

Board Meeting

August 23, 2006

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DATE: 8-5-09 EXHIBIT# 19
DEPONENT: BOTHA, R
CASE: Viacom, et al., v. YouTube, et al., The Football
Association Premier League, et al., v. YouTube, et al.,
Case Nos. 07-CV-2203 and 07-CV-3582

A. Ignacio Howard, CSR, RPR, CCRR, CLR, No. 9830

Agenda - Slides



• **Legal** (20 minutes)

• **Human Resources** (20 minutes)

• **Metrics/ Financials** (20 minutes)

• **Sales Update** (20 minutes)

• **Marketing** (20 minutes)

• **Business Development** (20 minutes)

• **Product/Engineering** (20 minutes)

• **Support** (20 minutes)

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CORPORATE MATTERS

American Business Appraisers Report In:

-Results = \$0.68 per common share

-Board to Establish Fair Market Value

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TRIPLEPOINT EQUIPMENT LEASE FACILITY

- **\$4 million equipment lease facility (may be increased to \$6 million with TriplePoint's approval)**
- **Financial terms same as TriplePoint loan facility of April:**
 - **Interest rate: Prime plus 0.7%**
 - **Warrant for 40,000 Series B shares at \$4.00 per share (4%)**
 - **Right to invest in next equity round equal to lesser of \$500,000 or 3% of total round**

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TRIPLEPOINT LOAN FACILITY

- Proposal to increase authorized Series B shares by 440,000, to a new total of 2,500,000:
 - 40,000 for TriplePoint warrant
 - 400,000 to maintain as unissued reserve
 - After board approval will circulate written consent of shareholders

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TUR V. YOUTUBE LAWSUIT

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HIGHLY CONFIDENTIAL - ATTORNEYS' EYES ONLY

SC011748

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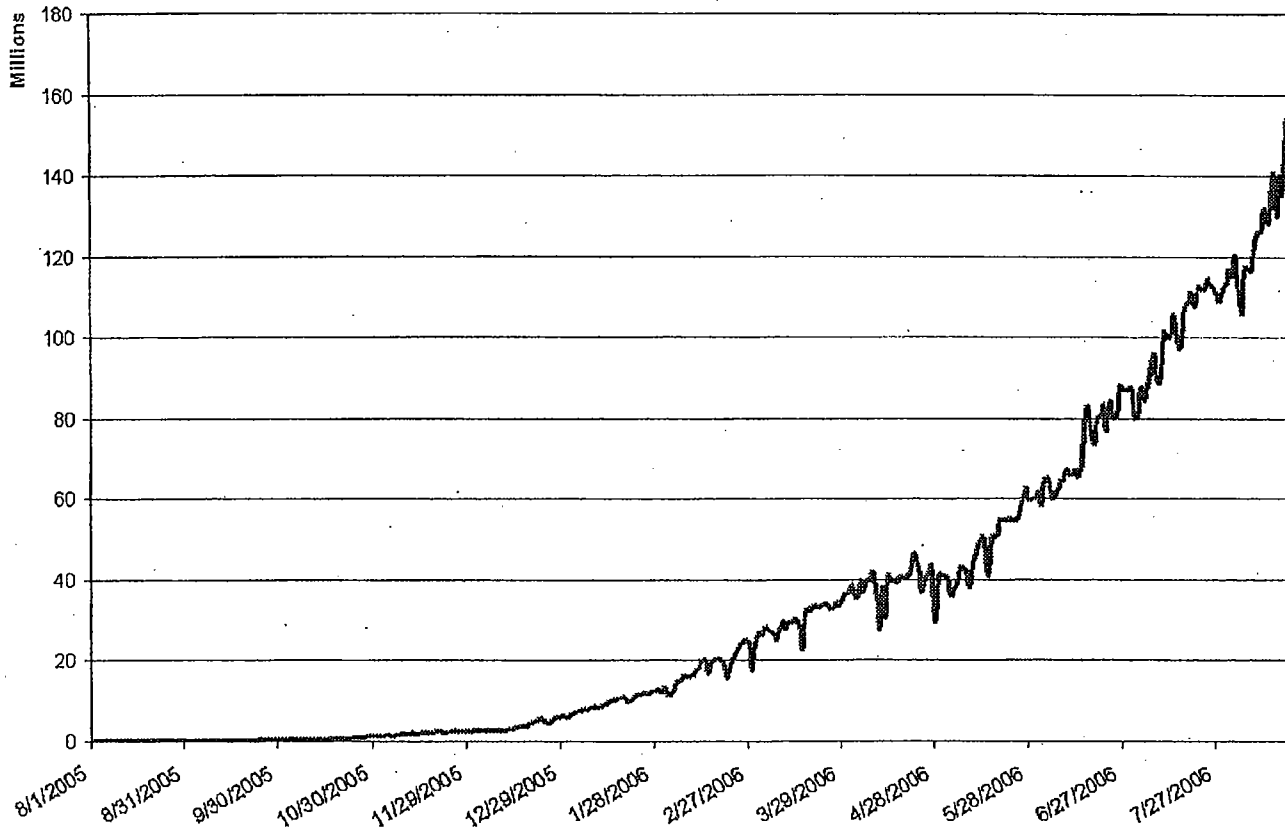
CORPORATE MATTERS

