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PRESENTATION

Anthony DiClemente - *Nomura Securities - Analyst*

So thanks, everyone, for being here. I'd like to welcome Marcien Jenckes. Marcien is Executive Vice President, Consumer Services, Comcast Cable. In this role, Marcien is responsible for Comcast's residential lines of business. Those include XFINITY Video, XFINITY Internet, XFINITY Home and XFINITY Voice. He also now manages Comcast's portfolio of advertising assets. There are many. They include Comcast advanced advertising. Previously to Comcast, Marcien was an entrepreneur involved with a host of digital advertising and media syndication startups. He's held a variety of leadership positions also at AOL, and he has his MBA from the Darden School at the University of Virginia. Here, here. Welcome, Marcien. Thanks for joining us today.

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

My pleasure. Thanks for having me. That's fantastic.

Anthony DiClemente - *Nomura Securities - Analyst*

So clearly, the quality of the product, both video and high-speed Internet, is a big reason why Comcast subscriber trends have really outpaced the competitors in recent quarters and years. So I guess from a high level, how do you, in your role, plan on maintaining the competitive advantage that you have today?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

Thanks. It has been great. We just posted, as you know, second quarter, the best video results in 10 years and the best high-speed Internet results in eight years, so we are riding a lot of momentum. And to your point, we think a lot about how to maintain it and we are very optimistic about it.

I think the way that I think about the runway ahead of us is a couple of things working together. We've invested a lot in innovation going back to our network, going all-digital, DOCSIS 3.0, DOCSIS 3.1 now and best of the lot in video infrastructure, X1. In our gateways, we've increased speed 17 times in the last 15 years. We have now almost -- about 80% of our customers are at 50 megabits per second or higher. We have 15 million Wi-Fi hotspots. So throughout, we've been investing very heavily and aggressively on innovation because we think that differentiates our service, allows us to take share. It's paying off.

And I would say that we are early in that process. Meaning that we are just beginning to see the returns on all of that investment, and I think there's a nice tail in front of us where we will continue to see that. But one of the biggest benefits that we've seen so far -- and we talk about how X1 reduces churn, as an example -- we've had 29 months of declining churn and X1 home has 20% lower voluntary churn than other homes. This has taken a lot of activity out of our business and has allowed us to invest some of the money that otherwise would have gone to acquiring new subs into our customer experience.

And so we have this wonderful return story on the innovation, and at the same time, it has allowed us to fund all of these improvements in the customer experience that I think we are going to begin to see the returns of. Those two things together, along with our increased sophistication



in selling to segments as opposed to the same thing to everybody, has allowed us to both create a good path, but also I think a very sustainable one that we will continue to see going into the next several years.

Anthony DiClemente - *Nomura Securities - Analyst*

I do plan to ask you more about the segments, but why don't we drill down on the high-speed Internet business if you don't mind? It's been an incredible success. You've added more than a million high-speed Internet subs in each of the past 10 years. Investors want to know about the outlook for sustainability of those subscriber additions, so the potential for volume growth, if you will and then also pricing and ARPU in that business. So can you talk about what you expect from high-speed Internet?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

Sure. And I think both very good. We feel great about that part of our business. We have been growing very fast, as you say, and the reason why we have confidence in the trajectory is that, as a category, high-speed data penetration continues to grow. So we are now at 70% to 75% of American homes have a high-speed data connection. That's going to get bigger. And so we will continue to grow with the market.

At the same time, we've been able to take a substantial share from our competitors. And that's contributed to our success, but there's still a long runway there. Just as an example, there are 6 million DSL subs still within our footprint, so certainly no lack of homes for us to continue to go after, and opportunity for us to continue to go after those subscribers.

And so from a volume perspective, we have both the size of the market working for us and then the ability to continue to take share within that market. I think, overall, we are in the low 40% penetration in the areas that we serve and so significant marketshare opportunities still. Those two things make us feel pretty good about our volume trajectory, along with the fact that we have the best network, from my perspective. We have the highest speeds to the most homes. Most of our footprint, we are offering 2 gigabit per-second speed and with the rollout of DOCSIS 3.1, we will have a very affordable 1 gigabit service available pretty much across the board.

And we've been innovating the in-home experience. So not only is our network really without peer, but we also have been making the same type of excellent investment in video within our Internet service by developing new cutting-edge gateways that deliver very robust experiences in the homes and drive a huge amount of satisfaction. So all of that is on the volume side.

