



HEADWATERS | MB

HEADWATERS TMT MUST READ LIST
BEST ARTICLES FROM THE WEEK OF
AUGUST 3RD, 2015

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Deal News

Microsoft & Salesforce / Informatica – The leveraged buyout of Informatica Corp. reflects the ways in which the entire business software market is being reshaped by the importance of data. Microsoft Corp. and Salesforce.com Inc. joined private-equity investors Permira Advisers LLC and the Canada Pension Plan Investment Board in the roughly \$5.3 billion deal to take private, as the Wall Street Journal reported on Thursday. Informatica has delisted from the Nasdaq and also retired its INFA ticker. The company, founded in 1993, had revenue of about \$1 billion last year, and grew 11 percent, according to the WSJ. That growth reflects strong demand among businesses for its services, which help companies organize and analyze broad swaths of information, the WSJ says. ([WSJ](#))

Daimler, BMW & Audi / Nokia HERE – BMW AG, Audi AG and Daimler AG will buy Nokia Oyj's digital-map unit for 2.8 billion euros (\$3.1 billion) to gain technology for connected cars that will eventually be the basis for self-driving vehicles. The world's three largest makers of luxury cars will each acquire an equal share of Nokia's HERE division, and the transaction is expected to be completed in the first quarter of next year, they said Monday. Nokia said its net proceeds on the sale will total slightly more than 2.5 billion euros. While there has previously been limited cooperation on auto parts, a joint acquisition on this scale involving BMW, Volkswagen AG's Audi division and Mercedes-Benz owner Daimler is unprecedented. The deal underscores the German competitors' push for self-driving systems independent of technology giants such as Google Inc. ([Bloomberg](#))

IBM / Merge Healthcare – IBM announced a huge deal today, agreeing to pay \$1 billion dollars for Merge Healthcare, a medical imaging company it plans to fold into the Watson Health unit. Merge's technology is in use in 7500 healthcare facilities in the US, according to information supplied by IBM. The firm processes billions of images such as x-rays, MRIs and CT scans with 30 billion images processed to-date, a number that is growing by the day. In fact, IBM researchers estimate that up to 90 percent of all medical data today is in the form of images. The company is buying Merge Healthcare specifically to showcase this new ability and to provide new research and understanding in the area of radiological diagnostics. ([TechCrunch](#))

Yahoo / Polyvore – Yahoo is paying about \$200 million to acquire social shopping site Polyvore, plus as much as \$40 million in incentives to its employees, said two people familiar with the matter. Yahoo didn't disclose the price in its announcement on Friday. Polyvore is the first acquisition Yahoo has announced since last December, as the pace of deals under Mayer has slowed dramatically. In her third year as CEO, Yahoo has averaged one acquisition every two months, down from about three deals every two months in Mayer's first year. Yahoo has been pressured by investors to rein in costs. In a letter to Mayer last September, activist investor Starboard Value criticized the CEO for, among other things, spending too much to acquire money-losing startups. The acquisition of Polyvore is the fourth-largest under Mayer. Yahoo also bought Tumblr for \$990 million, video-ad service BrightRoll for \$583 million and mobile-ad network Flurry for \$270 million last November. ([WSJ](#))

Advance / 1010data – Advance/Newhouse has acquired 1010data Inc. for \$500 million, VentureWire has learned, indicating the growing interest in technologies that can process large amounts of data. Advance/Newhouse is an affiliate of the media group Advance Publications, which operates the cable company Bright House Networks, Conde Nast magazines, various local newspapers and American City Business Journals. Advance also holds an interest in Discovery Communications Inc. and the website Reddit Inc. The new money will be used for growth, including expansion of sales channels and continued development of the technology. Mr. Steier said 1010 and Advance have been talking for about a year and 1010 considered several other offers. ([WSJ](#))

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Financing / IPO News

Motorola – Walkie-talkie and radio systems maker Motorola Solutions Inc has received \$1 billion in investment from private equity firm Silver Lake, the New York Times reported. Motorola hopes Silver Lake will help accelerate its transition from selling only radios that police officers, fire departments and other emergency workers use, to a broader emergency communications platform, the newspaper reported. The investment, a so-called private investment in public equity, or PIPE, is in the form of debt that can be converted into common stock. ([Reuters](#))

