COMCAST CORP
Form 10-Q
April 27, 2016
**Table of Contents**

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

# FORM 10-Q

**(Mark One)**

x **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
**For the quarterly period ended March 31, 2016**

**OR**

¨ **Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
**For the Transition Period from to**

| Commission File Number | Registrant; State of Incorporation; Address and Telephone Number | I.R.S. Employer Identification No. |
|---|---|---|
| **001-32871** | **COMCAST CORPORATION**<br>**PENNSYLVANIA**<br>**One Comcast Center**<br>**Philadelphia, PA 19103-2838**<br>**(215) 286-1700** | **27-0000798** |
| **001-36438** | **NBCUNIVERSAL MEDIA, LLC** | **14-1682529** |

**DELAWARE**

**30 Rockefeller Plaza**

**New York, NY 10112-0015**

**(212) 664-4444**

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

| | | |
|---|---|---|
| Comcast Corporation | Yes x | No ¨ |
| NBCUniversal Media, LLC | Yes x | No ¨ |

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

| | | |
|---|---|---|
| Comcast Corporation | Yes x | No ¨ |
| NBCUniversal Media, LLC | Yes x | 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.

| | | | | |
|---|---|---|---|---|
| Comcast Corporation | Large accelerated filer x | Accelerated filer ¨ | Non-accelerated filer ¨ | Smaller reporting company ¨ |
| NBCUniversal Media, LLC | Large accelerated filer ¨ | Accelerated filer ¨ | Non-accelerated filer x | Smaller reporting company ¨ |

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

| | | |
|---|---|---|
| Comcast Corporation | Yes ¨ | No x |
| NBCUniversal Media, LLC | Yes ¨ | No x |

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

As of March 31, 2016, there were 2,417,751,218 shares of Comcast Corporation Class A common stock and 9,444,375 shares of Comcast Corporation Class B common stock outstanding.

Not applicable for NBCUniversal Media, LLC.

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

Table of Contents

# TABLE OF CONTENTS



**Explanatory Note**

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

This Quarterly Report on Form 10-Q is for the three months ended March 31, 2016. This Quarterly Report modifies and supersedes documents filed before it. The Securities and Exchange Commission ( SEC ) allows us to incorporate by reference information that we file with it, which means that we can disclose important information to you by referring you directly to those documents. Information incorporated by reference is considered to be part of this Quarterly Report. In addition, information that we file with the SEC in the future will automatically update and supersede information contained in this Quarterly Report.

You should carefully review the information contained in this Quarterly Report and particularly consider any risk factors set forth in this Quarterly Report and in other reports or documents that we file from time to time with the SEC. In this Quarterly Report, 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,

Table of Contents

should, expects, believes, estimates, potential, or continue, or the negative of those words, and other comparable words. You should b that these statements are only our predictions. In evaluating these statements, you should specifically consider various factors, including the risks outlined below and in other reports we file with the SEC. Actual events or our actual results may differ materially from any of our forward-looking statements. We undertake no obligation to update any forward-looking statements.

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

our businesses currently face a wide range of competition, and our businesses and results of operations could be adversely affected if we do not compete effectively

changes in consumer behavior driven by alternative methods for viewing content may adversely affect our businesses and challenge existing business models

a decline in advertisers expenditures or changes in advertising markets could negatively impact our businesses

our businesses depend on keeping pace with technological developments

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

changes to existing statutes, rules, regulations, or interpretations thereof, or adoption of new ones, could have an adverse effect on our businesses

programming expenses for our video services are increasing, which could adversely affect our Cable Communications segment s video business

NBCUniversal s success depends on consumer acceptance of its content, and its businesses may be adversely affected if its content fails to achieve sufficient consumer acceptance or the costs to create or acquire content increase

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

we rely on network and information systems and other technologies, as well as key properties, and a disruption, cyber attack, failure or destruction of such networks, systems, technologies or properties may disrupt our businesses

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

weak economic conditions may have a negative impact on our businesses our businesses depend on using and protecting certain intellectual property rights and on not infringing the intellectual property rights of others

acquisitions and other strategic initiatives present many risks, and we may not realize the financial and strategic goals that we had contemplated

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

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

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

our Class B common stock has substantial voting rights and separate approval rights over several potentially material transactions, and our Chairman and CEO has considerable influence over our company through his beneficial ownership of our Class B common stock

Table of Contents

# PART I: FINANCIAL INFORMATION

## ITEM 1: FINANCIAL STATEMENTS

Comcast Corporation

### Condensed Consolidated Balance Sheet

**(Unaudited)**

| (in millions, except share data) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 5,628 | $ 2,295 |
| Receivables, net | 6,375 | 6,896 |
| Programming rights | 1,390 | 1,213 |
| Other current assets | 1,787 | 1,899 |
| Total current assets | 15,180 | 12,303 |
| Film and television costs | 5,768 | 5,855 |
| Investments | 3,638 | 3,224 |
| Property and equipment, net of accumulated depreciation of $48,611 and $48,100 | 34,122 | 33,665 |
| Franchise rights | 59,364 | 59,364 |
| Goodwill | 33,458 | 32,945 |
| Other intangible assets, net of accumulated amortization of $10,085 and $9,868 | 16,832 | 16,946 |
| Other noncurrent assets, net | 2,237 | 2,272 |
| **Total assets** | **$ 170,599** | **$ 166,574** |
| **Liabilities and Equity** | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | $ 6,333 | $ 6,215 |
| Accrued participations and residuals | 1,510 | 1,572 |
| Deferred revenue | 1,393 | 1,302 |
| Accrued expenses and other current liabilities | 5,729 | 5,462 |
| Current portion of long-term debt | 4,119 | 3,627 |
| Total current liabilities | 19,084 | 18,178 |
| Long-term debt, less current portion | 51,515 | 48,994 |
| Deferred income taxes | 33,821 | 33,566 |
| Other noncurrent liabilities | 10,431 | 10,637 |
| Commitments and contingencies (Note 11) | | |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | 1,236 | 1,221 |
| 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, 2,854,146,732 and 2,869,349,502; outstanding, 2,417,751,218 and 2,432,953,988 | 29 | 29 |
| Class B common stock, $0.01 par value authorized, 75,000,000 shares; issued and outstanding, 9,444,375 | | |
| Additional paid-in capital | 38,464 | 38,518 |
| Retained earnings | 21,750 | 21,413 |
| Treasury stock, 436,395,514 Class A common shares | (7,517) | (7,517) |
| Accumulated other comprehensive income (loss) | (84) | (174) |
| Total Comcast Corporation shareholders equity | 52,642 | 52,269 |
| Noncontrolling interests | 1,870 | 1,709 |
| Total equity | 54,512 | 53,978 |
| **Total liabilities and equity** | **$ 170,599** | **$ 166,574** |

See accompanying notes to condensed consolidated financial statements.

1

Table of Contents

Comcast Corporation

**Condensed Consolidated Statement of Income**

**(Unaudited)**

| (in millions, except per share data) | Three Months Ended March 31 2016 | Three Months Ended March 31 2015 |
|---|---|---|
| **Revenue** | $ 18,790 | $ 17,853 |
| Costs and Expenses: | | |
| Programming and production | 5,431 | 5,463 |
| Other operating and administrative | 5,525 | 5,074 |
| Advertising, marketing and promotion | 1,467 | 1,360 |
| Depreciation | 1,785 | 1,634 |
| Amortization | 493 | 432 |
| | 14,701 | 13,963 |
| **Operating income** | 4,089 | 3,890 |
| Other Income (Expense): | | |
| Interest expense | (703) | (656) |
| Investment income (loss), net | 30 | 33 |
| Equity in net income (losses) of investees, net | (11) | 33 |
| Other income (expense), net | 130 | 102 |
| | (554) | (488) |
| Income before income taxes | 3,535 | 3,402 |
| Income tax expense | (1,311) | (1,261) |
| Net income | 2,224 | 2,141 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (90) | (82) |
| **Net income attributable to Comcast Corporation** | **$ 2,134** | **$ 2,059** |
| **Basic earnings per common share attributable to Comcast Corporation shareholders** | **$ 0.88** | **$ 0.82** |
| **Diluted earnings per common share attributable to Comcast Corporation shareholders** | **$ 0.87** | **$ 0.81** |
| **Dividends declared per common share** | **$ 0.275** | **$ 0.25** |

See accompanying notes to condensed consolidated financial statements.

2

**Table of Contents**

Comcast Corporation

**Condensed Consolidated Statement of Comprehensive Income**

**(Unaudited)**

| | Three Months Ended March 31 | |
|---|---|---|
| (in millions) | 2016 | 2015 |
| Net income | $ 2,224 | $ 2,141 |
| Unrealized gains (losses) on marketable securities, net of deferred taxes of $(1) and $ | 2 | |
| Deferred gains (losses) on cash flow hedges, net of deferred taxes of $18 and $23 | (31) | (39) |
| Amounts reclassified to net income: | | |
| Realized (gains) losses on marketable securities, net of deferred taxes of $1 and $ | (1) | |
| Realized (gains) losses on cash flow hedges, net of deferred taxes of $(10) and $(22) | 17 | 37 |
| Employee benefit obligations, net of deferred taxes of $(2) and $ | 2 | |
| Currency translation adjustments, net of deferred taxes of $(58) and $23 | 238 | (55) |
| Comprehensive income | 2,451 | 2,084 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (90) | (82) |
| Other comprehensive (income) loss attributable to noncontrolling interests | (137) | 15 |
| **Comprehensive income attributable to Comcast Corporation** | **$ 2,224** | **$ 2,017** |

See accompanying notes to condensed consolidated financial statements.

**Table of Contents**

Comcast Corporation

**Condensed Consolidated Statement of Cash Flows**

**(Unaudited)**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| **Net cash provided by operating activities** | **$ 5,110** | **$ 5,245** |
| **Investing Activities** | | |
| Capital expenditures | (1,885) | (1,726) |
| Cash paid for intangible assets | (378) | (273) |
| Acquisitions and construction of real estate properties | (140) | (24) |
| Acquisitions, net of cash acquired | (24) | |
| Proceeds from sales of businesses and investments | 110 | 180 |
| Purchases of investments | (448) | (32) |
| Other | 56 | 181 |
| **Net cash provided by (used in) investing activities** | **(2,709)** | **(1,694)** |
| **Financing Activities** | | |
| Proceeds from (repayments of) short-term borrowings, net | (538) | (150) |
| Proceeds from borrowings | 3,323 | |
| Repurchases and repayments of debt | (48) | (909) |
| Repurchases and retirements of common stock | (1,249) | (2,000) |
| Dividends paid | (611) | (572) |
| Issuances of common stock | 12 | 28 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | (77) | (62) |
| Other | 120 | 141 |
| **Net cash provided by (used in) financing activities** | **932** | **(3,524)** |
| Increase (decrease) in cash and cash equivalents | 3,333 | 27 |
| Cash and cash equivalents, beginning of period | 2,295 | 3,910 |
| **Cash and cash equivalents, end of period** | **$ 5,628** | **$ 3,937** |

See accompanying notes to condensed consolidated financial statements.

**Table of Contents**

Comcast Corporation

**Condensed Consolidated Statement of Changes in Equity**

**(Unaudited)**

| (in millions) | Redeemable Noncontrolling Interests and Redeemable Subsidiary Preferred Stock | Common Stock A | Common Stock A Special | Common Stock B | Additional Paid-In Capital | Retained Earnings | Treasury Stock at Cost | Accumulated Other Comprehensive Income (Loss) | Non-controlling Interests | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| Balance, December 31, 2014 | $ 1,066 | $ 25 | $ 5 | $ | $ 38,805 | $ 21,539 | $ (7,517) | $ (146) | $ 357 | $ 53,068 |
| Stock compensation plans | | | | | 232 | (189) | | | | 43 |
| Repurchases and retirements of common stock | | | | | (407) | (1,593) | | | | (2,000) |
| Employee stock purchase plans | | | | | 30 | | | | | 30 |
| Dividends declared | | | | | | (630) | | | | (630) |
| Other comprehensive income (loss) | | | | | | | | (42) | (15) | (57) |
| Contributions from (distributions to) noncontrolling interests, net | | | | | | | | | (34) | (34) |
| Other | 7 | | | | | | | | (24) | (24) |
| Net income (loss) | 26 | | | | | 2,059 | | | 56 | 2,115 |
| **Balance, March 31, 2015** | **$ 1,099** | **$ 25** | **$ 5** | **$** | **$ 38,660** | **$ 21,186** | **$ (7,517)** | **$ (188)** | **$ 340** | **$ 52,511** |
| Balance, December 31, 2015 | $ 1,221 | $ 29 | $ | $ | $ 38,518 | $ 21,413 | $ (7,517) | $ (174) | $ 1,709 | $ 53,978 |
| Stock compensation plans | | | | | 176 | (137) | | | | 39 |
| Repurchases and retirements of common stock | | | | | (259) | (990) | | | | (1,249) |
| Employee stock purchase plans | | | | | 33 | | | | | 33 |
| Dividends declared | | | | | | (670) | | | | (670) |
| Other comprehensive income (loss) | | | | | | | | 90 | 137 | 227 |
| Contributions from (distributions to) noncontrolling interests, net | (5) | | | | | | | | (36) | (36) |
| Other | (10) | | | | (4) | | | | | (4) |
| Net income (loss) | 30 | | | | | 2,134 | | | 60 | 2,194 |
| **Balance, March 31, 2016** | **$ 1,236** | **$ 29** | **$** | **$** | **$ 38,464** | **$ 21,750** | **$ (7,517)** | **$ (84)** | **$ 1,870** | **$ 54,512** |

See accompanying notes to condensed consolidated financial statements.

Table of Contents

Comcast Corporation

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## (Unaudited)

## Note 1: Condensed Consolidated Financial Statements

**Basis of Presentation**

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

The year-end condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles in the United States ( GAAP ). For a more complete discussion of our accounting policies and certain other information, refer to our consolidated financial statements included in our 2015 Annual Report on Form 10-K.

