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# EDITED TRANSCRIPT

CMCSA - Comcast Corp at Deutsche Bank Media, Internet and Telecom Conference

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## CORPORATE PARTICIPANTS

**Neil Smit** *Comcast Corporation - Senior EVP & President, CEO of Comcast Cable*

## CONFERENCE CALL PARTICIPANTS

**Bryan Kraft** *Deutsche Bank - Analyst*

## PRESENTATION

**Bryan Kraft** - *Deutsche Bank - Analyst*

Good morning, everyone. I am Bryan Kraft and I am the media cable, satellite, equity analyst for Deutsche Bank. I would like to extend a warm welcome to all of our institutional investor clients, corporate clients and all the companies who are joining us this week for Deutsche Bank's 25th Annual Media and Telecom Conference. So thanks, everyone, for coming.

We have an exciting group of companies and executives participating again this year, which is a great segue to our first presentation. So with that I would like to introduce Neil Smit, President and CEO of Comcast Cable. Welcome, Neil.

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**Neil Smit** - *Comcast Corporation - Senior EVP & President, CEO of Comcast Cable*

Thank you, Brian.

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**Bryan Kraft** - *Deutsche Bank - Analyst*

So, Neil, why don't we get into it? You just reported a strong fourth quarter which caps off a very strong 2016. As you look ahead to 2017, what are your Company's strategic priorities for the year?

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**Neil Smit** - *Comcast Corporation - Senior EVP & President, CEO of Comcast Cable*

Well, I think we have got a strong growth story, we have seen consistent growth and we have got a well integrated set of products that we are marketing well. So I think 2016 was a strong year in many regards.

With regards to 2017, we are going to continue to drive the growth of the video business; X1 has been a real advantage for us. HSD growth, we want to continue the momentum there. We have got DOCSIS 3.1 rolling out, we have got new advanced wireless gateways going out that are (technical difficulty) the best in the market -- in the world, as a matter of fact.

We have got the business services growth, which is a \$5.5 billion business growing at double-digit rates. So we will continue to drive growth there. We want to make sure we are integrating our products and selling them in a targeted segmented way. We have got a great bundle and we are integrating new innovative products like XFINITY Home into the bundle.

And I think the customer experience is going to continue to be a focus of ours. We have made a lot of progress on that front and there is a lot more to go. And of course we are launching a wireless product later on this year which we are very excited about. So I think it is this continued momentum and execution on those set of priorities.



**Bryan Kraft** - Deutsche Bank - Analyst

All right, so we are going to get into a lot of those that you mentioned. Why don't we start with residential broadband. It has been such a consistent and strong growth driver for the Company over the past several years. How much more runway do you think the Company has to increase broadband penetration?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, we put on over 1 million subs for the past 11 years. And we had the strongest growth in nine years this year at 1.4 million net adds. I think that there is continued room for growth in the broadband space, both the market -- it's about 75% penetrated. So we see a market opportunity there as well as share growth. We are growing share in all the DSL markets as well as some of the fiber markets. And we are going to do it through innovation and targeting and continued growth there.

We have got what we think is the best HSD product in terms of speeds and reliability as well as the best in-home Wi-Fi coverage. And we are investing in both those categories. We have increased speeds 17 times in the past 15 years and we will continue to invest in the network and the delivery of great HSD experience.

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**Bryan Kraft** - Deutsche Bank - Analyst

And from a product perspective, how do you see the residential broadband product evolving over the next few years giving the continued investment that you are making in the network, the advancement of technology, CableLabs is developing and your ongoing focus on innovation?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, we are going to continue to grow out DOCSIS 3.1, it will be at the majority of our households; it will be available by the end of the year. We have already rolled it out in Atlanta, Chicago, Detroit, Nashville. So we are seeing the role out going very effectively.

We are going to roll out -- XB6, which is the advanced wireless gateway which gives us unprecedented throughput and propagation. The broadband -- the new product we announced at CES is -- compared to X1 where you have a great integrated -- the best experience with X1 by being able to find the content via the -- in a simple way via the voice remote. We launched a way to manage and monitor your network down to the device level.

