

INDEPENDENCE HOLDING CO
Form 10-Q
May 19, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended **March 31, 2008**

Transition Report under Section 13 or 15(d) of the Securities Exchange Act of 1934.

For the transition period from: _____ to _____

Commission File Number: **0-10306**

INDEPENDENCE HOLDING COMPANY

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

58-1407235

(I.R.S. Employer Identification No.)

96 CUMMINGS POINT ROAD, STAMFORD, CONNECTICUT

06902

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: **(203) 358-8000**

NOT APPLICABLE

Former name, former address and former fiscal year, if changed since last report.

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 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

Large Accelerated Filer

Accelerated Filer

Non-Accelerated Filer

Smaller Reporting Company

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

Class
Common stock, \$ 1.00 par value

Outstanding at May 19, 2008
15,373,411 Shares

INDEPENDENCE HOLDING COMPANY

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Copies of the Company's SEC filings can be found on its website at www.ihcgroup.com.

Forward-Looking Statements

This report on Form 10-Q contains certain “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. We have based our forward-looking statements on our current expectations and projections about future events. Our forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, included or incorporated by reference in this report that address activities, events or developments that we expect or anticipate may occur in the future, including such things as the growth of our business and operations, our business strategy, competitive strengths, goals, plans, future capital expenditures and references to future successes may be considered forward-looking statements. Also, when we use words such as anticipate, believe, estimate, expect, intend, probably or similar expressions, we are making forward-looking statements.

Numerous risks and uncertainties may impact the matters addressed by our forward-looking statements, any of which could negatively and materially affect our future financial results and performance. We describe some of these risks and uncertainties in greater detail in Item 1A, Risk Factors, of IHC’s annual report on Form 10-K as filed with Securities and Exchange Commission.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and, therefore, also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements that are included in this report, our inclusion of this information is not a representation by us or any other person that our objectives and plans will be achieved. Our forward-looking statements speak only as of the date made, and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, any forward-looking event discussed in this report may not occur.

PART I - FINANCIAL INFORMATION**Item 1.****Financial Statements**

INDEPENDENCE HOLDING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

| | March 31, | | December 31, |
|--|---------------------|-----------|---------------------|
| | 2008 | | 2007 |
| | (unaudited) | | |
| ASSETS: | | | |
| Investments: | | | |
| Short-term investments | \$ 9,018 | \$ | 9,001 |
| Securities purchased under agreements to resell | 48,193 | | 13,757 |
| Fixed maturities, available for sale | 625,557 | | 611,906 |
| Equity securities, available for sale | 88,309 | | 98,496 |
| Other investments | 41,547 | | 42,899 |
| Total investments | 812,624 | | 776,059 |
| Cash and cash equivalents | 8,983 | | 72,823 |
| Due from securities brokers | 9,163 | | 5,188 |
| Investment in American Independence Corp. ("AMIC") | 42,394 | | 40,475 |
| Deferred acquisition costs | 46,649 | | 45,447 |
| Due and unpaid premiums | 59,797 | | 64,444 |
| Due from reinsurers | 144,571 | | 143,710 |
| Premium and claim funds | 51,127 | | 49,468 |
| Notes and other receivables | 14,887 | | 13,872 |
| Goodwill | 51,447 | | 51,695 |
| Other assets | 55,750 | | 44,962 |
| TOTAL ASSETS | \$ 1,297,392 | \$ | 1,308,143 |
| LIABILITIES AND STOCKHOLDERS' EQUITY: | | | |
| LIABILITIES: | | | |
| Insurance reserves-health | \$ 212,105 | \$ | 212,261 |
| Insurance reserves-life and annuity | 248,955 | | 248,253 |

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| | | |
|--|---------------------|---------------------|
| Funds on deposit | 381,847 | 383,711 |
| Unearned premiums | 22,467 | 22,415 |
| Policy claims-health | 1,326 | 1,340 |
| Policy claims-life | 9,914 | 10,639 |
| Other policyholders' funds | 17,460 | 17,738 |
| Due to securities brokers | 8,527 | 1,852 |
| Due to reinsurers | 42,593 | 43,571 |
| Accounts payable, accruals and other liabilities | 73,849 | 70,303 |
| Liabilities related to discontinued operations | 10,470 | 22,563 |
| Debt | 12,500 | 12,500 |
| Junior subordinated debt securities | 38,146 | 38,146 |
| TOTAL LIABILITIES | 1,080,159 | 1,085,292 |
| STOCKHOLDERS' EQUITY: | | |
| Preferred stock (none issued) | - | - |
| Common stock \$1.00 par value, 20,000,000 shares authorized; 15,382,965 and 15,366,281 shares issued, respectively; | | |
| 15,372,725 and 15,228,521 shares outstanding, respectively | 15,383 | 15,366 |
| Paid-in capital | 100,080 | 99,805 |
| Accumulated other comprehensive loss | (26,509) | (16,125) |
| Treasury stock, at cost, 10,240 and 137,760 shares, respectively | (203) | (2,626) |
| Retained earnings | 128,482 | 126,431 |
| TOTAL STOCKHOLDERS EQUITY | 217,233 | 222,851 |
| TOTAL LIABILITIES AND STOCKHOLDERS EQUITY | \$ 1,297,392 | \$ 1,308,143 |

See the accompanying notes to condensed consolidated financial statements.

INDEPENDENCE HOLDING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per share data)

(Unaudited)

| | Three Months Ended | |
|---|---------------------------|--------------|
| | March 31, | |
| | 2008 | 2007 |
| REVENUES: | | |
| Premiums earned: | | |
| Health | \$ 72,654 | \$ 69,912 |
| Life and annuity | 9,000 | 9,101 |
| Net investment income | 10,645 | 11,841 |
| Fee income | 11,199 | 10,187 |
| Net realized investment gains | 114 | 420 |
| Equity income from AMIC | 401 | 535 |
| Other income | 405 | 1,403 |
| | 104,418 | 103,399 |
| EXPENSES: | | |
| Insurance benefits, claims and reserves: | | |
| Health | 49,548 | 46,944 |
| Life and annuity | 11,236 | 12,099 |
| Selling, general and administrative expenses | 36,769 | 34,378 |
| Amortization of deferred acquisitions costs | 1,454 | 1,308 |
| Interest expense on debt | 986 | 1,056 |
| | 99,993 | 95,785 |
| Income from continuing operations before income taxes | 4,425 | 7,614 |
| Income taxes | 1,353 | 2,450 |
| Income from continuing operations | 3,072 | 5,164 |
| Discontinued operations: | | |
| Loss from discontinued operations | - | (562) |

| | | | | |
|--|----|--------|----|--------|
| NET INCOME | \$ | 3,072 | \$ | 4,602 |
| Basic income (loss) per common share: | | | | |
| Income from continuing operations | \$ | .20 | \$ | .34 |
| Loss from discontinued operations | | - | | (.04) |
| Basic income (loss) per common share | \$ | .20 | \$ | .30 |
| WEIGHTED AVERAGE SHARES OUTSTANDING | | 15,331 | | 15,182 |
| Diluted income (loss) per common share: | | | | |
| Income from continuing operations | \$ | .20 | \$ | .34 |
| Loss from discontinued operations | | - | | (.04) |
| Diluted income (loss) per common share | \$ | .20 | \$ | .30 |
| WEIGHTED AVERAGE DILUTED SHARES OUTSTANDING | | 15,384 | | 15,335 |

See the accompanying notes to condensed consolidated financial statements.

INDEPENDENCE HOLDING COMPANY AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

(Unaudited)

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------|
| | 2008 | 2007 |
| CASH FLOWS PROVIDED BY (USED BY) OPERATING ACTIVITIES: | | |
| Net income | \$ 3,072 | \$ 4,602 |
| Adjustments to reconcile net income to net change in cash from operating activities: | | |
| Loss from discontinued operations | - | 562 |
| Amortization of deferred acquisition costs | 1,454 | 1,308 |
| Net realized investment gains | (114) | (420) |
| Equity income from AMIC and other equity method investments | (553) | (535) |
| Depreciation and amortization | 1,286 | 1,089 |
| Share-based compensation expenses | 292 | 440 |
| Deferred tax (benefit) expense | (908) | 3,421 |
| Other | (409) | 386 |
| Changes in assets and liabilities: | | |
| Net sales of trading securities | - | 134 |
| Change in insurance liabilities | (1,676) | 26,058 |
| Additions to deferred acquisition costs, net | (1,047) | (1,459) |
| Change in net amounts due from and to reinsurers | (1,839) | 1,979 |
| Change in premium and claim funds | (1,659) | 2,784 |
| Change in income tax liability | 2,279 | (2,400) |
| Change in due and unpaid premiums | 4,647 | (34,961) |
| Change in other assets | (7,281) | (5,447) |
| Change in other liabilities | 4,017 | 6,026 |
| Net change in cash from operating activities of continuing operations | 1,561 | 3,567 |
| Net change in cash from operating activities of discontinued operations | (12,092) | (172) |
| Net change in cash from operating activities | (10,531) | 3,395 |

CASH FLOWS PROVIDED BY (USED BY) INVESTING ACTIVITIES:

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| | | |
|--|-----------|-----------|
| Change in net amount due from and to securities brokers | 2,700 | (4,378) |
| Net proceeds of short-term investments | 55 | 4,334 |
| Net (purchases) sales of securities under resale and repurchase agreements | (34,436) | 55,145 |
| Sales of equity securities | 24,001 | 23,347 |
| Purchases of equity securities | (21,356) | (40,181) |
| Sales of fixed maturities | 117,275 | 93,837 |
| Maturities and other repayments of fixed maturities | 29,878 | 21,129 |
| Purchases of fixed maturities | (169,965) | (166,763) |
| Proceeds of sales of other investments | - | 10,334 |
| Additional investments in other investments, net of distributions | 1,489 | (250) |
| Cash paid in acquisitions of companies, net of cash acquired | - | (3,500) |
| Investment in AMIC | (1,401) | - |
| Change in notes and other receivables | (393) | (2,999) |
| Other | (1,367) | (390) |
| Net change in cash from investing activities | (53,520) | (10,335) |
| CASH FLOWS PROVIDED BY (USED BY) FINANCING ACTIVITIES: | | |
| Proceeds from issuance of common stock | 1,401 | - |
| Exercises of common stock options | - | 17 |
| Cancellation of common stock options | (24) | - |
| Excess tax (expense) benefits from exercises of stock options | (176) | 6 |
| (Withdrawals) proceeds of investment-type insurance contracts | (608) | 916 |
| Dividends paid | (382) | (380) |
| Net change in cash from financing activities | 211 | 559 |
| Net change in cash and cash equivalents | (63,840) | (6,381) |
| Cash and cash equivalents, beginning of year | 72,823 | 17,543 |
| Cash and cash equivalents, end of period | \$ 8,983 | \$ 11,162 |

See the accompanying notes to condensed consolidated financial statements.

INDEPENDENCE HOLDING COMPANY AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

(Unaudited)

Note 1.

Significant Accounting Policies and Practices

(A)

Business and Organization

Independence Holding Company, a Delaware corporation ("IHC"), is a holding company principally engaged in the life and health insurance business through: (i) its wholly owned insurance companies, Standard Security Life Insurance Company of New York ("Standard Security Life") and Madison National Life Insurance Company, Inc. ("Madison National Life"); and (ii) its marketing and administrative companies, including Insurers Administrative Corporation (IAC), managing general underwriters ("MGUs") in which it owns a significant voting interest, Health Plan Administrators, Inc. (HPA), GroupLink, Inc. (GroupLink), IHC Health Solutions, Inc. (IHC Health Solutions) and Actuarial Management Corporation (AMC). These companies are sometimes collectively referred to as the "Insurance Group," and IHC and its subsidiaries (including the Insurance Group) are sometimes collectively referred to as the "Company." At March 31, 2008, the Company also owned a 49.7% equity interest in American Independence Corp. ("AMIC"), which owns Independence American Insurance Company (Independence American), several MGUs and a controlling interest in HealthInsurance.org LLC.

The Company sold its credit life and disability segment by entering into a 100% coinsurance agreement with an unaffiliated insurer effective December 31, 2007. Amounts in prior years have been restated on the condensed consolidated financial statements and Notes thereto in order to present the credit life and disability segment as discontinued operations.

Geneve Corporation, a diversified financial holding company, and its affiliated entities held approximately 53% of IHC's outstanding common stock at March 31, 2008.

(B)

Basis of Presentation

The condensed consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles and include the accounts of IHC and its consolidated subsidiaries. All significant intercompany transactions have been eliminated in consolidation. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect: (i) the reported amounts of assets and liabilities; (ii) the disclosure of contingent assets and liabilities at the date of the financial statements; and (iii) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. IHC's annual report on Form 10-K as filed with the Securities and Exchange Commission should be read in conjunction with the accompanying condensed consolidated financial statements.

In the opinion of management, all adjustments (consisting only of normal recurring accruals) that are necessary for a fair presentation of the consolidated financial position and results of operations for the interim periods have been included. The consolidated results of operations for the three months ended March 31, 2008 are not necessarily indicative of the results to be anticipated for the entire year.

(C)

Reclassifications

Certain amounts in prior years' Condensed Consolidated Financial Statements and Notes thereto have been reclassified to conform to the 2008 presentation, primarily for the results of discontinued operations.

(D)

Recent Accounting Pronouncements***Recently Issued Accounting Standards***

In March 2008, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards ("SFAS") No. 161, *Disclosures about Derivative Instruments and Hedging Activities* an amendment of FASB Statement No. 133 (SFAS 161). SFAS 161 expands the current disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under FASB Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. In addition, SFAS 161 requires disclosure of fair values of derivative instruments and their gains and losses in a tabular format as well as cross-referencing within the footnotes to allow users of financial statements locate important information about derivative instruments. SFAS 161 is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. SFAS 161 encourages, but does not require, comparative disclosures for earlier periods at initial adoption. The adoption of SFAS 161 is not expected to have a material effect on the Company's consolidated financial statements.

In February 2008, the FASB issued FASB Staff Position (FSP) on SFAS No. 140-3, *Accounting for Transfers of Financial Assets and Repurchase Financing Transactions* (FSP SFAS 140-3). The objective of FSP SFAS 140-3 is to provide guidance on accounting for a transfer of a financial asset and a repurchase financing. FSP SFAS 140-3 presumes that an initial transfer of a financial asset and a repurchase financing are considered part of the same arrangement (linked transaction) under Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities* ("SFAS 140"). However, if certain criteria are met, the initial transfer and repurchase financing shall not be evaluated as a linked transaction and shall be evaluated separately under SFAS No. 140. FSP SFAS 140-3 is effective for financial statements issued for fiscal years beginning after November 15, 2008, and interim periods within these fiscal years. Earlier application is not permitted. The adoption of FSP SFAS 140-3 is not expected to have a material effect on the Company's consolidated financial statements.

In November 2007, the FASB issued SFAS No. 141 (revised 2007), *Business Combinations* (SFAS 141(R)) and SFAS No. 160, *Non-controlling Interests in Consolidated Financial Statements*, an amendment of ARB No. 51 (SFAS 160). These standards aim to improve, simplify, and converge internationally the accounting for business combinations and the reporting of non-controlling interests in consolidated financial statements. SFAS 141(R) will change how business acquisitions are accounted for and will impact financial statements both on the acquisition date and in subsequent periods. SFAS 160 will change the accounting and reporting for minority interests, which will be re-characterized as non-controlling interests and classified as a component of equity. SFAS 141(R) and SFAS 160 are effective for both public and private companies for fiscal years beginning on or after December 15, 2008. SFAS 141(R) will be applied prospectively. SFAS 160 requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements of SFAS 160 will be applied prospectively. Early adoption is prohibited for both standards. The adoption of SFAS 141(R) and SFAS 160 is not expected to have a

material effect on the Company's consolidated financial statements.

Recently Adopted Accounting Standards

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115" ("SFAS 159"). SFAS 159 would create a fair value option of accounting for qualifying financial assets and liabilities under which an irrevocable election could be made at inception to measure such assets and liabilities initially and subsequently at fair value, with all changes in fair value reported in earnings. SFAS 159 is effective

as of the beginning of the first fiscal year beginning after November 15, 2007. The adoption of SFAS 159 did not impact the Company's consolidated financial statements, as no items were initially elected for fair value measurement. For financial assets and liabilities acquired in subsequent periods, the Company will determine whether to use the fair value election at the time of acquisition.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements (SFAS 157), which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. This Statement applies under other accounting pronouncements that require or permit fair value measurements. FASB Staff Position FIN 157-2, "Effective Date of FASB Statement No. 157", amends SFAS 157 to defer its effective date to fiscal years beginning after November 15, 2008, and for interim periods within those fiscal years. The delayed effective date applies to all non-financial assets and non-financial liabilities except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). The adoption of SFAS 157 for financial assets and liabilities did not have a material impact on the Company's consolidated financial statements.

Note 2.

American Independence Corp.

AMIC is an insurance holding company engaged in the insurance and reinsurance business. AMIC does business with the Insurance Group, including reinsurance treaties under which, in 2007, Standard Security Life and Madison National Life ceded to Independence American an average of 23% of their medical stop-loss business, 10% of certain of their fully insured health business and 20% of their New York Statutory Disability business. IHC owned 49.7% and 48% of AMIC's outstanding common stock at March 31, 2008 and December 31, 2007, respectively, which was purchased in various transactions from 2002 through 2008. During the first quarter of 2008, IHC purchased 165,656 shares of AMIC stock at \$8.46 per share, and recorded negative goodwill of \$248,000. IHC accounts for its investment in AMIC under the equity method. At March 31, 2008 and December 31, 2007, IHC's investment in AMIC had a total carrying value of \$46,616,000 and \$44,945,000, respectively, including goodwill of \$4,222,000 and \$4,470,000, respectively. This goodwill represents the excess of IHC's cost over the underlying equity in AMIC's net assets at the respective purchase dates. At March 31, 2008 and December 31, 2007, based on the closing market price of AMIC's common stock, the fair value of the AMIC shares owned by IHC was approximately \$31,282,000 and \$36,758,000, respectively.

For the quarters ended March 31, 2008 and 2007, IHC recorded \$401,000 and \$535,000, respectively, of equity income from its investment in AMIC, representing IHC's proportionate share of income based on its ownership interests during those periods. AMIC paid no dividends on its common stock in the three-month periods ended March 31, 2008 and 2007.

IHC and its subsidiaries earned \$218,000 and \$200,000 for the quarters ended March 31, 2008 and 2007, respectively, from service agreements with AMIC and its subsidiaries. These are reimbursements to IHC and its subsidiaries, at

agreed upon rates including an overhead factor, for management services provided by IHC and its subsidiaries, including accounting, legal, compliance, underwriting and claims. The Company ceded premiums to AMIC of \$15,690,000 and \$16,101,000 for the three months ended March 31, 2008 and 2007, respectively. Benefits to policyholders on business ceded to AMIC were \$10,625,000 in the first quarters of 2008 and \$11,155,000 in the first quarter of 2007. Additionally, AMIC subsidiaries market, underwrite and provide administrative services (including premium collection, medical management and claims adjudication) for a substantial portion of the Medical Stop-Loss business written by the insurance subsidiaries of IHC. IHC recorded net commission expense of \$951,000 and \$1,050,000 in the first quarter of 2008 and 2007, respectively, for these services. The Company also contracts for several types of insurance coverage (e.g. directors and officers and professional liability converge) jointly with AMIC. The cost of this coverage is allocated between the Company and AMIC according to the type of risk, and IHC's portion is recorded in Selling, General and Administrative Expenses.

Included in the Company's Condensed Consolidated Balance Sheets at March 31, 2008 and

December 31, 2007, respectively, are the following balances arising from transactions in the normal course of business with AMIC and its subsidiaries: Due from reinsurers \$19,296,000 and \$19,263,000; Other assets \$3,915,000 and \$6,592,000; and Other liabilities of \$242,000 at December 31, 2007.

Note 3.**Income Per Common Share**

Included in the diluted income per share calculations are 53,000 and 153,000 shares for the three months ended March 31, 2008 and 2007, respectively, from the assumed exercise of options and vesting of restricted stock, using the treasury stock method.

Note 4.**Investments**

The following tables summarize, for all securities in an unrealized loss position at March 31, 2008 and December 31, 2007, respectively, the aggregate fair value and gross unrealized loss by length of time those securities had continuously been in an unrealized loss position:

| | Less than 12 Months | | 12 Months or Longer | | Total | |
|-----------------------------------|---------------------|-------------------|---------------------|-------------------|------------|-------------------|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| March 31, 2008 | | | | | | |
| | | | (In thousands) | | | |
| Corporate securities | \$ 34,365 | \$ 1,909 | \$ 122,623 | \$ 10,298 | \$ 156,988 | \$ 12,207 |
| CMOs and ABS ⁽¹⁾ | 44,267 | 7,407 | 34,601 | 3,208 | 78,868 | 10,615 |
| Agency MBS ⁽²⁾ | - | - | 6,982 | 6 | 6,982 | 6 |
| GSEs ⁽³⁾ | - | - | 29,661 | 685 | 29,661 | 685 |
| States and political subdivisions | 114,590 | 4,664 | 4,844 | 561 | 119,434 | 5,225 |
| Total fixed maturities | 193,222 | 13,980 | 198,711 | 14,758 | 391,933 | 28,738 |
| Common stock | 10,765 | 2,730 | 695 | 196 | 11,460 | 2,926 |
| Preferred stock | 45,672 | 12,747 | 13,329 | 5,396 | 59,001 | 18,143 |
| Total temporarily | | | | | | |

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i m p a i r e d securities \$ 249,659 \$ 29,457 \$ 212,735 \$ 20,350 \$ 462,394 \$ 49,807

| December 31, 2007 | Less than 12 Months | | 12 Months or Longer | | Total | |
|--|---------------------|-------------------|---------------------|-------------------|------------|-------------------|
| | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses | Fair Value | Unrealized Losses |
| | (In thousands) | | | | | |
| Corporate securities | \$ 35,545 | \$ 1,244 | \$ 165,054 | \$ 9,365 | \$ 200,599 | \$ 10,609 |
| CMOs and ABS ⁽¹⁾ | 55,745 | 1,795 | 81,953 | 2,706 | 137,698 | 4,501 |
| Agency MBS ⁽²⁾ | - | - | 16,441 | 202 | 16,441 | 202 |
| GSEs ⁽³⁾ | 1,402 | 20 | 41,621 | 1,039 | 43,023 | 1,059 |
| States and political subdivisions | 16,126 | 427 | 5,571 | 134 | 21,697 | 561 |
| T o t a l f i x e d maturities | 108,818 | 3,486 | 310,640 | 13,446 | 419,458 | 16,932 |
| Common stock | 10,177 | 1,484 | 500 | 83 | 10,677 | 1,567 |
| Preferred stock | 62,198 | 10,858 | 6,967 | 1,061 | 69,165 | 11,919 |
| Total temporarily i m p a i r e d securities | \$ 181,193 | \$ 15,828 | \$ 318,107 | \$ 14,590 | \$ 499,300 | \$ 30,418 |

(1)

Collateralized mortgage obligations (CMOs) and asset-backed securities (ABS).

(2)

Mortgage-backed securities (MBS).

(3)

Government-sponsored enterprises (GSEs) which are the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association and Federal Home Loan Banks. GSEs are private enterprises established and chartered by the Federal Government.

Substantially all of the unrealized losses at March 31, 2008 and December 31, 2007 relate to investment grade securities and are attributable to changes in market interest rates and general disruptions in the credit market subsequent to purchase. There were no securities with unrealized losses that had individually significant dollar amounts at March 31, 2008 and December 31, 2007. At March 31, 2008, the Company had \$37.4 million invested in whole loan CMOs backed by Alt-A mortgages, all of which were rated AAA. Of this amount, 39.6% were in CMOs that originated in 2005 or earlier and 60.4% were in CMOs that originated in 2006. The Company's mortgage security portfolio has no direct exposure to sub-prime mortgages. The decline in market value for the equity securities was primarily due to wider spreads from preferred stocks issued by financial institutions following the disruption in credit markets in late 2007. Some of these financial institutions have exposure to sub-prime mortgages.

At March 31, 2008 and December 31, 2007, a total of 85 and 73 securities, respectively, were in a continuous unrealized loss position for less than 12 months and 63 and 82 securities, respectively, had continuous unrealized losses for 12 months or longer. For fixed maturities, there are no securities past due or securities for which the Company currently believes it is not probable that it will collect all amounts due according to the contractual terms of the investment.

The Company reviews its investment securities regularly and determines whether other-than- temporary impairments have occurred. If a decline in fair value is judged by management to be other- than-temporary, a loss is recognized by a charge to net realized investment gains in the Condensed Consolidated Statements of Operations, establishing a new cost basis for the security. The factors considered by management in its regular review include, but are not limited to: the length of time and extent to which the fair value has been less than cost; the financial condition and near-term prospects of the issuer; adverse changes in ratings announced by one or more rating agencies; whether the issuer of a debt security has remained current on principal and interest payments; whether the decline in fair value appears to be issuer specific or, alternatively, a reflection of general market or industry conditions (including, in the case of fixed maturities, the effect of changes in market interest rates); and the Company's intent and ability to hold the security for a period of time sufficient to allow for a recovery in fair value. Based on management's review of the portfolio, which considered these factors, the Company assessed the impairment on these investments to be temporary at March 31, 2008 and December 31, 2007. For the three months ended March 31, 2008 the Company recorded a realized loss of \$81,000 for other than temporary impairments. For the three months period ended March 31, 2007 the Company did not record any losses for other than-temporary impairments.

Note 5.

Fair Value

Effective January 1, 2008, the Company adopted SFAS 157, "Fair Value Measurements", for all financial instruments and non-financial instruments accounted for at fair value on a recurring basis. The adoption of SFAS 157 did not have a material impact on our financial statements. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 applies whenever other standards require or permit assets or liabilities to be measured at fair value but does not expand the use of fair value in any new circumstances. In this standard, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, SFAS 157 establishes a fair value hierarchy that prioritizes the information used to develop those

assumptions.

The valuation techniques required by SFAS 157 are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our market expectations. These two types of inputs create the following fair value hierarchy:

Level 1 - Quoted prices for identical instruments in active markets.

Level 2 - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 - Instruments where significant value drivers are unobservable.

When available, we use quoted market prices to determine fair value and classify such items in Level 1. In some cases, we use quoted market prices for similar instruments in active markets and/or model-derived valuations where inputs are observable in active markets and classify such items in Level 2. Further, we retain independent pricing vendors to assist in valuing certain instruments.

The following section describes the valuation methodologies we use to measure different financial instruments at fair value.

Investments in fixed maturities and equity securities:

Investments included in Level 1 are primarily government, agency mortgage-backed securities, certain government sponsored enterprises ("GSEs") and equities with quoted market prices. Level 2 is primarily comprised of our portfolio of corporate fixed income securities, collateralized mortgage obligations, asset-backed securities, municipals and certain GSEs and certain preferred stocks that were priced with observable market inputs.

Other:

Other financial liabilities are included in Level 2 and consist of the IHC stock put and an interest rate swap on IHC debt. They are both valued using market observable inputs including market price, interest rate, and volatility within a Black Scholes model.

The following table presents our financial assets and liabilities measured at fair value on a recurring basis at March 31, 2008 (in thousands):

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|----------------|----------------|----------------|--------------|
| FINANCIAL ASSETS: | | | | |
| Fixed maturities | \$ 86,773 | \$ 538,784 | \$ - | \$ 625,557 |
| Equity securities | 84,279 | 4,030 | - | 88,309 |
| FINANCIAL LIABILITIES: | | | | |
| Other | - | 1,495 | - | 1,495 |

Note 6.**Goodwill and Other Intangible Assets**

The change in the carrying amount of goodwill and other intangible assets (included in other assets in the Condensed Consolidated Balance Sheets) for the first quarter of 2008 is as follows (in thousands):

| | Goodwill | Other Intangible Assets |
|----------------------------------|-----------------|------------------------------------|
| Balance at December 31, 2007 | \$ 51,695 | \$ 17,584 |
| Purchase AMIC shares | (248) | - |
| Capitalized software development | - | 217 |
| Amortization expense | - | (741) |
| Balance at March 31, 2008 | \$ 51,447 | \$ 17,060 |

The Company recorded negative goodwill on the purchase of 165,656 shares of AMIC as the purchase price for such shares was below the book value at the date of purchase.

Note 7.**Discontinued Operations**

The Company sold its credit life and disability segment by entering into a 100% coinsurance agreement with an unaffiliated insurer effective December 31, 2007. The transaction closed in February 2008 with a payment of \$10,940,000, representing the net statutory unearned premium reserve as of December 31, 2007 less a ceding fee of \$8,820,000.

In accordance with the terms of such coinsurance agreement, the Company shall continue to administer this block of business for approximately six months. Unearned premium reserves of this block and the corresponding amount in due from reinsurers of \$15,220,000 and \$15,742,000 are included in the Condensed Consolidated Balance Sheets at March 31, 2008 and December 31, 2007, respectively.

Changes in the liabilities related to discontinued operations for the three months ended March 31, 2008 were as follows (in thousands):

| | Claims Liability | Accrued Expenses | Termination Benefits | Due to Reinsurer | Total |
|--|-----------------------------|-----------------------------|---------------------------------|-----------------------------|--------------|
| Balance at beginning of year | \$ 9,103 | \$ 1,931 | \$ 589 | \$ 10,940 | \$ 22,563 |
| Cash settlement of sale transaction | - | - | - | (10,940) | (10,940) |
| Payments of expenses accrued to administer the business sold | - | (816) | - | - | (816) |
| Claim payments and reserves related to block in run-off | (337) | - | - | - | (337) |
| Balance at March 31, 2008 | \$ 8,766 | \$ 1,115 | \$ 589 | \$ - | \$ 10,470 |

The Company believes that the net liabilities of discontinued operations at March 31, 2008 adequately estimate the remaining costs associated with the credit life and disability discontinued operations.

Note 8.**Common Stock**

In the first quarter of 2008, IHC issued 127,520 shares of common stock as a private placement of unregistered securities under section 4(2) of Securities Act of 1993 (Securities Act). Accordingly, the shares will be restricted securities , subject to legend and will not be freely tradable in the United States until the shares are registered for resale under the Securities Act, or to the extent they are tradable under Rule 144 promulgated under the Securities Act or any other available exemption. The IHC shares were issued from treasury stock at a fair value of \$1,401,000. The difference between the fair value and the \$2,422,000 cost basis of the treasury stock resulted in a \$1,021,000 charge to retained earnings.

Note 9.**Share-Based Compensation**

For the three months ended March 31, 2008 and 2007, total share-based compensation expense was \$292,000 and \$440,000, respectively. Related tax benefits of \$116,000 and \$176,000, were recognized for the three months ended March 31, 2008 and 2007, respectively.

Under the terms of the Company s stock-based compensation plans, option exercise prices are equal to the quoted market price of the shares at the date of grant; option terms range from five to ten years; and vesting periods are three years for employee options. The Company may also grant shares of restricted stock share appreciation rights (SARs) and share-based performance awards. Restricted shares are valued at the quoted market price of the shares at the date of grant, and have a three year vesting period. Exercise price of SARS are equal to the quoted market price of the shares at the date of the grant and have three year vesting periods. There were 752,139 shares available for future option or restricted-stock grants under the shareholder-approved plans at March 31, 2008. All of these available shares relate to the Company s 2006 Stock Incentive Plan that was approved by shareholders in June 2006.

The Company s stock option activity for the three months ended March 31, 2008 is as follows:

| | Shares Under Option | Weighted- Average Exercise Price |
|--------------------------|--------------------------------|---|
| December 31, 2007 | 839,310 | \$ 17.56 |
| Granted | 225,000 | 10.99 |
| Cancelled | (77,400) | 11.08 |

March 31, 2008

986,910

16.57

The following table summarizes information regarding outstanding and exercisable options as of March 31, 2008:

| | Outstanding | Exercisable |
|---|--------------------|--------------------|
| Number of options | 986,910 | 600,568 |
| Weighted average exercise price per share | \$ 16.57 | \$ 17.41 |
| Aggregate intrinsic value for all options | \$ 345,000 | \$ 296,000 |
| Weighted average contractual term remaining | 2.4 years | 1.2 years |

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The fair value of each option award is estimated on the date of grant using the Black-Scholes option valuation model. The weighted average grant-date fair-value of options granted during the three months ended March 31, 2008 and 2007 were \$3.44 and \$6.51 per share, respectively. The assumptions set forth in the table below were used to value the stock options granted during the three-month periods ended March 31:

| | 2008 | 2007 |
|--|-------------|-------------|
| Weighted-average risk-free interest rate | 2.21% | 4.44% |
| Annual dividend rate per share | \$.05 | \$.05 |
| Weighted-average volatility factor of the Company's common stock | 36.6% | 30.3% |
| Weighted-average expected term of options | 4.5 years | 4.5 years |

Compensation expense of \$187,000 and \$273,000 was recognized in the three months ended March 31, 2008 and 2007, respectively, for the portion of the grant-date fair value of stock options vesting during that period.

No options were exercised during the three months ending March 31, 2008, however, 77,400 options were cancelled. Pursuant to the terms of the Company's applicable stock option plan, a discretionary payment was made equal to the difference between the fair market value of such shares, with respect to the options as of the cancellation date, and the aggregate option strike price. The discretionary payment, totaling \$61,000, consisted of \$24,000 in cash and 3,109 shares of IHC common stock. The total intrinsic value of options exercised during the three month period ended March 31, 2007 was \$23,000. Cash proceeds received from those options exercised during the three months ended March 31, 2007 were \$17,000.

No shares of restricted stock were issued by the Company in the first three months of 2008. The Company issued 4,800 restricted stock awards during the three months ended March 31, 2007 with a weighted-average grant-date fair value of \$21.19 per share. The total fair value of restricted stock that vested during the first three months of 2008 and 2007 was \$144,000 and \$278,000, respectively. Restricted stock expense was \$100,000 and \$93,000, respectively, for the three months ended March 31, 2008 and 2007.

The following table summarizes restricted stock activity for the three months ended March 31, 2008:

| | No. of Shares | Weighted-Average Grant-Date Fair Value |
|-------------------|--------------------------|---|
| December 31, 2007 | 38,329 | \$ 21.89 |

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| | | |
|----------------|----------|-------|
| Vested | (12,023) | 22.56 |
| Forfeited | (334) | 22.55 |
| March 31, 2008 | 25,972 | 21.57 |

As of March 31, 2008, there was \$1,561,000 and \$408,000 of total unrecognized compensation expense related to non-vested options and non-vested restricted stock awards, respectively, which will be recognized over the remaining requisite weighted-average service periods of 1.9 years and 1.2 years, respectively.

The fair value SARs is calculated using the Black-Scholes valuation model at the grant date and each subsequent reporting period until settlement. Compensation cost is based on the proportionate amount of the requisite service that has been rendered to date. Once fully vested, changes in fair value of the SARs continue to be recognized as compensation expense in the period of the change until settlement

No SARs were exercised in the three months ended March 31, 2008 or 2007. Other liability-classified awards include share-based performance awards. Compensation costs for these plans are recognized and accrued as performance conditions are met, based on the current share price. The intrinsic value of share-based liabilities paid in the three months ended March 31, 2008 and 2007 was \$55,000 and \$75,000, respectively. Included in Other Liabilities on the Company's Condensed Consolidated Balance Sheets at March 31, 2008 and December 31, 2007 are liabilities of \$89,000 and \$138,000, respectively, pertaining to SARs and other shared-based performance awards.

Note 10.

Income Taxes

The provision for income taxes shown in the Condensed Consolidated Statements of Operations was computed based on the Company's actual results which approximate the effective tax rate expected to be applicable for the balance of the current fiscal year in accordance with consolidated life/non-life group income tax regulations. Such regulations adopt a subgroup method in determining consolidated taxable income, whereby taxable income is determined separately for the life insurance company group and the non-life insurance company group.

The deferred income tax benefit for the three months ended March 31, 2008 allocated to stockholders' equity (principally for net unrealized gains on investment securities) was \$5,807,000, representing the increase in the related net deferred tax asset to \$14,833,000 at March 31, 2008 from \$9,026,000 at December 31, 2007

Note 11.

Supplemental Disclosures of Cash Flow Information

Cash payments for income taxes were \$13,000 and \$1,080,000 during the three months ended March 31, 2008 and 2007, respectively. Cash payments for interest were \$939,000 and \$1,002,000 during the three months ended March 31, 2008 and 2007, respectively.

Note 12.

Comprehensive Income (Loss)

The components of comprehensive income (loss) include (i) net income or loss reported in the Condensed Consolidated Statements of Operations, and (ii) certain amounts reported directly in stockholders' equity, principally the after-tax net unrealized gains and losses on securities available for sale (net of deferred acquisition costs).

The comprehensive income (loss) for the three months ended March 31, 2008 and 2007 is summarized as follows:

| | Three Months Ended | |
|---|---------------------------|-------------|
| | March 31, | |
| | 2008 | 2007 |
| | (In thousands) | |
| Net income | \$ 3,072 | \$ 4,602 |
| Unrealized gains (losses) arising during the period, net of income taxes | (10,384) | 2,517 |
| Comprehensive income (loss) | \$ (7,312) | \$ 7,119 |

Note 13.**Segment Reporting**

The Insurance Group principally engages in the life and health insurance business. Information by business segment for the three months ended March 31, 2008 and 2007 is presented below:

| | Three Months Ended | | March 31, | |
|--|---------------------------|---------|------------------|---------|
| | 2008 | | 2007 | |
| | (In thousands) | | | |
| Revenues: | | | | |
| Medical Stop-Loss ^(A) | \$ | 43,453 | \$ | 42,062 |
| Fully Insured Health ^(B) | | 32,020 | | 29,717 |
| Group disability, life, annuities and DBL ^(C) | | 14,970 | | 14,254 |
| Individual life, annuities and other | | 14,867 | | 16,580 |
| Corporate | | (1,006) | | 366 |
| | | 104,304 | | 102,979 |
| Net realized investment gains | | 114 | | 420 |
| | \$ | 104,418 | \$ | 103,399 |
| Income from Continuing Operations | | | | |
| Before Income Taxes: | | | | |
| Medical Stop-Loss ^(A) | \$ | 2,384 | \$ | 4,749 |
| Fully Insured Health ^{(B) (D)} | | 1,238 | | 291 |
| Group disability, life, annuities and DBL ^(C) | | 1,636 | | 1,299 |
| Individual life, annuities and other | | 2,545 | | 3,267 |
| Corporate | | (2,506) | | (1,356) |
| | | 5,297 | | 8,250 |
| Net realized investment gains and losses | | 114 | | 420 |
| Interest expense | | (986) | | (1,056) |
| | \$ | 4,425 | \$ | 7,614 |

(A)

The amount includes equity income from AMIC of \$347,000 and \$535,000 for the three months ended March 31, 2008 and 2007, respectively.

(B)

The amount includes equity income from AMIC of \$23,000 for the three months ended March 31, 2008. For the three months ended March 31, 2007 the equity income from AMIC in the line of business was insignificant.

(C)

The amount includes equity income from AMIC of \$31,000 for the three months ended March 31, 2008. For the three months ended March 31, 2007, equity income from AMIC in this line of business was insignificant.

(D)

The Fully Insured Health segment includes amortization of intangible assets recorded as a result of purchase accounting for the recent acquisitions. Total amortization expense was \$702,000 and \$663,000 for the three months ended March 31, 2008 and 2007, respectively. Amortization expense for the other segments is insignificant.

Note 14.

Subsequent Events

A.

Acquisition of a Policy Block

Madison National Life entered into an agreement to acquire a block of life insurance policies with approximately \$65,000,000 of life and annuity reserves. The acquisition closed and became effective on April 1, 2008. Under the terms of the acquisition, Madison National Life will assume administration of the policies in the block beginning October 1, 2008. The block consists of approximately \$34,000,000 of older, traditional life reserves and \$31,000,000 of annuity reserves.

B.

Acquisition of Majestic

On April 1, 2008, the Company purchased an additional 14.7% interest in Majestic Underwriters, LLC (Majestic), a medical stop-loss MGU. With this acquisition, the Company increased its interest in Majestic to 77%. The interest was purchased from a senior officer of Majestic for a total purchase price of \$926,000. AMIC owns the remaining 23% interest.

C.

Indemnification

Subsequent to March 31, 2008, the Company discovered irregularities relating to account reconciliations of certain other assets and other liabilities of an acquired subsidiary. Management performed a review into this matter, the result of which has indicated that the irregularities appear to have existed at the time of acquisition of the subsidiary by the Company as the financial discrepancies identified in such accounts relate to activities that occurred prior to the acquisition of this subsidiary. The former shareholders of such subsidiary have transferred cash into these accounts and have funded an escrow account to indemnify the Company for all such financial discrepancies identified in such accounts and the expenses related to the Company's review of this matter. Although the Company believes that these transfers and the related escrow are sufficient to indemnify the Company from any losses and costs related to this matter, there can be no assurance that additional losses or costs will not be identified or incurred.

In addition, other assets and other liabilities as of March 31, 2008 have been corrected by an immaterial amount based on the findings of management's independent review. Management has evaluated the correction relative to all periods presented subsequent to the acquisition of the subsidiary through March 31, 2008, and considers the correction immaterial to the financial statements of each respective period, taken as a whole.

ITEM 2.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS**

The following discussion of the financial condition and results of operations of the Independence Holding Company ("IHC") and its subsidiaries (collectively, the "Company") should be read in conjunction with, and is qualified in its entirety by reference to, the Consolidated Financial Statements of the Company and the related Notes thereto appearing in our annual report on Form 10-K for the fiscal year ended December 31, 2007, as filed with the Securities and Exchange Commission, and our unaudited Condensed Consolidated Financial Statements and related Notes thereto appearing elsewhere in this quarterly report.

Overview

Independence Holding Company, a Delaware corporation (NYSE: IHC), is a holding company principally engaged in the life and health insurance business through: (i) its wholly owned insurance companies, Standard Security Life Insurance Company of New York ("Standard Security Life") and Madison National Life Insurance Company, Inc. ("Madison National Life") (these companies are

sometimes collectively referred to as the Insurance Group); and (ii) its marketing, administrative and actuarial companies, including Insurers Administrative Corporation (IAC), Majestic Underwriters LLC (Majestic), Health Plan Administrators (HPA), GroupLink Inc., in which it owns a majority interest (GroupLink), IHC Health Solutions, Inc. (IHC Health Solutions), Actuarial Management Corporation (AMC) and IHC and its subsidiaries (including the Insurance Group) are sometimes collectively referred to as the "Company." The Company also owns a 49.7% equity interest in American Independence Corp. (NASDAQ:AMIC) which owns Independence American Insurance Company (Independence American) and three managing general underwriters ("MGUs").

While management considers a wide range of factors in its strategic planning and decision-making, underwriting profit is consistently emphasized as the primary goal in all decisions as to whether or not to increase our retention in a core line, expand into new products, acquire an entity or a block of business, or otherwise change our business model. Management's assessment of trends in healthcare and morbidity, with respect to medical stop-loss, fully insured medical, disability and DBL; mortality rates with respect to life insurance; and changes in market conditions in general play a significant role in determining the rates charged, deductibles and attachment points quoted, and the percentage of business retained. The Company believes that the acquisition of Actuarial Management Corp. (AMC) has further enabled it to make these assessments. IHC also seeks transactions that permit it to leverage its vertically integrated organizational structure by generating fee income from production and administrative operating companies as well as risk income for its carriers and profit commissions. Management has always focused on managing the costs of its operations and providing its insureds with the best cost containment tools available.

The following is a summary of key performance information and events:

The results of operations for the three months ended March 31, 2008 and 2007, are summarized as follows (in thousands):

| 2008 | 2007 |
|---|--------------|
| Revenue | \$ 104,418 |
| Expenses | \$ 103,399 |
| Income from continuing operations before income taxes | 1,019 |
| Income taxes | 7,614 |
| Income from continuing operations | 2,450 |
| Income from discontinued operations | 2,716 |
| Income from operations | 5,164 |

**continuing
operations**

**Discontinued
operations:**

The Children's Television Act (CTA) and FCC regulations limit the amount and content of commercial matter that may be shown on cable networks, broadcast networks and broadcast television stations during programming originally produced and broadcast primarily for an audience of children under 13 years of age. FCC regulations also limit the display during children's programming on cable or broadcast of Internet addresses of websites that contain or link to commercial material or that use program characters to sell products. Similarly, FCC regulations prohibit the display of commercials during children's programming on cable or broadcast networks that use program characters to sell products when the commercial is adjacent to children's programming in which the characters appear. The FCC is currently considering whether to prohibit interactive advertising during children's television programming. The NBCUniversal Order includes certain commitments and conditions related to children's television and advertising directed at children, including commitments that we will not insert interactive advertising into children's television programming in any of the advertising spots we control, either as a multichannel video provider or as the programmer, and that we will provide at least \$15 million worth of public service announcements on childhood obesity, FDA nutritional guidelines, digital literacy and parental controls per year until 2016.

Broadcast Television

[Licensing](#)

The Communications Act permits the operation of local broadcast television stations only in accordance with a license issued by the FCC upon a finding that the grant of the license would serve the public interest, convenience and necessity. The FCC grants broadcast television station licenses for specific periods of time and, upon application, may renew the licenses for additional terms. Under the Communications Act, broadcast

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television licenses may be granted for a maximum term of eight years. Generally, the FCC renews broadcast licenses upon finding that the television station has served the public interest, convenience and necessity; there have been no serious violations by the licensee of the Communications Act or FCC regulations; and there have been no violations by the licensee of the Communications Act or FCC regulations, which, taken together, indicate a pattern of abuse.

In addition, CTA and FCC regulations require that the FCC consider in its review of broadcast television station license renewals whether the station has served the educational and informational (E/I) needs of children. Under the FCC 's regulations, a station licensee will be deemed to have met its obligation to serve the E/I needs of children if it has broadcast on its main program stream a minimum of three hours per week of programming that has a significant purpose of serving the E/I needs of children under 17 years of age. For broadcast television stations that multicast, FCC regulations include a similar standard whereby the amount of E/I programming deemed to meet the station 's E/I obligation increases in proportion to the amount of free multicast programming aired. Under the NBCUniversal Order, we have committed to provide an additional hour of E/I programming per week on either the primary or multicast streams of our owned NBC local broadcast television stations and on the primary signal of our owned Telemundo local broadcast television stations. The FCC is considering whether the requirements for E/I programming have been effective in promoting the availability of educational content for children on broadcast television, and there can be no assurance that the FCC will not impose more stringent requirements.

Under the NBCUniversal Order, we have committed to expand local news and information programming on our owned local television stations and to enter into cooperative arrangements with locally focused nonprofit news organizations in certain markets. We have met all of these commitments.

Renewal applications are pending for a number of our broadcast television station licenses. The FCC may grant any license renewal application with or without conditions, including renewal for a lesser term than the maximum otherwise permitted. A station 's authority to operate is automatically extended while a renewal application is on file and under review. Four pending applications have been formally opposed by third parties and other applications are pending due to unresolved complaints of alleged indecency in the stations programming. The Communications Act also requires prior FCC approval for any sale of a broadcast station license, whether through the assignment of the license and related assets from one company to another or the transfer of control of the stock or other equity of a company holding an FCC license. Third parties may oppose such applications. The FCC may decline to renew or approve the transfer of a license in certain circumstances. Although we have received such renewals and approvals in the past, there can be no assurance that we will always obtain necessary renewals or that approvals in the future will contain acceptable FCC license conditions.

Ownership Limits

FCC regulations limit the ability of individuals and entities to have attributable interests above specific levels in local television stations, as well as other specified mass media entities, such as limits on the cross-ownership of broadcast stations and newspapers in the same market. The FCC, by law, must review the ownership regulations detailed below once every four years. The current review, which officially opened in 2010, led to proposals in December 2011 (2011 Media Ownership Notice) for relaxing some limits, but retaining others. The FCC has not yet adopted an order in the 2010 proceeding, although the Communications Act requires that the agency launch its next ownership review proceeding in 2014. We cannot predict when the FCC 's current review will be completed or whether or how any of these regulations will change.

Local Television Ownership

Under the FCC 's local television ownership rule, a licensee may own up to two broadcast television stations in the same DMA, as long as at least one of the two stations is not among the top four-ranked stations in the

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market based on audience share as of the date an application for approval of an acquisition is filed with the FCC and at least eight independently owned and operating full-power broadcast television stations remain in the market following the acquisition. Further, without regard to the number of remaining independently owned television stations, the rule permits the ownership of more than one television station within the same DMA so long as certain signal contours of the stations involved do not overlap. The 2011 Media Ownership Notice proposes minor modifications to the local television ownership rule. It also raises questions regarding whether local news-sharing agreements, shared services agreements, and joint sales agreements that involve the right to jointly negotiate retransmission consent should count toward the FCC's ownership limitations. The stations owned by the NBC network or the Telemundo network, however, do not have agreements that involve the right to jointly negotiate retransmission consent.

National Television Ownership

The Communications Act and FCC regulations limit the number of television stations one entity may own or control nationally. Under the rule, no entity may have an attributable interest in broadcast television stations that reach, in the aggregate, more than 39% of all U.S. television households. Our owned local television station reach does not exceed this limit. In September 2013, the FCC launched a rulemaking that considers eliminating a rule that currently affords UHF stations (channels 14 and above) a 50% discount in calculating the extent of an individual station owner's holdings under the national cap. Adoption of this proposed change would place us closer to the national cap and limit our flexibility to acquire stations in the future.

Foreign Ownership

The Communications Act generally limits foreign ownership in a broadcast station to 20% direct ownership and 25% indirect ownership (i.e., through one or more subsidiaries), although the limit on indirect ownership can be waived if the FCC finds it to be in the public interest. These limits have been held to apply to both voting control and equity, as well as to ownership by any form of entity, including corporations, partnerships and limited liability companies. For many decades the FCC has declined to waive the 25% indirect limit in broadcast transactions, but in a November 2013 declaratory ruling, the FCC stated that it is now willing to consider such waiver requests.

Dual Network Rule

The dual network rule prohibits any of the four major broadcast television networks, ABC, CBS, Fox and NBC, from being under common ownership or control with another of the four.

Must-Carry/Retransmission Consent

Every three years, each commercial television station must elect for each cable system in its DMA either must-carry or retransmission consent. Federal law and FCC regulations also establish a must-carry/retransmission consent election system for carriage of commercial television stations by satellite providers. For the period beginning on January 1, 2012 and ending on December 31, 2014, all of our NBC network and Telemundo network owned local television stations, except for certain Telemundo local television stations acquired in 2013, elected retransmission consent.

In enacting STELA in 2010, Congress modified certain aspects of the compulsory copyright licenses under which satellite providers and cable operators retransmit broadcast stations. STELA expressly extended to January 1, 2015 an existing prohibition against commercial television stations entering into exclusive retransmission consent agreements with multichannel video providers and also extended a requirement that commercial television stations and multichannel video providers negotiate retransmission consent agreements in good faith. Several other multichannel video providers and third parties filed a petition asking the FCC to initiate a rulemaking to consider changes to the current retransmission consent regulations and also asked Congress to review the issue. The FCC launched a rulemaking in 2011 that, among other things, seeks comment on proposals to modify the good faith negotiating standard and to eliminate regulations providing

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local television stations with exclusivity protections in their markets for network and syndicated programming. Legislation has been introduced that would eliminate both must-carry and retransmission consent as well as more narrow legislation that would aim to resolve impasses in retransmission consent negotiations. We cannot predict what new laws or regulations, if any, may be adopted or how any such laws or regulations would affect our businesses. Multichannel video providers may also invoke commercial arbitration under rules established in the NBCUniversal Order to resolve disputes regarding carriage of our owned local broadcast television stations.

