

Subject: Book Publisher Update
Date: Thu, 21 Jan 2010 17:03:09 -0800
From: Eddy Cue <cue@apple.com>
To: Steve Jobs <sjobs@apple.com>
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I'm confident we have 2 even though not yet signed. I have given all the others a drop dead of a 1-1 meeting tomorrow morning. They keep chickening out so I have to give them a real drop dead time or they won't make up their minds. If I get a no from them then I think you should call them to make a final attempt. In the end, they want us and see the opportunity we give them but they're scared to commit! It's less to do with the terms and more about the dramatic business change for them. If there was anything reasonable for us to give on, I would have called you but the more I talk to them and learn about their business the better and more fair I think our deal is. They just have to get some balls. Ironically, Carolyn Reidy, CEO from Simon & Schuster, was the first to agree and she is the toughest, smartest one. She was the first to holdback on Amazon and took a lot of heat publicly but she knows they need to move to succeed.

Simon & Schuster

I have a commitment directly from the CEO that she has agreed with the terms. Lawyers from both sides have agreed there are no material issues but there is still wording that they are working on. I am confident we will get a signature.

Penguin

I have a commitment directly from the CEO that he has agreed with the terms. We are working with their GC tomorrow to get to a signature but I can see it running through the weekend. They don't want to be alone and I told him I believed we would have 4 for launch. I think if we had 2 others I can still get him to agree. Interestingly, they have the most NYT bestsellers so in some ways they are losing the most. He isn't a leader but likes what we are doing.

MacMillan

After a long afternoon with their general counsel, we are in agreement on the terms, but the CEO and GC have legal concerns over the price matching. He is going to talk to his outside counsel tomorrow morning. We need him to sign off because he was one I was counting on! I am meeting with him at 10:30am to make a final go/no-go decision.

Harper Collins

We have gone through the agreement with their lawyers and can close it but their CEO is backing away. He is trying to get us drop our split to 10% on new releases and shorten the definition of a new release to two months. Clearly both of these are non-starters which he knows. He is concerned about how he will manage pricing with his other vendors and/or because of the significant amount less they are making on NYT bestseller. He just may not have the guts to do this. I am meeting with him at 9:30am to make a final go/no-go decision.

Hachette

I'm not sure whether we can get them to the finish line. If I have the others, then they are likely to come but they have legal concerns over price matching and can't seem to do anything without the French parent. We have gone through the agreement with their lawyers so we just need the CEO to

Confidential

Exhibit 36
Cue
03/13/13

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K. Schroeder
csr, rpr, ccr



agree to close. I am trying to get a hold of him to meet but he has been out of town all week so we have only been talking on the phone.

X Random House

No conversations are occurring but I sent them an email last night. Here is his response -

Dear Eddy,

Our excitement about you coming into the market and building a bookstore has not changed in any way. However, as we discussed on Tuesday, the combined effect to Random House and our authors of bearing the full risk of other retailers pricing policies across both digital and physical, as well as a 30% commission, would be detrimental to the growth of a healthy, long term digital model.

We are still hopeful that we can find a way to do business together and would also be very interested in working with you on offering new features and titles that could not be experienced in the same way on other existing devices.

Best,
Markus

I would make a final attempt at them if we got the rest but they are just going to wait until after announcement.

--- Eddy

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