PARTICIPANTS

Corporate Participants

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

Other Participants

Douglas Mitchelson – Analyst, Deutsche Bank Securities, Inc.
Jessica Reif Cohen – Analyst, Merrill Lynch, Pierce, Fenner & Smith, Inc.
Jason S. Armstrong – Analyst, Goldman Sachs & Co.
Jason Boisvert Bazinet – Analyst, Citigroup Global Markets Inc. (Broker)
John C. Hodulik – Analyst, UBS Securities LLC
Marci Ryvicker – Analyst, Wells Fargo Advisors LLC
Michael Senno – Analyst, Credit Suisse Securities (USA) LLC (Broker)
Philip A. Cusick – Analyst, JPMorgan Securities LLC
Benjamin Swinburne – Analyst, Morgan Stanley & Co. LLC
Bryan D. Kraft – Analyst, Evercore Partners (Securities)
Amy Yong – Analyst, Macquarie Capital (USA), Inc.
Frank G. Louthan – Analyst, Raymond James & Associates, Inc.

MANAGEMENT DISCUSSION SECTION

Operator: Good morning, ladies and gentlemen, and welcome to Comcast's first quarter 2013 earnings conference call. At this time, all participants are in a listen-only mode. Please note that this conference call is being recorded.

I will now turn the call over to Senior Vice President, Investor Relations, Ms. Marlene Dooner. Please go ahead, Ms. Dooner.

Marlene S. Dooner, Senior Vice President-Investor Relations

Thank you, operator, and welcome, everyone. Joining me on this morning's 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.

Before we begin, I want to highlight for you some changes and enhancements we have made to our disclosure. First, we reclassified revenue from certain commercial customers such as hotels, bars, and restaurants to Business Service revenues from Residential Video revenue. We also expanded the disclosure of operating expenses, and all our businesses except for theme parks will have the following expense categories in common: programming and production; advertising, marketing, and promotion; and other operating and administrative.

We are also providing added transparency by presenting certain Cable Communications expenses previously included as other in an expanded technical and product support expense line item and in a new franchise and regulatory fee expense line item. Please note that these changes do not impact any segment's total revenue or operating cash flow. These changes are incorporated into our trending schedules, which include pro forma results covering the past nine quarters, and are available on our Investor Relations website.

As always, let me now refer you to slide number two, 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.

I'm really pleased with our solid start in 2013. Excluding the Super Bowl, we are reporting revenue growth of 5%, cash flow growth of more than 7%, and record quarterly free cash flow of $3.1 billion. Michael will discuss these results in more detail, but let me start by providing some highlights.

Cable had another strong quarter, with revenue growth of 6.4% and cash flow growth of 6.7%. Every product showed strength, with revenue increases across our residential products, in Business Services, and in Advertising. Video revenue growth has been accelerating and was a standout this quarter, up 3.7%. That's the highest rate of growth in any quarter in the last four years.

As we continue to effectively balance financial and customer performance, the combined unit growth of our three main products was 583,000, a 3% increase, and very solid when compared to prior quarters. Michael will describe this in more detail. But while we lost some more video customers this first quarter than last year, our goal is to continue to make progress in reducing video customer losses.

High-speed Internet had another robust quarter, with 433,000 new customer additions. And Voice customer additions grew by 29%, as we continued to upgrade customers to triple play. Business Services had 27% growth in revenue in the quarter and ongoing momentum as it expanded services to small businesses and its presence in the mid-sized market.

We're making steady headway in the rollout of new products, and we're about to significantly increase our marketing of X1 so that by the year end it will be available and marketed nationwide. At the upcoming cable convention in June, we will demonstrate the next-generation version of X1, really showing how we are accelerating innovation on this exciting new platform. We're also expanding our definition of the fastest home by deploying wireless gateways to power the fastest in-home wireless network and growing the number of wirelessly connected devices on this platform in our customers' homes.

We completed the acquisition of NBCUniversal during the quarter and feel really good about the entire transaction going back to 2009. The timing, the structure, the acceleration, and the strategic importance all seem right. We've been operating these businesses for the last two years, and we now have a fantastic platform with a lot of different growth opportunities for many years to come.

In the first quarter, NBCUniversal businesses generated strong results, with 17% operating cash flow growth, which is a real highlight. Our Film business had two successful releases. Broadcast results were as we expected, and we continue to see excellent performance at the theme parks.

The Cable Networks had solid results and we're delighted to see improved ratings at USA and Bravo, our two biggest networks. With all our Cable Networks now together under the leadership of Bonnie Hammer, we are very enthusiastic about how we can further strengthen and grow these businesses.

Comcast NBCUniversal works together in ways that are unique. One example is the April 15 premiere of Defiance, which was Syfy's most watched scripted series premiere in seven years and its top performance in total viewers since 2009. Comcast Cable showcased Defiance through cross-channel spots, on VOD, online, and in our onscreen guides helping to promote the new series. As a result, ratings for Defiance in Comcast homes outperformed all other distributors by 77%.

We've had many successful examples like this of working across our company to experiment and launch new and innovative programs, and this continues a great trend; so all in all, a really solid start to 2013.

