MANAGEMENT DISCUSSION SECTION

Analyst, Goldman Sachs

Okay, we're about ready to start the 11 o' clock session. We're really pleased to have Comcast joining us today, it's Michael Angelakis, who is the Chief Financial Officer of Comcast. He joined Comcast in 2007. Before that most recently he was a Managing Director at Providence Equity Partners from 1999 to 2007. So, Michael welcome to Communacopia.

Michael J. Angelakis, Chief Financial Officer

Thank you.

QUESTION AND ANSWER SECTION

<Q>: Maybe, we'll startup with how we've been setting a lot of these discussions up, which is just wrapping some macro context around, what pattern through the cycle and then we'll get into potentially what happens coming out of the cycle, but if you can sort of set us up with what you think sort of broadly the impact has been on sub-growth in ARPU?

<A – Michael Angelakis>: Yeah, if you actually go back and you think about the economy right now, and actually I think there is optimism. Clearly, unemployment is challenged, housing is challenged, local advertising continues to have some issues, although, we're cautiously optimistic.

But I think if you go back to the early part of 2007 and you look at our company and if you look at some of the metrics and actually if you painted a scenario, that said, we were going to go into one of the deepest recession since the great depression. We were going to have two large competitors overbuild us to roughly 30%. How would we have performed, and since that time, we've lost about a million video customers. We really don't like it, but that's been an impact related to clearly the economy and certainly additional competition.

It actually put on though, about eight million voice and data customers, so net-net we're up about seven million customers since the beginning of 2007. We've also grown revenue, cash flow, free cash flow considerably, EPS, we've also had an impact on advertising, which has been negative. So I feel pretty good that we have navigated this cycle in a pretty positive way and if that scenario has played out, I look at execution and say execution has been pretty good during a really difficult cycle.

<Q>: And if you think about the ARPU component through this cycle, obviously there is sort of dueling headwinds here, competitive and cyclical, how would you sort of disaggregate the two?

<A – Michael Angelakis>: Well, I think the way one out of four of our customers take off three products. You have to think about it that way. And we really look at total ARPU and we've grown ARPU considerably, we've grown it 7% year-to-date. If you take out advertising, which is not done as well as we had hoped, we've grown about 9%, I think is the number. So we are super-focused on ARPU. It's a really important element and there is a natural balance between what our financial results and what our customer growth and that balance we are obviously trying to manage very, very – in a granular way.

<Q>: As we start to think about the other side, I mean certainly at this conference, the media side at least has been bullish and started to talk about inflections and trends, wondering as you start to think about the cyclical uptick, it's – maybe if we can sort of attack both segments on the volume side and the pricing side, what do you think, what sort of pickup should we expect?

<A – Michael Angelakis>: Well, I think in the rebound, part of a big correlation for us is housing growth. So if housing formation comes back, we undertake ample share of that. Secondly, if the consumer gets healthy, I think we're going to see growth in ARPU related to more services and also I think that our advertising will do better. We have lost roughly one to two percentage points of cash flow related just to advertising. So I think we are positioned, both internally with regards to how we've taken cost out of the business, but also externally with our products that when the market comes back, whether it's housing growth or consumer confidence or advertising, I think we're pretty well positioned.

<Q>: I think the latest data points out of the company, you certainly said this on the second quarter call and then sort of reiterated more recently, the – talking about sort of trend rates exiting the second quarter positioning people for 3Q and sort of giving a message that 3Q looks more like 1Q, in particular I think on the broadband side. I'm wondering, I guess couple of questions attached to that a) is that still the view, but b) I think more importantly, is it far enough into the quarter to sort of make that claim, I think Time Warner Cable actually was saying that September is the big month within the quarter, so that's where the inflections really occur, it's too early to call. Maybe just some comments on that and then I'll be sort of have a couple follow ups?

<A – Michael Angelakis>: Yeah. First of all, I think quarter-to-quarter is a terrible measurement period. I think we look at the company and manage the enterprise on an annual basis and certainly longer than that in terms of how we create value. In the second quarter, I think we had an aberration with particularly high-speed data. I think we of course corrected that and I think we feel very good about how our net adds are performing with regards to the third quarter.

