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## CORPORATE PARTICIPANTS

**Brian L. Roberts** *Comcast Corporation - Chairman, CEO and President*

## CONFERENCE CALL PARTICIPANTS

**Brett Feldman** *Goldman Sachs Group Inc., Research Division - Equity Analyst*

## PRESENTATION

**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

If everyone could please take your seats. We're going to go ahead, and we're going to get started here with our next session. We're very happy to welcome back to the conference, Brian Roberts, the Chairman and CEO of Comcast. Normally, when we start off, I try to start off with a high-level question, get a feel for the momentum of the business and then we jump into things. And I told Brian in advance we're going do that. And he came back and said actually he had a couple of remarks he want to make. So I'll then turn the podium over to him. He is going to make a few comments, and we're going to sit down and do some Q&A. Brian?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Thanks, Brett. Well, good morning, everybody. It's great to be back. It's been a crazy weekend with the storms and the second storm that's happened in the country and the Caribbean. And so I just want to begin by our thoughts go out to a lot of people who've been affected. We have, for Comcast Cable, a fantastic response team in action that has been working and, I think, for people who've been part of the company for a long time, you'll be very proud of how great a job they're doing. It also has affected our theme park, but I'm pleased to say they're going to open tomorrow. And there was very light impact to the theme park. Telemundo will also -- is affected in Miami. And I'm very proud of NBC News and the coverage that we did to keep Americans informed.

So last week, we've made some comments at a conference about the competitive environment. And I just like to put those a little bit in context in a bigger picture. And so if I had a headline, right now would be our company is in great shape. And so I thought what I would do is kind of drill into why we feel that way. Our investment in and our focus on innovation the last 10 years or so is really paying off. And there's no question in my opinion that we now have the best products in the industry. Our management team is strong, they're working well together. We have a terrific financial position, I want to show you that. Clearly, there are competitive impacts that ebb and flow. We've been seeing that for many, many years, and it's constantly a topic of conversation at conferences like this. And we hit a competitive patch this quarter in our opinion that was compounded by these 2 storms. And that's had an impact on our subscriber numbers a bit and even though, as we said, our overall customer relationships increased. So it's an opportunity to have a little bit of a conversation of how we managed the company, and why we're doing it the way we are. But for those of you that have followed us for a long time, we thank you, and have followed the stock, you know we have a successful history of engaging, fiercely competing and winning through lots of various cycles. And that's what you're going to see us continue to do. So what I thought I would do to just help explain some of that, when you get past the safe harbor, is to just step back for 1 second and look at the last 5 years. Revenue and adjusted EBITDA, cash flow, 6.5%, 7.2% CAGR, consistency and a growing momentum. But the first half of 2017 is the best first half we've had in 6 years and really one of the best we've had in many, many years because of how we did it. And you'll see here, a 10% cash flow growth for a company our size, I think, is unprecedented. And it was across the board great success. If you look at how that came together, you'll see that 5.8% is cable, made up of XFINITY and Comcast business, but 23.5% at NBCUniversal. If you then look at the contribution, the growing diversification and the momentum we've had and the strategy we employed, if you take EBITDA minus CapEx, call that some proxy for free cash flow or net cash, you'll see it's even faster growth rate. So really excited by that. So you say, okay, how is -- how are you doing this? So our kind of guiding principle is, it's not easy to pick a couple. Is we want to be the leader in every market we serve? We talked about having the scale and why we've made some of the moves we've made, to put ourselves in the leading competitive position. Then, you do the investment that we've been talking about for years about innovation, that's also going right across whether it's theme parks, whether it's investing in shows or making decisions to buy content, work with various people, the customer experience that we have talked and made tremendous progress on. And then we have a financially disciplined focus. And that's part of why in 90 days, I wouldn't draw the most large conclusion because you can change that competitive dynamic from time to time, but our desire is to deliver consistent profitable growth. And then, a culture in which all these businesses work together.

