PARTICIPANTS

Corporate Participants

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Brian L. Roberts – Chairman, President & Chief Executive Officer
Michael J. Angelakis – Chief Financial Officer & Executive Vice President
Stephen B. Burke – Executive Vice President
Neil Smit – Executive Vice President

Other Participants

Jason Boisvert Bazinet – Research Analyst, Citigroup Global Markets (United States)
John C. Hodulik – Research Analyst, UBS Securities LLC
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MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen, and welcome to Comcast's Second Quarter Earnings Conference Call. [Operator Instructions] Please note that this conference call is being recorded. I will now turn the call over to Senior Vice President-Investor Relations, Ms. Marlene Dooner. Please go ahead, Ms. Dooner.

Marlene S. Dooner, Senior Vice President-Investor Relations

Thank you, operator, and welcome, everyone, to our Second Quarter Earnings Call. Joining me on the call are Brian Roberts, Michael Angelakis, Steve Burke and Neil Smit.

As always, let me refer you to slide number two, which contains our Safe Harbor disclaimer and remind you that this conference call may include forward-looking statements subject to certain risks and uncertainties. In addition, in this call we will refer to certain non-GAAP financial measures. Please refer to our 8-K for the reconciliation of non-GAAP financial measures to GAAP.

With that, let me turn the call to Brian Roberts for his comments. Brian?

Brian L. Roberts, Chairman, President & Chief Executive Officer

Thanks, Marlene, and good morning, everyone. Today I'm pleased to report that we achieved strong operating and financial results for the second quarter in Cable and at NBCUniversal. These results demonstrate our operational focus while also speeding up innovation and investing in content to strengthen our brands and our franchises. So let me begin with Cable.

In the second quarter revenue was up by nearly 6%, operating cash flow increased by nearly 7% and Cable generated $1.3 billion of free cash flow. Customer additions for our combined video, voice and data services increased by 18%, continuing the trend of improving year-over-year performance, even in a seasonally weak quarter.

Our high-speed Internet service was once again one of the real highlights and was the largest contributor to Cable's growth this quarter. The second quarter marks the eighth quarter in a row where we significantly outpaced the net additions of our competitors. This is due to strong execution and the expanding differentiation between our high-speed service and DSL.

Business Services was another significant contributor to Cable's performance in the second quarter with 42% growth in revenue. This business has solid momentum, and we are continuing to build its capabilities for future growth including expanding Metro E services to 20 of our major markets. We also made steady improvements in our operating performance metrics, marking another quarter with better customer retention and service scores and higher customer satisfaction. We have real operational focus and are making our service and the overall XFINITY experience the best in the business.

As we continue to use our scale to our advantage we are delivering new products and faster innovation to our cable customers. Our current and future services represent an exciting new product roadmap that includes higher speed Internet, a growing array of IP and cloud-based applications, new offerings like XFINITY's signature support and new lines of businesses like home security. And soon, working with Skype, we will also begin to offer a new high definition video calling experience right to your television.

What is particularly exciting is the leverage we are gaining from the previous significant investments we made in our network so it's easier and faster now to drive new technologies and product innovation. I believe all of this, together with our initiatives to transform the customer experience is generating results and helping us make sustainable improvements that will continue to yield benefits.

So let me now switch to NBCUniversal. As you know, our overarching goal for NBC and Universal is to build long-term value, and, yes, there will be some hits and misses and a bit more volatility, but I continue to believe that our timing was just right as we have benefited from a much stronger advertising market since we signed the agreement, a near seamless integration and mostly the continuing strength of many of their businesses, particularly the cable channels with their wonderful brands.

We had a busy quarter. We invested in lots of new shows in both cable and broadcast. We extended our NHL rights. We purchased the other 50% of Universal Orlando and brought together all of our companies' capabilities in a successful and I think important bid for the Olympics. Our Olympic rights now stretch over a decade and extend to all technology and media. However, they may change through the year 2020 giving us a real opportunity to build out the network and cable and digital capabilities of NBCUniversal, and to make the Olympics profitable for our company over the term of this new agreement. Even as we invest, NBCUniversal's second quarter financial results highlight the health of its businesses with double-digit revenue growth in each of its segments and 19% operating cash flow growth when you exclude accounting adjustments related to the acquisition.

So all in all, I'm very pleased with our financial and operating performance so far this year. We are making real progress on all fronts. We have strong recurring revenue businesses. We're focused on operational excellence, and we have a disciplined investment approach that is yielding positive results and will continue to build value.

With that, let me now pass to Michael to cover the second quarter results in detail.

Michael J. Angelakis, Chief Financial Officer & Executive Vice President

Thank you, Brian. Let me begin by briefly reviewing our consolidated financial results starting on slide four. Overall, we are very pleased with second quarter results. Second quarter consolidated revenue increased 50.5% to $14.3 billion and consolidated operating cash flow grew 28.5% to $4.8 billion. In addition to revenue and operating cash flow, we remain focused on free cash flow, free cash flow per share, and earnings per share as important metrics in evaluating the performance and strength of the company.

In each of these key metrics, our results in the second quarter were very strong. Free cash flow for the quarter, which excludes the impact of the economic stimulus, increased 12.2% to $1.5 billion, primarily reflecting growth in consolidating operating cash flow, partially offset by increases in working capital, cash interest expense and capital expenditures. Second quarter free cash flow per share increased 12.5% to $0.54 per share. We generated earnings per share of $0.37 for the second quarter, however, excluding NBCUniversal transaction-related costs and a $137 million non-recurring non-cash income tax charge resulting from a state tax law change, earnings per share increased 27.3% to $0.42 per share. Please refer to table four in the press release for more detail on these items.

