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EXHIBIT NO. 18
Figueira Decl. Tab
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To: Patrick Walker <pjwalker@google.com>
From: Alex Ellerson <ellerson@google.com>
Cc: Jordan Hoffner <jhoffner@google.com>; Chris Maxcy <chris@youtube.com>; Kevin Yen <kyen@google.com>
Bcc:
Received Date: 2007-07-10 16:02:49 CST
Subject: Higher Rev Shares

Hey Patrick,

Attached is the deck we reviewed with Dave the week before last,



Would love any thoughts you have on any part of this.

Best,
Alex

—
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.

Attachments:

Criteria for Higher Rev Shares -6.27.07-.doc
Video Leads Meeting Agenda - Deck 06-26-2007 Final.ppt

Hudley B
EXHIBIT NO. 18
2-26-08
A. IGNACIO HOWARD CSR, RPR



Content Lead Discussion June 26, 2007



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Video Leads Agenda

1. Monetization analysis & potential growth opportunities
2. Rev share modifications
3. Partner Sells--Guidelines
4. MGs
5. Video syndication/distribution deals overview
6. Premium vs torso deal classification and tracking in US and worldwide
7. Difference in approach and pace of deal making worldwide
8. Hiring & Team Organization

Youtube Proper P&L (6/25/2007)



	2007 Quarterly		Annual		3-Year Total
	Q3	Q4	2008	2009	
[REDACTED]					
Professional / User Rev Share Opportunity					
Search Results Monetization Opportunity					
Front Page Campaign & Sponsorships					
Other Landing Pivs (Non Search & FP)					
Total Revenue Opportunity					
Infrastructure / Operating Cost					
Operating Expense					
Content Acquisition Cost					
Total Cost					
Margin % Margin					
YouTube Inventory Summary					
Total Watch Pages (in mm)					
Partner Content as a % of Watch Pages					
Partner Watch Pages (in mm)					
Search Results (in mm)					
Other (in mm)					

- [REDACTED]
- Infrastructure / Operating Costs include bandwidth, hosting, ad serving, search and transaction costs
- Operating Expense includes headcount and allocated expenses for CC 166,183,184,239,514,715 as well as dedicated headcount not allocated to Youtube cost centers ⁴¹⁻⁰⁰⁰⁴

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ACDC Financial Model June'07 - Dec'08



in MM

Total Page Views
Total Initiated Streams
Gross Revenue
 Initial Banner Revenue
 In Stream Revenue
Net Revenue - Online

TAC

Content R/S - Online

Publisher R/S - Online

Operating Ex

Net Margin

Effective Revenue Shares

Initial Banner Revenue	% of Net
Publisher Google	[Redacted]
In Stream Revenue	% of Net
Content Provider Publisher Google	[Redacted]

Game Plan:

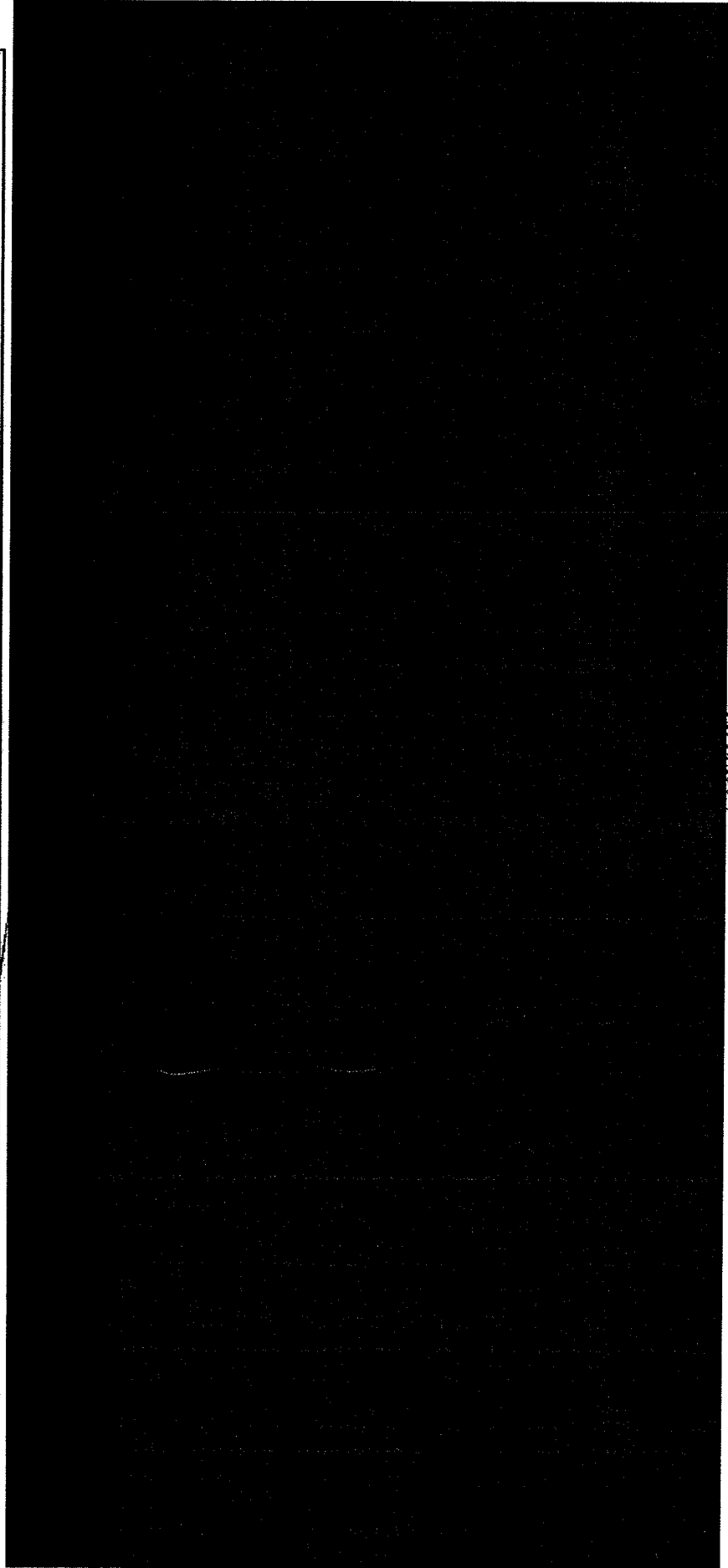
[Redacted]

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Search on YouTube: Confirming the Value of Partners

Users are searching for lots of things, but primarily for premium content



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Partner Opportunities

However, from our estimates, [REDACTED] of content being watched by users is premium content [REDACTED] over next three years)

- [REDACTED] of views come from content uploaded by premium partners
- [REDACTED] of content identified by users/CYC is being watched

This does not match up - [REDACTED] of queries, leading to [REDACTED] of playbacks

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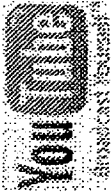
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Shashi's Conclusions

- Feels like there is immense value in continuing partnerships in these areas
 - Music represents the highest value and lowest hanging fruit
- Need to improve the finding experience of content on the platform
- Show the revenue opportunity to partners and figure out a business model, where we allow users to upload different videos, yet the partner benefits from it



Proposed Revenue Sharing Terms

Note that splits are of gross revenues except as indicated

	YouTube.com	Non-PC devices & services	Wireless Distribution	Off-YouTube.com Web Distribution
Google:				
Share				
Content Partner:				
Share				
Distributor:				
Share	NA			

*Negotiation Range
**For discussion



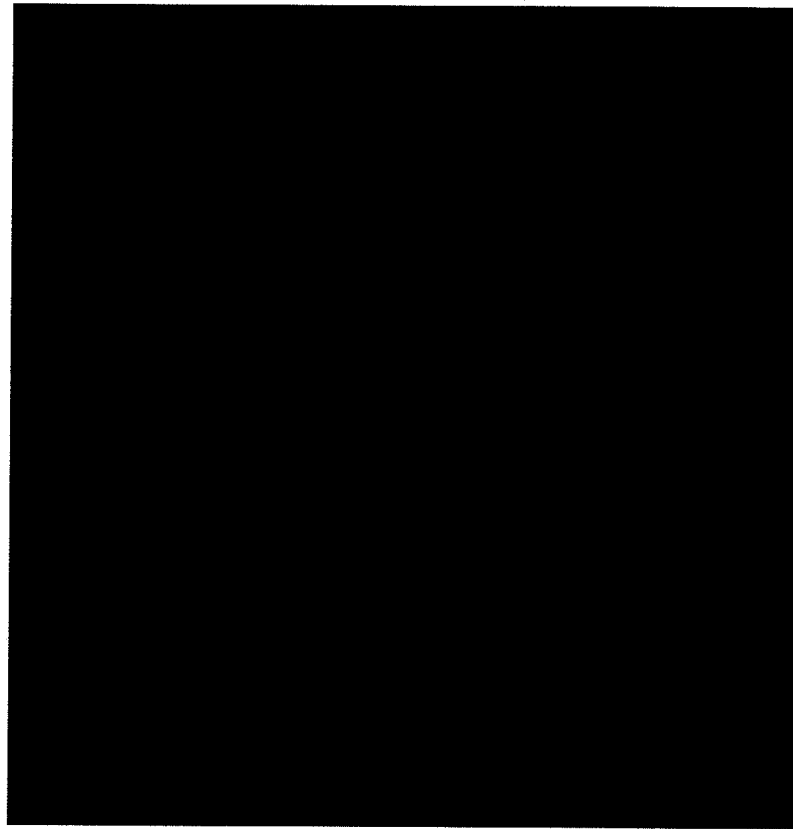
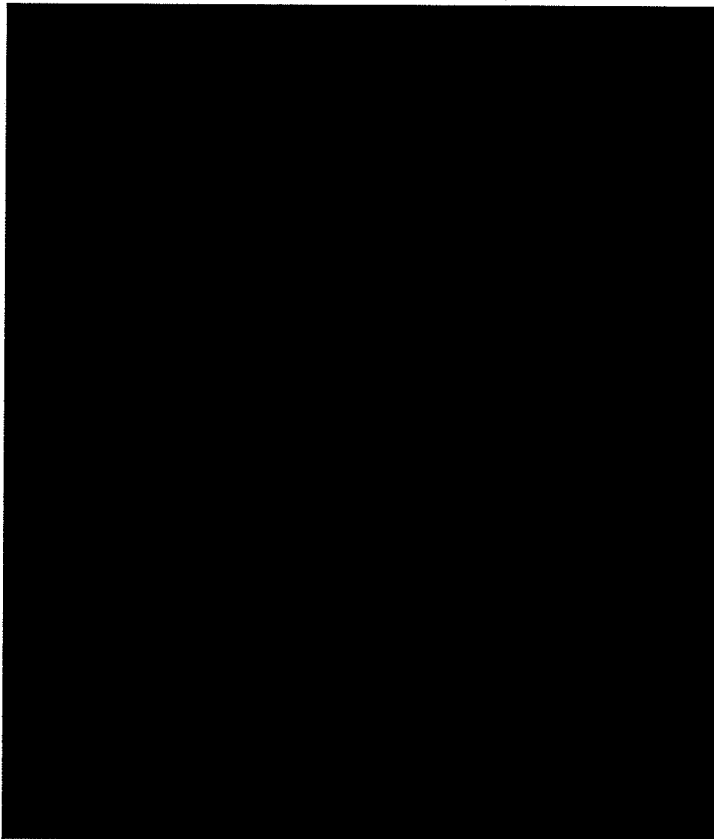
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Partner Sells

Rationale

Business/Legal



Next Steps: Get signoff from EMG and incorporate into legal agreement:

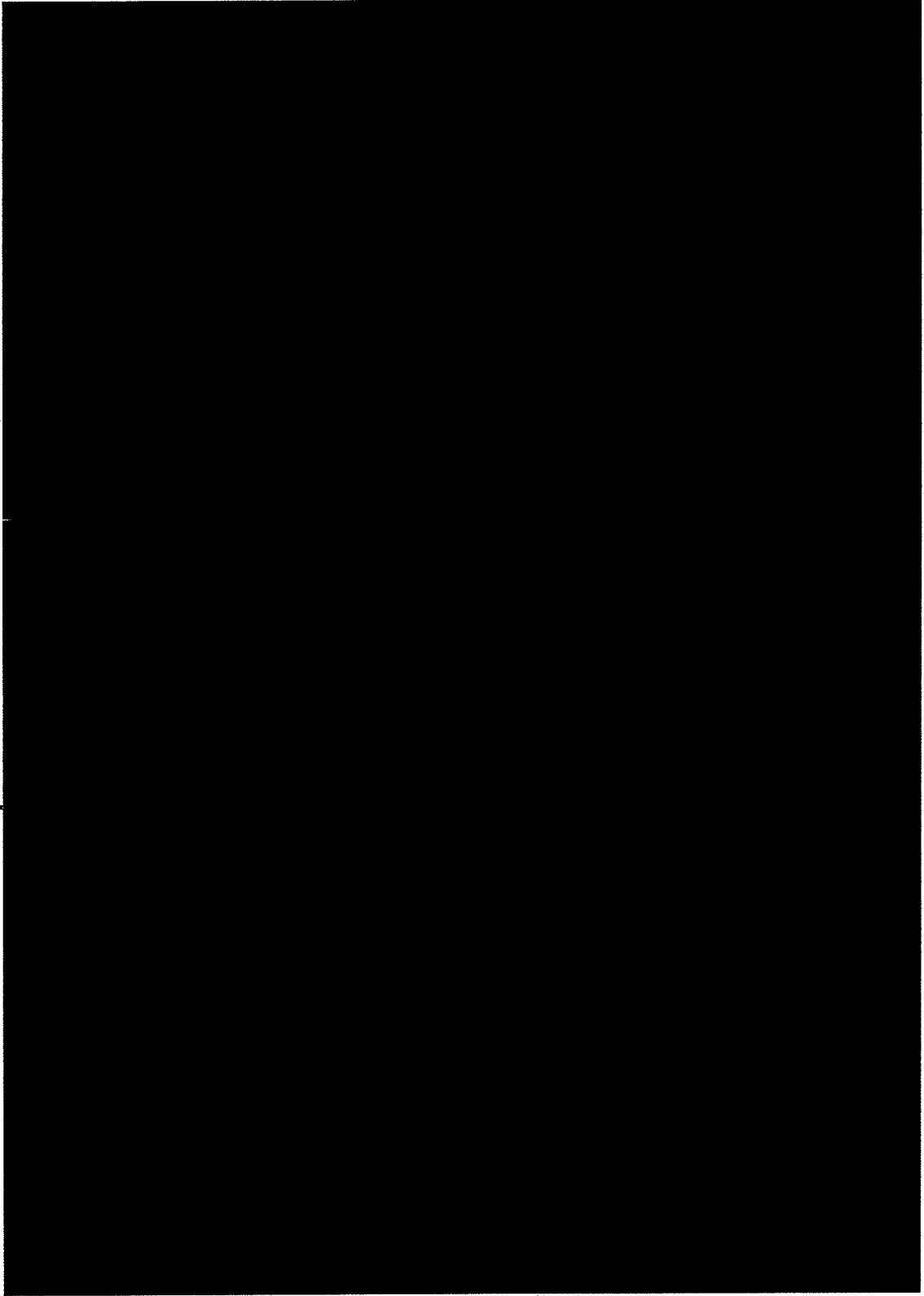
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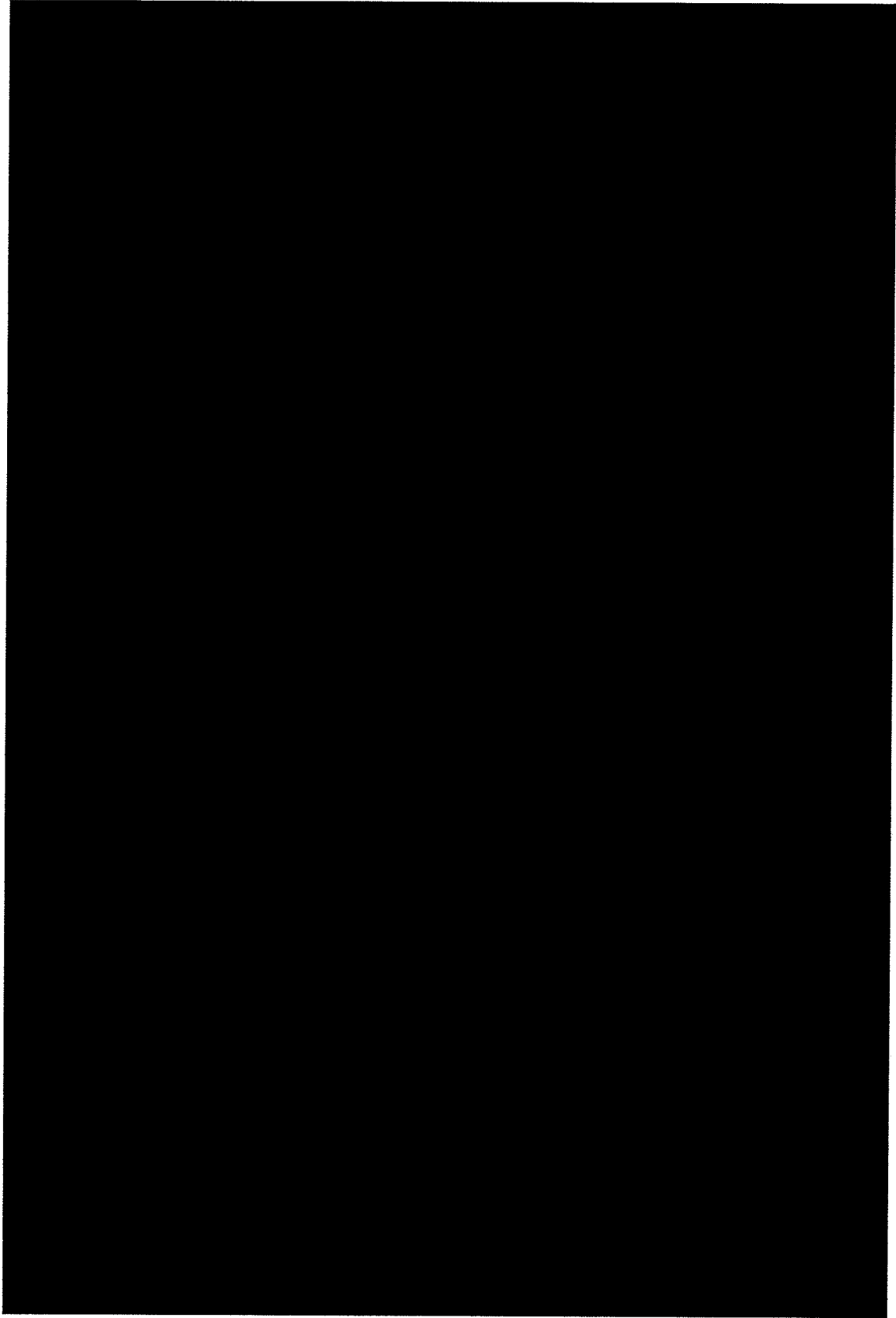
YT Sells: Criteria for Offering Higher Rev Shares

- Ranked in order of importance:





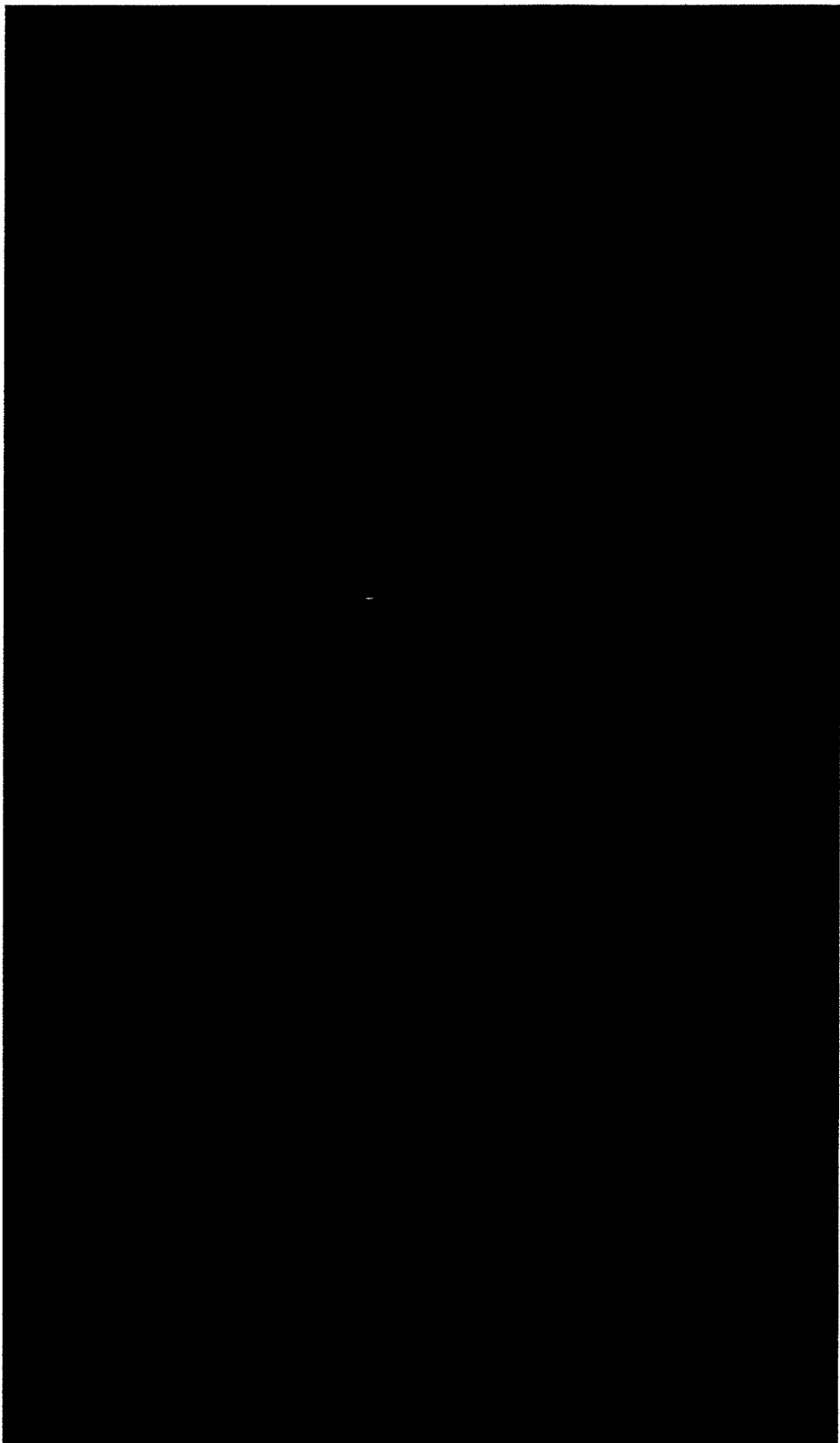
Partner Sells:



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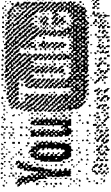


Minimum Guarantees: Current Thinking



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Distribution & Syndication

[Redacted]

Platform Plays

[Redacted]

User Generated Content Ingestion

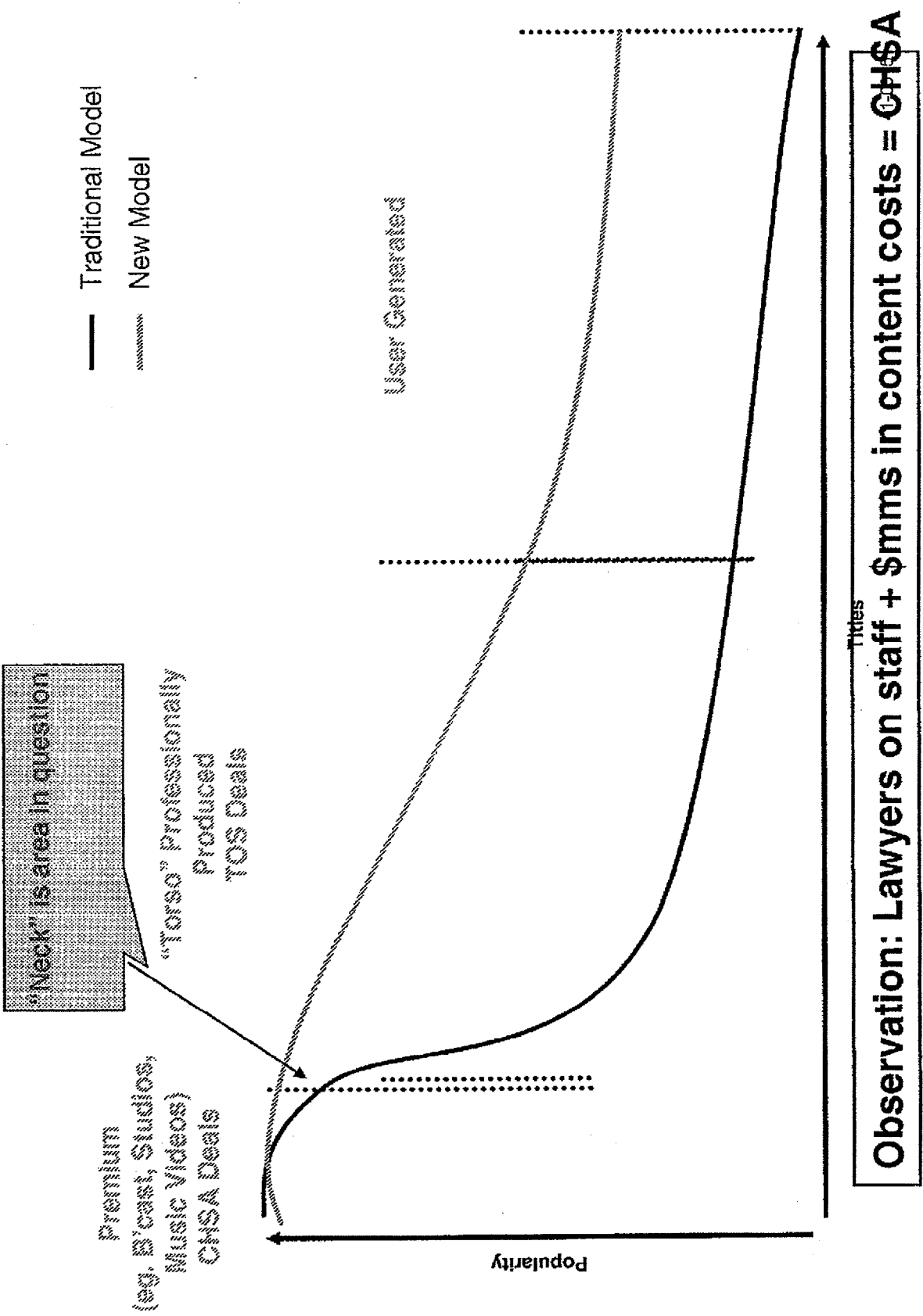
- Ubiquity of YT upload API integration to improve ease of use and increase content flow (3rd party websites, software publishers, CE Device Mfgs., Mobile)

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The Long Tail of Content





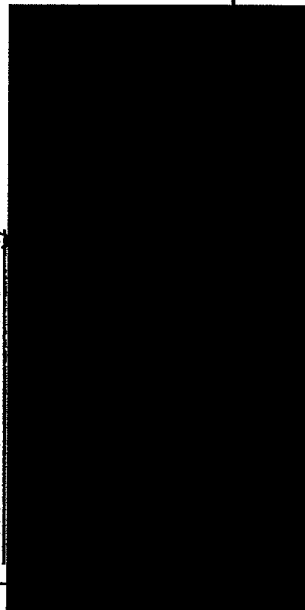
Top 25 Content Owner Target List

Primary Targets

Secondary Targets



Factors in Deciding:



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Approaches to Dealmaking: Promotional vs. Commercial

Promotional Approach Advantages

- Gets partners in the door
- Starts operational “best practices”
- Helps relationship making with partners
- Strengthens “infinite choice” concept with users
- Volume of deals is attractive within Google organization

Commercial Approach Advantages

- Cuts to the chase
- Helps meet stated goal of video impressions/month
- Promotional benefits are “tired” ...monetization is coveted
- Offsets potential litigation issues
- More and more partners require financial benefit

Larger question: What are the metrics that are really important?

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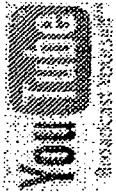


YouTube Content Partnership Headcount Overview (YE 2007)

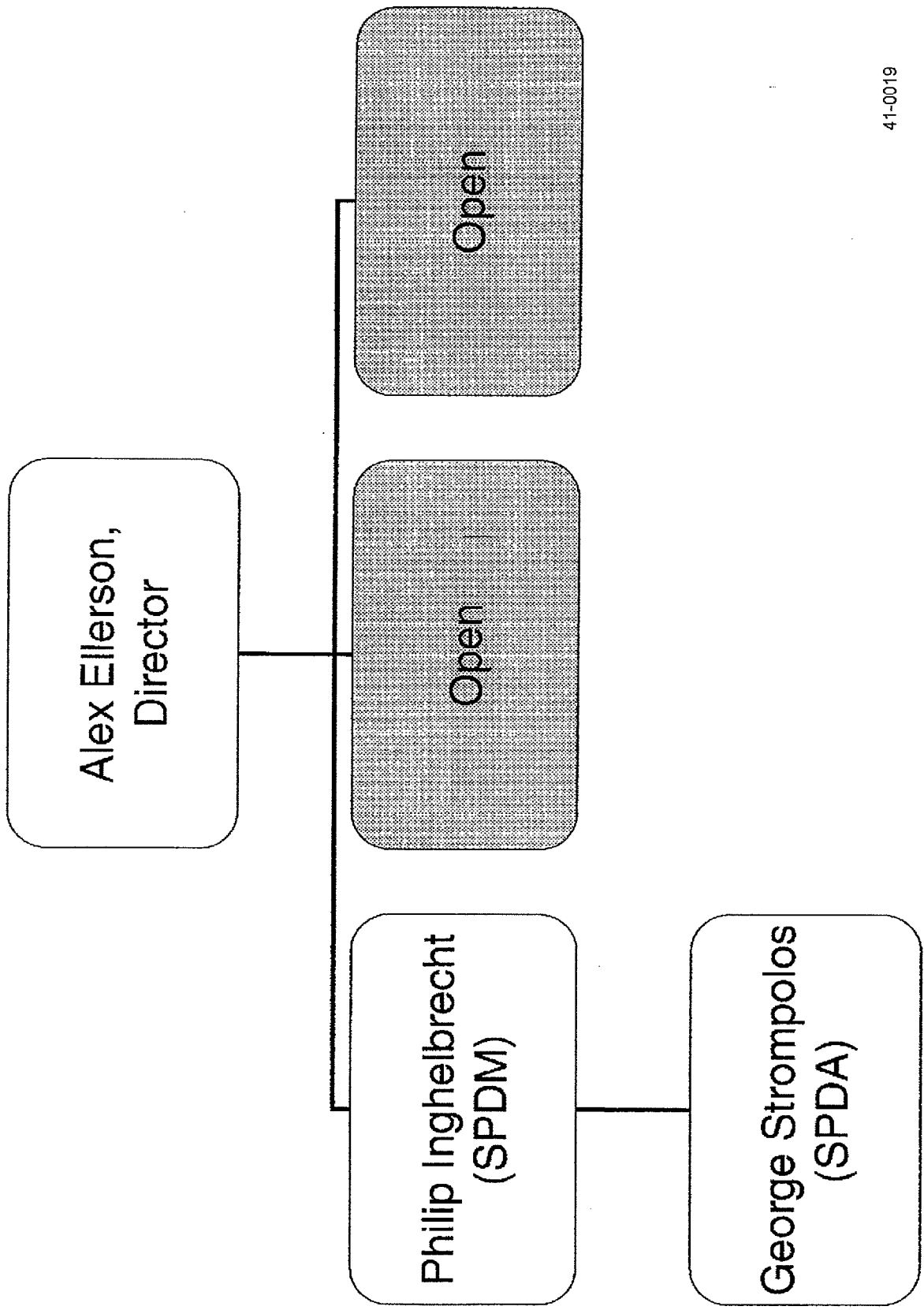
Numbers reflect July 2007 allocations

Current Headcount:		Additional Headcount:	
Ellerson Team:	3	Ellerson Team:	2
Maxcy Team:	5	Maxcy Team:	2
Yen	6	Yen	2
Hoffner Team:	7	Hoffner Team:	6
Total:	21		12

Total YE Allocated by Google Corporate (per W. Chang): 33

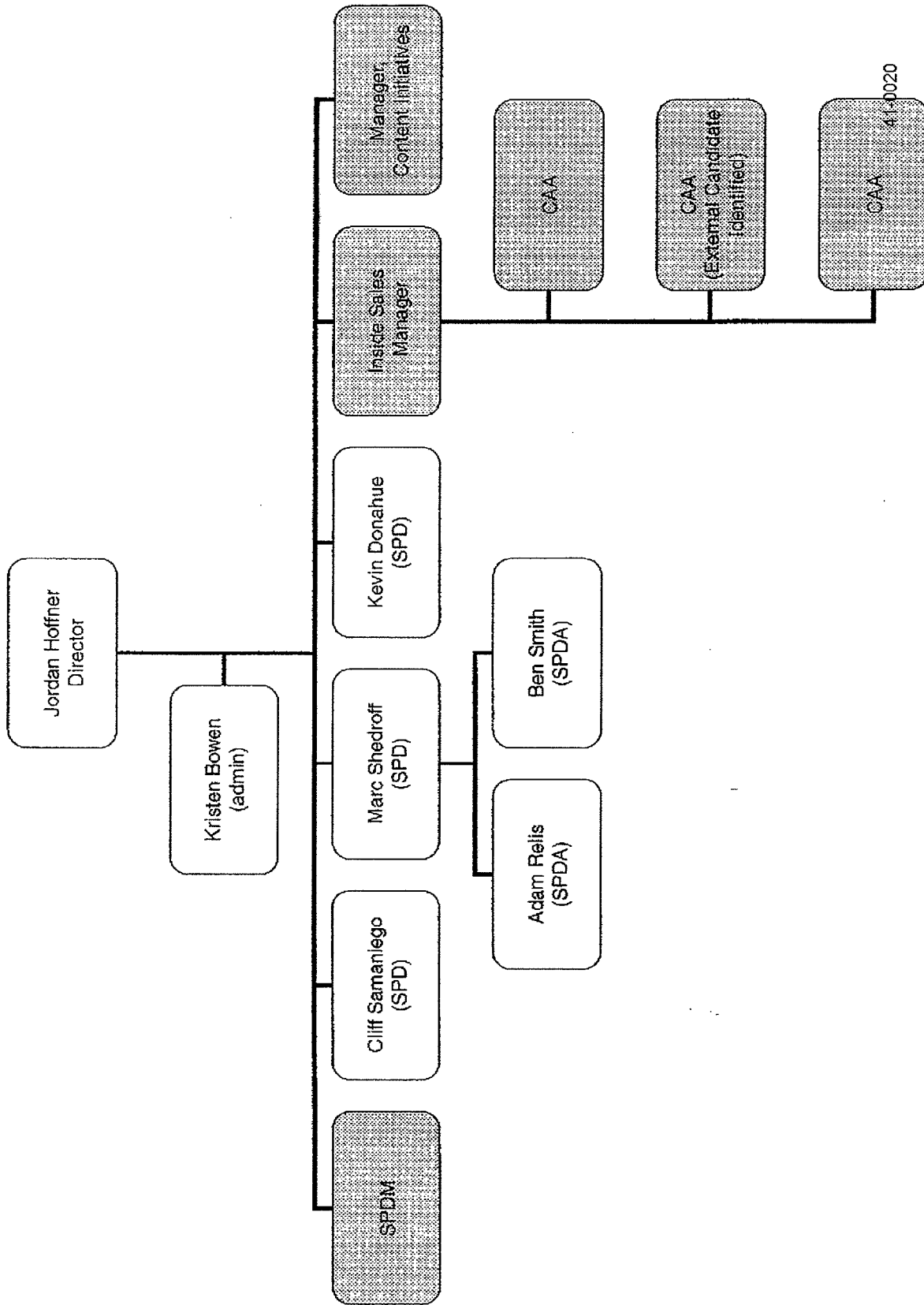


Alex Ellerson Organization: 3 current, 2 open





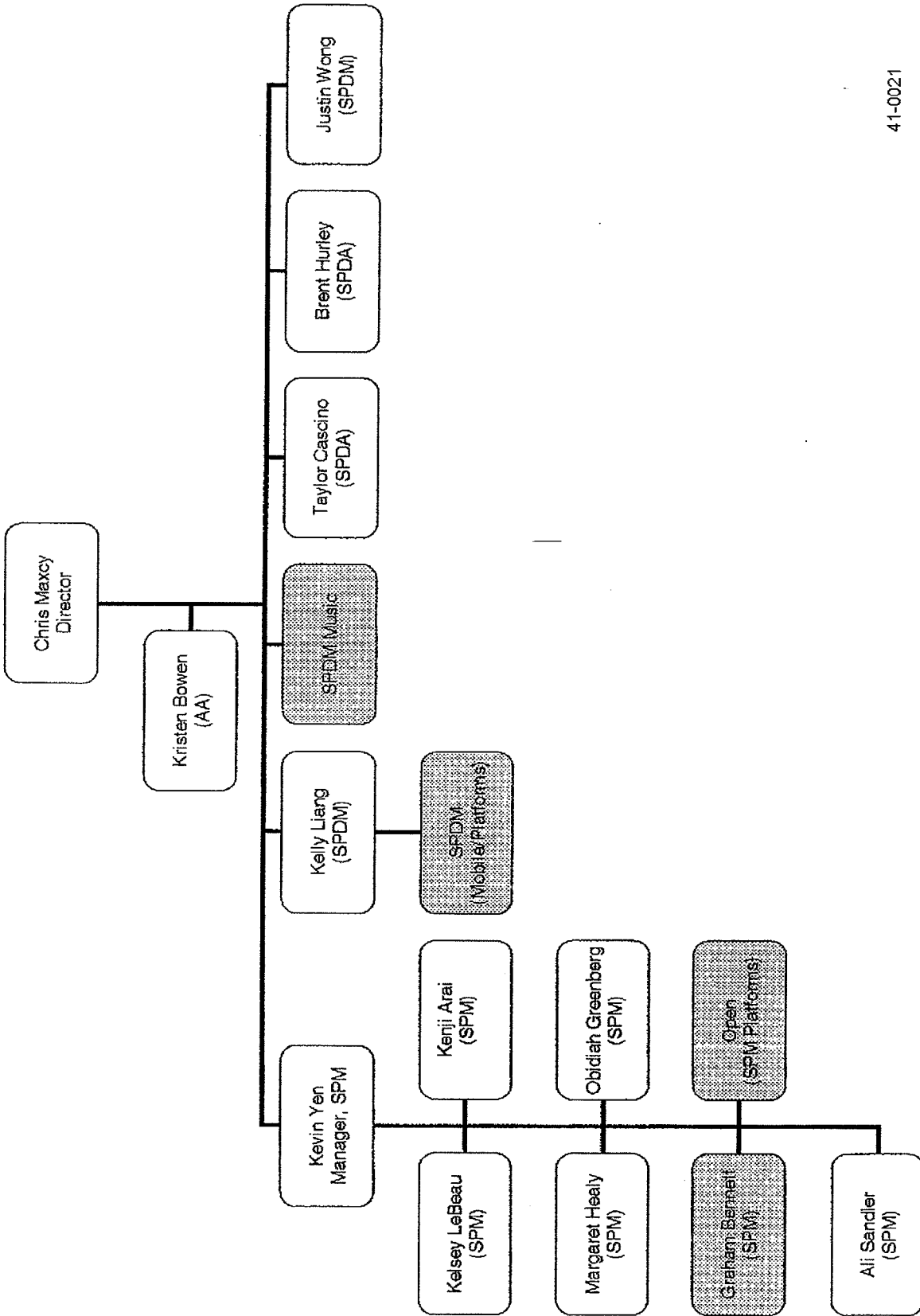
JH Proposed Organization (YE 2007): 7 current, 6 open



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Chris Maxcy Organization: 11 Current + 4 Open



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Speaker Notes Slide: 14.
The Long Tail phenomenon was popularized by Chris Anderson, the editor of Wired Magazine.
LAs Anderson explains it:

"The theory of the Long Tail is that our culture and economy is increasingly shifting away from a focus on a relatively small number of "hits" (mainstream products and markets) at the head of the demand curve and toward a huge number of niches in the tail." According to this theory, the aggregate of all the individual sales in the tail may rival the sales of so-called hits in the head. Traditional retail economics dictate that stores only stock the likely hits, because shelf space is expensive, but in the online world, shelf space is unlimited and distribution costs are essentially flat.

Torso – If there are a few content owners with thousands of units of content; there are a thousands of content owners with a few units of content too. This is an area we are uniquely qualified and positioned to address.

Illustrative Profit curves

Apple iTunes – nearly every single of it's 1mm songs bought; Amazon – 98% of it's top 100,000 titles are bought each quarter; GV – nearly [redacted] of all the titles in our vast index are seen at least once by one users somewhere in the world. The Long Tail is for real.

STATS FROM CLIFF:



YT Sells: Criteria for Offering Higher Rev Shares

- Ranked in order of importance:

