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PRESENTATION

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Hi, I want to welcome Mike Cavanagh back to the conference. I'm Phil Cusick, I cover the communications space at JPMorgan. Mike is the CFO of Comcast, but was until a few years ago, the co-CEO of the investment bank here at JPMorgan. Mike, it's great to have you back. Thank you for coming.

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Good to be back.

QUESTIONS AND ANSWERS

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Since you were here last year, Comcast has become much bigger company with more scale and distribution and a big international presence. How does it change your perspective and how you think about managing the business?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. Well, not much, in fact. I mean, given that a lot of the growth you referred to is, obviously, the continued performance of our cable business and NBC which both are doing great, and we'll talk about that, I'm sure. But obviously, we added in Sky, which we're really proud of, happy with, another strong business that spreads us out into Europe. But it doesn't change the core way we think about what we're trying to do at Comcast versus what I would have said 4 years ago when I joined, which is you think about it through the lens of, you want to be a leader in the businesses in which you are operating. So I think you look across the portfolio and we tend to be in very strong positions in the businesses in which we operate. We, secondly, are very intent on investing to make our products and services better on a constant basis, and scale we have across the businesses and the market positions gives us the margin to continue to invest in the future and doing just that, making our products and services better. And I think one of the things that's most distinct and certainly on our minds, and was on our minds as we thought about Sky, is attracting and deepening our relationships with some of the best customers -- consumers in the world when you think about deep, high-value broadband and pay TV customers and Sky certainly added to that proposition. And so when you put all those 3 together, that's the core operating principles, I'd say, that stay exactly the same. And then when you step it back a notch, I think we're really nicely positioned to run the company that way given the market positions we have or the specific business positions. And I'd say that through 2 lenses. One is the scale we have in direct-to-consumer relationships. So when you think about the U.S., Germany, U.K. and Italy, sort of our 4 big consumer markets with Sky added, those make up 4 of the top 10 markets for pay TV and broadband subscribers in the world and that group -- those countries make up 15% of the subscribers. But 50% of the wallet. And when we're the leading player in those markets for pay TV and broadband together, you end up then having 25% market share of the customers and 25% market share of that wallet. So that's 54 million customers that we have as a company, $110 average ARPU and great, great relationships. So we think that's a key feature of the company, very happy with that. And on the other side, it's the scale of our content. So $24 billion is what we spend between Sky and NBCU -- I mean Comcast/NBCU when you exclude money we buy and then distribute for others. So that's content that we -- either acquire sports rights or create content between the movie business, NBCUniversal and again, Sky's own platforms. And that number is majority non-sports. Somebody asked this -- that recently. So majority non-sports. And it's up there with anybody, far ahead of many when you really think, we're 1 or 2 in the world in terms of scale of that content. And what that means is it's long-form, premium content that we think is incredibly valuable, well-watched, first day ratings of everything is down for reasons you know, but as we went through in the upfronts yesterday, viewing over 7 days, 34 days, our content is as relevant as ever. And so in a world where the way people behave is changing in terms of how they engage with media and video, we just think that the scale we have both in the relationship with the consumers we have and the content we create is 2 powerful assets. So that's the kind of opener in terms of how we see the company. But we feel good about being able to run this company with Sky and with all the pieces, consistent with those core principles I started out with. And then the net of it will be pretty steady as she goes with plenty of opportunities to grow and invest in the businesses we have.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

