Conference Call Transcript

GE - GE Investor Webcast Regarding NBC Universal

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PRESENTATION

Operator

Good day, ladies and gentlemen, and welcome to the investor webcast regarding NBC Universal. My name is Noelia and I'll be your coordinator for today. At this time all participants are in listen-only mode. We will be facilitating a question-and-answer session towards the end of this conference. (Operator Instructions). As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation over to your host for today's event, Mr. Trevor Schauenberg, Vice President of Investor Communications. Please proceed, sir.

Trevor Schauenberg *- General Electric - VP, Corp. Investor Communications*

Thank you, Noelia. Good morning and welcome, everyone. We're pleased today to host the webcast regarding NBC Universal. Regarding the materials for this webcast, we issued the press release earlier this morning and the presentation slides are available via the webcast. Slides are also available for download and printing on our website at www.GE.com/investor. We'll all have time at the end for some Q&A.

As always, elements of this presentation are forward-looking and are based on our best view of the world and our businesses as we see them today. Those elements can change as the world changes, please interpret them in that light.

For today's webcast we have our Chairman and CEO, Jeff Immelt; our Vice Chairman and CFO, Keith Sherin; and President and CEO of NBC Universal, Jeff Zucker. Now I'd like to turn it over to our Chairman and CEO, Jeff Immelt.

Jeff Immelt *- General Electric - Chairman, CEO*

Great, Trevor, thanks. Good morning, everyone. We're having a call this morning to I guess confirm what most of you have been reading about for the last 60 days. Just as an overview, we really do believe we're in a new economy, that the economy has been reset, the environment is really different coming through this cycle than it's been in the past. And we think in that context, GE is going to have many strategic opportunities to invest as part of this reset world.

NBCU is a good business that's generated strong returns, 11% returns for GE shareholders over the past two decades. We've continued to evolve NBCU into cable and parks and movies, digital content, global distribution. We've always grown NBCU based on the dynamics of the media competition. I think it's time to do that again.

Really what we're announcing today, if you think in the context of NBC, we went from 100% of NBC to 80% when we merged with Universal in 2003. This takes the 80% down to 49% as we merge with Comcast and really creates a more competitive and valuable media enterprise. We think this new company will be a leader in cable and digital content and it's going to offer better service for consumers and advertisers.

We think ultimately that GE investors win in two ways. By owning 49% GE is going to benefit by future growth from newco and we think Comcast will be a great partner and our interests are aligned. At the same time, we have the opportunity to redeploy $8 billion of cash back into a high returning global infrastructure business.

Again, we believe there's going to be multiple investment opportunities with attractive returns. And we think that we can put our capital into the businesses that most fully utilize GE's core strength. So we think this is the right deal at the right time for our shareholders and with that I'll turn it over to Jeff Zucker to really talk about what newco looks like.

Jeff Zucker - ***General Electric - President and CEO of NBC Universal***

Thank you, Jeff. So the new company is really an incredibly strong media company that's focused primarily on cable networks. The NBC Universal of today was valued in this day at $30 billion; that of course is the two broadcast networks, NBC and Telemundo and a very strong suite of cable assets of led by USA and CNBC and then, of course, Universal Pictures and our theme parks as well.

What happens today is that NBC Universal valued at $30 billion gets put together with the Comcast entertainment businesses, which today have been valued at $7.25 billion. Those businesses are a suite of five national cable channels led by E! and the Golf Channel and Versus, 10 regional sports networks around the country, and then several digital assets including Fandango and DailyCandy.

I think the combination of what exists today with NBC Universal and the Comcast business gives us an incredibly exciting expanded cable offering in the new company. 80% of the new company's operating profit will come from those cable businesses, and it really shows you what the key to that company is.

It also gives us an opportunity to create new offerings in several key segments. If you think about our move into women's programming, especially at Bravo and Oxygen, and you think about E! and Style going forward, iVillage and Daily Candy, the women's portfolio becomes even that more exciting.

