

FINAL TRANSCRIPT

Thomson StreetEventsSM

CMCSA - Comcast Corporation at Citigroup 17th Annual Entertainment, Media and Telecommunications Conference

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CORPORATE PARTICIPANTS

Brian Roberts

Comcast Corporation - Chairman, CEO

PRESENTATION

Brian Roberts - Comcast Corporation - Chairman, CEO

I have a few comments about Peter Chernin, but I think we will save those for Q&A. But News Corp is a great business, and we are glad to see them move on to greener pastures and leave the satellite business in the US.

First of all, here's our Safe Harbor disclosure. It's also on the Internet.

Let me just step back and begin by saying I have always enjoyed coming to this conference, because it's the beginning of the year, you feel recharged from whatever holiday vacation you've taken, and you have a quick chance to look back but most of all really begin the new year with, in our case, I don't think more enthusiasm than at any time than right now. 2006, we had a fabulous year. We are thrilled with the consumer reaction, the triple play, our accelerating revenue and cash flow growth, maybe the most important and the best year in the Company's history, from an operations standpoint.

But I think what we will show you today is that if you like 2006, you're going to really like 2007. We are innovating, we have an acceleration of many of the new products, and I think we continue to attract people to keep the story going, because of the management team ultimately and the ideas that people have.

So in 2007, I think you're going to see -- and we will put out guidance when we announce the fourth-quarter earnings in a couple of weeks. I'm not doing that today, which is our practice, but I think we can certainly tell you that you can see why 2006 -- and this chart just says it all. 85% growth based on the third quarter plus our guidance, previously stated 85% increase in RGUs year-over-year. We will do more RGUs in 2007, I believe, than in 2006. This [is with] an inflection point, and what is driving it is all three products -- video, voice and data.

That, of course, drives cash flow. We had 15% cash flow growth in the third quarter and it's been an amazing year. When you hear other companies talk about their vision and their dream, and they have single-digit revenue growth or negative revenue growth or they are in transition, do not lose sight on what it means to a company to kind of catch this momentum and be able to step on the pedal.

What is driving it, as you know, is really being first to market. The consumers love the convenience of one phone call, and being able to schedule -- take one day off or a couple of hours off and not have to have three different people to coordinate their voice, their video and their data. The fact that each of our products will go toe-to-toe with any of our competitors will tell you why right now today, our products are superior. I will do a little bit of that, and certainly take questions.

But it's very fitting to be here at the Consumer Electronics Show and have a sanity check every year -- where's other people going, and where are we now and where are we going in the future? I think we feel very confident that there is nothing anybody has or anything that anybody is working on that we're not going to try to offer our consumers and do so first.

So we have new business alternatives. What I would like to focus on, second half of my presentation here, is the next great business opportunity, which we think is the commercial business. Two years ago, we came to this conference and we laid out a five-year vision for what we were going to do on residential phone. We are ahead of that vision. We're going to do the same thing today on the commercial business.

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So let me first of all dive into what is -- I assume most people, at this point, are up to speed on triple play. But if you're not in a Comcast market, it's \$99 for one year for voice and cable TV, all the long distance, all the local, and of course our best-in-breed high-speed data product.

What this is doing is powering consumers to actually say, "Well, I feel so good about that value; what else can I get?" The average consumer is spending between \$120 and \$130 on the phone call when they take triple play. We have found that it lifts basic subscribers in our triple play market we have beaten last year in all three quarters. It lifts high-speed data. In our triple play market, we are selling in ahead over 100% of the sell-in rate of net add growth rate in high-speed data than we did last year, last year meaning 2005.

Every one of the metrics gets better because of this, and of course, an area that we are just kind of getting focused on is there's 23 million homes who don't subscribe to Comcast that have this product in front of them. It's a terrific marketing opportunity.

If you think about our penetration, we are only about 4.5% voice, 50% video and about 24% high-speed data. We think there is a lot of growth, and of course, at 4.5% on voice and phone, a lot of growth years ahead.

