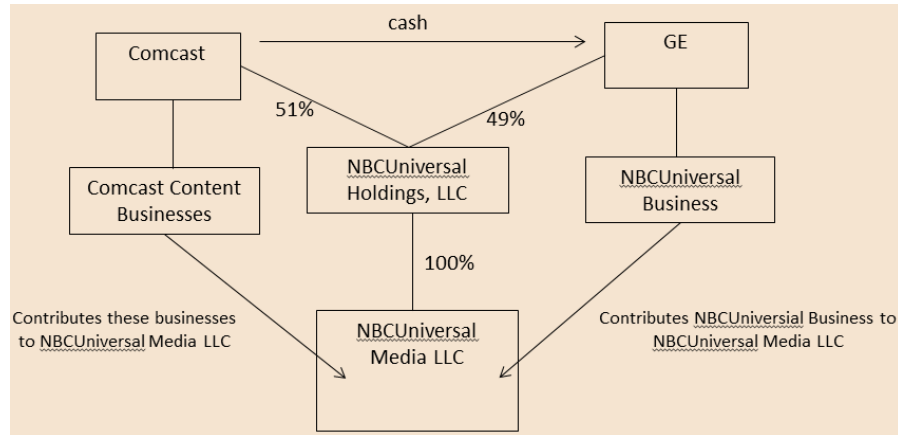


Comcast-NBC Universal Case: Combining assets of two companies; using an LLC in deal design;
 buyout of non-controlling interests stake
 Case prepared by Robert Bushman

Case Overview: In January 2011, Comcast Corporation bought a 51% controlling interest in NBC Universal from General Electric (GE). The deal was structured using an LLC pass through entity, NBC Universal Holdings LLC. Basically GE contributes its interest in NBC Universal receiving a 49% ownership stake in NBC Universal Holdings LLC. Comcast contributes Content Businesses and pays cash to GE, receiving a 51% stake in NBC Universal Holdings LLC.



Case Analysis Questions

1. In footnote 4, Comcast describes the deal entitled the “NBC Universal Transaction”. Just after the deal closes on January 28, 2011, at what amount is NBC Universal Media LLC’s Total Net Assets reflected on Comcast’s Consolidated Balance Sheet?
2. Just after the NBC Universal Transaction closes on 1/28/2011: at what amount is GE’s Non-controlling Interest in the Content Businesses contributed by Comcast reflected on Comcast’s Consolidated Balance Sheet?
3. Footnote 15, Income Taxes, contains a table detailing how income tax expense differs from the federal statutory amount. Comcast reports “Nontaxable income attributable to non-controlling interests” (NCI) of \$620 in 2012. What is underlying reason for the existence of this “non-taxable income” to NCI?
4. Comcast reports in their June 30, 2013 10Q, footnote 3 that they acquired GE’s 49% interest in NBC Universal Holdings LLC. Is this a step acquisition? What journal entry Comcast recorded to reflect this deal.
5. In footnote 15 of Comcast’s June 30, 2013 10Q, they report that the entity NBC Universal Media LLC has become part of Comcast’s existing debt cross-guarantee structure. What is the main asset that the entity NBC Universal Media, LLC has as collateral to support its role in cross-guaranteeing the debt of other Comcast subsidiaries?

Consolidated Balance Sheet

December 31 (in millions, except share data)

2012

2011

| | 2012 | 2011 |
|--|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 10,951 | \$ 1,620 |
| Investments | 1,464 | 54 |
| Receivables, net | 5,521 | 4,652 |
| Programming rights | 909 | 987 |
| Other current assets | 1,146 | 1,260 |
| Total current assets | 19,991 | 8,573 |
| Film and television costs | 5,054 | 5,227 |
| Investments | 6,325 | 9,854 |
| Property and equipment, net | 27,232 | 27,559 |
| Franchise rights | 59,364 | 59,376 |
| Goodwill | 26,985 | 26,874 |
| Other intangible assets, net | 17,840 | 18,165 |
| Other noncurrent assets, net | 2,180 | 2,190 |
| Total assets | \$ 164,971 | \$ 157,818 |
| Liabilities and Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 6,206 | \$ 5,705 |
| Accrued participations and residuals | 1,350 | 1,255 |
| Deferred revenue | 851 | 790 |
| Accrued expenses and other current liabilities | 5,931 | 4,124 |
| Current portion of long-term debt | 2,376 | 1,367 |
| Total current liabilities | 16,714 | 13,241 |
| Long-term debt, less current portion | 38,082 | 37,942 |
| Deferred income taxes | 30,110 | 29,932 |
| Other noncurrent liabilities | 13,271 | 13,034 |
| Commitments and contingencies (Note 18) | | |
| Redeemable noncontrolling interests | 16,998 | 16,014 |
| Equity: | | |
| Preferred stock—authorized, 20,000,000 shares; issued, zero | — | — |
| Class A common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 2,487,739,385 and 2,460,937,253; outstanding, 2,122,278,635 and 2,095,476,503 | 25 | 25 |
| Class A Special common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 578,704,227 and 671,947,577; outstanding, 507,769,463 and 601,012,813 | 6 | 7 |
| Class B common stock, \$0.01 par value—authorized, 75,000,000 shares; issued and outstanding, 9,444,375 | — | — |
| Additional paid-in capital | 40,547 | 40,940 |
| Retained earnings | 16,280 | 13,971 |
| Treasury stock, 365,460,750 Class A common shares and 70,934,764 Class A Special common shares | (7,517) | (7,517) |
| Accumulated other comprehensive income (loss) | 15 | (152) |
| Total Comcast Corporation shareholders' equity | 49,356 | 47,274 |
| Noncontrolling interests | 440 | 381 |
| Total equity | 49,796 | 47,655 |
| Total liabilities and equity | \$ 164,971 | \$ 157,818 |

See accompanying notes to consolidated financial statements.