So let's look for a moment into the businesses. So as I mentioned, customer relationships are growing and have continued to grow and, in some cases, accelerated that growth because of these best-in-class products. Now we -- our roots are video. So we've got to talk about video. It's in my blood. It's a critical product suite for us. But 20 years ago, Bill Gates said to me some day you'll have a bigger data business than you do video business, and we had 0 data business at that time when he invested in the company. So our platform is our real asset, but video has been the heart and soul of that platform. So we invested and created X1. And today I'm pleased that we announced that YouTube is now on all of the X1 homes as Netflix before it and hundreds of thousands of on-demand choices and hundreds of linear channels and a voice navigation system and a great app and wonderful experience. And that product is the best in the world in my opinion and many others. And then we need to segment that product. It may not be for everybody with all of our content. That may be too expensive for some people. And so we've gone to college campuses, and we have a product that you don't need a cable box for that, we're trialing. And we've a lot of other segmentated ways -- segmented ways to appeal to different video markets. But at the core of it, we want the profitable end of the video spectrum, and that's the market that we focused on. The next 3 lines, for the most part, have been accretive to margins. And these are products that came after video. Obviously, the biggest one is Internet, high-speed data. This will be the 11th year, 11th straight year, we've added more than 1 million data customers. And that is just fantastic, and we see growth going for years into the future. That product keeps reinventing itself, as one day, we are doing YouTube and 10 years ago, there was no iPhone. And you go and think about the changes and how rapidly they've come to the broadband space and the capabilities of what Wi-Fi means and what video means and what smart homes mean, our Internet business is really, really a fabulous business. In fact, we have more data customers, as Bill predicted, and the margins, because there's no programming costs, it's a fantastic accretive business.

XFINITY Home and our Comcast Digital Voice are part of the bundle and part of the innovation engine. But over on business services on the com there, Comcast Business, again, we were either lucky or in the right place or due to investments and maybe some smarts, we now have a $6 billion run rate business in Comcast Business that, again, is because these are higher-paying customers with less volume, are accretive to margins. And one that we are now excited to launch is XFINITY Mobile. So we spent the last few months launching it. It's off to a great start, as you know, on the Verizon network with an MVNO. That relationship is going well and the product works, and we are pleased with the early results. We only have 2 products. And we can talk a little bit more in the Q&A. But today, when Apple announces their newest iPhone, we, like everyone else, will find out about it. And in some very short period of time, you'll come into one of our stores, and you will have the iPhone 8. And that will be a better value to many of our consumers than what they're currently getting. And so there's nothing but upside and, as we've said, our goal and I believe our reality will be when we get to a certain reasonable minimal scale, every customer relationship will pay for itself on its own without any counting back to another product or churn reduction. So there's only upside in XFINITY Mobile. We're very excited by that.

Now turning to NBCUniversal. Our strategy is to have top franchises, great creative execution. And the execution Steve Burke and the team have done is pretty spectacular. Let's look at television. I don't think anybody has had the position in television in recent memory that NBC has right now. We're #1 again across the board. In prime time art, we have a 24% ratings lead over the next largest network. That's the largest since 2007. And it's hits like, This Is Us and World of Dance, the 2 biggest shows, returning franchise like The Voice, America's Got Talent, which grew this summer. In news, #1 in almost every way you look at it, the Today show, these are in demo what we sell to advertisers, Nightly News with Lester Holt, Meet the Press, and the incredible story which has yet to really be monetized is MSNBC. We're now routinely beating Fox for the #1 position and pretty much, every day, ahead of CNN. It is a surprising for many people to hear that because they probably haven't looked at the numbers in a while, take a look. If you move to -- well, in Sports, let me just stay on Sports for 1 second. We have a trifecta to mixed sports metaphors coming up. We not only have Thursday Night and Sunday Night Football, the 2 biggest shows on television of any shows, but next year, we have the Super Bowl, the Olympics and the World Cup in our company. We have the World Cup in Spanish on Telemundo, and back to back, we go Super Bowl right to the Winter Olympics. We've made certain bets, not every bet. We partnered with a number of people, and we can talk a little bit more about it. So the lead that NBC that has in television and a big night, big event strategy is why our advertising results were at the upfront, the strongest of anybody, why our momentum was 23.5% in the first half of the year. Now we've got the Olympics that we comp against in the third quarter. But the business is -- Steve and the team, Bob Greenblatt, many others, Mark Lazarus at Sports, Andy Lack at News, a terrific, terrific story.