It's critical, in our opinion, that we retain the superior video product in the marketplace. So we have put a lot of energy each year in improving our video offering with ON DEMAND, the most high-def channels and our DVR experience. So, let's talk about, first of all, high-def. Today, we have about a third of our digital boxes, which are 50% of our homes, now take one of our digital products. About a third of those take advanced digital.

Walk around the CES and you'll see a couple amazing trends. One is how cheap these flat panels are getting. Two, we heard a statistic from Panasonic yesterday that in I think something on the order of a third of all the TVs sold were 50 inches or bigger, and they expect that to go to 50% in 2007. So for those of you that are worrying about little devices, little things, that is -- there's totally two different trends going on. But if you're going to have a 50, 75-inch television set, and you can buy it for \$2,000 or less, and it gets better and cheaper every year -- someone was saying it's dropping 6% a month, some amazing statistic like that in its cost. We are well-positioned to be the Company to how important it is to give you the best high-def television.

The same goes with ON DEMAND. I will talk about it in one second. The same goes with DVR. Another thing you'll see at CES is Comcast and TiVO up and running, and hopefully within a year we'll have it rolled out, what we announced about 18 months ago, which is trying to port the TiVO experience to a Comcast DVR, in addition to enhancements to our own DVR service which we are making.

Our pay-per-view, by putting what we call Digital Starter -- by putting a low-end set-top box on all of our new customers, we are experiencing -- we now have an 80% digital sell-in rate. 80% of all of our signups now have some form of these three digitals. With the low-end Starter, at the very minimum, we're able to sell more pay-per-view. We have gotten an additional \$4.00 a month from pay-per-view and additional outlets from the Digital Starter and at the same time, they are three times as likely to upgrade to our advanced digital offerings or HBO and premium. We've seen no cannibalization from Digital Starter, and it's beginning to set us up to reclaim bandwidth from analog, which is of course quite critical as we manage bandwidth in the future.

Now, what you'll see here in ON DEMAND is how different ON DEMAND is today in a Comcast system than it was just two or three years ago. We have over 8,000 program choices. We now have 800 plus movies -- 300 of them free. In December, we had 20 million movies viewed. That's a third more than a year ago.

We now have day-and-date, two markets that we're testing in a trial. Literally when the movies come out to Blockbuster, they are now available ON DEMAND. It's only been out there for a couple of weeks. The buy rates look very encouraging. We'll have more to talk about that. We have seven studios participating in the trial -- Universal, Warner, Paramount, Disney, Lion's Gate, Fox, New Line -- and we think it's going to prove not only exciting returns for the studios but an expansion of the market for the consumer and value added to all the distributors of movies.

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We have the best of broadcast. We now have everything from Desperate Housewives and Lost, to CBS, to NBC. We have 15 of the best primetime shows available to our customers, with over 50 episodes to choose from at any time. Most of that is for free. We switched CBS from \$0.99 to free, and the result was 10 times the viewing by the consumer. So as we go out and talk about how advertising is what should pay for broadcast television, or changing the windows around and the availabilities around, having 10 to 20 times the viewing for \$0.99, I think, to charge for every show versus make it part of the experience, we are headed to that. That cable [sets up] extremely well having more and more content.

We have 20 high-def channels, but we also want to do high-def ON DEMAND. So today, we have 150 hours of high-def programming ON DEMAND. We intend to double that number this year. We had all the Star Wars movies, Lord of the Rings, Rocky films, all available in high-def.

Last, since September in launching this service, we've had 4 million high-def shows ON DEMAND, 1.5 million last month. When you add it all up, with that whole kind of other cable system that you get by being a digital customer, look at what's happening. This is incredible. The video usage, ON DEMAND usage -- we did 1.9 billion views last year. It is a 29% increase in December alone, 180 million.

