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PARTICIPANTS

Corporate Participants

Marlene S. Dooner – Senior Vice President-Investor Relations
Brian L. Roberts – Chairman, President & Chief Executive Officer
Michael J. Angelakis – Chief Financial Officer & Executive Vice President
Neil Smit – Executive Vice President
Stephen B. Burke – Executive Vice President

Other Participants

Jason Boisvert Bazinet – Analyst, Citigroup Global Markets (United States)
Jessica Reif Cohen – Analyst, Bank of America Merrill Lynch
Jason S. Armstrong – Analyst, Goldman Sachs & Co.
Craig Eder Moffett – Analyst, Sanford C. Bernstein & Co. LLC
Douglas Mitchelson – Analyst, Deutsche Bank Securities, Inc.
John C. Hodulik – Analyst, UBS Securities LLC
Benjamin Swinburne – Analyst, Morgan Stanley & Co. LLC
Stefan Anninger – Analyst, Credit Suisse (United States)
James Maxwell Ratcliffe – Analyst, Barclays Capital, Inc.
Marci Ryvicker – Analyst, Wells Fargo Advisors LLC
Vijay Jayant – Analyst, International Strategy & Investment Group, Inc.
Frank G. Louthan – Analyst, Raymond James & Associates
Phil Cusick – Analyst, JPMorgan Securities LLC
Thomas W. Eagan – Analyst, Collins Stewart LLC

MANAGEMENT DISCUSSION SECTION

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

Marlene S. Dooner, Senior Vice President-Investor Relations

Thank you, operator, and welcome, everyone, to our third quarter earnings call. Joining me on the call are Brian Roberts, Michael Angelakis, Steve Burke and Neil Smit. As we have done in the past, Brian and Michael will make formal remarks and Steve and Neil will also be available for Q&A.

With the completion of the Universal Orlando transaction on July 1st we are consolidating its results and have updated our pro forma presentation to include 100% of Orlando as if that transaction was effective on January 1, 2010. Please refer to our trending schedules, which are available on investor relations website to see the updated pro forma results for the past seven quarters. We have also added D&A and operating income by segment to the trending schedules.

As always, let me refer you to slide number 2, 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 am pleased to report another quarter of strong performance across key financial, operating and product areas. Our primary focus has been on great operational execution and on extending our industry leadership.

Let's begin with Cable, which really had an outstanding quarter making this the fourth consecutive quarter of improving customer metrics. Our combined video, voice and data customer additions increased 13%. In addition to customer growth in high-speed Internet and voice, we saw continuing improvement in video where we reduced our customer losses by 110,000 over last year's third quarter.

High-speed Internet was once again the largest contributor to cable's revenue growth. Every quarter this year we have added more high-speed Internet customers than in the same quarter of 2010, and we continue to take share as we expand the differentiation between our high-speed service and DSL.

Business Services is also becoming a significant driver of our growth with annualized revenue approaching $2 billion and 39% growth in the quarter. I'm excited about the prospects for this business, which continues to post strong results on the small end of the market, and has a big opportunity still ahead with the midsize businesses.

We are making significant progress in delivering a better service experience for our customers with higher customer retention and service scores and increasing customer satisfaction. We recognize that we still have work to do, but I am really encouraged by the focus that Neil and the whole Cable team have on delivering the best customer experience and by our consistent steps forward in this effort.

At the same time we are driving product leadership and innovation. A couple of years ago we decided to invest in DOCSIS 3.0 and to convert the majority of our analog bandwidth to digital. I'm happy to say we have completed DOCSIS 3.0 and all digital projects and the results are fantastic. In fact, I really believe that it is a significant contributor to our strong results.

We are now delivering more high-def and foreign language programming and have assembled the best collection of On Demand content anywhere including over 30,000 choices on TV, 200,000 choices online and 7,000 hours available on our Xfinity app. Today more than 90% of all the major broadcast networks' fall TV series are all available on Xfinity On Demand or Xfinitytv.com.

We are also making it easier for our customers to search, discover and access all this great content. We are expanding availability of On Demand to the Xbox and we recently relaunched Xfinitytv.com with better personalization and recommendations, and we continue to enhance our guides across all our platforms.

We are seeing early success from our latest new product, Xfinity Signature Support, our expanding businesses like Xfinity Home Security. We are also working on the next round of exciting new products like next gen TV, dynamic ad insertion and more. It's really an exciting time. I think Cable's results so far this year show that our scale, our Xfinity brand and our intensified focus on service and innovation are coming together to make a real difference. Our cable business is in terrific shape today and in a very solid position for the future.

