaudited)

|                                                                                                            | Three Months<br>Ended<br>September 30 |          | Nine Months<br>Ended<br>September 30 |          |
|------------------------------------------------------------------------------------------------------------|---------------------------------------|----------|--------------------------------------|----------|
|                                                                                                            | 2018                                  | 2017     | 2018                                 | 2017     |
| (in millions, except per share data)                                                                       |                                       |          |                                      |          |
| 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.                                     |                                       |          |                                      |          |

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## Comcast Corporation

Condensed Consolidated Statement of Comprehensive Income  
(Unaudited)

|                                                                                                            | Three Months<br>Ended<br>September 30 |         | Nine Months<br>Ended<br>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.                                     |                                       |         |                                      |         |

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## Comcast Corporation

Condensed Consolidated Statement of Cash Flows  
(Unaudited)

|                                                                                                   | Nine Months<br>Ended<br>September 30 |          |
|---------------------------------------------------------------------------------------------------|--------------------------------------|----------|
| (in millions)                                                                                     | 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.                            |                                      |          |

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## Comcast Corporation

Condensed Consolidated Balance Sheet  
(Unaudited)

|                                                                                                                                                                | September 30,<br>2018 | December 31,<br>2017 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|----------------------|
| (in millions, except share data)                                                                                                                               |                       |                      |
| 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.                                                                                         |                       |                      |



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## Comcast Corporation

Condensed Consolidated Statement of Changes in Equity  
(Unaudited)

| (in millions)                                                                 | Redeemable<br>Noncontrolling<br>Interests<br>and<br>Redeemable<br>Subsidiary<br>Preferred<br>Stock | Common<br>Stock<br>A<br>B | Additional<br>Paid-In<br>Capital | Retained<br>Earnings | Treasury<br>Stock at<br>Cost | Accumulated<br>Other<br>Comprehensive<br>Income<br>(Loss) | Non-<br>controlling<br>Interests | Total<br>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<br>under repurchase program and<br>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)<br>noncontrolling interests, net        | (31 )                                                                                              |                           |                                  |                      |                              |                                                           | (81 )                            | (81 )           |
| Purchase of Universal Studios Japan<br>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<br>accounting standards                     |                                                                                                    |                           |                                  | (43 )                |                              | 76                                                        |                                  | 33              |
| Stock compensation plans                                                      |                                                                                                    |                           | 434                              |                      |                              |                                                           |                                  | 434             |
| Repurchases of common stock<br>under repurchase program and<br>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)<br>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.

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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.

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## Comcast Corporation

## Three Months Ended September 30, 2018

| (in millions)                         | Revenue   | Adjusted<br>EBITDA <sup>(d)</sup> | Depreciation<br>and<br>Amortization | Capital<br>Expenditures | Cash Paid<br>for<br>Intangible<br>Assets |
|---------------------------------------|-----------|-----------------------------------|-------------------------------------|-------------------------|------------------------------------------|
| Cable Communications<br>NBCUniversal  | \$ 13,787 | \$ 5,615                          | \$ 2,071                            | \$ 1,944                | \$ 353                                   |
| 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 <sup>(a)</sup> | 15        | (161                              | ) 106                               | 79                      | 43                                       |
| Eliminations <sup>(b)</sup>           | (73       | )(1                               | ) —                                 | —                       | —                                        |
| NBCUniversal                          | 8,625     | 2,066                             | 514                                 | 405                     | 78                                       |
| Corporate and Other <sup>(c)</sup>    | 276       | (378                              | ) 33                                | 35                      | 14                                       |
| Eliminations <sup>(b)</sup>           | (553      | ) 10                              | —                                   | —                       | —                                        |
| Comcast Consolidated                  | \$ 22,135 | \$ 7,313                          | \$ 2,618                            | \$ 2,384                | \$ 445                                   |

## Three Months Ended September 30, 2017

| (in millions)                         | Revenue   | Adjusted<br>EBITDA <sup>(d)</sup> | Depreciation<br>and<br>Amortization | Capital<br>Expenditures | Cash Paid<br>for<br>Intangible<br>Assets |
|---------------------------------------|-----------|-----------------------------------|-------------------------------------|-------------------------|------------------------------------------|
| Cable Communications<br>NBCUniversal  | \$ 13,339 | \$ 5,216                          | \$ 2,015                            | \$ 2,061                | \$ 284                                   |
| 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 <sup>(a)</sup> | 15        | (122                              | ) 97                                | 66                      | 37                                       |
| Eliminations <sup>(b)</sup>           | (70       | )(1                               | ) —                                 | —                       | —                                        |
| NBCUniversal                          | 7,976     | 2,257                             | 507                                 | 354                     | 69                                       |
| Corporate and Other <sup>(c)</sup>    | 266       | (349                              | ) 24                                | 19                      | 12                                       |
| Eliminations <sup>(b)</sup>           | (500      | ) 9                               | —                                   | —                       | —                                        |
| Comcast Consolidated                  | \$ 21,081 | \$ 7,133                          | \$ 2,546                            | \$ 2,434                | \$ 365                                   |

## Nine Months Ended September 30, 2018

| (in millions)                         | Revenue   | Adjusted<br>EBITDA <sup>(d)</sup> | Depreciation<br>and<br>Amortization | Capital<br>Expenditures | Cash Paid<br>for<br>Intangible<br>Assets |
|---------------------------------------|-----------|-----------------------------------|-------------------------------------|-------------------------|------------------------------------------|
| Cable Communications<br>NBCUniversal  | \$ 41,015 | \$ 16,668                         | \$ 6,171                            | \$ 5,398                | \$ 950                                   |
| Cable Networks <sup>(e)</sup>         | 8,994     | 3,422                             | 548                                 | 22                      | 15                                       |
| Broadcast Television <sup>(e)</sup>   | 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 <sup>(a)</sup> | 44        | (497                              | ) 314                               | 179                     | 106                                      |
| Eliminations <sup>(b)(e)</sup>        | (256      | )(3                               | ) —                                 | —                       | —                                        |

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

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## Comcast Corporation

Nine Months Ended September 30, 2017

| (in millions)                         | Revenue  | Adjusted<br>EBITDA <sup>(d)</sup> | Depreciation<br>and<br>Amortization | Capital<br>Expenditures | Cash Paid<br>for<br>Intangible<br>Assets |
|---------------------------------------|----------|-----------------------------------|-------------------------------------|-------------------------|------------------------------------------|
| Cable Communications<br>NBCUniversal  | \$39,646 | \$ 15,683                         | \$ 5,928                            | \$ 5,798                | \$ 897                                   |
| 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 <sup>(a)</sup> | 32       | (542)                             | ) 292                               | 119                     | 101                                      |
| Eliminations <sup>(b)</sup>           | (242)    | ) (2)                             | ) —                                 | —                       | —                                        |
| NBCUniversal                          | 24,147   | 6,350                             | 1,535                               | 977                     | 197                                      |
| Corporate and Other <sup>(c)</sup>    | 679      | (845)                             | ) 58                                | 64                      | 42                                       |
| Eliminations <sup>(b)</sup>           | (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.

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<br>Ended | Nine Months<br>Ended |
|-----------------------|----------------------|

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|                                         | 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 |

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 (e)xpenses 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.

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## Comcast Corporation

## Note 3: Revenue

|                                           | Three Months<br>Ended<br>September 30 |          | Nine Months<br>Ended<br>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 <sup>(a)</sup> | 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 <sup>(b)</sup>               | (73 )                                 | (70 )    | (256 )                               | (242 )   |
| Total NBCUniversal                        | 8,625                                 | 7,976    | 26,468                               | 24,147   |
| Corporate and Other                       | 276                                   | 266      | 922                                  | 679      |
| Eliminations <sup>(b)</sup>               | (553 )                                | (500 )   | (1,744 )                             | (1,518 ) |
| Total revenue                             | \$22,135                              | \$21,081 | \$66,661                             | \$62,954 |

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.

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.

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|               | Three Months |          | Nine Months  |          |
|---------------|--------------|----------|--------------|----------|
|               | Ended        |          | Ended        |          |
|               | September 30 |          | 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.

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### 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

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### Comcast Corporation

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.

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## 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, December 31, |          |
|---------------------------------------|----------------------------|----------|
|                                       | 2018                       | 2017     |
| Receivables, gross                    | \$ 9,300                   | \$ 9,122 |
| Less: Allowance for doubtful accounts | 317                        | 288      |
| Receivables, net                      | \$ 8,983                   | \$ 8,834 |

| (in millions)                                                                         | September 30, December 31, |          |
|---------------------------------------------------------------------------------------|----------------------------|----------|
|                                                                                       | 2018                       | 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

| (in millions, except per share data)                           | Three Months Ended September 30 |        |           |              |        |           |
|----------------------------------------------------------------|---------------------------------|--------|-----------|--------------|--------|-----------|
|                                                                | 2018                            |        |           | 2017         |        |           |
|                                                                | Net                             |        |           | Net          |        |           |
|                                                                | Income                          |        |           | Income       |        |           |
|                                                                | Attributable                    | Shares | Per Share | Attributable | Shares | Per Share |
|                                                                | Comcast                         |        | Amount    | Comcast      |        | Amount    |
|                                                                | Corporation                     |        |           | Corporation  |        |           |
| 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   |



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## Comcast Corporation

|                                                            | Nine Months Ended September 30 |        |           | 2017         |        |           |
|------------------------------------------------------------|--------------------------------|--------|-----------|--------------|--------|-----------|
|                                                            | 2018                           |        |           | 2017         |        |           |
|                                                            | Net                            |        |           | Net          |        |           |
|                                                            | Income                         |        |           | Income       |        |           |
| (in millions, except per share data)                       | Attributable                   | Shares | Per Share | Attributable | Shares | Per Share |
|                                                            | Comcast                        | Amount | Amount    | Comcast      | Amount | Amount    |
|                                                            | Corporation                    |        |           | Corporation  |        |           |
| 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<br>Months<br>Ended<br>September<br>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<br>Months<br>Ended<br>September<br>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.

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## 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.

|                                             | Three<br>Months<br>Ended<br>September<br>30<br>2018 | Nine<br>Months<br>Ended<br>September<br>30<br>2018 |
|---------------------------------------------|-----------------------------------------------------|----------------------------------------------------|
| (in millions)                               |                                                     |                                                    |
| 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.

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### 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.

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## Comcast Corporation

## Condensed Consolidated Statement of Income

| (in millions)                                  | Three Months Ended<br>September 30, 2017 |                        |                | Nine Months Ended<br>September 30, 2017 |                        |                |
|------------------------------------------------|------------------------------------------|------------------------|----------------|-----------------------------------------|------------------------|----------------|
|                                                | Previously<br>Reported                   | Effects of<br>Adoption | As<br>Adjusted | Previously<br>Reported                  | Effects of<br>Adoption | As<br>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<br>Reported | Effects<br>of<br>Adoption | As<br>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.

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## 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.

| (in millions)                         | Three Months Ended     |                           |                | Nine Months Ended      |                           |                |
|---------------------------------------|------------------------|---------------------------|----------------|------------------------|---------------------------|----------------|
|                                       | September 30, 2017     |                           |                | September 30, 2017     |                           |                |
|                                       | Previously<br>Reported | Effects<br>of<br>Adoption | As<br>Adjusted | Previously<br>Reported | Effects<br>of<br>Adoption | As<br>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).

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## 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,<br>2018 | December 31,<br>2017 |
|---------------------------------------------|-----------------------|----------------------|
| <b>Film Costs:</b>                          |                       |                      |
| 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                |
| <b>Television Costs:</b>                    |                       |                      |
| 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,<br>2018 | December 31,<br>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             |



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## Comcast Corporation

## Investment and Other Income (Loss), Net

|                                                                  | Three Months Ended September 30 |        | Nine Months Ended September 30 |       |
|------------------------------------------------------------------|---------------------------------|--------|--------------------------------|-------|
| (in millions)                                                    | 2018                            | 2017   | 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.

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## Comcast Corporation

## 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<br>Months<br>Ended<br>September<br>30 |       | Nine<br>Months<br>Ended<br>September<br>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.

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## Comcast Corporation

## Cash Payments for Interest and Income Taxes

Nine Months

Ended

September 30

(in millions) 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, December 31,  
2018 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, September 30,  
2018 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.



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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.

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## Comcast Corporation

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

| (in millions)                                                                                              | Comcast<br>Parent | Comcast<br>Holdings | CCCL<br>Parent | NBC<br>Media<br>Parent | Univers<br>Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|------------------------------------------------------------------------------------------------------------|-------------------|---------------------|----------------|------------------------|----------------------------------------------|----------------------------------------------------|----------------------------------------|
| Revenue:                                                                                                   |                   |                     |                |                        |                                              |                                                    |                                        |
| Service revenue                                                                                            | \$—               | \$—                 | \$—            | \$—                    | \$ 22,135                                    | \$—                                                | \$ 22,135                              |
| Management fee revenue                                                                                     | 299               | —                   | 294            | —                      | —                                            | (593)                                              | )—                                     |
| Total revenue                                                                                              | 299               | —                   | 294            | —                      | 22,135                                       | (593)                                              | ) 22,135                               |
| Costs and Expenses:                                                                                        |                   |                     |                |                        |                                              |                                                    |                                        |
| Programming and production                                                                                 | —                 | —                   | —              | —                      | 6,711                                        | —                                                  | 6,711                                  |
| Other operating and administrative                                                                         | 208               | —                   | 294            | 230                    | 6,305                                        | (593)                                              | ) 6,444                                |
| Advertising, marketing and promotion                                                                       | —                 | —                   | —              | —                      | 1,667                                        | —                                                  | 1,667                                  |
| Depreciation                                                                                               | 12                | —                   | —              | —                      | 2,026                                        | —                                                  | 2,038                                  |
| Amortization                                                                                               | 1                 | —                   | —              | —                      | 579                                          | —                                                  | 580                                    |
| Other operating gains                                                                                      | —                 | —                   | —              | —                      | (141)                                        | )—                                                 | (141 )                                 |
| Total cost and expenses                                                                                    | 221               | —                   | 294            | 230                    | 17,147                                       | (593)                                              | ) 17,299                               |
| Operating income (loss)                                                                                    | 78                | —                   | —              | (230)                  | ) 4,988                                      | —                                                  | 4,836                                  |
| Interest expense                                                                                           | (600)             | ) (3)               | ) (48)         | ) (113)                | ) (66)                                       | )—                                                 | (830 )                                 |
| Investment and other income (loss), net                                                                    | 3,299             | 3,380               | 3,007          | 1,576                  | 1,065                                        | (12,438)                                           | ) (111 )                               |
| Income (loss) before income taxes                                                                          | 2,777             | 3,377               | 2,959          | 1,233                  | 5,987                                        | (12,438)                                           | ) 3,895                                |
| Income tax (expense) benefit                                                                               | 109               | (1)                 | ) 10           | (2)                    | ) (1,115)                                    | )—                                                 | (999 )                                 |
| Net income (loss)                                                                                          | 2,886             | 3,376               | 2,969          | 1,231                  | 4,872                                        | (12,438)                                           | ) 2,896                                |
| Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock | —                 | —                   | —              | —                      | 10                                           | —                                                  | 10                                     |
| Net income (loss) attributable to Comcast Corporation                                                      | \$ 2,886          | \$ 3,376            | \$ 2,969       | \$ 1,231               | \$ 4,862                                     | \$ (12,438)                                        | ) \$ 2,886                             |
| Comprehensive income (loss) attributable to Comcast Corporation                                            | \$ 2,799          | \$ 3,349            | \$ 2,974       | \$ 1,112               | \$ 4,663                                     | \$ (12,098)                                        | ) \$ 2,799                             |

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## Comcast Corporation

Condensed Consolidating Statement of Income  
For the Three Months Ended September 30, 2017

| (in millions)                                                                                              | Comcast<br>Parent | Comcast<br>Holdings | CCCL<br>Parent | NBCU<br>Media<br>Parent | Univers<br>Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|------------------------------------------------------------------------------------------------------------|-------------------|---------------------|----------------|-------------------------|----------------------------------------------|----------------------------------------------------|----------------------------------------|
| Revenue:                                                                                                   |                   |                     |                |                         |                                              |                                                    |                                        |
| Service revenue                                                                                            | \$—               | \$—                 | \$—            | \$—                     | \$ 21,081                                    | \$—                                                | \$ 21,081                              |
| Management fee revenue                                                                                     | 285               | —                   | 280            | —                       | —                                            | (565)                                              | )—                                     |
| Total revenue                                                                                              | 285               | —                   | 280            | —                       | 21,081                                       | (565)                                              | ) 21,081                               |
| Costs and Expenses:                                                                                        |                   |                     |                |                         |                                              |                                                    |                                        |
| Programming and production                                                                                 | —                 | —                   | —              | —                       | 6,059                                        | —                                                  | 6,059                                  |
| Other operating and administrative                                                                         | 183               | —                   | 280            | 277                     | 6,360                                        | (565)                                              | ) 6,535                                |
| Advertising, marketing and promotion                                                                       | —                 | —                   | —              | —                       | 1,604                                        | —                                                  | 1,604                                  |
| Depreciation                                                                                               | 7                 | —                   | —              | —                       | 1,984                                        | —                                                  | 1,991                                  |
| Amortization                                                                                               | 1                 | —                   | —              | —                       | 554                                          | —                                                  | 555                                    |
| Other operating gains                                                                                      | —                 | —                   | —              | —                       | (442)                                        | )—                                                 | (442 )                                 |
| Total cost and expenses                                                                                    | 191               | —                   | 280            | 277                     | 16,119                                       | (565)                                              | ) 16,302                               |
| Operating income (loss)                                                                                    | 94                | —                   | —              | (277                    | ) 4,962                                      | —                                                  | 4,779                                  |
| Interest expense                                                                                           | (544              | ) (3                | ) (48          | ) (116                  | ) (55                                        | )—                                                 | (766 )                                 |
| Investment and other income (loss), net                                                                    | 2,934             | 2,513               | 1,995          | 2,206                   | 1,845                                        | (11,423                                            | ) 70                                   |
| Income (loss) before income taxes                                                                          | 2,484             | 2,510               | 1,947          | 1,813                   | 6,752                                        | (11,423                                            | ) 4,083                                |
| Income tax (expense) benefit                                                                               | 158               | (10                 | ) 17           | (6                      | ) (1,568                                     | )—                                                 | (1,409 )                               |
| Net income (loss)                                                                                          | 2,642             | 2,500               | 1,964          | 1,807                   | 5,184                                        | (11,423                                            | ) 2,674                                |
| Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock | —                 | —                   | —              | —                       | 32                                           | —                                                  | 32                                     |
| Net income (loss) attributable to Comcast Corporation                                                      | \$ 2,642          | \$ 2,500            | \$ 1,964       | \$ 1,807                | \$ 5,152                                     | \$ (11,423                                         | ) \$ 2,642                             |
| Comprehensive income (loss) attributable to Comcast Corporation                                            | \$ 2,595          | \$ 2,484            | \$ 1,968       | \$ 1,722                | \$ 5,024                                     | \$ (11,198                                         | ) \$ 2,595                             |