Moving to Telemundo, again another undermonetized, a growth opportunity in the future, but an incredible turnaround. When we bought the company, we were well behind Univision and just most recently, we are either tied or slightly ahead in prime time ratings between Telemundo and Univision. It maybe the largest comeback in television in decades for one network versus another network on a sustained basis. And then, next year, the World Cup in Spanish comes to a platform that is now, call it, 50-50 market share with -- in a place where they never were before.

And Cable Entertainment, we are pleased that the #1 new show in all of cable is The Sinner. It is -- continues to be in USA and E! and Syfy and Bravo. Our suite of cable entertainment channels continues to power cash flow and has been a grower.

So -- moving to Film. Lot of press this summer about the film business. Other companies have had some ups and downs. We've been in business at Universal 103 years. The 3 most profitable years are this year, last year and the year before. And this may well be the most profitable year in Universal's history. And 2018, we have Jurassic coming back and some other big titles, Mamma Mia! and other things and continue to have a slate out into the future with franchises, great animation, and we're excited about the Film business.

Parks, can't say enough great things about the theme parks, but we'll talk maybe hopefully in the Q&A a little bit about them. But the cash flow has been double-digit pretty much every year. We have an international growth story, new attractions, new hotels, fabulous team, we're excited about the parks.

That all means that you have the fastest growing media company in NBCUniversal with a 13% CAGR since we bought the company or announced we're buying the company in 2009. So that's how it shows up in money, and that's why it's a more meaningful part of the free cash flow and EBITDA story at Comcast NBCUniversal.

So you put it all together. We have a significant free cash flow generation. What are we doing with that? And we returned much of it to shareholders and through what we said this year, we plan to return just under $8 billion in 2017, $5 billion in buybacks and $2.9 billion in dividends. We're trying to compete to win through innovation and differentiation. We focus on continuing to deliver consistent profitable growth, that's a balance. You'll see some companies' results are really good at one, but not so good at another. What we have tried to do is have revenue growth, cash flow growth, free cash flow, subscribers, products, investment, it's a balance. And you can always change that balance. And finally, a long track record focused on shareholder value. And we really do believe the future is bright and look forward to having a conversation, Brett, about that. Thank you.

## QUESTIONS AND ANSWERS

**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

Brian, well, thanks so much for those remarks. I think that was very helpful, certainly framed the conversation. For the sake of just making sure we move past the comments about the quarter and video and you alluded to it, I think that your point was, some quarters are more competitive than others. This happens to be a particularly competitive quarter and, by the way, 2 hurricanes made landfall this quarter as well. That's really the message on what's moving around, and you're not changing your fundamental view on the video business.

**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Yes. I think if you look at a 90-day period, you shouldn't change your strategy herky-jerky. And at the same time, you don't want to not reflect changes in the market and competitive reality. So we are looking at that. It's mid-quarter, quarter is not even over. So we're transparent. I think integrity matters the most. And we had couple of bad weeks and a few months and we were in the middle of a quarter and the hurricanes were coming, and we gave the answer, and we will give much more clarity as we go forward. But if you step back and don't take a 90-day slice, if you took, let's say, the last trailing 12 months, and you took the lowest -- the biggest number we announced, we said 100,000 to 150,000 videos, so if you took the 150,000, for whatever reason it is, and if you took the last 12 months, we'd be, I think, 50,000 subs down for the 12-month period, basically the same where we started. Our customer relationships will go up, our cash flow is up, our revenue is up. We don't really see any change to any of that. And so I like the way we're driving the car. We're trying to find a balance, and we will sort this out, and we'll discuss it with shareholders, but we feel really bullish about the product suite and the business of Comcast Cable. And we just felt that we should be transparent with where we were at.

