

DEFENDANT

Case No. 4:20-cv-05640-YGR
Case Title Epic Games, Inc. v. Apple, Inc.
Exhibit No. DX-4036
Date Entered _____
By: _____, Deputy Clerk

From: Phil Spencer [REDACTED]
Sent: Tue, 9 Jan 2018 20:25:02 +0000 (UTC)
To: Tim Sweeney [REDACTED]
Subject: RE: Fortnite going big

Congrats on the success with Fortnite. I'd love to be a great platform and service for Fortnite allowing you to reach maximum potential for the game across all devices.

I was aware the team was there today and I instructed them to be supportive of your asks.

The stickiest of the issues is cross-purchase. I think it's solvable so I'm not saying this is a blocker but we do need to work through the scenario with you. You know this but it's worth stating that compared to PCs and phones, consoles are a very subsidized hardware device. That subsidy obviously relies on software and service sales to recoup the customer acquisition costs of the console. Just like we wanted to support, and did, moving Fortnite to F2P for the BR mode I want to support here. A scenario where a F2P Fortnite on Xbox results in our digital store's price for Fortnite items being non-competitively priced relative to other cross-purchase platforms is an issue we need to mitigate.

Net is I want to work through this with you. I wish we had more time to work through the iOS and Android scenario, sounds like we basically have 2-3 weeks. I don't know how we get ahead of this in the future. I think we've been partners on Fortnite so hopefully we can collaborate on roadmaps more going forward.

Unrelated, one thing you should look at is Mixer and HypeZone on PUBG. We see good viewership for Fortnite on Mixer and we'd love the opportunity to innovative with you here.

I'll follow up with the team post-visit and we'll work through this. Cool opportunity.

Phil

From: Tim Sweeney [REDACTED]
Sent: Tuesday, January 9, 2018 11:46 AM
To: Phil Spencer [REDACTED]
Subject: Fortnite going big

Hi Phil,

Folks from the Xbox team are in North Carolina today, and we had a productive discussion in which we disclosed the following highly-confidential plan:

We're bringing Fortnite Battle Royale to iOS and Android in late February. Not a dumbed-down version, but the full experience, running at 30 FPS and supporting cross-play, cross-purchase, and cross-progression.

It'll bring together current and potential gamers in real-world social groups: college dorms, high school classes, even kids, as only Minecraft has done so far. We want to work with Microsoft to unblock all console-mandated interop restrictions in time for this launch. I'm confident we'll achieve this with the other guys and, at any rate, platforms that block interop will be siloed.

Bringing iOS and Android players into a console-quality game experience with all of their friends will be a game-changing experience. It will sell lots of Xboxes as players are pulled into the small-screen experience socially, and want to upgrade to the much better big-screen experience. The good this will do for console gaming as a whole will far outweigh any zero-sum effects of cross-console purchase portability.

Please help us achieve this for launch, if possible through TCR changes that benefit all games, but if necessary through temporary waivers on the longer-term path to that.

-Tim