

# Amazon shares slip; Macmillan titles still missing

February 1 2010

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(AP) -- Amazon.com continued to withhold sales of books published by Macmillan on Monday, the result of a pricing dispute that helped knock shares in the online retailer down more than 5 percent.

Amazon.com Inc. told customers in one of its online forums Sunday that it would have to "capitulate" to Macmillan's demand that it charge more than current prices for digital editions on Amazon's Kindle e-reader.

But so far, many Macmillan books are only available from third-party sellers on Amazon's Web site, and digital editions are absent completely. Amazon's statement didn't address why the company decided to make such a public move in pulling Macmillan titles, or when the titles would return.

Macmillan's titles include "The Politician," a new insider account of the John Edwards presidential campaign by Andrew Young, and "Night," Elie Wiesel's classic account of the Holocaust.

Macmillan is one of the world's largest English-language publishers. Its divisions include St. Martin's Press, itself one of the largest publishers in the U.S.; Henry Holt & Co., one of the oldest publishers in America; Farrar, Straus & Giroux; and Tor, the leading science-fiction publisher.

Amazon and Macmillan did not respond to requests seeking comment Monday.

The company typically prices e-books at a flat rate of \$9.99, even for best-sellers and new release. Under Macmillan's model, which it plans to roll out in March, it will charge from \$12.99 to \$14.99, and prices will change over time.

Lazard Capital Markets analyst Colin Sebastian said Amazon could be forced to raise prices on a wider range of books if other publishers follow suit. Otherwise, it could end up facing delays to get new titles, "which could impact sales volume," Sebastian said in a client note Monday.

To preserve the more lucrative hardcover business, publishers including Simon & Schuster and HarperCollins Hachette Book Group USA have said they will impose delays on the release of digital copies.

Amazon wants lower prices to protect the Kindle's lead in the [e-reader](#) market. Such rivals as the Nook from Barnes & Noble Inc. and the forthcoming iPad from Apple Inc. are looking to challenge that position. But Sebastian noted that higher prices will mean bigger profit margins.

"Amazon could turn e-books from loss leaders to profit generators," he said.

In any case, the dispute with Macmillan, a privately held company, appeared to stir some concern among investors in Amazon, which is headquartered in Seattle.

Amazon shares were down \$6.54, or 5.2 percent, to \$118.87 in afternoon trading Monday. The drop in share price came even though Amazon reported a 71 percent rise in fourth-quarter earnings last week, propelled by online holiday shoppers.

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