On the price side, we've been, I think, purposefully making trade-offs for volume relative to price. We feel as though we have the ability to take rate, and we feel as though there's also an opportunity for us to launch services on top of high-speed data that we can monetize very well. And as you think about our trajectory for that part of our business, it seems like there's still significant growth ahead of us.

Anthony DiClemente - *Nomura Securities - Analyst*

Okay. I want to ask a follow-up about the competitive landscape in terms of high-speed data. Just last week, it was reported that Google might be putting on hold its plans to build out its fiber network. I think some folks have been concerned that Google fiber would be a competitive overbuilder in yours and other people's footprints. So you mentioned the upgraded speeds and reliability, the rollout of DOCSIS 3.1. What should we, as outsiders, take out of Google's decision? Does that remind us of the investments that you referenced, the cost and maybe the barrier to entry to building out a facilities-based high-speed data network? Is that what's happening there, or what are your thoughts? Is it they have another idea? Some folks think maybe they are forging down the path of wireless in lieu of Google fiber. So I wonder what your perspective is (multiple speakers)?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

Yes, look, I think in general their growth has been slower than I think what a lot of people originally anticipated and I attribute that to we are very good competitors. Certainly from our perspective, we aren't going to roll over in light of new competition. We feel as though we have a very

compelling product and we continue to play very hard for share. And it's possible that that was a bit of a surprise either to them or to the marketplace, and I think although we don't take them lightly, and I'm sure they will come back in other ways, I think we feel pretty good about our ability to compete going forward.

In terms of are they switching tactics, it seems as though they are focusing more on MDUs probably to try to accelerate penetration, try to accelerate sub counts. MDUs are a very important part of our footprint. My view is we will continue to compete very aggressively on that front as well.

Anthony DiClemente - *Nomura Securities - Analyst*

Fair enough. Okay. So let's switch gears back to the video product, if I may. You mentioned segmentation in the market. Skinny bundles obviously a huge topic. X1 wants to really provide the customer with optionality, I would think, flexibility, improving the customer experience and I would imagine that optionality is a part of that. So I guess the question is how aggressively or how targeted do you plan to segment the market and segment the video offering to Comcast customers?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

I think segmentation is an important part of our strategy going forward, but maybe there's two parts to the question. The first is X1 as a platform has been great for us. It's allowed us to assemble and create for our customer base the best video experience in the category. You see that based on the impact it has on our customer satisfaction, their happiness, the reduction in churn that I talked about earlier, but also you see it in terms of overall consumption of content; much greater consumption of on-demand content; much greater consumption of linear content; more use of DVR across the board. Everything you look at in X1 shows that it's a platform that allows us to showcase the content of our partners in a way that delivers value to our customers.

And when we deliver value to our customers, that's a good thing. I think what we talked about doing with Netflix later in the year, that will also contribute. We are going to add more and more sources of content into X1, and with the Olympics, we've had a fantastic showcase where we've pieced together different content types into a unified experience in a way that's been really compelling and very good for our customers and our partners at NBC.

One of the great things about X1 is that, to your point, it allows us to segment our customer base and serve different groups of people differently. I will give a couple of examples for how we will do that. When we first rolled out X1, a lot of times people thought about it as a set-top box. It's not that. It's not that at all. In fact, it's a cloud-based platform that delivers experiences through a set-top box, but also delivers experiences to any Internet-connected device, whether it's in your home or out of your home. That investment in infrastructure has allowed us to do really interesting things like launch an XFINITY On-Campus product that serves universities and gives people a TV experience that doesn't require a set-top box or a TV at all.

It's allowed us to create this Stream product that we've started to roll out earlier this year that's effectively a set-top box-less residential video product. We've recently made some announcements about our prepaid offering, which is again going at a different segment of the market and we would be leveraging a lot of the same infrastructure that we created for X1. So more than anything, it gave us a platform that allows us to tailor the experience to the specific audience that we are trying to serve, and that type of flexibility allows us to go to market in a much stronger way than we otherwise would be able to.

Anthony DiClemente - *Nomura Securities - Analyst*

Thank you. You mentioned Netflix, so I will pick up on that. I don't think Comcast has said much about the Netflix integration. How do you envision the rollout? Why did you do it and what do you think the benefit to subscriber trends will be, whether it be in terms of new additions or a retention tool? Just wanted to get a sense for how the Netflix integration will work and benefit the platform.