You can see that it is consistently moving up. It's 70% of all of our digital customers use ON DEMAND every month. We are now up to 27 times per user for a half-an-hour show. For those of you that have come to these conferences and heard us kind of grow with this experience, it started out at 10 times a month, 15 times, 20, 27 times. We're changing the way people watch television.

Since launching in 2004, we have over 3.5 billion views through Comcast ON DEMAND. Remember, this is only out of 12 million of our customers. As we go with the plan, as 80% take digital on a go-forward basis and we get to an all-digital world, other operators multiply this out, it's amazing. We now have \$600 million in pay-per-view revenue. It's been growing 25% to 30% per quarter over the past six quarters, and it has a great impact on customer retention.

So we are pretty convinced that we have the best video experience. Now, with broadband, the strategy is exactly the same. In this case, it's all about speed and features. We launched PowerBoost and we have 12 Mb to 16 Mb. We've had 65 new features, from Rhapsody to video e-mail to McAfee Security. We're talking about PowerBoost going upstream. So if you're going to upload a file or a large attachment, you will burst to 2 Mbps to 3 Mbps.

We've managed to grow this business every year. It is today a \$5 billion revenue line for us with 11 million customers as a run rate. The sub growth has averaged over 30% a year for the past three years, and ARPU is going strong at north of \$40 a month. The third quarter of 2006 was the best sub growth quarter we have had in the last two years. We think triple play, as I mentioned earlier, is what is going to keep this business going strong.

Now, just as you heard from Peter earlier, what can you do with this many broadband connections? How can we participate in the surge in advertising revenue and usage? Well, we have taken these results and taken Comcast.net -- we are now in the top 10 in search, top 15 in video. We think with our new Comcast Interactive Media Division, we're going to be able to do things that other companies on cross-platform [ways] cannot do. We've launched a user-generated content site with video. We are launching the TV planner that will work on your TV as well as your PC, and the way, and you will hear more about that this year.

GameInvasion -- nobody has more connections to TVs and PCs in the home. We ought to be part of that content. We did 700 million video downloads on Comcast.net last year, 75% higher than last year. I think we are excited about the opportunities in our broadband space for content.

Comcast digital voice -- what can I say? This is really the engine and the momentum builder for everything you've just seen. We see no slowdown on the [kind of chart that's there]. As you know, we started the year last year, we did 200,000 for the whole year. We did 200,000 in the first quarter, 326,000, 483,000. We're at 4.5% penetration. Our goal is to get to 20% by 2009. That would be 9 million customers.

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We are finding that 80% -- actually 82% of our CDV customers are taking all three products. This is up from 75% in the first and second quarter.

We have 32 million homes at the end of 2006 that we're available to. We hope to have that close to 40 million by the end of 2007. We think that we could also go back to those 23 million non-video customers and say hey, we can be your phone company and have a whole other conversation.

One of the things that we get asked about, and not going to try to go into this in too much detail today, is to just give you a sense of all the innovation that's planned just in 2007 in all three categories, and how they begin to be cross-platform, whether it's the TV planner that I just talked about or a new guide with video rich navigation or a single address book for TiVo or the PowerBoost or CDV features. We are, as I said, I think we view ourselves as innovator, as getting there first, and that we will continue to make the superior products for all three.

Now, if you said, what is the strategic objective of 2007, it is going to be to widen the moat. It is going to be to go faster. It's going to be to try to get RGU growth at a record pace. We think we can do that in all three categories and post some pretty exciting numbers.

I think our second goal is to take the Adelphia's and Susquehanna's and Time Warner Cable's and integrate them, and to have more capacity in those markets, more services and features. We are going to be able to have, I think, great results in those markets. There's nothing we see that doesn't leave us just as competent as we were when we bought AT&T that we could integrate them. We think in wireless, it's going to be to begin to see -- work with Sprint, see what consumers really do and don't find important. I think we want to extend these features across all the platforms, and begin to be not just triple play but the company that manages your home.

