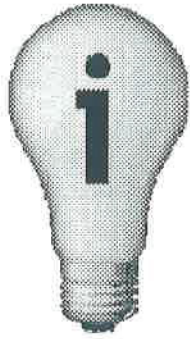


Exhibit 8

REDACTED



iBooks, inc.

CONFIDENTIAL MEMORANDUM

DRAFT – May 17, 2000



Veronis Suhler
MEDIA MERCHANT BANK

COLBYHD0454180

Confidential Memorandum

This Confidential Memorandum (the "Memorandum") has been prepared on the basis of information furnished by the management of ibooks, inc. (the "Company") and has not been independently verified by Veronis, Suhler & Associates LLC ("VS&A"). Therefore, while VS&A is not aware of any inaccuracies, no warranty or representation is made by VS&A as to the completeness or accuracy of the information contained herein. The Company, VS&A and their respective personnel expressly disclaim any liability for damages, direct or consequential, arising out of or related to this Confidential Memorandum, or omissions therefrom, or any other information provided in writing, orally or otherwise, regarding this potential transaction. Any party considering a transaction with the Company agrees to look solely to its own due diligence and any representations, warranties and/or covenants set forth in a fully-executed, definitive written agreement with the Company relative to the transaction.

This Memorandum is being provided on a confidential basis and is intended strictly for use by a limited number of interested parties for the sole purpose of determining potential interest in pursuing a transaction with the Company. By accepting this Memorandum, recipients agree to keep confidential the information contained herein or made available in connection with any further investigation of the Company. Each recipient agrees to treat it in a confidential manner and not, directly or indirectly, to disclose or to permit its advisors, agents or affiliates to disclose any such information without the prior express written consent of the Company. Recipients agree both to return this Confidential Memorandum and to certify the destruction of all work product derived from its contents upon request from either the Company or VS&A. Recipient agrees to make no contact with the Company except as authorized in advance by VS&A.

Any estimate, forecasts or projections as to future events are based upon the assumptions stated herein and the judgment of the management of the Company and are believed to be reasonable as of the date of the document. However, no assurance can be made as to the achievement of these estimates, forecasts and projections.

Statements made in this Confidential Memorandum are made as of the date hereof, unless stated otherwise, and neither the delivery of this Confidential Memorandum at any time, nor any subsequent investment in or purchase of the Company, shall under any circumstances create an implication that the information contained herein is correct as of any subsequent time.

By receipt of this Confidential Memorandum, prospective buyers or investors recognize and accept the need to conduct their own thorough investigation and due diligence before considering a purchase of or investment in the Company. Recipients should not construe the contents of this Confidential Memorandum or any prior or subsequent communications from VS&A or the Company as legal, investment or tax advice. Each buyer or investor should consult his own competent counsel, accountants or business advisors as to legal and related issues concerning his purchase or investment. Neither this Confidential Memorandum nor its delivery to any party constitutes an offer to sell or the solicitation of an offer to buy any securities.

The Company reserves the right to negotiate with one or more prospective buyers or investors at any time and to enter into a definitive agreement with a buyer or investor without prior notice to other prospective buyers or investors.

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Table of Contents

OVERVIEW	1
COMPANY HISTORY	2
IMPRINTS	3
PUBLISHING STRATEGY	4
MARKET SERVED	5
MANAGEMENT AND STAFF.....	5
FINANCIAL OVERVIEW	6
INVESTMENT HIGHLIGHTS.....	7