[Internet Distribution](#)

Under the NBCUniversal Order and NBCUniversal Consent Decree, we are required to make certain of our cable network, broadcast television and filmed entertainment programming available to bona fide online video distributors in certain circumstances, and they may invoke commercial arbitration to resolve disputes regarding the availability, and the price, terms and conditions of access to such programming. In addition, we are required to continue distributing programming via nbc.com that is generally equivalent to the programming that we distributed via nbc.com as of January 1, 2011, on generally equivalent price, terms and conditions, so long as at least one of the other major broadcast networks continues to distribute its programming in a similar fashion. We are one of three broadcast network owners of Hulu, but we were required to relinquish all voting rights and our board seat in Hulu in connection with the NBCUniversal transaction. In compliance with our obligations under the NBCUniversal Order and the NBCUniversal Consent Decree, we have entered into renewal license agreements with Hulu on substantially the same terms as its other broadcast network owners.

[Broadcast Spectrum](#)

In February 2012, Congress authorized the FCC to conduct an incentive auction to reassign a portion of the broadcast spectrum for mobile broadband use. Under the statute, broadcasters may voluntarily relinquish some or all of their spectrum rights in exchange for a share of the proceeds of the FCC's auction of the spectrum to mobile broadband providers. Broadcasters that do not voluntarily relinquish their spectrum rights may still be affected as part of the process of clearing and repacking the spectrum for future mobile use, but Congress required the FCC to make all reasonable efforts to preserve broadcasters' over-the-air coverage area and population served, and to reimburse those broadcasters' reasonable costs. The FCC currently is conducting a proceeding to implement this statute, including establishing processes for how the spectrum will be repacked and how the broadcasters will be reimbursed for relocation costs. We cannot predict whether or how any such regulations might affect our businesses.

[Indecency](#)

A federal statute and FCC regulations prohibit the broadcast of obscene material on television stations at any time and indecent or profane material between the hours of 6 a.m. and 10 p.m. Broadcasters risk violating this prohibition because the vagueness of the relevant FCC definitions makes it difficult to apply. Moreover, the FCC has in some instances imposed separate fines for each allegedly indecent utterance, in contrast with its previous policy that had generally considered all indecent words or phrases within a given program as constituting a single violation. The maximum penalty for broadcasting indecent or profane programming is \$350,000 per indecent or profane utterance.

Indecency regulation has been the subject of recent court review, regarding both the FCC's fleeting expletives policy and the FCC's definition of what constitutes indecent material. In June 2012, the U.S. Supreme Court struck down the FCC's assessment of indecency fines against ABC and FOX on the grounds that the agency failed to provide fair notice of its standards and enforcement policy. However, the court declined to rule on the constitutionality of the FCC's indecency policy under the First Amendment. This ruling may result in the FCC's clarification of its policy and changes to how it approaches future indecency-related enforcement actions. In this regard, in April 2013, the FCC sought public comment regarding its indecency

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enforcement policies. From time to time, we have received and may receive in the future letters of inquiry from the FCC prompted by complaints alleging that certain programming on our owned local television stations included indecent or profane material. Increased content regulation, particularly if it is vague and difficult to apply, could have an adverse effect on our broadcast television business.

[Sponsorship Identification](#)

Federal legislation and FCC regulations provide that whenever a broadcast station transmits any programming for which it has received money, service or other valuable consideration, it must provide an accurate on-air identification of the sponsor of the programming. Similar rules apply to cable operators in origination cablecasting (e.g., local origination programming). In 2008, the FCC commenced a proceeding to examine whether embedded advertising, such as product placements and product integration, in broadcast programming should be subject to stricter disclosure requirements and whether the sponsorship identification regulations should be extended to cable networks, although the FCC has taken no action to date.

[International Regulation](#)

International regulation of television broadcasting varies widely according to jurisdiction and includes the regulation of programming and advertising. For example, the European Union (E.U.) establishes minimum levels of regulation across all E.U. member states focused on content and advertising, which also extends to nonlinear television services, although E.U. countries are free to impose stricter regulation in certain areas.

Filmed Entertainment

Our filmed entertainment business is subject to the provisions of trade practice laws in effect in 25 states and Puerto Rico relating to theatrical distribution of motion pictures. These laws substantially restrict the licensing of motion pictures unless theater owners are first invited to attend a screening of the motion pictures and, in certain instances, also prohibit payment of advances and guarantees to motion picture distributors by exhibitors. Further, under various consent judgments, federal and state antitrust laws and state unfair competition laws, motion picture companies are subject to certain restrictions on trade practices in the United States, including a requirement to offer motion pictures for exhibition to theaters on a theater-by-theater basis. The Federal Trade Commission (FTC) has called for stronger industry safeguards applicable to the marketing of violent movies to children.

In countries outside the United States, there are a variety of existing or contemplated governmental laws and regulations that may affect our ability to distribute and license motion picture and television products, as well as consumer merchandise products, including film screen quotas, television quotas, regulation of content, regulated contract terms, product safety and labeling requirements, discriminatory taxes and other discriminatory treatment of U.S. products. The ability of countries to deny market access or refuse national treatment to products originating outside their territories is regulated under various international agreements.

Theme Parks

Our theme parks are subject to various regulations, including laws and regulations regarding environmental protection, privacy and data protection, consumer product safety and theme park operations, such as health, sanitation, safety and fire standards and liquor licenses.

[Other Areas of Regulation](#)

Intellectual Property

Copyright, trademark, unfair competition, patent, trade secret and Internet/domain laws of the United States and other countries help protect our intellectual property rights. In particular, piracy of programming and films

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through unauthorized distribution of counterfeit DVDs, peer-to-peer file sharing and other platforms presents challenges for our cable networks, broadcast television and filmed entertainment businesses. The

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unauthorized reproduction, distribution or display of copyrighted material over the Internet or through other methods of distribution, such as through devices, software or websites that allow the reproduction, viewing, sharing and/or downloading of content by either ignoring or interfering with the content's security features and copyrighted status, interferes with the market for copyrighted works and disrupts our ability to exploit our content. The extent of copyright protection and the use of technological protections, such as encryption, are controversial. Modifications to existing laws that weaken these protections could have an adverse effect on our ability to license and sell our programming.

While many legal protections exist to combat piracy, laws in the United States and internationally continue to evolve, as do technologies used to evade these laws. We have actively engaged in the enforcement of our intellectual property rights and likely will continue to expend substantial resources to protect our content. The repeal of laws intended to combat piracy and protect intellectual property or weakening of such laws or enforcement in the United States or internationally, or a failure of existing laws to adapt to new technologies, could make it more difficult for us to adequately protect our intellectual property rights, which could negatively impact their value and further increase the costs of enforcing our rights.

Copyright laws also require that we pay standard industry licensing fees for the public performance of music in the programs we distribute, such as local advertising and local origination programming on our cable systems, as well as in the content we create. The fees we pay to music performance rights organizations are typically renegotiated when we renew licenses with those organizations, and we cannot predict with certainty what those fees will be in the future or if disputes will arise over them.

There is ongoing litigation related to a number of online entities that stream our broadcast television content online without the consent of, or compensation to, NBC or its affiliates, and the U.S. Supreme Court has granted certiorari to hear the broadcasting industry's challenge to one such entity. We also have brought a suit against a multichannel video provider to challenge the commercial-skipping functionality in its DVR. None of this litigation is final, and the courts have reached different decisions to date. Additionally, there is a pending legislative proposal in the United States that seems intended to legitimize some of these practices. There can be no assurance as to whether the courts will ultimately determine that these practices are unlawful or that the pending legislation will be enacted or how any such rulings or legislation would ultimately affect our businesses.

Privacy and Security Regulation

The Communications Act generally restricts the nonconsensual collection and disclosure to third parties of cable customers' personally identifiable information by cable operators. There are exceptions that permit such collection and disclosure for rendering service, conducting legitimate business activities related to the service, and responding to legal requests. The Communications Act and FCC regulations also provide privacy protections for customer proprietary network information related to our voice services. Several states and numerous local jurisdictions have enacted privacy laws or franchise privacy provisions that apply to cable services.

The FTC has continued to exercise authority over privacy protections generally, using its existing authority over unfair and deceptive practices and other public proceedings to apply greater restrictions on the collection and use of personally identifiable and other information relating to consumers. It also has undertaken numerous enforcement actions against parties that do not provide sufficient security protections against the loss or disclosure of this type of information. In July 2013, FTC regulations implementing the Children's Online Privacy Protection Act (COPPA) went into effect. COPPA imposes requirements on website operators and online services that are aimed at children under 13 years of age, or that collect personal information or knowingly post personal information from children under 13 years of age. The FTC rules impose some significant new obligations on operators of websites and online services, including expanded categories of

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personal information and new data security and data retention requirements, and also expand the scope of COPPA to reach third-party service providers that knowingly collect personal information through a child-directed website or service.

We are also subject to state and federal regulations and laws regarding information security. Most of these regulations and laws apply to customer information that could be used to commit identity theft. Substantially all of the U.S. states and the District of Columbia have enacted security breach notification laws. These laws generally require that a business give notice to its customers whose financial account information has been disclosed because of a security breach. In addition, we maintain an identity theft program that incorporates the guidance provided under the FTC's red flag rules, which are designed to detect the warning signs of identity theft. The FTC and state attorneys general also have initiated efforts to increase and enforce transparency requirements about the collection and use of consumer information, even in de-identified form. These requirements may require ongoing review of new and rapidly evolving technologies and methods for delivering content and advertising to ensure that appropriate notice is given to consumers and consent is obtained where required.

In February 2013, the President directed the National Institute of Standards and Technology, in cooperation with other federal agencies and owners and operators of U.S. critical infrastructure to develop a voluntary framework that provides a prioritized, flexible, repeatable, performance-based, and cost-effective approach to cyber risk, which was released in February 2014. It is a compendium of existing, cross-sector cyber defense processes, practices, and protocols that can help companies identify, assess, and manage their cyber risks and vulnerabilities. Additionally, there are pending legislative proposals that could impose new requirements on owners and operators of critical infrastructure. We cannot predict what proposals may ultimately be adopted or how such requirements, if any, would affect our businesses.

We are also subject to state and federal do not call laws regarding telemarketing and state and federal laws regarding unsolicited commercial emails, as well as FCC regulations relating to automated telemarketing calls, texts or SMS messages. Additional and more restrictive requirements may be imposed if and to the extent that state or local authorities establish their own privacy or security standards or if Congress enacts new privacy or security legislation.

Advertising Restrictions

Legislation has been introduced and reports from various government agencies have been issued from time to time urging that restrictions be placed on advertisements for particular products or services, including prescription drugs and the marketing of food or violent entertainment to children, and on the deductibility of advertising expenses. We are unable to predict whether such reports would result in legislative proposals, whether legislative proposals may be adopted, or, if adopted, what impact they would have on our businesses.

Environmental Matters

Certain of our business operations are subject to environmental laws and regulations and involve air emissions, wastewater discharges, and the use, disposal and cleanup of toxic and hazardous substances. Any failure to comply with environmental requirements could result in monetary fines, civil or criminal sanctions, third-party claims or other costs or liabilities. We have been responsible for the cleanup of environmental contamination at some of NBCUniversal's current and former facilities and at off-site waste disposal locations, although our share of the cost of such cleanups to date has not been material. In addition, the California Attorney General and the Alameda County, California District Attorney are investigating whether certain of our waste disposal policies, procedures and practices are in violation of the California Business and Professions Code and the California Health and Safety Code. See Item 3, Legal Proceedings, in this Part I for more information.

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Environmental requirements have become more stringent over time, and pending or proposed new regulations could impact our operations or costs. For example, climate change regulation, such as proposed greenhouse gas emissions limits or cap and trade programs, could result in an increase in the cost of electricity, which is a significant component of our operational costs at some locations. We are unable to accurately predict how these requirements might be changed in the future and how any such changes might affect our businesses.

[Disabilities Access](#)

Our businesses are subject to a number of requirements related to ensuring that our services are accessible to individuals with disabilities. Among other things, our voice services and email services must be accessible to and usable by persons with disabilities; we must provide additional narrations of key visual elements (referred to as video description) on certain of our video services and programming; and we must include closed captioning on certain video programming delivered to our customers. The FCC is very focused on accessibility issues and is currently considering the adoption of additional quality standards for closed captioning. The FCC also has adopted rules that will require that on-screen menus and program guides used on set-top boxes and other navigation devices to access multichannel video programming be audibly accessible to blind and low-vision customers. The FCC is considering further accessibility requirements for multichannel video providers, broadcasters and other entities, and we cannot predict what impact those further requirements would have on our businesses.

[Other FCC Regulations](#)

The FCC actively regulates other aspects of our businesses, including the mandatory blackout of syndicated, network and sports programming; customer service standards; loudness of commercial advertisements; political advertising; Emergency Alert System requirements; equal employment opportunity; lottery programming; recordkeeping and public file access requirements; telemarketing; technical standards relating to operation of the cable systems and television stations; and regulatory fees. We are unable to predict how these regulations might be changed in the future and how any such changes might affect our businesses. In addition, while we believe that we are in substantial compliance with FCC regulations, we are occasionally subject to enforcement actions at the FCC, which can result in our having to pay fines to the agency or being subject to other sanctions.

Employees

As of December 31, 2013, we had approximately 136,000 full-time and part-time employees. Of these employees, approximately 83,000 and 40,000 were associated with our Cable Communications business and our NBCUniversal businesses, respectively. We also use freelance and temporary employees in the normal course of our business.

Caution Concerning Forward-Looking Statements

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. In this Annual Report on Form 10-K, 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, 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 the risks and uncertainties listed in Risk Factors and in other reports we file with the SEC.

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Additionally, we operate in a highly competitive, consumer-driven and rapidly changing environment. This environment is affected by government regulation; economic, strategic, political and social conditions; consumer response to new and existing products and services; technological developments; and, particularly in view of new technologies, the ability to develop and protect intellectual property rights. Our actual results could differ materially from our forward-looking statements as a result of any of such factors, which could adversely affect our businesses, results of operations or financial condition. We undertake no obligation to update any forward-looking statements.

Item 1A: Risk Factors

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.

All of our businesses operate in 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. There also continue to be new entrants with significant financial resources that potentially may compete on a larger scale with our cable services, as well as with our cable and broadcast networks and filmed entertainment businesses. Technological changes are further intensifying and complicating the competitive landscape and influencing consumer behavior, which is discussed immediately below in Changes in consumer behavior driven by new technologies may adversely affect our businesses.

Competition for the cable services we offer consists primarily of DBS providers, which have a national footprint and compete in all our service areas, and phone companies, which overlap approximately 45% of our service areas and are continuing to expand their fiber-based networks. We also compete with other providers of traditional cable services. All of these companies typically offer features, pricing and packaging for services comparable to our cable services. Companies that offer services that enable Internet video streaming and downloading of video programming may also compete with our video services. Recently, Google launched high-speed Internet and video services in a limited number of areas, and there can be no assurance that it will not continue to launch these services in more of our services areas. Furthermore, our phone company competitors have their own wireless facilities and may expand their cable service offerings to include bundled wireless offerings, which may adversely affect our business and results of operations.

Our cable communications business continues to seek ways to leverage our cable services network, such as by increasing the speed of our high-speed Internet services, by expanding and enhancing our business services to medium-sized businesses and by launching additional services, such as our home security and automation services. We expect these and other initiatives designed to help us compete effectively, such as deploying our X1 platform and wireless gateways, will require increased capital spending. There can be no assurance that we can execute on these and other initiatives in a manner sufficient to grow or maintain our cable communications revenue or to compete successfully in the future.

Each of NBCUniversal's businesses also faces substantial and increasing competition from providers of similar types of content, as well as from other forms of entertainment and recreational activities. NBCUniversal must compete to obtain talent, programming and other resources required in operating these businesses. For example, our cable networks, broadcast television networks and owned local broadcast television stations compete for viewers with other similar networks and stations, as well as with other forms of entertainment and content available in the home, such as video games, DVDs and websites. In addition, our cable networks compete with other cable networks and programming providers for carriage of their programming by multichannel video providers and online digital distributors. Our filmed entertainment business competes with other major studios and other producers of entertainment content for sources of financing for the production

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of its films, for the exhibition of its films in theaters, and for shelf space in retail stores for its DVDs and with digital distributors for the licensing and sale of its products. It also competes for consumers with other film producers and distributors and all other forms of entertainment inside and outside the home.

Our cable communications business, cable networks, broadcast television networks and owned local broadcast television stations compete for the sale of advertising time with other television networks and stations, as well as with all other advertising platforms, such as radio stations, print media and websites. Additionally, our ability to compete depends on our perceived image and reputation among our various constituencies, including our customers, consumers, advertisers, investors and governmental authorities.

For a more detailed description of the competition facing all of our businesses, see [Business Competition](#) above. There can be no assurance that we will be able to compete effectively against existing or new competitors or that competition will not have an adverse effect on our businesses.

Changes in consumer behavior driven by new technologies may adversely affect our businesses.

We operate in a highly competitive, consumer-driven and rapidly changing environment. New technologies, particularly alternative methods for the distribution, sale and viewing of content, have been, and will likely continue to be, developed that further increase the number of competitors that all our businesses face and that drive changes in consumer behavior. These technologies may affect demand for all of our products and services as the number of entertainment choices available to, and the manner in which they are delivered to, consumers continue to increase and evolve. Our failure to effectively anticipate or adapt to emerging technologies or changes in consumer behavior could have an adverse effect on our businesses.

Newer services and technologies that may compete with our video services include digital distribution services and devices that offer Internet video streaming and downloading of movies, television shows and other video programming that can be viewed on television sets and computers, as well as other devices such as smartphones and tablets. Some of these services charge a nominal or no fee for access to their content, which could adversely affect demand for our video services, including for premium networks and our DVR, On Demand and streaming services. In addition, consumers are increasingly interested in accessing information, entertainment and communications services anywhere and anytime they want; newer services in wireless Internet technology such as 4G wireless broadband services and Wi-Fi networks, and devices such as wireless data cards, tablets, smartphones and mobile wireless routers that connect to such devices, may compete with our high-speed Internet services. Our voice services are facing increased competition from wireless and Internet-based phone services as more people choose to replace their traditional wireline phone service with these phone services. The success of any of these ongoing and future developments may have an adverse effect on our cable communications competitive position, business and results of operations.

New technologies are also affecting consumer behavior in ways that are changing how content is viewed as consumers seek more control over when, where and how they consume content, which may have a negative impact on our businesses and results of operations. For example, the increased availability of DVRs, video-on-demand services and cable, broadcast and other video programming on the Internet (including high-quality original video programming that may be viewed only through digital distribution services), as well as increased access to various media through wireless devices, have the potential to reduce the viewing of our content through traditional distribution outlets, which could adversely affect the demand for our video services, the price and amount of advertising that advertisers are willing to purchase from us, the amount multichannel video providers are willing to pay to NBCUniversal for its content and the levels of DVD and theatrical sales. These new technologies have increased the number of entertainment choices available to consumers and intensified the challenges posed by audience fragmentation. Some of these newer technologies also give consumers greater flexibility to watch programming on a time-delayed or on-demand basis or to fast-forward or skip advertisements within programming, which also may adversely impact the advertising revenue we receive. Delayed

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viewing and advertising skipping have become more common as the penetration of DVRs has increased and as content has become increasingly available via video-on-demand services and Internet sources. Some of these new technologies are also challenging the existing legal copyright framework that we rely on to protect and monetize our intellectual property rights, as more fully discussed below in . Our businesses depend on using and protecting certain intellectual property rights and on not infringing the intellectual property rights of others. These and other changes in technology, distribution platforms and consumer behavior could have an adverse effect on our businesses.

Our businesses depend on keeping pace with technological developments.

Our success is, to a large extent, dependent on our ability to acquire, develop, adopt and leverage new and existing technologies, and our competitors' use of certain types of technology and equipment may provide them with a competitive advantage. For example, some companies are building costly fiber-optic networks that provide significant high-speed Internet access speeds and wireless Internet technologies continue to evolve rapidly. We expect other advances in communications technology to occur in the future. If we choose technology or equipment that is not as effective or attractive to consumers as that employed by our competitors, if we fail to employ technologies desired by consumers before our competitors do so, or if we fail to execute effectively on our technology initiatives, our business and results of operations could be adversely affected. Moreover, we may incur additional costs as we execute our technology initiatives, such as the deployment of our X1 platform and wireless gateways. We also may incur increased costs if changes in the products and services that our competitors offer require that we offer certain of our existing services or enhancements at a lower or no cost to our customers or that we make additional research and development expenditures, which could have an adverse effect on our businesses.

Programming expenses for our video services are increasing, which could adversely affect our businesses.

We expect programming expenses for our video services to continue to be our Cable Communications segment's largest single expense item and to increase in the foreseeable future. The multichannel video provider industry has continued to experience an increase in the cost of programming, especially sports programming. In addition, as we add programming to our video services or distribute existing programming to more of our customers and through additional delivery platforms, we incur increased programming expenses. Additionally, we are currently paying certain local broadcast television stations in exchange for their required consent for the retransmission of broadcast network programming to our video services customers and expect to continue to be subject to increasing demands for payment and other concessions from local broadcast television stations. If we are unable to raise our customers' rates or offset such programming cost increases through the sale of additional services, the increasing cost of programming could have an adverse impact on our results of operations. Moreover, as our contracts with content providers expire, there can be no assurance that they will be renewed on acceptable terms or that they will be renewed at all, in which case we may be unable to provide such content as part of our video services and our businesses could be adversely affected.

We are subject to regulation by federal, state, local and foreign authorities, which may impose additional costs and restrictions on our businesses.

Federal, state and local governments extensively regulate the video services industry and may increase the regulation of the Internet service and VoIP voice service industries. We expect that legislative enactments, court actions and regulatory proceedings will continue to clarify, and in some cases may adversely affect, the rights and obligations of cable operators and other entities under the Communications Act and other laws. Our broadcast television business also is highly regulated by federal laws and regulations, and our cable networks, filmed entertainment and theme parks businesses are subject to various other laws and regulations at the international, federal, state and local levels, including laws and regulations relating to environmental protection, which have become more stringent over time, and the safety of consumer products and theme

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park operations. In addition, we are subject to the NBCUniversal Order and the NBCUniversal Consent Decree, which have imposed numerous conditions on our businesses relating to the treatment of competitors and other matters. Failure to comply with the laws and regulations applicable to our businesses could result in administrative enforcement actions, fines, and civil and criminal liability.

Legislators and regulators at all levels of government frequently consider changing, and sometimes do change, existing statutes, rules, regulations, or interpretations thereof, or prescribe new ones, which may significantly affect our businesses. Any future legislative, judicial, regulatory or administrative actions may increase our costs or impose additional restrictions on our businesses, which could adversely affect our businesses. For example, in 2010, the FCC adopted open Internet regulations applicable to broadband Internet service providers (ISPs). The regulations required broadband ISPs such as us to disclose information regarding network management, performance and commercial terms of the service (the transparency rule); barred broadband ISPs from blocking access to lawful content, applications, services or non-harmful devices; and barred wireline broadband ISPs such as us from unreasonably discriminating in transmitting lawful network traffic. The no-blocking and non-discrimination requirements allowed for reasonable network management. The FCC did not prohibit speed tiers or usage-based pricing, but specifically noted that paid prioritization (i.e., charging content, application and service providers for prioritizing their traffic over our last-mile facilities) or an ISP's prioritizing of its own Internet content likely would violate these regulations. In January 2014, the U.S. Court of Appeals for the D.C. Circuit vacated all of the FCC's rules except for the transparency rule but the court clarified that the FCC had the fundamental authority to regulate broadband Internet access services as a general matter. Although we remain bound by the FCC's original open Internet regulations as a condition of the NBCUniversal Order and the NBCUniversal Consent Decree for the remainder of the term of those orders, it is possible that the FCC may appeal the court's decision or seek to adopt new Internet regulations or take other actions that restrict the manner in which we and other ISPs provide Internet services. The FCC also may attempt to reclassify broadband Internet service as a telecommunications service, which would authorize the FCC to subject it to traditional common carriage regulation under Title II of the Communications Act. Under a Title II framework, the FCC could potentially regulate our customer rates for broadband Internet services and could prohibit or seriously restrict arrangements between us and Internet content, application, and service providers, including backbone connection arrangements. These arrangements historically have not been regulated by the FCC. The FCC Chairman, however, has stressed that the FCC has a responsibility to ensure connectivity of the Internet, and although he has made clear that he does not consider peering and transit arrangements to be an open Internet issue, he considers it a related issue that the FCC, at a minimum, should monitor. The FCC might also take a broader view of its existing authority, as confirmed by the court decision, to adopt any regulation that conceivably would promote broadband deployment and adoption so long as it is not a common carrier regulation, and states may also attempt to regulate the Internet pursuant to the court's decision. We cannot predict what, if any, proposals might be adopted or what effect they might have on our business. For a more extensive discussion of the significant risks associated with the regulation of all of our businesses, see Business Legislation and Regulation above.

Weak economic conditions may have a negative impact on our businesses.

A substantial portion of our revenue comes from customers whose spending patterns may be affected by prevailing economic conditions. Weak economic conditions, or increases in price levels generally due to inflationary pressures, could adversely affect demand for any of our products and services and have a negative impact on our results of operations. For example, customers may reduce the level of cable services to which they subscribe, or may discontinue subscribing to one or more of our cable services. This risk may be increased by the expanded availability of free or lower cost competitive services, such as Internet video streaming and downloading services, or substitute services, such as mobile phones, smartphones and Wi-Fi networks. Weak economic conditions also may have a negative impact on the advertising revenue of our cable communications, cable networks and broadcast television businesses. Weak economic conditions could also reduce the fees that multichannel video providers pay for our cable networks' programming and

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for the retransmission of our broadcast television networks and stations' content. Weak economic conditions have also in the past reduced, and could continue to reduce, the performance of our home entertainment releases in our filmed entertainment business and attendance and spending in our theme parks business. Weak economic conditions and turmoil in the global financial markets may also impair the ability of third parties to satisfy their obligations to us. Further, any disruption in the global financial markets may affect our ability to obtain financing on acceptable terms. If these weak economic conditions continue or deteriorate, our businesses may be adversely affected.

A decline in advertising expenditures or changes in advertising markets could negatively impact our businesses.

Our cable communications, cable networks and broadcast television businesses derive substantial revenue from the sale of advertising on a variety of platforms, and a decline in advertising expenditures could negatively impact our results of operations. Declines can be caused by the economic prospects of specific advertisers or industries, by increased competition for the leisure time of audiences and audience fragmentation, by the growing use of new technologies, or by the economy in general, any of which may cause advertisers to alter their spending priorities based on these or other factors. In addition, advertisers' willingness to purchase advertising from us may be adversely affected by lower audience ratings, which some of our cable networks have experienced and may continue to experience. Advertising sales and rates also are dependent on audience measurement and could be negatively affected by changes in audience measurement methodologies. For example, newer methods of viewing content (such as delayed viewing on DVRs or viewing content on computers, tablets or smartphones) might not be counted in audience measurements or may generate less, if any, revenue than traditional distribution methods, which could have an adverse effect on our advertising revenue. Further, natural disasters, wars, acts of terrorism, or other significant adverse news events could lead to a reduction in advertising expenditures as a result of uninterrupted news coverage and general economic uncertainty. Reductions in advertising expenditures could adversely affect our businesses.

NBCUniversal's success depends on consumer acceptance of its content, which is difficult to predict, 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.

Most of NBCUniversal's businesses create and acquire media and entertainment content, the success of which depends substantially on consumer tastes and preferences that change in often unpredictable ways. The success of these businesses depends on our ability to consistently create, acquire, market and distribute cable network and broadcast television programming, filmed entertainment, theme park attractions and other content that meet the changing preferences of the broad domestic and international consumer market. We have invested, and will continue to invest, substantial amounts in our content, including in the production of original content on our cable networks and broadcast television networks, in our films and for theme park attractions, before learning the extent to which it would earn consumer acceptance.

We also obtain a significant portion of our content from third parties, such as movie studios, television production companies, sports organizations and other suppliers. Competition for popular content, particularly for sports programming, is intense, and we may have to increase the price we are willing to pay or be outbid by our competitors for popular content. Entering into or renewing contracts for such programming rights or acquiring additional rights may result in significantly increased costs. Moreover, particularly with respect to long-term contracts for sports programming rights, our results of operations and cash flows over the term of a contract depend on a number of factors, including the strength of the advertising market, our audience size, the ability to impose surcharges on multichannel video providers for the content and the timing and amount of our rights payments. There can be no assurance that revenue from these contracts will exceed our cost for the rights, as well as the other costs of producing and distributing the programming. If our content does not achieve sufficient consumer acceptance, or if we cannot obtain or retain rights to popular content on acceptable terms, or at all, our businesses may be adversely affected.

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The loss of NBCUniversal's programming distribution agreements, or the renewal of these agreements on less favorable terms, could adversely affect its businesses.

Our cable networks depend on the maintenance of distribution agreements with multichannel video providers. Our broadcast television networks depend on the maintenance of network affiliation agreements with third-party local broadcast television stations in the markets where we do not own the affiliated local broadcast television station. In addition, every three years, each of our owned local broadcast television stations must elect, with respect to its retransmission by multichannel video providers within its DMA, either must-carry status, in which the distributor's carriage of the station is mandatory and does not generate any compensation for the local station, or retransmission consent, in which the station gives up its right to mandatory carriage and instead seeks to negotiate the terms and conditions of carriage with the distributor, including the amount of compensation, if any, paid to the station by such distributor. In the course of renewing distribution agreements with multichannel video providers, we may enter into retransmission consent agreements on behalf of our owned local broadcast television stations. All of our NBC and Telemundo owned local broadcast television stations have elected retransmission consent through December 31, 2014. Our ability to continue to receive compensation from distributors as part of our retransmission consent negotiations may be adversely impacted by online entities that stream our broadcast television content online without our consent and without paying any compensation to us. Increasingly, our cable networks, broadcast television and filmed entertainment businesses also have entered into agreements to license their prior season and library content on other distribution platforms. There can be no assurance that any of these agreements will be renewed in the future on acceptable terms, or at all. The loss of any of these agreements, or the renewal of these agreements on less favorable terms, could reduce the reach of our television programming and its attractiveness to advertisers, which in turn could adversely affect our cable networks, broadcast television and filmed entertainment businesses.

Our businesses depend on using and protecting certain intellectual property rights and on not infringing the intellectual property rights of others.

We rely on our intellectual property, such as patents, copyrights, trademarks and trade secrets, as well as licenses and other agreements with our vendors and other third parties, to use various technologies, conduct our operations and sell our products and services. Legal challenges to our intellectual property rights and claims of intellectual property infringement by third parties could require that we enter into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability or be enjoined preliminarily or permanently from further use of the intellectual property in question or from the continuation of our businesses as currently conducted. We may need to change our business practices if any of these events occur, which may limit our ability to compete effectively and could have an adverse effect on our results of operations. Even if we believe any such challenges or claims are without merit, they can be time-consuming and costly to defend and divert management's attention and resources away from our businesses. Moreover, if we are unable to obtain or continue to obtain licenses from our vendors and other third parties on reasonable terms, our businesses could be adversely affected.

In addition, intellectual property constitutes a significant part of the value of NBCUniversal's businesses, and its success is highly dependent on protecting intellectual property rights in the content it creates or acquires against third-party misappropriation, reproduction or infringement. The unauthorized reproduction, distribution or display of copyrighted material negatively affects our ability to generate revenue from the legitimate sale of our content, as well as from the sale of advertising in connection with our content, and increases our costs due to our active enforcement of our intellectual property rights. For example, there is ongoing litigation related to a number of online entities that stream our broadcast television content online without the consent of, or compensation to, NBC or its affiliates, and the U.S. Supreme Court has granted certiorari to hear the broadcasting industry's challenge to one such entity. If this practice is validated, the fees multichannel video providers are willing to pay for our broadcast television content may be negatively impacted. We also have brought a suit against a multichannel video provider to challenge the commercial-skipping functionality in its DVR. None of this litigation is final, and the results as to the validity of these practices have been mixed to date. Additionally, there is a pending legislative proposal that seems

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intended to legitimize some of these practices. There can be no assurance as to whether the courts will ultimately invalidate these practices or the pending legislation will be enacted, or how any such rulings or legislation would ultimately affect our businesses.

Piracy and other unauthorized uses of content are made easier, and the enforcement of intellectual property rights more challenging, by technological advances allowing the conversion of programming, films and other content into digital formats, which facilitates the creation, transmission and sharing of high-quality unauthorized copies. In particular, piracy of programming and films through unauthorized distribution on DVDs, peer-to-peer computer networks and other platforms continues to present challenges for our cable networks, broadcast television and filmed entertainment businesses. While piracy is a challenge in the United States, it is particularly prevalent in many parts of the world that lack developed copyright laws, effective enforcement of copyright laws and technical protective measures like those in effect in the United States. If any U.S. or international laws intended to combat piracy and protect intellectual property rights are repealed or weakened or are not adequately enforced, or if the legal system fails to adapt to new technologies that facilitate piracy, we may be unable to effectively protect our rights, and the value of our intellectual property may be negatively impacted and our costs of enforcing our rights may increase. See [Business Legislation and Regulation](#) [Other Areas of Regulation](#) [Intellectual Property](#) above for additional information.

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.

Network and information systems and other technologies, including those related to our network management, customer service operations and programming delivery, are critical to our business activities. Network and information systems-related events, such as computer hackings, cyber attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, malicious social engineering or other malicious activities, or any combination of the foregoing, or power outages, natural disasters, terrorist attacks or other similar events, could result in a degradation or disruption of our services, excessive call volume to call centers or damage to our properties, equipment and data. These events also could result in large expenditures to repair or replace the damaged properties, networks or information systems or to protect them from similar events in the future. Further, any security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in our information technology systems, including customer, personnel and vendor data, could damage our reputation and require us to expend significant capital and other resources to remedy any such security breach. We may provide certain confidential, proprietary and personal information to third parties in connection with our businesses, and while we obtain assurances that these third parties will protect this information, there is a risk that this information may be compromised. Moreover, the amount and scope of insurance we maintain against losses resulting from any such events or security breaches may not be sufficient to cover our losses or otherwise adequately compensate us for any disruptions to our businesses that may result, and the occurrence of any such events or security breaches could have a material adverse effect on our businesses.

The risk of these systems-related events and security breaches occurring continues to intensify, in part because we maintain certain information necessary to conduct our businesses in digital form stored on cloud servers. In the ordinary course of our business, there are frequent attempts to cause such systems-related events and security breaches, and we have experienced a few minor systems-related events that, to date, have not resulted in any significant degradation or disruption to our network or information systems or our services or operations. While we develop and maintain systems seeking to prevent systems-related events and security breaches from occurring, the development and maintenance of these systems is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become more sophisticated. Despite these efforts, there can be no assurance that these events and security breaches will not occur in the future or will not have an adverse effect on our businesses.

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We may be unable to obtain necessary hardware, software and operational support.

We depend on third-party vendors to supply us with a significant amount of the hardware, software and operational support necessary to provide certain of our services. Some of these vendors represent our primary source of supply or grant us the right to incorporate their intellectual property into some of our hardware and software products. While we actively monitor the operations and financial condition of key vendors in an attempt to detect any potential difficulties, there can be no assurance that we would timely identify any operating or financial difficulties associated with these vendors or that we could effectively mitigate our risks with respect to any such difficulties. If any of these vendors experience operating or financial difficulties or if demand exceeds their capacity or they otherwise cannot meet our specifications, our ability to provide some services may be adversely affected.

Labor disputes, whether involving employees or sports organizations, may disrupt our operations and adversely affect our businesses.

Many of NBCUniversal's employees, including writers, directors, actors, technical and production personnel and others, as well as some of our on-air and creative talent and cable communications employees, are covered by collective bargaining agreements or works councils. If we are unable to reach agreement with a labor union before the expiration of a collective bargaining agreement, our employees who were covered by that agreement may have a right to strike or take other actions that could adversely affect us. Moreover, many of NBCUniversal's collective bargaining agreements are industry-wide agreements, and we may lack practical control over the negotiations and terms of the agreements. A labor dispute involving our employees may result in work stoppages or disrupt our operations and reduce our revenue, and resolution of disputes may increase our costs. There can be no assurance that we will renew our collective bargaining agreements as they expire or that we can renew them on favorable terms or without any work stoppages.

In addition, our cable networks and broadcast television networks have programming rights agreements of varying scope and duration with various sports organizations to broadcast and produce sporting events, including certain NFL, NHL, NBA and MLB games. Labor disputes in these and other sports organizations could have an adverse effect on our businesses.

The loss of key management personnel or popular on-air and creative talent could have an adverse effect on our businesses.

We rely on certain key management personnel in the operation of our businesses. While we maintain long-term and emergency transition plans for key management personnel and believe we could either identify internal candidates or attract outside candidates to fill any vacancy created by the loss of any key management personnel, the loss of one or more of our key management personnel could have a negative impact on our businesses. In addition, our cable networks, broadcast television and filmed entertainment businesses depend on the abilities and expertise of our on-air and creative talent. If we fail to retain our on-air or creative talent, if the costs to retain such talent increase materially, if we need to make significant termination payments, or if these individuals lose their current appeal, our businesses could be adversely affected.

We face risks relating to doing business internationally that could adversely affect our businesses.

We, primarily through NBCUniversal, operate our businesses worldwide. There are risks inherent in doing business internationally, including global financial market turmoil, economic volatility and the global economic slowdown, currency exchange rate fluctuations and inflationary pressures, the requirements of local laws and customs relating to the publication and distribution of content and the display and sale of advertising, import or export restrictions and changes in trade regulations, difficulties in developing, staffing and managing foreign operations, issues related to occupational safety and adherence to diverse local labor laws and regulations, and potentially adverse tax developments. In addition, doing business internationally is subject to risks relating to political or social unrest, corruption and government regulation, including U.S. laws such as

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the Foreign Corrupt Practices Act that impose stringent requirements on how we conduct our foreign operations. If these risks occur, our businesses may be adversely affected.

Acquisitions and other strategic transactions present many risks, and we may not realize the financial and strategic goals that were contemplated at the time of any transaction.

From time to time we make acquisitions and investments and enter into other strategic transactions. In connection with such acquisitions and strategic transactions, we may incur unanticipated expenses, fail to realize anticipated benefits, have difficulty incorporating the acquired businesses, disrupt relationships with current and new employees, customers and vendors, incur significant debt, or have to delay or not proceed with announced transactions. The occurrence of any of these events could have an adverse effect on 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.

Our Class B common stock has a nondilutable $33\frac{1}{3}\%$ of the combined voting power of our Class A and Class B common stock. This nondilutable voting power is subject to proportional decrease to the extent the number of shares of Class B common stock is reduced below 9,444,375, which was the number of shares of Class B common stock outstanding on the date of our 2002 acquisition of AT&T Corp.'s cable business, subject to adjustment in specified situations. Stock dividends payable on the Class B common stock in the form of Class B or Class A Special common stock do not decrease the nondilutable voting power of the Class B common stock. The Class B common stock also has separate approval rights over several potentially material transactions, even if they are approved by our Board of Directors or by our other shareholders and even if they might be in the best interests of our other shareholders. These potentially material transactions include mergers or consolidations involving Comcast Corporation, transactions (such as a sale of all or substantially all of our assets) or issuances of securities that require shareholder approval, transactions that result in any person or group owning shares representing more than 10% of the combined voting power of the resulting or surviving corporation, issuances of Class B common stock or securities exercisable or convertible into Class B common stock, and amendments to our articles of incorporation or by-laws that would limit the rights of holders of our Class B common stock. Brian L. Roberts, our chairman and CEO, beneficially owns all of the outstanding shares of our Class B common stock and, accordingly, has considerable influence over our company and the potential ability to transfer effective control by selling the Class B common stock, which could be at a premium.

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Item 1B: Unresolved Staff Comments

None.

Item 2: Properties

We believe that substantially all of our physical assets were in good operating condition as of December 31, 2013. Our corporate headquarters and Cable Communications segment headquarters are located in Philadelphia, Pennsylvania at One Comcast Center. In December 2013, we acquired an 80% interest in a business whose primary asset is One Comcast Center. Prior to this acquisition, the property was a leased facility. We also lease locations for numerous business offices, warehouses and properties housing divisional information technology operations throughout the country.

Cable Communications Segment

Our principal physical assets consist of operating plant and equipment, including signal receiving, encoding and decoding devices, headends and distribution networks, and equipment at or near our customers' homes. The signal receiving apparatus typically includes a tower, antenna, ancillary electronic equipment and ground stations for reception of satellite signals. Headends consist of electronic equipment necessary for the reception, amplification and modulation of signals and are located near the receiving devices. Our distribution network consists primarily of coaxial and fiber-optic cables, lasers, routers, switches and related electronic equipment. Our cable plant and related equipment generally are connected to utility poles under pole rental agreements with local public utilities, although in some areas the distribution cable is buried in underground ducts or trenches. Customer premise equipment (CPE) consists primarily of set-top boxes and cable modems. The physical components of cable systems require periodic maintenance and replacement.

Our signal reception sites, which consist primarily of antenna towers and headends, and our microwave facilities are located on owned and leased parcels of land, and we own or lease space on the towers on which certain of our equipment is located. We own most of our service vehicles.

Our high-speed Internet network consists of fiber-optic cables owned or leased by us and related equipment. We also operate regional data centers with equipment that is used to provide services (such as email, news and web services) to our high-speed Internet and voice services customers. In addition, we maintain two network operations centers with equipment necessary to monitor and manage the status of our high-speed Internet network.

We own or lease buildings throughout the country that contain customer service call centers, customer service centers, warehouses and administrative space. We also own a building that houses our digital media center. The digital media center contains equipment that we own or lease, including equipment related to network origination, video transmission via satellite and terrestrial fiber optics, broadcast studios, post-production services and interactive television services.

NBCUniversal Segments

NBCUniversal's corporate headquarters are located in New York City at 30 Rockefeller Plaza. In March 2013, NBCUniversal acquired the space it occupies at 30 Rockefeller Plaza in connection with the Redemption Transaction. We also own or lease offices, studios, production facilities, screening rooms, retail operations, warehouse space, satellite transmission receiving facilities and data centers in numerous locations in the United States and around the world, including property for our owned local broadcast television stations. In addition, we own theme parks and related facilities in Orlando and Hollywood.

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The table below sets forth information as of December 31, 2013 with respect to NBCUniversal's principal properties:

| Location | Principal Use | Principal Segment in Which Used | Owned or Leased |
|---|--|---|-----------------|
| 30 Rockefeller Plaza New York, NY | NBCUniversal corporate headquarters, offices and studios | Headquarters and Other, Cable Networks and Broadcast Television | Owned |
| 10 Rockefeller Plaza New York, NY | <i>The Today Show</i> studio, production facilities and offices | Broadcast Television | Leased |
| Universal City Universal City, CA | Offices, studios, theme park and retail operations | All | Owned |
| 1000 Universal Studios Plaza Orlando, FL | Theme parks, lodging, production facilities, parking structures and administrative buildings | Theme Parks | Owned |
| 3000 W Alameda Ave. Burbank, CA | Offices and production facilities | Broadcast Television | Leased |
| 2290 W 8 th Ave. Hialeah, FL | Telemundo headquarters and production facilities | Headquarters and Other and Broadcast Television | Leased |
| Other | | | |

The Wells Fargo Center, a large, multipurpose arena that we own, was the principal physical operating asset of our other businesses as of December 31, 2013.

Item 3: Legal Proceedings

Refer to Note 18 to Comcast Corporation's consolidated financial statements included in this Annual Report on Form 10-K for a discussion of recent developments related to our legal proceedings.

In addition to the matters described in Note 18, the California Attorney General and the Alameda County, California District Attorney are investigating whether certain of our waste disposal policies, procedures and practices are in violation of the California Business and Professions Code and the California Health and Safety Code. We expect that these entities will seek injunctive and monetary relief. We are cooperating with the investigation. While we are unable to predict the outcome of this investigation, we do not believe that the outcome will have a material effect on our results of operations, financial condition or cash flows.

NBCUniversal Media, LLC is subject to legal proceedings and claims that arise in the ordinary course of its business and it 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 4: Mine Safety Disclosures

Not applicable.

Table of Contents**Part II****Item 5: Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Comcast Class A common stock is listed on the NASDAQ Global Select Market under the symbol CMCSA and its Class A Special common stock is listed on the NASDAQ Global Select Market under the symbol CMCSK. There is no established public trading market for Comcast's Class B common stock. The Class B common stock can be converted, on a share for share basis, into Class A or Class A Special common stock.

Dividends Declared

| 2013 | | 2012 | |
|--------------------------------|---------------------------|--------------------------------|---------------------------|
| Month Declared: | Dividend Per Share | Month Declared: | Dividend Per Share |
| February | \$ 0.195 | February | \$ 0.1625 |
| May | \$ 0.195 | May | \$ 0.1625 |
| July | \$ 0.195 | July | \$ 0.1625 |
| October (paid in January 2014) | \$ 0.195 | October (paid in January 2013) | \$ 0.1625 |
| Total | \$ 0.78 | Total | \$ 0.65 |

We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors. In January 2014, our Board of Directors approved a 15% increase in our dividend to \$0.90 per share on an annualized basis and approved our first quarter dividend of \$0.225 per share to be paid in April 2014.

Holders of Class A common stock in the aggregate hold 66 ²/₃% of the voting power of our common stock. The number of votes that each share of Class A common stock has at any given time depends on the number of shares of Class A common stock and Class B common stock then outstanding. Holders of shares of Class A Special common stock cannot vote in the election of directors or otherwise, except where class voting is required by law. In that case, shares of Class A Special common stock have the same number of votes per share as shares of Class A common stock. The Class B common stock has a 33 ¹/₃% nondilutable voting interest, and each share of Class B common stock has 15 votes per share. Mr. Brian L. Roberts beneficially owns all outstanding shares of Class B common stock. Generally, including as to the election of directors, holders of Class A common stock and Class B common stock vote as one class except where class voting is required by law.

Record holders as of December 31, 2013, are presented in the table below.

| Stock Class | Record Holders |
|------------------------------|----------------|
| Class A Common Stock | 539,922 |
| Class A Special Common Stock | 1,584 |
| Class B Common Stock | 3 |

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The table below summarizes our repurchases under our Board-authorized share repurchase program during 2013. Under our share repurchase program, our Board gives management discretion to purchase either Class A or Class A Special common stock. During 2013, the Class A Special common stock traded at a discount to the Class A common stock and all of the shares repurchased were of Class A Special common stock. Subject to market conditions, including the amount of any price differential between the two classes of common stock, we currently expect to continue to repurchase primarily Class A Special common stock under our share repurchase program.

| Period | Total Number of | | Part of Publicly Announced | Maximum Dollar | |
|---------------------|-------------------|-----------------|----------------------------|-------------------------|------------------------------|
| | Shares | Average | | Total Dollar | Value of Shares That |
| | Total Number of | Average | Part of Publicly | Amount | May Yet Be Purchased |
| | Shares | Price Per | Announced | Purchased Under | Under the |
| | Purchased | Share | Authorization | the Authorization | Authorization ^(a) |
| First Quarter 2013 | 13,285,909 | \$ 37.63 | 13,285,909 | \$ 500,000,000 | \$ 3,000,000,000 |
| Second Quarter 2013 | 12,622,459 | \$ 39.61 | 12,622,459 | \$ 500,000,000 | \$ 2,500,000,000 |
| Third Quarter 2013 | 12,003,261 | \$ 41.66 | 12,003,261 | \$ 500,000,000 | \$ 2,000,000,000 |
| October 1-31, 2013 | | \$ | | \$ | \$ 2,000,000,000 |
| November 1-30, 2013 | 5,536,264 | \$ 45.16 | 5,536,264 | \$ 250,000,000 | \$ 1,750,000,000 |
| December 1-31, 2013 | 5,292,452 | \$ 47.24 | 5,292,452 | \$ 250,000,000 | \$ 1,500,000,000 |
| Total | 48,740,345 | \$ 41.03 | 48,740,345 | \$ 2,000,000,000 | \$ 1,500,000,000 |

(a) In February 2012, our Board of Directors approved a \$6.5 billion share repurchase authorization, 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 2013 does not include any shares received in the administration of employee share-based compensation plans.

In January 2014, our Board of Directors increased our share repurchase program authorization to \$7.5 billion, which does not have an expiration date. Under this authorization, we may repurchase shares in the open market or in private transactions. We expect to repurchase \$3 billion of shares during 2014, subject to market conditions.

Comcast Common Stock Sales Price Table

The following table sets forth, for the indicated periods, the high and low sales prices of Comcast's Class A and Class A Special common stock.

| | Class A | | Class A Special | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | High | Low | High | Low |
| 2013 | | | | |
| First Quarter | \$ 42.01 | \$ 37.21 | \$ 40.33 | \$ 35.84 |
| Second Quarter | \$ 43.74 | \$ 38.75 | \$ 41.88 | \$ 37.35 |

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| | | | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| Third Quarter | \$ 46.33 | \$ 40.26 | \$ 46.00 | \$ 38.55 |
| Fourth Quarter | \$ 52.09 | \$ 44.09 | \$ 49.94 | \$ 42.62 |
| 2012 | | | | |
| First Quarter | \$ 30.41 | \$ 24.28 | \$ 30.00 | \$ 23.97 |
| Second Quarter | \$ 31.99 | \$ 28.09 | \$ 31.48 | \$ 27.80 |
| Third Quarter | \$ 36.90 | \$ 31.04 | \$ 35.83 | \$ 30.60 |
| Fourth Quarter | \$ 38.22 | \$ 34.94 | \$ 36.91 | \$ 34.00 |

Table of Contents**Comcast Stock Performance Graph**

The following graph compares the yearly percentage change in the cumulative total shareholder return on Comcast's Class A common stock and Class A Special common stock during the five years ended December 31, 2013 with the cumulative total returns on the Standard & Poor's 500 Stock Index and with a select peer group consisting of us and other companies engaged in the cable, communications and media industries. This peer group consists of us (Class A and Class A Special common stock), as well as Cablevision Systems Corporation (Class A), DISH Network Corporation (Class A), DirecTV Inc. and Time Warner Cable Inc. (the cable subgroup), and Time Warner Inc., Walt Disney Company, Viacom Inc. (Class B), Twenty-First Century Fox, Inc. (formerly News Corporation) (Class A), and CBS Corporation (Class B) (the media subgroup). The peer group was constructed as a composite peer group in which the cable subgroup is weighted 64% and the media subgroup is weighted 36% based on the respective revenue of our Cable Communications and NBCUniversal segments. The graph assumes \$100 was invested on December 31, 2008 in our Class A common stock and Class A Special common stock and in each of the following indices and assumes the reinvestment of dividends.

Comparison of 5 Year Cumulative Total Return

| | | | | | |
|-------------------------|--------|--------|--------|--------|--------|
| | 2009 | 2010 | 2011 | 2012 | 2013 |
| Comcast Class A | \$ 101 | \$ 134 | \$ 148 | \$ 238 | \$ 336 |
| Comcast Class A Special | \$ 101 | \$ 133 | \$ 154 | \$ 240 | \$ 338 |
| S&P 500 Stock Index | \$ 126 | \$ 145 | \$ 148 | \$ 171 | \$ 226 |
| Peer Group Index | \$ 126 | \$ 160 | \$ 175 | \$ 252 | \$ 369 |
| NBCUniversal | | | | | |

NBCUniversal is a wholly owned subsidiary of NBCUniversal Holdings and there is no market for its equity securities.