Let's go to slide five. As you know, we view Comcast and NBCUniversal as two distinct pools of cash flow generation and funding capacity. Both Comcast and NBCUniversal's first priority is to generate strong returns by reinvesting in their core businesses. Beyond this reinvestment, NBCUniversal retains its free cash flow to fund future equity redemptions by General Electric while Comcast allocates its free cash flow to consistently return capital to shareholders. As I mentioned before, in the second quarter, our free cash flow increased 12.2% to $1.5 billion.

For the first half of the year, we generated $3.7 billion of free cash flow, an increase of 15.4% over the first half of 2010. Year-to-date, free cash flow per share has increased 16.5% to $1.34 per share. As you can see in the slide, in the second quarter, Comcast, which includes both Cable Communications and Corporate and Other, accounted for $1.3 billion or 88% of total free cash flow, and NBCUniversal contributed $175 million. For the first half of 2011, Comcast accounted for $3.1 billion or 84% of total free cash flow, and NBCUniversal contributed $612 million of free cash flow.

In the second quarter, we returned $836 million or 62% of Comcast's free cash flow to our shareholders including share repurchases totaling $525 million and dividend payments totaling $311 million. We are executing our 2011 financial plan including this year's planned completion of our existing share repurchase authorization, which now has 1.1 billion remaining and will be reviewed by our board at year-end.

Please refer to slide six for our pro forma results. Now let's take a look at pro forma results of our Cable and NBCUniversal businesses which is how we evaluate the performance of the organization and the segments. We believe the pro forma presentation provides a more meaningful comparison of the operating performance of the businesses.

In the second quarter, consolidated pro forma revenue of $14.3 billion increased 9.4% compared to last year's results, and consolidated pro forma operating cash flow increased 6.7% to $4.8 billion. Included in pro forma operating cash flow for the second quarter are non-cash acquisition-related accounting revisions and cost totaling $131 million which impact NBCUniversal's cable networks, broadcast and film results. Excluding these items, consolidated pro forma operating cash flow increased 9.6%.

In the second quarter pro forma Cable Communications revenue increased 5.6% and represented 65% of consolidated revenue while pro forma operating cash flow grew 6.8% and represented 81%

of consolidated operating cash flow. I will review our Cable results in more detail in the next few slides, but let me now review NBCUniversal's results.

NBCUniversal revenue increased 17.1% with double-digit revenue increases across all four segments, and operating cash flow increased 5.2%. Excluding the $131 million of acquisition-related accounting revisions and costs, NBCUniversal operating cash flow increased 18.9% for the quarter.

As we review NBCUniversal segments the Cable Networks generated $2.2 billion in revenue, an increase of 12.6% driven by a 10% increase in distribution revenue and a 10% increase in advertising revenue. Other revenue increased 44% or $59 million primarily due to increases in the licensing of owned content from the cable production studio.

Cable Net's second quarter operating cash flow increased to $846 million or 1.1%. Excluding the acquisition-related accounting revisions and costs of $48 million, Cable Net's operating cash flow increased 6.8% as we are reinvesting some of the top line growth in original programming and incur higher marketing expenses to support the recent launches of new series and other new programming across a number of our cable networks.

As we move to Broadcast second quarter Broadcast Television revenue increased 18.5% to $1.7 billion reflecting higher advertising revenue from improved pricing and ratings at the NBC broadcast network as well as higher content licensing revenue which includes the immediate recognition of revenue related to prior season and library content being made available under a new licensing agreement. Broadcast operating cash flow increased 8.8% to $190 million. Excluding the acquisition-related accounting revisions and costs of $56 million, Broadcast operating cash flow increased 40.8%. These results reflect higher revenue, partially offset by increased programming costs associated with a greater number of original prime-time series compared to the second quarter of 2010 and higher news coverage costs during the quarter.

With regards to Filmed Entertainment revenue increased 21% to $1.3 billion this quarter driven by higher theatrical revenue from the strong box office performance of Fast Five and Bridesmaids partially offset by lower content licensing from the pay TV window and lower home entertainment revenue due to a decline in DVD sales.

Film operating cash flow for the quarter was $27 million compared to $4 million in 2010. Excluding acquisition-related accounting revisions and costs of $20 million OCF was $47 million in the quarter. These results reflect strong theatrical revenue growth partially offset by higher marketing costs for the second and third quarter film releases. In order to manage our net investment in film production we are utilizing third party financing to cover part of the film slates. For example, we own 25% of Cowboys and Aliens, which is co-produced with other studios, and Universal only distributes the film domestically.

Switching to Theme Parks, both the Orlando and Hollywood parks continued to perform very well and revenue increased 22.5% to $147 million reflecting strong attendance and per capita spending at both parks, which are benefiting from the success of the Wizarding World of Harry Potter in Orlando and King Kong in Hollywood. Second quarter operating cash flow increased to $119 million compared to $46 million for the same period last year.

As you know, we now own 100% of the Orlando Park as we closed this transaction on July 1. Beginning in the third quarter we will consolidate 100% of Orlando's results, and we are very pleased with the park's performance, which with the June 30th quarter end Orlando's last 12-months operating cash flow is $577 million. We have financed this transaction with internal funds and are now refinancing some of Universal Orlando's existing debt facilities to lower interest costs for NBCUniversal.

