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PRESENTATION

Operator

Good morning, ladies and gentlemen and welcome to Comcast's first-quarter 2014 earnings conference call. (Operator Instructions). Please note that this conference call is being recorded. I will now turn the call over to Senior Vice President, Investor Relations, Mr. Jason Armstrong. Please go ahead, Mr. Armstrong.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thank you, operator, and welcome, everyone. Joining me on this morning's call are Brian Roberts, Michael Angelakis, Steve Burke and Neil Smit. Brian and Michael will make formal remarks and Steve and Neil will also be available for Q&A.

Let me now refer you to slide number 2, which contains our Safe Harbor disclaimer and remind you that this conference call may include forward-looking statements subject to certain risks and uncertainties. In addition, in this call, we will refer to certain non-GAAP financial measures. Please refer to our 8-K for the reconciliation of non-GAAP financial measures to GAAP. With that, let me turn the call to Brian Roberts for his comments. Brian?

Brian Roberts - *Comcast Corporation - Chairman & CEO*

Thanks, Jason and good morning, everyone. We are off to a great start in 2014. In cable, we added video subscribers again this quarter, grew broadband subscribers at a continued industry-leading pace and once again generated very strong growth in business services. NBCUniversal was even better with significant ratings momentum at NBC Broadcast highlighting the quarter along with really strong film results. Overall, revenue increased nearly 14%, operating cash flow increased 10% and we generated over $2.8 billion in free cash flow.

Starting with Cable, we continue to focus on innovation to position ourselves for the future and our customer metrics are responding with meaningful improvement in triple-play penetration. In Video, we added 24,000 customers the second quarter in a row where we have added customers. In High Speed Data, we added 383,000 customers and grew revenues at our fastest rate in two years. And in Business Services, revenue growth remained strong at nearly 24%. Impressive given that we are now approaching $4 billion in annual run rate revenues.

We believe our X1 operating system provides our customers an unrivaled experience making it easier to discover and enjoy tens of thousands of content choices while at the same time integrating apps and social media and consumers really like this experience. Voluntary churn for our X1 customers is down 20% to 30% relative to our broader base while viewing has increased in both linear and through On Demand and the metrics continue to get better. These positive early results reinforce our decision to accelerate our X1 deployment this year and we are now adding 15,000 to 20,000 X1 boxes per day, which is double our rate of deployment from just six months ago.

Additionally, we are now rolling out a new XFINITY TV app, which enables our customers to live stream virtually their entire television lineup on any IP device in the home and watch DVR recordings in the home or on the go.

In Broadband, we recently increased speeds again for the 13th time in 12 years, doubling speeds in our Blast! product to 105 megabits while our Extreme tier moved up to 150 for customers in the Northeast.

And we are not stopping there. Our focus on wireless gateway deployment is adding utility to our customers while at the same time helping us create the largest WiFi footprint in the US with over 1 million public WiFi hotspots currently available to our customers. We believe we are making real tangible progress in customer service through simplifying the customer experience. In the first quarter, truck rolls declined roughly 500,000, or 8%, compared to 2013. We recently launched the new My Account app and early feedback has been very positive. The app allows customers to make payments, self-diagnose issues, manage devices and view technician appointments. We are encouraged by progress we have made with customer service, but are going to stay vigilant and focused on further improvements over the course of 2014 and in the years ahead.

Over at NBCUniversal, the results were terrific this quarter. The headline is obviously the Sochi Olympics, which aired across our broadcast and cable networks and generated over $1.1 billion in revenues and contributed positively to operating cash flow. Anyway you look at the Olympics, it was a tremendous success. NBC primetime averaged 21.4 million viewers during the Olympics, up 6% from the 2006 Torino Olympics, the last Winter Games held in a similar time zone, which is especially notable given the growth in live streaming hours.

Speaking of live streaming, the Olympics generated 61.8 million visitors across all platforms, a 29% increase relative to the prior Olympics 2010 in Vancouver. And the experience was further enhanced for Comcast cable customers where, for the first time, Comcast offered the NBC Sports Live Extra app on X1, which enabled our customers to watch 500 extra hours of live streaming content on their television.

The broadcast story goes well beyond the Olympics this quarter and is really an incredible turnaround story. Bob Greenblatt and his entire team have done a terrific job. The momentum we achieved in the fall has carried through into 2014, led in part by an amazing transition in late night with both The Tonight Show starring Jimmy Fallon and Late Night with Seth Meyers off to excellent starts. In fact, NBC is positioned to end the full season as the number one network in the coveted 18 to 49 demographic for primetime and late night.

We have also made strong progress with our NBC-owned stations. I am now pleased to say that nearly 75% of our local newscasts now rank one or two in their market, which is up from 50% just two years ago. In Cable Networks, NBC sports network had its most-watched quarter in the network's history buoyed by unprecedented live programming hours, record viewership for the Sochi Winter Games, strong NHL viewership and the English Premier League's three most-watched months in US cable history. Bravo also had its best quarter in network history among all key demos.

Our film division also had a strong quarter and is reflective of our focus this year on lower-cost films with a much better financial risk reward profile. And the Theme Park segment saw stable attendance despite the unfavorable shift in spring holidays in the first quarter, which will correct in the second quarter. With the upcoming opening of Harry Potter 2 in Orlando and the added hotel capacity with the opening of Cabana Bay, the theme parks are set up for strong performance in the second quarter and beyond. NBCUniversal has real momentum and we believe this is sustainable throughout all of 2014. So all in all, I am really pleased with the operating results across our entire business.

I'd like to spend a quick moment on our merger with Time Warner Cable. The more we get into the planning efforts on our side, the more confident we are about the potential and about the potential synergies. We see significant benefit for consumers in our ability to offer our innovative and industry-leading products to a larger residential footprint along with opportunities in business services and advertising. The opportunity in this merger remains very compelling. Time Warner Cable shareholders will get 23% stake in the combined entity and share in the upside of a company with tremendous potential to create value for customers and shareholders.

In addition, there has been a lot of talk about potential divestitures and Michael will detail how we see the opportunity to create value there as well. Our proposed merger with Time Warner Cable is an exciting and unique opportunity and we remain confident that the combination will strengthen a world-class organization that will benefit customers, employees and shareholders. So with more on the first quarter, let me turn it over to Michael.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

Good morning and thank you, Brian. We begin 2014 with solid financial results, which reflect consistent execution, profitable growth and the fundamental strength of our businesses. Let me begin by briefly reviewing our consolidated financial results on slide 4. We are very pleased with our first-quarter results, which reflect profitable growth across all of our businesses. First-quarter consolidated revenue increased 13.7% to $17.4 billion, reflecting solid growth in our cable business and an exceptional performance at NBCUniversal, partially driven by the success of the Sochi Olympics. For comparison purposes, when you exclude the $1.1 billion of revenue generated by the Olympics, our consolidated revenue increased a healthy 6.5% during the quarter.

Consolidated operating cash flow was strong and increased 10% to $5.5 billion. This result includes $17 million of expenses related to the Time Warner Cable merger, which is included in our Corporate and Other segment. Excluding these costs, consolidated operating cash flow grew 10.4%. Free cash flow for the quarter decreased 10% to $2.8 billion and free cash flow per share decreased 8.5% to $1.07 per share as growth in consolidated operating cash flow was offset primarily by higher working capital related to the Olympics and higher expenditures for film and TV production. Excluding this working capital impact, free cash flow growth would've been positive. We will provide more detail on this topic later in the presentation.

Earnings per share for the first quarter increased 31.5% to $0.71 per share versus $0.54 per share in the first quarter of 2013. To provide a clear comparison, when you exclude gains on sales and acquisition-related items, our comparable EPS increased 33.3% to $0.68 per share.

Now let's review the results of our business units in more detail starting with Cable Communications on slide 5. We are pleased with our first-quarter performance of healthy financial and customer growth in our Cable Communications business. Before I discuss the details, I would like to highlight an important change we have made to our customer metrics. Beginning this quarter, and as we have previously announced, we are changing our methodology for counting video customers from an equivalent billing units, or EBU, approach to a billable customers method. This decision changed how certain establishments billed onto bulk agreements are reported such as apartment complexes, healthcare facilities and other multiple dwelling units or MDUs. Under the new billable customers method, if Comcast has the ability to individually bill tenants for additional services not included in the bulk property agreement, the total number of units served at that property accounted as individual customers. If we are unable to provide additional service, it is counted as one customer. Previously, we had counted and reported these types of customers on an EBU basis by dividing monthly revenue received under a bulk contract by the standard monthly residential rate.

Because of the nature of the calculation, customer accounts under the previous EBU method can artificially decrease or increase as residential rate changes occur in the markets. In addition, the billable customers method improves our customer transparency and aligns our customer count methodology with the rest of the cable industry. This change has also been incorporated into our trending schedules, including a review of these video customer metrics for 2013, making it easier to compare metrics as we report them.

Also, we will now disclose a number of our customer relationships in our average revenue per customer relationship. So, for the first time, we are disclosing our customer relationships of 26.8 million, which increased by 124,000 in the first quarter, indicating that we have a relationship with nearly one out of every two of the 54 million residential and commercial passings. We continue to experience real strength in our customer metrics with positive net additions across all of our products. Similar to our strong fourth-quarter, our momentum in video continued in the first quarter. We added 24,000 new video customers in the first quarter compared to a net loss of 25,000 in last year's first quarter as we continued to execute with improved products, improved customer support and better retention efforts. This growth is an accurate comparison using the billable customers method for the first quarter of 2014 in 2013. If we compared video customers using our previous EBU method, we added 4000 video customers in the first quarter compared to a net loss of 60,000 in last year's first quarter.

Moving on to High Speed Data, the service also continues to gain share as we differentiate our product through service and speed enhancements. We added 383,000 new data customers in the first quarter and recently announced that we are increasing speeds again, marking the 13th time in 12 years that we have increased speeds.

In addition, our voice customer base grew by 142,000 in the first quarter, proving that voice continues to add value to the bundle. First-quarter cable revenue increased 5.3% to $10.8 billion reflecting growth in our residential businesses, continued strength in Business Services and solid results in our advertising group. Total revenue per customer relationship increased 4.5% to $134 per month and reflects volume growth, rate adjustments, a higher contribution from Business Services and an increasing number of our customers taking multiple products.

We are continuing to have success converting single and double-play customers to triple-play and at the end of the first quarter, 68% of our customers took at least two products and 36% took three products compared to 33% at the end of last year's first quarter.

As we look at our service categories, we reported video revenue growth of 1.3%, reflecting modest rate adjustments to about 69% of our footprint in the first quarter and an increasing number of customers taking advanced services. We now have 12.6 million high-def and/or DVR customers equal to 56% of our video customers. High-speed Internet revenue increased 9% during the quarter, making it again the largest contributor to cable revenue growth driven by continued growth in our customer base, rate increases and an increasing number of customers taking higher-speed services. At the end of the quarter, 38% of our residential high-speed customers now take our Blast! and Extreme products and receive at least 50 megabits of speed.

Voice revenue increased 2.1% for the first quarter, driven by growth in our customer base as we continue to focus on the value of the triple-play. We continue to successfully convert single and double-play customers to triple-play and acquire new triple-play customer relationships. In fact, we added 155,000 triple-play product customer relationships during the quarter.

Moving from our residential to our commercial businesses, revenue increased 23.9% to $917 million and was again the second-largest contributor to cable revenue growth during the first quarter. This growth is impressive considering Business Services is now approaching a $4 billion run rate business. Our share continues to grow, but we have only captured about 20% of the small end of the market and about a 5% share of the midsize business segment. Our optimism here continues as Business Services represents a large and attractive opportunity for the Company. Our cable advertising group also performed well as the first-quarter revenue increased 6.2%, reflecting higher automotive advertising and political revenue. Excluding this political revenue, our core cable advertising increased 3.2%.

Please refer to slide 6. First-quarter Cable Communications operating cash flow increased 4.3% to $4.4 billion, resulting in a margin of 40.9% compared to 41.3% in the first quarter of 2013, primarily driven by a lower level of rate adjustments and the impact of two one-time items, including weather-related expenses incurred during the quarter and the benefit from an NHL lockout rebate in the first quarter of 2013. If we exclude these one-time items, operating cash flow would have been about 1 point higher and margins would have been flat. We are focused on maintaining stable operating margins even as our programming costs increase and as we support new initiatives, including the deployments of X1, the deployments of the wireless gateways and the expansion of Business Services and XFINITY Home.

Program expenses increased 8.8% in the first quarter of 2014 driven by increases in retransmission consent fees, higher sports programming costs and step-ups for recently completed long-term agreements. We also continue to increase the amount of content we provide our customers across multiple platforms. As I mentioned previously, we still expect programming expenses to grow at approximately 9% to 10% for the full year of 2014.

We are effectively offsetting these higher program expenses with an improving product mix as we add more High Speed Data, Voice and Business Service customers and upgrade existing customers to higher levels of services such as HD and DVRs and faster Internet speeds. In addition, we also continue to gain operating efficiencies and as Brian mentioned, we reduced truck rolls by 500,000, or 8% year over year even as we added new customers and upgraded existing customers to additional products.

Customers also continued to elect self-installations, which, in the first quarter, accounted for 47% of our total installations, up significantly from 38% in the first quarter of last year. In addition, we now have 36% of our customers managing their accounts online. So as we begin the new year, our Cable Communications business is off to a solid start and performing well on all fronts -- financially, operationally enhancing the product, accelerating innovation and improving our customer support.

Now let's move onto NBCUniversal's results, which are presented on slide 7. For the first quarter of 2014, NBCUniversal's revenue increased 28.8% and operating cash flow increased 37.6%. These exceptional results were driven in part by the success of the Sochi Olympics. Excluding any revenue impact from the Olympics, NBCUniversal revenue increased a healthy 8.1%.

Now let's review the individual business segments at NBCUniversal. For the first quarter, Cable Networks generated revenue of $2.5 billion, an increase of 12.6% and included $257 million of revenue associated with the Sochi Olympics. Excluding the Olympics, revenue increased 1% driven by a 4.4% increase in distribution revenue, partially offset by a slight decline in advertising revenue of 1.4% as increases in price were offset by ratings pressure at some of our cable networks.

Cable Networks operating cash flow increased 4.2% to $895 million, reflecting higher revenue, partially offset by our continued investment in original programming and higher sports programming costs, including the impact of the Olympics and the launch of the English Premier League on NBC Sports Network.

With regards to our Broadcast segment, first-quarter Broadcast Television revenue increased 72.8% to $2.6 billion, including $846 million of revenue generated by the Olympics. Excluding the impact of the Olympics, Broadcast revenue increased 17%, reflecting higher ratings due to the continued success of our primetime lineup, more hours of The Voice airing during the first quarter compared to last year, the strength of our news division, including Today and Nightly News and the impressive performance in Late Night.

Broadcast operating cash flow increased $157 million to $122 million for the first quarter, reflecting a profitable Olympics, higher advertising revenue from improved ratings and increased retransmission consent fees. Given NBC's ratings improvement and strength across the NBC channel portfolio, we are anticipating that this will be a very successful upfront for our Company. Early client discussions have been very positive and suggest this could be a meaningful correction year where we can capitalize on our progress and ratings success and hope to close the monetization gap we have mentioned in previous calls.

Moving on to Filmed Entertainment, this is clearly off to a great start with first-quarter revenue increasing 11.1% to $1.4 billion and operating cash flow increasing $219 million to $288 million, reflecting higher theatrical revenue from the solid box office performance of our slate, including Ride Along and Lone Survivor and the international performance of The Wolf of Wall Street.

Switching to our Theme Parks segment, revenue increased 5.4% to $487 million, reflecting increases in per capita spending and stable attendance despite the shift in spring holidays, which occurred in the first quarter of last year, but will occur now in the second quarter. Operating cash flow decreased 1.5% to $170 million for the first quarter, reflecting higher operating costs to support new attractions. In the second quarter, we are very excited about the opening of Harry Potter 2 in Orlando, as well as having the spring holidays in full swing.

Now let's move to slide 8 to review our consolidated and segment capital expenditures. Consistent with our plan, consolidated capital expenditures for the quarter increased 6.4% to $1.4 billion compared to the first quarter of 2013, reflecting increased investments at both Cable and NBCUniversal. At Cable Communications, first-quarter capital expenditures increased $51 million, or 4.6%, to $1.1 billion, equal to about 10.6% of cable revenue versus 10.7% in the first quarter of 2013. The increase was primarily driven by higher spending on CPE, including our new X1 platform and wireless gateways. The level of CapEx spend this quarter benefited from the timing of equipment purchases and will ramp throughout the year.

We continue to expect that, for the full year of 2014, Cable capital expenditures will increase with capital intensity increasing to approximately 14% of Cable revenue compared to 12.9% in 2013 as we accelerate the deployment of X1, deploy additional wireless gateways, increase network capacity and continue to invest in the expansion of Business Services and XFINITY Home.

As we move to NBCUniversal, first-quarter capital expenditures at NBCUniversal increased $28 million to $291 million, primarily reflecting increased investments in facilities, as well as theme parks as we build new attractions, including new Harry Potter attractions in both parks and a Fast and Furious attraction in Hollywood. As I mentioned in February, we expect that NBCUniversal's 2014 capital expenditure plan will remain relatively stable to 2013's level.

Now let's move to slide 9. As I mentioned earlier, we generated consolidated free cash flow of $2.8 billion in the first quarter, a decrease of 10% as growth in consolidated operating cash flow was primarily offset by increased working capital, which was mainly driven by add sales receivables for the Olympics and net production spend at our film and TV studios. Excluding the $636 million swing in working capital, free cash flow would have increased during the quarter. We are executing on our 2014 financial plan and increased our return of capital to shareholders by 35% in the first quarter to $1.3 billion, including share repurchases totaling $750 million and dividend payments totaling $508 million for the quarter.

Let me now turn to Time Warner Cable and as Brian mentioned offer some thoughts on our return of capital strategy and potential divestitures. As has been reported, when shareholder approval for our acquisition of Time Warner Cable is obtained later this year, we intend to increase our repurchase plan by $2.5 billion. This is in addition to the current plan of $3 billion for Comcast for an expected total of $5.5 billion in share repurchases during 2014.

In addition, as you know, we have committed divestitures in our Time Warner Cable transaction. We do not comment on rumors, but I will outline our philosophy and financial perspective on this subject. There are a number of potential structures for us to evaluate maximizing value for our shareholders who will guide our decisions. Some key considerations include, amongst others, our ability to divest subscribers in the most tax-efficient way possible, our ability to shrink our equity base and/or deliver cash for our shareholders and our ability to maximize our presence in our most strategic markets.

In addition, we anticipate that any divestiture plan will be a leverage-neutral event for Comcast. In other words, to the extent that we sell properties for cash or spin properties, any cash proceeds after neutralizing or maintaining our existing leverage ratio can be used for return of capital to Comcast shareholders. This is complex and we believe value-enhancing to our shareholders. There is a lot of work to be done in addition to the integration effort and we will provide regular updates as we continue to refine our thinking and analysis.

So let me wrap up by saying we are very pleased with our operational and financial performance this quarter. We have started the year off strong. We are making tremendous progress and are focused on continuing our momentum throughout the year. We are excited about the Time Warner Cable merger and the synergy opportunities it presents. We believe it will be accretive on a free cash flow per share basis and are confident that our disciplined investments and our focus on execution will continue to generate profitable growth. Now let me turn the call over to Jason for Q&A.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Michael. Operator, let's open up the call for Q&A, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Jessica Reif Cohen, Bank of America Merrill Lynch.

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

Thanks. I have a couple of questions. The first one, you've mentioned on the call several times adding wireless gateways and having all these hotspots. I was just wondering if you could give us your vision for WiFi in the kind of longer term with and without Time Warner Cable. How different would your strategy be with or without them and is this a value-add service to existing wireline HSD subs or is it potentially a standalone service?

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

Hi, Jessica, it's Neil. I think WiFi, we have rolled out 8.3 million devices. We view it as a very important asset both as an extension to our data product, as well as the ability to launch new products like XFINITY Home. I think the Time Warner merger, it would extend the network further in the WiFi network buildout. We see about 75% to 80% of mobile data consumption happening on WiFi in the home and in the office. So I think we view it as a very positive important asset and we will continue to put in hotspots as we go forward.

Brian Roberts - *Comcast Corporation - Chairman & CEO*

Let me just add to that, I think that is exactly right. Short term, it is a big adder to broadband and longer term, and including our MVNO potential and other wireless assets that we have in the Company, we are in a position to think about where wireless is going and how we can participate in a way to build value and whether that is through our existing products or it's a new product, nothing but good things seem to happen by us adding WiFi to the benefit of our consumers.

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

And can I just follow up? Mike, you had talked about capital returns and the potential divestiture post-approval. I just wanted to clarify something you said when you announced the Time Warner Cable acquisition. You said that there would be 10 billion -- I think the way you phrased it was that there would be $10 billion in proceeds next year or I mean in return of capital. If you divest subs and for argument's sake let's say it's roughly $10 billion in excess capital, it could be more or less, is that in addition to the amount you announced at the time of Time Warner Cable or is that included in that?

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

Thanks, Jessica. Let me put a finer point on it. So what we said when we announced the Time Warner Cable deal that when the deal would close, we would increase our authorization by $10 billion. Our view was, if we had a $7.5 billion authorization at the beginning of the year and we, as we announced today, say we used $5.5 billion of that due to the original $3 billion plus the additional $2.5 billion, that would leave about $2.5 billion worth of capability, $2 billion of capability. We would then, when the deal closes, look to increase our authorization by $10 billion. That would be completely separate from any divestiture assets we are talking about.

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

Separate. Okay. Thank you. And then if I could just throw one last thing in. You talked about closing the monetization gap. Could you or Steve give us an update on what you think the potential upside is there? I mean your ratings have been great; you seem bullish about the upfront. If you could just clarify what you think that is now, the gap is now and then I am done.

Steve Burke - *Comcast Corporation - EVP & CEO, NBCUniversal*

Well, I think we are going into the upfront with the best position we've had in over a decade, primarily driven by NBC. Last year, NBC was 17% behind the leader, which was CBS. This year, we are estimating that we will finish in first about 12% ahead of number two. So if you look at that swing, it is a 29% swing, which we've gone back to the beginning of People Meters. We can't find any network that has swung that much in a year. So that is going to give us, I think, a much stronger hand as we go into the upfront and we are looking at this upfront as a chance to have a correction in that monetization gap. It is hard to precisely say how much that is going to be worth to us, but it is going to be worth a lot.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Jessica. Operator, next question.

Operator

Doug Mitchelson, Deutsche Bank.

Doug Mitchelson - *Deutsche Bank - Analyst*

Thanks so much. I guess two questions. Following up on wireless, at the forefront is the concept that your WiFi network obviously can offload much of the wireless data usage giving you a cost advantage with a hybrid Verizon Wireless MVNO Comcast WiFi network. If you could talk through your longer-term aspirations in wireless and whether such a hybrid service could prove advantageous. Could you have a cost advantage over the incumbents in that business? And then, Michael, just for clarification if I missed it, when would you expect to make a decision on the divestitures? Thanks.

Brian Roberts - *Comcast Corporation - Chairman & CEO*

Let me just jump in first and say that I don't think we've announced anything on wireless. It is a premature question. I think what we are doing is building out hotspots, we are doing the routers with dual FSID. We are finding our customers enjoy it, the technology is getting better, more spectrum has been allocated to WiFi and long term, I think that we are studying that market and we are encouraged by it. Neil, does that sound right?

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

No, I think that is exactly right. We are focused on building out a network and adding value to the HSD product right now. While there has been some speculation on the combined WiFi MVNO, we are focused on just building out the network right now and providing a great experience for the customers.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

And I'll take the last question. We actually don't have a particular timeline in terms of announcing the divestitures. Obviously, there is a lot of work to do and this is very complex. So our view is let's be very methodical about it and get it right from a variety of perspectives and it will be announced in due course.

Doug Mitchelson - *Deutsche Bank - Analyst*

So I mean, Michael, there is a possibility it could be early, but not necessarily a plan for that?

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

No, we don't have any particular plan, as I just mentioned. Our view is there's a number of moving pieces related to regulatory, related to tax, related to a number of items and our view is let's be very thoughtful about it. The goal is to maximize shareholder value, so there is no particular internal timeline. We are going to go at a pace that we are comfortable with to make sure that we do maximize shareholder value.

Doug Mitchelson - *Deutsche Bank - Analyst*

And if I could just ask quickly, Brian, Neil, given your answer, is the way we should think about it perhaps that the first product that you could offer is just a WiFi voice -- WiFi-only voice service just to test out the capabilities of the network? Is that possible?

Brian Roberts - *Comcast Corporation - Chairman & CEO*

I think we are very preliminary in that thinking, Doug and it's probably too early to say.

Doug Mitchelson - *Deutsche Bank - Analyst*

Great, thank you so much.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Operator, next question please.

Operator

Phil Cusick, JPMorgan.

Phil Cusick - *JPMorgan - Analyst*

Hi, guys. I wonder if you can talk about price increases through the year, both what you have done so far and how you think about going forward. I know there's some confusion over the last month or so about what is happening on the video side because of equipment increases or the lack of that this year. Do you feel like the equipment price increases are sort of tapped out given the price is already happening on the DTAs and the set-top boxes? Or is that a possibility of going up in the future? Thanks.

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

Hi, Phil, it's Neil. We did take lower rate increases in video this year overall than last year. We looked at the market and adjusted as we felt it was appropriate. We target different segments with different price offers. I don't think that the pricing is necessarily popped out as you say. I think it depends on the segment, it depends on the value of the service we are offering. What we are really focused on is driving out X1. We have seen great results with the product as we've gotten it to market and it is performing very well. As Brian said, churn is down 20% to 30%. The video numbers were driven by more upgrades and fewer disconnects this quarter and thus, we feel pretty good about the video results we are achieving right now.

Phil Cusick - *JPMorgan - Analyst*

Neil, if I can follow up on your CapEx comment, given the fairly low pace of CapEx on the cable side this quarter, should we anticipate that that 15,000 to 20,000 could accelerate pretty dramatically between now and the end of the year?

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

As Brian also mentioned, we are selling 15,000 to 20,000 X1 boxes a day right now and so that rate is double what it was six months ago. So it is accelerating and I think that there will be some catch-up in CapEx over the coming quarters.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

And let me just add to that, Phil. With regards to CapEx, we talked about that back in the first -- in February. We are sticking to our CapEx plan in terms of percentage of revenue and you will see, from a CPE perspective, almost all of our set-top boxes are X1 type set-top boxes.

Phil Cusick - *JPMorgan - Analyst*

Thanks.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Phil. Next question please.

Operator

Craig Moffett, MoffettNathanson.

Craig Moffett - *MoffettNathanson - Analyst*

Hi, good morning. Two questions if I could. First for Neil, Neil, you had tested a solution, as I understand it, for delivering the X1 user interface without requiring an IP chipset in the box. So ActiveVideo had done one; I think there are other vendors that are doing that. Can you update us on that? I mean it would seem like there is a potential for a much lower CapEx profile with faster rollout if that works. And so I just wanted to see where we were on that topic.

And then for Mike, Mike, when you did the transaction with all cash for Time Warner Cable, I understand that may be very tax-efficient, but is there any consideration separate and apart from maintaining the leverage after divestitures of potentially readjusting the leverage profile of the combined company after all is said and done?

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

So Craig, I will cover the X1 product. I think what you may be referring to is the slave devices that act off of the main gateway. You still need an IP set-top box in the house such as the X1 and then you can run lower-cost hardware off of that in terms of the additional outlets. X1, what is great about the product right now is, as we've learned as we have rolled out the new X2 interface, we can adjust on the fly and launch new products like EFT. But, generally speaking, you need the master device in order to get the lower-cost additional outlets.

Craig Moffett - *MoffettNathanson - Analyst*

Neil, if I could just interject. Sorry, my understanding is the solutions I was describing are solutions that translate the IP interface back into MPEG for delivery to legacy boxes without having to replace boxes in the home.

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

We have some backwards compatibility; it is primarily with the advanced set-top boxes that we'll be rolling out over time. We currently in our solutions rollout, the X1 box and the additional outlets, the advanced set-top boxes, but there will be some backwards compatibility over time.

Craig Moffett - *MoffettNathanson - Analyst*

Got it. Okay, thank you.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

Craig, let me just clarify. The Time Warner -- you said all cash. The Time Warner Cable (multiple speakers).

Craig Moffett - *MoffettNathanson - Analyst*

Sorry, all stock I meant, sorry.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

That's what I thought you meant; I just wanted to clarify. With regards to our leverage profile, when we do close a transaction, depending on timing, we will have approximately $70 billion of debt in our balance sheet and pro forma between 2.2, 2.3 times leverage depending on timing. I think the divestitures are going to be what I'd call leverage neutral that wherever we end up when the transactions are done, we will end up at the same place. I don't think we are revisiting our overall balance sheet profile. Our goal long term, medium-term goal is to be between 1.5 and 2 times and that is going to take us several years to get to and given the magnitude of debt, given our A rating, given how we look at our balance sheet as a real strategic asset, we don't think it is appropriate to relook at the leverage ratios.

Craig Moffett - *MoffettNathanson - Analyst*

Thank you.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Craig. Operator, next question please.

Operator

Ben Swinburne, Morgan Stanley.

Ben Swinburne - *Morgan Stanley - Analyst*

Thank you. Good morning. Neil, just coming back to the video revenue growth and rate adjustment comment you made, this I think was the lowest quarter in about eight quarters on video revenue and a lot of that is probably timing. So just curious if you could add a little more color on whether you are seeing a market that you need to be a little more sensitive to price or if this is just the normal kind of quarter-to-quarter timing of when price adjustments roll through the business.

And then, Brian, last call, you talked about X1. I think the comment was a majority of your customers in several years and it sounds like, if anything, you are more excited and see more opportunity there. I was wondering if you had a finer point on the timing or any more color on sort of the deployment schedule.

Brian Roberts - *Comcast Corporation - Chairman & CEO*

Concerning rate increases, Ben, we decided to take lower rate increases this quarter as we evaluated the market. I wouldn't read any trends into it. We took rate increases across a smaller percentage of our footprint this quarter than last year as well. But we target different offers to different customers and I don't think we are seeing a topping out. In the competitive arena, the offers are in the same ballpark, the promo prices go up and down, but the destination pricing is fairly similar across its various competitors.

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

I think in 90 days nothing has changed, Ben, on our view. I think we are more encouraged than 90 days ago. We have now scaled it more. We've ramped it, doubled the speed in six months of the rollout. Churn, pay-per-view revenue, customer satisfaction, all those statistics are headed in a good direction.

I think your previous question about how can we get it to more devices faster is always on our mind. Are there new technologies that can come along and help speed that along? One of the things we are rolling out is an app, XFINITY TV, and it really looks like the X1 guide without a box and it works on every iOS and every Android and every Kindle in your home. So there are real progresses being made on how to get this to more devices faster without having to spend more capital necessarily. But I think ultimately this is a fantastic product and we are getting it out there at a measured pace. We started with triple-play, now we are in double-play and we are constantly getting it to more -- available to our customers and we are trying different marketing things to make it -- see how the response rates are and see how the customer satisfaction is, but so far so good.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

And let me just say one other thing on video revenue. I just want to make sure we are all level set. We have almost 70% of our customers take two services and 36% take all three services. So we do look at it from a yield perspective with regards to rate adjustments across the entire base. And you really have to look at not just video revenue, but High Speed Data revenue is up 9%, which is a terrific performance compared to prior years. And if you look at all of our recurring revenue, that is actually growing quite nicely as well. So as we continue to have more double and triple-plays, the individual product revenue growth I think gets a little distorted.

Ben Swinburne - *Morgan Stanley - Analyst*

Thanks a lot.

Operator

Thanks, Ben. Operator, next question please.

Operator

Marci Ryvicker, Wells Fargo.

Marci Ryvicker - *Wells Fargo Securities - Analyst*

Thanks. Can you just outline the steps to closing the Time Warner Cable merger? We have the Senate House Committee or the Senate Judiciary Committee will have the House. Then the Time Warner Cable shareholder vote, DOJ, FCC. Is there anything I am missing? And then just a follow-up, do you know when the Time Warner Cable shareholder meeting is going to be?

Brian Roberts - *Comcast Corporation - Chairman & CEO*

This is Brian. I think you have most of the steps. We don't know when that vote is going to be. You also have local municipalities and state franchising authorities and PUCs where certain business licenses exist. So there's probably even a few more steps than you mentioned, but those are the basics.

Marci Ryvicker - *Wells Fargo Securities - Analyst*

Okay. And then just a follow-up on operations. Any thoughts about expanding Streampix or something else with an over-the-top service? I think AT&T made an announcement this morning. We saw DISH and Disney, so any thoughts there?

Brian Roberts - *Comcast Corporation - Chairman & CEO*

Well, Streampix has been a good product for us. We've learned what customers consume and there are a lot of people who are using the product and even buying the product. I think the OTT model we found to be very difficult. However, as we try to target different segments, we are open to the possibilities up to and including OTT.

Marci Ryvicker - *Wells Fargo Securities - Analyst*

Thank you.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Marci. Next question please.

Operator

John Hodulik, UBS.

John Hodulik - *UBS - Analyst*

Okay, thanks. I guess a follow-up to Marci's question. Last night on the Netflix call, Reed Hastings reiterated his desire to get his product on the X1 box. What is Comcast's view of allowing other content aggregators on the platform? That is number one. And then two, on the new buyback, can you give us a sense of timing around the Comcast vote for the Time Warner Cable deal, when you expect that to occur? Thanks.

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

So this is Neil. Concerning the Netflix opportunity to get on X1, we have launched a lot of apps. We have Pandora and Facebook and Twitter and we have a number of partnerships and where there is a real win-win relationship and a win for the consumer, we are certainly open to the possibilities. I think that a number of the apps are getting a lot of use. We launched an Olympics app with Sochi and that got a lot of use and we are going to continue to integrate more functionality into the X1 experience to make it more personalized for the viewer.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

With regards to shareholder vote, it is hard to tell to be honest with you, John. We have to go through the SEC review, which we are doing now, but I would hope it is over the next several months we will have that vote, but just difficult to pinpoint as Brian mentioned with Marci. So we will have -- obviously we have really two shareholder votes, ours as well as Time Warner Cable's and right now, we are going through that SEC review.

John Hodulik - *UBS - Analyst*

Okay, thanks.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, John. Next question please.

Operator

Bryan Kraft, Evercore.

Bryan Kraft - *Evercore Partners - Analyst*

Hi, thanks. Just had two quick questions. First, on high-speed data net adds, they have been at a pretty consistent level in the first quarter for the past three years. We saw some deceleration this year. So the question is is this indicative of any kind of slowdown in high-speed data net adds or was there something anomalous about the quarter whether it is weather or just resource allocation or some other reason? And then the other question is on the cable network ad revenue, excluding the Olympics, looks like it was down year over year. Just wanted to understand what that weakness is related to. Is it just ratings? Was there a pricing or a makegood impact too and how do you see the outlook in 2Q and 3Q on the cable network side for advertising? Thank you.

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

So let me start with the cable advertising. Actually you have to adjust out the closure of the Style Network or the shutdown of the Style Network and Fandango we've moved from one category of the company to another company. If you exclude those two things, cable advertising was up a couple percentage points and we are optimistic that we are going to have a good upfront and the next ensuing quarters will do better.

Unidentified Company Representative

And on the HSD side, we feel very good with the quarter, 9% revenue growth, 383,000 subs. We feel it is a good quarter and I wouldn't read any deceleration into the business at all. We are capturing share and we continue to focus on it and add value through things like speed upgrades and WiFi.

Bryan Kraft - *Evercore Partners - Analyst*

Great. Thank you.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Bryan. Next question please.

Operator

Vijay Jayant, International Strategy Investment Group.

Vijay Jayant - *ISI Group - Analyst*

Hi, I have two questions. You talked about the video ARPU trends and how we should think about it (inaudible). Can you just talk about how the skinny video fat broadband offerings are tracking? Are they becoming a bigger piece of the mix and really resonating? And second for Michael, talked about asset divestitures being tax-efficient. Is it logical to assume basically that the (inaudible) assets generally have the highest step-up basis on it so would be most logical? Thanks.

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

This is Neil, Vijay. With regards to the Internet Plus product, it has been a very successful product in targeting millennials. It's a good margin product and we will continue to use it to target that audience, but overall we are pleased with the results there.

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

Honestly, Vijay, I don't think we want to get too in the weeds with regards to a tax basis and step-ups and those kind of items. We have lots of assets between our Company and obviously Time Warner and we are evaluating a number of factors, including -- and tax basis is one of those factors. Other factors are how are we clustered within certain markets and how do we think about value and growth and all those other items. So I don't want to leave you with the perception that there is only one factor or one set of systems. And I think it would be not quite right to go into specifics at this point.

Vijay Jayant - *ISI Group - Analyst*

Okay, thank you.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Thanks, Vijay. Operator, we have got time for one last question.

Operator

Kannan Venkateshwar, Barclays.

Kannan Venkateshwar - *Barclays Capital - Analyst*

Thank you. The question I have is on the X1 side. While there is some opportunity in increasing the customer lifetime value because the reduction in churn, could you help us with what the revenue opportunity is in terms of the additional products that you are selling and how that is trending in the footprint that you have? And secondly, on the content delivery network side, is there any way to expand that to include other partners and offer differentiated services, which look like over-the-top services, but are probably a different tier?