A lot of times I think people believe that the Internet stops at the wall of the house and we are taking it right down to the device level. And you will be able to connect new devices automatically as you bring them into the house whether it is a Nest thermostat or a Lutron light bulb and it will connect automatically.

You can hit pause on the Wi-Fi network so at dinnertime you want the kids to sit down and eat, you can pause the network, you can monitor and manage right down to the device level, so you can diagnose things down to the device level.

And the great thing about it is it will be -- it will hit 11 million homes on day one and it will be included in the service and cost. So we think it is more than just about speed and reliability; we think it is the experience as well. And this will be a new interface -- cloud-based interface that will help make Wi-Fi management easy in the household.

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**Bryan Kraft** - Deutsche Bank - Analyst

And you mentioned DOCSIS 3.1, what is -- and you talked about the timing of the rollout. What does it do from a speed perspective and how much of an improvement does it make in the speed of the service?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, gigabit speeds of the DOCSIS 3.1 rollout and then over the next 24 months we are going to do DOCSIS symmetrical -- DOCSIS Duplex, rather, that will get symmetrical speeds -- multi-gigabit speeds out into the network, leveraging our core network, our HFC plant. And we continue to roll fiber deeper into the network both with business services as well as with resi. And so, we feel very confident that our network is extendable and flexible and we can continue to deliver higher speeds.

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**Bryan Kraft** - Deutsche Bank - Analyst

Why don't we talk about 5G for a minute. It is top of mind I think for a lot of investors. On the one hand there are opportunities to leverage your fixed line network for your own backhaul or for backhaul as a service to mobile carriers. On the other hand 5G can introduce some level of wireless substitution into the fixed line broadband market. How do you think about the balance between the opportunities and the risks associated with 5G?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, 5G is exciting new technology. I think of it as having two components; one is advanced technology primarily in the antenna space as well as higher frequency bandwidth. Both of them come with pros and cons. I think with the advanced technology in the antenna it travels the short distances that the frequency does and it is going to require a lot of small cells, a lot of space, a lot of power, a lot of backhaul. We have been doing backhaul for a number of years and we feel pretty good about that business.

With regards to propagation properties of the higher frequency, it doesn't propagate walls very well or trees or other obstacles. So we think there is going to be, in order to get it effectively into the home, an antenna required to be mounted on the house to get the propagation through the house that is required.

We feel good about our network. We have had two outside independent experts come in and kind of look at our fiber network plans with -- and how they overlaid with a 5G and we see a lot of compatibility there, excellent compatibility. It is kind of uncanny. So we feel good about our plant being able to service the 5G and the growth of our fiber network. We are bringing fiber deeper every day in the business services space especially. And we think we will have plenty of capacity to service the needs of the 5G technology.

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**Bryan Kraft** - Deutsche Bank - Analyst

What about the capacity on the co-ax side. I mean I think obviously fiber is going deeper but it is not going to be ubiquitous, at least not for some time. I think a lot of people are wondering whether you can even use co-ax for 5G backhaul. They suggest that fiber is actually required. Do you have a view on that?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

We feel like co-ax on the resi side is going to be fine. We are bringing fiber deeper, we are expanding, we are splitting nodes and co-ax will be fine on the resi side. And as we go fiber deeper into the network what we should be -- we have 151,000 miles of fiber in our network currently. And we think that that ability of the HFC plant to service the customer and the 5G technology will be fine.

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**Bryan Kraft** - Deutsche Bank - Analyst

So, it sounds like it depends on really how much capacity is needed in a given area as to whether it needs to be fiber or co-ax --.

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Right. And as I said, our overlay with the 5G overlay with the network similarities are just uncanny and the ability of our network to service the 5G needs we feel very confident with.

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**Bryan Kraft** - Deutsche Bank - Analyst

Why don't we move onto X1 and other of the continued priorities that you have in the business. It has been a pretty transformative product for Comcast, I am a customer, so I have experienced it --

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Thank you.

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**Bryan Kraft** - Deutsche Bank - Analyst

-- firsthand. You have talked a lot about some of the key positive impacts it has had on the business and on your customer base in terms of customer satisfaction, churn, buy rates, DVR penetration, etc. Do you continue to see these positive impacts as you further scale X1?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Yes, the sustainability of the impact has been remarkable. So, we see customer satisfaction continuing to rise, customer retention improved so you have an extended CLV. We have three times the DVR buy rate with X1, we have twice the PPV rate, we have more additional outlets per home. And so, the ARPU is higher, the CLV is higher and we continue to add new services and new features.