Let me now switch to NBCUniversal where we continue to make progress toward a successful integration and our goal of long-term growth in the value of these assets. NBCUniversal's results this quarter once again underscored the strength of the core Cable Networks business as well as terrific momentum at the theme parks.

As you know, Cable Networks drive the profitability of NBCUniversal and they continue to perform well with consistently strong revenue growth. We are investing in programming to make them even more valuable for our customers and distributors and the good news is that we are already starting to see the benefits of our investments. For example, this summer, USA had seven of the top 10 scripted series on basic cable and E! had the highest rated September in its history. At the theme parks, the Harry Potter and King Kong attractions have set new levels of performance and we are excited to see that continued in the third quarter. As you know, NBCUniversal now owns 100% of Universal Orlando and we see real opportunities to further build the theme park business.

At the same time, Telemundo just won the exclusive U.S. Spanish language rights to the FIFA World Cup soccer from 2015 to 2022. This agreement includes both the men's and women's World Cups, two World Cups each, hundreds of matches, and many other FIFA soccer events for eight years. It includes all platforms so we will cover and cross promote games and events across our various channels on broadcast and cable as well as on line, wireless and on-demand. This investment should be profitable for Telemundo a real game changer for that business and an opportunity for our company. I feel we are making real progress on all fronts and that our disciplined investment approach is yielding positive results.

Overall, I'm really pleased with this quarter's results including over $900 million of capital returned to shareholders. I believe the stability of our businesses and free cash flow generation will allow us to continue to build value and consistently return capital to shareholders.

Let me now pass to Mike Angelakis to cover the third quarter results in greater detail.

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

Thank you, Brian. Let me begin by reviewing our consolidated financial results starting on slide four. Overall, we are pleased with third quarter results. Third quarter consolidated revenue increased 51.1% to $14.3 billion and consolidated operating cash flow grew 27.8% to $4.6 billion reflecting strong organic growth in our Cable business as well as consolidating the acquisitions of NBCUniversal on January 28th and the remaining 50% of Universal Orlando on July 1st.

Free cash flow for the quarter, which excludes the impact of economic stimulus, increased 36% to $1.4 billion primarily reflecting growth in operating cash flow that was partially offset by an increase in working capital. In addition, third quarter free cash flow per share increased 39% to $0.50 per share. Earnings per share in the third quarter grew 6.5% to $0.33 per share from $0.31 per share last year. This quarter's EPS growth was negatively impacted by a $256 million or $0.05 per share decline in investment income that was primarily driven by non-cash mark to market adjustments in our investment portfolio.

Please refer to slide five. As I have mentioned previously, we view Comcast and NBCUniversal as two distinct pools of cash flow generation and funding capacity. As you can see in the slide, year-to-date we generated $5.1 billion of total free cash flow. In Comcast, which includes Cable Communications and Corporate and Other, accounted for just over $4 billion or 78% of total free cash flow while NBCUniversal contributed $1.1 billion of free cash flow.

In terms of capital allocation, our priority for both Comcast and NBCUniversal is to generate strong returns by investing in their core businesses. Beyond this investment, NBCUniversal retains its free cash flow to fund future equity redemptions while Comcast allocates the majority of free cash flow to consistently return capital to shareholders.

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As Brian mentioned, in the third quarter, we returned $909 million including share repurchases totaling $600 million and dividend payments totaling $309 million. Year-to-date we have returned $2.5 billion or 63% of Comcast Cable's free cash flow to shareholders. We continue to execute on our financial plan for 2011 and expect to complete existing share repurchase authorization by year-end. Our return of capital plan for 2012 will be reviewed by management and our board in the next few months. We will provide an update for 2012 on our year-end earnings call in February.

Please refer to slide 6 in order to review our pro forma results. This slide represents the pro forma results of Cable Communications and NBCUniversal businesses, which is how we evaluate the performance of our organization and segments. We believe the pro forma presentation provides a more meaningful comparison of the operating performance of the businesses.

In the third quarter, consolidated revenue increased 4.9% to $14.3 billion, and consolidated adjusted operating cash flow increased 5% to $4.7 billion. Please note that the adjustment to operating cash flow excludes $82 million of non-cash acquisition-related accounting revisions and costs.

In the third quarter, Cable Communications revenue increased 5% and represented 65% of consolidated revenue while Cable operating cash flow grew 6.7% and represented 80% of consolidated operating cash flow. I will review our Cable results in more detail in the next few slides, but let me first briefly review NBCUniversal's results.

