FINAL TRANSCRIPT

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CORPORATE PARTICIPANTS

Mike Angelakis
Comcast Corporation - CFO

CONFERENCE CALL PARTICIPANTS

James Ratcliffe
Barclays Capital - Analyst

PRESENTATION

James Ratcliffe - *Barclays Capital - Analyst*

Okay, I think we will get started. Morning, everyone. I am James Ratcliffe. I am the cable, satellite, and telecom services analyst here at Barclays Capital. Wanted to welcome you all to our, as Tim said, 11th annual Global Communications, Media and Technology Conference.

This morning we are pleased to have with us Mike Angelakis, CFO of Comcast. Mike has been CFO of Comcast since 2007 now. Seems like just yesterday.

Mike Angelakis - *Comcast Corporation - CFO*

It does. In other ways it doesn't.

James Ratcliffe - *Barclays Capital - Analyst*

Prior to that, he was a managing director and a member of the management committee at Providence Equity Partners. And prior to that he had positions at State Cable TV Corporation and Aurora Telecomm, and way back when as the vice president at Manufacturers Hanover.

Mike Angelakis - *Comcast Corporation - CFO*

A long time ago.

James Ratcliffe - *Barclays Capital - Analyst*

So, welcome.

Mike Angelakis - *Comcast Corporation - CFO*

Thank you. Glad to be here.

James Ratcliffe - *Barclays Capital - Analyst*

So, start off. I understand you have a modest sized transaction going on, so I thought we might start with that at the moment. I know you haven't given numbers about what is the degree of revenue synergies you could see from the Comcast-NBCU transaction.

But can you talk to us about what sort of types of synergies, types of revenue benefits you might see?

Mike Angelakis - *Comcast Corporation - CFO*

Sure. If you look at NBC, when we signed the deal and obviously did our diligence way before that, it was important to us to structure a transaction that made sense for the Company in terms of all the priorities we had. In addition, it was really important for us to structure what we considered an attractive return on investment or IRR for the transaction, without incorporating really any revenue synergies. We looked at that as that was upside to the transaction for our shareholders versus part of our core thesis.

Obviously, when we were working through the transaction we were very optimistic that there were, lack of a better word, synergies, strategic benefits, from the transaction. But I think it's important to know that we really didn't build that in as part of our case that we wanted to explain to our shareholders. That we wanted to explain that without those synergies it was a really attractive transaction for the Company.

Now, we signed that deal in December, and we have been spending an awful lot of time on primarily transition and planning and integration with the Company. We have been here in New York pretty frequently and also in Los Angeles, just sort of drilling down a bit more.

We are all, I think, quite excited about the opportunities that NBC presents in terms of the combined Comcast-NBCU. If you look at the verticals, this company is in -- in terms of the female audience, sports audience, entertainment audience, the lifestyle audience -- to layer on our cable channels, which is a really important element. We have a number of cable channels, whether they are in sports with the Golf Channel or VERSUS or with our regional sports networks.

Or you layer on entertainment with E! and Style, which also is kind of a female brand into the assets of NBCU, which in the female side have things like Auction and Bravo and other entertainment assets or female-oriented assets. We look at this and say there are very meaningful advertising opportunities. There are very meaningful cross-platform opportunities.

We think there is really meaningful sports opportunities with NBC sports and Olympics and those kinds of areas to really grow our content business that we are contributing, to add a lot more of, I would think, interactive-type advertising, which we know advertisers are really seeking. And certainly to help our distribution business by differentiating it with more cross-platform opportunities.

So we think there is a lot of what I would call singles and doubles in the transaction. There is no real Eureka moment that says this is going to be the one thing we are going to focus on. And I think actually we are happy that is not the case.

We are happy that there's lots of things. And some we'll execute really well, and it will be easy, and they will be certainly accretive. And others I think are going to be -- take a little bit more time and be challenging. But the opportunities are still there.

So overall we are five or six months into this process. We hope to close the transaction by the end of the year, and I think we are as excited as we are from the first day we signed it.

James Ratcliffe - *Barclays Capital - Analyst*

The track record of content distribution transactions in the US is uneven at best. Why is this one different?

Mike Angelakis - *Comcast Corporation - CFO*

You know, I think every company has its own culture, number one. Number two, I think there is a lot of things about focus and planning and execution.

I am one that focuses a lot on execution, as are my colleagues. And I think that we have been in the content business with distribution.