Okay, so let's look beyond 2007 and look at the next business opportunity. We have hired Bill Stemper, who is here today, from Cox. Cox has had a very successful business experience, been at it for several years. Other cable companies have done the same. We have as well, but we haven't in telephone. We offer no commercial phone basically in the Company until we get going here late in 2006.

Let me just try to size for you the business opportunity. This is pretty exciting. If you start with our footprint, you would say that the total business market is around \$25 billion. If you look at SMB, small and medium business segment, we define that as less than 20 employees. We believe it's around \$12 to \$15 billion annually in our footprint. That would be about 5 million different businesses. These are telecom services. We estimate that 3 million of these customers are at or near the network today.

Where we will start, but we don't have to limit ourselves, will be to this small part of the market, not the medium part of the market -- less than 20 users or 20 people working in a business. We think this is a natural extension of the network that we've already built that we are now very, very confident has millions of customers here, which is the CDV infrastructure. We believe that that business is a credible replacement alternative to the incumbent local exchange carrier, and this is an area that has very little to no competition today from a facility space provider. Go to really large enterprises -- we all have many facilities in our large office buildings. But if you are a pizza parlor, you pretty much have one choice.

Comcast ranks number one in the ratings by Yankee Group on our Internet service that we came out to the small and medium-sized business last year. We believe J.D. Power ranks Cox business number one. Time Warner has gotten some good rankings. The fact that you are the new competitor and focused on this to the exclusion of all else in the commercial space -- it's not the stepchild of big corporations or a big phone company, but the sole focus -- you do a great job and the market appreciates it and respects it.

We believe that this is a great business with strong returns. Let me give you a sense of our five-year goal. We believe that we can capture up to 20% or more of the telecom market, just as we -- of the small/medium-size telecom market as we can of the

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residential market over the five-year period. We will spend capital \$3 billion or so plus over the five years, depending on the take rate. We will spend \$250 million in 2007.

These margins are better than our margins of our core businesses. We believe they will be 50% or so or better, as the other cable companies are experiencing. Remember, we will go in there and sell both phone, Internet and in many cases video, but for sure the phone and Internet. We can choose where we want to spend the capital. We believe it will have a 25% or better plus compounded rate of return. We will have a free cash flow positive business by year two or year three.

So if you look at it, you can have a business that in five years, if we achieve that, will be \$1 billion or more of EBITDA contribution for the Company, and do that on a per-share basis or any of the analytic metrics that you can apply. This has a meaningful impact to the growth rate of the Company for the next five years.

So if you put it all together, we look at the next five years and we say they are going to even be better than the last five years. We think that there's more growth from the triple play. There's more growth coming when we go into the small and medium-size business. We don't have time today to go into interactive advertising, but the business just keeps getting better and better. I don't think there's ever been a more exciting time.

With that, let's open up to questions.

QUESTIONS AND ANSWERS

Unidentified Audience Member

Can you talk a little bit about SpectrumCo, and maybe a little more on the Sprint (indiscernible) [TV] kind of relationship?

Brian Roberts - Comcast Corporation - Chairman, CEO

Well, I think there's really no new news. We're trying to partner with Sprint to see if there is a bundled offering between Comcast digital voice and a cellphone, whether the cellphone can have some features that would distinguish it from other cellphones in the market, such as the ones that we're going to try to roll out with Sprint and keep developing.

A number of cable companies are going to try it out this year. I'm interested to see the results. I'll give you a bias. I don't want to be too negative, but that right now, what is so appealing (indiscernible) I personally would say I underestimated about triple play, is that it really is not just about value. Don't discount, I think Peter Chernin said something about cable prices. I'm not sure [what he said he did]. It's great but it's expensive.

That's what's so neat about phone. You come in with CDV and you can sell all three, and we can really give you a heck of a value. You end up paying us \$120 a month more than you used to pay us, but you think you've just lowered your cable bill substantially, and you have because you have replaced the Bell bill.