Snapdeal – Snapdeal, one of India’s biggest e-commerce companies, has scooped up \$500 million in funding from Alibaba, Foxconn and SoftBank, according to Re/code. The Wall Street Journal first reported in June that Alibaba and Foxconn were in talks to jointly invest \$500 million in Snapdeal in June at about a \$5 billion valuation. SoftBank was already Snapdeal’s largest shareholder, having poured \$627 million into the company last fall. The investment would give Snapdeal more fuel in its battle with Flipkart and Amazon India. The three are engaged in a fierce and costly competition for the lead position in one of the world’s largest and fastest-growing e-commerce markets. ([TechCrunch](#))

Tintri – Tintri, a company that sells storage boxes packing both fast solid state drives alongside traditional hard disk drives, is announcing today a \$125 million round of funding. Tintri’s hardware is designed for storing and serving up data for individual virtual machines (VMs), several of which can run on a single physical server. Admins can set performance needs for individual VMs. To date Tintri has raised \$260 million, including the \$75 million round announced in February 2014. Since then the company has added support for hypervisors other than VMware’s vSphere, including Microsoft’s Hyper-V. Silver Lake Kraftwerk led the new funding round. Existing investors Insight Venture Partners, Lightspeed Ventures, Menlo Ventures, and New Enterprise Associates also participated. ([VentureBeat](#))

Zscaler – Security platform Zscaler today announced that it has raised a \$100 million Series B funding round led by late-stage investor TPG. The company, which offers a wide range of web, mobile and cloud security services for enterprises, has now raised a total of \$138 million and says that its valuation in this last round was over \$1 billion. Other investors include EMC and previous investor Lightspeed Venture Partners. Zscaler’s technology sits between corporate networks (and the user’s mobile devices) and the cloud — no matter whether that’s a cloud computing service like AWS, Azure or a privately hosted OpenStack cloud, or cloud-based applications like Dropbox and Office 365. Because it inspects all traffic to these services from company-owned devices and networks, it can offer both security and compliance solutions. ([TechCrunch](#))

Fastly – Fastly, a content delivery network (CDN) that focuses on helping companies deliver dynamic content to their users faster, today announced that it has raised a \$75 million Series D round led by ICONIQ Capital. Existing investors Amplify Partners, August Capital, Battery Ventures, IDG Ventures and O’Reilly AlphaTech Ventures also participated. This brings Fastly’s total funding to date to \$130 million. The company says it will use the new funds to “continue to develop innovative real-time content delivery solutions for its rapidly growing customer base, expand its global reach, and further invest in e-commerce and security expansion.” Specifically, the company says it will focus on helping businesses that offer real-time services. The company’s current list of customers includes Twitter, Vimeo, Business Insider, Conde Nast and iHeartMedia. ([TechCrunch](#))

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Industry News

Confidence of Silicon Valley's VCs hits 2 Year Low– Amid the frenzied fund-raising and soaring valuations for startups, Silicon Valley's venture capital community is starting to get a little bummed out. For the second straight quarter, the Silicon Valley Venture Capitalist Confidence Index fell, hitting its lowest point in two years. The index, measured by the University of San Francisco School of Management, has fallen four of the past five quarters. ([VentureBeat](#))

Freight Startups Attract Silicon Valley's Attention – Silicon Valley investors are piling into companies that want to drag the \$160-billion-a-year business of arranging cargo shipments into the Internet age. Companies that coordinate shipping for retailers and manufacturers, known as freight forwarders, do everything from finding the right combination of trains, planes and trucks for a speedy delivery to pushing shipments through customs. Dozens of companies are pitching themselves as freight forwarding's Expedia Inc. or Priceline Group Inc., betting that slick online platforms and automated price quotes will convince shippers to break ties with established forwarders. Many freight veterans and analysts are skeptical of these efforts, saying forwarding is too complex and too dependent on longstanding relationships for new online entrants to compete. But some of Silicon Valley's biggest venture-capital firms are betting on the new technology. ([WSJ](#))

VC's Might Heed Chilly Reception for Sunrun, On Deck Capital – Venture-capital investors who are used to soaring multi-billion valuations of startups may be in for a surprise once their companies go public. This week's steep declines in the share prices of solar-installer Sunrun Inc. and online business lender On Deck Capital Inc. could fuel fears that venture investors are overreaching with valuations disconnected from the public markets. Sunrun and On Deck are among the venture-backed companies that have gone public at billion-dollar values, representing big gains for their early investors. But some later-stage private investors are now underwater after some of the companies' stocks have fallen below the price in their last pre-IPO funding round. ([WSJ](#))

And on a lighter note...

JonVoyage – Jon Stewart signed off for the last time Thursday night from *The Daily Show*, ending his iconic 16 year run as its host. ([TheGuardian](#))