



# 1<sup>st</sup> QUARTER 2014 RESULTS

April 22, 2014



# Safe Harbor

## Caution Concerning Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In some cases, you can identify these so-called “forward-looking statements” by words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” or “continue,” or the negative of these and other comparable words. We wish to take advantage of the “safe harbor” provided for by this Act, and we caution you that actual events or results may differ materially from the expectations we express in our forward-looking statements as a result of various risks and uncertainties, many of which are beyond our control. Factors that could cause our actual results to differ materially from these forward-looking statements include: (1) changes in the competitive environment, (2) changes in business and economic conditions, (3) changes in our programming costs, (4) changes in laws and regulations, (5) changes in technology, (6) adverse decisions in litigation matters, (7) risks associated with acquisitions and other strategic transactions, including the proposed transaction with Time Warner Cable, (8) changes in assumptions underlying our critical accounting judgments and estimates, and (9) other risks described from time to time in reports and other documents we file with the Securities and Exchange Commission. We undertake no obligation to update any forward-looking statements. The amount and timing of share repurchases and dividends is subject to business, economic and other relevant factors.

## Non-GAAP Financial Measures

Our presentation may also contain non-GAAP financial measures, as defined in Regulation G, adopted by the SEC. We provide a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measure in our Form 8-K (Quarterly Earnings Release) announcing our quarterly earnings, which can be found on the SEC’s website at [www.sec.gov](http://www.sec.gov) and our website at [www.cmcsa.com](http://www.cmcsa.com) or [www.cmcsk.com](http://www.cmcsk.com).

# 1<sup>st</sup> Quarter 2014 Overview and Highlights



**NBCUniversal**

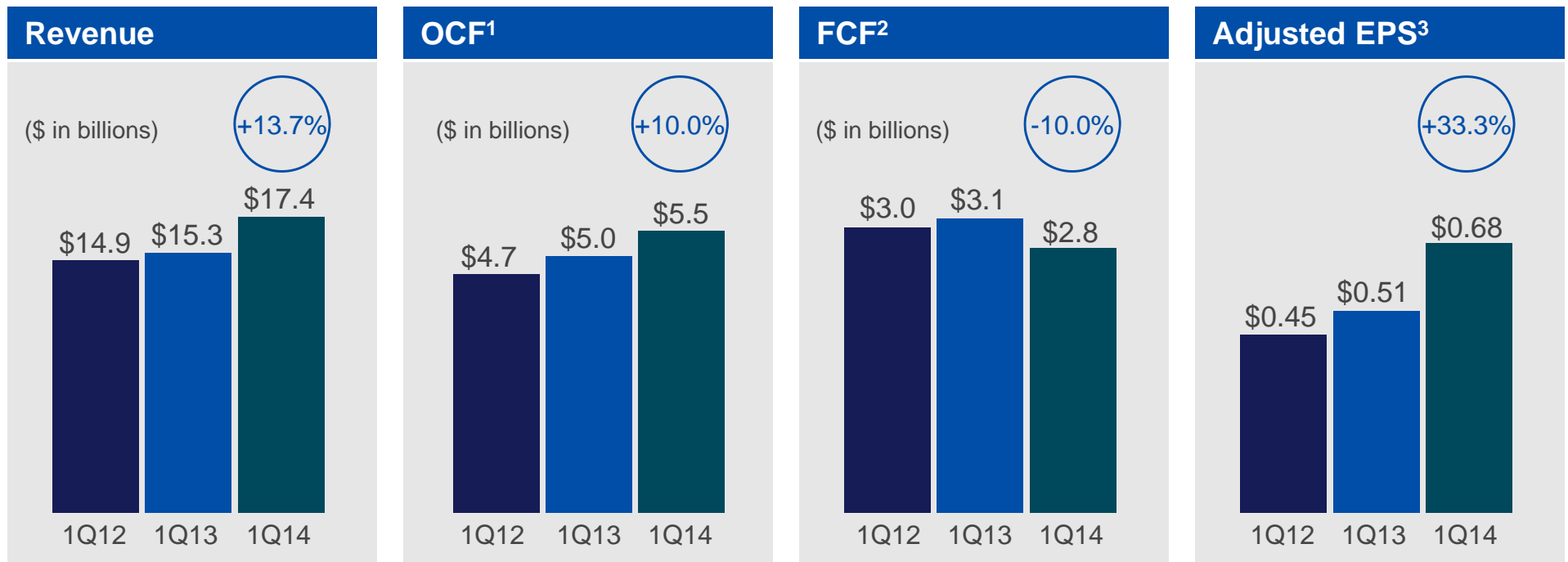


- Solid Financial Growth and Improvement in Operating Metrics
  - Growth Driven by Continued Strength in HSD and Business Services
  - Video Customers Increased by 24,000, the Second Consecutive Quarter of Customer Growth
- Broadcast Revenue<sup>3</sup> Increased 17.0%, Excluding Olympics, and Is Ranked #1 Season-to-Date Among Adults 18-49
  - Film Operating Cash Flow<sup>1</sup> Increased Over \$200 Million
- 2014 Sochi Winter Olympics Games Showcased Our Unique Assets
  - **NBCUniversal**: Unprecedented Coverage Reached More Americans Via More Platforms Than Any Other Winter Olympics
  - **xfinity**: Generated ~24MM Multi-Platform Views

→ Focused on Execution, Maintaining Our Momentum and Driving Innovation

# Consolidated 1<sup>st</sup> Quarter 2014 Financial Results

## Profitable Growth and Financial Momentum



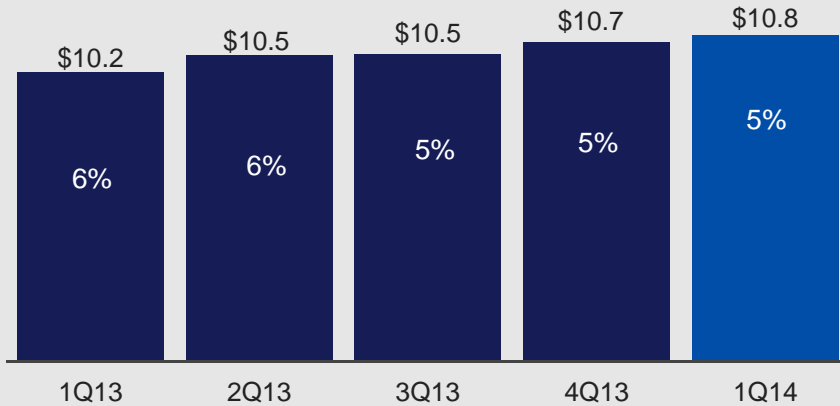
- Revenue<sup>3</sup> increased 6.5% excluding the Olympics in 1Q 2014
- Free Cash Flow<sup>2</sup> decline driven by increased working capital

# Cable Communications Revenue and Customer Metrics

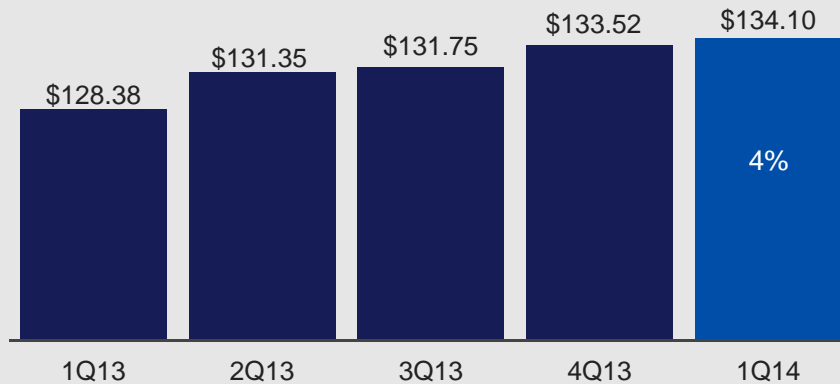
## Consistent Operating and Financial Performance

### Cable Revenue and Growth Rate

(\$ in billions)



### Revenue per Customer Relationship\*



All percentages represent year/year growth rates.

\*Growth rates are not provided for 2013, as comparable 2012 data is not available.

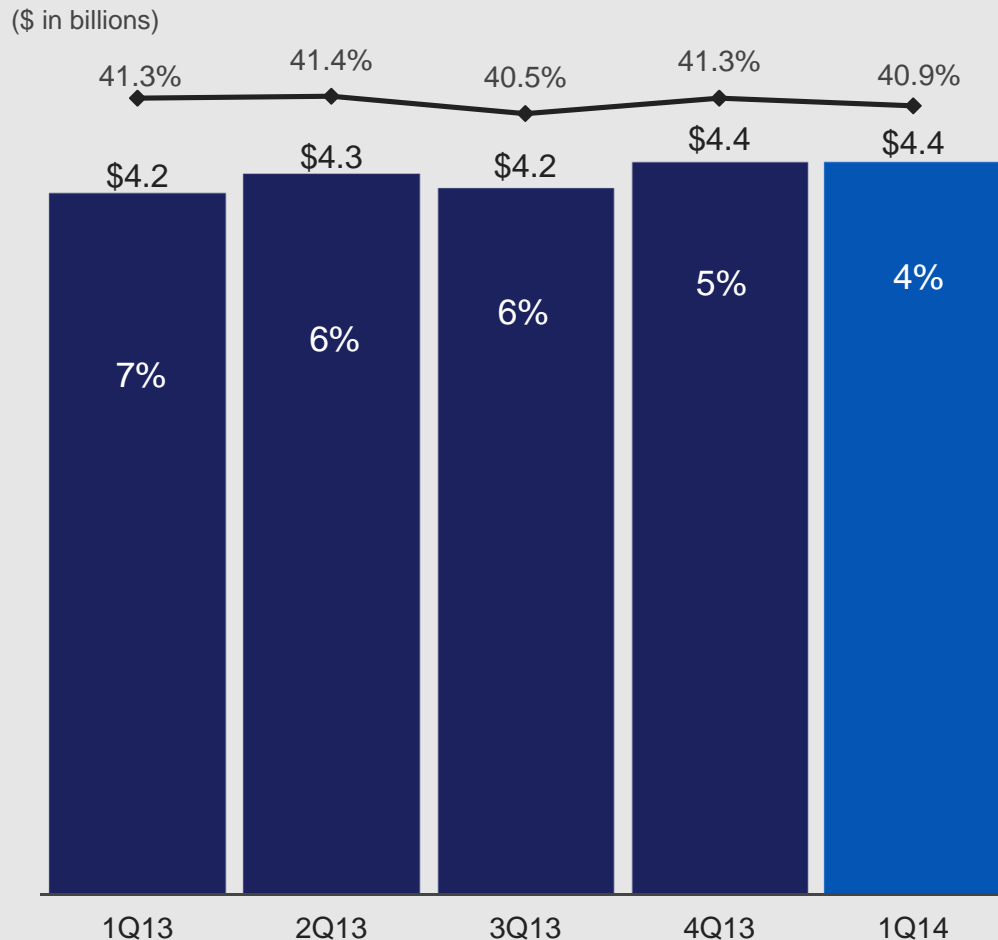
### 1<sup>st</sup> Quarter 2014 Highlights<sup>4</sup>

- Cable Communications revenue: +5.3% to \$10.8Bn
  - Total revenue per customer relationship +4.5% to \$134 per month
  - Customer relationship additions of +124K to 26.8MM
  - 68% of customers receive at least two products; 36% receive three
- Video revenue growth of 1.3% to \$5.2Bn
  - Improved Video customer results: +24K in 1Q14 vs. -25K in 1Q13
  - Increased HD and/or DVR customers to 12.6MM; now 56% of Video customers vs. 53% in 1Q13
- HSI revenue growth of 9.0% to \$2.8Bn
  - Strong HSI customer results: +383K
  - 21.1MM customers and penetration at 39% of Homes Passed
- Voice revenue growth of 2.1% to \$920MM
  - Solid Voice customer results: +142K
  - 10.9MM customers and penetration at 20% of Homes Passed
- Business Services revenue increased 23.9% to \$917MM
  - ~20% market share of the small-end of the market
  - ~5% market share of the mid-size businesses
- Advertising revenue increased 6.2% to \$519MM
  - Excluding political, core advertising revenue increased 3.2%

# Cable Communications Operating Cash Flow

## Product Mix and Expense Management Drive Solid Results

### Operating Cash Flow, Year/Year Growth Rates and Margins<sup>1</sup>



### 1<sup>st</sup> Quarter 2014 Highlights

- Operating Cash Flow increased 4.3% to \$4.4Bn
  - Margin of 40.9%
  - Impacted by one-time items: NHL rebate in 1Q13 and weather-related expenses in 1Q14
  - Excluding one-time items, OCF margins flat vs. 1Q13
- Continued focus on maintaining stable operating margins
- Programming expense increased 8.8%
- Improving product mix to higher margin services
  - 56% of Video customers take advanced services
  - 38% of HSI customers receive a higher speed service
- Gaining efficiencies
  - Reduced truck rolls by 500K
  - Self-installations: 47% of total installs vs. 38% in 1Q13

# 1<sup>st</sup> Quarter 2014 NBCUniversal Results

## Strong Results Driven by Broadcast Television and Film

### NBCUniversal Revenue and Operating Cash Flow<sup>1</sup>

(\$ in millions)	1Q14	\$ Growth	% Growth
Cable Networks	\$2,505	+\$280	+12.6%
Broadcast Television	2,621	+1,104	+72.8%
Filmed Entertainment	1,351	+135	+11.1%
Theme Parks	487	+25	+5.4%
HQ, Other & Eliminations	(88)	(8)	NM
<b>Revenue</b>	<b>\$6,876</b>	<b>+\$1,536</b>	<b>+28.8%</b>
Cable Networks	\$895	+\$36	+4.2%
Broadcast Television	122	+157	NM
Filmed Entertainment	288	+219	NM
Theme Parks	170	(3)	-1.5%
HQ, Other & Eliminations	(164)	(51)	NM
<b>Operating Cash Flow</b>	<b>\$1,311</b>	<b>+\$358</b>	<b>+37.6%</b>

### 1<sup>st</sup> Quarter 2014 Highlights

- Cable Networks
  - Revenue up 1.0% excluding Olympics<sup>3</sup>
  - Distribution revenue growth of 4.4% excluding Olympics
  - Programming and production costs increased driven by sports, including Olympics, and continued investment in originals
- Broadcast Television
  - Success of the Sochi Olympics
  - Revenue up 17.0% excluding Olympics<sup>3</sup>
  - Strong ratings at NBC: Ranked #1 season-to-date among adults 18-49
  - Increased retransmission consent revenue
- Filmed Entertainment
  - Strong box office performances of *Ride Along* and *Lone Survivor*
  - International performance of *The Wolf of Wall Street*
- Theme Parks
  - Higher per capita spending at Orlando and Hollywood
  - Flat attendance despite the unfavorable shift in holiday timing

→ Excluding the Olympics in 1Q 2014, NBCUniversal revenue increased 8.1%<sup>3</sup>

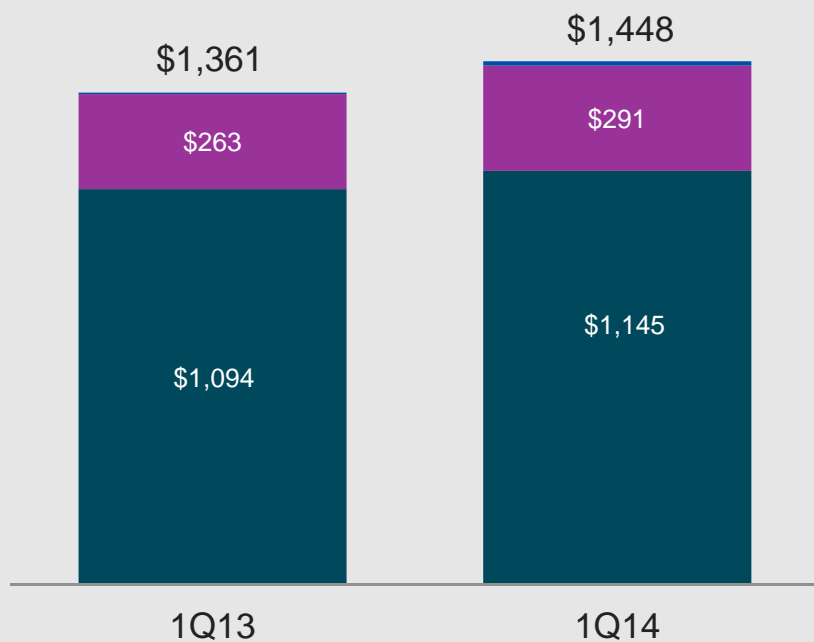
# Consolidated Capital Expenditures

## Capital Investment Drives Growth, Differentiation and Increasing ROI

### Consolidated Capital Expenditures

(\$ in millions)

- Cable Communications
- NBCUniversal
- Corporate, Other and Eliminations



Cable capex  
as a % of  
Cable revenue

10.7%

10.6%

### 1<sup>st</sup> Quarter 2014 Highlights

- Consolidated capital expenditures increased \$87MM, or 6.4%, to \$1.4Bn
- Cable Communications capex increased \$51MM, or 4.6%, to \$1.1Bn, equal to 10.6% of Cable Revenue
  - Increased CPE to support deployment of wireless gateways and X1 platform
- NBCUniversal capex increased \$28MM to \$291MM
  - Increased investments in Theme Parks and facilities

### 2014 Outlook

- Continue to expect 2014 Cable capital expenditures to increase to ~14% of Cable revenue
- 2014 NBCUniversal capital expenditures expected to be relatively flat



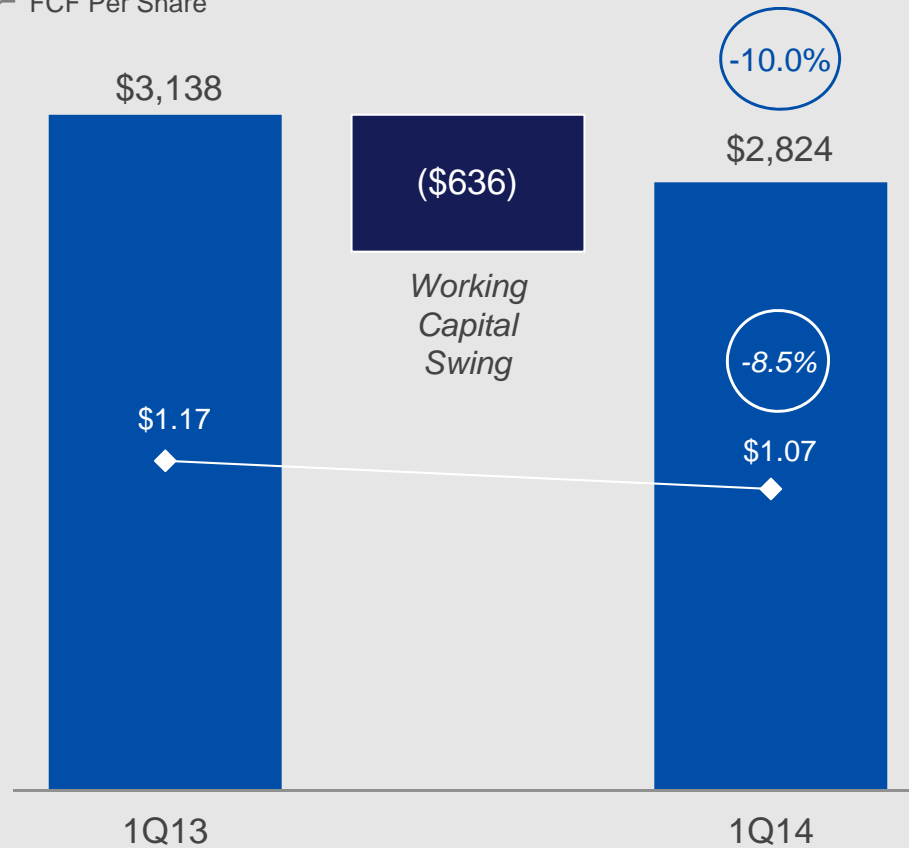
# Decline in Free Cash Flow Driven By Increased Working Capital

## Working Capital Driven by Olympics as well as Film and TV Production Spend

### Consolidated Free Cash Flow and FCF per Share<sup>2</sup>

(\$ in millions, except per share data)

◇ FCF Per Share



### Consistent Return of Capital

- 1Q14 Total Return of Capital of \$1.3 billion
  - \$750MM in share repurchases
  - \$508MM in dividends
  - Increase of \$329MM, or 35.5%, vs. 1Q13
- Once shareholder approval for the TWC acquisition is obtained:
  - Adding \$2.5 billion to the current plan of \$3.0 billion
  - If approved, total of \$5.5 billion planned to be repurchased in 2014

## Notes

1. Operating Cash Flow is defined as operating income (loss) before depreciation and amortization, excluding impairment charges related to fixed and intangible assets and gains or losses on the sale of assets, if any. Please refer to our Form 8-K (Quarterly Earnings Release) for a reconciliation of consolidated operating cash flow, a non-GAAP financial measure.
2. Free Cash Flow, which is a non-GAAP financial measure, is defined as “Net Cash Provided by Operating Activities” (as stated in our Consolidated Statement of Cash Flows) reduced by capital expenditures, cash paid for intangible assets and cash distributions to noncontrolling interests; and adjusted for any payments and receipts related to certain nonoperating items, net of estimated tax benefits (such as income taxes on investment sales, and non-recurring payments related to income tax and litigation contingencies of acquired companies). The definition of Free Cash Flow specifically excludes any impact from Economic Stimulus packages. Please refer to our Form 8-K (Quarterly Earnings Release) for a reconciliation and further details. Free Cash Flow per Share is calculated by taking Free Cash Flow (as described above) divided by the diluted weighted-average number of common shares outstanding used in the calculation of earnings per share.
3. Please refer to our Form 8-K (Quarterly Earnings Release) for reconciliations of consolidated, NBCUniversal, Cable Networks, and Broadcast Television revenue excluding the 2014 Olympics and consolidated earnings per share excluding gains on the sale of an investment and a favorable resolution of a prior acquisition contingency in 1Q14, as well as a gain on the sale of wireless spectrum licenses in 1Q13.
4. Beginning in 2014, our Cable Communications segment revised its methodology for counting customers related to how we count and report customers who reside in multiple dwelling units (“MDUs”) that are billed under bulk contracts (the “Billable Customers Method”). For MDUs whose residents have the ability to receive additional cable services, such as additional programming choices or our HD or DVR services, we now count and report customers based on the number of potential billable relationships within each MDU. For MDUs whose residents are not able to receive additional cable services, the MDU is now counted as a single customer. Previously, we had counted and reported these customers on an equivalent billing unit basis by dividing monthly revenue received under an MDU’s bulk contract by the standard monthly residential rate where the MDU was located (the “EBU Method”). Video customer metrics for 2013 are now presented on the Billable Customers Method to provide an appropriate comparison. For high-speed Internet and voice customers, the differences in the customer metrics using the Billable Customers Method and the EBU Method were not material and 2013 data has not been adjusted.



COMCAST