

EMG Deal Review –
YouTube & South Park Studios

2/19/08

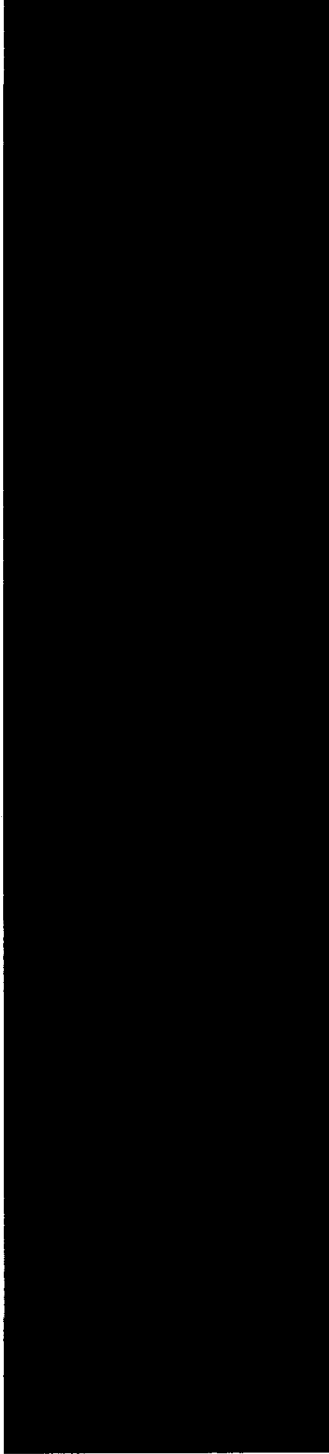
Jordan Hoffner
YouTube Content Partnerships Director

Marc Shadruff
YouTube SPD

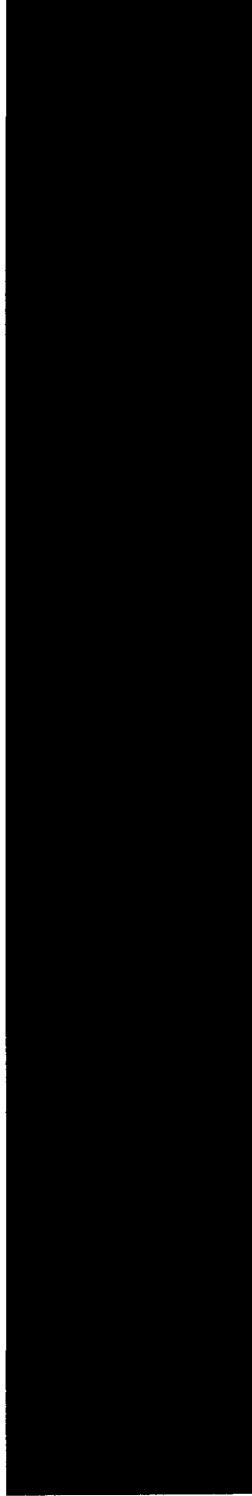
South Park Deal Overview

Google

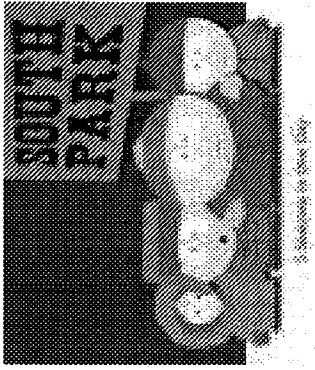
- What kind of deal is this?