Third quarter NBCUniversal revenue increased 4.6% and adjusted operating cash flow decreased 1.4% reflecting strong results at Cable Networks and Parks offset by weaker performance at Broadcast and Film. The Cable Networks generated revenue of $2.1 billion in the third quarter, an increase of 12% primarily driven by a 10% increase in distribution revenue and a 9.5%increase in advertising revenue reflecting the continued strength of our Cable Network franchises. Other revenue increased 37% or $54 million primarily due to increased volume of our cable production studio for both NBCUniversal and third-party cable networks.

Third quarter Cable Networks adjusted operating cash flow increased 8.5%reflecting the strong top line growth partially offset by our ongoing investment in original programming. Year-to-date, Cable Networks' revenue has increased 12.6% to $6.3 billion and adjusted operating cash flow has increased 7.6% to $2.5 billion.

We have terrific momentum at USA, which continues to be the highest rated basic cable network driven by the success of its original programming. We are applying the same successful formula to some of our other entertainment channels like Style, which launched several new shows driving a more than 90% increase in its key demographic during the third quarter. We have a great portfolio of channels with a good mix of established and emerging networks, and with the appropriate investment and cross promotion, we are confident we can continue to generate strong results.

Moving to our Broadcast group, third quarter broadcast television revenue increased 2.9% to $1.5 billion primarily reflecting flat advertising revenue and higher content licensing revenue from international TV production, including Downton Abbey and domestic syndication of 30 Rock. This quarter's flat advertising revenue growth reflects higher pricing that was partially offset by weaker prime time ratings at NBC as well as lower political advertising on our own TV stations. Similar to our local cable advertising business at Spotlight, political advertising comparisons will be a bit more difficult in the fourth quarter as the NBC local stations generated $50 million of political advertising in the fourth quarter of 2010.

Third quarter Broadcast adjusted operating cash flow decreased to $17 million from $70 million and 2010 reflecting increased programming and marketing costs associated with NBC prime time schedule, higher news coverage costs and increased investment at our local TV stations during the quarter. Year-to-date, broadcast revenue has increased 8.7% to $4.6 billion, and adjusted

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operating cash flow has decreased 1.1% to $283 million excluding the impact of the Olympics in 2010 results.

Moving on to film, Filmed Entertainment revenue declined 7.8% to $1.1 billion this quarter principally due to lower theatrical revenue from this quarter's releases compared to the success of Despicable Me in the third quarter of 2010. Home entertainment revenue increased 20% this quarter driven by the success of Bridesmaids and the international DVD release of Fast Five. Film adjusted operating cash flow decreased to $18 million compared to $66 million in the third quarter of 2010 mostly reflecting this quarter's weak box office results. Year-to-date Film revenue has increased 1.2% to $3.3 billion and adjusted operating cash flow has declined $139 million to a loss of $81 million.

With the consolidation of 100% of Universal Orlando we reported $580 million of revenue at the theme-park group a 9% increase that was driven by double-digit increases in per capita spending and relatively stable attendance at both parks. Third quarter operating cash flow increased 12.6% to $285 million compared to $252 million in the same period last year. Year-to-date Theme Parks revenue has increased 32.9% to $1.5 billion and adjusted operating cash flow has increased 61.2% to $644 million.

Please refer to slide 7 to review Cable Communications results. We had another strong quarter of financial and customer growth in our Cable segment as we continued to successfully balance unit and ARPU growth. For the third quarter Cable Communications revenue increased 5% to $9.3 billion reflecting solid performance in our recurring residential business and continued strength in business services partially offset by lower advertising revenue. Year-to-date our Cable segment's revenue has increased 5.5% to $27.8 billion.

The Cable business continues to perform well as we are managing the business for sustainable profitable growth. In the third quarter total revenue per video customer increased 8% to $139 per month reflecting an increasing number of residential customers taking multiple products and a higher contribution from Comcast Business Services partially offset by lower advertising revenue. We continue to focus on providing multiple services to our customers and at the end of the third quarter 70% of our video customers took at least two products and 36% took all three services.

We had a strong back-to-school season during the third quarter driving 229,000 total video, high-speed Internet and voice-customer additions, a 13% increase in net additions versus a year ago and marking the fourth consecutive quarter of improved year-over-year total customer growth. We are competing better with improved products and our focus on retention and customer service has again resulted in lower churn year-over-year across all of our services. As we look at the residential service categories, third quarter video revenue increased 1.1% reflecting rate adjustments and an increasing number of customers taking higher levels of digital and advanced services. In the third quarter we lost 165,000 video subscribers, a 40% improvement over the third quarter of 2010.

