

Amazon trying to offer subscription TV, movies

September 1 2010, By RYAN NAKASHIMA, AP Business Writer

(AP) -- Amazon.com Inc. is talking with major media companies about offering unlimited views of older TV shows and movies online, as it struggles to stay relevant to consumers flocking to Apple Inc.'s iTunes a la carte store and Netflix Inc.'s all-you-can-eat subscription plan.

Amazon has approached several companies, including <u>Viacom</u> Inc., Time Warner Inc., and Sony Corp., three people familiar with the matter said Tuesday. They requested anonymity because the talks are ongoing.

The talks are at an early stage and focus on offering TV shows and movies that have already been available on home video, according to one person.

Amazon intends to link the service to its Amazon Prime membership, a \$79 per year plan that gives customers discounted shipping costs. But some media companies are averse to having their offerings potentially perceived as freebies, another person said.

A spokesman for Amazon, which is based in Seattle, said the company would not speculate on future business deals.

News of the talks emerged in The Wall Street Journal, a day before Apple is expected to announce a new TV offering and a revamped <u>iTunes</u>. An Apple spokesman also declined to comment.

Apple has also been talking with several media companies and is nearing



a deal to offer recently aired TV shows from The <u>Walt Disney</u> Co.'s ABC and <u>News Corp</u>.'s Fox for 99 cents. The shows could be downloaded but would expire 48 hours after purchase. They are intended for fans who want to catch up on shows even on airplanes or other places without <u>wireless Internet service</u>.

Apple is also expected to cut the price of its Apple TV device. Preempting the move, Roku Inc., whose set-top box allows Netflix subscribers to watch older movies and TV shows, cut the prices of its basic high-definition device by \$30 to \$69.99 on Monday.

Many companies are trying to bolster their online offerings but media companies are being careful not to upend lucrative existing businesses, including that of selling TV shows as reruns to other channel operators or TV stations.

<u>Time Warner</u> in particular is trying to preserve the business of monthly cable or satellite TV subscriptions by pushing its "TV Everywhere" plan. In the plan, it gives paying subscribers of upper tier channel plans unlimited online access to the current season of shows such as TNT's "The Closer."

Meanwhile, Hulu, the online video service jointly owned by Disney, News Corp. and NBC Universal, kicked off a \$10-a-month subscription TV plan in June. It offers episodes from the current and past seasons of many ABC, Fox and NBC shows such as "Glee," "The Office," and "House," although subscribers still have to watch advertisements.

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