Consolidated Statement of Income

Year ended December 31 (in millions, except per share data)

| | 2012 | 2011 | 2010 |
|---|------------------|-----------|-----------|
| Revenue | \$ 62,570 | \$ 55,842 | \$ 37,937 |
| Costs and Expenses: | | | |
| Programming and production | 19,929 | 16,598 | 8,537 |
| Other operating and administrative | 17,857 | 16,656 | 12,395 |
| Advertising, marketing and promotion | 4,807 | 4,231 | 2,409 |
| Depreciation | 6,150 | 6,040 | 5,539 |
| Amortization | 1,648 | 1,596 | 1,077 |
| | 50,391 | 45,121 | 29,957 |
| Operating income | 12,179 | 10,721 | 7,980 |
| Other Income (Expense): | | | |
| Interest expense | (2,521) | (2,505) | (2,156) |
| Investment income (loss), net | 219 | 159 | 288 |
| Equity in net income (losses) of investees, net | 959 | (35) | (141) |
| Other income (expense), net | 773 | (133) | 133 |
| | (570) | (2,514) | (1,876) |
| Income before income taxes | 11,609 | 8,207 | 6,104 |
| Income tax expense | (3,744) | (3,050) | (2,436) |
| Net income | 7,865 | 5,157 | 3,668 |
| Net (income) loss attributable to noncontrolling interests | (1,662) | (997) | (33) |
| Net income attributable to Comcast Corporation | \$ 6,203 | \$ 4,160 | \$ 3,635 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | \$ 2.32 | \$ 1.51 | \$ 1.29 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | \$ 2.28 | \$ 1.50 | \$ 1.29 |
| Dividends declared per common share attributable to Comcast Corporation shareholders | \$ 0.65 | \$ 0.45 | \$ 0.378 |

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Equity

| (in millions) | Redeemable Non- controlling Interests | Common Stock | | | Additional Paid-In Capital | Retained Earnings | Treasury Stock at Cost | Accumulated Other Comprehensive Income (Loss) | Non- controlling Interests | Total Equity |
|--|--|--------------|--------------|-------------|----------------------------------|----------------------|------------------------------|--|----------------------------------|------------------|
| | | A | A Special | B | | | | | | |
| Balance, January 1, 2010 | \$ 166 | \$ 24 | \$ 8 | \$ — | \$ 40,247 | \$ 10,005 | \$ (7,517) | \$ (46) | \$ 90 | \$ 42,811 |
| Stock compensation plans | | | | | 242 | (4) | | | | 238 |
| Repurchases and retirements of common stock | | | | | (781) | (419) | | | | (1,200) |
| Employee stock purchase plan | | | | | 61 | | | | | 61 |
| Dividends declared | | | | | | (1,059) | | | | (1,059) |
| Other comprehensive income (loss) | | | | | | | | (53) | | (53) |
| Sale (purchase) of subsidiary shares to (from) noncontrolling interests, net | (20) | | | | 11 | | | | | 11 |
| Contributions from (distributions to) noncontrolling interests, net | (2) | | | | | | | | (44) | (44) |
| Net income (loss) | (1) | | | | | 3,635 | | | 34 | 3,669 |
| Balance, December 31, 2010 | 143 | 24 | 8 | — | 39,780 | 12,158 | (7,517) | (99) | 80 | 44,434 |
| Stock compensation plans | | 1 | | | 509 | (41) | | | | 469 |
| Repurchases and retirements of common stock | | | (1) | | (1,067) | (1,073) | | | | (2,141) |
| Employee stock purchase plans | | | | | 68 | | | | | 68 |
| Dividends declared | | | | | | (1,233) | | | | (1,233) |
| Other comprehensive income (loss) | (38) | | | | | | | (53) | | (53) |
| NBCUniversal transaction | 15,198 | | | | 1,605 | | | | 264 | 1,869 |
| Issuance of subsidiary shares to noncontrolling interests | 83 | | | | 45 | | | | 43 | 88 |
| Contributions from (distributions to) noncontrolling interests, net | (214) | | | | | | | | (161) | (161) |
| Net income (loss) | 842 | | | | | 4,160 | | | 155 | 4,315 |
| Balance, December 31, 2011 | 16,014 | 25 | 7 | — | 40,940 | 13,971 | (7,517) | (152) | 381 | 47,655 |
| Stock compensation plans | | | | | 612 | (240) | | | | 372 |
| Repurchases and retirements of common stock | | | (1) | | (1,081) | (1,918) | | | | (3,000) |
| Employee stock purchase plans | | | | | 80 | | | | | 80 |
| Dividends declared | | | | | | (1,736) | | | | (1,736) |
| Other comprehensive income (loss) | 6 | | | | | | | 167 | | 167 |
| Contributions from (distributions to) noncontrolling interests, net | (493) | | | | | | | | (169) | (169) |
| Other | (43) | | | | (4) | | | | 80 | 76 |
| Net income (loss) | 1,514 | | | | | 6,203 | | | 148 | 6,351 |
| Balance, December 31, 2012 | \$ 16,998 | \$ 25 | \$ 6 | \$ — | \$ 40,547 | \$ 16,280 | \$ (7,517) | \$ 15 | \$ 440 | \$ 49,796 |

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1: Business and Basis of Presentation

We are a Pennsylvania corporation and were incorporated in December 2001. Through our predecessors, we have developed, managed and operated cable systems since 1963, and in 2011, we closed the NBCUniversal transaction in which we acquired control of the businesses of NBC Universal, Inc. (now named NBCUniversal Media, LLC ("NBCUniversal")).

