CORPORATE PARTICIPANTS

Brian Roberts
Comcast - Chairman & CEO

PRESENTATION

Unidentified Participant

Thank you for joining us today. I am really delighted to be joined by Brian Roberts where I was just saying to Brian this is Brian's seventh consecutive year here at the Strategic Decisions Conference. Always one of the most popular presentations of the conference and it has almost become a tradition to have Brian in one of the closing slots on Friday of the conference.

So thank you for joining us again this year. We are delighted to have you and thank all of you for coming. Thank you to those of you who are listening via webcast.

Let me start in -- we started this conversation last year with a question about the state of the plant. Let's do the same thing this year. The cornerstone of your competitive advantage is your physical plant, so let's start there. What is the state of the physical plant today?

Brian Roberts - Comcast - Chairman & CEO

I think that is an interesting way to look at where you are. I am really excited about the state of the plant from a couple different angles. One is just pure network reliability. We have put a lot of energy on being better, whether that means more uptime, quicker repair time, less pressure on the nodes with traffic congestion. So from a pure delivery, reliability standpoint, I think all the metrics I look at every week, every month, every quarter have gotten better.

We just had an ACSI study come out and we are beginning to see improvements on an area that we identified at the beginning of last year that was major which is the customer experience. But I suspect your question is much broader than that. Where do you think it's going? How do you feel about your competitive position?

I really think we have a very clear plan. We want to be all digital at Comcast in our definition of all digital, meaning that except for a small number of broadcast channels and maybe a few government peg channels that would be on analog that all of basic cable, digital cable, pay cable, broadband services, on demand services, everything would be running in a digital platform.

In order to do that we have to deploy these low end set-top boxes and we will then reclaim and are in the process of reclaiming node by node lots of bandwidth for the two-way services and for more television high-def channels and ethnic channels. All of that is happening.

Our first market, Portland, Oregon, the transition has gone extremely well. We will be in the next week or two or three completely done in that market with the digital transition. Nobody here has probably heard about it and the end result will be we have better, happier customers because they are getting all digital pictures. We will launch up to 100 high-def or have over 100 high-def channels in that market, up from mid-30s or so today.

And we will have 20 to 25, 30 more ethnic channels just dedicated to that local market which will be different ethnic channels than we will do in San Francisco or Philadelphia. And we will have DOCSIS 3.0 with a wideband platform with four channels dedicated to broadband, not one channel. We will have spare capacity to grow that. We will be able to deliver more on demand programming.
So when you put it all together if your vision of the Company is have the best video product, the fastest Internet product, a communications platform that is two way that can touch every device, which is our vision, it is critical to get out of the analog business and be all digital and eventually all IP for a lot of the delivery. I think we are well on our way and have it be a very reliable network. And that has been a major goal and I think we have made progress.

**Unidentified Participant**

Am I correct that you are expecting to finish that all digital transition by the end of 2010 or thereabouts?

**Brian Roberts - Comcast - Chairman & CEO**

Yes, I would say there may be a few markets still lingering but we are more excited, not less excited than we were a year ago. It’s one thing to have an engineer draw it up. Clearly, it’s a strategy that we are doing a little bit ahead of others in the cable industry so it’s not clear. There is a little bit of wait and see going on, I think, with some of our brethren. They have other tactics that people have employed.

We are very excited about this. This puts us all at one instant big bang at Comcast and I think we are getting close to that happening. We have seen the customer issues with installing these little boxes and, frankly, we have had 70, 75, in some cases more, self-install. The service calls; we are figuring out how to do it node by node so you get a few calls from a node for couple of weeks, then it dies down. You go to the next node. So it’s not super disruptive.

All the lessons learned that we are taking out of our first several markets -- we now have half a dozen markets well into this process. I am very excited with -- and it’s going to allow us to sell in the fullness of time more advanced services. So even I think some of the major companies that want to sell advanced boxes understand that this is the first step.

So that throughout the house you may not have a high definition DVR on all your sets, but if you want to have more reason to have high-def devices in the home we need to have more high-def channels. And so it’s going to sell more advanced services with better offerings in all the homes and it’s just an enabler. Then we can talk about the depth of service and we hope to pick up customers now that we are all digital.

The old analog, it no longer works and you get to --.

**Unidentified Participant**

Have you in those markets?

