From: David Thacker [redacted]
To: '"Gokul Rajaram"' [redacted]
Cc: '"Richard Holden"' [redacted], '"Salar Kamangar"' [redacted], '"David Friedberg"' [redacted]
Subject: RE: 3rd parties Eric discussion: 3rd draft.
Sent: Wed, 31 May 2006 10:04:18 -0700

The PE guys running Doubleclick are going to want the same the same valuation multiple that AQNT is getting in the public markets, because AQNT is the closest publicly traded comparable.

As for intl marketshare -- as of late last year, AQNT had overtaken DCLK in European market share for their advertiser/agency products. (according to the stats AQNT showed us when we were evaluating them.)

As far as I can tell, neither Doubleclick nor Atlas has a strong presence in APAC. When we evaluated Doubleclick, they had less than <10 DFP clients in Asia, none of them were doing more than 10MM impressions per months. .

On the Publisher product side, Doubleclick is clearly ahead, and I agree with your arguments for leveraging the existing DFP publishers base.

However, if are looking to enable one of these guys as the "CMO Dashboard" than I think Atlas is clearly a better bet.

-David

From: Gokul Rajaram [redacted]
Sent: Tuesday, May 30, 2006 11:17 PM
To: David Thacker
Cc: Richard Holden; Salar Kamangar; David Friedberg
Subject: Re: 3rd parties Eric discussion: 3rd draft.

This is a good point. One of the biggest issues with Atlas is that since they are a public company with the highest valuation of *any* Internet company (20X revenues), doing a deal will be very very expensive for us. Once we do a deal with Atlas, we will have to pay through the nose for a future deal with DCLK should we decide to do so. EMG wont be happy paying 2X Google's multiples!!!

the other issue is that Atlas doesnt have DFP. Even though we have GFP, it will take years before we penetrate really major publisher installations. Working with DCLK could really accelerate this. (assume we could make DCLK take a rev-share on remnant ad revenue, instead of ad-serving revenue; this could be a win-win).

The final issue is that Atlas has very poor international coverage, vis-a-vis DCLK. DCLK is super-strong in EU and APAC, per Tim. This is important to us.

I do like Atlas more than DCLK from a pure technology perspective, but the costs could be prohibitively high. EMG has already shot-down Atlas in Jan, maybe we can bring it to them again.

Gokul

On 5/30/06, **David Thacker** [redacted] wrote:

> After the rounds of diligence we did with Madison and Liberty last year, I thought he consensus was that Atlas is a much more suitable partner for an investment/commercial relationship:
>
> -- Atlas doesn't have the negative brand baggage that DCLK has.
> -- Atlas is a better cultural fit with Google and has a stronger mgmt team
> -- They have a better product for advertisers and agencies
> -- Through their relationship with Avenue A, they have direct access to an enormous amount of brand advertiser dollars.
> -- They don't have a strong publisher product, so we could have them resell GFP once we build it out. (or use it in their DRIVE biz) If we did the DCLK deal, merging GFP and DFP would be messy. We'll have very little influence over the product direction of GFP anyway.
> -- I don't get the sense that DCLK is really focused on technology innovation in their products. They are cutting costs, rolling up market share (through the Falk acquisition), and preparing for an exit for their investors.
>
> The main benefit I see of a deal with DCLK is that they are private and so a deal could be executed much more quickly. Am I missing something else?
>
> -David

From: Gokul Rajaram [redacted]
Sent: Tuesday, May 30, 2006 10:30 PM
To: Tim Armstrong; Richard Holden; Nikesh Arora; Susan Wojcicki; Salar Kamangar; Nat Criou; David Thacker; Rohit Dhawan; Satya Patel; Rajas Moonka; Bismarck Lepe; David Friedberg
Subject: 3rd parties Eric discussion: 3rd draft.

Hi guys,

I had a chance to touch base 1:1 with Tim, Susan and Salar today, and also discussed the preso with a couple of other folks. Thanks everyone for your comments - I've incorporated them into the preso.

Major changes from v2:

1. Slide 21: new slide defining the "CMO Dashboard" (Richard - you might want to review this slide).
2. Slide 11: Bottom-up computation of incremental revenue. Still waiting for some additional data from Ching on our image ad pageviews + Yahoo data.
3. Slide 17 and 18: Reformatted to be consistent with slides 15 and 16.
4. Slide 23 and 24: Added a couple of slides about the DCLK proposal.

What's left:

1. Work with David F on more definition of DCLK deal terms, DCLK versus Atlas; what DCLK has been up to in the past year, etc.
2. Get data from Tim on DFA impressions served, DFP impressions served, Atlas impressions served.
3. Flesh out bottoms-up revenue forecasts.
4. Incorporate second round of feedback :)

Thanks in advance for your comments and feedback!

Gokul