**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

And the remark about growth and customer relationships, presumably that speaks well of the momentum in the broadband business?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

We're still adding broadband. This was the difference of the question, specifically otherwise you're going to be positive in video. We're right around for the full year where we were last year. So it's -- and there's no question of broadband. We have a growing business, it's continuing to grow. But trees don't go to the sky. Everybody will get broadband, we hope, some day, but we still believe there's plenty of growth left. We're about 40-some percent penetrated. We've added 1 million customers for 11 straight years. We continue to see that momentum going, and the value of each one of those customers. Now the ability to say, here's a mobile device, you have to take broadband, that's one of those things. The other thing we're doing in broadband is we created a new brand called xFi, similar to what we did with X1 for video. We've taken a lot of that team, and we did 2 things with them. Some of them went to -- into customer experience, so you can do everything, you don't have to call us, you can use our app, you can get your appointment scheduled, you can reboot your cable box from your cell phone, tremendous things are helping us stay connected to our customers right now during the storms. The other thing we did is we said, let's take some of that innovation and apply it to broadband. So faster speed, but we have a commercial running right now that's one of the highest testing commercials we've ever had by -- in this space. And that is, you see a family having dinner, 2 parents, 2 kids. Mom says, stop doing your phone and your tablet, we're having dinner, kids keep doing it, and suddenly, you push your X5 button and the Wi-Fi shuts down. And it's a beginning to send a message that you can manage your broadband, you can -- because you're part of XFINITY, we're giving you tools. It's the same thing we did, it's a page out of parental controls and what we did with the X1. We're going to do a lot more innovation. Another great device we have is something the xFi extenders. So you get the new router, it works in your house, you go over, your printer is not printing wirelessly, perfectly. You take -- you buy in our store these beautifully packaged, we'll be launching this shortly. You take the little extender, plug it and boom, you are done. It will figure out your password, it will automatically mesh your network and now you have coverage. Comes with a little kit for 4 or 8. You're in the store, by the way, here's the new iPhone 8, why don't you play with it and see if you like to buy. Here's the new Samsung device. We have changed how we're marketing and how -- what that suite of products is, and it goes to the value we're trying to create which is in the bundle.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

Got it. Let's spend a little bit of time on NBCU. And I want to talk a bit about content. We are seeing more and more investment in original content from a variety of companies. And I'm interested in how you guys think about making that investment, both in terms of developing original content and paying for rights for things like sports, to make sure you have the right balance of growth drivers and profit drivers in the business?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, the original content investment in entertainment, we have put ourselves in that position, I just described, where we're pulling ahead in a way that has not happened in television. And Bob Greenblatt who runs NBC Entertainment is making some great decisions with his team, (inaudible) and others. They're going to have, hopefully, just even being nominated for the best show in television with This Is Us. There's nothing else. I highly recommend people watch This Is Us if you haven't, and then people say, I haven't watched a broadcast show like that in a long time. Well, it's not just ratings, it's not just critics that liked it. It was the #1 new show in all of broadcast television out here. You take a show like that, that powers other creative opportunities. If you'd look at sports rights, which is where you make big bets that -- not that This is Us isn't a bet, but when you are into billions, not even hundreds of millions, you really got to be judicious about those bets. And our thinking is that there's a big night, big event strategy. So define it anyway you want, a 10 rating or more. If you -- in prime time, if you look at it as triple the competition, the other 3 combined times 3. We've had different ways we look at it. Under one of those ways, kind of a big night, we're going to have 24 of those, and the next highest company has 8. We're going to have triple the amount we bid. Last year was even higher because the Olympics were in prime time. So we have a point of view, whether it's Sunday Night Football, Thursday Night Football, certain big events, and a lot of that is sports. That then allows you when you go to see advertisers to have Must-See TV. And I think that has, as we look to 2018, we will continue to well outpace anybody else in that strategy. And then there has to be financial discipline. You got to be willing to walk away from certain bidding, and we have walked away from a lot of bidding in sports. So we pick our places, it's part of a strategy. And however you add it up, with and without sports, NBC is in first place. I like what the team is doing.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