Well, along comes the cellphone. There is a potential that there could be value. But what's really powerful about triple play is that it's convenient to the consumer. I hate the fact that I have to stay and wait for your guy to show up at the house. But if I have to do it, I would like to do it once. That's just not the case with wireless. Go to the mall, pick up the phone, walk out of that kiosk and [be on].

We're going to need to develop a reason that the cellphones and wireless integrates with the home that justifies why we have an advantage bundling it together. Now, the reason we went out and bought Spectrum is that in the next 50 years, there's a chance that there will be applications that do do that, but they may not be in 2007. So, the ability to have 99% of our market

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[on 20 MHz spectrum], and to have done it at a very attractive price, I think is a strategic great thing for the Company. But as to the cellphone voice business today, that's not something that we get the consumers driving, lusting after bundling, because it doesn't convenience than in any meaningful way.

Unidentified Audience Member

How much pressure are you starting to see on the [cash] (inaudible) especially from the independent network affiliates, like (inaudible) [TiVO and so on]?

Secondly, what are the next steps that are going to come out of the FCC related mandated video franchising kind of bill, and what is the mandate -- how much pushback (inaudible)?

Brian Roberts - Comcast Corporation - Chairman, CEO

We're not going to negotiate publicly (indiscernible), but Comcast has pretty long-term agreements with most of the meaningful broadcasters who are [beyond this decade]. I think that there's a real benefit of our size, both on a prospective basis and a go-forward basis. That's why we went out and got scale. Sometimes a business of scale is important. That hasn't always been the case in this business. Maybe we're seeing that now. I don't know.

Frankly, I think the consumer has a big stake in the question of whether they are going to pay for free TV and how much so if they do. I think the jury is out. But we are pretty confident that as a competitive matter -- I realize this is an investor group and some of you are trying to figure out which stocks to buy and which stocks to sell, and I'm not going to get into that. We, as a cable distributor, typically buy more units than any of our other video distributors in the marketplace. So whatever is good for one distributor may well apply to another, and therefore there's no competitive disadvantage.

So as I look at it just from a cable [person] perspective, we are fighting for the consumer, to try to keep free TV as free as possible and keep costs down. But it's certainly [as a contractual] matter pretty unlikely that someone's going to buy it cheaper than we can buy it.

As to your second question about franchising, again, the order is not even written. We will have more to comment on that at some point. But at this point, we've got a great business brand plan in 2007. We're focused. I think all those things are not going to have any real impact on what we're about in 2007 [and beyond].

Unidentified Audience Member

You've mentioned some pretty impressive statistics regarding your ON DEMAND usage, 27 uses per subscriber per month. How is that converting into revenue on a subscriber basis?

Brian Roberts - Comcast Corporation - Chairman, CEO

Well, this is -- there is a famous store in Philadelphia, John Wanamaker. John Wanamaker would love to quote, "Half my advertising is a waste. I just don't know which half." So, we can't tell you exactly what ON DEMAND (indiscernible) somebody in our place was to say, "Well, does this [concern, does this] sell-in on pay-per-view," there's no question. We have [\$650 million] of pay-per-view revenue. It's grown 30%, as I mentioned, every quarter as a result of having this much choice. People are used to pushing the button (indiscernible) 95% of the [action for] free. But that certainly sets us up to make more and more attractive things available like day-and-date.

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So I'm very excited about the revenue potential. But make no mistake, this is first and foremost about differentiating, giving the consumer ease. Satellite can't do this. Nobody has an array of offerings to have the superior video platform and we grew basic subs last year. So, we're going to hopefully grow basic subs this year.

So we are turning around the momentum. Go to Circuit City or Best Buy and you buy a new \$2,000 50-inch wow TV. Take the salesman aside, and get whether they are being [stiffed] by this person or that person and say who is the best television to attach to my TV -- you will not get anybody not to say cable TV or, in our case, Comcast, if they're being honest, in my opinion, right now. That's a huge change from five years ago.

Unidentified Audience Member

Congratulations on 2006. Could you talk a little bit about where margins are today and where you expect margins to be over the next couple of years and the effect that the triple play will have on them, and then commercial?