So I just go back to the comment I made earlier, we are in a very granular fashion managing unit growth and financial metrics and I think they sometimes will swing quarter-to-quarter depending on we're in the back-to-school season now, depending on seasonality, depending on a whole number of factors. But I think that the third quarter from the unit perspective is shaping up just fine.

<Q>: And those comments have been mostly attached to the HSD numbers, I'm wondering are we to assume that there is sort of pull through attached to that voice and video?

<A – Michael Angelakis>: I don't want to say too much, but I feel pretty comfortable. I mean we are in almost the middle of September that our performance on the unit side, we're pretty pleased with so far. We've got two or three more release left.

<Q>: Yeah, great. Obviously, another big topic recently given the news flows ownership limitation, wondering if you can step us through the recent removal of the ownership caps, and whether it really has a meaningful impact to your outlook for consolidation.

<A – Michael Angelakis>: I really don't think it has any meaningful impact. It is a really nice win. We thought the law was from a regulatory perspective inappropriate and unfair. We're delighted we've won. We really don't see a major impact. And that clearly begs a question with regards to further consolidation in the cable industry. From our standpoint, we believe we have a lot of scale. So any kind of cable acquisition is going to be far more analytical from a financial perspective in terms it has to be compelling financially, so I don't see the rule change having much of an impact at all.

<Q>: And in terms of making a compelling financially, IRR is it – what type of synergies they are attached and when you look at sort of the cost elements with a lot of people focusing on programming, how would you think about programming relative to incremental scale, are there really big benefits there?

<A – Michael Angelakis>: Well you mean in terms of more cable?

<Q>: Yeah.

<A – Michael Angelakis>: Yeah, I don't particularly think so. I think that we are the low cost provider on the programming side. I think when the company did the AT&T broadband deal, they were very meaningful benefits of scale. I think we've benefited from that and I really don't see us going from 24 million to 27 million really having material benefits of further scale. What is a good transaction for us would be we're going to generate a terrific risk-adjusted return on any type of cable or other acquisitions and I think we are pretty disciplined about that.

<Q>: Great. As we think about the M&A path from here. I think part of it ties into what the corporate mentality actually is right now. As I talk to investors we launched a coverage last weekend. What I consistently hear is you're somewhere between growth value there's not – there is an income component that potentially could be bigger, and so people think about placement of this company and a lot of it obviously would tie into the M&A trajectory. It seems like cable deals would be about cost cutting IRRs and sort of driving the value component versus those other things you could actually do on the growth side, whether it's augmenting, the SME business and sort of the franchise there, or augmenting I have to say on the content side, how should we think through this in sort of a corporate mentality and corporate approach here?

<A – Michael Angelakis>: We are in eight lines of business. We have eight revenue streams in the company. And I think our goal is to reinforce our competitive advantages in every one of those revenue streams, whether we do it through organic investment or whether we do it from acquisition, really the goal and how – we talked about this last week or Steve did, we get up every morning thinking about how do we reinforce that competitive advantage and we have many.

Each of those eight businesses, by the way, are in different levels of maturity of growth, have different opportunity sets and we explore every single one in a great level of that. We are pretty financially disciplined whatever we do, whether it's an organic investment or an acquisition, to me, have to go through both the strategic filter and the financial filter. We've talked about this before. And our goal is to generate great strategic and financial returns as we move and grow those eight businesses.

So you brought up SME. SME, we think is a terrific opportunity. We have line of sight on revenues. it proves growing 51%, the market that we're attacking today, 51% year-over-year. The market we're attacking today is approximately $15 billion. We're now only roughly a $1 billion of that, and we have real momentum in that business and we've focused on that business.

By the way, we've done a 100% of that growth all organic. And even when our team and Bill Stanford come to us for capital for that which we've invested in, we put it through the same filter whether we bought a company or investing organically. When we think about business services and cell backhaul, which is another area, which we size at roughly $1 billion that's a same financial analysis, because we think that's a real opportunity for us to extend our network.

There's clearly another opportunity in terms of moving up to scale in terms of the enterprise market. Right now, the market we're focused on is really companies with 20 or less employees. That's a relatively small marketplace in terms of $15 billion, but there are lot of companies probably double that size that are in that sort of second tier of market. And we are preparing thinking and I want to say too much about going into that business pretty aggressively.

<Q>: Great. Maybe we can switch to article favorite topic, return of cash to shareholders, I'm sure you've left about a lot. Can you step us through, I guess, the current balance sheet framework and maybe layering under that, you're on a deleveraging path right now, but you've eliminated most of the near-term maturities, you guys have done a great job of sort of taking the tower risks off the table in the coming years, it seems like we're close to a level where you probably should feel very, very comfortable about the business, when do we sort of slowdown the deleveraging path and think about other avenues?

<A – Michael Angelakis>: Okay. Let's just go back a couple of years and this is a metric that doesn't get talked about a lot. But at the end of 2007, our debt to free cash flow was about 13.5 times. Okay, that's a number that doesn't necessarily get a lot of attention, but certainly a number that when you say your free cash flow is really the amount of dollars you're going to have to service that debt and it's at 13.5 times, strong company, but not as strong as we'd like it to be.

I think we will end this year 2009, where we have retired roughly $3.3 billion of debt this year and we'll be roughly 6.5 times maybe a notch or two lower than that. I feel pretty comfortable with the progress we've made over the last two years of doing two things, one is growing free cash flow, and two is modestly deleveraging from roughly a $32 billion balance sheet to around a $29 billion debt level. So I feel pretty good about that.

With regards to return of capital and we do look at a dollar of debt repayment, a dollar buyback and a dollar dividend that's all returning capital and accretive to equity. And if you think this year, we'll probably retire roughly 3.3 billion. We have an $800 million dividend. We've already bought back 200 plus billion of stock and we'll continue that. We are at $4.1 billion of return of capital, actually, $4.3 billion of return of capital through roughly the first six months in the year. And I think that we have a real focus on how do we return capital in a smart intelligent way.

<Q>: And just, I guess, a followup there is, if you think about the dividend payout ratio sitting – hovering right around 20% depending on the quarter, is that the right ratio over time to sort of preserve the opportunities that you see whether it's on the M&A front or deleveraging front, or do you think you could move that ratio up meaningfully and still preserve the type of flexibility you want in the company?

<A – Michael Angelakis>: There's a real balance between those three elements of a dividend, a buyback and debt repayment. I think we're pretty comfortable that we've done a solid job of de-risking some of the balance sheet, adding more liquidity, and bringing our cost of capital down a bit, particularly given the macro economic environment, we've lived through over the last 12 or 18 or 24 months. When we think about a 20% payout ratio, we don't want to be pigeonholed in that. If you look at net income it's slightly higher than that, the payout ratio in the sort of 23, 25%. If you look at free cash flow, it's hovering around that number. So I think the key for us is what's the right balance between buybacks and debt repayment and dividend and our hope is that as the company progresses, we'll continue to increase the dividends.

<Q>: Great, maybe we'll switch over to wireless, real quickly. One logistical reminder, if you do have questions remember there's people that will walk up and down and get your questions. We'd love to have this to be sort of 25 minutes of my questions, 15 minutes of yours, so definitely don't hesitate. On wireless, out of the range of options right now what – can you sort of address why Clearwire remains the right partnering strategy --

<A – Michael Angelakis>: There has been a lot of discussion about this, but let's – again it's kind of funny we're going back, let's look at a couple of years ago. A couple of years ago, when we started to look at wireless as how do we extend our three products, our core three products for our customer base. To us it's not necessarily about a quad play in terms of handset and bundles. It's much more of we have a robust data business, which is a terrific premium business. We have a very good phone business, which is growing nicely. And we have a terrific video business.

How do we take those three products and add mobility to them to enhance the product set? We started looking at it in great depth and you come to sort of three options. We are a holder of some AWS spectrum, so we could actually build a network. The conclusion was we have 20 megahertz of spectrum, clearly not enough to do what we really want to do. We don't want to be the seventh competitor in a market that we think is mature from the voice side. And it's a huge economic investment, which we're uncomfortable there's a real return for.

So you take that option you say analyzed it, looked at it, pushed it off to the side. The other option is do you want to purchase a company. And I don't think we have any desire to purchase a wireless company. And then, you look at, can you partner and where is the best partnership that you can actually have. And if you go back to what our goal and objective was of adding mobility to our three core products, you need a hell of a lot of spectrum, and you need a hell of a lot of nationwide spectrum. And Clearwire with the merger with Sprint is uniquely positioned to have a lot of spectrum across the country and clearly in our core markets.

And it was a real opportunity for us to invest. We're part owner of the network. We also have a founder's preference on wholesale access to that network and to-date, we've been pretty satisfied with how that's gone. We've launched in two markets. We're launching in a number of markets, about – important in itself for which was our first launch, about 30 to 35% of the customers that are taking the Clearwire products are brand new customers to Comcast. That in itself is pretty compelling. So we like the partnership and we think it was when you look at what the options are it was I think the right choice.

<Q>: Can you help us think through funding for Clearwire, from your perspective, it's an entity, which probably will need additional capital infusions at some point. You had obviously two paths, get diluted or contribute, keep the existing stake or potentially even bump it up. How would you approach that?

<A – Michael Angelakis>: Well, we don't have any obligations to fund any further dollars into Clearwire. We're about a little bit more than an 8% shareholder. The question really lies I think and I'm not ducking the question relies with Sprint who is a 51% shareholder as well as with Clearwire. I think that they will be funding. I think the company will build out its network like it's doing now and from our perspective, we will evaluate whatever financing it does we have preemptive rights, but again we're only an 8.5% shareholder. We didn't have a Board too.

<Q>: As we think about the strategy in wireless data you had a couple market launches that seem to be going incredibly well. How do we think about where you sit in terms of the product stack over time in wireless? As the carriers would think about it, if they think about wireless as sort of disaggregating the products, you have text messaging which is credibly high margin subsidizing the ratio of voice which sort of sits in the middle and then you have data which is at the bottom at this point quite frankly laptop card data that probably put us at very bottom in terms of the margin opportunity. So why is that sort of the right products that's solely to be attaching yourself to in the wireless market at this point?

<A – Michael Angelakis>: Well I think two things. Clearwire isn't a telco. It has all virgin spectrum. So I think when you look at that product stack, it is – it can be quite profitable just on the data side with the differentiated product. I think the telcos have different constraints including their own issues around spectrum management.

I think from our side why we are leading with broadband is we think that our broadband product is absolutely a terrific product. We have more headroom to grow that business. It's a high margin product. We've put a lot of money into increasing speed and things like DOCSIS 3.0. So we thought it was a natural extension to bundle our in-home product which has say 20 megabits in the home within out of the home product, which will be between three, four, five megabits.

So we looked at it as a natural extension. As you know, we are launching – we're testing today a service called On Demand Online, I can envision at some point in the future, that having a wireless component. And there's been lots of discussion about voice clients at some point and I don't want to say much more than that, but I think that data is really an important product for us to lead in the wireless side.

<Q>: Maybe if we could switch gears to video, you guys are obviously in the process of transitioning through to All-Digital, what are the key things as we come out near the size that allows you to deal with the company.

<A – Michael Angelakis>: A really good snapshot, and that one, this is a huge initiative for us. We are spending between four and $500 million this year and next year on both the All-Digital and DOCSIS 3.0 effort. A snapshot of what it looks like on the other end is probably Portland, Oregon where that was our first market, which is now complete. We have launched over a 100 high-definition channels. We have launched many ethnic channels, so I think we're probably now the leader in that market with regards to ethnic channels. We have DOCSIS 3.0, so we have really high-speed.

In addition, we are working on Project Infinity, which is our VOD platform. So I think the product leapfrog some of our competitors in that particular market and we've seen great reception with the product, particularly in the markets that have been completed. So, this is very important to us and we think that the results in terms of when a market is complete from a whole number of areas in terms of product positioning, customer satisfaction, and operations to the real improvement.

<Q>: A lot of your investors seem to focusing on video ARPU, we touched to some extent video coming out of the cycle, but I wonder if you could just isolate ARPU, are you optimistic that we can sort of get back to historical trend growth rate, or is the competitive environment sort of changed that?

<A – Michael Angelakis>: I think the economic environment has changed, and clearly the competitive environment has changed. We're not completely focused on video ARPU, we're more focused on gross ARPU, given that one out of four customers takes all three services. I do think the days of implementing five, six, 7% rate increases are not – on the video side, certainly won't be there for us this year and next year. And I think that's a result of really just the economy – the economy and to some degree competition. But I think we'll continue to grow total ARPU and you just look at, we are laser focused on ARPU and if you look at through the year, if you take out advertising, we're sort of 9% year-on-year up, which I think is pretty good performance.

<Q>: If we take the – as of the cost side of the equation, I would say everybody sort of focused on programming costs. Over the last couple of days we've got a number of channel operators, media companies in here, sort of taking the other side of this and saying what we've seen over the last couple of years with our data programming cost is the new norm and if anything goes up from here. What's your view in terms of '09, which looks like a relatively elevated year? Is this the new norm or do we sort of move that down from here?

<A – Michael Angelakis>: Well, first I think the radar continues. Secondly, I think we are the low cost provider. So if you look at our competitors, you look at even our peers, we are the low cost provider on programming. I think we are seeing a period this year where it's a bit higher than it has been historically. Our goal is to bring that number down next year, but it is an issue and I think that we are fighting in the trenches everyday related to that issue. And I think it has an impact. I think what you're going to do will have an impact on video margins, it does. But we are taking cost out of the business as well and I think we've been able to keep margins steady to even a little bit up over the last five years. I think the benefits we have in terms of cost savings and product mix with high-speed data to less new business services and as advertising comes back, I think we have a good shot at having our margins continue to be stable and maybe increase a little bit, not a lot.

<Q>: So do you think even beyond the very near term that you're just playing out, is that kind of a medium term view where we should expect maybe gross margin declines but operating margins yet still relatively flat given the cost that you are taking out?

<A – Michael Angelakis>: Again you're isolating on the video business. I think when you look at the other two businesses, I think you see margins obviously increase. We've taken a tremendous amount of cost out of our voice and out of our data business, and I think SME is generating absolutely terrific margins as well. And we are focused on getting into more higher margin business and as I mentioned advertising which is a high-margin business, one that has high operating leverage, we've actually took a hit from because of what's happened in the economy and we're hoping that's going to come back some time next year.

Now, on advertising third quarter, fourth quarter, we have tough comps, but I think that next year we're hopeful that that business returns well.

<Q>: If we could talk about data that seems to be potentially the other side where you actually do have pricing leverage now clearly you've got an infrastructure already build out, All-Digital will help that, DOCSIS 3.0 will help that. I guess that the both cases there is pricing leverage and we can see ARPU increases in data. I'm wondering what we've seen in the industry recently even you guys doubled speed without a price hike attached to it. So how does this sort of all fit into the potential for ARPU increases?

<A – Michael Angelakis>: Well, I think there is a press release today that we have taken some rate adjustments on high-speed data, in the High-Speed Data business. So we do think we have some pricing power there. We have done a terrific job of increasing speeds and increasing customer satisfaction. We think we are clearly the leader in that business and we've also seen our competitors actually take price increases with regard to that data business.

So we love the business. I think we will see a bit of an increase in that business, a bit of an increase in the video business as well, but we're being very careful and conscious with the tough economy we're dealing with.

<Q>: If we think about the potential for future ARPU increases, is it more driven by the step up of the cost of different tiers or is it migration within the tiers where people are moving from lower tiers to mid or upper?

<A – Michael Angelakis>: I don't know the answer to that. I think that we have – we are seeing tiers, we have a Blast service. We've actually been selling that higher price, higher speed service, roughly three to one to the lower price service. So I think indeed for speed and as video becomes more relevant with regards to people looking at sports clips in the morning, I know my kids every morning get up early and go online, and look at sports clips, and our service is geared to providing a great experience for that.

<Q>: We've got a couple of questions sort of following up on SME, which you touched on earlier. $15 billion opportunity, obviously a huge opportunity and Neilson's covering the telcos that's obviously a big margin opportunity as well, I think you reference that...

<A – Michael Angelakis>: Provided you actually given your – such a long telco history. I'm actually delighted that you recommended us. We have more education to do. We really have a lot more education to do. But all I can say is I take my hat, great job.

<Q>: All right, thanks for the thoughts. How do you think about the pricing strategy versus an RBOC maybe just sort of there is two path here, there is a big margin opportunity in that, yeah, there is probably ample penetration opportunity. You've got most of the telco versus an opportunity that really drives share gains versus an incumbent that aids pseudo-monopoly market in many areas, at least has the chance right now. How do you sort of balance the two?

<A – Michael Angelakis>: We have grown the SME business year-over-year 51%. Now, it's still roughly a $1 billion of run rate revenue. So I think you're going to continue to see us push that business. We're going to expand that business in other areas. We think we have terrific momentum. We think there is a real balance between market share and making sure our growth is profitable and that's a really important point. I think that we should talk about is we are very focused. We want to grow the business. We want to grow it really profitably.

We don't necessarily believe in market share that forfeits profitability. Our view is we think we can balance both appropriately and both the consumer as well as in the business side. And I think you'll see us continue to grow the SME in other areas of commercial services as aggressively as we can.

<Q>: As we think about the capabilities you can and will offer over time, clearly there is an enormous opportunity in the sub 20 markets. What point does it make sense to the extent – to extend the capabilities, to try to tackle something bigger and what exactly are the capabilities that you need to move upstream?

<A – Michael Angelakis>: I mean we just launched yesterday or the other day in Minneapolis a 100 megabits commercial service. So I think you will see us increase our sophistication level in terms of going after those customers. I think when we think about Metro Ethernet and we think about other areas of growth, those are areas we are clearly pursuing. It took us time to build the infrastructure, the sale force for the SME business and I think we've done that well and we have momentum in that business and – but we don't want to distract that momentum. But I think we will layer on top of it other areas of growth that we think are real opportunities for us and I can tell you that we are heavily looking at that right now.

<Q>: We'll switch to some audience questions. There is one, sort of going back to capital allocation, but it ties into existing assets and you obviously mentioned that AWS spectrum you have SpectrumCo. How does shareholders get comfortable that over time these are productive assets working for them?

<A – Michael Angelakis>: The AW – I would say the AWS spectrum actually increased in value pretty considerably over time and I think that there's a real goal to make sure that the Clearwire partnership is successful and works well for us and meets the goal objectives we have. I think I've said this before, when Clearwire has met the objectives and it's hard to say exactly what that is. I think we will evaluate what to do with that AWS spectrum. But right now we – I think it's an appreciating asset and from our standpoint, we will continue to hold it and make sure Clearwire is successful.

<Q>: Another question on, if you think about the structure of the video market and look at some of the leading edge at least offerings out there whether it's whole home DVR that you've seen or the DTV sports package, sports offerings, how are you competing against that higher-end segment of the market?

<A – Michael Angelakis>: I think on the multi-room DVR, we have launched a number of services. We just launched iPhone App for different service. So there is a – there is certainly product development where we'll leapfrog one, somebody will leapfrog us there, they don't move. But I think that we're competing pretty effectively. We have a meaningful product development team that is always looking at, how do we improve and enhance meaningfully, not just a press release, a product or a feature for our customers.

So, on the NFL which I think that is SUNDAY TICKET, that is a level of frustration for us, but it is what it is and I think we are doing a good job. We just launched RedZone and we're marketing RedZone which is we're trying to find a way to provide more sports to our customers. That one does sort of [inaudible] little bit.

<Q>: I think the capital spending for the company there is identified on one-year term?

<A – Michael Angelakis>: Your question or somebody else's question?

<Q>: This is back to my question--

<A – Michael Angelakis>: Okay.

<Q>: Certainly open and honest here, but once we get through All-Digital, DOCSIS 3.0, two pretty big projects and I realize one heck a lot more expense than the other, but the – as we get through these near-term projects, are there any other things from the horizon you could think that would keep CapEx sort of where it is now or should we expect level the CapEx to continue trending down over time?

