MANAGEMENT DISCUSSION SECTION

Aryeh Bourkoff, Vice Chairman, Technology, Media and Telecom Banking, UBS

Thank you very much, Robert, I appreciate those words. So let's get started with the main event of the conference. The first presentation will be from Comcast. The company is here obviously to talk about the company's prospects for 2010 as well as the recently announced deal with NBC. What we're going to do is we're going to have – Brian Roberts is going to speak, with a presentation, and then we'll have Michael Angelakis, Steve Burke and John Hodulik do a round-table discussion of Q&A. I wanted to bring up everyone at once.

But first, Brian Roberts, I should mention, I have known for about 15 years, and when I first met Brian, Brian's company, Comcast, had about 3 million cable subscribers and was in the process of being upgraded by the bond agencies from B to BB, just ahead of the Scripps acquisition. And in the time I've known Brian, he has been incredibly ambitious, personable, focused, and it's amazing to see what he has done with the company. But during this process where we were involved in the transaction, I should also say that he has been very disciplined and focused on the right questions and value creation to the point where it has been very impressive to me above and beyond the experience I've had with him before this last year. And I think that it's important to know that whoever is not invested with this company, I think many of you are not, I would bet on this guy, Brian Roberts. And I want to bring Brian up to the stage, Chairman and CEO of Comcast Corporation, along with Steve Burke, Chief Operating Officer, and Michael Angelakis, Chief Financial Officer, as well as John Hodulik, our research analyst.

Brian is going to kick it off with a presentation, and then John will lead a Q&A session with Mike and Steve and Brian.

Brian L. Roberts, Chairman and Chief Executive Officer

Thanks, Aryeh. I'm particularly excited to get that BlackBerry blocker. Okay, clicking on the slides, this gizmo look like. The other gizmo, there we go; forward-looking statement.

Okay, we're delighted to have a chance that the timing worked out so perfectly to in person do a very quick summary. I want to leave as much time as possible for questions of the transaction that we announced late last week.

As you can see, we believe that this was a unique and compelling strategic opportunity. NBC Universal has a company which is highly diversified and is best known for its two most iconic brands, NBC and Universal, and we can talk a little bit about all parts of the business. But as we got in and really learned more about the company, we were amazed at the quality and the breadth and the growth and the management team, particularly around their cable program channel business. In fact, the cable channels make up about 75% of the EBITDA of NBC Universal. And it's not that there isn't a lot to talk about, about NBC and what's happening in broadcast, and Steve can do a little bit of that later. And there's not that there's not very interesting things with 4,000 movies and a library as famed and as storied as Universal, but what we really fell in love with was the power of that entire suite of assets and what was coming out the other side, which was tremendous growth in the best part of the media business in our opinion right now, which is the cable program channels business.

Why is it the best part of the business? It's got two or more fantastic revenue streams; subscription, we have more distributors than ever. So the subscription fees are growing up at higher than inflation. You've got advertising perhaps at a low, but again with a very targeted niche audience.

And each one of these cable channels has its own multimedia brand. So on the Internet and in digital and in wireless, each one of these properties have great growth potential.

As Comcast, we're looking to evolve and be very relevant in the 21st century and beyond in all the platforms, not just in your living room. We've been talking for years about a cross-platform media experience, whatever you want, anywhere, anytime. And if we can be in the center of that transformation, participating both with the consumer and with the content and with the technology, I think this will accelerate our position in that space.

We are very impressed with the breadth of the management teams across the board. A lot of attention always gets placed on one person. It doesn't work that way, as you all know in your firms, and it doesn't work that way in a corporation with 100,000 or 30,000 people. And as we looked at some of the folks who were running each of these brands with their tremendous credibility and expertise, we think that there is a very good integration prospect.

To quickly summarize why I think Mike Angelakis and I are so excited, and I'll talk about it this way. We've got two filters at Comcast just to oversimplify life. One is Mike; one we'll use as a placeholder, Steve. One is okay, what does it do to running the business. Why do content and distribution belong together, and how do you make that work? And then the other filter is, even if that doesn't happen, is it a good deal. Is it good for shareholders? Is it better than buying back your stock? Is it better than other uses of capital? Is it the right deal? And so we wanted today hopefully through the questions and through this to try to talk about both those gates.

So Mike Angelakis said I worked in private equity. Every deal – there's lots of deals. I want to get a great return. I want to have great growth opportunities, and I'd like it to be strategic but it must have great characteristics. We think we've created something that I've never seen in 20 years in corporate deals. We took an underappreciated asset, our company our cable program channels, and I think we've unlocked value for you, the shareholders, by identifying 7.25 billion of value that was placed on E! and Golf Channel and Style and Comcast SportsNets, and we've combined it along with 6.5 billion of our cash. But we've also structured it in such a way with GE that we're going to receive present value, at least 1.5 billion of present value of tax benefits, so for approximately net $5 billion or perhaps a little less, about one year's of free cash flow, plus these businesses that we've already got. You put those two together, you contribute that to the partnership, and you end up with 51% of a solid investment grade company with a conservative amount of leverage on it, and that was step one.