**Reclassifications**

Reclassifications have been made to our condensed consolidated financial statements for the prior year period to conform to classifications used in 2016.

## Note 2: Recent Accounting Pronouncements

**Revenue Recognition**

In May 2014, the Financial Accounting Standards Board ( FASB ) updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue and by reducing the number of standards to which an entity has to refer. The updated accounting guidance is effective for us as of January 1, 2018. The updated accounting guidance provides companies with alternative methods of adoption. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements and our method of adoption.

**Consolidations**

In February 2015, the FASB updated the accounting guidance related to consolidation under the variable interest entity ( VIE ) and voting interest entity models. The updated accounting guidance modifies the consolidation guidance for VIEs, limited partnerships and similar legal entities. We have adopted this guidance as of January 1, 2016 and it did not have a material impact on our consolidated financial statements.

**Financial Assets and Financial Liabilities**

In January 2016, the FASB updated the accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The updated accounting guidance, among other things, requires that all nonconsolidated equity investments, except those accounted for under the equity method, be measured at fair value and that the changes in fair value be recognized in net income. The updated guidance is effective for us as of January 1, 2018. The updated accounting guidance requires a cumulative effect adjustment to beginning retained earnings when the guidance is adopted with certain exceptions. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

Comcast Corporation

**Leases**

In February 2016, the FASB updated the accounting guidance related to leases. The updated accounting guidance requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. For a lessee, the recognition, measurement and presentation of expenses and cash flows arising from a lease do not significantly change from previous guidance. For a lessor, the accounting applied is also largely unchanged from previous guidance. The updated guidance is effective for us as of January 1, 2019 and early adoption is permitted. The updated accounting guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

**Share-Based Compensation**

In March 2016, the FASB updated the accounting guidance that affects several aspects of the accounting for share-based compensation. The most significant change for us relates to the presentation of the income and withholding tax consequences of share-based compensation in our consolidated financial statements. Among the changes, the updated guidance requires that the excess income tax benefits or deficiencies that arise when the tax consequences of share-based compensation differ from amounts previously recognized in the statement of income be recognized as income tax benefit or expense in the statement of income rather than as additional paid-in capital in the balance sheet. The guidance also states that excess income tax benefits should not be presented separately from other income taxes in the statement of cash flows and, thus, should be classified as an operating activity rather than a financing activity as they are under the current guidance. In addition, the updated guidance requires when an employer withholds shares upon exercise of options or the vesting of restricted stock for the purpose of meeting withholding tax requirements, that the cash paid for withholding taxes be classified as a financing activity. We currently record these amounts within operating activities.

The updated guidance is effective for us as of January 1, 2017 and early adoption is permitted. The updated guidance provides companies with alternative methods of adoption, with certain items that are allowed to be applied retrospectively and certain other items that are only to be applied prospectively in the period of adoption. We are currently in the process of determining our method of adoption of this updated accounting guidance.

If we had adopted all provisions of the updated guidance as of January 1, 2016, it would have increased net income attributable to Comcast by $111 million and it would have increased net cash provided by operating activities and decreased net cash provided by (used in) financing activities each by $289 million for the three months ended March 31, 2016. The most significant impact of implementing the new guidance will occur in the first quarter of each year as a result of the vesting of restricted stock awards, which primarily occurs in March.

## Note 3: Earnings Per Share

**Computation of Diluted EPS**

| | Three Months Ended March 31 | | | | | |
|---|---|---|---|---|---|---|
| | 2016 | | | 2015 | | |
| (in millions, except per share data) | Net Income Attributable to Comcast Corporation | Shares | Per Share Amount | Net Income Attributable to Comcast Corporation | Shares | Per Share Amount |
| Basic EPS attributable to Comcast Corporation shareholders | $ 2,134 | 2,434 | $ 0.88 | $ 2,059 | 2,520 | $ 0.82 |
| Effect of dilutive securities: | | | | | | |
| Assumed exercise or issuance of shares relating to stock plans | | 28 | | | 36 | |
| **Diluted EPS attributable to Comcast Corporation shareholders** | **$ 2,134** | **2,462** | **$ 0.87** | **$ 2,059** | **2,556** | **$ 0.81** |

Comcast Corporation

Diluted earnings per common share attributable to Comcast Corporation shareholders ( diluted EPS ) considers the impact of potentially dilutive securities using the treasury stock method. Our potentially dilutive securities include potential common shares related to our stock options and our restricted share units ( RSUs ). The amount of potential common shares related to our share-based compensation plans that were excluded from diluted EPS because their effect would have been antidilutive was not material for the three months ended March 31, 2016 and 2015.

## Note 4: Significant Transactions

**Universal Studios Japan**

On November 13, 2015, NBCUniversal acquired a 51% economic interest in the Universal Studios theme park in Osaka, Japan ( Universal Studios Japan ) for $1.5 billion. The acquisition was funded through cash on hand and borrowings under our commercial paper program.

Universal Studios Japan is a VIE based on the governance structure and we consolidate Universal Studios Japan as we have the power to direct activities that most significantly impact its economic performance. There are no liquidity arrangements, guarantees, or other financial commitments between us and Universal Studios Japan, and therefore our maximum risk of financial loss is NBCUniversal s 51% interest. Universal Studios Japan s results of operations are reported in our Theme Parks segment following the acquisition date.

***Preliminary Allocation of Purchase Price***

Due to the limited amount of time since the date of acquisition, the assets and liabilities of Universal Studios Japan were recorded at their historical carrying value. We will adjust these amounts to fair value as valuations are completed and we obtain information necessary to complete the analyses, but no later than one year from the acquisition date. The 49% noncontrolling interest in Universal Studios Japan is recorded in the equity section of our consolidated financial statements and has been recorded based on the total value of Universal Studios Japan implied in the transaction. For purposes of this preliminary allocation, the excess of the total value implied in the transaction over the historical carrying value has been recorded as goodwill.

The table below presents the preliminary allocation of the purchase price to the assets and liabilities of Universal Studios Japan.

**Preliminary Allocation of Purchase Price**

| (in millions) | |
|---|---|
| Property and equipment | $ 642 |
| Intangible assets | 57 |
| Working capital | (32) |
| Debt | (3,271) |
| Other noncurrent assets and liabilities | 162 |
| Identifiable net assets (liabilities) acquired | (2,442) |
| Noncontrolling interest | (1,440) |
| Goodwill | 5,381 |
| Cash consideration transferred | $ 1,499 |

***Actual and Unaudited Pro Forma Results***

Our consolidated revenue and net income attributable to Comcast Corporation for the three months ended March 31, 2016 included $293 million and $18 million, respectively, from the acquisition of Universal Studios Japan.

Comcast Corporation

The following unaudited pro forma information has been presented as if the acquisition occurred on January 1, 2014. This information is based on historical results of operations and is subject to change as valuations are completed and additional analysis is obtained. In addition, the unaudited pro forma accounting adjustments are not necessarily indicative of what our results would have been had we operated Universal Studios Japan since January 1, 2014. No pro forma adjustments have been made for our transaction-related expenses.

| (in millions, except per share amounts) | Three Months Ended March 31, 2015 |
|---|---|
| Revenue | $ 18,137 |
| Net income | $ 2,191 |
| Net income attributable to Comcast Corporation | $ 2,084 |
| Basic earnings per common share attributable to Comcast Corporation shareholders | $ 0.83 |
| Diluted earnings per common share attributable to Comcast Corporation shareholders | $ 0.82 |

## Note 5: Film and Television Costs

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| Film Costs: | | |
| Released, less amortization | $ 1,238 | $ 1,275 |
| Completed, not released | 188 | 226 |
| In production and in development | 1,003 | 907 |
| | 2,429 | 2,408 |
| Television Costs: | | |
| Released, less amortization | 1,633 | 1,573 |
| In production and in development | 617 | 737 |
| | 2,250 | 2,310 |
| Programming rights, less amortization | 2,479 | 2,350 |
| | 7,158 | 7,068 |
| Less: Current portion of programming rights | 1,390 | 1,213 |
| **Film and television costs** | **$ 5,768** | **$ 5,855** |

## Note 6: Investments

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| Fair Value Method | $ 165 | $ 167 |
| Equity Method: | | |
| Atairos | 389 | |
| Hulu | 159 | 184 |
| Other | 529 | 494 |
| | 1,077 | 678 |
| Cost Method: | | |
| AirTouch | 1,587 | 1,583 |
| Other | 884 | 902 |
| | 2,471 | 2,485 |
| Total investments | 3,713 | 3,330 |
| Less: Current investments | 75 | 106 |
| **Noncurrent investments** | **$ 3,638** | **$ 3,224** |

**Table of Contents**

Comcast Corporation

**Investment Income (Loss), Net**

| | Three Months Ended March 31 | |
|---|---|---|
| (in millions) | 2016 | 2015 |
| Gains on sales and exchanges of investments, net | $ 2 | $ |
| Investment impairment losses | (20) | (15) |
| Unrealized gains (losses) on securities underlying prepaid forward sale agreements | | 42 |
| Mark to market adjustments on derivative component of prepaid forward sale agreements and indexed debt instruments | | (38) |
| Interest and dividend income | 29 | 28 |
| Other, net | 19 | 16 |
| **Investment income (loss), net** | **$ 30** | **$ 33** |

**Equity Method**

***The Weather Channel***

On January 29, 2016, following a legal restructuring at The Weather Channel, we and the other investors sold the entity holding The Weather Channel s product and technology businesses to IBM. Following the close of the transaction, we continue to hold an investment in The Weather Channel cable network through a new holding company. As a result of the sale of our investment, we recognized a pretax gain of $108 million in other income (expense), net.

***Atairos***

In 2015, we entered into an agreement to establish Atairos Group, Inc. ( Atairos ), a strategic company focused on investing in and operating companies in a range of industries and business sectors, both domestically and internationally. The agreement became effective as of January 1, 2016. Atairos has a term of up to 12 years and is controlled by management companies led by our former CFO through interests that carry all of the voting rights. We are the only investor other than our former CFO and the other management company employees. We have committed to fund up to $4 billion in the aggregate at any one time in Atairos, subject to certain offsets, and $40 million annually to fund a management fee, subject to certain adjustments, while the management company investors have committed to fund up to $100 million (with at least $40 million to be funded by our former CFO, subject to his continued role with Atairos). Our economic interests do not carry voting rights and obligate us to absorb approximately 99% of any losses and provide us the right to receive approximately 86.5% of any residual returns in Atairos, in either case on a cumulative basis.

We have concluded that Atairos is a VIE, that we do not have the power to direct the activities that most significantly impact the economic performance of Atairos as we have no voting rights and only certain consent rights, and that we are not related parties with our former CFO or the management companies. We therefore do not consolidate Atairos and account for this investment as an equity method investment. There are no other liquidity arrangements, guarantees, or other financial commitments between Comcast and Atairos, and therefore our maximum risk of financial loss is our investment balance and remaining unfunded capital commitment.

For the three months ended March 31, 2016, we provided capital contributions totaling $404 million to Atairos.

***Hulu***

For the three months ended March 31, 2016 and 2015, we recognized our proportionate share of losses of $25 million and $11 million, respectively, related to our investment in Hulu.

**Table of Contents**

Comcast Corporation

**Cost Method**

***AirTouch***

We hold two series of preferred stock of Verizon Americas, Inc., formerly known as AirTouch Communications, Inc. ( AirTouch ), a subsidiary of Verizon Communications Inc., which are redeemable in April 2020. As of March 31, 2016, the estimated fair value of the AirTouch preferred stock and the estimated fair value of the associated liability related to the redeemable subsidiary preferred shares issued by one of our consolidated subsidiaries were each $1.7 billion. The estimated fair values are based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

## Note 7: Long-Term Debt

As of March 31, 2016, our debt had a carrying value of $55.6 billion and an estimated fair value of $63.4 billion. The estimated fair value of our publicly traded debt is primarily based on Level 1 inputs that use quoted market values for the debt. The estimated fair value of debt for which there are no quoted market prices is based on Level 2 inputs that use interest rates available to us for debt with similar terms and remaining maturities.

**Debt Borrowings and Repayments**

In February and March 2016, we issued $1.1 billion aggregate principal amount of 2.75% senior notes due 2023 and $2.2 billion aggregate principal amount of 3.15% senior notes due 2026. We intend to use the proceeds from these offerings for working capital and general corporate purposes, which may include the repayment of debt.

In April 2016, we repaid at maturity $1 billion aggregate principal amount of 2.875% senior notes due 2016 and $700 million aggregate principal amount of NBCUniversal Enterprise Inc. s ( NBCUniversal Enterprise ) senior notes due 2016.

**Revolving Credit Facilities**

As of March 31, 2016, amounts available under our consolidated revolving credit facilities, net of amounts outstanding under our commercial paper programs and outstanding letters of credit, totaled $6.9 billion, which included $900 million available under NBCUniversal Enterprise s revolving credit facility.

**Commercial Paper Programs**

As of March 31, 2016, NBCUniversal Enterprise had $450 million face amount of commercial paper outstanding.

## Note 8: 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). 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 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. Our financial instruments that are accounted for at fair value on a recurring basis are presented in the table below.

**Recurring Fair Value Measurements**

| | Fair Value as of March 31, 2016 | | | | December 31, 2015 |
|---|---|---|---|---|---|
| (in millions) | Level 1 | Level 2 | Level 3 | Total | Total |
| **Assets** | | | | | |
| Trading securities | $ 15 | $ | $ | $ 15 | $ 22 |
| Available-for-sale securities | | 124 | 6 | 130 | 133 |
| Interest rate swap agreements | | 63 | | 63 | 53 |
| Other | | 15 | 20 | 35 | 17 |
| **Total** | **$ 15** | **$ 202** | **$ 26** | **$ 243** | **$ 225** |
| **Liabilities** | | | | | |
| Other | $ | $ 142 | $ | $ 142 | $ 91 |
| **Total** | **$** | **$ 142** | **$** | **$ 142** | **$ 91** |

**Fair Value of Redeemable Subsidiary Preferred Stock**

As of March 31, 2016, the fair value of the NBCUniversal Enterprise redeemable subsidiary preferred stock was $757 million. The estimated fair value is based on Level 2 inputs that use pricing models whose inputs are derived primarily from or corroborated by observable market data through correlation or other means for substantially the full term of the financial instrument.