Please refer to slide seven to now review our Cable Communications results. We had another solid quarter of financial and customer growth in our Cable segment. For the second quarter, pro forma Cable Communications revenue increased 5.6% to $9.3 billion, reflecting solid performance in our recurring residential businesses and continued strength in business services partially offset by a slowdown in pay per view and advertising revenue.

Cable advertising revenue increased 3.7% reflecting lower political revenue and a slowdown in foreign automotive advertising, which was caused by a shortfall in auto supplies related to the challenges in Japan. Excluding political revenue, Cable advertising increased 7.5%. As a reminder, we generated over $180 million of political ad revenue in 2010 including $100 million in the fourth quarter, which will continue to impact our sequential growth rates and make comparisons more challenging as the year progresses.

The core Cable business is performing well as we are effectively managing this business for profitable growth. Total revenue per video customer increased 9% to $138 per month in the second quarter, reflecting strong ARPU management, a higher contribution from Comcast Business Services, and an increasing number of residential customers taking multiple products.

Despite the typical seasonality in our Cable markets, in the second quarter we added 99,000 total video, high-speed Internet, and voice customers equal to an 18.2% increase from last year's second quarter. We are competing better with improved products and our focus on retention and customer service has continued to reduce churn for all of our services.

As we look at the individual service categories, second quarter video revenue increased 1.3% reflecting rate adjustments in about two-thirds of our systems year-to-date and an increasing number of customers taking higher levels of digital and advanced services partially offset by lower pay per view revenue and video customer losses.

In the second quarter, we lost 238,000 video customers, a 10% improvement over the second quarter of 2010 despite seasonal weakness and a competitive footprint that has grown by over 1.5 million homes. High-speed Internet revenue increased 10.3% during the quarter, reflecting rate adjustments, continued growth in our customer base, and an increasing number of our customers taking higher-speed services.

Today, 24% of our residential high-speed Internet customers take the higher-speed tiers. As we continue to differentiate our product through service and speed enhancements, our high-speed Internet service is capturing market share. In the second quarter, we added 144,000 new high-speed Internet customers and our penetration is now at 34% of our homes passed.

Voice revenue increased 7% for the quarter reflecting continued success with our Triple Play offering. In the second quarter, we added 193,000 voice customers as the value and benefits of our Triple Play is recognized. We continue to focus on providing multiple services to our customers and at the end of the second quarter, 35% of our video customers took all three services compared to 31% at the end of last year's second quarter.

As I mentioned previously, we continue to see real momentum and opportunity in Business Services with revenue increasing 41.7% in the quarter to $435 million and accretive margins.

Please refer to slide eight to review pro forma Cable Communications operating cash flow. Second quarter pro forma Cable Communications operating cash flow increased 6.8% to $3.9 billion resulting in a margin of 41.6%, a 40 basis point improvement compared to last year's second quarter. For the first half of 2011, Cable operating cash flow increased 7.2% to $7.6 billion resulting in a margin of 41.4%, a 50 basis point improvement compared to the same period last year.

In the second quarter, total expenses in Cable increased 4.8%, primarily reflecting higher video programming and marketing expenses as well as continued investment to expand the capabilities in Business Services. Sales and marketing expenses, which have consistently been around 6% of Cable revenue for the past year, reflect our ongoing investment in the direct and retail channels. In the second quarter, marketing expenses increased 15.5% as a result of higher retail commissions and increased overall advertising and media spend.

In the second quarter, bad debt expense improved as we continued to refine our retention, collection and screening processes. In addition, customer service expenses continue to be relatively flat this quarter as we continue to gain efficiencies even as we focus on improving service, reducing churn and increasing customer satisfaction.

Please refer to slide nine to review our Cable Communications capital expenditures. In the second quarter Cable capital expenditures are tracking to plan and increased 5.5% to $1.2 billion equal to 12.6% percent of revenue reflecting higher investments in network infrastructure in business services to enhance and expand our product offerings partially offset by lower CPE spending.

In the second quarter of 2011 we deployed 1.5 million digital adapters for a total of 20.6 million digital adapters deployed since the inception of the all-digital project. We are now 89% complete with all digital, and we expect to complete this project by the end of the year. During the quarter we also deployed 494,000 advanced HD and/or DVR set-top boxes and we added 132,000 advanced service customers. We now have 10.5 million HD and or DVR customers equal to 52% of our digital customer base.

In the second quarter we increased our investment in network infrastructure to enable product enhancements including increasing Internet speeds to our customers to reinforce our product leadership and high speed Internet. We are raising speeds of our flagship product from 12 to 15 megabits and raising speeds of our Blast! product from 20 to 25 megabits. In addition, we have recently introduced faster tiers of service as our 50-megabit service is now available to more than 45 million homes or almost 90% of our footprint, and our extreme 105-megabit service is available to more than 40 million homes or approximately 80% percent of our footprint.

Second quarter CapEx also reflects meaningful investments to support the continued growth in business services and to expand our efforts in the mid-sized business area. Our investment in business services increased 40% to $154 million in the second quarter and has increased 48% to $305 million through the first half of 2011.

Year to date, capital expenditures increased 10% to $2.2 billion, equal to 12.1% of revenue. We are executing well on our capital plan, and we continue to expect our full-year cable CapEx will be lower as a percentage of cable revenue when compared to 2010 even as we invest capital in areas that provide attractive returns, expand our product offerings and drive future organic growth.

Now let me turn the call back to Brian.

