

Subject: Re: our meeting tomorrow
 Date: Mon, 11 Jan 2010 15:23:34 -0800
 From: Keith Moerer <kmoerer@apple.com>
 To: <david.shanks@us.penguin.com>
 Cc: Eddy Cue <cue@apple.com>
 Message-ID: <19B2AC8E-1CB4-45E7-9D49-EDD3D2ED841E@apple.com>

David--

One point of clarification. The final column is the top price tier we've proposed for hardcover releases for titles at their respective list price.

In the agency model, Penguin would set retail prices at its sole discretion, at this price or any lower tier, with Apple acting as your agent.

Keith

On Jan 11, 2010, at 2:34 PM, Keith Moerer wrote:

David--

I look forward to meeting with you and Genevieve tomorrow morning.

Kevin Saul has sent a draft agreement in separate email. Eddy has also asked me to send you our pricing analysis of Jan. 1 NYT bestsellers, which will help explain the price tiers we've proposed for hardcover new releases.

Best, Keith

<Penguin_Jan 1 NYT Bestsellers Pricing Analysis.xlsx>

NYT Bestsellers- Hardcover Fiction	Title	Author	Publisher	Hardcover List Price	Amazon Hardcover Retail Price	Amazon eBook Retail Price	B&N eBook Retail Price	iTunes eBook Retail Price
	The Lost Symbol	Dan Brown	Random House	\$29.95	\$12.00	\$9.60	\$9.60	
	I, Alex Cross	James Patterson	Hachette	\$27.99	\$16.79	\$9.99	\$9.99	
	Under the Dome	Stephen King	Simon & Schuster	\$35.00	\$21.00	\$9.99	\$9.99	
	The Help	Kathryn Stockett	Penguin	\$24.95	\$9.50	\$8.55	\$8.55	\$12.99
	Pirate Latitudes	Michael Crichton	HarperCollins	\$27.99	\$14.00	\$9.99	\$9.99	
	Ford County	John Grisham	Random House	\$24.00	\$11.00	NA	NA	
	U is for Undertow	Sue Grafton	Penguin	\$27.95	\$14.96	\$9.99	\$9.99	\$12.99
	The Last Song	Nicholas Sparks	Hachette	\$24.99	\$12.96	\$8.80	\$8.80	
	The Christmas Sweater	Glenn Beck	Simon & Schuster	\$19.99	\$11.97	\$9.99	\$9.99	
	Breathless	Dean Koontz	Random House	\$28.00	\$14.00	\$9.99	\$9.99	
	The Lacuna	Barbara Kingsolver	HarperCollins	\$26.99	\$13.00	\$9.99	\$9.99	
	True Blue	David Baldacci	Hachette	\$27.99	\$13.97	\$9.99	\$9.99	
	Wolf Hall	Hilary Mantel	Macmillan	\$27.00	\$11.00	\$8.80	\$8.80	
	The Gathering Storm	Robert Jordan	Macmillan	\$29.99	\$17.54	NA	NA	
	Half Broke Horses	Jeannette Walls	Simon & Schuster	\$26.00	\$14.46	\$9.99	\$9.99	
	Pursuit of Honor	Vince Flynn	Simon & Schuster	\$27.99	\$12.47	\$8.00	\$8.00	
	The Scarpetta Factor	Patricia Cornwell	Penguin	\$27.95	\$14.97	\$9.99	\$9.99	\$12.99
	The Girl Who Played with Fire	Stieg Larsson	Random House	\$25.95	\$13.00	\$7.99	\$7.99	
	The Wrecker	Clive Cussler	Penguin	\$27.95	\$15.97	\$9.99	\$9.99	\$12.99
	South of Broad	Pat Conroy	Random House	\$29.95	\$16.97	\$9.99	\$9.99	

EXH. NO. 3
 DATE: 1-11-10
 WITNESS: [Signature]
 PATRICIA L. HUBBARD
 CSR NO. 3400

Last Night in Twisted River	John Irving	Random House	\$28.00	\$15.97	\$9.99	\$9.99	
Too Much Happiness	Alice Munro	Random House	\$25.95	\$15.17	\$9.99	\$9.99	
Nanny Returns	Emma McLaughlin	Simon & Schuster	\$25.00	\$14.39	\$9.99	\$9.99	
Too Much Money	Dominick Dunne	Random House	\$26.00	\$15.21	\$9.99	\$9.99	
Her Fearful Symmetry	Audrey Niffenegger	Simon & Schuster	\$26.99	\$13.49	\$5.79	\$5.79	
Heat Wave	Richard Castle	HarperCollins	\$19.99	\$11.69	\$9.99	\$9.99	
Divine Misdemeanors	Laurell K. Ballantine	Random House	\$26.00	\$14.97	\$9.99	\$9.99	
Angel Time	Anne Rice	Random House	\$25.95	\$12.98	\$9.99	\$9.99	
The Host	Stephenie Meyer	Hachette	\$25.99	\$14.97	\$9.99	\$9.99	
New York	Edward Rutherford	Random House	\$30.00	\$17.55	\$9.99	\$9.99	
Darth Bane	Drew Karpyshyn	LucasBooks	\$27.00	\$17.82	NA	NA	
Southern Lights	Danielle Steele	Random House	\$28.00	\$15.97	\$9.99	\$9.99	
The Paris Vendetta	Steve Berry	Random House	\$26.00	\$14.97	\$9.99	\$9.99	
Dead and Gone	Charlaine Harris	Penguin	\$25.95	\$14.97	\$9.99	\$9.99	\$12.99
An Echo in the Bone	Diana Gabaldon	Random House	\$30.00	\$17.55	\$9.99	\$9.99	

