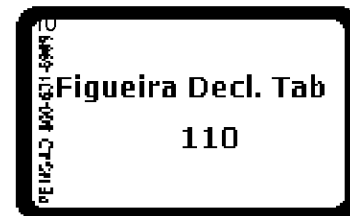


5/6/2009 Schmidt, Eric

UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK



VIACOM INTERNATIONAL, INC., COMEDY )  
PARTNERS, COUNTRY MUSIC )  
TELEVISION, INC., PARAMOUNT )  
PICTURES CORPORATION, and BLACK )  
ENTERTAINMENT TELEVISION, LLC, )

Plaintiffs, )

vs. )

NO. 07-CV-2203

YOUTUBE, INC., YOUTUBE, LLC, )  
and GOOGLE, INC., )

Defendants. )

THE FOOTBALL ASSOCIATION PREMIER )  
LEAGUE LIMITED, BOURNE CO., et al., )  
on behalf of themselves and all )  
others similarly situated, )

Plaintiffs, )

vs. )

NO. 07-CV-3582

YOUTUBE, INC., YOUTUBE, LLC, and )  
GOOGLE, INC., )

Defendants. )

VIDEOTAPED DEPOSITION OF ERIC SCHMIDT  
SAN FRANCISCO, CALIFORNIA  
WEDNESDAY, MAY 6, 2009

JOB NO. 16802

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SCHMIDT, ERIC

110-0002

MR. MANCINI: Objection to form.

THE WITNESS: I don't remember the exact board conversation, but I explained the -- I explained my reasoning to them, absolutely.

MR. BASKIN: Okay.

Q And as best you can recall, can you tell us what reasoning you explained?

A Sure.

This is a company with very little revenue, growing quickly with user adoption, growing much faster than Google Video, which was the product that Google had. And they had indicated to us that they would be sold, and we believed that there would be a competing offer that, because of who Google was, pay much more than they were worth.

In the deal dynamics, the price, remember, is not set by my judgment or by a financial model or a discounted cash flow. It's set by what people are willing to pay.

And we ultimately concluded that 1.65 billion included a premium for moving quickly and making sure that we could participate in the user success of YouTube.

Q And that was the analysis that you