**Brian Roberts - Comcast - Chairman & CEO**

There is some early lift. It’s too early to say multiply it times this times that equals that. But really -- and I have met with the local folks and I have met with a number of people in the markets and there is many people at Comcast working on this more actively than I am -- there is nobody that is not excited about it. I have seen the product, lived with it and we have got multiple manufacturers and these boxes are, I don't know, sell for $30.

**Unidentified Participant**

But one of the knocks against cable has been that the cable operators often play not to lose instead of play to win. If I think about you and Steve tasking the -- that is Steve Burke -- tasking the regional general manager in Portland, now I have got 100
HD channels I can no longer claim that DirecTV has got a better product in HD. I have got a faster product in broadband. How does that change my objective setting for the general managers in those markets?

Brian Roberts - Comcast - Chairman & CEO

Well, everybody that works, I think -- I like to believe at any company anywhere, but let me just talk about Comcast -- we want to win. We are competitive people; we come from competitive backgrounds. And there are times in the ebb and flow of life that your product is not optimal. Right this second this enables us to turbo charge our video offering.

We actually have a fabulous high-speed data offering, our phone offering is a better value, our business offering is great. Video has more competition and so we want to have the best products. Do you need The Food Network in high-def? Is that a reason to switch providers? Maybe not right away, but should we offer it? Absolutely.

If your vision is to be the best video provider and you are telling your people we are going to give you the tools to compete so you have no excuse not to win, it’s an important step. Then we have to communicate this to the public in our marketing messaging and we are working on that. We will have some more to talk about in the second half of the year as some of these markets go live all the way.

Then we will hit the ground with some great ideas that our very creative group that has brought things from Comcast to the Slowskys to, I think, our fabulous dream big spots. We have a great plan ready to go for what you do when you -- when this new system, this all digital system launches it will be a new day in our competitive arsenal in video and we are ready -- and other products with DOCSIS 3.0. So we are excited; I think we have a plan and we are about executing it now.

Unidentified Participant

Your broadband share is probably 60% to 70% and your video share is about 50% probably. I had an interesting conversation with Glenn Britt earlier about reorienting the company around broadband as kind of the cornerstone of what you do. Is that something you think about in Comcast or are you still a video first company?

Brian Roberts - Comcast - Chairman & CEO

Well, I think we are starting to manage it as one company and so I don’t know that I have a perfect answer to that question. I guess I would look at it and say is broadband a great business? Yes. It’s maturing. We are not seeing the kind of growth that we saw a couple years ago and in this economy it’s even slower. Obviously, which I am sure we will talk about that.

But it’s a platform for innovation that is very, very exciting. I look at my kids’ behavior and I think a lot about that our vision has to be all encompassing. It has to be what you want, where you want it, when you want it. Where you want it can be on any device in and outside of the home and broadband allows that to happen a lot more than a traditional one-way TV.

One of the things that I think -- I was talking with one of the News Corp. guys recently about their sale of DirecTV and whether they look back happily or sadly on that question. The only thing I can comment is I think at least one view is that without a two-way platform inevitably -- maybe not today, but over of the fullness of time, next 5, 10, 20 years -- we know that people are going to be two way for how they consume. And that is not something you can do on a satellite technology today.

I am excited about our platform and I am excited about a vision that includes broadband that is not just video.
Unidentified Participant

Let’s talk about that. If I think about the world competitively, you compete in video with satellite everywhere. You compete with the telcos in, what is it now, about 20% to 25% of your footprint in video. Let’s take about those differently for a second. In the part of the country where you do compete against Verizon and AT&T what are you seeing in those markets?

Brian Roberts - Comcast - Chairman & CEO

Well, I think what we are seeing is pretty much what we expected. I will start with the obvious statement that wish it didn’t happen. It has made us a better company. We are competing better. We are innovating better. It has exposed weakness wherever they may have occurred and wherever they are, but I think we planned for it and there is no huge surprise.

As long as I have been in the business somebody that has overbuilt another cable company with the exactly same wireline network gets those kind of results that they are basically getting. They are different the AT&T build versus the Verizon build and we can get into the differences between them. But at the end of the day you have somebody that has a local truck, they come to your house, they hook you up. They run ads; you can see how competitive it is. But it hasn’t changed anything in high-speed data, it hasn’t really changed anything in the phone, it hasn’t changed anything in small- and medium-sized business. It hasn’t changed anything in our content strategy.