People forget we do own cable channels. We own a pretty large group of RSNs. We own a pretty large group of cable channels that I think have worked in a very complementary fashion with the distribution business, where we have been able to (technical difficulty) create a lot of value. And that value is actually currently being recognized as we contribute those assets into NBCU.

So I think we have a history of executing pretty well in transactions. And there is a huge amount of focus right now on the planning and how we execute once we close the transaction. So I am very optimistic that this will be successful for us.

James Ratcliffe - *Barclays Capital - Analyst*

Great. Move on to talk about some operational issues and the actual -- on the cable side of the business, in particular. In the last couple quarters, you have clearly been gaining share in broadband net adds. It seems to be driven primarily by your current broadband products.

So while you have and you are currently deploying DOCSIS 3, the adds seem to be with people with more traditional cable modem products. Is it just speed that is driving that performance? Or is there more going on there?

Mike Angelakis - *Comcast Corporation - CFO*

I think there is more going on. I think you have hit on a very important point, that we have really taken share. Over the last three quarters I think we have added about just over 1 million high-speed data customers. If you look at the largest telcos, particularly Verizon and AT&T, we have added more than the two of them combined for the last three quarters. I think they are somewhere under 800,000.

I think that is just a testament that we have a better product. I think we have better speed. I think we have better reliability. I think we have better bandwidth.

And people really want to have more speed and more access, and they are willing to pay for it as well. Our ARPU is certainly a bit higher than them, and we have been able to keep a very steady ARPU with regards to our broadband.

So I think people are willing to pay for quality. Quality is things like reliability and speed. And we also have other services like security in the mix.

I think our customers have voted appropriately, and we're taking pretty good share from our competitors in that business.

James Ratcliffe - *Barclays Capital - Analyst*

Do you have thoughts on usage-based pricing? Seemed a big issue last year; less attention this year?

Mike Angelakis - *Comcast Corporation - CFO*

We are relatively happy with the model we have right now. It is a terrific business. We have a very large cap that we have put in, in terms of usage. Very few people -- less than 1% of the base -- is actually hitting that cap.

Our customer satisfaction on the broadband service is I think very high. So right now the model works for us.

We will see, and we will monitor. We may experiment here or there. I don't think there is anything in our plan to change our pricing model to usage-based billing in the short term.

I know some companies had experimented with that. And our view is right now we're pretty satisfied with what the model is.

We are differentiating our product to sort of an economy performance and sort of higher-priced premium service. And more people are taking the premium service than the economy one, which in this economy is surprising, that you have 2.5 to 1 people taking the premium side.

So I think it is something to always think about and explore, but I don't see it on our roadmap in the near future.

James Ratcliffe - *Barclays Capital - Analyst*

You are in the process of rolling out All-Digital across your footprint, market by market. Once that is done you should have a tremendous amount of unused spectrum on your system. I know Cablevision has commented that half of their spectrum is unused.

Do you have plans for what you are going to make use of that spectrum, or is that still TBD?

Mike Angelakis - *Comcast Corporation - CFO*

No, no, we have actually used -- we are actually about 43% complete with our footprint going All-Digital, and about 70% of our systems are what I would say in motion. Because it is kind of a node-by-node conversion, and we have 145,000 nodes. So it clearly is a process that takes time to get through.

But once you're on the other side of it -- and we do have markets that have fully completed going All-Digital -- a whole bunch of things happen that are really positive. We launch more digital services.

Obviously customers now have digital-quality picture versus an analog picture, which I would bet this audience does not see many analog pictures anymore. Most of this audience probably has digital pictures in their home.

If you were to go back and look at an analog signal, I think you would go, wow. And then you go to a digital and you go, wow, that is even better. And then you go to high-def and that is even better. So the quality of the service actually improves with more digital channels, All-Digital.

We provide one primary converter box into a person's home so they get access to VOD, they get access to electronic program guide. And then we add a lot more high-def channels to the mix. We add a lot more foreign-language channels to the mix. And it really does reposition our video product.

At the same time, that we are going All-Digital in these markets we are also deploying DOCSIS 3.0, which is a higher broadband we call wideband, which is a higher-speed service. We are about 80% of the way through that project.

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So those two projects alone -- also we have added when we go All-Digital a lot more VOD. If anybody lives in our markets, I think we have a real differentiated VOD service called Project Infinity which we started about two and a half years ago. We have about 25,000 titles of which 6,000 are high-def.