Brian L. Roberts, Chairman, President & Chief Executive Officer

Thanks, Michael. So last week marked the sixth month anniversary since the closing of NBCUniversal. I think it's a perfect opportunity to hear from Steve Burke on how he is feeling.

Stephen B. Burke, Executive Vice President

Thanks, Brian. Since we just passed the six-month anniversary mark for the new NBCUniversal, it does seem a good time to give a quick update on how we're doing. The bottom line is we're off to a very good start. As we have said previously, 2011 is both a transition year and an investment year so we can better position the company's assets for future growth. The good news is we're making investments and they're starting to work. We're also successfully juggling the goals of investing and growing operating cash flow at the same time. Now let me give you some examples of the types of investments we are making.

I'll start with the new show, The Voice. Shortly after close we realized The Voice was the type of broad-based concept that could be a big success for NBC, and we decided to really get behind it. We increased our production budget several times to make sure we would have four great coaches and high-quality performances. We then invested in marketing so awareness was high when the show launched. Finally, we made The Voice the company's number one promotional priority across all NBCUniversal assets as well as Comcast Cable. The results surpassed our most optimistic expectations, as The Voice became a bona fide hit and NBC's biggest new show in years. The Voice aired from April 26 to June 28 and along with America's Got Talent, The Voice helped NBC become the number one network in the United States for four weeks at the end of the quarter.

Despite the increased investment The Voice also helped our financial performance in the second quarter at both the network and our own television stations. We have invested in other new shows for our prime time schedule and expect to have a competitive lineup this fall and next spring. We'll bring The Voice back mid-season and put it behind the 2012 Super Bowl. We expect The Voice will be an important cornerstone of our schedule and hopefully participate in the network's turnaround in the future.

Moving on to another part of our Broadcast Group, we also invested in our own television stations during the first half of this year. We're focusing on improving local news and think there's a real opportunity to increase news ratings. We're adding news hours and about 135 people across 10 television stations including over 40 reporters, 20 producers, and investigative units in five markets. While it will take time for these investments to pay off, we're already seeing some improvements in markets like New York.

Moving to Telemundo, we launched a telenovela named La Reina del Sur that became a big hit driving our prime time ratings up 22%. Given the growth in the Hispanic market, we think Telemundo is an attractive growth opportunity for us in the future.

At our cable channels, we had a strong quarter with double-digit revenue growth on the majority of our channels. During the second quarter, we aired 58 original series including 12 new series and increased the total number of original episodes by 12% versus the prior year. New shows depress cash flow initially as we spend to launch them and amortize production costs, but ultimately, if successful, new shows become profitable in their own right and drive CPM and affiliate fee increases in the future.

During the quarter, USA launched two new shows, Suits and Necessary Roughness that became top 10 cable shows. These are two shows that were green lit after the deal closed which now promise to be important new franchises for USA for many years to come.

SyFy launched Alphas, its most-watched new show in two years. And Bravo had its best second quarter ever as the Real Housewives of New Jersey had its highest-rated season premiere in history.

We also invested for future growth in other parts of the company. Mike mentioned our new deal to purchase the 50% of Universal Orlando we didn't own. We think our theme parks represent a great growth opportunity and we are doing well currently on both coasts with Harry Potter in Orlando and King Kong in Hollywood.

We think our Olympics deal represents a smart investment and one that will be profitable over the term of the new agreement. And finally, we've invested in our people and made a lot of very strong senior hires in the last six month, which will help position us well for the future.

The last area I'd like to touch on is how we put the collective power of NBCUniversal and Comcast behind key investments once we make them. We call this strategy Symphony, and it's been behind our success on shows like The Voice and big films like Hop. Comcast Cable got behind both and promoted them across its multiple platforms including Video-on-Demand and Online. We're also working on many other opportunities including targeted and interactive advertising and just last week announced that we're beginning to use dynamic ad insertions on our On Demand platform with programming from USA, E!, SyFy, Bravo and Oxygen.

We believe enabling dynamic ad insertion will create more value for advertisers, for NBCUniversal and other content owners and for other Comcast cable as well as allowing us to present more relevant advertising to our customers.

So in summary, after six months, we're feeling very positive. We know there's a lot of work still to do, but we're very pleased with our progress and feel like there's still a lot of opportunity in the quarters and years to come.

Brian L. Roberts, Chairman, President & Chief Executive Officer

Thanks, Steve. Before we turn to your questions, let me just turn to Neil Smit who has now been running Comcast Cable for over a year. Neil, how are you feeling about the business?

Neil Smit, Executive Vice President

Thanks, Brian. It's been an exciting year, and I've been really pleased with the team and our execution. We're innovating at an accelerated pace, and delivering great new products to our customers. Our customer service is a focused priority and continues to improve. As a result, we're driving solid growth both financially and from a customer perspective, and we believe this momentum is sustainable for several reasons.

First, we're competing better with superior products. Our major platform initiatives, all digital and DOCSIS 3.0, are nearing completion with all digital in 89% of our markets, DOCSIS 3.0 deployed in 90% of our footprint, and our content delivery network for On Demand in the majority of our markets. These major platform upgrades are the foundation enabling us to deliver better products to our customers to drive faster innovation. We're now delivering more high def and foreign language programming, over 30,000 On Demand choices, better program guides, more advanced advertising, and higher-speeds for our HSD customers. We've launched XFINITYTV.com, our XFINITY TV app, and Catch Up & Keep Up for VOD. And we're working on exciting new products such as next generation TV, one gigahertz HSD, and dynamic ad insertion. I feel like we're just getting started on the innovation front.

