Redacted Pursuant to Protective Order
at Request of Defendants

Figueira Decl. Tab 5

To:	"Thomas Meehan-Ritter" <tritter@google.com>
From:	"Wendy Chang" <wchang@google.com>
Cc:	"David Rolefson" <drolefson@google.com>
Bcc:	
Received Date:	2008-03-11 11:40:01 CST
Subject:	Re: FW: [Deal_review] Re: FMG: YT deals under 70%?

I hear you. Given that only 2% of YT playbacks are monetizable, I'm thinking it will take us a long time to get there -- unfortunately. For the most part, the team is trying to give them up to 100% revshares for the first 6 months, and then go back down to the 55% revshare thereafter, so hopefully there won't be too many with high revshares indefinitely.

On Tue, Mar 11, 2008 at 4:24 PM, Thomas Meehan-Ritter <tritter@google.com> wrote:

> That makes sense. Thanks for the additional color, Wendy.
>
> As I'm sure you know, the hard part will be reducing these revenue shares
> over time once we have built up the business. We have been able to get rid
> of most media buys and guarantee deals in AdSense but we haven't had much
> success in reducing revenue shares for Direct partners. Revenue shares have
> only grown over time. We're hoping to reverse that trend this year :)
>
> Thanks,
> -Thomas
>
> ------------------------------
> *From:* Wendy Chang [mailto:wchang@google.com]
> *Sent:* Tuesday, March 11, 2008 1:28 PM
> *To:* Thomas Meehan-Ritter
> *Cc:* David Rolefson
> *Subject:* Re: FW: [Deal_review] Re: FMG: YT deals under 70%?
>
> Hi Thomas --
>
> Thanks for reaching out. The nature of YT business model is very
> different from traditional Adsense business. First, we're still at a very
> nascent stage of our business cycle, and are therefore still trying to
> significantly build our partnership base. I think if you look at
> traditional adsense revshares, you would likely see that we initially gave
> away higher revshares or even guarantees to grow that business initially.
>
> Also, content partners are an essential part of YT business, as they
> provide monetizable inventory for our ad sales team to sell against. Given
> copyright concerns, we don't monetize against user generated content. We
> want to be able to close these big partnerships and hopeful that higher
> revshare will ease that slightly. Further, the higher revshares are thought
> to be an incentive for our partners to claim content (e.g. if a user
> uploads a video that includes partner content, then we want the partner to
> "claim" that video and allow us to monetize against it). We have seen that
> for partners that are incentivized to claim, they generally are doing more
> of it, and thus allowing us to build up monetization.
>
> To be clear, however, the higher revshare are not for all partners. All
> of our torso and user partners are at 55%. The higher revshares are only
> for a select short list of partners, those who would normally request a

Chang
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> guarantee, but in which we are not giving (with exception of music which is 5-0002
> a whole other model, we are not giving any guarantees). EMG has approved to
> go up to 80% revshares for this upper tier of partnerships.
>
> Wendy
>
> On Tue, Mar 11, 2008 at 1:21 PM, Thomas Meehan-Ritter <tritter@google.com>
> wrote:
>
> > Hi Wendy,
> >
> > Do we really want/need to go this high on YT deals? This would be 70%
> > of recognized, right, (with no deductions)?
> >
> > I'm just bringing it up as part of our company-wide initiative to take a
> > hard look at our TAC and find opportunities to reduce TAC margins (while
> > maintaining or increasing Net Revenue on an absolute basis).
> >
> > We have agreed to reduce the Online revenue share for several products
> > (Mobile AFC Online, AdSense for Games Online) and are actively considering a
> > reduction in AFC Online. On the Direct AdSense side, we are working on new
> > revenue share guidelines that will likely decrease TAC by 5 to 10 percentage
> > points across the board.
> >
> > Thanks,
> > -Thomas
> >
> > ------------------------------
> > *From:* David Eun [mailto:deun@google.com]
> > *Sent:* Tuesday, March 11, 2008 10:33 AM
> > *To:* Talia Dear
> > *Cc:* Deal Review Team
> > *Subject:* [Deal_review] Re: FMG: YT deals under 70%?
> >
> > Talia,
> >
> > If I recall, I just reminded Jordan to revise everyone's understanding
> > of our standard YT deals, i.e., from 55% to up to 70%. I think anything
> > "non-standard" should continue to come to FMG, where we can continue to
> > determine whether it makes sense to send to EMG.
> >
> > Agree?
> > D-
> >
> > On Mon, Mar 10, 2008 at 11:02 PM, Talia Dear <talia@google.com> wrote:
> >
> > > Hi Dave, how are you?
> > > I talked with Jordan today - it sounds like you may not want to
> > > continue seeing YT content deals in FMG as long as they are under 70% rev
> > > share (and don't have any other aspects that would send it to FMG). Is this
> > > accurate?
> > >
> > > Let me know if you no longer need to see these deals in FMG -
> > > otherwise, we will continue to send deals with over 55% rev share to FMG
> > > (over 70% / 80% claimed to EMG).
> > >
> > > Thank you, and have a good night!
> > > Talia

> > >
> > >
> > > --
> > > Talia Dear
> > > Google, Inc.
> > > Compliance Specialist
> > > 1600 Amphitheatre Parkway
> > > Mountain View, CA 94043
> > > [redacted]
> > >
> > >
> > > "If you received this communication by mistake, please don't forward
> > > it to anyone else (it may contain confidential or privileged information),
> > > please erase all copies of it, including all attachments, and please let the
> > > sender know it went to the wrong person. Thanks."
> >
> >
> >
> >
> > --
> > David Eun
> > NY: 212-565-8070
> > CA: 650-253-1993
> >
> > ============================
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