So we have really transformed, I think, the video product when we go All-Digital, and right next to it is a transformed higher-speed broadband product.

James Ratcliffe - *Barclays Capital - Analyst*

Are you seeing cost savings? [This was obviously] mentioned on the last call. Can you talk a little more about that?

Mike Angelakis - *Comcast Corporation - CFO*

Yes, I mean cost savings related to All-Digital really fall into a couple buckets. One is we are able to do what we call soft connects or disconnects. You don't necessarily need to roll a truck every single time to do a disconnect or a connect because you can now actually do it remotely electronically. That saves a meaningful number of truck rolls, which obviously has implications for our cost base.

In addition, it is able to diagnose service a little better. When you have a set-top box in the home, we can remotely access those set-top boxes and actually diagnose things a little bit better.

So we are seeing costs come down a little bit when we will be encrypting. We have started to encrypt. That helps on theft of service, which is not really an expense element but a revenue element.

So we look at the ROI of the All-Digital project as a pretty good investment for us. Put aside all the strategic or product benefits that I talked about, just a pure P&L impact is pretty positive for the Company. And at the end result you get a very good differentiated product.

James Ratcliffe - *Barclays Capital - Analyst*

On the video side, programming costs have clearly been a key concern, although growth does seem to be slowing done a little in those. How do we think about content costs going forward for video for you versus ARPU growth, and those trends?

Mike Angelakis - *Comcast Corporation - CFO*

You know, I am pausing because programming costs are a challenge. Last year they went up about 9%.

Sports is a meaningful element of that. We have invested in sports for both defensive and offensive purposes in terms of the regional sports networks.

But it is absolutely a challenge, and I think it does put some compression on our video margins. We are working really hard this year. Our first-quarter programming costs went up about 5%.

That is not going to be the number for the whole year; it will be higher than that. It will be lower than last year, but higher than the first quarter.

I think we are working really hard with programmers, trying to moderate those costs. But it is a constant battle.

The second part of your question with regards to ARPU, we really do look at ARPU on a total basis because about 1 out of 3 -- about 30% of our customer base takes all three products. So you really have to look at ARPU on a blended basis, and that has been pretty healthy.

We are growing on broadband. We are growing on voice product. And obviously, we're trying to stem some losses due to competition on our video side. I think we are getting better at that.

But, I am the first one to raise my hand in saying programming costs are a challenge and we are trying awfully hard to moderate that.

James Ratcliffe - *Barclays Capital - Analyst*

Talk a little bit about online video in particular. Can you talk about where you are with the Fancast now moving over to the XFINITY brand name on that? Is there something you consider more defensive or more of an offensive tool?

Mike Angelakis - *Comcast Corporation - CFO*

I think that when we think about -- we started with NBCU. We talked about All-Digital and wideband. This is all about, how do we provide a better service to our customers? How do we provide better choice, better options, however they want to utilize our services?

I think XFINITY online is a really good example of someone who wishes, who is a subscriber of Comcast and wishes to utilize their PC to watch video programming, they should have that option. We are paying the programmers for customers to utilize and watch that service. If somebody has a choice that they would rather watch it on a PC for some reason than on the TV, we want to make sure that we are extending that capability.

So I look at our ability to launch this service, which has about 20,000 titles and growing -- it's still early. It is only I think five months old in terms of its launch.

People are utilizing it. We're dealing with some things around authentication and security to make easier for people to use.

But we really look at it as an extension of our video product and, by the way, an extension of our broadband product. If you want to watch a certain TV show in high-def on your laptop or on your PC, I think it is really good that you have a wideband product from Comcast.

James Ratcliffe - *Barclays Capital - Analyst*

Mentioning XFINITY, you put quite a bit of effort into rebranding as XFINITY it sounds like as you're going All-Digital in these markets, as part of that. What are you seeing is the customer response to that?

Mike Angelakis - *Comcast Corporation - CFO*

The customer response has been positive. About 65% of our customer base is aware of the XFINITY brand. A much higher number, in the 90%s is aware that brand is related to Comcast, is part of Comcast.

And as I said earlier with the All-Digital, where we have really put in I think a better core product -- more services, a better high-def product, more VOD. We put on Customer Guarantee. We put on wideband. We put on a whole variety of products.

That is repositioning the customer experience. And I think our view -- and I am not a marketing person, but I supported the view -- that we are spending a lot of capital, a lot of time actually repositioning the product technically and we should rebrand it. And I think it's been received pretty positively in the markets where it's been launched.