- **Approval of Board Minutes**
– **July 26 Board Meeting**

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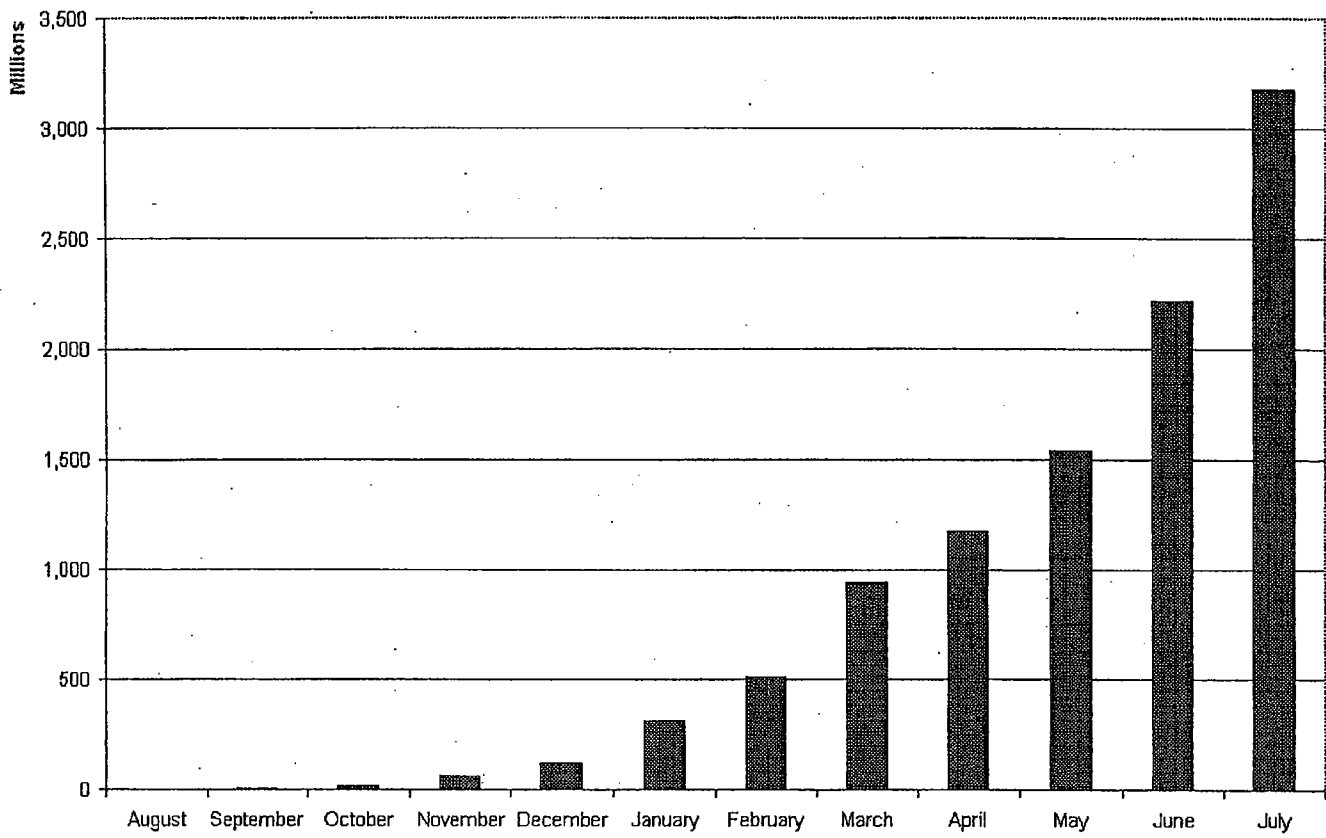
7

Views Per Day



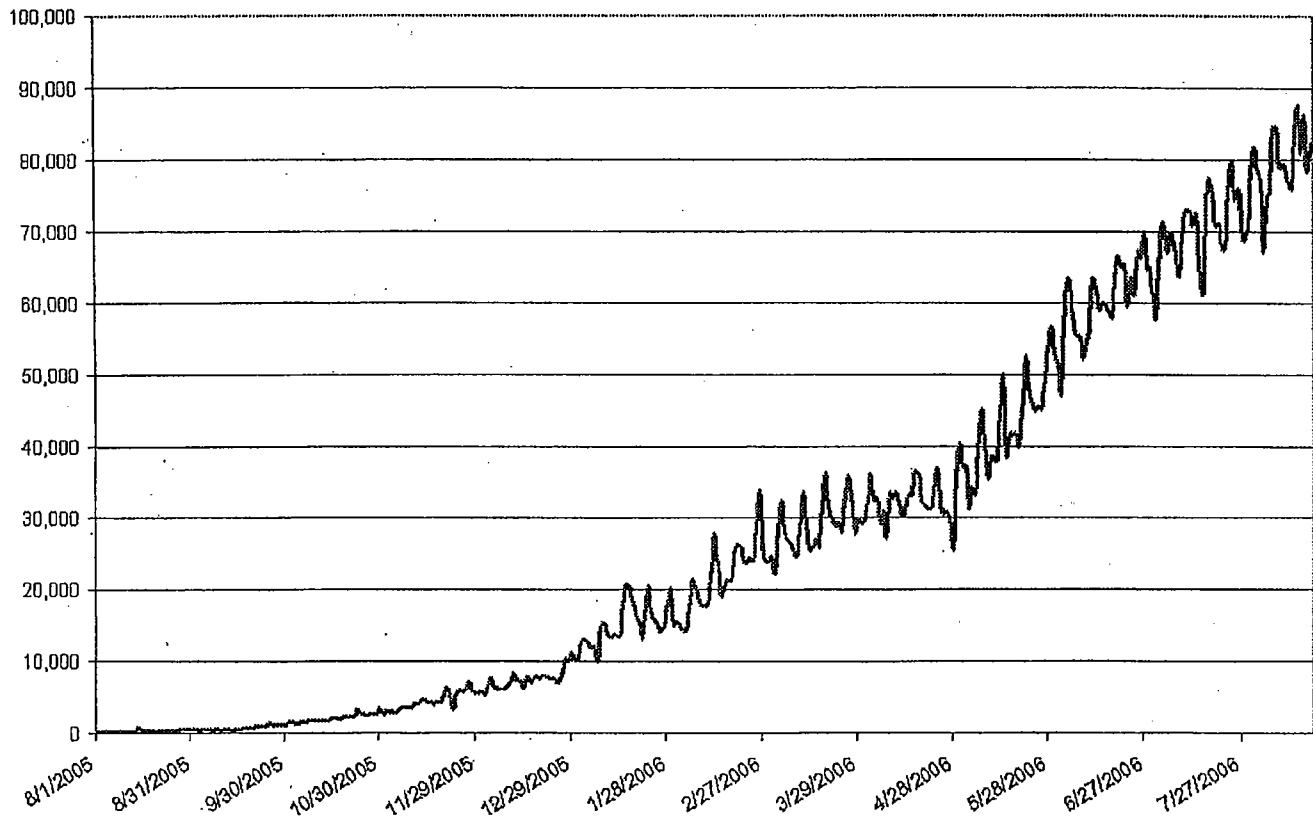
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Aggregate Views Per Month



