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PRESENTATION

John Hodulik - *UBS - Analyst*

Okay, if everyone could please take their seats, we'll get started. Again, I'm John Hodulik, I'm the telecom and cable analyst here at UBS and I want to welcome you all again to our third day of UBS's Global Media and Communications Conference.

I'm very pleased to announce that our keynote speaker this morning is Mike Cavanagh, the CFO of Comcast. Mike, thanks for being here.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Thank you, John. Good to be here. Thanks, everybody.

John Hodulik - *UBS - Analyst*

So let's get started. We've got about 40 minutes and, as usual, we've got the Crowd Mic app here, so if anybody has any questions I can take those through the app.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Wow.

John Hodulik - *UBS - Analyst*

Very fancy.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Big advances in investment banking conferences.

John Hodulik - *UBS - Analyst*

Let's start with an outlook for 2017. Obviously, 2016 was an eventful year. Can you give us a sense for Comcast's strategic priorities as we look out into the new year?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure, I'll just do top of the waves because I know we'll go deep on all these things, but I guess I'd say we feel very well positioned as a Company across all the businesses and we are executing really well. So as we roll out of 2016 in 2017, when you hear about strategy and think about how that marries with what you got to do to make strategy turn into good results, I'm very much pleased with the momentum in each of the businesses. And you'll understand that it's really continuing doing what we're doing is the answer to producing continued good results and we feel great about the results in 2016.

So tick through the businesses. On the Cable side, it's a fantastic business; obviously, one of the leaders in the space.

Video, in particular -- I know we're going to go much deeper given the competitive landscape there, but we're very proud of the investment we've made in that product, the innovation resulting in X1, which is 45% into our base at this stage, and we'll keep that rolling through. That together with lots of work on customer segmentation; bundling the product with broadband, which I will talk about in a second, we feel like it puts us in a very good position to be relevant and competitive on an ongoing basis, knowing that there's lots of competition coming. But we'll get a chance to go deeper on that.

The broadband business just is a fantastic business, so it's -- we've been investing, again, heavily in making that the best product, the best broadband, best WiFi in home, and making sure that that extends as a value proposition to our customers. You think about -- I think last year was the 10th year in a row with more than 1 million high-speed data net adds. Last year, in particular, it was 1.3 million and change. This year we're tracking to be right in that same ZIP Code, so we got a lot of runway ahead of us, both in terms of more volume and ability to monetize that business.

And, like I said, that bundled together with video and several other things we're doing from voice to home, make that business one that's got a lot of runway for us on the cable side. And the team there is executing really well.

NBC, six years since the NBCU deal; the operating cash flow more than doubled. Firing on all cylinders; each and every business doing quite well, whether it's the TV side with retrans and affiliate fees and ad sales, all closing monetization gaps that existed six years ago. Third year running where we're the number one network; coming off great Olympics. And even with Olympics not being there in 2017, nor a political year, we feel really good about the prospects on the TV side in 2017.

Parks will open up a new theme park in Florida, Volcano Bay; that will happen in the middle of the year. We continue with the strategy of opening up big attractions across all our parks. Harry Potter opened in Hollywood this past year, King Kong in Florida, and we've got Jimmy Fallon's ride opening up in Florida next year.

So more of the same, but great business and that's been a huge grower. I think more than -- we're quadrupling now the operating cash flow that was there five, six years ago.

Finally, Film on the NBC side comes back next year. This year we'll talk about a little later, but Secret Life of Pets we're really proud of. Sing is about to come out; we're very excited about that. But next year we get -- our big franchises come back: Despicable Me 3, Fast 8, Shades of Grey comes back. So it will be a very promising year on the film side.

Those are the two businesses and then the other big one we'll talk about in terms of strategic initiatives will be the wireless side. We've talked about -- Brian was at a conference -- and we talked about it the last earnings call -- we've triggered our MVNO.

I know there's lots of talk about this; you have lots of questions. But we feel very good about our ability under the MVNO agreement that we have to put together an offering that we'll likely come out with in the middle of the year that is relevant to and a good value to some of our best customers in our existing base. We think we can do that with good, standalone NPV on the product for each of the customers that take it and then any benefits we can garner in terms of churn reduction in the existing business will be gravy on top of that.