The X1 remote -- voice remote has been remarkable. We get 80 million commands a week, we will be over 5 billion commands over this next year. And so, being able to what they call flatten the UI and get to the content you want in a direct way has just been a great achievement and the technology teams have really done a great job integrating new services into the X1 platform.

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**Bryan Kraft** - Deutsche Bank - Analyst

And the voice remote is pretty amazing; we use it a lot. Order -- maybe you can talk about some of the other latest innovations and features that you have added to the platform. Because I know you have done more than the voice remote even though that is a big one.

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Yes. Well the Olympics experience was unique in that it was the first time anyone had merged linear with streaming content. We had over 40 concurrent streams going on at the same time, so you could watch table tennis at the same time you were watching the 100 meter sprint. And so, big-name events with events that often had not been seen. And that was a great combined effort between us and NBCUniversal.

We added the Netflix content to our metadata. And so you don't have to step in and out of the experience. It is one -- you say House of Cards and it will take you right to House of Cards. And we have added -- recently last week we announced YouTube integration. So you will be able to see any YouTube content combined with the results of the linear content in one experience.

We want to be the aggregator of aggregators. And we think that there is a -- we can integrate the content in a very seamless way and make it just a great customer experience. And it all came about as a result of our focus on customer experience. We said what is a better customer experience

-- to have to switch from device to device and input A and input B, or just be able to voice remote it and get to the content directly? In the case of Netflix it has been very successful.

We -- let's see, January and February we increased our overall VOD usage 35%. January was our highest month ever. And all boats rose. It wasn't just the Netflix content that drove that; it was -- there with more usage of VOD, people were getting deeper into the content. So we see integrating these new services as fundamental to the experience and just making it easier for the customer to get to things.

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**Bryan Kraft** - Deutsche Bank - Analyst

And how far into the subscriber base to expect to drive X1? Is it something that all of your video subscribers are eventually going to get?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

We drove it to 48% of the base in 2016, which was up from about 30% in 2015. So, we are seeing good increases. We will be at about 65% or low 60% let's call it by the end of 2017. And I think eventually we'll get it to 75% to 80% of the base. It is success driven and -- but it has had -- as you mentioned earlier, it is great benefits for the business overall. We grew the business 161,000 subs in 2016 amidst a more competitive environment and a lot of it was driven by X1.

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**Bryan Kraft** - Deutsche Bank - Analyst

Maybe that is a good segue to over-the-top competition. The market is beginning to see increased competition in video from Internet delivered pay-TV services. And as you just mentioned, 2016 was the best year for Comcast video net adds in I think within 10 years.

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

10 years.

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**Bryan Kraft** - Deutsche Bank - Analyst

I am curious as to what impact you have been seeing more recently from the over-the-top pay-TV packages and also what tools you have to mitigate the competitive impact in what might be potentially vulnerable segments of the customer base.

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well X1, it is our primary video platform. And we think it is very competitive versus the OTT offerings. There have been a number of them that have come out in the last couple years, whether it is Sling or DIRECTV Now or Sony product. So there have been a number of different releases.

I think that what we offer is unprecedented quality of service. There have been some problems with the releases of some of the OTT technology and our technology is well developed and established. I think unprecedented quantity of content; we don't have -- we have all the local content, all the live content and 100,000 VOD choices. VOD on X1 is -- 85% of the customers use it for at least 20 hours a month. So we are seeing no holes in the content quantity.

And then finally, I think -- we have been competing for years, we know how to compete. The value of the bundle is a wonderful thing. And when we can combine video with HSD, with phone, with XFINITY home, it really ties together the bundle very effectively.

**Bryan Kraft** - Deutsche Bank - Analyst

Why don't we talk about regulatory for a minute? The regulatory environment hasn't been an easy one for the industry over the past few years. But the election results seem to have shifted those regulatory wins in a favorable way. What does the changed regulatory landscape mean for your business, particularly as you look at opportunities to invest and grow and innovate in the business?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, I think tax reform is -- would be very beneficial to us. We are a large US taxpayer so that would be one benefit of the current conversations in Washington. I think an open Internet, net neutrality. We have always believed that -- in an open Internet, free and open Internet. But I think we didn't believe that Title II was the way to get there. So I think the conversations around possibly eliminating Title II are positive.