And you think about the opportunities in sports. You think about what we have done at NBC Universal on the news side, on the broadcast, cable and digital side. The opportunity now to do that on the sports I think is a real exciting possibility of this.

And then frankly, this deal will also give us a larger Internet presence, additional capabilities through the combination of NBC Universal's digital assets and Comcast's assets. If the future of media is cable, digital and global, this combination serves all three.

Keith Sherin - ***General Electric - Vice Chairman, CFO***

All right. Next is the deal terms and I'm just going to cover the key terms as they've been widely reported, as Jeff mentioned earlier. We are forming a joint venture combining all of NBC Universal with Comcast content and Internet assets. Comcast will own 51% and we'll own 49% after we form this venture.

You saw the valuations on the asset contributions. The JV will [raise] $9.1 billion of debt and the proceeds will be distributed to GE at closing. In addition, Comcast will pay about $6.5 billion of cash to closing. The amount only depends on the cash that NBC Universal generates between signing and closing which, other than the Vivendi dividend, will be left in NBCU and then split 51% to Comcast and 49% to GE. So that's why there's an adjustment here. There is no formula or adjustment based on NBC's performance in this deal.

We have $8 billion of net proceeds after the Vivendi buyout and we are going to pay down the existing NBCU debt of around $1.7 billion, a little under that. Vivendi we have reached agreement with as well; we're going to buy them out at $5.8 billion. And in the event the deal doesn't close by September of 2010, we have committed -- GE has committed to provide Vivendi with $2 billion of liquidity by the end of September 2010. And we've also committed to support their dividend that they expect to get out of NBC Universal.

The remaining 49% is 49% of a larger entity; the equity value at formation is somewhere around $14 billion. That can be monetized 50% in year four and 50% after year seven. There's a formula for redemption which includes a 20% premium to the public market value and then there's a 50% sharing of upside -- upside as appreciation from the deal formation value on the 49% of around $14 billion, upside from that point is shared 50-50.

So, Comcast -- the way the redemption works is -- first, if we do decide to redeem our shares to the venture, the first step is that the venture will lever itself up again, up to 2.75 times EBITDA; we will take that cash and redeem shares. And to the extent the venture doesn't have enough capacity, either cash or debt capacity, to fully retain that stake up to 50% in the first (inaudible) year, three and a half, then we have a backstop at Comcast for half of the $5.75 billion.

So, with this structure -- it's highly structured, we get cash up front, we have a big stake that we benefit as the appreciation occurs over time as we get the synergies and growth, and we have several paths to exit over time.

The next page is the deal economics; the left side are just the proceeds at closing. You can see the $9 billion from the debt. This is committed debt; we have been to the rating agencies, we have an indication of a strong investment grade rating and that will get rated obviously when the debt is ready to be issued. The cash from Comcast, we're using the $6.5 billion here, so gross proceeds of $15.6 billion, less the Vivendi buyout, less the external debt and the M&A deal fees gets you about $8 billion cash at closing.

On the right side is another view of the deal in terms of the value to GE. The NBCU valuation contribute is $30 billion, less an estimate of about 40% of the cash between signing and closing, that's the amount that will be left in the business and go to Comcast, so that's $600 million today in the estimate, less the Vivendi buyout means that we're realizing about $23.6 billion of value for our 80% stake in NBC Universal.

After closing we'll own 49% of the larger NBCU. So the cash that we get up front is about $10 billion, we're paying down the debt and the deal fees and then we'll have a stake that's worth about $14 billion that we'll be able to monetize over time.

We don't expect a lot of dilution in 2010. I think our estimate is this is going to take nine to 12 months for regulatory approval; we're fully prepared to work through that. And then we expect a small after-tax gain at closing and our forecast today would be about $0.05 of dilution for 2011. Remember, we're going to own 49% of a larger entity and then partially be offset by the leverage that's in the entity. So we expect about $0.05 before any redeployment of cash proceeds, and Jeff is going to cover that.