We present our operations as the following five reportable business segments: Cable Communications, Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks. See Note 19 for additional information on our reportable business segments.

Our Cable Communications segment is primarily involved in the management and operation of cable systems serving residential and business customers in the United States. As of December 31, 2012, we served 22.0 million video customers, 19.4 million high-speed Internet customers and 10.0 million voice customers.

Our Cable Networks segment consists primarily of our national cable entertainment networks (USA Network, Syfy, E!, Bravo, Oxygen, Style, G4, Chiller, Cloo and Universal HD); our national cable news and information networks (CNBC, MSNBC and CNBC World); our national cable sports networks (Golf Channel and NBC Sports Network); our regional sports and news networks; our international cable networks (including CNBC Europe, CNBC Asia and our Universal Networks International portfolio of networks); our cable television production studio; and our related digital media properties, which are primarily brand-aligned and other websites.

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local television stations, our broadcast television production operations, and our related digital media properties, which are primarily brand-aligned websites.

Our Filmed Entertainment segment produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Focus Features and Illumination names. We also develop, produce and license live stage plays.

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando and Hollywood. We also receive fees from third parties that own and operate Universal Studios Japan and Universal Studios Singapore for intellectual property licenses and other services.

Our other business interests primarily include Comcast-Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia and operates arena management-related businesses.

Basis of Presentation

The accompanying consolidated financial statements include all entities in which we have a controlling voting interest ("subsidiaries") and variable interest entities ("VIEs") required to be consolidated in accordance with generally accepted accounting principles in the United States ("GAAP").

We translate assets and liabilities of our foreign subsidiaries where the functional currency is the local currency, primarily the euro and the British pound, into U.S. dollars at the exchange rate in effect at the balance sheet date. The related translation adjustments are recorded as a component of accumulated other comprehensive income (loss). We translate revenue and expenses using average monthly exchange rates, and the related foreign currency transaction gains and losses are included in our consolidated statement of income.

Note 4: Acquisitions

NBCUniversal Transaction

On January 28, 2011, we closed our transaction with GE to form a new company named NBCUniversal, LLC ("NBCUniversal Holdings"). We now control and own 51% of NBCUniversal Holdings, and GE owns the remaining 49%. As part of the NBCUniversal transaction, GE contributed the businesses of NBCUniversal, which is a wholly owned subsidiary of NBCUniversal Holdings. We contributed our national cable networks, our regional sports and news networks, certain of our Internet businesses and other related assets (the "Comcast Content Business"). In addition to contributing the Comcast Content Business, we also made a cash payment to GE of \$6.2 billion, which included transaction-related costs. We have received and expect to continue to receive tax benefits related to the transaction and have agreed to share with GE certain of these future tax benefits as they are realized.

Under the terms of the operating agreement of NBCUniversal Holdings, during the six month period beginning on July 28, 2014, GE has the right to cause NBCUniversal Holdings to redeem, in cash, half of GE's interest in NBCUniversal Holdings, and we would have the immediate right to purchase the remainder of GE's interest. If, however, we elect not to exercise this right, during the six month period beginning January 28, 2018, GE has the right to cause NBCUniversal Holdings to redeem GE's remaining interest, if any. If GE does not exercise its first redemption right, we have the right, during the six month period beginning January 28, 2016, to purchase half of GE's interest in NBCUniversal Holdings, and during the six month period beginning

January 28, 2019, we have the right to purchase GE's remaining interest, if any, in NBCUniversal Holdings. The purchase price to be paid in connection with any purchase or redemption described in this paragraph will be equal to the ownership percentage being purchased multiplied by an amount equal to 120% of the fully distributed public market trading value of NBCUniversal Holdings (determined pursuant to an appraisal process if NBCUniversal Holdings is not then publicly traded), less 50% of an amount (not less than zero) equal to the excess of 120% of the fully distributed public market trading value over \$28.4 billion. Subject to various limitations, we are committed to fund up to \$2.875 billion in cash or our common stock for each of the two redemptions (up to an aggregate of \$5.75 billion) to the extent that NBCUniversal Holdings cannot fund the redemptions, with amounts not used in the first redemption to be available for the second redemption.

Until July 28, 2014, GE may not directly or indirectly transfer its interest in NBCUniversal Holdings. Thereafter, GE may transfer its interest to a third party, subject to our right of first offer. The right of first offer would permit us to purchase all, but not less than all, of the interests proposed to be transferred. If GE makes a registration request in accordance with certain registration rights that are granted to it under the agreement, we will have the right to purchase, for cash at the market value (determined pursuant to an appraisal process if NBCUniversal Holdings is not then publicly traded), all of GE's interest in NBCUniversal Holdings that GE is seeking to register.

For so long as GE continues to own at least 20% of NBCUniversal Holdings, GE will have veto rights with respect to certain matters, which include (i) certain issuances or repurchases of equity, (ii) certain distributions to equity holders, (iii) certain debt incurrences and (iv) certain loans to or guarantees for other persons made outside of the ordinary course of business.

On February 12, 2013, we entered into an agreement to acquire GE's 49% common equity interest in NBCUniversal Holdings. See Note 21 for additional information.

Allocation of Purchase Price

We applied acquisition accounting to the NBCUniversal contributed businesses and their results of operations are included in our consolidated results of operations following the acquisition date. The net assets of the NBCUniversal contributed businesses were recorded at their estimated fair value primarily using Level 3 inputs (see Note 10 for an explanation of Level 3 inputs). In valuing acquired assets and liabilities, fair value estimates are based on, but are not limited to, future expected cash flows, market rate assumptions for contractual obligations, actuarial assumptions for benefit plans and appropriate discount rates. The Comcast Content Business continues at its historical or carry-over basis. GE's interest in NBCUniversal Holdings is recorded as a redeemable noncontrolling interest in our consolidated financial statements due to the redemption provisions outlined above. GE's redeemable noncontrolling interest has been recorded at fair value for the portion attributable to the net assets we acquired, and at our historical cost for the portion attributable to the Comcast Content Business.