The privacy conversations, we always believed that there shouldn't be two privacy regimes. And so, having one privacy regime would be beneficial. But it is in the early days and we will continue to focus on driving the business and hopefully some of these regulatory changes will manifest themselves.

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**Bryan Kraft** - Deutsche Bank - Analyst

Customer service, that has been a major focus for Comcast ever since you joined the Company seven years ago. Can you talk about the journey, if you will, from then to now and what you and your team have accomplished in terms of improving customer service and also how you accomplished it?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, we accomplished it by getting -- it is really more of a cultural change than anything and getting the whole culture focused on the customer experience. We put in one measurement system, Net Promoter System, and everyone is measured on that and paid on that, including Brian and myself.

It focuses on what the customers want and need and whether they would promote your service to a friend or family. And we also have an employee NPS score which gets the feedback of the employees who are fundamentally trying to service the customer. So it has been a real morale lift for the employees.

We are focusing on a number of different aspects of the journey from the move process, when people have to move let's make that easy for them, to the billing process to the repair process. But right now we are very focused on digital transformation where we would enable customers to do anything, any change to their service or change to their bill or set up appointments digitally and online. And it is taking a lot of noise out of the system.

We took out, for example, 22 million calls last year while at the same time adding 858,000 new customers, new customer relationships. And so, it is taking noise out of the system and it is enabling us to operate more efficiently and effectively for the customer.

I think there is a lot of room for an opportunity there still both in the digitals going digital and giving the customers the same tools the agents have to be able to fix their problems. They can now reboot by themselves the service if it goes down, they can -- the technician arrival is automated. So it will update you when your tech is going to arrive via an app.

And the customer service app that we have is 40% of the people are using it to digitally manage their relationship. So in that -- we think there is a lot of room for growth in there as well. So, it has been a great journey. I credit all the employees with getting aboard and focusing on it and really fundamentally transforming it.

**Bryan Kraft** - Deutsche Bank - Analyst

Yes, it is interesting, it seems like customer service has even been integrated into X1 to a degree. Recently on one of our older boxes I tried to use the Netflix app, but it didn't work on that. It was really one of the first X1 thin clients that you rolled out.

And basically it prompted me to order another set-top box through my remote control. And two days later it was shipped to me with instructions to set up a new box and with a return ship label, send the old box back, which is not something I have ever experienced with a pay-TV service before. So I thought that was a pretty cool development.

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Glad it worked out. It is interesting because there have been so many things along the path that we realized were practices or policies that we put in place for a very good reason at the time that we are just questioning and saying what is the best thing for the customer to do here? And how can we put it in, make it easier for them to accomplish what they want to do? And you arrive at things like that. Let them order it online and let's ship it to them directly and let's make the installation process easy.

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**Bryan Kraft** - Deutsche Bank - Analyst

Business services, this is the second largest contributor to revenue growth in cable. Where are you in terms of market share now among the small and medium businesses? And as you look forward to the next leg of growth, what from a product and customer segment is going to drive that growth?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, business services, let's put in perspective, is about a \$5.5 billion business. We think that within the small and medium space it is a \$20 billion to \$25 billion opportunity within our footprint.

In the small business segment it is about 70% of our revenue, 60% of our growth. We think we have about a 40% market share there. So there is still a lot of room and opportunity in there. The medium-size business is about a \$1 billion business for us right now. We think we have about a 20% market share. And it is growing at the fastest rate of any of our segments.

The enterprise space we have just entered, we have about a 5% -- less than a 5% share there. It is going gangbusters. We think it is another \$13 billion to \$15 billion opportunity within -- revenue opportunity within our footprint. And we just took on a small or a fast food restaurant chain with about 6,000 locations. We took on a small retailer with about 13,000 locations. And we are Wi-Fi'ing up their properties and providing Internet service.

