

Comcast Corp Class A Common/Philadelphia PA-CMCSA spinoff

Holders of AT&T - Acquisition Information

On **November 18, 2002**, Comcast Corporation and AT&T Corp. combined Comcast and AT&T's broadband business. The acquisition occurred in several steps. First, AT&T Corp. contributed its broadband business to a newly formed holding company, AT&T Broadband Corp. Next, AT&T Broadband Corp. was spun off from AT&T Corp. Finally, old Comcast and AT&T Broadband Corp. combined to form the new Comcast Corporation.

If you have sold or sell any of your shares of new Comcast common stock, you need to determine your cost basis in order to compute the tax gain or loss on the shares. Your cost basis is compared to the sale price of the stock to determine the gain or loss. This cost basis may also be important for gift or estate tax purposes.

AT&T Acquisition: How to calculate your cost basis

As a result of the acquisition, AT&T Corp. shareholders of **record as of the close of business on November 15, 2002 received 0.3235 shares of new Comcast Class A common stock for each share of AT&T Corp.** common stock owned of record at such time. Note that the new Comcast Class A common stock was issued to you as additional shares and not in substitution for the AT&T Corp. common stock you owned. You will continue to own these shares of AT&T Corp. common stock until you sell or otherwise transfer them. If the total number of shares of new Comcast Class A common stock you were entitled to receive included a fractional share, you are entitled to receive a cash payment instead of that fractional share. Fractional shares of new Comcast common stock were aggregated and sold, with the net proceeds paid as appropriate to those entitled to a fractional share.

Your AT&T Corp. common stock cost basis prior to the acquisition should be allocated at **37.4%** to your AT&T Corp. common stock and **62.6%** to your new Comcast common stock, including any fractional shares you were entitled to receive. You are responsible for knowing your beginning cost basis from your own records. The example below is designed to help you compute your new cost basis in AT&T Corp. common stock and new Comcast common stock.

Hypothetical Example: AT&T Acquisition Cost Basis Calculation

For example, assume that immediately before the acquisition, you owned 102 shares of AT&T Corp. common stock and had a total cost basis in those shares of \$100.00. The new Comcast exchange ratio for AT&T Corp. shareowners was effectively 0.3235 shares of new Comcast Class A common stock for each AT&T Corp. share owned of record on November 15, 2002. Thus, you would receive 32 shares of new Comcast Class A common stock and would be entitled to receive an additional 0.997 of a share

but would be paid cash in lieu of that fractional share. Using the tax allocation percentages described above, 37.4% of the \$100.00 would be allocated to your 102 AT&T Corp. shares and 62.6% of the \$100.00 would be allocated to your 32.997 new Comcast shares. This means that the per share basis in each share of new Comcast Class A common stock would be \$1.90. The cost basis of a fractional share is a proportional part of the cost basis of a whole share. In this example, the cost basis in the 0.997 of a share would be \$1.89.

	Company	Cost Basis	x Allocation Ratio	= New Cost Basis	÷ No. of New Comcast Shares	= New Per Share Cost Basis
Example	New Comcast	\$ 100.00	x 0.626	= \$62.60	÷ 32.997	= \$1.90
Your Calculation	New Comcast	\$	x 0.626	=	÷	= \$

* The tax basis of fractional shares would be a proportional part of the basis of a whole share.

	Company	Cost Basis	x Allocation Ratio	= New Cost Basis	÷ No. of AT&T Corp. Shares	= New Per Share Cost Basis
Example	AT&T Corp.	\$ 100.00	x 0.374	= \$37.40	÷ 102	= \$0.37
Your Calculation	AT&T Corp.	\$	x 0.374	=	÷	= \$

Holders of Comcast

The cost basis of your new Comcast stock is the equivalent of the cost basis for your pre-acquisition Comcast Class A common stock or Comcast Class A Special common stock, as the case may be. As such, you must determine when and at what price you acquired your old Comcast stock to determine the basis for your new Comcast shares.