

From: NOURRY ARNAUD
Sent: Thursday, January 21, 2010 03:42:11 PM
To: CUSSIGH CATHERINE
Subject: Fwd: iTunes Update

Début du message transféré :

Expéditeur: "ARNAUD NOURRY" <ANOURRY@hachette-livre.fr>
Date: 21 janvier 2010 21:35:53 HNEC
Destinataire: "Young, David" <David.Young@hbqusa.com>
Objet: Rép : iTunes Update

We really need to know about the others!
My guess is that he is bluffing about having 5 out of 6 to start. Does not make sense strategically for them: either they believe in this market and they need to get started, or they don't!

I am not against MFN as long as it is legal. We need to find higher pricing points.
Yours
A

Le 21 janv. 2010 à 20:38, "Young, David" <David.Young@hbqusa.com> a écrit :

FYI. Best, David

Begin forwarded message:

From: Eddy Cue <cue@apple.com>
Date: January 21, 2010 1:16:46 PM EST
To: "Young, David" <David.Young@hbqusa.com>
Subject: iTunes Update

Hi David,

Thank you for the call this morning. Our teams spent a couple of hours going through the agreement. My understanding is we made significant progress but there were a couple of major deal breaking issues. First, we have asked for an MFN on the new release book pricing. There seems to be some concern on your team on the wording of this. Kevin, our attorney, is available to meet with your counsel to discuss this but we know this is not an issue as we have this in all other deals not just in books but other media. Secondly, you have asked for the ability to withhold or window new release titles. Clearly, this is not something we can agree to because it undermines the whole deal. We don't want to be a book store with no or limited new releases. We need a commitment that you will make these available to us. Of course, we understand that if there any author/agent concerns/issues then you can withhold a book. Secondly, you can always do one-off promotions with other parties that you don't have to do with us. But the spirit of the agreement which is that we will have a book store that has all new releases (with the exceptions above) needs to hold true.

Lastly, remember we are only asking for a 1 year deal since I believe we both will learn a lot about this market. This is key moment in time for your company to build a credible, profitable and significant ebook business. There is no one outside of us that can do this for you. If we miss this opportunity, it will likely never come again.

By the way, we completed our first deal and are very close with the next two publishers.

Eddy

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