The tables below present the fair value of the consideration transferred and the allocation of purchase price to the assets and liabilities of the NBCUniversal businesses acquired as a result of the NBCUniversal transaction.

FORM 10-K**Consideration Transferred**

| (in millions) | |
|--|------------------|
| Cash | \$ 6,120 |
| Fair value of 49% of the Comcast Content Business | 4,308 |
| Fair value of contingent consideration | 590 |
| Fair value of redeemable noncontrolling interest associated with net assets acquired | 13,071 |
| Total | \$ 24,089 |

Allocation of Purchase Price

| (in millions) | |
|--|------------------|
| Film and television costs | \$ 5,049 |
| Investments | 4,339 |
| Property and equipment | 2,322 |
| Intangible assets | 14,585 |
| Working capital | (1,734) |
| Long-term debt | (9,115) |
| Deferred income tax liabilities | (35) |
| Other noncurrent assets and liabilities | (2,005) |
| Noncontrolling interests acquired | (262) |
| Fair value of identifiable net assets acquired | 13,144 |
| Goodwill | 10,945 |
| Total | \$ 24,089 |

Contribution of Comcast Content Business

The following assets and liabilities of the contributed Comcast Content Business were consolidated by us at their historical or carry-over basis as of January 28, 2011.

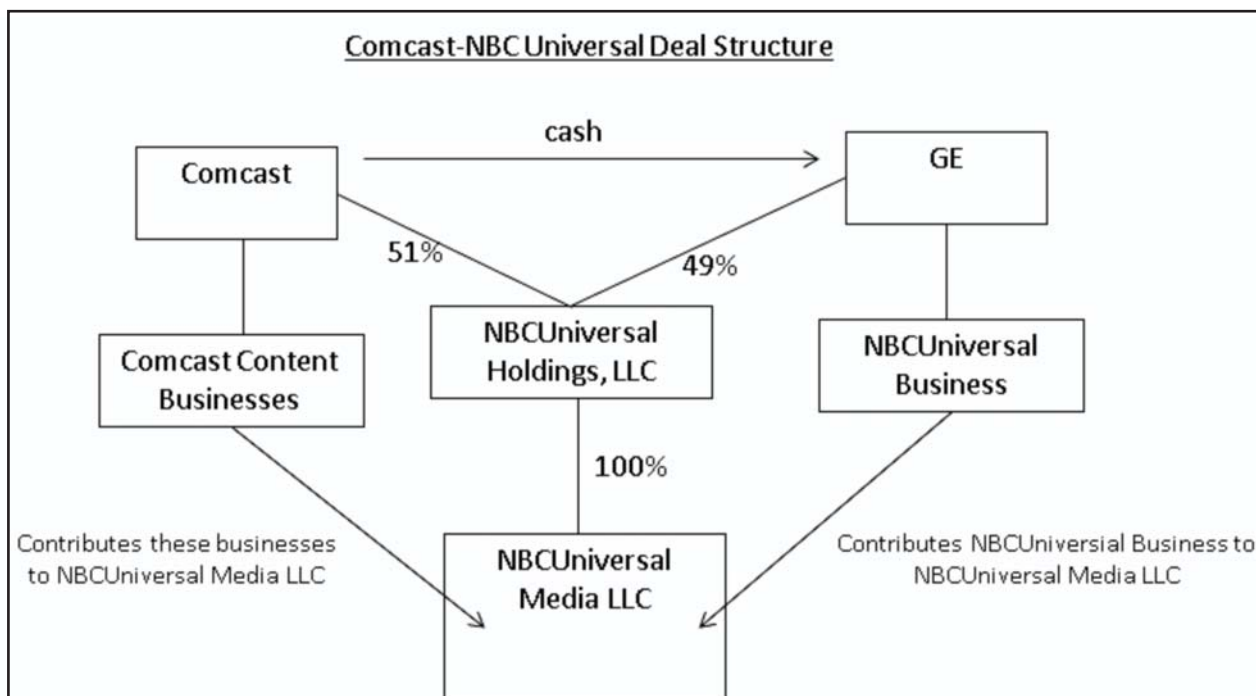
(in millions)

Assets

| | |
|------------------------------|-----------------|
| Total current assets | \$ 769 |
| Programming costs and rights | 493 |
| Investments | 274 |
| Property and equipment, net | 167 |
| Goodwill | 2,564 |
| Other intangible assets, net | 843 |
| Other noncurrent assets | 11 |
| Total assets | \$ 5,121 |

Liabilities

| | |
|--------------------------------------|---------------|
| Total current liabilities | \$ 353 |
| Capital leases, less current portion | 15 |
| Other noncurrent liabilities | 216 |
| Total liabilities | \$ 584 |
| Redeemable noncontrolling interests | \$ 136 |
| Noncontrolling interests | \$ 57 |



Note 15: Income Taxes

Components of Income Tax Expense

| Year ended December 31 (in millions) | 2012 | 2011 | 2010 |
|--------------------------------------|-----------------|----------|----------|
| Current expense (benefit): | | | |
| Federal | \$ 3,004 | \$ 1,480 | \$ 1,502 |
| State | 432 | 359 | 385 |
| Foreign | 169 | 153 | — |
| | 3,605 | 1,992 | 1,887 |
| Deferred expense (benefit): | | | |
| Federal | 160 | 658 | 463 |
| State | (40) | 371 | 86 |
| Foreign | 19 | 29 | — |
| | 139 | 1,058 | 549 |
| Income tax expense | \$ 3,744 | \$ 3,050 | \$ 2,436 |