Step two is to take that new entity and say okay, over time you're going to buy out GE's 49% hopefully. And in doing so, you're taking more economic risk. What's the deal on the back end? Because on the front end all you can do, you can talk about values and things. But at the end of the day you really, here is how much cash we put up, and here's the percentage of the equity.

So what's the test on the back end? On the back end we take – again, I won't go too deep into it. It's a very fair and clear and I think good definition of what this would trade for as a public stock. You're at 20% and then any growth to approximate private value. And any growth from that point, from today's point forward in terms of the initial values, Comcast gets an additional 50% of the upside in addition to our 51% ownership. Call it a 50% carried interest in a business that we're managing from day one.

So we looked at that and said that is the driver potentially of great value creation for our shareholders. It takes away any disincentive we have to sit there and go you own 100% of this and 51% of that. We've got a 50% carried interest. And it also I think gave GE the confidence that we are going to be clearly motivated to grow this asset as best as possibly we can.

That then allowed us to look at our capital structure in effect having created these two Comcasts and say from now on, the free cash flow of the entertainment company will be used to buy out GE. The traditional cable company minus programming, Comcast, will have after one year's free cash flow devoted to this new venture give or take be able to increase our dividend, increase our buyback certainty, and will be a free cash flow grower. And so we announced, as you probably know, a 40% increase in the dividend, a $100 million a month buyback, so that in 36 months we can complete the previously Board authorized $3.6 billion of buybacks.

And I think I wanted to bring closure to one other question, which is do you feel "strategically complete" because there has been a lot of uncertainty with our company. And frankly given the last set of actions, I feel that we have now achieved the position that I'd like to see this company have. And so one of the questions that get raised, what about wireless? And in the last month, we've made significant strides on a strategy from about 18 months ago, which is to get going on a 4G wireless play, data-only, with the best-in-market service.

And in Portland, Oregon; in Atlanta; in Philadelphia, Clearwire is now rolling out, and we're selling under the Comcast brand, 'Comcast to Go' wireless products that match onto our cable business. And in the last month – and the reason I mentioned the last month, Clearwire has been successful doing what Robert just said was starting to happen again, which is we tapped – rather they tapped the capital markets for about $3 billion, just under, and Comcast represents 200 million of the 3 billion. So a wireless network getting built that's 4G, no legacy bad things, go forward only, lots and lots of bandwidth that's unused which Clearwire has maybe the best bandwidth position, I think puts us on path to say we're not really looking to become a wireless operator. We want our customers as part of our vision of anytime anywhere to have access on wireless, and I think we're on our way to achieving that.

So one way to look at Comcast is we've created two Comcasts. On the left is the Comcast ex-programming. We talked a little bit about that. On the right we call it for this set of purposes Comcast Entertainment. And Comcast Entertainment will hold our 51% of NBCU. And the idea is that we'll keep this at 2.75 times leveraged. It will start out at three; it will then grow to 2.75 times. And in 3.5 years after closing, GE will have the right to redeem. You do this calculation where there's the claw back of the 50% carried interest. You establish the price. And between the releveragability and the free cash flow buildup that will occur during the 3.5 years we believe, you then have the funds to buy out over time GE's 49%. Comcast's parent company on the left will obligate for 2.875 billion as a backstop if there's not enough capital there.

This allowed then this structure for us to run significant numbers of models, a little bit what Aryeh was referring to. It was again coming through the first filter here that we have to love the deal. We wanted to look at really high success, really low success, right down the middle, and every combination in between. What is the IRR for our investor on the deal assuming no synergy? And by no synergy with the minor exception of about $50 million of true duplicative costs between two sets of a couple functions in the business, but out of billions and billions of revenues $50 million. And the deal came back with double-digit IRRs, significantly better than the bottom of that range in a lot of different scenarios, and very few times where the parent backstop got tapped. So we felt we did not put the parent company at risk. There is no 'bet the ranch' strategy here. There is a fantastic upside. You hope you've caught the world at the beginning of a turnaround as we just heard. And you feel that strategically there's a real complement.

And what happens is you can see on the left that you go from 82% cable channels, which is what the joint venture will be. I mentioned that a moment ago. Again, the name tends to suggest something other than that since most of those channels are not called NBC and Universal. And over on the right, what happens to Comcast is we remain – and again a point that I want to drive home that sometimes has been misunderstood is we still love the cable business and we're going to be 80% a cable and broadband distributor. And so we think that this will give us a chance to grow better in both parts of the business. We can talk some about that, but we have not lost sight of how critical cable operations is to this company, this stock, and to our employees, and 17% will be cable channels. So 97% of the new Comcast is either cable or cable programming.