And if it doesn't fit in our footprint we have cooperative agreements with other MSOs where they get the percentage of billing outside of our footprint. But we do the master bill so the customer has just one bill to deal with. So we see a lot of room for growth. I think we are differentiated in that we have superior new products, not legacy products, so better technology, better products at a more competitive price point.

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**Bryan Kraft** - Deutsche Bank - Analyst

Are there certain segments of enterprise that are more attractive versus others?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

No, the ones that we are signing up the fastest right now are kind of like small -- a regional hub with a number of small outlets, kind of small businesses. So, we know how to wire up small businesses and it needs to be changed. So banks, small retailers, fast food companies seem to be the highest growth for us right now.

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**Bryan Kraft** - Deutsche Bank - Analyst

And just what about on the competitive side, I mean particularly in small business where you actually have substantial share now, albeit with room to grow. But have you seen any change in how your competitors are behaving or reacting to your success over the past 12 months?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

The RBOCs seem to have woken up a bit in the small-business space and so they are competing more aggressively. We have got a dedicated sales force, a dedicated service force and I think superior products. And so, we continue to see strong growth out of that segment.

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**Bryan Kraft** - Deutsche Bank - Analyst

Let's talk about wireless. You mentioned also, as one of the things you are focused on this year, launching a wireless product around the middle of the year. And this is going to utilize your Wi-Fi network as well as your pre-existing MVNO agreement with Verizon.

Brian said on the fourth-quarter call that he would like the Wi-Fi first, MVNO strategy to be a permanent one. However, some investors question the feasibility of using another Company's network as a permanent strategy given the limited ability for you to control that network, ensure a premium experience and also provision a full feature set.

And there also seems to be some question I think over the economic viability of an MVNO without owner's economics. Is there legitimacy to these concerns or are there some things that the skeptics are missing?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, with 29 million customer relationships, 16 million hotspots and a perpetual MVNO agreement, we think we have got a great set of assets to offer very compelling value propositions to the customer. I think there are three principles we are managing the business by. One is we want to run a profitable business. Our economics indicate we can be -- after a short period be NPV positive at the subscriber level over a short time period.

Secondly, we think that this can help reduce churn and be a sticky product within the, bundle, and we will sell it within the bundle focusing initially on existing customers. So we see that as an important principle.

And third, that this can bring new customers to our business that aren't there now. And XFINITY Home for example, 50% of the customers in XFINITY Home are new to Comcast. So we think if we stick by those principles and we have a very compelling value proposition and we'll get out of the gates later on this year.

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**Bryan Kraft** - Deutsche Bank - Analyst

Let's talk about programming expenses. Programming cost growth, even in the better years, seems to be running in the high-single-digits. Given the continued erosion in television audience levels, do you think that high-single-digit growth is sustainable over the long-term or do you think it will moderate at some point?

**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, we announced a 13% increase this year, which was driven by some contracts that were up the end of 2016 and the first quarter of 2017. We see that as moderating in the subsequent years down to the high -- mid- to high-single-digit levels. It is driven primarily by sports and retrans costs. We don't see that changing a whole lot in the near future, those cost increases.

But we are able to offset that and manage our margin by driving high margin businesses like business services, high-speed data, by reasonable rate increases and by managing our non-programming expenses as effectively as possible.

So, we said last year we would manage our margin to a zero to 50 bps decline. We came in at 40 bps and we said again this year we can manage to a zero to 50 bps decline in the overall business and I think we've got great momentum and we should be able to do that. I think we demonstrated we can manage margins pretty effectively even with the programming increases we are seeing.

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**Bryan Kraft** - Deutsche Bank - Analyst

Yes. And you mentioned that retrans and sports is really what is driving that high rate of growth. Is there -- I mean it sounds like you certainly have visibility over at least the next few years on that not changing. I guess if you think about really long-term though, is there -- it seems unsustainable that that could continue 10, 15 years. I don't know, how would you think about that?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

I would think -- I would hope that would be the case. But we don't see it over the near-term. Long-term sustainability I guess is -- depends on the value being offered to the customer.

And one of the nice things about X1 is we can bring in different packages and offerings to bring value to the customer even if it is not the traditional programming, so Netflix being an example of that. And where there isn't sports or retrans costs but we are still bringing the content the customer wants to them. So we think the X1 platform is a real advantage to us going forward in terms of its ability to integrate different programming.