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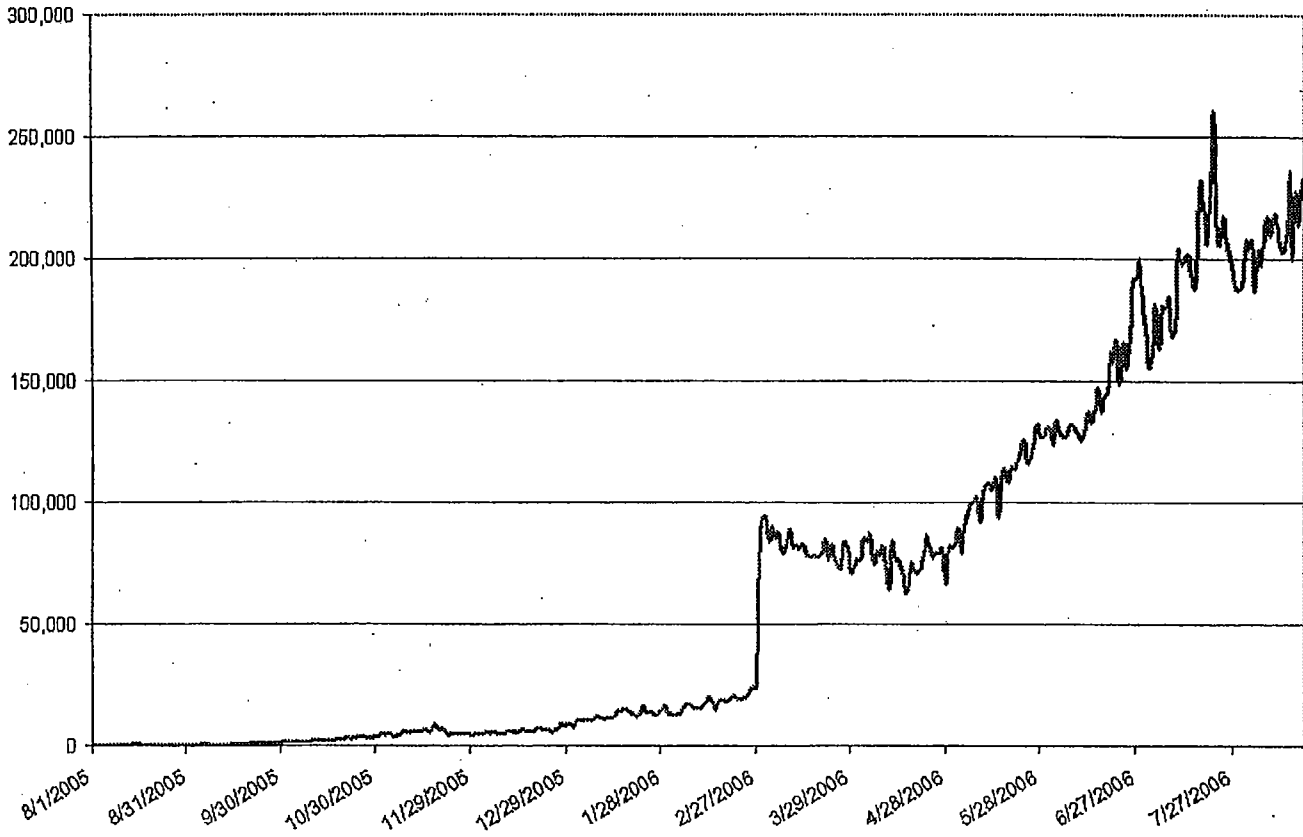
Uploads Per Day



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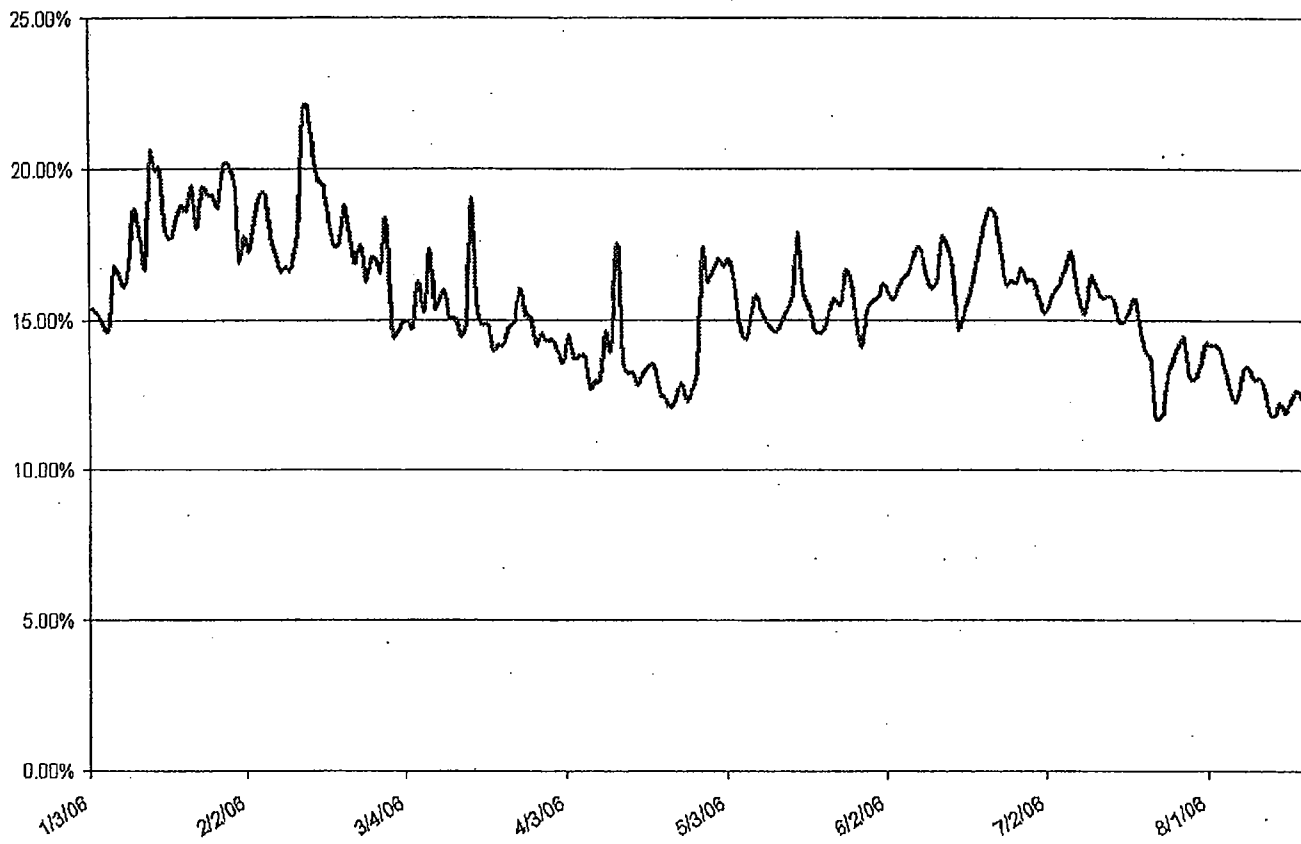
Registrations Per Day