Neil Smit - *Comcast Corporation - EVP & President and CEO, Comcast Cable Communications*

This is Neil. Concerning the X1 product, I think the revenue comes in a number of forms. One is there is the X1 customers are more likely to take triple-play. Two is we are driving more VOD revenue. Three is we are monetizing better from an overall advertising perspective because they are spending more time watching On Demand where we have the C3 window and as well as linear. So you are seeing a bump in overall viewing of the product. We have launched EST, which has been very successful for us and we have been the number one retailer in a number of movies we have launched. So those are just a number of things that contribute to the revenue. I think the churn is very important because driving that churn number down that dramatically is going to be a big factor.

Concerning the CDN, we've invested hundreds and hundreds of millions of dollars in building our CDN. It is a very powerful asset and I think that, as we've had people approach us to consider some sort of an arrangement to share in it, we are open to those conversations.

Brian Roberts - *Comcast Corporation - Chairman & CEO*

Let me just wrap up -- Michael, do you want to add anything?

Michael Angelakis - *Comcast Corporation - CFO & Vice Chairman*

Actually X1 customers take a much higher amount of DVRs as well, which is quite good for us and adds more revenue.

Brian Roberts - *Comcast Corporation - Chairman & CEO*

So in just wrapping up, I think a really strong start to the year, terrific work at NBCUniversal. Every business segment setting up for a continuation throughout the year. I think, in that last question, what is exciting about cable right now is we have a product with the X1 platform that is going to lead for years and years for more innovation to happen. It is a gamechanger to put it in the cloud, to be able to click a button and have it go to Denver and back faster than a click would've happened just looking at a television just a couple years ago creates really fantastic opportunities. We've touched on some of them today and some that haven't even been invented yet, but it is an architectural change that we haven't seen in a long time. And so getting that platform out in a measured way will be fantastic for our customers and open up to new businesses. So it is a great start to the year and back to you, Jason.

Jason Armstrong - *Comcast Corporation - SVP, IR*

Great. Well, at this point, we will wrap up here and thank you, everyone, for joining us.

Operator

There will be a replay available of today's call starting at 12:30 PM Eastern Standard Time. It will run through Tuesday, April 29 at midnight Eastern Standard Time. The dial-in number is 855-859-2056 and the conference ID number is 10792182. A recording of the conference call will also be available on the Company's website beginning at 12:30 PM today. This concludes today's teleconference. Thank you for participating. You may all disconnect.

Important Information For Investors And Shareholders

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. In connection with the proposed transaction between Comcast Corporation ("Comcast") and Time Warner Cable Inc. ("Time Warner Cable"), on March 20, 2014, Comcast filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-4 containing a preliminary joint proxy statement of Comcast and Time Warner Cable that also constitutes a preliminary prospectus of Comcast. The registration statement has not yet become effective. After the registration statement is declared effective by the SEC, a definitive joint proxy statement/prospectus will be mailed to shareholders of Comcast and Time Warner Cable. INVESTORS AND SECURITY HOLDERS OF COMCAST AND TIME WARNER CABLE ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION. Investors and security holders may obtain free copies of the registration statement and the joint proxy statement/prospectus and other documents filed with the SEC by Comcast or Time Warner Cable through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed with the SEC by Comcast are available free of charge on Comcast's website at http://cmcsa.com or by contacting Comcast's Investor Relations Department at 866-281-2100. Copies of the documents filed with the SEC by Time Warner Cable will be available free of charge on Time Warner Cable's website at http://ir.timewarnercable.com or by contacting Time Warner Cable's Investor Relations Department at 877-446-3689.

Comcast, Time Warner Cable, their respective directors and certain of their respective executive officers may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information about the directors and executive officers of Time Warner Cable is set forth in its Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 18, 2014, and its preliminary proxy statement for its 2014 annual meeting of stockholders, which was filed with the SEC on April 8, 2014. Information about the directors and executive officers of Comcast is set forth in its Annual Report on Form 10-K for the year ended December 31, 2013, which was filed with the SEC on February 12, 2014, and its proxy statement for its 2014 annual meeting of shareholders, which was filed with the SEC on April 11, 2014. These documents can be obtained free of charge from the sources indicated above. Additional information regarding the participants in the proxy solicitations and a description of their direct and indirect interests, by security holdings or otherwise, are contained in the preliminary joint proxy statement/prospectus filed with the SEC and will be contained in the definitive joint proxy statement/prospectus and other relevant materials to be filed with the SEC when they become available.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements in this communication regarding the proposed acquisition of Time Warner Cable by Comcast, including any statements regarding the expected timetable for completing the transaction, benefits and synergies of the transaction, future opportunities for the combined company and products, and any other statements regarding Comcast's and Time Warner Cable's future expectations, beliefs, plans, objectives, financial conditions, assumptions or future events or performance that are not historical facts are "forward-looking" statements made within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements are often, but not always, made through the use of words or phrases such as "may", "believe," "anticipate," "could", "should," "intend," "plan," "will," "expect(s)," "estimate(s)," "project(s)," "forecast(s)", "positioned," “strategy,” “outlook” and similar expressions. All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from the results expressed in the statements. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking statements are the following: the timing to consummate the proposed transaction; the risk that a condition to closing of the proposed transaction may not be satisfied; the risk that a regulatory approval that may be required for the proposed transaction is not obtained or is obtained subject to conditions that are not anticipated; Comcast’s ability to achieve the synergies and value creation contemplated by the proposed transaction; Comcast’s ability to promptly, efficiently and effectively integrate Time Warner Cable’s operations into those of Comcast; and the diversion of management time on transaction-related issues. Additional information concerning these and other factors can be found in Comcast’s and Time Warner Cable’s respective filings with the SEC, including Comcast’s and Time Warner Cable’s most recent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. Comcast and Time Warner Cable assume no obligation to update any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof.