

# Time Warner CEO signals delays for DC shows on Netflix, Hulu

November 4 2015, by Ryan Nakashima

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In this June 18, 2014, file photo, Jeffrey Bewkes, Chairman and CEO of Time Warner, attends the Cannes Lions 2014, 61st International Advertising Festival in Cannes, southern France. Fans of superhero shows based in the DC Comics universe like "The Flash," "Arrow" and "Gotham" might have to wait a lot longer for past seasons' episodes to come to Netflix and Hulu. Bewkes, the chief executive of DC-owner Time Warner Inc., told analysts on a conference call Wednesday, Nov. 4, 2015, that the company is reconsidering whether to license series just a season old to such services, known as subscription video-on-demand services. (AP Photo/Lionel Cironneau, File)

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Flash," "Arrow" and "Gotham" might have to wait a lot longer for past seasons' episodes to come to Netflix and Hulu.

Jeff Bewkes, the chief executive of DC-owner Time Warner Inc., told analysts on a conference call Wednesday that the company is considering whether to let online services like Netflix have its shows several years after they first air, rather than one year later. He said that could mean more older episodes are available on-demand to traditional cable customers.

Withdrawing shows from online services would make traditional cable and satellite TV packages more attractive. Time Warner is focused on "delivering even more value to consumers, especially those who subscribe to the traditional bundle," Bewkes said.

There are eight DC-based shows on TV right now, including newcomer "Supergirl," which launched on CBS last week. You can currently access many of the previous seasons of established DC Comics shows, up until the last season, on Netflix and Hulu.

Analyst Anthony DiClemente of Nomura Securities said Time Warner is reacting to the growth of Netflix as a power in the TV industry.

"Some of the media executives are looking at Netflix as a digital distributor who has gained too much power," he said. "They are thinking, look, maybe we should keep our most valuable content inside the traditional pay TV ecosystem, which is the golden goose."

DiClemente speculated that satellite and cable TV providers like DirecTV and Comcast could soon be able to offer back episodes for the entire current season to customers in on-demand libraries, rather than just the most recent five episodes.

Time Warner also spooked investors wary that growing numbers of people are skipping a traditional cable subscription. It said U.S. subscribers of its Turner networks such as CNN, TNT and TBS fell a worse-than-expected 1 percent this year, and it expects a similar decline next year.

The comments came after Time Warner Inc. reported third-quarter earnings early Wednesday that disappointed investors.

While revenue grew 5 percent to \$6.6 billion, topping the \$6.5 billion expected by analysts polled by FactSet, and adjusted earnings of \$1.25 beat predictions of \$1.09 per share, its earnings outlook of \$5.25 per share for fiscal 2016 fell short of expectations for \$5.60.

The company blamed foreign exchange headwinds and greater investment in programming for the forecast shortfall.

Time Warner shares fell \$5.10, or 6.6 percent, to close at \$72.20 Wednesday. Its shares have fallen more than 15 percent this year.

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