You had some news this morning on Hulu. Can you take us through it?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure, sure. So we did, obviously. For those that didn't see, we and Disney put out a joint release at 9, since it's early, I'll just kind of go over the highlights. But I mean, the important point is that it's a deal that's good for both parties because neither side had to do this deal. There wasn't any gun to either side's head. So we each got stuff that was important to us. And I think that's the way the early reaction reads and I think that's the right reaction. For us, once we became the minority, the unequal minority against Disney/Fox together owning 60%, what was on our minds was 2 things: One is protecting the valuable content I just described that is licensed today to Hulu and by protecting it, I mean, making sure it stays relevant and well-monetized until we are ready to do anything in the alternative with it. Specifically as we design our own direct-to-consumer proposition, we want to have that flexibility but we certainly want audiences to still be able to find that content in the intervening time period of all the work we've done. That is very valuable and wanted that done, obviously, on good terms that gave us flexibility. And secondly, we didn't want to be sellers at today's price of our stake. And so the deal we struck is one where the content we license to Hulu extends for 5 years. So we have good monetization available to us of all that content. But we have the right to take it all back if we so choose at the 3-year mark and at September 2020 mark, I think, anything that's nonexclusive today are most things that are -- sorry, that are exclusively licensed today. Think about some of the cable-television properties that might be exclusively licensed, we have the right to make it nonexclusive. So that basically, by then, September 2020, everything that matters, most of everything that's under the existing agreements will be available to us for our own direct-to-consumer platform as we so choose. So I think that's an important -- that was all very important to us because we're optimistic about our DTC proposition. No new news on that today but we thought very much about striking the right balance on the content side and we feel very good about that. And then on the valuation side, as I said, we didn't want to sell at today's prices. So what we negotiated for was a fair market value put/call at the end of 5 years. And so there's no limit to that. It is what it is. It's independent appraisers will be involved in striking that value. So that gives us great upside. We, obviously, had questions from many in the room along the way, what do you do to protect yourself for that upside? And so we -- there are limits as the press release lays out well on minimum values. The minimum equity value of Hulu at that put/call date is guaranteed to be no less than $27.5 billion versus the $15 billion today. And in addition to that there, you got to worry about -- we give Disney full control, so they can spend any way you want. And so we wanted to make sure we had protection against unreasonable dilution or dilution beyond a certain point. So each year for the next -- between now and the put/call date, the maximum amount of equity calls are $1.5 billion per year and it's at our decision whether we do or don't fund any of those capital calls. And so -- but we added another feature that we have minimum equity ownership at the put/call date of 21%. So obviously, depending on whether we participate and depending on the prices on which dilution may happen as the time passes, our ownership could be somewhere between 21% and 33%, but -- and the value could be much higher than $27.5 billion. But at worst, we end up with 21% of the $27.5 billion for $5.8 million minimum value. But again, it can be -- the key point is fair market value in 5 years.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Okay.

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

So we feel very good about the deal.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

And how does the Hulu fit into your overall direct-to-consumer strategy? Because your strategy is different than a lot of other peoples. Maybe talk about both sides there?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. Well, I think, Steve, again, nothing new and Hulu won't be different than other non-NBCU platforms that are out there. And we don't intend to -- we think that there are -- each of our entertainment assets, each show has its -- we're open to putting it on our broadcast airwaves, keeping it for own OTT product or licensing it to others. We don't think it's an all or none world in terms of properly monetizing the content that we create. So in -- for now, I described how we'll relate to Hulu and on the other side of 3 to 5 years, however it plays out, I don't see why we would treat them any differently. But it all depends on what their interest is and strategy and so forth.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

And what about your own direct-to-consumer strategy? Just talk about that for a minute.

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. I mean, each company needs to come at things in a changing world with their own -- bringing their own strengths to bear. So in our case, we, obviously, have some of the best long-form, high-value programming. We have a great and rich history of dealing with advertisers and have the best advertising sales team -- upfronts were yesterday, expect to lead the upfronts once again on the back of a big night strategy that has us as the #1 primetime entertainment provider. Obviously, with Sky and with Comcast Cable, we've got great relationships with the existing pay TV ecosystem in the distribution side, and with Sky OTT, Sky Now, we have some great capability to leverage in terms of creating an internet TV delivery platform, which we also have similar capabilities in-house through NBC Sports and the like. So I think we'll put together our plan that is mindful of all of those advantages that Comcast has in what Steve described as a, sort of an AVOD platform as opposed to an SVOD platform, which we think we'll have the ability done right to have great reach.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

So help me think about your view of the video ecosystem overall because you see it not only as a seller of -- distributor of video but also as a content creator. How do you see the linear video ecosystem evolving over time?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Well, I mean, I think -- taking it from the cable side of the house, I think you've seen the cable team do a fantastic job of pivoting the business towards the connectivity side, which I'm sure we'll come back to. But acknowledging that we have a tremendous platform for video in terms of X1 and variants of it, including the newly launched Flex. And that video is the best application and the reason most people want the best broadband. So we view it as a space where on the cable side, we're not going to run away from video. But at the same time, because we happen to have the best experience available that anybody that really values video and our bundle, despite the increases in prices, still represents good value for those who are looking for a -- have the wallet for a fuller video experience. But what we're affirmatively not doing is looking to chase unprofitable video subs for the sake of reporting what our subscriber numbers are and how they change. So I think that message is getting through. I would expect that that's the trend you continue to see happen as consumer tastes change and underlying cost of content evolves. But for the first quarter, we lost 121,000 video subscribers on a base of 21 million, 22 million, 1.8% on an annualized basis, sort of consistent with trends we've seen and it's the net effect of what I just described. But at the very same time, EBITDA per customer relationship in the cable business was up 6% and if you capital adjust it, so EBITDA minus CapEx per customer relationship, the growth rate was even stronger than that. So I think the road ahead is going to be continued execution of a balanced view that video, given our company's size, scale, strengths, ability to leverage a road map for video technology, forget about wholesaling the bundle itself but between Sky Q, NOW TV, X1 and Flex, a lot of opportunity to give a great experience in voice remote, give a great experience to the broadband consumer who wants video in a variety of different flavors. And we're hoping, obviously, to focus on long-term client value and retention of relationships overall, which maybe I'll steal some thunder from broadband before we get to it. But the net effect of having -- we are experiencing the highest retention levels in broadband we've ever seen, as we are executing the very pivot I just described. And remember, now our broadband relationships far outnumber our video relationships and when I first did this 4 years ago, it was equal or the other way around. Now, we have 27 million HSD relationships, maybe 28 million and around 21 million of video. And all along the way, if you look at the cash flow per customer relationship, ARPUs and net cash per relationship and our expectations, we don't disclose of lifetime values, all moving in the right direction. For a whole host of reasons, but I think we're executing a very good strategy on the distribution side around video and kind of -- here are the thoughts on what's going on in NBC.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