So we do have a lot of approvals. The FCC, either the DOJ or the FCC and several international approvals and we're prepared to work through that process with Comcast over the next nine to 12 months. So let me turn it back to Jeff.

Jeff Immelt - ***General Electric - Chairman, CEO***

Great, Keith, thanks. On the next page, we just want to give you a way and some context to think about the strategic opportunities for the Company. The left-hand side just takes you through the cash flexibility and the cash at the parent that's going to be available over the next -- between now and the end of 2010.

We'll end this year -- again, our CFOA performance is very strong; we'll end this year between $7 billion and $8 billion of cash at the GE parent at the end of '09. And then if you just say in 2010 -- we'll review some of the details of this in a couple weeks, but our industrial CFOA is going to be somewhere between $13 billion and $15 billion next year. The divestitures we've announced in security and NBCU add another $10 billion, current dividend is $4 billion, CapEx is around $3 billion.

So in 2010 we'll have available cash of somewhere between $16 billion and $18 billion. You add that to the 2009 amount of $7 billion to $8 billion and so, as we evolve in 2002 we'll have somewhere between $23 billion and $26 billion of cash available to redeploy let's say at the GE parent. So that's the cash piece.

And then if you then say, okay, what's the operating environment going to be like and how to think about it. We're going to have a meeting with Mike Neal next week; you're going to see the GE capital balance sheet and funding is very strong and operating parameters are improving as we look at 2010.

The infrastructure business model, we'll review this at the meeting later in December, but the infrastructure business model has proven its value during recession, we're well positioned for the future, we've got lots of new products, we're growing our service revenues, the global position is strong particularly in emerging markets, we've got cost out, we've got multiple organic opportunities, we've got inorganic opportunities.

So this model is very attractive -- that we expect to see multiple opportunities to redeploy capital at attractive returns in this cycle. And the Company is positioned to experience solid growth, solid EPS growth in 2011 even with dilution from NBC Universal.

So when you think about the priorities for the Company in terms of investing this cash that we've got, I'd say the priorities are to invest in infrastructure growth, to continue to strengthen GECS. And what Mike will show you next week is, based on our earnings profile for 2010, we might have -- we might want to put another $2 billion into GE Capital in the first quarter of 2011 as part of the income maintenance agreement.

But I think we're really circling around the $2 billion mark for how we think about what that investment will be. We can return to cash to investors and we know the mechanisms to do that. In 2011 we've got the preferred debt instrument that matures and that also will be a priority as we think about the Company going forward.

I think we can be patient; we've got a very strong business model. I think GE Capital is really -- the operating parameters are improving and we just think this gives us tremendous flexibility at exactly the right moment in time to think about the Company going forward.

So, the last thing I just want to go through is just how do you think about GE going forward? I think there's a clearly defined set of skills, our technology, breadth and depth, the tremendous global brand and global distribution footprint that we've got, this incredible installed base and services growth, the financial strength, the productivity, cycle time, risk management and leadership development really apply to a more simplified portfolio of high-tech infrastructure, leadership franchises, a very strong financial service business.

And then layer on top of that some common growth initiatives on accelerating the introduction of high-tech new products, driving services into more software and solutions, really accelerating growth in emerging markets, all the things we're doing on ecomagination and health imagination in solving these big problems, and continue to invest in our organic capability of selling the engineering, manufacturing and the key strengths of the Company going forward.

So I think this just gives us lots of capital flexibility to apply to a leadership portfolio at exactly the right moment in time. And at the same time recognized value on NBC Universal through this merger going forward. And so we think this is a great move for the Company. So with that, Trevor, I'll turn it over to you and let's take some questions.

Trevor Schauenberg *- General Electric - VP, Corp. Investor Communications*

Great. Thanks, Jeff, Keith and Jeff. We will take your questions now. Let's go straight to the group.

QUESTION AND ANSWER

Operator

(Operator Instructions). Terry Darling, Goldman Sachs.

Terry Darling *- Goldman Sachs - Analyst*

Thanks, good morning, gentlemen. I guess a question for Jeff Zucker first. Jeff, I wonder if you could put a little more color around the question of synergies.

Jeff Zucker - ***General Electric - President and CEO of NBC Universal***

Sure. Well, I think the key is there's not a tremendous amount of synergies built into the deal plan. Having said that, I think that will give us an opportunity for some upside here -- because I think one of the things that we've been able to do at NBC Universal is drive real synergies between our businesses, between cable and broadcast, between our cable entertainment, cable news in the sharing of resources.

I think if you think about the Comcast businesses and what we can do with E! and Style in combination with our cable entertainment assets, particularly Bravo and Oxygen and iVillage, there's a real opportunity there. If you think about what we can do with NBC sports and golf and Versus there's a real opportunity there. The regional sports networks and our local TV stations, an opportunity there.

So, though we're not counting on it to make this work, I think that the upside comes from what we've really shown a real ability to do which is to drive synergies. Synergy hasn't been a dirty word at NBC Universal, and I think that as we go forward with the combination of these two businesses, I think that's really where our strength lies in our ability to find synergies there and I think that opportunity exists.

Terry Darling - ***Goldman Sachs - Analyst***

Okay, helpful. And then maybe a question for Keith. The $13 billion to$15 billion on CFOA for 2010, I'm sure we're going to hear more detail about that in a couple weeks. But I wondered if, Keith, you might put a little more color around some of the items below the net income level, because I think that's a number, at least relative to where we're published, that's above where we're published and I think others as well. So things like working capital, pension -- can you give us any color on those items at this point?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

Well, pension will be included in net income obviously. Working capital, we've got a good performance this year. Our businesses -- as you know, we laid out a forecast of $14 billion to $16 billion last year in the fall and that required us to be able to generate cash from working capital to offset any declines in progress and we've exceeded our plan; we're going to be at the high end of the range there.

So, Jeff is going to cover at the December meeting the $13 billion to $15 billion forecast and how we think about working capital in 2010. But we're going to build on the operating discipline, so we run an operating counsel, as you know, every month here with a big focus on cash by the teams on everything -- receivables, inventory, payables and progress. And we'll give you another update on that at the Jeff meeting in two weeks, Terry.

Terry Darling - ***Goldman Sachs - Analyst***

Okay, and then lastly, Jeff, I wonder if you can put maybe some color on priorities in that capital deployment opportunities bullet point that you mentioned. Obviously the Areva deal has passed here, but as you look across the various pieces of your infrastructure businesses, maybe where you're most optimistic perhaps about those opportunities?

Jeff Immelt - ***General Electric - Chairman, CEO***

You know, Terry, I think in some ways the Areva deal was a good example because it was -- showed that we're willing to spend the money, it was on strategy, we were disciplined about it. I think that's indicative of how I view it. I don't think there's -- we can be patient and see how the world evolves over the next 18 months. I think there are going to be opportunities.

When I look at it, Terry, I think we've got opportunities across the big infrastructure businesses -- aviation, energy, oil and gas, healthcare, water -- I think all of those are green light businesses on the right terms and in the right way.

I would say something that in its own way was largely overlooked just because of all the other things was the joint venture in avionics we did in China about two or three weeks ago. That's a game changer, you know, and that's a little bit of capital from us, it's a little bit of capital in China, but it creates an entity that is a competitive -- really game changer. And so I think there are going to be lots of global opportunities in infrastructure as we think about the Company going forward through.

Terry Darling - ***Goldman Sachs - Analyst***

Okay, appreciate it. Thanks.

Operator

Steve Tusa, JPMorgan.