Our income tax expense differs from the federal statutory amount because of the effect of the items detailed in the table below.

| Year ended December 31 (in millions) | 2012 | 2011 | 2010 |
|--|-----------------|----------|----------|
| Federal tax at statutory rate | \$ 4,063 | \$ 2,872 | \$ 2,136 |
| State income taxes, net of federal benefit | 178 | 354 | 204 |
| Foreign income taxes, net of federal credit | 92 | 89 | — |
| Nontaxable income attributable to noncontrolling interests | (620) | (410) | 2 |
| Adjustments to uncertain and effectively settled tax positions, net | 114 | 77 | 37 |
| Accrued interest on uncertain and effectively settled tax positions, net | 23 | 66 | 60 |
| Other | (106) | 2 | (3) |
| Income tax expense | \$ 3,744 | \$ 3,050 | \$ 2,436 |

We base our provision for income taxes on our current period income, changes in our deferred income tax assets and liabilities, income tax rates, changes in estimates of our uncertain tax positions, and tax planning opportunities available in the jurisdictions in which we operate. We recognize deferred tax assets and liabilities when there are temporary differences between the financial reporting basis and tax basis of our assets and liabilities and for the expected benefits of using net operating loss carryforwards. When a change in the tax rate or tax law has an impact on deferred taxes, we apply the change based on the years in which the temporary differences are expected to reverse. We record the change in our consolidated financial statements in the period of enactment.

Income tax consequences that arise in connection with a business combination include identifying the tax basis of assets and liabilities acquired and any contingencies associated with uncertain tax positions assumed or resulting from the business combination. Deferred tax assets and liabilities related to temporary differences of an acquired entity are recorded as of the date of the business combination and are based on our estimate of the ultimate tax basis that will be accepted by the various taxing authorities. We record liabilities for contingencies associated with prior tax returns filed by the acquired entity based on criteria set forth in the appropriate accounting guidance. We adjust the deferred tax accounts and the liabilities periodically to reflect any revised estimated tax basis and any estimated settlements with the various taxing authorities. The effects of these adjustments are recorded to income tax expense.

PART I: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

Condensed Consolidated Balance Sheet (Unaudited)

| (in millions, except share data) | June 30, 2013 | December 31, 2012 |
|--|------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,389 | \$ 10,951 |
| Investments | 3,765 | 1,464 |
| Receivables, net | 5,507 | 5,521 |
| Programming rights | 859 | 909 |
| Other current assets | 1,215 | 1,146 |
| Total current assets | 12,735 | 19,991 |
| Film and television costs | 4,340 | 5,054 |
| Investments | 5,299 | 6,325 |
| Property and equipment, net of accumulated depreciation of \$41,089 and \$39,425 | 28,255 | 27,232 |
| Franchise rights | 59,364 | 59,364 |
| Goodwill | 27,075 | 26,985 |
| Other intangible assets, net of accumulated amortization of \$8,273 and \$7,662 | 17,440 | 17,840 |
| Other noncurrent assets, net | 2,311 | 2,180 |
| Total assets | \$156,819 | \$ 164,971 |
| Liabilities and Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 6,077 | \$ 6,206 |
| Accrued participations and residuals | 1,625 | 1,350 |
| Deferred revenue | 946 | 851 |
| Accrued expenses and other current liabilities | 7,419 | 5,931 |
| Current portion of long-term debt | 2,535 | 2,376 |
| Total current liabilities | 18,602 | 16,714 |
| Long-term debt, less current portion | 44,114 | 38,082 |
| Deferred income taxes | 31,303 | 30,110 |
| Other noncurrent liabilities | 12,461 | 13,271 |
| Commitments and contingencies (Note 13) | | |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | 853 | 16,998 |
| Equity: | | |
| Preferred stock—authorized, 20,000,000 shares; issued, zero | — | — |
| Class A common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 2,499,065,762 and 2,487,739,385; outstanding, 2,133,605,012 and 2,122,278,635 | 25 | 25 |
| Class A Special common stock, \$0.01 par value—authorized, 7,500,000,000 shares; issued, 552,796,921 and 578,704,227; outstanding, 481,862,157 and 507,769,463 | 6 | 6 |
| Class B common stock, \$0.01 par value—authorized, 75,000,000 shares; issued and outstanding, 9,444,375 | — | — |
| Additional paid-in capital | 38,991 | 40,547 |
| Retained earnings | 17,509 | 16,280 |
| Treasury stock, 365,460,750 Class A common shares and 70,934,764 Class A Special common shares | (7,517) | (7,517) |
| Accumulated other comprehensive income (loss) | 77 | 15 |
| Total Comcast Corporation shareholders' equity | 49,091 | 49,356 |
| Noncontrolling interests | 395 | 440 |
| Total equity | 49,486 | 49,796 |
| Total liabilities and equity | \$156,819 | \$ 164,971 |

See accompanying notes to condensed consolidated financial statements.