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## Comcast Corporation

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

| (in millions)                                                                                              | Comcast<br>Parent | Comcast<br>Holdings | CCCL<br>Parent | NBC<br>Media<br>Parent | Univers<br>Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|------------------------------------------------------------------------------------------------------------|-------------------|---------------------|----------------|------------------------|----------------------------------------------|----------------------------------------------------|----------------------------------------|
| Revenue:                                                                                                   |                   |                     |                |                        |                                              |                                                    |                                        |
| Service revenue                                                                                            | \$—               | \$—                 | \$—            | \$ —                   | \$ 66,661                                    | \$ —                                               | \$ 66,661                              |
| Management fee revenue                                                                                     | 889               | —                   | 873            | —                      | —                                            | (1,762                                             | ) —                                    |
| Total revenue                                                                                              | 889               | —                   | 873            | —                      | 66,661                                       | (1,762                                             | ) 66,661                               |
| Costs and Expenses:                                                                                        |                   |                     |                |                        |                                              |                                                    |                                        |
| Programming and production                                                                                 | —                 | —                   | —              | —                      | 20,440                                       | —                                                  | 20,440                                 |
| Other operating and administrative                                                                         | 626               | —                   | 873            | 772                    | 18,814                                       | (1,762                                             | ) 19,323                               |
| Advertising, marketing and promotion                                                                       | —                 | —                   | —              | —                      | 4,924                                        | —                                                  | 4,924                                  |
| Depreciation                                                                                               | 34                | —                   | —              | —                      | 6,036                                        | —                                                  | 6,070                                  |
| Amortization                                                                                               | 4                 | —                   | —              | —                      | 1,746                                        | —                                                  | 1,750                                  |
| Other operating gains                                                                                      | —                 | —                   | —              | —                      | (341                                         | ) —                                                | (341 )                                 |
| Total cost and expenses                                                                                    | 664               | —                   | 873            | 772                    | 51,619                                       | (1,762                                             | ) 52,166                               |
| Operating income (loss)                                                                                    | 225               | —                   | —              | (772                   | ) 15,042                                     | —                                                  | 14,495                                 |
| Interest expense                                                                                           | (1,739            | )(9                 | )(143          | )(332                  | )(190                                        | ) —                                                | (2,413 )                               |
| Investment and other income (loss), net                                                                    | 10,416            | 10,279              | 8,832          | 5,107                  | 3,977                                        | (38,519                                            | ) 92                                   |
| Income (loss) before income taxes                                                                          | 8,902             | 10,270              | 8,689          | 4,003                  | 18,829                                       | (38,519                                            | ) 12,174                               |
| Income tax (expense) benefit                                                                               | 318               | —                   | 29             | (12                    | ) (3,229                                     | ) —                                                | (2,894 )                               |
| Net income (loss)                                                                                          | 9,220             | 10,270              | 8,718          | 3,991                  | 15,600                                       | (38,519                                            | ) 9,280                                |
| Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock | —                 | —                   | —              | —                      | 60                                           | —                                                  | 60                                     |
| Net income (loss) attributable to Comcast Corporation                                                      | \$ 9,220          | \$ 10,270           | \$ 8,718       | \$ 3,991               | \$ 15,540                                    | \$ (38,519                                         | ) \$ 9,220                             |
| Comprehensive income (loss) attributable to Comcast Corporation                                            | \$ 9,139          | \$ 10,245           | \$ 8,723       | \$ 3,877               | \$ 15,357                                    | \$ (38,202                                         | ) \$ 9,139                             |

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## Comcast Corporation

Condensed Consolidating Statement of Income  
For the Nine Months Ended September 30, 2017

| (in millions)                                                                                              | Comcast<br>Parent | Comcast<br>Holdings | CCCL<br>Parent | NBC<br>Media<br>Parent | Univers<br>Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|------------------------------------------------------------------------------------------------------------|-------------------|---------------------|----------------|------------------------|----------------------------------------------|----------------------------------------------------|----------------------------------------|
| Revenue:                                                                                                   |                   |                     |                |                        |                                              |                                                    |                                        |
| Service revenue                                                                                            | \$—               | \$—                 | \$—            | \$—                    | \$ 62,954                                    | \$—                                                | \$ 62,954                              |
| Management fee revenue                                                                                     | 841               | —                   | 827            | —                      | —                                            | (1,668)                                            | )—                                     |
| Total revenue                                                                                              | 841               | —                   | 827            | —                      | 62,954                                       | (1,668)                                            | ) 62,954                               |
| Costs and Expenses:                                                                                        |                   |                     |                |                        |                                              |                                                    |                                        |
| Programming and production                                                                                 | —                 | —                   | —              | —                      | 18,450                                       | —                                                  | 18,450                                 |
| Other operating and administrative                                                                         | 553               | —                   | 827            | 844                    | 18,086                                       | (1,668)                                            | ) 18,642                               |
| Advertising, marketing and promotion                                                                       | —                 | —                   | —              | —                      | 4,894                                        | —                                                  | 4,894                                  |
| Depreciation                                                                                               | 21                | —                   | —              | —                      | 5,855                                        | —                                                  | 5,876                                  |
| Amortization                                                                                               | 4                 | —                   | —              | —                      | 1,641                                        | —                                                  | 1,645                                  |
| Other operating gains                                                                                      | —                 | —                   | —              | —                      | (442)                                        | )—                                                 | (442 )                                 |
| Total costs and expenses                                                                                   | 578               | —                   | 827            | 844                    | 48,484                                       | (1,668)                                            | ) 49,065                               |
| Operating income (loss)                                                                                    | 263               | —                   | —              | (844)                  | ) 14,470                                     | —                                                  | 13,889                                 |
| Interest expense                                                                                           | (1,592)           | ) (9)               | ) (159)        | ) (344)                | ) (175)                                      | )—                                                 | (2,279 )                               |
| Investment and other income (loss), net                                                                    | 8,600             | 7,841               | 6,628          | 5,493                  | 4,476                                        | (32,739)                                           | ) 299                                  |
| Income (loss) before income taxes                                                                          | 7,271             | 7,832               | 6,469          | 4,305                  | 18,771                                       | (32,739)                                           | ) 11,909                               |
| Income tax (expense) benefit                                                                               | 465               | (26)                | ) 56           | (17)                   | ) (4,516)                                    | )—                                                 | (4,038 )                               |
| Net income (loss)                                                                                          | 7,736             | 7,806               | 6,525          | 4,288                  | 14,255                                       | (32,739)                                           | ) 7,871                                |
| Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock | —                 | —                   | —              | —                      | 135                                          | —                                                  | 135                                    |
| Net income (loss) attributable to Comcast Corporation                                                      | \$ 7,736          | \$ 7,806            | \$ 6,525       | \$ 4,288               | \$ 14,120                                    | \$ (32,739)                                        | ) \$ 7,736                             |
| Comprehensive income (loss) attributable to Comcast Corporation                                            | \$ 7,825          | \$ 7,804            | \$ 6,531       | \$ 4,253               | \$ 13,993                                    | \$ (32,581)                                        | ) \$ 7,825                             |

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## Comcast Corporation

Condensed Consolidating Statement of Cash Flows  
For the Nine Months Ended September 30, 2018

| (in millions)                                                                                     | Comcast<br>Parent | Comcast<br>Holding | CCCL<br>Parent | NBC<br>Media<br>Parent | Universal<br>Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|---------------------------------------------------------------------------------------------------|-------------------|--------------------|----------------|------------------------|------------------------------------------------|----------------------------------------------------|----------------------------------------|
| Net cash provided by (used in) operating activities                                               | \$(1,461)         | \$ 137             | \$(206)        | \$(1,047)              | ) \$ 21,084                                    | \$                                                 | —\$ 18,507                             |
| Investing Activities:                                                                             |                   |                    |                |                        |                                                |                                                    |                                        |
| Net transactions with affiliates                                                                  | (1,087)           | )(586              | ) 206          | 800                    | 667                                            | —                                                  | —                                      |
| Capital expenditures                                                                              | (15)              | )—                 | —              | —                      | (6,592)                                        | )—                                                 | (6,607 )                               |
| Cash paid for intangible assets                                                                   | (3)               | )—                 | —              | —                      | (1,372)                                        | )—                                                 | (1,375 )                               |
| Acquisitions and construction of real estate properties                                           | (94)              | )—                 | —              | —                      | (35)                                           | )—                                                 | (129 )                                 |
| Construction of Universal Beijing Resort                                                          | —                 | —                  | —              | —                      | (257)                                          | )—                                                 | (257 )                                 |
| Acquisitions, net of cash acquired                                                                | —                 | —                  | —              | —                      | (88)                                           | )—                                                 | (88 )                                  |
| Proceeds from sales of investments                                                                | —                 | —                  | —              | 67                     | 60                                             | —                                                  | 127                                    |
| Purchases of investments                                                                          | (118)             | )—                 | —              | (50)                   | ) (672)                                        | )—                                                 | (840 )                                 |
| Other                                                                                             | —                 | 449                | —              | —                      | 130                                            | —                                                  | 579                                    |
| Net cash provided by (used in) investing activities                                               | (1,317)           | )(137              | ) 206          | 817                    | (8,159)                                        | )—                                                 | (8,590 )                               |
| Financing Activities:                                                                             |                   |                    |                |                        |                                                |                                                    |                                        |
| Proceeds from (repayments of) short-term borrowings, net                                          | 2,117             | —                  | —              | —                      | 792                                            | —                                                  | 2,909                                  |
| Proceeds from borrowings                                                                          | 9,386             | —                  | —              | —                      | 464                                            | —                                                  | 9,850                                  |
| Repurchases and repayments of debt                                                                | (1,900)           | )—                 | —              | (3)                    | ) (2,502)                                      | )—                                                 | (4,405 )                               |
| Repurchases of common stock under repurchase program and employee plans                           | (4,282)           | )—                 | —              | —                      | —                                              | —                                                  | (4,282 )                               |
| Dividends paid                                                                                    | (2,487)           | )—                 | —              | —                      | —                                              | —                                                  | (2,487 )                               |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | —                 | —                  | —              | —                      | (209)                                          | )—                                                 | (209 )                                 |
| Other                                                                                             | (56)              | )—                 | —              | —                      | (186)                                          | )—                                                 | (242 )                                 |
| Net cash provided by (used in) financing activities                                               | 2,778             | —                  | —              | (3)                    | ) (1,641)                                      | )—                                                 | 1,134                                  |
| Increase (decrease) in cash, cash equivalents and restricted cash                                 | —                 | —                  | —              | (233)                  | ) 11,284                                       | —                                                  | 11,051                                 |
| Cash, cash equivalents and restricted cash, beginning of period                                   | —                 | —                  | —              | 496                    | 3,075                                          | —                                                  | 3,571                                  |
| Cash, cash equivalents and restricted cash, end of period                                         | \$—               | \$ —               | \$ —           | \$ 263                 | \$ 14,359                                      | \$                                                 | —\$ 14,622                             |

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## Comcast Corporation

Condensed Consolidating Statement of Cash Flows  
For the Nine Months Ended September 30, 2017

| (in millions)                                                                                     | Comcast<br>Parent | Comcast<br>Holding<br>Company | CCCL<br>Parent | NBCU<br>Media<br>Parent | Universal<br>Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|---------------------------------------------------------------------------------------------------|-------------------|-------------------------------|----------------|-------------------------|------------------------------------------------|----------------------------------------------------|----------------------------------------|
| Net cash provided by (used in) operating activities                                               | \$ (931 )         | \$ 91                         | \$ (233 )      | \$ (1,055 )             | \$ 17,985                                      | \$ —                                               | \$ 15,857                              |
| Investing Activities:                                                                             |                   |                               |                |                         |                                                |                                                    |                                        |
| Net transactions with affiliates                                                                  | 4,216             | (91 )                         | 818            | 833                     | (5,776 )                                       | —                                                  | —                                      |
| Capital expenditures                                                                              | (6 )              | —                             | —              | —                       | (6,833 )                                       | —                                                  | (6,839 )                               |
| Cash paid for intangible assets                                                                   | (2 )              | —                             | —              | —                       | (1,134 )                                       | —                                                  | (1,136 )                               |
| Acquisitions and construction of real estate properties                                           | (190 )            | —                             | —              | —                       | (135 )                                         | —                                                  | (325 )                                 |
| Construction of Universal Beijing Resort                                                          | —                 | —                             | —              | —                       | (47 )                                          | —                                                  | (47 )                                  |
| Acquisitions, net of cash acquired                                                                | —                 | —                             | —              | —                       | (429 )                                         | —                                                  | (429 )                                 |
| Proceeds from sales of investments                                                                | —                 | —                             | —              | 10                      | 110                                            | —                                                  | 120                                    |
| Purchases of investments                                                                          | (56 )             | —                             | (35 )          | (57 )                   | (1,916 )                                       | —                                                  | (2,064 )                               |
| Other                                                                                             | 101               | —                             | —              | 49                      | 647                                            | —                                                  | 797                                    |
| Net cash provided by (used in) investing activities                                               | 4,063             | (91 )                         | 783            | 835                     | (15,513 )                                      | —                                                  | (9,923 )                               |
| Financing Activities:                                                                             |                   |                               |                |                         |                                                |                                                    |                                        |
| Proceeds from (repayments of) short-term borrowings, net                                          | (1,739 )          | —                             | —              | —                       | (1,068 )                                       | —                                                  | (2,807 )                               |
| Proceeds from borrowings                                                                          | 5,997             | —                             | —              | —                       | 5,463                                          | —                                                  | 11,460                                 |
| Repurchases and repayments of debt                                                                | (1,000 )          | —                             | (550 )         | (3 )                    | (3,468 )                                       | —                                                  | (5,021 )                               |
| Repurchases of common stock under repurchase program and employee plans                           | (4,212 )          | —                             | —              | —                       | —                                              | —                                                  | (4,212 )                               |
| Dividends paid                                                                                    | (2,147 )          | —                             | —              | —                       | —                                              | —                                                  | (2,147 )                               |
| Purchase of Universal Studios Japan noncontrolling interests                                      | —                 | —                             | —              | —                       | (2,299 )                                       | —                                                  | (2,299 )                               |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | —                 | —                             | —              | —                       | (198 )                                         | —                                                  | (198 )                                 |
| Other                                                                                             | (31 )             | —                             | —              | —                       | 134                                            | —                                                  | 103                                    |
| Net cash provided by (used in) financing activities                                               | (3,132 )          | —                             | (550 )         | (3 )                    | (1,436 )                                       | —                                                  | (5,121 )                               |
| Increase (decrease) in cash, cash equivalents and restricted cash                                 | —                 | —                             | —              | (223 )                  | 1,036                                          | —                                                  | 813                                    |
| Cash, cash equivalents and restricted cash, beginning of period                                   | —                 | —                             | —              | 482                     | 2,933                                          | —                                                  | 3,415                                  |
| Cash, cash equivalents and restricted cash, end of period                                         | \$ —              | \$ —                          | \$ —           | \$ 259                  | \$ 3,969                                       | \$ —                                               | \$ 4,228                               |