So let's continue with that. What's the potential to continue the growth in that consumer broadband revenue?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Yes. Well, I think, our view is very positive. So I think, again, the acknowledgment inside our company about how strong the connectivity businesses are when you combine Business Services together with residential broadband is a $20-plus billion revenue stream that continues to grow steadily at 10% plus. So when you focus on residential only we, obviously, added more than 1.3 million subs last year. And that's, I think, the 13th year. We've added more than 1 million subs in the broadband side. We started the year strong with 375,000 broadband adds in the first quarter. We grew broadband revenues 10%, which was a mix of volume and rate. So rate increases, about half; and volume increases, about half. And so outlook for a -- my outlook for the year on that would be probably similar, revenue trends in the broadband business and great opportunity this year to continue the streak that we have of adding a lot of broadband subs. We, obviously, do have a very strong second quarter to lap from last year, which was the best HSD add in 10 years at 260,000-or so when the prior 5 years before that, just for reference, was something like 200,000. So obviously, we have a tough lapping to do this quarter. But stepping back from that, the long term trajectory rest of this year and the years to come, I think the trends that have gotten us here continue, which is that we have market share to take from others. And I think our investment in our business, our products, between xFi, the mesh networks, the gateways, the speed of the networks, DOCSIS 3.0, which will eventually evolve, the road map as you know from CableLabs is for much higher speeds with the same plan in a very capital-efficient way and we're going to stay ahead of customer demand on that. So I think market share opportunity continues to be strong for as far as the eye can see. And then secondarily, I think you still have penetration in the U.S. of high-speed data at only 80%. So I think there's going to be room for more penetration and then finally, there's just growth in the marketplace. Homes passed will continue to grow in our footprint and we'll get our fair share of that. So we are very happy about the outlook for the broadband business. And the one other data point that I always like to look at, Dave and Brian the same. It's just the increasing year-over-year growth in the use of our network to -- bits going in and out of homes, continue to grow at 30%, 40% year-over-year. And obviously, that's a -- it's very good to have a very capital efficient, very economically rational way to meet that continued demand, which we have been and then some, as the speeds available to our customers continue to go higher. And obviously, through last year, beginning of -- we made gig speeds available in our entire footprint for those that need it. But we're well ahead of consumer expectations and that will continue, I think anyway, to hold at bay anybody's worries about potential threats from alternatives.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

So we heard from AT&T this morning talking about its fiber rollout and expanding that over time. Have you seen competition ramp up in broadband at all?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

