
From: Dohle, Markus
Sent: Tuesday, December 22, 2009 2:35 PM
To: Mcintosh, Madeline; Close, Amanda; Von Moltke, Nina; Updike, Jaci
Subject: Re: Privileged and Confidential Attorney-Client Communication

Eddy said I would get the additional information "in the next days". I think he will fly back to CA today - so I have to wait until tomorrow to contact him again.

----- Original Message -----

From: Mcintosh, Madeline
To: Dohle, Markus; Close, Amanda; Von Moltke, Nina; Updike, Jaci
Sent: Tue Dec 22 06:39:05 2009
Subject: Re: Privileged and Confidential Attorney-Client Communication

Fascinating. I think this can work for us. We have a small team who have pulled together a good model that allows us to play with different discount, pricing and royalty scenarios with relative ease. I think that team (incl Amanda, Nina, Chelsea) are meeting today, so this is good timing. We'll work on gathering any intell we can re what sort of fees Apple collects in their apps model.

Makus, did Eddy give you a sense of when he will be taking the next step (sending us information)?

----- Original Message -----

From: Dohle, Markus
To: Mcintosh, Madeline; Close, Amanda; Von Moltke, Nina; Updike, Jaci
Sent: Tue Dec 22 04:22:27 2009
Subject: Privileged and Confidential Attorney-Client Communication

Dear all:

I had a good conversation with Eddy Cue today. He said he had meetings with all major houses to discuss their positions last week.

As you know he is against windowing. He also thinks that book prices are becoming too low - he is worried about the consumer perception. Therefore he suggests an "agency model" - APL is used to it in their apps business. The model puts the etailer in a distributor role receiving a service fee for every book sold - publishers would set the end consumer prices.

He assumes that if we did find a new TOS model which would provide APL with an acceptable margin, Amazon would lower the prices again following again their loss leadership strategy.

He said he would provide us with some data regarding his idea/model. He also said that he would call some publishing peers to discuss. APL's launch date would be end of March.

I told him I have doubts that Amazon would lower the prices again once we would establish a sustainable ebook business model for the market. I also indicated that Amazon would not accept a distributor model. He answered that windowing could be used to establish a distributor model on print pub date for ebooks (coming back to simultaneous publication).



I also said that we are open to his "agency" idea and that we would probably offer two different models - a traditional retailer model and a proposal based on his agency model idea.

What are your thoughts and how should we proceed?

Best,
Markus