Second, we're improving customer service. Our objective is to fundamentally transform the customer experience, focusing on getting it right the first time and improving the reliability of our service. We're doing this by standardizing best practices from across the country, which has improved both our effectiveness and efficiency.

We're focusing on two different areas, convenience and reliability. From a convenience perspective, we're making it easier for customers to interact with us and on their schedule. We're providing customers a better online experience and recently we have also rolled out two-hour service windows and a customer guarantee that we'll always be on time. On the reliability front we're using much better tools to monitor the network so we can diagnose and quickly resolve a network outage issue and often before customers even realize there's a problem.

This quarter, repeat service calls, which means that we have to go back and fix something a second time, improved by 15%, and repair phone calls, or the number of times customers called us to fix a problem, improved by 9%. We also estimate that by the end of this year we will have reduced service related truck rolls by 2 million and service related phone calls by 10 million compared to 2009. That equates to real savings. That's taking unnecessary noise out of the system. All this is tough block and tackle work, but I'm really pleased with the focus and execution of our field teams.

Finally, we're building a strong growth engine. Our marketing team is effectively targeting the right offers to the right customers and strengthening our XFINITY brand. Our sales teams are effectively selling as evidenced by our 9% ARPU growth year to date. We have built an effective retention marketing team, and the entire business is focused on retaining our customers. We're more precise in our up-front credit screening, our call handling and our promotional roll-off packets. Our customer churn has been down across all three products for the past six months in a row. In fact, retention has been the biggest driver of our net gain improvement.

Last, but not least, we continue to invest in business services and the team there is delivering. SMB continues to be our primary growth driver, while at the same time new businesses like Metro E and Cell Backhaul are expected to become solid contributors in 2012 and beyond. So overall, I'm pleased with the progress we have made over the past year. I think some of the fundamental changes we have made along with disciplined execution will continue to yield positive results.

Marlene?

Marlene S. Dooner, Senior Vice President-Investor Relations

Thanks, Neil. Operator, let's open up the call for Q&A, please.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Our first question comes from the line of Jason Bazinet with Citi. Please state your question.

<Q – Jason Bazinet – Citigroup Global Markets (United States)>: Thanks so much. I just have one for Mr. Smit and one for Mr. Burke. On the Cable side first, you guys, I think, have done a very good job managing margins in the context of a decelerating top line and lower net adds on the high contribution data and phone product, and I think a lot of that has to do with cost cuts and I was just wondering, if you look out one or two years, do you see enough cost cuts that can occur that will still allow you to sort of maintain these nominally 41% OCF margins?

And then on the NBCU side, I think the market is quite concerned about a deceleration in sort of the ad market, and so for Mr. Burke, I was just wondering if you could give us any color in terms of what you're seeing for Q3 and if there is a slowdown when you might first see it? Thanks.

<A – Neil Smit – Executive Vice President>: Hi, Jason. It's Neil. Concerning margins, it's hard to project too far into the future. I think the real benefits we have seen to margin, 50 bps year to date, has been from an improved mix of HSD and business services as well as gaining efficiencies in some of our customer service metrics as I mentioned in my previous comments. I think that's taking noise out of the system, and I think that will hopefully continue as we just get a better experience. But it – that's being offset obviously by compressing video margins.

So it's hard to project going forward, but we're going to stay the course. HSD seems to be gaining share at a good clip and business services is up 42%, so I think we see continued growth in both those businesses.

<Q – Jason Bazinet – Citigroup Global Markets (United States)>: When you look at those reduced truck rolls and service calls, are those, in the aggregate if it all goes according to plan, is the savings measured in the tens of millions, or is it hundred million? Is there any sort of sense you can give us sort of if this works what sort of cost could come out?

<A – Michael Angelakis – Chief Financial Officer & Executive Vice President>: Neil, let me – it's more in the tens of millions actually, Jason. And the other thing I would really say is when you start the question about decelerating revenue, if you actually take out advertising and you look at year-over-year revenue, you know, last year our revenue growth was like 3.8% on cable, and now we're ex-advertising 6.2%. So between high-speed data, between business services, between some rate adjustments, I'm not sure I completely concur that we have a decelerating revenue line.

<Q – Jason Bazinet – Citigroup Global Markets (United States)>: Okay. Thank you.

<A – Stephen Burke – Executive Vice President>: So let me jump in on advertising. The quick answer to your question is we don't see any signs of a deceleration right now. We're obviously concerned about the economy the way you would expect us to be, but so far the advertising market continues to be strong. We had a very good upfront. We actually think some of our cable channels really paced the upfront on the cable side. And on the broadcast side, our upfront was good too, and we'll see how the rest of the year goes.

<Q – Jason Bazinet – Citigroup Global Markets (United States)>: Okay. Thank you.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Jason. Before we go to the next question, could I ask everybody please to pick your one question and try to limit to one question so that we can get – give everybody an opportunity to ask and still stay on time. Thanks.

Operator: Our next question comes from the line of John Hodulik with UBS.

<Q – John Hodulik – UBS Securities LLC>: Okay. I'm trying to figure out which question. You know, maybe a question for Neil. I think one of the things that caught my eye was the slowdown in the programming expense growth both year-over-year and on a per sub basis. And I guess looking forward again, you know, maybe what's driving that, and do you think we're through the worst of the increases, what we're going to see?