- Key issues

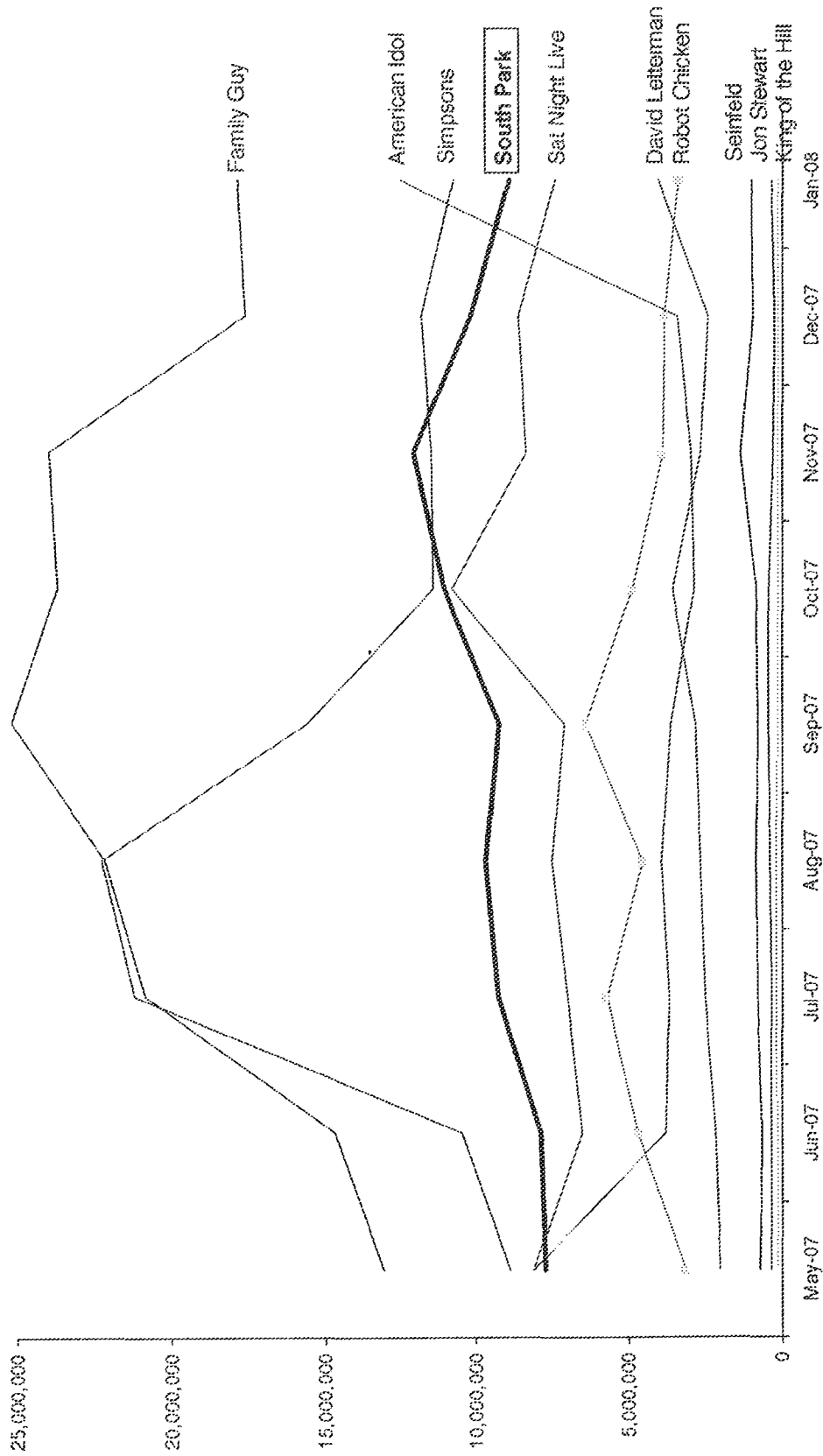


South Park Overview



- **Description**
 - Animated content targeted at young adult males
 - 11 seasons with 3 more in current agreement, 7 time Emmy nominee and 2-time winner
 - In Aug. 2007, South Park and Viacom entered a JV where they jointly own the content rights
 - One of top-performing animation series of all time; airs on Comedy Central
- **Size**
 - Comedy Central's highest rated program in 2006, with 3.1 MM viewers per episode
 - 2005E advertising revenue on TV was \$34MM
 - In 2004, syndication rights were sold for a rumored \$100MM
 - Dominates top video downloads list on iTunes
- **Why do the deal?**
 - Proven interest on YouTube via query data
 - 29th most-queried non adult search terms and 4th most queried TV show
 - Enhances our ad sales proposition with a new, premier entertainment brand
 - Offers an opportunity to potentially push affirmative claiming via CYC