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## Comcast Corporation

## Condensed Consolidating Balance Sheet

September 30, 2018

| (in millions)                                                                        | Comcast<br>Parent | Comcast<br>Holdings | CCCL<br>Parent | NBCUniversal<br>Media<br>Parent | Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|--------------------------------------------------------------------------------------|-------------------|---------------------|----------------|---------------------------------|-----------------------------------|----------------------------------------------------|----------------------------------------|
| <b>Assets</b>                                                                        |                   |                     |                |                                 |                                   |                                                    |                                        |
| Cash and cash equivalents                                                            | \$—               | \$—                 | \$—            | \$ 263                          | \$ 10,353                         | \$—                                                | \$ 10,616                              |
| Receivables, net                                                                     | —                 | —                   | —              | —                               | 8,983                             | —                                                  | 8,983                                  |
| Programming rights                                                                   | —                 | —                   | —              | —                               | 1,223                             | —                                                  | 1,223                                  |
| Other current assets                                                                 | 58                | 8                   | —              | 34                              | 2,284                             | —                                                  | 2,384                                  |
| Total current assets                                                                 | 58                | 8                   | —              | 297                             | 22,843                            | —                                                  | 23,206                                 |
| Film and television costs                                                            | —                 | —                   | —              | —                               | 7,377                             | —                                                  | 7,377                                  |
| Investments                                                                          | 267               | 11                  | 122            | 790                             | 6,534                             | —                                                  | 7,724                                  |
| Investments in and amounts due from<br>subsidiaries eliminated upon<br>consolidation | 129,360           | 146,297             | 132,562        | 53,078                          | 103,526                           | (564,823)                                          | ) —                                    |
| Property and equipment, net                                                          | 649               | —                   | —              | —                               | 39,206                            | —                                                  | 39,855                                 |
| Franchise rights                                                                     | —                 | —                   | —              | —                               | 59,365                            | —                                                  | 59,365                                 |
| Goodwill                                                                             | —                 | —                   | —              | —                               | 36,703                            | —                                                  | 36,703                                 |
| Other intangible assets, net                                                         | 11                | —                   | —              | —                               | 18,638                            | —                                                  | 18,649                                 |
| Other noncurrent assets, net                                                         | 782               | 230                 | —              | 95                              | 6,884                             | (235)                                              | ) 7,756                                |
| Total assets                                                                         | \$ 131,127        | \$ 146,546          | \$ 132,684     | \$ 54,260                       | \$ 301,076                        | \$ (565,058)                                       | ) \$ 200,635                           |
| <b>Liabilities and Equity</b>                                                        |                   |                     |                |                                 |                                   |                                                    |                                        |
| Accounts payable and accrued<br>expenses related to trade creditors                  | \$ 13             | \$—                 | \$—            | \$ —                            | \$ 7,023                          | \$—                                                | \$ 7,036                               |
| Accrued participations and residuals                                                 | —                 | —                   | —              | —                               | 1,809                             | —                                                  | 1,809                                  |
| Deferred revenue                                                                     | —                 | —                   | —              | —                               | 1,633                             | —                                                  | 1,633                                  |
| Accrued expenses and other current<br>liabilities                                    | 1,852             | 150                 | 231            | 346                             | 3,397                             | —                                                  | 5,976                                  |
| Current portion of long-term debt                                                    | 699               | —                   | —              | 4                               | 2,470                             | —                                                  | 3,173                                  |
| Total current liabilities                                                            | 2,564             | 150                 | 231            | 350                             | 16,332                            | —                                                  | 19,627                                 |
| Long-term debt, less current portion                                                 | 54,120            | 144                 | 2,100          | 7,748                           | 5,599                             | —                                                  | 69,711                                 |
| Deferred income taxes                                                                | —                 | 330                 | —              | 68                              | 25,070                            | (301)                                              | ) 25,167                               |
| Other noncurrent liabilities                                                         | 2,920             | —                   | —              | 1,225                           | 8,257                             | 66                                                 | 12,468                                 |
| Redeemable noncontrolling interests<br>and redeemable subsidiary preferred<br>stock  | —                 | —                   | —              | —                               | 1,317                             | —                                                  | 1,317                                  |
| <b>Equity:</b>                                                                       |                   |                     |                |                                 |                                   |                                                    |                                        |
| Common stock                                                                         | 54                | —                   | —              | —                               | —                                 | —                                                  | 54                                     |
| Other shareholders' equity                                                           | 71,469            | 145,922             | 130,353        | 44,869                          | 243,679                           | (564,823)                                          | ) 71,469                               |
| Total Comcast Corporation<br>shareholders' equity                                    | 71,523            | 145,922             | 130,353        | 44,869                          | 243,679                           | (564,823)                                          | ) 71,523                               |
| Noncontrolling interests                                                             | —                 | —                   | —              | —                               | 822                               | —                                                  | 822                                    |
| Total equity                                                                         | 71,523            | 145,922             | 130,353        | 44,869                          | 244,501                           | (564,823)                                          | ) 72,345                               |
| Total liabilities and equity                                                         | \$ 131,127        | \$ 146,546          | \$ 132,684     | \$ 54,260                       | \$ 301,076                        | \$ (565,058)                                       | ) \$ 200,635                           |



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## Comcast Corporation

## Condensed Consolidating Balance Sheet

December 31, 2017

| (in millions)                                                                        | Comcast<br>Parent | Comcast<br>Holdings | CCCL<br>Parent | NBCUniversal<br>Media<br>Parent | Non-<br>Guarantor<br>Subsidiaries | Elimination<br>and<br>Consolidation<br>Adjustments | Consolidated<br>Comcast<br>Corporation |
|--------------------------------------------------------------------------------------|-------------------|---------------------|----------------|---------------------------------|-----------------------------------|----------------------------------------------------|----------------------------------------|
| <b>Assets</b>                                                                        |                   |                     |                |                                 |                                   |                                                    |                                        |
| Cash and cash equivalents                                                            | \$—               | \$—                 | \$—            | \$ 496                          | \$ 2,932                          | \$—                                                | \$ 3,428                               |
| Receivables, net                                                                     | —                 | —                   | —              | —                               | 8,834                             | —                                                  | 8,834                                  |
| Programming rights                                                                   | —                 | —                   | —              | —                               | 1,613                             | —                                                  | 1,613                                  |
| Other current assets                                                                 | 60                | —                   | 7              | 25                              | 2,376                             | —                                                  | 2,468                                  |
| Total current assets                                                                 | 60                | —                   | 7              | 521                             | 15,755                            | —                                                  | 16,343                                 |
| Film and television costs                                                            | —                 | —                   | —              | —                               | 7,087                             | —                                                  | 7,087                                  |
| Investments                                                                          | 146               | 21                  | 108            | 693                             | 5,963                             | —                                                  | 6,931                                  |
| Investments in and amounts due from<br>subsidiaries eliminated upon<br>consolidation | 117,164           | 142,519             | 139,528        | 50,102                          | 113,332                           | (562,645)                                          | )—                                     |
| Property and equipment, net                                                          | 551               | —                   | —              | —                               | 37,919                            | —                                                  | 38,470                                 |
| Franchise rights                                                                     | —                 | —                   | —              | —                               | 59,364                            | —                                                  | 59,364                                 |
| Goodwill                                                                             | —                 | —                   | —              | —                               | 36,780                            | —                                                  | 36,780                                 |
| Other intangible assets, net                                                         | 12                | —                   | —              | —                               | 18,121                            | —                                                  | 18,133                                 |
| Other noncurrent assets, net                                                         | 435               | 708                 | —              | 88                              | 3,437                             | (314)                                              | ) 4,354                                |
| Total assets                                                                         | \$ 118,368        | \$ 143,248          | \$ 139,643     | \$ 51,404                       | \$ 297,758                        | \$ (562,959)                                       | ) \$ 187,462                           |
| <b>Liabilities and Equity</b>                                                        |                   |                     |                |                                 |                                   |                                                    |                                        |
| Accounts payable and accrued<br>expenses related to trade creditors                  | \$ 16             | \$—                 | \$—            | \$ —                            | \$ 6,892                          | \$—                                                | \$ 6,908                               |
| Accrued participations and residuals                                                 | —                 | —                   | —              | —                               | 1,644                             | —                                                  | 1,644                                  |
| Deferred revenue                                                                     | —                 | —                   | —              | —                               | 1,687                             | —                                                  | 1,687                                  |
| Accrued expenses and other current<br>liabilities                                    | 1,888             | 92                  | 333            | 326                             | 3,981                             | —                                                  | 6,620                                  |
| Current portion of long-term debt                                                    | 2,810             | —                   | —              | 4                               | 2,320                             | —                                                  | 5,134                                  |
| Total current liabilities                                                            | 4,714             | 92                  | 333            | 330                             | 16,524                            | —                                                  | 21,993                                 |
| Long-term debt, less current portion                                                 | 42,428            | 140                 | 2,100          | 7,751                           | 7,003                             | —                                                  | 59,422                                 |
| Deferred income taxes                                                                | —                 | 285                 | —              | 67                              | 24,250                            | (343)                                              | ) 24,259                               |
| Other noncurrent liabilities                                                         | 2,610             | —                   | —              | 1,128                           | 7,205                             | 29                                                 | 10,972                                 |
| Redeemable noncontrolling interests<br>and redeemable subsidiary preferred<br>stock  | —                 | —                   | —              | —                               | 1,357                             | —                                                  | 1,357                                  |
| <b>Equity:</b>                                                                       |                   |                     |                |                                 |                                   |                                                    |                                        |
| Common stock                                                                         | 55                | —                   | —              | —                               | —                                 | —                                                  | 55                                     |
| Other shareholders' equity                                                           | 68,561            | 142,731             | 137,210        | 42,128                          | 240,576                           | (562,645)                                          | ) 68,561                               |
| Total Comcast Corporation<br>shareholders' equity                                    | 68,616            | 142,731             | 137,210        | 42,128                          | 240,576                           | (562,645)                                          | ) 68,616                               |
| Noncontrolling interests                                                             | —                 | —                   | —              | —                               | 843                               | —                                                  | 843                                    |
| Total equity                                                                         | 68,616            | 142,731             | 137,210        | 42,128                          | 241,419                           | (562,645)                                          | ) 69,459                               |
| Total liabilities and equity                                                         | \$ 118,368        | \$ 143,248          | \$ 139,643     | \$ 51,404                       | \$ 297,758                        | \$ (562,959)                                       | ) \$ 187,462                           |



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

Overview

We are a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. We present our operations for Comcast Cable in one reportable business segment, referred to as Cable Communications, and our operations for NBCUniversal in four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks (collectively, the "NBCUniversal segments").

We adopted the updated guidance related to revenue recognition on January 1, 2018 on a full retrospective basis, which required us to reflect the impact of the updated guidance for all periods presented (see Note 7 to Comcast's condensed consolidated financial statements and Note 6 to NBCUniversal's condensed consolidated financial statements).

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. 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. Sky's results will be included in our consolidated financial statements beginning in the fourth quarter of 2018.

Cable Communications Segment

Comcast Cable 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. As of September 30, 2018, our cable systems had 30.1 million total customer relationships, including 27.8 million residential and 2.3 million business customer relationships, and passed more than 57 million homes and businesses. Our Cable Communications segment generates revenue primarily from residential and business customers that subscribe to our cable services, which we market individually and as bundled services, and from the sale of advertising.

NBCUniversal Segments

NBCUniversal is one of the world's leading media and entertainment companies that develops, produces and distributes entertainment, news and information, sports, and other content for global audiences, and owns and operates theme parks worldwide.

Cable Networks

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks 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 our various digital properties. Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to traditional and virtual multichannel video providers; from the sale of advertising on our cable networks and digital properties; from the licensing of our owned programming, including programming from our cable television studio production operations, to cable and broadcast networks and subscription video on demand services; and from the sale of our owned programming on standard-definition digital video discs and Blu-ray discs (together, "DVDs") and through digital distribution services such as iTunes.

Broadcast Television

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



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### Filmed Entertainment

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Illumination, DreamWorks Animation and Focus Features names. Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our produced and acquired films for exhibition in movie theaters, from the licensing of produced and acquired films through various distribution platforms, and from the sale of produced and acquired films on DVDs and through digital distribution services. Our Filmed Entertainment segment also generates revenue from Fandango, our movie ticketing and entertainment business, the sale of consumer products, the production and licensing of live stage plays, and the distribution of filmed entertainment produced by third parties.

### Theme Parks

Our Theme Parks segment 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 theme park in Beijing, China. Our Theme Parks segment generates revenue primarily from ticket sales and guest spending at our Universal theme parks.

### Corporate and Other

We are pursuing business development initiatives, such as our wireless phone service that we launched in the second quarter of 2017 using our virtual network operator rights to provide the service over Verizon's wireless network and our existing network of in-home and outdoor Wi-Fi hotspots. We offer the wireless phone service only as part of our bundled service offerings to residential customers that subscribe to our high-speed Internet service within our cable distribution footprint and may in the future also offer wireless phone service to our small business customers on similar terms. The wireless phone service has success-based working capital requirements, primarily associated with the procurement of handsets, which customers are able to pay for upfront or finance interest-free over 24 months, and other equipment.

Our other business interests consist of the operations of Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania.

### Competition

The results of operations of our reportable business segments are affected by competition, as all of our businesses operate in intensely competitive, consumer-driven and rapidly changing environments and compete with a growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers. Technological changes are further intensifying and complicating the competitive landscape and challenging existing business models. In particular, consumers are increasingly turning to online sources for viewing and purchasing content, which has and likely will continue to reduce the number of our video customers and subscribers to our cable networks even as it makes our high-speed Internet services more valuable to consumers. In addition, the increasing number of entertainment choices available has intensified audience fragmentation, which has and likely will continue to adversely affect the audience ratings of our cable networks and broadcast television programming.

For additional information on the competition our businesses face, see our 2017 Annual Report on Form 10-K and refer to Item 1: Business and Item 1A: Risk Factors. Within the Business section, refer to the "Competition" discussion, and within the Risk Factors section, refer to the risk factors entitled "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" and "Changes in consumer behavior driven by online distribution platforms for viewing content could adversely affect our businesses and challenge existing business models."

### Seasonality and Cyclicity

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

Revenue in our Cable Communications, Cable Networks and Broadcast Television segments is subject to cyclical advertising patterns and changes in viewership levels. Advertising revenue in the U.S. is generally higher in the

second and fourth quarters of each year, due in part to increases in consumer advertising in the spring and in the period leading up to and including the holiday season. Advertising revenue in the U.S. is also cyclical, with a benefit in even-numbered years due to advertising related to candidates running for political office and issue-oriented advertising. Revenue in our Cable Networks and Broadcast Television segments fluctuates depending on the timing of when our programming is aired, which typically results in higher advertising revenue in the second and fourth quarters of each year. Our revenue and operating costs and expenses (comprised of total costs and expenses, excluding depreciation and amortization expense and other operating gains) are cyclical as a result of our periodic broadcasts of major sporting events, such as the Olympic Games, which affect our Cable Networks and Broadcast Television segments, and the Super Bowl, which affects our Broadcast Television segment. In particular, our advertising revenue increases

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due to increased demand for advertising time and our distribution revenue increases in the period of these broadcasts. Our operating costs and expenses also increase as a result of our production costs for these broadcasts and the amortization of the related rights fees.

Revenue in our Filmed Entertainment segment fluctuates due to the timing, nature and number of films released in movie theaters, on DVDs, and through various other distribution platforms. Release dates are determined by several factors, including competition and the timing of vacation and holiday periods. As a result, revenue tends to be seasonal, with increases experienced each year during the summer months and around the holiday season. Content licensing revenue in our Cable Networks, Broadcast Television and Filmed Entertainment segments also fluctuates due to the timing of when our content is made available to licensees.

Revenue in our Theme Parks segment fluctuates with changes in theme park attendance that result from the seasonal nature of vacation travel and weather variations, local entertainment offerings and the opening of new attractions, as well as with changes in currency exchange rates. Our theme parks generally experience peak attendance during the spring holiday period, the summer months when schools are closed and the holiday season.

**Consolidated Operating Results**

|                                                                                                            | Three Months Ended September 30 |          | Increase/ (Decrease) |   | Nine Months Ended September 30 |          | Increase/ (Decrease) |   |
|------------------------------------------------------------------------------------------------------------|---------------------------------|----------|----------------------|---|--------------------------------|----------|----------------------|---|
| (in millions)                                                                                              | 2018                            | 2017     |                      |   | 2018                           | 2017     |                      |   |
| Revenue                                                                                                    | \$22,135                        | \$21,081 | 5.0                  | % | \$66,661                       | \$62,954 | 5.9                  | % |
| Costs and Expenses:                                                                                        |                                 |          |                      |   |                                |          |                      |   |
| Programming and production                                                                                 | 6,711                           | 6,059    | 10.8                 |   | 20,440                         | 18,450   | 10.8                 |   |
| Other operating and administrative                                                                         | 6,444                           | 6,535    | (1.4)                | ) | 19,323                         | 18,642   | 3.7                  |   |
| Advertising, marketing and promotion                                                                       | 1,667                           | 1,604    | 3.9                  |   | 4,924                          | 4,894    | 0.6                  |   |
| Depreciation                                                                                               | 2,038                           | 1,991    | 2.4                  |   | 6,070                          | 5,876    | 3.3                  |   |
| Amortization                                                                                               | 580                             | 555      | 4.9                  |   | 1,750                          | 1,645    | 6.5                  |   |
| Other operating gains                                                                                      | (141)                           | (442)    | (67.9)               | ) | (341)                          | (442)    | (22.7)               | ) |
| Operating income                                                                                           | 4,836                           | 4,779    | 1.2                  |   | 14,495                         | 13,889   | 4.4                  |   |
| Interest expense                                                                                           | (830)                           | (766)    | 8.4                  |   | (2,413)                        | (2,279)  | 5.9                  |   |
| Investment and other income (loss), net                                                                    | (111)                           | 70       | (256.2)              | ) | 92                             | 299      | (69.1)               | ) |
| Income before income taxes                                                                                 | 3,895                           | 4,083    | (4.6)                | ) | 12,174                         | 11,909   | 2.2                  |   |
| Income tax expense                                                                                         | (999)                           | (1,409)  | (29.1)               | ) | (2,894)                        | (4,038)  | (28.3)               | ) |
| Net income                                                                                                 | 2,896                           | 2,674    | 8.3                  |   | 9,280                          | 7,871    | 17.9                 |   |
| Less: Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock | 10                              | 32       | (70.9)               | ) | 60                             | 135      | (55.7)               | ) |
| Net income attributable to Comcast Corporation                                                             | \$2,886                         | \$2,642  | 9.3                  | % | \$9,220                        | \$7,736  | 19.2                 | % |
| Adjusted EBITDA <sup>(a)</sup>                                                                             | \$7,313                         | \$7,133  | 2.5                  | % | \$21,974                       | \$21,218 | 3.6                  | % |

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

Adjusted EBITDA is a non-GAAP financial measure. Refer to the “Non-GAAP Financial Measure” section on page (a)44 for additional information, including our definition and our use of Adjusted EBITDA, and for a reconciliation from net income attributable to Comcast Corporation to Adjusted EBITDA.