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

We did the deal with Netflix because it's good for our collective customers. Our view is that if you can create an aggregated experience that presents to a customer all the content that they want to consume no matter what the source is, if it's current season content based on one of our programmer deals, or if it's prior season content either that we license directly or that somebody like Netflix licenses and we are able to showcase within our experience, the unification of that is very powerful.

I think to some degree, maybe the ecosystem lost sight of that and trained our collective customers to go to different places for different sources of content. X1 allows us to pull that experience back together for somebody in a really powerful way. There's an example of how we did that with the Olympics. We took Web content, on-demand content, linear content; we cut it a bunch of different ways that are very consumer-friendly. It's follow your favorite sport, or follow your favorite athlete. And no matter what the content source is, we package it together in a way that's easy for you to consume. The idea with Netflix is to do something very similar than that and then I think down the line we should also expect to add other sources of content as well.

Anthony DiClemente - Nomura Securities - Analyst

When you say other sources of content, do you envision X1 as a platform that could have more than one Netflix-like service integrated into the box?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

Look, I think there's only one Netflix at the moment, but there are other companies that are aggregating content that our customers want access to and there's no reason why over time we wouldn't figure out ways to include them in the experience as well.

Anthony DiClemente - Nomura Securities - Analyst

I guess I'm trying to figure out where do you think you are in terms of getting to that Holy Grail of making content discovery seamless for users across the different delivery services, whether it be an OTT service that's integrated into X1, SVOD, linear, Comcast cable itself, YouTube? Where are we? Are we there yet in terms of delivering that Holy Grail to the customer? And maybe an add-on question to that would be, from the cable perspective, how much are on-demand or stacking rights to certain of the TV shows and content important to getting to that final Holy Grail end point?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

I think very important and we spend a lot of time thinking about what's the ideal video experience, and ultimately, it's something -- it's a lot of the characteristics that you described. It's all the content, independent of sources. Customers shouldn't have to figure out where to find stuff. We should serve it all up to them no matter where it's available today. It's also across every device. There's no reason why my iPad should be any different than my Android phone, should be any different than the TV.

To the degree I want to access my content, I should be able to do it across the board. It's also a mixture of live and on-demand and in many cases, it involves blurring the lines between the two, like you start a show, but you sit down 15 minutes late. Why can't you go back to the beginning? There's something you might have on your DVR, there's something you might have on-demand, there's something that might be available on the Web. No reason you shouldn't be able to relate all of that together.

So I think we all know what we are working toward, and as I said, it's a lot of the things you described. Are we there? We are not there. But I will say we at Comcast are much farther along than anybody else in part because of the platform that we've created, but also because of the rights that we've licensed along the way. And just to your point, five years ago, we had about 25,000 on-demand assets. Today, we have almost 200,000. A couple of years ago, we had maybe 50 series where every episode for the season was stacked. We now have over 700. We have the top 100

Nielsen-rated shows on demand. About half of those with a full season stacking associated with it and we continue to close the gaps. I think the Netflix example and some of the things we've been doing in the Olympics are other ways we are filling around the holes, and I think I like where we are. You can never go fast enough or as fast as you'd like, but I certainly like the advantage that we have over the rest of the industry.

Anthony DiClemente - *Nomura Securities - Analyst*

The media programmers know to bring the stacking rights to a negotiation with Comcast cable because that's something you are going to be asking for.

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

You know what's funny is, when we started, everybody looked at us like we were crazy. We'd show up and we'd say we want full-season stacking rights and they would say it doesn't work that way. And so we had to convince the industry that it was the right thing to do, not just for us and for our customers, but for them, for the overall ratings of a show and it has really positive impact on overall ratings for their ability to monetize advertising. There's a really big impact there, so it's amazing how we were able to, with the use of data, turn a bunch of no way, no hows into now I love it. I hear leaders of the media companies that we are in business with saying full-season stacking is part of the value proposition. That was never the case several years ago. And so I feel very proud about our role in helping to make that happen.