James Ratcliffe - *Barclays Capital - Analyst*

You mentioned on the 1Q call the [cost savings around] Challenge 2010.

Mike Angelakis - *Comcast Corporation - CFO*

I am waiting for Challenge 2011. That is coming soon, too.

James Ratcliffe - *Barclays Capital - Analyst*

You have got a few more months before you get to [cancel] out of that. Now that we are nearly five months through 2010, can you talk about really what the Challenge 2010 project is, and where, and any degree of how much we should see that falling to the bottom line?

Mike Angelakis - *Comcast Corporation - CFO*

Yes. I want to be very clear about Challenge 2010 because I think there has been some miscommunication and interpretation of what I think it is.

Some people have viewed it as just a cost-cutting exercise. Take out headcount and consolidate call centers and you have X number of costs come out of the business.

That's actually not what it's about. What it is about is standardizing our operations. It is about creating more efficiency with the operations to actually make the customer experience a better experience.

So by us standardizing or deploying technology across all of our systems, not just a few, and really gaining some efficiencies, the end result is we have been able to take some costs out of the business. We have consolidated warehouses. We have deployed a different inventory management system. We have consolidated some call centers.

But that is, in our view, by consolidating some call centers, we have upgraded the professionalism and technology within those call centers to make the customer experience actually a better experience. We have upgraded all of our NOCs -- we call them XOCs -- with all the same type of procedures and software.

So that whether a customer is in X location or Y location we can actually monitor certain modems. And that is a standardization effort that is going on throughout the Company.

What falls out of that I think is clearly a better customer experience, better reliability and stability of the product. We monitor all the nodes with node health and those kinds of elements. And costs do ultimately come out.

You asked, does all of that, those cost savings, actually drop to the bottom line? Ultimately they do, but we are also investing in our business. We think there's really some terrific areas that we want to invest in, in the business, for further growth.

Obvious one is Business Services. I think we are an investor in Business Services.

So we're taking some of those dollars that we are saving through Challenge 2010 and reinvesting them in things like midmarket business services, cell backhaul efforts. We are doing it frankly in All-Digital and wideband deployment.

And I think our margin will remain relatively stable. We have pretty strong margins. People ask me, is it going to move up or down? I think it is going to remain actually relatively stable, and frankly it has been stable for about five years now.

James Ratcliffe - *Barclays Capital - Analyst*

You mentioned SMB. You have done a couple very small acquisitions in the SMB space, Cimco and NGT. Going forward --

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Mike Angelakis - *Comcast Corporation - CFO*

That's not small. It's $125 million. It's not that small.

James Ratcliffe - *Barclays Capital - Analyst*

Comparatively small.

Mike Angelakis - *Comcast Corporation - CFO*

Okay. But I don't look at that as small.

James Ratcliffe - *Barclays Capital - Analyst*

Well, comparatively small.

Mike Angelakis - *Comcast Corporation - CFO*

(multiple speakers) the same rigor of anything else in our organization.

James Ratcliffe - *Barclays Capital - Analyst*

Fair enough. But more probably going forward, how much of a role do you see M&A playing in your growth in SMB versus organic growth?

Mike Angelakis - *Comcast Corporation - CFO*

Different question. I really don't see us being -- using our SMB business as a consolidation effort for M&A. Every banker in the country comes into Philadelphia and wants to sell us a CLEC, and it's ridiculous. We have no interest in really being aggressive on the acquisition side with related to CLECs.

I think the way we built the small part of the SMB business, where we have now roughly $1 billion of revenue, really nice margins, free cash flow, we're investing in it -- all organic. As we move into the medium-sized business, the two acquisitions you are talking about, a Cimco and an NGT, those two transactions I think accelerate our efforts into the medium-sized part of SMB. But I would say all the building blocks and most of our focus is really on organically how do we build that business.

You've got issues with legacy systems, you've got issues with integration and going from off-net to on-net with all, what I would say, different CLECs. Our view is those were unique circumstances within markets that -- particularly Cimco was in the Chicago market, 95% of its business is in our footprint, and offers some technical expertise that was unique to us that allows us to accelerate in that area.

So I think bankers can stay in New York because we are not really going to spend too much time on that.

James Ratcliffe - *Barclays Capital - Analyst*

I'm sure that someone will be sad to hear that.

