

Netflix signs streaming deal with Dreamworks: report

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The Netflix logo at the company's headquarters in Los Gatos, CA on Wednesday. Netflix has reached a deal with DreamWorks Animation, the company behind the hit "Shrek" movies, to stream its films and television specials, The New York Times reported.

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The online video rental giant will begin streaming films by DreamWorks -- whose other big hits include the "Kung Fu Panda" series and "Madagascar" -- in 2013, the newspaper said on its website, citing executives from both companies.

DreamWorks chief executive Jeffrey Katzenberg told the Times the

agreement was a "game-changing deal". His studio will abandon its longstanding pay TV pact with premium cable network HBO, which is part of the Time Warner group.

The newspaper cited analysts as saying Netflix would pay \$30 million a picture to DreamWorks over an unspecified period of time.

Netflix declined immediate comment on the report when contacted by AFP.

The announcement of the deal comes as Netflix tackles some serious growing pains linked to its decision in July to separate its DVD rental service from its online streaming unit.

The move by the Los Gatos, California-based company means higher costs for subscribers wishing to keep both services.

Netflix has already slashed its US subscriber forecast for the third quarter from 25 million to 24 million, and share prices have tumbled.

Competition in the sector is heating up -- Apple, Amazon and Vudu, a [streaming service](#) owned by retail giant Wal-Mart, are all in the fray.

US [satellite television](#) provider [DISH Network](#) said Friday it has teamed with Blockbuster to stream films in a challenge to [Netflix](#).

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