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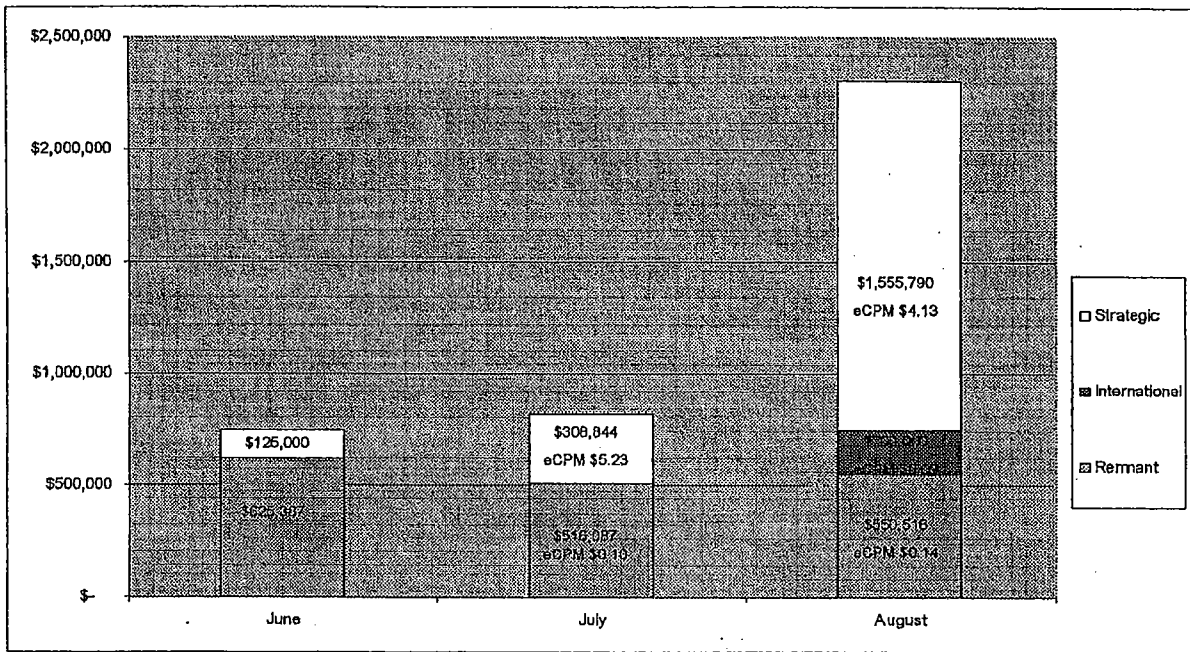
Embed Views as a percentage of Total Views Per Day



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YouTube Ad Sales Revenue



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Direct Videos



Hello from Central Park NYC Blizzard of 2006
06:13
From: RYANISLAND



Ryan Leslie's MySpace blog
02:07
From: nextselection



Granddaddy
03:45
From: theirpwireddcom



Ho Swearing!
12:09
From: boh3m3



Broadcast Yourself on YouTube

Watch Instantly find and watch millions of fast streaming videos.

Upload Quickly upload and tag videos in almost any video format.

Share Easily share your videos with family, friends, or co-workers.

Member Login

User Name:

Password:

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Featured Videos [See More Videos](#)

Ita 2-0 - Carosello Lucca (3) - FIFA World Cup 2006
06:34
4 luglio 2006 - Caroselli a Lucca dopo la vittoria degli azzurri contro la Germania padrona di casa
Tags: carosello, caroselli, lucca, italy, germany, world, cup, 2006, azzurri, italo, germania, carosello, caroselli, italy, germany, world, cup, 2006, azzurri
Added 10 hours ago by la Category: Sports
From: Oasblack
Views: 45,315

Featured Videos [See more videos](#)

Diet Coke + Mentos Human experiment: EXTREME GRAPHIC CONTENT
 09:20
 This is what happens when you eat Mentos and drink Diet Coke at the same time. PLEASE DO NOT ATTEMPT.
 Tags: diet coke mentos
 Added: 19 hours ago in Category: Entertainment
 From: renebo
 Views: 163,771
 ★★☆☆☆
 2316 ratings