## Note 9: Share-Based Compensation

Our share-based compensation plans primarily consist of awards of RSUs and stock options to certain employees and directors as part of our approach to long-term incentive compensation. Additionally, through our employee stock purchase plans, employees are able to purchase shares of Comcast Class A common stock at a discount through payroll deductions.

In March 2016, we granted 5.9 million RSUs and 20.7 million stock options related to our annual management awards. The weighted-average fair values associated with these grants were $59.50 per RSU and $11.45 per stock option.

Table of Contents

Comcast Corporation

**Recognized Share-Based Compensation Expense**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Restricted share units | $ 70 | $ 58 |
| Stock options | 37 | 35 |
| Employee stock purchase plans | 8 | 8 |
| **Total** | **$ 115** | **$ 101** |

As of March 31, 2016, we had unrecognized pretax compensation expense of $903 million and $496 million related to nonvested RSUs and nonvested stock options, respectively.

## Note 10: Supplemental Financial Information

**Receivables**

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| Receivables, gross | $ 6,952 | $ 7,595 |
| Less: Allowance for returns and customer incentives | 359 | 473 |
| Less: Allowance for doubtful accounts | 218 | 226 |
| **Receivables, net** | **$ 6,375** | **$ 6,896** |

**Accumulated Other Comprehensive Income (Loss)**

| (in millions) | March 31, 2016 | March 31, 2015 |
|---|---|---|
| Unrealized gains (losses) on marketable securities | $ 2 | $ 1 |
| Deferred gains (losses) on cash flow hedges | (60) | (6) |
| Unrecognized gains (losses) on employee benefit obligations | 8 | (68) |
| Cumulative translation adjustments | (34) | (115) |
| **Accumulated other comprehensive income (loss), net of deferred taxes** | **$ (84)** | **$ (188)** |

**Net Cash Provided by Operating Activities**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Net income | $ 2,224 | $ 2,141 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,278 | 2,066 |
| Share-based compensation | 153 | 135 |
| Noncash interest expense (income), net | 55 | 51 |
| Equity in net (income) losses of investees, net | 11 | (33) |
| Cash received from investees | 16 | 22 |

| | | |
|---|---|---|
| Net (gain) loss on investment activity and other | (126) | (121) |
| Deferred income taxes | 217 | (119) |
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | |
| Current and noncurrent receivables, net | 562 | 119 |
| Film and television costs, net | (80) | (38) |
| Accounts payable and accrued expenses related to trade creditors | 12 | 372 |
| Other operating assets and liabilities | (212) | 650 |
| **Net cash provided by operating activities** | **$ 5,110** | **$ 5,245** |

13

Table of Contents

Comcast Corporation

**Cash Payments for Interest and Income Taxes**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Interest | $ 723 | $ 691 |
| Income taxes | $ 190 | $ 118 |

**Noncash Investing and Financing Activities**

During the three months ended March 31, 2016:

- we acquired $1.1 billion of property and equipment and intangible assets that were accrued but unpaid
- we recorded a liability of $670 million for a quarterly cash dividend of $0.275 per common share to be paid in April 2016

## Note 11: Commitments and Contingencies

**Split-Dollar Life Insurance Agreements**

As previously disclosed, in connection with the passing of our founder, Ralph J. Roberts, we made a lump sum payment in April 2016 to settle all of the benefit obligation liabilities related to split-dollar life insurance agreements with him. In connection with this settlement, in the second quarter of 2016 we will record an operating expense of $116 million and will eliminate substantially all of our liabilities related to split-dollar agreements, which are disclosed in Note 12 of our consolidated financial statements included in our 2015 Annual Report on Form 10-K.

**Contingencies**

We are a defendant in several unrelated lawsuits claiming infringement of various patents relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and also in certain of these cases we expect that any potential liability would be in part or in whole the responsibility of our equipment and technology vendors under applicable contractual indemnification provisions.

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 and injure our reputation.

## Note 12: Financial Data by Business Segment

We present our operations in five reportable business segments:

- **Cable Communications:** Consists of the operations of Comcast Cable, which is one of the nation s largest providers of video, high-speed Internet and voice services to residential customers under the XFINITY brand; we also provide these and other services to business customers and sell advertising.

**Cable Networks:** Consists primarily of our national cable networks, our regional sports and news networks, our international cable networks and our cable television studio production operations.

**Broadcast Television:** Consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, and our broadcast television studio production operations.

**Table of Contents**

Comcast Corporation

**Filmed Entertainment:** Consists primarily of the operations of Universal Pictures, which produces, acquires, markets and distributes filmed entertainment worldwide.

**Theme Parks:** Consists primarily of our Universal theme parks in Orlando, Florida; Hollywood, California; and Osaka, Japan.

In evaluating the profitability of our operating segments, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management. Our financial data by business segment is presented in the tables below.

| | Three Months Ended March 31, 2016 | | | | |
|---|---|---|---|---|---|
| (in millions) | Revenue[g] | Operating Income (Loss) Before Depreciation and Amortization[h] | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures |
| Cable Communications[a][b] | $ 12,204 | $ 4,889 | $ 1,843 | $ 3,046 | $ 1,576 |
| NBCUniversal | | | | | |
| Cable Networks | 2,453 | 956 | 190 | 766 | 1 |
| Broadcast Television | 2,084 | 284 | 32 | 252 | 19 |
| Filmed Entertainment | 1,383 | 167 | 8 | 159 | 3 |
| Theme Parks[d] | 1,026 | 375 | 98 | 277 | 200 |
| Headquarters and Other[e] | 3 | (160) | 86 | (246) | 72 |
| Eliminations[f] | (88) | | | | |
| NBCUniversal | 6,861 | 1,622 | 414 | 1,208 | 295 |
| Corporate and Other[b] | 199 | (154) | 21 | (175) | 14 |
| Eliminations[d][f] | (474) | 10 | | 10 | |
| **Comcast Consolidated** | **$ 18,790** | **$ 6,367** | **$ 2,278** | **$ 4,089** | **$ 1,885** |

| | Three Months Ended March 31, 2015 | | | | |
|---|---|---|---|---|---|
| (in millions) | Revenue[g] | Operating Income (Loss) Before Depreciation and Amortization[h] | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures |
| Cable Communications[a][b] | $ 11,441 | $ 4,658 | $ 1,680 | $ 2,978 | $ 1,446 |
| NBCUniversal | | | | | |
| Cable Networks | 2,359 | 898 | 184 | 714 | 6 |
| Broadcast Television[c] | 2,248 | 182 | 29 | 153 | 11 |
| Filmed Entertainment | 1,446 | 293 | 5 | 288 | 1 |
| Theme Parks[d] | 651 | 244 | 66 | 178 | 162 |
| Headquarters and Other[e] | 4 | (140) | 80 | (220) | 88 |
| Eliminations[f] | (104) | (2) | | (2) | |
| NBCUniversal | 6,604 | 1,475 | 364 | 1,111 | 268 |
| Corporate and Other[b] | 193 | (209) | 22 | (231) | 12 |
| Eliminations[d][f] | (385) | 32 | | 32 | |
| **Comcast Consolidated** | **$ 17,853** | **$ 5,956** | **$ 2,066** | **$ 3,890** | **$ 1,726** |

**Table of Contents**

Comcast Corporation

(a) For the three months ended March 31, 2016 and 2015, Cable Communications segment revenue was derived from the following sources:

| | Three Months Ended March 31 | |
|---|---|---|
| | 2016 | 2015 |
| Residential: | | |
| Video | 45.4% | 46.6% |
| High-speed Internet | 26.8% | 26.6% |
| Voice | 7.3% | 7.9% |
| Business services | 10.7% | 9.8% |
| Advertising | 4.6% | 4.4% |
| Other | 5.2% | 4.7% |
| Total | 100.0% | 100.0% |

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.

For the three months ended March 31, 2016 and 2015, 2.9% and 2.8%, respectively, of Cable Communications segment revenue was derived from franchise and other regulatory fees.

(b) Beginning in the first quarter of 2016, certain operations and businesses, including several strategic business initiatives, that were previously presented in Corporate and Other are now presented in our Cable Communications segment to reflect a change in our management reporting presentation. For segment reporting purposes, we have adjusted all periods presented to reflect this change.

(c) The revenue and operating costs and expenses associated with our broadcast of the 2015 Super Bowl were reported in our Broadcast Television segment.

(d) Beginning in the fourth quarter of 2015, we changed our method of accounting for a contractual obligation that involves an interest in the revenue of certain theme parks. As a result of the change, amounts payable based on current period revenue are presented in operating costs and expenses. Amounts paid through the third quarter of 2015 were included in other income (expense), net in our consolidated statement of income. For segment reporting purposes, we have adjusted periods prior to the fourth quarter of 2015 to reflect management reporting presentation for this expense on a consistent basis for all periods in the Theme Parks segment and total NBCUniversal, which resulted in a corresponding offsetting adjustment in Eliminations to reconcile to consolidated totals.

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

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

our Cable Networks segment generates revenue by selling programming to our Cable Communications segment, which represents a substantial majority of the revenue elimination amount

our Broadcast Television segment generates revenue from the fees received under retransmission consent agreements with our Cable Communications segment

our Cable Communications segment generates revenue by selling advertising and by selling the use of satellite feeds to our Cable Networks segment our Filmed Entertainment and Broadcast Television segments generate revenue by licensing content to our Cable Networks segment

(g) No single customer accounted for a significant amount of revenue in any period.

(h) We use operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses on 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.

Table of Contents

Comcast Corporation

## Note 13: Condensed Consolidating Financial Information

Comcast ( Comcast Parent ), Comcast Cable Communications, LLC ( CCCL Parent ), and NBCUniversal ( NBCUniversal Media Parent ) have fully and unconditionally guaranteed each other s debt securities. In addition, the Comcast and Comcast Cable Communications, LLC $6.25 billion revolving credit facility due 2017 (the Comcast revolving credit facility ) and the Comcast commercial paper program are also fully and unconditionally guaranteed by NBCUniversal. The Comcast commercial paper program is supported by the Comcast revolving credit facility.

Comcast Parent and CCCL Parent also fully and unconditionally guarantee NBCUniversal Enterprise s $4 billion senior notes, as well as the NBCUniversal Enterprise revolving credit facility and the associated commercial paper program. NBCUniversal Media Parent does not guarantee the NBCUniversal Enterprise senior notes, credit facility or commercial paper program.

Comcast Parent provides an unconditional subordinated guarantee of the $185 million principal amount currently outstanding of Comcast Holdings ZONES due October 2029. Neither CCCL Parent nor NBCUniversal Media Parent guarantee the Comcast Holdings ZONES due October 2029. None of Comcast Parent, CCCL Parent nor NBCUniversal Media Parent guarantee the $62 million principal amount currently outstanding of Comcast Holdings ZONES due November 2029 or the $3.5 billion of Universal Studios Japan term loans.

Comcast Corporation

**Condensed Consolidating Balance Sheet**

**March 31, 2016**

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | NBCUniversal Media Parent | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and cash equivalents | $ | $ | $ | $ 178 | $ 5,450 | $ | $ 5,628 |
| Receivables, net | | | | | 6,375 | | 6,375 |
| Programming rights | | | | | 1,390 | | 1,390 |
| Other current assets | 74 | | | 24 | 1,689 | | 1,787 |
| Total current assets | 74 | | | 202 | 14,904 | | 15,180 |
| Film and television costs | | | | | 5,768 | | 5,768 |
| Investments | 41 | | | 442 | 3,155 | | 3,638 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 90,281 | 113,635 | 121,305 | 43,623 | 110,013 | (478,857) | |
| Property and equipment, net | 211 | | | | 33,911 | | 34,122 |
| Franchise rights | | | | | 59,364 | | 59,364 |
| Goodwill | | | | | 33,458 | | 33,458 |
| Other intangible assets, net | 11 | | | | 16,821 | | 16,832 |
| Other noncurrent assets, net | 1,258 | 147 | | 83 | 2,059 | (1,310) | 2,237 |
| **Total assets** | **$ 91,876** | **$ 113,782** | **$ 121,305** | **$ 44,350** | **$ 279,453** | **$ (480,167)** | **$ 170,599** |
| **Liabilities and Equity** | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | $ 27 | $ | $ | $ | $ 6,306 | $ | $ 6,333 |
| Accrued participations and residuals | | | | | 1,510 | | 1,510 |
| Accrued expenses and other current liabilities | 1,795 | 335 | 405 | 371 | 4,216 | | 7,122 |
| Current portion of long-term debt | 1,749 | | | 1,004 | 1,366 | | 4,119 |
| Total current liabilities | 3,571 | 335 | 405 | 1,375 | 13,398 | | 19,084 |
| Long-term debt, less current portion | 33,406 | 131 | 2,650 | 8,208 | 7,120 | | 51,515 |
| Deferred income taxes | | 624 | | 68 | 34,293 | (1,164) | 33,821 |
| Other noncurrent liabilities | 2,257 | | | 1,125 | 7,195 | (146) | 10,431 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | | | | | 1,236 | | 1,236 |
| Equity: | | | | | | | |
| Common stock | 29 | | | | | | 29 |
| Other shareholders equity | 52,613 | 112,692 | 118,250 | 33,574 | 214,341 | (478,857) | 52,613 |
| Total Comcast Corporation shareholders equity | 52,642 | 112,692 | 118,250 | 33,574 | 214,341 | (478,857) | 52,642 |
| Noncontrolling interests | | | | | 1,870 | | 1,870 |
| Total equity | 52,642 | 112,692 | 118,250 | 33,574 | 216,211 | (478,857) | 54,512 |
| **Total liabilities and equity** | **$ 91,876** | **$ 113,782** | **$ 121,305** | **$ 44,350** | **$ 279,453** | **$ (480,167)** | **$ 170,599** |

Table of Contents

Comcast Corporation

**Condensed Consolidating Balance Sheet**

**December 31, 2015**

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | NBCUniversal Media Parent | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|
| **Assets** | | | | | | | |
| Cash and cash equivalents | $ | $ | $ | $ 414 | $ 1,881 | $ | $ 2,295 |
| Receivables, net | | | | | 6,896 | | 6,896 |
| Programming rights | | | | | 1,213 | | 1,213 |
| Other current assets | 69 | | | 17 | 1,813 | | 1,899 |
| Total current assets | 69 | | | 431 | 11,803 | | 12,303 |
| Film and television costs | | | | | 5,855 | | 5,855 |
| Investments | 33 | | | 430 | 2,761 | | 3,224 |
| Investments in and amounts due from subsidiaries eliminated upon consolidation | 87,142 | 111,241 | 119,354 | 42,441 | 109,598 | (469,776) | |
| Property and equipment, net | 210 | | | | 33,455 | | 33,665 |
| Franchise rights | | | | | 59,364 | | 59,364 |
| Goodwill | | | | | 32,945 | | 32,945 |
| Other intangible assets, net | 12 | | | | 16,934 | | 16,946 |
| Other noncurrent assets, net | 1,301 | 147 | | 78 | 2,114 | (1,368) | 2,272 |
| **Total assets** | **$ 88,767** | **$ 111,388** | **$ 119,354** | **$ 43,380** | **$ 274,829** | **$ (471,144)** | **$ 166,574** |
| **Liabilities and Equity** | | | | | | | |
| Accounts payable and accrued expenses related to trade creditors | $ 16 | $ | $ | $ | $ 6,199 | $ | $ 6,215 |
| Accrued participations and residuals | | | | | 1,572 | | 1,572 |
| Accrued expenses and other current liabilities | 1,789 | 335 | 290 | 389 | 3,961 | | 6,764 |
| Current portion of long-term debt | 1,149 | | | 1,005 | 1,473 | | 3,627 |
| Total current liabilities | 2,954 | 335 | 290 | 1,394 | 13,205 | | 18,178 |
| Long-term debt, less current portion | 31,106 | 130 | 2,650 | 8,211 | 6,897 | | 48,994 |
| Deferred income taxes | | 624 | | 66 | 34,098 | (1,222) | 33,566 |
| Other noncurrent liabilities | 2,438 | | | 1,087 | 7,258 | (146) | 10,637 |
| Redeemable noncontrolling interests and redeemable subsidiary preferred stock | | | | | 1,221 | | 1,221 |
| Equity: | | | | | | | |
| Common stock | 29 | | | | | | 29 |
| Other shareholders equity | 52,240 | 110,299 | 116,414 | 32,622 | 210,441 | (469,776) | 52,240 |
| Total Comcast Corporation shareholders equity | 52,269 | 110,299 | 116,414 | 32,622 | 210,441 | (469,776) | 52,269 |
| Noncontrolling interests | | | | | 1,709 | | 1,709 |
| Total equity | 52,269 | 110,299 | 116,414 | 32,622 | 212,150 | (469,776) | 53,978 |
| **Total liabilities and equity** | **$ 88,767** | **$ 111,388** | **$ 119,354** | **$ 43,380** | **$ 274,829** | **$ (471,144)** | **$ 166,574** |

**Table of Contents**

Comcast Corporation

**Condensed Consolidating Statement of Income**

**For the Three Months Ended March 31, 2016**

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | NBCUniversal Media Parent | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | | |
| Service revenue | $ | $ | $ | $ | $ 18,790 | $ | $ 18,790 |
| Management fee revenue | 259 | | 254 | | | (513) | |
| | 259 | | 254 | | 18,790 | (513) | 18,790 |
| **Costs and Expenses:** | | | | | | | |
| Programming and production | | | | | 5,431 | | 5,431 |
| Other operating and administrative | 156 | | 254 | 295 | 5,333 | (513) | 5,525 |
| Advertising, marketing and promotion | | | | | 1,467 | | 1,467 |
| Depreciation | 8 | | | | 1,777 | | 1,785 |
| Amortization | 1 | | | | 492 | | 493 |
| | 165 | | 254 | 295 | 14,500 | (513) | 14,701 |
| Operating income (loss) | 94 | | | (295) | 4,290 | | 4,089 |
| **Other Income (Expense):** | | | | | | | |
| Interest expense | (451) | (3) | (59) | (117) | (73) | | (703) |
| Investment income (loss), net | | | | (2) | 32 | | 30 |
| Equity in net income (losses) of investees, net | 2,366 | 2,264 | 2,114 | 1,297 | 991 | (9,043) | (11) |
| Other income (expense), net | | | | 124 | 6 | | 130 |
| | 1,915 | 2,261 | 2,055 | 1,302 | 956 | (9,043) | (554) |
| Income (loss) before income taxes | 2,009 | 2,261 | 2,055 | 1,007 | 5,246 | (9,043) | 3,535 |
| Income tax (expense) benefit | 125 | 1 | 21 | (5) | (1,453) | | (1,311) |
| Net income (loss) | 2,134 | 2,262 | 2,076 | 1,002 | 3,793 | (9,043) | 2,224 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | (90) | | (90) |
| **Net income (loss) attributable to Comcast Corporation** | **$ 2,134** | **$ 2,262** | **$ 2,076** | **$ 1,002** | **$ 3,703** | **$ (9,043)** | **$ 2,134** |
| **Comprehensive income (loss) attributable to Comcast Corporation** | **$ 2,224** | **$ 2,306** | **$ 2,078** | **$ 1,146** | **$ 3,705** | **$ (9,235)** | **$ 2,224** |

20

**Table of Contents**

Comcast Corporation

**Condensed Consolidating Statement of Income**

**For the Three Months Ended March 31, 2015**

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | NBCUniversal Media Parent | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|
| **Revenue:** | | | | | | | |
| Service revenue | $ | $ | $ | $ | $ 17,853 | $ | $ 17,853 |
| Management fee revenue | 244 | | 237 | | | (481) | |
| | 244 | | 237 | | 17,853 | (481) | 17,853 |
| **Costs and Expenses:** | | | | | | | |
| Programming and production | | | | | 5,463 | | 5,463 |
| Other operating and administrative | 226 | | 237 | 237 | 4,855 | (481) | 5,074 |
| Advertising, marketing and promotion | | | | | 1,360 | | 1,360 |
| Depreciation | 8 | | | | 1,626 | | 1,634 |
| Amortization | 1 | | | | 431 | | 432 |
| | 235 | | 237 | 237 | 13,735 | (481) | 13,963 |
| Operating income (loss) | 9 | | | (237) | 4,118 | | 3,890 |
| **Other Income (Expense):** | | | | | | | |
| Interest expense | (410) | (3) | (73) | (120) | (50) | | (656) |
| Investment income (loss), net | 1 | 2 | | (6) | 36 | | 33 |
| Equity in net income (losses) of investees, net | 2,322 | 2,226 | 1,992 | 1,231 | 885 | (8,623) | 33 |
| Other income (expense), net | (5) | | | (11) | 118 | | 102 |
| | 1,908 | 2,225 | 1,919 | 1,094 | 989 | (8,623) | (488) |
| Income (loss) before income taxes | 1,917 | 2,225 | 1,919 | 857 | 5,107 | (8,623) | 3,402 |
| Income tax (expense) benefit | 142 | | 25 | (5) | (1,423) | | (1,261) |
| Net income (loss) | 2,059 | 2,225 | 1,944 | 852 | 3,684 | (8,623) | 2,141 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | | | | | (82) | | (82) |
| **Net income (loss) attributable to Comcast Corporation** | **$ 2,059** | **$ 2,225** | **$ 1,944** | **$ 852** | **$ 3,602** | **$ (8,623)** | **$ 2,059** |
| **Comprehensive income (loss) attributable to Comcast Corporation** | **$ 2,017** | **$ 2,209** | **$ 1,942** | **$ 801** | **$ 3,601** | **$ (8,553)** | **$ 2,017** |

21

**Table of Contents**

Comcast Corporation

**Condensed Consolidating Statement of Cash Flows**

**For the Three Months Ended March 31, 2016**

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | NBCUniversal Media Parent | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|
| Net cash provided by (used in) operating activities | $ (490) | $ | $ 78 | $ (391) | $ 5,913 | $ | $ 5,110 |
| **Investing Activities** | | | | | | | |
| Net transactions with affiliates | (679) | | (78) | 63 | 694 | | |
| Capital expenditures | (3) | | | | (1,882) | | (1,885) |
| Cash paid for intangible assets | | | | | (378) | | (378) |
| Acquisitions and construction of real estate properties | | | | | (140) | | (140) |
| Acquisitions, net of cash acquired | | | | | (24) | | (24) |
| Proceeds from sales of businesses and investments | | | | 101 | 9 | | 110 |
| Purchases of investments | (7) | | | | (441) | | (448) |
| Other | 7 | | | (5) | 54 | | 56 |
| Net cash provided by (used in) investing activities | (682) | | (78) | 159 | (2,108) | | (2,709) |
| **Financing Activities** | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | (400) | | | | (138) | | (538) |
| Proceeds from borrowings | 3,323 | | | | | | 3,323 |
| Repurchases and repayments of debt | | | | (4) | (44) | | (48) |
| Repurchases and retirements of common stock | (1,249) | | | | | | (1,249) |
| Dividends paid | (611) | | | | | | (611) |
| Issuances of common stock | 12 | | | | | | 12 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | (77) | | (77) |
| Other | 97 | | | | 23 | | 120 |
| Net cash provided by (used in) financing activities | 1,172 | | | (4) | (236) | | 932 |
| Increase (decrease) in cash and cash equivalents | | | | (236) | 3,569 | | 3,333 |
| Cash and cash equivalents, beginning of period | | | | 414 | 1,881 | | 2,295 |
| **Cash and cash equivalents, end of period** | **$** | **$** | **$** | **$ 178** | **$ 5,450** | **$** | **$ 5,628** |

22

**Table of Contents**

Comcast Corporation

**Condensed Consolidating Statement of Cash Flows**

**For the Three Months Ended March 31, 2015**

| (in millions) | Comcast Parent | Comcast Holdings | CCCL Parent | NBCUniversal Media Parent | Non-Guarantor Subsidiaries | Elimination and Consolidation Adjustments | Consolidated Comcast Corporation |
|---|---|---|---|---|---|---|---|
| Net cash provided by (used in) operating activities | $ (294) | $ (1) | $ 34 | $ (361) | $ 5,867 | $ | $ 5,245 |
| **Investing Activities** | | | | | | | |
| Net transactions with affiliates | 3,609 | 1 | (34) | 321 | (3,897) | | |
| Capital expenditures | (6) | | | | (1,720) | | (1,726) |
| Cash paid for intangible assets | | | | | (273) | | (273) |
| Acquisitions and construction of real estate properties | | | | | (24) | | (24) |
| Proceeds from sales of businesses and investments | | | | | 180 | | 180 |
| Purchases of investments | | | | | (32) | | (32) |
| Other | | | | (5) | 186 | | 181 |
| Net cash provided by (used in) investing activities | 3,603 | 1 | (34) | 316 | (5,580) | | (1,694) |
| **Financing Activities** | | | | | | | |
| Proceeds from (repayments of) short-term borrowings, net | | | | | (150) | | (150) |
| Proceeds from borrowings | | | | | | | |
| Repurchases and repayments of debt | (900) | | | (1) | (8) | | (909) |
| Repurchases and retirements of common stock | (2,000) | | | | | | (2,000) |
| Dividends paid | (572) | | | | | | (572) |
| Issuances of common stock | 28 | | | | | | 28 |
| Distributions to noncontrolling interests and dividends for redeemable subsidiary preferred stock | | | | | (62) | | (62) |
| Other | 135 | | | | 6 | | 141 |
| Net cash provided by (used in) financing activities | (3,309) | | | (1) | (214) | | (3,524) |
| Increase (decrease) in cash and cash equivalents | | | | (46) | 73 | | 27 |
| Cash and cash equivalents, beginning of period | | | | 385 | 3,525 | | 3,910 |
| **Cash and cash equivalents, end of period** | **$** | **$** | **$** | **$ 339** | **$ 3,598** | **$** | **$ 3,937** |

23

Table of Contents

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

## Overview

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

**Cable Communications Segment**

Comcast Cable is one of the nation s largest providers of video, high-speed Internet and voice services ( cable services ) to residential customers under the XFINITY brand, and we also provide these and other services to business customers. As of March 31, 2016, our cable systems had 28.0 million total customer relationships; served 22.4 million video customers, 23.8 million high-speed Internet customers and 11.6 million voice customers; and passed more than 55 million homes and businesses. Our Cable Communications segment generates revenue primarily from residential and business customers subscribing to our cable services, which we market individually and as bundled services, and from the sale of advertising. During the three months ended March 31, 2016, our Cable Communications segment generated 65% of our consolidated revenue and 77% of our operating income before depreciation and amortization.

**NBCUniversal Segments**

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

***Cable Networks***

Our Cable Networks segment consists primarily of a diversified portfolio of cable television networks. Our cable networks are comprised of our national cable networks, which provide a variety of entertainment, news and information, and sports content, our regional sports and news networks, various international cable networks, our cable television studio production operations, and related digital media properties. Our Cable Networks segment generates revenue primarily from the distribution of our cable network programming to multichannel video providers, from the sale of advertising units on our cable networks and related digital media properties, from the licensing of our owned programming to cable and broadcast networks and subscription video on demand services, and from the sale of our owned programming through digital distributors such as iTunes. Our Cable Networks segment also generates revenue from the production of programming for third-party networks and subscription video on demand services.

