

## Apple raises stakes in TV battle

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Apple made its most serious bid yet for the [internet-connected television market](#) on Wednesday, slashing the price and size of its [AppleTV product](#) by more than half and providing it with movies and television shows to rent.

The digital entertainment powerhouse demonstrated the \$99 gadget in San Francisco, where Steve Jobs, chief executive, showed a new interface that lets users stream movies from Netflix, home movies from their computers or rentals from the iTunes online store.

Apple TV movie rentals from major studios will be priced at \$4.99, while News Corp's Fox television operation and Disney's ABC agreed to offer 99-cent rentals of TV shows to Apple.

Not to be outdone, [Amazon](#) on Wednesday began offering sales of some TV shows for 99 cents, undercutting iTunes download price.

Earlier, Japanese rival Sony said it was working on a [service for streaming music over the internet](#) to multiple devices.

Apple is ahead of [Sony](#) in music players and ahead of Amazon in digital entertainment sales. But the battle is shifting to the living room, where Apple is just one of many offering connected set-top boxes.

Meanwhile, in an attempt to keep access to its 160m iTunes customers as they spend more time on Facebook and other social networking sites, Apple launched its own "social network for music" within iTunes, called Ping.

Ping lets users post profiles about themselves and their musical tastes. iTunes users can see what their friends are listening to and be prompted to buy the songs themselves.

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Apple, which has relied on download sales to drive its entertainment revenue, is also shifting more towards streaming. It has yet to allow iTunes customers to listen to their purchases from anywhere they connect to the web – instead requiring file transfers among devices.

But new versions of Apple software will make it easier to send digital streams within home wireless networks to multiple devices. Mr Jobs said people could start watching a rented movie on their iPhone, then when they reached home, press a button and watch the rest on their TV screen.

The TV studios agreed only to a six-month trial with Apple, according to people familiar with the arrangement, because of concern the rentals will hit their sales of shows.

Sony said it would go further towards providing streams from anywhere, to anything.

The MusicUnlimited service was announced at IFA, a large consumer electronics show in Berlin. The latest approach adds music to Sony's Qriocity online video on demand service.

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