Message			
From:	Christopher Li (Google Slides)	Redacted	@docs.google.com]
Sent:	7/22/2019 1:58:14 AM		
To:	Redacted@google.com		
Subject:	Samsung Commercia Red	acted @google.	com can you ple

Christopher Li replied to a comment in Samsung Commercial Status - July 2019

IN.

Samsung Commercial Status - July 2019

MADA

No.

Jim Kolotouros

Redacted <u>@google.com</u> can you please complete this slide? I'd like your recommendation as well Christopher LiNew

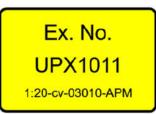
I took a stab at laying out the major 'options' decision points and my personal recommendation. Not sure if anyone agrees with it so please feel free to adjust.

My rationale is that we are in a position of strength for the MADA, for reasons we can discuss live. We shouldn't give them as-is MADA terms if RSA (and maybe Store) break badly. Also, I think the RSA and MADA are a set, therefore their terms and start / end dates should be in sync.

Open

Google LLC, 1600 Amphitheatre Parkway, Mountain View, CA 94043, USA

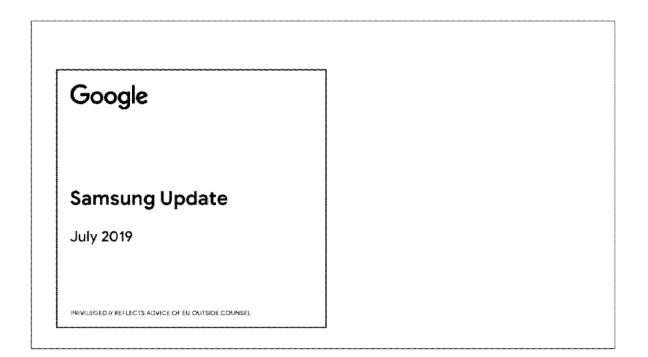
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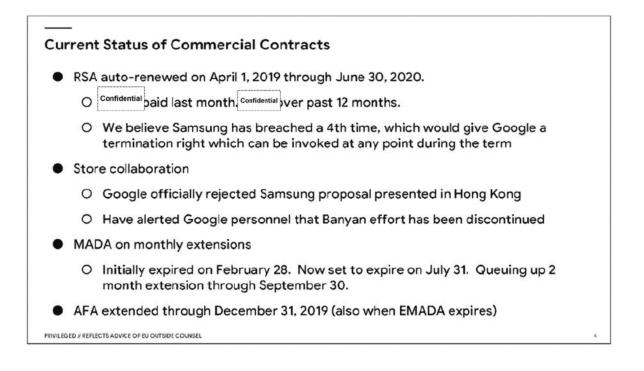
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1. Is this deal still interesting enough to pursue, vs. continuing on an independent path?

2. Should we commit to Section 1 [Dev Tech] without assurances on whether we'd only be enabling more instances of "Opt Out" from Store Services? [you'll understand as you read the language of the term sheet].

3. Would this deal work without our needing to commit to any of Section 2 [Store Services] at all? In other words, if it's purely commercial/ transactional and achieves the outcomes we want, do we need to commit to the product piece? [As discussed on Thursday, doing Store Services might actually be the best way to demonstrate improved outcomes for developers... so that's a consideration] 4. I have deliberately left off two things: Confidential year in co-marketing (though we can add back later if need be), and b)

Commitment to Samsung Pay as a FOP in Play.

Other commercial recommendation	Other	commercial	recommendation	IS
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MADA as safety net for RSA conversations and also solve for ACC

Just need green light to align with our recommendations, listed below

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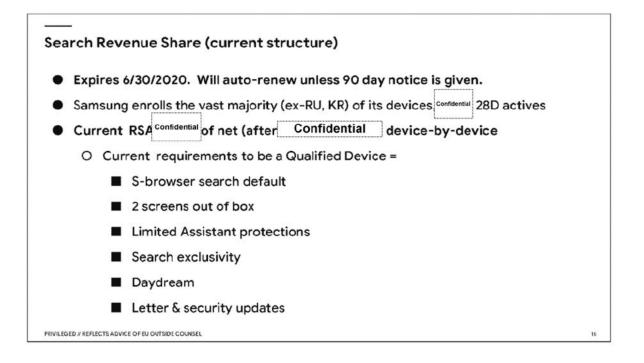
ecommendation - output image
Samsung two RSA paths:
Get paid fair value on what their obligations are <i>currently</i> worth (e.g. will be a meaningful drop because of EEA situation, product needs, etc.) Give Samsung opportunity to "build up" their commitments to earn what we are currently paying them (options include Store, Cloud, RCS, Assistant, etc.)
nsung aligns with us on (1) or (2) above, we extend MADA. If they try to add in Search Widget into RSA, then A conversations re-start again. Align on ACC table stakes as part of MADA signing process.

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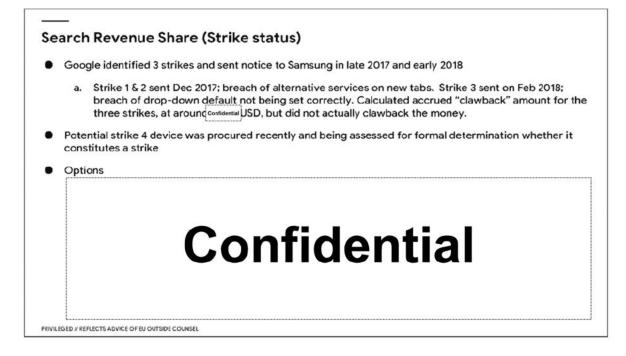
	ctensions since MADA expired end of Feb 2019. 2 mo extension through Sep I precisely on MADA 2.0 template, although some terms were pulled in.
a) Missing security updates,	OOBE screens, bullet-proof connection to AFA
Options (Terms to secure)	
C	Confidential
Options (Timing)	onfidential
	Confidential



also Korea the vast majority do not. It is a Samsung client ID but they don't opt in - carriers have no rev share but require their own homepage to browser. And Samsung may also have their own deal with Naver there.



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Limited changes to	No major changes in Galaxy store attractiveness since the last analysis 0 notable exclusive titles in 2019
Galaxy Store attractiveness	 Harry Potter: Wizards Unite simshiped in June 2019 with 10% exclusive IAP discount (offer expired already)
ince Feb 2019	 Simship did not seem to yield financial upside for this title
	 Play consumer spend on declining path for this title, per internal dashboard
	 Slight uptick in sessions per user and time per user for the Samsung Galaxy Store
	compared to Play Store. Too small to make any meaningful inference
	 Only 2 out of Play top 50 free games continue to be present on Galaxy Store
	 Recent investment and plan to merge IndusOS AppBazaar will increase catalog size (rumored 400K). However, the catalog is largely variation of different (India) local dialects and not monetized traditionally (productivity apps, news etc.)
annibalization	We believe that the cannibalization of Play store revenue due to Galaxy store is none to minimal
of Play store	 Only 4 out of top 50 Play games by 2018 consumer spend are present on Galaxy store; 7
ev / usage by	out of top 100 Play games. These #s have not changed lately
Salaxy Store	 By our estimates & assumptions, we expect their store still operating under net loss
kely limited	 In absence of 'exclusive hit-titles' on Galaxy store, the projected trajectory is in red as well
	Confidential

* (assuming similar cost structure as Play and their current rev share)

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