So, we're excited. Know that the proof is in the pudding and we've got work to do to bring it to market and overcome some of the skepticisms of whether MVNOs can work, but we're optimistic that it can work for us against the goals that we have for that. So that's what we got going on in 2017, to just kick us off.

John Hodulik - *UBS - Analyst*

Great. That's a great overview, Mike.

Before we dig into some of these piece-parts, there's a new administration coming in in January, and I have to say that the old administration wasn't particularly kind to the cable industry and maybe even to Comcast specifically. Can you give us a sense for what you think this change might mean for the industry and for the Company?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. I mean I have broadened it out. It's a change to a -- what would appear to be -- and having been in multiple industries, I think that same -- that would have been framed similarly for a lot of different executives in a lot of different industries.

I think many companies that are similarly situated across many industries would say it's your job. And successful companies do this to make sure you thrive and figure out how to execute well and operate well and play for the long term, regardless of cycles of regulatory friendliness or unfriendliness or business friendliness or not. And I think that's what we've done; that's what we'll continue to do.

That said, it is -- no doubt, it's -- we have some optimism that many of the beliefs that we've had in regulatory interactions and deal interactions we've had in the past administration, we've made what we believe are good arguments for why policy should've turned one way versus another with a good beliefs behind our views for what it means for customers, what it means for our ability to confidently invest in our business.

And I do believe that it appears that many of those arguments are going to probably resonate differently, but we've got to go from the optimism that the market and many of us have to really see it happen. But optimistic that it will be a good environment for business broadly, which I think will help the economy very broadly, which will help everybody, including us. And then, specifically what happens on our industry, we feel optimistic about as well.

Taxes is the other one, I guess. Again, we very -- I welcome, we welcome corporate tax reform. Same point: I think it will be good for American business. It will be good, therefore, for the economy, which will be good for us broadly.

And then, specifically, a lot of the things that are talked about in terms of corporate taxes we'll see, but obviously we're a high cash taxpayer. We invest a lot of capital in businesses and the relatively low average, so it feels like when this all happens we'll both have, hopefully, the second-order effects and first-order effects that could be beneficial to us. So feel very hopeful about new administration and what it could mean.

John Hodulik - *UBS - Analyst*

If we could drill down to a couple of those. First, Title II. If you saw Title II go away or the reclassification undone, would that be a meaningful change or meaningful benefit for Comcast?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

I think in terms of what actually happens -- I've been asked this -- it's the fear of what Title II could have meant, more than what it actually did mean. And, as you know, we very much believe in the principles behind what policy was trying to get at, but the overhang of where it could go in the future was something that I think had a chilling effect. Hopefully that chilling effect is gone; both from how investors look at the space and businesses look at the space.

John Hodulik - *UBS - Analyst*

And then you mentioned tax reform. Obviously, there is a lot of details that need to be worked out. If we did get meaningful tax reform and you were -- your -- the amount that you pay in taxes every year changed in a meaningful way, would that change how you run the business, say, from a leverage standpoint or a use of cash standpoint?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

We got to see what the details look like. We'll obviously take stock of what changes mean in terms of how you set up balance sheets, how you think about capital return and the like, but there won't be anything mystical about that when --. We'll have to see what we -- where we get to.

And there's not -- somebody posed this earlier: are there a whole bunch of things that we woulda, coulda, shoulda done that will change simply because we get to a different place in terms of cash flow and would we invest more CapEx in the business than we otherwise would? Now there's nothing -- shame on me, shame on us if there's something fundamentally different that we would otherwise do. I think we've got -- the Company's got a reputation for being willing to invest and lean in with good business cases and success base, so that's our attitude there.

John Hodulik - *UBS - Analyst*

Great. All right, now let's turn to the segments: first, in Cable. As you mentioned, you're on track to grow high-speed data subscribers by over 1 million for the 10th consecutive year. How much more runway do you have to continue to grow high-speed data subs at that type of pace?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

We think for a good while. I mean we're at 43% penetration in our markets. Overall, US market is 70%, 75% of homes with high-speed data. I think there's still about 6 million homes that are DSL homes in our footprint. So not only is our product clearly better than that, but we're taking share from other non-DSL providers given the quality of the product and the machine that Neil and his team are ably running.

So we feel we're making that product better and better. Very focused on the quality of the product, the network, what it does in your home, the wireless gateways that we provide, the strength of WiFi, the smartness of the WiFi in homes, and some of the out-of-home capabilities.