***Broadcast Television***

Our Broadcast Television segment consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, our broadcast television studio production operations, and related digital media properties. Our Broadcast Television segment generates revenue primarily from the sale of advertising units on our broadcast networks, owned local television stations and related digital media properties, from the licensing of our owned programming to various distribution platforms, including to cable and broadcast networks as well as to subscription video on demand services, from fees received under retransmission consent agreements, and from the sale of our owned programming on standard-definition video discs and Blu-ray discs (together, DVDs ) and in digital formats.

***Filmed Entertainment***

Our Filmed Entertainment segment primarily produces, acquires, markets and distributes filmed entertainment worldwide, and it also develops, produces and licenses live stage plays. Our films are produced primarily under the Universal Pictures, Illumination and Focus Features names. Our Filmed Entertainment segment generates revenue primarily from the worldwide theatrical release of our owned and acquired films for exhibition in movie theaters, from the licensing of our owned and acquired films through various distribution platforms, and from the sale of our owned and acquired films on DVDs and in digital formats. Our Filmed Entertainment segment also generates revenue from producing and licensing live stage plays, from distributing filmed entertainment produced by third parties, and from Fandango, our movie ticketing and entertainment business.

***Theme Parks***

Our Theme Parks segment consists primarily of our Universal theme parks in Orlando, Florida and Hollywood, California. In November 2015, NBCUniversal acquired a 51% interest in the Universal Studios theme park in Osaka, Japan ( Universal Studios Japan ). In addition, along with a consortium of Chinese state-owned companies, we are developing a theme park in China. Our Theme Parks segment generates revenue primarily from ticket sales and guest spending at our theme parks, as well as from licensing and other fees for intellectual property licenses and other services.

**Competition**

The results of operations of our reportable business segments are affected by competition, as all of our businesses operate in intensely competitive, consumer-driven and rapidly changing environments and compete with a growing number of companies that provide a broad range of communications products and services, and entertainment, news and information content to consumers.

For additional information on the competition our businesses face, see Item 1A: Risk Factors included in our 2015 Annual Report on Form 10-K and refer to the risk factors within that section entitled Our businesses currently face a wide range of competition, and our businesses and results of operations could be adversely affected if we do not compete effectively and Changes in consumer behavior driven by alternative methods for viewing content may adversely affect our businesses and challenge existing business models.

**Seasonality and Cyclicality**

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 quarter and an increase in net customer additions in the third and fourth 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 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, with a benefit in even-numbered years due to advertising related to candidates running for political office and issue-oriented advertising. Revenue in our Cable Networks and Broadcast Television segments fluctuates depending on the timing of when our programming is aired on television, which typically results in higher advertising revenue in the second and fourth quarters of each year. Our revenue and operating costs and expenses, excluding depreciation and amortization ( operating costs and expenses ) are cyclical as a result of our periodic broadcasts of major sporting events such as the Olympic Games, which affect our Cable Networks and Broadcast Television segments, and the Super Bowl, which affect our Broadcast Television segment. Our advertising revenue generally increases in the period of these broadcasts due to 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.

Revenue in our Filmed Entertainment segment fluctuates due to the timing of the release of films in movie theaters, on DVD and through digital distribution services. 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, Broadcast Television and Filmed Entertainment segments also fluctuates due to the timing of when our content is made available to licensees.

Table of Contents

Revenue in our Theme Parks segment fluctuates with changes in theme park attendance that result from the seasonal nature of vacation travel and weather variations, local entertainment offerings and the opening of new attractions. 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

| (in millions) | Three Months Ended March 31 2016 | 2015 | Increase/ (Decrease) |
|---|---|---|---|
| **Revenue** | $ 18,790 | $ 17,853 | 5.3% |
| Costs and Expenses: | | | |
| Programming and production | 5,431 | 5,463 | (0.6) |
| Other operating and administrative | 5,525 | 5,074 | 8.9 |
| Advertising, marketing and promotion | 1,467 | 1,360 | 7.8 |
| Depreciation | 1,785 | 1,634 | 9.2 |
| Amortization | 493 | 432 | 14.2 |
| **Operating income** | 4,089 | 3,890 | 5.1 |
| Other income (expense) items, net | (554) | (488) | 13.5 |
| Income before income taxes | 3,535 | 3,402 | 3.9 |
| Income tax expense | (1,311) | (1,261) | 4.0 |
| Net income | 2,224 | 2,141 | 3.9 |
| Net (income) loss attributable to noncontrolling interests and redeemable subsidiary preferred stock | (90) | (82) | 10.7 |
| **Net income attributable to Comcast Corporation** | **$ 2,134** | **$ 2,059** | **3.6%** |

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

### Consolidated Revenue

Our Cable Communications, Cable Networks and Theme Parks segments accounted for the increase in consolidated revenue for the three months ended March 31, 2016. The increase in our Theme Parks segment was associated with the acquisition of a 51% interest in Universal Studios Japan in November 2015. The increase in consolidated revenue was partially offset by a decrease in revenue in our Broadcast Television and Filmed Entertainment segments. Consolidated revenue for the three months ended March 31, 2015 includes $376 million of revenue associated with our broadcast of the 2015 Super Bowl in February 2015.

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

### Consolidated Costs and Expenses

Our Cable Communications, Cable Networks, Filmed Entertainment and Theme Parks segments accounted for substantially all of the increase in consolidated operating costs and expenses for the three months ended March 31, 2016. The increase in our Theme Parks segment was associated with the acquisition of a 51% interest in Universal Studios Japan in November 2015. The increase in consolidated operating costs and expenses was partially offset by lower operating costs and expenses in our Broadcast Television segment, which is primarily due to our broadcast of the 2015 Super Bowl in the prior year period. For the three months ended March 31, 2015, our consolidated operating costs and expenses also include transaction-related costs associated with the Time Warner Cable merger and the divestiture transactions of $99 million.

Operating costs and expenses for our segments is discussed separately below under the heading Segment Operating Results. Operating costs and expenses for our corporate and other businesses is discussed separately below under the heading Corporate and Other Results of Operations.

Table of Contents

***Consolidated Depreciation and Amortization***

| (in millions) | Three Months Ended March 31 2016 | 2015 | Increase/ (Decrease) |
|---|---|---|---|
| Cable Communications | $ 1,843 | $ 1,680 | 9.7% |
| NBCUniversal | 414 | 364 | 13.6 |
| Corporate and Other | 21 | 22 | (4.4) |
| **Comcast Consolidated** | **$ 2,278** | **$ 2,066** | **10.2%** |

Consolidated depreciation and amortization expenses increased for the three months ended March 31, 2016 primarily due to increases in capital expenditures, as well as expenditures for software, in our Cable Communications segment in recent years and the acquisition of a 51% interest in Universal Studios Japan in NBCUniversal s Theme Parks segment. We continue to invest in customer premise equipment, primarily for our X1 platform, wireless gateways and Cloud DVR technology, and in equipment to increase our network capacity. In addition, because these assets generally have shorter estimated useful lives, our depreciation expenses have increased.

## 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 condensed consolidated financial statements (see Note 12 to Comcast s condensed consolidated financial statements and Note 10 to NBCUniversal s condensed consolidated financial statements). This measure should not be considered a substitute for operating income (loss), net income (loss) attributable to Comcast Corporation or NBCUniversal, net cash provided by operating activities, or other measures of performance or liquidity we have reported in accordance with GAAP.

We have adjusted prior period segment operating results to reflect certain changes in our management reporting presentation. See Note 12 to Comcast s condensed consolidated financial statements and Note 10 to NBCUniversal s condensed consolidated financial statements for additional information on these changes.

Table of Contents

## Cable Communications Segment Results of Operations

| (in millions) | Three Months Ended March 31 2016 | 2015 | Increase/ (Decrease) $ | % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Residential: | | | | |
| Video | $ 5,538 | $ 5,331 | $ 207 | 3.9% |
| High-speed Internet | 3,275 | 3,044 | 231 | 7.6 |
| Voice | 896 | 906 | (10) | (1.1) |
| Business services | 1,311 | 1,116 | 195 | 17.5 |
| Advertising | 559 | 499 | 60 | 12.1 |
| Other | 625 | 545 | 80 | 14.8 |
| **Total revenue** | **12,204** | **11,441** | **763** | **6.7** |
| **Operating costs and expenses** | | | | |
| Programming | 2,891 | 2,644 | 247 | 9.4 |
| Technical and product support | 1,530 | 1,440 | 90 | 6.3 |
| Customer service | 629 | 582 | 47 | 8.0 |
| Franchise and other regulatory fees | 365 | 334 | 31 | 9.4 |
| Advertising, marketing and promotion | 837 | 789 | 48 | 6.1 |
| Other | 1,063 | 994 | 69 | 6.9 |
| Total operating costs and expenses | 7,315 | 6,783 | 532 | 7.8 |
| **Operating income before depreciation and amortization** | **$ 4,889** | **$ 4,658** | **$ 231** | **5.0%** |

**Customer Metrics**

| (in thousands) | Total Customers March 31 2016 | 2015 | Net Additional Customers Three Months Ended March 31 2016 | 2015 |
|---|---|---|---|---|
| Total customer relationships | 27,970 | 27,234 | 269 | 199 |
| Single product customers | 8,410 | 8,399 | 45 | (10) |
| Double product customers | 9,346 | 8,890 | 125 | 140 |
| Triple product customers | 10,214 | 9,945 | 99 | 69 |
| Video customers | 22,400 | 22,375 | 53 | (8) |
| High-speed Internet customers | 23,767 | 22,369 | 438 | 407 |
| Voice customers | 11,577 | 11,270 | 102 | 77 |
| Average monthly total revenue per customer relationship | $ 146.15 | $ 140.54 | | |

Customer metrics include residential and business customers and are presented based on actual amounts. Minor differences may exist due to rounding. Customer relationships represent the number of residential and business customers that subscribe to at least one of our cable services. Single product, double product and triple product customers represent customers that subscribe to one, two or three of our cable services, respectively.

Our Cable Communications segment operating margin is operating income before depreciation and amortization as a percentage of revenue. The most significant operating costs and expenses for our Cable Communications segment are the programming expenses we incur to provide content to our video customers. We expect that our programming expenses will continue to increase, which may negatively impact our operating margin. We will attempt to mitigate increases in operating costs and expenses by growing revenue, particularly in our high-speed Internet, video and business services businesses.

### Cable Communications Segment Revenue

*Video*

Video revenue increased 3.9% for the three months ended March 31, 2016 compared to the same period in 2015. The primary contributors to revenue growth were rate adjustments and, to a lesser extent, an increase in the number of residential customers subscribing to additional services such as premium channels and advanced

Table of Contents

services, which collectively resulted in an increase in revenue of 4.3%. We have in the past, and may in the future, experience declines in the number of residential video customers due to competitive pressures and the impact of rate adjustments.

***High-Speed Internet***

High-speed Internet revenue increased 7.6% for the three months ended March 31, 2016 compared to the same period in 2015. An increase in the number of residential customers receiving our high-speed Internet service accounted for an increase in revenue of 5.9% for the three months ended March 31, 2016. The remaining increase in revenue for the three months ended March 31, 2016 was primarily due to an increase in the number of customers receiving higher levels of service and rate adjustments. Our customer base continues to grow as consumers continue to choose our high-speed Internet service and seek higher-speed offerings.

***Voice***

Voice revenue decreased 1.1% for the three months ended March 31, 2016 compared to the same period in 2015. While the number of residential customers receiving voice services through our discounted bundled service offerings increased for the three months ended March 31, 2016, revenue was negatively impacted by the allocation of voice revenue for our customers who receive bundled services. The amount allocated to voice revenue in the rate charged for bundled services decreased for the three months ended March 31, 2016 because video and high-speed Internet rates increased while voice rates remained relatively flat.

***Business Services***

Business services revenue increased 17.5% for the three months ended March 31, 2016 compared to the same period in 2015. The increase was primarily due to an increase in the number of small business customers as well as continued growth in our medium-sized business services, including Ethernet network and advanced voice services. We believe the increase in the number of business customers is primarily the result of our efforts to gain market share from competitors by offering competitive services and pricing.

***Advertising***

Advertising revenue increased 12.1% for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to increases in our national advertising market and political advertising revenue. Excluding political advertising revenue, advertising revenue increased 7.6% for the three months ended March 31, 2016 compared to the same period in 2015.

For the three months ended March 31, 2016 and 2015, 5% and 4%, respectively, of our Cable Communications segment advertising revenue was generated from our NBCUniversal segments. These amounts are eliminated in our condensed consolidated financial statements but are included in the amounts presented above.

***Other***

Other revenue increased 14.8% for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in cable franchise and other regulatory fees and an increase in revenue from our home security and automation services.

**Cable Communications Segment Operating Costs and Expenses**

Programming expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to increases in programming license fees, including contract renewals, retransmission consent fees, sports programming costs and fees to secure rights for additional programming for our customers across an increasing number of platforms.

Technical and product support expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to expenses related to the development, delivery and support of our enhanced devices, including our X1 set-top boxes, Cloud DVR technology and wireless gateways, and the continued growth in business services and home security and automation services. The increase was also due to expenses related to investments we are making to improve the customer experience.

Table of Contents

Customer service expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to increased support for improving the customer experience and an increase in total labor costs associated with increases in customer service activity. The increase in customer service activity was due to sales and support activities associated with the continued deployment of our enhanced devices and services, which include our X1 platform, wireless gateways, and home security and automation services, and the continued growth in business services.

Franchise and other regulatory fees increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to increases in the revenue on which the fees apply.

Advertising, marketing and promotion expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in spending associated with attracting new residential and business services customers and encouraging existing customers to add additional or higher-tier services.

Other costs and expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in costs to support our advertising sales business, as well as an increase in other administrative costs.