Mike Angelakis - *Comcast Corporation - CFO*

Life is tough.

James Ratcliffe - *Barclays Capital - Analyst*

Looking at wireless, I mean you have got High-Speed 2go product that you are deploying as the underlying network gets deployed. You've got some WiFi efforts it sounds like. You've now got an app for the iPhone, remote DVR scheduling.

How do you mold it together? And how much going forward do you feel you need to have a level of control over the wireless network?

Mike Angelakis - *Comcast Corporation - CFO*

Let's be clear. Our core network is our really high-bandwidth network that we have today, that we are riding multiple services over. Voice, video, data, commercial service, VOD, a whole variety of things over. That is our core network.

And our core products are pretty obvious. They're voice, video, data in the consumer side and in the business side.

Going back to -- when we talked about XFINITY online, we look at wireless as an extension of those services again. We don't need to own the network. We don't actually want to operate the network.

We look at it as -- how we can we provide our customers with the ability to add portability or mobility to the core services they are buying from us today?

So if someone believes -- and I think a lot of customers are voting that way with their purchasing power -- that we have the best broadband product, we want to be able to offer those customers the best experience with mobile broadband outside the home.

With High-Speed 2go, Clearwire has clearly a lot of spectrum, a real spectrum and speed advantage over any other player today. So we look at High-Speed 2go -- and if you listen to the product, the name of the product -- it is an extension of our high-speed service.

Ultimately when people are online on High-Speed 2go, I think they will be able to watch XFINITY TV or Fancast. Maybe someday they will hook into their DVR or access our video-on-demand component, which actually is a lot like the XFINITY side. And ultimately we think there could be a voice effort there as well.

So our core focus for High-Speed 2go is to offer an extension to our core service that are customers are paying us a reasonable amount of money for. Great value, but a lot of money.

On WiFi, we think that is -- and we are testing it -- but we think that is a nice complementary service. We're not spending a lot of energy on it.

It is really -- how can we create some hotspots where there is real traffic of our customers? And again adding some extension and mobility to that.

And the apps are the apps. The apps are allowing people to control certain services like remote DVR. I don't know if you saw at NCTA a few weeks ago, but Brian was exhibiting an app on the iPad which can be used on an iPhone or iTouch or BlackBerry or Android, which allows again applications just to be used to enhance our core services.

So we look at all the things that we are focused on as we have three great, terrific services; almost 1 out of 3, 1 out of 4 of our customers take all three of them. How do we enhance those services, whether it is adding mobility or applications across those platforms?

And I think wireless fits in there and clearly online fits in there. And applications do as well.

James Ratcliffe - *Barclays Capital - Analyst*

We have to talk about regulatory, as if you're not spending enough time in DC as it is.

Mike Angelakis - *Comcast Corporation - CFO*

Yes.

James Ratcliffe - *Barclays Capital - Analyst*

So how do you see the proposal a couple weeks ago from Chairman Genachowski to reclassify broadband as a Title II service? Certainly it attracted a lot of attention.

What sort of impact do you think that is likely to have on Comcast near or medium term, and for that matter consumer broadband as a whole?

Mike Angelakis - *Comcast Corporation - CFO*

No doubt we were disappointed with the Chairman's decision to move to a Title II Lite. We are actually supportive of his broadband plan and some of the principles within that. We are supportive of an open Internet.

But we think he could have accomplished all of these goals within the Title I framework. So there is no sugar-coating I think our level of disappointment and belief that he could have accomplished all of his goals -- which by the way are relatively mutual; I think we have a lot of mutual goals there --within the Title I framework.

Now, to be fair, he has been very constructive, and I think we will take him at his word that he really is focused on other elements of Title II and will forbear on particularly two troubling areas, which is on rate regulation and on bundling. I think that those were two difficult ones that we wanted to make sure were excluded.

And he has been very vocal. He spoke to the analyst world; he spoke to the investor world; he spoke to the technology world. I give him real credit for reaching out to a lot of folks to try to calm fears that it's going to have an impact on our business, when really his goal is to accomplish the open principles of the broadband plan which I think we endorse.

So it's been a constructive dialogue. Obviously there was a press report yesterday regarding Congress which we anticipate is a positive development as well. And we are optimistic that we will work through this and particularly those two areas that he has agreed to forbear on.

I don't really see -- we're not changing our business practices at all. I think we're pretty optimistic as we were before. It definitely is a speed bump, but I think we are going to get over it.

