**From:** Richard Kahn [redacted]
**Sent:** Friday, April 29, 2016 9:36 AM
**To:** Jeffrey Epstein
**Subject:** Fwd: LinkedIn Corp: Still a Show-me Story

Richard Kahn
HBRK Associat=s Inc.
[redacted]

Begin forwarded message:

From: "Morgan Stanley" [redacted] Date:=/b> April 29, 2016 at 3:34:36 AM EDT
To: [redacted]
Subject:
Reply-To: <
[redacted]

Brian Nowak, CFA – Morgan Stanley

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April 29, 2016 7:28 AM GMT

Results better than feared, but Talent Solutions=Ex-Lynda growth slowed the most it has in our 2 year history and our full-=ear EBITDA estimates are unchanged. We remain EW until we see evidence of=some of LNKD's investments bearing fruit of materially faster TS growth and=earnings revisions.
Impact on Thesis: LNKD posted 2% better than expected revenue in 1Q:16, as T=lent Solutions and Marketing Solutions came in 2%/5% better than expected. W=thin Talent Solutions, ~70% of the beat was driven by Lynda, which came in a= $55mn (14% or $7mn better than we expected). Talent Solutions revenue e=-Lynda of $502mn was ~1% better than expected (an encouraging sign)...but, e=-FX Talent Solutions revenue (ex-Lynda) still decelerated to 30% YoY growth= This 700bp sequential deceleration is the largest we have seen in the 2 y=ars of history we have (See Exhibit1). As written in LinkedIn Corp: A Pl=tform at the Crossroads, absent traction with some of LNKD's investment ini=iatives, we expect this business to continue to slow going forward. This, i= our view, limits LNKD 's earnings upside and multiple investors are willin= to pay for the company. Indeed, despite better than expected revenue,=$222mn of 1Q:16 non-GAAP EBITDA was 1% ($3mn) below us. That said, it was=13% ($25mn ahead of the Street and 17%($32mn above guidance). Management f=owed this through 1Q:16 EBITDA upside to full year 2016, raising full-yea= 2016 EBITDA guidance by $33mn to a range of $985mn-$1,005mn. Management re=rained from raising guidance any more, calling out the incremental investme=t in "monetization products and quota reps." As explained above, in our vie=, it is important that LNKD continues to invest in these new initiatives to=try to drive faster TS customer and spend/customer growth. 2016E EBITDA Un=hanged, Maintain EW, $125PT: Updating our model, our ~$1.0bn of 2016 non=GAAP EBITDA is roughly unchanged. We are 2.6% above the top-end of full-ye=r 2016 EBITDA guidance. W

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