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| Year ended December 31 (in millions, except per share data) | 2013 | 2012 | 2011 ^(b) | 2010 | 2009 |
|--|------------|------------|---------------------|------------|------------|
| Statement of Income Data | | | | | |
| Revenue | \$ 64,657 | \$ 62,570 | \$ 55,842 | \$ 37,937 | \$ 35,756 |
| Operating income | 13,563 | 12,179 | 10,721 | 7,980 | 7,214 |
| Net income attributable to Comcast Corporation ^(a) | 6,816 | 6,203 | 4,160 | 3,635 | 3,638 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | \$ 2.60 | \$ 2.32 | \$ 1.51 | \$ 1.29 | \$ 1.27 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | \$ 2.56 | \$ 2.28 | \$ 1.50 | \$ 1.29 | \$ 1.26 |
| Dividends declared per common share | \$ 0.78 | \$ 0.65 | \$ 0.45 | \$ 0.378 | \$ 0.297 |
| Balance Sheet Data (at year end) | | | | | |
| Total assets | \$ 158,813 | \$ 164,971 | \$ 157,818 | \$ 118,534 | \$ 112,733 |
| Total debt, including current portion | 47,847 | 40,458 | 39,309 | 31,415 | 29,096 |
| Comcast Corporation shareholders' equity | 50,694 | 49,356 | 47,274 | 44,354 | 42,721 |
| Statement of Cash Flows Data | | | | | |
| Net cash provided by (used in): | | | | | |
| Operating activities | \$ 14,160 | \$ 14,854 | \$ 14,345 | \$ 11,179 | \$ 10,281 |
| Investing activities | (9,514) | (1,486) | (12,508) | (5,711) | (5,897) |
| Financing activities | (13,879) | (4,037) | (6,201) | (155) | (4,908) |

(a) For 2013, 2012 and 2011, refer to Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report on Form 10-K for a discussion of the effects of items impacting net income attributable to Comcast Corporation. In 2013, 2012 and 2011, net income attributable to Comcast Corporation is stated after deducting net income attributable to noncontrolling interests of \$319 million, \$1.7 billion and \$1 billion, respectively. The reduction in net income attributable to noncontrolling interests in 2013 was primarily due to the Redemption Transaction in March 2013. See Note 4 to Comcast's consolidated financial statements for additional information on the Redemption Transaction.

(b) On January 28, 2011, we completed the NBCUniversal transaction in which Comcast acquired a controlling interest in NBCUniversal. The results of operations of NBCUniversal are included in the financial information above for all periods following January 28, 2011. Refer to Note 4 to Comcast's consolidated financial statements for additional information on the NBCUniversal transaction.

NBCUniversal

Omitted pursuant to General Instruction I(2)(a) to Form 10-K.

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Item 7: Management's Discussion and Analysis of Financial Condition and Results of Operations

Introduction and 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 Communications Segment

Comcast Cable is the nation's largest provider of video, high-speed Internet and voice services (cable services) to residential customers under the XFINITY brand, and we also provide similar services to small and medium-sized businesses. As of December 31, 2013, our cable systems served 21.7 million video customers, 20.7 million high-speed Internet customers and 10.7 million voice customers and passed more than 53 million homes and businesses. Our Cable Communications segment generates revenue primarily from subscriptions to our cable services, which we market individually and in packages, and from the sale of advertising. In 2013, our Cable Communications segment generated 65% of our consolidated revenue and 80% of our operating income before depreciation and amortization.

We offer a broad variety of video services with access to hundreds of channels, including premium networks, such as HBO, Showtime, Starz and Cinemax, pay-per-view channels, as well as On Demand, our video-on-demand service, and an interactive, on-screen program guide. Our video customers may also subscribe to a higher level of video service, including our HD video and DVR services. Our video customers have the ability to use XFINITY TV online or our mobile apps for smartphones and tablets to view certain live television programming and some of our On Demand content, browse program listings, and schedule and manage DVR recordings online.

Our high-speed Internet services generally provide Internet access at downstream speeds of up to 105 Mbps, and we also have introduced downstream speeds of up to 505 Mbps in limited markets. Our high-speed Internet service for business customers also includes a website hosting service and an interactive tool that allows customers to share, coordinate and store documents online.

Our voice services provide local and long-distance calling and other features. For our business voice customers, we also offer additional features such as hosted voice services that use cloud network servers, a business directory listing and the added capacity for multiple phone lines.

In addition to the video, high-speed Internet and voice services that we offer to small and medium-sized business customers, we offer Ethernet network services to our medium-sized business customers that connect multiple locations. We also provide cellular backhaul services to mobile network operators to help our customers manage network bandwidth.

We also sell advertising, under the Spotlight brand, that we receive through 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.

The majority of our Cable Communications segment revenue is generated from subscriptions to our cable services. Customers are typically billed in advance on a monthly basis based on the services and features they receive and the type of equipment they use. Residential customers may generally discontinue service at any time, while business customers may only discontinue service in accordance with the terms of their contracts, which typically have 2 to 5 year terms.

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The most significant operating cost for our Cable Communications segment is the programming expenses we incur to provide content to our video customers. We anticipate that our programming expenses will continue to increase. We have, and will continue to attempt to, offset increases in programming expenses through rate increases, the sale of additional video and other services, and through operating efficiencies.

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. The Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks segments comprise the NBCUniversal businesses and are collectively referred to as the NBCUniversal segments.

[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 entertainment networks (USA Network, Syfy, E!, Bravo, Oxygen, Esquire Network, Sprout, Chiller, G4, Cloo, and Universal HD); our national cable news and information networks (MSNBC, CNBC and CNBC World); our national cable sports networks (Golf Channel and NBC Sports Network); our regional sports and news networks; various international cable networks; and our cable television production operations. Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, the sale of advertising on our cable networks and our related digital media properties, and the licensing of our owned programming.

[Broadcast Television](#)

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our 10 NBC and 17 Telemundo owned local broadcast television stations and our broadcast television production operations. Our Broadcast Television segment generates revenue primarily from the sale of advertising on our broadcast networks, our owned local broadcast television stations and our related digital media properties, the licensing of our owned programming and fees received under retransmission consent agreements.

[Filmed Entertainment](#)

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Focus Features and Illumination names. Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our owned and acquired films for exhibition in movie theaters, the licensing of our owned and acquired films through various distribution platforms, and the sale of our owned and acquired films on standard-definition video discs and Blu-ray discs (together, DVDs) and through digital distributors. Our Filmed Entertainment segment also generates revenue from producing and licensing live stage plays, from distributing filmed entertainment produced by third parties, as well as from various digital media properties.

[Theme Parks](#)

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando and Hollywood. Our Theme Parks segment generates revenue primarily from theme park attendance and per capita spending. Per capita spending includes ticket price and in-park spending on food, beverages and merchandise. 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.

Other

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.

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2013 Developments

The following are the more significant developments in our businesses during 2013:

an increase in consolidated revenue of 3.3% to \$64.7 billion and an increase in consolidated operating income of 11.4% to \$13.6 billion

the acquisition in March 2013 of GE's remaining 49% common equity interest in NBCUniversal Holdings and NBCUniversal's purchase from GE of certain properties NBCUniversal occupies; see [Redemption Transaction](#) below for additional information
[Cable Communications Segment](#)

an increase in Cable Communications segment revenue of 5.6% to \$41.8 billion and an increase in Cable Communications segment operating income before depreciation and amortization of 5.8% to \$17.2 billion

an increase in Cable Communications segment capital expenditures of 9.8% to \$5.4 billion primarily due to the investment in our IP and cloud-enabled video platform, referred to as our X1 platform, the deployment of our wireless gateways in customers homes, and our continued investment in network infrastructure, as well as the expansion of business services and our home security and automation services

our X1 platform is now available in all of the markets in which we operate, and we have purchased and deployed over 7 million wireless gateways

the continued expansion of video offerings for our customers via On Demand and online, including the launch of a mobile app that enables live-streaming of certain programming content

[NBCUniversal Segments](#)

an increase in total NBCUniversal revenue of 5.7% to \$23.7 billion when excluding the impact from our broadcasts of the Super Bowl and London Olympics in 2012, and a decrease of 0.7% when including the \$1.4 billion of revenue in the prior year related to these events

an increase in total NBCUniversal operating income before depreciation and amortization of 15.2% to \$4.7 billion

the continued investment in original programming and sports programming rights at both our cable networks and broadcast networks and the continued investment in new attractions at our Universal theme parks, including the *Transformers* and *Despicable Me*

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attractions and the expansion of the *Harry Potter* attraction
[Redemption Transaction](#)

On March 19, 2013, Comcast acquired GE's remaining 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 NBCUniversal occupies at 30 Rockefeller Plaza in New York City and CNBC's headquarters in Englewood Cliffs, New Jersey for \$1.4 billion. See Note 4 to Comcast's consolidated financial statements for additional information on these transactions.

Competition

The results of operations of our reportable business segments are affected by competition, as all of our businesses operate in competitive, consumer-driven and rapidly changing environments and compete with a

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growing number of companies that provide a broad range of communications products and services and entertainment, news and information content to consumers. Additionally, there continue to be new companies with significant financial resources that potentially may compete on a larger scale with our cable services, as well as with our cable and broadcast networks and filmed entertainment businesses.

Competition for the cable services we offer consists primarily of direct broadcast satellite (DBS) providers, which have a national footprint and compete in all our service areas, and phone companies, which overlap approximately 45% of our service areas and are continuing to expand their fiber-based networks. We also compete with other providers of traditional cable services. All of these companies typically offer features, pricing and packaging for services comparable to our cable services.

Each of NBCUniversal's businesses also face substantial and increasing competition from providers of similar types of content, as well as from other forms of entertainment and recreational activities. NBCUniversal also must compete to obtain talent, programming and other resources required in operating its businesses.

Technological changes are further intensifying and complicating the competitive landscape for all of our businesses by challenging existing business models and affecting consumer behavior. Newer services and devices that enable online digital distribution of movies, television shows, and other cable and broadcast video programming continue to gain consumer acceptance and evolve, including some services that charge a nominal or no fee for such programming. These services and devices may potentially negatively affect demand for our video services, as well as demand for our cable network, broadcast television and filmed entertainment content, as the number of entertainment choices available to consumers increases and as video programming is more reliably delivered over the Internet and more easily viewed via the Internet on televisions. Wireless services and devices also continue to evolve allowing consumers to access information, entertainment and communication services, which could negatively impact demand for our cable services, including for our voice services as people substitute mobile phones for landline phones. In addition, delayed viewing and advertising skipping have become more common as the penetration of DVRs and similar products has increased and as content has become increasingly available via video-on-demand services and Internet sources, which may have a negative impact on our advertising revenue.

In our Cable Communications segment, we believe that adding more content and delivering it on an increasing variety of platforms will assist in attracting and retaining customers for our cable services. We are also developing and launching new technology initiatives, such as our X1 platform, and deploying new wireless gateway devices, to further enhance our video and high-speed Internet services. In our NBCUniversal segments, to compete for consumers of our content and for customers at our theme parks, we have invested, and will continue to invest, substantial amounts in acquiring content and producing original content for our cable networks and broadcast television networks, including the acquisition of sports rights, and will continue to invest in our film productions and in the development of new theme park attractions. See [Business Competition](#) for additional information.

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 customers receiving our cable services in college and vacation markets. This generally results in a reduction in net customer additions in the second calendar quarter and increased net customer additions in the third and fourth calendar quarters 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. Our U.S. advertising revenue is generally higher in the second and fourth calendar 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. U.S. advertising revenue is also cyclical, benefiting in even-numbered years from advertising related to candidates running for political office

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and issue-oriented advertising. Our Broadcast Television revenue and operating costs and expenses are also cyclical as a result of our periodic broadcasts of the Olympic Games and the Super Bowl. Our advertising revenue generally increases in the period of these broadcasts from increased demand for advertising time, and our operating costs and expenses also increase as a result of our production costs and the amortization of the related rights fees. All of the revenue and operating costs and expenses associated with our broadcasts of the 2012 London Olympics and the 2012 Super Bowl were reported in our Broadcast Television segment.

Revenue in our Filmed Entertainment segment fluctuates due to the timing of the release of films in movie theaters and the release of our films on DVD and through digital distributors. 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 holidays. Revenue in our Cable Networks and Broadcast Television segments fluctuates depending on the timing of when our programming is aired on television, which typically results in higher advertising revenue in the second and fourth calendar quarter of each year. Revenue in our Cable Networks, Broadcast Television and Filmed Entertainment segments also fluctuates due to the timing of when our owned 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, local entertainment offerings and seasonal weather variations. Our theme parks generally experience peak attendance during the summer months when schools are closed and during early winter and spring holiday periods.

Consolidated Operating Results

| | | | | % Change | % Change |
|--|------------------|-----------|-----------|---------------------|--------------|
| Year ended December 31 (in millions) | 2013 | 2012 | 2011 | 2012 to 2013 | 2011 to 2012 |
| Revenue | \$ 64,657 | \$ 62,570 | \$ 55,842 | 3.3% | 12.0% |
| Costs and Expenses: | | | | | |
| Programming and production | 19,670 | 19,929 | 16,596 | (1.3) | 20.1 |
| Other operating and administrative | 18,584 | 17,833 | 16,646 | 4.2 | 7.1 |
| Advertising, marketing and promotion | 4,969 | 4,831 | 4,243 | 2.9 | 13.9 |
| Depreciation | 6,254 | 6,150 | 6,040 | 1.7 | 1.8 |
| Amortization | 1,617 | 1,648 | 1,596 | (1.9) | 3.3 |
| Operating income | 13,563 | 12,179 | 10,721 | 11.4 | 13.6 |
| Other income (expense) items, net | (2,448) | (570) | (2,514) | NM | (77.3) |
| Income before income taxes | 11,115 | 11,609 | 8,207 | (4.3) | 41.5 |
| Income tax expense | (3,980) | (3,744) | (3,050) | 6.3 | 22.8 |
| Net income | 7,135 | 7,865 | 5,157 | (9.3) | 52.5 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (319) | (1,662) | (997) | (80.9) | 66.8 |
| Net income attributable to Comcast Corporation | \$ 6,816 | \$ 6,203 | \$ 4,160 | 9.9% | 49.1% |

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

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

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[2013 Consolidated Operating Results by Segment](#)

Consolidated Revenue

In 2013, our Cable Communications, Cable Networks, Filmed Entertainment and Theme Parks segments accounted for substantially all of the increase in consolidated revenue. The increase was partially offset by a decrease in revenue in our Broadcast Television segment due to revenue recorded in 2012 attributable to our broadcasts of the 2012 Super Bowl and the 2012 London Olympics. Excluding \$259 million and \$1.2 billion of revenue associated with our broadcasts of the 2012 Super Bowl and the 2012 London Olympics, respectively, consolidated revenue increased 5.8% in 2013.

In 2012, our Cable Communications, Broadcast Television and Filmed Entertainment segments accounted for substantially all of the increase in consolidated revenue. The increase in our Broadcast Television segment was primarily due to our broadcasts of the 2012 Super Bowl and the 2012 London Olympics.

Revenue for our segments is discussed separately below under the heading [Segment Operating Results](#).

Consolidated Costs and Expenses

In 2013, our Cable Communications, Cable Networks and Theme Parks segments accounted for substantially all of the increase in consolidated costs and expenses, excluding depreciation and amortization (operating costs and expenses). The increase was partially offset by a decrease in operating costs and expenses in our Broadcast Television segment due to operating costs and expenses recorded in 2012 attributable to our broadcasts of the 2012 Super Bowl and the 2012 London Olympics.

In 2012, our Cable Communications, Broadcast Television and Filmed Entertainment segments accounted for substantially all of the increase in consolidated operating costs and expenses. The increase in our Broadcast Television segment was primarily due to our broadcasts of the 2012 Super Bowl and the 2012 London Olympics.

Operating costs and expenses for our segments are discussed separately below under the heading [Segment Operating Results](#).

Consolidated depreciation and amortization increased slightly in 2013 primarily due to increases in capital spending in our Cable Communications and Theme Parks segments, as well as depreciation associated with the acquisition of real estate properties by NBCUniversal in 2013. Consolidated depreciation and amortization increased slightly in 2012 primarily due to the impact of consolidating NBCUniversal and Universal Orlando for a full year period for the first time in 2012.

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Segment Operating Results

Our segment operating results are presented based on how we assess operating performance and internally report financial information. We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. 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. Additionally, it is unaffected by our capital structure or investment activities. We use this 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. We believe that this measure 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 may not be directly comparable to similar measures used by other companies. Because we use operating income (loss) before depreciation and amortization to measure our segment profit or loss, we reconcile it to operating income, the most directly comparable financial measure calculated and presented in accordance with generally accepted accounting principles in the United States (GAAP) in the business segment footnote to our consolidated financial statements (see Note 19 to Comcast's consolidated financial statements and Note 18 to NBCUniversal's consolidated financial statements). This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation, net income (loss) attributable to NBCUniversal, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

Beginning in 2013, revenue in our Cable Communications segment from certain business customers, such as hotels, restaurants and bars, is presented in business services revenue rather than in video revenue. Also beginning in 2013, operating costs and expenses for our Cable Communications segment present franchise and other regulatory fees under a new caption, and the former technical labor caption was expanded to include both technical and product support expenses; previously, franchise and other regulatory fees and product support expenses had been included under the other caption. The presentation of operating costs and expenses in our Cable Networks, Broadcast Television and Filmed Entertainment segments was also expanded to present programming and production costs, other operating and administrative expenses, and advertising, marketing and promotion expenses. Reclassifications have been made to 2012 and 2011 to conform to the classifications used in 2013.

Cable Communications Segment Results of Operations

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| Year ended December 31 (in millions) | 2013 | 2012 | % Change from | | |
|--|------------------|------------------|------------------|--------------|-------------|
| | | | 2012 to 2013 | 2011 to 2012 | |
| Revenue | | | | | |
| Residential: | | | | | |
| Video | \$ 20,535 | \$ 19,952 | \$ 19,464 | 2.9% | 2.5% |
| High-speed Internet | 10,334 | 9,544 | 8,743 | 8.3 | 9.2 |
| Voice | 3,657 | 3,557 | 3,503 | 2.8 | 1.5 |
| Business services | 3,241 | 2,565 | 1,953 | 26.4 | 31.3 |
| Advertising | 2,189 | 2,284 | 2,001 | (4.2) | 14.1 |
| Other | 1,880 | 1,702 | 1,562 | 10.5 | 9.0 |
| Total revenue | 41,836 | 39,604 | 37,226 | 5.6 | 6.4 |
| Operating costs and expenses | | | | | |
| Programming | 9,107 | 8,386 | 7,851 | 8.6 | 6.8 |
| Technical and product support | 5,349 | 5,187 | 5,048 | 3.1 | 2.7 |
| Customer service | 2,097 | 1,995 | 1,911 | 5.1 | 4.4 |
| Franchise and other regulatory fees | 1,246 | 1,176 | 1,104 | 6.0 | 6.5 |
| Advertising, marketing and promotion | 2,896 | 2,731 | 2,430 | 6.0 | 12.4 |
| Other | 3,936 | 3,874 | 3,594 | 1.6 | 7.8 |
| Total operating costs and expenses | 24,631 | 23,349 | 21,938 | 5.5 | 6.4 |
| Operating income before depreciation and amortization | \$ 17,205 | \$ 16,255 | \$ 15,288 | 5.8% | 6.3% |

Customer Metrics

| December 31 (in thousands) | Total Customers | | | Net Additional Customers | | |
|-------------------------------|-----------------|--------|--------|--------------------------|-------|-------|
| | 2013 | 2012 | 2011 | 2013 | 2012 | 2011 |
| Video customers | 21,690 | 21,995 | 22,331 | (305) | (336) | (459) |
| High-speed Internet customers | 20,662 | 19,367 | 18,144 | 1,296 | 1,223 | 1,159 |
| Voice customers | 10,723 | 9,955 | 9,342 | 768 | 613 | 732 |

Customer data includes residential and business customers.

Cable Communications Segment Revenue

Our Cable Communications segment leverages our existing cable distribution system to grow revenue by, among other things, adding new customers, encouraging existing cable customers to add new or higher tier services, and growing other services such as our business services offerings and our home security and automation services. We offer our cable services in bundles and often provide promotional incentives. We seek to balance promotional offers and rate increases with their expected effects on the number of customers and overall revenue.

Video

Video revenue increased 2.9% and 2.5% in 2013 and 2012, respectively. Increases in revenue of approximately 5% in both years were primarily related to customers receiving additional and higher levels of video service, as well as from rate adjustments. As of December 31, 2013, 12.4 million customers subscribed to at least one of our HDTV or DVR advanced services compared to 11.8 million customers and 10.9 million customers as of December 31, 2012 and 2011, respectively. In both years, the increases in revenue were partially offset by fewer residential video customers. These decreases were primarily due to competitive pressures in our service areas from phone and satellite competitors and the impact of rate adjustments. We may experience further declines in the number of residential video customers.

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As of December 31, 2013, 40% of the homes and businesses in the areas we serve subscribed to our video services, compared to 41% and 43% as of December 31, 2012 and 2011, respectively.

High-Speed Internet

High-speed Internet revenue increased 8.3% and 9.2% in 2013 and 2012, respectively. Increases in the number of residential customers accounted for increases in revenue of approximately 6% in both years. The remaining increases in revenue in 2013 and 2012 were primarily due to higher rates from customers receiving higher levels of service and rate adjustments.

As of December 31, 2013, 38% of the homes and businesses in the areas we serve subscribed to our high-speed Internet services, compared to 36% and 35% as of December 31, 2012 and 2011, respectively. Our customer base continues to grow as consumers continue to choose our high-speed Internet service and seek higher speed offerings.

Voice

Voice revenue increased 2.8% and 1.5% in 2013 and 2012, respectively. Increases in the number of residential customers receiving our services through our discounted bundled offerings accounted for increases in revenue of approximately 6% and 4% in 2013 and 2012, respectively. These increases were partially offset in both years by the impact of the allocation of voice revenue for our bundled customers because revenue attributable to voice services represents a lower proportion of the bundled rate. The amounts allocated to voice revenue in the bundled rate have decreased in 2013 and 2012 because video and high-speed Internet rates have increased, while voice rates have remained relatively flat.

As of December 31, 2013, 20% of the homes and businesses in the areas we serve subscribed to our voice services, compared to 19% and 18% as of December 31, 2012 and 2011, respectively.

Business Services

Business services revenue increased 26.4% and 31.3% in 2013 and 2012, respectively. The increases in both years were primarily due to a higher number of business customers receiving our cable services. The remaining increases in both years were primarily due to continued growth in the number of medium-sized business customers, including those receiving our Ethernet network and cellular backhaul services. In 2013, our medium-sized business customers represented 19% of total business services revenue, compared to 15% and 12% in 2012 and 2011, respectively. We believe these increases in business customers are primarily the result of our efforts to gain market share from competitors by offering competitive products and pricing.

Advertising

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 under the Spotlight brand. In most cases, the available advertising time is sold by our sales force. In some cases, we work with representation firms as an extension of our sales force to sell a portion of the advertising time allocated to us. We also represent the advertising sales of other multichannel video providers in some markets. In addition, we generate revenue from the sale of advertising online and on our On Demand service.

Advertising revenue is affected by the strength of the advertising market and general economic conditions. Advertising revenue decreased 4.2% in 2013 primarily due to lower political advertising revenue. Excluding the impact of political advertising revenue in 2012, advertising revenue increased 4.8% primarily due to increases in the national and regional advertising markets. Advertising revenue increased 14.1% in 2012 primarily due to increases in political advertising revenue and improvements in the local and regional advertising markets, which were primarily driven by increased spending from automotive advertisers.

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[Other](#)

We receive revenue related to cable franchise and other regulatory fees, our digital media center, commissions from electronic retailing networks, and fees from other services. Cable franchise and regulatory fees represent the fees required to be paid to federal, state and local authorities that we pass through to our customers. Under the terms of our cable franchise agreements, we are generally required to pay to the cable franchising authority an amount based on our gross video revenue. The changes in franchise and other regulatory fees collected from our cable services customers are generally due to changes in the revenue on which the fees apply.

Other revenue increased 10.5% and 9.0% in 2013 and 2012, respectively, primarily due to increases in franchise and other regulatory fees and in revenue from other services, including our home security and automation services.

Cable Communications Segment Operating Costs and Expenses

We continue to focus on controlling the growth of expenses. Our operating margin, which is our operating income before depreciation and amortization as a percentage of revenue, for 2013, 2012 and 2011 was 41.1%, 41.0% and 41.1%, respectively.

[Programming Costs](#)

Programming expenses, our largest operating expense, are the fees we pay to license the programming we distribute to our video customers. These expenses are affected by the programming license fees charged by cable networks, fees for retransmission of the signals from local broadcast television stations, the number of video customers we serve and the amount of content we provide. Programming costs increased in 2013 and 2012 primarily due to increases in programming license fees, including sports programming and retransmission consent fees, and fees to secure rights for additional programming for our customers across an increasing number of platforms.

We anticipate that our programming expenses will continue to increase as we provide additional content, including in HD, to our video customers; as we deliver this content through an increasing number of platforms, including On Demand, online and through our mobile apps for smartphones and tablets; and as the fees we pay increase, primarily from sports programming costs and retransmission consent fees. We believe that adding more content and delivering it on various platforms will help us to attract and retain video customers.

[Technical and Product Support Expenses](#)

Technical and product support expenses include costs to complete service call and installation activities, as well as network operations, product development, fulfillment and provisioning costs. Technical and product support expenses increased in 2013 and 2012 primarily due to expenses related to customer fulfillment activities and expenses related to the development, delivery and support of our products and services, and continued growth in business services.

[Customer Service Expenses](#)

Customer service expenses include the personnel and other costs associated with handling customer sales and service activity. Customer service expenses increased in 2013 and 2012 primarily due to increases in total labor costs associated with increases in customer service activity. The increases in customer service activity were primarily due to increases in the number of customers as well as sales and related support activities associated with the continued deployment of enhanced services and devices, including our X1 platform and wireless gateways, and continued growth in business services.

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[Franchise and Other Regulatory Fees](#)

Franchise and other regulatory fees increased in 2013 and 2012 primarily due to increases in residential and business services revenue.

[Advertising, Marketing and Promotion Expenses](#)

Advertising, marketing and promotion expenses increased in 2013 and 2012 primarily due to increases in spending associated with attracting new residential and business services customers and expanding our services to existing customers.

[Other Costs and Expenses](#)

Other costs and expenses increased in 2013 and 2012 primarily due to increases in other administrative costs and advertising sales activities.

[NBCUniversal Segments Overview](#)

The discussion below compares the NBCUniversal segments' actual results for 2013 and 2012, as well as the pro forma combined results for 2011. The pro forma combined amounts for 2011 presented in the tables below include pro forma adjustments as if the NBCUniversal and Universal Orlando transactions each had occurred on January 1, 2010. Pro forma combined amounts are not necessarily indicative of what our results would have been had we operated the NBCUniversal contributed businesses or Universal Orlando since that date, nor of our future results.

During 2013, 2012 and 2011, there were no changes to NBCUniversal's accounting principles or practices that had a material effect on its net income.

[2013 NBCUniversal Segments Operating Results](#)

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The operating results of the NBCUniversal segments for 2013, 2012 and 2011 are presented in the table below.

| | 2013 | 2012 | 2011 | Pro | Pro Forma | | |
|--|------------------|------------------|------------------|-----------------|------------------|---------------|--------------|
| (in millions) | Actual | Actual | Actual | Forma | Combined | | |
| | | | | For the | | | |
| | | | | Period | | | |
| | | | | January 1 | | | |
| | Year | Year | Year | through | Year% | Change | % Change |
| | Ended | Ended | Ended | January 28 | Ended | 2012 | 2011 |
| | December 31 | December 31 | December 31 | December 31 | to 2013 | to 2012 | to 2012 |
| Revenue | | | | | | | |
| Cable Networks | \$ 9,201 | \$ 8,727 | \$ 8,061 | \$ 385 | \$ 8,446 | 5.4% | 3.3% |
| Broadcast Television | 7,120 | 8,200 | 5,982 | 467 | 6,449 | (13.2) | 27.2 |
| Filmed Entertainment | 5,452 | 5,159 | 4,239 | 353 | 4,592 | 5.7 | 12.4 |
| Theme Parks | 2,235 | 2,085 | 1,874 | 115 | 1,989 | 7.2 | 4.8 |
| Headquarters, other and eliminations | (358) | (359) | (896) | 544 | (352) | NM | NM |
| Total revenue | \$ 23,650 | \$ 23,812 | \$ 19,260 | \$ 1,864 | \$ 21,124 | (0.7)% | 12.7% |
| Operating Income Before Depreciation and Amortization | | | | | | | |
| Cable Networks | \$ 3,501 | \$ 3,303 | \$ 3,199 | \$ 153 | \$ 3,352 | 6.0% | (1.5)% |
| Broadcast Television | 345 | 358 | 124 | (15) | 109 | (3.6) | 230.1 |
| Filmed Entertainment | 483 | 79 | 27 | (3) | 24 | 509.7 | 234.2 |
| Theme Parks | 1,004 | 953 | 830 | 37 | 867 | 5.3 | 9.9 |
| Headquarters, other and eliminations | (601) | (586) | (718) | 135 | (583) | (2.3) | (0.6) |
| Total operating income before depreciation and amortization | \$ 4,732 | \$ 4,107 | \$ 3,462 | \$ 307 | \$ 3,769 | 15.2% | 9.0% |

Cable Networks Segment Actual and Pro Forma Results of Operations

| | 2013 | 2012 | 2011 | Pro | Pro Forma | | |
|----------------|-------------|-------------|-------------|-------------|-----------|---------|----------|
| (in millions) | Actual | Actual | Actual | Forma | Combined | | |
| | | | | For the | | | |
| | | | | Period | | | |
| | | | | January 1 | | | |
| | Year | Year | Year | through | Year% | Change | % Change |
| | Ended | Ended | Ended | January 28 | Ended | 2012 | 2011 |
| | December 31 | December 31 | December 31 | December 31 | to 2013 | to 2012 | to 2012 |
| Revenue | | | | | | | |
| Distribution | \$ 4,905 | \$ 4,604 | \$ 4,210 | \$ 188 | \$ 4,398 | 6.5% | 4.7% |

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| | | | | | | | |
|--|-----------------|----------|----------|--------|----------|-------------|--------|
| Advertising | 3,536 | 3,389 | 3,154 | 162 | 3,316 | 4.3 | 2.2 |
| Content licensing and other | 760 | 734 | 697 | 35 | 732 | 3.6 | 0.2 |
| Total revenue | 9,201 | 8,727 | 8,061 | 385 | 8,446 | 5.4 | 3.3 |
| Operating costs and expenses | | | | | | | |
| Programming and production | 3,850 | 3,659 | 3,218 | 167 | 3,385 | 5.2 | 8.1 |
| Other operating and administrative | 1,342 | 1,306 | 1,218 | 26 | 1,244 | 2.8 | 5.0 |
| Advertising, marketing and promotion | 508 | 459 | 426 | 39 | 465 | 10.7 | (1.4) |
| Total operating costs and expenses | 5,700 | 5,424 | 4,862 | 232 | 5,094 | 5.1 | 6.5 |
| Operating income before depreciation and amortization | \$ 3,501 | \$ 3,303 | \$ 3,199 | \$ 153 | \$ 3,352 | 6.0% | (1.5)% |

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Cable Networks Segment Revenue

[Distribution](#)

Distribution revenue is generated from distribution agreements with multichannel video providers and is affected by the number of subscribers receiving our cable networks and the fees we charge per subscriber.

Distribution revenue increased in 2013 and 2012 primarily due to increases in the contractual rates that we charged under distribution agreements.

In 2013, 2012 and 2011, 13% of our Cable Networks segment revenue was generated from our Cable Communications segment. These amounts are eliminated in Comcast's consolidated financial statements but are included in the amounts presented above.

[Advertising](#)

Advertising revenue is generated from the sale of advertising time on our cable networks and related digital media properties. Our advertising revenue is generally based on audience ratings, the value of our viewer demographics to advertisers, and the number of advertising units we can place in our cable networks programming schedules. Advertising revenue is affected by the strength of the national advertising market, general economic conditions and the success of our programming.

Advertising revenue increased 4.3% and 2.2% in 2013 and 2012, respectively. Higher prices and an increase in the volume of advertising units sold contributed to increases of 8.9% and 12.9% in 2013 and 2012, respectively. These increases were partially offset by continued declines in audience ratings at some of our networks.

[Content Licensing and Other](#)

We also generate other revenue primarily from the licensing of our owned programming to various distribution platforms, including cable and broadcast networks, and to digital distributors.

Content licensing and other revenue increased in 2013 primarily due to a new licensing agreement entered into during the year. Content licensing and other revenue remained flat in 2012.

Cable Networks Segment Operating Costs and Expenses

[Programming and Production](#)

Programming and production costs include the amortization of owned and acquired programming, sports rights, direct production costs, residual and participation payments, production overhead, costs associated with the distribution of our programming to third-party networks and other distribution platforms, and on-air talent costs.

Programming and production costs increased in 2013 and 2012 primarily due to our continued investment in original programming at certain of our cable networks and higher sports programming costs. The increase in sports programming costs in 2013 included the impact from an increase in the number of NHL games compared to 2012 due to the NHL lockout in 2012 as well as costs associated with our broadcasts of the English Premier League soccer. The increase in sports programming costs in 2012 included the impact from an increase in the number of NBA games compared to 2011 due to the NBA lockout in 2011.

[Other Operating and Administrative](#)

Other operating and administrative costs and expenses include salaries, employee benefits, rent and other overhead expenses.

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Other operating and administrative costs and expenses increased in 2013 and 2012 primarily due to an increase in employee-related costs.

Advertising, Marketing and Promotion

Advertising, marketing and promotion expenses consist primarily of the costs incurred in promoting our cable networks and costs associated with digital media.

Advertising, marketing and promotion expenses increased in 2013 primarily due to increased spending on marketing across our cable network portfolio primarily due to the launch of new programming on our cable networks. Advertising, marketing and promotion expenses remained relatively flat in 2012.

Broadcast Television Segment Actual and Pro Forma Results of Operations

| | 2013 | 2012 | | 2011 | | % Change 2012 to 2013 | % Change 2011 to 2012 |
|---|--|--|--|--|--|--------------------------|--------------------------|
| | Actual Year Ended December 31 | Actual Year Ended December 31 | Actual For the Period January 29 through December 31 | Pro Forma For the Period January 1 through January 28 | Pro Forma Combined Year Ended December 31 | | |
| (in millions) | | | | | | | |
| Revenue | | | | | | | |
| Advertising | \$ 4,930 | \$ 5,876 | \$ 3,976 | \$ 315 | \$ 4,291 | (16.1)% | 36.9% |
| Content licensing | 1,447 | 1,474 | 1,509 | 111 | 1,620 | (1.8) | (9.1) |
| Other | 743 | 850 | 497 | 41 | 538 | (12.6) | 58.2 |
| Total revenue | 7,120 | 8,200 | 5,982 | 467 | 6,449 | (13.2) | 27.2 |
| Operating costs and expenses | | | | | | | |
| Programming and production | 5,192 | 6,291 | 4,515 | 448 | 4,963 | (17.5) | 26.7 |
| Other operating and administrative | 1,204 | 1,206 | 1,075 | 13 | 1,088 | (0.2) | 10.8 |
| Advertising, marketing and promotion | 379 | 345 | 268 | 21 | 289 | 10.0 | 19.3 |
| Total operating costs and expenses | 6,775 | 7,842 | 5,858 | 482 | 6,340 | (13.6) | 23.7 |
| Operating income (loss) before depreciation and amortization | \$ 345 | \$ 358 | \$ 124 | \$ (15) | \$ 109 | (3.6)% | 230.1% |
| Broadcast Television Segment Revenue | | | | | | | |

Advertising

Advertising revenue is generated from the sale of advertising time on our broadcast networks, our owned local television stations and our related digital media properties. Our advertising revenue is generally based on audience ratings, the value of our viewer demographics to advertisers, and the number of advertising units we can place in our broadcast networks and owned local television stations programming schedules. Advertising revenue is affected by the strength of the national and local advertising markets, general economic conditions, and the success and ratings of our programming.

Advertising revenue decreased in 2013 and increased in 2012 primarily due to \$1.2 billion of advertising revenue recorded in 2012 associated with our broadcasts of the 2012 Super Bowl and the 2012 London

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Olympics. Excluding the impact of these events, advertising revenue increased 5% and 9% in 2013 and 2012, respectively, primarily due to higher prices and volume of advertising units sold, which included the impact of an increase in political advertising in 2012.

[Content Licensing](#)

Content licensing revenue is generated from the licensing of our owned programming in the United States and internationally, including to cable and broadcast networks and digital distributors. The subsequent licensing of our owned programming series following the initial network license is critical to their financial success as the production and distribution costs related to our owned programming generally exceed the revenue generated from the initial network license.

Content licensing revenue decreased in 2013 and 2012 primarily due to the timing of licensing agreements.

[Other](#)

We also generate other revenue primarily from fees for retransmission consent of our owned broadcast television stations and associated fees received from our affiliated local television stations, as well as from the sale of our owned programming on DVDs and through online digital distributors. The sale of our owned programming is driven primarily by the popularity of our broadcast networks and programming series and, therefore, fluctuates based on consumer spending and acceptance. Other revenue also includes distribution revenue associated with our periodic broadcasts of the Olympic Games.

Other revenue decreased in 2013 and increased in 2012 primarily due to \$266 million of distribution revenue from multichannel video providers in 2012 associated with our broadcast of the London Olympics. The decrease in 2013 was partially offset by an increase in fees received under our retransmission consent agreements.

Broadcast Television Segment Operating Costs and Expenses

[Programming and Production](#)

Programming and production expenses relate to content originating on our broadcast networks and owned local broadcast television stations and include the amortization of owned and acquired programming costs, sports rights, direct production costs, residual and participation payments, production overhead, costs associated with the distribution of our programming to third-party networks and other distribution platforms, and on-air talent costs.

Programming and production costs decreased in 2013 and increased in 2012 primarily due to programming rights and production costs of \$1.3 billion associated with our broadcasts of the 2012 London Olympics and 2012 Super Bowl. Excluding the impact of these events, programming and production costs increased in 2013 and 2012 primarily due to our continued investment in original programming.

[Other Operating and Administrative](#)

Other operating and administrative expenses include salaries, employee benefits, rent and other overhead expenses.

Other operating and administrative expenses remained relatively flat in 2013. Other operating and administrative expenses increased in 2012 primarily due to higher employee-related costs.

[Advertising, Marketing and Promotion](#)

Advertising, marketing and promotion expenses consist primarily of the costs associated with promoting our owned television programming, as well as the marketing of DVDs and costs associated with our digital media properties.

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Advertising, marketing and promotion expenses increased in 2013 and 2012 primarily due to increased spending on marketing associated with our primetime schedule.

Filmed Entertainment Segment Actual and Pro Forma Results of Operations

| | 2013 | 2012 | 2011 | | Pro Forma Combined | | |
|---|------------------------------|------------------------------|------------------------------|--|------------------------------|---------------|---------------|
| | Actual | Actual | Actual | Pro Forma For the Period For the Period January 1 through | | Year Ended | % Change |
| (in millions) | Year Ended December 31 | Year Ended December 31 | Year Ended December 31 | Year Ended January 28 | Year Ended December 31 | 2012 to 2013 | 2011 to 2012 |
| Revenue | | | | | | | |
| Theatrical | \$ 1,568 | \$ 1,390 | \$ 983 | \$ 58 | \$ 1,041 | 12.8% | 33.5% |
| Content licensing | 1,654 | 1,540 | 1,234 | 171 | 1,405 | 7.4 | 9.7 |
| Home entertainment | 1,828 | 1,834 | 1,559 | 96 | 1,655 | (0.3) | 10.8 |
| Other | 402 | 395 | 463 | 28 | 491 | 1.8 | (19.6) |
| Total revenue | 5,452 | 5,159 | 4,239 | 353 | 4,592 | 5.7 | 12.4 |
| Operating costs and expenses | | | | | | | |
| Programming and production | 2,982 | 3,002 | 2,266 | 205 | 2,471 | (0.7) | 21.5 |
| Other operating and administrative | 716 | 652 | 768 | 55 | 823 | 9.8 | (20.6) |
| Advertising, marketing and promotion | 1,271 | 1,426 | 1,178 | 96 | 1,274 | (10.8) | 11.9 |
| Total operating costs and expenses | 4,969 | 5,080 | 4,212 | 356 | 4,568 | (2.2) | 11.2 |
| Operating income (loss) before depreciation and amortization | \$ 483 | \$ 79 | \$ 27 | \$ (3) | \$ 24 | 509.7% | 234.2% |
| Filmed Entertainment Segment Revenue | | | | | | | |

Theatrical

Theatrical revenue is generated from the worldwide theatrical release of our owned and acquired films for exhibition in movie theaters and is significantly affected by the timing of each release and the number of films we distribute, as well as their acceptance by consumers. 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. The success of a film in movie theaters is a significant factor in determining the revenue a film is likely to generate in succeeding distribution platforms.

Theatrical revenue increased in 2013 primarily due to the strong performance of *Despicable Me 2* and *Fast and Furious 6*. Theatrical revenue increased in 2012 primarily due to the strong performance of *Ted*, *Dr. Seuss' The Lorax* and *The Bourne Legacy*.

Content Licensing

Content licensing revenue is generated primarily from the licensing of our owned and acquired films to cable, broadcast and premium networks, as well as to digital distributors.

Content licensing revenue increased in 2013 primarily due to the international licensing of our 2012 theatrical releases as well as from the licensing of our current year theatrical releases to digital distributors. Content

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licensing revenue increased in 2012 primarily due to a higher volume of our owned and acquired films made available to licensees in 2012, as well as an increase in the licensing of our content to digital distributors.

[Home Entertainment](#)

Home entertainment revenue is generated from the sale of our owned and acquired films on DVDs to retail stores, rental kiosks and subscription by mail services, and through digital distributors. Home entertainment revenue is significantly affected by the timing and number of our releases and their acceptance by consumers. Release dates are determined by several factors, including the timing of the exhibition of a film in movie theaters, holiday periods and the timing of competitive releases.

Home entertainment revenue remained flat in 2013 primarily due to a decrease in the number of releases in 2013 compared to 2012 offset by the strong performance of *Despicable Me 2* and *Fast and Furious 6*. Home entertainment revenue increased in 2012 primarily due to an increased number of, and improved performance of, our 2012 releases compared to our 2011 releases.

While we experienced successful DVD releases in 2013 such as *Despicable Me 2* and *Fast and Furious 6*, the overall DVD market continues to experience declines due to the impact of weak economic conditions, the maturation of the standard-definition DVD format, piracy, and increasing shifts in consumer behavior toward digital distributors, subscription rental services and discount rental kiosks, which generate less revenue per transaction than DVD sales.

[Other](#)

We also generate revenue from producing and licensing live stage plays, distributing filmed entertainment produced by third parties and from various digital media properties. Other revenue increased slightly in 2013 primarily due to an increase in revenue generated from our stage plays. Other revenue decreased in 2012 primarily due to lower revenue generated from our stage plays as a result of fewer productions.

Filmed Entertainment Segment Operating Costs and Expenses

[Programming and Production](#)

Programming and production expenses include the amortization of capitalized film production and acquisition costs, residual and participation payments, and distribution expenses. Residual payments represent amounts payable to certain of our employees, including freelance and temporary employees, who are represented by labor unions or guilds and are based on post-theatrical revenue. Participation payments are primarily based on film performance and represent contingent consideration payable to creative talent, third parties that have entered into cofinancing agreements with us and other parties involved in the production of a film.

Programming and production costs decreased slightly in 2013 and increased in 2012 primarily due to higher amortization of film costs in 2012 associated with the higher cost of our 2012 film slate.

[Other Operating and Administrative](#)

Other operating and administrative expenses include salaries, employee benefits, rent and other overhead expenses.

Other operating and administrative expenses increased in 2013 primarily due to the realization of a receivable in 2012 that was previously reserved for as uncollectible. Other operating and administrative expenses decreased in 2012 due to lower costs associated with our stage plays business as a result of fewer productions.

[Advertising, Marketing and Promotion](#)

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Advertising and marketing expenses consist primarily of expenses associated with advertising for our theatrical releases and the marketing of DVDs. We incur significant marketing expenses before and throughout the

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release of a film in movie theaters. As a result, we typically incur losses on a film prior to and during the film's exhibition in movie theaters and may not realize profits, if any, until the film generates home entertainment and content licensing revenue. The costs associated with producing and marketing films have generally increased in recent years and may continue to increase in the future.

Advertising, marketing and promotion expenses decreased in 2013 primarily due to fewer significant theatrical releases in 2013 compared to 2012. Advertising, marketing and promotion expenses increased in 2012 primarily due to an increase in marketing costs associated with our 2012 theatrical and DVD releases.

Theme Parks Segment Actual and Pro Forma Results of Operations

| | 2013 | 2012 | | 2011 | | | |
|--|---------------|----------------|-----------------------|----------------|---------------|--------------|--------------|
| | Actual | Actual | Actual ^(a) | Pro Forma | Pro Forma | Combined | |
| | | For the Period | | For the Period | | | |
| | | January 29 | January 1 | January 1 | January 1 | | |
| | Year Ended | Year Ended | through | through | Year Ended | % Change | % Change |
| (in millions) | | December 31 | December 31 | December 31 | December 31 | 2012 to 2013 | 2011 to 2012 |
| Revenue | \$ 2,235 | \$ 2,085 | \$ 1,874 | \$ 115 | \$ 1,989 | 7.2% | 4.8% |
| Operating costs and expenses | 1,231 | 1,132 | 1,044 | 78 | 1,122 | 8.8 | 0.9 |
| Operating income before depreciation and amortization | \$ 1,004 | \$ 953 | \$ 830 | \$ 37 | \$ 867 | 5.3% | 9.9% |

(a) Actual amounts include the results of operations for the NBCUniversal acquired businesses and Universal Orlando for the period January 29, 2011 through December 31, 2011. The results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011 are eliminated from our consolidated results because Universal Orlando was recorded as an equity method investment during that period.

Theme Parks Segment Revenue

Our Theme Parks segment revenue is generated primarily from theme park attendance and per capita spending at our Universal theme parks in Orlando and Hollywood, as well as from license and other fees.

Attendance at our theme parks and per capita spending depend heavily on the general environment for travel and tourism, including consumer spending on travel and other recreational activities. License and other fees relate primarily to our agreements with third parties that operate the Universal Studios Japan and the Universal Studios Singapore theme parks to license the Universal Studios brand name and other intellectual property.

Theme Parks segment revenue increased in 2013 and 2012 primarily due to higher guest attendance and increases in per capita spending at our Orlando and Hollywood theme parks. The increases in 2013 and 2012 were primarily driven by the continued success of *The Wizarding World of Harry Potter* attraction in Orlando and the *Transformers* attractions in Orlando and Hollywood, which opened in June 2013 and May 2012, respectively.

Theme Parks Segment Operating Costs and Expenses

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Our Theme Parks segment operating costs and expenses consist primarily of theme park operations, including repairs and maintenance and related administrative expenses; food, beverage and merchandise costs; labor costs; and sales and marketing costs.

Theme Parks segment operating costs and expenses increased in 2013 and 2012 primarily due to additional costs at our Orlando and Hollywood theme parks associated with additional attractions and increases in food, beverage and merchandise costs associated with the increases in attendance.

Table of Contents**NBCUniversal Headquarters, Other and Eliminations**

Headquarters and Other operating costs and expenses incurred by our NBCUniversal businesses include overhead, personnel costs and costs associated with corporate initiatives. Operating costs and expenses increased in 2013 primarily due to higher employee costs. Operating costs and expenses remained flat in 2012 primarily due to higher technology and administrative costs offset by the impact of transaction-related costs associated with the 2011 NBCUniversal transaction, including severance and other compensation-related costs.

Eliminations include the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011. Our Theme Parks segment included the results of operations of Universal Orlando for this period because these amounts had been reflected in our segment performance measure. These amounts were not included when we measured total NBCUniversal and our consolidated results of operations because we recorded Universal Orlando as an equity method investment for the period January 29, 2011 through June 30, 2011.

Corporate and Other Results of Operations

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 | % Change 2012 to 2013 | % Change 2011 to 2012 |
|---|-----------------|----------|----------|--------------------------|--------------------------|
| Revenue | \$ 600 | \$ 498 | \$ 558 | 20.6% | (10.8)% |
| Operating costs and expenses | 1,089 | 874 | 974 | 24.7 | (10.3) |
| Operating income (loss) before depreciation and amortization | \$ (489) | \$ (376) | \$ (416) | (30.2)% | 9.7% |
| Corporate and Other Revenue | | | | | |

Other revenue primarily relates to Comcast-Spectacor, which owns the Philadelphia Flyers and the Wells Fargo Center arena in Philadelphia and operates arena management-related businesses.

Other revenue increased in 2013 primarily due to an increase in the number of NHL games compared to 2012 due to the lockout in 2012. Other revenue decreased in 2012 primarily due to a loss in revenue associated with the NHL lockout.

Corporate and Other Operating Costs and Expenses

Corporate and Other operating costs and expenses primarily include overhead, personnel costs, the cost of corporate initiatives incurred by our Comcast businesses and operating costs and expenses associated with Comcast-Spectacor.

Corporate and Other operating costs and expenses increased in 2013 primarily due to \$74 million of expenses associated with the final settlement of the terminated qualified pension plan that provided benefits to former employees of a company we acquired as part of the AT&T Broadband transaction in 2002 as well as an increase in labor costs in our Comcast-Spectacor business. Corporate and Other operating costs and expenses decreased in 2012 primarily due to the NHL lockout.

Table of Contents**Consolidated Other Income (Expense) Items, Net**

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|---|------------|------------|------------|
| Interest expense | \$ (2,574) | \$ (2,521) | \$ (2,505) |
| Investment income (loss), net | 576 | 219 | 159 |
| Equity in net income (losses) of investees, net | (86) | 959 | (35) |
| Other income (expense), net | (364) | 773 | (133) |
| Total | \$ (2,448) | \$ (570) | \$ (2,514) |

Interest Expense

Interest expense increased in 2013 primarily due to an increase in our debt outstanding, partially offset by a lower average cost of debt. Interest expense remained flat in 2012.

Investment Income (Loss), Net

Investment income (loss), net increased in 2013 primarily due to the \$443 million gain related to the sale of our investment in Clearwire Corporation (Clearwire) in July 2013. The components of investment income (loss), net in 2013, 2012 and 2011 are presented in a table in Note 6 to Comcast's consolidated financial statements.

Equity in Net Income (Losses) of Investees, Net

The changes in equity in net income (losses) of investees, net in 2013 and 2012 were primarily due to the \$876 million of income that was recorded in 2012 related to our portion of SpectrumCo's gain on sale of its advanced wireless services spectrum licenses, as well as \$142 million of total equity losses recorded in 2013 attributable to our investment in Hulu, LLC (Hulu). In July 2013, we entered into an agreement to provide capital contributions totaling \$247 million to Hulu, which we had previously accounted for as a cost method investment. This represented an agreement to provide our first capital contribution to Hulu since our interest was acquired as part of the NBCUniversal transaction, therefore we began to apply the equity method of accounting for this investment. The change in the method of accounting for this investment required us to recognize Hulu's accumulated losses from the date of the NBCUniversal transaction through July 2013.