Got it. So when we think about how to make sure you're monetizing your content and we think about the cable networks, there's, obviously, been some headwinds in that business. How do you think about ways of incrementally getting value? So for example, working with virtual MVPDs or even a direct-to-consumer strategy for those assets?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, when we bought the company, we talked about a monetization gap. And we had lower affiliate fees, we had no retransmission fees and our advertising for the exact same eyeball, we were getting 15%, 20% less than CBS and others. So one of the first orders of business was to not have that happen. So what do we do? Not only have we've gone from fourth place to first place in the cable networks, we took the cable advertising and sales department and the broadcasting and put it under Linda Yaccarino. In Matt Bond, we took all of the affiliate relations and took a superstar from Comcast Cable and brought him to NBC. And we've done -- under Steve's leadership, an awful lot of progress has been made on monetizing. Now, along comes new technological capabilities with direct-to-consumer and streaming, virtual MPVDs. NBC has licensed to everyone of the virtual MVPDs all of our content. They've bought all our channels, our regional sports channels, our news channels, pretty much everything in almost all cases or in most cases at higher rates or the same rates. So if a sub goes there, we're going to get paid. You'll perhaps have more advertising capabilities because of the targeting nature, time will tell. We've yet to see that be a big driver. And back to the first conversation, we don't think that that's really changed much, but we don't have perfect real-time data on that. These are other businesses. But our best guess is it's slow at the moment, but it's appealing to a different market, but we wanted to be there just in case. Whether we want to set up our own brands, we've yet to see a business model where that is in the company's interest, but we're always open to thinking about things. But right now, the ecosystem we're living in, while yet it's constantly having conversations and you can't not try to evolve your product, we're making our experiences better on each platform. And that, I think, is the strategy that we can then drive higher fees. And I just will end by saying when we bought the company, we had $100 million in retrans. In 2016, it was well over $1 billion. That growth, we just signed long-term agreements, the Cable Networks, that monetization gap, we believe, has been narrow, but not complete. So there's runway and momentum and that will be the second half of the year, but it'll also continue to the years ahead because of the contracts we've signed, and that's the revenue engine of the company.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

An addition to see is, obviously, advertising as another key way you can monetize your content. You've done quite well at the upfront. And so clearly the approach you've taken to monetizing that portfolio has been working. But there are certainly some headwinds in the traditional advertising market. So I was hoping maybe you could spend a little bit more time talking about how you see the broad advertising environment and then we can follow-up on a few other things.

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, I think -- I can't speak for everybody, I can speak about our own company. But I think we had a really biggest upfront, I think, the company has ever had. In this most recent upfront, we sold more upfront, up 8%, of our inventory than we did a year before. Our price was up. We have said around the same kind of number. I think we were the leader in the upfront, and it ties back to everything I've been talking about. You've got the goods, you've got better shows, better sports, you've got #1 position. And just as when we bought the company, we were lagging, now we're leading. We still have room to grow because we haven't got a price premium, but we've got the highest increase, I think, of any of the major companies. So we also have digital offerings. We're working with BuzzFeed and Snapchat and Vox to offer to our advertisers along with Comcast on-demand and targeting ways to reach consumers using digital in ways we didn't offer 24 months ago. And we'll do more of that in the years ahead. Obviously, there is a great opportunity in digital, and we want to participate in that way even more than we do today. But all in all, the ratings decline gets offset by the CPM increase and the total dollars continue to be very stable. And that's critical and that happened again this year. And in the scatter market, we're seeing continued strength there. So again, I know, some companies may have different results just as our competitive answer on one business may be different than somebody else. We feel really good about what happened at the upfront and where the advertising business is for the NBC properties.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