One of the reasons we wanted seven revenues streams and that we have diversified the Company is we anticipated that the Bells -- we took the Bells at their word that they were going to do this. I think it took a longer. They have spent -- I don’t know that it’s a great investment. If they didn’t have their wireless business rocking and rolling I am not sure they would be pouring the capital in there, but we can’t control that. We have to plan accordingly and react accordingly, and I think we have done that.

Unidentified Participant

Are there things you do differently when they come into a market?

Brian Roberts - Comcast - Chairman & CEO

Well, it’s intensely competitive for the next customer. The TV and newspaper ads; they are a mega-presence in a market. But with DirecTV and Dish Network having been there for over a decade advertising is just more. We have got number three and number four competitor. Obviously everything is on the local basis so there is certainly things we do in one market that is slightly different than we would do.

But I think it has just made us tougher, hopefully faster, push ourselves harder, and have to plan for the necessary losses that are going to come when you have brand-new competition like that with that much money behind it.

Brian Roberts - Comcast - Chairman & CEO

Based on your competitive intelligence do you get a sense that they take most of their subscribers in the market from you? Do they take more of their subscribers from satellite? Are they growing the market?

Brian Roberts - Comcast - Chairman & CEO

No, I think they have taken different markets and we have had different reactions. But I think they are also partnered with satellite as you know in half the markets or 80% where they are not overbuilding us. So it ends up being hard to keep score perfectly
who is counting what and who made what happen. My sense is that the mix of our customers generally speaking is about the same as it has been.

We have had to create economy tiers, particularly due to the economy. We have tried to bundle with more attractive promotions. Sometimes in a market they will cut the price. DirecTV cut the price for new customers; we didn't match it right away. You constantly have to evaluate that and look back in the rearview mirror and say what would you do next time? Are those customers you really want?

I take heart in a couple key stats. One is that the ARPU for the Bells and satellite is still quite high. Our ARPU went up last year 8%. The worst-case scenario that a lot of investors have asked me about over the years repeatedly both in high-speed data and this video, is this just going to be one price to get everything and there is just going to be a complete meltdown in your business as you know it today? And I don't think anybody has seen that.

So on the margins it is fiercely competitive. It is really hard to separate what is economy versus competitives. Our sense is the competitive is pretty much what we expected. I think we always could do better, but I think we anticipated it pretty well. I like the overall total of our business because we are growing revenue, we are growing cash flow, and we are really focused on free cash flow.

One of these things Mike Angelakis has done a super job for us and Steve Burke, as you mentioned, is sort of let's have a plan. Our plan shifted, the combination of it was time. We saw a window of opportunity where we had triple play all to ourselves. We anticipated the Bells coming; we went as fast as we could.

When they finally got here and it got more competitive, we shifted to free cash flow as what we would call profitable growth not just units for the sake of units. There is no question you can go up there at $9.95 and sign up some units and then what. So I know every investor will make their own judgment as to what metric do I care the most about.

We had not an all shift, but a pretty subtle shift or pretty major shift that free cash flow was going to matter a lot more than it had. Then I think we have executed on that extremely well. I don't want to take our eye off of units and so it's a balance that I think we will be going through forever now that we have these permanent competitors.

Unidentified Participant

Well, since you have shifted the topic to free cash flow, let's talk about that for a second. Your cash generation was probably the standout part of your Q1 results and that was driven by very low capital intensity, about 13% of your cable revenue. Where do you see it going from here?

You are in the midst of a digital transition with your DTA converter boxes. You are in the midst of upgrading to DOCSIS 3.0. If you look out a little bit what does that pattern look like in terms of capital intensity?

Brian Roberts - Comcast - Chairman & CEO

We figure we are spending about $400 million to $500 million this year and probably a like kind next year toward the digital transition that I talked about earlier to all digital. Not to be confused with the other digital transition and the DOCSIS 3.0.

So I want to make point number one which is we are not cutting capital in the sense of cutting new initiatives. I still believe we are managing Comcast for the long term, not solely the short term. And so by that I mean we have got to stay competitive. We have got to reinvest in the business and we have got to have the best products.
I believe our capital plan this year and last year allow us to do that. That said, because we are growing less slowly or more slowly because we have been innovating to a platform that allows us to get standardized products, not proprietary products, because Moore’s law kicks in and things are getting cheaper, and because we are doing a better job managing it. We have got some super people that we have hired who are centralizing and doing a better job with our suppliers. Put all that together, our capital has come down both on absolute dollars and as a percentage of revenue.