NYT Bestsellers- Hardcover Nonfiction	Title	Author	Publisher	Hardcover List Price	Amazon Hardcover Retail Price	Amazon eBook Retail Price	B&N eBook Retail Price	iTunes eBook Retail Price
	Going Rogue	Sarah Palin	HarperCollins	\$28.99	\$14.50	\$9.99	\$9.99	
	Have a Little Faith	Mitch Albom	HarperCollins	\$23.99	\$10.99	\$9.90	\$9.90	
	Arguing with Idiots	Glenn Beck	Simon & Schuster	\$29.99	\$16.96	\$9.99	NA	
	True Compass	Edward M. Kennedy	Hachette	\$35.00	\$21.00	\$9.99	\$9.99	
	Open	Andre Agassi	Random House	\$28.95	\$16.46	\$9.99	\$9.99	
	Superfreakonomics	Steven D. Levitt	HarperCollins	\$29.99	\$12.00	\$9.99	\$9.99	
	What the Dog Saw	Malcolm Gladwell	Hachette	\$27.99	\$11.25	\$9.00	\$9.00	
	Stones into Schools	Greg Mortenson	Penguin	\$26.95	\$13.00	\$9.99	\$9.99	\$12.99
	Outliers	Malcolm Gladwell	Hachette	\$27.99	\$11.75	\$9.40	\$9.40	
	The Imperial Cruise	James Bradley	Hachette	\$29.99	\$16.97	\$9.99	NA	
	A Bold Fresh Piece of Humanity	Bill O'Reilly	Random House	\$26.00	\$14.97	\$9.60	\$9.60	
	When the Game Was Ours	Larry Bird, Magic	Houghton Mifflin	\$26.00	\$14.96	\$9.99	\$9.99	
	The Book of Basketball	Bill Simmons	ESPN	\$30.00	\$17.55	\$9.99	\$9.99	
	Last Words	George Carlin	Simon & Schuster	\$26.99	\$14.97	\$9.99	\$9.99	
	Too Big to Fail	Andrew Ross Sorkin	Penguin	\$32.95	\$13.00	\$9.99	\$9.99	\$12.99
	Where Men Win Glory	Jon Krakauer	Random House	\$27.95	\$14.97	\$9.99	\$9.99	
	A Simple Christmas	Mike Huckabee	Penguin	\$19.95	\$11.47	\$9.97	\$9.97	\$12.99
	Liberty and Tyranny	Mark Levin	Simon & Schuster	\$25.00	\$12.96	\$9.90	\$9.90	
	Born to Run	Christopher McDougall	Random House	\$24.95	\$14.47	\$9.99	\$9.99	
	Half the Sky	Sheryl WuDunn	Random House	\$27.95	\$13.99	\$9.99	\$9.99	
	The National Parks	Ken Burns	Random House	\$50.00	\$31.50	NA	NA	
	Inside of a Dog	Alexander Horowitz	Simon & Schuster	\$27.99	\$13.21	\$9.99	\$9.99	
	Our Front Pages	Onion Staff	Simon & Schuster	\$28.00	\$18.48	NA	NA	

Here's the Deal	Howie Mandel	Random House	\$25.00	\$16.50	\$9.99	NA	
Comeback 2.0	Lance Armstrong	Simon & Schuster	\$27.99	\$18.47	NA	NA	
Highest Duty	Chesley B. Sullenberger	HarperCollins	\$25.99	\$15.20	\$9.99	\$9.99	
The Time of My Life	Patrick Swayze	Simon & Schuster	\$26.00	\$14.47	\$9.99	\$9.99	
You Better Not Cry	Augusten Burroughs	Macmillan	\$21.99	\$10.98	\$9.99	\$9.99	
Are You There, Vodka? It's Me, Chelsea	Chelsea Handler	Simon & Schuster	\$24.95	\$16.47	\$8.42	\$8.42	
Hard Work	Roy Williams	Algonquin	\$24.95	\$16.47	\$9.99	\$9.99	
The Big Burn	Timothy Egan	Houghton Mifflin	\$27.00	\$17.82	\$9.99	\$9.99	
Churchill	Paul Johnson	Penguin	\$24.95	\$14.58	\$9.99	\$9.99	\$12.99
The Red Book	C. G. Jung	W. W. Norton	\$195.00	\$122.85	NA	NA	
The Football Book, Expanded Ed.	SI Editors	Time/SI	\$29.95	\$19.77	NA	NA	
Official Book Club Selection	Kathy Griffin	Random House	\$25.00	\$16.50	\$9.99	\$9.99	

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