It's never static; it's a product that we're very proud of. We'll keep investing in and on the back of that, we think we have good runway to continue to grow volume. And so optimistic.

John Hodulik - *UBS - Analyst*

Maybe talk a little bit about, related to that, the speed increases that you've seen and what we expect going forward. Altice recently announced that they are going fiber-to-the-home in their markets. Talk a little bit about just, like you said, the investment into that product.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure, sure. We've got fiber pretty deep in our network on the back of consistently investing and approaching upgrades to our network as time has passed. I think your position on some of these perspectives on how to proceed from here, where you stand depends on where you sit. They are at a different place; I can't really speak for them.

For us, from where we sit, we're rolling out DOCSIS 3.1. We think that's the most effective and efficient way to give big speeds across the footprint most quickly, most economically. Obviously, that's staying well ahead of consumer need or demand for the product, which has always been our use cases -- consumer use cases, which has always been our attitude. We want to be there with more speed, more capacity before anybody figures out what they are using it for, so we're not shying away from continuing to do that.

In a couple of years' time, we'll have the next-generation DOCSIS, which will allow for a multi-gig symmetrical. So that's our roadmap; nothing changes about that roadmap. And, of course, we preserve the ability to take fiber directly all the way anywhere where it makes sense.

In some cases, it does make sense. MDUs, we're doing a lot, obviously, when we're doing hyper builds on the Business Services side, and newbuilds, generally speaking. But it's an area by area, situation by situation. We got a pretty full toolkit and we think we deployed capital in a smart way against an opportunity that we're very optimistic about.

John Hodulik - *UBS - Analyst*

And what's your view on the pricing power you have in the high-speed data business and does that change? Is it potentially improved if we do get the regulatory changes it seems like we're set to see?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

You know, we feel that we've got long-term pricing power in the broadband product. It's a product that is -- the use cases for -- the data usage of our networks grow at a ridiculous pace, which reflects people using the product, getting value, whether it's us providing the service that's utilizing the data.

Obviously, video is the killer app for why you need such high-speed data, but it's not the only one. And with the plethora of things going on in the digital and internet ecosystem around us, we think that the consumers' experienced value of the product is going to keep growing. And that's a good backdrop for making sure we can monetize it.

Well, how exactly do we do that? Bundling, standalone? We've got -- my starting point -- I've always felt good, regardless of regulatory, that it's a product that has a trajectory where pricing it properly and getting paid well for the investment we're making seems very reasonable to me to be able to be done well over the long term.

John Hodulik - *UBS - Analyst*

Got you. Now, yesterday we had both -- CEOs of both AT&T and Verizon up here and they both talked bullishly about 5G. Verizon has for a while, but I think AT&T is certainly more constructive than we had heard from them in the past.

What's your view on 5G as a technology? You talked about all the fiber that you haven't deployed in the network. Is 5G, for Comcast, more of a threat or more of an opportunity?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

We would say it's -- plenty of opportunity in it. Unclear the degree of threat, but there may well be use cases that are interesting that impinge on some of what we do. But we are engaged in understanding and learning what it could look like, and we're well aware of the limitations of -- the apparent limitations of the technology: short propagation, won't go through a leaf, what have you.

I think one of the challenges of building it out are you need location, you need power, you need backhaul, and that's where it comes into the opportunity side. The plant that we have makes -- if it's a robust technology, I think there are ways in which we could deploy it to our shareholders' benefit and our customers' benefit. So it's not obvious which way the threat versus opportunity even tips, if it does prove to be more versus less viable, but we keep an eye on it.

John Hodulik - *UBS - Analyst*

Got you. Comcast grew the commercial segment about 16% last quarter. Do you have visibility on double-digit growth for the foreseeable future?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

I think for the foreseeable future, that's what we expect. It's obviously a -- we have a great product that's very relevant in a market that we would size at $20 billion to $25 billion in the small- and medium-size space, where we've obviously deeply penetrated the small business side. We're doing -- we've got plenty of growth to go in the medium size.

It's a -- targeted for that middle-market sweet spot. So then when you think about -- and there is runway and growth there. You think -- we've announced and talked about and have some wins that generically can describe in the enterprise side that we're just starting to really ramp up, higher leaders from enterprise world that are now running our effort there.