Earlier today, Randall Stephenson was up here talking a lot about how, as they become more fully integrated, particularly after they acquired Time Warner, their ability to do addressable advertising is really going to increase. You've been a fully integrated distributor, broadband provider and media company for a long period of time. What's your view on how you're positioned to really grow as addressable advertising becomes more important?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

I think it's a great opportunity, and, I think, that even if other companies are embracing that opportunity, I think, it's kind of okay because -- and maybe even good, better than okay, because you want advertisers to shift how they're judging, how they're advertising. There's one metric. Nielsen is one way. It's been doing it the same way a long time to companies who have multiple venues to both give you data, give you interactive experiences and target experiences. So our company -- it's very hopeful. It's hard. And we've made real progress, and it's a part of our upfront success, is that we offer targeting and we offer time-shifting and different commercials and real-time insertion in some cases, but we have a long way to go to make progress. And I think it's a journey but with a good outcome for anybody who can get to that journey, and it's not one take all because they have great properties, they're going to sell ads on, so do we. We need the Procters & Gambles of the world to also want to buy a different way. And I think that conversation has been happening and having them join that conversation is probably okay.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

And you generally believe that all the intelligence you have about the way people consume content, because you are a distributor network operator, really is an undermonetized long-term opportunity, just got to figure out how they get it right?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Yes, I think the more time I spend talking to the advertising folks, you take a show, The Tonight Show with Jimmy Fallon or shows that are out in digital in great numbers and many shows are there. And are you getting paid on the Facebook platform? No. And so -- and are their advertisers getting their value from some of those other platforms for what they say they're getting versus what they are getting. There's a lot of swirl around those questions. I think we'll be talking about this for a long time. And yes, there is -- without any of that, we had a great year. Everything we're talking about, would only make it better.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

I want to come back to a few other things you've mentioned during your opening remarks. You've talked about the success you've been having with films, and you've had a couple of blockbusters this year. You did have some low-budget hits like Get Out, which I thought was a great movie. How do you make sure that you're able to continue to do this momentum year-after-year? And maybe as part of that, can you give us an update on how DreamWorks is increasingly fitting into this strategy?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, I think, very legitimately, people wondered when we bought NBCUniversal, could you have a story like the slides that I showed 6 years later? And so, it's a lot easier and with, hopefully, a little more confidence that we can say, yes, we're going to -- we've now got a management team, we've got a culture, we've got a marketing approach, we've got content IP. And that's why we bought DreamWorks to add to that story, relationships with wonderful folks like Chris Meledandri. So the slate for movie business is always going to have lumpiness in it, and, I think, investors are conditioned for that. But we've been making $1 billion a year for -- this, hopefully, will be the third year around that kind of altitude. We bought the company with take a zero off of that. It was very, very different looking business. Our investment in Fandango, consumer products. Jeff Shell, who's worked with Comcast for a long time, is running the business along with Donna Langley and Ron Meyer's assistance. We just have had a great team. So we have a slate next year. Jurassic comes back with Steven Spielberg, you got to feel great about that. That was one of the biggest movies of all time, The Lost Jurassic World. There's sequels. We've got -- Mamma Mia! is coming back the year after. We've got a slate building. In DreamWorks case, Boss Baby and some of the movies that we inherited did slightly better than we had expected, but some of the movies they were working on, we didn't want to continue on, we want to create a new slate. So that animation takes 3 or 4 years. So it will take a little while, but the TV business at DreamWorks is better than we expected. Consumer products are working well together with the company. And the work is underway. The team is there. We've hired leadership, promoted people. I feel good about the film business and you can sit here and say the 3 most profitable years are last year, this year and the year before, and hopefully in the future. There's no reason not to be optimistic that we have figured it out. And then you layered into the Theme Parks, you take something like DreamWorks, the characters, we're building a DreamWorks funhouse in California at the theme park there, and the Jurassic and Fast and Furious attractions in Orlando and California. We have a relationship now with Nintendo to bring to any of the parks we want. We're starting with Japan. And so that intellectual property that travels between the companies and whether we make a movie, a television show, a series, it's that symphony that we have driven into the culture that I think is very different than how these media companies have been run. So we can feel better about a film because the way we market that film is unlike almost anybody else.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