James Ratcliffe - *Barclays Capital - Analyst*

Looking at capital structure, how should we think about your preferences for buybacks versus dividends going forward? Particularly given there is clear uncertainty about where we are going to see dividend tax rates going next year and the like.

Mike Angelakis - *Comcast Corporation - CFO*

Speaking of disappointment and taxes, we don't know where that will all actually come out. Right now the way we are returning capital is almost a 50-50 split between dividends and buybacks.

Our dividend is somewhere around $1.1 billion, $1.2 billion a year, about $1.1 billion. And our buyback is roughly $1.2 billion; we have been doing $300 million a quarter on a pretty regular basis now. So we have split the two pretty evenly.

Frankly if the tax rules do change on the dividend side I think we will probably not reevaluate the dividend but as we figure out and talk to a lot of our shareholders -- which we did when we put this plan in place -- of what their preference is. And whether we slow down growth on the dividend and put more in the buyback, I think that is something that would be determined.

Our hope is that the government doesn't change that provision and things stay the way they are. Our view is we have been returning about 50% of our free cash flow in those two forms, evenly split between dividend and a buyback.

Could the tax law change or our views and really change our shareholders' views? That is a discussion we will have when it happens.

James Ratcliffe - *Barclays Capital - Analyst*

CapEx in cable have been a favorite topic for years. We are finally actually starting to see it come down, percentage of revenue and absolute terms. It sounds like 1Q you're about the 10% level. Clearly a portion of that was timing.

But going forward, should we expect percentages of the revenue to continue to decline? Or are there enough attractive high ROI projects out there where you are going to say there are still a lot of things worth investing money in?

Mike Angelakis - *Comcast Corporation - CFO*

You know, it is a first-class problem to be honest with you, because I believe the trends will come down; and I think we also will have opportunities to invest in high returning businesses. So I think actually we'll capture both.

If you look at this year and last year, the trend of intensity has come down. We are not cutting CapEx. We're doing -- we just spent a lot of time talking about All-Digital, spent a lot of time talking about wideband, a lot of CapEx, of cell backhaul, medium-sized business, small business. We talk about applications in wireless, which we have formed cable labs.

So we are being, I think, aggressive in investing in high ROI businesses today. And still the intensity of our CapEx is coming down.

So you are right. In the first quarter I think it was unusually low. And the reason for that was -- and the fourth quarter was unusually high because of the tax benefits when gets in 2009 related to the economic stimulus bill that aren't available in 2010, at least not yet.

So back in the fourth quarter, we did not see that the government was going to extend the economic stimulus benefits related to bonus depreciation. So we actually accelerated some of our CapEx in the fourth quarter, and if you look at it you'll see a spike. That obviously put some pressure off on the first quarter.

That all being said, I think we will continue to invest in high ROI opportunities within our Company this year. And I think that the trend, both in terms of absolute dollars and intensity or percentage of revenue is going to come down this year.

So I think we -- I give a lot of credit to our cable team, who was really focused on how we're managing CapEx and making sure that we're being really efficient. We're getting great pricing on particularly CPE which is a large component of that. We are really focused on high versus low ROI businesses.

And we're investing for the future in things like applications and wideband and we are certainly -- I want to make sure we are being, I think, pretty offensive in how we're looking at some of those areas.

James Ratcliffe - *Barclays Capital - Analyst*

We have talked about M&A in content. We have talked about M&A in small-medium business.

I know you're a little tied up with transactions at the moment. But how do you think about Comcast's existing footprint, whether it makes sense to expand that, and if there are assets out there on an ongoing basis that are interesting to you?

Mike Angelakis - *Comcast Corporation - CFO*

You mean on the distribution?

James Ratcliffe - *Barclays Capital - Analyst*

Yes.

Mike Angelakis - *Comcast Corporation - CFO*

You know, it's a very interesting question. I think it is a matter of price and financial returns.

I think we already have scale. I think it is hard to make an argument that something is strategic. We are aware -- where we are trading today, you have to have a pretty compelling case not to just buy more stock with this, with the dollars that you would allocate to an acquisition.

So I think it is a very sort of deal specific. I think that it has to meet financial hurdles that would be pretty attractive. And where we are trading today I think those hurdles are pretty high.

So you don't hear me being really bullish on buying a lot more cable at prices that I think people would like to sell at.

James Ratcliffe - *Barclays Capital - Analyst*

For example, some of your former private equity colleagues.