Now inside that cable programming, you can see here – and part of what we discovered in the due diligence process is just how fantastic the suite of channels we'll have together really is. Start at the top with USA, CNBC, E!, Syfy. USA is number one by a 25% margin over any other cable channel out there, has been number one for 13 straight quarters. Probably some of us in this room would be surprised by that because you don't tune in and watch it. It's very targeted with great entertainment. They take shows off of NBC. They make their own series. They've made about seven series. Each has had great success in ratings. CNBC for this audience – don't need to go into CNBC but it has gotten better and better and more relevant. Syfy for instance was the third greatest, highest rated cable channel in October, and it's typically a top six or seven channel. That's fantastically different than when we looked at USA and Syfy when they were being sold by Vivendi six years ago when NBC bought them.

NBC did a fantastic job of transforming themselves from a single broadcast business to perhaps the best in breed cable programming operator. And so we are excited to have them take Versus, which you can see there. Versus has lots of distribution, 64 million, or Style Network or G4. Take those three, all with pretty good distribution, could do a third better or 50% better to catch up. But the worst performing channel in the NBCU stable makes more money than those three put together.

So when you talk about the first type of synergy is what can their cable group do for our cable group, you see Bravo sitting right next to, I don't know, Golf Channel on that chart. Bravo probably makes 50% to 100% more. If you look at Oxygen, they bought it. It was an entrepreneur's business. It wasn't making very much money; it had some nice distribution. They've nearly doubled the ratings in the first 18 months since buying the business. And the same we believe has happened time again for NBC in their ability to run cable businesses.

So as we put it all – both our channels together, we have looked at four categories where we will be a serious leader with great growth opportunities together. Entertainment, start with the NBC network, USA, E!, Syfy. We're going to put into this venture Fandango, terrific entertainment brands across powerful cross-promotion voice that allows to get the message out. That's one of the reasons it's hard to just look at any part of the entity's results. You've got to look at it in total because it is a powerful machine to get in a cluttered world your message out about what show is on, what new series is coming out, why that's worth watching.

In women, there will be I don't think anyone in a stronger position reaching women; Bravo, Oxygen, Style, iVillage, number one site on the web.

Sports, I talked a little bit about sports from time to time. We think between NBC Sports and Comcast SportsNet locally, what can be done to help Versus and Golf Channel and other sports opportunities in the future, let me just quickly say it's not our goal to go and recreate ESPN. There is a long way from what ESPN achieves every day, which is spectacular, to Versus that basically makes no money whatsoever today in the sports business and yet has been at it a long time, to Golf Channel and how Dick Ebersol can add value to the production quality and the relevancy and the importance of a channel like the Golf Channel and our 10 regional sports channels.

In the news business, I don't think there is anyone quite in the position of NBC News, number one in news, CNBC number one in business news. MSNBC is now number two in news. The Today Show has been number one for a long time. Can we bring that to regional through the local broadcast and Comcast SportsNets -- and we think again a great vertical.

So shifting over, and beginning to have me sit down and let you hear from Mike and Steve, as you look at, does content benefit content, I think I talked about that. They can really help take our relatively small content business and just do fantastic things with it. We're quite convinced that's doable. Can distribution benefit content? I think that speaks for itself. That's something Comcast has traditionally been very, very strong at. We have as cable operators and distributors and we've been able to get a lot of channels distributed that may be less and less necessary in a multi-competitive world. But the reality is on the margins, there are still tremendous opportunities, whether it's to start things or to find ways to grow those channels that are performing.

And can content benefit distribution? We think there is a transformation happening, as I started, where you're going to able to get what you want, where you want it. Let's start with On Demand. Can we take the 4,000 movies, the 3,000 television shows, the relevant new content coming out? One of the – again, a lot of you don't have Comcast because you're from New York or an area where we don't serve. But the number one thing I get from people on On Demand is we've had 13 billion orders, more than all of iTunes put together, just to our On Demand since we created it, is, why you don't have more choices. Why can't I get this? Why can't I get that on demand? I love it. I use it. Satellite can't do it. Can we accelerate on the margins this change that's happening in this country both in your TV, on a wireless device, and on the net? And we think content absolutely can benefit distribution.

So when you put it all together, we really do think that first and foremost, you have to have a compelling reason, why do you want to get into content. We think it's a great business. We've been there for 20 years. We invested 300 million in QVC. We sold it for 8 billion. We invested in E! and Golf Channel and they've grown into 1 billion-plus, $2 billion-plus assets, to get 7.25 billion of value realized and use that to now get into scale where today we didn't really have scale in programming. It feels the same way that I think we've built the company to grow for years to come.

We need to have an ability to execute. We're lucky to have Steve Burke as our Chief Operating Officer, who spent half his career at The Walt Disney Company managing very similar assets. Jeff Zucker and his team at NBC Universal have taken over other cable programmers smaller than they are and had great success. And ultimately Mike Angelakis had to help us create a financial structure for you, the shareholders, and for all of us that could create immediate returns, immediately accretive, maintain our balance sheet strength. We're thrilled that the rating agencies affirmed our ratings, rated the NewCo with solid investment grade, and maintained our capacity to accelerate and return capital to shareholders.

Okay, John.