## NBCUniversal Segments Actual and Pro Forma Results of Operations

| | Three Months Ended March 31 | | | | Increase/(Decrease) | |
|---|---|---|---|---|---|---|
| | 2016 | 2015 | | | % | % |
| (in millions) | Actual | Actual | Pro Forma Adjustments[(a)] | Pro Forma Combined | Actual | Pro Forma Combined |
| **Revenue** | | | | | | |
| Cable Networks | $ 2,453 | $ 2,359 | $ | $ 2,359 | 4.0% | |
| Broadcast Television | 2,084 | 2,248 | | 2,248 | (7.3) | |
| Filmed Entertainment | 1,383 | 1,446 | | 1,446 | (4.3) | |
| Theme Parks | 1,026 | 651 | 284 | 935 | 57.5 | 9.6% |
| Headquarters, other and eliminations | (85) | (100) | | (100) | NM | |
| **Total revenue** | **$ 6,861** | **$ 6,604** | **$ 284** | **$ 6,888** | **3.9%** | **(0.4)%** |
| **Operating Income Before Depreciation and Amortization** | | | | | | |
| Cable Networks | $ 956 | $ 898 | $ | $ 898 | 6.4% | |
| Broadcast Television | 284 | 182 | | 182 | 56.5 | |
| Filmed Entertainment | 167 | 293 | | 293 | (43.1) | |
| Theme Parks | 375 | 244 | 119 | 363 | 53.6 | 3.3% |
| Headquarters, other and eliminations | (160) | (142) | | (142) | NM | |
| **Total operating income before depreciation and amortization** | **$ 1,622** | **$ 1,475** | **$ 119** | **$ 1,594** | **10.0%** | **1.8%** |

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

(a) Pro forma adjustments are presented as if the acquisition of the 51% interest of Universal Studios Japan occurred on January 1, 2014. Pro forma information does not include adjustments for costs related to transaction-related costs, integration activities, cost savings or synergies that have been or may be achieved by the combined businesses. The pro forma amounts are based on historical results of operations and are subject to change as valuations are completed and additional analysis is obtained. Pro forma amounts are not necessarily indicative of what our results would have been had we operated Universal Studios Japan since January 1, 2014, nor of our future results.

**Table of Contents**

## Cable Networks Segment Results of Operations

| (in millions) | Three Months Ended March 31 2016 | 2015 | Increase/ (Decrease) $ | % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Distribution | $ 1,438 | $ 1,358 | $ 80 | 5.9% |
| Advertising | 851 | 851 | | |
| Content licensing and other | 164 | 150 | 14 | 10.0 |
| **Total revenue** | **2,453** | **2,359** | **94** | **4.0** |
| **Operating costs and expenses** | | | | |
| Programming and production | 1,058 | 1,023 | 35 | 3.5 |
| Other operating and administrative | 307 | 305 | 2 | 0.9 |
| Advertising, marketing and promotion | 132 | 133 | (1) | (0.9) |
| Total operating costs and expenses | 1,497 | 1,461 | 36 | 2.5 |
| **Operating income before depreciation and amortization** | **$ 956** | **$ 898** | **$ 58** | **6.4%** |

**Cable Networks Segment Revenue**

Cable Networks revenue increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to increases in distribution revenue and content licensing and other revenue. The increase in distribution revenue was primarily due to increases in the contractual rates charged under distribution agreements and contract renewals which were partially offset by a decline in the number of subscribers at our cable networks. The increase in content licensing and other revenue was primarily due to the timing of content provided under our licensing agreements. Advertising revenue was flat for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to the benefit from a reduction in deferred advertising revenue in the prior year period and continued declines in audience ratings at our networks, which were offset by higher prices for advertising units sold.

For the three months ended March 31, 2016 and 2015, 15% and 14%, respectively, of our Cable Networks segment revenue was generated from our Cable Communications segment. These amounts are eliminated in our condensed consolidated financial statements but are included in the amounts presented above.

**Cable Networks Segment Operating Costs and Expenses**

Operating costs and expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in programming and production costs. The increase in programming and production costs was primarily due to our continued investment in original programming, as well as sports programming rights costs.

Table of Contents

## Broadcast Television Segment Results of Operations

| (in millions) | Three Months Ended March 31 2016 | 2015 | Increase/ (Decrease) $ | % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Advertising | $ 1,275 | $ 1,539 | $ (264) | (17.2)% |
| Content licensing | 490 | 485 | 5 | 1.0 |
| Distribution and other | 319 | 224 | 95 | 43.1 |
| **Total revenue** | **2,084** | **2,248** | **(164)** | **(7.3)** |
| **Operating costs and expenses** | | | | |
| Programming and production | 1,363 | 1,626 | (263) | (16.2) |
| Other operating and administrative | 318 | 310 | 8 | 2.5 |
| Advertising, marketing and promotion | 119 | 130 | (11) | (8.5) |
| Total operating costs and expenses | 1,800 | 2,066 | (266) | (12.9) |
| **Operating income before depreciation and amortization** | **$ 284** | **$ 182** | **$ 102** | **56.5%** |

**Broadcast Television Segment Revenue**

Broadcast Television revenue decreased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to additional advertising revenue in the prior year period associated with our broadcast of the 2015 Super Bowl. Excluding $376 million of revenue associated with our broadcast of the 2015 Super Bowl in the prior year period, revenue increased 11.4% primarily due to higher prices for and an increase in the volume of advertising units sold and the broadcast of one additional NFL game compared to the same period in 2015. Distribution and other revenue also increased due to increased fees recognized under our retransmission consent agreements.

**Broadcast Television Segment Operating Costs and Expenses**

Operating costs and expenses decreased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to higher programming and production costs in the prior year period associated with our broadcast of the 2015 Super Bowl.

## Filmed Entertainment Segment Results of Operations

| (in millions) | Three Months Ended March 31 2016 | 2015 | Increase/ (Decrease) $ | % |
|---|---|---|---|---|
| **Revenue** | | | | |
| Theatrical | $ 236 | $ 371 | $ (135) | (36.4)% |
| Content licensing | 652 | 538 | 114 | 21.2 |
| Home entertainment | 275 | 364 | (89) | (24.4) |
| Other | 220 | 173 | 47 | 27.1 |
| **Total revenue** | **1,383** | **1,446** | **(63)** | **(4.3)** |
| **Operating costs and expenses** | | | | |
| Programming and production | 622 | 611 | 11 | 1.8 |
| Other operating and administrative | 209 | 196 | 13 | 6.8 |
| Advertising, marketing and promotion | 385 | 346 | 39 | 11.3 |
| Total operating costs and expenses | 1,216 | 1,153 | 63 | 5.5 |
| **Operating income before depreciation and amortization** | **$ 167** | **$ 293** | **$ (126)** | **(43.1)%** |

**Filmed Entertainment Segment Revenue**

Filmed Entertainment revenue decreased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to decreases in theatrical revenue and home entertainment revenue, which were partially offset by increases in content licensing revenue and other revenue. The decrease in theatrical revenue was

Table of Contents

primarily due to the strong performance of *Fifty Shades of Grey* in the prior year period. The decrease in home entertainment revenue was primarily due to the strong performance of several releases in the prior year period, including *Lucy*. The increase in content licensing revenue was primarily due to the timing of when content was made available under licensing agreements as well as a new content licensing agreement. The increase in other revenue was primarily due to increases in Fandango revenue and consumer products revenue.

**Filmed Entertainment Segment Operating Costs and Expenses**

Operating costs and expenses increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in advertising, marketing and promotion expenses.

## Theme Parks Segment Actual and Pro Forma Results of Operations

| | Three Months Ended March 31 | | | | Increase/(Decrease) | | | |
|---|---|---|---|---|---|---|---|---|
| | 2016 | 2015 | | | Actual | | Pro Forma Combined | |
| (in millions) | Actual | Actual | Pro Forma Adjustments | Pro Forma Combined | $ | % | $ | % |
| **Revenue** | $ 1,026 | $ 651 | $ 284 | $ 935 | $ 375 | 57.5% | $ 91 | 9.6% |
| Operating costs and expenses | 651 | 407 | 165 | 572 | 244 | 59.9 | 79 | 13.7 |
| **Operating income before depreciation and amortization** | **$ 375** | **$ 244** | **$ 119** | **$ 363** | **$ 131** | **53.6%** | **$ 12** | **3.3%** |

**Theme Parks Segment Revenue**

Theme Parks revenue increased for the three months ended March 31, 2016 compared to the pro forma combined revenue in the same period in 2015 primarily due to an increase in guest spending that was partially due to the benefit of a shift in the timing of spring holidays.

**Theme Parks Segment Operating Costs and Expenses**

Operating costs and expenses increased for the three months ended March 31, 2016 compared to the pro forma combined operating costs and expenses in the same period in 2015 primarily due to pre-opening costs associated with *The Wizarding World of Harry Potter* attraction in Hollywood and a new attraction in Japan.

## NBCUniversal Headquarters, Other and Eliminations

The change in operating income (loss) before depreciation and amortization for headquarters, other and eliminations for the three months ended March 31, 2016 compared to the same period in 2015 was primarily due to higher employee-related costs.

## Corporate and Other Results of Operations

| | Three Months Ended March 31 | | Increase/ (Decrease) | |
|---|---|---|---|---|
| (in millions) | 2016 | 2015 | $ | % |
| **Revenue** | $ 199 | $ 193 | $ 6 | 3.5% |
| Operating costs and expenses | 353 | 402 | (49) | (12.0) |
| **Operating loss before depreciation and amortization** | **$ (154)** | **$ (209)** | **$ 55** | **26.3%** |

**Corporate and Other Revenue**

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

Other revenue increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in revenue from several of our Comcast Spectacor businesses.

Table of Contents

**Corporate and Other Operating Costs and Expenses**

Corporate and Other operating costs and expenses primarily include overhead, personnel costs, the costs of corporate initiatives and branding, and operating costs and expenses associated with Comcast Spectacor.

Excluding transaction-related costs associated with the Time Warner Cable merger and divestiture transactions of $99 million for the three months ended March 31, 2015, Corporate and Other operating costs and expenses increased 16.9% for the three months ended March 31, 2016 primarily due to an increase in expenses related to corporate strategic business initiatives.

## Consolidated Other Income (Expense) Items, Net

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Interest expense | $ (703) | $ (656) |
| Investment income (loss), net | 30 | 33 |
| Equity in net income (losses) of investees, net | (11) | 33 |
| Other income (expense), net | 130 | 102 |
| **Total** | **$ (554)** | **$ (488)** |

**Interest Expense**

Interest expense increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to an increase in our debt outstanding.

**Investment Income (Loss), Net**

The components of investment income (loss), net for the three months ended March 31, 2016 and 2015 are presented in a table in Note 6 to Comcast s condensed consolidated financial statements.

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

The change in equity in net income (losses) of investees, net for the three months ended March 31, 2016 compared to the same period in 2015 was primarily due to an increase in our proportionate share of losses at Hulu, LLC, as well as Atairos Group, Inc., which commenced operations in the current year period.

**Other Income (Expense), Net**

Other income (expense), net for the three months ended March 31, 2016 included a $108 million gain related to the sale of our investment in The Weather Channel s product and technology businesses. Other income (expense), net for the three months ended March 31, 2015 included a $164 million gain related to the sale of a business.

## Consolidated Income Tax Expense

Income tax expense for the three months ended March 31, 2016 and 2015 reflects an effective income tax rate that differs from the federal statutory rate primarily due to state income taxes and adjustments associated with uncertain tax positions. We expect our 2016 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.

## 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.

Table of Contents

**Operating Activities**

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

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Operating income | $ 4,089 | $ 3,890 |
| Depreciation and amortization | 2,278 | 2,066 |
| Operating income before depreciation and amortization | 6,367 | 5,956 |
| Noncash share-based compensation | 153 | 135 |
| Changes in operating assets and liabilities | (436) | 73 |
| Cash basis operating income | 6,084 | 6,164 |
| Payments of interest | (723) | (691) |
| Payments of income taxes | (190) | (118) |
| Excess tax benefits under share-based compensation | (111) | (146) |
| Other | 50 | 36 |
| **Net cash provided by operating activities** | **$ 5,110** | **$ 5,245** |

The variance in changes in operating assets and liabilities for the three months ended March 31, 2016 compared to the same period in 2015 was primarily due to an increase in certain benefit payments in the current year period, favorable timing of payments and receipts associated with our broadcast of the 2015 Super Bowl in the prior year period, and the timing of certain payments, including payroll, compared to the prior year period.

**Investing Activities**

Net cash used in investing activities for the three months ended March 31, 2016 consisted primarily of cash paid for capital expenditures, intangible assets, purchases of investments, and acquisitions and construction of real estate properties, which were partially offset by proceeds from the sale of businesses and investments. Capital expenditures increased for the three months ended March 31, 2016 compared to the same period in 2015 primarily due to increased spending in our Cable Communications segment associated with our continued investment in scalable infrastructure to increase network capacity, increased investment in line extensions, as well as our continued spending on customer premise equipment related to the deployment of our X1 platform and wireless gateways. Capital expenditures in our NBCUniversal segments also increased primarily due to continued investment in our Universal theme parks, including Universal Studios Japan. Purchases of investments for the three months ended March 31, 2016 is comprised primarily of capital contributions of $404 million to Atairos Group, Inc.

**Financing Activities**

Net cash provided by financing activities for the three months ended March 31, 2016 consisted primarily of proceeds from borrowings, which were partially offset by repurchases of our common stock, repayments of debt and dividend payments.

We have made, and may from time to time in the future make, optional repayments on our debt obligations, which may include repurchases of our outstanding public notes and debentures, depending on various factors, such as market conditions. See Note 7 to Comcast s condensed consolidated financial statements for additional information on our financing activities, including details of our debt repayments and borrowings.

***Available Borrowings Under Credit Facilities***

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

As of March 31, 2016, amounts available under our consolidated revolving credit facilities, net of amounts outstanding under our commercial paper programs and outstanding letters of credit, totaled $6.9 billion, which included $900 million available under the NBCUniversal Enterprise revolving credit facility.

Table of Contents

***Share Repurchases and Dividends***

Effective January 1, 2016, our Board of Directors increased our share repurchase program authorization to $10 billion, which does not have an expiration date. Under the authorization, we may repurchase shares in the open market or in private transactions. During the three months ended March 31, 2016, we repurchased a total of 22 million shares of our Class A common stock for approximately $1.25 billion. We expect to make $3.75 billion more in repurchases during the remainder of 2016, subject to market conditions.