Mike Angelakis - *Comcast Corporation - CFO*

They don't visit me in Philadelphia anymore.

James Ratcliffe - *Barclays Capital - Analyst*

I am sure you feel wounded. So to wrap up and then we'll go to Q&A from the audience, what makes you most excited about the business, and what keeps you up at night?

Mike Angelakis - *Comcast Corporation - CFO*

You know, we started off actually that -- I have been now at the Company for three years, and it has definitely been a very interesting three years. But I think where we are compared to where we have been over the last three years -- from a focus on product development; from a focus on customer service; from a balance sheet perspective in terms of our strength; from our growth profile of the business in terms of whether it is SME or whether it's our core broadband or even voice. Which no one talks very much about, but it is the third largest phone company; it is growing very nicely with terrific margins. Whether it is how we are competing better against both satellite and telco -- I feel pretty excited about what I would consider the core business.

Also I feel pretty -- I'm very comfortable with how we're managing our balance sheet and how we are returning capital to shareholders. You layer on the NBC opportunity and how we will integrate our cable, our programming assets over there and the opportunities that we talked about earlier, and I am pretty excited about that as well.

So I think that we are playing offense. I think there is a real excitement in the organization that we're -- the recession hopefully is subsiding a little bit; advertising is coming down; hopefully there is no double dip.

But things like when advertising comes back across local, regional, national; when delinquencies are at a three-year low for us; and you are growing your sub base a bit better than you were before -- all that feels real positive. So when I look at the totality of the business I am reasonably optimistic. And I am not a very excitable person, but I am optimistic.

What keeps me up at night? Everything sort of keeps me up at night. But I think that we have got a terrific team who is focused on execution. I think we have got a great strategy of how we want to see the business develop on all levels, whether it is on product or customer service.

And I think it is really down to execution, which I think is where it should be. So how we execute, how quickly we execute, how quickly we innovate -- I think those are all things that sort of keep you up at night.

James Ratcliffe - *Barclays Capital - Analyst*

We have time to take a few from the audience. I think we have microphones floating around.

QUESTIONS AND ANSWERS

Unidentified Audience Member

Hi. Thank you. When you look at your current ARPU per user or household, and you look at the products that you have rolling out or coming now, what is the opportunity to grow that ARPU from where you are to someone who has taken all your products?

My second question is, with the regulatory regime looking to be more difficult, how do you think that will affect your CapEx going forward?

Mike Angelakis - *Comcast Corporation - CFO*

Let's take the second question first. If the regulatory aspect becomes, I would say, distressed it is clearly going to impact our appetite to invest.

Wideband is a really good example of that. I think we have more homes passed that have the ability to get 50 megabits in this country than all the telcos and all the other cable companies combined. That is a meaningful investment we have made, a meaningful strategic decision we have made.

I think if the regulatory climate changes, our appetite to do those kind of things more could be negatively impacted. We will see how that plays out. Now I am optimistic that is not the case, but we will see.

On growing ARPU, I think we have done a really nice job of growing ARPU. I think we grew at about 6% recently. That is going to be a combination of a couple things.

One is we are doing rate adjustments both on video and on broadband depending on where you are and what your level of service is. So those certainly do help in terms of growing ARPU.

But I think more importantly, as I mentioned, we have about 30% of our customer base that takes all three products. And that number has been growing each and every quarter. Our goal is to have more customers take all three products and benefit from all the things we're talking about of extension of our services.

So as we have more customers taking more products from us -- whether they are high-def DVRs or whether they are broadband or voice or wireless 2go -- we think we can continue to grow that ARPU.

Unidentified Audience Member

Do you have an estimate on what the potential ARPU growth is for an individual? I mean, if they are at $100 and take all your products, could they go to $130, $150? What is the (multiple speakers)?

Mike Angelakis - *Comcast Corporation - CFO*

We're at about $122 I think right now, in terms of what our average ARPU for a video customer is. We look at it both ways, on an average ARPU for a video customer as well as home passed, and both of those are growing.

A real opportunity for us as well, is to obviously take share back from either the satellite folks or from the telco folks, and that would help our ARPU. So we have not given estimates of what ARPU looks like; but we certainly want to continue to grow it.

James Ratcliffe - *Barclays Capital - Analyst*

All right, I think we will wrap it up there. There is a breakout in room 402.

Mike Angelakis - *Comcast Corporation - CFO*

Great. Thank you very much.