You mentioned Theme Parks. I mean, this has been a consistent double-digit grower for the company. What you have to get right to make sure you can maintain that kind of momentum? And I was hoping you can give us an update on Beijing as well?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, like anything, it starts with a great management team. Tremendous consistency. Tom Williams and Mark Woodbury and many other people have been at Universal for their whole career and much of their careers. Comcast came in, and we're very comfortable making investments when we see IRRs with capital. So we took the hotels, for instance, from less than 2,000 to 6,000. Everybody who stays in one of our hotels' rooms for a night, they go to the park an extra day, they spend all that money, eat the food. It's a wonderful virtuous cycle. We will have another 800 rooms or 600 to 800 rooms next year. We've a partner in that. So we're not putting up all the capital in the attractions. Each year, we add 1 or 2. We had Jimmy Fallon this year, a new Volcano Bay water park for those with kids and that age. Come next year or later this year, it is -- there's nothing like it on the planet, I don't think. And then in Beijing -- let me just start with Osaka. We bought 100% control of Universal Japan, and we are ahead of our forecast in the early days. We opened a Minions attraction, which blew past the internal forecast, shows again that synergy between film and consumer products and theme parks. And we're taking all of that story to Beijing. And been there several times, be there again. We have strategic relationship with our partners. It will take till -- another few years, 3 years or so, to get it open. It's a massive construction. We've toured Disney. They've got a successful experience to date. And I think it will be one of the most exciting endeavors and also build our ability to have a business in China, where as Comcast Cable, we couldn't think about Japan and China and around the world. And now the company is building products and opportunities are going to come our way. So it will be a while. We'll talk more about as we go, but we're clearing the land. It was pretty amazing, about 1,000 acres eventually. And Harry Potter and other initiatives, that have been so successful in the U.S. and in Japan, will in all likelihood come to Beijing shortly, and we're excited about that.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

Earlier, you mentioned XFINITY Mobile and how you recently launched. I think you actually announced last year at this conference that you'll be launching that product. So it's great to see it in the market. I'm curious whether you have any incremental update on the rate at which your customer base is adopting that?

**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

So we're really pleased with the start. Just to remind everybody, it's MVNO on the Verizon network. So your -- we have good relationship. It's working well. You can activate it right away. We'll ship it to you in 24 hours. You can pick it up, get it -- buy it in a store. And there is only 2 rate plans. Really simple product, maybe the most simple elegant execution the company has ever had. Really great packaging, really simple, $12 a gig or $45 unlimited, that's it. And when the new products come out, like today, I believe, we'll have those products in all our stores and on our digital site same time as anybody else. And what's different and what's so great about this competitive dynamic is there's no programming costs. Consumer gets the device, either rent it or they buy it, same price for everybody, pretty sure that when you procure the devices. And then our $12 a gig, you can choose. Well, I have an iPad and I have a phone, and my kids have a phone. And we're up to 5 devices. You can do so long as you're broadband customer of ours. So there is a relationship that XFINITY Mobile is the best of wireless and the best of Wi-Fi. And then we'll hunt you out, we'll save you money, we'll give you the best connectivity, and oh, by the way, maybe I'll make my iPad $12 a gig because I don't use it very often, and I'll make my phone unlimited because I use it all the time. You can change by device in the middle of the month, you can get a real-time counter, just put the button, now you switch from plan 1 to plan 2 and go back and forth. Majority of our customers so far are taking the By the Gig. And that confirmed for us our instincts, our marketing team did a super job and did a lot of research that that's something customers can and will understand for -- with those many devices as we're all getting, and they can always toggle and go to the unlimited. These prices, we believe, bring real value to the customer on their bill. So the same customer with the same consumption pattern would save money by taking our product. And we've also said that one of our guiding principles is that every customer, once we get to some minimal scale, which isn't a huge number, every incremental customer pays for itself and we either make money. And therefore, any synergy, any churn reduction, any broadband upselling, any other benefits are beyond the pure flat out stand-alone economics, back to our philosophy of trying to manage the profitable growth. It's not growth for growth's sake. And that's one point that disallows me just to comment on. You're bombarded with lots of different stories. You know your job, sort it all out, make your choices. Some have revenue growth, some have unit growth, some have cash flow growth, some have free cash flow growth, some are investing, some aren't in investing. We're trying to be balanced, and we're proud of that balance. And we can always adjust that as we go. And so as we looked at our wireless strategy, it was consistent with that theme. Let's not just lose money in wireless and make up for it somewhere else. It's a competitive business. We're not going to have every customer. We're not trying to become something. It's why we said we're not looking with different ambitions. We are here, at least today, to try to, and then probably for a very long time, to take the fact that the bundle is where you get the best value as a consumer. And if you have the best product in each of those choices, you're going to build value for your shareholders. And in wireless, having the Verizon network is a wonderful relationship, having the best, the newest Samsung, the newest Apple products and then to be able to put that in to our best broadband customers. Maybe that's not for everybody, but if we can save your money on your bill and we can make money doing it, what better could there be?