**Consolidated Revenue**

Our Cable Communications, Cable Networks, Broadcast Television and Filmed Entertainment segments accounted for the increase in consolidated revenue for the three months ended September 30, 2018, which was partially offset by a decrease in revenue in our Theme Parks segment.

Our Cable Communications, Cable Networks, Broadcast Television and Theme Parks segments accounted for the increase in consolidated revenue for the nine months ended September 30, 2018, which were partially offset by a decrease in revenue in our Filmed Entertainment segment. Consolidated revenue for the nine months ended September 30, 2018 included revenue associated with our broadcasts of the 2018 PyeongChang Olympics and the

2018 Super Bowl in February 2018.

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Revenue for our segments is discussed separately below under the heading “Segment Operating Results.” Revenue for our business development initiatives and other businesses is discussed separately below under the heading “Corporate and Other Results of Operations.”

**Consolidated Costs and Expenses**

Our Cable Networks, Broadcast Television and Filmed Entertainment segments accounted for the increase in consolidated operating costs and expenses for the three months ended September 30, 2018.

Our Cable Communications, Cable Networks, Broadcast Television and Theme Parks segments accounted for the increase in consolidated operating costs and expenses for the nine months ended September 30, 2018, which were partially offset by decreases in operating costs and expenses in our Filmed Entertainment segment.

Operating costs and expenses for our segments are discussed separately below under the heading “Segment Operating Results.” Operating costs and expenses for our corporate operations, businesses development initiatives and other businesses are discussed separately below under the heading “Corporate and Other Results of Operations.”

**Consolidated Depreciation and Amortization Expense**

|                      | Three Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |   | Nine Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |   |
|----------------------|---------------------------------------|---------|-------------------------|---|--------------------------------------|---------|-------------------------|---|
| (in millions)        | 2018                                  | 2017    |                         |   | 2018                                 | 2017    |                         |   |
| Cable Communications | \$2,071                               | \$2,015 | 2.8                     | % | \$6,171                              | \$5,928 | 4.1                     | % |
| NBCUniversal         | 514                                   | 507     | 1.8                     |   | 1,577                                | 1,535   | 2.9                     |   |
| Corporate and Other  | 33                                    | 24      | 37.0                    |   | 72                                   | 58      | 21.6                    |   |
| Total                | \$2,618                               | \$2,546 | 2.9                     | % | \$7,820                              | \$7,521 | 4.0                     | % |

Consolidated depreciation and amortization expense increased for the three and nine months ended September 30, 2018 primarily due to increases in both capital expenditures and expenditures for software in our Cable Communications segment in recent years. We continue to invest in our network capacity and in customer premise equipment, primarily for our X1 platform, cloud DVR technology and wireless gateways. Certain of these assets have relatively short estimated useful lives, which also contributed to the increase in depreciation expense for the three and nine months ended September 30, 2018 in our Cable Communications segment.

**Consolidated Other Operating Gains**

Consolidated other operating gains for the three and nine months ended September 30, 2018 included \$141 million related to the sale of a business in our Filmed Entertainment segment. The nine months ended September 30, 2018 also included \$200 million related to the sale of a controlling interest in our arena management-related businesses in Corporate and Other (see Note 9 to Comcast’s condensed consolidated financial statements). Consolidated other operating gains for both the three and nine months ended September 30, 2017 included \$337 million related to NBCUniversal’s relinquishment of spectrum rights (see Note 6 to Comcast’s condensed consolidated financial statements and Note 5 to NBCUniversal’s condensed consolidated financial statements) and \$105 million related to the sale of a business in Corporate and other (see Note 9 to Comcast’s condensed consolidated financial statements).

**Segment Operating Results**

Our segment operating results are presented based on how we assess operating performance and internally report financial information. We use Adjusted EBITDA as the measure of profit or loss for our operating segments. See Note 2 to both Comcast’s and NBCUniversal’s condensed consolidated financial statements for our definition of Adjusted EBITDA and a reconciliation from the aggregate amount of Adjusted EBITDA for our reportable business segments to consolidated income before income taxes.

To be consistent with our current management reporting presentation, certain 2017 operating results were reclassified within the Cable Communications segment.

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## Cable Communications Segment Results of Operations

|                                      | Three Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |         |
|--------------------------------------|---------------------------------------|---------|-------------------------|---------|
| (in millions)                        | 2018                                  | 2017    | \$                      | %       |
| Revenue                              |                                       |         |                         |         |
| Residential:                         |                                       |         |                         |         |
| Video                                | \$5,591                               | \$5,760 | \$(169)                 | (2.9 )% |
| High-speed Internet                  | 4,321                                 | 3,942   | 379                     | 9.6     |
| Voice                                | 982                                   | 1,013   | (31 )                   | (3.1 )  |
| Business services                    | 1,803                                 | 1,629   | 174                     | 10.6    |
| Advertising                          | 684                                   | 594     | 90                      | 15.2    |
| Other                                | 406                                   | 401     | 5                       | 1.1     |
| Total revenue                        | 13,787                                | 13,339  | 448                     | 3.4     |
| Operating costs and expenses         |                                       |         |                         |         |
| Programming                          | 3,309                                 | 3,264   | 45                      | 1.4     |
| Technical and product support        | 1,624                                 | 1,602   | 22                      | 1.3     |
| Customer service                     | 595                                   | 626     | (31 )                   | (4.9 )  |
| Advertising, marketing and promotion | 935                                   | 952     | (17 )                   | (1.8 )  |
| Franchise and other regulatory fees  | 389                                   | 398     | (9 )                    | (2.4 )  |
| Other                                | 1,320                                 | 1,281   | 39                      | 3.1     |
| Total operating costs and expenses   | 8,172                                 | 8,123   | 49                      | 0.6     |
| Adjusted EBITDA                      | \$5,615                               | \$5,216 | \$399                   | 7.6 %   |

|                                      | Nine Months<br>Ended<br>September 30 |          | Increase/<br>(Decrease) |         |
|--------------------------------------|--------------------------------------|----------|-------------------------|---------|
| (in millions)                        | 2018                                 | 2017     | \$                      | %       |
| Revenue                              |                                      |          |                         |         |
| Residential:                         |                                      |          |                         |         |
| Video                                | \$16,878                             | \$17,206 | \$(328)                 | (1.9 )% |
| High-speed Internet                  | 12,740                               | 11,682   | 1,058                   | 9.1     |
| Voice                                | 2,982                                | 3,081    | (99 )                   | (3.2 )  |
| Business services                    | 5,290                                | 4,757    | 533                     | 11.2    |
| Advertising                          | 1,932                                | 1,774    | 158                     | 8.9     |
| Other                                | 1,193                                | 1,146    | 47                      | 4.1     |
| Total revenue                        | 41,015                               | 39,646   | 1,369                   | 3.5     |
| Operating costs and expenses         |                                      |          |                         |         |
| Programming                          | 9,947                                | 9,698    | 249                     | 2.6     |
| Technical and product support        | 4,823                                | 4,681    | 142                     | 3.0     |
| Customer service                     | 1,802                                | 1,850    | (48 )                   | (2.6 )  |
| Advertising, marketing and promotion | 2,802                                | 2,779    | 23                      | 0.9     |
| Franchise and other regulatory fees  | 1,178                                | 1,196    | (18 )                   | (1.5 )  |
| Other                                | 3,795                                | 3,759    | 36                      | 0.9     |
| Total operating costs and expenses   | 24,347                               | 23,963   | 384                     | 1.6     |
| Adjusted EBITDA                      | \$16,668                             | \$15,683 | \$985                   | 6.3 %   |

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## Customer Metrics

|                                             | Total Customers |        | Net Additional Customers |       |                   |       |
|---------------------------------------------|-----------------|--------|--------------------------|-------|-------------------|-------|
|                                             |                 |        | Three Months Ended       |       | Nine Months Ended |       |
|                                             |                 |        | September 30             |       | September 30      |       |
| (in thousands, except per customer amounts) | 2018            | 2017   | 2018                     | 2017  | 2018              | 2017  |
| Customer relationships                      |                 |        |                          |       |                   |       |
| Residential customer relationships          | 27,817          | 26,957 | 258                      | 83    | 649               | 424   |
| Business services customer relationships    | 2,274           | 2,146  | 30                       | 31    | 94                | 102   |
| Total customer relationships                | 30,091          | 29,104 | 288                      | 115   | 744               | 527   |
| Residential customer relationships mix      |                 |        |                          |       |                   |       |
| Single product customers                    | 8,912           | 8,055  | 284                      | 125   | 716               | 299   |
| Double product customers                    | 9,045           | 8,983  | (9)                      | 38    | (12)              | 186   |
| Triple and quad product customers           | 9,860           | 9,919  | (17)                     | (79)  | (55)              | (61)  |
| Video                                       |                 |        |                          |       |                   |       |
| Residential customers                       | 20,978          | 21,341 | (95)                     | (134) | (325)             | (147) |
| Business services customers                 | 1,037           | 1,049  | (11)                     | 9     | (17)              | 30    |
| Total video customers                       | 22,015          | 22,390 | (106)                    | (125) | (342)             | (118) |
| High-speed Internet                         |                 |        |                          |       |                   |       |
| Residential customers                       | 24,774          | 23,546 | 334                      | 182   | 910               | 718   |
| Business services customers                 | 2,098           | 1,974  | 29                       | 32    | 92                | 100   |
| Total high-speed Internet customers         | 26,871          | 25,519 | 363                      | 214   | 1,002             | 818   |
| Voice                                       |                 |        |                          |       |                   |       |
| Residential customers                       | 10,164          | 10,351 | (49)                     | (119) | (151)             | (195) |
| Business services customers                 | 1,283           | 1,214  | 13                       | 25    | 46                | 74    |
| Total voice customers                       | 11,447          | 11,565 | (35)                     | (94)  | (105)             | (122) |
| Security and automation                     |                 |        |                          |       |                   |       |
| Security and automation customers           | 1,277           | 1,079  | 42                       | 51    | 147               | 188   |

Customer metrics are presented based on actual amounts. Minor differences may exist due to rounding. Customer relationships represent the number of residential and business customers that subscribe to at least one of our cable services. Single product, double product, and triple and quad product customers represent residential customers that subscribe to one, two, or three and four of our cable services, respectively. For multiple dwelling units (“MDUs”), including buildings located on college campuses, whose residents have the ability to receive additional cable services, such as additional programming choices or our high-definition video (“HD”) or digital video recorder (“DVR”) advanced services, we count and report customers based on the number of potential billable relationships within each MDU. For MDUs whose residents are not able to receive additional cable services, the MDU is counted as a single customer. Residential video and high-speed Internet customers as of September 30, 2018 included prepaid customers totaling approximately 5,000 and 119,000, respectively.

Average monthly total revenue per customer relationship for the three and nine months ended September 30, 2018 was \$153.46 and \$153.34, respectively. Average monthly total revenue per customer relationship for the three and nine months ended September 30, 2017 was \$153.08 and \$152.74, respectively. This metric is impacted by rate adjustments and changes in the types and levels of services received by our residential and business services customers, as well as changes in advertising revenue. While revenue from our residential video, high-speed Internet and voice services are also impacted by changes in the allocation of revenue among services sold in a bundle, the allocation does not impact average monthly total revenue per customer relationship.

Average monthly Adjusted EBITDA per customer relationship for the three and nine months ended September 30, 2018 was \$62.49 and \$62.32, respectively. Average monthly Adjusted EBITDA per customer relationship for the three and nine months ended September 30, 2017 was \$59.86 and \$60.42, respectively. Each of our cable services has a different contribution to operating margin. We use average monthly Adjusted EBITDA per customer relationship to evaluate the profitability of our customer base across all of our service offerings. We believe this metric is useful particularly as we continue to focus on growing our higher-margin businesses, including residential high-speed Internet and business services.

Cable Communications Segment—Revenue

Video

Video revenue decreased 2.9% and 1.9% for the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017. The decreases were primarily due to declines in the number of residential video customers, revenue associated with a boxing event available on pay-per-view in the prior year periods and, to a lesser extent, changes in average video rates. We have experienced, and expect that we will continue to experience, declines in the number of residential video customers due to competitive pressures, and we expect that our video revenue will continue to decline. Competition is intense, both from traditional multichannel video providers and from new technologies and distribution platforms for viewing content. We are responding to

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this competition through our X1 platform and sales and marketing programs, such as promotions, bundled service offerings and service offerings targeted at specific market segments.

### High-Speed Internet

High-speed Internet revenue increased 9.6% and 9.1% for the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017. Increases in the number of residential customers receiving our high-speed Internet services accounted for increases in revenue of 4.9% for both the three and nine months ended September 30, 2018. The remaining increases in revenue for the three and nine months ended September 30, 2018 were primarily due to changes in average high-speed Internet rates. Our customer base continues to grow as consumers choose our high-speed Internet services and seek offerings with better speed, coverage and control.

### Voice

Voice revenue decreased 3.1% and 3.2% for the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017 primarily due to decreases in the number of residential voice customers. We expect that the number of residential voice customers and voice revenue will continue to decline.

### Business Services

Business services revenue increased 10.6% and 11.2% for the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017. The increases were primarily due to increases in the number of customers receiving our small and medium-sized business services offerings and rate adjustments. We believe the increases in the number of business customers are primarily the result of our efforts to gain market share from competitors by offering competitive services and pricing, although the rate of growth in the number of our small business customers may slow as the business matures.

### Advertising

Advertising revenue increased 15.2% and 8.9% for the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017 primarily due to increases in political advertising revenue. Excluding political advertising revenue, advertising revenue was flat for the three months ended September 30, 2018 and increased 1.1% for the nine months ended September 30, 2018, compared to the same periods in 2017. The increase for the nine months ended September 30, 2018 was primarily due to increases in revenue from our advanced advertising business. For both the three and nine months ended September 30, 2018, 4% of our Cable Communications segment advertising revenue was generated from our NBCUniversal segments. For both the three and nine months ended September 30, 2017, 5% of our Cable Communications segment advertising revenue was generated from our NBCUniversal segments. These amounts are eliminated in our condensed consolidated financial statements but are included in the amounts presented above.

### Other

Other revenue increased 1.1% and 4.1% for the three and nine months ended September 30, 2018, respectively, compared to the same periods in 2017. The increase for the nine months ended September 30, 2018 was primarily due to the increase in revenue from our security and automation services.

### Cable Communications Segment—Operating Costs and Expenses

Programming expenses increased for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to increases in programming license fees, including retransmission consent fees and sports programming costs, which was partially offset by fees associated with a boxing event available on pay-per-view in the prior year periods.

Technical and product support expenses increased for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to expenses related to the continued development, deployment and support of our X1 platform, cloud DVR technology and wireless gateways, and continued growth in business services and security and automation services.

Customer service expenses decreased for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to lower personnel costs as a result of reduced call volumes.

Advertising, marketing and promotion expenses decreased for the three months ended September 30, 2018 compared to the same period in 2017 primarily due to a reduction in marketing spending. Advertising, marketing and promotion expenses remained flat for the nine months ended September 30, 2018 compared to the same period in 2017.

Franchise and other regulatory fees decreased for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to decreases in the revenue to which the fees apply.

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Other costs and expenses increased for the three months ended September 30, 2018 compared to the same period in 2017 primarily due to increases in costs to support our advertising sales business. Other costs and expenses remained flat for the nine months ended September 30, 2018 compared to the same period in 2017.

**Cable Communications Segment—Operating Margin**

Our Cable Communications segment operating margin is Adjusted EBITDA as a percentage of revenue. The most significant operating costs and expenses for our Cable Communications segment are the programming expenses we incur to provide content to our video customers, which increased 1.4% and 2.6% for the three and nine months ended September 30, 2018, respectively.

Our Cable Communications segment operating margin for the three months ended September 30, 2018 and 2017 was 40.7% and 39.1%, respectively. Our Cable Communications segment operating margin for the nine months ended September 30, 2018 and 2017 was 40.6% and 39.6%, respectively. Adjusted EBITDA was negatively impacted by two hurricanes that affected our service areas in the third quarter of 2017. We will continue to focus on growing our higher-margin businesses, particularly residential high-speed Internet and business services, and on overall operating cost management.