Other Income (Expense), Net

The changes in other income (expense), net in 2013 and 2012 were primarily due to the \$1 billion gain recorded in 2012 related to the sale of our investment in A&E Television Networks LLC (A&E Television Networks), as well as an impairment of \$236 million of our equity method investment in, and loans with, a regional sports cable network based in Houston, Texas, which was recorded in 2013.

Consolidated Income Tax Expense

Income tax expense reflects federal and state income taxes, adjustments associated with uncertain tax positions and, until the close of the Redemption Transaction in March 2013, the partnership structure of NBCUniversal Holdings whereby income tax expense was not recorded on the portion of its consolidated income that was attributable to GE's noncontrolling interest. Our effective income tax rate in 2013, 2012 and 2011 was 35.8%, 32.3% and 37.2%, respectively. In 2013, our effective income tax rate increased due to the Redemption Transaction in March 2013 in which we acquired GE's noncontrolling common equity interest in NBCUniversal and subsequently recorded income tax expense on all of its consolidated income. In addition, our 2013 income tax expense was reduced by \$158 million due to the nontaxable portion of the increase in tax basis associated with the redemption of Liberty Media Series A common stock in October 2013. In 2012, our effective income

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tax rate decreased due to proportionately higher pretax income at NBCUniversal, which included NBCUniversal's gain on the sale of its equity interest in A&E Television Networks. In addition, our 2012 income tax expense decreased by \$109 million due to certain changes in state tax laws that became

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effective in 2012. Our income tax expense in the future may continue to be impacted by adjustments to uncertain tax positions and related interest, and changes in tax laws. We expect our 2014 annual effective tax rate to be in the range of 37% to 39%, absent changes in tax laws or significant changes in uncertain tax positions.

Consolidated Net (Income) Loss Attributable to Noncontrolling Interests and Redeemable Subsidiary Preferred Stock

The decrease in net income attributable to noncontrolling interests and redeemable subsidiary preferred stock in 2013 was primarily due to our acquisition of GE's remaining 49% common equity interest in NBCUniversal Holdings in March 2013. The increase in net income attributable to noncontrolling interests in 2012 was primarily due to GE's allocated share of the increase in earnings of NBCUniversal during 2012.

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 to meet our debt repayment obligations, to fund our capital expenditures, to invest in business opportunities and to return capital to shareholders.

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

Our commercial paper program provides a lower cost source of borrowing to fund our short-term working capital requirements and is supported by the Comcast and Comcast Cable Communications, LLC \$6.25 billion revolving credit facility due June 2017. In September 2013, we increased the borrowing capacity of our commercial paper program from \$2.25 billion to \$6.25 billion.

As of December 31, 2013, amounts available under our consolidated revolving credit facilities, net of amounts outstanding under our commercial paper program and outstanding letters of credit, totaled \$4.7 billion, which included \$100 million available under NBCUniversal Enterprise, Inc.'s (NBCUniversal Enterprise) credit facility.

In March 2013, we, four of our wholly owned cable holding company subsidiaries (the cable guarantors) and NBCUniversal entered into a series of agreements and supplemental indentures to include NBCUniversal as part of our existing cross-guarantee structure. As members of the cross-guarantee structure, we and the cable guarantors fully and unconditionally guarantee NBCUniversal's public debt securities, and NBCUniversal fully and unconditionally guarantees all of our and the cable guarantors' public debt securities, as well as our \$6.25 billion revolving credit facility. We 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 does not guarantee the NBCUniversal Enterprise senior notes or credit facility. See Note 21 to Comcast's consolidated financial statements for additional information on our subsidiary cross-guarantee structure.

We, NBCUniversal and our Cable Communications subsidiaries that have provided guarantees are subject to the covenants and restrictions set forth in the indentures governing our public debt securities and in the credit agreements governing the Comcast and Comcast Cable Communications credit facility. We test for compliance with the covenants for our credit facility on an ongoing basis. The only financial covenant is in our credit facility and pertains to leverage, which is the ratio of debt to operating income before depreciation and

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amortization, as defined in the credit facility. As of December 31, 2013, we met this financial covenant by a significant margin. We do not expect to have to reduce debt or improve operating results in order to continue to comply with this financial covenant.

Receivables Monetization

In December 2013, the programs under which NBCUniversal monetized certain of its accounts receivable with a syndicate of banks were terminated. The final payments of \$1.4 billion associated with the termination of these programs are a component of net cash provided by operating activities in Comcast's and NBCUniversal's consolidated statement of cash flows. See Note 17 to Comcast's consolidated financial statements and Note 16 to NBCUniversal's consolidated financial statements for additional information.

Operating Activities**Components of Net Cash Provided by Operating Activities**

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|---|-----------|-----------|-----------|
| Operating income | \$ 13,563 | \$ 12,179 | \$ 10,721 |
| Depreciation and amortization | 7,871 | 7,798 | 7,636 |
| Operating income before depreciation and amortization | 21,434 | 19,977 | 18,357 |
| Noncash share-based compensation | 419 | 371 | 344 |
| Termination of receivables monetization programs | (1,442) | | |
| Changes in operating assets and liabilities | 93 | (418) | (603) |
| Cash basis operating income | 20,504 | 19,930 | 18,098 |
| Payments of interest | (2,355) | (2,314) | (2,441) |
| Payments of income taxes | (3,946) | (2,841) | (1,626) |
| Proceeds from investments and other | 162 | 213 | 360 |
| Excess tax benefits under share-based compensation | (205) | (134) | (46) |
| Net cash provided by operating activities | \$ 14,160 | \$ 14,854 | \$ 14,345 |

The changes in operating assets and liabilities in 2013 compared to the changes in 2012 were primarily due to the timing of receipts for our accounts receivable, increases in deferred revenue associated with our Olympics broadcasts and a decrease in film and television costs. The increases were partially offset by payments made in 2013 related to the termination of a film financing arrangement and payments of our accounts payable and accrued expenses related to trade creditors, as well as the timing of other operating items.

The changes in operating assets and liabilities in 2012 compared to the changes in 2011 were primarily related to a decrease in film and television costs, partially offset by the settlement in 2012 of a \$237 million liability associated with an unfavorable Olympic contract that had been recorded through the application of acquisition accounting in 2011, as well as the timing of other operating items, including accounts receivable and accounts payable and accrued expenses related to trade creditors.

Interest payments remained relatively flat in 2013 compared to 2012. The decrease in interest payments in 2012 was primarily due to the repayment and redemption of certain of our debt obligations.

The increase in income tax payments in 2013 was primarily due to higher taxable income from operations, the net impact of the economic stimulus legislation, the settlement of tax disputes and the repatriation of foreign earnings. The increase in income tax payments in 2012 was primarily due to increases in taxable income, which resulted in higher federal tax payments made in 2012, and the lower net benefit in 2012 of the economic stimulus legislation. We expect income tax payments to increase in 2014 primarily due to higher taxable income from operations and the expiration of the economic stimulus legislation.

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Investing Activities

Net cash used in investing activities in 2013 consisted primarily of cash paid for capital expenditures, acquisitions of real estate properties, purchases of investments and cash paid for intangible assets. Net cash used in investing activities in 2012 consisted primarily of cash paid for capital expenditures, cash paid for intangible assets and the purchase of investments and was substantially offset by proceeds from sales of businesses and investments and return of capital from investees.

[Capital Expenditures](#)

Our most significant recurring investing activity has been capital expenditures in our Cable Communications segment, and we expect that this will continue in the future. The table below summarizes the capital expenditures we incurred in our Cable Communications segment in 2013, 2012 and 2011.

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|--------------------------------------|-----------------|----------|----------|
| Cable distribution system | \$ 1,819 | \$ 1,720 | \$ 1,715 |
| Customer premise equipment | 2,990 | 2,678 | 2,594 |
| Other equipment | 527 | 462 | 420 |
| Buildings and building improvements | 67 | 57 | 77 |
| Land | | 4 | |
| Total | \$ 5,403 | \$ 4,921 | \$ 4,806 |

Cable Communications capital expenditures increased in 2013 and 2012 primarily due to an increase in customer premise equipment purchases, including purchases related to our X1 platform and our wireless gateways in 2013, and increased investment in business services and network capacity.

Capital expenditures in our NBCUniversal segments increased 52.0% to \$1.2 billion in 2013 primarily due to continued investment at our Universal theme parks. Capital expenditures in our NBCUniversal segments increased 75.7% to \$763 million in 2012 primarily due to increased investment at our Universal theme parks and increased investment in technical infrastructure to support our cable networks and broadcast television operations.

The rate of growth of our capital expenditures for 2014 is expected to increase as we continue to invest significantly in the deployment of our X1 platform and wireless gateways to our customers and the expansion of business services and our home security and automation services. Capital expenditures for subsequent years will depend on numerous factors, including acquisitions, competition, changes in technology, regulatory changes, and the timing and rate of deployment of new services and capacity for existing services. In addition, we have invested and expect to continue to invest in existing and new attractions at our Universal theme parks.

[Cash Paid for Intangible Assets](#)

In 2013 and 2012, cash paid for intangible assets consisted primarily of software.

[Acquisitions of Real Estate Properties](#)

In 2013, acquisitions of real estate properties included NBCUniversal's purchases of the 30 Rockefeller Plaza properties it occupies in connection with the Redemption Transaction, NBCUniversal's purchase of the property located at 10 Universal City Plaza, which is adjacent to Universal Studios in Hollywood, California and our purchase of an 80% interest in a business whose primary asset is our corporate headquarters located in Philadelphia, Pennsylvania.

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[Acquisitions](#)

Our 2013 and 2012 acquisitions were not significant. In 2011, we closed the NBCUniversal transaction and NBCUniversal acquired the remaining 50% equity interest in Universal Orlando that it did not already own. See Note 4 to Comcast's consolidated financial statements for additional information on our acquisitions.

[Proceeds from Sales of Businesses and Investments](#)

In 2013, proceeds from sales of businesses and investments were primarily related to the redemption of our Liberty Media Series A common stock by Liberty Media Corporation and the sale of our investment in Clearwire. In 2012, proceeds from sales of businesses and investments were primarily related to the A&E Television Networks transaction. Following the close of the A&E Television Networks transaction, NBCUniversal no longer receives dividends from A&E Television Networks. In 2012 and 2011, NBCUniversal received \$129 million and \$196 million, respectively, in dividends from A&E Television Networks, which were included in net cash provided by operating activities. In 2011, proceeds from sales of businesses and investments were primarily related to the sale of the Philadelphia 76ers.

[Return of Capital from Investees](#)

In 2013, return of capital from investees consisted primarily of a distribution received from The Weather Channel Holding Corp. (The Weather Channel). In 2012, return of capital from investees consisted primarily of distributions received from the SpectrumCo transaction. Our return of capital from investees in 2011 was not significant.

[Purchases of Investments](#)

In 2013, purchases of investments related primarily to equity securities that were held as collateral for our prepaid forward sale agreements. Our purchases of investments in 2012 and 2011 were not significant.

Financing Activities

Net cash used in financing activities consisted primarily of our acquisition of GE's remaining 49% common equity interest in NBCUniversal Holdings, repayments of debt, repurchases of our common stock, dividend payments and the effective settlement of our Station Venture liability, which were partially offset by proceeds from borrowings and issuances of common stock. Proceeds from borrowings fluctuate from year to year based on the amounts paid to fund acquisitions and debt repayments.

In January 2013, we issued \$750 million aggregate principal amount of 2.850% senior notes due 2023, \$1.7 billion aggregate principal amount of 4.250% senior notes due 2033 and \$500 million aggregate principal amount of 4.500% senior notes due 2043. In March 2013, in connection with the Redemption Transaction, we consolidated an additional \$4 billion aggregate principal amount of senior notes issued by NBCUniversal Enterprise and \$1.25 billion of borrowings under the NBCUniversal Enterprise credit facility.

During 2013, we repaid \$2.3 billion aggregate principal amount of our debt outstanding at maturity.

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

See Note 9 to Comcast's consolidated financial statements for additional information on our financing activities, including details of our debt repayments and borrowings, and long-term debt incurred in connection with the Redemption Transaction, including the debt issued by NBCUniversal Enterprise, which we now consolidate.

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Share Repurchases and Dividends

In 2013, we repurchased 49 million shares of our Class A Special common stock for \$2.0 billion. As of December 31, 2013, we had \$1.5 billion remaining under this authorization.

In January 2014, our Board of Directors increased our share repurchase program authorization to \$7.5 billion, which does not have an expiration date. Under this authorization, we may repurchase shares in the open market or in private transactions. We intend to repurchase \$3 billion of shares during 2014, subject to market conditions.

Our Board of Directors declared quarterly dividends totaling \$2.0 billion in 2013. We paid dividends of \$2.0 billion in 2013. In January 2014, our Board of Directors approved a 15% increase in our dividend to \$0.90 per share on an annualized basis and approved our first quarter dividend of \$0.225 per share to be paid in April 2014. We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors.

The table below sets forth information on our share repurchases and dividends paid in 2013, 2012 and 2011.

Contractual Obligations

The table below presents our future contractual obligations as of December 31, 2013 by the period in which the payments are due.

| (in millions) | Total | Payment Due by Period | | | |
|---|------------|-----------------------|-----------|-----------|-------------|
| | | Year 1 | Years 2-3 | Years 4-5 | More than 5 |
| Debt obligations ^(a) | \$ 47,810 | \$ 3,273 | \$ 6,910 | \$ 7,946 | \$ 29,681 |
| Capital lease obligations | 37 | 7 | 11 | 5 | 14 |
| Operating lease obligations | 2,144 | 385 | 628 | 458 | 673 |
| Purchase obligations ^(b) | 46,867 | 8,434 | 9,488 | 7,573 | 21,372 |
| Other long-term liabilities reflected on the balance sheet ^(c) | 10,184 | 3,674 | 1,757 | 814 | 3,939 |
| Total ^(d) | \$ 107,042 | \$ 15,773 | \$ 18,794 | \$ 16,796 | \$ 55,679 |

Refer to Note 9 (long-term debt) and Note 18 (commitments and contingencies) to our consolidated financial statements.

(a) Excludes interest payments.

(b) Purchase obligations consist of agreements to purchase goods and services that are legally binding on us and specify all significant terms, including fixed or minimum quantities to be purchased and price provisions. Our purchase obligations related to our Cable Communications segment include programming contracts with cable networks and local broadcast television stations, contracts with customer premise equipment manufacturers, communication vendors and multichannel video providers for which we provide advertising sales representation, and other contracts entered into in the normal course of business. Cable Communications programming contracts in the table above include amounts payable under fixed or minimum guaranteed commitments and do not represent the total fees that are expected to be paid under programming contracts, which we expect to be higher because these contracts are generally based on

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the number of subscribers receiving the programming. Our purchase obligations related to our NBCUniversal segments consist primarily of commitments to acquire film and television programming, including U.S. television rights to future Olympic Games through 2020, *Sunday Night Football* on NBC through the 2022-23 season, including the Super Bowl in 2015, 2018 and 2021, NHL games through the 2020-21 season, Spanish-language U.S. television rights to FIFA World Cup games through 2022, U.S television rights to English Premier League soccer games through the 2015-16 season, certain PGA TOUR golf events through 2021 and certain NASCAR events through 2024, as well as obligations under various creative talent and employment agreements, including obligations to actors, producers, television personalities and executives, and various other television commitments. Purchase obligations do not include contracts with immaterial future commitments.

- (c) Other long-term liabilities reflected on the balance sheet consist primarily of prepaid forward sale agreements of equity securities we hold; subsidiary preferred shares; deferred compensation obligations; pension, postretirement and postemployment benefit obligations; contingent consideration obligation related to the NBCUniversal transaction; and a contractual obligation acquired in connection with the Universal Orlando transaction. This contractual obligation involves financial interests held by a third party in certain NBCUniversal businesses and is based on a percentage of future revenue of the specified businesses. This contractual obligation provides the third party with the option, beginning in 2017, to require NBCUniversal to purchase the interest for cash in an amount equal to the fair value of the estimated future payments. Reserves for uncertain tax positions of \$1.7 billion are not included in the table above because it is uncertain if and when these reserves will become payable. Payments of \$1.6 billion of participations and residuals are also not included in the table above because we cannot make a reliable estimate of the period in which these obligations will be settled.
- (d) Total contractual obligations are made up of the following components.

| | |
|---|-------------------|
| (in millions) | |
| Liabilities recorded on the balance sheet | \$ 59,410 |
| Commitments not recorded on the balance sheet | 47,632 |
| Total | \$ 107,042 |

Off-Balance Sheet Arrangements

As of December 31, 2013, we did not have any material off-balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity, capital expenditures or capital resources.

Critical Accounting Judgments and Estimates

The preparation of our 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 values 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, the accounting for film and television costs, and the accounting for income taxes are critical in the preparation of our consolidated financial statements. Management has discussed the development and selection of these critical accounting judgments and estimates with the Audit Committee of our Board of Directors, and the Audit Committee has reviewed our disclosures relating to them, which are presented below. See Notes 8, 5 and 15 to Comcast's consolidated financial statements for a discussion of our accounting policies with respect to these items.

Valuation and Impairment Testing of Cable Franchise Rights

Our largest asset, our cable franchise rights, results from agreements we have with state and local governments that allow us to construct and operate a cable business within a specified geographic area. The value of a franchise is derived from the economic benefits we receive from the right to solicit new customers and to market new services, such as advanced video services and high-speed Internet and voice services, in a particular service area. The amounts we record for cable franchise rights are primarily a result of cable system acquisitions. Typically when we acquire a cable system, the most significant asset we record is the value of the cable franchise rights. Often these cable system acquisitions include multiple franchise areas. We currently serve approximately 6,400 franchise areas in the United States.

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We have concluded that our cable franchise rights have an indefinite useful life since there are no legal, regulatory, contractual, competitive, economic or other factors which limit the period over which these rights will contribute to our cash flows. Accordingly, we do not amortize our cable franchise rights but assess the carrying value of our cable franchise rights annually, or more frequently whenever events or changes in circumstances indicate that the carrying amount may exceed the fair value (impairment testing).

For the purpose of our impairment testing, we have grouped the recorded values of our various cable franchise rights into our three Cable Communications divisions or units of account. We evaluate the unit of account periodically to ensure our impairment testing is performed at an appropriate level.

The annual impairment test for indefinite-lived intangibles allows for the option to first assess qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible is less than its carrying amount. An entity may choose to perform the qualitative assessment or an entity may bypass the qualitative assessment and proceed directly to the quantitative impairment test. If it is determined, on the basis of qualitative factors, that the fair value of a reporting unit is, more likely than not, less than its carrying value, the quantitative impairment test is required. When performing a quantitative assessment, we estimate the fair value of our cable franchise rights primarily based on a discounted cash flow analysis that involves significant judgment. When analyzing the fair values indicated under the discounted cash flow models, we also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions and profitability information.

In 2013, we performed a qualitative assessment of our cable franchise rights. We considered various factors that would affect the estimated fair values of our cable franchise rights, including changes in our projected future cash flows associated with our Cable Communications segment, industry, market and macroeconomic conditions and also the 27% increase in our market capitalization since we performed our 2012 quantitative assessment. In addition, we considered the results of our 2012 quantitative assessment, in which the estimated fair values of our franchise rights exceeded the carrying value in our three Cable Communications Divisions by 19%, 33% and 37%, respectively. We also compared our weighted average cost of capital in 2013 to that used in our 2012 quantitative assessment and it had remained relatively consistent. Based on our 2013 qualitative assessment, we concluded that it was more likely than not that the estimated fair values of our franchise rights were higher than our carrying values and that the performance of a quantitative impairment test was not required.

Since the adoption of the accounting guidance related to goodwill and intangible assets in 2002, we have not recorded any significant impairment charges to cable franchise rights as a result of our impairment testing. A future change in the unit of account could result in the recognition of an impairment charge.

We could also record impairment charges in the future if there are changes in long-term market conditions, in expected future operating results, or in federal or state regulations that prevent us from recovering the carrying value of these cable franchise rights. Assumptions made about increased competition and economic conditions could also impact the results of any qualitative assessment and the valuations used in future annual quantitative impairment testing and result in a reduction in the fair values of our cable franchise rights.

Film and Television Costs

We capitalize film and television production costs, including direct costs, production overhead, print costs, development costs and interest. We amortize capitalized film and television production costs, including acquired libraries, and accrue costs associated with participation and residual payments to programming and production expense. We generally record the amortization and the accrued costs using the individual film forecast computation method, which amortizes such costs using the ratio of the current period's revenue to estimated total remaining gross revenue from all sources (ultimate revenue). Estimates of ultimate revenue have a significant impact on how quickly capitalized costs are amortized and, therefore, are updated regularly.

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Our estimates of ultimate revenue for films generally include revenue from all sources that are expected to be earned within 10 years from the date of a film's initial release. These estimates are based on the historical performance of similar content, as well as factors unique to the content itself. The most sensitive factor affecting our estimate of ultimate revenue for a film intended for theatrical release is the film's theatrical performance, as subsequent revenue from the licensing and sale of a film has historically exhibited a high correlation to its theatrical performance. Upon a film's release, our estimates of revenue from succeeding markets, including home entertainment and other distribution platforms, are revised based on historical relationships and an analysis of current market trends.

With respect to television series or other owned television programming, the most sensitive factor affecting our estimate of ultimate revenue is whether the series can be successfully licensed beyond its initial license. Initial estimates of ultimate revenue are limited to the amount of revenue contracted for each episode under the initial license. Once it is determined that a series can be licensed for subsequent platforms, revenue estimates for these platforms, such as U.S. and international syndication, home entertainment, and other distribution platforms, are included in ultimate revenue. In the case of television series and owned television programming, revenue estimates for produced episodes include revenue expected to be earned within 10 years of delivery of the initial episode or, if still in production, 5 years from the delivery of the most recent episode, if later.

Capitalized film and television costs, as well as stage play production costs, are subject to impairment testing when certain triggering events are identified. If the fair value of a production falls below its unamortized cost, we would record an adjustment for the amount by which the unamortized capitalized costs exceed the production's fair value. The fair value assessment is generally based on estimated future discounted cash flows, which are supported by our internal forecasts. Adjustments to capitalized film and stage play production costs of \$167 million and \$161 million were recorded in 2013 and 2012, respectively.

Income Taxes

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 prepare and file tax returns based on our interpretation of tax laws and regulations, and we record estimates based on these judgments and interpretations.

From time to time, we engage in transactions in which the tax consequences may be subject to uncertainty. In these cases, we evaluate our tax positions using the recognition threshold and the measurement attribute in accordance with the accounting guidance related to uncertain tax positions. Examples of these transactions include business acquisitions and dispositions, including consideration paid or received in connection with these transactions, and certain financing transactions. Significant judgment is required in assessing and estimating the tax consequences of these transactions. We determine whether it is more-likely-than-not that a tax position will be sustained on examination, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. In evaluating whether a tax position has met the more-likely-than-not recognition threshold, we presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to be recognized in our financial statements. The tax position is measured at the largest amount of benefit that has a greater than 50% likelihood of being realized when the position is ultimately resolved.

We adjust our estimates periodically to reflect changes in circumstances in ongoing examinations by and settlements with the various taxing authorities, as well as changes in tax laws, regulations and precedent. We believe that adequate accruals have been made for income taxes. When uncertain tax positions are ultimately

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resolved, either individually or in the aggregate, differences between our estimated amounts and the actual amounts are not expected to have a material adverse effect on our consolidated financial position but could possibly be material to our consolidated results of operations or cash flow for any one period. As of December 31, 2013, our uncertain tax positions and related accrued interest were \$1.7 billion and \$780 million, respectively.

Item 7A: Quantitative and Qualitative Disclosures About Market Risk**Interest Rate Risk Management**

We maintain a mix of fixed-rate and variable-rate debt and we are exposed to the market risk of adverse changes in interest rates. In order to manage the cost and volatility relating to the interest cost of our outstanding debt, we enter into various interest rate risk management derivative transactions in accordance with our policies.

We monitor our exposure to the risk of adverse changes in interest rates through the use of techniques that include market value and sensitivity analyses. We do not engage in any speculative or leveraged derivative transactions.

Our interest rate derivative financial instruments, which may include swaps, rate locks, caps and collars, represent an integral part of our interest rate risk management program. Our interest rate derivative financial instruments reduced the portion of Comcast's total consolidated debt at fixed rates as of December 31, 2013 to 83.5% from 91.5%. NBCUniversal's interest rate derivative financial instruments reduced the portion of NBCUniversal's total consolidated debt at fixed rates as of December 31, 2013 to 93.2% from 99.9%.

In 2013, 2012 and 2011, the effect of our interest rate derivative financial instruments was to decrease Comcast's consolidated interest expense by \$98 million, \$106 million and \$136 million, respectively. The effect of NBCUniversal's interest rate derivative financial instruments was not material to NBCUniversal's consolidated financial statements for all periods presented. Interest rate derivative financial instruments may have a significant effect on Comcast's interest expense in the future.

The table below summarizes the fair values and contract terms of financial instruments subject to interest rate risk maintained by us as of December 31, 2013.

| | | | | | | | | Estimated |
|----------------------------------|----------|----------|----------|----------|----------|------------|-----------|------------------|
| | | | | | | | | Fair Value as of |
| | | | | | | | | December |
| | | | | | | | | 31, |
| | | | | | | | | 2013 |
| (in millions) | 2014 | 2015 | 2016 | 2017 | 2018 | Thereafter | Total | |
| Debt | | | | | | | | |
| Fixed rate | \$ 1,930 | \$ 3,370 | \$ 2,801 | \$ 2,557 | \$ 3,444 | \$ 29,695 | \$ 43,797 | \$ 47,773 |
| Average interest rate | 3.8% | 5.9% | 4.6% | 7.0% | 4.3% | 5.5% | 5.4% | |
| Variable rate | \$ 1,350 | \$ 50 | \$ 700 | \$ | \$ 1,950 | \$ | \$ 4,050 | \$ 4,050 |
| Average interest rate | 0.7% | 3.2% | 3.1% | 0.0% | 4.9% | 0.0% | 3.2% | |
| Interest Rate Instruments | | | | | | | | |
| Fixed to variable swaps | \$ 1,100 | \$ 150 | \$ 800 | \$ 200 | \$ 1,600 | \$ | \$ 3,850 | \$ 140 |
| | 0.7% | 1.9% | 2.9% | 6.0% | 4.6% | 0.0% | 3.1% | |

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Average pay
rate

Average

| | | | | | | | |
|--------------|------|------|------|------|------|------|------|
| receive rate | 4.4% | 3.7% | 4.8% | 6.3% | 5.8% | 0.0% | 5.1% |
|--------------|------|------|------|------|------|------|------|

The estimated fair value of our interest rate swaps in the table above includes \$21 million related to NBCUniversal.

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We use the notional amount of each interest rate derivative financial instrument to calculate the interest to be paid or received. The notional amounts do not represent our exposure to credit loss. The estimated fair value approximates the amount of payments to be made or proceeds to be received to settle the outstanding contracts, including accrued interest. We estimate interest rates on variable rate debt and swaps using the average implied forward LIBOR through the year of maturity based on the yield curve in effect on December 31, 2013, plus the applicable borrowing margin on December 31, 2013.

Certain of our financial contracts include credit-ratings-based triggers that could affect our liquidity. In the ordinary course of business, some of Comcast's swaps could be subject to termination provisions if it does not maintain investment grade credit ratings. As of December 31, 2013 and 2012, the estimated fair value of those swaps was not material. The amount to be paid or received upon termination, if any, would be based on the fair value of the outstanding contracts at that time.

See Note 2 to each of the Comcast and NBCUniversal consolidated financial statements for additional information on our accounting policies for derivative financial instruments.

Foreign Exchange Risk Management

NBCUniversal has significant operations in a number of countries outside the United States, and certain of NBCUniversal's operations are conducted in foreign currencies. The value of these currencies fluctuates relative to the U.S. dollar. These changes could adversely affect the U.S. dollar value of our non-U.S. revenue and operating costs and expenses and reduce international demand for our content, all of which could negatively affect our business, financial condition and results of operations in a given period or in specific territories.

As part of our overall strategy to manage the level of exposure to the risk of foreign exchange rate fluctuations, NBCUniversal enters into derivative financial instruments related to a significant portion of its foreign currency exposures. NBCUniversal enters into foreign currency forward contracts that change in value as foreign exchange rates change to protect the U.S. dollar equivalent value of its foreign currency assets, liabilities, commitments, and forecasted foreign currency revenue and expenses. In accordance with our policy, NBCUniversal hedges forecasted foreign currency transactions for periods generally not to exceed 18 months. In certain circumstances NBCUniversal enters into foreign exchange contracts with initial maturities in excess of 18 months. As of December 31, 2013 and 2012, NBCUniversal had foreign exchange contracts with a total notional value of \$968 million and \$820 million, respectively. As of December 31, 2013 and 2012, the aggregate estimated fair value of these foreign exchange contracts was not material.

We have analyzed our foreign currency exposures related to NBCUniversal's operations as of December 31, 2013, including our hedging contracts, to identify assets and liabilities denominated in a currency other than their functional currency. For these assets and liabilities, we then evaluated the effect of a 10% shift in currency exchange rates between those currencies and the U.S. dollar. The analysis of such shift in exchange rates indicated that there would be an immaterial effect on our 2013 income.

Comcast is also exposed to the market risks associated with fluctuations in foreign exchange rates as they relate to its foreign currency denominated debt obligations. Cross-currency swaps are used to effectively convert fixed-rate foreign currency denominated debt to fixed-rate U.S. dollar denominated debt, in order to hedge the risk that the cash flows related to annual interest payments and the payment of principal at maturity may be adversely affected by fluctuations in currency exchange rates. The gains and losses on the cross-currency swaps offset changes in the U.S. dollar equivalent value of the related exposures. As of December 31, 2013 and 2012, the fair value of our cross-currency swaps on our £625 million principal amount of 5.50% senior notes due 2029 was an asset of \$73 million and \$30 million, respectively.

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Equity Price Risk Management

Comcast is exposed to the market risk of changes in the equity prices of its investments in marketable securities. Comcast enters into various derivative transactions in accordance with its policies to manage the volatility related to these exposures. Through market value and sensitivity analyses, Comcast monitors its equity price risk exposures to ensure that the instruments are matched with the underlying assets or liabilities, reduce its risks relating to equity prices, and maintain a high correlation to the risk inherent in the hedged item.

To limit Comcast's exposure to and the benefits from price fluctuations in the common stock of some of its investments, it uses equity derivative financial instruments. These derivative financial instruments, which are accounted for at fair value, may include equity collar agreements, prepaid forward sale agreements and indexed debt instruments.

In 2013 and 2012, the changes in the fair value of the investments that Comcast accounted for as available-for-sale or trading securities were substantially offset by the changes in the fair values of the equity derivative financial instruments. See Note 6 to Comcast's consolidated financial statements for additional information on its investments and investment income (loss), net.

Counterparty Credit Risk Management

Comcast and NBCUniversal manage the credit risks associated with our derivative financial instruments through diversification and the evaluation and monitoring of the creditworthiness of the counterparties. Although we may be exposed to losses in the event of nonperformance by the counterparties, we do not expect such losses, if any, to be significant. Comcast has agreements with certain counterparties that include collateral provisions. These provisions require a party with an aggregate unrealized loss position in excess of certain thresholds to post cash collateral for the amount in excess of the threshold. The threshold levels in our collateral agreements are based on our and the counterparties' credit ratings. As of December 31, 2013 and 2012, Comcast was not required to post collateral under the terms of these agreements. As of December 31, 2013, the collateral that Comcast held from certain of its counterparties under the terms of these agreements was not material.

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Item 8: Comcast Corporation Financial Statements and Supplementary Data

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See Index to NBCUniversal Media, LLC Financial Statements and Supplemental Data on page 145.

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Report of Management

Management's Report on Comcast's Financial Statements

Our management is responsible for the preparation, integrity and fair presentation of information in Comcast's consolidated financial statements, including estimates and judgments. The consolidated financial statements presented in this report have been prepared in accordance with accounting principles generally accepted in the United States. Our management believes the Comcast consolidated financial statements and other financial information included in this report fairly present, in all material respects, Comcast's financial condition, results of operations and cash flows as of and for the periods presented in this report. The Comcast consolidated financial statements have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Management's Report on Comcast's Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

Our internal control over financial reporting includes those policies and procedures that:

Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets.

Provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors.

Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control - Integrated Framework* issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that Comcast's system of internal control over financial reporting was effective as of December 31, 2013. The effectiveness of Comcast's internal controls over financial reporting of Comcast has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is included herein.

Audit Committee Oversight

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The Audit Committee of the Board of Directors, which is comprised solely of independent directors, has oversight responsibility for our financial reporting process and the audits of Comcast's consolidated financial statements and internal control over financial reporting. The Audit Committee meets regularly with management and with our internal auditors and independent registered public accounting firm (collectively, the auditors) to review matters related to the quality and integrity of our financial reporting, internal control over financial reporting (including compliance matters related to our Code of Conduct), and the nature, extent, and results of internal and external audits. Our auditors have full and free access and report directly to the Audit Committee. The Audit Committee recommended, and the Board of Directors approved, that the Comcast audited consolidated financial statements be included in this Form 10-K.

Brian L. Roberts

Chairman and

Chief Executive Officer

Michael J. Angelakis

Vice Chairman and

Chief Financial Officer

Lawrence J. Salva

Senior Vice President,

Chief Accounting Officer and Controller

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

Comcast Corporation

Philadelphia, Pennsylvania

We have audited the accompanying consolidated balance sheets of Comcast Corporation and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2013. We also have audited the Company's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Comcast's Internal Control Over Financial Reporting*. Our responsibility is to express an opinion on these financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Comcast Corporation and subsidiaries as of December 31, 2013 and 2012, and the results of

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their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control - Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania

February 12, 2014

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Consolidated Balance Sheet

| December 31 (in millions, except share data) | 2013 | 2012 |
|--|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 1,718 | \$ 10,951 |
| Investments | 3,573 | 1,464 |
| Receivables, net | 6,376 | 5,521 |
| Programming rights | 928 | 909 |
| Other current assets | 1,480 | 1,146 |
| Total current assets | 14,075 | 19,991 |
| Film and television costs | 4,994 | 5,054 |
| Investments | 3,770 | 6,325 |
| Property and equipment, net | 29,840 | 27,232 |
| Franchise rights | 59,364 | 59,364 |
| Goodwill | 27,098 | 26,985 |
| Other intangible assets, net | 17,329 | 17,840 |
| Other noncurrent assets, net | 2,343 | 2,180 |
| Total assets | \$ 158,813 | \$ 164,971 |
| Liabilities and Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 5,528 | \$ 6,206 |
| Accrued participations and residuals | 1,239 | 1,350 |
| Deferred revenue | 898 | 851 |
| Accrued expenses and other current liabilities | 7,967 | 5,931 |
| Current portion of long-term debt | 3,280 | 2,376 |
| Total current liabilities | 18,912 | 16,714 |
| Long-term debt, less current portion | 44,567 | 38,082 |
| Deferred income taxes | 31,935 | 30,110 |
| Other noncurrent liabilities | 11,384 | 13,271 |
| Commitments and contingencies (Note 18) | | |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | 957 | 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, 2,503,535,883 and 2,487,739,385; outstanding, 2,138,075,133 and 2,122,278,635 | 25 | 25 |
| Class A Special common stock, \$0.01 par value authorized, 7,500,000,000 shares; issued, 529,964,944 and 578,704,227; outstanding, 459,030,180 and 507,769,463 | 5 | 6 |
| Class B common stock, \$0.01 par value authorized, 75,000,000 shares; issued and outstanding, 9,444,375 | | |
| Additional paid-in capital | 38,890 | 40,547 |
| Retained earnings | 19,235 | 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) | 56 | 15 |
| Total Comcast Corporation shareholders equity | 50,694 | 49,356 |
| Noncontrolling interests | 364 | 440 |
| Total equity | 51,058 | 49,796 |
| Total liabilities and equity | \$ 158,813 | \$ 164,971 |

See accompanying notes to consolidated financial statements.

Table of Contents**Comcast Corporation**

Consolidated Statement of Income

| Year ended December 31 (in millions, except per share data) | 2013 | 2012 | 2011 |
|--|------------------|-----------|-----------|
| Revenue | \$ 64,657 | \$ 62,570 | \$ 55,842 |
| Costs and Expenses: | | | |
| Programming and production | 19,670 | 19,929 | 16,596 |
| Other operating and administrative | 18,584 | 17,833 | 16,646 |
| Advertising, marketing and promotion | 4,969 | 4,831 | 4,243 |
| Depreciation | 6,254 | 6,150 | 6,040 |
| Amortization | 1,617 | 1,648 | 1,596 |
| | 51,094 | 50,391 | 45,121 |
| Operating income | 13,563 | 12,179 | 10,721 |
| Other Income (Expense): | | | |
| Interest expense | (2,574) | (2,521) | (2,505) |
| Investment income (loss), net | 576 | 219 | 159 |
| Equity in net income (losses) of investees, net | (86) | 959 | (35) |
| Other income (expense), net | (364) | 773 | (133) |
| | (2,448) | (570) | (2,514) |
| Income before income taxes | 11,115 | 11,609 | 8,207 |
| Income tax expense | (3,980) | (3,744) | (3,050) |
| Net income | 7,135 | 7,865 | 5,157 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (319) | (1,662) | (997) |
| Net income attributable to Comcast Corporation | \$ 6,816 | \$ 6,203 | \$ 4,160 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | \$ 2.60 | \$ 2.32 | \$ 1.51 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | \$ 2.56 | \$ 2.28 | \$ 1.50 |
| Dividends declared per common share | \$ 0.78 | \$ 0.65 | \$ 0.45 |

See accompanying notes to consolidated financial statements.

Table of Contents**Comcast Corporation**

Consolidated Statement of Comprehensive Income

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|--|-----------------|----------|----------|
| Net income | \$ 7,135 | \$ 7,865 | \$ 5,157 |
| Unrealized gains (losses) on marketable securities, net of deferred taxes of \$(110), \$(95) and \$(2) | 185 | 161 | 4 |
| Deferred gains (losses) on cash flow hedges, net of deferred taxes of \$(14), \$(34) and \$15 | 25 | 58 | (25) |
| Amounts reclassified to net income: | | | |
| Realized (gains) losses on marketable securities, net of deferred taxes of \$177, \$ and \$5 | (301) | | (8) |
| Realized (gains) losses on cash flow hedges, net of deferred taxes of \$2, \$8 and \$(11) | (3) | (15) | 20 |
| Employee benefit obligations, net of deferred taxes of \$(108), \$22 and \$22 | 181 | (31) | (70) |
| Currency translation adjustments, net of deferred taxes of \$12, \$, and \$3 | (29) | | (12) |
| Comprehensive income | 7,193 | 8,038 | 5,066 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (319) | (1,662) | (997) |
| Other comprehensive (income) loss attributable to noncontrolling interests | 9 | (6) | 38 |
| Comprehensive income attributable to Comcast Corporation | \$ 6,883 | \$ 6,370 | \$ 4,107 |

See accompanying notes to consolidated financial statements.

Table of Contents**Comcast Corporation**

Consolidated Statement of Cash Flows

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|---|-----------------|------------------|-----------------|
| Operating Activities | | | |
| Net income | \$ 7,135 | \$ 7,865 | \$ 5,157 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization | 7,871 | 7,798 | 7,636 |
| Amortization of film and television costs | 8,249 | 9,454 | 6,787 |
| Share-based compensation | 419 | 371 | 344 |
| Noncash interest expense (income), net | 167 | 193 | 146 |
| Equity in net (income) losses of investees, net | 86 | (959) | 35 |
| Cash received from investees | 120 | 195 | 311 |
| Net (gain) loss on investment activity and other | (169) | (1,062) | 23 |
| Deferred income taxes | 16 | 139 | 1,058 |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | | |
| Change in current and noncurrent receivables, net | (721) | (823) | (427) |
| Change in film and television costs | (8,205) | (9,432) | (7,080) |
| Change in accounts payable and accrued expenses related to trade creditors | (667) | 366 | (20) |
| Change in other operating assets and liabilities | (141) | 749 | 375 |
| Net cash provided by (used in) operating activities | 14,160 | 14,854 | 14,345 |
| Investing Activities | | | |
| Capital expenditures | (6,596) | (5,714) | (5,307) |
| Cash paid for intangible assets | (1,009) | (923) | (954) |
| Acquisitions of real estate properties | (1,904) | | |
| Acquisitions, net of cash acquired | (99) | (90) | (6,407) |
| Proceeds from sales of businesses and investments | 1,083 | 3,102 | 277 |
| Return of capital from investees | 149 | 2,362 | 37 |
| Purchases of investments | (1,223) | (297) | (135) |
| Other | 85 | 74 | (19) |
| Net cash provided by (used in) investing activities | (9,514) | (1,486) | (12,508) |
| Financing Activities | | | |
| Proceeds from (repayments of) short-term borrowings, net | 1,345 | (544) | 544 |
| Proceeds from borrowings | 2,933 | 4,544 | |
| Repurchases and repayments of debt | (2,444) | (2,881) | (3,216) |
| Repurchases and retirements of common stock | (2,000) | (3,000) | (2,141) |
| Dividends paid | (1,964) | (1,608) | (1,187) |
| Issuances of common stock | 40 | 233 | 283 |
| Purchase of NBCUniversal noncontrolling common equity interest | (10,761) | | |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | (215) | (691) | (325) |
| Settlement of Station Venture liability | (602) | | |
| Other | (211) | (90) | (159) |
| Net cash provided by (used in) financing activities | (13,879) | (4,037) | (6,201) |
| Increase (decrease) in cash and cash equivalents | (9,233) | 9,331 | (4,364) |
| Cash and cash equivalents, beginning of year | 10,951 | 1,620 | 5,984 |
| Cash and cash equivalents, end of year | \$ 1,718 | \$ 10,951 | \$ 1,620 |

See accompanying notes to consolidated financial statements.

Table of Contents**Comcast Corporation**

Consolidated Statement of Changes in Equity

| (in millions) | Redeemable Noncontrolling Interests and Redeemable Subsidiary Preferred Stock | Common Stock | | | | Accumulated | | | | Total Equity |
|---|--|--------------|------|----------------------------------|----------------------|------------------------------|--|-------|----------------------------------|-----------------|
| | | A | | Additional Paid-In Capital | Retained Earnings | Treasury Stock at Cost | Other Comprehensive Income (Loss) | | Non- controlling Interests | |
| | | ASpecial | B | | | | | | | |
| | | | | | | | | | | |
| Balance, January 1, 2011 | \$ 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 | |
| | | | | | (1,736) | | | | (1,736) | |

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| | | | | | | | | | |
|--|-----------------|--------------|-------------|------------------|------------------|-------------------|--------------|---------------|------------------|
| Dividends declared | | | | | | | | | |
| 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 |
| Stock compensation plans | | | | 603 | (371) | | | | 232 |
| Repurchases and retirements of common stock | | | (1) | (555) | (1,444) | | | | (2,000) |
| Employee stock purchase plans | | | | 98 | | | | | 98 |
| Dividends declared | | | | | (2,046) | | | | (2,046) |
| Other comprehensive income (loss) | (9) | | | | | | 67 | | 67 |
| Purchase of NBCUniversal noncontrolling common equity interest | (17,006) | | | (1,651) | | | (26) | | (1,677) |
| Redeemable subsidiary preferred stock | 725 | | | | | | | | |
| Contributions from (distributions to) noncontrolling interests, net | (22) | | | | | | | (136) | (136) |
| Other | 70 | | | (152) | | | | (58) | (210) |
| Net income (loss) | 201 | | | | 6,816 | | | 118 | 6,934 |
| Balance, December 31, 2013 | \$ 957 | \$ 25 | \$ 5 | \$ 38,890 | \$ 19,235 | \$ (7,517) | \$ 56 | \$ 364 | \$ 51,058 |

See accompanying notes to consolidated financial statements.

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Comcast Corporation

Notes to Consolidated Financial Statements

Note 1: Business and Basis of Presentation

We are a global media and technology company with two primary businesses, Comcast Cable and NBCUniversal. We were incorporated under the laws of Pennsylvania in December 2001. Through our predecessors, we have developed, managed and operated cable systems since 1963. In 2011, we closed the NBCUniversal transaction in which we acquired control of the businesses of NBCUniversal Media, LLC (NBCUniversal), and in 2013, we acquired GE s remaining 49% common equity interest in 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. The Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks segments comprise the NBCUniversal businesses and are collectively referred to as the NBCUniversal segments. See Note 19 for additional information on our reportable business segments.

Our Cable Communications segment primarily manages and operates cable systems that serve residential and business customers in the United States. As of December 31, 2013, we served 21.7 million video customers, 20.7 million high-speed Internet customers and 10.7 million voice customers.

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks, which provide a variety of entertainment, news and information and sports content, our regional sports and news networks, our international cable networks, and our cable television production operations.

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local television stations, and our broadcast television production operations.

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Focus Features and Illumination names.

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 as of 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.

Reclassifications

Reclassifications have been made to our consolidated financial statements for the prior years to conform to classifications used in 2013.

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Comcast Corporation

Note 2: Accounting Policies

Our consolidated financial statements are prepared in accordance with GAAP, which requires us to select accounting policies, including in certain cases industry-specific policies, and make estimates that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and contingent liabilities. Actual results could differ from these estimates. We believe the judgments and related estimates for the following items are critical in the preparation of our consolidated financial statements:

valuation and impairment testing of cable franchise rights (see Note 8)

film and television costs (see Note 5)

income taxes (see Note 15)

In addition, the following accounting policies are specific to the industries in which we operate:

capitalization and amortization of film and television costs (see Note 5)

customer installation costs in our Cable Communications segment (see Note 7)

Information on our other accounting policies or methods related to our consolidated financial statements are included, where applicable, in their respective footnotes that follow. Below is a discussion of accounting policies and methods used in our consolidated financial statements that are not presented within other footnotes.

Revenue Recognition

Cable Communications Segment

Our Cable Communications segment generates revenue primarily from subscriptions to our video, high-speed Internet and voice services (cable services) and from the sale of advertising. We recognize revenue from cable services as each service is provided. Customers are typically billed in advance on a monthly basis. We manage credit risk by screening applicants through the use of internal customer information, identification verification tools and credit bureau data. If a customer s account is delinquent, various measures are used to collect outstanding amounts, including termination of the customer s cable services. Since installation revenue obtained from the connection of customers to our cable systems is less than related direct selling costs, we recognize revenue as connections are completed.

As part of our distribution agreements with cable networks, we generally receive an allocation of scheduled advertising time that we sell to local, regional and national advertisers. We recognize advertising revenue when the advertising is aired. In most cases, the available advertising time is sold by our sales force. In some cases, we work with representation firms as an extension of our sales force to sell a portion of the advertising time allocated to us. 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 report the advertising that is sold as

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revenue and the fees paid to representation firms and multichannel video providers as other operating and administrative expenses.

Revenue earned from other sources is recognized when services are provided or events occur. Under the terms of our cable franchise agreements, we are generally required to pay to the franchising authority an amount based on our gross video revenue. We normally pass these fees through to our cable customers and classify the fees as a component of revenue with the corresponding costs included in other operating and administrative expenses.

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Comcast Corporation

[Cable Networks and Broadcast Television Segments](#)

Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, the sale of advertising and the licensing of our owned programming. Our Broadcast Television segment generates revenue primarily from the sale of advertising, the licensing of our owned programming and the fees received under retransmission consent agreements. We recognize revenue from distributors as programming is provided, generally under multiyear distribution agreements. From time to time, the distribution agreements expire while programming continues to be provided to the distributor based on interim arrangements while the parties negotiate new contract terms. Revenue recognition is generally limited to current payments being made by the distributor, typically under the prior contract terms, until a new contract is negotiated, sometimes with effective dates that affect prior periods. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

Advertising revenue for our Cable Networks and Broadcast Television segments is recognized in the period in which commercials are aired or viewed. In some instances, we guarantee viewer ratings for the commercials. To the extent there is a shortfall in the ratings that were guaranteed, a portion of the revenue is deferred until the shortfall is settled, primarily by providing additional advertising time. We record revenue from the licensing of our owned programming when the content is available for use by the licensee, and when certain other conditions are met. When license fees include advertising time, we recognize the advertising time component of revenue when the advertisements are aired or viewed.

[Filmed Entertainment Segment](#)

Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our owned and acquired films for exhibition in movie theaters, the licensing of our owned and acquired films to cable, broadcast and premium networks and digital distributors, and the sale of our owned and acquired films on both standard-definition DVDs and Blu-ray discs (together, "DVDs") and through digital distributors. We also generate revenue from producing and licensing live stage plays and distributing filmed entertainment produced by third parties. We recognize revenue from the distribution of films to movie theaters when the films are exhibited. We record revenue from the licensing of a film when the film is available for use by the licensee, and when certain other conditions are met. 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.

[Theme Parks Segment](#)

Our Theme Parks segment generates revenue primarily from theme park attendance and per capita spending at our Universal theme parks in Orlando and Hollywood, as well as from licensing and other fees. We recognize revenue from advance theme park ticket sales when the tickets are used. For annual passes, we recognize revenue on a straight-line basis over the annual period following the initial redemption date.

Cable Communications Programming Expenses

Cable Communications programming expenses are the fees we pay to license the programming we distribute to our video customers. Programming is acquired for distribution to our video customers, generally under multiyear distribution agreements, with rates typically based on the number of customers that receive the programming, adjusted for channel positioning and the extent of distribution. From time to time these contracts expire and programming continues to be provided under interim arrangements while the parties negotiate new contractual terms, sometimes with effective dates that affect prior periods. While payments are typically made under the prior contract's terms, the amount of programming expenses recorded during these interim arrangements is based on our estimates of the ultimate contractual terms expected to be negotiated. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements

are recorded in the period of resolution.

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Comcast Corporation

When our Cable Communications segment receives incentives from cable networks for the licensing of their programming, we defer a portion of these incentives, which are included in other current and noncurrent liabilities, and recognize them over the term of the contract as a reduction to programming and production expenses.

Advertising Expenses

Advertising costs are expensed as incurred.

Cash Equivalents

The carrying amounts of our cash equivalents approximate their fair value. Our cash equivalents consist primarily of money market funds and U.S. government obligations, as well as commercial paper and certificates of deposit with maturities of less than three months when purchased.

Derivative Financial Instruments

We use derivative financial instruments to manage our exposure to the risks associated with fluctuations in interest rates, foreign exchange rates and equity prices. Our objective is to manage the financial and operational exposure arising from these risks by offsetting gains and losses on the underlying exposures with gains and losses on the derivatives used to economically hedge them.

Our derivative financial instruments are recorded on our consolidated balance sheet at fair value. See Note 6 for additional information on the derivative component of our prepaid forward sale agreements. The impact of our other derivative financial instruments on our consolidated financial statements was not material for all periods presented.

Asset Retirement Obligations

Certain of our cable franchise agreements and lease agreements contain provisions requiring us to restore facilities or remove property in the event that the franchise or lease agreement is not renewed. We expect to continually renew our cable franchise agreements and therefore cannot reasonably estimate any liabilities associated with such agreements. A remote possibility exists that franchise agreements could be terminated unexpectedly, which could result in us incurring significant expense in complying with restoration or removal provisions. The disposal obligations related to our properties are not material to our consolidated financial statements. We do not have any significant liabilities related to asset retirements recorded in our consolidated financial statements.