South Park – Monthly Queries on YouTube vs. Other TV Shows Google

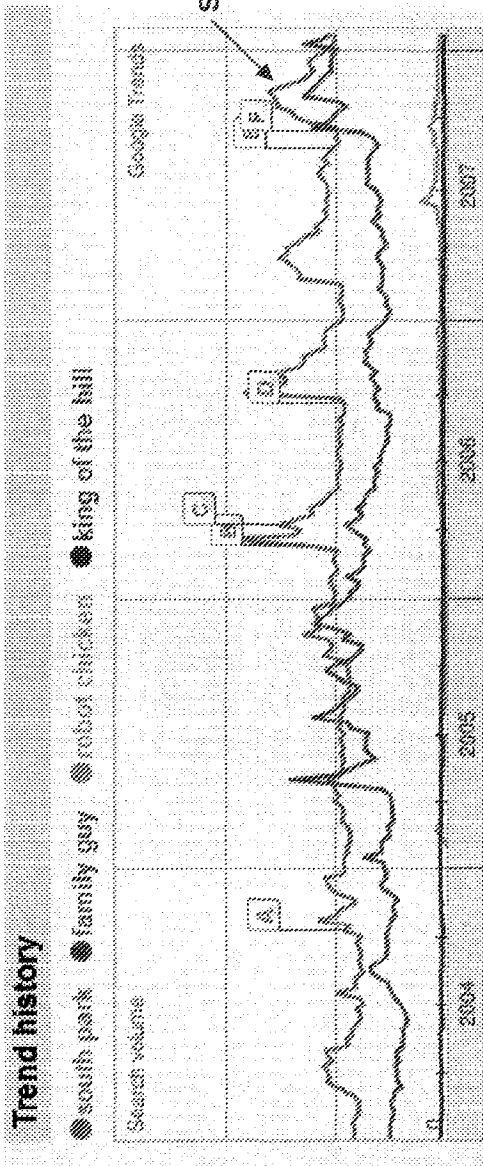


Single Day Analysis: 39th most queried term on YouTube overall; 29th most queried excluding adult terms