Black and white my pet rabbits
 09:28
 Tags: rabbits
 Added: 3 weeks ago in Category: Pets & Animals
 From: freelancehd
 Views: 159,895
 ★★☆☆☆
 1940 ratings

MONDAYS 8/7c

Rate this video
 ★★☆☆☆
 5807 ratings
[Hey YouTube! - xoxo Paris](#)

August "Holds" of the Front Page



September 06						
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					SOB Matt Crossover	
3	4	5	6	7	8	9
		HOLD until 9/4 Daily GTA	HOLD until 9/4 Daily GTA		Travis exclusar?	
10	11	12	13	14	15	16
	HOLD until 9/4 JW ESPN	HOLD until 9/4 SHAW Employee of the month	HOLD until 9/4 Matt Shaw Dream Girls	HOLD until 9/4 Matt Shaw Dream Girls	HOLD until 9/4 JERR VOLVO	HOLD until 9/4 shaw casino:royal
	sold?					
17	18	19	20	21	22	23
HOLD until 9/4 shaw casino:royal	HOLD until 9/4 JW ESPN	HOLD until 9/4 SHAW Employee of the month	HOLD until 9/4 Jamie Annelise	HOLD until 9/4 JW ESPN	HOLD until 9/4 Matt Shaw Judge	
	sold?					
24	25	26	27	28	29	30
	HOLD until 9/4 JW Intel	HOLD until 9/4 SHAW Employee of the month			HOLD until 9/4 Jamie Annelise	

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- YouTube has become the next generation media AND advertising platform
- Agencies/Clients are encouraged to post all their present and past ad campaigns on YouTube
- As more and more ads are stored, it will become increasingly difficult for users to find
- The YouTube Brand Channel gives advertising partners a platform to organize/showcase ads
 - Brand Channel gives Brands opportunity to message in our upload and registration paths
 - Brand Channel gives Brands the opportunity to drive traffic to a branded video destination
 - Brand Channel will have enhanced reporting features not available at lower spend levels
- The YouTube Participatory Video Ad (PVA) = buzz for the current ad and the Brand Channel
- Standard YouTube banner ads are packaged with the Brand Channel and PVA offerings



- Sales People (4 now)
 - Chicago
 - Detroit
 - Dallas
 - Atlanta
 - Boston
- Account Managers (2 now...offer out to a 3rd)
 - 2 more needed ASAP (one in NY and one in LA)
 - Should be a 1 to 1 ratio with sales short term (to keep costs per "sales" head down)
- Trafficking (2 now...one lead trafficking manager, one trafficker just hired from Google)
 - Need one more ASAP to stay ahead of the business coming in (and for training time)
- Sales Ops (1 now)
 - Additional Sr. Director to Manage the DART relationship
 - Mid level Sales Ops Manager to manage 3rd Party Vendors and QA Rich Media QA

International Strategy for Sales



- US Based Int'l Ad Networks
- Int'l based Strategic Sales
 - UK
 - E-Type
 - They have both Strategic and Network (Accelerator) Sales
 - They are fronting us \$460,000 of sales revenue to show their commitment
 - Australia
 - Tempest
 - Canada
 - UpTrend

 - Latin America
 - ClickDiario
 - Japan
 - DAC
 - CCI
 - China/Asia
 - MANY



- **Search Results Page Targeting**
 - **Actual terms: basketball**
 - **Actual brand names: Nike (sold only to the brand itself to market ads and Brand Channel)**
 - **Keyword bundles: Sports bundle = baseball, basketball, football, soccer**
 - **Search Categories: "basketball" typed in...our tech looks at highest % results...and calls ad**
 - **Sold on:**
 - **CPM for bundles and categories**
 - **CPC for actual terms**
- **Sub Category Targeting on Search and Watch Pages**
 - **Entertainment - Horror, Comedy, Action**
 - **Video Games - Role Playing Games, Sports Games, First Person Shooters**
- **Behavioral Targeting (this is in progress via DART)**
 - **Trend Setters Active commenters**
 - **Active uploaders**
 - **Active raters**
 - **Active vloggers**



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Search for



[Channel](#) | [Videos \(13\)](#) | [Favorites \(4\)](#) | [Friends \(0\)](#) | [Playlists \(0\)](#) | [Groups \(0\)](#) | [Subscriptions \(0\)](#) | [Comments \(0\)](#) | [Bulk-link \(0\)](#)

ParisHilton



Age: 25
Country: UK
Last Login: 7 hours ago


The Official Paris Hilton YouTube Channel

(See all people)

<http://parishiltonrecords.com>

Custom URL: <http://www.youtube.com/parishilton>

PARIS - The New Album - Out Now on Warner Bros. Records

 Views: 65,574 | Subscribers: 1841

Connect With ParisHilton

Marketing Accomplishments and Plan: July – August 2006



ADVERTISING STRATEGY MARKETING

- Partnered with sales to secure involvement from Paris Hilton/Wamer Records
 - Negotiated a mutually-beneficial relationship to have Paris broadcast to YouTube and be first brand advertiser
 - Generated (\$100K/rev share) revenue with Fox Broadcasting
 - PR results greatly enhanced with high-profile partnership – Paris mentioned in most headlines

- The PVA giving Paris great exposure and is being very well received by the community
 - Video has broken in to the Most Viewed (#4 and moving up), Most Discussed (#4 and moving up), and Top Favorites (#7) Lists
 - Over 563 Users have Subscribed to Paris Channel
 - Videos are garnering solid view levels and good ratings and comments from engaged users / fans

- Advertising inquiries increased three-fold – 90 in-bound leads on day of announcement (35 on average/per day prior)