I don’t have new news for you today on that front. I think what we have said is in 2009 we will be down again in absolute dollars and as a percentage of revenue. And I think that that is going to happen. As we sit here, even with the excitement about all digital, I don’t see anything that is going to change that.

Unidentified Participant

When you are finished with the all digital transition, if I just do some back of the envelope math, set-top boxes are between a third and half of your entire capital budget today. When you finish the digital TV transition it’s not like you will never need another set-top box, but presumably set-top box costs or expenditures overall start to come down. Is that fair to say?

Brian Roberts - Comcast - Chairman & CEO

Yes. I think our -- we have a whole bunch of plans. I guess let me even stretch it out a little bit without using numbers. But one of the things I think investors should ask and always do ask, and I don’t have a perfect crystal ball better than anybody else, but do you have a strategy that can go beyond one or two years that doesn’t require a massive rebuild? That is always the elephant in the room in the cable business.

I don’t see another rebuild any time in the foreseeable future. We see that by going all digital then what might you do? Well, first of all, we are starting to use -- these all digital devices are a lot cheaper than analog, hybrid analog digital devices. There is a group of people working on network storage versus device storage so your DVR -- the Cablevision has been working on that. Switch digital video, Time Warner has worked on that.

There is also a lot of people using IP backbone to begin to connect what we happen to have fiber all across the country because of our scale in every one of our locations. We deliver our billions of VOD screens all on an IP delivery system and we are riding the scale of the Internet.

So something we call Project Infinity where we want to have unlimited choice for you, the consumer, in the on-demand world, you take the cheaper storage combined with our own delivery system and an IP-based architecture and you can begin to see even down the road just prices coming down not having to go up. Using the DOCSIS 3.0 architecture you could see just an evolution where this network is going to deliver.

That is not going to be the issue. Beyond that we will all have to go year by year and that is how -- we are not in the guidance business for multiple years on capital, but I think there is a lot of data points that are very encouraging.

Unidentified Participant

The next obvious question then is you are certainly generating a lot more cash even than any of us would have predicted just a year or so ago. You haven’t bought back any shares of late because of the weakness of the capital markets and Mike has been pretty clear about protecting the balance sheet for the moment. But what is your current view of the balance sheet and how you think about where it might go?
Brian Roberts - Comcast - Chairman & CEO

Well, I think we are sticking to the plan we laid out. One of the things we have said is we haven’t yet touched on and we do think the economy is -- we are not out of the woods. I watch the news like everybody else and read the paper. We all want to do declare it, it’s all over. It may be all over for Wall Street and banks and cataclysmic things didn’t happen that we might have had happen. But 500,000 people are losing their job every month; that is not a good, healthy situation.

So we have felt that for this year we had some principal maturities, $2.25 billion, $2.5 billion or so I think was the number, why not use the free cash flow to service that. Let’s raise the dividend and send positive support towards that vehicle for everybody. It has been two quarters so we want to see where the world is at.

I also -- we have said that we think this dislocation period may create opportunities to buy businesses that could accelerate our growth, could make us a better company; that there is going to be opportunity out of the wreckage. That has not happened yet; that doesn’t mean it wouldn’t. I think we have a discipline in our internal focus and Mike has talked about that.

So I think we are on plan with what we said we would do this year which is repay the principal. We didn’t want to go into the capital markets if we didn’t have to. There are signs of it stabilizing. But every day you wake up and would it shock you that there is another round of panic or not? I think everyone would say I don’t know, and that is sort of I think where it’s still a scary time.

But we are managing our company without needs that we don’t have to do. We don’t want to put that pressure on ourselves and we will revisit that down the road.

Unidentified Participant

Well, let’s dig into the scary time you just described. The fourth quarter was a very tough quarter in terms of growth rate and the first quarter was better. Glenn Britt a moment ago said the second quarter looks more like the fourth and you just said we are not out of the woods yet. Can you elaborate a little bit on what you are seeing?

Brian Roberts - Comcast - Chairman & CEO

I would agree with what Glenn said. We said that in our first call, our first-quarter call that we saw March not what we had seen at the end of the year or at the beginning of the year. There is a seasonality of the second quarter that is just always the case, but we are seeing something more than that. I don’t know what is happening with competitors so I can only speculate, but it is across all units.

