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PRESENTATION

Jessica Reif Cohen - *Bank of America Merrill Lynch - Analyst*

Good morning, hi. Thank you so much for coming. It's hard to believe you have been at Comcast for 18 years.

Steve Burke - *Comcast Corporation - Senior EVP and CEO, NBCUniversal*

That's true.

Jessica Reif Cohen - *Bank of America Merrill Lynch - Analyst*

It's really amazing. So let's focus on NBCU. It's flourished under your stewardship and Comcast's ownership. When you originally bought the asset, NBCU was obviously a turnaround story and to say the least the turnaround at NBCU has been outstanding. How does your strategy shift now that you are managing an asset that has been turned around and is now one of the leading media companies in the world?

Steve Burke - *Comcast Corporation - Senior EVP and CEO, NBCUniversal*

So let me start by talking a little bit about the Company that we bought and the Company as it is today. Then I will talk about the future. We actually did the deal with General Electric in the end of 2009 and the world was obviously a very different place. Advertising was depressed and it was a tough time to be optimistic about too many things. We ended up closing the deal after regulatory approval right at the beginning of 2011.

So we are about 5.5 years into it. If you include the theme park in Japan, our park in Osaka, which we did not have -- we did not consolidate at the time, our EBITDA at the time we closed the deal was about \$3.8 billion. We just about doubled that in the last 5.5 years. What's interesting about the journey that we have been on is that everything will part of the Company has contributed to the growth, but in many instances businesses that we sort of underemphasized at the beginning have really helped us substantially, theme parks being a big case in point.

If you move from business to business, in the broadcast business we have increased cash flow about 75%. Broadcast we define as the NBC network, the owned stations, NBC-owned stations, syndication, and then Telemundo, Telemundo network and owned station. We've increased the operating cash flow about 75%. Today we announced that NBC has come in first place for the 12 months starting in September, when the broadcast season starts, for the third year in a row in 18 to 49.

Interestingly we are number one with sports and we are number one without sports, but NBC had been in fourth place for seven years in 2011 and two years later we went into first place and we have been in first place for the last three years. We think we have a very strong hand to play in terms of the network. NBC news is number one. We are number one in the morning with The Today Show. We are number one in Lester Holt's Nightly News, number one with Meet the Press. Jimmy Fallon is number one. So pretty much across the board NBC is in great shape.

Our retransmission consent dollars will be on the order of \$800 million this year. That number was zero 5.5 years ago. Our owned stations got down to only making about \$150 million. We're making 4 times that amount now. So NBC is in very, very good shape.



Telemundo, which was an asset that we didn't know much about when we bought the Company, used to have about 25% market share to Univision's 75% market share. For the last eight weeks, something that we thought was inconceivable has happened and that is the Telemundo is beating Univision in prime time. We beat them every single week for the last eight weeks. There used to be a 2 million-person viewership gap every night and we have turned that gap around. So broadcast is in great shape.

The cable channel business, we have a very large portfolio of cable channels -- it's the biggest part of our cash flow -- is tougher business today than it was five years ago but still a great business. We own USA, Syfy, Bravo, E!, Golf Channel, NBC Sports Network, MSNBC, CNBC, a very broad, diversified portfolio of cable assets. We see that business continuing to grow but grow single digits and not the kind of growth that we enjoyed years ago.

Film, which was a business that we had not been in -- NBCUniversal owns Universal Studios. Film, when we arrived, was making almost no money at all and Universal has been around 101 years. We had the three most profitable -- by the end of this year we will have likely have had the three most profitable years in the history of Universal. Last year was our high point. We made about \$1.2 billion. This year we will make that much, but we are having another fantastic year this year. We just closed the acquisition of DreamWorks Animation as a sign of our bullishness on the animated film business and also the strength of our team and our strategy and our approach to making films in a financially responsible way and really growing the business.

Then theme parks which was a part of the Company that we really didn't spend much time even thinking about when we bought it is now one of our favorite parts of NBCUniversal. We own Universal Studios in Orlando. We have a Universal Studios in Hollywood. We just bought control recently of Universal Studios Osaka and we are hard at work on a Beijing theme park which should open in 2020. Theme parks when we showed up were making about \$400 million a year and we have more than tripled that number and if you include Japan it's probably up fivefold, something like that.