Steve Tusa - ***JPMorgan - Analyst***

Good morning. How does the 20% premium to public value, how does that mechanism work going forward?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

Well, there's a formula. And the bank -- we would each get an appraiser. So say in year three and a half we decided to redeem, we would each have an appraiser and if they were close enough that would be fine, if there was a difference there would be another appraiser that came in to get a public market value.

We would add a 20% premium to that and then you have to compare that amount to the formation value for our 49% stake, Steve, $14 billion. And 50% of the appreciation would be taken off of that 20% premium value to determine what the value is, the redemption value of our stake.

Steve Tusa - ***JPMorgan - Analyst***

Right. And then just to make it clear, over time as it is today you mentioned the $14 billion plus the $10 billion you're bringing in in cash, that kind of makes you whole on the total value that you're expressing today of your share of the $30 billion which is closer to $24 billion. That is the right valuation that could ultimately go to GE in a pure cash form if all this stuff plays out.

Keith Sherin - ***General Electric - Vice Chairman, CFO***

That's the value formation. What we're expecting is that there will be appreciation. I mean we expect (multiple speakers).

Steve Tusa - ***JPMorgan - Analyst***

Right appreciation (multiple speakers), but earning [happened] today?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

Yes, I think that's right. That's how you get to (multiple speakers) today, yes, $30 billion less Vivendi, exactly.

Steve Tusa - ***JPMorgan - Analyst***

Right. And then I don't want to steal any thunder from next week's meeting, but you talked about operating metrics in GE capital improving. Can you just maybe flesh out what you're talking about there or do we have to wait until next week?

Jeff Immelt - ***General Electric - Chairman, CEO***

I think it's better to let Mike and the team go through it next week. But again I think, Terry (sic), if you look at how we're expressing the income maintenance agreement (inaudible), it gives you a sense of where we think losses will happen and the parameters we gave you in the July meeting. But I think Mike can give you all the details around it and add more color.

I just wanted to put why we did the transaction in context. I think this is all about playing offense vis-a-vis how you think about GE going forward. And that's really what I want our investors to have a real sense for today.

Steve Tusa - ***JPMorgan - Analyst***

Okay, great. Thanks a lot.

Operator

Jeff Sprague, Citigroup.

Jeff Sprague - ***Citigroup - Analyst***

Good morning, everyone. Jeff, first just as it relates to the portfolio, I'm sure you wouldn't like to name names, but in terms of thinking about streamlining to the downside before you move forward with new opportunities, how far along are we in the process? Obviously C&I comes to mind and we know we're shrinking GE Capital. But as you look at the portfolio, is kind of the reshaping basically in play view to us on the outside looking in now?

Jeff Immelt - ***General Electric - Chairman, CEO***

I think it is, Jeff. Again, I think what you -- what we've talked about in capital is what we're executing on. And then I think if you look at sweet spot, those businesses are really in place. And then there's conversation about consumer industrial.

What I would say on that, Jeff, is that the businesses are executing very well, there's a quarter-by-quarter improvement in all those businesses. Big pieces of them fit our ecomagination theme and things like that. And so I would really look at the portfolio today as being very stable. With the execution vis-a-vis of what we outlined in GE Capital, but really a pretty stable portfolio.

Jeff Sprague - ***Citigroup - Analyst***

And then just thinking about the capital deployment -- obviously there's likely to be some investor anxiety about how productively that gets deployed over time. Are you considering or has there been any change in just the deal metric process or the tailing responsibility maybe to the buying entity inside the Company, things like that that just kind of put tighter screws on all the math and all the due diligence and execution around acquisitions?

Jeff Immelt - ***General Electric - Chairman, CEO***

Right now I think Trevor has locked his arms around me. But, Jeff, I think we've got lots of cash, we're not counting on any deals getting done to hit the numbers that we'll show to you. And I just think we are going to see some opportunities that in a disciplined shareowner friendly way we can execute on in the next 12 months. And if we don't we'll do something productive for our investors with the capital.

