

Subject: Amazon Kindle on iPhone
Date: Thu, 19 Feb 2009 11:08:12 -0800
From: Eddy Cue <cue@apple.com>
To: Steve Jobs <sjobs@apple.com>, Scott Forstall <forstall@apple.com>
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We should treat Amazon like any other similar developer. To me, the question is what other form of payment (other than 70/30) is something we can live with or is there something else we can get other than monetary. I think I have a good idea for a different payment agreement. Amazon agrees to pay us a 5% (or some other %) affiliate fee for all customer purchases made within 90 days after buying from the Kindle or Amazon iPhone apps. In other words when someone buys with an iPhone app, that customer is tagged as Apple and for the next 90 days all purchases made by the customer (on the iPhone or computer) has an affiliate fee to Apple. Any time customer buys from an iPhone app, the 90 days resets. Amazon is used to paying affiliate fees so this is not a completely new concept for them. We could do the same thing with another developer if we felt there were enough purchases made for other items to offset the 30%. There would be very few developers where this could apply.

If it is not monetary, than i could see a scenario where iTunes becomes an ebook reseller exclusive to Amazon and Amazon becomes an audio/video iTunes reseller exclusive to Apple. I can't see them agreeing to this but if they really value books and want to own the category going forward than maybe they would consider it. At this point, it would be very easy for us to compete and I think trounce Amazon by opening up our own ebook store. The book publishers would do almost anything for us to get into the ebook business.

Eddy

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Exhibit 9
Cue
03/12/13

K. Schroeder
csr, rpr, ccrr