In January 2016, our Board of Directors approved a 10.0% increase in our dividend to $1.10 per share on an annualized basis and approved our first quarter dividend of $0.275 per share which was paid in April 2016. We expect to continue to pay quarterly dividends, although each dividend is subject to approval by our Board of Directors.

## Critical Accounting Judgments and Estimates

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

For a more complete discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our condensed consolidated financial statements, please refer to our Management s Discussion and Analysis of Financial Condition and Results of Operations in our 2015 Annual Report on Form 10-K.

## Recent Accounting Pronouncements

See Note 2 to each of Comcast s and NBCUniversal s condensed consolidated financial statements for additional information related to recent accounting pronouncements.

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

We have evaluated the information required under this item that was disclosed in our 2015 Annual Report on Form 10-K and there have been no significant changes to this information.

## ITEM 4: CONTROLS AND PROCEDURES

## Comcast Corporation

**Conclusions regarding disclosure controls and procedures**

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

**Changes in internal control over financial reporting**

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

Table of Contents

## NBCUniversal Media, LLC

**Conclusions regarding disclosure controls and procedures**

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

**Changes in internal control over financial reporting**

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

# PART II: OTHER INFORMATION

## ITEM 1: LEGAL PROCEEDINGS

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

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

## ITEM 1A: RISK FACTORS

There have been no significant changes from the risk factors previously disclosed in Item 1A of our 2015 Annual Report on Form 10-K.

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

The table below summarizes Comcast s common stock repurchases under its Board-authorized share repurchase program during the three months ended March 31, 2016.

**Purchases of Equity Securities**

| Period | Total Number of Shares Purchased | Average Price Per Share | Total Number of Shares Purchased as Part of Publicly Announced Authorization | Total Dollar Amount Purchased Under the Authorization | Maximum Dollar Value of Shares That May Yet Be Purchased Under the Authorization[(a)] |
|---|---|---|---|---|---|
| January 1-31, 2016 | 1,943,701 | $ 53.77 | 1,941,876 | $ 104,417,635 | $ 9,895,582,365 |
| February 1-29, 2016 | 9,079,717 | $ 55.26 | 9,049,265 | $ 500,000,000 | $ 9,395,582,365 |
| March 1-31, 2016 | 11,001,808 | $ 58.65 | 10,998,193 | $ 645,000,000 | $ 8,750,582,365 |
| **Total** | **22,025,226** | **$ 56.82** | **21,989,334** | **$ 1,249,417,635** | **$ 8,750,582,365** |

(a) Effective January 1, 2016, our Board of Directors increased our share repurchase authorization to $10 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 make $3.75 billion more in repurchases during the remainder of 2016, subject to market conditions.

The total number of shares purchased during the three months ended March 31, 2016 includes 35,892 shares received in the administration of employee share-based compensation plans.

Table of Contents

## ITEM 6: EXHIBITS

**Comcast**

| Exhibit No. | Description |
|---|---|
| 10.1* | Form of Restricted Stock Unit Award under the Comcast Corporation 2002 Restricted Stock Plan. |
| 10.2* | Form of Non-Qualified Stock Option under the Comcast Corporation 2003 Stock Option Plan. |
| 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 Quarterly Report on Form 10-Q for the three months ended March 31, 2016, filed with the Securities and Exchange Commission on April 27, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheet; (ii) the Condensed Consolidated Statement of Income; (iii) the Condensed Consolidated Statement of Comprehensive Income; (iv) the Condensed Consolidated Statement of Cash Flows; (v) the Condensed Consolidated Statement of Changes in Equity; and (vi) the Notes to Condensed Consolidated Financial Statements. |

* Constitutes a management contract or compensatory plan or arrangement.

**NBCUniversal**

| Exhibit No. | Description |
|---|---|
| 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 Quarterly Report on Form 10-Q for the three months ended March 31, 2016, filed with the Securities and Exchange Commission on April 27, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheet; (ii) the Condensed Consolidated Statement of Income; (iii) the Condensed Consolidated Statement of Comprehensive Income; (iv) the Condensed Consolidated Statement of Cash Flows; (v) the Condensed Consolidated Statement of Changes in Equity; and (vi) the Notes to Condensed Consolidated Financial Statements. |

Table of Contents

# SIGNATURES

## Comcast

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

COMCAST CORPORATION

By: /s/ LAWRENCE J. SALVA
Lawrence J. Salva

Executive Vice President and Chief Accounting Officer

(Principal Accounting Officer)

Date: April 27, 2016

## NBCUniversal

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

NBCUNIVERSAL MEDIA, LLC

By: /s/ LAWRENCE J. SALVA
Lawrence J. Salva

Executive Vice President

(Principal Accounting Officer)

Date: April 27, 2016

Table of Contents

## NBCUniversal Media, LLC Financial Statements

Table of Contents

NBCUniversal Media, LLC

**Condensed Consolidated Balance Sheet**

**(Unaudited)**

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Current Assets: | | |
| Cash and cash equivalents | $ 1,081 | $ 1,410 |
| Receivables, net | 5,104 | 5,411 |
| Programming rights | 1,380 | 1,200 |
| Other current assets | 855 | 841 |
| Total current assets | 8,420 | 8,862 |
| Film and television costs | 5,761 | 5,847 |
| Investments | 970 | 965 |
| Property and equipment, net of accumulated depreciation of $2,905 and $2,779 | 9,796 | 9,521 |
| Goodwill | 20,868 | 20,364 |
| Intangible assets, net of accumulated amortization of $5,876 and $5,654 | 13,675 | 13,806 |
| Other noncurrent assets, net | 1,278 | 1,325 |
| **Total assets** | **$ 60,768** | **$ 60,690** |
| **Liabilities and Equity** | | |
| Current Liabilities: | | |
| Accounts payable and accrued expenses related to trade creditors | $ 1,455 | $ 1,564 |
| Accrued participations and residuals | 1,510 | 1,572 |
| Program obligations | 730 | 765 |
| Deferred revenue | 1,337 | 1,242 |
| Accrued expenses and other current liabilities | 1,345 | 1,675 |
| Note payable to Comcast | 875 | 1,750 |
| Current portion of long-term debt | 1,190 | 1,163 |
| Total current liabilities | 8,442 | 9,731 |
| Long-term debt, less current portion | 11,562 | 11,331 |
| Accrued participations, residuals and program obligations | 1,093 | 1,163 |
| Other noncurrent liabilities | 3,890 | 3,790 |
| Commitments and contingencies | | |
| Redeemable noncontrolling interests | 369 | 372 |
| Equity: | | |
| Member s capital | 33,642 | 32,834 |
| Accumulated other comprehensive income (loss) | (68) | (212) |
| Total NBCUniversal member s equity | 33,574 | 32,622 |
| Noncontrolling interests | 1,838 | 1,681 |
| Total equity | 35,412 | 34,303 |
| **Total liabilities and equity** | **$ 60,768** | **$ 60,690** |

See accompanying notes to condensed consolidated financial statements.

Table of Contents

NBCUniversal Media, LLC

**Condensed Consolidated Statement of Income**

**(Unaudited)**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| **Revenue** | $ 6,861 | $ 6,604 |
| Costs and Expenses: | | |
| Programming and production | 2,965 | 3,171 |
| Other operating and administrative | 1,595 | 1,334 |
| Advertising, marketing and promotion | 679 | 605 |
| Depreciation | 192 | 160 |
| Amortization | 222 | 204 |
| | 5,653 | 5,474 |
| **Operating income** | 1,208 | 1,130 |
| Other Income (Expense): | | |
| Interest expense | (147) | (124) |
| Investment income (loss), net | 6 | (2) |
| Equity in net income (losses) of investees, net | (2) | 20 |
| Other income (expense), net | 115 | (58) |
| | (28) | (164) |
| Income before income taxes | 1,180 | 966 |
| Income tax expense | (98) | (48) |
| Net income | 1,082 | 918 |
| Net (income) loss attributable to noncontrolling interests | (80) | (66) |
| **Net income attributable to NBCUniversal** | **$ 1,002** | **$ 852** |

See accompanying notes to condensed consolidated financial statements.

Table of Contents

NBCUniversal Media, LLC

**Condensed Consolidated Statement of Comprehensive Income**

**(Unaudited)**

| | Three Months Ended March 31 | |
|---|---|---|
| (in millions) | 2016 | 2015 |
| Net income | $ 1,082 | $ 918 |
| Deferred gains (losses) on cash flow hedges, net | (18) | 12 |
| Employee benefit obligations, net | 4 | |
| Currency translation adjustments, net | 295 | (78) |
| Comprehensive income | 1,363 | 852 |
| Net (income) loss attributable to noncontrolling interests | (80) | (66) |
| Other comprehensive (income) loss attributable to noncontrolling interests | (137) | 15 |
| **Comprehensive income attributable to NBCUniversal** | **$ 1,146** | **$ 801** |

See accompanying notes to condensed consolidated financial statements.

43

**Table of Contents**

NBCUniversal Media, LLC

**Condensed Consolidated Statement of Cash Flows**

**(Unaudited)**

| (in millions) | Three Months Ended March 31 2016 | Three Months Ended March 31 2015 |
|---|---|---|
| **Net cash provided by operating activities** | **$ 1,177** | **$ 1,202** |
| **Investing Activities** | | |
| Capital expenditures | (295) | (268) |
| Cash paid for intangible assets | (52) | (37) |
| Acquisitions of real estate properties | (78) | |
| Note receivable from Comcast | | (135) |
| Proceeds from sales of businesses and investments | 101 | 5 |
| Other | (14) | 164 |
| **Net cash provided by (used in) investing activities** | **(338)** | **(271)** |
| **Financing Activities** | | |
| Proceeds from (repayments of) borrowings from Comcast, net | (875) | (896) |
| Repurchases and repayments of debt | (35) | (1) |
| Distributions to noncontrolling interests | (63) | (51) |
| Distributions to member | (195) | (195) |
| **Net cash provided by (used in) financing activities** | **(1,168)** | **(1,143)** |
| Increase (decrease) in cash and cash equivalents | (329) | (212) |
| Cash and cash equivalents, beginning of period | 1,410 | 1,248 |
| **Cash and cash equivalents, end of period** | **$ 1,081** | **$ 1,036** |

See accompanying notes to condensed consolidated financial statements.

Table of Contents

NBCUniversal Media, LLC

## Condensed Consolidated Statement of Changes in Equity

## (Unaudited)

| (in millions) | Redeemable Noncontrolling Interests | Member s Capital | Accumulated Other Comprehensive Income (Loss) | Noncontrolling Interests | Total Equity |
|---|---|---|---|---|---|
| Balance, December 31, 2014 | $ 330 | $ 30,529 | $ (159) | $ 267 | $ 30,637 |
| Dividends declared | | (195) | | | (195) |
| Contributions from (distributions to) noncontrolling interests, net | (10) | | | (41) | (41) |
| Other comprehensive income (loss) | | | (51) | (15) | (66) |
| Other | | (1) | | 1 | |
| Net income (loss) | 16 | 852 | | 50 | 902 |
| **Balance, March 31, 2015** | **$ 336** | **$ 31,185** | **$ (210)** | **$ 262** | **$ 31,237** |
| Balance, December 31, 2015 | $ 372 | $ 32,834 | $ (212) | $ 1,681 | $ 34,303 |
| Dividends declared | | (195) | | | (195) |
| Contributions from (distributions to) noncontrolling interests, net | (22) | | | (41) | (41) |
| Other comprehensive income (loss) | | | 144 | 137 | 281 |
| Other | | 1 | | | 1 |
| Net income (loss) | 19 | 1,002 | | 61 | 1,063 |
| **Balance, March 31, 2016** | **$ 369** | **$ 33,642** | **$ (68)** | **$ 1,838** | **$ 35,412** |

See accompanying notes to condensed consolidated financial statements.

Table of Contents

NBCUniversal Media, LLC

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## (Unaudited)

## Note 1: Condensed Consolidated Financial Statements

### Basis of Presentation

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

The year-end condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles in the United States ( GAAP ). For a more complete discussion of our accounting policies and certain other information, refer to our consolidated financial statements included in our 2015 Annual Report on Form 10-K.

## Note 2: Recent Accounting Pronouncements

### Revenue Recognition

In May 2014, the Financial Accounting Standards Board ( FASB ) updated the accounting guidance related to revenue recognition. The updated accounting guidance provides a single, contract-based revenue recognition model to help improve financial reporting by providing clearer guidance on when an entity should recognize revenue and by reducing the number of standards to which an entity has to refer. The updated accounting guidance is effective for us as of January 1, 2018. The updated accounting guidance provides companies with alternative methods of adoption. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements and our method of adoption.

### Consolidations

In February 2015, the FASB updated the accounting guidance related to consolidation under the variable interest entity ( VIE ) and voting interest entity models. The updated accounting guidance modifies the consolidation guidance for VIEs, limited partnerships and similar legal entities. We have adopted this guidance as of January 1, 2016 and it did not have a material impact on our consolidated financial statements.

### Financial Assets and Financial Liabilities

In January 2016, the FASB updated the accounting guidance related to the recognition and measurement of financial assets and financial liabilities. The updated accounting guidance, among other things, requires that all nonconsolidated equity investments, except those accounted for under the equity method, be measured at fair value and that the changes in fair value be recognized in net income. The updated guidance is effective for us as of January 1, 2018. The updated accounting guidance requires a cumulative effect adjustment to beginning retained earnings when the guidance is adopted with certain exceptions. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

### Leases

In February 2016, the FASB updated the accounting guidance related to leases. The updated accounting guidance requires lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases with the exception of short-term leases. For a lessee, the recognition, measurement and presentation of expenses and cash flows arising from a lease do not significantly change from previous guidance. For a lessor, the accounting applied

46

NBCUniversal Media, LLC

is also largely unchanged from previous guidance. The updated guidance is effective for us as of January 1, 2019 and early adoption is permitted. The updated accounting guidance must be adopted using a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. We are currently in the process of determining the impact that the updated accounting guidance will have on our consolidated financial statements.

