

COMCAST CHIEF REMAINS INTERESTED IN DISNEY PREFERS PATIENCE TO A BIDDING WAR, HE SAYS AT BC: [THIRD Edition]

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Abstract (summary): Comcast's hostile bid for Disney, disclosed Feb. 11, offered 78 shares of Comcast stock for every 100 of Disney, plus assumption of \$11 billion in Disney debt. Disney stock quickly soared, and Comcast's offered purchase price is now about 12 percent below Disney's stock value. Disney's directors have several times publicly rejected the Comcast offer. But given Disney's share price over the past three years, [Brian L. Roberts] reiterated that "we've made a fair and generous offer."

While making clear Comcast will bide its time pursuing Disney, Roberts said he remains bullish about the cable and broadband businesses, citing fast growth in use of Comcast "video on demand" services and subscriptions to high-definition television channels delivered over cable, including 13 channels in New England, where Comcast has more than 2 million TV subscribers.

Full text:

Comcast Corp. chief executive Brian L. Roberts said yesterday he remains intensely interested in buying Walt Disney Co., but reiterated that the cable television giant prefers to be patient than get into a bidding war.

"I don't view a merger with Disney as critical to our business, but it's a great opportunity, and we feel compelled to try to make it happen," Roberts said during at appearance at a Boston College economic forum. "I really believe that by putting our leading distribution and technology company together with Disney's content would make both of us stronger than we are apart."

Although many analysts have speculated Comcast might sweeten its \$47 billion offer for the entertainment and theme park icon, Roberts said, "I hope that in the fullness of time, the shares of both companies will find a fair trading level that allows this great combination to happen."

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Jeff Bray, a stock analyst with the David L. Babson & Co. Inc. money management firm in Cambridge, said it appears Roberts is counting on Disney stock falling back to levels at or below its \$24.08 price before the Comcast bid. It closed yesterday at \$26.10.

"I think at the end of the day, he's willing to step up the bid, but he's not willing to do it unless he thinks he's got the Disney board really engaged" in considering a new bid, Bray said.

While making clear Comcast will bide its time pursuing Disney, Roberts said he remains bullish about the cable and broadband businesses, citing fast growth in use of Comcast "video on demand" services and subscriptions to high-definition television channels delivered over cable, including 13 channels in New England, where Comcast has more than 2 million TV subscribers.

Roberts said at a management conference in Phoenix last week with 550 Comcast executives, "one of my favorite" new pieces of technology was a TV remote control that includes a speech recognition feature. Customers would use it to switch stations by saying "Go to ESPN" or "Go to Channel 4," and could call up on their TV screen a listing of all the John Wayne movies available through the on-demand service by saying "John Wayne movies."

"It's still very early in the process, but it could be available sometime in 2005," said Comcast spokeswoman

Darcy Rudnay, who declined to identify the company developing the remote or any likely price for the device. Roberts said other new technologies Comcast reviewed include advanced multiplayer computer game consoles running on its high-speed Internet service, video telephones, computer-chat services, and home networks to share video programming and digital photographs among several TV sets.

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