We are really not seeing surging of disconnects; we are just not seeing surging of orders. And so I would conclude, and I think others have concluded, that maybe there is a lag effect or maybe there is something where these job losses and maybe even more housing starts and just housing and defaults and vacancy rates. And if you look at a lot of those statistics, there is just less opportunities to sell new things right now.

There is some added competitive pressure, but I think a lot of this is the combination of the two with the economy being month after month after month. And so I think people are not adding services at the way they were and we have got to hope that that doesn’t go on forever. It won’t, but it has had an effect on units.

Unidentified Participant

Are you seeing the same thing? We talked a couple of months back about the picture that you are seeing in the most economically distressed markets, markets like Detroit, for example. What do those markets look like today?
Brian Roberts - Comcast - Chairman & CEO

I think it’s across the nation where there is not hey the story is great except for two places. I think there is a general just slowing of consumer expectations. I was getting reports from this conference; you obviously do much more than media and communications. And hearing Procter & Gamble -- Marlene was telling me P&G, selling just staples in America -- everybody is resetting their expectations.

Now one of the things that I am kind of proud about is I think we at Comcast saw this coming maybe a little bit better than other times. We went out a year ago and started to resize our company and started to recalibrate down expectations. I think part of our job is to try to make some bets and anticipate things that you can’t totally control and you hope you get some of those things right.

I think one of the reasons we can talk about profitable growth and really big free cash flow growth -- we have had 2008 --. If you talked about the first quarter, 2008’s free cash flow blew away our own internal plans which I don’t think too many people could say 2008 was the greatest year in the world for anything. We got off to a good start in 2009 in free cash flow.

So, yes, there are these issues that are happening that are economy related, some cases competitively. Not huge surprises, but everyone is fighting tooth and nail much, much harder. But keeping your eye on the big picture I can’t think of a better business with this many diversified revenues, with the subscription stability, and a trend towards more and more free cash is a very stable place to be right now versus people that I talk to.

A guy in the retail jewelry business in town is telling me he is down 50% and hopes it holds at 50% and doesn’t keep going down. There are some really awful horror stories out there. That is not happening; so glass full, glass empty. I think being realistic about what is happening, resizing your company, trying to make yourself do better, get rid of layers of management.

Try to focus on the fact that you will sell less units so let’s plan for that. What can we do differently? What other products can we dream up? Do we slow down investments? Do we speed them up? These are the things we are talking about internally.

Unidentified Participant

When you come out of the recession, whenever that is, and whenever we reach that corner that is just around the corner where ever the corner is, what happens to Comcast? Do you see a re-acceleration of video coming out of occupied housing? Do you see a re-acceleration of broadband as broadband penetration starts to rise again? Where does the growth come from?

Brian Roberts - Comcast - Chairman & CEO

So it’s a great question. My father is 89. We got asked that very question at a -- we have been going around meeting all of the employees, trying to touch as many of our top leaders and as many employees as we can. We have been in front of 17 different groups, different subsets of the Company going out and talking to all the employees. One of the questions my dad was asked was that question and I was anxious to hear the reply myself.

He said, well, I lived in the Depression -- probably the only guy in the room that clearly could make that statement -- and there were two mindsets at the time coming out. Obviously, he was a little boy but people who thought it would go on forever and people who basically said this is America something good is going to happen. Surprise, surprise he is one of the great optimists and bullish people that I have never had the privilege of knowing. So I think that is infused into my system too.

Do I think we will be a more careful country, with more careful consumers? We were rationally exuberant. There are many things that you could say will change for a long time, but the innovative platform -- do I think the Internet is going to slow down
innovation? That consumers like my kids aren’t going to want to go faster and store more and pass it on more in the Facebooks and the My Spaces and the Yahoos, and things that have changed the last 10 years aren’t going to happen again the next 10 years? No way.

Our company is fired up with our interactive platform, our on demand platform. I think DOCSIS 3.0 we may be a little ahead of our time but with 50 Mb of speed somebody is going to develop new killer apps to take advantage of that product. If they don't, then we were a little too optimistic. We will guard against that case so that we are not making big mistakes, but I think the world will come back.