Anthony DiClemente - *Nomura Securities - Analyst*

Thanks. One question on this theme. I did ask this question on the earnings call of Steve Burke, so forgive me please for asking it twice, but I'd like to ask you. Given Comcast's ownership of NBCUniversal, how does the integration of Netflix into X1 -- how do you navigate the conflict of interest that might arise when you have a new service like that and where an X1-enabled search might point a viewer to a piece of content that resides on Netflix when you and NBCUniversal might prefer that viewer to be pointed to an NBCUniversal-owned source of that content, if you will?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

I think that's a totally fair question and for me the answer is very easy. No one has ever gone wrong for doing the right thing by the consumer. And so I think to the degree that content sources are available in the marketplace, us making investments to make it easier for our customers to find them no matter where they are, almost source-agnostic, can only be beneficial to the overall ecosystem. In fact, interesting thing about our relationship with NBC is I think it's really helped us as an industry even beyond Comcast, but just as an overall industry -- I'd say one of the things about us and NBC that's really interesting, I think a lot of times as an ecosystem we've had trouble making progress on new initiatives because everybody is afraid of being the patsy or making a mistake. What if we do this new thing and the other guy captures more value than I do and sometimes that creates a certain level of paralysis that I think has maybe slowed the overall ecosystem for making some of the changes that it needs to do.

I think the great thing about our partnership with NBC -- and honestly it extends to other networks as well -- now is we've been able to debunk some of the fears. So earlier, I talked about our ability to move the market from an overall content stacking perspective. I think we were able to show with NBC that that created opportunity and then take that data to other networks and then quite honestly the folks at Fox have been great partners on that front. And then they collectively helped us develop some data that we were able to take to other folks. And so there's almost like we have this ability to experiment and to take risks that the industry has been afraid to take in the past and for the most part, when they work out, it allows us to advance the ball to move things forward in a very compelling way.

Anthony DiClemente - *Nomura Securities - Analyst*

Understood. Maybe taking a step back on NBCUniversal, can you just walk us through what you see as the broader more holistic benefits of Comcast owning NBCUniversal?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

Yes, I think there's two components. The first part of the question is maybe is there a synergy between the two parts of the Company, and I think that there are. There is this program Steve talks about all the time called Symphony, where we figure out ways to collaborate in a way that creates value overall. A good example of that is the work that we've done for the Olympics. We've talked about this a little bit already, but it's been making a series of investments in X1 that showcase different types of content, that allows us to promote content differently, and the results have been outstanding. It's hard to believe, but we've gotten some Nielsen data that shows Olympics ratings within Comcast homes is 19% higher than it has been outside of Comcast.

The combination of different ways of viewing content and pulling together the traditional linear on-demand and Web streaming content has created these very compelling experiences, and there's lots of examples like that that we can point to. So that's been one benefit that then we've been able to take to other networks as part of some of the things that they are featuring and extend that way.

The second is with the experimentation that I talked about, our ability to take risks with each other even -- we just were able to enable some addressable video advertising campaigns for NBC and we have similar partnerships with other networks. Those are the kinds of things that maybe wouldn't happen if not for our ability to take risks together in a very compelling way.

Anthony DiClemente - Nomura Securities - Analyst

Some of that functionality -- you mentioned showcasing the Olympics. If you are an X1, XFINITY video subscriber, you have multiple viewing options. You have streaming options. You may have some rich media, some data functionality and discovery in there. All of that really lends itself very well to the Olympics, and the format of the Olympics. I wonder is some of that functionality extendable and relevant beyond just the Olympics to -- once the Olympics are behind us -- the day-to-day functionality?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

For certain, it is, and in fact, we use moments like the Olympics in order to innovate and create new formulas for how we pull things together, but we do it all with an eye toward how it will survive. You wouldn't put in a whole bunch of work just for two weeks in the middle of August. So we put a whole bunch of work in order to create an experience that will last a lot longer and then a lot of those capabilities we end up taking advantage of whether it's -- I will give you three examples -- whether it's with the Netflix integration, which obviously we will be talking more about in the future, but also a lot of the sports programming that we showcase. One of the great features of the Olympics is our sports app that shows you medal counts and information on athletes. All of that is extensible to the college football season and the NFL season and what happens in the NHL. We create new ways of featuring content. All that applies to the Oscars, or the Grammys or other big events that people are interested in.

The look back capability, where you tune into a show late and can go back to the beginning, that applies to every one of our primetime shows. So there's lots of examples where we build things around an event and then all of that stuff survives and becomes part of almost the new baseline of what a TV experience should be going forward.

