

From: Steve Riggio
Sent: Friday, January 15, 2010 3:46:14 PM
To: William Lynch
Subject: RE: The next big thing

Great news. This business could get very interesting at 25%- 30% GM.

I don't think Amazon will concede price leadership. Their move might be to institute some type of rebate - the more eBooks you buy, the more cash back you get.

This is great progress!

From: William J. Lynch
Sent: Friday, January 15, 2010 2:11 PM
To: Theresa Horner
Cc: Steve Riggio; Jennifer Daniels
Subject: Re: The next big thing

Privileged and Confidential

I just came from lunch with Brian Napack, President McMillian. After we exchanged pleasantries the first thing out of his mouth was, "John (CEO) and I are interested in hearing your position on considering an agency model. I told him his timing was good and that we'd have a revised agreement outlining a agency-like relationship for him to consider in 2 weeks. They are VERY excited. Other intel:

His sense is all the major want to move to more of an agency like model where they set the pricing (corborates my conversation with SS, Harper and Hachette)

No one in trade is selling many books in Apple App store today

They are selling lots of digital ebooks on Kindle, and have seen our recent growth, but eBooks is still only 5-7% of their overall biz

I strongly suspect when we go on our roadshow with our new terms it will be well received.

On 1/15/10 12:47 PM, "Theresa Horner" <thomer@book.com> wrote:

Hi,

Please read below. Cader is asking Joe about publishers talking to us about an "agency model". I have NO DOUBT that some publisher told Cader about our interest in this model.

T.

From: Joseph Gonnella
Sent: Friday, January 15, 2010 10:26 AM
To: Theresa Horner
Cc: Jaime Carey; Mary Ellen Keating
Subject: FW: The next big thing

I have not answered this e-mail.

Do you know what he is referring to, Theresa?

From: caderm@gmail.com [mailto:caderm@gmail.com] On Behalf Of Michael Cader
Sent: Thursday, January 14, 2010 7:36 PM
To: Joseph Gonnella
Subject: The next big thing

Hi Joe; I hope you are doing well and had a nice holiday break and a good new year.

Belated congratulations on recruiting Scott; he should bring a lot to the table at BISG.

I'm wondering--on background only/off the record--if publishers have included you yet in the discussions they are having with Apple about selling ebooks on an "agency model," and what your inclination to sell on that basis for early publication windows might be?

All best,
M