Overview

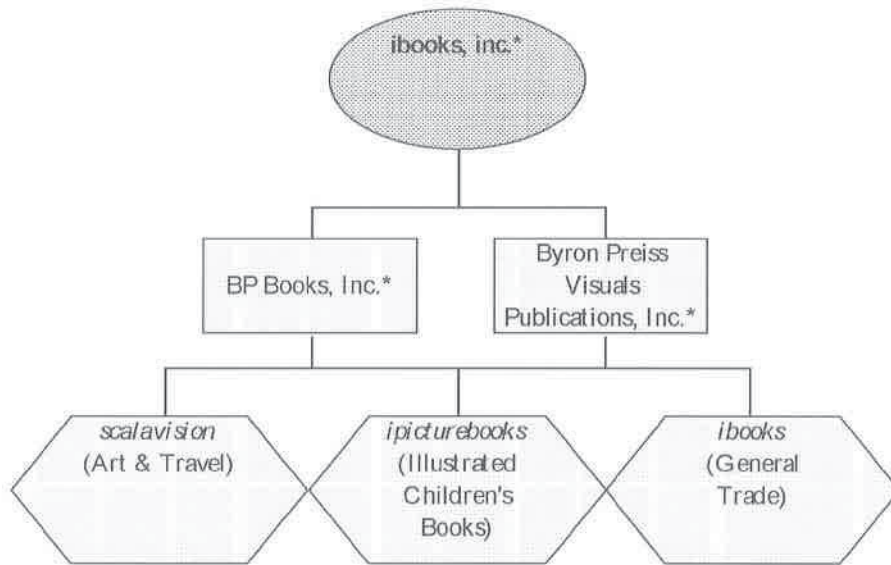
ibooks, inc. (the “Company” or “ibooks”) is a leader in the production, acquisition, and distribution of electronic books or ebooks. Founded in September 1999, ibooks is the first English language publisher to publish simultaneously in print and online at www.ibooksinc.com. The Company is a Subchapter S corporation incorporated in the state of New York.

ibooks currently publishes approximately 100 electronic books and 50 print titles. The Company has also partnered with Microsoft and will be part of the launch promotion for its *Reader* software. The Company’s ebooks for Windows will be distributed under the Microsoft *Reader* marketing co-venture with Microsoft and barnesandnoble.com. The Company will distribute to other platforms through its agreement with Reciprocal, a digital rights management (“DRM”) company backed by Adobe, Hewlett Packard, and others as well as other Internet marketing partners. The print versions of ibooks, which are distributed under a strategic alliance with Simon and Schuster, provide an additional source of revenue as well as promotion for the Company’s extensive backlist of ebooks.

Byron Preiss Visual Publications (“BPVP”), the Company’s production division, produces print and electronic books for third-party publishers. BPVP also provides content development services to ibooks. To accomplish this, BPVP maintains an editorial staff of [TK] for content production and acquisition. Furthermore, through BPVP, ibooks holds key licenses from such leading brands as Yahoo!, *Scientific American*, Space.com, the NBC-backed Web enterprise headed by former CNNfn president Lou Dobbs, *American Heritage*, PRIMEDIA Magazine Group, F.A.O. Schwarz, and The Bank Street College of Education.

BPVP controls the electronic rights and copyrights to over 250 titles, including works by Miles Davis, Paul Simon, and Joni Mitchell. BP Books, Inc., the Company’s licensed book division, holds an interest in 45 properties from Marvel Entertainment.

ibooks, inc. Corporate Structure



*100% owned by Mr. Byron Preiss.

Company History

ibooks was founded in September 1999 to explore the new marketing, content, and distribution opportunities afforded to ebooks by the Internet and published its first line of print and ebooks through Simon and Schuster. These titles included Raymond Chandler's *Philip Marlowe* and Isaac Asimov's *Robot City*.

In January 2000, the Company executed an agreement with Scala Group SpA to publish art ebooks on demand as well as streaming art on the Internet.

In the second quarter of 2000, the Company, along with HarperCollins Publishers, released *Yahoo! Ultimate Desk Reference to the Web*, which was a main selection of the Quality Paperback Club and an alternate selection of The Book of the Month Club. In the third quarter of 2000, ibooks, again with HarperCollins, will release *The Yahoo! Finance Book*. Finally, in October 2000, the Company will publish its first two books with *Scientific American* and St. Martin's Press. The first book, *The Scientific American Book of the Cosmos*, will be a main selection of the Book of the Month Club.

Imprints

ibooks

ibooks, the Company's general trade imprint, publishes in the following categories:

- **Media Tie-ins** – Examples include Howard Fast's *The Crossing*, which was made into a television movie by the A&E Channel, *The New York Times on the Sopranos*, based upon the popular HBO program, and the forthcoming *Secrets of Dune*
- **Science** – Includes the soon-to-be-released *Scientific American Guide to Science on the Internet*
- **History** – Includes the soon-to-be-released military history series edited by David Ballantine
- **Mystery** – Includes popular authors such as Loren D. Estleman and Roger L. Simon
- **Science Fiction** – Includes best-selling authors such as Isaac Asimov and Arthur C. Clarke
- **Literary Classics** – Features in-copyright works by prominent American authors such as Howard Fast

The print versions of ibooks' products are distributed by Simon and Schuster in the United States, Simon and Schuster UK in England, and Simon and Schuster Australia in Australia and New Zealand.

The Company's ebooks for Windows will be distributed under the Microsoft *Reader* marketing co-venture with Microsoft and barnesandnoble.com. The Company will distribute to other platforms through its agreement with Reciprocal.

ipicturebooks.com

ipicturebooks.com intends to acquire over 500 picture books during its first six months of operations. To meet this objective, the Company entered into a strategic relationship with Reciprocal in April 2000 for the conversion of content and digital rights management.

ipicturebooks.com will target the parents and teachers of pre-school and early learning students with complete picture books in encrypted PDF files smaller than two megabytes. These ebooks will be viewable in real time, downloadable for future viewing or capable of being printed out at moderate resolutions. ipicturebooks will also be optimized for use with PDAs and Internet-ready cellular phones.

scalavision

Through a partnership with Scala, which maintains a digital library of over 60,000 pictures and 10,000 articles on classical and modern art, scalavision will create the world's first art ebooks. scalavision will also allow customers to individually select pictures and articles from Scala's library to create customized and personalized art books. These selections will then be compiled into an ebook that can be purchased for browsing, downloaded or ordered as a high-resolution art book for offline delivery. Furthermore, scalavision will develop steaming art-on-demand or a customized channel of pictures that can be delivered on Web-enabled PDAs, laptops, and desktops or integrated into a distance learning art education program.

ibooks intends to launch scalavision with a menu of over 150 works available for use in the customization of art ebooks and artbooks on demand. scalavision will also have twenty-four pre-defined ebooks in early 2001 as well as four print books.

Publishing Strategy

To maintain the Company's early lead and to grow its market share, ibooks will pursue the following strategies:

- **Aggressive Title Acquisition**

By focusing on the acquisition of titles from independent publishers, agents, authors, and out-of-print works, ibooks will rapidly grow its backlist of titles while leveraging the Company's editorial expertise to maintain quality.

- **Multi-platform and Multi-lingual Use**

As the popularity of the Internet increases, the availability to make books available at any time grows as well. Through its alliances with Reciprocal, Scala, and others, ibooks will enhance its cross-platform and international presence. The Company has already had preliminary discussions with selected partners about marketing its products in Spain and South America.

- **Cross-Marketing**

Through revenue sharing, banner advertising, sponsorship and barter relationships, and branded books, ibooks will continue to enter into relationships with other Web sites to sell its products. For example, *Yahoo! Ultimate Desk Reference to the Web* was promoted on the home page of Yahoo! in May 2000 for two weeks along with a sweepstakes offer, which reached approximately 39 million viewers. The proliferation of vertical Web sites will also

allow ibooks to target specific markets.

- **The Education Market**

The Company will market its products to the education market by attending trade shows such as the American Library Association Conference, the International Reading Association Conference, the Frankfurt and Bologna Book Fairs, and the Florida Educational Technology conference. The Company will also employ a campaign of targeted print and Web advertising.

- **PDA's and Web Telephony**

Because text-only electronic books are among the most compact content products available over the Internet, ibooks will build upon its existing relationships with Microsoft and Reciprocal as well as establish relationships with providers of wireless application protocol ("WAP") and other hand-held technologies.