**Condensed Consolidated Statement of Changes in Equity
(Unaudited)**

| (in millions) | Redeemable Noncontrolling Interests and Redeemable Subsidiary Preferred Stock | Common Stock | | | | | Retained Earnings | Treasury Stock at Cost | Accumulated Other Comprehensive Income (Loss) | Non- controlling Interests | Total Equity |
|---|---|--------------|-------------|-------------|----------------------------------|------------------|----------------------|------------------------------|--|----------------------------------|-----------------|
| | | A | A Special | B | Additional Paid-In Capital | | | | | | |
| | | | | | | | | | | | |
| Balance, January 1, 2012 | \$ 16,014 | \$25 | \$ 7 | \$ — | \$ 40,940 | \$ 13,971 | \$ (7,517) | \$ (152) | \$ 381 | \$47,655 | |
| Stock compensation plans | | | | | 361 | (127) | | | | 234 | |
| Repurchases and retirements of common stock | | | (1) | | (583) | (916) | | | | (1,500) | |
| Employee stock purchase plans | | | | | 41 | | | | | 41 | |
| Dividends declared | | | | | | (874) | | | | (874) | |
| Other comprehensive income (loss) | (8) | | | | | | | (18) | | (18) | |
| Contributions from (distributions to) noncontrolling interests, net | (132) | | | | | | | | (85) | (85) | |
| Other | (44) | | | | 2 | | | | 93 | 95 | |
| Net income (loss) | 449 | | | | | 2,572 | | | 59 | 2,631 | |
| Balance, June 30, 2012 | \$ 16,279 | \$25 | \$ 6 | \$ — | \$ 40,761 | \$ 14,626 | \$ (7,517) | \$ (170) | \$ 448 | \$48,179 | |
| Balance, January 1, 2013 | \$ 16,998 | \$25 | \$ 6 | \$ — | \$ 40,547 | \$ 16,280 | \$ (7,517) | \$ 15 | \$ 440 | \$49,796 | |
| Stock compensation plans | | | | | 296 | (212) | | | | 84 | |
| Repurchases and retirements of common stock | | | | | (296) | (704) | | | | (1,000) | |
| Employee stock purchase plans | | | | | 49 | | | | | 49 | |
| Dividends declared | | | | | | (1,026) | | | | (1,026) | |
| Other comprehensive income (loss) | (9) | | | | | | | 88 | | 88 | |
| Purchase of NBCUniversal noncontrolling common equity interest | (17,006) | | | | (1,482) | | | (26) | | (1,508) | |
| Redeemable subsidiary preferred stock | 725 | | | | | | | | | | |
| Contributions from (distributions to) noncontrolling interests, net | (12) | | | | | | | | (84) | (84) | |
| Other | (14) | | | | (123) | | | | (8) | (131) | |
| Net income (loss) | 171 | | | | | 3,171 | | | 47 | 3,218 | |
| Balance, June 30, 2013 | \$ 853 | \$25 | \$ 6 | \$ — | \$ 38,991 | \$ 17,509 | \$ (7,517) | \$ 77 | \$ 395 | \$49,486 | |

See accompanying notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 3: Significant Transactions

On March 19, 2013, we acquired GE's 49% common equity interest in NBCUniversal Holdings for approximately \$16.7 billion (the "Redemption Transaction"). In addition to this transaction, NBCUniversal purchased from GE certain properties it occupies at 30 Rockefeller Plaza in New York City and CNBC's headquarters in Englewood Cliffs, New Jersey for approximately \$1.4 billion.

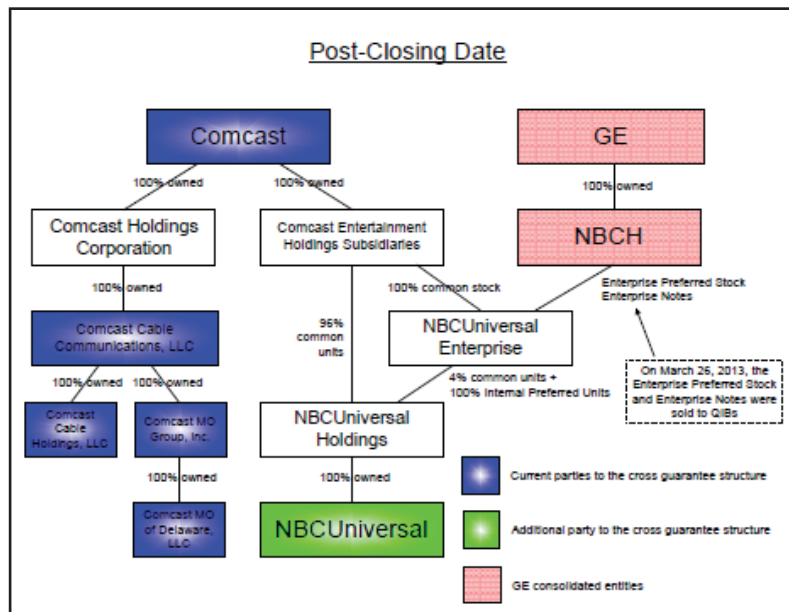
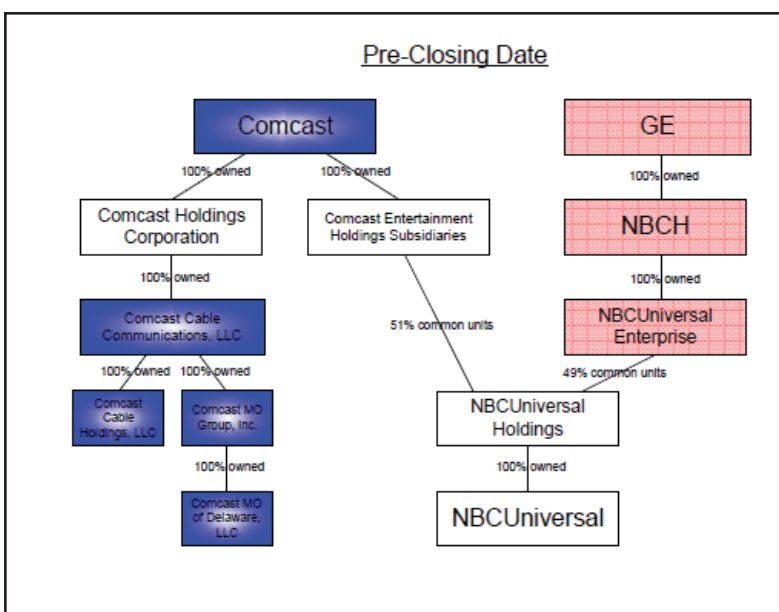
The total consideration for these transactions consisted of \$11.4 billion of cash on hand; \$4 billion of senior debt securities issued by NBCUniversal Enterprise, Inc. ("NBCUniversal Enterprise"), a holding company whose principal assets are its interests in NBCUniversal Holdings; \$750 million of cash funded through our commercial paper program; \$1.25 billion of borrowings under NBCUniversal Enterprise's credit facility, which replaced NBCUniversal's credit facility; and \$725 million aggregate liquidation preference of Series A cumulative preferred stock of NBCUniversal Enterprise. See Note 7 for additional information on NBCUniversal Enterprise's senior debt securities and credit facility.