I think competition remains strong across all our businesses and I don't -- I wouldn't suggest that that's not the case. I think our performance is not on the back of it not being competitive. Our performance is on the back of everything I just described, including us being as focused on innovation, consumer experience and value to the customer as we have been for several years now. So that said, I mean, I think -- when -- I'm not sure what was said this morning, but I'd expect, numbers I've looked at, that the fiber-to-the-home on the AT&T side, by the time they're done with their commitments anyway, will be in the high single digits in our footprint. And that's been rolling out by the time they finish into next year if that's their plan. You may know more than me. But that's been rolling out steadily over the passage of time, and you see the results from us. So I think there -- that's really not different than any form of competition we've seen in the cable business space. Lots of competition, know how to run the play, faced all sorts of forms of overbuilders over time.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Commercial is the other driver of high margin revenue growth in cable. What's the potential to sustain or accelerate the revenue growth in there?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Well, that's been steadily growing at double-digit revenue around double-digit. It was higher double-digit but we're pushing for continued growth and we think the opportunity is there. So we're now at a $7.5 billion annual level of revenues in the -- at a -- in a very -- in a high-margin business that in part leverages our existing residential plant and it's part an opportunity for us to invest specifically behind the commercial opportunity in a way that benefits our residential businesses. So $7.5 billion, we think the total market size in our footprint is $50 billion. So it gives you a sense for how big the opportunity continues to be for ongoing growth. And I think it sort of the same set of characteristics or similar characteristics anyway to what is going on in our residential businesses, which is our product is excellent relative to the -- it's largely connectivity. It's an excellent product relative to competition. High level of customer experience focus, extending products, SD-WAN, better WiFi, managed network services and the like that are catered to the customer segment that we're going after. Obviously, it's been our strategy and it continues to be our strategy to not try to disintermediate the most complicated enterprise customers. And so we started with small, we moved up to medium-sized businesses and now for a couple of years have been going after, what I would call the right kind of enterprise customers. And now we have dozens of enterprise customers that are revenues of more than $1 million a month. And think of those as networks, retailers, restaurants, banks that operate across the nation but where the individual centers' needs are aligned with what we've already built, largely speaking, for the midsized market. And I think we're doing quite well in that space. And I think -- so the runway continues to be very good and our focus is on ensuring that we -- make sure we're going after the right kind of business and Bill Stemper and his team has been doing a great job with that score. So our outlook continues to be good.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Can you sustain the close to or around double-digit growth over time?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

I think for the reasons that we -- I won't give a particular number, but the trends that I just described have been fueling us on a backward-looking basis and the opportunity continues to be deep. One example. Philadelphia, we talked about a couple of years ago, we don't talk about it quite as much anymore, hyperbuilds, in going after -- our early learnings is you go knock on doors of customers' business -- potential business customers when you have the product that's in the area. But with learnings we found, "What's the profile of a market that allows us to pull fiber in advance to a given area?" And then in anticipation that we will knock on the doors and acquire the customers, as opposed to it being demand-led, it's analytical of where we could do what's called a hyperbuild. So we did the "River to River" project in Philadelphia, Center City Philadelphia from the Delaware to the Schuylkill, it's the central district of Philadelphia. Did a hyperbuild 3 years ago. We saw that there was an opportunity about 3,000 businesses that didn't have our services and there were other providers in the marketplace. And here, 3 years later, we've gotten 1,000 of those switched onto our service. So that's an example of just continuing to fuel the growth in the business that I think we have that in many places across our footprint and year-to-year, we're prioritizing. We don't have the bandwidth to do everything -- management bandwidth to do all of that in one fell swoop. So I think the opportunities continue to be pretty full looking ahead.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Let's switch gears to Sky. In the 7 months since you closed the deal, have there been any surprises, positive or negative, that you can share with us?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Well, I guess, no negatives. I mean, I think we're -- it was quite a journey to -- we identified it as just a special asset for all the reasons we've described in the past. And here we are, 7 months in and I think the things that resonate the most with me, spending a bunch of time with the Sky team and in the Sky markets and I'll be back there next week, is their position with the consumer is unrivaled. Not like nothing we see here in the U.S. in terms of love the brand and the appreciation, the NPS scores around the experience that Sky has delivered. And so that -- we saw that from the outside but now we very much see that. And it's the caliber of the people, deep, not just Jeremy and his top lieutenants were all really strong, but I think the depth of talent and their ability to attract great people and have a very strong entrepreneurial, commercial culture such that it feels like we've been working together for years and years and years across the 2 places. And so that evidence is itself and Jeremy described it on the earnings call himself and better in his words than mine. But you can make some real mistakes and how you integrate acquisitions and bring new business, particularly one that's not exactly the same as what you already do, but I think that was one of the -- one of our tests, was make sure we felt like we would have a smooth integration. We've all done deals before, seen good and bad, and here we are, 7 months in and we are deeply stitched together, I would say, and don't need to rattle off with the laundry list of things that are under way. But we're making great progress.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

In NBCU as well, you mentioned the upfronts and retransmission has been ramping high over the last several years. Has NBC closed the gap with your peers? CBS has a target of around $2.5 billion in retrans by '20. Can NBC get to something like that over time?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Well, yes, we're at $1.9 billion this year, I think $1.7 billion last year of retrans. So we've done a nice job in retrans, and advertising for that matter, over the last 8, 9 years of closing gaps. And these next couple of years, a lot of -- where are you going to be in a particular year turns on when you have deals renewing. So I mean, this year, not a lot renews. So but -- over renewal cycles, when you consider that we're the #1 network, NBC and Telemundo, not to forget them, has done a phenomenal job and is the #1 broadcaster of Spanish language in the U.S. We think that there's no reason those platforms shouldn't command the highest levels and there's gaps as you just described in both places. And it's the strategies that we've employed in terms of big nights and combination of great programming from late night to news to sports and primetime entertainment that have all done well. On the news side, you have MSNBC beating CNN by 50% on most nights and is the closest Fox News that it's ever been. So that's another example, along with Telemundo, places beyond just NBC. Specifically, where we see opportunity for continued growth in the revenues in the TV businesses.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Okay. And the Parks business is something we don't hear enough about. Can you update us on the timing of hotel openings and attraction launches over the next couple of years?