It will be different and we will have to figure out how to take advantage of that. I think that the two-way platform, that the speed and ubiquity being national, having these products cross platform. There is no evidence to suggest the broadband usage isn't going to be one of the most important things in people's lives for years and years to come.

I can't think of when one of my kids actually turned in a paper and didn't just e-mail it to the teacher and edit it online and do all their research that way. The world has changed and I don't think it’s just going to stop. We are in a great space for this innovation.

The key is -- I will give you a great quote. Eric Schmidt spoke at one of our management meetings, from Google, which might surprise people that he would come to us, but we have a very nice relationship. He said something that stopped me in my tracks.

He was talking to an audience probably about the age of this audience and he said you probably feel you just figured out where technology is. You can work your Blackberry or your iPhone. You can finally program your DVR. You know how to use your WiFi in your house, you have finally got it working. You have got an iPod and you are excited about it, and you kind of hope the world is just going to stop because I just caught the bus.

Well, he is an engineer. He said, I am an engineer and let me give you some bad news. It's not going to stop. Ten years from now you are going to be able to store 80 years worth of video on an iPod. But the bad news is -- for the same price you can do it today -- but the bad news is you won’t be able to live 80 years to watch it.

Now I have no idea whether that will really happen or not, but I think Comcast has to manage ourselves with that as the base case assumption. Change is happening and change can be your friend.

If you are a deliverer of many bits of information and if consumer demand in the home starting there is going to want to explode and it's going to want to be networked and it's going to want to touch people and be with friends and play online and be 3-D and just keep on going and entertainment and information are the center of how we -- and commerce -- how we as Americans live, I can't think of a more exciting platform than what we have built and what we will have. Not in 20% of the homes, not a one-way platform but across the nation.

Unidentified Participant
You are talking again about the competitive advantage that you have got in broadband and the pipe itself. Have you pushed that advantage into places where you don't have a video relationship with customers? For years investors have been talking about how do I grow the relationship based on the back of broadband. Has that happened?

Brian Roberts - Comcast - Chairman & CEO
Not as well as it could or should and that goes back to your question should we be a broadband-centric instead of video-centric. What about the half of the homes that don’t take our cable? Why don’t you just lead with broadband?
There is an image issue. People who have disconnected us as a self-selection, they have chosen somebody else, I think we have real opportunity there. Part of the work we are doing to improve the network so they can go out and tell people about it with some of the commercials you have seen with the dream big and we aren’t just a cable company, we are much more. We will be doing more of those kinds of things. Over the fullness of time that is a huge opportunity is to half the market that don’t take any of our products.

**Unidentified Participant**

What about the businesses that you pass? Can you talk about the initiatives to sell service to businesses?

**Brian Roberts - Comcast - Chairman & CEO**

Yes, because a lot of what we have talked about is some of the tough stuff. The fun stuff is to be going into a greenfield opportunity, which is us going into the small- and medium-sized business. Literally, this economy -- counter to everything we just talked about small businesses want to save a couple of hundred dollars a month. That is a big deal to an entrepreneur.

Us showing up and saying here is Triple Play and it is a great deal. We now have eight-line phones and they roll over. We have all sorts of Web features for your e-mail and we will manage your networks. So we had 40%-plus growth last quarter in this business. Our management team is set, our local original teams are set and we are executing.

Obviously, if there were more small- and medium-sized businesses growing in the country it could even be a bigger opportunity. But the value aspect and the fact that there is no competition except the incumbent we are the competitor and we are playing offense. We are starting with zero market share.

This is fantastic. And that is part of the planning ahead that I think we did, which is to get into as many new businesses as we can to offset whatever negativity might happen here with a lot of positives, not one positive. The phone business, broadband business, small- and medium-sized business.

We haven’t talked about the advertising business and if I might let just spend a second on that. Clearly, the worst advertising market I can ever remember and probably anybody can remember; so nothing good. But over again what if one of the opportunities with this network -- and we don’t talk a lot about it because just let’s go do it. When we do it we can then talk about it.

But we are working on how to give more value to the Procter & Gamble’s, not somebody who says I know I want to buy such and such car, let’s Google search it and go and execute at the most efficient way possible. People who want to sell a brand and want to create an image. They want to do it -- however broadcast is now not delivering the value for the money that or newspapers that used to do. So how do I get more of a Google-type intelligence, put it in motion, that can only be accomplished with video.