<A – Michael Angelakis>: I think the goal for us is to be really smart about how we invest CapEx. I think the outcome of that is that intensity will continue to decline. I think the projects related to All-Digital and DOCSIS 3.0 are finite. I think we are investing in interactive advertising. I think we're investing in Wi-Fi. I think we're investing in Business Services, we just spent some time talking about adding investment to Business Services. We're trying to be very focused on how we allocate CapEx. But I think the outcome is that the intensity will continue to come down. And that we will continue to fund those projects, which we think has attractive profitable growth characteristics.

<Q>: As we think about longer-term capital intensity, I had to pin you down, I think but just how would you think – do you think in CapEx to rev turns, is that how you like to get investors thinking about it?

<A – Michael Angelakis>: I'm in different. I look at it as a whole number. I think that if you look at 2007, it was roughly six billion plus dollars, it was, 5.7. I think we'll come in at – I'm not going to give you guidance, but I think we'll bring it down. And I think next year, we have a chance of bringing it down in absolute dollars as well.

<Q>: Okay. Another one of my questions, cost cuts, how should we think about opportunities for additional cost-cutting in the business?

<A – Michael Angelakis>: I think we are laser focused on cost cuts. I mean the business – this is no secret, the business has slowed down, both in terms of economic issues as well to advertising or housing growth, it's slowed down. And as it slows down we will take more cost out of the business. So I think we have more continued opportunity this year, next year to take more cost out of the business. We took cost out of the business last year. We're not the type of company that issues a press release and says we are laying off x number of people. We did do that, but we did not do a press release last year, but we did on one of our calls, articulate exactly what our plans were. I think you'll see us take more cost out of the business this year and next year.

<Q>: So we'll end with a couple audience questions. We've had a number of focus on maybe more a function of geography, and where you are, but a number focused on FiOS and how you compete against FiOS. How do we get confident that this is sort of a – can be a constructive situation as opposed to aggressive situation. I think there has been some pricing action recently, which speaks to that wonder if you could walk us through that.

<A – Michael Angelakis>: I don't want to – they're a fine company. They can speak for themselves. I think we're competing effectively with FiOS. I think they have a good product. I think we have a good if not better product. By the way, they're overlapped to us as roughly 15% today. So the other 85% is not FiOS over built, but I think we're starting to even see some win backs from them, where they've come into a market, people want to try the service, it's not as great as it's advertised or a bit more expensive and we're getting some customers back, but – and they've done rate increases recently that I think are pretty aggressive. So I think that we're competing well against them.

<Q>: Do you do win-back surveys to determine when you actually get some back from FiOS which I realize it's very early on, but I'm wondering if you can pinpoint why exactly they're coming back, what are they frustrated with?

<A – Michael Angelakis>: Well, I think it's all of the above. I think that unfortunately we do sub or two every once in a while and if we miss an appointment or VOD product didn't come through, that could be a trigger to move to somewhere else. By the way, no one is perfect and that happens to them as well. I think that their ARPUs are higher than ours. So I think that there are some pricing aspects there. Actually they are – I'm not going to go into too much, but I think we're competing well against them. We are very focused on win backs not just on FiOS by the way, but on U-Verse and DIRECTV and Dish and there's a real goal for us to try to keep our video customers, whether we're retaining them or taking them from our competitors.

<Q>: Okay. Last question which is an audience question that actually overlap with one of mine so balance here but online video and just how to think about relationships you have with the programmers and the opportunity versus the risk over time?

<A – Michael Angelakis>: In a very short time, by the way, we created Fancast. We've also help to create TV Everywhere with our friends at Time Warner. TV Everywhere is a service that we think is complementary to our core service. People are watching more TV today than they ever have. Also in order to watch TV Everywhere or Fancast, we think you need a really high-speed modem or a high-speed access, which again I think we are terrific at. So we just don't see the threat as significant in terms of online. We think it as relatively complementary. And frankly, we're leading the charge with regards to developing products whether it be Fancast or On Demand Online and we think the cable programming group, in particular I think is endorsing On Demand Online and [inaudible] a very good utilization for people who want to watch TV on a PC or a laptop.

<Q>: Great, we're about out of time. Michael, thanks so much for joining us today.

Michael J. Angelakis, Chief Financial Officer

Pleasure.