**NBCUniversal Segments Results of Operations**

|                                      | Three Months<br>Ended<br>September 30 |          | Increase/<br>(Decrease) |        |   |
|--------------------------------------|---------------------------------------|----------|-------------------------|--------|---|
| (in millions)                        | 2018                                  | 2017     | \$                      | %      |   |
| <b>Revenue</b>                       |                                       |          |                         |        |   |
| Cable Networks                       | \$2,884                               | \$2,603  | \$281                   | 10.8   | % |
| Broadcast Television                 | 2,452                                 | 2,125    | 327                     | 15.4   |   |
| Filmed Entertainment                 | 1,819                                 | 1,753    | 66                      | 3.8    |   |
| Theme Parks                          | 1,528                                 | 1,550    | (22)                    | (1.4)  | ) |
| Headquarters, other and eliminations | (58)                                  | (55)     | (3)                     | NM     |   |
| Total revenue                        | \$8,625                               | \$7,976  | \$649                   | 8.1    | % |
| <b>Adjusted EBITDA</b>               |                                       |          |                         |        |   |
| Cable Networks                       | \$968                                 | \$906    | \$62                    | 6.9    | % |
| Broadcast Television                 | 321                                   | 316      | 5                       | 1.8    |   |
| Filmed Entertainment                 | 214                                   | 383      | (169)                   | (44.2) | ) |
| Theme Parks                          | 725                                   | 775      | (50)                    | (6.5)  | ) |
| Headquarters, other and eliminations | (162)                                 | (123)    | (39)                    | NM     |   |
| Total Adjusted EBITDA                | \$2,066                               | \$2,257  | \$(191)                 | (8.5)  | % |
|                                      | Nine Months<br>Ended<br>September 30  |          | Increase/<br>(Decrease) |        |   |
| (in millions)                        | 2018                                  | 2017     | \$                      | %      |   |
| <b>Revenue</b>                       |                                       |          |                         |        |   |
| Cable Networks                       | \$8,994                               | \$7,939  | \$1,055                 | 13.3   | % |
| Broadcast Television                 | 8,340                                 | 6,574    | 1,766                   | 26.9   |   |
| Filmed Entertainment                 | 5,176                                 | 5,862    | (686)                   | (11.7) | ) |
| Theme Parks                          | 4,170                                 | 3,982    | 188                     | 4.7    |   |
| Headquarters, other and eliminations | (212)                                 | (210)    | (2)                     | NM     |   |
| Total revenue                        | \$26,468                              | \$24,147 | \$2,321                 | 9.6    | % |
| <b>Adjusted EBITDA</b>               |                                       |          |                         |        |   |
| Cable Networks                       | \$3,422                               | \$3,076  | \$346                   | 11.3   | % |
| Broadcast Television                 | 1,245                                 | 1,054    | 191                     | 18.2   |   |
| Filmed Entertainment                 | 555                                   | 1,041    | (486)                   | (46.7) | ) |
| Theme Parks                          | 1,789                                 | 1,723    | 66                      | 3.8    |   |

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Headquarters, other and eliminations (500 ) (544 ) 44 NM

Total Adjusted EBITDA \$6,511 \$6,350 \$161 2.5 %

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

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## Cable Networks Segment Results of Operations

|                                      | Three Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |       |
|--------------------------------------|---------------------------------------|---------|-------------------------|-------|
| (in millions)                        | 2018                                  | 2017    | \$                      | %     |
| Revenue                              |                                       |         |                         |       |
| Distribution                         | \$1,680                               | \$1,533 | \$147                   | 9.5 % |
| Advertising                          | 820                                   | 787     | 33                      | 4.2   |
| Content licensing and other          | 384                                   | 283     | 101                     | 36.1  |
| Total revenue                        | 2,884                                 | 2,603   | 281                     | 10.8  |
| Operating costs and expenses         |                                       |         |                         |       |
| Programming and production           | 1,410                                 | 1,219   | 191                     | 15.7  |
| Other operating and administrative   | 372                                   | 343     | 29                      | 8.3   |
| Advertising, marketing and promotion | 134                                   | 135     | (1)                     | (1.2) |
| Total operating costs and expenses   | 1,916                                 | 1,697   | 219                     | 12.9  |
| Adjusted EBITDA                      | \$968                                 | \$906   | \$62                    | 6.9 % |

|                                      | Nine Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |        |
|--------------------------------------|--------------------------------------|---------|-------------------------|--------|
| (in millions)                        | 2018                                 | 2017    | \$                      | %      |
| Revenue                              |                                      |         |                         |        |
| Distribution                         | \$5,251                              | \$4,645 | \$606                   | 13.0 % |
| Advertising                          | 2,746                                | 2,519   | 227                     | 9.0    |
| Content licensing and other          | 997                                  | 775     | 222                     | 28.7   |
| Total revenue                        | 8,994                                | 7,939   | 1,055                   | 13.3   |
| Operating costs and expenses         |                                      |         |                         |        |
| Programming and production           | 4,082                                | 3,499   | 583                     | 16.7   |
| Other operating and administrative   | 1,116                                | 989     | 127                     | 12.8   |
| Advertising, marketing and promotion | 374                                  | 375     | (1)                     | (0.4)  |
| Total operating costs and expenses   | 5,572                                | 4,863   | 709                     | 14.6   |
| Adjusted EBITDA                      | \$3,422                              | \$3,076 | \$346                   | 11.3 % |

## Cable Networks Segment—Revenue

Cable Networks revenue increased for the three months ended September 30, 2018 compared to the same period in 2017 due to increases in distribution revenue, content licensing and other revenue, and advertising revenue. The increase in distribution revenue was primarily due to increases in the contractual rates charged under distribution agreements and the timing of contract renewals, which were partially offset by a decline in the number of subscribers at our cable networks. The increase in content licensing and other revenue was primarily due to the timing of content provided under our licensing agreements. The increase in advertising revenue was primarily due to higher prices for advertising units sold, which was partially offset by the impact of continued declines in audience ratings at our networks.

Cable Networks revenue increased for the nine months ended September 30, 2018 compared to the same period in 2017 due to increases in distribution revenue, advertising revenue, and content licensing and other revenue. The increase in distribution revenue was primarily due to \$236 million of revenue associated with our broadcast of the 2018 PyeongChang Olympics. The increase in distribution revenue was also due to increases in the contractual rates charged under distribution agreements and the timing of contract renewals, which were partially offset by a decline in the number of subscribers at our cable networks. The increase in advertising revenue was primarily due to \$142 million of revenue associated with our broadcast of the 2018 PyeongChang Olympics. The increase in advertising revenue was also due to higher prices for advertising units sold, which was partially offset by the impact of continued declines in audience ratings at our networks. The increase in content licensing and other revenue was primarily due to

the timing of content provided under our licensing agreements. Excluding \$378 million of revenue associated with our broadcast of the 2018 PyeongChang Olympics, Cable Networks segment revenue increased 8.5% for the nine months ended September 30, 2018.

For both the three and nine months ended September 30, 2018 and 2017, 15% of our Cable Networks segment revenue was generated from our Cable Communications segment. These amounts are eliminated in our condensed consolidated financial statements but are included in the amounts presented above.

Table of Contents**Cable Networks Segment—Operating Costs and Expenses**

Operating costs and expenses increased for the three months ended September 30, 2018 compared to the same period in 2017 primarily due to increases in programming and production costs. The increase in programming and production costs was primarily due to increases in sports programming rights and our continued investment in original programming and an increase in studio production costs.

Operating costs and expenses increased for the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to increases in programming and production costs and other operating and administrative costs. The increase in programming and production costs was primarily driven by our broadcast of the 2018 PyeongChang Olympics, as well as costs related to our continued investment in original programming and an increase in studio production costs. The increase in other operating and administrative costs was primarily due to costs related to our various digital properties, employee-related costs and costs related to our international channels.

**Broadcast Television Segment Results of Operations**

|                                      | Three Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |        |   |
|--------------------------------------|---------------------------------------|---------|-------------------------|--------|---|
| (in millions)                        | 2018                                  | 2017    | \$                      | %      |   |
| Revenue                              |                                       |         |                         |        |   |
| Advertising                          | \$1,355                               | \$1,241 | \$114                   | 9.2    | % |
| Content licensing                    | 538                                   | 432     | 106                     | 24.7   |   |
| Distribution and other               | 559                                   | 452     | 107                     | 23.9   |   |
| Total revenue                        | 2,452                                 | 2,125   | 327                     | 15.4   |   |
| Operating costs and expenses         |                                       |         |                         |        |   |
| Programming and production           | 1,640                                 | 1,340   | 300                     | 22.4   |   |
| Other operating and administrative   | 373                                   | 336     | 37                      | 11.4   |   |
| Advertising, marketing and promotion | 118                                   | 133     | (15)                    | (11.9) |   |
| Total operating costs and expenses   | 2,131                                 | 1,809   | 322                     | 17.8   |   |
| Adjusted EBITDA                      | \$321                                 | \$316   | \$5                     | 1.8    | % |

|                                      | Nine Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |       |   |
|--------------------------------------|--------------------------------------|---------|-------------------------|-------|---|
| (in millions)                        | 2018                                 | 2017    | \$                      | %     |   |
| Revenue                              |                                      |         |                         |       |   |
| Advertising                          | \$5,107                              | \$3,790 | \$1,317                 | 34.7  | % |
| Content licensing                    | 1,541                                | 1,458   | 83                      | 5.7   |   |
| Distribution and other               | 1,692                                | 1,326   | 366                     | 27.6  |   |
| Total revenue                        | 8,340                                | 6,574   | 1,766                   | 26.9  |   |
| Operating costs and expenses         |                                      |         |                         |       |   |
| Programming and production           | 5,604                                | 4,124   | 1,480                   | 35.9  |   |
| Other operating and administrative   | 1,129                                | 1,021   | 108                     | 10.5  |   |
| Advertising, marketing and promotion | 362                                  | 375     | (13)                    | (3.4) |   |
| Total operating costs and expenses   | 7,095                                | 5,520   | 1,575                   | 28.5  |   |
| Adjusted EBITDA                      | \$1,245                              | \$1,054 | \$191                   | 18.2  | % |

**Broadcast Television Segment—Revenue**

Broadcast Television revenue increased for the three months ended September 30, 2018 compared to the same period in 2017 due to increases in advertising revenue, distribution and other revenue, and content licensing revenue. The increase in advertising revenue was due to higher prices for advertising units sold and due to revenue associated with Telemundo's broadcast of the 2018 FIFA World Cup Russia™, which was partially offset by the impact of continued declines in audience ratings. The increase in distribution and other revenue was primarily due to increases in fees recognized under our retransmission consent agreements. The increase in content licensing revenue was primarily due

to timing of content provided under our licensing agreements.

Broadcast Television revenue increased for the nine months ended September 30, 2018 compared to the same period in 2017 due to increases in advertising revenue, distribution and other revenue and content licensing revenue. The increase in advertising revenue was primarily due to \$1.1 billion of revenue associated with our broadcasts of the 2018 PyeongChang Olympics and the 2018 Super Bowl. The increase in advertising revenue was also due to higher prices for advertising units sold, which was partially offset by the impact of continued declines in audience ratings. The increase in distribution and other revenue was primarily due

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to increases in fees recognized under our retransmission consent agreements. The increase in distribution and other revenue was also due to \$112 million of revenue associated with our broadcast of the 2018 PyeongChang Olympics. The increase in content licensing revenue was primarily due to the timing of content provided under our licensing agreements. Excluding \$1.2 billion of revenue associated with our broadcasts of the 2018 PyeongChang Olympics and the 2018 Super Bowl, revenue increased 8.7% for the nine months ended September 30, 2018.

**Broadcast Television Segment—Operating Costs and Expenses**

Operating costs and expenses increased for the three months ended September 30, 2018 compared to the same period in 2017 primarily due to higher programming and production costs associated with Telemundo's broadcast of the 2018 FIFA World Cup Russia™ and higher studio production costs.

Operating costs and expenses increased for the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to higher programming and production costs. The increase in programming and production costs was primarily due to costs associated with our broadcasts of the 2018 PyeongChang Olympics and the 2018 Super Bowl.

**Filmed Entertainment Segment Results of Operations**

|                                      | Three Months Ended September 30 |         | Increase/ (Decrease) |         |
|--------------------------------------|---------------------------------|---------|----------------------|---------|
| (in millions)                        | 2018                            | 2017    | \$                   | %       |
| Revenue                              |                                 |         |                      |         |
| Theatrical                           | \$601                           | \$515   | \$86                 | 16.7 %  |
| Content licensing                    | 719                             | 662     | 57                   | 8.6     |
| Home entertainment                   | 260                             | 299     | (39)                 | (13.1)  |
| Other                                | 239                             | 277     | (38)                 | (13.3)  |
| Total revenue                        | 1,819                           | 1,753   | 66                   | 3.8     |
| Operating costs and expenses         |                                 |         |                      |         |
| Programming and production           | 914                             | 773     | 141                  | 18.2    |
| Other operating and administrative   | 267                             | 282     | (15)                 | (5.0 )  |
| Advertising, marketing and promotion | 424                             | 315     | 109                  | 34.6    |
| Total operating costs and expenses   | 1,605                           | 1,370   | 235                  | 17.2    |
| Adjusted EBITDA                      | \$214                           | \$383   | \$(169)              | (44.2)% |
|                                      | Nine Months Ended September 30  |         | Increase/ (Decrease) |         |
| (in millions)                        | 2018                            | 2017    | \$                   | %       |
| Revenue                              |                                 |         |                      |         |
| Theatrical                           | \$1,564                         | \$2,003 | \$(439)              | (21.9)% |
| Content licensing                    | 2,100                           | 2,080   | 20                   | 1.0     |
| Home entertainment                   | 733                             | 919     | (186)                | (20.3)  |
| Other                                | 779                             | 860     | (81)                 | (9.3 )  |
| Total revenue                        | 5,176                           | 5,862   | (686)                | (11.7)  |
| Operating costs and expenses         |                                 |         |                      |         |
| Programming and production           | 2,492                           | 2,712   | (220)                | (8.1 )  |
| Other operating and administrative   | 869                             | 936     | (67)                 | (7.1 )  |
| Advertising, marketing and promotion | 1,260                           | 1,173   | 87                   | 7.4     |
| Total operating costs and expenses   | 4,621                           | 4,821   | (200)                | (4.1 )  |
| Adjusted EBITDA                      | \$555                           | \$1,041 | \$(486)              | (46.7)% |

**Filmed Entertainment Segment—Revenue**

Filmed Entertainment revenue increased for the three months ended September 30, 2018 compared to the same period in 2017 due to increases in theatrical revenue and content licensing revenue, which were partially offset by decreases in home entertainment revenue and other revenue. The increase in theatrical revenue was primarily due to the timing and performance of releases in the current year period, including Mamma Mia! Here We Go Again and Jurassic World: Fallen Kingdom, which were partially offset by successful releases in the prior year period, including Despicable Me 3. The increase in content licensing revenue was primarily due to the timing of when content was made available under licensing agreements. The decrease in home entertainment revenue was primarily due to higher sales of 2017 releases, including The Fate of the Furious, which were partially offset by sales of 2018

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releases, including Jurassic World: Fallen Kingdom. The decrease in other revenue was primarily due to the sale of a business in the current year period.

Filmed Entertainment revenue decreased for the nine months ended September 30, 2018 compared to the same period in 2017 due to decreases in theatrical revenue, home entertainment revenue and other revenue, which were partially offset by an increase in content licensing revenue. Theatrical revenue decreased due to the strong performances of several releases in our 2017 film slate, including The Fate of the Furious and Despicable Me 3, which was partially offset by performances of several releases in our 2018 film slate, including Jurassic World: Fallen Kingdom and Mamma Mia! Here We Go Again. Home entertainment revenue decreased primarily due to higher sales of 2017 releases in the prior year period, including Sing and The Fate of the Furious, which were partially offset by sales of 2018 releases, including Jurassic World: Fallen Kingdom. The decrease in other revenue was primarily due to decreases in revenue as a result of the sale of a business and a decrease in revenue from consumer products. Content licensing revenue increased primarily due to the timing of when content was made available under licensing agreements.

#### Filmed Entertainment Segment—Operating Costs and Expenses

Operating costs and expenses increased for the three months ended September 30, 2018 compared to the same period in 2017 due to increases in programming and production costs and advertising, marketing and promotion expenses, which were partially offset by a decrease in other operating and administrative expenses. The increase in programming and production costs was primarily due to higher amortization of film production costs in the current year period. The increase in advertising, marketing and promotion expenses was primarily due to a higher number of releases in the current year period as compared to the prior year period and increased marketing in the current year period relating to future releases. The decrease in other operating and administrative expenses was primarily due to the sale of a business in the current year period.

Operating costs and expenses decreased for the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to decreases in programming and production costs and other operating and administrative expenses, which were partially offset by an increase in advertising, marketing and promotion expenses. The decrease in programming and production costs was primarily due to higher amortization of film production costs in the prior year period compared to the current year period. The decrease in other operating and administrative expenses was primarily due to a reduction in employee-related costs and the sale of a business in the current year period. The increase in advertising, marketing and promotion expenses was primarily related to increased marketing in the current year period relating to future releases.

#### Theme Parks Segment Results of Operations

|                              | Three Months Ended September 30 |         | Increase/ (Decrease) |        |
|------------------------------|---------------------------------|---------|----------------------|--------|
| (in millions)                | 2018                            | 2017    | \$                   | %      |
| Revenue                      | \$1,528                         | \$1,550 | \$(22)               | (1.4)% |
| Operating costs and expenses | 803                             | 775     | 28                   | 3.7    |
| Adjusted EBITDA              | \$725                           | \$775   | \$(50)               | (6.5)% |

|                              | Nine Months Ended September 30 |         | Increase/ (Decrease) |      |
|------------------------------|--------------------------------|---------|----------------------|------|
| (in millions)                | 2018                           | 2017    | \$                   | %    |
| Revenue                      | \$4,170                        | \$3,982 | \$188                | 4.7% |
| Operating costs and expenses | 2,381                          | 2,259   | 122                  | 5.4  |
| Adjusted EBITDA              | \$1,789                        | \$1,723 | \$66                 | 3.8% |

#### Theme Parks Segment—Revenue

Theme Parks revenue decreased for the three months ended September 30, 2018 compared to the same period in 2017 primarily as a result of lower attendance driven by inclement weather conditions and natural disasters in Japan.