QUESTION AND ANSWER SECTION

<Q – John Hodulik>: Thanks, Brian. We've got about 25 minutes for a little roundtable discussion. I'm going to lead off with a number of topics, and then we'll have time to take questions from the audience. First, I think we should just focus on the deal structure quickly here. Maybe a quick question for you, Michael, in a nutshell what do you believe are the main benefits to the deal structure?

<A – Michael Angelakis>: John, there's a lot and Brian ticked off quite a few. First, there's no stock. We're not using any of our stock here. We think that's an important point. Two, it's accretive to our free cash flow growth, free cash flow per share, EPS. Three, and Brian mentioned this, we really unlock the value of the assets that we had. I don't think we've gotten adequate credit for those assets. And then as you look at the tax benefits, we have a high degree of certainty we're getting those tax benefits. There has been a lot of time spent on this. So, we look at the net cash investment as being completely manageable for our organization.

And then you look at the back end, and again Brian hit some of these. We have the right alignment of interests and the performance incentive to really grow the business and to develop it where we are able to get some economic benefit back from the hard work that the organization is going to put into it. And basically how we've segregated the cash flows allows for us to accelerate our return of capital to shareholders with a dividend increase and with the buyback. So when we look at how do we check the box including obviously terrific IRRs for our shareholders, we think we've ticked all the boxes.

<Q – John Hodulik>: Just two quick follow-ups to that; first, how confidant are you that the cash generated at the JV will be sufficient to cover the redemption?

<A – Michael Angelakis>: First of all 82% of the joint venture's operating cash flow comes from cable channels, and we know those businesses well. They are resilient, strong, growth oriented businesses, so there's a high level of confidence. There is situations where we could actually go into the backstop that we've talked about. Those are good situations where the value of asset has actually appreciated really significantly. So we're pretty comfortable with that the way the deal is structured. There's a self-correcting public market value element, and we think that the free cash flow of the joint venture is going to be adequate to meet the redemptions.

<Q – John Hodulik>: And lastly from a numbers standpoint, the 40% increase in the dividend I think was welcomed by the many investors.

<A – Michael Angelakis>: Right.

<Q – John Hodulik>: How did you land on that number, and could you talk a little bit about just the philosophy for returning capital to shareholders in the future?

<A – Michael Angelakis>: Yes, I think that we were really comfortable, as I said, of how we segregated the cash flows and...

<A>: I'm sorry, thank you.

<A – Michael Angelakis>: And I think we wanted to...

<A – Brian Roberts>: Start all over, Mike.

<A – Michael Angelakis>: I think what we wanted to do is make sure we were at the top of our peers with regards to payout ratios and yield. So when you look at the laundry list of what I consider our peers, I think how we're dealing with the payout ratio and the buyback, we're clearly at the top of our peers.

If we talk with regards to going forward, I think we've been clear that Comcast Cable – the left side of the slide that Brian put up, we're going to continue to try to return quite a bit of capital to our shareholders from that entity. The cash flow that's in NewCo will pretty much stay in NewCo to fund the redemptions you just mentioned.

<Q – John Hodulik>: Okay, great. Moving on to some of the media discussion, Steve, I've heard you say in the past, you had talked about the benefits of combining content and distribution. Could you just elaborate on what are some of the bigger opportunities there?

<A – Stephen Burke>: I think for whatever reason right now, people are looking at media companies and saying that they're too big. They should be disaggregated. There really is no synergy. And we – Brian and I have spent our entire careers in the media business and have seen time and time again that if you manage the businesses properly, there's tremendous synergy. I worked at The Walt Disney Company, and to see an animated film come out in the movie theaters and then see that film show up in theme parks and merchandise and books and records and tapes and circle throughout the organization really taught me that you have to manage it. You can't just have disparate assets doing their own thing. But if you manage it, there's tremendous synergy.

And really if you look at the real surprise for us when we looked at NBC Universal because we spent a lot of time -- Brian mentioned it but we spent a lot of time looking at Universal before NBC bought it, was the phenomenal growth of the cable channels. And really the cable channels were grown because Jeff Zucker and his team put those channels together with the NBC network and really on a day-to-day, week-to-week, month-to-month basis managed the business and managed it aggressively. So instinctively, we believe that there's something there.

As it relates to content and distribution, I think with all the technological changes and all the different ways the world is going in terms of delivery of video on different platforms, evolution of thinking about retransmission consent, wireless, there are going to be so many decisions that come down the pike and so many opportunities to do things differently that there really has to be a tremendous amount of upside to combining content with more content and content and distribution. If we try 100 things, will all 100 work? Of course not, but if we try 100, I bet you 20 work or 30 work, and clearly that's something that we're going to be focused on in the years ahead.

<Q – John Hodulik>: Obviously the organization is going to be much larger. Maybe Brian and Steve, do you believe that within Comcast, you have the management depth to effectively run these organizations and integrate the parts that should be integrated?