- PVA in high-demand - heightened interest and bookings

Marketing Accomplishments and Plan: July – August 2006



UPCOMING PROMOTIONS

- **YouTube Amplified (Promotion begins Sept 15; Starts October 1; Post promotion Nov. 15)**
 - First YouTube music promotion to expand YouTube as a destination for musicians to be discovered
 - Cingular to be (potential) exclusive partnership - \$1.6M package
 - Categories (across all genres)
 - o Best song; Best music video; Best behind the scenes supported by music/Most creative; Best live performance
 - Prizes (Grand prize; Runner Ups) – Still pending
 - o Equipment (Gibson Guitars to outfit all three bands; exclusive Epiphone guitar for Best Song winner)
 - o Fly winning bands to NY:
 - o Gibson Guitars VIP Tour Bus
 - o Good Morning America interviews of bands
 - o Rolling Stone exclusive interview
 - o Sirius Satellite Radio Demo – Song rotation
 - o Placement on the O.C./Grey's Anatomy – ChopShop
 - o KROQ – LA; songs placed in rotation (1.5M listeners in LA area)
 - o Featured video on YouTube

Marketing

- o Promotion begins Sept. 15 - ends Nov. 15
- o Extensive press outreach
- o Newsletter to users, press, labels, band managers
- o House ads
- o YouTube blog
- o Sponsorship with major music magazine (ad barter relationship?)
- o Other product marketing (i.e. within category, etc.)

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Marketing Accomplishments and Plan: July – August 2006



PROMOTIONS IN PROGRESS:

- Horrorfest Film Festival – Sponsorship package
- Holiday greeting card campaign
- New Year's promotion
- Vanity Fair – Oscar Party (TBD)
- People Magazine (YouTube awards)

BUZZ MARKETING

• Product Placement

- Good Morning America (3 Videos of the Week)
 - First two weeks very successful; every Wed. for four minutes
 - Reached 20M viewers
 - Will be key partner to promote YouTube Amplified
 - Increasing view count of content; causing selected videos to go viral
 - Users excited about having video viewed on air

EMPLOYEE COMMUNICATIONS (IN PARTNERSHIP WITH HR)

- Released first bi-weekly email from Chad to employees



YouTube to Sell Advertisements In Video Format



"But YouTube executives have said they aim to create a system that pioneers new ad formats and which could be extended to broker ads for other Web publishers, much as Google Inc. brokers ads that appear on other sites today."

-Kevin Delaney, Wall Street Journal

Video Site to Add to Ads

"Placing ads within ads further blurs the traditional lines between entertainment and its sponsors, a trend the Web is accelerating. It also defies the conventional wisdom that the young viewers who while away afternoons on sites like YouTube and MySpace don't want to be the targets of corporate marketing campaigns."

-Dawn C. Chmielewski and Chris Gaither, LA Times



YouTube eyes ad money with Paris Hilton channel

"YouTube, the online sensation that facilitates the viewing of 100 million amateur videos a day, is introducing a couple of new ways for advertisers to tap into the Web site's popularity while preserving its decidedly noncommercial attitude."

-Paul Bond, Hollywood Reporter

YouTube Ads to Market CD by Paris Hilton



"Paris Hilton — heiress, nightlife enthusiast and rookie recording artist — has a new job: Internet advertising guinea pig."

-Jeff Leeds, New York Times

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YouTube's new ad model

"People have wondered how YouTube, the Internet video phenomenon, would cash in on its explosive popularity. Now we have an inkling -- it's a first for Internet advertising, and comes with the help of Paris Hilton.

The participatory video ad, which visitors must click on to view, is one way the company is demonstrating how it plans to do Internet advertising differently."

-Michelle Quinn, San Jose Mercury News

YouTube pushes Paris as the way to go

"YouTube's efforts to make money out of its online audience by allowing advertisers to and by encouraging users to create their own ads is a further sign that social networking platforms."



The move marks the most ambitious attempt yet by YouTube to monetise its huge and rapidly growing audience.

-Kevin Allison, Financial Times

YouTube introduces video advertising

"The video ads will complement the minimalist text and small graphical online advertising that it already offers in the form of promotions and sponsorships."



-Reuters



BD Accomplishments – July/Aug '06



Distribution [expand YT reach to mobile universe; leverage ad relationships in short run]

- Mobile: Negotiating terms with Amp'd, Helio Sprint, Verizon for q4 (\$2-3 million in ad revenue), discussions with Vodafone for European deal

→ ***Dependencies: Full time editorial resource, content delivery system needs to be built; ad delivery platform for mobile ads.***

Content [convert top director accounts to strategic content partnerships]

- TV: Closed Fox News, ABC News, Term Sheet - Viacom & CBS
- Music: In contract with WMG, Term Sheet with EMI, Universal Music and Sony/BMG. Additional backlog for Beggars/Matador, TVT, DRA, IODA
- Entertainment: Discussions with NBC, NHL, Disney for master agreement (ABC, ESPN)

→ ***Dependencies: Promotion for Tier 1 Partners (search & browse), Content Ingestion, Reporting, Audio Fingerprinting, Enhanced Partner Search tools need to be completed & integrated***

Infrastructure/Product [support content licensing & ad partnerships]

- In contract Adobe (video editing) – In YT legal review
- Terms with Gracenote & Audible (audio fingerprinting) - YT bench testing for final selection
- Trail licenses with Omniture & Webside Story for site analytics – In YT legal review, sales/product team evaluating

BD Accomplishments – July/Aug '06



Advertising [maximize unsold ad inventory]

- Google & Yahoo: Executive level discussions for MySpace type deal (e.g. selling forward YT inventory)
- Supporting strategic Agency & Ad Network deals: Avenue A, Drive PM. Terms with Eyewonder, eType, Tempest
- Video Resource Center: Terms with content providers; Gizmodo, Camcorder Info, DV Magazine, VideoMaker Magazine

HR

- New Hire – Taylor Casino (BD Manager): Starts 8/28 Focused on account managing large content relationships; director account signups for tier 2 partners & BD operations projects



Distribution

- Mobile: Close One exclusive North America partner (q4 opportunity)

Content

- TV: Contract with CBS & Viacom strategic deals
- Music: Close & implement WMG, Go to contract with EMI, UMG & Sony
- Movies: Terms with NBC, Disney, & NHL, relationship building with MPAA