I think we are the answer. Now we have got to execute that and it may take longer than anyone would like. But the fact is we are out with our first product out of Canoe, which is being able to have the same ad at the exact same time across the whole country and have different creative versions for different demographics.

The Holy Grail is one to one. It’s Brian. I have been doing a web search, I have opted in for privacy, I know what my issues are but I want you to give me a special, a better ad experience than just a broadcast head. But you can start down that road by having the technology capability and having all the MSOs working together and offering that to the programmer and saying how would you like to run. And that is what AMC and I think another couple of networks are doing right now in our first product of creative versioning coming out of Canoe.
So I think there are these other businesses, small- and medium-size business, interactive advertising, whatever you want to call
that opportunity, that are going nowhere. They are uniquely ours. The Bells do really great; they get X percent market share.
They are never going to be the predominant advertiser in the market, neither is satellite. Nobody can do this except us and I
think we are working on it.

Unidentified Participant

Are those opportunities big enough? The video opportunity is slowing. The broadband business is currently below 60%
penetration in the US. There is probably some meaningful growth there once the economy recovers. But if I think about the
long-term growth of Comcast are those opportunities, small and medium business and addressable advertising, big enough
to really move the pile?

Brian Roberts - Comcast - Chairman & CEO

You know, they are what they are. Advertising is $300 billion in this country and people like Procter & Gamble live and die on
being able to get their message to as broad a market as possible. Comcast gets 3% of our revenue, down from 5% from advertising.
So you can either run away from it or you can say let’s embrace it, there is a lot of upside.

Obviously, it will be what it will be. I think it could be a very big opportunity, but 2009/2010? No, it’s not going to change anything
that radically but you have got to try a bunch of different strategies.

Content, let’s talk about content for a minute. It’s nice to go into businesses you like and that you think have similar characteristics.
Content for us is even better at free cash flow than the cable business because there is not the capital expenditure element to
it. The dual revenue source of the cable programming model has proved to hold up really well relatively and absolute terms
compared to many, many businesses out there.

So maybe no one thing is going to completely change our life, but that is why we look at acquisitions in all these spaces. We
look at investments in all these spaces because they are businesses that we like. They are a small- and medium-size business
great, targeted advertising looks really interesting and has a lot of growth, and I think content has the right kind of content.
Cable content in particular has a long runway both on the net, into homes, wireless devices. And so outside of just the pure
video business I think we have a lot of opportunities.

Unidentified Participant

You opened the door earlier when you talked about the opportunities that you might see in making acquisitions. Talk about
that a little bit. What kinds of places where you think that you might be able to get stronger. In particular I would like you to
talk about the wireless opportunity and where wireless fits into your strategy.

Brian Roberts - Comcast - Chairman & CEO

Okay. Well, I think Mike has stated so I won’t totally be repetitive. We are going to be disciplined and focused and trying to look
for things that are complementary if we do anything and when we do things and have a financial perspective as well as a
strategic perspective. Of the businesses we have actually been more actionable on of late it has been in the content space with
some of the regional sports.

Last year -- these are still the fastest growing part of the content business that we have got. We also have our interactive division,
Comcast Interactive Media made some small acquisitions but they kind of are in the content type space. Wireless -- wireless I
think we have made a bet and we would like to see how that turns out.
Brian Roberts - Comcast - Chairman & CEO

Clearwire. I am excited about Clearwire. We have had -- they are in an execution phase right now. They have hired a terrific CEO, had several meetings with all of the CEOs of the investing companies. They have recruited a pretty great board; it's functioning well. They are making a lot of headway in terms of getting their early markets built.

We will launch a couple of markets this year, second half of this year, Comcast will where we try to include wireless broadband as part of our wired broadband. We are shifting away from voice to the conversation we had been having to being more of a broadband ubiquity play. I don't think the speed is really good enough with enough bandwidth capacity to totally replace wired; could be on the margins, but I think there is a complementary vision that looks good to me and good to us.

We have an 8% stock ownership position, so as they look to go forward we don't have to own a huge percentage to get all our strategic rights. They have all been granted. They are in very long-term perpetuity type things where as a founder we have certain rights. Now we have got to go build it. I think we will build the first series of markets and we are all going to find out how they do and I believe and hope that there will be a sustainable, successful business there.

Unidentified Participant

Is wireless something you need to have or is it -- you have called it looks good. Is it something you need to have?