<A – Neil Smit – Executive Vice President>: Hi, John. No, I think on the programming side, it all kind of depends on the timing in the roll-offs and the renewals of the contract. So it does fluctuate quarter to quarter and even then some cases month-to-month. I wouldn't read much into that. I think we're still projecting kind of mid to high single digits of growth rate and programming expenses.

<Q – John Hodulik – UBS Securities LLC>: Okay. Thanks.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, John. Operator, next question, please.

Operator: Our next question comes from the line of Jessica Reif-Cohen with Bank of America Merrill Lynch.

<Q – Jessica Reif Cohen – Bank of America Merrill Lynch>: I have to say, I agree with John. You're killing me, Marlene. One question?

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Sorry, yes.

<Q – Jessica Reif Cohen – Bank of America Merrill Lynch>: Oh my god. So, Steve, I guess I'll go with you. There still seems to be really big buckets of opportunity at NBCU. I was just hoping you can maybe lay out the timeframe when we might see some things like retrans and reverse comp, other content deals besides Netflix. I mean, Netflix International is starting to do deals, as is Amazon, and on that whole content side, you know, what is your view of content ownership given increasing – there seems to be more buyers out there.

<A – Stephen Burke – Executive Vice President>: Okay. You asked one question with a lot of different parts. I think in general we see this year and next year probably as investment years. We think the business, particularly on the broadcast side, has not gotten the investment necessary to really compete, and so I think our focus right now is on product and making sure that we have a competitive NBC prime time schedule, making sure that the stations have the right kind of resources to be competitive in the local markets, and the juggling act that we're going through which we have been successful at for the first half is continue to grow OCF while making the investments that are going to pay off in the future.

I do think that content is more valuable today than the day that we did the deal. It's interesting. If you go back it's over 18 months ago when we actually signed the deal with General Electric, I think retransmission consent now is a bigger number than it was then. The kind of money that online video providers are paying for content is infinitely – you know, significantly greater than it was 18 months ago. So in my opinion, content is more valuable, and the outlook particularly for broadcast television is much rosier than it was 18 months ago.

But at the same time, I want to caution everyone: we're in fourth place at NBC, and we've got a lot of investments; and we've told people that it doesn't happen in one year. Probably won't even happen in two years. Might take three or four. I'm very confident we will get there, but we need to invest and along the way I wouldn't expect any miracles financially or in terms of performance.

<A – Brian Roberts – Chairman, President & Chief Executive Officer>: I just want to add, I agree, Jessica. The way you asked the question I think is inherently that these businesses are bullish and that there's been a good 18 months. And I think I would concur. I think we inherited some agreements, so we may not be the first out of the blocks with retransmission fees or reverse comp. But you see other companies' results, you see the marketplace. It's pretty transparent. So I think Steve is focused absolutely properly in building our franchises and building our channels and that there is now a way to see monetization, whether it's new media or re-trans or other sources of revenues international as you suggest. So we're pleased and out of the blocks, but it's been six months think we've got to have realistic expectations.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Jessica. Operator, let's go to the next question, please.

Operator: Our next question comes from the line of Jason Armstrong with Goldman Sachs.

<Q – Jason Armstrong – Goldman Sachs & Co.>: Hi, thanks. Good morning. On video, just a question on basic sub losses. I think last year in 2Q when you had elevated losses, you talked about categories of subs that you were losing, and for instance over-indexing sort of these B1 single product subs. I'm wondering if you can help us think through what is going on now and maybe broadly thoughts on sort of competitive versus cable subscribers just sort of leaving the industry? Thanks.

<A – Neil Smit – Executive Vice President>: Hi, Jason. I think on the video side, we are still seeing a significant percentage of our subs who are cutting off due to our B1 only subs. So that is a continuing trend. It has been for the last three or four quarters. I think, you know, the Q2 is seasonally our weakest quarters. We had 1.5 million additional RBOC overbuilds and we still improved subs 10% and grew ARPU – Resi ARPU anyway 4.9%. I think what we saw in the quarter, we saw a slowdown in connects in mid-May. I think it's primarily due to the sluggish economy. We responded very quickly by adjusting our channel mix, more DRTV, more digital, more direct, and we saw a connect improvement in late June and into July.

I think from the competitive perspective, I think the economy, as I said, is still slow, and it's caused some more aggressive offers. However, you know, I don't think it's markedly different than what we have seen in the past. And we understand how to compete. I mean, my focus is really getting the quick response to the changing market conditions, you know, via targeted marketing, sales effectiveness, and retention. And our, you know, overall total subs at HSD, video, and phone were up 18%. So I think we can compete effectively.

<Q – Jason Armstrong – Goldman Sachs & Co.>: That's helpful. Thanks, Neil.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Jason. Operator, let's go to the next question, please.

Operator: Our next question comes from Doug Mitchelson with Deutsche Bank.

<Q – Douglas Mitchelson – Deutsche Bank Securities, Inc.>: Thanks so much. Question for Michael. If Jessica can stick to one question, then so can I. Can you just remind us what Comcast's target debt leverage is and why – I understand you review return on capital once per year. To the extent you're building excess financial capacity this year, how might that play into return of capital strategy next year? Do you look at buying NBCU early? Do you look more aggressively at cable acquisitions, or do you have a year of potentially above trend share repurchases in 2012? Any comments on that would be helpful.

<A – Michael Angelakis – Chief Financial Officer & Executive Vice President>: I don't really want to comment on 2012, because we've been, I think, quite clear and transparent that we really are articulating what our financial strategy will be on a year-by-year basis. But what I can say is our leverage for June 30th on a consolidated basis was approximately 2.2 times, which is close to the midpoint of our target range, which is between 2 and 2.5.