Let me now pass to Michael to cover the first quarter results in detail.

Michael J. Angelakis, Vice Chairman & Chief Financial Officer

Good morning and thank you, Brian. Let me begin by briefly reviewing our consolidated financial results, starting on slide four.

Overall, we are very pleased with our first quarter results, which reflect consistent execution, profitable growth, and the fundamental strength in our business. First quarter consolidated revenue increased 2.9% to $15.3 billion. If we exclude the $259 million of revenue generated by the Super Bowl in the first quarter of 2012, consolidated revenue actually increased 4.7%.

Consolidated operating cash flow increased 7.4% to $5 billion, reflecting focused execution that resulted in strong organic growth in both our Cable Communications and NBCUniversal businesses. Free cash flow for the first quarter, which excludes any impact of the economic stimulus, increased 3.3% to $3.1 billion, primarily reflecting growth in consolidated operating cash flow, partially offset by higher capital expenditures. Free cash flow per share increased 5.4% to $1.17 per share in the quarter.

Earnings per share for the first quarter grew 20% to $0.54 per share compared to $0.45 per share in the first quarter of 2012. Excluding a gain related to the sale of wireless spectrum of $0.03 per share, our adjusted earnings per share increased 13.3% to $0.51 in the first quarter of 2013.

Now let's review the results of our businesses in more detail, starting with Cable Communications on slide five. We had a strong quarter of financial and customer growth in our Cable Communications business. In the first quarter, Cable Communications revenue increased a healthy 6% to $10.2 billion, driven by higher video revenue growth and the continued strength in high-speed Internet and Business Services. As a result, total revenue per video customer increased 8% to $155 per month. Contributing to this growth are rate adjustments, an increasing number of customers taking multiple products, and a higher contribution from Business Services.

At the end of the quarter, the number of video-only customers declined, as more customers subscribed to multiple services, with 76% of our video customers subscribing to at least two products and 41% now subscribing to all three services. In the first quarter, we added 583,000 total video, high-speed Internet, and voice customers, a 3% increase in net customer additions over last year's first quarter, reflecting strong high-speed Internet and voice net additions, partially offset by video customer losses.

In the first quarter, we lost 60,000 video customers compared to a loss of 37,000 in last year's first quarter. During the quarter, we accelerated the timing of rate adjustments and implemented increases to 72% of our customer base versus 62% in the first quarter of 2012. In addition, we implemented equipment price increases for DTAs and HD DVRs to this larger base, which in combination negatively impacted our customer base during the quarter. However, about half of our video subscriber losses were due to the methodology we use to count MDU subscribers under our bulk contracts, and the other half were primarily video-only customers.

As you may know, we count video customers that are billed under bulk contracts on an FCC equivalent or EBU [Equivalent Billing Unit] basis, which results in fewer customers as rates increase. In order to improve our transparency in how we report and manage these bulk contracts, we'll be changing our external reporting to a billable units methodology at the end of the year. We believe this change will reinforce our operational focus in this customer segment and align our video customer count methodology with the rest of the cable industry.

As we have mentioned previously, we have been very focused on striking the right balance between customer growth and financial growth. And in the quarter, we reported strong video revenue growth. Video revenue increased 3.7% in the first quarter. This is the highest video revenue growth in more than four years, and video revenue was the second largest contributor to Cable revenue growth in the first quarter. This strong growth reflects the rate increases I just highlighted and also an increasing number of customers taking advanced services. We added 273,000 advanced service customers in the first quarter, and now have 12 million HD and/or DVR customers, equal to 55% of our video customers.

High-speed Internet was again the largest contributor to our cable revenue growth in the first quarter, with revenue increasing 9%, driven by continued growth in our customer base as we added 433,000 new high-speed Internet customers, implemented rate adjustments, and increased the number of customers receiving our higher speed services. We recently announced speed increases and remain focused on providing our customers with higher-speed services. And today 31% of our customers take a higher speed tier above our primary service.

With regard to Voice, revenue increased 3% in the quarter, driven by strong growth in our customer base. We added 211,000 new Voice customers, a 29% increase over last year, reflecting continued success in converting one in two product customers to triple play and also in acquiring new triple play relationships.

As Marlene mentioned, we have restructured responsibilities and therefore reclassified revenue from certain commercial establishments that was previously presented in Residential revenue now to Business Services. This added $160 million to the full year of 2012 and $38 million to the first quarter 2013 Business Services revenue, lowering its reported growth by more than 200 basis points to a still very healthy 27.5% in the first quarter of 2013.

Business Services remains an exciting and substantial opportunity for us, as it continues its positive momentum. The small end of the market, or businesses with less than 20 employees, continues to drive our growth and accounted for nearly 85% of Business Services revenue in the first quarter. The mid-sized business, which is now established and growing at over a 50% annualized rate, continues to represent approximately 15% of this group's revenue.

Our Cable Advertising group also performed well, as the first quarter revenue increased 2.7%. When excluding the impact of last year's political revenue, our Cable Advertising revenue actually increased 5.3%.