Anthony DiClemente - Nomura Securities - Analyst

This technology, the X1 technology, you've talked a lot about it. It's obviously ahead of the competition. You've licensed the X1 technology to at least a couple of other cable providers. Can you just address that for a second? Are there benefits other than obvious licensing fee benefits that you, that Comcast, might obtain out of licensing X1 out of the Comcast footprint?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

There are. And I'd say the first one, when we first thought about doing it, it was very selfish and it had nothing to do with the licensing fees. Basically, we serve a lot of markets in the US, but we tend not to serve -- we don't serve -- the New York market for the most part, or the LA market, which is where a lot of the media lives. And we were mainly looking for other outlets for X1 so people in those markets could also experience a fully integrated next-generation video experience.

So a big part of our initial driver was just to make the technology available so that it could be consumed everywhere and on some level raise all boats. Now there are also benefits from licensing fees. It gives us additional scale in development. I think that's really important. It also gives us an option to extend different business capabilities. For example, you noted early in this conversation we've been making a lot of investments in advanced advertising. X1 extends those capabilities to other distributors. The good news about that is that then either in collaboration with those distributors or even if we are just enabling them, we are creating a marketplace for different ways of monetizing content that wouldn't otherwise happen.

A few years ago, we launched electronic sellthrough. Well-kept secret. We are often times first, second or third. We are certainly in the top three retail distributor of a lot of new movies that come out in a purchase mode, not just a rental mode. When somebody deploys the X1 platform, they can launch the business like that on their own or potentially collaborate with us and allow us to do it on their behalf. So it gives us optionality on launching these businesses in other places, always though at the option of whoever is licensing X1 from us. Just to be clear it's not something that we require as part of the X1 licensing program. It just gives everybody involved a little bit of additional optionality around new revenue streams and new ways to monetize their service.

Anthony DiClemente - Nomura Securities - Analyst

Okay. I need to ask about your wireless strategy. Investors are constantly curious, so you mentioned some of the wireless capability of X1 earlier in the talk. Is wireless distribution -- full wireless distribution a necessity for Comcast as more users continue to access content using mobile devices?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

Yes, it's a great question, and obviously my phone is ringing a lot, so I'm a big consumer. I think the first thing I'd say is I don't think being a principle in wireless is necessary for our business on two fronts. I don't think it's necessary from a content distribution perspective. We distribute content on lots of devices today across multiple carries and we expect that that will continue to be the case.

And then the second is I don't know that it's necessary for us to compete going forward. It may be beneficial though, and those two are different things. When we explore the wireless market, and being a principle and a mobile service provider, it's not because we think we have to, it's because we think there might be an opportunity for us to fuel additional growth, whether that is as an extension of our existing wireline business, or whether it's because we see an opportunity to be a bit of a disruptor on that front.

At the moment, what we are doing is very carefully evaluating our options. We are understanding the market. We are seeing what's possible for us to do and we are looking carefully at how we think that benefits our current market trajectory in terms of what we offer, how we offer it, how successful we are and how much we can grow. If we are able to chart the right path, figure out the right way of doing it, I think you'll see us do some interesting things, but we are still in the process of evaluating that.

Anthony DiClemente - Nomura Securities - Analyst

Okay, thanks. On advanced advertising, as I mentioned, you were just named head of advanced advertising at Comcast, so maybe we can ask how far along do you feel we are in terms of dynamic ad insertion, be it linear TV feeds or on video-on-demand and what's the future of this technology? I guess my big question about it is how quickly can it ramp? How quickly can it be something that is material and needle-moving?

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

I think it can ramp very quickly. Just to give you a picture of where we are and why it's so important to us, we at Comcast Cable, we are very big advertisers of our services. We all the time are out there trying to get people to buy our products. And I think as part of that, we have gotten fairly sophisticated in terms of how to buy media and what can really work to create more efficiency in terms of how we reach the audiences that we target and get a better return on our marketing dollars.

So we are in the advertising market as advertisers. We also, from a revenue perspective, if you look both across NBCUniversal and Comcast, we are the largest video advertising company in the world, over \$12 billion in advertising revenue, most of it on the NBCU side, but within cable there's over \$2 billion in advertising revenue. And we think it's really important for us as we sell those services to marketers for that to be as efficient and competitive across other types of media as possible.

So television has incredible mass scale in a way that other folks don't, and I think increasingly accountability and targetability, which gets to a lot of the capabilities that you describe. And then even more broadly, within our ecosystem, probably the biggest challenge that we have in general is affordability and the pressure of pricing, programming pricing on packages. If there's one safety valve within all of that, it's the ability to monetize the content through advertising. All of our programming partners generate about half their revenue from affiliate fees. The other half comes from advertising and to the degree that we can help them grow that, there's a real opportunity for us to continue to keep our services affordable and continue to grow the overall category. So for all those reasons, it's really important for us.