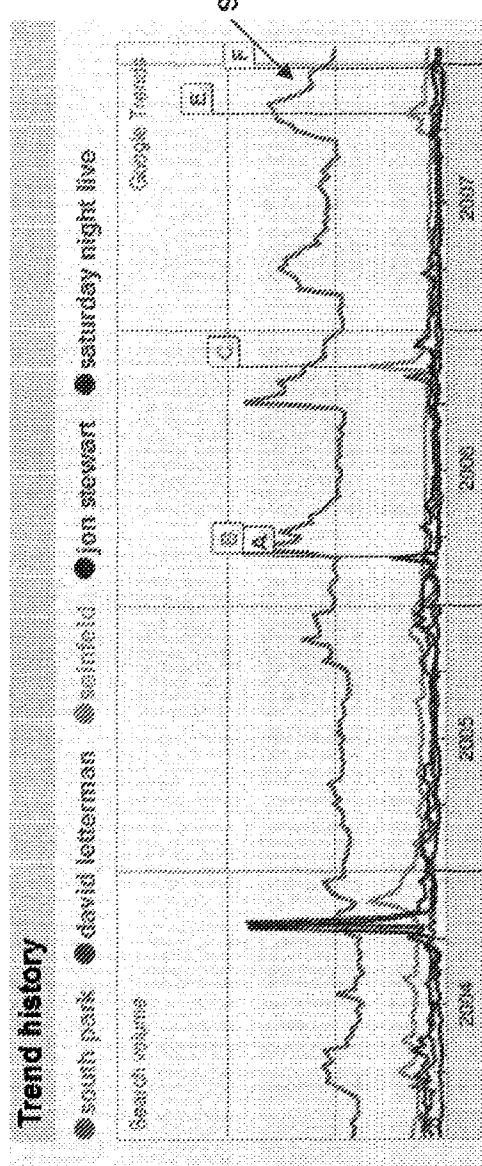
*Family Guy - #6, Simpsons #30

South Park – Google Trends

Google



vs. other animated series*



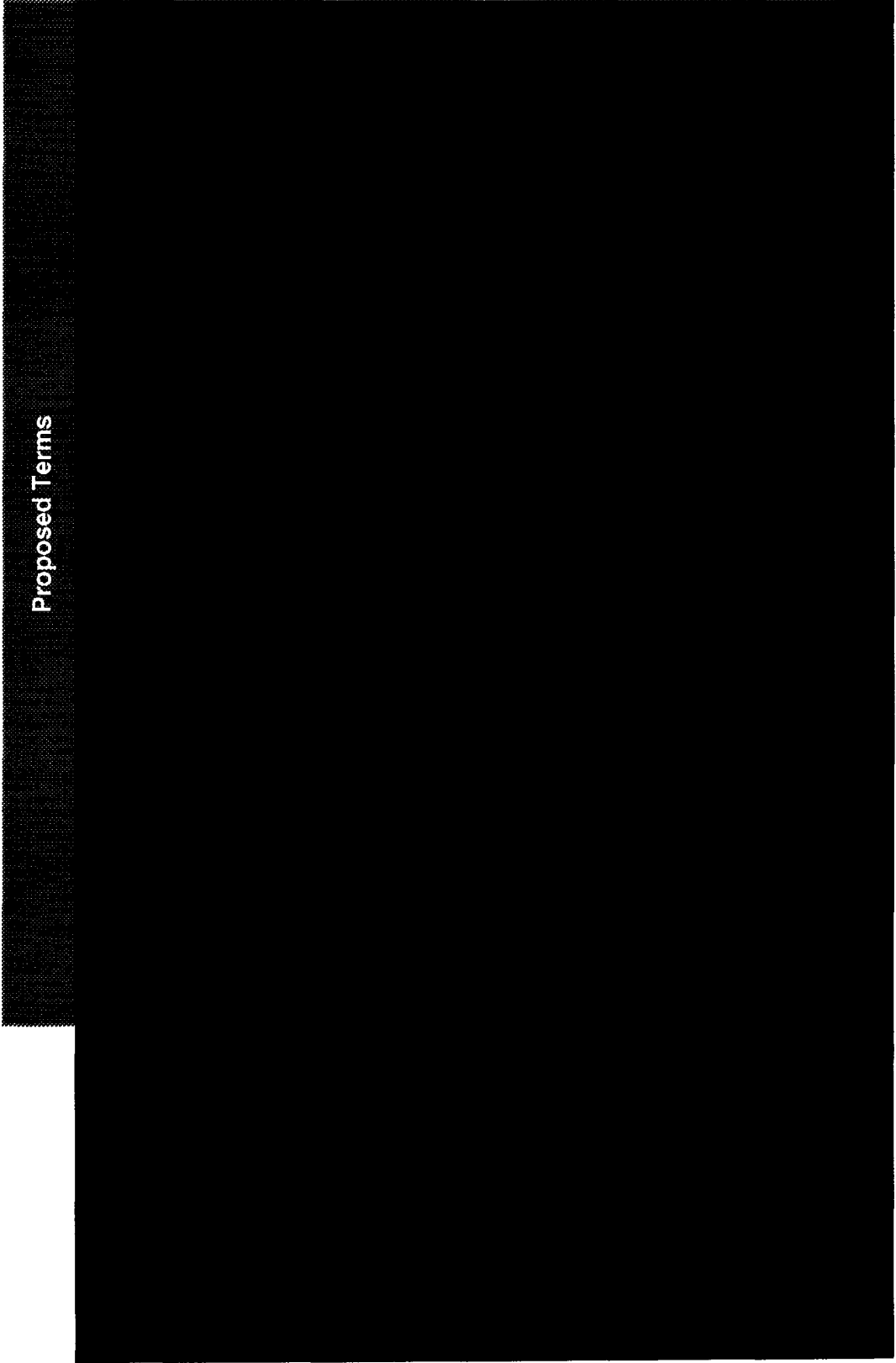
vs. other premier entertainment brands

*excludes Simpsons because huge traffic spike due to movie release in July 07 makes data illegible