So the Company is really hitting on all cylinders and I think a lot of what I used to call the monetization gap or the performance gap has been closed. But we still think there's tremendous opportunity. If you look at our theme parks, one of the sort of important things you do when you have a destination theme park resort is make sure you have enough hotel rooms to capture the demand if people want to stay on site. The reason why you do that is because you can make money in the hotel business but you can also get people to stay an extra day.

That happens in our Orlando parks as well. We increase length of stay one day for every person stays on site. When we arrived, there were 2400 hotel rooms. We now have 5200. We have opened three or so big hotels. We've done some research that says we could have at least 10,000 hotel rooms and we are continuing to build new attractions and increase our hotel count and do that in Orlando and increase our investment, open Harry Potter in Hollywood, and we're increasing the investment in Japan. We are seeing very, very good returns. We are at a point in the lifecycle of our theme park business where we get outsized returns because our installed base -- our share and installed base is still relatively low.

Telemundo I think has a huge opportunity. If you look at cash flow before debt service, you would all know better than I but I think Univision is over \$1 billion and recently, very recently, a few years ago Telemundo was essentially making no money. If one guy is making \$1 billion and you are making no money and then all of a sudden your ratings are better than theirs or in the same ballpark as theirs, at some point there's going to be a big monetization opportunity.

I think that kind of feeling that we still have lots of opportunities and lots of things to do is very prevalent among our senior team. I think we have a wonderful group of executives who operate the Company. We have 22 different businesses, so we operate the Company in a very decentralized manner with very strong executives who are empowered to do the right thing. Hopefully we have a culture and incentives that encourages people to think long-term as opposed to quarter-to-quarter.

We have a lot of challenges. Anybody who's in a media company nowadays or really any company is grappling with how you respond to the changes brought on by the Internet and digital. We're spending an increasing amount of time on that and I personally am spending a lot of time on that. So our life is not without challenges, but we are very proud of the progress the Company has made and think we have a lot more runway to do more and get more success.



QUESTIONS AND ANSWERS

Jessica Reif Cohen - *Bank of America Merrill Lynch - Analyst*

Right, as you look at the current state of media and you mentioned digital, NBCU has a unique position because you are within the largest Internet provider in the US and the second-largest video provider. So as you look across the mix of assets that NBCUniversal owns, where do you believe the strategic direction of NBCUniversal should be focused?

Steve Burke - *Comcast Corporation - Senior EVP and CEO, NBCUniversal*

I think we have two jobs really broadly speaking. One is to maximize the existing businesses and everyone who runs any of our 22 businesses wakes up in the morning trying to figure out what are the right strategies and tactics to increase their share or their operating cash flow or whatever the metrics they deem are important. So it's maximize what you've got. Then the other big part of everybody's job is position the Company for the future.

The shift in eyeballs from traditional linear viewing toward digital is no mystery at this point. It's an obvious shift particularly among Millennials. Each one of our businesses that rely on viewership, not so much theme parks, but each one of our businesses is grappling with how do you position the Company to make sure that your video goes where people are? So we spent a lot of time on that.

There's a huge benefit in my opinion being part of the same company that has Comcast Cable and that benefit is only realized if you work at it and if you have the right kind of relationships. Neil Smit and I talk all the time and when we have a major event like launching a new movie or television show or theme parks we use something that we call Symphony, which is basically getting the entire company together to get behind a movie like *Pets* or a new attraction like *Harry Potter*. And we have all of the NBCUniversal channels plus all of Comcast Cable get behind that and the results are tremendous.

The hardest thing to do in a fragmented world where people have almost unlimited options to view is to break through the clutter and have a cultural event that takes the country by storm the way a big movie or television show does. There's no doubt my mind that getting everybody together and creating the right kind of environment and including Comcast Cable in their reach is a real benefit.