<A – Brian Roberts>: Let me start there. Maybe Steve can clearly add to this. I think at one level, NBC Universal is a complete standalone organization today inside GE. There are 30,000 people. We had a fantastic introduction on Thursday in a town hall. And I guess I at least was overwhelmed with the enthusiasm of all the employees. And you say, well, why would that be, and I think they're not pleased they're in fourth place in some of their businesses and under-realized if you're in the cable group with what their success has been because they're part of a big organization that's a very successful organization but that has many opportunities all over the world that don't relate to their business infrastructure and some of the other things that GE does.

So to be part of a media company. because I think everybody in the business knows we're at a moment in time where technology is driving so much change, and the pace is picking up, and the opportunities are there, and is our company committed. And we walk in the door and we say we're very committed. That's how we run the cable business. We understand what you do. We wake up, we're going to have these two businesses in effect to run. I think they will be very separate. One's in New York; one's in Philadelphia. I think it will not take a lot of management time away from the teams that we've got who are focused on cable. We'll be able to track and promote great executives from the industry. For a few people, they'll be involved in both businesses.

But again a completely unrelated example, but remember QVC being this discrete entity that was so different than cable TV. And it was, oh, it's just a shopping channel; you just put it up on the air and just find tchotchkes and put them on the air. And with all due respect, QVC was like five or ten times more profitable than any other shopping channel out there. They had a very unique formula, very special. People kept hiring retailers from Macy's and Sears and this one and that one, Wal-Mart, and nobody could compete with QVC. They had a culture, a management team, a specialty, and we left them to do what they do really well. And where we could help we did and I think this is much different than that. But in my sense it's not like our managers in Boston wake up tomorrow and have to be distracted. But if there's a way that their products could be more competitive and more dynamic, or there are things they can do that can help this joint venture, that's what Steve is going to be driving to. And picking great people, and I look to my friends down at the end of the table here and many others, I think that's what Comcast hopefully can do well and does do well, keep a culture that people want to work for this organization in whichever part of the country it is.

<A – Stephen Burke>: The only thing I would add is that I think Brian and I and Mike are big believers in decentralization. When we bought AT&T's cable business, we went from 8 million subscribers to 20 million. And people at conferences like this just six years ago said how do you manage 20 million subscribers? No one has ever done that. And my answer was always, well, you don't. One person doesn't manage 20 million cable subscribers. The way you do it is you get 20 people to each manage a million or five people to each manage 4 million. And really that is exactly the same approach we'll have with NBC Universal.

This is obviously a very big deal, but we are not going to run NBC Universal. Jeff Zucker and his team are going to run NBC Universal. We're going to be there to make sure that the investment is there, appropriate levels of investment, that we're doing everything we can to maximize opportunities and create an environment where people want to come to this company and work and have fun and compete and eventually be number one in all of the businesses that we're in. And I think history shows that if you do that and you create that kind of environment, you attract great people and you get great business results.

So it's a fair question. It's going to be a complicated, large company. We may have to work a little bit harder than we have in the past, but I think with great people and the right kind of alignment and a rational business process and looking at things from a business point of view as well as an entertainment point of view, we can do great things.

<Q – John Hodulik>: What does the transaction mean for your online business? Essentially I'm getting at video over the Internet, the future of Hulu, the TV Everywhere strategy. Can you talk a little bit about what that does to change your strategy in that area?

<A – Stephen Burke>: I think the interesting thing is that if you look at what NBC Universal has been doing online, it's exactly what we would do online and have been doing online in our content business. Really, NBC Universal has joined up with two partners in Hulu and has released a lot of broadcast product over the Internet for free, ad supported product over the Internet for free. We applaud that. We think that's a good idea. We pursued a similar strategy with Fancast.

And at the same time, NBC Universal has been careful to make sure that the product that their cable channels put out through cable and telco and satellite distribution has not gone on the Internet in great quantities in a way that would encourage cord cutting. And the reason why NBC

Universal and most content companies have done that is because their interests and the interests of the distributors are exactly the same, to make sure that those great revenue streams related to affiliate sales are not harmed by putting so much product, paid-for product on the Internet that someone can get enough of what they want and not have a cable, telco, or satellite subscription.

So I think their strategy is very similar to ours. And I think in the future what you'll see is the coexistence of Hulu and ideas like TV Everywhere or On Demand Online, our name for it, which really allow customers to get vastly more paid-for content on the Internet. And I think you'll see both models and I think the models will evolve over time and really no change from the way NBC Universal has been running their business before we showed up.

<A – Brian Roberts>: I'd just quickly add that everybody is trying to figure out, is their business model online. We know what consumers want; how do you figure out the dollars? This allows us to accelerate that space. I think together when you put all our assets together, we're a top-10 online destination in terms of uniques. Between the two companies and the properties, we're in a much greater position in the online world than we are without this transaction. And I think Steve laid out the tactics of how we're going about that between the two companies. That's one of the real exciting part of this deal. It's not just the cable channels. It's what all that content together is going to do in the online space and having a seat at that table to try to shape that dialogue.

<Q – John Hodulik>: Some investors believe that a combination of the film business with your distribution assets can foster a change in digital distribution and windowing. Is there a way that you can improve the economics for both the studio and the cable business?