Table of Contents**Comcast Corporation****Note 3: Earnings Per Share****Computation of Diluted EPS**

| Year ended December 31 (in millions, except per share data) | 2013 | | | 2012 | | | 2011 | | |
|--|------------------------------|---------------------|---------|------------------------------|---------------------|---------|------------------------------|---------------------|---------|
| | Net Income | | | Net Income | | | Net Income | | |
| | Attributable | | | Attributable | | | Attributable | | |
| | to Comcast Corporation | Per Share Shares | Amount | to Comcast Corporation | Per Share Shares | Amount | to Comcast Corporation | Per Share Shares | Amount |
| Basic EPS attributable to Comcast Corporation shareholders | \$ 6,816 | 2,625 | \$ 2.60 | \$ 6,203 | 2,678 | \$ 2.32 | \$ 4,160 | 2,746 | \$ 1.51 |
| Effect of dilutive securities: Assumed exercise or issuance of shares relating to stock plans | | 40 | | | 39 | | | 32 | |
| Diluted EPS attributable to Comcast Corporation shareholders | \$ 6,816 | 2,665 | \$ 2.56 | \$ 6,203 | 2,717 | \$ 2.28 | \$ 4,160 | 2,778 | \$ 1.50 |

Our potentially dilutive securities include potential common shares related to our stock options and our restricted share units (RSUs). Diluted earnings per common share attributable to Comcast Corporation shareholders (diluted EPS) considers the impact of potentially dilutive securities using the treasury stock method. Diluted EPS excludes the impact of potential common shares related to our stock options in periods in which the combination of the option exercise price and the associated unrecognized compensation expense is greater than the average market price of our Class A common stock or our Class A Special common stock, as applicable.

Diluted EPS for 2011 excluded 45 million of potential common shares related to our share-based compensation plans, because the inclusion of the potential common shares would have had an antidilutive effect. These amounts were not material for 2013 and 2012.

Note 4: Significant Transactions**2013****Redemption Transaction**

On March 19, 2013, we acquired GE s remaining 49% common equity interest in NBCUniversal, LLC (NBCUniversal Holdings) for approximately \$16.7 billion (the Redemption Transaction). In addition to this transaction, NBCUniversal purchased from GE certain properties NBCUniversal occupies at 30 Rockefeller

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Plaza in New York City and CNBC's headquarters in Englewood Cliffs, New Jersey for \$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 that we control and consolidate following the close of the Redemption Transaction 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 9 for additional information on NBCUniversal Enterprise's senior debt securities and credit facility and Note 21 for additional information on our cross-guarantee structure.

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Comcast Corporation

The NBCUniversal Enterprise preferred stock is now held by unaffiliated third parties and pays dividends at a fixed rate of 5.25% per annum. 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 consolidated balance sheet. Its initial value was based on the liquidation preference of the preferred stock and is adjusted for accrued but unpaid dividends. As of December 31, 2013, the fair value of the redeemable subsidiary preferred stock was \$741 million. The estimated fair value was based on Level 2 inputs using 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.

We recognized an increase to our deferred tax liabilities of \$1.6 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 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 10 for additional information on the fair value of this contingent consideration as of December 31, 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.

2011

[NBCUniversal Transaction](#)

On January 28, 2011, we closed our transaction with GE in which we acquired a 51% controlling interest in NBCUniversal Holdings. 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.

In 2011, we recorded \$10.9 billion of goodwill in our allocation of purchase price for the NBCUniversal transaction, which was allocated to our Cable Networks and Broadcast Television segments. Due to the partnership structure of NBCUniversal Holdings, goodwill related to the NBCUniversal transaction is not deductible for tax purposes. In addition, we also recorded \$576 million of deferred tax liabilities in connection with the NBCUniversal transaction, as well as an additional \$35 million of net deferred income tax liabilities in the allocation of purchase price. See Note 15 for additional information on the partnership structure of NBCUniversal Holdings and NBCUniversal and other related income tax matters.

Because we maintained control of the Comcast Content Business, the excess of the fair value received over the historical book value and the related tax impact were recorded to additional paid-in capital.

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We agreed to share with GE certain tax benefits as they are realized that relate to the form and structure of the transaction. These payments to GE are contingent on us realizing tax benefits in the future and are accounted for as contingent consideration. See Note 10 for additional information on our contingent consideration liability.

Universal Orlando Transaction

On July 1, 2011, NBCUniversal acquired the remaining 50% equity interest in Universal Orlando that it did not already own for \$1 billion. Following the close of the transaction, Universal Orlando is a wholly owned consolidated subsidiary of NBCUniversal, and its operations are reported in our Theme Parks segment. We recorded \$982 million of goodwill in our allocation of purchase price for this transaction, which was fully allocated to our Theme Parks segment.

Note 5: Film and Television Costs

| | | |
|---|-----------------|----------|
| December 31 (in millions) | 2013 | 2012 |
| Film Costs: | | |
| Released, less amortization | \$ 1,630 | \$ 1,472 |
| Completed, not released | 70 | 99 |
| In production and in development | 658 | 1,048 |
| | 2,358 | 2,619 |
| Television Costs: | | |
| Released, less amortization | 1,155 | 1,124 |
| In production and in development | 370 | 334 |
| | 1,525 | 1,458 |
| Programming rights, less amortization | 2,039 | 1,886 |
| | 5,922 | 5,963 |
| Less: Current portion of programming rights | 928 | 909 |
| Film and television costs | \$ 4,994 | \$ 5,054 |

Based on our estimates of the ratio of the current period's actual revenue to the estimated total remaining gross revenue from all sources (ultimate revenue), as of December 31, 2013, approximately \$1.3 billion of film and television costs associated with our original film and television productions that have been released, or completed and not yet released, are expected to be amortized during 2014. Approximately 85% of unamortized film and television costs for our released productions, excluding amounts allocated to acquired libraries, are expected to be amortized through 2016.

As of December 31, 2013, acquired film and television libraries, which are included within the released, less amortization captions in the table above, had remaining unamortized costs of \$711 million. These costs are generally amortized over a period not to exceed 20 years, and approximately 49% of these costs are expected to be amortized through 2016.

Capitalization of Film and Television Costs

We capitalize film and television production costs, including direct costs, production overhead, print costs, development costs and interest. We amortize capitalized film and television production costs, including acquired libraries, and accrue costs associated with participation and residual payments to programming and production expense. We generally record the amortization and the accrued costs using the individual film forecast computation method, which amortizes such costs in the same ratio as the associated ultimate rev-

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enue. Estimates of total revenue and total costs are based on anticipated release patterns, public acceptance and historical results for similar productions. Unamortized film and television costs, including acquired film and television libraries, are stated at the lower of unamortized cost or fair value. We do not capitalize costs related to the distribution of a film to movie theaters or the licensing or sale of a film or television production, which are primarily costs associated with the marketing and distribution of film and television programming.

In determining the estimated lives and method of amortization of acquired film and television libraries, we generally use the method and the life that most closely follow the undiscounted cash flows over the estimated life of the asset.

Upon the occurrence of an event or a change in circumstance that was known or knowable as of the balance sheet date and that indicates the fair value of a film is less than its unamortized costs, we determine the fair value of the film and record an impairment charge for the amount by which the unamortized capitalized costs exceed the film's fair value.

We enter into arrangements with third parties to jointly finance and distribute certain of our film productions. These arrangements, which are referred to as cofinancing arrangements, can take various forms. In most cases, the arrangement involves the grant of an economic interest in a film to a third-party investor. The number of investors and the terms of these arrangements can vary, although in most cases an investor assumes full risk for the portion of the film acquired in these arrangements. We account for the proceeds received from a third-party investor under these arrangements as a reduction to our capitalized film costs. In these arrangements, the investor owns an undivided copyright interest in the film and, therefore, in each period we record either a charge or a benefit to programming and production expense to reflect the estimate of the third-party investor's interest in the profit or loss of the film. The estimate of the third-party investor's interest in the profit or loss of a film is determined using the ratio of actual revenue earned to date to the ultimate revenue expected to be recognized over the film's useful life.

We capitalize the costs of programming content that we license but do not own, including rights to multiyear live-event sports programming, at the earlier of when payments are made for the programming or when the license period begins and the content is available for use. We amortize capitalized programming costs as the associated programs are broadcast. We amortize multiyear, live-event sports programming rights using the ratio of the current period's revenue to the estimated total remaining revenue or under the terms of the contract.

Acquired programming costs are recorded at the lower of unamortized cost or net realizable value on a program by program, package, channel or daypart basis. A daypart is an aggregation of programs broadcast during a particular time of day or programs of a similar type. Acquired programming used in our Cable Networks segment is primarily tested on a channel basis for impairment, whereas acquired programming used in our Broadcast Television segment is tested on a daypart basis. If we determine that the estimates of future cash flows are insufficient or if there is no plan to broadcast certain programming, we recognize an impairment charge to programming and production expense.

Table of Contents**Comcast Corporation****Note 6: Investments**

| | | |
|--------------------------------------|-----------------|----------|
| December 31 (in millions) | 2013 | 2012 |
| Fair Value Method | \$ 4,345 | \$ 4,493 |
| Equity Method: | | |
| The Weather Channel | 333 | 471 |
| Hulu | 187 | |
| Other | 469 | 693 |
| | 989 | 1,164 |
| Cost Method: | | |
| AirTouch | 1,553 | 1,538 |
| Other | 456 | 594 |
| | 2,009 | 2,132 |
| Total investments | 7,343 | 7,789 |
| Less: Current investments | 3,573 | 1,464 |
| Noncurrent investments | \$ 3,770 | \$ 6,325 |
| Investment Income (Loss), Net | | |

| | | | |
|--|----------------|---------|--------|
| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
| Gains on sales and exchanges of investments, net | \$ 484 | \$ 30 | \$ 41 |
| Investment impairment losses | (29) | (24) | (5) |
| Unrealized gains (losses) on securities underlying prepaid forward sale agreements | 1,601 | 1,159 | 192 |
| Mark to market adjustments on derivative component of prepaid forward sale agreements and indexed debt instruments | (1,604) | (1,071) | (119) |
| Interest and dividend income | 111 | 119 | 110 |
| Other, net | 13 | 6 | (60) |
| Investment income (loss), net | \$ 576 | \$ 219 | \$ 159 |
| Fair Value Method | | | |

We classify publicly traded investments that are not accounted for under the equity method as available-for-sale (AFS) or trading securities and record them at fair value. For AFS securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of other comprehensive income (loss), except when we consider declines in value to be other than temporary. For trading securities, we record unrealized gains or losses resulting from changes in fair value between measurement dates as a component of investment income (loss), net. We recognize realized gains and losses associated with our fair value method investments using the specific identification method. We classify the cash flows related to purchases of and proceeds from the sale of trading securities based on the nature of the securities and the purpose for which they were acquired.

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As of December 31, 2013 and 2012, the majority of our fair value method investments were equity securities that we account for as trading securities and were held as collateral related to our obligations under prepaid forward sale agreements.

Prepaid Forward Sale Agreements

| December 31 (in millions) | 2013 | 2012 |
|---|----------|----------|
| Assets: | | |
| Fair value equity securities held as collateral | \$ 3,959 | \$ 4,143 |
| Liabilities: | | |
| Obligations under prepaid forward sale agreements | \$ 811 | \$ 1,248 |
| Derivative component of prepaid forward sale agreements | 2,800 | 2,302 |
| Total liabilities | \$ 3,611 | \$ 3,550 |

During 2013, we purchased a total of \$657 million of equity securities classified as trading securities and held them as collateral under our prepaid forward sale agreements. We also settled obligations under certain of our prepaid forward sale agreements totaling \$1.6 billion with a combination of cash on hand and \$1.4 billion of equity securities. The majority of our remaining obligations related to these investments mature in 2014. At maturity, the counterparties are entitled to receive some or all of the equity securities, or an equivalent amount of cash at our option, based on the market value of the equity securities at that time. As of both December 31, 2013 and 2012, our prepaid forward sale obligations had an estimated fair value of \$3.6 billion. The estimated fair values are based on Level 2 inputs using 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.

The derivative component of the prepaid forward sale agreements are equity derivative financial instruments embedded in the related contracts, which we use to manage our exposure to and benefits from price fluctuations in the common stock of the related investments. For these derivative financial instruments, we separate the derivative component from the host contract and record the change in its value each period to investment income (loss), net.

Liberty Media

In October 2013, Liberty Media Corporation (Liberty Media) redeemed 6.3 million shares of Liberty Media Series A common stock (Liberty stock) that had been held by us as collateral as of December 31, 2012 under certain of our prepaid forward sale agreements in exchange for all of the equity of a subsidiary of Liberty Media. The fair value of the Liberty stock at the date of the close of the transaction was \$937 million. The assets of the subsidiary of Liberty Media included cash of \$417 million, Liberty Media's interests in one of NBCUniversal's contractual obligations and a wholly owned operating subsidiary, Leisure Arts, Inc. Following the close of this transaction, we now consolidate the subsidiary transferred to us, and the liability associated with NBCUniversal's contractual obligation is eliminated in consolidation.

Clearwire LLC

In July 2013, in connection with Sprint Communications, Inc.'s (Sprint) acquisition of Clearwire Corporation (Clearwire), Sprint acquired our investment of 89 million Class A shares of Clearwire for \$443 million. As a result, we recognized a pretax gain of \$443 million in our consolidated statement of income, which represented the recognition of cumulative unrealized gains previously recorded in accumulated other comprehensive income (loss).

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Equity Method

We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee's operating and financial policies or where we hold significant partnership or LLC interests. Equity method investments are recorded at cost and are adjusted to recognize (i) our proportionate share of the investee's net income or losses after the date of investment, (ii) amortization of the recorded investment that exceeds our share of the book value of the investee's net assets, (iii) additional contributions made and dividends received and (iv) impairments resulting from other-than-temporary declines in fair value. For some investments, we record our share of the investee's net income or loss one quarter in arrears due to the timing of our receipt of such information. Gains or losses on the sale of equity method investments are recorded to other income (expense), net. If an equity method investee were to issue additional securities that would change our proportionate share of the entity, we would recognize the change, if any, as a gain or loss in our consolidated statement of income.

[The Weather Channel](#)

In June 2013, we received a distribution from The Weather Channel Holding Corp. (The Weather Channel) of \$152 million, of which \$128 million was recorded as a return of its investment in The Weather Channel and included under the caption return of capital from investees in our consolidated statement of cash flows.

[Hulu](#)

In July 2013, we entered into an agreement to provide capital contributions totaling \$247 million to Hulu, LLC (Hulu), which we had previously accounted for as a cost method investment. This represented an agreement to provide our first capital contribution to Hulu since our interest was acquired as part of the NBCUniversal transaction, therefore we began to apply the equity method of accounting for this investment. The change in the method of accounting for this investment required us to recognize our proportionate share of Hulu's accumulated losses from the date of the NBCUniversal transaction through July 2013.

Cost Method

We use the cost method to account for investments not accounted for under the fair value method or the equity method.

[AirTouch Communications, Inc.](#)

We hold two series of preferred stock of AirTouch Communications, Inc. (AirTouch), a subsidiary of Vodafone, which are redeemable in April 2020. As of December 31, 2013 and 2012, the estimated fair value of the AirTouch preferred stock was \$1.7 billion and \$1.8 billion, respectively.

The dividend and redemption activity of the AirTouch preferred stock determines the dividend and redemption payments associated with substantially all of the preferred shares issued by one of our consolidated subsidiaries, which is a VIE. The subsidiary has three series of preferred stock outstanding with an aggregate redemption value of \$1.75 billion. Substantially all of the preferred shares are redeemable in April 2020 at a redemption value of \$1.65 billion. As of both December 31, 2013 and 2012, the two redeemable series of subsidiary preferred shares were recorded at \$1.5 billion, and those amounts are included in other noncurrent liabilities. As of December 31, 2013 and 2012, these redeemable subsidiary preferred shares had an estimated fair value of \$1.7 billion and \$1.8 billion, respectively. The estimated fair values are based on Level 2 inputs using 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. The one nonredeemable series of subsidiary preferred shares was recorded at \$100 million as of both December 31, 2013 and 2012, and those amounts are included in noncontrolling interests in our consolidated balance sheet. The carrying amounts of the

nonredeemable subsidiary preferred shares approximate their fair value.

Table of Contents**Comcast Corporation****Impairment Testing of Investments**

We review our investment portfolio each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that would be considered other than temporary. For our nonpublic investments, if there are no identified events or circumstances that would have a significant adverse effect on the fair value of the investment, then the fair value is not estimated. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying amount of the investment to its quoted or estimated fair value, as applicable, and establish a new cost basis for the investment. For our AFS and cost method investments, we record the impairment to investment income (loss), net. For our equity method investments, we record the impairment to other income (expense), net. During 2013, we recorded \$249 million of impairment charges to our equity method investments, which were primarily related to a regional sports cable network based in Houston, Texas.

Note 7: Property and Equipment

| | Weighted-Average | | |
|--------------------------------------|-------------------------|------------------|-----------|
| | Original Useful | | |
| | Life | | |
| December 31 (in millions) | As of December 31, 2013 | 2013 | 2012 |
| Cable distribution system | 11 years | \$ 30,498 | \$ 29,528 |
| Customer premise equipment | 6 years | 25,949 | 24,763 |
| Other equipment | 5 years | 6,826 | 5,909 |
| Buildings and leasehold improvements | 21 years | 8,057 | 5,468 |
| Land | | 1,084 | 989 |
| Property and equipment, at cost | | 72,414 | 66,657 |
| Less: Accumulated depreciation | | 42,574 | 39,425 |
| Property and equipment, net | | \$ 29,840 | \$ 27,232 |

Property and equipment are stated at cost. We capitalize improvements that extend asset lives and expense repairs and maintenance costs as incurred. We record depreciation using the straight-line method over the asset's estimated useful life. For assets that are sold or retired, we remove the applicable cost and accumulated depreciation and, unless the gain or loss on disposition is presented separately, we recognize it as a component of depreciation expense.

We capitalize the costs associated with the construction of and improvements to our cable transmission and distribution facilities, costs associated with acquiring and deploying new customer premise equipment, and costs associated with installation of our services in accordance with accounting guidance related to cable television companies. Costs capitalized include all direct labor and materials, as well as various indirect costs. All costs incurred in connection with subsequent disconnects and reconnects are expensed as they are incurred.

We evaluate the recoverability of our property and equipment whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of depreciation expense.

Table of Contents**Comcast Corporation****Acquisitions of Real Estate Properties**

Real estate acquisitions for 2013 primarily included NBCUniversal's purchase from GE of certain properties NBCUniversal occupies at 30 Rockefeller Plaza in New York City and CNBC's headquarters in Englewood Cliffs, New Jersey. The CNBC property was previously recorded as a capital lease in our consolidated balance sheet. Other acquisitions included NBCUniversal's purchase in September 2013 of a business whose primary asset is a property located at 10 Universal City Plaza, which is adjacent to Universal Studios in Hollywood, California, and Comcast's purchase in December 2013 of an 80% interest in a business whose primary asset is our corporate headquarters in Philadelphia, Pennsylvania. These purchases resulted in increases of \$2.2 billion in property and equipment which are included, as applicable, within the captions "buildings and leasehold improvements" and "land" in the table above.

Note 8: Goodwill and Intangible Assets**Goodwill**

| (in millions) | NBCUniversal | | | | | Corporate | | Total |
|-----------------------------------|------------------|------------------|---------------|-------------|---------------|--------------|------------------|-------|
| | Cable | Cable Broadcast | Filmed | Theme | and Other | | | |
| Balance, December 31, 2011 | \$ 12,208 | \$ 12,744 | \$ 772 | \$ 1 | \$ 1,140 | \$ 9 | \$ 26,874 | |
| Acquisitions: | | | | | | | | |
| MSNBC.com | | 227 | | | | | 227 | |
| Other | | 79 | | | | | 79 | |
| Dispositions | (1) | | | | | | (1) | |
| Adjustments ^(a) | (1) | (24) | (11) | | (158) | | (194) | |
| Balance, December 31, 2012 | 12,206 | 13,026 | 761 | 1 | 982 | 9 | 26,985 | |
| Acquisitions | | 39 | 3 | | | | 42 | |
| Adjustments^(a) | | 65 | 5 | | | 1 | 71 | |
| Balance, December 31, 2013 | \$ 12,206 | \$ 13,130 | \$ 769 | \$ 1 | \$ 982 | \$ 10 | \$ 27,098 | |

(a) Adjustments to goodwill in 2013 were primarily related to an immaterial correction to the allocation of purchase price associated with the NBCUniversal transaction. Adjustments to goodwill in 2012 were primarily related to the adjustments to the allocation of purchase price associated with the Universal Orlando transaction in 2011.

We assess the recoverability of our goodwill annually, or more frequently whenever events or substantive changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value. We test goodwill for impairment at the reporting unit level. To determine our reporting units, we evaluate the components one level below the segment level and we aggregate the components if they have similar economic characteristics. As a result of this assessment, our reporting units are the same as our five reportable segments. We evaluate the determination of our reporting units used to test for impairment periodically or whenever events or substantive changes in circumstances occur. The assessment of recoverability may first consider qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. The quantitative assessment considers if the carrying amount of a reporting unit exceeds its fair value, in which case an impairment charge is recorded to the extent the carrying amount of the

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reporting unit's goodwill exceeds its implied fair value. Unless presented separately, the impairment charge is included as a component of amortization expense.

Table of Contents**Comcast Corporation****Intangible Assets**

| | Weighted-Average Original Useful Life | 2013 | | 2012 | |
|--|---|--------------------------|-----------------------------|--------------------------|-----------------------------|
| | | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| December 31 (in millions) | as of December 31, 2013 | | | | |
| Indefinite-Lived Intangible Assets: | | | | | |
| Franchise rights | N/A | \$ 59,364 | | \$ 59,364 | |
| Trade names | N/A | 3,089 | | 3,080 | |
| FCC licenses | N/A | 652 | | 636 | |
| Finite-Lived Intangible Assets: | | | | | |
| Customer relationships | 19 years | 15,037 | \$ (4,772) | 14,970 | \$ (3,971) |
| Cable franchise renewal costs and contractual operating rights | 10 years | 1,360 | (745) | 1,257 | (676) |
| Software | 5 years | 4,271 | (2,405) | 3,795 | (2,123) |
| Patents and other technology rights | 9 years | 361 | (307) | 350 | (283) |
| Other agreements and rights | 20 years | 1,433 | (645) | 1,414 | (609) |
| Total | | \$ 85,567 | \$ (8,874) | \$ 84,866 | \$ (7,662) |

Indefinite-Lived Intangible Assets

Indefinite-lived intangible assets consist primarily of our cable franchise rights, as well as trade names and FCC licenses. Our cable franchise rights represent the values we attributed to agreements with state and local authorities that allow access to homes and businesses in cable service areas acquired in business combinations. We do not amortize our cable franchise rights because we have determined that they meet the definition of indefinite-lived intangible assets since there are no legal, regulatory, contractual, competitive, economic or other factors which limit the period over which these rights will contribute to our cash flows. We reassess this determination periodically or whenever events or substantive changes in circumstances occur. Costs we incur in negotiating and renewing cable franchise agreements are included in other intangible assets and are generally amortized on a straight-line basis over the term of the franchise agreement.

We assess the recoverability of our franchise rights and other indefinite-lived intangible assets annually, or more frequently whenever events or substantive changes in circumstances indicate that the assets might be impaired. Our three Cable Communications divisions represent the unit of account we use to test for impairment for our cable franchise rights. We evaluate the unit of account used to test for impairment of our cable franchise rights and other indefinite-lived intangible assets periodically or whenever events or substantive changes in circumstances occur to ensure impairment testing is performed at an appropriate level. The assessment of recoverability may first consider qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. When performing a quantitative assessment, we estimate the fair value of our cable franchise rights and other indefinite-lived intangible assets primarily based on a discounted cash flow analysis that involves significant judgment. When analyzing the fair values indicated under the discounted cash flow models, we also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions, and profitability information. If the fair value of our cable franchise rights or other indefinite-lived intangible assets were less than the carrying amount, we would recognize an impairment charge for the difference between the estimated fair value and the carrying value of the assets. Unless presented separately, the impairment charge is included as a component of amortization expense.

Table of Contents**Comcast Corporation**[Finite-Lived Intangible Assets](#)[Estimated Amortization Expense of Finite-Lived Intangibles](#)

(in millions)

| | |
|------|----------|
| 2014 | \$ 1,487 |
| 2015 | \$ 1,345 |
| 2016 | \$ 1,196 |
| 2017 | \$ 1,046 |
| 2018 | \$ 893 |

Finite-lived intangible assets are subject to amortization and consist primarily of customer relationships acquired in business combinations, cable franchise renewal costs, contractual operating rights, intellectual property rights and software. Our finite-lived intangible assets are amortized primarily on a straight-line basis over their estimated useful life or the term of the respective agreement.

We capitalize direct development costs associated with internal-use software, including external direct costs of material and services and payroll costs for employees devoting time to these software projects. We also capitalize costs associated with the purchase of software licenses. We include these costs in other intangible assets and amortize them on a straight-line basis over a period not to exceed five years. We expense maintenance and training costs, as well as costs incurred during the preliminary stage of a project, as they are incurred. We capitalize initial operating system software costs and amortize them over the life of the associated hardware.

We evaluate the recoverability of our intangible assets subject to amortization whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of amortization expense.

Note 9: Long-Term Debt[Long-Term Debt Outstanding](#)

| December 31 (in millions) | Weighted-Average Interest Rate as of December 31, | | 2013 | 2012 |
|---|--|------|---------------|--------|
| | 2013 | 2012 | | |
| Commercial paper | 0.295% | \$ | 1,350 | \$ |
| Revolving bank credit facilities | 1.166% | | 1,250 | |
| Senior notes with maturities of 5 years or less | 4.718% | | 15,080 | 12,991 |
| Senior notes with maturities between 6 and 10 years | 4.558% | | 11,533 | 10,334 |
| Senior notes with maturities greater than 10 years ^(a) | 5.971% | | 18,010 | 16,801 |

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| | | | |
|--|----------------------|------------------|-----------|
| Other, including capital lease obligations | | 624 | 332 |
| Total debt | 4.80% ^(b) | 47,847 | 40,458 |
| Less: Current portion | | 3,280 | 2,376 |
| Long-term debt | | \$ 44,567 | \$ 38,082 |

(a) Both the December 31, 2013 and 2012 amounts include £625 million of 5.50% notes due 2029 translated at \$1 billion, using the exchange rates as of these dates.

(b) Includes the effects of our derivative financial instruments.

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As of December 31, 2013 and 2012, our debt had an estimated fair value of \$51.8 billion and \$47.7 billion, respectively. The estimated fair value of our publicly traded debt is based on quoted market values for the debt. To estimate the fair value of debt for which there are no quoted market prices, we use interest rates available to us for debt with similar terms and remaining maturities. See Note 21 for additional information on our subsidiary guarantee structures.

Debt Maturities

| (in millions) | Weighted-Average Interest Rate | |
|---------------|-----------------------------------|-----------|
| 2014 | 2.343% | \$ 3,280 |
| 2015 | 5.899% | \$ 3,420 |
| 2016 | 4.265% | \$ 3,501 |
| 2017 | 6.977% | \$ 2,557 |
| 2018 | 4.510% | \$ 5,394 |
| Thereafter | 5.451% | \$ 29,695 |

2013 Debt Borrowings

| | |
|--|----------|
| Year ended December 31, 2013 (in millions) | |
| Comcast 4.250% senior notes due 2033 | \$ 1,700 |
| Comcast 2.850% senior notes due 2023 | 750 |
| Comcast 4.500% senior notes due 2043 | 500 |
| Total | \$ 2,950 |

2013 Debt Repayments and Redemptions

| | |
|--|----------|
| Year ended December 31, 2013 (in millions) | |
| Comcast 8.375% senior notes due 2013 | \$ 1,714 |
| Comcast 7.125% senior notes due 2013 | 383 |
| Comcast 7.875% senior notes due 2013 | 238 |
| Other | 109 |
| Total | \$ 2,444 |

Redemption Transaction

The Redemption Transaction resulted in the consolidation of an additional \$4 billion aggregate principal amount of senior notes issued by NBCUniversal Enterprise and \$1.25 billion of borrowings under the NBCUniversal Enterprise credit facility. The total consideration for the Redemption Transaction also included \$750 million of cash funded through our commercial paper program.

The NBCUniversal Enterprise senior notes are comprised of \$1.1 billion aggregate principal amount of 1.662% senior notes due 2018, \$1.5 billion aggregate principal amount of 1.974% senior notes due 2019, \$700 million aggregate principal amount of floating rate senior notes due 2016 and \$700 million aggregate principal amount of floating rate senior notes due 2018. The floating rate senior notes due 2016 and 2018 will accrue interest for each quarterly interest period at a rate equal to three-month London Interbank Offered Rate (LIBOR) plus 0.537% and 0.685%, respectively.

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On March 19, 2013, NBCUniversal Enterprise amended and restated the existing credit agreement of NBCUniversal to, among other things, substitute NBCUniversal Enterprise for NBCUniversal as the sole borrower, reduce the borrowing capacity of the facility from \$1.5 billion to \$1.35 billion, extend the term of the facility to March 2018 and revise the interest rate on borrowings. The interest rate on the credit facility consists of a

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Comcast Corporation

base rate plus a borrowing margin that is determined based on our credit rating. Following the amendments to this credit agreement, NBCUniversal's commercial paper program was terminated. As of December 31, 2013, \$1.25 billion was outstanding under this credit facility.

Debt Instruments

Revolving Credit Facilities

As of December 31, 2013, Comcast and Comcast Cable Communications, LLC had a \$6.25 billion revolving credit facility due June 2017 with a syndicate of banks. The interest rate on this facility consists of a base rate plus a borrowing margin that is determined based on our credit rating. As of December 31, 2013, the borrowing margin for LIBOR-based borrowings was 1.00%. This revolving credit facility requires that we maintain certain financial ratios based on our debt and our operating income before depreciation and amortization, as defined in the credit facility. We were in compliance with all financial covenants for all periods presented.

As of December 31, 2013, amounts available under our consolidated credit facilities, net of amounts outstanding under our commercial paper program and outstanding letters of credit, totaled \$4.7 billion, which included \$100 million available under NBCUniversal Enterprise's credit facility.

Commercial Paper Program

Our commercial paper program provides a lower cost source of borrowing to fund our short-term working capital requirements and is supported by our \$6.25 billion revolving credit facility due June 2017. In September 2013, we increased the borrowing capacity of our commercial paper program from \$2.25 billion to \$6.25 billion.

Letters of Credit

As of December 31, 2013, we and certain of our subsidiaries had unused irrevocable standby letters of credit totaling \$515 million to cover potential fundings under various agreements.

Note 10: Fair Value Measurements

The accounting guidance related to financial assets and financial liabilities (financial instruments) establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). The levels of the hierarchy are described below.

Level 1: Consists of financial instruments whose values are based on quoted market prices for identical financial instruments in an active market.

Level 2: Consists of financial instruments that are valued using models or other valuation methodologies. These models use inputs that are observable either directly or indirectly. Level 2 inputs include (i) quoted prices for similar assets or liabilities in active markets, (ii) quoted prices for identical or similar assets or liabilities in markets that are not active, (iii) pricing models whose inputs are observable for substantially the full term of the

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financial instrument and (iv) 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.

Level 3: Consists of financial instruments whose values are determined using pricing models that use significant inputs that are primarily unobservable, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

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Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial instruments and their classification within the fair value hierarchy. Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. There have been no changes in the classification of any financial instruments within the fair value hierarchy in the periods presented. Our financial instruments that are accounted for at fair value on a recurring basis are presented in the table below.

Recurring Fair Value Measures

| (in millions) | Fair Value as of December 31, 2013 | | | | Fair Value as of December 31, 2012 | | | |
|--|------------------------------------|----------|----------|----------|------------------------------------|----------|----------|----------|
| | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| Assets | | | | | | | | |
| Trading securities | \$ 3,956 | \$ | \$ | \$ 3,956 | \$ 4,027 | \$ | \$ | \$ 4,027 |
| Available-for-sale securities | 260 | 118 | 11 | 389 | 367 | 76 | 21 | 464 |
| Interest rate swap agreements | | 110 | | 110 | | 210 | | 210 |
| Other | | 80 | 1 | 81 | | 36 | 2 | 38 |
| Total | \$ 4,216 | \$ 308 | \$ 12 | \$ 4,536 | \$ 4,394 | \$ 322 | \$ 23 | \$ 4,739 |
| Liabilities | | | | | | | | |
| Derivative component of prepaid forward sale agreements and indexed debt instruments | \$ | \$ 2,816 | \$ | \$ 2,816 | \$ | \$ 2,305 | \$ | \$ 2,305 |
| Contractual obligations | | | 747 | 747 | | | 1,055 | 1,055 |
| Contingent consideration | | | 684 | 684 | | | 587 | 587 |
| Other | | 16 | | 16 | | 14 | | 14 |
| Total | \$ | \$ 2,832 | \$ 1,431 | \$ 4,263 | \$ | \$ 2,319 | \$ 1,642 | \$ 3,961 |

Contractual Obligations and Contingent Consideration

The fair values of the contractual obligations and contingent consideration in the table above are primarily based on certain expected future discounted cash flows, the determination of which involves the use of significant unobservable inputs. The most significant unobservable inputs we use are our estimates of the future revenue we expect to generate from certain NBCUniversal entities, which are related to our contractual obligations, and future net tax benefits that will affect payments to GE, which are related to contingent consideration. The discount rates used in the measurements of fair value were between 5% and 13% and are based on the underlying risk associated with our estimate of future revenue, as well as the terms of the respective contracts, and the uncertainty in the timing of our payments to GE. The fair value adjustments to contractual obligations and contingent consideration are sensitive to the assumptions related to future revenue and tax benefits, respectively, as well as to current interest rates, and therefore, the adjustments are recorded to other income (expense), net in our consolidated statement of income.

Table of Contents**Comcast Corporation**[Changes in Contractual Obligations and Contingent Consideration](#)

| (in millions) | Contractual Obligations | Contingent Consideration |
|---|----------------------------|-----------------------------|
| Balance, December 31, 2012 | \$ 1,055 | \$ 587 |
| Fair value adjustments | 158 | 106 |
| Payments | (83) | (214) |
| Redemption Transaction (see Note 4 for additional information) | | 205 |
| Liberty Media transaction (see Note 6 for additional information) | (383) | |
| Balance, December 31, 2013 | \$ 747 | \$ 684 |

Nonrecurring Fair Value Measures

We have assets and liabilities that are required to be recorded at fair value on a nonrecurring basis when certain circumstances occur. In the case of film or stage play production costs, upon the occurrence of an event or change in circumstance that may indicate that the fair value of a production is less than its unamortized costs, we determine the fair value of the production and record an adjustment for the amount by which the unamortized capitalized costs exceed the production's fair value. The estimate of fair value of a production is determined using Level 3 inputs, primarily an analysis of future expected cash flows. Adjustments to capitalized film and stage play production costs of \$167 million and \$161 million were recorded in 2013 and 2012, respectively.

[Note 11: Noncontrolling Interests](#)

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

We acquired GE's remaining 49% common equity interest in NBCUniversal Holdings, which had previously been presented as a redeemable noncontrolling interest in our consolidated balance sheet. See Note 4 for additional information on the Redemption Transaction. The difference between the consideration transferred and the recorded value of GE's 49% redeemable noncontrolling common equity interest, as well as the related tax impacts, were recorded to additional paid-in capital. The table below includes the impact of the Redemption Transaction on our changes in equity.

[Changes in Equity](#)

| | |
|---|-----------------|
| Year ended December 31 (in millions) | 2013 |
| Net income attributable to Comcast Corporation | \$ 6,816 |
| Transfers from (to) noncontrolling interests: | |
| Decrease in Comcast Corporation additional paid-in capital resulting from the purchase of GE's redeemable noncontrolling common equity interest | (1,651) |
| Other | (26) |

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Changes in equity resulting from net income attributable to Comcast Corporation and transfers from
(to) noncontrolling interests **\$ 5,139**

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Table of Contents**Comcast Corporation****Note 12: Postretirement, Pension and Other Employee Benefit Plans**

The table below provides condensed information on our postretirement and pension benefit plans.

| Year ended December 31 (in millions) | 2013 | | 2012 | | 2011 | |
|--|-------------------------|------------------|-------------------------|------------------|-------------------------|------------------|
| | Postretirement Benefits | Pension Benefits | Postretirement Benefits | Pension Benefits | Postretirement Benefits | Pension Benefits |
| Benefit obligation | \$ 633 | \$ 498 | \$ 703 | \$ 805 | \$ 618 | \$ 638 |
| Fair value of plan assets ^(a) | | 220 | | 403 | | 176 |
| Plan funded status and recorded benefit obligation | (633) | (278) | (703) | (402) | (618) | (462) |
| Portion of benefit obligation not yet recognized in benefits expense | (110) | (3) | 17 | 151 | (17) | 137 |
| Benefits expense ^(b) | 65 | 12 | 60 | 163 | 47 | 117 |
| Discount rate | 5.00-5.25% | 4.50-5.25% | 4.25% | 3.25-4.25% | 4.75% | 4.75-5.25% |
| Expected return on plan assets | N/A | 5.00% | N/A | 5.00% | N/A | 6.50% |

(a) The fair value of the plan assets are primarily based on Level 1 inputs using quoted market prices for identical financial instruments in an active market.

(b) We did not recognize service cost in 2013 as our pension plans were frozen. The 2012 and 2011 amounts included service costs related to our pension benefits of \$139 million and \$99 million, respectively.

Postretirement Benefit Plans

We and NBCUniversal sponsor various benefit plans that provide postretirement benefits to eligible employees based on years of service. The Comcast Postretirement Healthcare Stipend Program (the stipend plan) provides an annual stipend for reimbursement of healthcare costs to each eligible employee based on years of service. Under the stipend plans, we are not exposed to the increasing costs of healthcare because the benefits are fixed at a predetermined amount.

NBCUniversal's postretirement medical and life insurance plans provide continuous coverage to employees eligible to receive such benefits. A small number of eligible employees also participate in legacy plans of acquired companies.

All of our postretirement benefit plans are unfunded and substantially all of our postretirement benefit obligations are recorded to noncurrent liabilities. The expense we recognize related to our postretirement benefit plans is determined using certain assumptions, including the discount rate.

Pension Plans**NBCUniversal**

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NBCUniversal sponsors various domestic qualified and nonqualified defined benefit plans for which future benefits were frozen effective December 31, 2012. We ceased to recognize service costs associated with these defined benefit plans following the date on which future benefits were frozen. The expense we recognize related to our defined benefit plans is determined using certain assumptions, including the discount rate and the expected long-term rate of return on plan assets. We recognize the funded or unfunded status of our defined benefit plans as an asset or liability in our consolidated balance sheet and recognize changes in the funded status in the year in which the changes occur through accumulated other comprehensive income (loss). In the event of a defined benefit plan termination, we expect to fully fund and settle the plan within 180

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days of approval by the Internal Revenue Service (IRS) and the Pension Benefit Guaranty Corporation (PBGC). In addition to the defined benefit plans it sponsors, NBCUniversal is also obligated to reimburse GE for future benefit payments to those participants who were vested in the supplemental pension plan sponsored by GE at the time of the close of the NBCUniversal transaction.

In October 2013, NBCUniversal provided notice to the plan participants of its qualified pension plan of its intent to terminate its plan effective December 31, 2013. The NBCUniversal qualified pension plan was unfunded by \$8 million as of December 31, 2013, and NBCUniversal expects to seek approval for this termination from the IRS and PBGC in 2014.

Other

In August 2013, we settled all of our obligations related to the termination in February 2012 of the qualified pension plan that provided benefits to former employees of a company we acquired as part of the AT&T Broadband transaction in 2002. In connection with this final settlement, we fully funded the plan with additional contributions of \$55 million and recorded an expense of \$74 million in other operating and administrative expenses, which was previously recorded in accumulated other comprehensive income (loss).

Other Employee Benefits

Deferred Compensation Plans

We maintain unfunded, nonqualified deferred compensation plans for certain members of management and nonemployee directors (each, a participant). The amount of compensation deferred by each participant is based on participant elections. Participant accounts, except for those in the NBCUniversal plan, are credited with income primarily based on a fixed annual rate. Participants in the NBCUniversal plan designate one or more valuation funds, independently established funds or indices that are used to determine the amount of earnings to be credited or debited to the participant s account. Participants are eligible to receive distributions of the amounts credited to their account based on elected deferral periods that are consistent with the plans and applicable tax law.

The table below presents the benefit obligation and interest expense for our deferred compensation plans.

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|--------------------------------------|----------|----------|----------|
| Benefit obligation | \$ 1,434 | \$ 1,247 | \$ 1,059 |
| Interest expense | \$ 128 | \$ 107 | \$ 99 |

We have purchased life insurance policies to recover a portion of the future payments related to our deferred compensation plans. As of December 31, 2013 and 2012, the cash surrender value of these policies, which is recorded to other noncurrent assets, was \$565 million and \$478 million, respectively.

Retirement Investment Plans

We sponsor several 401(k) defined contribution retirement plans that allow eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified plan guidelines. We make contributions to the plans that include matching a percentage of the employees contributions up to certain limits. In 2013, 2012 and 2011, expenses related to these plans totaled \$324 million, \$246 million and \$226 million, respectively.

Split-Dollar Life Insurance Agreements

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We have collateral assignment split-dollar life insurance agreements with select key current and former employees that require us to incur certain insurance-related costs. Under some of these agreements, our obligation to provide benefits to the employees extends beyond retirement.

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The table below presents the benefit obligation and expenses related to our split-dollar life insurance agreements.

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|---|--------|--------|--------|
| Benefit obligation | \$ 212 | \$ 202 | \$ 169 |
| Other operating and administrative expenses | \$ 50 | \$ 58 | \$ 27 |

Multiemployer Benefit Plans

We also participate in various multiemployer pension and other postretirement benefit plans through the activities of NBCUniversal that cover some of our employees and temporary employees who are represented by labor unions. We make periodic contributions to these plans in accordance with the terms of applicable collective bargaining agreements and laws but do not sponsor or administer these plans. We do not participate in any multiemployer benefit plans for which we consider our contributions to be individually significant, and the largest plans in which we participate are funded at a level of 80% or greater. In 2013, 2012 and 2011, the total contributions we made to multiemployer pension and other postretirement benefit plans were \$66 million, \$53 million and \$42 million, respectively.

If we cease to be obligated to make contributions or otherwise withdraw from participation in any of these plans, applicable law requires us to fund our allocable share of the unfunded vested benefits, which is known as a withdrawal liability. In addition, actions taken by other participating employers may lead to adverse changes in the financial condition of one of these plans, which could result in an increase in our withdrawal liability.

Severance Benefits

We provide severance benefits to certain former employees. A liability is recorded for benefits provided when payment is probable, the amount is reasonably estimable, and the obligation relates to rights that have vested or accumulated. During 2013, 2012 and 2011, we recorded \$160 million, \$155 million and \$128 million, respectively, of severance costs.

Note 13: Equity**Common Stock**

In the aggregate, holders of our Class A common stock have $66\frac{2}{3}\%$ of the voting power of our common stock and holders of our Class B common stock have $33\frac{1}{3}\%$ of the voting power of our common stock. Our Class A Special common stock is generally nonvoting. Each share of our Class B common stock is entitled to 15 votes. The number of votes held by each share of our Class A common stock depends on the number of shares of Class A and Class B common stock outstanding at any given time. The $33\frac{1}{3}\%$ aggregate voting power of our Class B common stock cannot be diluted by additional issuances of any other class of common stock. Our Class B common stock is convertible, share for share, into Class A or Class A Special common stock, subject to certain restrictions.

Table of Contents**Comcast Corporation**[Common Stock Outstanding](#)

| (in millions) | A | A Special | B |
|--|--------------|-------------|----------|
| Balance, January 1, 2011 | 2,072 | 695 | 9 |
| Stock compensation plans | 20 | 1 | |
| Repurchases and retirements of common stock | | (95) | |
| Employee stock purchase plans | 3 | | |
| Balance, December 31, 2011 | 2,095 | 601 | 9 |
| Stock compensation plans | 24 | 3 | |
| Repurchases and retirements of common stock | | (96) | |
| Employee stock purchase plans | 3 | | |
| Balance, December 31, 2012 | 2,122 | 508 | 9 |
| Stock compensation plans | 14 | | |
| Repurchases and retirements of common stock | | (49) | |
| Employee stock purchase plans | 2 | | |
| Balance, December 31, 2013 | 2,138 | 459 | 9 |

[Share Repurchases](#)

As of December 31, 2013, we had \$1.5 billion of availability remaining under the \$6.5 billion share repurchase authorization approved by our Board of Directors in 2012.

In January 2014, our Board of Directors increased our share repurchase program authorization to \$7.5 billion, which does not have an expiration date. Under this authorization, we may repurchase shares in the open market or in private transactions.

[Share Repurchases](#)

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|--------------------------------------|----------|----------|----------|
| Cash consideration | \$ 2,000 | \$ 3,000 | \$ 2,141 |
| Shares repurchased | 49 | 96 | 95 |

[Accumulated Other Comprehensive Income \(Loss\)](#)

| December 31 (in millions) | 2013 | 2012 |
|--|-------|--------|
| Unrealized gains (losses) on marketable securities | \$ 67 | \$ 182 |
| Deferred gains (losses) on cash flow hedges | (45) | (67) |
| Unrecognized gains (losses) on employee benefit obligations | 71 | (95) |
| Cumulative translation adjustments | (37) | (5) |
| Accumulated other comprehensive income (loss), net of deferred taxes | \$ 56 | \$ 15 |

Table of Contents**Comcast Corporation****Note 14: Share-Based Compensation**

The tables below provide condensed information on our share-based compensation.

Recognized Share-Based Compensation Expense

| | | | |
|--------------------------------------|---------------|--------|--------|
| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
| Stock options | \$ 139 | \$ 131 | \$ 116 |
| Restricted share units | 175 | 154 | 149 |
| Employee stock purchase plans | 20 | 16 | 13 |
| Total | \$ 334 | \$ 301 | \$ 278 |

As of December 31, 2013, we had unrecognized pretax compensation expense of \$318 million related to nonvested stock options and unrecognized pretax compensation expense of \$380 million related to nonvested RSUs that will be recognized over a weighted-average period of approximately 1.9 years and 1.7 years, respectively.

2013 Stock Options and Restricted Share Units

| | | |
|---|----------|----------|
| As of December 31, 2013, unless otherwise stated (in millions, except per share data) | Stock | RSUs |
| Awards granted during 2013 | 18 | 7 |
| Weighted-average exercise price | \$ 41.22 | |
| Weighted-average fair value at grant date | | \$ 38.28 |
| Stock options outstanding and nonvested RSUs ^(a) | 104 | 26 |
| Weighted-average exercise price of stock options outstanding | \$ 25.49 | |
| Weighted-average fair value at grant date of nonvested RSUs | | \$ 25.38 |

(a) As of December 31, 2013, 102 million of stock options outstanding were net settled stock options. Net settled stock options, as opposed to stock options exercised with a cash payment, result in fewer shares being issued and no cash proceeds being received by us when the options are exercised.

Our share-based compensation primarily consists of awards of stock options and RSUs to certain employees and directors as part of our approach to long-term incentive compensation. Awards generally vest over a period of 5 years and in the case of stock options, have a 10 year term. Additionally, through our employee stock purchase plans, employees are able to purchase shares of Comcast Class A common stock at a discount through payroll deductions.

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The cost associated with our share-based compensation is based on an award's estimated fair value at the date of grant and is recognized over the period in which any related services are provided. We use the Black-Scholes option pricing model to estimate the fair value of stock option awards. RSUs are valued based on the closing price of our Class A common stock on the date of grant and are discounted for the lack of dividends, if any, during the vesting period. The table below presents the weighted-average fair value on the date of grant of RSUs and Class A common stock options awarded under our various plans and the related weighted-average valuation assumptions.

| Year Ended December 31 | 2013 | 2012 | 2011 |
|-------------------------------------|-----------------|----------|----------|
| RSUs fair value | \$ 38.28 | \$ 27.80 | \$ 22.78 |
| Stock options fair value | \$ 8.80 | \$ 7.38 | \$ 6.96 |
| Stock Option Valuation Assumptions: | | | |
| Dividend yield | 1.9% | 2.2% | 1.8% |
| Expected volatility | 25.0% | 29.0% | 28.1% |
| Risk-free interest rate | 1.3% | 1.7% | 2.8% |
| Expected option life (in years) | 7.0 | 7.0 | 7.0 |

Note 15: Income Taxes**Components of Income Tax Expense**

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|--------------------------------------|-----------------|----------|----------|
| Current expense (benefit): | | | |
| Federal | \$ 3,183 | \$ 3,004 | \$ 1,480 |
| State | 581 | 432 | 359 |
| Foreign | 200 | 169 | 153 |
| | 3,964 | 3,605 | 1,992 |
| Deferred expense (benefit): | | | |
| Federal | (76) | 160 | 658 |
| State | 108 | (40) | 371 |
| Foreign | (16) | 19 | 29 |
| | 16 | 139 | 1,058 |
| Income tax expense | \$ 3,980 | \$ 3,744 | \$ 3,050 |

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) | 2013 | 2012 | 2011 |
|--|-----------------|----------|----------|
| Federal tax at statutory rate | \$ 3,890 | \$ 4,063 | \$ 2,872 |
| State income taxes, net of federal benefit | 319 | 178 | 354 |
| Foreign income taxes, net of federal credit | 15 | 92 | 89 |
| Nontaxable income attributable to noncontrolling interests | (103) | (620) | (410) |
| Adjustments to uncertain and effectively settled tax positions, net | 58 | 114 | 77 |
| Accrued interest on uncertain and effectively settled tax positions, net | 114 | 23 | 66 |
| Other | (313) | (106) | 2 |

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| | | | |
|--------------------|-----------------|----------|----------|
| Income tax expense | \$ 3,980 | \$ 3,744 | \$ 3,050 |
|--------------------|-----------------|----------|----------|

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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.

From time to time, we engage in transactions in which the tax consequences may be subject to uncertainty. In these cases, we evaluate our tax positions using the recognition threshold and the measurement attribute in accordance with the accounting guidance related to uncertain tax positions. Examples of these transactions include business acquisitions and dispositions, including consideration paid or received in connection with these transactions, and certain financing transactions. Significant judgment is required in assessing and estimating the tax consequences of these transactions. We determine whether it is more likely than not that a tax position will be sustained on examination, including the resolution of any related appeals or litigation processes, based on the technical merits of the position. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to be recognized in our financial statements. We classify interest and penalties, if any, associated with our uncertain tax positions as a component of income tax expense.

NBCUniversal

For U.S. federal income tax purposes, NBCUniversal Holdings is treated as a partnership and NBCUniversal is disregarded as an entity separate from NBCUniversal Holdings. Accordingly, neither NBCUniversal Holdings nor NBCUniversal and its subsidiaries incur any material current or deferred domestic income taxes. Following the close of the Redemption Transaction in March 2013, the taxable income of NBCUniversal Holdings and NBCUniversal is allocable entirely to us.