South Park: Proposed Terms



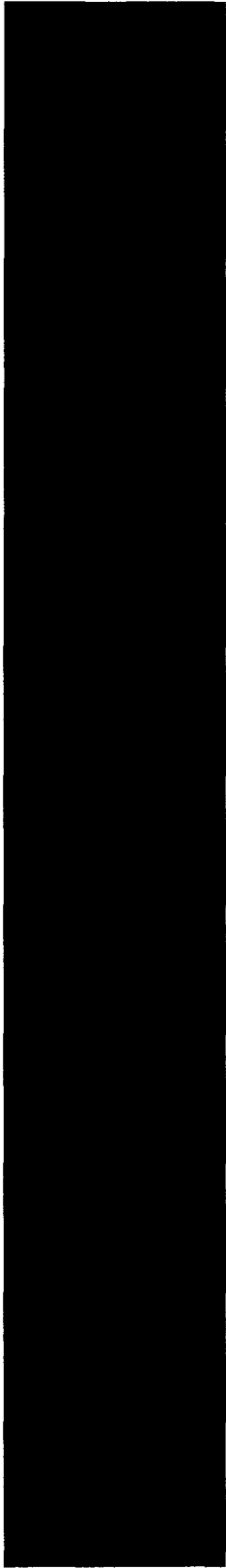
Proposed Terms



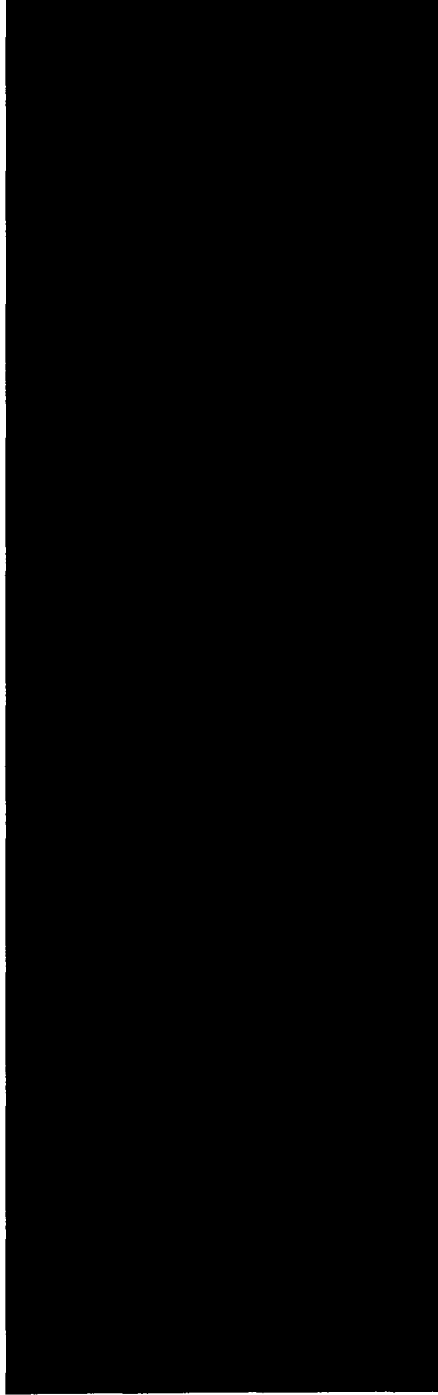
South Park: Likely Case & Strategic Discussion

Google

Base Case Financials



Rationale/Key Discussion



Sales Recommendation / Asks

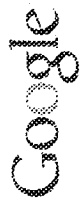
Google

Recommendation / Asks	Issues / Risks
[Redacted]	[Redacted]
[Redacted]	[Redacted]

Google

Appendix

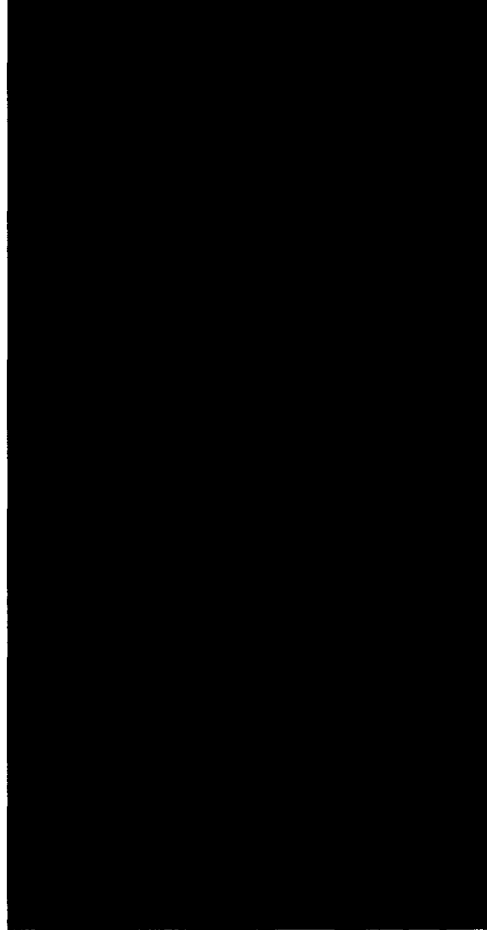
South Park: Base Financials



Year 1	Year 2	Year 3	Total 3 Years
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Case: Likely Revenue