When we bought – I'm sorry, when we bought Universal Orlando, we consolidated another roughly $1.4 billion of debt, so that popped us up to about $41 billion. I think we'll end the year at the low end of our range. I think that's pretty clear. And I think we're going to have a discussion with our board with regards to the share repurchase program, which will be exhausted by the end of the year. Obviously dividend will be discussed, and other strategic efforts will be discussed as well. And I think as we have done in the years before, we'll be, you know, quite balanced and measured in articulating what the strategy is for 2012.

<Q – Douglas Mitchelson – Deutsche Bank Securities, Inc.>: Maybe you'll be frustrated with this follow-up, but is your goal over time to generally stay within the target leverage range, or could you see periods where you end up below or above?

<A – Michael Angelakis – Chief Financial Officer & Executive Vice President>: That's a hard question obviously. Our target range is exactly that. It's our target range. But going back to your first question with regards to an early buy-in of NBCUniversal, I really don't see that in the cards. I think that we're six months into the transaction. I think that we're very pleased with the transaction, and our partnership with General Electric I think is going fine. So we really like the way we have structured the deal. We really like the way our incentive or carried interest works and I think that that will be steady as she goes with regards to that particular effort.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Doug. Operator, let's go to the next question, please.

Operator: The next question comes from Craig Moffett with Bernstein.

<Q – Craig Moffett – Sanford C. Bernstein & Co., Inc.>: Hi. Another question for Michael, if I could just drill down on that a little bit. So on the cash flow question that is, you've got the option if NBC exercises its put in 2014 on its portion, you've got the option to call the remainder in 2014 of NBCU early. First, can you just update us on your thinking about how you'd like that to go aspirationally? And would you preserve cash in anticipation of that option even if you don't know it's going to be exercised, and would that inform the rate at which you return cash?

<A – Michael Angelakis – Chief Financial Officer & Executive Vice President>: So what we have been really clear about is we have two pools of capital. One pool is within the Comcast side, which the majority is being used to return capital through buybacks and dividends. Then we have the NBCUniversal pool, which is primarily being used for ultimately an equity redemption from General Electric.

Now, No. 1, General Electric has to exercise their redemption right. We can't force that redemption right, which is three years from now, so obviously pretty far away. If they so choose to exercise that right, then we have, you're right, the option to increase from roughly 68% to 100%. I think we'll evaluate that very carefully at that point in time. That's quite a ways away, and our goal is that NBCUniversal will generate the financial capacity to meet that possible redemption.

So it's hard to forecast what one will do in three plus years from now. But also if we were to exercise our option, we would extinguish the carried interest, which would last another 3.5 years, which we believe has real value creation for our shareholders. So it's a good spot to be in and something that we will evaluate really carefully in about three years from now. But I want to make sure the point is that the goal is that NBCUniversal, its free cash flow is really being utilized to build that capacity to meet that potential redemption in three plus years.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Greg. Operator, let's go to the next question, please.

Operator: The next question comes from Ben Swinburne with Morgan Stanley.

<Q – Benjamin Swinburne – Morgan Stanley & Co. LLC>: Thanks. Good morning. Brian, if you look out at the popularity of a lot of these over-the-top services and if we assume that they're incremental to pay TV, I mean, it suggests that there's a lot of demand out there from just more video, On-Demand, on multiple devices, and Comcast has invested a lot behind that with its XFINITY platform. When you look at your opportunity out there, does it make sense to explore going and offering additional streaming video product sort of outside of your cable bundle and maybe even both in footprint but especially out of footprint? I mean, there's 50 million homes in the U.S. that can't get any service from Comcast. IP allows you to do a lot of things you couldn't do before on the video front. Bandwidth speeds are going up around the country. It just seems that you have built an infrastructure that has huge opportunity beyond what we might traditionally think of as the cable business. I just wondered if you could talk about that a little bit.

<A – Brian Roberts – Chairman, President & Chief Executive Officer>: I think we're pretty focused inside the footprint, and with 50 million plus homes having all the products that we have to sell, I think we're – we agree with your assessment that there is more demand, more desire for new devices. One of the reasons to invest in NBCUniversal was to have products to sell internationally and throughout the entire United States. So we have that today through NBCUniversal. But I don't think there's yet a business model that we have seen that returns to our shareholders where you have relationships with customers that way outside of our footprint that we can make money. We had some free On-Demand product with Fancast that did not prove profitable.

We have now kind of remade that into XFINITY TV, trying to make TV Everywhere happen where we have the content relationship and the customer relationship and extending that to all devices. That's our focus for now. And I think Neil summarized really well a lot of the progress that's been made. I do think we're leading in some of this innovation. Some of those products we might be able to wholesale to others as we have our digital media center in Denver. We might be able to do that to other distributors in a way that takes some of this investment and lays it off nationally. But I think it's better when you already have a relationship with the customer to add these services on.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Ben. Operator, let's go to the next question, please.

Operator: Your next question comes from the line of Stefan Anninger with Credit Suisse.

<Q – Stefan Anninger – Credit Suisse (United States)>: Hi, good morning. Thanks for taking the question. Can you discuss where you are with the XFINITY re-branding campaign and how close you are to the completion of that project? It appears to have been very successful and unique. Would you expect a change in PSU growth as that process slows, or do you think that it hasn't provided you with a big boost in terms of PSU growth?

