

From: Redmayne, Charlie
Sent: Thursday, January 21, 2010 3:30 PM
To: Murray, Brian (HarperCollins US)
Subject: Re:

Well you've pulled the pin :) - but I think this is spot on.

From: Murray, Brian (HarperCollins US)
To: Redmayne, Charlie; Hulse, Leslie; Zaffiris, Robert; Alessi, Ana Maria
Sent: Thu Jan 21 20:10:04 2010
Subject: FW:

From: Murray, Brian (HarperCollins US)
Sent: Thursday, January 21, 2010 3:07 PM
To: Eddy Cue
Subject:

Eddy,
We very much appreciate and want to support your efforts to bring ebooks to consumers on your platform. Having said that, the terms of your current proposal have widespread implications for our business, authors and trading partners, particularly as it relates to hardcover releases. If we followed your proposal we have potential for backlash from consumer, authors and current retailers. I really don't feel that I have the time I need to work through the issues on your timeline.

However, in the interest of getting a deal on your short timeline, we have two separate proposals that we can do now:

- 1) For all titles greater than three months old:
 - 30% commission
 - No MFN to catalog, usage rules or timing
 - And we'll work with you further on how to include new frontlist. I can't make promises when I haven't had time to work out the implications of your deal.

OR

- 2) For the entire catalog:
 - 10% commission on new Hardcover
 - No MFN to catalog, usage rules or timing
 - Shorten the time period during which we need to match the lowest customer price in the marketplace to two monthsThe 10% commission solves many of the issues I have to work out.

For both, we want to be sure that there's flexibility in the pricing grid to price according to market conditions -- a surprise hit that we keep in hardcover for a long time, for example. As written it appears quite rigid. Leslie will discuss with Kevin.



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