In addition, I think we understand what's going on in terms of consumer habits and shifting consumer behavior and the overwhelming importance of broadband to consumers in a way that might be deeper and more robust than if we were not part of a company that had a big cable operation. So we look at it -- we really like being in content and distribution and that was -- you mentioned I joined the Company 18 years ago. The idea always was get bigger in distribution and then someday invest in content, because we'd been around the content business forever and seen how good these businesses can be. We have also seen people like John Malone and Rupert Murdoch around the world put content and distribution together with great results.

Despite the fact that right now at least in the United States, it's not the norm to have content and distribution together, we think of you have them both and you manage the Company the right way, it can be tremendously beneficial. I think Neil Smit would say the same thing.

One of the best things that has happened from a marketing point of view to Comcast Cable is what Neil was able to do with the XFINITY platform during the Olympics. The XFINITY Guide is much better than a traditional cable guide and he was able to take 7000 hours of programming, whether it's streamed or on one of nine different television channels, and marry that all with a great user interface so that people could watch what they wanted to watch when they wanted to watch it. Comcast was uniquely positioned in the marketplace because they had that.



Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Let's talk about the Olympics. So you had this unprecedented production of the Olympics, what is nearly 7000 hours of programming across your 11 networks, 41 live streams, and advertising sales going in over 20% higher than London in 2012. But linear broadcast ratings declined significantly. They were down 15% but almost 30% among 18 to 49. Average viewers declined roughly to 26 million versus 31 million in London, something like that. So how do you interpret the changes in viewership in the value of your rights to broadcast the games through 2032?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

First of all, the Rio Olympics by any measure were a tremendous success and financially NBC lost as much as \$200 million in some of the Olympics broadcasts in the not-too-distant past. We made over \$250 million in Rio. So a swing of call it \$400 million or \$500 million between the low point to the high point.

There are a whole variety of reasons for that swing. We have a very good long-term rights deal where the rights fee has a compounded growth rate of 1% over the next 16 years. You mentioned ad sales. Ad sales were up over 20% versus London. I think during the 17 days if you add up the ratings, combined ratings for ABC, CBS, and Fox and multiply that by 3, we beat that number every night for 17 nights.

So if you are an advertiser who has a big brand or who wants to change consumer perception, those 17 days of the Olympics are almost invaluable. You almost can't put a price tag on them. Advertisers loved the experience in Rio and all the advertisers we've talked to can't wait to come back in Korea and in Japan for the next two Olympics.

The ratings were down. There were a whole bunch of different reasons why the ratings were down. Some of it was because we put programming at the same time on NBC in prime time and on USA, NBC Sports Net, Bravo, and other channels. We felt that was important to do because there were times when Michael Phelps would be swimming and the US women's soccer team would be playing and those were both things that people wanted to see.

So by our calculation, we think you really have to look at total audience delivery, which would include our cable channels, streaming, and other digital consumption. By that metric, we were down single digits versus a very, very successful Olympics. London was the high water point. So we are not in any way concerned and actually think creatively anybody that I've talked to who watched the Olympics was awestruck by the performance of the US team. Just the spirit and the production value and creativity is something that I think is unique to our team. So we are very proud of it, very successful financially, and delighted that we have the rights for another 16 years.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

One more Olympics question. Do you have to give make-goods because of the lower ratings? How does the decline in ratings affect your expectations for advertising for the 2020 Summer Olympics, especially given the time zone difference in the next one?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

We had make-goods that we made up during the 17 days of the Olympics for people who had shortfalls in the audience delivery. There is so much inventory because you have 17 days and we are on so many hours during the day that we not only made up make-goods during the Olympics from the Olympics, but we actually made up some make-good liability that we had in the Company that preceded the Olympics. So we are actually at the Company carrying out of the Olympics less make-good liability than we went in.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Let's jump a little bit to DreamWorks Animation. Can you talk about your strategy now that the deal has officially closed? Will the beginning integration between Illumination and DreamWorks or will they remain largely separate entities?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

So we believe we have a very strong team in our film business led by Jeff Shell, Donna Langley, and we have a lot of confidence in them. We also have tremendous confidence in Chris Meledandri, who runs Illumination. Illumination's success in the animated film business is really extraordinary and Chris's creative genius as good as it gets in my opinion as a creative executive.