- Gross revenue
- Watch page LF
- Watch page SF
- Search



Total Gross rev.

Cost of Sales



Net Revenue

South Park: Incremental Case



	Current (1)	Incremental Base Case (2)	Subtotal Base Case	Search Incremental (3)	Traffic Incremental (4)	Syndication Incremental (5)	TOTAL
Search Revenues							
Category Revenues							
Watch Page Revenues							
Total Revenues							
COS - South Park							
COS - Syndication							
Net Revenues							

(1) Reflects status quo without signing SouthPark; Average queries per month of approx. [REDACTED]

South Park: Financials Key Assumptions



General assumptions

1) General CPM and Sell Thru Assumptions

CPM

Watch page -Display only
 Watch page -In-Video and Display
 Remnant (ecpm)

LF _____ SF _____

[Redacted]

% Sell Thru

Watch Page -Monetizable Views
 Watch Page -Display
 Watch Page -In-Video and Display
 Remnant

Beginning _____ Ending _____

[Redacted]

2) Lifetime video views:

Episode
 Clip

12 mo. 13-24 mo. 25-36 mo. Total

[Redacted]

3) Search

Query count (per mo.)
 Search (ECPM)

Beginning _____ Ending _____

[Redacted]

Comments

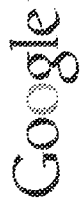
Lifetime video views:

[Redacted]

Search:

[Redacted]