We are indemnified by GE for any income tax liability attributable to the NBCUniversal contributed businesses for periods prior to the date of the 2011 NBCUniversal Transaction and also for any income tax liability attributable to NBCUniversal Enterprise for periods prior to the date of the Redemption Transaction. We have indemnified GE for any income tax liability attributable to the Comcast Content Business for periods prior to the date of the 2011 NBCUniversal Transaction.

Current and deferred foreign income taxes are incurred by NBCUniversal's foreign subsidiaries. In 2013, 2012, and 2011, NBCUniversal had foreign income before taxes of \$524 million, \$434 million and \$476 million, respectively, on which foreign income tax expense was recorded. We recorded U.S. income tax expense on our allocable share of NBCUniversal's income before domestic and foreign taxes, which was reduced by a U.S. tax credit equal to our allocable share of NBCUniversal's foreign income tax expense.

Table of Contents**Comcast Corporation****Components of Net Deferred Tax Liability**

| December 31 (in millions) | 2013 | 2012 |
|---|------------------|---------------|
| Deferred Tax Assets: | | |
| Net operating loss carryforwards | \$ 495 | \$ 491 |
| Differences between book and tax basis of long-term debt | 117 | 109 |
| Nondeductible accruals and other | 3,588 | 1,771 |
| Less: Valuation allowance | 405 | 355 |
| | 3,795 | 2,016 |
| Deferred Tax Liabilities: | | |
| Differences between book and tax basis of property and equipment and intangible assets | 34,044 | 29,185 |
| Differences between book and tax basis of investments | 473 | 848 |
| Differences between book and tax basis of indexed debt securities | 610 | 587 |
| Differences between book and tax basis of foreign subsidiaries and undistributed foreign earnings | 367 | |
| Differences between book and tax outside basis of NBCUniversal | | 1,413 |
| | 35,494 | 32,033 |
| Net deferred tax liability | \$ 31,699 | \$ 30,017 |

Changes in net deferred income tax liabilities in 2013 that were not recorded as deferred income tax expense are primarily related to increases of \$1.6 billion associated with the Redemption Transaction and increases of \$25 million related to items included in other comprehensive income (loss). Our net deferred tax liability includes \$23 billion related to cable franchise rights that will remain unchanged unless we recognize an impairment or dispose of a cable franchise.

Net deferred tax assets included in current assets are primarily related to our current investments and current liabilities. As of December 31, 2013, we had federal net operating loss carryforwards of \$176 million and various state net operating loss carryforwards that expire in periods through 2033. As of December 31, 2013, we also had foreign net operating loss carryforwards of \$279 million that are related to the foreign operations of NBCUniversal, the majority of which expire in periods through 2023. The determination of the realization of the state and foreign net operating loss carryforwards is dependent on our subsidiaries' taxable income or loss, apportionment percentages, and state and foreign laws that can change from year to year and impact the amount of such carryforwards. We recognize a valuation allowance if we determine it is more likely than not that some portion, or all, of a deferred tax asset will not be realized. As of December 31, 2013 and 2012, our valuation allowance was related primarily to state and foreign net operating loss carryforwards. In 2013, 2012 and 2011, income tax expense attributable to share-based compensation of \$244 million, \$164 million and \$38 million, respectively, was allocated to shareholders' equity.

Uncertain Tax Positions

Our uncertain tax positions as of December 31, 2013 totaled \$1.7 billion, which excludes the federal benefits on state tax positions that were recorded as deferred income taxes. Included in our uncertain tax positions was \$283 million related to tax positions of NBCUniversal and NBCUniversal Enterprise for which we have been indemnified by GE. If we were to recognize the tax benefit for our uncertain tax positions in the future, \$980 million would impact our effective tax rate and the remaining amount would increase our deferred income tax liability. The amount and timing of the recognition of any such tax benefit is dependent on the completion of our tax examinations and the expiration of statutes of limitations. A majority of the amount of our uncertain tax positions relates to positions taken in years before 2007.

Table of Contents**Comcast Corporation**[Reconciliation of Unrecognized Tax Benefits](#)

| (in millions) | 2013 | 2012 | 2011 |
|--|----------|----------|----------|
| Balance, January 1 | \$ 1,573 | \$ 1,435 | \$ 1,251 |
| Additions based on tax positions related to the current year | 90 | 154 | 87 |
| Additions based on tax positions related to prior years | 201 | 79 | 75 |
| Additions from acquired subsidiaries | 268 | | 57 |
| Reductions for tax positions of prior years | (141) | (60) | (22) |
| Reductions due to expiration of statutes of limitations | (3) | (3) | (5) |
| Settlements with taxing authorities | (287) | (32) | (8) |
| Balance, December 31 | \$ 1,701 | \$ 1,573 | \$ 1,435 |

As of December 31, 2013 and 2012, our accrued interest associated with tax positions was \$780 million and \$721 million, respectively. As of December 31, 2013 and 2012, \$42 million and \$11 million, respectively, of these amounts were related to tax positions of NBCUniversal and NBCUniversal Enterprise for which we have been indemnified by GE.

During 2013, the IRS completed its examination of our income tax returns for the years 2009 through 2011. During 2013, we effectively settled federal tax disputes related to prior periods. These settlements did not have a material impact on our income tax expense.

Various states are examining our tax returns through 2011. The tax years of our state tax returns currently under examination vary by state. The majority of the periods under examination relate to tax years 2000 and forward, with a select few dating back to 1993.

It is reasonably possible that certain statutes of limitations for the years 2000 through 2006 will expire within the next 12 months that could result in a decrease to our uncertain tax positions.

Note 16: Supplemental Financial Information[Receivables](#)

| | | |
|---|----------|----------|
| December 31 (in millions) | 2013 | 2012 |
| Receivables, gross | \$ 6,972 | \$ 6,026 |
| Less: Allowance for returns and customer incentives | 375 | 307 |
| Less: Allowance for doubtful accounts | 221 | 198 |
| Receivables, net | \$ 6,376 | \$ 5,521 |

In addition to the amounts in the table above, noncurrent receivables of \$488 million and \$641 million, as of December 31, 2013 and 2012, respectively, are included in other noncurrent assets, net that primarily relate to the licensing of our television and film productions to third parties.

[Cash Payments for Interest and Income Taxes](#)

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Year ended December 31 (in millions)

| | 2013 | 2012 | 2011 |
|--------------|-----------------|----------|----------|
| Interest | \$ 2,355 | \$ 2,314 | \$ 2,441 |
| Income taxes | \$ 3,946 | \$ 2,841 | \$ 1,626 |

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Noncash Investing and Financing Activities

During 2013:

we acquired GE's remaining 49% common equity interest in NBCUniversal Holdings for total consideration of \$16.7 billion, which included noncash consideration of \$6 billion that was comprised of \$4 billion aggregate principal amount of senior notes issued by NBCUniversal Enterprise, \$1.25 billion of borrowings under NBCUniversal Enterprise's credit facility and \$725 million aggregate liquidation preference of NBCUniversal Enterprise Series A cumulative preferred stock (see Note 4 for additional information on the Redemption Transaction)

we acquired \$872 million of property and equipment and intangible assets that were accrued but unpaid

we recorded a liability of \$509 million for a quarterly cash dividend of \$0.195 per common share paid in January 2014

we used \$1.4 billion of equity securities to settle a portion of our obligations under prepaid forward sale agreements

we closed a transaction with Liberty Media that included, among other things, the delivery of Liberty Media shares owned by us in exchange for Liberty Media's interests in one of NBCUniversal's contractual obligations (see Note 6 for additional information)

During 2012:

we acquired \$757 million of property and equipment and intangible assets that were accrued but unpaid

we recorded a liability of \$430 million for a quarterly cash dividend of \$0.1625 per common share paid in January 2013

NBCUniversal entered into a capital lease transaction that resulted in an increase in property and equipment and debt of \$85 million

During 2011:

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we acquired 51% of NBCUniversal Holdings on January 28, 2011 for cash and a 49% interest in the Comcast Content Business (see Note 4 for additional information on the NBCUniversal transaction)

the fair value of NBCUniversal's previously held equity interest in Universal Orlando was accounted for as noncash consideration in the application of acquisition accounting for the Universal Orlando transaction (see Note 4 for additional information on the Universal Orlando transaction)

we acquired \$1 billion of property and equipment and intangible assets that were accrued but unpaid

we recorded a liability of \$305 million for a quarterly cash dividend of \$0.1125 per common share paid in January 2012

Table of Contents**Comcast Corporation****Note 17: Receivables Monetization**

In December 2013, NBCUniversal terminated its programs under which it monetized certain of its accounts receivable with a syndicate of banks. In connection with these terminations, NBCUniversal remitted final payments to the third-party banks that totaled \$1.442 billion (the termination payments) in order to acquire \$1.078 billion of accounts receivables that had been monetized and remained uncollected as of the date of the terminations and settle \$364 million of cash receipts that we had collected and had not yet remitted to the banks. The termination payments are included within net cash provided by operating activities in our consolidated statement of cash flows.

Prior to the terminations, we accounted for receivables monetized through these programs as sales in accordance with the appropriate accounting guidance. We received deferred consideration from the assets sold in the form of a receivable, which was funded by residual cash flows after the senior interests had been fully paid. As of December 31, 2012, the deferred consideration was included in receivables, net at its initial fair value, which reflects the net cash flows we expected to receive related to those interests.

Receivables Monetized and Deferred Consideration

| | |
|----------------------------|--------|
| December 31 (in millions) | 2012 |
| Monetized receivables sold | \$ 791 |
| Deferred consideration | \$ 274 |

In addition to the amounts presented above, we had \$882 million payable to our monetization programs as of December 31, 2012. These amounts represented cash receipts that were not yet remitted to the monetization programs and were recorded to accounts payable and accrued expenses related to trade creditors.

The net cash payments on transfers that are included within net cash provided by operating activities in our consolidated statement of cash flows were \$86 million and \$237 million in 2012 and 2011, respectively. The receivables monetization programs did not have a material effect on our consolidated statement of income for the periods presented.

Note 18: Commitments and Contingencies**Commitments**

NBCUniversal enters into long-term commitments with third parties in the ordinary course of its business, including commitments to acquire film and television programming, creative talent and employment agreements, and various other television-related commitments. Many of NBCUniversal's employees, including writers, directors, actors, technical and production personnel, and others, as well as some of its on-air and creative talent, are covered by collective bargaining agreements or works councils. As of December 31, 2013, the total number of NBCUniversal full-time, part-time and hourly employees on its payroll covered by collective bargaining agreements was 7,200 full-time equivalent employees. Of this total, approximately 19% of these full-time equivalent employees were covered by collective bargaining agreements that have expired or are scheduled to expire during 2014.

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We, through Comcast-Spectacor, have employment agreements with both players and coaches of the Philadelphia Flyers. Certain of these employment agreements, which provide for payments that are guaranteed regardless of employee injury or termination, are covered by disability insurance if certain conditions are met.

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The table below summarizes our minimum annual programming and talent commitments and our minimum annual rental commitments for office space, equipment and transponder service agreements under operating leases. Programming and talent commitments include acquired film and television programming, including U.S. television rights to the future Olympic Games through 2020, *Sunday Night Football* on NBC through the 2022-23 season, and other programming commitments, as well as our various contracts with creative talent and employment agreements.

| | Programming and | Operating |
|---------------------------------------|--------------------|-----------|
| As of December 31, 2013 (in millions) | Talent Commitments | Leases |
| 2014 | \$ 4,899 | \$ 385 |
| 2015 | \$ 3,190 | \$ 335 |
| 2016 | \$ 4,039 | \$ 293 |
| 2017 | \$ 2,755 | \$ 252 |
| 2018 | \$ 3,672 | \$ 206 |
| Thereafter | \$ 20,522 | \$ 673 |

The table below presents our rent expense charged to operations.

| Year ended December 31 (in millions) | 2013 | 2012 | 2011 |
|--------------------------------------|---------------|--------|--------|
| Rent expense | \$ 616 | \$ 688 | \$ 570 |

Contingencies**Antitrust Cases**

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

Classes of Chicago Cluster and Philadelphia Cluster customers were certified in October 2007 and January 2010, respectively. We appealed the class certification in the Philadelphia Cluster case to the Third Circuit Court of Appeals, which affirmed the class certification in August 2011. In June 2012, the U.S. Supreme Court granted our petition to review the Third Circuit Court of Appeals ruling and in March 2013, the Supreme Court ruled that the class had been improperly certified and reversed the judgment of the Third Circuit. The matter has been returned to the District Court for action consistent with the Supreme Court's opinion. In August 2013, a plaintiff in the Philadelphia Cluster case moved to certify a new, smaller class. The District Court denied our September 2013 motion to strike the plaintiffs' motion on procedural grounds, and a decision on the plaintiffs' motion is expected in 2014. The plaintiffs' claims concerning the other two clusters are stayed pending determination of the Philadelphia Cluster claims.

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

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practices acts in California, Illinois and Alabama. The plaintiffs also allege a claim for unjust enrichment and seek relief on behalf of a nationwide class of our premium cable customers and on behalf of subclasses consisting of premium cable customers from California, Alabama, Illinois, Pennsylvania and Washington. In January 2010, we moved to compel arbitration of the plaintiffs' claims for unjust enrichment and violations of the unfair/deceptive trade practices acts of Illinois and Alabama. In September 2010, the plaintiffs filed an amended complaint alleging violations of additional state antitrust laws and unfair/deceptive trade practices acts on behalf of new subclasses in Connecticut, Florida, Minnesota, Missouri, New Jersey, New Mexico and West Virginia. In the amended complaint, plaintiffs omitted their unjust enrichment claim, as well as their state law claims on behalf of the Alabama, Illinois and Pennsylvania subclasses. In June 2011, the plaintiffs filed another amended complaint alleging only violations of Section 1 of the Sherman Antitrust Act, antitrust law in Washington and unfair/deceptive trade practices acts in California and Washington. The plaintiffs seek relief on behalf of a nationwide class of our premium cable customers and on behalf of subclasses consisting of premium cable customers from California and Washington. In July 2011, we moved to compel arbitration of most of the plaintiffs' claims and to stay the remaining claims pending arbitration. The West Virginia Attorney General also filed a complaint in West Virginia state court in July 2009 alleging that we improperly tie the rental of set-top boxes to the provision of digital cable services in violation of the West Virginia Antitrust Act and the West Virginia Consumer Credit and Protection Act. The Attorney General also alleges a claim for unjust enrichment/restitution. We removed the case to the United States District Court for West Virginia, and it was subsequently transferred to the United States District Court for the Eastern District of Pennsylvania and consolidated with the multidistrict litigation described above. In June 2013, a comprehensive settlement agreement for all 23 cases was submitted to the District Court for preliminary approval. Regardless of whether this settlement agreement is approved, we do not expect these cases to have a material effect on our results of operations, cash flows or financial position.

We believe the claims in each of the pending actions described above in this item are without merit, except as otherwise set forth above, and intend to defend the actions vigorously. We cannot predict the outcome of any of the actions described above, including a range of possible loss, or how the final resolution of any such actions would impact our results of operations or cash flows for any one period or our financial position. In addition, as any action nears a trial, there is an increased possibility that the action may be settled by the parties. Nevertheless, the final disposition of any of the above actions is not expected to have a material adverse effect on our consolidated financial position, but could possibly be material to our consolidated results of operations or cash flows for any one period.

Other

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. We are also 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, costly and injure our reputation.

Table of Contents**Comcast Corporation****Note 19: Financial Data by Business Segment**

We present our operations in one reportable business segment for Cable Communications and four reportable business segments for NBCUniversal. The Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks segments comprise the NBCUniversal businesses and are collectively referred to as the NBCUniversal segments. Our financial data by reportable business segment is presented in the tables below.

| (in millions) | Revenue ^(f) | Operating Income (Loss) Before Depreciation and Amortization ^(g) | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures | Assets |
|---------------------------------------|------------------------|---|-------------------------------------|-------------------------------|-------------------------|-------------------|
| 2013 | | | | | | |
| Cable Communications ^(a) | \$ 41,836 | \$ 17,205 | \$ 6,394 | \$ 10,811 | \$ 5,403 | \$ 132,082 |
| NBCUniversal | | | | | | |
| Cable Networks | 9,201 | 3,501 | 734 | 2,767 | 67 | 29,413 |
| Broadcast Television | 7,120 | 345 | 98 | 247 | 65 | 6,723 |
| Filmed Entertainment | 5,452 | 483 | 15 | 468 | 9 | 3,549 |
| Theme Parks | 2,235 | 1,004 | 300 | 704 | 580 | 6,608 |
| Headquarters and Other ^(d) | 31 | (588) | 264 | (852) | 439 | 6,002 |
| Eliminations ^(e) | (389) | (13) | | (13) | | (556) |
| NBCUniversal | 23,650 | 4,732 | 1,411 | 3,321 | 1,160 | 51,739 |
| Corporate and Other | 600 | (489) | 66 | (555) | 33 | 8,152 |
| Eliminations ^(e) | (1,429) | (14) | | (14) | | (33,160) |
| Comcast Consolidated | \$ 64,657 | \$ 21,434 | \$ 7,871 | \$ 13,563 | \$ 6,596 | \$ 158,813 |

| (in millions) | Revenue ^(f) | Operating Income (Loss) Before Depreciation and Amortization ^(g) | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures | Assets |
|---------------------------------------|------------------------|---|-------------------------------------|-------------------------------|-------------------------|-------------------|
| 2012 | | | | | | |
| Cable Communications ^(a) | \$ 39,604 | \$ 16,255 | \$ 6,405 | \$ 9,850 | \$ 4,921 | \$ 127,044 |
| NBCUniversal | | | | | | |
| Cable Networks | 8,727 | 3,303 | 735 | 2,568 | 150 | 29,636 |
| Broadcast Television ^(b) | 8,200 | 358 | 97 | 261 | 65 | 6,414 |
| Filmed Entertainment | 5,159 | 79 | 16 | 63 | 7 | 3,769 |
| Theme Parks | 2,085 | 953 | 268 | 685 | 272 | 6,266 |
| Headquarters and Other ^(d) | 43 | (603) | 210 | (813) | 269 | 8,938 |
| Eliminations ^(e) | (402) | 17 | | 17 | | (561) |
| NBCUniversal | 23,812 | 4,107 | 1,326 | 2,781 | 763 | 54,462 |
| Corporate and Other | 498 | (376) | 67 | (443) | 30 | 6,000 |
| Eliminations ^(e) | (1,344) | (9) | | (9) | | (22,535) |
| Comcast Consolidated | \$ 62,570 | \$ 19,977 | \$ 7,798 | \$ 12,179 | \$ 5,714 | \$ 164,971 |

Table of Contents**Comcast Corporation**

| (in millions) | Revenue ^(f) | Operating Income (Loss) Before Depreciation and Amortization ^(g) | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures |
|---------------------------------------|------------------------|---|-------------------------------------|-------------------------------|-------------------------|
| 2011 | | | | | |
| Cable Communications ^(a) | \$ 37,226 | \$ 15,288 | \$ 6,395 | \$ 8,893 | \$ 4,806 |
| NBCUniversal | | | | | |
| Cable Networks | 8,061 | 3,199 | 712 | 2,487 | 48 |
| Broadcast Television | 5,982 | 124 | 85 | 39 | 61 |
| Filmed Entertainment | 4,239 | 27 | 19 | 8 | 6 |
| Theme Parks ^(c) | 1,874 | 830 | 201 | 629 | 154 |
| Headquarters and Other ^(d) | 45 | (484) | 168 | (652) | 165 |
| Eliminations ^(e) | (941) | (234) | (53) | (181) | |
| NBCUniversal | 19,260 | 3,462 | 1,132 | 2,330 | 434 |
| Corporate and Other | 558 | (416) | 93 | (509) | 67 |
| Eliminations ^(e) | (1,202) | 23 | 16 | 7 | |
| Comcast Consolidated | \$ 55,842 | \$ 18,357 | \$ 7,636 | \$ 10,721 | \$ 5,307 |

(a) For the years ended December 31, 2013, 2012 and 2011, Cable Communications segment revenue was derived from the following sources:

| | 2013 | 2012 | 2011 |
|---------------------|-------|-------|-------|
| Residential: | | | |
| Video | 49.1% | 50.4% | 52.3% |
| High-speed Internet | 24.7% | 24.1% | 23.5% |
| Voice | 8.7% | 9.0% | 9.4% |
| Business services | 7.7% | 6.5% | 5.2% |
| Advertising | 5.2% | 5.8% | 5.4% |
| Other | 4.6% | 4.2% | 4.2% |
| Total | 100% | 100% | 100% |

Subscription revenue received from customers who purchase bundled services at a discounted rate is allocated proportionally to each service based on the individual service's price on a stand-alone basis. Beginning in 2013, revenue from certain business customers, such as hotels, restaurants and bars, is presented in business services revenue rather than in video revenue. Reclassifications have been made to the prior year periods to conform to this presentation.

For each of 2013, 2012 and 2011, 2.8% of Cable Communications revenue was derived from franchise and other regulatory fees.

(b) For 2012, our Broadcast Television segment included all revenue and costs and expenses associated with our broadcast of the 2012 London Olympics, which generated \$120 million of operating income before depreciation and amortization. This amount reflects the settlement of a \$237 million liability associated with the unfavorable Olympics contract that had been recorded through the application of acquisition accounting in 2011.

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- (c) For the period January 29, 2011 through June 30, 2011, we recorded Universal Orlando as an equity method investment in our consolidated results of operations. However, our Theme Parks segment included the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011 to reflect our measure of operating performance for our Theme Parks segment.
- (d) NBCUniversal Headquarters and Other activities includes costs associated with overhead, allocations, personnel costs and headquarter initiatives.
- (e) 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 and Broadcast Television segments generate revenue by selling programming to our Cable Communications segment, which represents a substantial majority of the revenue elimination amount

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

our Filmed Entertainment and Broadcast Television segments generate revenue by licensing content to our Cable Networks segment

our Cable Communications segment receives incentives offered by our Cable Networks segment in connection with its distribution of the Cable Networks content that are recorded as a reduction to programming expenses

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NBCUniversal eliminations for 2011 included the eliminations of the results of operations for Universal Orlando for the period January 29, 2011 through June 30, 2011. These amounts were not included in NBCUniversal's total and our consolidated results of operations for the period January 29, 2011 through June 30, 2011 because we recorded Universal Orlando as an equity method investment during this period.

- (f) Revenue from customers located outside of the U.S., primarily in Europe and Asia, for the years ended December 31, 2013, 2012 and 2011 was \$4.8 billion, \$4.5 billion and \$4.1 billion, respectively. No single customer accounted for a significant amount of our revenue in any period.
- (g) We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. 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. Additionally, it is unaffected by our capital structure or investment activities. We use this 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. We believe that this measure 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 may not be directly comparable to similar measures used by other companies. This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

Note 20: Quarterly Financial Information (Unaudited)

| (in millions, except per share data) | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | Total Year |
|---|------------------|-------------------|------------------|-------------------|------------------|
| 2013 | | | | | |
| Revenue | \$ 15,310 | \$ 16,270 | \$ 16,151 | \$ 16,926 | \$ 64,657 |
| Operating income | \$ 3,067 | \$ 3,435 | \$ 3,414 | \$ 3,647 | \$ 13,563 |
| Net income attributable to Comcast Corporation | \$ 1,437 | \$ 1,734 | \$ 1,732 | \$ 1,913 | \$ 6,816 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | \$ 0.55 | \$ 0.66 | \$ 0.66 | \$ 0.73 | \$ 2.60 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | \$ 0.54 | \$ 0.65 | \$ 0.65 | \$ 0.72 | \$ 2.56 |
| Dividends declared per common share | \$ 0.195 | \$ 0.195 | \$ 0.195 | \$ 0.195 | \$ 0.78 |
| 2012 | | | | | |
| Revenue | \$ 14,878 | \$ 15,211 | \$ 16,544 | \$ 15,937 | \$ 62,570 |
| Operating income | \$ 2,758 | \$ 3,079 | \$ 3,048 | \$ 3,294 | \$ 12,179 |
| Net income attributable to Comcast Corporation | \$ 1,224 | \$ 1,348 | \$ 2,113 | \$ 1,518 | \$ 6,203 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | \$ 0.45 | \$ 0.50 | \$ 0.79 | \$ 0.57 | \$ 2.32 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | \$ 0.45 | \$ 0.50 | \$ 0.78 | \$ 0.56 | \$ 2.28 |
| Dividends declared per common share | \$ 0.1625 | \$ 0.1625 | \$ 0.1625 | \$ 0.1625 | \$ 0.65 |

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Comcast Corporation

Note 21: 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. The debt securities within the guarantee structure total \$30.9 billion, of which \$11.0 billion will mature within the next five years.

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 Parent s and the cable guarantors public debt securities, as well as the \$6.25 billion revolving credit facility of Comcast Parent and Comcast Cable Communications, LLC.

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.

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Condensed Consolidating Balance Sheet

| | | | | | | Elimination | | | |
|--|------------------|------------------|-------------------|------------------|------------------|-------------------|---------------------|---------------------|-------------------|
| | Comcast | | CCCL | CCHMO | NBCUniversal | Guarantor | Consolidation | and Consolidated | |
| December 31, 2013 (in millions) | Parent | Holdings | Parent | Parents | Parent | Subsidiaries | Adjustments | Comcast Corporation | |
| Assets | | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ | \$ 336 | \$ 1,382 | \$ | \$ | \$ 1,718 |
| Investments | | | | | | 3,573 | | | 3,573 |
| Receivables, net | | | | | | 6,376 | | | 6,376 |
| Programming rights | | | | | | | 928 | | 928 |
| Other current assets | 237 | | | | 35 | 1,208 | | | 1,480 |
| Total current assets | 237 | | | | 371 | 13,467 | | | 14,075 |
| Film and television costs | | | | | | 4,994 | | | 4,994 |
| Investments | 11 | | | | 374 | 3,385 | | | 3,770 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 79,956 | 97,429 | 102,673 | 54,724 | 40,644 | 85,164 | (460,590) | | |
| Property and equipment, net | 220 | | | | | 29,620 | | | 29,840 |
| Franchise rights | | | | | | 59,364 | | | 59,364 |
| Goodwill | | | | | | 27,098 | | | 27,098 |
| Other intangible assets, net | 11 | | | | | 17,318 | | | 17,329 |
| Other noncurrent assets, net | 1,078 | 145 | | | 103 | 1,899 | (882) | | 2,343 |
| Total assets | \$ 81,513 | \$ 97,574 | \$ 102,673 | \$ 54,724 | \$ 41,492 | \$ 242,309 | \$ (461,472) | | \$ 158,813 |
| Liabilities and Equity | | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 8 | \$ | \$ | \$ | \$ | \$ 5,520 | \$ | \$ | \$ 5,528 |
| Accrued participations and residuals | | | | | | 1,239 | | | 1,239 |
| Accrued expenses and other current liabilities | 1,371 | 266 | 180 | 47 | 323 | 6,678 | | | 8,865 |
| | 2,351 | | | | 903 | 26 | | | 3,280 |

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| | | | | | | | | |
|---|------------------|------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|
| Current portion of long-term debt | | | | | | | | |
| Total current liabilities | 3,730 | 266 | 180 | 47 | 1,226 | 13,463 | | 18,912 |
| Long-term debt, less current portion | 25,170 | 132 | 1,827 | 1,505 | 10,236 | 5,697 | | 44,567 |
| Deferred income taxes | | 777 | | | 59 | 31,840 | (741) | 31,935 |
| Other noncurrent liabilities | 1,919 | | | | 931 | 8,675 | (141) | 11,384 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | | | | | | 957 | | 957 |
| Equity: | | | | | | | | |
| Common stock | 30 | | | | | | | 30 |
| Other shareholders equity | 50,664 | 96,399 | 100,666 | 53,172 | 29,040 | 181,313 | (460,590) | 50,664 |
| Total Comcast Corporation shareholders equity | 50,694 | 96,399 | 100,666 | 53,172 | 29,040 | 181,313 | (460,590) | 50,694 |
| Noncontrolling interests | | | | | | 364 | | 364 |
| Total equity | 50,694 | 96,399 | 100,666 | 53,172 | 29,040 | 181,677 | (460,590) | 51,058 |
| Total liabilities and equity | \$ 81,513 | \$ 97,574 | \$ 102,673 | \$ 54,724 | \$ 41,492 | \$ 242,309 | \$ (461,472) | \$ 158,813 |

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Condensed Consolidating Balance Sheet

| December 31, 2012 (in millions) | Combined | | | | | Elimination | | Comcast Corporation |
|--|------------------|------------------|------------------|------------------|---------------------------|------------------------|-------------------------------|---------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMQ Parents | NBCUniversal Media Parent | Guarantor Subsidiaries | Non-Consolidation Adjustments | |
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ | \$ | \$ | \$ | \$ 5,129 | \$ 5,822 | \$ | \$ 10,951 |
| Investments | | | | | | 1,464 | | 1,464 |
| Receivables, net | | | | | 3 | 5,518 | | 5,521 |
| Programming rights | | | | | | 909 | | 909 |
| Other current assets | 233 | | 14 | 4 | 51 | 844 | | 1,146 |
| Total current assets | 233 | | 14 | 4 | 5,183 | 14,557 | | 19,991 |
| Film and television costs | | | | | | 5,054 | | 5,054 |
| Investments | | | | | 529 | 5,796 | | 6,325 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 74,227 | 87,630 | 96,853 | 50,242 | 38,464 | 73,298 | (420,714) | |
| Property and equipment, net | 242 | | | | | 26,990 | | 27,232 |
| Franchise rights | | | | | | 59,364 | | 59,364 |
| Goodwill | | | | | | 26,985 | | 26,985 |
| Other intangible assets, net | 12 | | | | | 17,828 | | 17,840 |
| Other noncurrent assets, net | 1,130 | 147 | 1 | | 152 | 1,650 | (900) | 2,180 |
| Total assets | \$ 75,844 | \$ 87,777 | \$ 96,868 | \$ 50,246 | \$ 44,328 | \$ 231,522 | \$ (421,614) | \$ 164,971 |
| Liabilities and Equity | | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 8 | \$ | \$ | \$ | \$ | \$ 6,198 | \$ | \$ 6,206 |
| Accrued participations and residuals | | | | | | 1,350 | | 1,350 |
| Accrued expenses and other current liabilities | 1,290 | 275 | 210 | 54 | 263 | 4,690 | | 6,782 |
| | | | 2,105 | 241 | 7 | 23 | | 2,376 |

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| | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|---------------------|-------------------|
| Current portion of long-term debt | | | | | | | | |
| Total current liabilities | 1,298 | 275 | 2,315 | 295 | 270 | 12,261 | | 16,714 |
| Long-term debt, less current portion | 23,306 | 113 | 1,827 | 1,512 | 11,219 | 105 | | 38,082 |
| Deferred income taxes | | 754 | | | 78 | 30,035 | (757) | 30,110 |
| Other noncurrent liabilities | 1,884 | | | | 926 | 10,604 | (143) | 13,271 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | | | | | | 16,998 | | 16,998 |
| Equity: | | | | | | | | |
| Common stock | 31 | | | | | | | 31 |
| Other shareholders equity | 49,325 | 86,635 | 92,726 | 48,439 | 31,835 | 161,079 | (420,714) | 49,325 |
| Total Comcast Corporation shareholders equity | 49,356 | 86,635 | 92,726 | 48,439 | 31,835 | 161,079 | (420,714) | 49,356 |
| Noncontrolling interests | | | | | | 440 | | 440 |
| Total equity | 49,356 | 86,635 | 92,726 | 48,439 | 31,835 | 161,519 | (420,714) | 49,796 |
| Total liabilities and equity | \$ 75,844 | \$ 87,777 | \$ 96,868 | \$ 50,246 | \$ 44,328 | \$ 231,522 | \$ (421,614) | \$ 164,971 |

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Condensed Consolidating Statement of Income

| | | | | | | Elimination | | |
|--|---------------|-----------------|---------------|----------------|---------------------------------|---------------------------|--------------------------------------|-----------|
| | Comcast | Comcast | CCCL | CCHMO | NBCUniversal Media Parent | Guarantor Subsidiaries | Non- Consolidation Adjustments | |
| For the Year Ended December 31, 2013 (in millions) | Parent | Holdings | Parent | Parents | | | | |
| Revenue: | | | | | | | | |
| Service revenue | \$ | \$ | \$ | \$ | \$ | \$ 64,657 | \$ | \$ 64,657 |
| Management fee revenue | | 897 | 874 | 548 | | | (2,319) | |
| | | 897 | 874 | 548 | | 64,657 | (2,319) | 64,657 |
| Costs and Expenses: | | | | | | | | |
| Programming and production | | | | | | 19,670 | | 19,670 |
| Other operating and administrative | 403 | | 874 | 548 | 855 | 18,223 | (2,319) | 18,584 |
| Advertising, marketing and promotion | | | | | | 4,969 | | 4,969 |
| Depreciation | 30 | | | | | 6,224 | | 6,254 |
| Amortization | 5 | | | | | 1,612 | | 1,617 |
| | 438 | | 874 | 548 | 855 | 50,698 | (2,319) | 51,094 |
| Operating income (loss) | 459 | | | | | (855) | 13,959 | 13,563 |
| Other Income (Expense): | | | | | | | | |
| Interest expense | (1,523) | (11) | (212) | (126) | (488) | (214) | | (2,574) |
| Investment income (loss), net | | (13) | | | 3 | 586 | | 576 |
| Equity in net income (losses) of investees, net | 7,509 | 7,540 | 7,430 | 5,473 | 3,331 | 1,882 | (33,251) | (86) |
| Other income (expense), net | (2) | | 2 | | (1) | (363) | | (364) |
| | 5,984 | 7,516 | 7,220 | 5,347 | 2,845 | 1,891 | (33,251) | (2,448) |
| Income (loss) before income taxes | 6,443 | 7,516 | 7,220 | 5,347 | 1,990 | 15,850 | (33,251) | 11,115 |
| Income tax (expense) benefit | 373 | 9 | 73 | 44 | (22) | (4,457) | | (3,980) |
| Net income (loss) | 6,816 | 7,525 | 7,293 | 5,391 | 1,968 | 11,393 | (33,251) | 7,135 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | | | (319) | (319) |

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| | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|-----------------|
| Net income (loss) attributable to Comcast Corporation | \$ 6,816 | \$ 7,525 | \$ 7,293 | \$ 5,391 | \$ 1,968 | \$ 11,074 | \$ (33,251) | \$ 6,816 |
| Comprehensive income (loss) attributable to Comcast Corporation | \$ 6,883 | \$ 7,521 | \$ 7,276 | \$ 5,392 | \$ 2,017 | \$ 10,969 | \$ (33,175) | \$ 6,883 |

Table of Contents**Comcast Corporation**

Condensed Consolidating Statement of Income

| For the Year Ended December 31, 2012 (in millions) | Combined | | | | | Elimination | | Comcast Corporation |
|--|-------------------|---------------------|-----------------|------------------|---------------------------------|-----------------------------------|------------------------------|------------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMO Parents | NBCUniversal Media Parent | Non- Guarantor Subsidiaries | Consolidation Adjustments | |
| Revenue: | | | | | | | | |
| Service revenue | \$ | \$ | \$ | \$ | \$ | \$ 62,570 | \$ | \$ 62,570 |
| Management fee revenue | 848 | | 827 | 516 | | | (2,191) | |
| | 848 | | 827 | 516 | | 62,570 | (2,191) | 62,570 |
| Costs and Expenses: | | | | | | | | |
| Programming and production | | | | | | 19,929 | | 19,929 |
| Other operating and administrative | 401 | | 827 | 516 | 899 | 17,381 | (2,191) | 17,833 |
| Advertising, marketing and promotion | | | | | | 4,831 | | 4,831 |
| Depreciation | 30 | | | | | 6,120 | | 6,150 |
| Amortization | 4 | | | | | 1,644 | | 1,648 |
| | 435 | | 827 | 516 | 899 | 49,905 | (2,191) | 50,391 |
| Operating income (loss) | 413 | | | | (899) | 12,665 | | 12,179 |
| Other Income (Expense): | | | | | | | | |
| Interest expense | (1,430) | (23) | (329) | (135) | (430) | (174) | | (2,521) |
| Investment income (loss), net | 8 | 3 | | | 5 | 203 | | 219 |
| Equity in net income (losses) of investees, net | 6,858 | 6,536 | 6,665 | 4,909 | 4,402 | 4,014 | (32,425) | 959 |
| Other income (expense), net | 2 | | | | (14) | 785 | | 773 |
| | 5,438 | 6,516 | 6,336 | 4,774 | 3,963 | 4,828 | (32,425) | (570) |
| Income (loss) before income taxes | 5,851 | 6,516 | 6,336 | 4,774 | 3,064 | 17,493 | (32,425) | 11,609 |
| Income tax (expense) benefit | 352 | 7 | 115 | 47 | (9) | (4,256) | | (3,744) |
| Net income (loss) | 6,203 | 6,523 | 6,451 | 4,821 | 3,055 | 13,237 | (32,425) | 7,865 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | | (1,662) | | (1,662) |
| | \$ 6,203 | \$ 6,523 | \$ 6,451 | \$ 4,821 | \$ 3,055 | \$ 11,575 | \$ (32,425) | \$ 6,203 |

| | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|-----------------|
| Net (income) loss attributable to Comcast Corporation Comprehensive income (loss) attributable to Comcast Corporation | \$ 6,370 | \$ 6,523 | \$ 6,460 | \$ 4,821 | \$ 3,068 | \$ 11,703 | \$ (32,575) | \$ 6,370 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|--------------------|-----------------|

Table of Contents**Comcast Corporation**

Condensed Consolidating Statement of Income

| For the Year Ended December 31, 2011 (in millions) | Combined | | | | | Elimination | | Comcast Corporation |
|--|-------------------|---------------------|-----------------|------------------|---------------------------------|-----------------------------------|------------------------------|------------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMO Parents | NBCUniversal Media Parent | Non- Guarantor Subsidiaries | Consolidation Adjustments | |
| Revenue: | | | | | | | | |
| Service revenue | \$ | \$ | \$ | \$ | \$ | \$ 55,842 | \$ | \$ 55,842 |
| Management fee revenue | 800 | | 784 | 488 | | | (2,072) | |
| | 800 | | 784 | 488 | | 55,842 | (2,072) | 55,842 |
| Costs and Expenses: | | | | | | | | |
| Programming and production | | | | | | 16,596 | | 16,596 |
| Other operating and administrative | 420 | 5 | 784 | 488 | 678 | 16,343 | (2,072) | 16,646 |
| Advertising, marketing and promotion | | | | | | 4,243 | | 4,243 |
| Depreciation | 29 | | | | | 6,011 | | 6,040 |
| Amortization | 3 | | | | | 1,593 | | 1,596 |
| | 452 | 5 | 784 | 488 | 678 | 44,786 | (2,072) | 45,121 |
| Operating income (loss) | 348 | (5) | | | (678) | 11,056 | | 10,721 |
| Other Income (Expense): | | | | | | | | |
| Interest expense | (1,439) | (32) | (338) | (172) | (370) | (154) | | (2,505) |
| Investment income (loss), net | 3 | 2 | | | | 154 | | 159 |
| Equity in net income (losses) of investees, net | 4,879 | 5,734 | 5,598 | 3,361 | 2,793 | 1,648 | (24,048) | (35) |
| Other income (expense), net | (19) | 1 | | | (59) | (56) | | (133) |
| | 3,424 | 5,705 | 5,260 | 3,189 | 2,364 | 1,592 | (24,048) | (2,514) |
| Income (loss) before income taxes | 3,772 | 5,700 | 5,260 | 3,189 | 1,686 | 12,648 | (24,048) | 8,207 |
| Income tax (expense) benefit | 388 | 12 | 118 | 60 | (3) | (3,625) | | (3,050) |
| Net income (loss) | 4,160 | 5,712 | 5,378 | 3,249 | 1,683 | 9,023 | (24,048) | 5,157 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | | (997) | | (997) |
| | \$ 4,160 | \$ 5,712 | \$ 5,378 | \$ 3,249 | \$ 1,683 | \$ 8,026 | \$ (24,048) | \$ 4,160 |

| | | | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|
| Net income (loss) attributable to Comcast Corporation Comprehensive income (loss) attributable to Comcast Corporation | \$ 4,107 | \$ 5,712 | \$ 5,387 | \$ 3,249 | \$ 1,605 | \$ 8,064 | \$ (24,017) | \$ 4,107 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-----------------|

Table of Contents**Comcast Corporation**

Condensed Consolidating Statement of Cash Flows

| For the Year Ended December 31, 2013 (in millions) | Combined | | | | | Elimination | | Comcast Corporation |
|---|-------------------|---------------------|----------------|------------------|---------------------------------|-----------------------|------------------------------|------------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMQ Parents | NBCUniversal Media Parent | Guano Subsidiaries | Consolidation Adjustments | |
| Net cash provided by (used in) operating activities | \$ (600) | \$ (3) | \$ (151) | \$ (94) | \$ (1,102) | \$ 16,110 | \$ | \$ 14,160 |
| Investing Activities: | | | | | | | | |
| Net transactions with affiliates | 66 | 3 | 2,248 | 332 | (470) | (2,179) | | (6,596) |
| Capital expenditures | (7) | | | | | (6,589) | | (6,596) |
| Cash paid for intangible assets | (4) | | | | | (1,005) | | (1,009) |
| Acquisitions of real estate properties | | | | | | (1,904) | | (1,904) |
| Acquisitions, net of cash acquired | | | | | | (99) | | (99) |
| Proceeds from sales of businesses and investments | | | | | 2 | 1,081 | | 1,083 |
| Return of capital from investees | | | | | 128 | 21 | | 149 |
| Purchases of investments | (11) | | | | (3) | (1,209) | | (1,223) |
| Other | | | | | (20) | 105 | | 85 |
| Net cash provided by (used in) investing activities | 44 | 3 | 2,248 | 332 | (363) | (11,778) | | (9,514) |
| Financing Activities: | | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | 1,349 | | | | | (4) | | 1,345 |
| Proceeds from borrowings | 2,933 | | | | | | | 2,933 |
| Repurchases and repayments of debt | | | (2,097) | (238) | (88) | (21) | | (2,444) |
| Repurchases and retirements of common stock | (2,000) | | | | | | | (2,000) |
| Dividends paid | (1,964) | | | | | | | (1,964) |
| Issuances of common stock | 40 | | | | | | | 40 |
| Purchase of NBCUniversal noncontrolling common equity interest | | | | | | (3,200) | (7,561) (215) | (10,761) (215) |

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| | | | | | | |
|---|-----------|-----------|-----------|-----------|------------|--------------|
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | | |
| Settlement of Station Venture liability | | | | | (602) | (602) |
| Other | 198 | | | (40) | (369) | (211) |
| Net cash provided by (used in) financing activities | 556 | (2,097) | (238) | (3,328) | (8,772) | (13,879) |
| Increase (decrease) in cash and cash equivalents | | | | (4,793) | (4,440) | (9,233) |
| Cash and cash equivalents, beginning of year | | | | 5,129 | 5,822 | 10,951 |
| Cash and cash equivalents, end of year | \$ | \$ | \$ | \$ | 336 | 1,382 |
| | | | | | \$ | 1,718 |

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Condensed Consolidating Statement of Cash Flows

| | Combined | | | | | Elimination | | Comcast Corporation |
|---|----------------|------------------|-------------|---------------|---------------------------|----------------------|---------------------------|---------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMQ Parents | NBCUniversal Media Parent | Guaranteed Subsidies | Consolidation Adjustments | |
| For the Year Ended December 31, 2012 (in millions) | | | | | | | | |
| Net cash provided by (used in) operating activities | \$ (362) | \$ (7) | \$ (177) | \$ (114) | \$ (1,347) | \$ 16,861 | \$ | \$ 14,854 |
| Investing Activities: | | | | | | | | |
| Net transactions with affiliates | 3,845 | 206 | 177 | 667 | 4,850 | (9,745) | | |
| Capital expenditures | (10) | | | | | (5,704) | | (5,714) |
| Cash paid for intangible assets | (6) | | | | | (917) | | (923) |
| Acquisitions, net of cash acquired | | | | | | (90) | | (90) |
| Proceeds from sales of businesses and investments | | | | | | 3,102 | | 3,102 |
| Return of capital from investees | | | | | | 2,362 | | 2,362 |
| Purchases of investments | | | | | (19) | (278) | | (297) |
| Other | | 3 | | | (22) | 93 | | 74 |
| Net cash provided by (used in) investing activities | 3,829 | 209 | 177 | 667 | 4,809 | (11,177) | | (1,486) |
| Financing Activities: | | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | (1) | | | | (550) | 7 | | (544) |
| Proceeds from borrowings | 2,536 | | | | 1,995 | 13 | | 4,544 |
| Repurchases and repayments of debt | (1,726) | (202) | | (553) | (2) | (398) | | (2,881) |
| Repurchases and retirements of common stock | (3,000) | | | | | | | (3,000) |
| Dividends paid | (1,608) | | | | | | | (1,608) |
| Issuances of common stock | 233 | | | | | | | 233 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | | (691) | | (691) |
| Other | 99 | | | | (14) | (175) | | (90) |
| Net cash provided by (used in) financing | (3,467) | (202) | | (553) | 1,429 | (1,244) | | (4,037) |

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| | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------------|-----------|-----------------|------------------|
| activities | | | | | | | | |
| Increase (decrease) in cash and cash equivalents | | | | 4,891 | 4,440 | | | 9,331 |
| Cash and cash equivalents, beginning of year | | | | 238 | 1,382 | | | 1,620 |
| Cash and cash equivalents, end of year | \$ | \$ | \$ | \$ | \$ 5,129 | \$ | \$ 5,822 | \$ 10,951 |

Table of Contents**Comcast Corporation**

Condensed Consolidating Statement of Cash Flows

| For the Year Ended December 31, 2011 (in millions) | Combined | | | | | Elimination | | Comcast Corporation |
|---|-------------------|---------------------|----------------|------------------|---------------------------------|----------------------------|------------------------------|------------------------|
| | Comcast Parent | Comcast Holdings | CCCL Parent | CCHMQ Parents | NBCUniversal Media Parent | Guaranteed Subsidiaries | Consolidation Adjustments | |
| Net cash provided by (used in) operating activities | \$ (513) | \$ (19) | \$ (209) | \$ (131) | \$ (638) | \$ 15,855 | \$ | \$ 14,345 |
| Investing Activities: | | | | | | | | |
| Net transactions with affiliates | 4,615 | 19 | 1,209 | 131 | 247 | (6,221) | | |
| Capital expenditures | (7) | | | | | (5,300) | | (5,307) |
| Cash paid for intangible assets | (2) | | | | | (952) | | (954) |
| Acquisitions, net of cash acquired | | | | | 295 | (6,702) | | (6,407) |
| Proceeds from sales of businesses and investments | | | | | 3 | 274 | | 277 |
| Return of capital from investees | | | | | | 37 | | 37 |
| Purchases of investments | | | | | (4) | (131) | | (135) |
| Other | | | | | | (19) | | (19) |
| Net cash provided by (used in) investing activities | 4,606 | 19 | 1,209 | 131 | 541 | (19,014) | | (12,508) |
| Financing Activities: | | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | (4) | | | | 550 | (2) | | 544 |
| Repurchases and repayments of debt | (1,095) | | (1,000) | | | (1,121) | | (3,216) |
| Repurchases and retirements of common stock | (2,141) | | | | | | | (2,141) |
| Dividends paid | (1,187) | | | | | | | (1,187) |
| Issuances of common stock | 283 | | | | | | | 283 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | | (325) | | (325) |
| Other | 51 | | | | (215) | 5 | | (159) |
| Net cash provided by (used in) financing activities | (4,093) | | (1,000) | | 335 | (1,443) | | (6,201) |

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| | | | | | | | |
|--|-----------|-----------|-----------|-----------|---------------|-----------------|-----------------|
| Increase (decrease) in cash and cash equivalents | | | | | 238 | (4,602) | (4,364) |
| Cash and cash equivalents, beginning of year | | | | | | 5,984 | 5,984 |
| Cash and cash equivalents, end of year | \$ | \$ | \$ | \$ | \$ 238 | \$ 1,382 | \$ 1,620 |

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Item 9: Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A: 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.

Management's annual report on internal control over financial reporting

Refer to Management's Report on Comcast's Internal Control Over Financial Reporting on page 78.

Attestation report of the registered public accounting firm

Refer to Report of Independent Registered Public Accounting Firm on page 79.

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 our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, Comcast's internal control over financial reporting.

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 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, NBCUniversal's disclosure controls and procedures were effective.

Management's annual report on internal control over financial reporting

Our management is responsible for establishing and maintaining an adequate system of internal control over financial reporting. Our system of internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States.

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Our internal control over financial reporting includes those policies and procedures that:

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets

provide reasonable assurance that our transactions are recorded as necessary to permit preparation of our financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and our directors

provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements

Because of its inherent limitations, a system of internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Further, because of changes in conditions, effectiveness of internal control over financial reporting may vary over time. Our system contains self-monitoring mechanisms, and actions are taken to correct deficiencies as they are identified.

Our management conducted an evaluation of the effectiveness of the system of internal control over financial reporting based on the framework in *Internal Control – Integrated Framework* issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management concluded that NBCUniversal’s system of internal control over financial reporting was effective as of December 31, 2013.

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 our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, NBCUniversal’s internal control over financial reporting.

Item 9B: Other Information

None.

Table of Contents**Part III****Item 10: Directors, Executive Officers and Corporate Governance****Comcast**

Except for the information regarding executive officers required by Item 401 of Regulation S-K, we incorporate the information required by this item by reference to our definitive proxy statement for our annual meeting of shareholders presently scheduled to be held in May 2014. We refer to this proxy statement as the 2014 Proxy Statement.

The term of office of each of our executive officers continues until his successor is selected and qualified or until his earlier death, resignation or removal. The following table sets forth information concerning our executive officers, including their ages, positions and tenure, as of the date of this Annual Report on Form 10-K.

| Name | Age | Officer Since | Position with Comcast |
|----------------------|-----|---------------|---|
| Brian L. Roberts | 54 | 1986 | Chairman and Chief Executive Officer; President |
| Michael J. Angelakis | 49 | 2007 | Vice Chairman; Chief Financial Officer |
| Stephen B. Burke | 55 | 1998 | Executive Vice President; President and Chief Executive Officer, NBCUniversal Holdings and NBCUniversal |
| David L. Cohen | 58 | 2002 | Executive Vice President |
| Neil Smit | 55 | 2011 | Executive Vice President; President and Chief Executive Officer, Comcast Cable |
| Arthur R. Block | 59 | 1993 | Senior Vice President; General Counsel; Secretary |
| Lawrence J. Salva | 57 | 2000 | Senior Vice President; Chief Accounting Officer; Controller |

Brian L. Roberts has served as a director and as our President, Chief Executive Officer and Chairman of the Board for more than five years. As of December 31, 2013, Mr. Roberts had sole voting power over approximately 33 1/3% of the combined voting power of our two classes of voting common stock. He is a son of Mr. Ralph J. Roberts. Mr. Roberts is also a director of the National Cable and Telecommunications Association.

Michael J. Angelakis has served as the Chief Financial Officer of Comcast Corporation for more than five years. Mr. Angelakis currently serves on the board of directors of the Federal Reserve Bank of Philadelphia.

Stephen B. Burke has served as an Executive Vice President for more than five years. On January 28, 2011, Mr. Burke became the President and Chief Executive Officer of NBCUniversal Holdings and NBCUniversal and resigned from his position as our Chief Operating Officer, which position he had held for more than five years. Mr. Burke also had been the President of Comcast Cable until March 2010. Mr. Burke is also a director of NBCUniversal Holdings, JPMorgan Chase & Company and Berkshire Hathaway, Incorporated.