<A – Brian Roberts>: I think it's pretty early to know exactly what we can do. There's definitely a better resonance of attitude. I think something like 50% of the movies are day-and-date now in terms of DVD windows equaling on-demand. We've been hearing from a number of studios that the business is in transition, no difference at Universal. So I do hope that again, it's another example where you put both sides sitting there.

Five years ago, Steve did studies and showed that day-and-date would only be good for studios, it wouldn't be bad. And we couldn't get past the distributors of the DVDs to even open the dialogue to more aggressive windowing. The time seems right for that. Electronic sell-through, again we're a broadband company. We're looking – we've been saying for a long time the more video running through our pipe, the more people need broadband, the more they'll pay even bigger pipes. And so we have a desire. It has to be legal. It has to be authenticated. It has to be business model appropriate, but I think we're again in a very nice position to try to accelerate things that are going to help our 80% Comcast, our cable video and our cable broadband, and at the same time perhaps find ways to replace some of the lost DVD profitability that was a moment in time in the studio business.

<Q – John Hodulik>: Could we turn to some of the other assets briefly? Steve, there's an article in The New York Times today that said you might not be huge fans of the broadcast business and maybe looking to put that up for sale. Could you just address that topic?

<A – Stephen Burke>: If you listened to our presentation in the way we've talked, particularly to investors, clearly the majority of the cash flow comes from cable channels. And we have said we think cable channels happen to be the best business in media. So we've talked a lot about cable channels, and somebody in the article counted the amount of times we talked about cable channels versus NBC. There is no question we talk about cable a lot.

But when you look at NBC, first of all I think you have to define what NBC is. And to us and to Jeff Zucker and his management team, it's the network, the broadcast stations, and then television production. And when you look at those three as an ecosystem, it's a good business and it's got challenges. It clearly is not a business that is without its challenges, but it's a good business. And if you take those three businesses together and then you say what has the role of those businesses been inside NBC Universal, in some ways you could say that the broadcast business is really the core of what we're getting here because those businesses have created a lot of the shows that have powered USA and Bravo and other networks. They've been really critical to cross-promoting. You get Real Housewives on San Diego on the Today Show or you cross-promote a brand new NBC, a brand new Universal movie, or a new show on USA. So really from an engine point of view or a core point of view, NBC and the broadcast business has been important.

I also think there is a chance that in the future that broadcast business economics might get better. There are a lot of trends right now going on whether it be digital or retrans or wireless that could make that business better, and we'll see. And then last but not least, right now NBC is in fourth place. And anybody who has followed the broadcast business knows that network rankings are cyclical, and there are a lot of reasons why the guy in last place puts more new shows on, has more opportunities to succeed. The guy in the first place tends to wait too long to retire aging shows and put new shows on. And we're certainly not counting on it, but there would be tremendous financial leverage to having NBC go from fourth, to third, to second, to first, and that's really our goal. GE wants NBC to improve. We want NBC to improve. Jeff Zucker and his team want NBC to improve, and if it does there's real upside.

So it's funny, you read in the newspaper of people speculating what's going on in our minds. It has never been the case that we have thought about selling the broadcast business. It really is integral to the way NBC Universal operates. And our only goal when we showed up is to try to do everything we can to help NBC rise and get into third, second, or first place.

<Q – John Hodulik>: We've got about ten more minutes, and I think there are some microphones that are potentially moving around the room. So if anybody has a question, please raise your hand. There's one here in the middle from Chris. While he's waiting for the microphone, a quick question on the studio. As you talked about having these assets go from fourth to first or improving the outlook, if you could talk about the studio quickly, do you think you need to make any major changes there or new investments to return Universal to its formal glory?

<A – Stephen Burke>: There are two things going on with Universal Studios. The first in terms of changes, Jeff and Ron Meyer made some pretty significant changes about a month or two ago that were unrelated to us showing up, new management team. The fact of the matter is the movie business is an up and down business. And I don't care how well run you are, nobody is number one for 10 or 20 years. People go up and down. Studios go up and down, and Universal right now is on a downswing and hopefully on its way up. And Jeff has made that change in terms of senior management.

The other thing that's going on in the movie business is more of I think a permanent trend, and that is the decline of the DVD business, and that's something that the industry is grappling with. And as Brian mentioned, maybe we can be helpful there in terms of VOD and electronic sell-through and trying to work with the studio to create a new business model. If you go back decades, new business models for the movie business emerge. People still go to theaters and enjoy that experience and the wonderful feeling you get when you see a great movie with a lot of people in a movie theater. But whether it's video tapes or distribution on television or syndication or DVDs, there's a history of new ways of distributing. And I think most people feel that there's a real opportunity with electronic or digital sell-through. And to the degree that we're America's largest provider of VOD and America's largest Internet, residential Internet, high-speed Internet provider, maybe we can be helpful there.

<A – Brian Roberts>: I just want to comment on those last two questions. You've got broadcast and studio. About 90-plus percent of the cash flow does not come from those two businesses today. So if you picked a moment in time to do a transaction such as this and you look at life and say do you have more upside or downside, what did you really pay for that option in these businesses, I think that we're fortunate that the timing was right now. If the advertising market turns, that will affect it – if there are new technologies or they get better results.