<A – Neil Smit – Executive Vice President>: Hi, Stefan. I think from my perspective, the XFINITY campaign is never really complete. I think in brand building you have to continue to innovate and put new products out. You have to continue to market creatively and bring more value to the customers. So I think brand building is never over. I think we have seen good results in the XFINITY branding. We have seen double-digit increases in intent to purchase, and consideration from competitive customers. So I think it will continue. I think in terms of ability to drive the PSUs, I think – I think a lot of that is in – it's in the marketing of the product. It's in the product itself, and it's in the execution of the sales team. So it's all three things combined. And it's obviously in the customer service. So I think PSUs are driven in part by the branding, but it's got to be backed up by great product and great service.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Stefan. Operator, let's go to the next question, please.

Operator: The next question comes from the line of James Ratcliffe with Barclays.

<Q – James Ratcliffe – Barclays Capital, Inc.>: Good morning. Thanks for taking the question. Neil, can you talk about on a relative basis how you're doing on share between data in markets where you face FiOS or U-verse versus markets where you just face a traditional DSL product? Thanks.

<A – Neil Smit – Executive Vice President>: I think we're competing well. I mean, as we mentioned earlier, we had 1.5 million incremental RBOC overbuilds. We're about 22% AT&T and 14% FiOS. And we compete well in those markets. I think in terms of share capture I think where we're really gaining share right now is in the HSD product, as you noted. And I think it's primarily just because we have a far superior product to DSL. Competes effectively with FiOS from a speed perspective and we believe we can outperform U-verse on that product. So I think we're going to continue to push the HSD and the video products, and I think the Triple Play still holds true.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, James. Operator, let's go to the next question, please.

Operator: Our next question comes from the line of Michael McCormack with Nomura.

<Q – Mike McCormack – Nomura Securities International, Inc.>: Hi, guys. Thanks. Just a quick question on the high-speed data side regarding ARPU expansion, obviously some pretty good results there. You do see people trading up into some higher tiers, and then also in the high speed, the increased speeds, is that a response to a competitive threat? Thanks.

<A – Neil Smit – Executive Vice President>: No, I think it's not so much a response to a competitive threat as it is we want to continue to demonstrate product leadership. So as Michael mentioned, we've got 105 meg in 80% of our footprint. We're going to be testing higher speeds. Brian demo'd 1-gig, so from my perspective, that's all about demonstrating product leadership. We have made the investments in capacity that are required to continue to support that. I think in Q1, we've got about 40% of the entire industry's net adds, and we represent call it 20 to 25% of the industry subs. So we're going to continue investing and continue demonstrating leadership there.

I think the way to think of the higher product speeds is they provide an umbrella. So generally speaking when we launch the higher speeds, the whole – all the various speed tiers trade up, so it provides an umbrella effect over the other tiers.

<A – Michael Angelakis – Chief Financial Officer & Executive Vice President>: Michael, let me just add, I don't know if you have this information, but our high speed ARPU is up about 4.2% in the quarter to $43.88.

<A – Marlene Dooner – Senior Vice President-Investor Relations>: Thanks, Michael. Operator, let's take the last question, please.

Operator: Your last question comes from the line of Bryan Kraft with Evercore Partners.

<Q – Bryan Kraft – Evercore Partners (Securities)>: Hi, thank you. Just wanted to understand what you're seeing in terms of subscriber trends in the third quarter so far. I know it's early, but it would just be helpful to understand if you think the same underlying strength in unit trends that you had in the fourth quarter and the first quarter are still there, or if you think the economy and incremental competition have reduced it at all? Thank you.

<A – Neil Smit – Executive Vice President>: Well, I think as we mentioned earlier, we adjusted quickly to kind of a slowdown in mid-May and the connect growth came back the end of June and seems to have continued in July. Also I think we're very focused on retention, and a lot of the year-over-year improvement in subs that we have demonstrated the last three quarters has been driven by improved retention of our customers. Connects are, you know, in line, but retention has really been driving the numbers. And I think a lot of the things that we're doing, better credit screening and better call handling and better promotional roll-off tactics and centers of excellence for retention are – all those things combine for a better retention result. So the good news is I think we responded quickly and changed the marketing mix, and we seem to have got the connect volume going again.

<A – Brian Roberts – Chairman, President & Chief Executive Officer>: Yeah, I just would like to end the call then and just say I think this is the second quarter, it's steady here for the first few weeks, but a lot happens in September so it's hard to tell. And, you know, obviously there's economic news on the horizon that has battled some of the markets yesterday, and we just all have to see.

That being said, I really believe we've got a plan. We're executing well. I'm really pleased with how well both businesses are performing. And I think that we're continuing to have a roadmap to some of those questions that were asked at the end there. There is a roadmap for innovation, and Steve is building in a sense a similar roadmap for program innovation. Hopefully it's a little different, but we're investing and at the same time we're getting good financial results. So we'll talk to you all in 90 days. Thank you very much.

Marlene S. Dooner, Senior Vice President-Investor Relations

Thank you, Bryan, and thank you all for joining us this morning.

Operator: There will be a replay available of today's call starting at 12:30 p.m. Eastern Standard Time. It will run through Wednesday, August 10, at Midnight Eastern Time. The dial-in number is 800-642-1687 and the conference ID number is 77696651. A recording of the conference call will also be available on the company's website beginning at 12:30 p.m. today. This concludes today's teleconference. Thank you for participating. You may all disconnect.