Brian Roberts - Comcast Corporation - Chairman, CEO

I'm always leery to make projections on those kinds of details. You've got a lot of forces like some of the earlier questions that are just moving parts. But those of you who think margins could go forward, because the new businesses like phones have no programming, the businesses like commercial have higher margin, one would -- and our programming costs in general have been going slower, not faster. It would seem logical that scale -- this kind of revenue growth would drive margins up.

I think that's certainly a possibility. It's not the principal objective. Our principal objective is to grow RGUs right now, take advantage of the moment in time, do what it takes to get the market share and to get the consumer happy. [If that moves it when] -- so one of the reasons we were a little low on guidance last year is we thought it would retard margins to step on the pedal and do this much growth. But with \$120 income, higher ARPUs than we imagined, more demand, better sell-in of multiple products, not just phone by itself but 80% taking all three, margins actually grew and we blew past cash flow -- I think we started the year with 10% or 11% guidance and did 15% last quarter. So it's not the principal metric for 2007 that we're focused on, but there is reason to be optimistic.

Unidentified Audience Member

I've owned your stock now for 30 years.

Brian Roberts - Comcast Corporation - Chairman, CEO

My hero. Is this Ralph? I can't see. I know who it is, Paul. Ralph's over here somewhere (multiple speakers) owned it longer than you. Go ahead.

Unidentified Audience Member

My basis in the stock is \$0.02 a share. I just wanted to prove to everybody what it means when you hold stock that long. At this point in your life, obviously you do have [an encore]. How do you feel about the subscriber base about against all the newcomers, or either in (inaudible)?

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Brian Roberts - Comcast Corporation - Chairman, CEO

Well, first of all, thanks for the support. You [coined] Comcast when we had about 500,000 customers, a little blue chip, and we kind of thought of ourselves that way back then, and I think we would like to stay little today, and we are bigger but we've got to think small. I think we keep that entrepreneurial energy, we're going to do just fine.

But let me give you an empirical statistic to give you more comfort than that. In about two or three years, four years -- somewhere in the next couple of years -- we hit an amazing point for Comcast, for those of us that have been around since \$0.02 a share. That would be 50% of our subscribing customers will not be video.

So we have 24 million video today. We have give or take 11 million broadbands and a couple million phone. Take the run rate that we did in 2006 and just project it or accelerate it or do whatever you want. We will give guidance in a couple of weeks, but the kind of numbers that we and others are doing, you can see yourself getting to 14 million broadband, 15 million, 10 million phone, and half of our customers will not be video. I think if you think about it, in 10 years or less, having 50% of your business transform itself, while being able to have 25 straight quarters of double-digit cash flow growth, now you've diversified your revenue base, have the fastest same-store sales in 2006 and hopefully 2007 that we've had in the history of the Company in the last 10 or 15 years, with 12% revenue growth last quarter, I think that that allows you to have more competition than one line of business, while you go into things like small and medium-sized business, have a whole new version [hit the] market while your phone business is at a whopping 4.5% penetration, with nothing but upside.

So I'm excited, energized. You know it's going to be more competitive. Can't do anything about it. I like our position. We [were meeting] with one of the large television companies yesterday, said, "Okay, put yourself in our shoes. What would you do?"

They -- boom -- had a great answer. You have a superior high-def platform to any of these folks who aren't just building a brand new network. High-def is the future of where television is headed. That's where all the sales are going, the price is coming down. Nobody can do high-def better than cable, whether it's ON DEMAND or with channels. So, we are by no means competing, but we're not going to have a great product in video. But oh, by the way, half of our company will be something other than video.

Unidentified Audience Member

(Inaudible) with the commercial versus the consumer -- how effective can your current sales force be, and do you have to hire anybody else?