So when you look at the film business, you want to be in core franchises and sequels and animation. Those are the sort of best parts of the film business, animation being the best of the best. If you say we want to increase our exposure to animation beyond two films a year, it's very, very hard to make more than two animated films in the same studio per year. In fact, no one has ever really done it on a successful sustainable basis.

The reason why Disney can come out with four animated films a year is because they have Pixar and Disney Studios, which are in separate locations and have separate teams. So DreamWorks will allow us to increase our production from two films to four films. DreamWorks has a tremendous library of titles like Shrek and Madagascar and Croods, existing intellectual property that can go into new movies.

DreamWorks also accelerates some of the things that we were doing in businesses that are related to the animated film business. We were hard at work, are hard at work growing our consumer products business, which we have still a smaller consumer product business than we should, although it has grown significantly. DreamWorks has a consumer products business that is roughly the same size, so putting the two together allowing us to accelerate some of the efforts that were already underway is a good thing.

All of the DreamWorks characters will start to emerge in our theme parks and attractions and characters that are in the parks. Then DreamWorks has a very robust television animation business and a great deal with Netflix, a production deal with Netflix. We were not in the television animation business, so this now gives us that capability. You have to make great movies at the end of the day and we're looking to Jeff and Donna and Chris Meledandri to help lend their influence and work closely with the DreamWorks animation team. But we think it's a perfect deal for us. We paid a premium. The stock was trading in the \$20s and we paid \$41 a share or \$40 a share and that's obviously a large premium, but there are tremendous synergies. If you think about a company making two animated films becoming part of a company that makes 15 or 20 films a year, we already have marketing, distribution, finance, legal, HR, etc., so there are tremendous synergies and we have very, very high hopes that we did a smart acquisition and it's a sign that we are increasingly bullish on our film business.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

One other question on film and then we will move to a different area, but the record-breaking performance in film in 2015 obviously resulted in incredibly difficult, like impossible comparisons in 2016. How should investors be thinking about the outlook for your film business in 2017 and beyond?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

We have a lot of big films coming in 2017. We have a film right at the end of 2016 that all of the profitability will appear in 2017 called Sing from Chris Meledandri. It's an animated film. It's sort of an animated version of American Idol. The film is complete. We showed it at the Toronto Film Festival. It is a fantastic film and that comes out at Christmas time and then the bulk of the revenue and the profitability would be in 2017 and then we have a lot of big sequels in 2017. We have Fast & Furious, 50 Shades, and other sequels that line up.

One of the interesting things, we only had one franchise five years ago and today, we have something like eight and when those franchises are in a growth mode, the sequel tends to do as well as the original. At some point, they tail off as people lose interest in the ideas, but all of our franchises are still on the upswing. We have Despicable Me 3 in the summer of 2017 as well. So two big animated films and a lot of other live-action films and obviously the film business is unpredictable and risky and lumpy in terms of when profitability shows up, but my bet is we're going to have a very big 2017.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Switching gears again, Disney recently announced it is acquiring a 33% stake in BAMTech as part of an effort to enable it to make a major leap into the direct-to-consumer video sector. Last year, NBCU made a number of investments in the digital arena and also introduced its own direct-to-consumer offering, SeeSo and this is another one, Hayu. More recently, you announced plans to develop shows for Snapchat. So what can you tell us about your direct-to-consumer consumer results so far and do you plan to move any deeper into that area, DTC?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

Well, I think everybody is doing exactly what you would expect them to do, trying to figure out business models and investment ideas that are appropriate given that people are spending so much time on the Internet. Just to go back to the Olympics for a second, we made a \$200 million investment in BuzzFeed a little over a year ago, August of last year, and with the Olympics coming up, we decided that we really wanted to have a Snapchat channel that would highlight what was going on that day in Rio. And we realized we didn't have the internal capabilities to do a great Snapchat channel. We had never done one before, so we went to BuzzFeed and said why don't you do an Olympics Snapchat channel? There were a lot of people inside our Company I think scratching their heads saying why would we ever go to BuzzFeed? The reason is obvious that if NBC produces something, it comes with a certain point of view and polish and attitude, whereas if BuzzFeed does things on Snapchat, it's going to be a lighter tone and a little more irreverent and that in fact was the case and it was a big success. We made some money on that, BuzzFeed made some money on that, so we are going to continue.