Following the close of the Redemption Transaction, we control and consolidate NBCUniversal Enterprise and own all of its capital stock other than its preferred stock. NBCUniversal Enterprise's senior debt securities and credit facility are guaranteed by us and four of our wholly owned cable holding company subsidiaries, but are not guaranteed by NBCUniversal. In March 2013, NBCUniversal became a part of our existing cross-guarantee structure. See Note 15 for additional information on our cross-guarantee structure.

After the close of the transaction, GE sold the interests in NBCUniversal Enterprise's senior debt securities and preferred stock it acquired in the Redemption Transaction to unaffiliated third parties. The preferred stock pays dividends at a fixed rate of 5.25% per annum and the holders have the right to cause NBCUniversal Enterprise to redeem their shares at a price equal to the liquidation preference plus accrued but unpaid dividends for a 30 day period beginning on March 19, 2020 and thereafter on every third anniversary of such date (each such date, a "put date"). Shares of preferred stock can be called for redemption by NBCUniversal Enterprise at a price equal to the liquidation preference plus accrued but unpaid dividends one year following each put date applicable to such shares. Because certain of these redemption provisions are outside of our control, the NBCUniversal Enterprise preferred stock is presented outside of equity under the caption "redeemable noncontrolling interests and redeemable subsidiary preferred stock" in our condensed consolidated balance sheet. Its initial value was based on the liquidation preference of the preferred stock and is adjusted for accrued but unpaid dividends.

We recognized an increase to our deferred tax liabilities of \$1.5 billion primarily due to an increase in our financial reporting basis in the consolidated net assets of NBCUniversal Holdings in excess of the tax basis following the Redemption Transaction. In addition, our condensed consolidated balance sheet now includes certain tax liabilities of NBCUniversal Enterprise related to periods prior to our acquisition of the common stock of NBCUniversal Enterprise for which we have been indemnified by GE and have recorded a related indemnification asset. We also expect to realize additional tax benefits in the future as a result of the Redemption Transaction, which are expected to increase the amounts we have agreed to share with GE. Our expected future payments to GE are accounted for as contingent consideration. See Note 8 for additional information on the fair value of this contingent consideration as of June 30, 2013.

Because we maintained control of NBCUniversal Holdings, the difference between the consideration transferred and the recorded value of GE's 49% redeemable noncontrolling common equity interest, and the related tax impacts, were recorded to additional paid-in capital. The related tax impacts are preliminary and subject to change as we obtain the information necessary to complete our analysis.





Note 15: Condensed Consolidating Financial Information

Comcast Corporation (“Comcast Parent”) and four of our 100% owned cable holding company subsidiaries, Comcast Cable Communications, LLC (“CCCL Parent”), Comcast MO Group, Inc. (“Comcast MO Group”), Comcast Cable Holdings, LLC (“CCH”) and Comcast MO of Delaware, LLC (“Comcast MO of Delaware”) (collectively, the “cable guarantors”), have fully and unconditionally guaranteed each other’s debt securities. Comcast MO Group, CCH and Comcast MO of Delaware are collectively referred to as the “Combined CCHMO Parents.”

On March 27, 2013, Comcast Parent, the cable guarantors and NBCUniversal Media, LLC (referred to as “NBCUniversal Media Parent” in the tables below) entered into a series of agreements and supplemental indentures to include NBCUniversal Media, LLC as part of our existing cross-guarantee structure. As members of the cross-guarantee structure, Comcast Parent and the cable guarantors fully and unconditionally guarantee NBCUniversal Media, LLC’s public debt securities, and NBCUniversal Media, LLC fully and unconditionally guarantees all of Comcast’s and the cable guarantors’ public debt securities, as well as the Comcast and Comcast Cable Communications, LLC \$6.25 billion revolving credit facility.

Comcast Parent and the cable guarantors also fully and unconditionally guarantee NBCUniversal Enterprise’s \$4 billion of senior notes and its \$1.35 billion credit facility due March 2018. NBCUniversal Media, LLC does not guarantee the NBCUniversal Enterprise senior notes or credit facility.