David L. Cohen has served as an Executive Vice President for more than five years. Mr. Cohen is also a director of the FS Global Credit Opportunities Funds, the FS Global Credit Opportunities Fund A and the FS Global Credit Opportunities Fund D.

Neil Smit has served as the President of Comcast Cable since March 2010, became an Executive Vice President in January 2011 and was appointed as Chief Executive Officer of Comcast Cable in November 2011. Before March 2010, Mr. Smit had been the President and Chief Executive Officer and a director of Charter Communications, Inc., a cable company, since August 2005. Charter Communications filed a voluntary petition

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for reorganization under Chapter 11 of the U.S. Bankruptcy Code in March 2009 and emerged from Chapter 11 bankruptcy in November 2009. Mr. Smit is also the Chairman of the Board of Directors of the National Cable and Telecommunications Association and Chairman of CableLabs.

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Arthur R. Block has served as a Senior Vice President and our General Counsel and Secretary for more than five years.

Lawrence J. Salva has served as a Senior Vice President and our Controller and Chief Accounting Officer for more than five years.

NBCUniversal

Certain information under this Item 10 has been omitted pursuant to General Instruction I(2)(c) to Form 10-K.

The table below sets forth certain information with respect to each of NBCUniversal's executive officers as of December 31, 2013, each of whom has served as such since the close of the NBCUniversal transaction on January 28, 2011. The table also sets forth NBCUniversal Holdings' directors as of December 31, 2013.

| Name | Title |
|----------------------|--|
| Brian L. Roberts | Principal Executive Officer |
| Michael J. Angelakis | Principal Financial Officer; Director of NBCUniversal Holdings |
| Stephen B. Burke | Chief Executive Officer and President |
| David L. Cohen | Executive Vice President; Director of NBCUniversal Holdings |
| Arthur R. Block | Senior Vice President; Director of NBCUniversal Holdings |
| Lawrence J. Salva | Senior Vice President |

For the year ended December 31, 2013, NBCUniversal reimbursed Comcast approximately \$27 million for direct services provided by our executive officers.

Item 11: Executive Compensation

Comcast incorporates the information required by this item by reference to its 2014 Proxy Statement.

This information is omitted for NBCUniversal pursuant to General Instruction I(2)(c) to Form 10-K.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Comcast incorporates the information required by this item by reference to its 2014 Proxy Statement.

This information is omitted for NBCUniversal pursuant to General Instruction I(2)(c) to Form 10-K.

Item 13: Certain Relationships and Related Transactions, and Director Independence

Comcast incorporates the information required by this item by reference to its 2014 Proxy Statement.

This information is omitted for NBCUniversal pursuant to General Instruction I(2)(c) to Form 10-K.

Table of Contents**Item 14: Principal Accountant Fees and Services**

Comcast incorporates the information required by this item by reference to its 2014 Proxy Statement, which it intends to file with the SEC on or before April 11, 2014.

NBCUniversal

The Audit Committee of Comcast's Board of Directors appointed Deloitte & Touche LLP as NBCUniversal's independent registered public accounting firm for the years ended December 31, 2013 and 2012. Set forth below are the fees paid or accrued for the services of Deloitte & Touche LLP, the member firms of Deloitte Touche Tohmatsu and their respective affiliates in 2013 and 2012.

| | | |
|--------------------|----------------|--------|
| (in millions) | 2013 | 2012 |
| Audit fees | \$ 9.7 | \$ 8.4 |
| Audit-related fees | 0.6 | 0.4 |
| Tax fees | 0.2 | 0.6 |
| All other fees | 0.2 | 0.1 |
| | \$ 10.7 | \$ 9.5 |

Audit fees consisted of fees paid or accrued for services rendered to NBCUniversal and its subsidiaries for the audits of its annual financial statements, reviews of its quarterly financial statements and audit services provided in connection with other statutory or regulatory filings.

Audit-related fees in 2013 and 2012 consisted primarily of fees paid or accrued for audits associated with employee benefit plans.

Tax fees in 2013 and 2012 consisted of fees paid or accrued for domestic and foreign tax compliance services, including tax examination assistance. In 2012, tax compliance services included an analysis of tax accounting methods.

All other fees in 2013 and 2012 consisted of fees paid or accrued for various consulting services.

Preapproval Policy of Audit Committee of Services Performed by Independent Auditors

As a consolidated subsidiary of Comcast, NBCUniversal is subject to the policies of Comcast's Audit Committee regarding the preapproval of services provided by the independent auditors. This policy requires that the Audit Committee preapprove all audit and non-audit services performed by the independent auditors to assure that the services do not impair the auditors' independence. Unless a type of service has received general preapproval, it requires separate preapproval by the Audit Committee. Even if a service has received general preapproval, if the fee associated with the service exceeds \$250,000 in a single engagement or series of related engagements or relates to tax planning, it requires separate preapproval. The Audit Committee has delegated its preapproval authority to its Chair.

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Part IV

Item 15: Exhibits and Financial Statement Schedules

Comcast

(a) Comcast's consolidated financial statements are filed as a part of this report on Form 10-K in Item 8, Financial Statements and Supplementary Data, and a list of Comcast's consolidated financial statements are found on page 77 of this report. Schedule II, Valuation and Qualifying Accounts, is found on page 177 of this report; all other financial statement schedules are omitted because the required information is not applicable, or because the information required is included in the consolidated financial statements and notes thereto.

(b) Exhibits required to be filed by Item 601 of Regulation S-K (all of which are under Commission File No. 001-32871, except as otherwise noted):

- 2.1 Transaction Agreement, dated February 12, 2013, by and among Comcast Corporation, General Electric Company, NBCUniversal, LLC, NBCUniversal Media, LLC, National Broadcasting Company Holding, Inc. and Navy Holdings, Inc. (n/k/a/ NBCUniversal Enterprise, Inc.) (incorporated by reference to Exhibit 2.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 2.2 Amendment to Transaction Agreement, dated March 19, 2013, by and among Comcast Corporation, General Electric Company, NBCUniversal, LLC, NBCUniversal Media, LLC, National Broadcasting Company Holding, Inc. and Navy Holdings, Inc. (n/k/a/ NBCUniversal Enterprise, Inc.) (incorporated by reference to Exhibit 2.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 3.1 Amended and Restated Articles of Incorporation of Comcast Corporation (incorporated by reference to Exhibit 3.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
- 3.2 Amended and Restated By-Laws of Comcast Corporation (incorporated by reference to Exhibit 3.1 to Comcast's Current Report on Form 8-K filed on November 23, 2011).
- 4.1 Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2002).
- 4.2 Specimen Class A Special Common Stock Certificate (incorporated by reference to Exhibit 4.2 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2002).
- 4.3 Indenture, dated January 7, 2003, between Comcast Corporation, the subsidiary guarantor party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee (incorporated by reference to Exhibit 4.4 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 4.4 Supplemental Indenture, dated March 25, 2003, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003 (incorporated by reference to Exhibit 4.5 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 4.5 Second Supplemental Indenture, dated August 31, 2009, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon, as Trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 (incorporated by reference to Exhibit 4.1 to Comcast's Current Report on Form 8-K filed on September 2, 2009).

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- 4.6 Third Supplemental Indenture, dated March 27, 2013, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 and a second Supplemental Indenture dated August 31, 2009 (incorporated by reference to Exhibit 4.4 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 4.7 Indenture, dated as of April 30, 2010, between NBC Universal, Inc. (n/k/a NBCUniversal Media, LLC) and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-4 of NBCUniversal Media, LLC (Commission File No. 333-174175) filed on May 13, 2011).
- 4.8 First Supplemental Indenture, dated March 27, 2013, to the Indenture between NBCUniversal Media, LLC (f/k/a NBC Universal, Inc.) and The Bank of New York Mellon, as trustee, dated April 30, 2010 (incorporated by reference to Exhibit 4.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 4.9 Indenture, dated March 19, 2013, among NBCUniversal Enterprise, Inc. (f/k/a Navy Holdings, Inc.), Comcast Corporation, the Cable Guarantors party thereto, and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- Certain instruments defining the rights of holders of long-term obligation of the registrant and certain of its subsidiaries (the total amount of securities authorized under each of which does not exceed ten percent of the total assets of the registrant and its subsidiaries on a consolidated basis), are omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K. We agree to furnish copies of any such instruments to the SEC upon request.
- 10.1 Credit Agreement dated as of June 6, 2012 among Comcast Corporation, Comcast Cable Communications, LLC, the Financial Institutions party thereto and JP Morgan Chase Bank, N.A., as Administrative Agent and the Issuing Lender (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012).
- 10.2 Amended and Restated Credit Agreement, dated as of March 19, 2013, among NBCUniversal Enterprise, Inc. (f/k/a Navy Holdings, Inc.), as Borrower, the Financial Institutions party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and the other agents party thereto (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.3 Second Amended and Restated Certificate of Incorporation of NBCUniversal Enterprise, Inc. (f/k/a/ Navy Holdings, Inc.), dated March 19, 2013 (incorporated by reference to Exhibit 10.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.4 Certificate of Designations for Series A Cumulative Preferred Stock of NBCUniversal Enterprise, Inc. (f/k/a/ Navy Holdings, Inc.), dated March 19, 2013 (incorporated by reference to Exhibit 10.4 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.5 Amendment to Certificate of Designations for Series A Cumulative Preferred Stock of NBCUniversal Enterprise, Inc. dated March 19, 2013 (incorporated by reference to Exhibit 10.5 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013).
- 10.6* Comcast Corporation 2002 Stock Option Plan, as amended and restated effective December 9, 2008 (incorporated by reference to Exhibit 10.2 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008).
- 10.7* Comcast Corporation 2003 Stock Option Plan, as amended and restated October 22, 2013.

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| 10.8* | Comcast Corporation 2002 Deferred Stock Option Plan, as amended and restated effective October 7, 2008 (incorporated by reference to Exhibit 10.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2008). |
| 10.9* | Comcast Corporation 2002 Deferred Compensation Plan, as amended and restated effective February 10, 2009 (incorporated by reference to Exhibit 10.5 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2009). |
| 10.10* | Comcast Corporation 2005 Deferred Compensation Plan, as amended and restated, dated December 17, 2013. |
| 10.11* | Comcast Corporation 2002 Restricted Stock Plan, as amended and restated effective August 29, 2012 (incorporated by reference to Exhibit 10.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012). |
| 10.12* | 1992 Executive Split Dollar Insurance Plan (incorporated by reference to Exhibit 10.12 to the Comcast Holdings Corporation Annual Report on Form 10-K for the year ended December 31, 1992). |
| 10.13* | Comcast Corporation 2006 Cash Bonus Plan, as amended and restated effective February 22, 2011 (incorporated by reference to Exhibit 10.5 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011). |
| 10.14* | Comcast Corporation Retirement-Investment Plan, as amended and restated effective January 1, 2014. |
| 10.15* | Comcast Corporation 2002 Non-Employee Director Compensation Plan, as amended and restated effective May 14, 2013 (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2013). |
| 10.16* | Comcast Corporation 2002 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012). |
| 10.17* | Comcast-NBCUniversal 2011 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.4 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012). |
| 10.18* | Comcast Corporation Supplemental Executive Retirement Plan, as amended and restated effective January 1, 2005 (incorporated by reference to Exhibit 10.15 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2007). |
| 10.19* | Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 1, 2005 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on August 5, 2005). |
| 10.20* | Amendment to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of February 13, 2009 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on February 13, 2009). |
| 10.21* | Amendment No. 2 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 31, 2009 (incorporated by reference to Exhibit 10.23 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2009). |
| 10.22* | Amendment No. 3 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 30, 2010 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 7, 2010). |
| 10.23* | Amendment No. 4 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 31, 2010 (incorporated by reference to Exhibit 10.25 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2010). |

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| 10.24* | Amendment No. 5 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of June 30, 2011 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 1, 2011). |
| 10.25* | Amendment No. 6 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 15, 2011 (incorporated by reference to Exhibit 10.21 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2011). |
| 10.26* | Amendment No. 7 to Employment Agreement between Comcast Corporation and Brian L. Roberts, effective as of June 30, 2012 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on September 14, 2012). |
| 10.27* | Amendment No. 8 to Employment Agreement between Comcast Corporation and Brian L. Roberts, dated as of December 14, 2012 (incorporated by reference to Exhibit 10.23 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2012). |
| 10.28* | Amendment No. 10 to Employment Agreement with Brian L. Roberts, effective as of June 30, 2013 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on July 24, 2013). |
| 10.29* | Amendment No. 11 to Employment Agreement with Brian L. Roberts, effective as of December 18, 2013. |
| 10.30* | Notice of Rights Waiver from Brian L. Roberts dated February 13, 2009 (incorporated by reference to Exhibit 99.2 to Comcast's Current Report on Form 8-K filed on February 13, 2009). |
| 10.31* | Notice of Termination from Brian L. Roberts dated February 13, 2009 (incorporated by reference to Exhibit 99.3 to Comcast's Current Report on Form 8-K filed on February 13, 2009). |
| 10.32* | Employment Agreement between Comcast Corporation and Ralph J. Roberts dated December 27, 2007 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on December 28, 2007). |
| 10.33* | Amendment to Employment Agreement between Comcast Corporation and Ralph J. Roberts dated as of January 1, 2008 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on February 13, 2008). |
| 10.34* | Compensation and Deferred Compensation Agreement and Stock Appreciation Bonus Plan between Comcast Holdings Corporation and Ralph J. Roberts, as amended and restated March 16, 1994 (incorporated by reference to Exhibit 10.13 to the Comcast Holdings Corporation Annual Report on Form 10-K (Commission File No. 001-15471) for the year ended December 31, 1993). |
| 10.35* | Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, as amended and restated August 31, 1998 (incorporated by reference to Exhibit 10.1 to the Comcast Holdings Corporation Quarterly Report on Form 10-Q (Commission File No. 001-15471) for the quarter ended September 30, 1998). |
| 10.36* | Amendment Agreement to Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, dated as of August 19, 1999 (incorporated by reference to Exhibit 10.2 to the Comcast Holdings Corporation Quarterly Report on Form 10-Q (Commission File No. 001-15471) for the quarter ended March 31, 2000). |
| 10.37* | Amendment to Compensation and Deferred Compensation Agreement between Comcast Holdings Corporation and Ralph J. Roberts, dated as of June 5, 2001 (incorporated by reference to Exhibit 10.8 to the Comcast Holdings Corporation Annual Report on Form 10-K (Commission File No. 001-15471) for the year ended December 31, 2001). |

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| 10.38* | Amendment to Compensation and Deferred Compensation Agreement between Comcast Corporation and Ralph J. Roberts, dated as of January 24, 2002 (incorporated by reference to Exhibit 10.16 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2002). |
| 10.39* | Amendment to Compensation and Deferred Compensation Agreement between Comcast Corporation and Ralph J. Roberts, dated as of November 18, 2002 (incorporated by reference to Exhibit 10.17 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2002). |
| 10.40* | Second Amendment to Agreement between Comcast Corporation and Ralph J. Roberts, dated as of December 10, 2008 (incorporated by reference to Exhibit 10.2 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009). |
| 10.41* | Insurance Premium Termination Agreement between Comcast Corporation and Ralph J. Roberts, effective as of January 30, 2004 (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004). |
| 10.42* | Employment Agreement between Comcast Corporation and Michael J. Angelakis, dated as of November 22, 2011 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on November 23, 2011). |
| 10.43* | Employment Agreement between Comcast Corporation and Stephen B. Burke, dated as of December 16, 2009 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on December 22, 2009). |
| 10.44* | Amendment No. 2 to Employment Agreement with Stephen B. Burke dated as of August 16, 2013 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on August 16, 2013). |
| 10.45* | Employment Agreement between Comcast Corporation and David L. Cohen, dated as of February 22, 2011 (incorporated by reference to Exhibit 99.1 to Comcast's Current Report on Form 8-K filed on February 25, 2011). |
| 10.46* | Employment Agreement between Comcast Corporation and Neil Smit, dated as of November 21, 2011 (incorporated by reference to Exhibit 10.37 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2011). |
| 10.47* | Form of Amendment, dated as of December 16, 2008, to the Employment Agreements with Ralph J. Roberts and Brian L. Roberts (incorporated by reference to Exhibit 10.38 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008). |
| 10.48* | Form of Amendment, dated as of December 14, 2012, to the Employment Agreements with Brian L. Roberts, Michael J. Angelakis, Stephen B. Burke, Neil Smit and David L. Cohen (incorporated by reference to Exhibit 10.41 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2012). |
| 10.49* | Form of Non-Qualified Stock Option under the Comcast Corporation 2003 Stock Option Plan (incorporated by reference to Exhibit 10.40 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008). |
| 10.50* | Form of Long-Term Incentive Awards Summary Schedule under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.43 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2012). |
| 10.51* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.41 to Comcast's Annual Report on Form 10-K for the year ended December 31, 2008). |
| 10.52* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 99.4 to Comcast's Current Report on Form 8-K filed on December 22, 2009). |

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| 10.53* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.4 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2010). |
| 10.54* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.7 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2011). |
| 10.55* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.1 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2012). |
| 10.56* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.6 to Comcast's Quarterly Report on Form 10-Q for the quarter ended March 31, 2013). |
| 10.57* | Form of Restricted Stock Unit Award and Long-Term Incentive Awards Summary Schedule under the Comcast Corporation 2002 Restricted Stock Plan (incorporated by reference to Exhibit 10.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended September 30, 2013). |
| 10.58* | Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.3 to Comcast's Quarterly Report on Form 10-Q for the quarter ended June 30, 2009). |
| 12.1 | Statement of Earnings to Fixed Charges and Earnings to Combined Fixed Charges and Preferred Dividends. |
| 21 | List of subsidiaries. |
| 23.1 | Consent of Deloitte & Touche LLP. |
| 31.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | The following financial statements from Comcast Corporation's Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on February 12, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheet; (ii) the Consolidated Statement of Income; (iii) the Consolidated Statement of Comprehensive Income; (iv) the Consolidated Statement of Cash Flows; (v) the Consolidated Statement of Changes in Equity; and (vi) the Notes to Consolidated Financial Statements. |

* Constitutes a management contract or compensatory plan or arrangement.

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NBCUniversal

(a) NBCUniversal's consolidated financial statements are filed as a part of this report on Form 10-K and a list of the consolidated financial statements are found on page 145 of this report. Schedule II Valuation and Qualifying Accounts is found on page 177 of this report; all other financial statement schedules are omitted because the required information is not applicable, or because the information required is included in the consolidated financial statements and notes thereto.

(b) Exhibits required to be filed by Item 601 of Regulation S-K:

- 2.1 Transaction Agreement, dated February 12, 2013, by and among Comcast Corporation, General Electric Company, NBCUniversal, LLC, NBCUniversal Media, LLC, National Broadcasting Company Holding, Inc. and Navy Holdings, Inc. (n/k/a/ NBCUniversal Enterprise, Inc.) (incorporated by reference to Exhibit 2.1 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 2.2 Amendment to Transaction Agreement, dated March 19, 2013, by and among Comcast Corporation, General Electric Company, NBCUniversal, LLC, NBCUniversal Media, LLC, National Broadcasting Company Holding, Inc. and Navy Holdings, Inc. (n/k/a/ NBCUniversal Enterprise, Inc.) (incorporated by reference to Exhibit 2.2 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 2.3 Purchase and Sale Agreement, dated as of February 12, 2013, between 30RC Trust and NBCUniversal Atlas LLC (incorporated by reference to Exhibit 2.3 to NBCUniversal's Form 10-Q for the quarter ended March 31, 2013).
- 3.1 Certificate of Formation of NBCUniversal Media, LLC (incorporated by reference to Exhibit 3.1 to NBCUniversal's Registration Statement on Form S-4 filed on May 13, 2011).
- 3.2 Certificate of Amendment to Certificate of Formation of NBCUniversal Media, LLC (incorporated by reference to Exhibit 3.2 to NBCUniversal's Registration Statement on Form S-4 filed on May 13, 2011).
- 3.3 Limited Liability Company Agreement of NBCUniversal Media, LLC (incorporated by reference to Exhibit 3.2 to Amendment No. 2 to NBCUniversal's Registration Statement on Form S-4 filed on July 12, 2011).
- 4.1 Indenture, dated as of April 30, 2010 between NBC Universal, Inc. (n/k/a NBCUniversal Media, LLC) and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to NBCUniversal's Registration Statement on Form S-4 filed on May 13, 2011).
- 4.2 First Supplemental Indenture, dated March 27, 2013, to the Indenture between NBCUniversal Media, LLC (f/k/a NBC Universal, Inc.) and The Bank of New York Mellon, as trustee, dated April 30, 2010 (incorporated by reference to Exhibit 4.3 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 4.3 Indenture, dated January 7, 2003, between Comcast Corporation, the subsidiary guarantor party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee (incorporated by reference to Exhibit 4.4 to the Annual Report on Form 10-K of Comcast Corporation for the year ended December 31, 2008).
- 4.4 Supplemental Indenture, dated March 25, 2003, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003 (incorporated by reference to Exhibit 4.5 to the Annual Report on Form 10-K of Comcast Corporation for the year ended December 31, 2008).

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- 4.5 Second Supplemental Indenture, dated August 31, 2009, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon, as Trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K of Comcast Corporation filed on September 2, 2009).
- 4.6 Third Supplemental Indenture, dated March 27, 2013, to the Indenture between Comcast Corporation, the subsidiary guarantors party thereto, and The Bank of New York Mellon (f/k/a The Bank of New York), as trustee, dated January 7, 2003, as supplemented by a First Supplemental Indenture dated March 25, 2003 and a Second Supplemental Indenture dated August 31, 2009 (incorporated by reference to Exhibit 4.4 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 10.1 Second Amended and Restated Limited Liability Company Agreement of NBCUniversal, LLC, dated March 19, 2013 (incorporated by reference to Exhibit 10.2 of the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended March 31, 2013).
- 10.2 Credit Agreement, dated as of June 6, 2012, among Comcast Corporation, Comcast Cable Communications, LLC, the Financial Institutions party thereto and JP Morgan Chase Bank, N.A., as Administrative Agent and the Issuing Lender (incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q of Comcast Corporation for the quarter ended June 30, 2012).
- 10.3 Transition Services Agreement, dated as of January 28, 2011, between General Electric Company and Navy, LLC (n/k/a NBCUniversal, LLC) (incorporated by reference to Exhibit 10.4 to Amendment No. 2 of NBCUniversal's Registration Statement on Form S-4 filed on July 12, 2011).
- 10.4 Comcast Services Agreement, dated as of January 28, 2011, between Comcast Corporation and Navy, LLC (n/k/a NBCUniversal, LLC) (incorporated by reference to Exhibit 10.5 to Amendment No. 2 of NBCUniversal's Registration Statement on Form S-4 filed on July 12, 2011).
- 10.5 GE Intellectual Property Cross License Agreement, dated as of January 28, 2011, between General Electric Company and Navy, LLC (n/k/a NBCUniversal, LLC) (incorporated by reference to Exhibit 10.6 to Amendment No. 2 to NBCUniversal's Registration Statement on Form S-4 of NBCUniversal Media, LLC filed on July 12, 2011).
- 10.6 Comcast Intellectual Property Cross License Agreement, dated as of January 28, 2011, between Comcast Corporation and Navy, LLC (n/k/a NBCUniversal, LLC) (incorporated by reference to Exhibit 10.7 to Amendment No. 2 to NBCUniversal's Registration Statement on Form S-4 filed on July 12, 2011).
- 10.7 Amended and Restated Credit Agreement, dated as of March 19, 2013, among NBCUniversal Enterprise, Inc. (f/k/a Navy Holdings, Inc.), as Borrower, the Financial Institutions party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent and the other agents party thereto (incorporated by reference to Exhibit 10.1 to the Quarterly Report of Comcast Corporation on Form 10-Q for the quarter ended March 31, 2013).
- 10.8 Receivables Acquisition Agreement among NBCUniversal Media, LLC; NBCUniversal Receivables Funding LLC; Gotham Funding Corporation, Victory Receivables Corporation, Market Street Funding LLC and Working Capital Management Co., L.P., as Conduits; PNC Bank, National Association, and Mizuho Corporate Bank, Ltd., as Investor Agents and Banks; and The Bank Of Tokyo-Mitsubishi UFJ, Ltd., New York Branch, as Investor Agent, Program Agent and Bank, dated as of December 5, 2011 (incorporated by reference to Exhibit 10.12 to NBCUniversal's Annual Report on Form 10-K for the year ended December 31, 2011).

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| 10.9 | Receivables Repurchase Agreement, dated as of December 18, 2013, among NBCUniversal Media, LLC, NBCUniversal Receivables Funding LLC, Gotham Funding Corporation, Victory Receivables Corporation, Working Capital Management Co., L.P., PNC Bank, National Association, Mizuho Bank, Ltd., and The Bank of Tokyo-Mitsubishi UFJ, Ltd., New York Branch (incorporated by reference to Exhibit 99.1 to NBCUniversal's Current Report on Form 8-K filed on December 19, 2013). |
| 10.10 | Consultant Agreement, dated as of January 20, 1987, between Steven Spielberg and Universal City Florida Partners (incorporated by reference to Exhibit 10.49 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)). |
| 10.11 | Amendment dated February 5, 2001 to the Consultant Agreement dated as of January 20, 1987, between the Consultant and Universal City Florida Partners (incorporated by reference to Exhibit 10.50 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)). |
| 10.12 | Amendment to the Consultant Agreement, dated as of October 18, 2009, between Steven Spielberg, Diamond Lane Productions, Inc. and Universal City Development Partners, Ltd. (incorporated by reference to Exhibit 10.52 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)). |
| 10.13 | Letter Agreement dated July 15, 2003, among Diamond Lane Productions, Vivendi Universal Entertainment LLLP and Universal City Development Partners, Ltd. (incorporated by reference to Exhibit 10.51 to the Registration Statement on Form S-4 of Universal City Development Partners, Ltd. and UCDP Finance, Inc. filed on January 20, 2010 (File No. 333-164431)). |
| 10.14* | NBCUniversal Deferred Compensation Plan (incorporated by reference to Exhibit 10.1 to NBCUniversal's Quarterly Report on Form 10-Q filed on October 26, 2012). |
| 23.2 | Consent of Deloitte & Touche LLP. |
| 31.2 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101 | The following financial statements from NBCUniversal Media, LLC's Annual Report on Form 10-K for the year ended December 31, 2013, filed with the Securities and Exchange Commission on February 12, 2014, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheet; (ii) the Consolidated Statement of Income; (iii) the Consolidated Statement of Comprehensive Income; (iv) the Consolidated Statement of Cash Flows; (v) the Consolidated Statement of Changes in Equity; and (vi) the Notes to Consolidated Financial Statements. |

Confidential treatment granted.

* Constitutes a management contract or compensatory plan or arrangement.

Table of Contents**Signatures****Comcast**

Pursuant to the requirements of Section 13 or 15(d) 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 in Philadelphia, Pennsylvania on February 12, 2014.

By: */s/ BRIAN L. ROBERTS*
 Brian L. Roberts
Chairman and CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|---------------------------------|--|-------------------|
| <i>/s/ BRIAN L. ROBERTS</i> | Chairman and CEO; Director | February 12, 2014 |
| Brian L. Roberts | (Principal Executive Officer) | |
| <i>/s/ RALPH J. ROBERTS</i> | Founder; | February 12, 2014 |
| Ralph J. Roberts | Chairman Emeritus of the Board | |
| <i>/s/ MICHAEL J. ANGELAKIS</i> | Vice Chairman and CFO | February 12, 2014 |
| Michael J. Angelakis | (Principal Financial Officer) | |
| <i>/s/ LAWRENCE J. SALVA</i> | Senior Vice President, Chief Accounting Officer and Controller | February 12, 2014 |
| Lawrence J. Salva | (Principal Accounting Officer) | |
| <i>/s/ KENNETH J. BACON</i> | Director | February 12, 2014 |
| Kenneth J. Bacon | | |
| <i>/s/ SHELDON M. BONOVIKZ</i> | Director | February 12, 2014 |
| Sheldon M. Bonovitz | | |
| <i>/s/ JOSEPH J. COLLINS</i> | Director | February 12, 2014 |
| Joseph J. Collins | | |
| <i>/s/ J. MICHAEL COOK</i> | Director | February 12, 2014 |
| J. Michael Cook | | |

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|--------------------------|----------|-------------------|
| /s/ GERALD L. HASSELL | Director | February 12, 2014 |
| Gerald L. Hassell | | |
| /s/ JEFFREY A. HONICKMAN | Director | February 12, 2014 |
| Jeffrey A. Honickman | | |
| /s/ EDUARDO G. MESTRE | Director | February 12, 2014 |
| Eduardo G. Mestre | | |
| /s/ JOHNATHAN A. RODGERS | Director | February 12, 2014 |
| Johnathan A. Rodgers | | |
| /s/ DR. JUDITH RODIN | Director | February 12, 2014 |
| Dr. Judith Rodin | | |

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NBCUniversal

Pursuant to the requirements of Section 13 or 15(d) 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 in Philadelphia, Pennsylvania on February 12, 2014.

NBCUNIVERSAL MEDIA, LLC
 By: NBCUNIVERSAL, LLC, its sole member

By: /s/ STEPHEN B. BURKE
 Name: Stephen B. Burke
 Title: Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

| Signature | Title | Date |
|--------------------------|--|-------------------|
| /s/ BRIAN L. ROBERTS | Principal Executive Officer | February 12, 2014 |
| Brian L. Roberts | of NBCUniversal Media, LLC | |
| /s/ MICHAEL J. ANGELAKIS | Principal Financial Officer | February 12, 2014 |
| Michael J. Angelakis | of NBCUniversal Media, LLC; Director of NBCUniversal, LLC | |
| /s/ ARTHUR R. BLOCK | Director of NBCUniversal, LLC | February 12, 2014 |
| Arthur R. Block | | |
| /s/ DAVID L. COHEN | Director of NBCUniversal, LLC | February 12, 2014 |
| David L. Cohen | | |
| /s/ LAWRENCE J. SALVA | Principal Accounting Officer | February 12, 2014 |
| Lawrence J. Salva | of NBCUniversal Media, LLC | |

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NBCUniversal Media, LLC Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Member of NBCUniversal Media, LLC

New York, New York

We have audited the accompanying consolidated balance sheets of NBCUniversal Media, LLC and subsidiaries (the Company), as of December 31, 2013 and 2012, the related consolidated statements of income, comprehensive income, cash flows and changes in equity for the years ended December 31, 2013 and 2012, and for the period from January 29, 2011 to December 31, 2011 (successor), and the consolidated statements of income, comprehensive income, cash flows and changes in equity of NBC Universal, Inc. and subsidiaries (the Predecessor Company) for the period from January 1, 2011 to January 28, 2011 (predecessor). These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. The Company and the Predecessor Company are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's or the Predecessor Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2013 and 2012, the results of its operations and its cash flows for the years ended December 31, 2013 and 2012, and for the period from January 29, 2011 to December 31, 2011 (successor), and the results of the Predecessor Company's operations and cash flows for the period from January 1, 2011 to January 28, 2011 (predecessor), in conformity with accounting principles generally accepted in the United States of America.

/s/ Deloitte & Touche LLP

New York, New York

February 12, 2014

Table of Contents**NBCUniversal Media, LLC**

Consolidated Balance Sheet

| December 31 (in millions) | Successor | |
|--|------------------|------------------|
| | 2013 | 2012 |
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 967 | \$ 5,921 |
| Receivables, net | 4,911 | 4,028 |
| Programming rights | 903 | 844 |
| Other current assets | 615 | 607 |
| Total current assets | 7,396 | 11,400 |
| Film and television costs | 4,983 | 5,041 |
| Investments | 884 | 1,266 |
| Property and equipment, net | 7,650 | 5,381 |
| Goodwill | 14,882 | 14,770 |
| Intangible assets, net | 14,857 | 15,420 |
| Other noncurrent assets, net | 1,087 | 1,184 |
| Total assets | \$ 51,739 | \$ 54,462 |
| Liabilities and Equity | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | \$ 1,583 | \$ 2,348 |
| Accrued participations and residuals | 1,239 | 1,350 |
| Program obligations | 657 | 561 |
| Deferred revenue | 846 | 681 |
| Accrued expenses and other current liabilities | 1,465 | 1,288 |
| Note payable to Comcast | 799 | |
| Current portion of long-term debt | 906 | 10 |
| Total current liabilities | 7,495 | 6,238 |
| Long-term debt, less current portion | 10,259 | 11,231 |
| Accrued participations, residuals and program obligations | 1,015 | 862 |
| Other noncurrent liabilities | 3,412 | 3,746 |
| Commitments and contingencies (Note 17) | | |
| Redeemable noncontrolling interests | 231 | 131 |
| Equity: | | |
| Member s Capital | 29,056 | 31,900 |
| Accumulated other comprehensive income (loss) | (16) | (65) |
| Total NBCUniversal member s equity | 29,040 | 31,835 |
| Noncontrolling interests | 287 | 419 |
| Total equity | 29,327 | 32,254 |
| Total liabilities and equity | \$ 51,739 | \$ 54,462 |
| See accompanying notes to consolidated financial statements. | | |

Table of Contents**NBCUniversal Media, LLC**

Consolidated Statement of Income

| | Year Ended December 31, 2013 | Successor Year Ended December 31, 2012 | For the Period January 29, 2011 to December 31, 2011 | Predecessor For the Period January 1, 2011 to January 28, 2011 |
|--|---|---|---|---|
| (in millions) | | | | |
| Revenue | \$ 23,650 | \$ 23,812 | \$ 19,028 | \$ 1,206 |
| Costs and Expenses: | | | | |
| Programming and production | 11,770 | 12,710 | 9,708 | 711 |
| Other operating and administrative | 4,949 | 4,763 | 4,075 | 307 |
| Advertising, marketing and promotion | 2,199 | 2,232 | 1,849 | 153 |
| Depreciation | 639 | 562 | 401 | 19 |
| Amortization | 772 | 764 | 712 | 8 |
| | 20,329 | 21,031 | 16,745 | 1,198 |
| Operating income | 3,321 | 2,781 | 2,283 | 8 |
| Other Income (Expense): | | | | |
| Interest expense | (515) | (480) | (389) | (37) |
| Investment income (loss), net | 17 | 27 | 19 | 4 |
| Equity in net income (losses) of investees, net | (93) | 183 | 262 | 25 |
| Other income (expense), net | (402) | 917 | (129) | (29) |
| | (993) | 647 | (237) | (37) |
| Income (loss) before income taxes | 2,328 | 3,428 | 2,046 | (29) |
| Income tax (expense) benefit | (206) | (197) | (185) | 4 |
| Net income (loss) | 2,122 | 3,231 | 1,861 | (25) |
| Net (income) loss attributable to noncontrolling interests | (154) | (176) | (178) | 2 |
| Net income (loss) attributable to NBCUniversal | \$ 1,968 | \$ 3,055 | \$ 1,683 | \$ (23) |

See accompanying notes to consolidated financial statements.

Table of Contents**NBCUniversal Media, LLC**

Consolidated Statement of Comprehensive Income

| | Year Ended December 31, 2013 | Successor Year Ended December 31, 2012 | For the Period January 29, 2011 to December 31, 2011 | Predecessor For the Period January 1, 2011 to January 28, 2011 |
|---|---|--|---|---|
| (in millions) | | | | |
| Net income (loss) | \$ 2,122 | \$ 3,231 | \$ 1,861 | \$ (25) |
| Employee benefit obligations, net | 95 | 14 | (64) | 4 |
| Currency translation adjustments, net | (41) | (1) | (14) | 1 |
| Other, net | (5) | | | (2) |
| Comprehensive income (loss) | 2,171 | 3,244 | 1,783 | (22) |
| Net (income) loss attributable to noncontrolling interests | (154) | (176) | (178) | 2 |
| Comprehensive income (loss) attributable to NBCUniversal | \$ 2,017 | \$ 3,068 | \$ 1,605 | \$ (20) |

See accompanying notes to consolidated financial statements.

Table of Contents**NBCUniversal Media, LLC**

Consolidated Statement of Cash Flows

| | Year Ended December 31, 2013 | Successor Year Ended December 31, 2012 | For the Period January 29, 2011 to December 31, 2011 | Predecessor For the Period January 1, 2011 to January 28, 2011 |
|--|---|--|---|---|
| (in millions) | | | | |
| Operating Activities | | | | |
| Net income (loss) | \$ 2,122 | \$ 3,231 | \$ 1,861 | \$ (25) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation and amortization | 1,411 | 1,326 | 1,113 | 27 |
| Amortization of film and television costs | 8,185 | 9,399 | 6,766 | 549 |
| Noncash compensation expense | 7 | 7 | 17 | 48 |
| Equity in net (income) losses of investees, net | 93 | (183) | (262) | (25) |
| Cash received from investees | 90 | 189 | 301 | |
| Net (gain) loss on investment activity and other | 345 | (1,093) | 30 | 27 |
| Deferred income taxes | (10) | 15 | 27 | (473) |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | | | |
| Change in current and noncurrent receivables, net | (752) | (643) | (357) | (675) |
| Change in film and television costs | (8,183) | (9,299) | (7,018) | (590) |
| Change in accounts payable and accrued expenses related to trade creditors | (789) | 51 | 95 | 399 |
| Change in other operating assets and liabilities | 505 | 333 | 296 | 109 |
| Net cash provided by (used in) operating activities | 3,024 | 3,333 | 2,869 | (629) |
| Investing Activities | | | | |
| Capital expenditures | (1,160) | (763) | (432) | (16) |
| Cash paid for intangible assets | (113) | (113) | (249) | |
| Acquisitions of real estate properties | (1,705) | | | |
| Acquisitions, net of cash acquired | (111) | (90) | (746) | |
| Proceeds from sales of businesses and investments | 2 | 3,026 | 117 | 331 |
| Return of capital from investees | 131 | 75 | | |
| Purchases of investments | (236) | (117) | (14) | |
| Other | (20) | (9) | (8) | |
| Net cash provided by (used in) investing activities | (3,212) | 2,009 | (1,332) | 315 |
| Financing Activities | | | | |
| Proceeds from (repayments of) short-term borrowings, net | | (550) | 550 | |
| Proceeds from third party borrowings | | 1,995 | | |
| Repurchases and repayments of debt | (92) | (413) | (1,044) | |
| Proceeds from borrowings from Comcast | 799 | | 250 | |
| Repayments of borrowings from Comcast | | | (250) | |
| Decrease in short-term loans to GE, net | | | | 8,072 |
| Dividends paid | | | (315) | (8,041) |
| Redemption Transaction distribution | (3,200) | | | |
| Distributions to member | (1,422) | (964) | (244) | |
| Repurchase of preferred stock interest | | | | (332) |
| Distributions to noncontrolling interests | (183) | (216) | (187) | |

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| | | | | |
|--|----------------|-----------------|----------------|---------------|
| Settlement of Station Venture liability | (602) | | | |
| Other | (66) | (81) | 3 | 1 |
| Net cash provided by (used in) financing activities | (4,766) | (229) | (1,237) | (300) |
| Increase (decrease) in cash and cash equivalents | (4,954) | 5,113 | 300 | (614) |
| Cash and cash equivalents, beginning of year | 5,921 | 808 | 508 | 1,084 |
| Cash and cash equivalents, end of year | \$ 967 | \$ 5,921 | \$ 808 | \$ 470 |

See accompanying notes to consolidated financial statements.

Table of Contents**NBCUniversal Media, LLC**

Consolidated Statements of Changes in Equity

| | Common Stock | Additional Paid-In Capital | Retained Earnings | Accumulated Other Comprehensive Income (Loss) | Non- controlling Interests | Total Equity |
|--|---|-------------------------------|----------------------|---|----------------------------------|-----------------|
| Predecessor (in millions) | | | | | | |
| Balance, January 1, 2011 | \$ | \$ 23,592 | \$ 320 | \$ (13) | \$ (82) | \$ 23,817 |
| Compensation plans | | 48 | | | | 48 |
| Dividends declared | | (7,846) | (297) | | | (8,143) |
| Other | | (331) | | | 2 | (329) |
| Other comprehensive income (loss) | | | | 3 | | 3 |
| Net income (loss) | | | (23) | | (2) | (25) |
| Balance, January 28, 2011 | \$ | \$ 15,463 | \$ | \$ (10) | \$ (82) | \$ 15,371 |
| | | | | | | |
| | Redeemable Noncontrolling Interests | Member s Capital | Income (Loss) | Accumulated Other Comprehensive Income (Loss) | Non- controlling Interests | Total Equity |
| Successor (in millions) | | | | | | |
| Member s equity, remeasured at January 28, 2011 | \$ | \$ 24,089 | \$ | \$ | \$ 262 | \$ 24,351 |
| Contribution of Comcast Content Business | 136 | 4,344 | | | 57 | 4,401 |
| Total member s equity at January 28, 2011 | 136 | 28,433 | | | 319 | 28,752 |
| Compensation plans | | 17 | | | | 17 |
| Dividends declared | | (244) | | | | (244) |
| Issuance of subsidiary shares to noncontrolling interests | 40 | 89 | | | 43 | 132 |
| Contributions from (distributions to) noncontrolling interests, net | (8) | | | | (176) | (176) |
| Other | | (180) | | | 13 | (167) |
| Other comprehensive income (loss) | | | | (78) | | (78) |
| Net income (loss) | 16 | 1,683 | | | 162 | 1,845 |
| Balance, December 31, 2011 | 184 | 29,798 | | (78) | 361 | 30,081 |
| Compensation plans | | 7 | | | | 7 |
| Dividends declared | | (964) | | | | (964) |
| Purchase of subsidiary shares from noncontrolling interests | (47) | | | | | |
| Contributions from (distributions to) noncontrolling interests, net | (24) | | | | (184) | (184) |
| Other | | 4 | | | 84 | 88 |
| Other comprehensive income (loss) | | | | 13 | | 13 |
| Net income (loss) | 18 | 3,055 | | | 158 | 3,213 |
| Balance, December 31, 2012 | 131 | 31,900 | | (65) | 419 | 32,254 |
| Compensation plans | | 7 | | | | 7 |
| Redemption Transaction distribution | | (3,200) | | | | (3,200) |
| Dividends declared | | (1,422) | | | | (1,422) |
| Contributions from (distributions to) noncontrolling interests, net | (22) | | | | (155) | (155) |
| Purchase of subsidiary shares from noncontrolling interests | | (33) | | | | (33) |
| Other | 102 | (164) | | | (111) | (275) |

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| | | | | | | |
|--|-----------|------------|------------------|-----------|-------------|------------------|
| Other comprehensive income (loss) | | | | 49 | | 49 |
| Net income (loss) | | 20 | 1,968 | | 134 | 2,102 |
| Balance, December 31, 2013 | \$ | 231 | \$ 29,056 | \$ | (16) | \$ 29,327 |

See accompanying notes to consolidated financial statements.

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NBCUniversal Media, LLC

Notes to Consolidated Financial Statements

Note 1: Business and Basis of Presentation

We are 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. In 2011, Comcast closed its transaction with General Electric Company (GE), in which Comcast acquired control of the businesses of NBCUniversal Media, LLC (NBCUniversal), and in 2013, Comcast acquired GE's remaining 49% common equity interest in our parent NBCUniversal, LLC (NBCUniversal Holdings). See Note 3 for additional information on these transactions.

We present our operations as the following four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks. See Note 18 for additional information on our reportable business segments.

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks, which provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, our international cable networks, and our cable television production operations.

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local television stations, and our broadcast television production operations.

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide. Our films are produced primarily under the Universal Pictures, Focus Features and Illumination names.

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.

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). Transactions between NBCUniversal and Comcast, and their consolidated subsidiaries are reflected in these consolidated financial statements and disclosed as related party transactions when material.

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 as of 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.

As a result of the change in control of our company on January 28, 2011, Comcast applied the acquisition method of accounting with respect to the assets and liabilities of the NBCUniversal businesses it acquired (NBCUniversal contributed business), which were remeasured to fair value as of the date of the Joint Venture transaction. Our consolidated financial statements for periods following the close of the Joint Venture

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transaction are labeled "Successor" and reflect both Comcast's basis of accounting in the new fair values of the assets and liabilities of the NBCUniversal contributed businesses and the consolidation of the Comcast Content Business at historical cost. All periods prior to the close of the Joint Venture transaction reflect the historical accounting basis in our assets and liabilities and are labeled "Predecessor." Our consolidated finan-

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NBCUniversal Media, LLC

cial statements and footnotes include a black line division, which appears between the columns titled Predecessor and Successor, which signifies that the amounts shown for the periods prior to and following the Joint Venture transaction are not comparable. See Note 3 for additional information on the Joint Venture transaction.

Reclassifications

Reclassifications have been made to our consolidated financial statements for the prior years to conform to classifications used in 2013.

Note 2: Accounting Policies

Our consolidated financial statements are prepared in accordance with GAAP, which requires us to select accounting policies, including in certain cases industry-specific policies, and make estimates that affect the reported amount of assets, liabilities, revenue and expenses, and the related disclosure of contingent assets and contingent liabilities. Actual results could differ from these estimates. We believe the judgments and related estimates for the following items are critical in the preparation of our consolidated financial statements:

revenue recognition (see below)

film and television costs (see Note 5)

goodwill and intangible assets (see Note 8)

fair value of contractual obligations (see Note 10)

In addition, the following accounting policies are specific to the industries in which we operate:

capitalization and amortization of film and television costs (see Note 5)

Information on our other accounting policies or methods related to our consolidated financial statements are included, where applicable, in their respective footnotes that follow. Below is a discussion of accounting policies and methods used in our consolidated financial statements that are not presented within other footnotes.

Revenue Recognition

Cable Networks and Broadcast Television Segments

Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, the sale of advertising and the licensing of our owned programming. Our Broadcast Television segment generates revenue primarily from the sale of advertising, the licensing of our owned programming and the fees received under retransmission consent agreements. We

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recognize revenue from distributors as programming is provided, generally under multiyear distribution agreements. From time to time, the distribution agreements expire while programming continues to be provided to the distributor based on interim arrangements while the parties negotiate new contract terms. Revenue recognition is generally limited to current payments being made by the distributor, typically under the prior contract terms, until a new contract is negotiated, sometimes with effective dates that affect prior periods. Differences between actual amounts determined upon resolution of negotiations and amounts recorded during these interim arrangements are recorded in the period of resolution.

Advertising revenue for our Cable Networks and Broadcast Television segments is recognized in the period in which commercials are aired or viewed. In some instances, we guarantee viewer ratings for the commercials. To the extent there is a shortfall in the ratings that were guaranteed, a portion of the revenue is deferred until

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NBCUniversal Media, LLC

the shortfall is settled, primarily by providing additional advertising time. We record revenue from the licensing of our owned programming when the content is available for use by the licensee, and when certain other conditions are met. When license fees include advertising time, we recognize the advertising time component of revenue when the advertisements are aired or viewed.

Filmed Entertainment Segment

Our Filmed Entertainment segment generates revenue primarily from the worldwide distribution of our owned and acquired films for exhibition in movie theaters, the licensing of our owned and acquired films to cable, broadcast and premium networks and digital distributors, and the sale of our owned and acquired films on both standard-definition DVDs and Blu-ray discs (together, DVDs) and through digital distributors. We also generate revenue from producing and licensing live stage plays and distributing filmed entertainment produced by third parties. We recognize revenue from the distribution of films to movie theaters when the films are exhibited. We record revenue from the licensing of a film when the film is available for use by the licensee, and when certain other conditions are met. 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.

Theme Parks Segment

Our Theme Parks segment generates revenue primarily from theme park attendance and per capita spending at our Universal theme parks in Orlando and Hollywood, as well as from licensing and other fees. We recognize revenue from advance theme park ticket sales when the tickets are used. For annual passes, we recognize revenue on a straight-line basis over the annual period following the initial redemption date.

Advertising Expenses

Advertising costs are expensed as incurred.

Cash Equivalents

The carrying amounts of our cash equivalents approximate their fair value. Our cash equivalents consist primarily of money market funds and U.S. government obligations, as well as commercial paper and certificates of deposit with maturities of less than three months when purchased.

Derivative Financial Instruments

We use derivative financial instruments to manage our exposure to the risks associated with fluctuations in foreign exchange rates and interest rates. Our objective is to manage the financial and operational exposure arising from these risks by offsetting gains and losses on the underlying exposures with gains and losses on the derivatives used to economically hedge them.

Our derivative financial instruments are recorded on our consolidated balance sheet at fair value. The impact of our derivative financial instruments on our consolidated financial statements was not material for all periods presented.

Note 3: Significant Transactions

2013

[Redemption Transaction](#)

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

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NBCUniversal Media, LLC

The total consideration for these transactions consisted of \$11.4 billion of cash on hand (of which we funded \$4.6 billion); \$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 Comcast's commercial paper program; \$1.25 billion of borrowings under NBCUniversal Enterprise's credit facility, which replaced our credit facility; and \$725 million aggregate liquidation preference of Series A cumulative preferred stock of NBCUniversal Enterprise. 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.

Following the close of the Redemption Transaction, Comcast owns 96% of NBCUniversal Holdings' common units and NBCUniversal Enterprise owns the remaining 4%. NBCUniversal Enterprise is now a consolidated subsidiary of Comcast, but we do not have any ownership interests in NBCUniversal Enterprise. NBCUniversal Enterprise also owns all of NBCUniversal Holdings' preferred units with a \$9.4 billion aggregate liquidation preference. NBCUniversal Holdings is required to make quarterly payments to NBCUniversal Enterprise at an initial rate of 8.25% per annum on the \$9.4 billion aggregate liquidation preference of the preferred units. On March 1, 2018, and thereafter on every fifth anniversary of such date, this rate will reset to 7.44% plus the yield on actively traded United States Treasury securities having a 5 year maturity. NBCUniversal Holdings has the right to redeem all of the preferred units during the 30 day period beginning on March 1, 2018, and NBCUniversal Enterprise has the right to cause NBCUniversal Holdings to redeem 15% of its preferred units during the 30 day period beginning on March 19, 2020. The price and units in a redemption initiated by either party will be based on the liquidation preference plus accrued but unpaid dividends and adjusted, in the case of an exercise of NBCUniversal Enterprise's right, to the extent the equity value of NBCUniversal Holdings is less than the liquidation preference. Our cash flows are, and will continue to be, the primary source of funding for the required payments and any future redemption of the NBCUniversal Holdings preferred units.

2011

[Joint Venture Transaction](#)

On January 28, 2011, Comcast and GE closed the Joint Venture transaction, which among other things, converted our company into a limited liability company that became a wholly owned subsidiary of NBCUniversal Holdings. NBCUniversal comprises the NBCUniversal contributed businesses and the Comcast Content Business. In addition to contributing the Comcast Content Business to NBCUniversal, Comcast made a cash payment to GE of \$6.2 billion, which included transaction-related costs. Comcast also agreed to share with GE certain tax benefits as they are realized that relate to the form and structure of the Joint Venture transaction. These payments to GE are contingent on Comcast realizing tax benefits in the future and are accounted for as contingent consideration by Comcast.

[Universal Orlando Transaction](#)

On July 1, 2011, we acquired the remaining 50% equity interest in Universal Orlando that we did not already own for \$1 billion. Following the close of the transaction, Universal Orlando is a wholly owned consolidated subsidiary, and its operations are reported in our Theme Parks segment. We recorded \$982 million of goodwill in our allocation of purchase price for this transaction, which was fully allocated to our Theme Parks segment.