Brian Roberts - Comcast - Chairman & CEO

I think it's a feature that consumers want to have access. Today -- I am a Blackberry person. I just want to be able to make sure that I am not somehow losing an opportunity with my Comcast products in my home, not the case. That because I am a Comcast customer I am missing out on something over here and that is not the case today.

If today I want to take my laptop on the train and I want to be able to have the same, everything seamless we are going to be able to offer you that; a 3G, 4G air card that is national. I think wireless is a great growth are, but as long as it's not directly touching the Comcast home or the Comcast experience it's not a business that we have to be as a direct operator.

Having access for our customers -- so little known fact everybody that has a Kindle it's all on the Sprint network but no one sees that. As a consumer they just want to know I can push the button and the book is there in 45 seconds. I think that kind of world is going to continue to evolve.

In fact, the Comcast show and we want it there in 45 seconds. We want to make sure we can deliver you that show in 45 seconds to whatever device you have got.

Unidentified Participant

But that is from the perspective of Comcast as entertainment company rather than Comcast as network operator.
Brian Roberts - Comcast - Chairman & CEO

Comcast as relationship to the consumer for all of your product's broadband, video, voice and I think we are going to be able to do that. This relationship contemplates that. It's not -- we will be able to see and learn and have this conversation a year from now and see where we have gotten to.

Unidentified Participant

We are running a little short on time so one of the topics that I want to touch on is the ubiquitous topic of cord cutting. Cable valuations if I look at right now would suggest that there is some kind of a terrible calamity coming for the cable industry down the road somewhere. Is it your perception that investors fear cable cord cutting as that calamity and how do you think about that?

Brian Roberts - Comcast - Chairman & CEO

I am going to defer to investors' sentiment to you and I am going to give you business sentiment from me and then hopefully those two will sync up because I think there is many investor sentiments all the time.

Cord cutting; it's good that it's being talked about. I don't see it in the market happening in any statistical way that is affecting our life. We added 850,000 video users last year to the world -- America being the world here -- to the US world. Between satellite, phone, cable, and overbuilders there are 850,000 more video payers than they were at the beginning of the year down from 1.5 million the year before or so. These are basically the right numbers I think.

The difference there is about the housing number so I don't see it or fell it in a material way. Are their college kids -- and we all read about them in the articles in the paper that they can find 25 year olds who say I no longer need it. Okay, great. So what reaction is happening from the various constituencies? I think a very positive reaction.

[Jeff Bukus] has been out talking about TV everywhere. We have been out talking about on demand online -- online on demand. We haven't quite named it for the consumer yet. Same basic vision. We start with what does the consumer want and what does the technology enable? Technology enables you to get it on the web and the consumer would like it in multiple places.

We want to make sure it's really you. We want to make sure it's not being stolen or pirated. We want to make sure that in the case of some of the cable channels that you actually are a cable customer to the channel and then you can have this right to see a TV everywhere or on demand online. So we are syncing up pretty close with a number of key programmers on that vision, cable programmers.

The broadcasters have a different view. They don't have that subscription nature and so they want to get it out there to everybody and there is no customer to enable. Everybody is a customer, you just take it on the airwaves. So their strategy is logically different than the strategy of the cable programmers and I believe that we can mutually figure this out and I am glad we are having a conversation.

As an investor is there a real evidence that there is something changing here? Again, anything is possible. I don't see it. I think if I am any one of these programmers, not just ESPN, but if I am The Food Network or anybody in between or whomever and I have a business that 50%, 60%, 70% of my business comes from subscriptions I want to think long and hard before I just put that content out there for free and not think through what is that going to be mean to my business.

Will some do it? Does competition make you do things? The newspaper industry, the music industry; I have heard all the arguments. I think having this discussion right now while it's not really happening is very healthy. And I think we will be out
there with some real working systems to enable that authentication to say, yes, it really is a such and such a channel customer. Here is more ways to use this technology than just watching it on your TV.

I think it’s pushing us to have those conversations and that is pretty healthy.

**Unidentified Participant**

Okay, Brian, we have got the red light on in the back. As we wrap up is there any closing remark you want to leave for the investors who are here?

**Brian Roberts - Comcast - Chairman & CEO**

Thanks for staying on a Friday.

**Unidentified Participant**

Thank you all for coming. Brian, thank you very much for joining us this morning.