

GE to buy \$345 mln of ads from NBC Universal

December 4 2009, By DEBORAH YAO , AP Business Writer

(AP) -- General Electric Co. has promised to buy at least \$345 million in advertising from NBC Universal over five years after selling a controlling stake in the entertainment company to Comcast Corp., according to a regulatory filing Friday.

GE pledged to buy at least \$59 million worth of ads in the new NBC Universal each year for five years after the sale of a 51 percent stake to [Comcast](#), expected to close in about a year. In addition, GE is required to buy \$50 million worth of ads in connection with the 2012 [Olympic Games](#), whose rights NBC holds.

Comcast disclosed the details in a [Securities and Exchange Commission](#) filing that also covered terms of GE's divestiture rights for NBC Universal, tax matters, intellectual property and others.

In 2008, GE spent \$1.2 billion on advertising across all media outlets, but most of the money went toward marketing of NBC Universal's movies, said TNS Media Intelligence. The regulatory filing did not say whether the \$59 million represents an increase or decrease over what it would have spent outside the movie ads.

A separate SEC filing made by GE shows that NBC Universal already has a commitment from lenders for \$9.1 billion in loans. NBC Universal is giving that money to GE, which is buying Vivendi SA's 20 percent stake of the entertainment company for \$5.8 billion in order to sell a majority stake to Comcast.

On Thursday, Comcast said it would pay GE \$6.5 billion in cash and contribute \$7.25 billion worth of assets for control of [NBC Universal](#). Regulators are to spend the next year reviewing the deal to create one of the nation's largest entertainment conglomerates rivaling the heft of [The Walt Disney Co.](#)

Shares of Comcast, based in Philadelphia, were up 22 cents to \$16.13 on Friday. GE, based in Fairfield, Conn., was up 20 cents to \$16.20.

©2009 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: GE to buy \$345 mln of ads from NBC Universal (2009, December 4) retrieved 25 April 2024 from <https://phys.org/news/2009-12-ge-mln-ads-nbc-universal.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.