Really, Jeff, I have to defend myself a little bit, that's the way I've always thought about the Company in an investor way. But I think the good news for our investors is we just got tremendous financial flexibility I think at a very good moment in time.

Jeff Sprague - ***Citigroup - Analyst***

And then just one final thing. The infrastructure push obviously makes sense, it's the core of GE. And one of the global tensions obviously is actually capital and financing issues. And so you maybe have a little bit of a tug-of-war, maybe crossed missions is too strong a word internally. But what is your appetite to actually use some of this increasing financial flexibility actually to grow parts of GE Capital, particularly as it rates to infrastructure finance?

Jeff Immelt - ***General Electric - Chairman, CEO***

Well, Jeff, we actually have enough capital in GE Capital and enough growth opportunity in GE Capital to fund the things that we need to do in energy, financial services or GECAS, even healthcare. So one of the redeployment activities going on under the surface at GE Capital is as we take proceeds out of the run-off businesses like the global mortgages, for example, at very high leverage, we can invest back into those core GE Capital businesses that are connected to GE, part of the domain at GE -- energy, aviation, healthcare -- at lower leverage and have quite a bit of capacity.

So you know, Mike Neal and the team around energy infrastructure, around aviation, we have cash capacity in GE Capital itself as we shrink GE Capital, it's part of the operating plan. We don't anticipate that we would use any of this parent cash for any type of growth activity in GE Capital.

Jeff Sprague - ***Citigroup - Analyst***

Great, thanks a lot.

Operator

Nigel Coe, Deutsche Bank.

Nigel Coe - ***Deutsche Bank - Analyst***

Thanks, good morning. I want to say congratulations, but it feels like old news.

Jeff Immelt - ***General Electric - Chairman, CEO***

Understand.

Nigel Coe - ***Deutsche Bank - Analyst***

So, I just wanted to really dig into maybe -- I didn't see anywhere about the Board composition for the new venture. Maybe just talk about that and any significant (inaudible) you have -- anything around your shareholder protection.

Keith Sherin - ***General Electric - Vice Chairman, CFO***

Well, we're going to have a significant stake obviously, 49%, we have many protections around our investment at the venture. The Board will be comprised of five people -- on the GE side it will be Jeff Immelt and myself. And until we go below 20% we have significant protections around capital allocation or significant changes in business strategy. But what we -- Comcast will be consolidated in the business and running the business.

Nigel Coe - ***Deutsche Bank - Analyst***

Okay. The capital allocation, it sounds like the capital is going to be used to delever the balance sheets of the new venture. And then use that capacity then to buy back your stake over time. Is that correct?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

That will be the first priority. This obviously generates a lot of free cash flow, the enterprise, the cable channels specifically are the heart of that. And that gives the venture flexibility not only to pay down debt but also generate capital to either redeem us or also growth capital. We have growth capital in the plans for the pro forma for the joint venture.

Nigel Coe - ***Deutsche Bank - Analyst***

Okay. And then switching gears to the accounting. How do you account for NBC in the meantime? Is there still going to be a segment or do you --?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

Sure. Nothing will change until closing. We will continue to consolidate, report 100% of the -- we report 80% obviously. None of that changes and then upon closing we would not consolidate and then we'll just have the equity earnings going forward for our 49% stake. But there won't be a recast; it will probably come down into a corporate segment, the equity earnings.

Nigel Coe - ***Deutsche Bank - Analyst***

Okay. Then a final one for me. On the antitrust review, I think you mentioned at the 12 months. You also mentioned some international (inaudible). Can you just confirm that the EU will be reviewing this case and can you maybe just talk about the scope of their review?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

You know, I'm going to have to leave that to the Comcast and the regulatory team; I don't have any specific knowledge of what the EU reviews are going to be. I know that we're planning on extensive regulatory reviews, we've got the FCC plus either the SEC or the Justice Department here and we're planning on, wherever we have a global presence, which NBC Universal has a lot of, obviously, filing wherever we need to internationally. I don't have any specifics about an EU review, sorry.