In addition, we added 126,000 hi-def and/or DVR customers in the third quarter and now have 10.6 million HD or DVR customers equal to 53% of our digital customer base. Hi-speed Internet revenue increased 9.8% during the quarter reflecting rate adjustments, continued growth in our customer base and an increasing number of customers taking higher speed services.

Today over 24% of our residential HSD customers take a higher-speed tier above our primary service. Our HSD service is capturing more market share as we continue to differentiate our product through service and speed enhancements. In the third quarter we added 261,000 new high-speed data customers compared to 249,000 last year and our penetration is now 34% of homes passed.

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Voice revenue increased 6.3% for the quarter reflecting continued growth in our customer base. In the third quarter, we added 133,000 voice customers and our penetration is now 18% of homes passed.

Business Services also continues to be a significant contributor to our performance with revenue increasing 39.4% in the quarter to $464 million. Our momentum continues to be strong on the small end of the market and we now have Metro-E and PRI trunked voice available in all our markets and are just beginning to execute on the mid-size market opportunity.

In the third quarter, Cable advertising revenue decreased 4%, however, this decrease was impacted by a decline in political revenue. Excluding political this revenue, cable advertising increased 3.1%. As a reminder, we generated $100 million of political ad revenue in the fourth quarter of 2010, which as I said before, will make comparisons a bit more challenging next quarter. In the third quarter, total Cable revenue excluding advertising increased 5.6%, which is consistent with the first half of the year.

Please refer to slide eight. Third quarter Cable Communications operating cash flow increased 6.7% to $3.7 billion resulting in a margin of 39.8%, a 60 basis point improvement compared to last year's third quarter. Year-to-date, our Cable segments operating cash flow has increased 7.1% to $11.3 billion resulting in a margin of 40.9% also a 60 basis point improvement compared to the same period in 2010.

In the third quarter, total expenses in Cable increased 3.9% reflecting a 6.4% increase in video program expense as well as increased marketing spend. Sales and marketing expenses increased 10.7% this quarter as a result of higher overall media spend and a continued investment in direct sales to more effectively target customers and enhance our competitive positioning.

Our marketing investment is clearly yielding positive results. Our Xfinity brand is now launched in 100% of our footprint and we've seen consideration levels among non-customers, that is potential customers willing to evaluate and consider our brand for purchase, grow by over 47% since the launch of Xfinity. In addition, we continue to invest to expand the capabilities of Business Services, including the hiring of 600 people in the last 12 months to support our growth in small business and our entry into the mid-size market.

We remain very focused on expense management driving greater efficiencies and effectiveness throughout the organization. Similar to prior quarters, bad debt expense improved as we continue to improve our retention, collection and screening processes. In addition, meaningful improvements in our operating metrics are not only assisting to improve our customers' experience but are also driving operating efficiencies throughout the business.

In the third quarter, even as we incurred incremental costs and activity levels from Hurricane Irene and a strong back-to-school season, customer service expense was flat compared to last year and technical labor expenses declined by 1%.

Please refer to slide nine to review our Cable Communications capital expenditures. Through improved efficiencies, we continue to reduce the capital intensity of our cable business. In the third quarter, cable capital expenditures decreased 4.9% to $1.3 billion representing 13.4% of revenue. This quarter's decline reflects lower spending on CPE primarily driven by more favorable pricing. In the third quarter, we deployed 479,000 advanced HD and/or DVR set top boxes. As I mentioned earlier, 53% of our digital video customers now take an advanced service.

Also during the quarter, we deployed 1.3 million digital adapters for a total of 21.9 million digital adapters deployed since the inception of the All-Digital project, which as Brian mentioned, is now complete. This has been a terrific initiative that has provided significant product enhancements and operational benefits as well as generating strong financial returns. Over the past year, we've begun

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to recapture the remaining B1 analog bandwidth in a number of our markets. We plan to continue this effort as we anticipate additional operating efficiencies and strategic benefits from fully digitizing our systems.

Third quarter CapEx also reflects meaningful investments to support the continued growth in Business Service and to expand our efforts in the mid-size business area. Our investment in business services increased 15% to $147 million in the third quarter and year-to-date has increased 35% to $453 million. Year-to-date, total cable capital expenditures has increased 4.1% to $3.5 billion equal to 12.6% of revenue.

We are executing well on our 2011 capital plan and believe our capital intensity can continue to moderate even as we invest capital in areas that provide attractive returns, expand our service and product offerings and drive future organic growth.