South Park On-Site Sensitivities



Gross Revenue Generated Onsite

Monetization



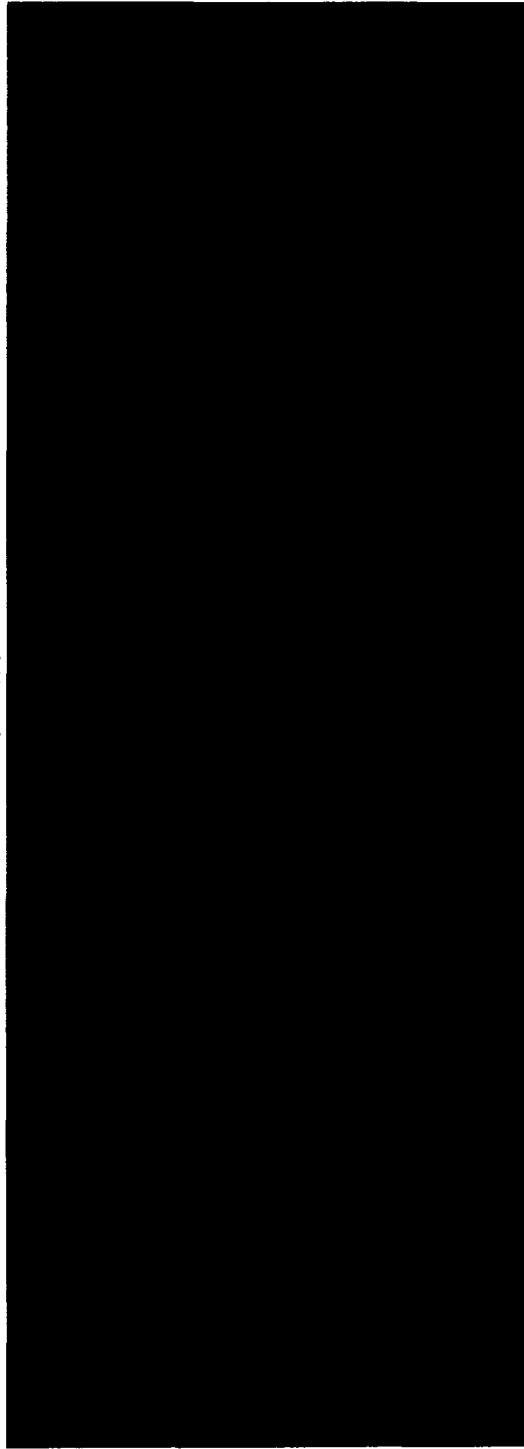
*On-Site
Playback
Volumes*

South Park On-Site Sensitivities

Google

Onsite Variance vs. Minimum Guarantee

Monetization



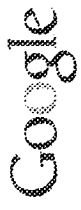
*On-Site
Playback
Volumes*

South Park: Search Query Comparison

Google

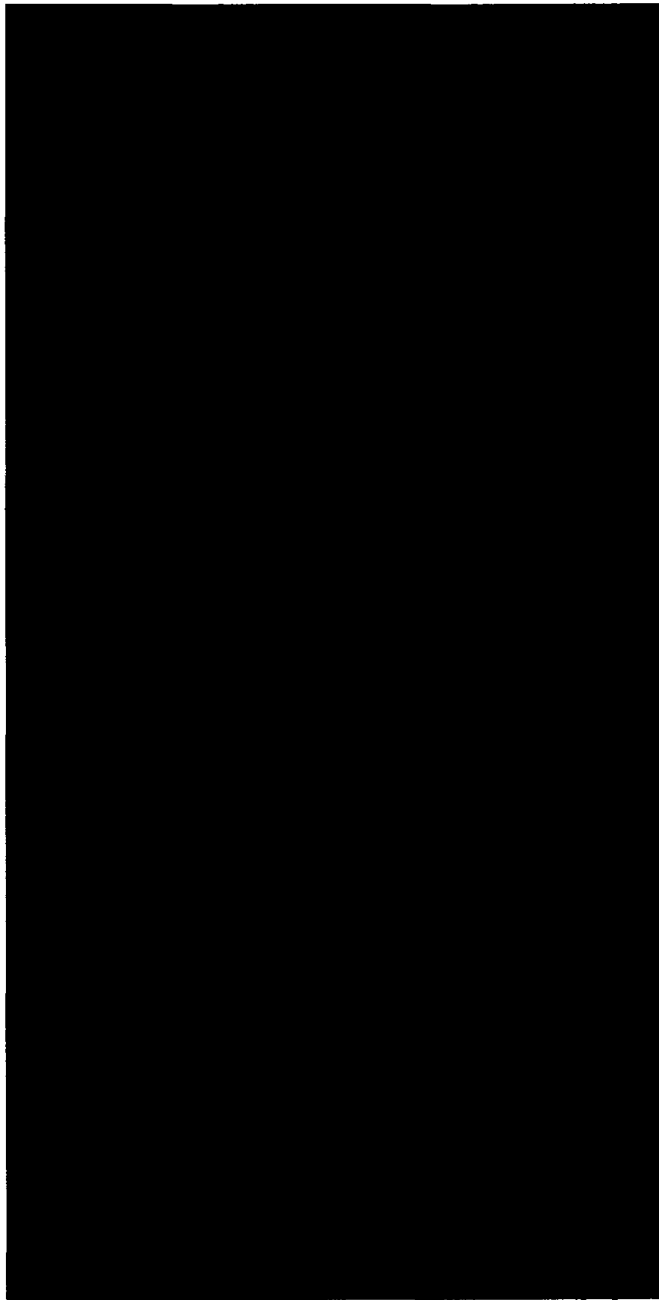
Programming	Total May 07 - Jan 08	Average/mo.	Benchmarked to South Park
Family Guy			
Britney Spears			
The Simpsons			
24			
South Park			
Saturday Night Live			
American Idol			
Robot Chicken			
David Letterman			
Seinfeld			
Jon Stewart			
King of the Hill			
Total			

South Park: Search Page Impressions



	Q1	Q2	Q3	Q4
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	Year 1	Year 2	Year 3
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Search Queries

- Queries/month
- MoM growth
- Annual Growth

Impressions

Total Impressions

Search Revenue

CPM

Search (ecpm)

Revenue

- Gross Revenue
- Net Revenue (Partner)
- Net Revenue (YT)

Speaker Notes Slide: 13

13

Speaker Notes Slide: 14

14