Nigel Coe - ***Deutsche Bank - Analyst***

Okay. Thanks, Keith.

Operator

(Operator Instructions). Steven Winoker, Sanford Bernstein.

Steven Winoker - ***Sanford Bernstein - Analyst***

Good morning. Just a few questions. First, just to be crystal clear, there is no intention to put any capital into GE Capital other than the income maintenance agreement, right?

Keith Sherin - ***General Electric - Vice Chairman, CFO***

That's the policy and plan today, yes.

Jeff Immelt - ***General Electric - Chairman, CEO***

Completely clear, Steven, yes.

Steven Winoker - ***Sanford Bernstein - Analyst***

Okay. Second, on the dilution, $0.05 of dilution that you mentioned, how does the minority interest -- that's before the minority interest or how are you thinking about that?

Jeff Immelt - ***General Electric - Chairman, CEO***

No, I think $0.05 dilution would be -- from today we own 80% of NBC Universal. After closing we'll own 49% of this newco. So it's a larger entity because it also includes the cash flow from the Comcast contributions of the media assets, partially offset by the leverage impact. So at the end of the day what we would say is 80% of NBC Universal in 2010 compared to 49% of newco in 2011 would be about a $0.05 after-tax impact.

Steven Winoker - ***Sanford Bernstein - Analyst***

So, basically what you're saying is that includes the benefit of the minority interest you're retaining versus how you report?

Jeff Immelt - ***General Electric - Chairman, CEO***

Sure.

Steven Winoker - ***Sanford Bernstein - Analyst***

Okay. And then on the tax side, tax leakage here. What are the tax implications?

Jeff Immelt - ***General Electric - Chairman, CEO***

Well, we'll have a pretax gain and we'll have a tax provision that we'll record from a book basis. We don't anticipate paying any cash taxes at closing. But sometime between closing and the ultimate exit, whether it's at the end of seven years or longer, we'll probably have around $3 billion of cash taxes that we would pay associated with this transaction. It's probably over the next seven to 10 years.

Steven Winoker - ***Sanford Bernstein - Analyst***

Okay. And then finally, just making sure I'm looking at the multiples correctly. Given the overall multiple you're paying for this, it implies -- and what Comcast is putting on their net -- it implies about a 14.5 times I think EBITDA multiple for the cable net which means that you've got about an eight times multiple on everything else, studio, broadcast, TV, Park. Am I thinking about that correctly or are you guys looking at that differently?

Jeff Immelt - ***General Electric - Chairman, CEO***

I don't have really pieces for you. I think we're somewhere in the 10 to 11 range on an EBITDA multiple we think.

Keith Sherin - ***General Electric - Vice Chairman, CFO***

On total NBCU.

Jeff Immelt - ***General Electric - Chairman, CEO***

On the total NBCU, yes. So you can split up the pieces the way you want. But in total we're thinking somewhere around 10 to 11, Steven.

Steven Winoker - ***Sanford Bernstein - Analyst***

Okay, great. Thank you.

Operator

Ladies and gentlemen, this concludes our question-and-answer session. I would now like to turn the call back over to Mr. Trevor Schauenberg for closing remarks.

Trevor Schauenberg - ***General Electric - VP, Corp. Investor Communications***

Great, I'm glad we were able to cover everyone's questions today. Just a few housekeeping items as we close out. The replay of today's webcast will be available this afternoon. As a reminder, we also host our third GE Capital event of the year next week. A webcast also will be held on December 15 for our Chairman and CEO's closing meeting for the year. Please visit the investor website for information regarding these events. And as always, [Joanne] and I will be available all day today to take your questions. Thank you, everyone.

Operator

Thank you for your participation in today's conference. This concludes your presentation and you may now disconnect. Have a great day.