So from our perspective, the answer that Mike gave, the consistency of the cash flow that comes out of the cable programming channels has been what makes the structure work. And I think these two businesses – we'll have a lot to learn, but we're not really probably putting a lot of value there day one, so hopefully we can outperform that.

<Q – John Hodulik>: Okay, Chris?

<Q>: Yes, congratulations, two questions. One, what is your philosophical view as it relates to free over-the-air television? And then secondly, as you look at the future, can you talk a little bit about your outlook for video-over-IP?

<A – Brian Roberts>: I learned a long time ago philosophical versus realism. As an old cable guy, we've said free over-the-air television should be free over-the-air television, but we lost in the Supreme Court five to four, and hence a right was created called retransmission consent. And for many years, value has been conveyed for retransmission consent. As you know, it was in the form of cable channels. So one of the reasons MSNBC exists is retransmission consent, the same for many other channels. At least it gave them a head start.

Now, there are so many cable channels and they're doing successful on their own and they have their own ability to launch new channels, we've turned to cash and whether it should remain "free." We made a commitment on day one that we believe NBC should have an affiliate station group that we don't own in addition to the owned and operated businesses, as Steve said, which we're looking forward to owning. And we should have a free broadcast signal in the air that we are not looking to undo that part of the equation. That being said, many people get their multi-channel television through somebody other than free over-the-air. And for that, we want to see if we can't maybe now be – some have called it hedged, a constructive participant in trying to get to the consumer their broadcast signals and avoid some of the disruption that can happen when there's a fight. And it's a moment in time, it's the real world. We have more distributors.

In terms of the second question...

<A – Stephen Burke>: Media-over-IP, let me try to answer that and start with just an addition to what Brian said. I think rather simplistically, people say, well you're a cable company. Are you going to take NBC and turn it into a cable channel? And I think that's very simplistic because you really have to look at what makes a network. And the symbiosis between local programming and national programming is such that it really – it's almost hard to even imagine how you would do that if you wanted to. And so we look at it and say the broadcast model broadly defined, and it's got to include the television production as well as local stations and network, is a model that works well that we hopefully can make work better. And it really is overly simplistic to say turn this into a cable channel. I'm not even sure how you would do that.

In terms of media and video over the Internet, it was a little hard to hear your question. But I think the jury is still out as to what the right model is. I don't think people are making a lot of money right now on free video over the Internet on an ad-supported basis. Maybe that will change in the future. We certainly have invested a lot of money in our Internet site, Fancast. Clearly people want to consume video over the Internet. I have five kids and my kids spend more time watching video on a PC than they do – or a laptop than they do on a television for a whole variety of reasons. And we see that growing at rates that are very, very fast, and so you want to be there. On the other hand, you want to be very careful not to upset the economic models that have gotten us all to what we are both on the cable side and the content side with the affiliate revenue stream.

So I think there will be lots of experimentation. The consumer clearly says they want to consume on multiple devices, and we need to address that and fulfill that desire to consume on multiple devices, obviously with an eye to the way that all this great content gets paid for at the end of the day, which includes advertising and affiliate revenue streams.

<Q – John Hodulik>: Great, a couple more questions from the audience. There's one far in the back there.

<Q>: You mentioned the O&O stations fairly late in this presentation, and I'm wondering how much value you see them bringing to NBC Universal in the short term and what you believe the long-term value of those assets to be.

<A – Stephen Burke>: It was very hard to hear but I think the question was how much value do you see from the owned stations in the short term and the long term. It's hard for me to imagine a television network without its own stations for a whole variety of reasons. It's hard to imagine a network without the affiliate stations for a whole variety of reasons. The owned stations are obviously profitable, not as profitable as they were years ago, but they're clearly profitable. And as importantly, they're a connection with the local communities. They're part of the public trust. They're licensed to provide local programming, local news, et cetera. And when you look at the flow-through in a network, it's hard to imagine a network without the owned stations. So it all comes back to I think really looking at NBC Broadcasting as, broadly defined, what does it do as a whole for all of NBC Universal. And when we look at it, we would like to see it do better than it's currently doing, but we're firmly committed to trying to help.

<Q – John Hodulik>: Any other questions from the audience? I've got one here in the middle. You might have to shout it out. It's making its way over. I think this ought to be our last question.

<Q>: Hi, thanks. First of all, I'd like to commend you guys on the vision and the acquisition. I have a question regarding the Clear investment. I believe that the revenue stream coming from Clear in the upcoming five years or so would be spread too thin for you to make sense of it in a revenue sense. So on the other side, is the rationale behind the Clear investment, is it because of the quad-play, the wireless segment added to it?