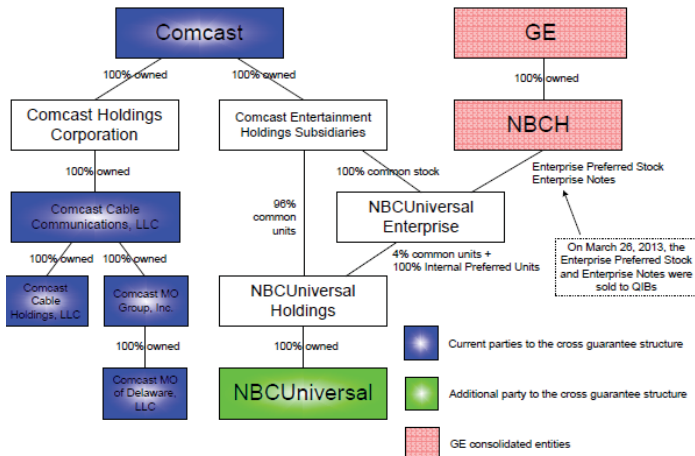
Comcast Parent provides an unconditional subordinated guarantee of the \$185 million principal amount currently outstanding of Comcast Holdings’ ZONES due October 2029. Neither the cable guarantors nor NBCUniversal Media, LLC guarantee the Comcast Holdings ZONES due October 2029. None of Comcast Parent, the cable guarantors nor NBCUniversal Media, LLC guarantee the \$62 million principal amount currently outstanding of Comcast Holdings’ ZONES due November 2029.

The Cross-Guarantee Structure

Comcast has always sought to simplify its complicated corporate structure for the benefit of its public debt holders to avoid their having to individually analyze the creditworthiness of each of its debt issuers. Comcast’s own public debt securities and the legacy public debt securities of the Cable Guarantors are fully and unconditionally cross-guaranteed by each other. These Cable Guarantors are shaded in blue in the simplified diagrams set forth below. Although Comcast did not guarantee the NBCUniversal Public Debt while NBCUniversal was operated as a joint venture with GE, on March 27, 2013, Comcast included NBCUniversal within the cross-guarantee structure.⁴

⁴ Following this announcement, Standard & Poor’s (“S&P”) upgraded all of Comcast’s and NBCUniversal’s public debt securities from BBB+ to A- and Moody’s Investors Service (“Moody’s”) upgraded Comcast’s public debt securities from Baa1 to A3 and NBCUniversal’s public debt securities from Baa2 to A3. We understand the upgrades, in large part, are due to the more diversified cash flows resulting from the financial unity of the combined credit. Fitch Ratings, Inc. (“Fitch”) kept the Comcast and NBCUniversal ratings at BBB+.

Post-Closing Date



The diagram does not show subsidiaries of the entities that are not part of the cross guarantee structure.

Condensed Consolidating Balance Sheet
June 30, 2013

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | Combined CCHMO Parents | NBCUniversal Media Parent | Non- Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|--|-------------------|---------------------|-----------------|------------------------------|------------------------------|-----------------------------------|--|--|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ — | \$ — | \$ — | \$ — | \$ 351 | \$ 1,038 | \$ — | \$ 1,389 |
| Investments | — | — | — | — | — | 3,765 | — | 3,765 |
| Receivables, net | — | — | — | — | — | 5,507 | — | 5,507 |
| Programming rights | — | — | — | — | — | 859 | — | 859 |
| Other current assets | 237 | — | 2 | 2 | 58 | 916 | — | 1,215 |
| Total current assets | 237 | — | 2 | 2 | 409 | 12,085 | — | 12,735 |
| Film and television costs | — | — | — | — | — | 4,340 | — | 4,340 |
| Investments | 8 | — | — | — | 381 | 4,910 | — | 5,299 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 77,490 | 93,560 | 98,253 | 52,060 | 40,426 | 80,780 | (442,569) | — |
| Property and equipment, net | 229 | — | — | — | — | 28,026 | — | 28,255 |
| Franchise rights | — | — | — | — | — | 59,364 | — | 59,364 |
| Goodwill | — | — | — | — | — | 27,075 | — | 27,075 |
| Other intangible assets, net | 10 | — | — | — | — | 17,430 | — | 17,440 |
| Other noncurrent assets, net | 1,023 | 145 | — | — | 108 | 1,911 | (876) | 2,311 |
| Total assets | \$78,997 | \$93,705 | \$98,255 | \$52,062 | \$ 41,324 | \$235,921 | \$ (443,445) | \$ 156,819 |
| Liabilities and Equity | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 11 | \$ — | \$ — | \$ — | \$ — | \$ 6,066 | \$ — | \$ 6,077 |
| Accrued participations and residuals | — | — | — | — | — | 1,625 | — | 1,625 |
| Accrued expenses and other current liabilities | 1,421 | 266 | 162 | 54 | 276 | 6,186 | — | 8,365 |
| Current portion of long-term debt | 1,371 | — | — | 239 | 904 | 21 | — | 2,535 |
| Total current liabilities | 2,803 | 266 | 162 | 293 | 1,180 | 13,898 | — | 18,602 |
| Long-term debt, less current portion | 25,096 | 113 | 1,827 | 1,509 | 10,225 | 5,344 | — | 44,114 |
| Deferred income taxes | — | 769 | — | — | 76 | 31,193 | (735) | 31,303 |
| Other noncurrent liabilities | 2,007 | — | — | — | 990 | 9,605 | (141) | 12,461 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | — | — | — | — | — | 853 | — | 853 |
| Equity: | | | | | | | | |
| Common stock | 31 | — | — | — | — | — | — | 31 |
| Other shareholders' equity | 49,060 | 92,557 | 96,266 | 50,260 | 28,853 | 174,633 | (442,569) | 49,060 |
| Total Comcast Corporation shareholders' equity | 49,091 | 92,557 | 96,266 | 50,260 | 28,853 | 174,633 | (442,569) | 49,091 |
| Noncontrolling interests | — | — | — | — | — | 395 | — | 395 |
| Total equity | 49,091 | 92,557 | 96,266 | 50,260 | 28,853 | 175,028 | (442,569) | 49,486 |
| Total liabilities and equity | \$78,997 | \$93,705 | \$98,255 | \$52,062 | \$ 41,324 | \$235,921 | \$ (443,445) | \$ 156,819 |