We also invested \$200 million in a company called Vox, very happy with that relationship and that investment and we are increasingly looking for business opportunities in the digital space. We actually have a handful of very successful digital businesses. We own Fandango, which is growing very rapidly and is a very profitable, wonderful digital business. We own a great business called Golf Now, which is a private-label booking system for golf courses really around the world, in the United States and around the world and we promote it on the Golf Channel and elsewhere and that's a rapidly growing business. And each one of our business heads are looking for sort of synergistic bolt-on ideas.

And you mentioned MLBAM. Mark Lazarus, who runs NBC Sports, has spent a lot of time talking to his team about ways you can do individual sports direct to consumers and we've experimented with the Tour de France and I think you'll see us experiment more in the future. The existing ecosystem, the sort of cable, satellite, MVPD ecosystem is such a wonderful ecosystem that you wake up in the morning saying I don't want to damage this ecosystem, but, at the same time, I need to try things and experiment and make sure that I'm doing new things that can be complimentary to that ecosystem as viewers sort of demand that they get everything anywhere they want any time on any device.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

On that topic, what is your current view on the merits of doing programming deals with OTT providers like Sling or Hulu?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

This is my personal view, although I did see a research report that kind of was in the same direction is that OTT sounds like a better business than in reality it is. The fact is if you want a decent sized bouquet or bundle of cable channels, your programming costs are going to be \$40, \$50, \$60 and if your programming costs are \$40, \$50, \$60, you are going to have a consumer proposition that's going to be \$40, \$50, \$60 or more. And if you are a consumer that has cable and you get 200 channels, I'm not sure why huge numbers of people are going to run out and get excited about paying \$45 for 25 channels. It just doesn't -- from a consumer point of view, it doesn't seem to make sense to me.

I have five millennial children between the ages of 19 and 28 and none of them subscribe to cable or satellite. They're not going to pay \$45 for 25 channels and it's hard for me to figure out how that becomes a big business based on that kind of a structure. That having been said, our job at NBCUniversal is to license our products and maximize the cash flow of our individual channels. And if people are interested in putting together OTT businesses like Sling or the Hulu product or Sony or others, we're going to sell to those suppliers. We want to make sure that we make as much or more selling to an over-the-top supplier as we do selling to an MVPD and then if there's incrementality, which I predict there will be, I don't



predict large numbers, but I think the likelihood is that there will be a significant portion of whatever the number ends up being that is truly incremental.

That would be good for NBCUniversal, but I feel a little -- having been around the cable business for a while, it feels like every so often there's a new thing that is going to completely revolutionize and change cable and right now a lot of discussion about OTT. I think OTT is happening. It's going to happen, but I think it's a pretty challenged business model and I'd be surprised if it flies out of the gate with a big number.

Jessica Reif Cohen - *Bank of America Merrill Lynch - Analyst*

Okay, let's switch to advertising. You completed another successful upfront this year, securing a 10% increase in commitments to the broadcast network. I think a 5% increase across your cable networks. You have key properties like Thursday and Sunday night football, which probably help, but you also have a very differentiated strategy or unique selling process under Linda Yaccarino and you've created innovative ways of targeting. So as advertisers demand more concrete evidence of ROI and digital platforms gain share, can you talk about some of the unique ways that you are targeting audiences and utilizing big data to help advertisers?

Steve Burke - *Comcast Corporation - Senior EVP and CEO, NBCUniversal*

We have such a big portfolio of cable channels in NBC and Telemundo that we have a lot of television eyeballs, traditional linear television eyeballs to sell. We're about 20% of all the rating points in America. So one of the first things we did is we realized that it would make a lot of sense to have all of our cable channels represented by the same sales team led by a woman named Linda Yaccarino. So we put everything together and interestingly, we were the first to do so and really I think were way ahead of other companies in terms of how we sell. Interestingly, in our Company, Sunday night football had never been packaged with entertainment programming on NBC, let alone having NBC programming sold together with USA, Bravo, Syfy, etc.