Please refer to slide six. First quarter Cable Communications operating cash flow increased 6.7% to $4.2 billion, for a consistent margin of 41.3%. In the first quarter, total expenses in Cable increased 6.3%, primarily reflecting higher programming expenses as well as additional costs related to expansion of Business Services and XFINITY Home. Programming expenses increased 8.5% in the first quarter. And as we've mentioned last quarter, our program expense increases reflect higher rates for two recently completed long-term agreements, increasing retransmission consent, and our expanding content lineup on multiple platforms. We continue to expect programming expenses to grow at low double-digit rates for full-year 2013.

In the first quarter, we have effectively offset some of these expense increases with continued efficiency gains. During the first quarter, we reduced our activity levels by 1.2 million truck rolls and by 1 million agent calls handled in our call centers, even as we added 583,000 total new customers. Customers continue to elect self-installations, which in the first quarter accounted to 38% of our total installations compared to 24% in the first quarter of last year. In addition, we now have 29% of our customers managing their accounts online. These operating and technology platform improvements result in a better experience for our customers, lower activity levels, and improved productivity for our cable operations.

Please refer to slide seven so we can review NBCUniversal's results. For the first quarter of 2013, NBC's revenue increased 2.4% excluding the Super Bowl, and operating cash flow increased 17.2%. These strong first quarter results were driven by Cable Networks and Film and consistently strong performance at the theme parks.

Now let's take a closer look at the individual segments at NBCUniversal. For the first quarter, Cable Networks generated revenue of $2.2 billion, an increase of 4.6%, primarily reflecting an 8.6% increase in distribution revenue. Advertising revenue from the networks increased 2.5%, primarily reflecting price increases offset by lower ratings. Content licensing revenue from our studio and certain cable networks declined by 11.9%. Cable Networks operating cash flow increased 6.2% to $859 million in the quarter, primarily reflecting improved revenue performance and a 2% increase in programming and production costs due to continued investment in original programming, partially offset by lower sports programming costs compared to last year's first quarter.

With regard to our Broadcast segment, first quarter broadcast television revenue decreased 18.5% to $1.5 billion. However, excluding the impact of the Super Bowl in the first quarter of 2012, Broadcast revenue decreased 5.3%, reflecting a decline in advertising due to lower primetime ratings, driven by changes to the timing of key shows, including The Voice, and lower content licensing revenue from a prior library content agreement. Primarily reflecting the decline in revenue, the Broadcast segment generated an operating cash flow loss of $35 million in the first quarter compared to a loss of $14 million in the first quarter of 2012.

Moving to Filmed Entertainment, our first quarter revenue increased 2% to $1.2 billion, driven by the strong box office performance of Les Miserables and the successful first quarter releases of Identity Thief and Mama, as well as higher content licensing revenue. Film operating cash flow increased $63 million to $69 million, reflecting the positive performance of the film slate and lower marketing costs due to timing of theatrical releases.

Switching to our Theme Parks segment, we had another strong quarter, as Theme Parks generated revenue of $462 million, a 12.2% increase, driven by attendance growth at both parks, which benefited in part by the timing of holidays. In addition, Theme Parks continued to benefit from the success of the Harry Potter attraction in Orlando and the Transformers attraction in Hollywood. First quarter operating cash flow increased 10.3% to $173 million, reflecting higher revenue, partially offset by an increase in operating costs to support new attractions.

Let's move on to slide eight to review our consolidated capital expenditures. Consistent with our expectations in the first quarter, consolidated capital expenditures increased 16% to $1.4 billion compared to $1.2 billion in the first quarter of 2012. At Cable Communications, first quarter capital expenditures increased $38 million or 3.6% to $1.1 billion, equal to 10.7% of Cable revenue versus 11% in the first quarter of 2012. The increase primarily reflects our continuing investments in network infrastructure to ensure product leadership in our video and high-speed Internet as well as the expansion of new services that generate attractive returns like Business Services and XFINITY Home.

NBCUniversal's capital expenditures for the first quarter of 2013 increased $152 million to $263 million, primarily driven by increased investments in Theme Parks as we build new attractions, particularly Transformers and other attractions in Orlando, Despicable Me in Hollywood, and the expansion of Harry Potter.

As I mentioned in February, we continue to expect that for the full-year 2013, Cable capital expenditures will increase by approximately 10%, with capital intensity increasing slightly, and that NBCUniversal's full-year 2013 capital investment will increase by approximately 25% from 2012.

Please refer to slide nine. As I mentioned earlier, we generated consolidated free cash flow of $3.1 billion in the first quarter, an increase of 3.3%. Free cash flow per share increased 5.4% to $1.17 per share. The first quarter is typically our strongest free cash flow quarter due to the timing of payments of our federal cash taxes.

The NBCUniversal transaction was funded and closed on March 19. As a result, we ended the first quarter with consolidated debt and $725 million of subsidiary preferred stock totaling $48 billion and a gross debt to operating cash flow leverage ratio of 2.4 times. We view our balance sheet as a strategic asset and are focused on strengthening our financial position with a medium-term leverage target of 1.5 to two times. As a result of the transaction and our revised targets, our public debt ratings were recently upgraded by the two major credit rating agencies.