So then in terms of where we are, a few years ago, we got very good at creating addressable inventory on VOD. It's actually one of the ways we've been able to unlock a lot of content. It used to be video-on-demand was the worst way for programmers to monetize their content. They could monetize it in linear, they could monetize it online, they couldn't monetize it in VOD. Now they can probably more efficiently than they can everywhere else because they have the ability to target that.

Now two years ago, we started rolling out linear addressability as well and are fairly far along. We now have millions of homes where we can deliver a linear addressable ad. Meaning you and your neighbor are watching the same show, you have different characteristics, you might see a different ad than they do and through the X1 platform, we expect a huge acceleration on that over the course of the rest of the year.

So a huge opportunity for us on that front as well and I think we've been trying to put together the infrastructure to enable the industry to do that whether that is through the FreeWheel acquisition, Visible World acquisition, STRATA acquisition now a few years ago and a few other tuck-ins on top of the technology that we have created ourselves.

Anthony DiClemente - Nomura Securities - Analyst

Can you please give us an update on what you are seeing with XFINITY Home and how much traction are you getting with that service? Maybe just give -- even for those in the audience that don't know much about XFINITY Home, just help us with the opportunity there.

Marcien Jenckes - Comcast Corporation - EVP, Consumer Services, Comcast Cable

Yes, so I love XFINITY Home. It's one of my favorite services in part because it reminds me of what a cable company can do. A lot of times people think about us as the incumbents. That is actually not true. For a lot of the products and services that we deliver, we are the disruptor. XFINITY Home was a great example of that. We launched a home security service now about four years ago that is hugely disruptive in the industry. We are cheaper than the traditional home security system and we are better and we bring much more automation and convenience to the customer's home.

We've been able to grow that very rapidly. We don't disclose the numbers. I think at some point last year, we talked about passing 0.5 million subscribers and so we continue to have a nice trajectory there. I think what I'll say is that overall it's over a \$9 billion industry, the home security industry and we think we can be a significant player on that front.

But even beyond that, there's a lot of things about our home security service that extends beyond security to automation and to the Internet of Things and there's no reason why a lot of the capabilities that are included in our home security service can't be tacked on to your Internet service. Whether that's the ability to monitor video 24 hours a day, whether that is healthcare or energy management applications, we feel very good about the option it gives us on all of those businesses.

Anthony DiClemente - *Nomura Securities - Analyst*

Awesome. Well, I think -- I just have one more question for you since we have another minute to go. And that is can you help me out with -- I think you have an offering now, which is a pay-as-you-go TV Internet offering. Could you just walk us through that, the strategy for that and the motivation and how does that offering work before we break?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

Sure. I'll do a really quick version. We made an announcement recently about a partnership we had with Boost Mobile, which is distributing a prepaid service throughout a lot of their stores. The idea behind the prepaid service is that there is this segment of the population that we are not well-positioned to serve today because we have credit thresholds in terms of what type of customer that we will take and because there's a certain portion of the US population that's either unbanked or underbanked and may not be able to traditionally participate in the Internet and cable TV ecosystem.

What we found is that we have a way of profitably serving that market through this prepaid offering. It is effectively a retail model where somebody can go into a store and buy one of our gateways and fill it up every month in terms of providing our services. We think that there is a, albeit small relative to the 28 million customer relationships that we currently have, but not insignificant way for us to grow our overall customer base in a profitable -- through a profitable model.

Anthony DiClemente - *Nomura Securities - Analyst*

They are accessing the entirety of your services through their mobile phones and mobile devices or --?

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

There is a gateway in their home and that gateway is providing Internet connectivity for any device that they want to connect inclusive of a video experience that is again Title VI managed network delivered into their home.

Anthony DiClemente - *Nomura Securities - Analyst*

Understood. Okay. I think we will leave it there. That's all the time we've got. Thank you so much for being with us. Enjoy the rest of your summer, Marcien.

Marcien Jenckes - *Comcast Corporation - EVP, Consumer Services, Comcast Cable*

My pleasure. Thank you very much.

Anthony DiClemente - *Nomura Securities - Analyst*

We hope to have you back.

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