<A – Brian Roberts>: I believe the – I brought my prop. I'm glad you asked that question. So here is our first wireless product. It's an air card. It's 3G/4G. By partnering with Sprint, we're able to have nationwide coverage. As Clear builds out all the 4G markets, we can go into business tomorrow. We're getting – I don't know, they're saying, the test engineers, five or six megabits of speed in some of the early markets and locations where you hit the 4G. If you don't hit it, then you get the 3G.

I look at – Steve was talking about his kids. I look at my kids' behavior too and more and more and more it's all about testing and Facebooking and some sort of onlining that has nothing to do with talking. Shocking how fast this world changes, I read an interesting statistic that I'm not sure what the college was; I forget. But when you get to a pretty good university, they no longer give you an e-mail address. It's all done by Facebook or some form of social networking. E-mail is obsolete. It's hard for this generation to comprehend that one when we just finally all caught up and love our e-mail.

So building a data centric network where our devices are going to be the best in data, and that's where we begin. And then you say over the long run will voice ride on top of that and be a data-type application and that over time we're going to have a suite to be in a quad-play, possibly. Secondly, we've not yet seen a lot of quad-play as really what the consumer wants. We all have our own wireless contracts. They all expire at different times. They're not all the same in the same families. A lot of us get it through our business provider. It's a different dynamic. There are thousands – tens of thousands at points of presence. You lose your cell phone, you walk into any store in America and you can get one in 20 minutes and you're back in business. It doesn't work that in your home. You've got to show up and do a triple-play. The difference between triple and quad is a very, very, very different thing.

So I think we looked at it and said do we need to be a wireless operator. And I think we've convinced ourselves that having wireless products that our consumer can get when this puppy can someday just be something you throw in your briefcase like the MiFi device and you now have 4G and you keep your iPhone or keep your Verizon phone and will it continue to allow you to be able to get your Comcast On Demand or your NBC shows or wherever we may go? That looked to us to be more important, and I think that's one of the reasons we're as focused on being a partner. And we've got founders' rights in this JV of Clearwire where in perpetuity, in perpetuity we have founders' attachments rights. So our goal is to get the thing built. Let's see if consumers like it. Let's see if the economics work. So obviously a riskier venture and to do it, and we're less than 10% and yet have the same rights as anybody else in the venture, that's a pretty good model for us.

<A – Michael Angelakis>: Let me just add to that. I think early tests have actually shown that it's really a great product when you bundle it with our in-home high-speed data. So the way we're marketing Clear is it's bundled with our high-speed data. And that has shown in the markets we've launched to be really beneficial to high-speed data overall both from a new add perspective as well as from a churn perspective.

<Q – John Hodulik>: Okay, actually one more right here.

<Q>: Congratulations. I'm assuming everything closes as planned next year sometime. Do you believe you'll be accessing the debt market either Comcast or NewCo sometime next year?

<A – Brian Roberts>: Mike?

<A – Michael Angelakis>: I'm sorry, I didn't hear...

<A – Brian Roberts>: Are we accessing the debt market any time soon?

<A – Michael Angelakis>: You're going to be a great fixed income guy. We do anticipate sometime obviously before closing accessing the debt market for NewCo in particular and to some degree for Comcast. But obviously what's really important here for us as we're constructing the transaction, the rating agencies have reaffirmed Comcast's ratings as they are today. And the rating agencies have also initially provided rating agencies for NewCo, which will be still investment grade, actually BBB+, Baa2. So I think certainly before closing, but we're going to watch how the capital markets go and we'll be probably be accessing them in the not too distant future.

<A – Brian Roberts>: For better or for worse, GE wanted to have a bridge facility in place so that there would be no pressure on NewCo to issue if the times were not optimal. And so even though we're both pretty significantly strong credits, we have a nine-plus billion dollar bridge facility...

<A – Michael Angelakis>: Correct.

<A – Brian Roberts>: ...that was completely underwritten on day one. So that's about as conservative. Go ahead, Mike.

<A – Michael Angelakis>: Yes, just to put a fine point on it, part of the 9.1 that Brian just mentioned is actually bank debt. So we're not going to be accessing the debt markets for that. We already have it fully underwritten by a syndicate of banks, and that should be done within the next week or so. So there will be a proportion of public debt though.

<Q – John Hodulik>: One more question.

<Q>: [Inaudible] .

<Q – John Hodulik>: That's a tough...

<A – Brian Roberts>: I don't think anybody heard that question.

<A – Michael Angelakis>: Okay, that's from RA, he said,, from a valuation standpoint, just an outlook, where does it put Comcast in terms of the way we look at the world? As many of you know, we now are buying our own stock. We upgraded based on the deal structure which we thought was elegant and it just unlocked a lot of value. And our view in general is it's a great investment and I think that will become apparent when the true earnings power of the combined company becomes apparent. I think even some of the numbers that they showed in the presentation last week I don't think quite highlight the kind of earnings potential this company has and the free cash that we generating in 2011 when the company is put together, I think it compares very favorably to the universe we look at. So we are recommending it and I think it's a great buy here.

John C. Hodulik, Managing Director, Communications Group, UBS

So with that, I want to thank all of you for coming. Michael, Brian, Steve, thank you for participating in the Global Conference.