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NBCUniversal Media, LLC

Note 4: 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 and, to a lesser extent, the sale of advertising and our owned programming, and we incur expenses primarily related to various support services provided by Comcast to us.

On March 19, 2013, as part of the Comcast cash management process, we and Comcast entered into a revolving credit agreement under which we can borrow up to \$3 billion from Comcast and Comcast can borrow up to \$3 billion from us. Amounts owed by us to Comcast under the revolving credit agreement, including accrued interest, are presented under the caption note payable to Comcast in our consolidated balance sheet. The revolving credit agreements bear interest at floating rates equal to the interest rate under the Comcast and Comcast Cable Communications, LLC revolving credit facility (the Comcast revolving credit facility). The interest rate on the Comcast revolving credit facility consists of a base rate plus a borrowing margin that is determined based on Comcast's credit rating. As of December 31, 2013, the borrowing margin for London Interbank Offered Rate based borrowings was 1.00%.

In addition, Comcast is the counterparty to one of our contractual obligations. As of December 31, 2013, the carrying value of the liability associated with this contractual obligation was \$383 million. See Note 10 for additional information on this contractual obligation.

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

Consolidated Balance Sheet

| December 31 (in millions) | Successor | |
|--|-----------|--------|
| | 2013 | 2012 |
| Transactions with Comcast and consolidated subsidiaries | | |
| Receivables, net | \$ 228 | \$ 204 |
| Accounts payable and accrued expenses related to trade creditors | \$ 56 | \$ 25 |
| Accrued expenses and other current liabilities | \$ 37 | \$ 1 |
| Note payable to Comcast | \$ 799 | \$ |
| Other noncurrent liabilities | \$ 383 | \$ |

Consolidated Statement of Income

| (in millions) | Year Ended December 31, 2013 | Successor Year Ended December 31, 2012 | For the Period January 29, 2011 to December 31, 2011 |
|--|---------------------------------------|---|--|
| Transactions with Comcast and consolidated subsidiaries | | | |

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| | | | | | |
|---|----------|----|-------|----|-------|
| Revenue | \$ 1,262 | \$ | 1,228 | \$ | 1,025 |
| Operating costs and expenses | \$ (190) | \$ | (175) | \$ | (72) |
| Distributions to NBCUniversal Holdings | | | | | |

In addition to the transactions above, we make distributions to NBCUniversal Holdings on a periodic basis to enable its owners to meet their obligations to pay taxes on taxable income generated by our businesses. We also make quarterly distributions to NBCUniversal Holdings to enable it to make its required quarterly pay-

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ments to NBCUniversal Enterprise at an initial annual rate of 8.25% on the \$9.4 billion aggregate liquidation preference of its preferred units. These distributions are presented under the caption "distributions to member" in our consolidated statement of cash flows. Following the close of the Redemption Transaction, none of these distributions to NBCUniversal Holdings are attributable to GE.

In connection with the Redemption Transaction, we also made a distribution of \$3.2 billion to NBCUniversal Holdings to fund a portion of the Redemption Transaction. This distribution is presented separately in our consolidated statement of cash flows.

Transactions with GE

Following the close of the Redemption Transaction and the subsequent sale of NBCUniversal Enterprise's preferred stock and senior notes by GE to unaffiliated third parties in March 2013, we no longer consider GE to be a related party.

In February 2013, Comcast closed an agreement with GE, General Electric Capital Corporation ("GECC") and LIN TV under which, among other things, we purchased a note held by Station Venture Holdings, LLC ("Station Venture") from GECC for \$602 million, which effectively settled a liability of \$482 million that had been recorded in the allocation of purchase price associated with the Joint Venture transaction. Due to the related party nature of this transaction, the excess of the purchase price of the Station Venture note over the recorded amount of the liability was recorded to member's capital. Other than the Station Venture transaction, dividend payments to GE that are included under the caption "dividends" on our consolidated statement of changes in equity and our consolidated statement of cash flows, and the transactions discussed in Note 3, the amounts related to our transactions with GE and its consolidated subsidiaries that occurred prior to the close of the Redemption Transaction were not material.

Note 5: Film and Television Costs

| December 31 (in millions) | Successor | |
|---|-----------------|----------|
| | 2013 | 2012 |
| Film Costs: | | |
| Released, less amortization | \$ 1,630 | \$ 1,472 |
| Completed, not released | 70 | 99 |
| In production and in development | 658 | 1,048 |
| | 2,358 | 2,619 |
| Television Costs: | | |
| Released, less amortization | 1,155 | 1,124 |
| In production and in development | 370 | 334 |
| | 1,525 | 1,458 |
| Programming rights, less amortization | 2,003 | 1,808 |
| | 5,886 | 5,885 |
| Less: Current portion of programming rights | 903 | 844 |
| Film and television costs | \$ 4,983 | \$ 5,041 |

Based on our estimates of the ratio of the current period's actual revenue to the estimated total remaining gross revenue from all sources ("ultimate revenue"), as of December 31, 2013, approximately \$ 1.3 billion of film and television costs associated with our original film and television productions that have been released, or completed and not yet released, are expected to be amortized during 2014. Approximately 85% of

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unamortized film and television costs for our released productions, excluding amounts allocated to acquired libraries, are expected to be amortized through 2016.

As of December 31, 2013, acquired film and television libraries, which are included within the released, less amortization captions in the table above, had remaining unamortized costs of \$711 million. These costs are generally amortized over a period not to exceed 20 years, and approximately 49% of these costs are expected to be amortized through 2016.

Capitalization of Film and Television Costs

We capitalize film and television production costs, including direct costs, production overhead, print costs, development costs and interest. We amortize capitalized film and television production costs, including acquired libraries, and accrue costs associated with participation and residual payments to programming and production expense. We generally record the amortization and the accrued costs using the individual film forecast computation method, which amortizes such costs in the same ratio as the associated ultimate revenue. Estimates of total revenue and total costs are based on anticipated release patterns, public acceptance and historical results for similar productions. Unamortized film and television costs, including acquired film and television libraries, are stated at the lower of unamortized cost or fair value. We do not capitalize costs related to the distribution of a film to movie theaters or the licensing or sale of a film or television production, which are primarily costs associated with the marketing and distribution of film and television programming.

In determining the estimated lives and method of amortization of acquired film and television libraries, we generally use the method and the life that most closely follow the undiscounted cash flows over the estimated life of the asset.

Upon the occurrence of an event or a change in circumstance that was known or knowable as of the balance sheet date and that indicates the fair value of a film is less than its unamortized costs, we determine the fair value of the film and record an impairment charge for the amount by which the unamortized capitalized costs exceed the film's fair value.

We enter into arrangements with third parties to jointly finance and distribute certain of our film productions. These arrangements, which are referred to as cofinancing arrangements, can take various forms. In most cases, the arrangement involves the grant of an economic interest in a film to a third-party investor. The number of investors and the terms of these arrangements can vary, although in most cases an investor assumes full risk for the portion of the film acquired in these arrangements. We account for the proceeds received from a third-party investor under these arrangements as a reduction to our capitalized film costs. In these arrangements, the investor owns an undivided copyright interest in the film and, therefore, in each period we record either a charge or a benefit to programming and production expense to reflect the estimate of the third-party investor's interest in the profit or loss of the film. The estimate of the third-party investor's interest in the profit or loss of a film is determined using the ratio of actual revenue earned to date to the ultimate revenue expected to be recognized over the film's useful life.

We capitalize the costs of programming content that we license but do not own, including rights to multiyear live-event sports programming, at the earlier of when payments are made for the programming or when the license period begins and the content is available for use. We amortize capitalized programming costs as the associated programs are broadcast. We amortize multiyear, live-event sports programming rights using the ratio of the current period's revenue to the estimated total remaining revenue or under the terms of the contract.

Acquired programming costs are recorded at the lower of unamortized cost or net realizable value on a program by program, package, channel or daypart basis. A daypart is an aggregation of programs broadcast

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during a particular time of day or programs of a similar type. Acquired programming used in our Cable Networks segment is primarily tested on a channel basis for impairment, whereas acquired programming used in our Broadcast Television segment is tested on a daypart basis. If we determine that the estimates of future cash flows are insufficient or if there is no plan to broadcast certain programming, we recognize an impairment charge to programming and production expense.

Note 6: Investments

| December 31 (in millions) | Successor | |
|---------------------------|-----------|----------|
| | 2013 | 2012 |
| Fair Value Method | \$ 11 | \$ 21 |
| Equity Method: | | |
| The Weather Channel | 333 | 471 |
| Hulu | 187 | |
| Other | 332 | 545 |
| | 852 | 1,016 |
| Cost Method | 21 | 229 |
| Total investments | \$ 884 | \$ 1,266 |
| Equity Method | | |

We use the equity method to account for investments in which we have the ability to exercise significant influence over the investee's operating and financial policies or where we hold significant partnership or LLC interests. Equity method investments are recorded at cost and are adjusted to recognize (i) our proportionate share of the investee's net income or losses after the date of investment, (ii) amortization of the recorded investment that exceeds our share of the book value of the investee's net assets, (iii) additional contributions made and dividends received, and (iv) impairments resulting from other-than-temporary declines in fair value. Gains or losses on the sale of equity method investee are recorded to other income (expense), net. If an equity method investment were to issue additional securities that would change our proportionate share of the entity, we would recognize the change, if any, as a gain or loss in our consolidated statement of income.

The Weather Channel

In June 2013, we received a distribution from The Weather Channel Holding Corp. (The Weather Channel) of \$152 million, of which \$128 million was recorded as a return of our investment in The Weather Channel and included under the caption return of capital from investees in our consolidated statement of cash flows.

Hulu

In July 2013, we entered into an agreement to provide capital contributions totaling \$247 million to Hulu, LLC (Hulu), which we had previously accounted for as a cost method investment. This represented an agreement to provide our first capital contribution to Hulu since Comcast acquired its interest in Hulu as part of the Joint Venture transaction, therefore we began to apply the equity method of accounting for this investment. The change in the method of accounting for this investment required us to recognize our proportionate share of Hulu's accumulated losses from the date of the Joint Venture transaction through July 2013. Prior period financial statements have not been restated as the amounts are not material for the periods presented.

Impairment Testing of Investments

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We review our investment portfolio each reporting period to determine whether there are identified events or circumstances that would indicate there is a decline in the fair value that would be considered other than temporary. For our nonpublic investments, if there are no identified events or circumstances that would have

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a significant adverse effect on the fair value of the investment, then the fair value is not estimated. If an investment is deemed to have experienced an other-than-temporary decline below its cost basis, we reduce the carrying amount of the investment to its quoted or estimated fair value, as applicable, and establish a new cost basis for the investment. For our AFS and cost method investments, we record the impairment to investment income (loss), net. For our equity method investments, we record the impairment to other income (expense), net. During 2013, we recorded \$249 million of impairment charges to our equity method investments, which were primarily related to a regional sports cable network based in Houston, Texas.

Note 7: Property and Equipment

| December 31 (in millions) | Weighted-Average Original Useful Life | As of December 31, 2013 | Successor 2013 | 2012 |
|--------------------------------------|--|-------------------------|-------------------|------|
| Buildings and leasehold improvements | 20 years | \$ 5,239 | \$ 3,223 | |
| Furniture, fixtures and equipment | 6 years | 2,383 | 1,961 | |
| Construction in process | | 828 | 552 | |
| Land | | 799 | 728 | |
| Property and equipment, at cost | | 9,249 | 6,464 | |
| Less: Accumulated depreciation | | 1,599 | 1,083 | |
| Property and equipment, net | | \$ 7,650 | \$ 5,381 | |

Property and equipment are stated at cost. We capitalize improvements that extend asset lives and expense repairs and maintenance costs as incurred. We record depreciation using the straight-line method over the asset's estimated useful life. For assets that are sold or retired, we remove the applicable cost and accumulated depreciation and, unless the gain or loss on disposition is presented separately, we recognize it as a component of depreciation expense.

We evaluate the recoverability of our property and equipment whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of depreciation expense.

Acquisitions of Real Estate Properties

Real estate acquisitions for 2013 primarily included our purchase from GE of certain properties we occupy at 30 Rockefeller Plaza in New York City and CNBC's headquarters in Englewood Cliffs, New Jersey. The CNBC property was previously recorded as a capital lease in our consolidated balance sheet. Other acquisitions included our purchase in September 2013 of a business whose primary asset is a property located at 10 Universal City Plaza, which is adjacent to Universal Studios in Hollywood, California. These purchases resulted in increases of \$1.7 billion in property and equipment which are included, as applicable, within the captions buildings and leasehold improvements and land in the table above.

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Note 8: Goodwill and Intangible Assets**Goodwill**

| Successor (in millions) | Cable Networks | Broadcast Television | Filmed Entertainment | Theme Parks | Total |
|-----------------------------------|------------------|----------------------|----------------------|---------------|------------------|
| Balance, December 31, 2011 | \$ 12,744 | \$ 772 | \$ 1 | \$ 1,140 | \$ 14,657 |
| Acquisitions: | | | | | |
| MSNBC.com | 227 | | | | 227 |
| Other | 79 | | | | 79 |
| Adjustments ^(a) | (24) | (11) | | (158) | (193) |
| Balance, December 31, 2012 | 13,026 | 761 | 1 | 982 | 14,770 |
| Acquisitions | 39 | 3 | | | 42 |
| Adjustments^(a) | 65 | 5 | | | 70 |
| Balance, December 31, 2013 | \$ 13,130 | \$ 769 | \$ 1 | \$ 982 | \$ 14,882 |

(a) Adjustments to goodwill in 2013 were primarily related to an immaterial correction to the allocation of purchase price associated with the Joint Venture transaction. Adjustments to goodwill in 2012 were primarily related to the adjustments to the allocation of purchase price associated with the Universal Orlando transaction in 2011.

We assess the recoverability of our goodwill annually, or more frequently whenever events or substantive changes in circumstances indicate that the carrying amount of a reporting unit may exceed its fair value. We test goodwill for impairment at the reporting unit level. To determine our reporting units, we evaluate the components one level below the segment level and we aggregate the components if they have similar economic characteristics. As a result of this assessment, our reporting units are the same as our four reportable segments. We evaluate the determination of our reporting units used to test for impairment periodically or whenever events or substantive changes in circumstances occur. The assessment of recoverability may first consider qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. The quantitative assessment considers if the carrying amount of a reporting unit exceeds its fair value, in which case an impairment charge is recorded to the extent the carrying amount of the reporting unit's goodwill exceeds its implied fair value. Unless presented separately, the impairment charge is included as a component of amortization expense.

Intangible Assets

| December 31 (in millions) | Weighted-Average Original Useful Life | 2013 | | Successor 2012 | |
|---------------------------------|---------------------------------------|-----------------------|--------------------------|-----------------------|--------------------------|
| | | Gross Carrying Amount | Accumulated Amortization | Gross Carrying Amount | Accumulated Amortization |
| Finite-Lived Intangible Assets: | as of December 31, 2013 | | | | |
| Customer relationships | 19 years | \$ 13,086 | \$ (2,982) | \$ 13,026 | \$ (2,328) |
| Software | 5 years | 522 | (240) | 409 | (164) |

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| | | | | | |
|-------------------------------------|----------|------------------|-------------------|-----------|------------|
| Other | 21 years | 1,511 | (781) | 1,507 | (746) |
| Indefinite-Lived Intangible Assets: | | | | | |
| Trade names | | 3,089 | | 3,080 | |
| FCC licenses | | 652 | | 636 | |
| Total | | \$ 18,860 | \$ (4,003) | \$ 18,658 | \$ (3,238) |

Table of Contents**NBCUniversal Media, LLC**[Indefinite-Lived Intangible Assets](#)

Indefinite-lived intangible assets consist of trade names and FCC licenses. We assess the recoverability of our indefinite-lived intangible assets annually, or more frequently whenever events or substantive changes in circumstances indicate that the assets might be impaired. We evaluate the unit of account used to test for impairment of our indefinite-lived intangible assets periodically or whenever events or substantive changes in circumstances occur to ensure impairment testing is performed at an appropriate level. The assessment of recoverability may first consider qualitative factors to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. A quantitative assessment is performed if the qualitative assessment results in a more-likely-than-not determination or if a qualitative assessment is not performed. When performing a quantitative assessment, we estimate the fair value of our indefinite-lived intangible assets primarily based on a discounted cash flow analysis that involves significant judgment. When analyzing the fair values indicated under the discounted cash flow models, we also consider multiples of operating income before depreciation and amortization generated by the underlying assets, current market transactions, and profitability information. If the fair value of our indefinite-lived intangible assets were less than the carrying amount, we would recognize an impairment charge for the difference between the estimated fair value and the carrying value of the assets. Unless presented separately, the impairment charge is included as a component of amortization expense.

[Finite-Lived Intangible Assets](#)[Estimated Amortization Expense of Finite-Lived Intangibles](#)

| | |
|---------------|--------|
| (in millions) | |
| 2014 | \$ 771 |
| 2015 | \$ 762 |
| 2016 | \$ 739 |
| 2017 | \$ 740 |
| 2018 | \$ 734 |

Finite-lived intangible assets are subject to amortization and consist primarily of customer relationships acquired in business combinations, intellectual property rights and software. Our finite-lived intangible assets are amortized primarily on a straight-line basis over their estimated useful life or the term of the respective agreement.

We capitalize direct development costs associated with internal-use software, including external direct costs of material and services and payroll costs for employees devoting time to these software projects. We also capitalize costs associated with the purchase of software licenses. We include these costs in intangible assets and amortize them on a straight-line basis over a period not to exceed five years. We expense maintenance and training costs, as well as costs incurred during the preliminary stage of a project, as they are incurred. We capitalize initial operating system software costs and amortize them over the life of the associated hardware.

We evaluate the recoverability of our intangible assets subject to amortization whenever events or substantive changes in circumstances indicate that the carrying amount may not be recoverable. The evaluation is based on the cash flows generated by the underlying asset groups, including estimated future operating results, trends or other determinants of fair value. If the total of the expected future undiscounted cash flows were less than the carrying amount of the asset group, we would recognize an impairment charge to the extent the carrying amount of the asset group exceeded its estimated fair value. Unless presented separately, the impairment charge is included as a component of amortization expense.

Table of Contents**NBCUniversal Media, LLC****Note 9: Long-Term Debt****Long-Term Debt Outstanding**

| | Weighted-Average Interest Rate as of December 31, 2013 | Successor 2013 | 2012 |
|---|--|--------------------------|--------|
| December 31 (in millions) | | | |
| Senior notes with maturities of 5 years or less | 2.884% | 2,917 | 2,933 |
| Senior notes with maturities between 6 and 10 years | 4.388% | 4,996 | 3,999 |
| Senior notes with maturities greater than 10 years | 5.614% | 3,205 | 4,203 |
| Other, including capital lease obligations | | 47 | 106 |
| Total debt | 4.22% ^(a) | 11,165 | 11,241 |
| Less: Current portion | | 906 | 10 |
| Long-term debt | | \$ 10,259 | 11,231 |

(a) Includes the effects of our derivative financial instruments.

As of December 31, 2013 and 2012, our debt had an estimated fair value of \$11.7 billion and \$12.6 billion, respectively. The estimated fair value of our publicly traded debt is based on quoted market values for the debt. To estimate the fair value of debt for which there are no quoted market prices, we use interest rates available to us for debt with similar terms and remaining maturities.

Debt Maturities

| (in millions) | Weighted-Average Interest Rate | |
|---------------|-----------------------------------|----------|
| 2014 | 2.121% | \$ 906 |
| 2015 | 3.597% | \$ 1,032 |
| 2016 | 2.876% | \$ 1,008 |
| 2017 | 6.287% | \$ 2 |
| 2018 | 6.299% | \$ 2 |
| Thereafter | 4.871% | \$ 8,215 |

Debt Instruments**Revolving Credit Facility**

In connection with the Redemption Transaction, on March 19, 2013, NBCUniversal Enterprise amended and restated our existing credit agreement to, among other things, substitute NBCUniversal Enterprise for us as the sole borrower to the revolving credit facility. As a result, we no longer have a revolving credit facility with third-party banks. Following the amendments to our credit agreement, our commercial paper program was terminated and we entered into a revolving credit agreement with Comcast. See Note 4 for additional information on the revolving credit agreement with Comcast.

[Cross-Guarantee Structure](#)

On March 27, 2013, we, Comcast and four of Comcast's wholly owned cable holding company subsidiaries (the cable guarantors) entered into a series of agreements and supplemental indentures to include us as a part of Comcast's existing cross-guarantee structure. As members of the cross-guarantee structure, Comcast and the cable guarantors fully and unconditionally guarantee our public debt securities, and we fully and unconditionally guarantee all of Comcast's and the cable guarantors' public debt securities. As of December 31, 2013, we guaranteed \$31 billion of outstanding debt securities of Comcast and the cable guarantors. We also fully and unconditionally guarantee the \$6.25 billion Comcast revolving credit facility due 2017, of which no amounts were outstanding as of December 31, 2013.

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We do not, however, guarantee the obligations of NBCUniversal Enterprise with respect to its \$4 billion aggregate principal amount of senior notes, \$1.35 billion revolving credit facility or \$725 million liquidation preference of Series A cumulative preferred stock.

Note 10: Fair Value Measurements

The accounting guidance related to financial assets and financial liabilities (financial instruments) establishes a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach and cost approach). Our assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of financial instruments and their classification within the fair value hierarchy.

Our financial instruments that are accounted for at fair value on a recurring basis were not material for all periods presented, except for liabilities associated with our contractual obligations. The fair values of the contractual obligations in the table below are primarily based on certain expected future discounted cash flows, the determination of which involves the use of significant unobservable inputs. As the inputs used are not quoted market prices or observable inputs, we classify these contractual obligations as Level 3 financial instruments.

The most significant unobservable inputs we use are our estimates of the future revenue we expect to generate from certain of our entities. The discount rates used in the measurements of fair value as of December 31, 2013 were between 12% and 13% and are based on the underlying risk associated with our estimate of future revenue, as well as the terms of the respective contracts. The fair value adjustments to contractual obligations are sensitive to the assumptions related to future revenue, as well as to current interest rates, and therefore, the adjustments are recorded to other income (expense), net in our consolidated statement of income.

In October 2013, Comcast closed its transaction with Liberty Media Corporation (Liberty Media), which included, among other things, the delivery of Liberty Media shares held by Comcast in exchange for Liberty Media s interests in one of our contractual obligations. The liability associated with this contractual obligation is now considered a related party transaction and as a result we no longer remeasure this liability to its fair value on a recurring basis.

Changes in Contractual Obligations

| | |
|---|---------------|
| Successor (in millions) | |
| Balance, December 31, 2012 | \$ 1,055 |
| Fair value adjustments | 158 |
| Payments | (83) |
| Liberty Media transaction | (383) |
| Balance, December 31, 2013 | \$ 747 |
| Nonrecurring Fair Value Measures | |

We have assets and liabilities that are required to be recorded at fair value on a nonrecurring basis when certain circumstances occur. In the case of film or stage play production costs, upon the occurrence of an event or change in circumstance that may indicate that the fair value of a production is less than its unamortized costs, we determine the fair value of the production and record an adjustment for the amount by which the unamortized capitalized costs exceed the production s fair value. The estimate of fair value of a production is determined using Level 3 inputs, primarily an analysis of future expected cash flows. Adjustments to capitalized film and

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stage play production costs of \$167 million and \$161 million were recorded in 2013 and 2012, respectively.

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NBCUniversal Media, LLC

Note 11: Postretirement, Pension and Other Employee Benefit Plans

The table below provides condensed information on our postretirement and pension benefit plans.

| | Year Ended December 31, | | Successor Year Ended December 31, | | For the Period January 29, 2011 to December 31, | |
|---|----------------------------|-----------|---|------------|---|------------|
| | 2013 | | 2012 | | 2011 | |
| | Postretirement | Pension | Postretirement | Pension | Postretirement | Pension |
| | Benefits | Benefits | Benefits | Benefits | Benefits | Benefits |
| (in millions) | | | | | | |
| Benefit obligation | \$ 158 | \$ 498 | \$ 177 | \$ 546 | \$ 161 | \$ 427 |
| Fair value of plan assets ^(a) | | 220 | | 217 | | |
| Plan funded status and recorded benefit obligation | (158) | (278) | (177) | (329) | (161) | (427) |
| Portion of benefit obligation not yet recognized in benefit expense | (44) | (3) | (11) | 53 | (13) | 71 |
| Benefits expense ^(b) | 14 | 12 | 15 | 142 | 14 | 111 |
| Discount rate | 5.25% | 4.5-5.25% | 4.25% | 3.75-4.25% | 4.75% | 4.75-5.25% |
| Expected return on plan assets | N/A | 5.00% | N/A | 5.00% | N/A | N/A |

(a) The fair value of the plan assets are primarily based on Level 1 inputs using quoted market prices for identical financial instruments in an active market.

(b) We did not recognize service cost in 2013 as our pension plans were frozen. The 2012 and 2011 amounts included service costs related to our pension benefits of \$134 million and \$99 million, respectively.

Postretirement Benefit Plans

We have postretirement medical and life insurance plans that provide continuous coverage to employees eligible to receive such benefits and give credit for length of service provided before the close of the Joint Venture transaction.

Substantially all of the employees that joined NBCUniversal from the Comcast Content Business at the close of the Joint Venture transaction participate in a postretirement healthcare stipend program (the stipend plan). The stipend plan provides an annual stipend for reimbursement of healthcare costs to each eligible employee based on years of service. Under the stipend plan, we are not exposed to the increasing costs of healthcare because the benefits are fixed at a predetermined amount.

All of our postretirement benefit plans are unfunded and substantially all of our postretirement benefit obligations are recorded to noncurrent liabilities. The expense we recognize related to our postretirement benefit plans is determined using certain assumptions, including the discount rate.

Pension Plans

We sponsor various domestic qualified and nonqualified defined benefit plans for which future benefits were frozen effective December 31, 2012. We ceased to recognize service costs associated with these defined benefit plans following the date on which future benefits were frozen. The expense we recognize related to our defined benefit plans is determined using certain assumptions, including the discount rate and the expected long-term rate of return on plan assets. We recognize the funded or unfunded status of our defined benefit plans as an asset or liability in our consolidated balance sheet and recognize changes in the funded status in the year in which the changes occur through accumulated other comprehensive income (loss). In the

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event of a defined benefit plan termination, we expect to fully fund and settle the plan within 180 days of approval by the Internal Revenue Service (IRS) and the Pension Benefit Guaranty Corporation (PBGC). In addition to the defined benefit plans we sponsor, we are also obligated to reimburse GE for future benefit payments to those participants who were vested in the supplemental pension plan sponsored by GE at the time of the close of the Joint Venture transaction.

In October 2013, we provided notice to the plan participants of our qualified pension plan of our intent to terminate our plan effective December 31, 2013. Our qualified pension plan was unfunded by \$8 million as of December 31, 2013, and we will seek approval for this termination from the IRS and PBGC in 2014.

Our consolidated balance sheet also includes the assets and liabilities of certain legacy pension plans, as well as the assets and liabilities for pension plans of certain foreign subsidiaries. As of December 31, 2013 and 2012, the benefit obligations associated with these plans exceeded the value of their plan assets by \$43 million and \$50 million, respectively.

Other Employee Benefits**Deferred Compensation Plans**

We maintain unfunded, nonqualified deferred compensation plans for certain members of management and nonemployee directors (each, a participant). The amount of compensation deferred by each participant is based on participant elections. Participants in the plan designate one or more valuation funds, independently established funds or indices that are used to determine the amount of earnings to be credited or debited to the participant s account.

Additionally, certain of our employees participate in Comcast s unfunded, nonqualified deferred compensation plan. The amount of compensation deferred by each participant is based on participant elections. Participant accounts are credited with income primarily based on a fixed annual rate.

In the case of both deferred compensation plans, participants are eligible to receive distributions of the amounts credited to their account based on elected deferral periods that are consistent with the plans and applicable tax law.

The table below presents the benefit obligation and interest expense for our deferred compensation plans.

| | Year Ended | Successor Year Ended | For the Period January 29, 2011 to December 31, 2011 |
|--------------------|------------------------------|----------------------------|---|
| (in millions) | December 31, 2013 | December 31, 2012 | December 31, 2011 |
| Benefit obligation | \$ 250 | \$ 163 | \$ 114 |
| Interest expense | \$ 18 | \$ 11 | \$ 10 |

Retirement Investment Plans

We sponsor several 401(k) defined contribution retirement plans that allow eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified plan guidelines. We make contributions to the plans that include matching a percentage of the employees contributions up to certain limits. In 2013, 2012 and for the period January 29, 2011 to December 31, 2011, expenses related to these plans totaled

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\$152 million, \$85 million and \$70 million, respectively.

[Multiemployer Benefit Plans](#)

We also participate in various multiemployer pension and other postretirement benefit plans that cover some of our employees and temporary employees who are represented by labor unions. We make periodic contributions to these plans in accordance with the terms of applicable collective bargaining agreements and

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laws but do not sponsor or administer these plans. We do not participate in any multiemployer benefit plans for which we consider our contributions to be individually significant, and the largest plans in which we participate are funded at a level of 80% or greater. In 2013, 2012 and for the period January 29, 2011 to December 31, 2011, the total contributions we made to multiemployer pension and other postretirement benefit plans were \$66 million, \$53 million and \$42 million, respectively.

If we cease to be obligated to make contributions or otherwise withdraw from participation in any of these plans, applicable law requires us to fund our allocable share of the unfunded vested benefits, which is known as a withdrawal liability. In addition, actions taken by other participating employers may lead to adverse changes in the financial condition of one of these plans, which could result in an increase in our withdrawal liability.

Severance Benefits

We provide severance benefits to certain former employees. A liability is recorded for benefits provided when payment is probable, the amount is reasonably estimable, and the obligation relates to rights that have vested or accumulated. During 2013, 2012 and for the period January 29, 2011 to December 31, 2011, we recorded \$116 million, \$90 million and \$89 million, respectively, of severance costs.

Note 12: Equity

NBCUniversal Holdings has caused us and will continue to cause us to make distributions or loans to NBCUniversal Holdings to meet its cash requirements. These requirements include an obligation to make distributions on a quarterly basis to enable Comcast to meet its obligations to pay taxes on taxable income generated by our businesses and quarterly payments from NBCUniversal Holdings to NBCUniversal Enterprise on the liquidation preference of its preferred units. During 2013, 2012 and the period January 29, 2011 through December 31, 2011, we made distributions to NBCUniversal Holdings of \$1.4 billion, \$964 million and \$244 million, respectively. In addition, we also made a distribution of \$3.2 billion to NBCUniversal Holdings to fund a portion of the Redemption Transaction. This distribution is presented separately on our consolidated statement of cash flows.

In the Predecessor period ended January 28, 2011, we distributed \$7.4 billion to GE prior to the close of the Joint Venture transaction.

Accumulated Other Comprehensive Income (Loss)

| December 31 (in millions) | Successor | |
|--|-----------|---------|
| | 2013 | 2012 |
| Deferred gains (losses) on cash flow hedges | \$ (5) | \$ |
| Unrecognized gains (losses) on employee benefit obligations | 45 | (50) |
| Cumulative translation adjustments | (56) | (15) |
| Accumulated other comprehensive income (loss), net of deferred taxes | \$ (16) | \$ (65) |

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NBCUniversal Media, LLC

Note 13: Share-Based Compensation

The tables below provide condensed information on our share-based compensation.

Recognized Share-Based Compensation Expense

| (in millions) | Year Ended December 31, 2013 | Successor Year Ended the Period January 29, 2011 to December 31, 2011 | |
|-------------------------------|------------------------------------|---|-------|
| | | 2012 | 2011 |
| Stock options | \$ 15 | \$ 15 | \$ 13 |
| Restricted share units | 42 | 28 | 18 |
| Employee stock purchase plans | 5 | 4 | 2 |
| Total | \$ 62 | \$ 47 | \$ 33 |

As of December 31, 2013, we had unrecognized pretax compensation expense of \$35 million related to nonvested Comcast stock options and unrecognized pretax compensation expense of \$98 million related to nonvested Comcast restricted share units (RSUs) that will be recognized over a weighted-average period of approximately 2.2 years and 1.7 years, respectively.

Comcast maintains share-based compensation plans that primarily consist of awards of stock options and RSUs to certain employees and directors as part of its approach to long-term incentive compensation. Awards generally vest over a period of 5 years and in the case of stock options, have a 10 year term. Additionally, through the employee stock purchase plans, employees are able to purchase shares of Comcast Class A 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.

The cost associated with Comcast's share-based compensation is based on an award's estimated fair value at the date of grant and is recognized over the period in which any related services are provided. Comcast uses the Black-Scholes option pricing model to estimate the fair value of stock option awards. RSUs are valued based on the closing price of Comcast Class A common stock on the date of grant and are discounted for the lack of dividends, if any, during the vesting period. The table below presents the weighted-average fair value on the date of grant of RSUs and Class A common stock options awarded under Comcast's various plans to employees of NBCUniversal and the related weighted-average valuation assumptions.

| | Year Ended December 31, 2013 | Successor Year Ended December 31, 2012 | | For the Period January 29, 2011 to December 31, 2011 |
|-------------------------------------|------------------------------------|---|----------|---|
| | | 2012 | 2011 | 2011 |
| RSUs fair value | \$ 37.79 | \$ 27.51 | \$ 21.75 | |
| Stock options fair value | \$ 8.86 | \$ 7.42 | \$ 6.77 | |
| Stock Option Valuation Assumptions: | | | | |
| Dividend yield | 1.9% | 2.2% | 1.8% | |
| Expected volatility | 25.2% | 29.0% | 28.5% | |

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| | | | |
|---------------------------------|-------------|------|------|
| Risk-free interest rate | 1.3% | 1.7% | 2.6% |
| Expected option life (in years) | 7.0 | 7.0 | 7.0 |

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| | Successor For the Period January 29, | | |
|-----------------------------|---|------------------------------------|---------------------------------|
| (in millions) | Year Ended December 31, 2013 | Year Ended December 31, 2012 | 2011 to December 31, 2011 |
| Foreign | | | |
| Current income tax expense | \$ 77 | \$ 69 | \$ 53 |
| Deferred income tax expense | (16) | 16 | 29 |
| Withholding tax expense | 123 | 103 | 100 |
| U.S. domestic tax expense | 22 | 9 | 3 |
| Income tax expense | \$ 206 | \$ 197 | \$ 185 |

We are a limited liability company, and our company is disregarded for U.S. federal income tax purposes as an entity separate from NBCUniversal Holdings, a tax partnership. NBCUniversal and our subsidiaries are not expected to incur any significant current or deferred U.S. domestic income taxes. Our tax liability is comprised primarily of withholding tax on foreign licensing activity and income taxes on foreign earnings. As a result of our tax status, the deferred tax assets and liabilities included in our consolidated balance sheet at December 31, 2013 and 2012 were not material.

In jurisdictions in which we are subject to income taxes, 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.

We classify interest and penalties, if any, associated with our uncertain tax positions as a component of income tax expense.

Uncertain Tax Positions

We retain liabilities for uncertain tax positions where we are the tax filer of record. GE and Comcast have indemnified NBCUniversal Holdings and us with respect to our income tax obligations attributable to periods prior to the close of the Joint Venture transaction, including indemnification of uncertain tax positions relating to filings made prior to the close of the Joint Venture transaction. The liabilities for uncertain tax positions included in our consolidated balance sheet were not material as of December 31, 2013 and 2012.

Various domestic and foreign taxing authorities are examining our tax returns through 2012. The majority of the periods under examination relate to tax years 2004 and forward. All periods prior to January 28, 2011 that are subject to audit are covered by the indemnification from GE or Comcast.

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NBCUniversal Media, LLC

Note 15: Supplemental Financial Information**Receivables**

| December 31 (in millions) | Successor | |
|---|-----------|----------|
| | 2013 | 2012 |
| Receivables, gross | \$ 5,348 | \$ 4,381 |
| Less: Allowance for returns and customer incentives | 372 | 307 |
| Less: Allowance for doubtful accounts | 65 | 46 |
| Receivables, net | \$ 4,911 | \$ 4,028 |

In addition to the amounts in the table above, noncurrent receivables of \$488 million and \$641 million, as of December 31, 2013 and 2012, respectively, are included in other noncurrent assets, net that primarily relate to the licensing of our television and film productions to third parties.

Cash Payments for Interest and Income Taxes

| (in millions) | Successor | | | Predecessor For the Period January 1, 2011 to January 28, 2011 |
|---------------|---------------------------------------|---------------------------------------|---|---|
| | Year Ended December 31, 2013 | Year Ended December 31, 2012 | For the Period January 29, 2011 to December 31, 2011 | |
| Interest | \$ 462 | \$ 461 | \$ 444 | \$ 1 |
| Income taxes | \$ 205 | \$ 169 | \$ 161 | \$ 493 |

Other Cash Flow Information

| | |
|--|--------|
| As of January 28, 2011 (in millions) | |
| Cash and cash equivalents at end of Predecessor period | \$ 470 |
| Comcast Content Business contributed cash balances | 38 |
| Cash and cash equivalents at beginning of Successor period | \$ 508 |

Noncash Investing and Financing Activities

During 2013:

we acquired \$306 million of property and equipment and intangible assets that were accrued but unpaid

During 2012:

we entered into a capital lease transaction that resulted in an increase in property and equipment and debt of \$85 million
For the period January 28, 2011 through December 31, 2011:

Comcast contributed the Comcast Content Business to NBCUniversal as part of the Joint Venture transaction (see Note 3 for additional information on the Joint Venture transaction)

the fair value of our previously held equity interest in Universal Orlando was accounted for as noncash consideration in the application of acquisition accounting for the Universal Orlando transaction (see Note 3 for additional information on the Universal Orlando transaction)

we acquired \$339 million of intellectual property rights that were accrued and unpaid

Table of Contents**NBCUniversal Media, LLC****Note 16: Receivables Monetization**

In December 2013, we terminated the programs under which we monetized certain of our accounts receivable with a syndicate of banks. In connection with these terminations, we remitted final payments to the third-party banks that totaled \$1.442 billion (the termination payments) in order to acquire \$1.078 billion of accounts receivables that had been monetized and remained uncollected as of the date of the terminations and settle \$364 million of cash receipts that we had collected and had not yet remitted to the banks. The termination payments are included within net cash provided by operating activities in our consolidated statement of cash flows.

Prior to the terminations, we accounted for receivables monetized through these programs as sales in accordance with the appropriate accounting guidance. We received deferred consideration from the assets sold in the form of a receivable, which was funded by residual cash flows after the senior interests had been fully paid. As of December 31, 2012, the deferred consideration was included in receivables, net at its initial fair value, which reflects the net cash flows we expected to receive related to those interests.

Receivables Monetized and Deferred Consideration

| | |
|----------------------------|-------------------|
| December 31 (in millions) | Successor 2012 |
| Monetized receivables sold | \$ 791 |
| Deferred consideration | \$ 274 |

In addition to the amounts presented above, we had \$882 million payable to our monetization programs as of December 31, 2012. These amounts represented cash receipts that were not yet remitted to the monetization programs and were recorded to accounts payable and accrued expenses related to trade creditors.

The net cash payments on transfers that are included within net cash provided by operating activities in our consolidated statement of cash flows were \$86 million and \$237 million in 2012 and 2011, respectively. The receivables monetization programs did not have a material effect on our consolidated statement of income for the periods presented.

Note 17: Commitments and Contingencies**Commitments**

We enter into long-term commitments with third parties in the ordinary course of our business, including commitments to acquire film and television programming, creative talent and employment agreements, and various other television-related commitments. Many of our employees, including writers, directors, actors, technical and production personnel, and others, as well as some of our on-air and creative talent, are covered by collective bargaining agreements or works councils. As of December 31, 2013, the total number of full-time, part-time and hourly employees on our payroll covered by collective bargaining agreements was 7,200 full-time equivalent employees. Of this total, approximately 19% of these full-time equivalent employees were covered by collective bargaining agreements that have expired or are scheduled to expire during 2014.

Table of Contents**NBCUniversal Media, LLC**

The table below summarizes our minimum annual programming and talent commitments and our minimum annual rental commitments for office space and equipment under operating leases. Programming and talent commitments include acquired film and television programming, including U.S. television rights to the future Olympic Games through 2020, *Sunday Night Football* on NBC through the 2022-23 season, and other programming commitments, as well as our various contracts with creative talent and employment agreements.

| As of December 31, 2013 (in millions) | Programming and Talent Commitments | Operating Leases |
|---------------------------------------|------------------------------------|------------------|
| 2014 | \$ 4,876 | \$ 164 |
| 2015 | \$ 3,182 | \$ 133 |
| 2016 | \$ 4,035 | \$ 117 |
| 2017 | \$ 2,755 | \$ 107 |
| 2018 | \$ 3,672 | \$ 92 |
| Thereafter | \$ 20,522 | \$ 365 |

The table below presents our rent expense charged to operations.

| (in millions) | Year Ended | Successor Year Ended | Predecessor For the Period |
|---------------|-------------------|----------------------|-------------------------------------|
| | December 31, 2013 | December 31, 2012 | January 1, 2011 to January 28, 2011 |
| Rent expense | \$ 250 | \$ 317 | \$ 267 |

Note 18: Financial Data by Business Segment

We present our operations in four reportable business segments: Cable Networks, Broadcast Television, Filmed Entertainment and Theme Parks. Our financial data by reportable business segment is presented in the tables below.

| Successor (in millions) | Operating Income (Loss) Before Depreciation and Amortization | | | Operating Income (Loss) | Capital Expenditures | Assets |
|---------------------------------------|--|-----------------------------|-------------------------------|-------------------------|----------------------|------------------|
| | Revenue ^{(e)(g)} | Amortization ^(f) | Depreciation and Amortization | | | |
| 2013 | | | | | | |
| Cable Networks | \$ 9,201 | \$ 3,501 | \$ 734 | \$ 2,767 | \$ 67 | \$ 29,413 |
| Broadcast Television | 7,120 | 345 | 98 | 247 | 65 | 6,723 |
| Filmed Entertainment | 5,452 | 483 | 15 | 468 | 9 | 3,549 |
| Theme Parks | 2,235 | 1,004 | 300 | 704 | 580 | 6,608 |
| Headquarters and Other ^(c) | 31 | (588) | 264 | (852) | 439 | 6,002 |
| Eliminations ^(d) | (389) | (13) | | (13) | | (556) |
| Total | \$ 23,650 | \$ 4,732 | \$ 1,411 | \$ 3,321 | \$ 1,160 | \$ 51,739 |

Table of Contents**NBCUniversal Media, LLC**

| Successor (in millions) | Operating Income (Loss) Before Depreciation and Amortization | | | Operating Income (Loss) | Capital Expenditures | Assets |
|---------------------------------------|--|-----------------------------|-------------------------------------|-------------------------------|-------------------------|------------------|
| | Revenue ^{(e)(g)} | Amortization ^(f) | Depreciation and Amortization | | | |
| 2012 | | | | | | |
| Cable Networks | \$ 8,727 | \$ 3,303 | \$ 735 | \$ 2,568 | \$ 150 | \$ 29,636 |
| Broadcast Television ^(a) | 8,200 | 358 | 97 | 261 | 65 | 6,414 |
| Filmed Entertainment | 5,159 | 79 | 16 | 63 | 7 | 3,769 |
| Theme Parks | 2,085 | 953 | 268 | 685 | 272 | 6,266 |
| Headquarters and Other ^(c) | 43 | (603) | 210 | (813) | 269 | 8,938 |
| Eliminations ^(d) | (402) | 17 | | 17 | | (561) |
| Total | \$ 23,812 | \$ 4,107 | \$ 1,326 | \$ 2,781 | \$ 763 | \$ 54,462 |

| Successor (in millions) | Operating Income (Loss) Before Depreciation and Amortization | | | Operating Income (Loss) | Capital Expenditures |
|---|--|-----------------------------|-------------------------------------|-------------------------------|-------------------------|
| | Revenue ^{(e)(g)} | Amortization ^(f) | Depreciation and Amortization | | |
| For the Period January 29, 2011 to December 31, 2011 | | | | | |
| Cable Networks | \$ 7,829 | \$ 3,133 | \$ 694 | \$ 2,439 | \$ 46 |
| Broadcast Television | 5,982 | 124 | 85 | 39 | 61 |
| Filmed Entertainment | 4,239 | 27 | 19 | 8 | 6 |
| Theme Parks ^(b) | 1,874 | 830 | 201 | 629 | 154 |
| Headquarters and Other ^(c) | 45 | (484) | 114 | (598) | 165 |
| Eliminations ^(d) | (941) | (234) | | (234) | |
| Total | \$ 19,028 | \$ 3,396 | \$ 1,113 | \$ 2,283 | \$ 432 |

| Predecessor (in millions) | Operating Income (Loss) Before Depreciation and Amortization | | | Operating Income (Loss) | Capital Expenditures |
|---------------------------------------|--|-----------------------------|-------------------------------------|-------------------------------|-------------------------|
| | Revenue ^{(e)(g)} | Amortization ^(f) | Depreciation and Amortization | | |
| January 28, 2011 | | | | | |
| Cable Networks | \$ 385 | \$ 145 | \$ 3 | \$ 142 | \$ 1 |
| Broadcast Television | 468 | (18) | 6 | (24) | 1 |
| Filmed Entertainment | 353 | 1 | 2 | (1) | 1 |
| Theme Parks ^(b) | 115 | 37 | 14 | 23 | 9 |
| Headquarters and Other ^(c) | 5 | (99) | 2 | (101) | 4 |
| Eliminations ^(d) | (120) | (31) | | (31) | |
| Total | \$ 1,206 | \$ 35 | \$ 27 | \$ 8 | \$ 16 |

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- (a) For 2012, our Broadcast Television segment included all revenue and costs and expenses associated with our broadcast of the 2012 London Olympics, which generated \$120 million of operating income before depreciation and amortization. This amount reflects the settlement of a \$237 million liability associated with the unfavorable Olympics contract that had been recorded through the application of acquisition accounting in 2011.

- (b) For the periods January 1, 2011 through January 28, 2011 and January 29, 2011 through June 30, 2011, our Theme Parks segment included the results of operations for Universal Orlando to reflect our measure of operating performance for our Theme Parks segment.

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NBCUniversal Media, LLC

- (c) Headquarters and Other activities includes costs associated with overhead, allocations, personnel costs and corporate initiatives.
- (d) Eliminations for the periods January 1, 2011 through January 28, 2011 and January 29, 2011 through June 30, 2011 included the eliminations of the results of operations for Universal Orlando for these periods. These results were not included in our consolidated results of operations because we recorded Universal Orlando as an equity method investment during those periods.

Also 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.

- (e) No single customer accounted for a significant amount of revenue in any period.
- (f) We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses from the sale of assets, if any, as the measure of profit or loss for our operating segments. This measure eliminates the significant level of noncash amortization expense that results from intangible assets recognized in connection with the Joint Venture transaction and other business combinations. Additionally, it is unaffected by our capital structure or investment activities. We use this 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. We believe that this measure 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 may not be directly comparable to similar measures used by other companies. This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to NBCUniversal, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.
- (g) 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.

| | Year Ended | Successor Year Ended | For the Period January 29, 2011 to December 31, 2011 | Predecessor For the Period January 1, 2011 to January 28, 2011 |
|---------------|---------------|-------------------------|--|---|
| (in millions) | | | | |
| Revenue: | | | | |
| United States | \$ 18,887 | \$ 19,348 | \$ 14,927 | \$ 935 |
| Foreign | \$ 4,763 | \$ 4,464 | \$ 4,101 | \$ 271 |

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of

Comcast Corporation

Philadelphia, Pennsylvania

We have audited the consolidated financial statements of Comcast Corporation and subsidiaries (the Company) as of December 31, 2013 and 2012, and for each of the three years in the period ended December 31, 2013, and the Company's internal control over financial reporting as of December 31, 2013, and have issued our report thereon dated February 12, 2014; such report is included elsewhere in this Form 10-K. Our audits also included the consolidated financial statement schedule of the Company listed in Item 15. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

Philadelphia, Pennsylvania

February 12, 2014

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Report of Independent Registered Public Accounting Firm

To the Member of NBCUniversal Media, LLC

New York, New York

We have audited the accompanying consolidated balance sheets of NBCUniversal Media, LLC and subsidiaries (the Company), as of December 31, 2013 and 2012, the related consolidated statements of income, comprehensive income, cash flows and changes in equity for the years ended December 31, 2013 and 2012, and for the period from January 29, 2011 to December 31, 2011 (successor), and the consolidated statements of income, comprehensive income, cash flows and changes in equity of NBC Universal, Inc. and subsidiaries (the Predecessor Company) for the period from January 1, 2011 to January 28, 2011 (predecessor), and have issued our report thereon dated February 12, 2014; such financial statements and report are included elsewhere in this Form 10-K. Our audits also included the financial statement schedule of the Company listed in Item 15 for the years ended December 31, 2013 and 2012, and the period ended December 31, 2011 (successor). This financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits.

In our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

New York, New York

February 12, 2014

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Comcast Corporation and Subsidiaries

Schedule II Valuation and Qualifying Accounts

Year ended December 31, 2013, 2012 and 2011

| Year Ended December 31 (in millions) | Balance at Beginning of Year | Additions Charged to Costs and Expenses | Deductions from Reserves | Balance at End of Year |
|---|------------------------------|---|--------------------------|------------------------|
| 2013 | | | | |
| Allowance for doubtful accounts | \$ 198 | \$ 317 | \$ 294 | \$ 221 |
| Allowance for returns and customer incentives | 307 | 528 | 460 | 375 |
| Valuation allowance on deferred tax assets | 355 | 71 | 21 | 405 |
| 2012 | | | | |
| Allowance for doubtful accounts | \$ 202 | \$ 293 | \$ 297 | \$ 198 |
| Allowance for returns and customer incentives | 425 | 599 | 717 | 307 |
| Valuation allowance on deferred tax assets | 297 | 61 | 3 | 355 |
| 2011 | | | | |
| Allowance for doubtful accounts | \$ 173 | \$ 306 | \$ 277 | \$ 202 |
| Allowance for returns and customer incentives | | 536 | 111 | 425 |
| Valuation allowance on deferred tax assets | 207 | 103 | 13 | 297 |

NBCUniversal Media, LLC

Schedule II Valuation and Qualifying Accounts

| (in millions) | Balance at Beginning of Period | Additions Charged to Costs and Expenses | Deductions from Reserves | Balance at End of Period |
|---|--------------------------------|---|--------------------------|--------------------------|
| Successor | | | | |
| Year ended December 31, 2013 | | | | |
| Allowance for doubtful accounts | \$ 46 | \$ 33 | \$ 14 | \$ 65 |
| Allowance for returns and customer incentives | 307 | 525 | 460 | 372 |
| Valuation allowance on deferred tax assets | 73 | 8 | 21 | 60 |
| Year ended December 31, 2012 | | | | |
| Allowance for doubtful accounts | \$ 34 | \$ 19 | \$ 7 | \$ 46 |
| Allowance for returns and customer incentives | 425 | 599 | 717 | 307 |
| Valuation allowance on deferred tax assets | 53 | 23 | 3 | 73 |
| Period January 29, 2011 through December 31, 2011 | | | | |
| Allowance for doubtful accounts | \$ 7 | \$ 35 | \$ 8 | \$ 34 |
| Allowance for returns and customer incentives | | 536 | 111 | 425 |
| Valuation allowance on deferred tax assets | 57 | 9 | 13 | 53 |