Think of us as, first and foremost, going after enterprise clients that have branch networks where the individual business that is the branch, whether it's a bank, a retailer, fast food chain, the local needs are very well served by the type of products that we have. Then the work that we've been doing is smart bolt-on acquisitions, which we've done some to allow us to provide managed services that are a little more akin to what home office needs out of their branch systems, so that we can effectively go win a big chunk of these branch system opportunities that the enterprise clients have.

We've done that, as you know, in coordination with other cable providers outside of our own footprint, and that's working nicely. You'd expect that as time passes and we get better and better, that's a good sweet spot to operate in. We like the margins, we like the growth trajectory, and we think it's got good runway.

John Hodulik - *UBS - Analyst*

All right, then let's turn to video. You mentioned --

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

And I'm sorry, we are -- one thing that's come up is in terms of capital investment there. We have enough experience now that we're investing capital a little bit differently there.

We're going to office parks and areas and putting the fiber in the ground, knowing that -- what our hit rate is when we knock on doors to try to win business services business. We've been more in the mode of go knock on the door, try to build the business case after we signed up enough to make it worthwhile; then subsequently go and pick up more business.

Now we have enough visibility that we're just picking some target-rich environments and building ahead of that and reversing order. But, obviously, as that continues into the future or not, it will be based on the business cases playing out over time; success-based capital deployment. But it's a little bit -- picking up the pace of our capital in that business relative to the trajectory of revenues.

John Hodulik - *UBS - Analyst*

Got it. Okay, so let's turn to video. You started out saying the X1 penetration has reached about 45%. How high does that go and can you talk about some of the operational benefits you are seeing from that product?

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Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

We'll come back and talk a little bit more about it next year in January, but it's got room to run. We don't have a particular number in mind. It's not going to be 100%, but it still has a good ways to run.

We watch cohorts as they are burning in to make sure they continue to demonstrate the good dynamics. And those good dynamics, ultimately the punchline is higher client lifetime value and lower churn against folks that are at Comcast that have X1 versus non-X1 or native. And that's a host of things: it's people using more outlets; more pay-per-view; more On Demand, whether free or paid; and so -- and higher levels of service.

Because, obviously, for those who experienced it -- and, knowing the crowd, there is probably a lot of folks that aren't in Comcast's footprint -- I mean it really does enable you to better sort through and find the content that you want to watch and, in so doing, makes you more inclined to discover something On Demand that you might want to watch. It increases your overall consumption.

We have great data that -- not for today, but when you look at how folks experience something like the Olympics in an X1 home versus a non-X1 home versus a non-Comcast home, the ratings pull is significantly higher. And that's the integrated experience. We did some special stuff for the Olympics, which we think we can do in other -- for other events creating the Olympics experience that made it easier to integrate what was being broadcast on primetime ultimately, but across five different cable channels and 60 live streams, and made it all searchable.

So you think about that experience conveyed across a lot of other -- all the video that's out there for us all to watch. We've got watchable and now we're integrating Netflix and the like to make it a better and better consumer experience. So we feel great about X1, so --

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John Hodulik - *UBS - Analyst*

That leads into my next question, the Netflix integration.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Yes.

John Hodulik - *UBS - Analyst*

Any early learnings and (multiple speakers)?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Customers like it. I mean that's the -- I always joking of being a cable guy now. There's lots of unsolicited -- you bump into somebody that's a subscriber and this works, that doesn't work. This is one where the man on the street or woman on the street; oh, you mean I don't have to switch -- go and switch inputs to get from here to there to go watch House of Cards? People like it.

That's the point is to -- we've made a great investment in a platform that's very flexible in that it resonates with users and gets better the more content flows through it. That alone is great reason to be doing it and I think it's good for them, good for us. That attitude, I think, carries us forward to the future, whatever (multiple speakers).

John Hodulik - *UBS - Analyst*

Are there any other products you can integrate or any other ways you can leverage the X1 platform?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

We'd keep -- we wouldn't have said that the Olympics would be exactly what it turned out to be before we put a skunkworks team together to say, hey, we got this coming; let's go figure it out. Now we've been putting a lot of energy into integrating Netflix, but there's other things like both of those things that one could imagine.

But safe to say we would like our tech and product teams to be creative and be innovative about it with a view towards what's going to thrill the customer. And if we can figure that out, that's back to why we're so proud and confident in our prospects in the video business amidst plenty of competition.

