

# **EXHIBIT B**

[Contains Approved Redactions]

Subject: Re: Ibooks

Date: Thu, 29 Jul 2010 17:41:46 +0000

From: "Eddy Cue" <cue@apple.com>

To: "Tim Cook" <tcook@apple.com>

Message-ID: <295A0D15-0273-484F-8C17-C100ED08A901@apple.com>

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Didn't want agency at first but then wants us to take less than 30%. All crazy stuff given we have every other publisher and he knows it. Because we aren't big enough yet he doesn't feel the pressure to join. In addition, he is best friends with amazon. This relationship is beginning to strain because amazon took ebook rights directly to one of his authors. Random House is disputing that the author had this right to give.

Sent from my iPad

On Jul 29, 2010, at 8:24 AM, Tim Cook <tcook@apple.com> wrote:

Why wouldn't he want more distribution?

Tim

On Jul 29, 2010, at 7:21 AM, Eddy Cue wrote:

In total number of books, Amazon has 4x greater. But that is a misleading number because over half of that is self-published books that no one buys. We started on self-publish program last month so by the end of the year we will make that up. The real issue we have is Random House. They are the largest publisher with 18% marketshare and we don't have them. These are highly visible authors, like Dan Brown, aren't in our store. The CEO of Random House is holding out for no quantifiable reason from our side. Steve talked to him earlier this month and I just met with him on Tue, but the guy can't make a decision if his life depended on it. We are now going to go on the offensive by talking to his authors and agents to apply pressure.

Eddy

On Jul 26, 2010, at 2:25 PM, Tim Cook wrote:

Eddy,

Thanks. How does 90K compare to Amazon?

Tim

Begin forwarded message:

**From:** Eddy Cue <cue@apple.com>

**Date:** July 24, 2010 10:29:48 AM PDT  
**To:** Tim Cook <[tcook@apple.com](mailto:tcook@apple.com)>  
**Subject:** Re: Ibooks

Here is the latest iBook update I gave SJ -

While in NY on Mon/Tue (Fox & NBC), I am going to see Markus at Random House to see where he is.

Here is updated book numbers (when we get Random House, it will be over for everyone)

REDACTED

REDACTED

â€¢ We have 125k books in our systems, 90k in the US store. We add between 4k and 8k titles per week. This would be higher but our quality requirement (e.g. layout, format, etc) is much higher than anyone else.

â€¢ We now have 16 of the top 20 trade publishers in the US signed. Besides Random House, the others missing publishers include Houghton Harcourt Mifflin (we're very close), Scholastic (they're unwilling to commit to more than a few stray titles), and Rodale Press (we're getting close).

â€¢ We're adding about 50 new publishers each week. (I expect this number to increase to 100+ each week in the fall). Major publishers signed within the last week include Harvard, Lonely Planet, Sterling, Shambhala, and VIZ Media.

â€¢ We've also signed Independent Publishers Group, representing hundreds of publishers and 5k e-books. With the addition of IPG, we've now signed all the significant indie book distributors, including Constellation/PGW, National Book Network, BookMasters, and Ingram.

â€¢ We're launching the first 8 enhanced e-books with imbedded video and audio on July 29. Participating publishers include HarperCollins, Hachette, Disney/Hyperion, and Simon & Schuster. Titles include history (Nixonland, with great archival footage from CBS News), teen (The Secret Diary of Ashley Jurgens, with on-air promotion planned next week by ABC Family), and business (Louder than Words, about the meaning of body language in a work environment). Most books are priced at a \$2 premium above the standard edition.

On Jul 23, 2010, at 4:32 AM, Tim Cook wrote:

Sent from my iPad

Begin forwarded message:

From: "Richard L. Butler" [REDACTED]

Date: July 22, 2010 11:05:13 PM PDT

To: [sjobs@apple.com](mailto:sjobs@apple.com), [tcook@apple.com](mailto:tcook@apple.com)

Subject: Ibooks

*Dears Sirs:*

*In a very few sentences, can either of you please explain why Random House, the worlds largest publisher (John Grisham, for example) is not available in iBooks when it is with the Kindle?*

*Also, why not arrange with Amazon to sell books for iBooks rather than the Kindle reader. IBooks is very superior to the Kindle reader.*

*Finally, when will you expect to have as many older books available as does Amazon? If Amazon and B&N has so many books available for their Kindle and Nook, respectively, why has Apple not built up their inventory to match theirs?*

*Thank you,*

*Dr. Richard L. Butler  
A Huge Apple Fan*

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