So we put all that together and because we have 20% of eyeballs and because we sell together for the last couple, two, three upfronts, we are the first port of call. We're the first company that announces or completes a negotiation and that was the case this year. We ended up getting about -- we got a 12.5% increase in CPM rate for NBC. We got 13% for E! and 12% for USA, etc., etc. So we were surprised all these numbers were higher than we had anticipated a few months before the upfront. We were surprised by how strong the market was and I think there's a variety of reasons for that.

First, we have a lot of very big events that reside inside our Company. If you define a big night in television as a night where the household rating is over a 10, there are 61 big nights and we, because of the Olympics and Sunday night football and the Golden Globes, have 43 of the 61 big nights. So we have two-thirds of all the big nights on television and those big nights become disproportionately important to a marketer.

We talked about the Olympics, but same thing with Sunday night football and we're going to have five Thursday night football games. Those nights plus the ability to be with the number one network in primetime or be on Jimmy Fallon or be on Lester Holt and then great programming on our cable channels put us in a very, very good light and we still are selling at a CPM rate that is below some of the other big media companies, so that makes all that very attractive.

In terms of the environment, I think 12 months or 24 months ago, people were saying let's mandate that we take a percentage of our advertising budget and spend it on digital. I think the pendulum swung back a little bit this year. I think obviously we market -- we spend \$1 billion a year marketing films and every film has a large -- every big film has a large marketing budget, but some films we spend over half of our budget on digital and some films we spend a very small percentage of our budget on digital.

Every film is different. Every brand is different, so I think people are now I think just getting more thoughtful as to what they spend to reach a mass audience and what they spend to reach a targeted audience and some of that causes the pendulum to swing back. I think the economy is relatively healthy and advertisers are trying to drive their top line. So we are in a period now I think where the advertising market is quite robust despite the fact that people are spending more on digital.



Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Right, there are so many moving pieces right now in the advertising marketplace. There's programmatic, there's digital ad insertion on VOD, Nielsen total audience measurement. How are you navigating these issues? What are you seeing in the current marketplace?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

Well, I think what is happening is advertisers are demanding the reach and scale of television and the targetability of digital and the nirvana for advertisers and for our Company is if you could ever have the targetability of digital with television. We are working on that. We have -- Linda Yaccarino has a number of products that allow you to analyze data and overlay targetability because we have all these channels and in some instances using the targetability of Comcast Cable to have something that's truly differentiated and interesting for advertisers.

Ultimately, I think people want to see the data and targetability of digital fully represented inside television. We are not there yet, but we are further than we were last year or the year before and that's the path that we are on. Given the fact that we are constituted the way we are constituted, I think we have a unique ability to make that happen.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Could you give us an update on where you sit within the retrans cycle?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

We did a number of big deals last year and I think we have one or two more big deals this year. We started relative particularly to CBS, but I think also to ABC and Fox. We started with much lower retransmission consent. It was virtually zero five or six years ago and I don't think we are the leader in terms of retransmission consent. I don't know exactly where CBS is saying they are, but I think they are probably saying they are over \$1 billion and they probably are. As I mentioned, we are about \$800 million. There are more deals -- and it's interesting. The cycle includes your deals with cable and satellite operators. It also includes your deals with affiliates. 75% of the country is represented by our affiliates and our affiliates give us about half, a little bit more than half of the retransmission consent that they get and the affiliates have their own cycles.

So I think we are catching up. I don't -- I wouldn't anticipate us zooming past anyone else, but I think it's pretty hard to argue that NBC shouldn't get the same kind of retransmission consent dollars that the other big broadcasters get when we have football and the Olympics and the number one network in terms of demos.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Absolutely. And on Telemundo, you mentioned that you've caught up to Univision, which is really the first time ever and you have the World Cup coming. Can you talk about how quickly you think you can improve your position in terms of dollars and monetizing?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

The key now is to continue to be competitive in primetime and then throughout the entire lineup -- daytime, weekends, owned stations, etc. -- and that's job one. Job 1A is to monetize that and there's two aspects of that monetization. One aspect is advertising where traditionally Univision has been so much stronger than Telemundo. They have commanded a commensurately greater share of the Hispanic advertising dollar and there's no reason to believe that that won't shift if we do our job, continue to deliver ratings and sell aggressively.