So as we view the performance in the third quarter and year to date, we feel very good about our operating momentum and focus on execution. Our Cable Communications business continues to perform well and deliver strong operational and financial results. Also, after 9 months, we are pleased with the progress at NBCUniversal and look forward to executing on the opportunities ahead of us.

Now let me turn the call to Marlene for Q&A.

Marlene S. Dooner, Senior Vice President-Investor Relations

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

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QUESTION AND ANSWER SECTION

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

<Q – Jason Bazinet – Citigroup Global Markets (United States)>: I just have a question for Mr. Smit. Over the past few quarters we've seen your data net adds accelerate on a year-over-year basis and the phone numbers net adds decelerate. And I was just wondering, is that a function of overt changes on your part in terms of marketing spend and product positioning? Or would you describe that as something organic that's just happening in the marketplace? Thank you.

<A – Neil Smit – Comcast Corp.>: Well, I think it's a little bit of both, Jason. I – HSI just continues to grow and we're over-indexing versus last year, and I think that's primarily organic in that we have a superior product. With regards to the phone product CDV, that is, we did a really strong back-to-school campaign and where we focused more on single and double products and we were less focused on Triple Play. And I think it showed in the video and the HSD results. As we, we're still indexing if you look at year-to-date, 80% versus last year. So the indexing is still in line, and as we go into the fourth quarter, we'll return more to our normal marketing program, which is primarily focused on Triple Play.

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>: Okay. Here's my really long one question. On SME, the growth is excellent but it's a little bit slower and I'm wondering if you can just talk about what's actually going on there? Because CapEx was lower as well, over the last few quarters it slowed down. Can you give us the margin in that business?

And then, Mike, on the buyback, I know you said you're going to address the buyback in the next few months, but with only $490 million left, it looks like you're going to run through the buyback before year-end and I'm just wondering if you could say anything about the timing?

And then finally, can you give us any color on advertising in Cable and Broadcasting for the fourth quarter?

<A – Michael Angelakis – Comcast Corp.>: Okay. We had three questions there, Jessica.

<A – Brian Roberts – Comcast Corp.>: Just so you know, we noticed.

<A – Michael Angelakis – Comcast Corp.>: On the SME side, actually I wouldn't read anything into that at all. It's growing at 39% for the quarter, obviously a bit higher for the year but that included some of the comps from last year where we had the acquisition of Cimco and NGT. So that business has great momentum and we're excited about it and investing in it, and that's particularly on the small part. On the medium side, we continue to invest pretty heavily as well.

With regards to margin, it is an accretive margin. I've said publicly that the small side of that business right now has accretive margins for us and we're very pleased with how that business is being managed.

You are right on the buyback. We'll exhaust the authorization by the end of the year. We have just under $500 million left. So we will go through that by year-end. And then as I've mentioned before, we will sit down with our board and go through what we think the appropriate buyback and dividend will be for 2012, and we feel good about that as well.

Who wants to hit the advertising side, Steve?

<A – Stephen Burke – Comcast Corp.>: The advertising business continues to be strong, stronger on the national side than the local side, but it continues to be strong. We're 90% sold out for the Super Bowl. We're seeing lots of demand for all sorts of cable and broadcast advertising. So that still continues to be a bright spot.

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

<Q – Jason Armstrong – Goldman Sachs & Co.>: Hey. Thanks. Good morning. Maybe just one question on the NBC side. You called out earlier this year a couple hundred million in additional investments. There was some news last week around major investments in NBC owned stations. I'm wondering, should we be thinking here about another round of additional investing and anything you'd sort of call out around that? Thanks.

<A – Stephen Burke – Comcast Corp.>: The short answer on the on-station side is it's not a lot of money and some of that money will come back. We've actually got some nice ratings momentum in some of the markets including New York City, but the numbers are not big. I think the total investment we're talking about in terms of incremental heads is in the $20 million, $30 million a year range.

Operator: Our next question comes from the line of Craig Moffett with Bernstein.

<Q – Craig Moffett – Sanford C. Bernstein & Co. LLC>: Hi. Question for Neil. Can you just update us a bit on where we are with Xcalibur and what we'll see in the next quarter from Xcalibur rollouts particularly with the new interface and how you're positioning it? Because it requires a new set-top box, as I understand it. Will it be positioned as a premium service and pricing and what have you?

<A – Neil Smit – Comcast Corp.>: Hi, Craig. As you know, Xcalibur is our next gen IP service, and it provides a better UI and access to a lot of different interactive services. We're testing down in Augusta right now, and we have been very pleased with the test results. I think in terms of rollout, we're currently working on a rollout. We'll go to a major market in the first half of the year, and then we'll be rolling it out on a more widespread basis during the year. And we'll be able to roll out Xcalibur across a variety of platforms including the Parker box that we have in Augusta, additional high end set-top boxes and other COAM devices, customer-owned and maintained devices, such as the Xbox and other devices. So from a positioning perspective, we're not quite clear how we want to position it yet; we're working on that and to what customers it will go and the pricing and whatnot, so that's a work in progress.

<A – Brian Roberts – Comcast Corp.>: One of the most – this is Brian. One of the most significant aspects that appeals to us and we're seeing that as we tweak it, is having the guide be in the cloud and being able to move quickly and make changes and tweaks and modifications and create new apps. So we have an app we're testing. For instance, we saw yesterday in the sports area where you get just instant access to all the various games on television and you know what's happening right now and you can change or just get updates or little video snippets, a variety of things that will also work on the iPad shortly and so very, very exciting for the roadmap of innovation when you move the brains out of the box into the cloud.

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

<Q – Douglas Mitchelson – Deutsche Bank Securities, Inc.>: Thanks so much. Brian highlighted this is the fourth quarter in a row of subscriber improvements. I think this is the best year-over-year video improvement since 2003, which is remarkable. So my one, multi-part question here is whether the momentum can continue for a fifth quarter and beyond. And so, Neil, on your side, are the biggest improvements behind us because you leveraged going all digital? And specifically, what are you seeing the December quarter so far? And then, Michael, sort of the same

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concept, you've had terrific margin expansion this year. Is that something that can continue? Or are we sort of re-based going all-digital? Thanks.

<A – Neil Smit – Comcast Corp.>: Hi, Doug. From a video perspective we've been pleased with the results. I think it's based on a number of different factors. One is I think we're competing with better products. When the platforms were extended with DOCSIS and all-digital and CCDN and we're able to have better content, more content, better guides and Xfinity TV apps, which has now been downloaded 3.3 million times, as Brian mentioned. I think we're improving our customer service from both the reliability and convenience perspective. We're offering more customer service features online, for example. I think we have improved our retention and our focus there.

We're doing better customer roll-offs, and I've been really proud of our field teams and how they're servicing the customer better. And I think our marketing investments have paid off. We increased marketing this quarter; it was very targeted, and the Xfinity brand is now taking strong hold. Non-customer consideration is up over 45%. So I believe that a lot of those investments are sustainable.

As it pertains to the actual subs themselves. We're pleased with initial results. It's very early in the quarter to tell, but we'll keep focusing on it and offering new products and services on our video business.

<A – Michael Angelakis – Comcast Corp.>: I'll take the margin question, Doug. The team has done a great job on margin improvement. As you can see, we're up 60 basis points for the quarter as well as 60 basis points for the year. There's always some positives, some negatives. The positives are we have improving product mix, which, as I said, business services and high-speed data and phone are certainly accretive. We also, as Neil has mentioned, are gaining real efficiencies in the business. So improving customer service in other areas is really actually helping on the operating cost and that's been great results.

We do have some negatives. Programming costs are a challenge and we're continuing to focus on that, but also we're making some real investment, whether it be marketing as Neil just mentioned, or new services like we're doing a lot more in the midsize where we're making some real investment. We're launching security, we're doing some real investment. We're, Xcalibur we just talked about as well. I feel pretty good about the margin. I think the team's done a great job and I would look, hopefully we can keep pretty stable margins.

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

<Q – John Hodulik – UBS Securities LLC>: Okay, great. Thanks. Maybe a question for Michael, on the, you had some constructive comments on CapEx, but now with the end of the DOCSIS 3.0 and the all-digital rollouts, can you shift some CapEx into new priorities? For instances, can you spend more in commercial and juice the growth rates there? And maybe just the benefits you've been seeing in CPE sort of start to flatten out or maybe go away with the rollout of the new boxes with Xcalibur?

<A – Michael Angelakis – Comcast Corp.>: Well, one thing I want to make perfectly clear, Neil can jump in, is I don't think we are, "Robbing from Peter to pay Paul," at all. I think we're investing a meaningful amount in new services like business services on the medium side. So I think we're being pretty aggressive with how we're funding those opportunities our Security or Xcalibur or other kinds of areas.

When you think of CapEx overall, I think right now, we're just about 12.5% year-to-date with regards to our capital intensity, and I think as we enter the fourth quarter and go into 2012 we have a pretty good shot of bringing that intensity down a bit while still being pretty aggressive of investing in areas where we think are terrific growth opportunities that have high ROIs. So capital has been a focus of ours, and I think the team has done a great job of investing smartly in DOCSIS 3.0, and the all-digital project are great examples of terrific investments for us.