Infrastructure/Product

- Close deal with audio fingerprinting vendor (Audible Magic/Gracenote)
- Close Adobe for editing tools
- License Salesforce.com for BD & Sales team

Advertising

- Terms/Contract with Y! or Google on selling forward inventory

Content Partnership Requirements



Product

- Content Ingestion (automated XML feed)
- Content Usage Tracking & Reporting (plays, users, etc.)
- Claimed Content/Filtering (audio fingerprinting, text filtering tools)
- Geo Blocking for International Regions

Revenue

- Revenue share (partner specific terms)
- Tracking Advertising Revenue on site & "watch" pages specifically
- Royalty Reporting (per play, % of revenue)
- Accommodating 3rd party ad sales & serving on YT

Promotion

- Higher Search Ranking (e.g. partner videos)
- Browse Visibility (sort by partner content)
- Branded Channel
- Director Video Slots

Product Accomplishments - August



Increase video views

- Browse by Language
 - Breakout languages on videos tab
- Categories
 - Integrate category browsing into video tab

Increase registrations/logged in users

- Subscriptions
 - Redesign of subscriptions inbox and management
- My Account
 - Centralized mgmt and viewing of all profile options, account settings and stats
- Musicians
 - Additional custom links on watch & channel, musician logo
- Custom URL
 - Users can create their own custom channel URL. Ex: <http://www.youtube.com/steve>

Community Development/Moderation

- Colleges
 - Create custom college groups to correspond with marketing efforts.
 - Closed Network - .edu required for signup
- Groups
 - Redesign Groups UI, ability to embed videos in a group, search within groups
 - Contests within a group (voting)

Revenue

- Brand Channels
 - Enhanced Customization of Channels and Watch for Advertisers/Media Partners
- Home Page Embed
 - Home Page embed ad unit with embedded community features (rating/comments)
- Contests
 - Functionality for advertisers/content partners to create and run their own contests

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Increase video views
<input type="checkbox"/> Watch Queue <ul style="list-style-type: none">▪ Ability to one click add videos to a 'queue' when browsing or searching for later viewing
<input type="checkbox"/> Playlists <ul style="list-style-type: none">▪ New Playlists tab with programmed/featured content
<input type="checkbox"/> Video Stills <ul style="list-style-type: none">▪ Ability to pick any video frame as the still
<input type="checkbox"/> Location Browse <ul style="list-style-type: none">▪ Browse videos by location

Increase registrations/logged in users
<input type="checkbox"/> Comedians <ul style="list-style-type: none">▪ Launched Comedian accounts & browse
<input type="checkbox"/> Home Page <ul style="list-style-type: none">▪ Redesign inbox. Room for more programmed content.

Community Development/Moderation
<input type="checkbox"/> Privacy Settings <ul style="list-style-type: none">▪ Ability to control who can comment on your videos, send messages etc
<input type="checkbox"/> Resource Center <ul style="list-style-type: none">▪ 'How To' guides (video & written), hardware/software reviews (partner content).
<input type="checkbox"/> Daily Email Digest <ul style="list-style-type: none">▪ Daily email digest that contains summary of all comment, message notifications

Revenue/Partner Content
<input type="checkbox"/> Claim Your Content <ul style="list-style-type: none">▪ Prototype tool for content partners to claim content
<input type="checkbox"/> Partner Channels <ul style="list-style-type: none">▪ Branded channels for content providers. Subchannels for different categories of content
<input type="checkbox"/> Content Mgmt Tools <ul style="list-style-type: none">▪ Content Mgmt tools for sales team to update text link ads

REDACTED

Support Department Focus, Accomplishments and Updates : August 2006



Accomplishments and Focus:

Consistently working to identify and refine both policies and technology to meet demand

- Identified a correlation between video views and email volume and have been able to create a shift in this correlation via better user interface, instruction and site improvements
- Partnered with engineering to develop more efficient admin tool design increasing staff efficiency exponentially – 600 new pages that require screening will be added to the site with the addition of categories this week
- Designed and implemented a new 3 tier inbound email automation system handling 93% of all support email volume
- Creating a new streamlined system necessary to scale, manage and document all copyright communications – in talks with outside vendors who will supply the email management system

Striving to achieve excellence, dedication, and motivation within our department

-
- Designing and implementing a thorough training and certification program for each member of department – Launch date August 30th!
- Instilled value system for the department by giving our team the new distinction of "The S.Q.U.A.D" – The Safety, Quality and User Advocacy Department!

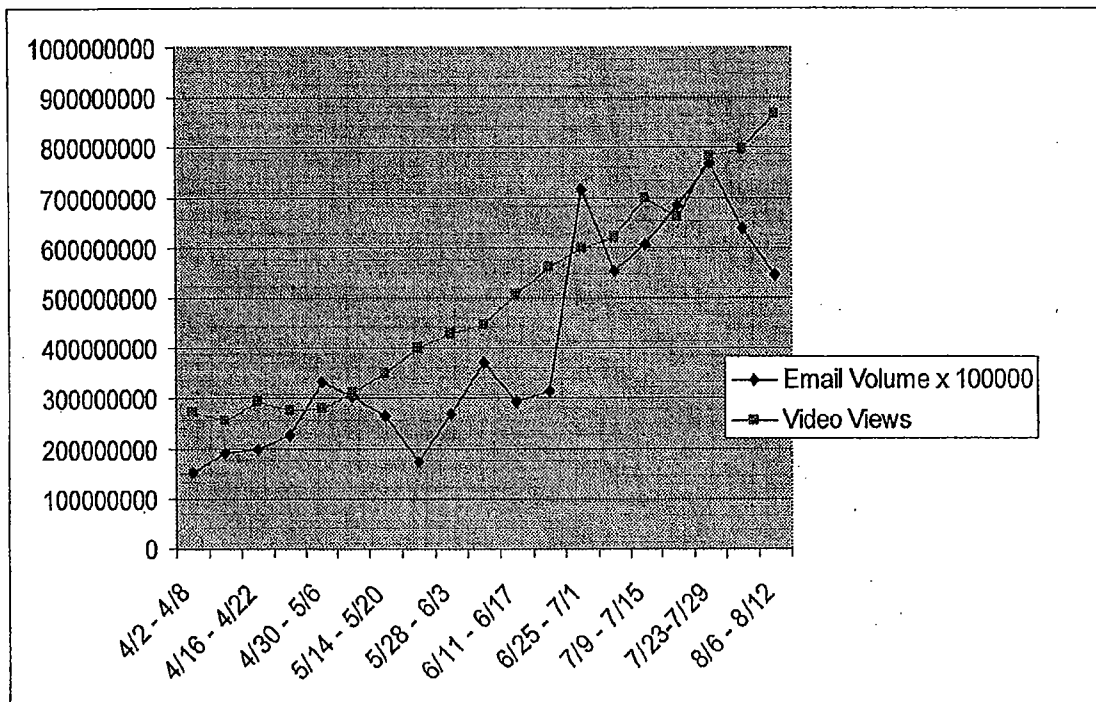
Updates:

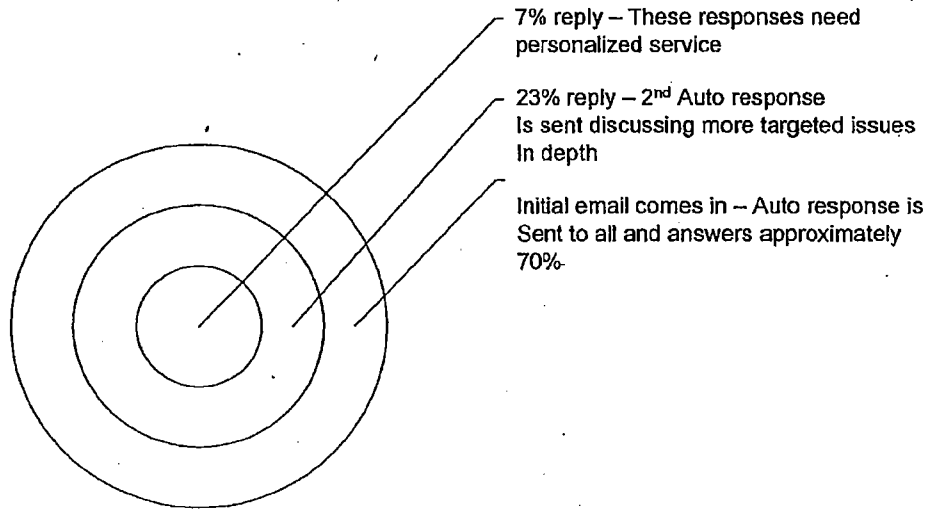
DMCA

- Copyright takedown activity has spiked, requiring 2 dedicated full time people

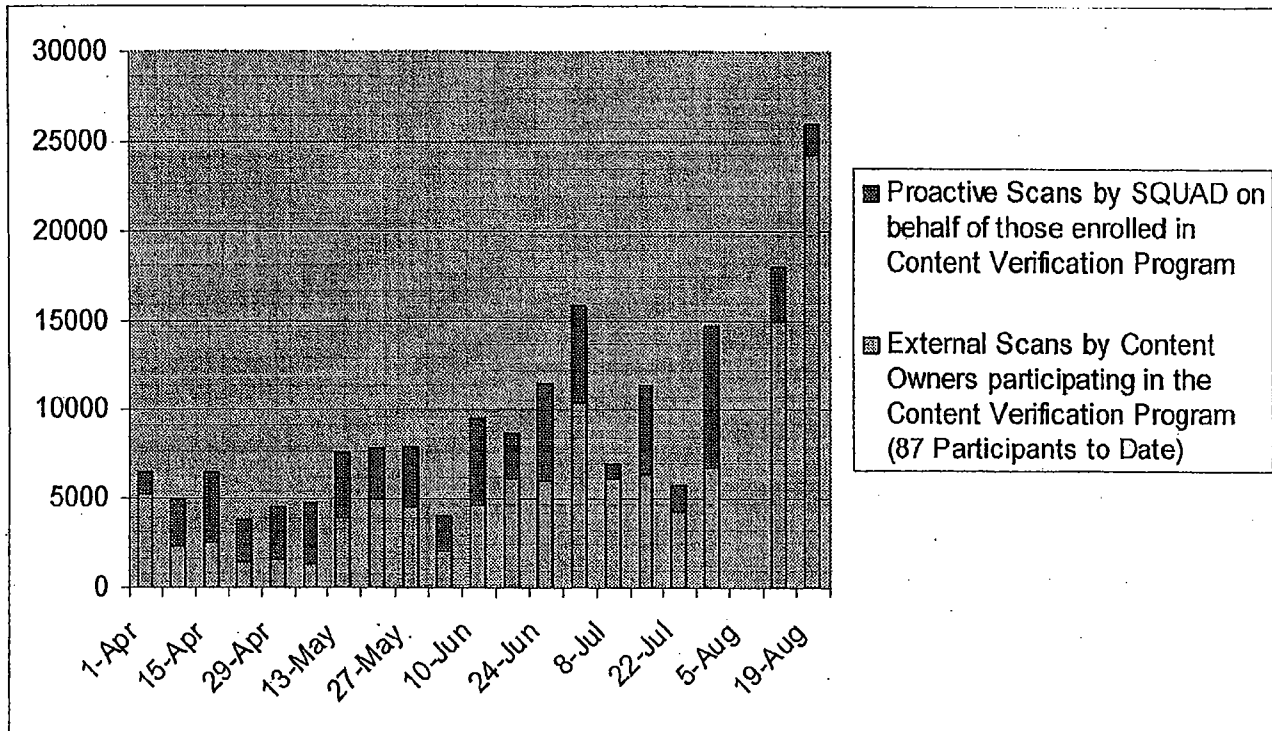
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Increased Copyright Activity - Unique URLs removed by week



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