Market Served

The market for ebooks received validation when more than half a million copies of Stephen King's *Riding the Bullet* were downloaded in its first week of availability. By 2004, Forrester Research predicts that online sales of downloadable books will reach approximately \$426 million. Furthermore, Forrester Research states that, "While the success of the King release proves the existence of a viable consumer market for ebooks, it also demonstrates the need for publishers to use retailers to get products off their virtual shelves." Finally, Anderson Consulting predicts that by 2005, approximately 62% of the moderate and heavy reading population will own and use an ebook reader and that approximately 28 million ebook reading devices will be in use.

Management and Staff

Byron Preiss

Mr. Preiss, founder and President of ibooks, has over fifteen years of experience in electronic publishing, dating back to the funding by Bantam Books of his first electronic book. The success of this endeavor led to a multi-title publishing commitment from then-industry leader Spinnaker Software. Through Spinnaker, Mr. Preiss introduced [TK - number] interactive electronic books under the Telarium brand, which featured titles based upon Ray Bradbury's *Fahrenheit 451*, *Treasure Island*, and many other well-known titles. Between 1992 and 1998, Mr. Preiss worked on 35 multimedia titles - TK - please clarify, including *The Ultimate Einstein* and *American Heritage's Civil War*. Mr. Preiss also has experience with CD-ROMs, when in 1993, he successfully negotiated a multi-title CD-ROM development agreement with Microsoft and

subsequently sold 20% of the venture to Viacom.

Jerry Butler

In March 2000, iBooks retained the services of Mr. Butler, whose experience includes various positions at Warner Books and later William Morrow, a publishing consulting firm. In his consulting practice, Mr. Butler worked with Peter Guber of Mandalay Entertainment, Sony, Rhino Records, the American Psychological Association, The Arthur Pine Literary Agency, Mysterious Press, Sobel/Webber Associates, Callaway Editions, Inc., Toptravel.com, and Fielding Travel Guides. Prior to joining William Morrow, Mr. Butler negotiated contracts with the agents and attorneys for noted authors including Sidney Sheldon and Norman Mailer. In addition, Mr. Butler has extensive experience negotiating printing and paper contracts, real estate leases, and acquisition purchase agreements.

Mr. Preiss strengthened the Company's lean operations by hiring best-of-breed consultants that possess the requisite management talent, editorial, and technology experience to ensure iBooks' continued success.

Financial Overview

iBooks, inc. Summary Statement of Operations					
	2000E	2001P	2002P	2003P	2004P
Net Revenue <i>% Change</i>					
Gross Profit <i>Gross Margin</i>					
EBIT <i>EBIT Margin</i>					
Add: Amort. & Depreciation					
EBITDA <i>EBITDA Margin</i>					

Investment Highlights

- ***Strong Management Team***

Mr. Preiss' background and connections in publishing and educational software make the acquisition and production of proprietary ebooks an efficient and accelerated process.

- ***Extensive Backlist***

The Company owns an extensive library of digital rights from many of today's most popular authors. Selected authors include Arthur C. Clarke, Isaac Asimov, Howard Fast, and Irving Wallace.

- ***Building Proprietary Brands***

ibooks can develop proprietary brands-on-demand based upon current trends or popular media. These brands-on-demand can be efficiently constructed or acquired by the Company for sale over the Internet.

- ***Platform Independent***

The Company's ebooks are platform independent and will run interchangeably on the Windows, Palm, Linux or Macintosh operating systems.

- ***Proprietary Content***

ibooks maintains its own content, acquisition, and production team. Although the Company works with third parties, it is not dependent on them for the production of its content.

- ***Strategic Relationships***

In addition to the Company's distribution relationship with Simon and Schuster and its technology agreements with Microsoft and Reciprocal, ibooks publishes books with HarperCollins, Random House, and St. Martin's Press.

In summary, ibooks represents a unique acquisition opportunity that melds traditional media with the growth and potential of the Internet. ibooks possesses talented management with deep industry connections and a history of building valuable enterprises as well as an extensive backlist of print and electronic books.