We are executing on our 2013 financial plan that we outlined in our year-end earnings call. And during the first quarter we returned $929 million of capital to shareholders, including share repurchases totaling $500 million and dividend payments totaling $429 million. As we enter the second quarter, our dividend payments will reflect the 20% increase that we announced with our year-end earnings.

Overall, we are very pleased with the start of 2013, reflecting our strong operating and financial results and our momentum. We believe that our ongoing investments along with our focused and disciplined execution will continue to yield positive results and profitable growth.

Now let me turn the call over 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.

QUESTION AND ANSWER SECTION

Operator: [Operator Instructions] Your first question will come from the line of Doug Mitchelson with Deutsche Bank. Please go ahead.

<Q – Doug Mitchelson – Deutsche Bank Securities, Inc.>: Thanks so much, good morning. So I have a question for Neil regarding marketing strategy and a quick clarification for Michael. For Michael, on MDU video sub accounting, you noted half the video sub losses in 1Q 2013 were due to MDU accounting. How much of 1Q 2012 reported video sub losses were due that MDU accounting?

And then for Neil, you showed strong Voice growth. I think the focus remains on triple play marketing. A peer is deemphasizing triple play marketing. They're concerned customers don't want to pay for voice service. How do you gain comfort that triple play remains a marketing strategy? Is there anything in customer quality metrics or churn or customer satisfaction surveys that you can share with us? Thanks.

<A – Michael Angelakis – Comcast Corp.>: Why don't I take the question, Doug, on the second part? Really the way I think we're looking at it is we did lose a little bit more primary customers in the first quarter of 2013 than we did in the first quarter of 2012, so that's really one of the focus points that we're on. And as I mentioned in our prepared remarks, the primary reason for that was really the increases that we applied in rates during the first quarter compared to last year.

<A – Neil Smit – Comcast Corp.>: Hi, Doug. On our marketing strategy, it's very consistent with where we've been in the past. We're very focused on triple play. Our triple play sell-in was up 8% year over year. And I think a lot of the performance, the good performance in our phone results was attributable to that. We're getting a higher triple play sell-in, and triple play customers churn at a significantly lower rate than single play customers and customer sat [satisfaction] is higher, so that's why we're going to continue with that strategy.

<Q – Doug Mitchelson – Deutsche Bank Securities, Inc.>: Okay, great. Thank you.

<A – Marlene Dooner – Comcast Corp.>: Thanks, Doug. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Jessica Reif Cohen with Bank of America.

<Q – Jessica Reif Cohen – Merrill Lynch, Pierce, Fenner & Smith, Inc.>: Thank you. I guess one for each segment. On Cable, could you talk a little bit about new products? You have a lot of rights that you're buying from programmers that I think you've talked about in the past that you may market differently or introduce new products; so if you could just talk about that and other opportunities like home monitoring, which you didn't mention.

And then on the NBCU side, it seems like there's really excellent progress across the board with the exception of broadcasting, which probably has the most upside over the longer term. So I was just hoping since Steve is on the call if you could just address what you're doing to turn around NBC, which has had glimmers of light at times. Thanks.

<A – Neil Smit – Comcast Corp.>: All right. Jessica, so I'll speak to the products. As you know, X1 is rolling out nationwide. We're in about 30% of the country now and launching markets on a continuous basis. We'll be in about 50% of the footprint by the end of Q2.

Our Home product has rolled out nationally. It's starting to gain momentum. Interestingly, a relatively high percentage of customers who have never had a security service are taking Home.

And 40% of those are new to Comcast, and 70% of those are taking triple play or taking quad play, so it's an encouraging sign.

In terms of rights we, as you know, acquired new rights through our TV Everywhere contract with a number of major distributors, and we're leveraging those in areas like Watchathon. We did Watchathon, and we got 123 million views across all our platforms. Interestingly, set-top box views were up 27%. So it wasn't just viewing – it was viewing on the television and the big screen. But our views on mobile as well as online were also up. And Streampix, we're getting rights for SVOD from a number of the programmers. And Streampix continues to grow both in the service that we include for our high-value customers as well as the a la carte buys. So there's a lot of new product growth going on, but our real focus now is on X1 and also on the gateway product that ups our throughput of our in-home Wi-Fi. Steve?

<A – Steve Burke – Comcast Corp.>: So when we announced the deal a couple years ago, we said that it would take something like three to five years to get momentum at the broadcast network really materialized. I think we've made good progress in the first couple years, primarily with The Voice. We are now doing The Voice both in the fall and the spring. And the good news when The Voice came back this spring, ratings were actually higher – are actually higher than in the fall. So that strategy has worked, and we had real momentum in the fall. And then during the first quarter when The Voice was not on the air, we lost that momentum. We knew that would happen. And then it came back when The Voice came back.

We have a few other shows that are showing glimmers of hope, but we really need to get one or two more good shows. But we're making progress. We were in fourth place for a number of years. Last year we came in third place barely, primarily because of the Super Bowl. This year it looks like we're headed for a strong third place. So we're making some progress, but we do need some more shows. I happen to be in LA right now. We're going through pilots. And we're putting a tremendous amount of focus and concentration on building on the success we've had so far and developing shows that will continue that success next year.

