

Disc Spin-off: Gaiam Buys Vivendi Entertainment

Vivendi Entertainment, a Studio City independent film distributor, was sold last week to Gaiam Inc. of Boulder, Colo., in a deal with an initial value of \$13.4 million.

MEDIA & ENTERTAINMENT

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The sale price will be materially larger at closing later this month, said Lloyd Greif, chief executive offi-

cer at investment bank Greif & Co. in downtown L.A., who represented Gaiam in the deal. The final amount will include payment for Vivendi Entertainment's net working capital.

The sale comes as Vivendi Entertainment parent Universal Music Group in Santa Monica attempts its \$1.9-billion takeover of rival EMI Group Ltd.'s recorded music division. To free up capital for the acquisition, Universal Music's parent company, Paris' Vivendi SA,

has been selling off nonmusic assets, such as the Studio City film distributor.

Vivendi Entertainment has distribution deals with the likes of Weinstein Co., Worldwide Wrestling Entertainment Inc., NFL Films and Classic Media.

In acquiring Vivendi's existing contracts, Gaiam, which already has offices in New York as well as Colorado and will now have a Los Angeles branch, estimates

that it has 7,000 titles in its library. The publicly traded lifestyle, family entertainment and conscious media company is a large seller of health & wellness and fitness products, DVDs and digital content.

The new venture, expected to be called Gaiam-Vivendi Entertainment, creates the largest independent and third largest media distributor in the United States for non-theatrical content.