

[22066002]

The purchase comes after nearly three years of on-again off-again talks between TCI and Viacom , which has also discussed the sale of an interest in Showtime with other cable operators .

[22066003]

Showtime is a distant No. 2 to Home Box Office , and in May filed a \$ 2.5 billion antitrust suit against Time Warner , charging the company and its HBO and American Television cable units with conspiring to monopolize the pay TV business .

[22066004]

HBO has close to 24 million subscribers to its HBO and Cinemax networks , while Showtime and its sister service , The Movie Channel , have only about 10 million , according to Paul Kagan Associates , a Carmel , Calif. , research firm .

[22066005]

For TCI , the investment in Showtime puts it in an unusual position ; as the largest cable operator , with control of close to 12 million of the nation 's 52 million cable subscribers , TCI is HBO 's largest customer .

[22066006]

But TCI President John Malone has long been concerned about HBO 's dominance of the pay TV business , and has been eager to keep Showtime as a healthy competitor .

[22066007]

" It is important to the cable industry that we have a vibrant and competitive pay-television marketplace , " Mr. Malone said in a statement .

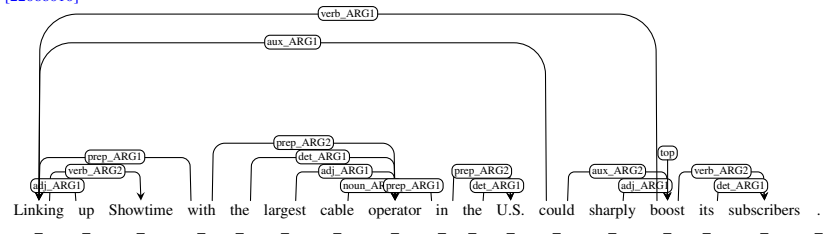
[22066008]

In a telephone interview , Robert Thomson , TCI senior vice president , said Showtime 's suit against HBO " does n't involve us , and nothing we 're doing here bears any relationship to that . "

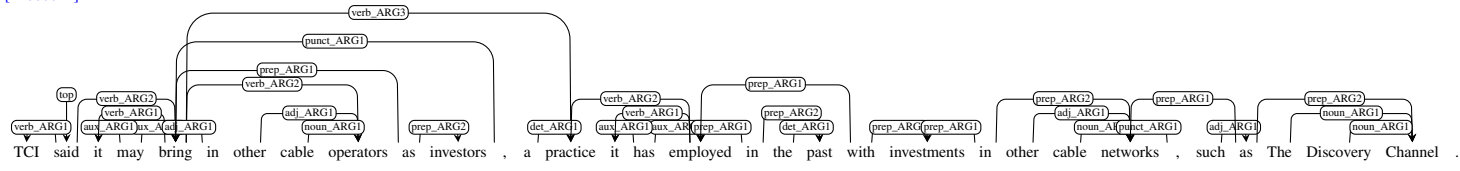
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He added , " We do n't intend to be drawn into it , " noting that TCI wo n't play any active role in the management of Showtime .

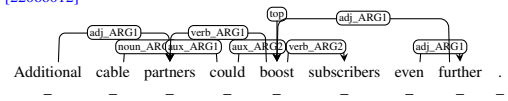
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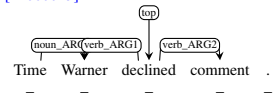
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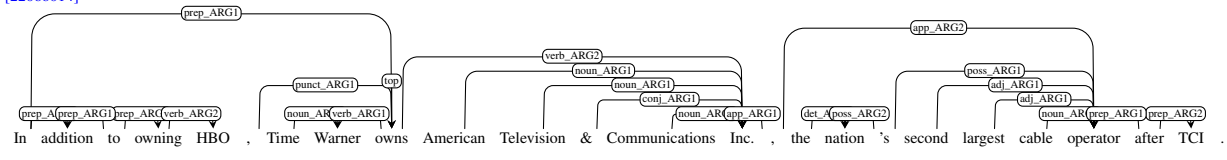
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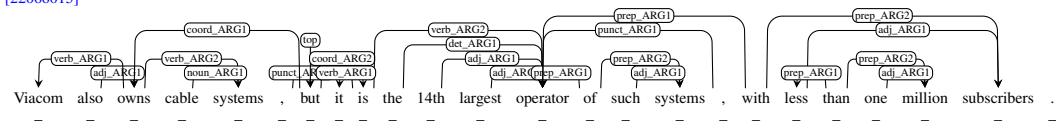
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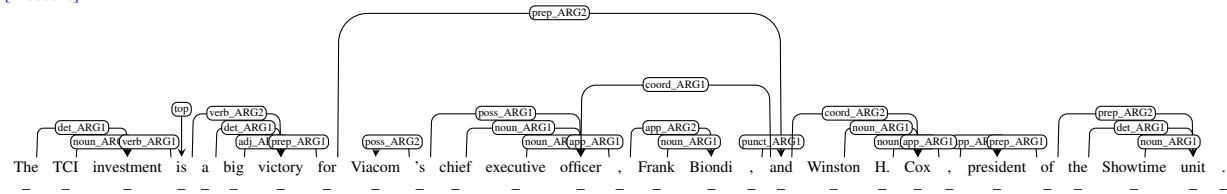
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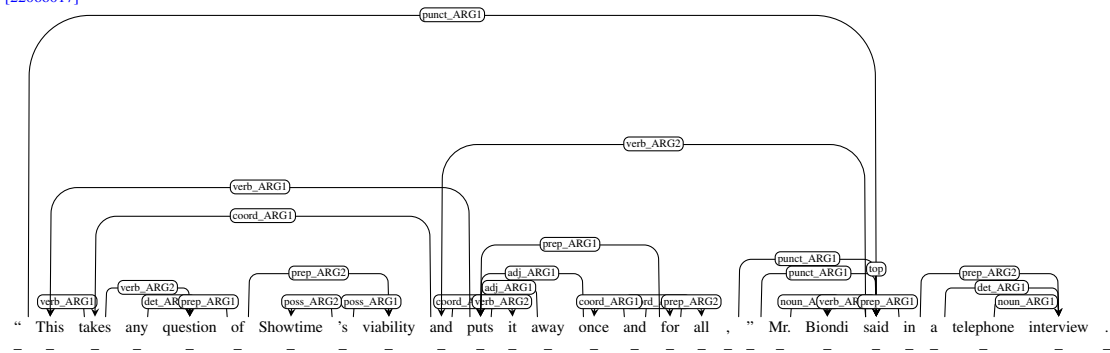
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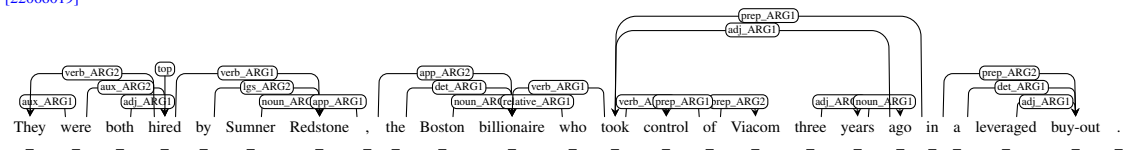
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[22066019]



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