Operator: Our next question comes from the line of Ben Swinburne with Morgan Stanley.

<Q – Benjamin Swinburne – Morgan Stanley & Co. LLC>: Thank you. Good morning. Just one clarification, then an actual question. Michael, on the accounting, acquisition accounting revisions, I know you mentioned those are non-cash. Are those just true-ups of purchase price accounting that you have to run through the income statement and then we're sort of done? Or is that something that continues to flow through?

<A – Michael Angelakis – Comcast Corp.>: You are right; it is primarily all purchase price accounting adjustment, so it is non-cash. It does go through the P&L. That's one of the reasons why we sort of showed you the adjusted operating cash flow because it's non-cash and really doesn't impact the year-over-year performance. So we wanted to show you, and you can look at table 6 in our press release, that really articulates what those numbers look like, but to give you accurate comparisons. But we're pretty much done with purchase price accounting, so we hopefully won't see any more meaningful numbers going through the P&L.

Operator: Our 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 my question. Can you expand a bit on your HSD net adds and what proportion are coming on as naked HSD subs versus bundled subsidies? It would be fair to assume that naked HSD subs as a proportion of total HSD gross adds is growing and given that, what are your longer-term plans with respect to pricing and packaging naked HSD as it gets incrementally tougher to grab share from DSL as maybe the low hanging fruit within the DSL base goes away?

<A – Neil Smit – Comcast Corp.>: Hi, Stefan. This is Neil. HSD has been a great product for us and I think we are successfully targeting DSL homes and taking share there because it is a better product. Our HSD only subs as a percent of the HSD total are in the range of 10% to 15%. They've grown year-over-year, call it a couple points. We will continue to offer, go after that segment and we'll use it also with, we have an HSD leading offer when it combines HSD with either video or in some cases phone, and that also has been a successful product for us. We're kind of, whatever – we don't have a predetermined marketing plan. We kind of go with what sells best and what the consumers want, and we'll continue to adjust our pricing and packaging in that way.

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

<Q – James Ratcliffe – Barclays Capital, Inc.>: Good morning. Thanks for taking the question. If you could address MyChoice TV a little bit. First of all, what sort of results you have seen in the rollout thus far? And also, what sort of ability do you have to roll it out wider? And what margin impact would that have? Would it be a traditional scenario that if the customer doesn't take a bundle of channels you wouldn't be paying programming costs on those channels? Or would that negatively impact margins? Thanks.

<A – Neil Smit – Comcast Corp.>: Hi, James. Well as you know, we're always testing new packaging and pricing, My TV Choice being one of the alternatives. We're testing it in about three different markets. It's constructed so that you have a Get Started package with 40 to 50 channels, and then a Get Started Plus that has that plus sports. And then people can add on $10 theme packs such as kids or sports or news and entertainment.

I think it's very early to tell in terms of the test results, and all these things are done within the parameters of our existing programming deals. And I think the concept there was to offer consumers more choice, and I think they're responding well to that, but it's very early to tell.

Operator: Our next question comes from the line of Marci Ryvicker with Wells Fargo.

<Q – Marci Ryvicker – Wells Fargo Advisors LLC>: Hi. I just have a clarification. I think a question was asked on the $300 million investment in the cable and broadcast nets that you mentioned at the beginning of this year. Are you still comfortable with this level? And can you just talk about your progress with that so far?

<A – Stephen Burke – Comcast Corp.>: Well, I think we're still sorting through investment opportunities and finding a lot of places where we think the business requires investment. I think what we tried to signal to people is that we thought this would be a flattish year in terms of operating cash flow and that we would be making those investments in 2011 and 2012. The obvious question is, are you going to make a lot more? I think once you've gotten yourself at a level where you're making the right amount of investments in certain businesses like prime time in the cable channels, you don't need to exceed that level, so I think we're where we thought we would be. I don't think there's a huge amount of incremental investment in cable and broadcast, but on the other hand we are still finding areas where we think there are very good ROI, solid investments, so we don't want to box ourselves in. It's only been nine months since we arrived and started making these investments.

So I don't think there is a material increase but on the other hand, when we find something that we think is worth investing in, and I think the World Cup soccer rights for Telemundo were a perfect example. If you're going to be in the business of Hispanic television there are two major players. We have 20% market share. Univision has 80%. The premier property is World Cup Soccer, and we think we structured a very attractive long-term deal to get those rights for Telemundo and certainly don't want to box ourselves into not being able to make those investments when they present themselves.