Theme Parks revenue increased for the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to higher guest spending, driven by increased ticket prices and merchandise, food and beverage spend, partially offset by the impact of inclement weather conditions and natural disasters in Japan.

Theme Parks Segment—Operating Costs and Expenses

Operating costs and expenses increased for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to higher operating costs related to newer rides and attractions, and for Volcano Bay™ in Orlando, which was partially offset by the impact of inclement weather conditions and natural disasters in Japan.

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## Corporate and Other Results of Operations

|                                 | Three Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |        |   |
|---------------------------------|---------------------------------------|---------|-------------------------|--------|---|
| (in millions)                   | 2018                                  | 2017    | \$                      | %      |   |
| Revenue                         | \$276                                 | \$266   | \$10                    | 4.2    | % |
| Operating costs and expenses    | 654                                   | 865     | (211)                   | (24.4) |   |
| Adjustment for legal settlement | —                                     | (250)   | 250                     | NM     |   |
| Adjusted EBITDA                 | \$(378)                               | \$(349) | \$(29)                  | (8.1)  | % |

|                                 | Nine Months<br>Ended<br>September 30 |         | Increase/<br>(Decrease) |        |   |
|---------------------------------|--------------------------------------|---------|-------------------------|--------|---|
| (in millions)                   | 2018                                 | 2017    | \$                      | %      |   |
| Revenue                         | \$922                                | \$679   | \$243                   | 35.8   | % |
| Operating costs and expenses    | 2,089                                | 1,774   | 315                     | 17.8   |   |
| Adjustment for legal settlement | —                                    | (250)   | 250                     | NM     |   |
| Adjusted EBITDA                 | \$(1,167)                            | \$(845) | \$(322)                 | (38.1) | % |

## Corporate and Other—Revenue

Other revenue primarily relates to revenue from business development initiatives, such as our wireless phone service that we launched in 2017, and from Comcast Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia, Pennsylvania.

Corporate and Other revenue increased for the three and nine months ended September 30, 2018 primarily due to revenue associated with our wireless phone service, which was partially offset by decreases in revenue due to sales of businesses in the second quarter of 2018 and the third quarter of 2017.

## Corporate and Other—Operating Costs and Expenses

Corporate and Other operating costs and expenses primarily include overhead, personnel costs, the costs of other business development initiatives, including our wireless phone service, and operating costs and expenses associated with Comcast Spectacor.

Corporate and Other operating costs and expenses decreased for the three months ended September 30, 2018 primarily due to sales of businesses in the second quarter of 2018 and the third quarter of 2017, partially offset by increased expenses associated with our wireless phone service and transaction-related costs associated with the Sky transaction. Corporate and Other operating costs and expenses increased for the nine months ended September 30, 2018 primarily due to expenses associated with our wireless phone service and transaction-related costs associated with the Sky transaction, which were partially offset by declines in operating costs and expenses due to sales of businesses in the second quarter of 2018 and the third quarter of 2017. Corporate and Other Adjusted EBITDA excludes \$250 million of expenses related to a legal settlement in the prior year periods.

## Consolidated Interest Expense

Interest expense increased for the three and nine months ended September 30, 2018 compared to the same periods in 2017 primarily due to increases in our debt outstanding and included \$34 million and \$45 million of costs associated with the financing of the Sky transaction for the three and nine months ended September 30, 2018, respectively.

## Consolidated Investment and Other Income (Loss), Net

|                                                 | Three Months<br>Ended<br>September 30 |        | Nine<br>Months<br>Ended<br>September<br>30 |      |
|-------------------------------------------------|---------------------------------------|--------|--------------------------------------------|------|
| (in millions)                                   | 2018                                  | 2017   | 2018                                       | 2017 |
| Equity in net income (losses) of investees, net | \$(76)                                | \$(39) | \$(56)                                     | \$12 |

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|                                                                  |         |      |       |       |
|------------------------------------------------------------------|---------|------|-------|-------|
| Realized and unrealized gains (losses) on equity securities, net | (38 )   | 7    | (50 ) | —     |
| Other income (loss), net                                         | 3       | 102  | 198   | 287   |
| Total                                                            | \$(111) | \$70 | \$92  | \$299 |

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## Equity in Net Income (Losses) of Investees, Net

The changes in equity in net income (losses) of investees, net for the three and nine months ended September 30, 2018 compared to the same periods in 2017 were primarily related to our equity method investments in Atairos and Hulu. The losses at Hulu were primarily due to higher programming, advertising and marketing costs, and higher other administrative expenses. The equity in net income (losses) of Atairos and Hulu for the three and nine months ended September 30, 2018 and 2017 are presented in the table below.

|               | Three Months Ended September 30 |        | Nine Months Ended September 30 |         |
|---------------|---------------------------------|--------|--------------------------------|---------|
| (in millions) | 2018                            | 2017   | 2018                           | 2017    |
| Atairos       | \$38                            | \$7    | \$224                          | \$106   |
| Hulu          | \$(132)                         | \$(62) | \$(370)                        | \$(168) |

## Realized and Unrealized Gains (Losses) on Equity Securities, Net

The changes in realized and unrealized gains (losses) on equity securities, net for the three and nine months ended September 30, 2018 compared to the same periods in 2017 were primarily due to the adoption of updated accounting guidance for our marketable equity securities, which primarily relates to our investment in Snap (see Note 9).

## Other Income (Loss), Net

Other income (loss), net for the three and nine months ended September 30, 2018 decreased compared to the same periods in 2017 as a result of the sale of an investment in March 2018. Other income (loss), net for the three months ended September 30, 2018 included \$60 million of pretax losses on foreign exchange as a result of the remeasurement of sterling-denominated cash balances to be used in the Sky transaction in October 2018. Other income (loss), net for the nine months ended September 30, 2018 also included a \$64 million pretax gain related to the sale of our investment in The Weather Channel cable network (see Note 9).

## Consolidated Income Tax Expense

Income tax expense for the three and nine months ended September 30, 2018 and 2017 reflects an effective income tax rate that differs from the federal statutory rate primarily due to state and foreign income taxes and adjustments associated with uncertain tax positions. The decreases in income tax expense for the three and nine months ended September 30, 2018 compared to the same periods in 2017 were primarily due to the effects of the 2017 Tax Act, which were partially offset by higher taxable income from operations and \$148 million of income tax expense due to state and federal tax law changes that were enacted in the third quarter of 2018. The 2017 Tax Act, among other things, reduced the federal corporate income tax rate to 21% from 35%, effective January 1, 2018. We also recognized an income tax benefit of \$128 million during the first quarter of 2018 related to the enactment of additional federal tax legislation in 2018.

## Non-GAAP Financial Measure

Consolidated Adjusted EBITDA is a non-GAAP financial measure and is the primary basis used to measure the operational strength and performance of our businesses as well as to assist in the evaluation of underlying trends in our businesses. This measure eliminates the significant level of noncash depreciation and amortization expense that results from the capital-intensive nature of certain of our businesses and from intangible assets recognized in business combinations. It is also unaffected by our capital and tax structures, and by our investment activities, including the results of entities that we do not consolidate, as our management excludes these results when evaluating our operating performance. Our management and Board of Directors use this financial measure to evaluate our consolidated operating performance and the operating performance of our operating segments and to allocate resources and capital to our operating segments. It is also a significant performance measure in our annual incentive compensation programs. Additionally, we believe that Adjusted EBITDA is useful to investors because it is one of the bases for comparing our operating performance with that of other companies in our industries, although our measure of consolidated Adjusted EBITDA may not be directly comparable to similar measures used by other companies. We define consolidated Adjusted EBITDA 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.

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We reconcile consolidated Adjusted EBITDA to net income attributable to Comcast Corporation. This measure should not be considered a substitute for operating income, net income, net income attributable to Comcast Corporation, or net cash provided by operating activities that we have reported in accordance with GAAP.

## Reconciliation from Net Income Attributable to Comcast Corporation to Adjusted EBITDA

|                                                                                                      | Three Months<br>Ended<br>September 30 |         | Nine Months<br>Ended<br>September 30 |          |
|------------------------------------------------------------------------------------------------------|---------------------------------------|---------|--------------------------------------|----------|
| (in millions)                                                                                        | 2018                                  | 2017    | 2018                                 | 2017     |
| Net income attributable to Comcast Corporation                                                       | \$2,886                               | \$2,642 | \$9,220                              | \$7,736  |
| Net income (loss) attributable to noncontrolling interests and redeemable subsidiary preferred stock | 10                                    | 32      | 60                                   | 135      |
| Income tax expense                                                                                   | 999                                   | 1,409   | 2,894                                | 4,038    |
| Interest expense                                                                                     | 830                                   | 766     | 2,413                                | 2,279    |
| Investment and other (income) loss, net                                                              | 111                                   | (70)    | (92)                                 | (299)    |
| Depreciation                                                                                         | 2,038                                 | 1,991   | 6,070                                | 5,876    |
| Amortization                                                                                         | 580                                   | 555     | 1,750                                | 1,645    |
| Other operating gains                                                                                | (141)                                 | (442)   | (341)                                | (442)    |
| Adjustment for legal settlement                                                                      | —                                     | 250     | —                                    | 250      |
| Adjusted EBITDA                                                                                      | \$7,313                               | \$7,133 | \$21,974                             | \$21,218 |

## Liquidity and Capital Resources

Our businesses generate significant cash flows from operating activities. We believe that we will be able to continue to meet our current and long-term liquidity and capital requirements, including fixed charges, through our cash flows from operating activities; existing cash, cash equivalents and investments; available borrowings under our existing credit facilities; and our ability to obtain future external financing. We anticipate that we will continue to use a substantial portion of our cash flows in repaying our debt obligations, funding our capital expenditures, investing in business opportunities and returning capital to shareholders.

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.

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.

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 construction will take place over several years and debt financing and equity contributions will occur on a periodic basis. See Note 6 to Comcast’s condensed consolidated financial statements for additional information on Universal Beijing Resort, including the debt financing agreements.

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## Operating Activities

## Components of Net Cash Provided by Operating Activities

|                                                      | Nine Months<br>Ended<br>September 30 |          |
|------------------------------------------------------|--------------------------------------|----------|
| (in millions)                                        | 2018                                 | 2017     |
| Operating income                                     | \$14,495                             | \$13,889 |
| Depreciation, amortization and other operating gains | 7,479                                | 7,079    |
| Noncash share-based compensation                     | 607                                  | 594      |
| Changes in operating assets and liabilities          | (511 )                               | (179 )   |
| Payments of interest                                 | (2,240 )                             | (2,277 ) |
| Payments of income taxes                             | (1,533 )                             | (3,415 ) |
| Other                                                | 210                                  | 166      |
| Net cash provided by operating activities            | \$18,507                             | \$15,857 |

The variance in changes in operating assets and liabilities for the nine months ended September 30, 2018 compared to the same period in 2017 was primarily related to our broadcast of the 2018 PyeongChang Olympics and the timing of collections on our receivables, partially offset by our broadcast of the 2018 Super Bowl.

The decrease in income tax payments for the nine months ended September 30, 2018 compared to the same period in 2017 was primarily due to federal income tax overpayments of \$824 million related to the 2017 tax year that were applied to reduce tax payments in the current year, as well as a reduction in the federal income tax rate and additional depreciation deductions allowed under the 2017 Tax Act.

## Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2018 consisted primarily of capital expenditures, cash paid for intangible assets and purchases of investments. Capital expenditures decreased for the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to a decrease in spending by our Cable Communications segment on customer premise equipment, which was partially offset by increased investments in line extensions primarily for the expansion of business services and continued investments in scalable infrastructure to increase network capacity. NBCUniversal capital expenditures increased for the nine months ended September 30, 2018 compared to the same period in 2017 primarily due to an increase in spending at our Universal theme parks. Purchases of investments for the nine months ended September 30, 2018 consisted primarily of our cash capital contributions of \$341 million to Hulu and \$133 million to Atairos.

## Financing Activities

Net cash provided by financing activities for the nine months ended September 30, 2018 consisted primarily of proceeds from borrowings, which were partially offset by repayments of debt, repurchases of common stock under our share repurchase program and employee plans, and dividend payments.

We have made, and may from time to time in the future make, optional repayments on our debt obligations, which may include repurchases or exchanges of our outstanding public notes and debentures, depending on various factors, such as market conditions. See Note 5 to Comcast's condensed consolidated financial statements for additional information on our financing activities, including details of our debt repayments and borrowings.

## Available Borrowings Under Credit Facilities

We also maintain significant availability under our lines of credit and commercial paper programs to meet our short-term liquidity requirements.

As of September 30, 2018, 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 the NBCUniversal Enterprise revolving credit facility.

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### Share Repurchases and Dividends

Effective January 1, 2017, our Board of Directors increased our share repurchase program authorization to \$12 billion, which does not have an expiration date. Under the authorization, we may repurchase shares in the open market or in private transactions. During the nine months ended September 30, 2018, we repurchased a total of 112 million shares of our Class A common stock for \$4.0 billion. We expect to repurchase \$1.0 billion more under this authorization during the fourth quarter of 2018, although we plan to pause our common stock repurchase program in 2019 to accelerate the reduction of indebtedness we incurred in connection with the acquisition of Sky.

In addition, we paid \$282 million for the nine months ended September 30, 2018 related to employee taxes associated with the administration of our share-based compensation plans.

In January 2018, our Board of Directors approved a 21% increase in our dividend to \$0.76 per share on an annualized basis. In July 2018, our Board of Directors approved our third quarter dividend of \$0.19 per share to be paid in October 2018. We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors.

### Critical Accounting Judgments and Estimates

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

We believe our judgments and related estimates associated with the valuation and impairment testing of our cable franchise rights and accounting for film and television costs are critical in the preparation of our condensed consolidated financial statements. We performed our annual impairment testing of our cable franchise rights as of July 1, 2018 and no impairment charge was required.

For a more complete discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our condensed consolidated financial statements, please refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2017 Annual Report on Form 10-K.

### Recent Accounting Pronouncements

See Note 7 to Comcast's condensed consolidated financial statements and see Note 6 to NBCUniversal's condensed consolidated financial statements for additional information related to recent accounting pronouncements.

### ITEM 3: QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have evaluated the information required under this item that was disclosed in our 2017 Annual Report on Form 10-K and there have been no significant changes to this information.

### ITEM 4: CONTROLS AND PROCEDURES

#### Comcast Corporation

#### Conclusions regarding disclosure controls and procedures

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

#### Changes in internal control over financial reporting

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

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NBCUniversal Media, LLC

Conclusions regarding disclosure controls and procedures

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

Changes in internal control over financial reporting

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

Table of Contents**PART II: OTHER INFORMATION****ITEM 1: LEGAL PROCEEDINGS**

Refer to Note 11 to Comcast's condensed consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of legal proceedings.

NBCUniversal is subject to legal proceedings and claims that arise in the ordinary course of its business and does not expect the final disposition of these matters to have a material adverse effect on its results of operations, cash flows or financial condition, although any such matters could be time-consuming and costly and could injure its reputation.

**ITEM 1A: RISK FACTORS**

There have been no significant changes from the risk factors previously disclosed in Item 1A of our 2017 Annual Report on Form 10-K.

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

The table below summarizes Comcast's common stock repurchases during the three months ended September 30, 2018.

**Purchases of Equity Securities**

| Period               | Total<br>Number of<br>Shares<br>Purchased | Average<br>Price<br>Per<br>Share | Total Number of<br>Shares Purchased<br>as Part of Publicly<br>Announced Authorization | Total Dollar<br>Amount<br>Purchased<br>Under the<br>Publicly<br>Announced<br>Authorization | Maximum Dollar<br>Value of Shares<br>That<br>May Yet Be<br>Purchased Under the<br>Publicly Announced<br>Authorization <sup>(a)</sup> |
|----------------------|-------------------------------------------|----------------------------------|---------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| July 1-31, 2018      | —                                         | \$ —                             | —                                                                                     | \$ —                                                                                       | \$ 4,250,000,013                                                                                                                     |
| August 1-31, 2018    | 18,310,297                                | \$ 34.13                         | 18,310,297                                                                            | \$ 625,000,000                                                                             | \$ 3,625,000,013                                                                                                                     |
| September 1-30, 2018 | 17,317,433                                | \$ 36.09                         | 17,317,433                                                                            | \$ 625,000,000                                                                             | \$ 3,000,000,013                                                                                                                     |
| Total                | 35,627,730                                | \$ 35.09                         | 35,627,730                                                                            | \$ 1,250,000,000                                                                           | \$ 3,000,000,013                                                                                                                     |

Effective January 1, 2017, our Board of Directors increased our share repurchase program authorization to \$12 (a) billion, which does not have an expiration date. Under this authorization, we may repurchase shares in the open market or in private transactions.

The total number of shares purchased during the three months ended September 30, 2018 does not include any shares received in the administration of employee share-based compensation plans.

