

Peacock Xfinity Press Conference

April 14, 2020
1:00 p.m. ET

Operator: Good morning, afternoon, evening, my name is (Amy) and I will be your conference operator today. At this time I would like to welcome everyone to the Peacock and Xfinity Press Conference Call. All lines have been placed on mute to prevent any background noise.

After the speaker's remarks there will be a question and answer session. If you would like to ask a question during this time simply press "star" then the number "1" on your telephone keypad. If you would like to withdrawal your question you may press the "pound" key. I would now like to turn the call over to Lisa Scalzo, please go ahead.

Lisa Scalzo: Thank you, (Amy). And welcome everyone. Joining me on this afternoon's call are Matt Strauss, Chairman of Peacock and NBC Universal Digital Enterprises and Dana Strong, President of Xfinity Consumer Services at Comcast.

Matt and Dana will make formal remarks after which they will be available for a brief Q&A pertaining to the Peacock early preview on X1 and Flex. Hopefully, you all had time to review the materials that I sent this morning, which include a demo video of the Peacock app on Xfinity Flex, the press release, slides, imagery, (B roll) and advertising assets.

If not I strongly encourage you to do so following the call, as they will be discussed in more detail here today. With that, let me turn the call over to Matt Strauss to begin. Matt?

Matt Strauss: Thank you, Lisa. And thank you, everyone for joining the call. I truly hope everyone's families are safe and well. Tomorrow's an important milestone for our company and as we get ready to launch an early preview of Peacock Premium on Xfinity X1 and Flex and we're all truly excited to bring this new service to market.

Like other major apps on Xfinity the roll out will take a couple of weeks to fully deploy but by the end of April the service will be available to millions of Xfinity subscribers across the Comcast footprint and bundled at no additional cost.

As Lisa mentioned, we emailed the link earlier today to a taped demo of the Peacock app and normally I would have done a live demo, obviously that's not a safe option, so I did a recording from my home over weekend using the Peacock app on the Flex box.

And given some of you may not be in a Comcast market we wanted to at least try to give you a proper overview of the service the user experience. I'll also just share being back home and having my X1 voice remote has may my social distancing a little bit more manageable, so thank you Dana Strong and the Xfinity team.

A few things I just wanted to double click on, the Peacock is in some respects three streaming experiences in one, providing users multiple ways to watch. We plan to offer over 15,000 hours of on-demand content providing users instant gratification to watch what you want when you want it. The catalog's still be loaded onto the servers, it will continue to grow over the next few months with updates being made daily.

The Peacock service also has a TV grid with over 20 Peacock linear channels that are editorially programmed 24/7 providing a lean back experience from live news, to late night, to reality shows, to a dedicated channel to "The Office" and "SNL".

We see channels as a sandbox to create even more personalized experiences and this will grow to over 75 channels over the course of the year. There is also trending which provides timely news and entertainment, sports coverage with snackable content that's both trending on Peacock and around the world and it's updated throughout the day.

So, from the latest news briefing to Tom Hanks monologue on "SNL" these clips, these segments they quickly are made available on trending. And

trending also acts as a promotional vehicle to provide additional ways to search and discover content on Peacock.

This approach of providing multiple ways to watch at different moments in time we believe will allow viewers to stream move, search less and it's a path to grow overall usage, frequency and satisfaction of the service.

As Lisa mentioned, we're fortunate to have my friend Dana Strong, Comcast President of Consumer Services on the call and Dana's going to discuss in a few minutes the different ways that Peacock will be brought to life across the Xfinity platform. But, I wanted to address just a few more topics if I could in advance.

Starting with the Peacock national launch timing and how we pivoted our near term content and marketing approach to address the recent changes in the market. So when we shared our strategy for Peacock a few months ago in Studio 8H at 30 Rock, none of us could have imagined the unprecedented and historic turn of events brought about by the coronavirus. Now, we always planned to launch Peacock in two phases, first on Comcast to test and learn, then three months later to launch nationally.

And even though we now have a 100 percent of the Peacock team working from home around the globe we have been able to maintain our timeline. I am incredibly proud of the Peacock team who have been working around the clock and we are on track to launch with Comcast tomorrow and we're on track to launch nationally on July 15th just as we planned.

July 15th is also when Peacock will be available on mobile devices, there'll be a Peacock website and it's also when the Peacock app will be on connected TV devices and smart TVs.

And it's also when we will launch the free and ad free tier. We have no material changes to the financial guidance or targets we provided a few months ago. We feel really good about our strategy, our ability to deliver of long term growth and value with Peacock.

And candidly even more excited and encourage about the demand for a quality free ad supported service now more than ever. If anything some have asked is there an opportunity to launch Peacock nationally even sooner.

And that is something we're evaluating, we certainly see the value. But, as I mentioned earlier, with the entire team working virtually from home for now July is still the target date. Now, clearly, there is a lot that has changed in the market, in the world from what we planned a few short months ago and this has had an impact. The majority of our original productions like virtually all productions across the world have been paused.

For a new service like Peacock this will materially limit our original slated launch and in 2020. The Tokyo Olympics which we had aligned with our national launch to drive maximum promotion and awareness has also obviously been delayed. Now that said, if there is such a thing as a silver lining in the current environment, we continue to look for the positives. And we think there are a few worth noting.

First, what postponed in 2020 will come back to us even bigger in 2021 when Peacock will arguably really be hitting its stride. If you fast-forward a few months Peacock will now have two Olympics in a relatively short period of time. We also recently announced an NFL Wild Card Playoff game, Premiere Leagues and Ryder Cup. We'll also now have dozens of original premieres in 2021 all timed with "The Office" coming to Peacock exclusively.

On promotion and marketing we've also have been able to quickly pivot and one of the strengths of our company is what we call Symphony and our ability to tap into the power of NBC Universal's platforms to drive maximum promotion and awareness.

I honestly don't think there's a better example with Symphony than Peacock given the collaboration across NBC and Sky and Comcast Cable. Working from home in collaboration with the NBC teams we've already developed a revised marketing plan that recoups the vast majority of the promotion impression that we had planned during the summer.

And this will allow us to stay the course with really little to no impact on our marketing targets in 2020. I also just wanted to briefly comment on the latest trends. And we're all seeing these trends in TV viewing behavior and this is also having an impact on our near term editorial and content approach. With the majority of the country at home, the demand for news and entertainment is truly at an all time high.

In addition to people bingeing (inaudible) originals many viewer are also seeking out programming that's comforting, familiar, even nostalgic, things that provide a feeling of normalcy and stability during an unstable moment in time.

Families are spending a lot more quality time together, myself included with my four kids, and this provides a unique opportunity for parents to connect with their children by sharing a common experience and revisiting some of their most watched and beloved TV shows and movies together.

This cultural moment that I think all of us recognize actually plays to our strength, given we're launching Peacock with hundreds and hundreds of quality TV shows and iconic movies that people love. And we also have the ability to stream timely content from headline to heartwarming and inspirational stories all in one service.

So at launch, we will lean in editorializing content that is entertaining and familiar, and then build off that momentum heading into 2021, when as I said earlier, we'll launch more exclusive originals, we'll have major (ten pole) sporting events, and we'll have even more content choices and new product features.

This also aligns with our advertising partners. And from day one, the plan for Peacock was to partner with 10 launch sponsors, and yesterday, Linda Yaccarino announced that plan is now a reality and we proudly shared a list of those 10 launch sponsors.

There continues to be a real appetite to be a part of Peacock, with sponsors who value out light advertising model, which as you know is now more that 5 minutes of ads per hour, which we think is the most aggressive in the market.

They value our content and our user experience, and our overall approach to partnership in the streaming landscape. Finally, we all know there's a lot of turbulence and uncertainty in the economy; amid what was already a growing wave of subscription fatigue when it comes to streaming services.

Delivering Peacock, a quality ad-supported streaming platform that is free, is arguably more relevant now than possibly at any other moment in time.

And something we believe is important to being to market; in some respects, to the country as people are seeking out quality entertainment choices that are truly affordable, and nothing is more affordable than free. So with that, thank you again for joining the call, I appreciate you giving me the opportunity to provide that update, and let me hand it over to Dana Strong.

Dana Strong: Thanks so much, Matt. And if I could just start by saying I am truly amazed at what you and the team have been able to accomplish in such a short time. And while we generally miss you in Philadelphia as part of the Xfinity team, think on behalf of the whole company, we're really delighted to see the amazing service that you and the team have built in Peacock.

And now, thank you to all of you for joining us this afternoon, we're pretty excited about this moment. Tomorrow, millions of Xfinity X1 and Flex customers will start to receive exclusive early access to Peacock at no additional cost.

The launch of Peacock on Xfinity is really a proud day for our company and to many, many employees across Xfinity, NBC Universal and Sky, even more so in today's current environment with dozens of teams working in great partnership remotely as Matt mentioned, across countries, around the world, in different time zones, quickly pivoting to hit the April 15th launch date for our customers.

Really now more than ever with many of our customers spending time at home and looking for more entertainment options, we're happy to be greatly expanding the range of programming already available on X1 and Flex, now with Peacock Premium all included at no extra cost.

It's truly an incredible symphonic moment for our company, we're thrilled to harness the power of Xfinity to launch NBC's Peacock, during this exclusive preview for X1 and Flex customers, and delighted to be the first partner. Xfinity has incredible reach, 59 million (homes packed), 31.5 million customer relationships and extraordinary engagement; 9.8 billion voice commands annually and growing fast.

And we're the number one platform for apps. In fact, in Xfinity home, the X1 platform is the most used TV platform for Netflix and other popular apps like Amazon Prime.

For all of these reasons, we're confident in our strategies to offer our Xfinity customers an exclusive preview of Peacock Premium. Peacock Premium will deploy of X1 and Flex starting tomorrow, and the (downloads) will be complete as Matt mentioned, by the end of the month of April.

And many of you on the call are familiar with X1, our robust full spectrum entertainment experience, bring customers live TV, sports, streaming, movies, music, the largest selection of 4K content available. And of course X1 gives you close to 200 apps, ranging from major (SVODs) to smaller, more niches (SVODS, AVODS), live streamers, music services, casual games and far more, all with the metadata seamlessly integrating the viewing experience across all content.

And you can easily access all this great content with our Emmy-award winning Xfinity voice remote. X1 also comes with the ability to stream X1 for free on any device in and out of the home. And I'm sure you're all aware that we recently released -- launched a second platform called Flex, our 4K personalized streaming device with everyone's favorite apps in one place. The (box) Matt referenced in his own home.

Flex also comes with our Xfinity voice remote and a huge selection of tens of thousands of hours of free content; and most importantly, Flex is available to our internet customers for free. Flex is part of our broader strategy to provide more value to Xfinity internet customers, adding to our differentiation of feed, coverage and control, now with streaming.

As you can see, Peacock fits beautifully into the X1 and Flex platforms, with value and a seamless experience, dramatically increasing choice and viewing options at no additional, cost. And today especially, we're in an unique video viewership moment.

Home sheltering has no doubt increased consumption of content and the need for more choice in entertainment. In fact, viewing on every dimension of our platform is up. During this period, compared to last year, we've seen a list of approximately two hours per day per household.

We've also seen a greater than 50 percent in VOD hours consumed year over year, and an increase of 25 percent in comedy viewing hours, perhaps indicating that customers are looking for some lightness. And interestingly, we've seen a 250 percent increase in the voice search for free content, clearly demonstrating the value of free and another proof point of the importance of offering Peacock to our customers at no additional costs.

So we're pleased to offer Peacock to our customers at a time that they really focused on the platform and really looking for more value on a daily basis.

During this time, it's important to meet customers where they are and let them choose the services and package that makes the most sense for their current situation. And for more information on X1, Flex and a complete listing of these data points, you can reference the (slides where) that we provided to you all this morning.

As I mentioned, Peacock will be seamlessly integrated into Flex and X1, making it easy for our customers to find and discover the brilliant Peacock content, whether it's binge-worthy drama, classic comedy, best of talk shows, latest news and Spanish language content, or iconic movies. To accomplish this in X1 and Flex, we differentiate ourselves from other stream platforms through the aggregated user interface, integrating voice search and a combination of editorial and algorithms to serve as content.

The slides provided highlight a few examples of how Peacock comes to life and (is seamlessly) integrated across X1 and Flex. Some examples include, on

the home screen, we'll do a takeover on the X1 main menu along with high visibility and (stout) positions across other menus and linear guides. Peacock will also feature heavily across our X1 and Flex editorial destinations, like for you, TV, and movies, and finally, customers can simply say Peacock in to Xfinity voice remote launch the Peacock app.

When viewing the slides, I'm sure you'll notice the use of Peacock's eye-catching colors and the (use of) iconic shows and beloved characters, all available on Peacock, on the X1 and Flex platforms. And speaking of beloved characters, I hope you have the opportunity to enjoy the sneak preview of Xfinity's bird watching spot, one of the handful of advertisements you'll see rolling out to support the launch of Peacock.

The spot is a great symphonic moment for us as it features an old friend of NBC Amy Poehler, and the Peacock and Flex (inaudible) all wrapped in together. Be sure to check out the creative included in the slide we are featuring just a few of the great shows and movies that are Peacock from "SNL" to "30 Rock", (inaudible) "Below Deck."

At this great -- all of this great Xfinity advertising and marketing support kicks off in May. So I'll close with what I am most excited to watch on Peacock personally. As a mom working at home now with two kids, who is rarely awake anymore for late-night television, I am most excited about late-night early beginning with two of my favorites -- Jimmy Fallon's "The Tonight Show: At Home Edition," and "Late Night with Seth Meyers."

And I'm also looking forward to cuddling up with the family on movie nights and looking at the huge treasure trove of classic movies like "E.T." and my son's favorite, "Despicable Me." And on that note, I will hand it back to Lisa, and say, Matt, I think it's a brilliant service and we're really excited to be your launch partner, and thanks for inviting us to the party.

Lisa Scalzo: Great, thanks Dana. (Amy), we can now open up the Q&A.

Operator: At this time, ladies and gentlemen, if you'd like to ask a question please go ahead and press "star," then the number "1," on your telephone keypad. Your

first question today comes from the line of Joan Solsman of CNET. Your line is open.

Joan Solsman: Hi. Thanks Lisa, Matt, and Dana for taking the question. I have (two that) touch on points that Matt made at the outset of your prepared remarks.

One is around this softball strategy (and the fact that circumstances) are so different than what you originally planned -- am I to understand that you simply cannot have a more robust launch now, despite the circumstances of more streaming demand happening, more on-demand happening (inaudible) the plan around the Olympics in July (isn't in the cards) -- is there something you (just couldn't), given the fact that your own workforce (inaudible) you couldn't have a more robust launch now?

And then can you -- you mentioned also the fact that the original (inaudible) will be materially limited around the July -- around the national launching time. What does materially limited mean? Is that substantially -- will there be any adult-oriented live-action shows available? How limited does that mean?

Matt Strauss: Joan, how are you? Thanks for the question. So let me try to answer both of those. When we announced the plan for Peacock, as I said it was really always about this two-phased approach launching with Comcast in April, and then launching nationally in July. And at the time that was actually a very aggressive timeline for us that we had set out, but that was kind of the roadmap that we had put in place.

I think, given all the circumstances, it's pretty remarkable from my point of view that the team has built a new muscle, and very quickly, as not really lost any momentum -- and it's allowing us to kind of hit those deadlines and timelines that we had announced. I think that -- to go even faster is something that we're evaluating, as I said, but for us this is really a longer-term strategy and vision with Peacock.

We're not measuring ourselves on necessarily what we do, or what happens over the next couple of months -- we really believe that this is a long-term strategy and opportunity in the market for us to occupy what we see as this white space with a premium ad-supported service.

So we're going to do everything we can, I think to try to accelerate. But we also see the value of doing some testing and learning with the Xfinity platform over the next couple of months. So it's just a balance that we're going to, ourselves, navigate through. But certainly we understand and appreciate the opportunity if there is a way for us to go even faster.

On your second point around the originals, it's a little tricky for me to answer because I think, like you, we're all really unclear on exactly when certain things are going to go back to normal and we're going to be able to pick up where we left off with certain aspects of the originals and the productions.

We are very optimistic that when we launch there is a handful of originals that we will have "Brave New World," for example, is essentially done. There was something that we had shared around the "Psych," movie that also is done. And some of the reboots like "Punky Brewster," and "Saved By the Bell," we feel optimistic that we can also have those available as well for 2020, in addition to a few others.

So there will be originals that we make available in 2020. And interestingly, I just kind of wanted to highlight this -- with so much, of obviously the world now sheltering in place, it is also an opportunity for us to work with talent, and you're seeing this already happen where a lot of really creative people are just trying to find new ways to reach audiences.

And we see that as an opportunity for Peacock, and we've already started to have those discussions with NBC and NBC Entertainment around exploring ways that we can provide new original programming, and accessing talent that we might not have had the ability to access before because they weren't available given their work schedule.

I think what you're going to see is us continue to find new ways to bring original programming to the platform, but at the same time we are really fortunate that we have such a vast library of content that we know is going to resonate, that we can really use that as well for the foundation of the offering over the next couple of months.

Joan Solsman: Thank you. Good to hear from you, Matt.

Matt Strauss: Yes, you too.

Lisa Scalzo: Next question, please...

Operator: Your next question comes from the line of Julia Boorstin of CNBC, your line is open.

Julie Boorstin: Thank you. Thanks so much for taking the question, for doing this. You mentioned that you are launching with these 10 launch sponsors, and then just -- my question is really broader about the advertising market in general. We've heard so much about how ads are on the decline, and there are a number of reasons for that.

Can you help us understand what you're seeing in terms of advertising, beyond the launch sponsors -- just in terms of overall advertising spending? I think you said that there wasn't going to be a meaningful impact, but are you seeing lower spending, looking beyond those launch sponsors?

Matt Strauss: Yes. So thank you for the question. I think I could try to answer part of your question. I'm probably not the best person to kind of give you the perspective on the overall advertising marketplace. I think Linda Yaccarino would be able to give you a lot more perspective than I can.

But given where I sit within Peacock, we obviously went out looking to partner with 10 launch sponsors, and really giving us an opportunity to have a longer-term opportunity for them to be part of the service.

So these weren't shorter-term deals, they were actually longer-term deals that we put in place, and that was intentional because it was meant to give them, as well, a bit of a sandbox to work with us and our product teams as we look to create different types of ad innovations.

And I think in some respects what we're finding is that with this huge increase in T.V. viewing and streaming -- the whole premise of Peacock is we really believe there is this void of premium ad-supported content in the market -- in

the streaming market, that we're actually seeing advertisers gravitating towards wanting to work with us.

So in that respect I think we're fortunate that we've created a platform that advertisers are kind of moving towards, and I think the (10 launch sponsors) was kind of a bit of a milestone to demonstrate that. But we're actually encouraged that we're going to be able to continue to add more sponsors.

And I don't know if that -- what that means with respect to the broader marketplace, and other things that are happening in the market, but for Peacock we're still very optimistic and encouraged based on what we're seeing with advertisers wanting to work with us.

Julie Boorstin: But just to follow-up -- but have you, or are you going to be able to hit any targets around total ad revenue this year?

Matt Strauss: Yes. They -- we do not see any degradation in the targets that we had laid out with our advertising sponsors. And again, without getting in to too much of the specifics of how those relationships are structured they -- their longer-term -- they're relatively longer-term relationships that we put in place. So it's not just Peacock in April or July, but there's a bit of a longer-term view in how we're approaching those deals.

Julie Boorstin: Got it. Thanks.

Operator: Your next question comes...

Lisa Scalzo: (Next question, please)?

Operator: Your next question comes from the line of Gerry Smith of Bloomberg News, your line is open.

Gerry Smith: Yes, hi Matt. I just wanted to ask, was there any moment in recent weeks where you thought about postponing the launch of Peacock, as you mentioned that some of the original series aren't going to be ready yet?

Matt Strauss: Hi, how are you? Thanks for the question. But the short answer is no. You know, it's -- as I said earlier, and this isn't just me it's the entire team. I think

many of us in a small way are really just trying to figure out -- with the entire world at home, how do we -- is there anything that we (could) really do that provides (some positivity)?

And I think in our own way we see Peacock as an opportunity to do that. And we've never waived from our desire to bring this to market, and if anything we feel even more strongly that we need to bring this service to market as quickly as possible and we really think that this is going to add a lot of value to people who are looking for additional options to get entertainment.

Gerry Smith: Thanks.

Operator: Your next question comes from the line of Sheila Dang of Reuters, your line is open.

Sheila Dang: Hi, thanks for taking the question. Going back to the advertising, you said the group of 10 initial sponsors were longer-term deals. Can you say how long those initial deals are scheduled to last? If there's a range whether it's like two or three year agreement with these sponsors.

And then I'm also curious has Peacock sold out a certain percentage of the ad inventory so far for the first quarter? Or whatever over some timeframe, what percentage of inventory has been sold?

Matt Strauss: Yes, thank you for your question. So I -- unfortunately I'm not going to be able to give you the answer you're looking for. I can't really comment on the deal terms. What I was alluding to though, with the prior question is the way we've approached the market with Peacock was -- is not, I think the traditional approach of working with advertisers that just want to run 15 to 30 second spots.

Although there'll be some of that on Peacock, we really approached it more through the lens of how can we be strategic partners with you? And test and learn, and for us we see Peacock as an opportunity to not only be an innovative streaming entertainment service, but we also really aspire to have innovation around advertising.

So to do those kinds of integrations requires longer-term relationships. And I can't get in to the specifics of the timing, but it's meant -- it's certainly more than just a couple of months, and I think that that was by design.

The other thing that I think is important is what we feel is so -- such a strong value proposition of Peacock is the fact that we're going to go market with a very limited ad experience.

If you look at the average ad load per hour of video it ranges from like eight minutes to 20 minutes depending on where you're consuming video, and we're going to market with five -- no more than five, which means that there could be content on Peacock that has even less than five minutes per hour on it.

So our initial approach was to kind of start with 10 -- that's what we've kind of announced yesterday. Certainly we're in discussions with other advertisers about expanding that, but regardless we're going to stay within that range of -- regardless of the number of sponsors, that we will not have more than five minutes per hour on average.

Sheila Dang: Thank you. And then, on the second question, (are you able) -- I know there's new and innovative ads -- experiences, but has there been a percentage that's been sold so far, outside of those group of 10?

Mark Strauss: Unfortunately I'm not going to be able to answer that, maybe specifically in the way you're asking, except to kind of reiterate what I said which was our plan was to get to 10 and we got to 10. So we're proud of those -- we're proud of that milestone, it's a real credit to Linda Yaccarino and the ad sales teams. And I think it really speaks to the credibility we have in the market that so many sponsors want to work with us, and want to work with Peacock.

Sheila Dang: Thank you.

Operator: Your next question comes from the line of Dade Hayes of Deadline, your line is open.

Dade Hayes: Hi guys, thanks so much. Two quick questions -- one is on the distribution front, you'd announced the deal with Cox earlier. Can you characterize the state of discussions since then? And I would expect you to have a bit more to announce in the coming weeks, has the COVID environment helped? Has it been more of a tailwind in terms of discussions with -- for example, Charter, some of the other major platforms out there?

Then I'm also curious about reconciling the efforts to grow Peacock with the commitments that NBCUniversal has on Hulu. Obviously Disney now controls Hulu, and you're unwinding the contractual obligations there, but what kind of time horizon will you still continue to (feed) NBC primetime, for example, to Hulu? Thanks so much.

Matt Strauss: Sure. On the first point on distribution, just to kind of reiterate something I think you alluded to, we had announced previously that Peacock Premium will be available obviously on Comcast, but also available to Cox subscribers.

When we did the investor conference a few months ago, it seems like almost a lifetime ago -- it was really the first time when a lot of people had an opportunity to kind of really understand the strategy, the content offering, the experience that we were building with the product.

And since then, we have just gotten a lot of positive feedback from many, many distributors, and it's certainly our ambition that -- about the opportunity that we see to really structure (operable) relationships, where we can bundle and Peacock with other distributors, similar to what we've been able to do with Comcast and Cox.

So, some of these are pretty active, and others are going to take place over time, but certainly over the next several months, it's our ambition that we'll have some additional distribution bundling (bills) that we can speak to. On the second point, there's certain milestones in the (UUCLA) where we have opportunities to have content available -- back available on Peacock, either nonexclusively or exclusively.

We are not in a place where we're going to really be able to provide you any guidance on exactly how we're going to approach those different milestones,

except I will say our ambition with peacock is something that we see is going to continue to grow.

This is a platform where we believe over the next few years will grow to between 30 to 35 million monthly active users. In many respects, we see this as the future for our businesses. So, you're going to continue to hear us discuss additional content that we're going to want to make available on Peacock over time, and that's certainly the longer term view that we have.

Male: Thank you.

Matt Strauss: Sure.

Operator: Your next question comes from the line of Todd Spangler of Variety. Your line is open.

Todd Spangler: Hi, it's Todd Spangler here from Variety, thanks for taking the question. Hey Matt, so just to ask about Cox again, it went -- when is that -- when is Peacock going to launch on Cox?

Matt Strauss: July. July, we are excited about launching with Cox on July.

Todd Spangler: OK.

Matt Strauss: And July, Todd just to also share with you the timeframe, that's -- July is when we're launching the Peacock app across multiple platforms, so that made a lot of sense to have that be the timeline for when we would also make it available to Cox.

Todd Spangler: OK, I thought they were going to be part of the initial wave. That was not the -- that was not the (inaudible).

Matt Strauss: No, no, it was always designed where Comcast was the initial partner.

Todd Spangler: Got it, OK.

Matt Strauss: And again -- but then again, similar to the other question, I get there's opportunities for us to potentially accelerate certain things, we were

evaluating it, but it was always Comcast that was going to be in this first wave.

Todd Spangler: OK, and then the second question is, in terms of originals. (inaudible) out here with just the two original kids shows?

Matt Strauss: No, there -- when we launch nationally, we're anticipating there's going to be more than just two original kid's shows. We do have (inaudible).

Todd Spangler: But I mean for tomorrow.

Matt Strauss: Yes, there is some original kids programming that will launch with Comcast, but the real initial push around any originals was always designed to start with July.

Todd Spangler: Yes.

Matt Strauss: And that's where I was referencing that we'll have some originals when we launch in July and also throughout the rest of the year, but we are seeing a significant amount that are going to get pushed into 2021.

Todd Spangler: OK, thank you.

Matt Strauss: Yes, of course.

Lisa Scalzo: We'll take one more question.

Operator: Your last question for today comes from the line of Meg James from Los Angeles Times. Your line is open.

Meg James: Thank you, thank you for taking my question. So, I've always been a little bit confused about what Peacock premium is versus the basic care.

On the video that you uploaded that you did over the weekend, is that the service that will be available to the Comcast subscribers tomorrow, is that the basic care or are the new verticals and kids verticals and the sports verticals on premium platforms? So if you could just sort of differentiate between what is

the free service and what will be the Peacock premium? Thank you very much.

Matt Strauss: Yes, thank you Meg. Thanks for that question. Let me describe the two different tiers and then I'll also talk about the video that you were referring to. So, the free tier of Peacock will have about 7500 hours of programming. So there'll be TV series -- complete TV series, there'll be movies. I referenced earlier the Peacock channels, the over 20 channels that we launched are also in the free tier.

There's also content, Latino content, there's news and sports content, and there will also be current season content that will also be available in the free tier. So this is, for us, the front porch and we're really committed to making the free tier good. We're going to really look to ensure that there's a nice offering across a broad selection of genres. The premium tier will have 15,000 hours of content, and this is where the originals will populate, will be in the premium tier.

This is when we'll also have next day currencies and content. We talked earlier also about the earlier window, late night content, which is also going to be premiering on Peacock tomorrow. That will be in the premium tier, and you're just going to have a much broader selection of (also tent pole) series will be in the premium tier as well.

The premium tier will retail for 4.99 per month, but with Comcast, their subscribers will get it at no additional cost because it's bundled in with X1 and (flux) in the way that Dana described.

And the demo that I actually took was actually the demo of Peacock premium in my home on a (flux) device, and I obviously have an early version of it, and I literally just did it in my home. So what you saw there was exactly what people are going to see tomorrow.

So those are the two different tiers, our approach to the market, and this is just picking up off of a question that was asked earlier, is similar the deal that we structured with Comcast and Cox, where those customers will not have to pay 4.99 per month because they'll get Peacock premium included.

We see an opportunity to do similar bundling deals with other distributors, so over the course of the coming months, our ambition is that everyone in the country will either be able to get access to the free version, or they're going to get access to the premium version through some form of bundling, but there will also always be the option where somebody did want to pay for it, it will be available as well, a la cart, for 4.99 per month. Does that answer.

Meg James: Yes, no, that clarifies it. Thank you so much. So what we saw on the video is what the Comcast customers will get beginning tomorrow, and will they have to opt in or do they automatically get it?

Matt Strauss: They automatically get it. They automatically get it and some of the ways that Dana was describing, and on -- and that if you go on the website, we tried to actually create some (creatives) of this (mag). We're showing examples of how people will find it and all the different integrations throughout the guide on how the content's going to be showcased.

Meg James: Excellent, thank you.

Matt Strauss: Yes, of course.

Lisa Scalzo: Great, thank you everybody. Well that concludes the call for the day. Thank you for joining.

Matt Strauss: Thank you.

Operator: Ladies and gentleman, this concludes today's conference call. Thank you for your participation. You may now disconnect.

END