Operator: Our next question comes from the line of Vijay Jayant with ISI Group.

<Q – Vijay Jayant – International Strategy & Investment Group, Inc.>: Hi. A question for Neil. As you have done all these investments on all-digital and DOCSIS 3.0, can you talk about the evolution of the video planned from an MPEG to an IP network and really the benefits and the cost of doing that? And really how long could we see that evolution happen? Thank you.

<A – Neil Smit – Comcast Corp.>: Hi, Vijay. Well, as you referred to, we have extended both all-digital and DOCSIS 3.0 as well as our CCDN investments, and that's been really positive from both a capacity perspective as well as the channel perspective.

Concerning IP, we currently distribute all of our VOD and our national linear TV in IP over the backbone. We then convert it to MPEG, transport at our regional hubs so that our services are compatible with the existing deployed set-top boxes.

I think the other thing that's happened is all of our back-end systems we have converted to web services architecture so we can do things like the iPad app and deploy new apps very quickly and easily. So we have made a lot of the currently – the existing investments.

I think over time, using IP, there will be significant benefits as we gradually migrate customers over the IP platform. It's more efficient and we can innovate faster, as Brian referred to earlier. So that's the way to think of it. A lot of the investments have been made and we'll gradually migrate to IP over time. So I think it's a great platform, it's efficient and it enables us to innovate faster.

Operator: Our next question comes from the line of Frank Louthan with Raymond James.

<Q – Frank Louthan – Raymond James & Associates>: Great. Thank you. Can you give us a little more color on the SME part of the business? You said you increased some of the marketing spend? Was that also on the SME side? And what's the outlook for sales reps that you're hiring for the next 12 months? Are you pretty full there or are you going to be looking to expand the sale force?

<A – Stephen Burke – Comcast Corp.>: So, Frank, we did spend higher marketing in the business services side. As Michael referred to with CapEx, where we see growth, we'll invest. And so we were happy to invest more in marketing, the small and medium business is doing very well and we're just getting into the midsize business, both with Metro E and PRI or hosted voice.

From a hiring perspective, we hired up pretty significantly already to service the midsize market. We're seeing revenue, which should become more material in '12 and '13. We'll continue to invest in that growth. We think both markets, the small and medium as well as midsize, are great opportunities and we've got a great team there who's growing the business and in good strides, and we continue, I think we'll continue to see the growth in that business.

Operator: Our next question comes from the line of Phil Cusick with JPMorgan.

<Q – Phil Cusick – JPMorgan Securities LLC>: Hey, guys. Thanks for taking my question. Can you talk a little bit about programming costs? We continue to see these rising and you've talked about it, sort of expecting that to continue from here. But what do you see going forward? Are we sort of moving through these retrans agreements and is there any change in the direction either up or down over the next sort of year or so? Thanks.

<A – Stephen Burke – Comcast Corp.>: Well, I think in the quarter it's hard to measure quarter-by-quarter the percentage, not to measure, but to kind of draw a conclusion from that because the contracts are kind of term in one quarter and begin in another. So I think we will continue to see programming costs rise as Michael referred to. We're looking at the high single-digit increases that would be including retrans, and we'll continue to manage them as best we can. I think that overall, our focus is continuing to leverage that programming in the most effective manner we can to offer great services and a great experience to our customers so they don't have a reason to go anywhere else.

Operator: The final question comes from the line of Tom Eagan with Collins Stewart.

<Q – Thomas Eagan – Collins Stewart LLC>: Super. Thank you. I have a question on voice. Given the lackluster results we have seen from other cable operators, there's been considerable concern about the prospects for this business. I was wondering if you could comment on how you guys determine what the best value is for this business? Is it to keep the price where it is and to maybe grow high subscribers? Or is it something else?

<A – Neil Smit – Comcast Corp.>: Well, I think we look at the whole experience for our customers and the best value for our customers. It's always a balance of rate and volume and that's part of what we do in any subscription business. And so we look at how it plays within the overall bundle, which has still been a very effective value proposition, and Triple Play churn comes down. So we feel strongly about continuing to offer voice and include that in a package. I think we're going to continue to invest in that product. We'll have some great new features and functionality coming out in the next quarter or two. And so voice will be a mainstay of our offering and we'll continue to balance rate and volume.

Marlene S. Dooner, Senior Vice President-Investor Relations

Thank you, 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, November 9th, at Midnight Eastern Time. The dial-in number is one 800-585-8367 as well as 855-859-2056, and the conference ID number is 12595426. 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 for participating. You may all disconnect.

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