**ITEM 5: OTHER INFORMATION****Iran Threat Reduction and Syria Human Rights Act Disclosure**

Pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012, companies are required, among other things, to disclose certain activities, transactions or dealings with the Government of Iran or entities controlled directly or indirectly by the Government of Iran. Disclosure is generally required even where the activities, transactions or dealings are conducted in compliance with applicable laws and regulations and are de minimis. As of the date of this report, we are not aware of any activity, transaction or dealing during the three months ended September 30, 2018 that requires disclosure under the Act, except with respect to a January 2016 licensing agreement by a non-U.S. subsidiary of DreamWorks Animation prior to our August 2016 DreamWorks Animation acquisition. The agreement licensed a prior season of a children's animated television series for a three-year, non-cancelable term and for a one-time fee of \$5,200 to a broadcasting company that is owned and controlled by the Government of Iran. The broadcasting company paid the license fee in the first quarter of 2016. We believe that DreamWorks Animation conducted its licensing activity in compliance with applicable laws and that the license is for the permissible exportation of informational materials pursuant to certain statutory and regulatory exemptions from U.S. sanctions.

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ITEM 6: EXHIBITS

Comcast

Exhibit  
No. Description

- Term Loan Credit Agreement among Comcast, the financial institutions party thereto, Bank of America, N.A., as administrative agent, Wells Fargo Bank, National Association, as syndication agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities LLC, as joint lead arrangers and joint bookrunners, dated August 22, 2018 (incorporated by reference to Exhibit 10.1 to Comcast's Current Report on Form 8-K filed on August 22, 2018).
- 10.1
- Amendment No. 1 to 364-Day Bridge Credit Agreement among Comcast, the financial institutions party thereto, and Bank of America, N.A., as administrative agent, and Wells Fargo Bank, National Association, as syndication agent, dated as of August 22, 2018 (incorporated by reference to Exhibit 10.2 to Comcast's Current Report on Form 8-K filed on August 22, 2018).
- 10.2
- Comcast Revolving Credit Agreement Increased Revolving Commitment Activation Notice, dated September 21, 2018 (incorporated by reference to Exhibit 10.1 to Comcast's Current Report on Form 8-K filed on September 24, 2018).
- 10.3
- Comcast Revolving Credit Agreement New Lender Supplement, dated September 21, 2018 (incorporated by reference to Exhibit 10.2 to Comcast's Current Report on Form 8-K filed on September 24, 2018).
- 10.4
- Amendment No. 1 to Term Loan Credit Agreement, dated September 23, 2018 (incorporated by reference to Exhibit 10.3 to Comcast's Current Report on Form 8-K filed on September 24, 2018).
- 10.5
- Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.1
- Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.1
- The following financial statements from Comcast Corporation's Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2018, filed with the Securities and Exchange Commission on October 25, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statement of Income; (ii) the Condensed Consolidated Statement of Comprehensive Income; (iii) the Condensed Consolidated Statement of Cash Flows; (iv) the Condensed Consolidated Balance Sheet; (v) the Condensed Consolidated Statement of Changes in Equity; and (vi) the Notes to Condensed Consolidated Financial Statements.
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NBCUniversal

Exhibit  
No. Description

|             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|             | Term Loan Credit Agreement among Comcast, the financial institutions party thereto, Bank of America, N.A., as administrative agent, Wells Fargo Bank, National Association, as syndication agent, and Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities LLC, as joint lead arrangers and joint bookrunners, dated August 22, 2018 (incorporated by reference to Exhibit 10.1 to NBCUniversal's Current Report on Form 8-K filed on August 22, 2018).                                                                                                                                                                             |
| <u>10.1</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|             | Amendment No. 1 to 364-Day Bridge Credit Agreement among Comcast, the financial institutions party thereto, and Bank of America, N.A., as administrative agent, and Wells Fargo Bank, National Association, as syndication agent, dated as of August 22, 2018 (incorporated by reference to Exhibit 10.2 to NBCUniversal's Current Report on Form 8-K filed on August 22, 2018).                                                                                                                                                                                                                                                                             |
| <u>10.2</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|             | Comcast Revolving Credit Agreement Increased Revolving Commitment Activation Notice, dated September 21, 2018 (incorporated by reference to Exhibit 10.1 to NBCUniversal's Current Report on Form 8-K filed on September 24, 2018).                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <u>10.3</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|             | Comcast Revolving Credit Agreement New Lender Supplement, dated September 21, 2018 (incorporated by reference to Exhibit 10.2 to NBCUniversal's Current Report on Form 8-K filed on September 24, 2018).                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <u>10.4</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|             | Amendment No. 1 to Term Loan Credit Agreement, dated September 23, 2018 (incorporated by reference to Exhibit 10.3 to NBCUniversal's Current Report on Form 8-K filed on September 24, 2018).                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <u>10.5</u> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <u>31.2</u> | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <u>32.2</u> | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|             | The following financial statements from NBCUniversal Media, LLC's Quarterly Report on Form 10-Q for the three and nine months ended September 30, 2018, filed with the Securities and Exchange Commission on October 25, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Statement of Income; (ii) the Condensed Consolidated Statement of Comprehensive Income; (iii) the Condensed Consolidated Statement of Cash Flows; (iv) the Condensed Consolidated Balance Sheet; (v) the Condensed Consolidated Statement of Changes in Equity; and (vi) the Notes to Condensed Consolidated Financial Statements. |
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SIGNATURES

Comcast

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

COMCAST CORPORATION

By: /s/ DANIEL C. MURDOCK

Daniel C. Murdock

Senior Vice President, Chief Accounting Officer and Controller

(Principal Accounting Officer)

Date: October 25, 2018

NBCUniversal

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

NBCUNIVERSAL MEDIA, LLC

By: /s/ DANIEL C. MURDOCK

Daniel C. Murdock

Senior Vice President

(Principal Accounting Officer)

Date: October 25, 2018

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NBCUniversal Media, LLC Financial Statements

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NBCUniversal Media, LLC

Condensed Consolidated Statement of Income  
(Unaudited)

|                                                                  | Three Months<br>Ended<br>September 30 |         | Nine Months<br>Ended<br>September 30 |          |
|------------------------------------------------------------------|---------------------------------------|---------|--------------------------------------|----------|
| (in millions)                                                    | 2018                                  | 2017    | 2018                                 | 2017     |
| Revenue                                                          | \$8,625                               | \$7,976 | \$26,468                             | \$24,147 |
| Costs and Expenses:                                              |                                       |         |                                      |          |
| Programming and production                                       | 3,896                                 | 3,239   | 11,947                               | 10,115   |
| Other operating and administrative                               | 1,959                                 | 1,856   | 5,886                                | 5,574    |
| Advertising, marketing and promotion                             | 704                                   | 624     | 2,124                                | 2,108    |
| Depreciation                                                     | 250                                   | 253     | 750                                  | 749      |
| Amortization                                                     | 264                                   | 254     | 827                                  | 786      |
| Other operating gains                                            | (141 )                                | (337 )  | (141 )                               | (337 )   |
| Total costs and expenses                                         | 6,932                                 | 5,889   | 21,393                               | 18,995   |
| Operating income                                                 | 1,693                                 | 2,087   | 5,075                                | 5,152    |
| Interest expense                                                 | (134 )                                | (139 )  | (394 )                               | (431 )   |
| Investment and other income (loss), net                          | (205 )                                | (26 )   | (377 )                               | (42 )    |
| Income before income taxes                                       | 1,354                                 | 1,922   | 4,304                                | 4,679    |
| Income tax expense                                               | (112 )                                | (98 )   | (291 )                               | (289 )   |
| Net income                                                       | 1,242                                 | 1,824   | 4,013                                | 4,390    |
| Less: Net income (loss) attributable to noncontrolling interests | 11                                    | 17      | 22                                   | 102      |
| Net income attributable to NBCUniversal                          | \$1,231                               | \$1,807 | \$3,991                              | \$4,288  |

See accompanying notes to condensed consolidated financial statements.

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NBCUniversal Media, LLC

Condensed Consolidated Statement of Comprehensive Income  
(Unaudited)

|                                                                                  | Three Months<br>Ended<br>September 30 |         | Nine Months<br>Ended<br>September 30 |         |
|----------------------------------------------------------------------------------|---------------------------------------|---------|--------------------------------------|---------|
| (in millions)                                                                    | 2018                                  | 2017    | 2018                                 | 2017    |
| Net income                                                                       | \$1,242                               | \$1,824 | \$4,013                              | \$4,390 |
| Unrealized gains (losses) on marketable securities, net                          | —                                     | (94 )   | —                                    | (233 )  |
| Deferred gains (losses) on cash flow hedges, net                                 | (2 )                                  | (5 )    | (4 )                                 | (27 )   |
| Employee benefit obligations, net                                                | (4 )                                  | (3 )    | (11 )                                | 101     |
| Currency translation adjustments, net                                            | (133 )                                | 22      | (144 )                               | 211     |
| Comprehensive income                                                             | 1,103                                 | 1,744   | 3,854                                | 4,442   |
| Less: Net income (loss) attributable to noncontrolling interests                 | 11                                    | 17      | 22                                   | 102     |
| Less: Other comprehensive income (loss) attributable to noncontrolling interests | (20 )                                 | 5       | (45 )                                | 87      |
| Comprehensive income attributable to NBCUniversal                                | \$1,112                               | \$1,722 | \$3,877                              | \$4,253 |
| See accompanying notes to condensed consolidated financial statements.           |                                       |         |                                      |         |

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NBCUniversal Media, LLC

Condensed Consolidated Statement of Cash Flows  
(Unaudited)

|                                                                                               | Nine Months<br>Ended<br>September 30 |          |
|-----------------------------------------------------------------------------------------------|--------------------------------------|----------|
| (in millions)                                                                                 | 2018                                 | 2017     |
| Operating Activities                                                                          |                                      |          |
| Net income                                                                                    | \$4,013                              | \$4,390  |
| Adjustments to reconcile net income to net cash provided by operating activities:             |                                      |          |
| Depreciation, amortization and other operating gains                                          | 1,436                                | 1,198    |
| Net (gain) loss on investment activity and other                                              | 497                                  | 125      |
| Deferred income taxes                                                                         | 21                                   | (6 )     |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: |                                      |          |
| Current and noncurrent receivables, net                                                       | 90                                   | 247      |
| Film and television costs, net                                                                | 69                                   | (77 )    |
| Accounts payable and accrued expenses related to trade creditors                              | (123 )                               | (270 )   |
| Other operating assets and liabilities                                                        | (165 )                               | (35 )    |
| Net cash provided by operating activities                                                     | 5,838                                | 5,572    |
| Investing Activities                                                                          |                                      |          |
| Capital expenditures                                                                          | (1,135 )                             | (977 )   |
| Cash paid for intangible assets                                                               | (374 )                               | (197 )   |
| Note receivable from Comcast                                                                  | (1,522 )                             | —        |
| Construction of Universal Beijing Resort                                                      | (257 )                               | (47 )    |
| Purchases of investments                                                                      | (450 )                               | (368 )   |
| Other                                                                                         | (45 )                                | 566      |
| Net cash provided by (used in) investing activities                                           | (3,783 )                             | (1,023 ) |
| Financing Activities                                                                          |                                      |          |
| Proceeds from borrowings                                                                      | 485                                  | 3,948    |
| Repurchases and repayments of debt                                                            | (387 )                               | (3,450 ) |
| Proceeds from (repayments of) borrowings from Comcast, net                                    | (1,791 )                             | (898 )   |
| Distributions to member                                                                       | (1,228 )                             | (1,720 ) |
| Distributions to noncontrolling interests                                                     | (163 )                               | (165 )   |
| Purchase of Universal Studios Japan noncontrolling interests                                  | —                                    | (2,299 ) |
| Other                                                                                         | (147 )                               | 86       |
| Net cash provided by (used in) financing activities                                           | (3,231 )                             | (4,498 ) |
| Increase (decrease) in cash, cash equivalents and restricted cash                             | (1,176 )                             | 51       |
| Cash, cash equivalents and restricted cash, beginning of period                               | 2,377                                | 1,987    |
| Cash, cash equivalents and restricted cash, end of period                                     | \$1,201                              | \$2,038  |
| See accompanying notes to condensed consolidated financial statements.                        |                                      |          |

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## NBCUniversal Media, LLC

Condensed Consolidated Balance Sheet  
(Unaudited)

| (in millions)                                                                  | September 30,<br>2018 | December 31,<br>2017 |
|--------------------------------------------------------------------------------|-----------------------|----------------------|
| Assets                                                                         |                       |                      |
| Current Assets:                                                                |                       |                      |
| Cash and cash equivalents                                                      | \$ 1,181              | \$ 2,347             |
| Receivables, net                                                               | 6,851                 | 6,967                |
| Programming rights                                                             | 1,213                 | 1,606                |
| Note receivable from Comcast                                                   | 1,522                 | —                    |
| Other current assets                                                           | 1,103                 | 1,037                |
| Total current assets                                                           | 11,870                | 11,957               |
| Film and television costs                                                      | 7,369                 | 7,082                |
| Investments                                                                    | 1,722                 | 1,816                |
| Property and equipment, net of accumulated depreciation of \$4,816 and \$4,166 | 12,427                | 11,346               |
| Goodwill                                                                       | 23,918                | 23,989               |
| Intangible assets, net of accumulated amortization of \$8,358 and \$7,585      | 13,829                | 13,306               |
| Other noncurrent assets, net                                                   | 1,799                 | 1,804                |
| Total assets                                                                   | \$ 72,934             | \$ 71,300            |
| Liabilities and Equity                                                         |                       |                      |
| Current Liabilities:                                                           |                       |                      |
| Accounts payable and accrued expenses related to trade creditors               | \$ 1,665              | \$ 1,663             |
| Accrued participations and residuals                                           | 1,809                 | 1,644                |
| Program obligations                                                            | 615                   | 745                  |
| Deferred revenue                                                               | 1,336                 | 1,457                |
| Accrued expenses and other current liabilities                                 | 1,914                 | 2,394                |
| Note payable to Comcast                                                        | 41                    | 1,831                |
| Current portion of long-term debt                                              | 162                   | 198                  |
| Total current liabilities                                                      | 7,542                 | 9,932                |
| Long-term debt, less current portion                                           | 12,401                | 12,275               |
| Accrued participations, residuals and program obligations                      | 1,703                 | 1,490                |
| Other noncurrent liabilities                                                   | 5,189                 | 4,153                |
| Commitments and contingencies                                                  |                       |                      |
| Redeemable noncontrolling interests                                            | 387                   | 409                  |
| Equity:                                                                        |                       |                      |
| Member's capital                                                               | 44,771                | 42,148               |
| Accumulated other comprehensive income (loss)                                  | 98                    | (20 )                |
| Total NBCUniversal member's equity                                             | 44,869                | 42,128               |
| Noncontrolling interests                                                       | 843                   | 913                  |
| Total equity                                                                   | 45,712                | 43,041               |
| Total liabilities and equity                                                   | \$ 72,934             | \$ 71,300            |
| See accompanying notes to condensed consolidated financial statements.         |                       |                      |

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## NBCUniversal Media, LLC

Condensed Consolidated Statement of Changes in Equity  
(Unaudited)

| (in millions)                                                          | Redeemable<br>Noncontrolling<br>Interests | Member's<br>Capital | Accumulated<br>Other<br>Comprehensive<br>Income<br>(Loss) | Noncontrolling<br>Interests | Total Equity |
|------------------------------------------------------------------------|-------------------------------------------|---------------------|-----------------------------------------------------------|-----------------------------|--------------|
| Balance, December 31, 2016                                             | \$ 530                                    | \$38,894            | \$ (135 )                                                 | \$ 2,116                    | \$ 40,875    |
| Dividends declared                                                     |                                           | (1,720 )            |                                                           |                             | (1,720 )     |
| Contributions from (distributions to)<br>noncontrolling interests, net | (56 )                                     |                     |                                                           | (95 )                       | (95 )        |
| Contribution from member                                               |                                           | 662                 |                                                           |                             | 662          |
| Other comprehensive income (loss)                                      |                                           |                     | (35 )                                                     | 87                          | 52           |
| Purchase of Universal Studios Japan noncontrolling<br>interests        |                                           | (704 )              | 141                                                       | (1,736 )                    | (2,299 )     |
| Other                                                                  | (85 )                                     | 185                 |                                                           | 470                         | 655          |
| Net income (loss)                                                      | 18                                        | 4,288               |                                                           | 84                          | 4,372        |
| Balance, September 30, 2017                                            | \$ 407                                    | \$41,605            | \$ (29 )                                                  | \$ 926                      | \$ 42,502    |
| Balance, December 31, 2017                                             | \$ 409                                    | \$42,148            | \$ (20 )                                                  | \$ 913                      | \$ 43,041    |
| Cumulative effects of adoption of accounting<br>standards              |                                           | (232 )              | 232                                                       |                             | —            |
| Dividends declared                                                     |                                           | (1,228 )            |                                                           |                             | (1,228 )     |
| Contributions from (distributions to)<br>noncontrolling interests, net | (43 )                                     |                     |                                                           | 272                         | 272          |
| Other comprehensive income (loss)                                      |                                           |                     | (114 )                                                    | (45 )                       | (159 )       |
| Other                                                                  | (5 )                                      | 92                  |                                                           | (293 )                      | (201 )       |
| Net income (loss)                                                      | 26                                        | 3,991               |                                                           | (4 )                        | 3,987        |
| Balance, September 30, 2018                                            | \$ 387                                    | \$44,771            | \$ 98                                                     | \$ 843                      | \$ 45,712    |

See accompanying notes to condensed consolidated financial statements.

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NBCUniversal Media, LLC

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

## Note 1: Condensed Consolidated Financial Statements

## Basis of Presentation

Unless indicated otherwise, throughout these notes to the condensed consolidated financial statements, we refer to NBCUniversal and its consolidated subsidiaries as “we,” “us” and “our.” 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.

See Note 6 for a discussion of the effects of the adoption of new accounting pronouncements on our condensed consolidated financial statements.

## Note 2: Segment Information

We present our operations in four reportable business segments:

**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 NBCUniversal excluded from Adjusted EBITDA are not separately evaluated. Our financial data by business segment is presented in the tables below.

## Three Months Ended September 30, 2018

| (in millions)                         | Revenue | Adjusted EBITDA <sup>(c)</sup> | Depreciation and Amortization | Capital Expenditures | Cash Paid for Intangible Assets |
|---------------------------------------|---------|--------------------------------|-------------------------------|----------------------|---------------------------------|
| 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 <sup>(a)</sup> | 15      | (161)                          | 106                           | 79                   | 43                              |
| Eliminations <sup>(b)</sup>           | (73)    | (1)                            | —                             | —                    | —                               |
| Total                                 | \$8,625 | \$ 2,066                       | \$ 514                        | \$ 405               | \$ 78                           |



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## NBCUniversal Media, LLC

## Three Months Ended September 30, 2017

| (in millions)                         | Revenue | Adjusted EBITDA <sup>(c)</sup> | Depreciation and Amortization | Capital Expenditures | Cash Paid for Intangible Assets |
|---------------------------------------|---------|--------------------------------|-------------------------------|----------------------|---------------------------------|
| 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 <sup>(a)</sup> | 15      | (122)                          | ) 97                          | 66                   | 37                              |
| Eliminations <sup>(b)</sup>           | (70)    | )(1)                           | ) —                           | —                    | —                               |
| Total                                 | \$7,976 | \$ 2,257                       | \$ 507                        | \$ 354               | \$ 69                           |

## Nine Months Ended September 30, 2018

| (in millions)                         | Revenue  | Adjusted EBITDA <sup>(c)</sup> | Depreciation and Amortization | Capital Expenditures | Cash Paid for Intangible Assets |
|---------------------------------------|----------|--------------------------------|-------------------------------|----------------------|---------------------------------|
| Cable Networks <sup>(d)</sup>         | \$8,994  | \$ 3,422                       | \$ 548                        | \$ 22                | \$ 15                           |
| Broadcast Television <sup>(d)</sup>   | 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 <sup>(a)</sup> | 44       | (497)                          | ) 314                         | 179                  | 106                             |
| Eliminations <sup>(b)(d)</sup>        | (256)    | )(3)                           | ) —                           | —                    | —                               |
| Total                                 | \$26,468 | \$ 6,511                       | \$ 1,577                      | \$ 1,135             | \$ 374                          |

## Nine Months Ended September 30, 2017

| (in millions)                         | Revenue  | Adjusted EBITDA <sup>(c)</sup> | Depreciation and Amortization | Capital Expenditures | Cash Paid for Intangible Assets |
|---------------------------------------|----------|--------------------------------|-------------------------------|----------------------|---------------------------------|
| 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 <sup>(a)</sup> | 32       | (542)                          | ) 292                         | 119                  | 101                             |
| Eliminations <sup>(b)</sup>           | (242)    | )(2)                           | ) —                           | —                    | —                               |
| Total                                 | \$24,147 | \$ 6,350                       | \$ 1,535                      | \$ 977               | \$ 197                          |

(a) 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, which consisted primarily of the licensing of film and television content from our Filmed Entertainment and Broadcast Television segments 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) We use Adjusted EBITDA as the measure of profit or loss for our operating segments. Adjusted EBITDA is defined as net income attributable to NBCUniversal before net income (loss) attributable to noncontrolling interests, 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 |         | Nine Months  |         |
|-----------------------------------------|--------------|---------|--------------|---------|
|                                         | Ended        |         | Ended        |         |
|                                         | September 30 |         | September 30 |         |
| (in millions)                           | 2018         | 2017    | 2018         | 2017    |
| Adjusted EBITDA                         | \$2,066      | \$2,257 | \$6,511      | \$6,350 |
| Depreciation                            | (250 )       | (253 )  | (750 )       | (749 )  |
| Amortization                            | (264 )       | (254 )  | (827 )       | (786 )  |
| Other operating gains                   | 141          | 337     | 141          | 337     |
| Interest expense                        | (134 )       | (139 )  | (394 )       | (431 )  |
| Investment and other income (loss), net | (205 )       | (26 )   | (377 )       | (42 )   |
| Income before income taxes              | \$1,354      | \$1,922 | \$4,304      | \$4,679 |

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 (d) 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.

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## NBCUniversal Media, LLC

## Note 3: Revenue

|                             | Three Months<br>Ended<br>September 30 |         | Nine Months<br>Ended<br>September 30 |          |
|-----------------------------|---------------------------------------|---------|--------------------------------------|----------|
| (in millions)               | 2018                                  | 2017    | 2018                                 | 2017     |
| 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 <sup>(a)</sup> | (73 )                                 | (70 )   | (256 )                               | (242 )   |
| Total revenue               | \$8,625                               | \$7,976 | \$26,468                             | \$24,147 |

(a) 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<br>Ended<br>September 30 |         | Nine Months<br>Ended<br>September 30 |          |
|---------------|---------------------------------------|---------|--------------------------------------|----------|
| (in millions) | 2018                                  | 2017    | 2018                                 | 2017     |
| United States | \$6,758                               | \$6,088 | \$20,945                             | \$18,344 |
| Foreign       | 1,867                                 | 1,888   | 5,523                                | 5,803    |
| Total revenue | \$8,625                               | \$7,976 | \$26,468                             | \$24,147 |

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

**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.

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## NBCUniversal Media, LLC

## 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.

## 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.

| (in millions)                         | September 30, December 31, |          |
|---------------------------------------|----------------------------|----------|
|                                       | 2018                       | 2017     |
| Receivables, gross                    | \$ 6,951                   | \$ 7,055 |
| Less: Allowance for doubtful accounts | 100                        | 88       |

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|                                                                        |          |          |                    |                   |
|------------------------------------------------------------------------|----------|----------|--------------------|-------------------|
| Receivables, net                                                       | \$ 6,851 | \$ 6,967 |                    |                   |
| (in millions)                                                          |          |          | September 30, 2018 | December 31, 2017 |
| Noncurrent receivables, net (included in other noncurrent assets, net) | \$ 1,098 |          | \$ 1,098           | \$ 1,093          |
| Noncurrent deferred revenue (included in other noncurrent liabilities) | \$ 451   |          | \$ 451             | \$ 392            |

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### NBCUniversal Media, LLC

#### Note 4: Long-Term Debt

As of September 30, 2018, our debt, excluding the note payable to Comcast, had a carrying value of \$12.6 billion and an estimated fair value of \$12.9 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.

For the nine months ended September 30, 2018, Universal Beijing Resort borrowed \$386 million under its debt financing agreement to fund the construction of a Universal theme park and resort in Beijing, China (see Note 5).

For the nine months ended September 30, 2018, we repaid \$362 million of Universal Studios Japan term loans maturing 2022.

#### Cross-Guarantee Structure

We, Comcast and a 100% owned cable holding company subsidiary of Comcast ("CCCL Parent") have fully and unconditionally guaranteed each other's debt securities, including the \$7.6 billion Comcast revolving credit facility due 2021 and the £3.0 billion of borrowings (\$3.9 billion using the exchange rate on the date of borrowing) under Comcast's £7.0 billion unsecured sterling-denominated term loan credit agreement. As of September 30, 2018, outstanding debt securities of \$58.7 billion of Comcast and CCCL Parent were subject to the cross-guarantee structure.

In October 2018, in connection with Comcast's acquisition of Sky on October 9, 2018, Comcast 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 Comcast's £7.0 billion unsecured sterling-denominated term loan credit agreement and \$3.0 billion under Comcast's \$3.0 billion unsecured dollar-denominated term loan credit agreement. We also guarantee these senior notes and unsecured term loans under the cross-guarantee structure.

We do not, however, guarantee the obligations of NBCUniversal Enterprise with respect to its \$3.0 billion aggregate principal amount of senior notes, \$1.6 billion revolving credit facility and commercial paper program, or \$725 million liquidation preference of Series A cumulative preferred stock. Additionally, the Universal Studios Japan and Universal Beijing Resort term loans are not subject to the cross-guarantee structure and are not guaranteed by us; however, the Universal Studios Japan term loans have a separate guarantee from Comcast.

#### Note 5: Significant Transactions

##### 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, we relinquished our spectrum rights in the New York, Philadelphia and Chicago designated market areas (“DMAs”) where NBC and Telemundo had overlapping spectrum. We received proceeds of \$482 million in July 2017, which were recorded in other investing activities in our condensed consolidated statement of cash flows. We 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 will share broadcast signals in these DMAs.

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## NBCUniversal Media, LLC

## 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 borrowings under our revolving credit agreement with Comcast. 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 accumulated other comprehensive income impact, were recorded to member's capital.

## Note 6: Recent Accounting Pronouncements

## 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.

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.

## Condensed Consolidated Statement of Income

| (in millions)                           | Three Months Ended<br>September 30, 2017 |                        |                | Nine Months Ended<br>September 30, 2017 |                        |                |
|-----------------------------------------|------------------------------------------|------------------------|----------------|-----------------------------------------|------------------------|----------------|
|                                         | Previously<br>Reported                   | Effects of<br>Adoption | As<br>Adjusted | Previously<br>Reported                  | Effects of<br>Adoption | As<br>Adjusted |
|                                         |                                          |                        |                |                                         |                        |                |
| Revenue                                 | \$8,014                                  | \$ (38)                | ) \$ 7,976     | \$24,213                                | \$ (66)                | ) \$ 24,147    |
| Total costs and expenses                | \$5,909                                  | \$ (20)                | ) \$ 5,889     | \$19,048                                | \$ (53)                | ) \$ 18,995    |
| Operating income                        | \$2,105                                  | \$ (18)                | ) \$ 2,087     | \$5,165                                 | \$ (13)                | ) \$ 5,152     |
| Net income attributable to NBCUniversal | \$1,825                                  | \$ (18)                | ) \$ 1,807     | \$4,301                                 | \$ (13)                | ) \$ 4,288     |

## Condensed Consolidated Balance Sheet

| (in millions)                | December 31, 2017      |                           |                |
|------------------------------|------------------------|---------------------------|----------------|
|                              | Previously<br>Reported | Effects<br>of<br>Adoption | As<br>Adjusted |
|                              |                        |                           |                |
| Total current assets         | \$11,673               | \$ 284                    | \$ 11,957      |
| Film and television costs    | \$7,071                | \$ 11                     | \$ 7,082       |
| Other noncurrent assets, net | \$1,872                | \$ (68)                   | ) \$ 1,804     |
| Total assets                 | \$71,073               | \$ 227                    | \$ 71,300      |
| Total current liabilities    | \$9,602                | \$ 330                    | \$ 9,932       |
| Other noncurrent liabilities | \$4,109                | \$ 44                     | \$ 4,153       |
| Total equity                 | \$43,188               | \$ (147)                  | ) \$ 43,041    |
| Total liabilities and equity | \$71,073               | \$ 227                    | \$ 71,300      |

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 our reportable segments.

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## NBCUniversal Media, LLC

## 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 a \$232 million cumulative effect adjustment to member's capital and accumulated other comprehensive income (loss). See Note 8 for further information.

## 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 7: Film and Television Costs

| (in millions)                               | September 30,<br>2018 | December 31,<br>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       | 2,566                 | 2,677                |
|                                             | 8,582                 | 8,688                |
| Less: Current portion of programming rights | 1,213                 | 1,606                |
| Film and television costs                   | \$ 7,369              | \$ 7,082             |

## Note 8: Investments

| (in millions)                   | September 30,<br>2018 | December 31,<br>2017 |
|---------------------------------|-----------------------|----------------------|
| Equity method                   | \$ 660                | \$ 690               |
| Marketable equity securities    | 249                   | 430                  |
| Nonmarketable equity securities | 813                   | 696                  |
| Total investments               | \$ 1,722              | \$ 1,816             |



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## NBCUniversal Media, LLC

## Investment and Other Income (Loss), Net

|                                                                  | Three Months |        | Nine Months  |         |
|------------------------------------------------------------------|--------------|--------|--------------|---------|
|                                                                  | Ended        |        | Ended        |         |
|                                                                  | September 30 |        | September 30 |         |
| (in millions)                                                    | 2018         | 2017   | 2018         | 2017    |
| Equity in net income (losses) of investees, net                  | \$(119)      | \$(52) | \$(306)      | \$(107) |
| Realized and unrealized gains (losses) on equity securities, net | (91 )        | —      | (128 )       | 2       |
| Other income (loss), net                                         | 5            | 26     | 57           | 63      |
| Investment and other income (loss), net                          | \$(205)      | \$(26) | \$(377)      | \$(42 ) |

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 6), 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

## 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.

## Snap

In March 2017, Comcast acquired an interest in Snap Inc. as part of its initial public offering. On March 31, 2017, Comcast contributed its investment in Snap to us as an equity contribution of \$662 million, which was recorded in our condensed consolidated statement of equity based on the fair value of the investment as of March 31, 2017. We have classified our investment 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 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.

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NBCUniversal Media, LLC

## Note 9: Supplemental Financial Information

### Cash Payments for Interest and Income Taxes

Nine  
Months  
Ended  
September  
30

(in millions) 2018 2017

Interest \$253 \$340

Income taxes \$373 \$213

### Noncash Investing and Financing Activities

During the nine months ended September 30, 2018:

• we acquired \$1.2 billion of property and equipment and intangible assets that were accrued but unpaid

• we received noncash contributions from noncontrolling interests totaling \$391 million related to Universal Beijing Resort (see Note 5)

### 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, December 31, |          |
|-----------------------------------------------------------|----------------------------|----------|
|                                                           | 2018                       | 2017     |
| Cash and cash equivalents                                 | \$ 1,181                   | \$ 2,347 |
| Restricted cash included in other noncurrent assets, net  | 20                         | 30       |
| Cash, cash equivalents and restricted cash, end of period | \$ 1,201                   | \$ 2,377 |
| Accumulated Other Comprehensive Income (Loss)             |                            |          |

| (in millions)                                               | September 30, September 30, |           |
|-------------------------------------------------------------|-----------------------------|-----------|
|                                                             | 2018                        | 2017      |
| Unrealized gains (losses) on marketable securities          | \$ —                        | \$ (233 ) |
| Deferred gains (losses) on cash flow hedges                 | 5                           | (4 )      |
| Unrecognized gains (losses) on employee benefit obligations | 115                         | 115       |
| Cumulative translation adjustments                          | (22 )                       | 93        |
| Accumulated other comprehensive income (loss)               | \$ 98                       | \$ (29 )  |

### Note 10: Related Party Transactions

In the ordinary course of our business, we enter into transactions with Comcast.

We generate revenue from Comcast primarily from the distribution of our cable network programming, the fees received under retransmission consent agreements in our Broadcast Television segment and, to a lesser extent, the sale of advertising and our owned programming, and we incur expenses primarily related to advertising and various support services provided by Comcast to us.

Comcast is also the counterparty to one of our contractual obligations. As of September 30, 2018, the carrying value of the liability associated with this contractual obligation was \$383 million.

The following tables present transactions with Comcast and its consolidated subsidiaries that are included in our condensed consolidated financial statements.

### Condensed Consolidated Statement of Income

| (in millions) | Three<br>Months<br>Ended<br>September 30 |      | Nine Months<br>Ended<br>September 30 |      |
|---------------|------------------------------------------|------|--------------------------------------|------|
|               | 2018                                     | 2017 | 2018                                 | 2017 |

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Transactions with Comcast and Consolidated Subsidiaries

|                                                              |         |         |          |          |
|--------------------------------------------------------------|---------|---------|----------|----------|
| Revenue                                                      | \$ 506  | \$ 463  | \$ 1,580 | \$ 1,382 |
| Total costs and expenses                                     | \$(59 ) | \$(38 ) | \$(162 ) | \$(148 ) |
| Interest expense and investment and other income (loss), net | \$(9 )  | \$(20 ) | \$(52 )  | \$(67 )  |

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## NBCUniversal Media, LLC

## Condensed Consolidated Balance Sheet

| (in millions)                                                    | September 30,<br>2018 | December 31,<br>2017 |
|------------------------------------------------------------------|-----------------------|----------------------|
| Transactions with Comcast and Consolidated Subsidiaries          |                       |                      |
| Receivables, net                                                 | \$ 350                | \$ 326               |
| Note receivable from Comcast                                     | \$ 1,522              | \$ —                 |
| Accounts payable and accrued expenses related to trade creditors | \$ 48                 | \$ 54                |
| Accrued expenses and other current liabilities                   | \$ 20                 | \$ 50                |
| Note payable to Comcast                                          | \$ 41                 | \$ 1,831             |
| Long-term debt                                                   | \$ 698                | \$ 610               |
| Other noncurrent liabilities                                     | \$ 394                | \$ 389               |
| Share-Based Compensation                                         |                       |                      |

Comcast maintains share-based compensation plans that consist primarily of awards of restricted share units and stock options to certain employees and directors as part of its approach to long-term incentive compensation. Additionally, through its employee stock purchase plans, employees are able to purchase shares of Comcast common stock at a discount through payroll deductions. Certain of our employees participate in these plans and the expense associated with their participation is settled in cash with Comcast. For the three months ended September 30, 2018 and 2017, we recognized share-based compensation expense of \$37 million and \$38 million, respectively. For the nine months ended September 30, 2018 and 2017, we recognized share-based compensation expense of \$115 million and \$103 million, respectively.