

Time Warner Cable to Comcast: Integration not easy

December 8 2009, By DEBORAH YAO , AP Business Writer

(AP) -- The chief executive of Time Warner Cable Inc. offers this warning to Comcast Corp. on its purchase of a controlling stake in NBC Universal: Mixing content and distribution is harder to accomplish than it looks.

Glenn Britt, CEO of the nation's second-largest cable TV operator, said [Time Warner](#) Cable Inc. separated from Time Warner Inc. because the expected benefits of marrying a cable TV system and cable channels "didn't work out."

"The businesses were quite different in terms of what people do everyday," he said.

The cable side had different goals and ways of doing things than the content side, which included Warner Bros. and such cable channels as HBO, TNT and TBS.

Last week, [Comcast](#) said it would buy a 51 percent stake in NBC Universal from [General Electric](#) Co. for \$6.5 billion in cash and contribute \$7.25 billion worth of cable assets to a joint venture that will house the entertainment company. Comcast has been seeking to get more movies and TV shows, and the deal would create one of the nation's largest media conglomerates if it is approved by regulators.

At the UBS [global media](#) and communications conference in New York, Britt said Time Warner Inc. owned a cable TV company as part of "risk

avoidance."

Because the two businesses were different, if one part suffered the other could prop it up. That way, the company would survive changes in technology, such as video delivered over the Internet. But the problem is, such a company wouldn't thrive either.

"Not only can you never lose, you can also never win, because there's some part of the enterprise that was always not doing well," Britt said.

But Britt said Comcast CEO Brian Roberts may not be looking primarily at the benefits of tying content and cable, even though that is one result of an acquisition.

Instead, Roberts may be picking up the entertainment company because the price is right during a [market downturn](#). Although NBC is lagging in fourth place, cable channels such as Bravo and [CNBC](#) are performing well and would give Comcast a steady stream of revenue.

"He really seems to be saying, 'We think this is a good investment,'" Britt said. "I think time will tell whether it is or not."

Comcast did not immediately respond to a request for comment.

Time Warner Cable is happy to be solely a cable operator: "We're strategically complete," said Britt wryly, echoing Roberts' own words after announcing the NBC Universal deal.

Shares of Time Warner Cable, based in New York, were up 25 cents to \$43.30 in afternoon trading. Comcast, based in Philadelphia, rose by 8 cents to \$17.35.

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