<Q – Jessica Reif Cohen – Merrill Lynch, Pierce, Fenner & Smith, Inc.>: Could I just ask a quick follow-up for Neil? What is the opportunity for home monitoring, like a dollar? Can you say what you think?

<A – Neil Smit – Comcast Corp.>: We currently sell our security service, our XFINITY Home service, for different price points, $29, $39, or $49, depending on the amount of equipment and level of service. That includes the home monitoring service. I think that there are other opportunities for products that we could hang off the Wi-Fi that we're currently investigating. So you could have the home security service, the lighting service, the home energy management that we have today, and you could add other services onto that. And we're looking at that portfolio of services that we could hang off the Wi-Fi umbrella right now, which is one of the reasons we're focusing so heavily on in-home Wi-Fi. We've got the fastest in-home Wi-Fi. 60% of mobile usage is in home, and people are hanging a lot more devices, an average of six devices off their home Wi-Fi, so we're going to continue to push hard on that front.

<A – Michael Angelakis – Comcast Corp.>: One thing I would add, Jessica, related to XFINITY Home, as Neil mentioned a few minutes ago, is we look at it two ways. One is as another product that certainly is attracting a different customer base. A lot of the relationships are new to Comcast. In addition, a lot of them are bundled, whether it's triple play or quadruple play, so we think that's really positive. And then on a standalone basis, we hope to build a business which we think is pretty successful over the next few years.

<Q – Jessica Reif Cohen – Merrill Lynch, Pierce, Fenner & Smith, Inc.>: Thank you.

<A – Marlene Dooner – Comcast Corp.>: Thanks, Jessica. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Jason Armstrong with Goldman Sachs. Please go ahead.

<Q – Jason Armstrong – Goldman Sachs & Co.>: Great, thanks. Good morning, a couple questions. First on just the programming cost inflation, obviously, we saw a step-up this quarter but still below the annual guide. You flagged ABC and FOX as pressure points over the course of the year, but it seems like a decent chunk of that could have and probably should have shown up in the first quarter. So what are the things from here that would drive continued increases in the rate of inflation over the course of the year that's implied by your guidance?

And then second question on Business Services, another good quarter there; you've talked I think before about margins in the 50% range in that business. As you think about tapping into different segments of the market from here and getting higher penetration, what's happening with incremental margins in that segment? Thanks.

<A – Neil Smit – Comcast Corp.>: Why don't I take programming? Programming expense growth we still expect in the low double digit for 2013. We had a few exceptions in the quarter, one of which was the NHL lockout, which resulted in a rebate, a one-time rebate. But as you know, programming rates fluctuate as the contracts come in and out and carriage varies. But we're still – I still believe we'll be in the low double digit rate increase this year.

Concerning Business Services, as the business scales and we leverage the infrastructure better, the margin has gone up. And I feel that as we enter new business segments, that should continue that trend. As you saw in the quarter, we moved over what we call the hospitality business, which is bars and restaurants, into the Business Services management structure. We felt we could manage and focus on it more effectively. That resulted in a $40 million movement, which was 200 basis points of downward movement in the margin. It went down to 27.5% and would have been 29.5% if we hadn't done that movement.

<A – Michael Angelakis – Comcast Corp.>: And then the growth rate.

<A – Neil Smit – Comcast Corp.>: Growth rate, excuse me, but we're managing the business more effectively, and I think that margins are going to continue to be healthy in Business Services.

<Q – Jason Armstrong – Goldman Sachs & Co.>: Okay, thanks. And, Neil, just quickly on the first question, what was the size of the NHL rebate?

<A – Neil Smit – Comcast Corp.>: We don't disclose the size.

<A – Michael Angelakis – Comcast Corp.>: Jason, let me just add. We do have as part of contracts different step-ups at different times taking effect at different parts of the year. So as we provided with some insight into how our programming costs will go up, we did have some obviously increase in the first quarter. Some of that was offset by the rebate that Neil mentioned. And as other channels, we do have different points in time where those reset during the year, which will have an impact on our full-year estimate.

<Q – Jason Armstrong – Goldman Sachs & Co.>: Okay, thank you.

<A – Marlene Dooner – Comcast Corp.>: Thank you, Jason. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Jason Bazinet with Citi. Please go ahead.

<Q – Jason Bazinet – Citigroup Global Markets Inc. (Broker)>: For Mr. Smit, would you mind just updating us on your current thinking on data caps and consumption-based pricing on the Internet product?

And then for Mr. Angelakis, can you remind us? I guess on the cash flow statement, you settled the station venture liability. Does that have any bearing on the way we should be forecasting the TV station group at all in terms of the financials? Thanks.

<A – Neil Smit – Comcast Corp.>: Hi, Jason. We are currently underway with two tests in the markets. One aligns itself with the speeds that people are buying up to, and another is where you can buy incremental data packages as you move along. It's still in the early stages of those tests. We haven't drawn any conclusions yet. We're pleased with our current pricing and the growth in the HSD business. Michael?

<A – Michael Angelakis – Comcast Corp.>: Sure, Jason. With regards to station ventures, we've been the majority shareholder of that joint venture for many years, and we've always consolidated that operating cash flow. So as you look at that business going forward, there will be really no change to our financial statements related to the resolution of that joint venture.

<Q – Jason Bazinet – Citigroup Global Markets Inc. (Broker)>: Thank you.

<A – Marlene Dooner – Comcast Corp.>: Thank you, Jason. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of John Hodulik with UBS. Please go ahead.

<Q – John Hodulik – UBS Securities LLC>: Thanks, good morning, just some follow-up questions on the X1 rollout I guess for Neil. Can you update us on trends you see in the markets where you've had the X1 rolled out the longest? I'm basically trying to get a sense for whether or not X1 drives a change in the trajectory. And if so, are there some markets where you're seeing subscriber growth? And then as it relates to the new marketing along the Xbox – or the X1, is that something that should affect margins as we go into the second half, or is it just a shift from some other marketing toward – around the X1? Thanks.

<A – Neil Smit – Comcast Corp.>: Hi, John. The X1, the results have been very positive. We've seen increases in overall VOD views, especially in the transactional VOD. HD viewing is much higher due to the Auto-Tune switch. Customer sat is higher, and the most viewed features are the Mini-Guide and the last nine channels that you viewed, so overall very positive results.

In terms of the growth in markets, we have seen growth in a number of our markets. I don't know if I'd attribute it specifically to X1 since it's in the very early stages. And we will begin marketing it more aggressively going forward. And I think that will just be a shift in marketing dollars from one program to another, but I don't think that we'll see a notably higher marketing budget increase.

<Q – John Hodulik – UBS Securities LLC>: Okay, thanks.

<A – Marlene Dooner – Comcast Corp.>: Thanks, John. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Marci Ryvicker with Wells Fargo. Please go ahead.

<Q – Marci Ryvicker – Wells Fargo Advisors LLC>: Thanks. I just want to get back to the upsell to the triple play. And I'm thinking about what happened with Time Warner Cable because they were successful with triple play last year, but it ended up that they had acquired less profitable subs that actually churned more quickly than expected. Just how do you think about this risk of potentially increased churn and the quality of your triple play subs? Is this being driven by promotions, or do you have more flexible packaging; just any color around the difference between what you're seeing and what Time Warner Cable may have seen?

<A – Neil Smit – Comcast Corp.>: I can't speak to Time Warner Cable's marketing programs, but we're still very focused on the triple play. Our triple play customers churn at a lower rate than our single or double play, and that has been consistent for some time period now. I think we're seeing, as I mentioned earlier, our triple play sell-in is up about 8%, so that's why we're seeing more upgrading from single and double play to triple play, and you saw that in the numbers. Triple play customers are now at 41%.

We're also doing a transitional sales program where as we solve a billing call, for example, we are asking if they don't have phone if they'd be interested in purchasing phone, so we're upgrading more customers. But I can't speak to Time Warner, but I think that triple play has still been a very effective program for us.

<Q – Marci Ryvicker – Wells Fargo Advisors LLC>: Okay.

<A – Michael Angelakis – Comcast Corp.>: Marci, the only thing I would add is, if you look, you can go back to 2011. And between 2011 and 2012, we added about 300 basis points of penetration of triple play. And then if you look at 2012 to 2013, it's about another 300 to 400 basis points of penetration on triple play. So now we're, as I mentioned, 41%. And it's pretty clear, as Neil mentioned, that those customers have higher sat, lower churn, and for us the best customer lifetime value. So we're going to continue to focus on customer lifetime value, and that's where we see some of the benefits.

<Q – Marci Ryvicker – Wells Fargo Advisors LLC>: Great, thank you.

<A – Marlene Dooner – Comcast Corp.>: Thanks, Marci. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Michael Senno with Credit Suisse. Please go ahead.

<Q – Michael Senno – Credit Suisse Securities (USA) LLC (Broker)>: Good morning, thank you for taking the question. I just wanted to go back to the rate increases and what impact they may have had on churn to see if you think you've gotten over that hump, or there may still be some lingering effects heading into the next quarter, and what you're seeing in the competitive environment in general with telcos getting aggressive on some promotions.

<A – Neil Smit – Comcast Corp.>: Hi, Michael. We're always balancing rate and volume. And this quarter – the first quarter, we took rate increases across 72% of our footprint versus 62% of our footprint last year. Also, the rate increases included both an increase on service as well as DTAs and HD DVRs, so we've got a double impact there. The good news is revenue was up 3.7%, which is the best in over four years with $184 million worth of revenue impact. I think that whenever we're taking rate increases across a wider swath of footprint, we're going to see an impact on volume. Generally speaking, that impact occurs within the quarter and doesn't linger on into subsequent quarters.

Our goal is to keep making progress on video sub losses. And I think one of the things that was notable is that most of our losses were single play only customers, and we continue to drive focus on high-value subs, and you're seeing that in the triple play results.

<A – Marlene Dooner – Comcast Corp.>: Thank you, Michael. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Phil Cusick with JPMorgan. Please go ahead.

<Q – Phil Cusick – JPMorgan Securities LLC>: Hi, thanks; two for Brian, if you don't mind. First, I think you were on CNBC this morning. And you mentioned that you see a steadily improving economy, but it doesn't seem like the video industry is growing with occupied housing. Can you give us some thoughts on that?

And then second, would you mind opining on the Cablevision lawsuit versus Viacom from both an MSO and a programming owner's point of view? Thank you.

<A – Brian Roberts – Comcast Corp.>: I don't know that I have any better crystal ball on the overall economy than anybody else. We're not seeing a lot of housing growth, which would be the main driver of expansion. But at the same time, we're seeing some modest improvement in some pockets of the country. And generally, as I said this morning, I think we're in a steady, longer, maybe somewhat frustrating to many of us that it's not going faster, but that it's in the right direction, and we don't see any big changes. So we're planning our business as if the economy will continue to recover. We're bullish long term. And I go back to the statement and just in terms of new actions, which is we accelerated the buyout of GE, and we feel really good about that decision a few weeks later and a few months later and the whole decision with NBCUniversal to have all this growth opportunity now in the company in addition to cable.

The lawsuit, I think I'm just going to stay away from that at this time.

<Q – Phil Cusick – JPMorgan Securities LLC>: Thank you.

<A – Marlene Dooner – Comcast Corp.>: Thanks, Phil. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Ben Swinburne with Morgan Stanley. Please go ahead.

<Q – Ben Swinburne – Morgan Stanley & Co. LLC>: Thanks, good morning. I have one for Brian and one for Steve. Brian, you guys are leading edge on TV Everywhere and XFINITY and some of the apps you've rolled out. I'm curious if you could share with us what kind of consumption and usage trends you're seeing on out-of-home rights that you've been able to bring together; and even in-home, how people are using the tablet and other non-primary screen devices to interface with the Comcast cable services. I'm particularly thinking about that in context of some of the Netflix data about how much time Netflix subs spend using Netflix. I'm just curious what the experience has been on the Comcast side.

And maybe for Steve, one segment that really doesn't get a lot of attention is the studio. It was a strong quarter this quarter. Years ago, that was a very significant profit generator. I'm curious if you could just opine for us on any changes you've made at the studio on the cost side or on the development side that you think suggests that we've got a lot of room to expand profit pools at the studio. Thanks.

<A – Brian Roberts – Comcast Corp.>: I think we've made a lot of fantastic progress on creating a TV Everywhere experience. Is it perfect? Is it ubiquitous? Is it finished? Absolutely not, but we have some 0.25 million choices plus between XFINITYTV.com and all the other various versions of that, whether it's VOD or the iPad app. We've had 8 million iPad app downloads, and we have – I could give you lots and lots of stats. On-demand, as Neil said, we created a fantastic event called

Watchathon. We've got all the broadcasters, all the premium channels, and a number of cable channels, and we opened up really the best series on television to our viewers for a week on all the platforms. It helped upsell pay. It was authenticated easily, and got people to use their Comcast XFINITY experience on multiple platforms. So I think you're going to see a lot more of that kind of thing.

The other thing that's exciting, and we're going to show some of this in where X1 can evolve to, is just the continuation of how your DVR can interact and how you can have an even more seamless nature of accessing the content and easier search and faster results and moving it across other devices. A lot of progress is happening. At the same time, we're very mindful that the market continues to evolve as other services that we don't necessarily directly touch need our broadband. And so we're investing in broadband. It's why I think you're seeing such a healthy broadband investment cycle and customer growth and the fastest speeds, and we're pretty excited about what's happening. And for many, many years, we believed that we should have the best network and the best user experience. And all this pushes us to keep innovating.

So I don't know, Neil. You may want to add to that. But I think the main thing with TV Everywhere is how easy can you make authentication the first gate. And when we go back to, say, the Olympics, we made some great progress there. Watchathon was even better. And I think when we get to the Olympics next year, a lot more progress will have been made in that two-year period. And I think you're going to be able to begin authenticating other credentials from other popular web apps and things that we're working on right now that are exciting.

<A – Neil Smit – Comcast Corp.>: I think you covered it.

<A – Steve Burke – Comcast Corp.>: So regarding Film, we've had a very good nine-month run. And some of that I think is just better films. It started with Ted and goes through Les Mis and Identity Thief. We've had a very good run in terms of the films that we've picked. The good news is we're looking forward to Despicable Me 2 and Fast [& Furious] 6 are both coming out between now and the Fourth of July.

I think there has been some strategy change. I think we're now focused on sequels and more internationally focused. And we've made some progress in terms of the cost side of the business with international home video joint ventures and things like that. But I think it really comes down to we've had a run of very good films, and hopefully that will continue maybe with some of the films that are coming up.

<Q – Ben Swinburne – Morgan Stanley & Co. LLC>: Thank you.

<A – Marlene Dooner – Comcast Corp.>: Thanks, Ben. Operator, let's go to next question, please.

Operator: Your next question will come from the line of Bryan Kraft with Evermore Partners. Please go ahead.

<Q – Bryan Kraft – Evercore Partners (Securities)>: Hi, thank you. I just wanted to ask you on the parks. Now that the Universal Studios 25-year Evolution Plan has been approved by Lake County, when will that begin to impact CapEx? How long do you anticipate the project taking, and what do you think that total investment would be? And is there any spend on that in this year's capital budget?

And then also just on the revenue growth, was all of that acceleration? Do you think the timing of the holiday is driving improved attendance, or was there some underlying acceleration as well? Thank you.

<A – Michael Angelakis – Comcast Corp.>: Why don't I take Evolution Plan? First of all, we are very excited that Evolution Plan has been approved. And we're really excited to make more investments related to the park and Hollywood. There is some capital that will be invested in 2013 related to the work we'll be doing with Harry Potter in Hollywood. There will be more obviously in 2014. So our expectation is over the next couple years, we will be investing in the park and Hollywood pretty substantially. We're not talking about how much it is. But we're pretty excited that Harry Potter, when it comes to our theme park in Hollywood, will do terrific. And we've done a lot of work on planning for that, and the team is exceedingly excited. So it's going to take us a couple years to make that investment. And I think you'll see some of those dollars this year and next year and even a little bit into 2015.

<A – Neil Smit – Comcast Corp.>: Do you want me to take – I'll take on – Steve?

<A – Steve Burke – Comcast Corp.>: [indiscernible (47:45) during the first quarter but really what's going on is both in Orlando and Hollywood, we have real underlying momentum. In Hollywood, a lot of it is Transformers. In Orlando, it's a variety of things. We're opening a Transformers attraction in Orlando in the near future, and that will hopefully provide continued momentum. And then Harry Potter, I think, has been a game changer for Orlando. And when it's up and running in Hollywood, it will be the same for that park.

<Q – Bryan Kraft – Evercore Partners (Securities)>: Could I just ask...

<A – Marlene Dooner – Comcast Corp.>: Thanks, Bryan. Operator, let's go to the next question, please.

Operator: Your next question will come from the line of Amy Yong with Macquarie.

<Q – Amy Yong – Macquarie Capital (USA), Inc.>: Thanks. In the past, you outlined that ratings for NBC were stronger in Comcast territories. Is that still the case? And can you just update us on that strategy or I guess Project Symphony post the buy-in? Thanks.

<A – Steve Burke – Comcast Corp.>: I think what we've said before is that we're finding a pattern, whether it's a big movie or a new television show like The Voice or Defiance on Syfy. When the entire company gets behind a specific show or movie, the results in Comcast markets are markedly better than the rest of the country. And I think that's just a fundamental belief and a differentiator that we have that maybe half a dozen times a year we can pick something that's important to the company and really make it work by bringing the entire company together.

I think one of the things that is also happening is our own stations are getting stronger, and our own stations overlap significantly with Comcast markets. So you see a lot of markets where we were actually the number four or number three news provider, we're now number three or two or one in some cases. So the stations are getting stronger. The Comcast markets are very supportive. And it's really – the way to think about it is really think about our major properties are doing well because of Symphony. We're trying to continue that and in some cases improve it and tweak it. We're learning things. We're doing a lot for the major movies that are coming out. I think Defiance was clearly a huge impact on the Comcast side.

<Q – Amy Yong – Macquarie Capital (USA), Inc.>: Thank you.

<A – Marlene Dooner – Comcast Corp.>: Thanks, Amy. Operator, let's go to the last question, please.

Operator: Our final question will come from the line of Frank Louthan with Raymond James. Please go ahead.

<Q – Frank Louthan – Raymond James & Associates, Inc.>: Great, thank you. In looking at some of your opportunities with Verizon Wireless, can you comment on that, and particularly what you mentioned about the wireless gateways and the faster speeds and any of that in relation with your Verizon partnership? Thank you.

<A – Neil Smit – Comcast Corp.>: This is Neil. I can only say that the Verizon Wireless partnership has been terrific. They're great partners. We work well together. We identify products that would be opportunities for both of our customer bases. The focus to date has been on getting the infrastructure set, so we're in 500 Verizon stores and about 1,000 agent stores. We've got a common billing system, so the agents and their stores can bill and sell things in a manner that they're familiar with. We've got some products lined up, a product roadmap. And HSD is certainly a good opportunity in there that we want to leverage, but so is video. The data usage on mobile phones is very high for video, and we think there's a real opportunity there as well; so a great partnership, more to come.

Marlene S. Dooner, Senior Vice President-Investor Relations

Thank you, Frank, and thank you all for joining us this morning.

Operator: There will be a replay available of today's call starting at 12:30 PM Eastern Standard Time. It will run through Wednesday, May 8, at midnight Eastern Time. The dial-in number is 855-859-2056, and the conference ID number is 27576169. A recording of the conference call will also be available on the company's website beginning at 12:30 PM today.

This concludes today's teleconference. Thank you for participating. You may all disconnect.