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Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. Well, the Parks business. Phenomenal story. $400 million-or-so of EBITDA. At the time of the NBC deal, closing in on just around $3 billion of EBITDA now. It's been a steady strategy of investing behind the great leadership we have there under Tom Williams and his team. And so this year, we have the Hagrid Coaster for Harry Potter opening up in June in Orlando. We've got 750 rooms opening up in the first phase of a resort in Orlando, which, obviously, helps number of gates per customer over multiple days. So the continued growth in the hotel strategy in Florida. We've got Jurassic coaster opening over the summer in Hollywood and new attractions in Japan. So continue to feed the strategy of new attractions in each park, each year. Nintendo, which we're very excited about, sort of IP that rivals Potter in terms of its potential impact in all of the studies we've done. That opens in Osaka in 2020. And so we're excited about that and well underway. And that will then follow into our other in the U.S. over the next couple of years following that. And then Beijing, 2021 opening is what we're targeting there for our Beijing theme park. And then continued investment in hotels. We'll continue in Florida along with the normal ongoing investment and attractions in each of the existing parks.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Okay. You've told us that the delevering, I like this one, was priorities #1, #2 and #3 and you paused capital returns for at least this year until you get back down to your rating level. What do you think is the appropriate level according to the rating agencies? Is that one we can expect you to start to return capital again?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Yes, I mean, I think it's -- we're not going to -- we're going to meet what we said we would do, which is simply until we are down at levels consistent with what Moody's and S&P expect of us at the rating we're at, that the ratings are priority and so we think in 18 to 24 months from -- we would bring ourselves into those levels. We're off to a good start and we're not going to -- so we're -- buyback is off for this year. It will not be the priority until we get back and we'll see when that is.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

And in the meantime, cable margins have been picking up nicely. You raised guidance on that one. What are the drivers of that -- the sort of cost cutting beyond programming that are helping there?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

It's the mix of business. So you think about the continued growth, the shift of revenues on the connectivity businesses at high growth rates between business services and broadband at very high incremental margins is part of the story there. It's been lower programming growth as we're in the middle of deals with just normal inflators in the programming line together with the decline in video subs I described earlier for the right reasons. And then it's been on the non-programming side a steady focus on customer experience, which when you do better at the customer experience, you're taking noise and problems out of the system, which causes dramatic drops in calls into call centers and agent contact rates and truck rolls and the like as well as the great focus, and you see it through the wireless business, great focus on more digital sales channels and sort of straight through engagement with the customer, much better self-installs across particularly broadband and wireless that are learnings that are fueling an increased sort of digital approach to dealing with customers making it easier to deal with this, which all brings cost to serve down. And so those are trends or initiatives that don't go away. It's something we'll have -- it won't be straight-line, but quarter-to-quarter, year-to-year, but those -- the thrust of that, I think there's a long way to go.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Do you need to get more control of the customer to make wireless an attractive business over time or is it already attractive?

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Listen, we're very pleased with what's going on in wireless. When you think about the -- starting in 2017, I know we're running short, so I'll just hit a few points. I think we like what we're doing. We think the MVNO we have works quite well for us. We added just inside of 200,000 lines in the first quarter. When you think about something like 700,000 lines, add -- net adds for the industry, postpaid in total nationally, and we only operate -- and we were just shy of 200 and we only operate in 40% of the country. I think we're doing pretty good job in terms of getting the value story across to our customers. And so -- and we are seeing as Dave described on the earnings call, we're beginning to see indications that it is helping improve retention in the existing businesses and it is helping in terms of new customer consideration of Comcast other services when you can put the MVNO, the Xfinity Mobile offering along with it. So like what we're doing and it's working well and I think as we continue to scale the business up, we're seeing the economics get better year-over-year, which you start to see in the first quarter. So we're pleased with what we've got going on.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Good. That's a good place to stop. Thanks, Mike.

Michael J. Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Very well. Thank you, everybody. Appreciate it.

Philip A. Cusick - *JP Morgan Chase & Co, Research Division - MD and Senior Analyst*

Thank you.