**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

You do have a partnership with Charter though, to see if you guys can figure out a way where you can collectively do better with your stand-alone wireless strategies. Is there any update there? Have you guys actually agreed to do something?

**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, I don't have any news today. So what I can tell you is that our philosophy, if you look at our behavior on X1, was to take some of our innovation, which costs a lot of money, even though we have, I think, industry-leading margins because of our scale, and to say to others come along. So Cox took X1. We most recently announced Videotron in Canada, that's the third Canadian cable company to take X1. So we pretty much have all of Canada. So when we looked at mobile, we're not in a lot of markets. It would be great to share resources with Charter. And that conversation is undergoing -- underway, and I can't predict whether it will do something there or not. It's not going to slow down the rollout we're doing. One of the reasons we wanted to get going was to be ready for this launch. This is a big moment for the next generation products. We have to get our machine tested. We will put numbers up to you next year, I believe, and give you real certainty as we hit some sort of real attitude of momentum, but so far, all things are looking positive.

**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

So for my last question here, I want to kind of come back and touch on what was one of the last things you said during your prepared remarks, you were talking about cash generation. When we put everything that you said together, ultimately, what is the right way for your investors to think about the trajectory of cash flow growth and capital returns to shareholders over the coming years?

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Well, we have increased the dividend every year for a while. We have been very consistent with buying back shares and taking capital and investing in our business. And I can't imagine we're going to change that strategy. There can always be adjustments. We have $60-plus billion of debt. So -- we have A credit rating. We have resources that allowed us to buy NBCUniversal when times got tough, world changed. We bought NBC for about $26 billion. People said buy more stock at that moment. Today, AT&T is paying over $100 billion, and, I think, the cash flow of NBCUniversal and Time Warner are pretty comparable. So I think we have tried to layer into our experience over 50 years of being in business, making money for shareholders and being disciplined in doing it and returning that capital to shareholders and finding growth opportunities for the company. And I think what's most important is having the best products, best shows, best theme parks, best films and the best experience. So the first protocol is invest in the business and your people and then, hopefully again, with a balanced approach, be a sustainable company, the kind of numbers we showed in that '12 to '16. And right now, and I hope, continuing great momentum in the business. So we came here to say things are great, and they are.

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**Brett Feldman** - *Goldman Sachs Group Inc., Research Division - Equity Analyst*

Great. We're out of time, Brian. Thanks, so much.

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**Brian L. Roberts** - *Comcast Corporation - Chairman, CEO and President*

Thank you.

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