Brian Roberts - Comcast Corporation - Chairman, CEO

We're hiring but -- great question. We have the infrastructure today -- I think we have about 250,000 Internet commercial customers. So it's not like we don't have a base. I think we're out hiring 500 new salespeople or people to work in the commercial division this year. We are going to spend capital. We're going to hire. It's all baked into our budget. We will give a different experience to commercial. It's why we did that second.

But to move the needle with the numbers were talking about, we only have to get 1 million customers off of the 5 million that are there -- maybe we don't even need that many -- to hit the numbers in five years that I just talked about. It's not large quantity, based on kind of Comcast [experience]. It's going to be all about quality. It's being there when it breaks within two hours, a different phone number and it's got to be part of our local operations.

We think Cox did really well with this. Bill Stemper ran that business unit for them. Now we're fortunate to be head of that business unit for Comcast. We're going to take a page out of his successful playbook. I think we can do it.

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Unidentified Audience Member

Are you going to utilize wireless at all in your commercial services (inaudible)?

Brian Roberts - Comcast Corporation - Chairman, CEO

That's a great question, and that will be somewhat of an evolving answer as we get up and get going. But something that in being conservativen we did not factor into the numbers that I just showed you, was any of the backhaul business by bringing our fibers to wireless sites, whether it's for commercial or for residential. There is a huge profitable business for backhaul today, where there really is only one facility doing that for everybody. As we extend our fiber to all these commercial locations, we very much have our eye on the possibility of the backhaul business -- great margins, very long-term contracts, sourcing and that's a business that Cox is in, and other cable companies are in. We tend to follow that as well.

Wireless, as to the product itself, that's the kind of thing we're talking to the (indiscernible) companies about, whether you have wireless PBXs and all that kind of stuff, and we will ride the rest of the telecom world on that. We're not going to necessarily, as with our residential phone, day one, have to do anything different to come in and give people a better value, without having huge price cuts. But we can bundle in the Internet and video and we are a competitor. We don't need huge market share, and there is no real facilities-based competitor. Just as in residential, people really take to that. They are going to do the same, we believe, in small and medium-sized businesses.

(technical difficulty). We have a transition going on with Chief Financial Officers, a very gradual transition. You will all meet Mike Angelakis when he starts in March. He will be working with John Alchin. Tony Werner joined us literally yesterday, the first day as our new Chief Technology Officer -- came from John Malone/Liberty Media. It is an incestuous business.

I guess I worry most about coming to conferences like this and people getting the wrong impression or saying the wrong thing. The company is on fire. If I haven't conveyed that, then I'm not doing my job, but we don't take that for granted.

As to John Malone, I think John is a great moneymaker and a great dealmaker and a lot of great other things. The fact is, why did he buy DirecTV? You're going to have to go ask him. But as an observer, it looks like a [pretty tax efficient] deal. All of us know that [drives him] a lot.

So it could be the world's perfect asset, imperfect asset, an asset and work in progress -- [kind of like this] terrific business, a terrific competitor and it motivates us. Talk to our management team and you'd say right this minute, what do we have to do to meet our numbers? We still have to beat satellite.

So, we take nothing for granted on that front. I like the fact that everything we've been driving for -- the whole vision of ON DEMAND, the whole vision of broadband, the last 10 years for cable [adds in the] cable industry is two-way services. The fact that nobody has a more robust technology in and out of every home -- not just a few homes but every home. Every home has it enabled [with] our platform I think [it's ours] to do well with. It doesn't mean they can't do well, and it doesn't mean they will think of creative things.

I also think John is a moneymaker, and with all due respect to our previous presenter, it was a minority piece of a massive media empire (inaudible). One could worry that they were going to change the dynamics at the expense of DirecTV. It didn't necessarily happen, but some of us certainly worried about that. That's probably not a worry with John at the helm. He is going to think of other things that will cause us to worry. But I do think it's not the core business that he's ever been in, and we wish him well but maybe not too well.

Thank you all very much.

Jan. 09. 2007 / 4:30PM, CMCSA - Comcast Corporation at Citigroup 17th Annual Entertainment, Media and Telecommunications Conference

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