

Subject: iTunes Book Update
Date: Sun, 24 Jan 2010 21:37:37 -0800
From: Eddy Cue <cue@apple.com>
To: Jonathan Miller <jon.miller@newscorp.com>
Message-ID: <77B231E3-C1FF-4A87-9FEE-3CD93CCCEACC@apple.com>

Jonathan,

First, sorry to inundate you with all these emails, but wanted you to have a little history/color.

From my perspective Brian is off his rockers. The deal he is proposing is beyond ridiculous. I have not met a single publisher that believes or even suggested what he is proposing. Our top objective is to build a book store that sells books not displays them. We think our customers will pay a reasonable price (not more than physical or 50-100+% more than existing ebooks) if given the elegant and easy solutions we are known for. We have over 120 million credit card buyers and have delivered over 13 billion media products so we speak from some experience.

Here is the basic deal points -

- agency model
- 70/30 split
- 1 year deal (really 10 months because of launch not announce date)
- new release hardback pricing maximums which are way higher than \$9.99 -> \$12.99 or \$14.99 for most

If you have any questions, don't hesitate to call me.

Eddy

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