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**Bryan Kraft** - Deutsche Bank - Analyst

So, given your comments on margins, is it reasonable to think that we could see operating leverage driving margin expansion in 2018?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

We don't project out past the year in terms of margin or programming costs. But I think that the great thing about the customer experience work we are doing is it is taking, as I mentioned previously, a lot of noise out of the system. And I think we can drive non-programming costs very effectively. And our two highest with businesses, HSD and business services, are both accretive. So it's our objective to manage and drive effective margins and we'll continue on down that path.

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**Bryan Kraft** - Deutsche Bank - Analyst

Let's talk about CapEx. You talked about the innovative smaller less expensive boxes being deployed for video. The X1 rollout is no longer accelerating. On the surface this should imply a declining capital intensity, but CapEx sales remains at 15%. Can you explain why the increased investment in the network is offsetting the declines in CPE CapEx? and what happens directionally to capital intensity looking beyond 2017?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

So, there has been a shift in CapEx as a percentage of the total -- CPE is coming down as a percentage of the total and network investment is going up slightly. We said we would be around 15% capital intensity in 2016, which is where we came in. I think the capital intensity of CPE will continue to drift downward as a percentage and that the network capacity will continue to go upwards.

So in 2016 we went from 55 gigs per household median usage up to 88 gigs average. So a 55% increase. And that is a good thing; we want to see that happen. People are placing more value on our network. And so, we are very positive about that and we will continue to invest there. We are driving out business services.

We used to drive business services just to -- customer by customer base, whereas now we go into an industrial park and if we get one customer we build in -- we pull in the fiber, the Metro e-fiber to -- because we know we are going to get 30%-40% of the customers within a reasonable time period. So we are building out proactively.

So, I think it is reasonable to assume that capital intensity may drift downwards, but if we see opportunities we are going to jump on them. And certainly the network capacity and the business services aspects of CapEx we'll continue to invest in because we see the good growth and good margin there.

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**Bryan Kraft** - Deutsche Bank - Analyst

When did you make that shift toward more proactively connecting commercial premises?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, we look at all our CapEx and the ROI on the CapEx and we -- the business services, basically the team came forward and said, we think can invest more proactively and get a higher ROI. And so, we tried it in a few markets and they delivered on the commitment. So we said, okay, here is more CapEx, go build. And it is -- so, it's on a success based program and the people who can drive more on that customer growth get more CapEx and it has been very successful.

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**Bryan Kraft** - Deutsche Bank - Analyst

I wanted to ask you about Symphony. I think a lot of just what you guys call it -- a lot of investors are trying to figure out how the strategic landscape is going to reshape through industry consolidation. Comcast decided relatively early that distribution and content belong together, which I think gives you a pretty unique perspective.

Now that NBCUniversal has been under the Comcast roof for six years, how would you describe the major benefits or synergies that have accrued to the cable business and also to NBCU as a result of the combination?

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Well, we are a very collaborative business. I mean Steve and I speak at least every week and there hasn't been an issue that has come up between our companies that we couldn't solve in a 2-minute conversation. I think that the most obvious synergy was the Olympics, as I mentioned, where we collaboratively came together and brought a very unique experience to viewers in X1.

The other types of things we have done together is, EST electronic sell-through where you can purchase a movie with a click of the remote or voice command of the remote. And that was a program that we worked on and developed. I think stacking, full season stacking is something we were able to work on and develop together.

So, I think the real advantage is that we can test and try things and collaborate over things without getting into multi-year agreement arguments. I think that the fact that we grew video subs for the first time in 10 years, we had the highest HSD number in nine years, coupled with the fact that NBC has some of the highest ratings ever, they are doing the best movie business that they have done since the beginning of Universal Studios and the theme parks are booming.

I don't think it is any coincidence that those -- both businesses are performing at such a high level. And I think it is due to the fact that we are integrated and we do work closely together. And I think 2017 is going to be another continued year of success.

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**Bryan Kraft** - Deutsche Bank - Analyst

All right, why don't we wrap up there? Thanks very much for joining us. Appreciate it.

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**Neil Smit** - Comcast Corporation - Senior EVP & President, CEO of Comcast Cable

Thank you. Thank you, great to be here.

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