COMCAST CEO BRIAN ROBERTS CHARTS THE RISE OF A GREAT COMPANY

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Excerpts from Mr. Roberts's Remarks

What made Comcast become the largest of the cable companies? When the business changed in the early '90s with real competition from satellite and now phone companies and it was going to be a different industry than it had been since the '60s, many of those first-generation entrepreneurs used it as an opportunity to say, this is not the good old days, this is going to be a totally different business, time to sell.

And we were sitting there saying, let's try to double down. And my father, as he's gotten older, many people want to hold on and not take risks. He's not reckless, but you know what, we only live once, let's go for it if we think it makes sense. And then a lot of it, I think, was being in the right place at the right time and some instincts and some good luck. And things have worked out.

Your family built this company, but you have diluted yourself to build it so that you're not as wealthy as many people would have thought you would be, having built this gigantic company. Does that ever make you think twice about the way you built it, or are you happy where you are? I felt for a long time that in this business, scale mattered, and that in order to be successful, it goes back to when I saw Verizon get created, when Bell Atlantic and Nynex merged. I thought, wow, if you live in Philadelphia, Bell Atlantic was the company. And then they merged. And before we could catch our breath, they merged with GTE. I thought, my gosh, here's Bell Atlantic, Nynex, and GTE all thinking they're not capable without merging. And so for whatever reason – and it doesn't mean there aren't plenty of businesses that can remain where they are – it put me on a path of what I thought we needed to do, which is to get to a certain scale. And that keeps getting redefined with where the world is, where the technology is going.

And so I was fortunate enough Ted Turner called me up and said would you please be on my board – I think I was 28 years old – and I saw content getting built by CNN and Turner and TNT and a global – and I just thought, OK, the perfect dream would be to be in a position to innovate and to have, you know, the benefit of scale and not the burden, meaning staying a family business where you can make quick decisions, you have certain integrity and ethics and culture, and could we build a different kind of company, somewhere unique in the media and technology space. And that's what I hope we are in the process of doing.

Where did the name "Comcast" come from? Communications and Broadcasting.

What percentage of your revenue comes from cable, broadband, telephony? Here's a great stat: We have about 22 million cable customers. We now have 20 million broadband customers.

Those lines will cross sometime in the next couple of years, I predict, and we will have just as many if not more broadband customers than we do video customers. We had 10 million phone customers – I came to this Washington Cable Club 10 years ago – Washington Economic Club, excuse me – and it was like 2003, and in those days we had 500,000 broadband, I think, or less. We had 7 or 8 million TV customers and zero phone customers. And today we're number one, number one, and number four.

What is the single thing that happened in your company that really made it take off? In my dad's formative age, I mean, if you asked him, it would be making payroll when, at one point, the stock got to 75 cents. It came out at seven, went promptly down. There were regulatory worries. Things never change about distant broadcast signals, and therefore, if you were trying to carry in Tupelo, the CBS signal from Memphis, they weren't allowed to do it, perhaps, and therefore there'd be no community antenna business.

For me, certainly I would pick two things. One would be I think it's 1997. Stocks were low. We wanted to build fiber optics. We had announced we were going to build fiber. We're doing more and more fiber today, but back then that was a new concept. And the market hated it, because where was the return?

And we wandered into Microsoft, and I had only met Bill Gates once. And he said, I think you're going to have a bigger business beyond television than you have in television. So to the question you asked earlier, that prediction pretty much is coming true. And we believed it, but we didn't know what the Internet was. We just believed in data. And we asked him if he would invest, and he took a billion dollars, which was the largest amount of money Microsoft ever invested at that time, took nonvoting stock, did not come on the board, and did not ask us to carry any Microsoft products.

And why would he do that? First of all, Bill Gates is the smartest man I know, so he more than quadrupled his money in about three years, because he knew the market was wrong, and he was thinking that way. But he wanted to create a little competition between ourselves and the phone companies and anybody else to do this new data business that would become the Internet. And he took the least likely successor, the cable industry, and gave them a shot in the arm to go against the big phone industry.

I'd say the other moment was buying AT&T broadband. They were twice our size. They weren't really for sale. It was a very tricky deal to put together. But at the end of it, it established us as a company… that had reached a critical mass, at least at that moment in time, back in early 2000s, to be able to start to innovate and to give better service.

So for the first half of that period, since then, I would say we were just putting together, still growing. The world changed with all these new products. The past three or four years, it's all about execution, service, on time, one-hour service appointments, eventually make it like going to the doctor – I'll take the 9:15 slot – giving our technicians better tools, using today's modern things to make us better and better.

And we have a long way to go, but I think that deal allowed us to invest and continue to invest in innovation and service.

Any big mistakes? Sure, we've made mistakes, but like my father said, I never made a mistake; it's always that there's a slightly better way of doing it.

DAVID RUBENSTEIN: Welcome, everyone, members and guests of The Economic Club of Washington, welcome to this luncheon event at the JW Marriott Hotel in Washington, DC. I'm David Rubenstein, President of the Economic Club.

We're very pleased today to have as our special guest Brian Roberts, who is the Chairman and CEO of Comcast. Comcast is a company that now has a market capitalization of $107 billion, $63 billion of revenue, and about $20 billion of earnings. It's an incredible company and a story that I'm going to talk about for a moment.

The company was actually started in 1963 when Brian's father bought a company in Tupelo, Mississippi. Some of you may have heard of Tupelo; that's where Elvis Presley was born. But it's better known now as the place where Comcast was born. Comcast was born because Brian's father, who is now 93 years old – Brian's mother is 91, and they just celebrated their 70th wedding anniversary. [Applause.] Brian's father bought, in Tupelo, Mississippi, a cable system with about 1,300 subscribers for $500,000 in 1963. In 1972, Comcast went public. Had you bought the stock then and held it till today, you would have averaged 19 percent annualized rate of return from 1972 until today. So a fairly spectacular track record. [Applause.]

Brian joined the company after he graduated from college. He is a graduate of Wharton. He was not only a graduate and a very good student, but a champion all-American squash player there and also won gold and silver medals at the Maccabiah Games on several occasions. He graduated 1981 and joined the company and started at the very bottom, working his way up poles and doing all of the entry-level things that you might expect. He rose up to be president of the company and in 2002 became the chief executive of the company.

Under Brian's leadership, the company has transformed itself even more, and is today not a cable company but a global media and technology company, and touching so many different citizens around the world, has now 129,000 employees, and of course has the Comcast cable that many of you are familiar with, but it has voice and has telephony and video, but also owns NBCUniversal, a transaction that closed, I think, just a few days ago.

So Brian presides over one of the largest companies in the United States. It's the 27th largest by market cap and the 58th largest in the world. So my question to you, first, is: When you were growing up and your father said he was going to buy this little cable company in Tupelo, Mississippi, did you ever think that this would lead to what it has led to?

BRIAN ROBERTS: Well, definitely not. If you ask my father that question, he goes, "Absolutely!", and then laughs. [Laughter.] And if he's on C-SPAN right now, let me say hello to my parents. Just get that out of the way, because it was a very special wedding anniversary at 70 years.

So it's a pinch-yourself kind of story, not unlike your own, and it's what I think gives you hope and promise for capitalism in America and the world, and I'm very proud of where we're at. But if you do too many victory laps, you're going to get run right over, and so it's nice to have that introduction, but we're full speed ahead on the future.

MR. RUBENSTEIN: Let me ask you, though, there were a lot of cable companies when cable was really growing in the '70s and '80s. What made Comcast become the largest of these cable companies?

MR. ROBERTS: Well, partially, my dad had a son who wanted to go into the business, and that's how it was. I wanted to work for my dad. It didn't matter whether it was the belt business, the cologne business, which were things he had before the cable business; I wanted to work for my father. I'm one of five kids; it wasn't what everybody else wanted to do with their life, and they've had great lives. But it's what I wanted to do.

And so when the business changed in the early '90s with real competition from satellite and now phone companies and it was going to be a different industry than it had been since the '60s, many of those first-generation entrepreneurs used it as an opportunity to say, this is not the good old days, this is going to be a totally different business, time to sell.

And we were sitting there saying, let's try to double down. And my father, as he's gotten older, many people want to hold on and not take risks. He's not reckless, but you know what, we only live once, let's go for it if we think it makes sense. And then a lot of it, I think, was being in the right place at the right time and some instincts and some good luck. And things have worked out.

MR. RUBENSTEIN: Let me ask you about that. It's my observation that driven business leaders very rarely produce driven business sons – sometimes happens, but you're an exception. I mean, you're fairly driven, based on what I know, and your father obviously was driven. So what is it like to work for your father when you're as driven as he is?

MR. ROBERTS: So that's a great question. We've talked about that with other families and with ourselves. My own theory is, I have sort of three things that have made it work out for us, kind of perfectly. One is, there's a 40-year age gap. So when I was 21, he was turning 61, and so when I got to 30 he's already 70, and there wasn't a period where we were trying to do exactly the same thing at the same time. Also, it wasn't his first business. If I was in the men's belt business, I think I would still be selling belts; you wouldn't invite me to the Washington Economic Club – [laughter] – no offense to all the people who make belts in the room – [laughter] – and you know, we got into a lucky space and had an opportunity to grow.

But also, it wasn't that first business, where this is the way I do it, sonny, and this is the way you should do it. He looked at Comcast, and his dream was to build a little IBM. And one day, an analyst called Comcast, in the early days long before I'm there, the little blue chip. And I think that may have been the proudest moment, because he sat down – he also was a graduate of Wharton, and I remember being 10 years old and sitting with yellow pads of paper at home drawing up org charts of how this new company should function.

And then the last thing is very personal to the relationship between the parent and the child, and in my case, I'd say two things. One, my father is the last person to speak in the room, he's the most gracious, humble, quiet, unassuming, tough when need to be person, but just the greatest, not just with me but with everybody, and you could ask many, many others.

So when you're a kid and you're 20-something years old and you want to go out and change the world – and maybe when you're 50 and you still want to change the world – but certainly when you're 20, you're going to have a lot of bad ideas, and I've never had a bad idea, according to my father. And when you come in and say we should go and do this, he would say that's a very interesting idea. Maybe we should do this, too, and this would be 180 degrees opposite. [Laughter.] And instead of saying, you're the stupidest guy in the world with that idea, which is, you know, what's going to happen, that never happened to me. And so when you've got that enthusiasm, and I think it's true with any young people – your own kids or just employees – how do you say no without saying no?

MR. RUBENSTEIN: Well, when you started, you graduated from Wharton and you started – what was the job you had at the beginning? Were you actually climbing up poles to –

MR. ROBERTS: I worked every summer of high school and college, and except for one summer we couldn't agree on the job, so I went and took a theater course in London, and that was my punishment and fun. [Laughter.] But I climbed poles, was an installer, a service technician, door-to-door salesman, put some Muzak speakers in department stores.

And then when I got out of Wharton, I said, OK, now I've done all those things, I'm ready to come and run the company – at 21 years old, graduating from college – [laughter] – and work for you. And he said, OK. Well, I never worked – he started Comcast, this is my other favorite anecdote as we celebrate our 50th anniversary of being a business this year, he started when he was 43 years old. So kind of amazing, you can start something this relevant that late. And he said, well I never worked in the cable business. I'm a businessperson, I'm a finance person, I'm a marketer. You should know the business better than I know the business, which tells you something about my father's mindset with me, which was, you can do whatever you want in your life and I have no qualms about that.

And so he wanted me to succeed and he wanted me to know the business at every detail. So I moved to Trenton, New Jersey, as a trainee. I moved to Flint, Michigan, as a marketing manager and customer service. I moved back to Trenton as a general manager, and then I came back to Philly as a group manager.

MR. RUBENSTEIN: Did you know you were going to be president someday, or it wasn't forward-aimed?

MR. ROBERTS: You know, I hoped it would happen. I think he wouldn't do it if he didn't think it was right when I was made president of the company at 30. It was a very different company.

When I got out of college, the sales were $20 million a year, and it was a very different thing to be a cable company. It wasn't exactly glamorous either, it was close to belts. And here we are. So, I mean, we rode this together, and I think that's the most fun of the whole experience is to do this with a friend and a partner in your father.

MR. RUBENSTEIN: If your children, one or more of your children, said I want to be president of this company someday, what would you say?

MR. ROBERTS: Let's get to work. And, you know, I wouldn't want the burden for them, I would just want – you know, live your life. If that's what you want to do with your life, then start your career. But there's many roads to happiness, and I think it's more important to be happy than just to do what your parents did.

MR. RUBENSTEIN: Let me ask you a question that some people, I think, have asked you before; it's a complicated and sensitive question. Many people who build great companies in the United States become fabulously wealthy; I mean, they are at the top of the Forbes 400 list and so forth.

Your family built this company, but you have diluted yourself to build it so that you're not as wealthy as many people would have thought you would be, having built this gigantic company. Does that ever make you think twice about the way you built it, or are you happy where you are?

MR. ROBERTS: Maybe we'll go in a back room and we'll do an LBO. [Laughter.] It's never – you know – [laughter, applause]. We're not as smart as you, David. But, you know, the short answer is, I don't think it's bothered my father for a second, it doesn't bother me. We're very, very fortunate. No one's going to cry for us, and the focus has been building a company. It goes back to that little IBM.

The goal has been – I felt for a long time that in this business, scale mattered, and that in order to be successful, it goes back to when I saw Verizon get created, when Bell Atlantic and Nynex merged. I thought, wow, if you live in Philadelphia, Bell Atlantic was the company. And then they merged. And before we could catch our breath, they merged with GTE. I thought, my gosh, here's Bell Atlantic, Nynex, and GTE all thinking they're not capable without merging. And so for whatever reason – and it doesn't mean there aren't plenty of businesses that can remain where they are – it put me on a path of what I thought we needed to do, which is to get to a certain scale. And that keeps getting redefined with where the world is, where the technology is going.

And so I was fortunate enough Ted Turner called me up and said would you please be on my board – I think I was 28 years old – and I saw content getting built by CNN and Turner and TNT and a global – and I just thought, OK, the perfect dream would be to be in a position to innovate and to have, you know, the benefit of scale and not the burden, meaning staying a family business where you can make quick decisions, you have certain integrity and ethics and culture, and could we build a different kind of company, somewhere unique in the media and technology space. And that's what I hope we are in the process of doing.

MR. RUBENSTEIN: Now, today, you call yourself – by the way, where did the name "Comcast" come from?

MR. ROBERTS: Great question. In 1963, or whenever, I remember I was only a little kid, but I sort of remember him playing around with sketches. But in the genius of my father, who would not call himself a visionary, but more of a practical businessman, the name was Communications – shortened – and Broadcasting – shortened.

And in those days, there was a Comsat, and for the first 25 years of my business career, all we had to do was say, no, we're Comcast. Comsat, thankfully, went away, so we don't have to do that anymore. [Laughter.] When we bought NBC, I thought, isn't this incredible? For all those years, we were just cable.

So just a glimpse, a couple of quick slides of our website. So we just launched, a couple of months ago, at the beginning of the year, the new Comcast. So people think of us as a cable company. So if you go to comcastcorporation.com, you know, the first thing you see is where we're launching "The Voice" on Monday, and you can see that. And if you scroll down, you'll see, we'll here's a great thing cable is doing called a watch-a-thon. We've taken the top, I don't know, 100 TV series from 27 different cable and broadcast networks and 3,000 episodes, and you can watch any of those for free for a week, whatever level of service you have as, you know, something new. And then if you scroll down, you'll see we have internet essentials on the website, which is our – for lower income families to be able to get the Internet for $9.95 a month.

If you click Media and Technology, which is what we think of ourselves at a unique cross-section of media and technology, you'll see our – I'm going to talk maybe later about X-1, our platform. Here's "Meet the Press" or the new movie we're making. Here's ComcastLab; you can click in a lot of video on the site.

If you move on, you'll see: here, we've got home security. Anyway, here we are. And you can then go and look. So if you're a kid coming out of college and you want to work – we get a million job applications a year, I believe. How do we present ourselves? I think the way we'll be successful 10 or 20 years from now is all about who works for the company, really, really, as boring as that sounds. And the best way is to say to an outsider: This is the most exciting company. You can work on Saturday Night Live one day and strategic planning on interactive television another. Look at global news and be at the center of reporting and have the scale, with a thousand software engineers, to help lead the conversation and the consumer to where they can and may want to go. And I think it's a very special time for the company.

MR. RUBENSTEIN: So today – let's suppose in the traditional part of your business – forget NBCUniversal for a moment – overall, what percentage of your revenue comes from cable, what percentage come from broadband, and what percentage come from telephony?

MR. ROBERTS: So on the cable side of the business, it's about half, I think, for cable TV. Here's a great stat: We have about 22 million cable customers. We now have 20 million broadband customers. Those lines will cross sometime in the next couple of years, I predict, and we will have just as many if not more broadband customers than we do video customers. We had 10 million phone customers – I came to this Washington Cable Club 10 years ago – Washington Economic Club, excuse me – and it was like 2003, and in those days we had 500,000 broadband, I think, or less. We had 7 or 8 million TV customers and zero phone customers. And today we're number one, number one, and number four.

MR. RUBENSTEIN: What's the highest margin of those three, if you can tell us?

MR. ROBERTS: Well, the fastest-growing part is the broadband, but it's a different broadband every year. We change the speeds, we change the nature of it, so wi-fi is now in our minds, in your home, part of our definition of broadband, so we want to have the fastest wi-fi as well as the fastest pipe. We want to offer you access outside of your home. So it's changing as much – but I think television is and will change more in the next five years than it has in the last 50, and phone – everybody forgets about phone, assumes we're just going to have a wireless phone and I don't need a wired phone. And we're innovating – actually, the one that surpassed budget the most last year was our telephony business. We've broadened that into energy management, home security – where the world may go will be your home wants to automatically save electricity, it wants to have video, baby monitors, security, you can get it from any device, to health care monitoring – we're working with health care providers to talk about the growing problem with diabetes in the country and should be able to help you check in on demand, online, smart devices.

It's a pretty exciting time, all those businesses.

MR. RUBENSTEIN: Let me ask you, if you were watching cable in your house and something isn't working and you want to call the cable company up – [laughter] –

MR. ROBERTS: That never happens.

MR. RUBENSTEIN: Do you ever have any problems getting through, or –

MR. ROBERTS: No, I tell you, I – I don't know what you're asking. [Laughter.]

So one of the main goals – we have a superstar executive in Neil Smith, who is the head of cable. When Steve Burke moved over to NBCUniversal after 12 years of running Comcast cable and took us from 2 or 3 million customers to 20, and we became a cable company in 30 states – huge job. When Neil got here, he wanted to make it work better, and it's all about improving service. And although we're nowhere near where I'd like us to be and the definition of good service never ends, being able to self-help, get it right the first time, make it simpler – I think we've made terrific strides, and have a more reliable network.

MR. RUBENSTEIN: Why do you think the cable industry seems to have had a reputation for maybe not the best service at times?

MR. ROBERTS: Well, I tell you, I think it's inherently unpopular to ask people to pay for television. And so whether you like it or not, we're the ones collecting the bill. And every single content company, sports company, entertainer, journalist gets a raise every year. So we have to go back and raise rates every year.

And we try, and I think successfully, to improve the value of what it is you receive, whether that's now you can pause live TV with a DVR, you get it in high definition, you can watch it on an iPad in your home, you're starting to watch it outside of your home. Despite all of that, it's still not the favorite thing to write a check to watch television. And so I think a lot of that is there.

Number two, there was a period a very long time ago where we were the only game in town. That has changed. If you said to me, when you wake up in the middle of the night, who are you worried about? We're worried about satellite. We're worried about Verizon phone and FiOS. We're worried about, you know, you don't have to have cable; you can get other – if we don't give a great service experience, you have so many choices, you're going to leave us. And people do leave us. And so we've had a very good improvement seven quarters in a row in our sales results, and I think it's directly tied to improving service.

MR. RUBENSTEIN: You have 22 million people that get your cable service. Is that right, 22 million? What percentage of them just get the most basic, and what percentage get the most – everything you can possibly get?

MR. ROBERTS: Fifteen – 10, 15 percent on one end and I think we're over half taking Triple Play. I may be low on – maybe that's a little too high; 35 percent taking everything. And we're seeing much more of the business evolve to that stratification and everything in between, where we've been fortunate. What we've done as competition has increased over the years is the first thing we did was try to get better. So there was a period where I could honestly tell you that we were maybe not the best and only way to get television. Satellite had more hi-def channels; somebody had a newer box. Right now, I want to show you a demo here of our latest television product, which we're rolling out in Washington this month. Let me go to that real fast.

So if you're watching TV and you click the XFINITY button, up comes a guide. Now, let me just say, this guide is the first guide in the history of the company that is happening in the cloud. So all of this – I'm just say this because of the hotel – this is a demo. But this, exactly what I'm showing you, we have in every major city in America, we're rolling out this year this product. We call it X1.

And so you go here and you now are – you know, NBC, surprise, you click on it, you can, you know, go back – you want to watch On Demand. So if you go to On Demand – let me just put a plug in – we sort of pioneered, it wasn't just movies on demand. In the past 10 years since we launched On Demand, we've had 30 billion views of On Demand content. We have 400 million a month, it's an all-time high, with 100,000 TV and movie choices on all platforms.

If you go down On Demand, you can see: You can pick movies, you can go into movies; it would then let you search by genre, or you could search by "kids," you could search by network. And if go scroll over to NBC, you can see that that network picks its own content that it wants to suggest that you look at, or you can pick it all yourself.

Going back to full video, another feature that we do from the cloud is, if you click "last," instead of just what the last channel was, it gives you nine choices. We're beginning to personalize and innovate towards this way, and it's a mixture of On Demand content, live TV, DVR content – so in this case, "Les Mis," which I just am proud, just to segue for half a second as this trailer runs or this piece of the film – tomorrow, the "Les Mis" DVD comes out, so I want everybody here to go buy the DVD. It's a film that we're extremely proud was up for many Oscars, and part of one of the reasons we wanted to be in content is to create something that we can promote and celebrate more than maybe any other company can do.

So anyway, if you then want to do go on to other ways to search, which is, now that we have a hundred thousand choices, it's really complicated. So here you take the remote – now, this is a new remote. The coolest thing about this remote is you don't have to point it at the TV. You can point backwards and work. It's IR. And so you could put the box in a cabinet and you don't have to have it in front of your TV. So most people say I'll take it just for that.

If you click 784, you might go to channel 784 or something near there, but it also spells out "Suits." And it's like – there's no triple clicking. So if you click on "Suits," we give you the choice. First of all, you can put a parental control on very easily with the lock button, one click. If you go to "Episode Guide," you see here all that you can see. Thursday it's showing. It's on the DVR. It's also on demand. We merged all the databases so it's easy for the consumer to get any content they want anytime they want, whether it's on now or not. We also have More Like

This. Click this button – "The Good Wife," "Executive Suite," fairly – these would be shows that are like "Suits." So we're pretty excited about how to improve search.

Now, another way that we've listened to customers, that it's really tough to click buttons. We've also done everything I just showed you on an iPad or an iPhone you could do, and it would control your TV again because we're talking to the cloud. But here we're building in voice navigation, which we've launched on an iPhone, which we hope to launch on our next generation remote. So let me just show you how that would work as a demo, but this is working really in customers' homes.

If I go to "Watch Golf," it will then change channels. So you know, that's nice, but it might be easier to just go to last channel. So if I say, "show me all HBO movies" – now if I say "filter by comedy" – now these are all the HBO comedy movies. So what we found is customers really like it when you want to do a sophisticated search that requires 10 clicks, maybe not just one click. So if I say, "what should I watch," based on your settings and your DVR and your preferences, it has brought up recommendations for you. And finally, something I know everybody here wants to know is, when did the Washington Capitals play? And there you go. And it would show you that here is when the game is on, here is other hockey. And so we think that's really part of our future.

Now how did we do all this? We do it because we have a cable box that is talking over the private network to our servers – not in your home, so that the box in your home is no longer the gating issue.

And finally, what that allows us to do is just go into the app business. And we're not only catching up, hopefully, we're leapfrogging others on the Web, but it feels like every other experience. So here's weather. Now, sports, people want to know what's on, so we created XFINITY Sports. Tonight, every game that would be on TV, when that game goes hot, if you click on it, you would see in real time what's happening, and where it says "more," that will change to "watch" if the game was available somewhere. So you can watch two at once. You can do it with your iPad.

These are some of the innovations. All of this is real and will be in this market in April -- it's in D.C. It'll be in the full market. So I'm coming back in June. We have our annual cable convention here in Washington this year, the NCTA show. And this is X1. We're going to be showing the next generation of where this is all headed. And it makes us look, you know, like a first version. And so customers I think are excited. It's a different experience. It's a different kind of remote. There's real innovation. The cycle time for that innovation is speeding up. And all of that is because I think we're at this cross section of media and technology.

MR. RUBENSTEIN: And will all this done at a lower price than today?

MR. ROBERTS: Nope. [Laughter.] How did we get back to that? [Laughter.] No. There's no – we are not charging – all new installs that take the Triple Play – this just comes.

MR. RUBENSTEIN: So now you are the CEO and chairman of NBCUniversal. Well, you bought that for roughly $30 billion or so. Did you ever think twice about buying content? Was that a difficult decision?

MR. ROBERTS: You know, it goes back to the Ted Turner experience. I think both are great businesses. It's an ecosystem that feeds off each other. I think we are proud of the opportunity to help do the technology, but the content also can spread around the world easier. And we wanted to find the right situation at the right price where, as you said earlier, we care about shareholder returns, and this was the right thing for us. It was 2008. The world was melding. GE sort of had signaled that they might at some point exit the business, and we found a creative structure that allowed them to exit over time, that would allow us to introduce ourselves to the business, see if we could handle it, and we just two days ago closed on the other 49 percent. We did that voluntarily early by several years. And so we're obviously very bullish, very excited.

And, you know, it's not easy. It's not perfect. It's much more visible. But very proud of what NBCUniversal's up to.

MR. RUBENSTEIN: So would you like to make some news? Is Jay Leno going to be the – [laughter] – any news on that front?

MR. ROBERTS: I didn't anticipate that question. [Laughter.]

MR. RUBENSTEIN: Do you have an answer? No answer. OK. All right, we won't –

MR. ROBERTS: I think Jay Leno is fantastic. [Laughter.]

MR. RUBENSTEIN: OK. All right.

MR. ROBERTS: These things are very visible, but, you know, I think Steve Burke is doing a marvelous job. It's an imperfect business, and everything is in a fishbowl. But ultimately what we're trying to do is create the best content and have a machine that can celebrate that content, whether it's Jay Leno or "Les Mis" or "The Voice," and some that will not be so successful. And then there's a lot of people issues, and you keep that stuff confidential. You fight the rumors in the press.

MR. RUBENSTEIN: All right. So you spend a lot of time in Washington, dealing with Members of Congress and regulatory officials as well. Is that an important part of your job, dealing with the regulatory environment?

MR. ROBERTS: Yes. I've been on the board of the Cable Trade Association since I was in my 20s, and I was just remembering that Anne Wexler, who lived here, was on our board, was the first person that ever advocated with me for the company, who's no longer alive. And it's a big part of my job. But we now have terrific experts. And David Cohen helps lead all that effort. But I like being here, and not here enough.

MR. RUBENSTEIN: And would you ever consider going into public service full time? I know the President appointed you to some boards. And would you ever leave what you're doing now and go into public service? Any interest is that?

MR. ROBERTS: You know, I guess you never say never in anything, but I'm very happy with what I do. It's all I've ever done. I'm not sure I'd be the best at that. I do think we can make a great difference with the company and the platform that we've got. The platform keeps getting greater and more interesting.

So, for instance, I'm touched on Internet Essentials. I'm kind of really proud of what's happened. This was David's, among others' idea that we have this fantastic new business, broadband. I remember hearing Julius Genachowski, Chairman of the FCC, give a talk which I listened to, where he said, imagine being a schoolteacher in Mississippi, was his example, and you want to give a homework assignment. And half the kids have broadband and half the kids don't. And if the homework assignment requires going on the Internet and doing some research, is that a fair thing to do? And if the answer is no, then the other half who do have Internet are being retarded, and if you'd say yes, the half that don't don't have a fair chance. And is there anything more important than giving that tool set to every kid in America?

So we found the right way and the time and a program, and we have started a program, Internet Essentials, and we partner with people who can give folks a cheap laptop. And with educating people that the program's available, we've had half a million families and kids who've now been affected in two years. That opportunity doesn't come to every company in America to do things like that. And we're only getting started. So I like what I'm doing.

MR. RUBENSTEIN: Now, NBC has locked up the Olympics for, I guess, another decade or so, so do you really make money on televising broadcasting like this? It costs a lot of money for the broadcast rights, and you have to actually do the work. Is it really a for-profit enterprise when you do that?

MR. ROBERTS: I think we publicly have said that we broke even to a slight profit on London. And GE, our predecessor in Vancouver and Beijing, said they lost a couple hundred million dollars each. And within 120 days of buying the company, we were faced with – we use the phrase "locked up." We were faced with an auction to either buy it or not buy it for the next decade, a several billion dollar decision, which is not something we had done very often. And I have to tell you, I'm so glad we stomached it and said, let's go for it, because I think, yes, the answer is it's a fantastic platform for our company.

We launched "The Voice" during the Olympics. "Voice" is the most successful show at NBC after "Sunday Night Football." The Olympics in London – our estimates would be down 10 percent in terms of audience because the time zone change. Beijing had Michael Phelps winning eight gold medals. We were up 10 percent with the largest event in television history. We went from a $200 million loss to break even. If that continues in Sochi and beyond, it'll prove to be OK.

But for the employees of the company, for our relevance to our distribution partners of all the channels, we can do more and more coverage. So for instance, we had 5,500 hours of Olympics, I think is the number. Go back 20 years. It was in the hundreds. Go back just to China. It was maybe half or way less. And then we put every single event live streamed. Didn't do anything like that in China.

So the chance to have more of our cable channels carry Olympics content, it was, way back, it was called Triple Play; it was on three channels. We'll have it on 10 networks or thereabouts, where you can watch – so if you're really a golf fan – in Rio, golf will be an Olympic sport for the first time – we will have every single piece of golf on the golf channel, and we'll have all the hockey probably on NBC Sports Net.

So it's a real vibrancy, but it's a huge operation, thousands of people. They do a marvelous job. I thought the coverage was – you know, very proud. And, you know, it's an exciting thing to be part of, but it's – as a business matter, it's the engine, but in and of itself, we're not looking for it to make a huge profit.

MR. RUBENSTEIN: But from your current position, if you say to the Olympic Committee, I'd like to have squash as an Olympic sport, you think you'd have influence now to get that done, or –

MR. ROBERTS: I'd like to say that, and I don't think it'll have any influence. [Laughter.] I do think this current generation of squash players are great athletes, and it would be fun, but – they're trying, actually, to be the next Olympic sport, but I'll stay out of that.

MR. RUBENSTEIN: So what would you say is the single thing that happened in your company that really made it take off? Was it Bill Gates' investment in your company many years ago? What was –

MR. ROBERTS: Well, there's different periods of time that would have answered that. In my dad's formative age, I mean, if you asked him, it would be making payroll when, at one point, the stock got to 75 cents. It came out at seven, went promptly down. There were regulatory worries. Things never change about distant broadcast signals, and therefore, if you were trying to carry in Tupelo, the CBS signal from Memphis, they weren't allowed to do it, perhaps, and therefore there'd be no community antenna business.

For me, certainly I would pick two things. One would be I think it's 1997. Stocks were low. We wanted to build fiber optics. We had announced we were going to build fiber. We're doing more and more fiber today, but back then that was a new concept. And the market hated it, because where was the return?

And we wandered into Microsoft, and I had only met Bill Gates once. And he said, I think you're going to have a bigger business beyond television than you have in television. So to the question you asked earlier, that prediction pretty much is coming true. And we believed it, but we didn't know what the Internet was. We just believed in data. And we asked him if he would invest, and he took a billion dollars, which was the largest amount of money Microsoft ever invested at that time, took nonvoting stock, did not come on the board, and did not ask us to carry any Microsoft products.

And why would he do that? First of all, Bill Gates is the smartest man I know, so he more than quadrupled his money in about three years, because he knew the market was wrong, and he was thinking that way. But he wanted to create a little competition between ourselves and the phone companies and anybody else to do this new data business that would become the Internet. And he took the least likely successor, the cable industry, and gave them a shot in the arm to go against the big phone industry.

I'd say the other moment was buying AT&T broadband. They were twice our size. They weren't really for sale. It was a very tricky deal to put together. But at the end of it, it established us as a company, as I talked earlier, that had reached a critical mass, at least at that moment in time, back in early 2000s, to be able to start to innovate and to give better service.

So for the first half of that period, since then, I would say we were just putting together, still growing. The world changed with all these new products. The past three or four years, it's all about execution, service, on time, one-hour service appointments, eventually make it like going to the doctor – I'll take the 9:15 slot – giving our technicians better tools, using today's modern things to make us better and better.

And we have a long way to go, but I think that deal allowed us to invest and continue to invest in innovation and service.

MR. RUBENSTEIN: So you have 22 million cable subscribers, and many other millions of other subscribers. Based on what you see now, is the U.S. economy growing at a faster clip than last year? Are you concerned about a slowdown? What kind of data do you get from your –

MR. ROBERTS: I was oblivious to those kinds of questions, always looked to folks like yourself that touch many industries in many countries. And one day housing stopped – 2008, and all of a sudden our subscriber losses were bigger. And we said, wow, we never really appreciated all those new homes in America quite the way – we were fighting over the same pie. So we're starting to see a little bit of hope in the housing business, which will be really great for those of us who want to sell you more products in your home.

We're also – now, post-NBCUniversal – I think the largest advertising recipient between the cable business locally and the NBCUniversal and all our cable channels nationally and locally. So our advertising business now is very relevant to that question. That was not the case two years ago, when we bought NBC.

And we see, you know, everyone feeling probably the same thing: a pretty good recovery. It's not as much as it was before, but clearly stable and steady as she goes, with optimism that we're growing; I think a sense of nervousness that we could go right back down again if something too radically happens in a bad way.

But we never slowed down. Right in the bottom -- we spent $30 billion to buy NBC. So I'm a believer in a little bit of what Warren Buffett has always said, which is, in tough times, widen – you know, take your risk. And in good times it's easier for people to spend money. It's harder in tough times.

And so it was a very tough decision to want to buy the Olympics in the middle of the recession, buy NBC in the middle of the recession. Hopefully we're going to keep coming out of it.

MR. RUBENSTEIN: So now that you are in control of NBCUniversal, you deal with creative types, I assume – Hollywood types, television producers. What's more complicated, dealing with regulators in Washington or creative types in Hollywood? [Laughter.] What's more complicated?

MR. ROBERTS: Well, Chris Matthews is here somewhere. I'll let him answer that question. [Laughter.]

MR. RUBENSTEIN: All right.

MR. ROBERTS: No, I think we're – we've got wonderful – there's a great culture here with the talent in this company. Between CNBC and MSNBC and USA and Syfy and Bravo and E! and Golf, there's a wonderful mix of talent. You get out to California – we've got 15,000 employees, I believe, in California

A business we didn't count on that has proved to be amazing was the theme park business. So we got the company signed up and we had to wait a year to close, and in the six months right in the middle, Harry Potter opened up in Orlando. Attendance surged 40 percent every day since then. And so we're now opening Harry Potter – more Harry Potter, Harry Potter perhaps in California and Japan, and we're investing in other theme parks and hotel rooms.

One of the wonderful things is to diversify a bit, and we have about a billion dollars of cash flow coming from theme parks. We had zero in our business model for value when we bought the company.

MR. RUBENSTEIN: But do you go on the Harry Potter rides? Do you test any of the rides? You're doing all those things? [Laughter.]

MR. ROBERTS: I am the chief tester. [Laughter.]

MR. RUBENSTEIN: OK. So do you have friends calling you all the time, saying, what about this cable show? You should do it differently. Or let me tell you how to run your company or – you ever get any of that?

MR. ROBERTS: So of course you have some of that, and I've – my management technique is the same as it was before the deal, which is, it's all about people, corny as that is.

And so – and I think Steve Burke believes the same thing. So he went into NBC – and it takes time to put your team together, you never get it just right, and you always are making some changes, but I think we've got it pretty close to just right right now. We have a super person picking shows in Bob Greenblatt at NBC. He's going to get grief when it fails and praise when it succeeds, and there's going to be more of that attention than any business going, because it's NBC.

We have the same thing at news. We have the same thing in sports, the same thing in movies. We had, you know, "Les Mis" to "Ted" to "Battleship." We've had some really good ones. We've had some not so good ones. That's the nature of the content business. And I think for me personally, you've got to try to be more even and not go so high and go so low and try to continue to look at the people and say, do – are they really good? Are they making the best decisions? Are you giving them the tools?

The thing that we found – Jeff Immelt has said this, he was a wonderful partner – it just wasn't right for GE anymore to go make pilots – hoping to find the next hit. They could build power plants somewhere else, or energy, and so all parts of the company were getting less capital and less investment and less attention.

And I don't believe "Hi, I'm from corporate, I'm here to help," but in the case of this company, we can give money, and we told our investors we have the balance sheet to invest. So we're making more pilots than we've ever made. We're spending more money at the theme park than has been spent in 20 years. In this cable market, we doubled our capital to improve service and to improve fiber nodes and speed up and get ready for X1, which requires more bandwidth. And we're trying to walk that type with investors, but when push comes to shove, we want to invest in the businesses. And in the case of NBCUniversal, I've never seen a company that has more opportunities.

Not all of them will work, and that's new to us, but it's all about getting the right people. Let them decide if it's the right show.

MR. RUBENSTEIN: When you have some time to relax, what do you like to watch on television? Your favorite show?

MR. ROBERTS: I hate that question. [Laughter.] Golf. [Chuckles.] It's nice and relaxing, and it's right for me.

I've tried now to see some of every show, every film, every new series that we do. I can't do a hundred percent of that, but I do my best. I try to make sure that everybody who works in the company knows I care about what they do. I don't think it should be one person-centric, but when I'm relaxing, I tend to go to the movies with my wife. [Chuckles.]

MR. RUBENSTEIN: So the final question would be, you've had an incredible career, you've built a great company. Any regrets? Is there anything you wish you had done differently, or you're very happy with where you are now? Any big mistakes?

MR. ROBERTS: No, I'll leave that to somebody else. I'd say that, again, I think if you spend too much looking in the rearview mirror, it's not a good thing.

And I think it's just been a fantasy for me to be able to sit here with you. I think it's important for our company that we advocate the excitement and that the employees feel that – why people want to work for us.

Sure we've made mistakes, but like my father said, I never made a mistake; it's always that there's just a slightly better way of doing it. And we'll try to keep doing that. But of course you make mistakes and have regrets, but I try not to look back.

MR. RUBENSTEIN: Well, I want to thank you very much for coming, Brian. And I look forward to getting this in my home as well, sometime soon. [Applause.] Thank you very much. Let me give you something. It's a copy of the first map of the District of Columbia.

MR. ROBERTS: Perfect.

MR. RUBENSTEIN: Thank you. Thank you all very much. Thank you, Brian. Great show. Thank you. [Applause.]

Brian L. Roberts

Brian L. Roberts is Chairman and CEO of Comcast Corporation, a global media and technology company, and Chairman of the Board of Directors of NBCUniversal. Under his leadership, Comcast has grown into a Fortune 50 company. It is the nation's largest video, high-speed Internet, and phone provider to residential customers under the XFINITY brand, services that the company also provides to businesses.

Comcast is the majority owner and manager of NBCUniversal, which operates 30 news and entertainment cable networks, the NBC and Telemundo broadcast networks, television production operations, television station groups, Universal Pictures, and Universal Parks and Resorts. Additionally, Comcast has a majority ownership in Comcast-Spectacor, whose major holdings include the Philadelphia Flyers NHL hockey team and the Wells Fargo Center, a large multipurpose arena in Philadelphia.

A member of the Board of Directors of the National Cable & Telecommunications Association (NCTA), Mr. Roberts served as Chairman for two consecutive terms from 2005 to 2007 and from 1995 to 1996 when the landmark deregulatory 1996 Telecommunications Act became law. He is Director Emeritus of CableLabs, the research and development consortium for the cable industry, where he served three terms as Chairman. Additionally, he is a member of the Business Roundtable and serves on the President's Council on Jobs and Competitiveness. An All-American in squash, Mr. Roberts earned a gold medal with the U.S. squash team in 2005 and silver medals at the 1981, 1985, 1997, and 2009 Maccabiah Games in Israel.