John Hodulik - *UBS - Analyst*

That brings us to the next topic. DIRECTV NOW was launched a week ago. Our expectation is you're going to see similar launches from other, especially internet-based, companies.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

We agree with that; it's coming.

John Hodulik - *UBS - Analyst*

So how do you view this new wave of competition versus what you've seen in the past? Do you expect it to change the trajectory you've built in terms of video subscriber growth?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

No, not fundamentally. Everything I just said, which I won't say again, is with the view -- look going backwards years -- of being constantly ready for a higher level of ongoing competition, which we should expect. We want the American economy to work that way. It gets tougher and tougher and you've got to be thinking ahead of -- you don't even know what it needs to look like; you just should expect that there's going to be tough competition in the future.

Making the investments we made in the product that I just described is one thing. Making investments in just the breadth of content that's available, being kind of a leader in making sure we're acquiring stacking rights, TV Everywhere rights, and the like is another element. And now, of late, making sure that we're doing an increasingly good job segmenting different customer types and giving something that's not monolithic to -- which five, 10 years ago that's the way -- you got what you got and everybody got the same thing.

Now we've got a variety of different options. We've got products that are intended more for low income or Millennials in Internet Plus. We've got the campus product that's now on 57 college campuses. We've got a streaming product that's really targeted at the HSD-only subscriber who wants a taste of video.

With all of those we've done a good job acquiring subs that might otherwise have gone somewhere else, frankly. And then, as time passes and they experience our product, we're always happy with the level of upgrade to greater levels of service that people don't know they really want until you give them a taste of what it could look like. Those are all the things we been doing.

When it comes to responding to some of the near-term competition or the new competition and go-forward competition, you've got to think it's very important how we can take what I just described in video and bundle it with the best broadband product out there. And so when you think about our $80 double-play bundle with 140 channels and 75 bits per second, that -- it's -- we have a great value to bring to the market.

And so, yes, there are going to be situations where somebody else's product might be good enough, but I'm not really worried that that's where we're making a lot of money necessarily. But doesn't mean we're not going to try to have answers to those use cases as well, and we'll be hustling to compete.

John Hodulik - *UBS - Analyst*

Got you. On the call, the third-quarter call, you suggested that the programming expenses for 2017 would be roughly similar to what we've seen thus far in 2016. How much visibility do you have that you're going to see -- that that's not the new normal and that we'll see a deceleration in 2018?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

What we said before: we'll come back in 2017 January and talk about next year, next year. But what -- yes, what we -- this year, the confluence of big -- the timing of contract renewals, some of which happened at the backend of this year and therefore have an elevated effect on programming costs next year, is what we've said. We've said and we still believe that beyond 2017, things should normalize. We have no reason to see them not coming down from elevated levels beyond 2017.

The dynamics, though -- and I was talking about this earlier -- is that's part of the business and so be it, but we've got a big business with lots of different levers. Neil's team has been extremely focused on the overall margins in the business, while investing in new products; XFINITY Home; getting X1 rolled out, which drives operating costs higher; getting customer service to really substantially improve and it's on a great trajectory, which those things cost us more money.

The programming costs us more money. We can grow higher-margin businesses, which we've done well in business services and high-speed data, and we can be fanatical about managing nonprogramming cost expenses.

That's been the formula that resulted this year and I think we're 40 basis points or so down on overall margin from last year, in line with the targets we gave. We'll finish the year in line with the targets we gave of around that level. And you can expect that that's what -- we're well aware of the trends in our business and that's what Neil and team will be continuing to aim to do.

John Hodulik - *UBS - Analyst*

Got you, okay. Does the -- you talked a little bit about your view on the wireless market. Does the -- I'm going to get into that in a second, but does the AT&T Time Warner deal, if it goes through, does that change your view of the world or change your view in terms of how quickly you want to explore the wireless market?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Not at all. I think we feel very good about -- like I said at the very beginning, we like our -- we're mobilized and we're on top of it. We've got 150 people working on and Greg Butz, with us in marketing and had a background in wireless. Triggered the MVNO, working hard on -- working with our partner there. It's going well.

We have work to do to design the exact offering we want to have and lots of bits and pieces that go along with getting that right. But again, we have an opportunity, we believe, to bring a product to our customer base. It's obviously got to be with people that are otherwise buying products from us that we have an affinity with to begin with; that experience our WiFi and are tied in with us through broadband or other products. And, hopefully, offer to them something that represents value to them in bringing the best wireless network to bear in a wireless product.

What could work for us doesn't necessarily translate into what other people may think we ought to be trying to do, but for us, we have a -- we are optimistic that we have a really good reason to believe that running hard at this -- well, one, it's going to teach us a lot. We're in the learn-and-explore mode. It's the right thing for us to be doing at this stage, and maybe when we're sitting here in a year we'll have some kind of results to point to.

But it will be a capital-light model. It will be an approach where the acquired subs are going to have a lifetime NPV positive on a standalone basis, so this is not something that we're looking to subsidize out of the existing business.

Obviously, as we -- if we're successful, we're going to have marketing and acquisition expenses that are ahead of the earnings and we're going to have to deal with funding handset and the likes, but we'll be crystal clear with all you guys as to how that's working. But we're doing it in a belief that, on its own, it's going to make sense.

John Hodulik - *UBS - Analyst*

Got you. Now lastly for me on Cable, capital intensity has been about 15% for the last two years. It seems as if you're heading towards the tail end of the X1 deployment so there might be some savings there. How should we think of capital intensity in that business going forward?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Just told the thought. We'll talk about it in January, but the general -- you won't hear any themes that are different from us. We continue to want to roll X1 out -- it's great -- and we'll be continuing to do that.

Going back to all these comments about various people's approaches to their networks, the network is important, making sure we have a great product in broadband is important. We've been doing that and we'll continue to do that in some fashion, bringing fiber deeper and upgrading the plan through DOCSIS 3.1. Together with -- as all this stuff is going on, you have more in the cloud and have to invest to make sure you're providing the capacity that all this traffic requires.

John Hodulik - *UBS - Analyst*

Got it, okay. Now --

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

All the same themes, but --.

John Hodulik - *UBS - Analyst*

Right. Let's turn to NBCUniversal. On the broadcast side has been a bright spot for the Company, where there's been more puts and takes on the Cable net side. Can you talk about your overall TV strategy and how the segment is positioned, given the changes in the ecosystem?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. Well, bottom line, we think we're positioned really well. When you think about the collection of the assets that the TV folks have, brought together in a cohesive package when brought to the market, it's quite powerful. So some of the big take on the network side, some of the big themes are just big nights.

Think about for the remainder of 2016 or summer of 2016 through the end of the season, you've got 61 big nights, 10 ratings. We've got 70% of them. That was Olympics, that was Thursday night, Sunday night football, Golden Globes and the like. We think that's important. That's been a well thought out, well executed approach to dominating big nights.

We've got a lot of focus in the studio side on just more original, more of what we put on air, what we -- is investment in our own original programming that we can both use for our own purposes and monetize well in this very dynamic video ecosystem that's there now. So that's another thread.

And then bring it together through ad and affiliate sales. Again, Telemundo, the cable networks, and NBC brought together in one up front for the first time of anybody this past year. It's a powerful package when brought to advertisers where we led the upfronts. We've got number one in broadcast for three years running now and five years ago very much a different story. So we're catching up in terms of monetization and we're positioned to continue to do that.

We feel -- we've got runway on the affiliate fee side for the cable side and that, obviously, is allowing us to stick with the belief that despite the challenges on ratings and when you think of that through the lens of a lot of the cable networks out there that we believe we've got a path to run that business for low single-digit operating cash flow growth on the cable network side.

And on the broadcast side, obviously, retrans; zero a few years ago, 500 last year, 800 this year. You can expect that that's going to continue to run and there's no reason we wouldn't be right in stride with CBS, whose obviously very optimistic themselves about that.

John Hodulik - *UBS - Analyst*

Yes, they were. Maybe on the theme parks, that's another bright spot. Can you talk about your longer-term attraction strategy there?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Sure. I mean again -- so the business is going to be knocking on the door of $2 billion of OCF this year from $400 million five years ago. Great business; we've got an unbelievable leadership team that runs that.

It was an underinvested in business five years ago. It's really been transformed. Great -- so major parks in Florida, obviously, and California. The general approach has been a new attraction in each park on a year-by-year basis and that's been a good formula.

Harry Potter has been great to us. We opened Harry Potter 1 and 2 in Florida. We opened Harry Potter -- or Harry Potter was opened in Japan before we bought the 50% stake and saw a great lift and then Harry Potter in Hollywood opened this past year and we're seeing the benefits of that lift in the Hollywood Park. This past year we had King Kong open in Florida and just opened a 1,000-room hotel.

So now we're about 5,200 hotel rooms in Florida and could see good business logic for studies which show we should be at 10,000 because, in a place like Florida with multiple gates, adding hotel rooms means you are getting more visits, more days on a given visit. And so we're very interested in making Florida a week-long destination for a family thinking of going away for theme park visits.

We've obviously got the big, very cool Volcano Bay water-based theme park opening mid next year in Florida, so that will be another gate extending the Florida experience. We've got half of the Japan park that we're very happy with for 15, 18 months now. And we've got -- or maybe 12 to 15 months. And we've got our project in Beijing underway, hopefully opening in 2020.

So lots of great stuff going on in the Parks business and it's got great long-term trajectory.

John Hodulik - *UBS - Analyst*

And then lastly on the Film business.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Film, perfect.

John Hodulik - *UBS - Analyst*

Obviously, hard to replicate last year's success, but how do you think about this business and the growth drivers going forward?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

So we knew this year was going to -- we're quite pleased with this year, but we knew coming in that the theatrical slate was much different than the prior year which had a couple of things fall -- double up a little bit with Fast being in that year and Shades of Grey that may not have otherwise been patterned that way. So it was a very full slate.

Nonetheless, great results; $3 billion-plus box office movies in 2015, making that a record year in the history of the studio, which was a record -- second year in a row of records. This year, like I said, strong year for what we had.

We had Secret Life of Pets open as the biggest original animation movie ever. We think that was special because it's us. The amount of Symphony promotion that went in across all platforms to helping a great film be an unbelievably commercially successful film I think goes back to what you can do when you have all the assets we have under one roof.

When you think about what a moment when you launch a film like that, if it's as successful is it is, you can think about how many sequels that's going to be, how much box office, how big an economic event that is for the Company given the dynamics. So really proud of Secret Life of Pets. And we're very excited about Sing from Illumination and Chris Meledandri coming in a couple weeks time. That should be another great one.

Next year, we've got some big franchises coming back: Fast 8, Shades of Grey, and the other one, Despicable Me 3 that's coming back. Along with bringing out our monster franchise with -- in the middle of the year as well, so it will be a big exciting year for the Film side.

John Hodulik - *UBS - Analyst*

Great, okay.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Oh, and consumer products. DreamWorks -- we acquired DreamWorks this past year, oh, by the way. So that's a very -- that's the best economic part of the Film business is the dynamics around animation, so we feel great about that business. It was unique opportunity to add to our capacity to produce more films over the long term, so we feel great about that acquisition.

And consumer products, which ties into that business, is underway making a modest amount of money. But that's a business where Disney makes a couple billion dollars a year in cash flow and we've got a runway to really go after that business and DreamWorks has really helped us with that. But we've got a great team on the field now and going after that opportunity.

So lots of growth. Fandango is doing great on the film side, so lots of interesting stuff there.

John Hodulik - *UBS - Analyst*

Great. Just last question, just to wrap up; can you tell us about the capital return strategy? How does the Company prioritize say dividends, buybacks, acquisitions?

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Nothing different, frankly, from what you've heard me say before. It's going to be -- we love investing in our businesses when we have good business cases and that's going to be, first and foremost, what we do and continue to do. And you've seen that, so really no surprises there.

After that, we do like, relative to maybe others -- we like having a -- we like our leverage around where it is in the neighborhood of 2 times. Going back to your earlier point, if we're in a whole new world, we'll recalibrate that potentially, if we ought to. But wherever the world sits, we're happy having -- being positioned in a spot that looks like that.

The rest leaves us opportunity for return of capital to shareholders, which we're proud of the track record of consistently raising the dividend and returning an aggregate amount of capital that's been quite strong. And we're confident that we'll be able to continue to do that into the future and balance all those things one year to the next.

That may not always look the same, but that's the long-term prospects. Feel really good for doing that well.

John Hodulik - *UBS - Analyst*

Great. Mike, thanks for being here.

Mike Cavanagh - *Comcast Corporation - Senior EVP & CFO*

Thanks, John. Thank you, everybody. Appreciate it.

John Hodulik - *UBS - Analyst*

Thank you.