**Share-Based Compensation**

In March 2016, the FASB updated the accounting guidance that affects several aspects of the accounting for share-based compensation. The most significant change for us relates to the presentation of the income and withholding tax consequences of share-based compensation in our consolidated financial statements. Among the changes, the updated guidance requires that the excess income tax benefits or deficiencies that arise when the tax consequences of share-based compensation differ from amounts previously recognized in the statement of income be recognized as income tax benefit or expense in the statement of income rather than as additional paid-in capital in the balance sheet. The guidance also states that excess income tax benefits should not be presented separately from other income taxes in the statement of cash flows and, thus, should be classified as an operating activity rather than a financing activity as they are under the current guidance. In addition, the updated guidance requires when an employer withholds shares upon exercise of options or the vesting of restricted stock for the purpose of meeting withholding tax requirements, that the cash paid for withholding taxes be classified as a financing activity. We currently record these amounts within operating activities.

The updated guidance is effective for us as of January 1, 2017 and early adoption is permitted. The updated guidance provides companies with alternative methods of adoption, with certain items that are allowed to be applied retrospectively and certain other items that are only to be applied prospectively in the period of adoption. As a limited liability company, we do not expect the updated accounting guidance related to the excess income tax benefits or deficiencies to be recognized in the statement of income to have an impact on our consolidated financial statements. In addition, we do not expect the updated accounting guidance to have a material impact on our statement of cash flows.

## Note 3: Significant Transactions

**Universal Studios Japan**

On November 13, 2015, we acquired a 51% economic interest in the Universal Studios theme park in Osaka, Japan ( Universal Studios Japan ) for $1.5 billion. The acquisition was funded through cash on hand and borrowings under Comcast s commercial paper program.

Universal Studios Japan is a VIE based on the governance structure and we consolidate Universal Studios Japan as we have the power to direct activities that most significantly impact its economic performance. There are no liquidity arrangements, guarantees, or other financial commitments between us and Universal Studios Japan, and therefore our maximum risk of financial loss is our 51% interest. Universal Studios Japan s results of operations are reported in our Theme Parks segment following the acquisition date.

***Preliminary Allocation of Purchase Price***

Due to the limited amount of time since the date of acquisition, the assets and liabilities of Universal Studios Japan were recorded at their historical carrying value. We will adjust these amounts to fair value as valuations are completed and we obtain information necessary to complete the analyses, but no later than one year from the acquisition date. The 49% noncontrolling interest in Universal Studios Japan is recorded in the equity section of our consolidated financial statements and has been recorded based on the total value of Universal Studios Japan implied in the transaction. For purposes of this preliminary allocation, the excess of the total value implied in the transaction over the historical carrying value has been recorded as goodwill.

NBCUniversal Media, LLC

The table below presents the preliminary allocation of the purchase price to the assets and liabilities of Universal Studios Japan.

**Preliminary Allocation of Purchase Price**

| (in millions) | |
|---|---|
| Property and equipment | $ 642 |
| Intangible assets | 57 |
| Working capital | (32) |
| Debt | (3,271) |
| Other noncurrent assets and liabilities | 162 |
| Identifiable net assets (liabilities) acquired | (2,442) |
| Noncontrolling interest | (1,440) |
| Goodwill | 5,381 |
| Cash consideration transferred | $ 1,499 |

***Actual and Unaudited Pro Forma Results***

Our consolidated revenue and net income attributable to NBCUniversal for the three months ended March 31, 2016 included $293 million and $18 million, respectively, from the acquisition of Universal Studios Japan.

The following unaudited pro forma information has been presented as if the acquisition occurred on January 1, 2014. This information is based on historical results of operations and is subject to change as valuations are completed and additional analysis is obtained. In addition, the unaudited pro forma accounting adjustments are not necessarily indicative of what our results would have been had we operated Universal Studios Japan since January 1, 2014. No pro forma adjustments have been made for our transaction-related expenses.

| (in millions) | Three Months Ended March 31, 2015 |
|---|---|
| Revenue | $ 6,888 |
| Net income | $ 968 |
| Net income attributable to NBCUniversal | $ 877 |

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

Comcast is also the counterparty to one of our contractual obligations. As of March 31, 2016, the carrying value of the liability associated with this contractual obligation was $383 million.

Table of Contents

NBCUniversal Media, LLC

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

**Condensed Consolidated Balance Sheet**

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| **Transactions with Comcast and Consolidated Subsidiaries** | | |
| Receivables, net | $ 285 | $ 239 |
| Accounts payable and accrued expenses related to trade creditors | $ 45 | $ 68 |
| Accrued expenses and other current liabilities | $ 62 | $ 51 |
| Note payable to Comcast | $ 875 | $ 1,750 |
| Other noncurrent liabilities | $ 386 | $ 383 |

**Condensed Consolidated Statement of Income**

| | Three Months Ended March 31 | |
|---|---|---|
| (in millions) | 2016 | 2015 |
| **Transactions with Comcast and Consolidated Subsidiaries** | | |
| Revenue | $ 406 | $ 342 |
| Operating costs and expenses | $ (60) | $ (50) |
| Other income (expense) | $ (13) | $ (9) |

## Note 5: Film and Television Costs

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| **Film Costs:** | | |
| Released, less amortization | $ 1,238 | $ 1,275 |
| Completed, not released | 188 | 226 |
| In production and in development | 1,003 | 907 |
| | 2,429 | 2,408 |
| **Television Costs:** | | |
| Released, less amortization | 1,633 | 1,573 |
| In production and in development | 617 | 737 |
| | 2,250 | 2,310 |
| Programming rights, less amortization | 2,462 | 2,329 |
| | 7,141 | 7,047 |
| Less: Current portion of programming rights | 1,380 | 1,200 |
| **Film and television costs** | **$ 5,761** | **$ 5,847** |

Table of Contents

NBCUniversal Media, LLC

## Note 6: Investments

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| Fair Value Method | $ 6 | $ 10 |
| Equity Method: | | |
| Hulu | 159 | 184 |
| Other | 336 | 313 |
| | 495 | 497 |
| Cost Method | 469 | 458 |
| **Total investments** | **$ 970** | **$ 965** |

**Equity Method**

***The Weather Channel***

On January 29, 2016, following a legal restructuring at The Weather Channel, we and the other investors sold the entity holding The Weather Channel s product and technology businesses to IBM. Following the close of the transaction, we continue to hold an investment in The Weather Channel cable network through a new holding company. As a result of the sale of our investment, we recognized a pretax gain of $108 million in other income (expense), net.

***Hulu***

For the three months ended March 31, 2016 and 2015, we recognized our proportionate share of losses of $25 million and $11 million, respectively, related to our investment in Hulu.

## Note 7: Long-Term Debt

As of March 31, 2016, our debt, excluding the note payable to Comcast, had a carrying value of $12.8 billion and an estimated fair value of $14.1 billion. The estimated fair value of our publicly traded debt is primarily based on Level 1 inputs that use quoted market values for the debt. The estimated fair value of debt for which there are no quoted market prices is based on Level 2 inputs that use interest rates available to us for debt with similar terms and remaining maturities.

**Debt Repayments**

In April 2016, we repaid at maturity $1 billion aggregate principal amount of 2.875% senior notes due 2016.

**Cross-Guarantee Structure**

We, Comcast and a 100% owned cable holding company subsidiary of Comcast ( CCCL Parent ) fully and unconditionally guarantee each other s debt securities. As of March 31, 2016, we guaranteed $37.9 billion of outstanding debt securities of Comcast and CCCL Parent. We also fully and unconditionally guarantee the $6.25 billion Comcast revolving credit facility due 2017, of which no amounts were outstanding as of March 31, 2016, and the associated commercial paper program.

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 and associated commercial paper program, or $725 million liquidation preference of Series A cumulative preferred stock.

## Note 8: Share-Based Compensation

Comcast maintains share-based compensation plans that primarily consist of awards of restricted share units and stock options to certain employees and directors as part of its approach to long-term incentive compensation. Additionally, through its employee stock purchase plans, employees are able to purchase shares of Comcast

**Table of Contents**

NBCUniversal Media, LLC

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.

**Recognized Share-Based Compensation Expense**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Restricted share units | $ 18 | $ 17 |
| Stock options | 2 | 2 |
| Employee stock purchase plans | 3 | 2 |
| **Total** | **$ 23** | **$ 21** |

## Note 9: Supplemental Financial Information

**Receivables**

| (in millions) | March 31, 2016 | December 31, 2015 |
|---|---|---|
| Receivables, gross | $ 5,533 | $ 5,949 |
| Less: Allowance for returns and customer incentives | 355 | 469 |
| Less: Allowance for doubtful accounts | 74 | 69 |
| **Receivables, net** | **$ 5,104** | **$ 5,411** |

**Accumulated Other Comprehensive Income (Loss)**

| (in millions) | March 31, 2016 | March 31, 2015 |
|---|---|---|
| Deferred gains (losses) on cash flow hedges | $ (19) | $ 32 |
| Unrecognized gains (losses) on employee benefit obligations | 3 | (61) |
| Cumulative translation adjustments | (52) | (181) |
| **Accumulated other comprehensive income (loss)** | **$ (68)** | **$ (210)** |

**Net Cash Provided by Operating Activities**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Net income | $ 1,082 | $ 918 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 414 | 364 |
| Equity in net (income) losses of investees, net | 2 | (20) |
| Cash received from investees | 12 | 12 |
| Net (gain) loss on investment activity and other | (114) | 46 |
| Deferred income taxes | 48 | 3 |

| | | |
|---|---|---|
| Changes in operating assets and liabilities, net of effects of acquisitions and divestitures: | | |
| Current and noncurrent receivables, net | 349 | (106) |
| Film and television costs, net | (84) | (36) |
| Accounts payable and accrued expenses related to trade creditors | (139) | 16 |
| Other operating assets and liabilities | (393) | 5 |
| **Net cash provided by operating activities** | **$ 1,177** | **$ 1,202** |

NBCUniversal Media, LLC

**Cash Payments for Interest and Income Taxes**

| (in millions) | Three Months Ended March 31 2016 | 2015 |
|---|---|---|
| Interest | $ 66 | $ 33 |
| Income taxes | $ 59 | $ 40 |

**Noncash Investing and Financing Activities**

During the three months ended March 31, 2016:

- we acquired $204 million of property and equipment and intangible assets that were accrued but unpaid

## Note 10: Financial Data by Business Segment

We present our operations in four reportable business segments:

- **Cable Networks:** Consists primarily of our national cable networks, our regional sports and news networks, our international cable networks and our cable television studio production operations.

- **Broadcast Television:** Consists primarily of the NBC and Telemundo broadcast networks, our NBC and Telemundo owned local broadcast television stations, the NBC Universo national cable network, and our broadcast television studio production operations.

- **Filmed Entertainment:** Consists primarily of the operations of Universal Pictures, which produces, acquires, markets and distributes filmed entertainment worldwide.

- **Theme Parks:** Consists primarily of our Universal theme parks in Orlando, Florida; Hollywood, California; and Osaka, Japan.

In evaluating the profitability of our operating segments, the components of net income (loss) below operating income (loss) before depreciation and amortization are not separately evaluated by our management. Our financial data by business segment is presented in the tables below.

| | Three Months Ended March 31, 2016 | | | | |
|---|---|---|---|---|---|
| (in millions) | Revenue[e] | Operating Income (Loss) Before Depreciation and Amortization[f] | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures |
| Cable Networks | $ 2,453 | $ 956 | $ 190 | $ 766 | $ 1 |
| Broadcast Television | 2,084 | 284 | 32 | 252 | 19 |

| | | | | | |
|---|---|---|---|---|---|
| Filmed Entertainment | 1,383 | 167 | 8 | 159 | 3 |
| Theme Parks[(b)] | 1,026 | 375 | 98 | 277 | 200 |
| Headquarters and Other[(c)] | 3 | (160) | 86 | (246) | 72 |
| Eliminations[(b)(d)] | (88) | | | | |
| **Total** | **$ 6,861** | **$ 1,622** | **$ 414** | **$ 1,208** | **$ 295** |

52

Table of Contents

NBCUniversal Media, LLC

| | Three Months Ended March 31, 2015 | | | | |
|---|---|---|---|---|---|
| (in millions) | Revenue[e] | Operating Income (Loss) Before Depreciation and Amortization[f] | Depreciation and Amortization | Operating Income (Loss) | Capital Expenditures |
| Cable Networks | $ 2,359 | $ 898 | $ 184 | $ 714 | $ 6 |
| Broadcast Television[a] | 2,248 | 182 | 29 | 153 | 11 |
| Filmed Entertainment | 1,446 | 293 | 5 | 288 | 1 |
| Theme Parks[b] | 651 | 244 | 66 | 178 | 162 |
| Headquarters and Other[c] | 4 | (140) | 80 | (220) | 88 |
| Eliminations[b][d] | (104) | 17 | | 17 | |
| **Total** | **$ 6,604** | **$ 1,494** | **$ 364** | **$ 1,130** | **$ 268** |

(a) The revenue and operating costs and expenses associated with our broadcast of the 2015 Super Bowl were reported in our Broadcast Television segment.

(b) Beginning in the fourth quarter of 2015, we changed our method of accounting for a contractual obligation that involves an interest in the revenue of certain theme parks. As a result of the change, amounts payable based on current period revenue are presented in operating costs and expenses. Amounts paid through the third quarter of 2015 were included in other income (expense), net in our consolidated statement of income. For segment reporting purposes, we have adjusted periods prior to the fourth quarter of 2015 to reflect management reporting presentation for this expense on a consistent basis for all periods in the Theme Parks segment, which resulted in a corresponding offsetting adjustment in Eliminations to reconcile to consolidated totals.

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

(d) Included in Eliminations are transactions that our segments enter into with one another, which consist 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 on 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 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.