And then on the affiliate side, Univision has much higher retransmission fees than Telemundo has and there's no reason why that shouldn't equalize as well. The affiliate side is going to take longer just because affiliate deals are multiyear and we're going to have to wait until those deals come up. The advertising should take a shorter period of time, but a year, two, three years, I think you are going to see Telemundo become a lot more profitable if we can keep the ratings up.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Let's just turn to theme parks with the little time we have left. Can you give us an update on the progress you are making in terms of opening a park in Beijing?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

Well, we think we are in a very good position to get a Beijing theme park open in 2020. Obviously, it is a tremendously challenging feat and I think if you look at what the Walt Disney Company has done in Shanghai, it's a wonderful accomplishment to build a beautiful park and spend that kind of money and work your way through all the obstacles to getting that park open and then have the park be full of satisfied people is a tremendous accomplishment.

Disney was told by Shanghai we want you to be the big US theme park here and we've been told by Beijing that we will be the big US theme park in that city. We are delighted to be in Beijing. We think it's an unbelievable opportunity, but we are also going in with our eyes wide open to all the different challenges, but our schedule and our partners in China, we will own 30% or 40% of the park. Our partners are on the same schedule is to get the park opened by 2020. We have full models and drawings and we know what attractions will be there and we've gotten complete agreement on sort of the way the structure of our arrangement is going to work. We have very good relationships with our Chinese partners and we have hundreds of people currently working on the project and look forward to getting it open in a few years.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Last question and we are running out of time, but there appears to be a long runway for growth in theme parks in the US. You've discussed new attractions, more hotels. Can you give us your 5 to 10-year view of the theme park growth?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

The great thing about the theme park business, particularly the way we approach the theme park business and where we are in our life cycle, it's sort of an if you build it, they will come business and we believe that it's a fairly straightforward proposition. If we keep investing in Florida, California, Japan, Beijing, and potentially other countries around the world that we can have significant double-digit OCF growth for many, many years if we keep doing it and we love that business.

It's so complementary to the film business, television business. We are taking our own IP. We are opening a Tonight Show with Jimmy Fallon attraction in Orlando in a few months and obviously, Despicable Me and Minions and then DreamWorks. It's so perfectly complementary with the rest of the Company. We have a wonderful management team led by Tom Williams and our head creative person, Mark Woodbury, and they and their team are coming out with attractions and hotels that are beautiful and people are responding. So of all the businesses in some ways, I think over a 10 or 20-year period, it is the clearest vision we have for how to expand at a very rapid rate for a very long period of time.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

Okay. Actually so maybe I can just backtrack for one second. We have like a second left. On cable networks, you have discussed in the past that this is more challenging than you expected and that there's probably too many cable networks. Can you give us kind of your long-term view of what your cable networks look like over the next few years?

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

As in many parts of our business, the middle and the low end is getting harder and harder. It's getting harder for middle television shows. It's getting harder for movies that are sort of in the middle. The big, big hits are wonderful and then there are business models with smaller films or less expensive television shows that make sense. And the same kind of thing is happening in television. There are so many channels and so many alternatives that if you are a small cable channel, it's hard to justify an affiliate fee or advertiser retention.

So the industry and we are sort of getting out of the smaller cable channel business. We are blessed because if you look at our cable portfolio, we have USA, which makes over \$1 billion a year. It's many, many years in a row the number one cable channel. Syfy, E!, Bravo, NBC Sports Network, these are big, strong cable channels and I think that is where we are going to put our attention as the world gets more difficult for people at the smaller scale range.

Jessica Reif Cohen - Bank of America Merrill Lynch - Analyst

I wish we had another hour, but thank you very much. We're out of time. It's great.

Steve Burke - Comcast Corporation - Senior EVP and CEO, NBCUniversal

My pleasure, thanks.

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