



HEADWATERS | MB

HEADWATERS TMT MUST READ LIST  
BEST ARTICLES FROM THE WEEK OF  
AUGUST 17<sup>TH</sup>, 2015

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### Deal News

**Liberty Interactive / Zulily** – Liberty Interactive Corp, which owns home shopping network QVC, said it would acquire Zulily Inc in a deal valued at \$2.4 billion to tap into the online retailer's younger clientele and its strong mobile presence. Zulily is known for its "flash" sales of clothing, primarily for women and children. Chinese e-commerce giant Alibaba Group Holding Ltd owns a stake of about 9 percent in the company. Billionaire John Malone-backed Liberty will combine the five-year old Zulily with its QVC business, which is about 30 years old and seen by analysts as a maturing business in the United States. Together, the companies will have annual revenue of about \$10 billion. Liberty offered \$18.75 per share - \$9.375 in cash and 0.3098 newly issued Liberty stock - representing a premium of about 49 percent to Zulily's Friday close. Zulily shares jumped to \$18.73 in early trading on Monday, while Liberty was down 1.6 percent. ([Reuters](#))

**Seagate / Dot Hill** – Hard drive vendor Seagate continued to diversify its business this week with its \$694 million acquisition of Dot Hill Systems, the second storage systems company it has picked up in the last two years. Seagate moved into the systems business in 2013 with a \$374 million acquisition of Xyratex. Dot Hill and Xyratex sell their systems mostly through OEM partners, as Seagate does with its hard drives. While Xyratex specializes in enclosures for high-performance computing, Dot Hill storage controllers and arrays are used mostly in mid-range and low-end SANs, such as Hewlett-Packard's (HP's) Modular Smart Array (MSA) platform. HP is Dot Hill's biggest customer. Lenovo, Quantum and Teradata also re-brand Dot Hill storage systems. Dot Hill has other OEM and channel partners who build systems tailored for vertical industries, including telecom, gas and oil, data analytics, media and entertainment and high performance computing. ([TechTarget](#))

**Vonage Holdings / iCore Networks** – Vonage Holdings Corp. has entered into a definitive agreement to acquire privately-held iCore Networks, Inc., a premier provider of Unified Communications-as-a-Service (UCaaS) for businesses, for \$92 million. Core sells its solutions primarily through its large, direct field sales force, adding significant scale and a national footprint to Vonage's existing sales force. iCore supports more than 85,000 customer seats, with monthly ARPU per customer of more than \$4,000, and derives more than 60% of its revenue from customers with 100 or more seats. Monthly revenue churn is less than one percent as a result of three-year contracts that include Quality of Service ("QoS") guarantees. ([StreetInsider](#))

**Vista Equity / DealerSocket** – DealerSocket Inc., a leading provider of software-as-a-service (SaaS) enterprise relationship management solutions for the Retail and Independent Automotive industries, announced it has entered into a strategic investment partnership with Vista Equity Partners, a leading private equity firm with over \$12 billion in committed capital focused on investments in software and technology-enabled services companies. DealerSocket has grown from a startup software company in a garage 13 years ago to a 450 employee leading CRM platform for the retail and independent automotive industries. DealerSocket partnered with Vista to accelerate growth and to continue to invest in product, service and operational scale. The new relationship with Vista will serve as a platform to continue the DealerSocket traditions of great culture, innovation and customer service and couple it with an increased ability to scale and grow well into the future. DealerSocket's current management team will remain in place and continue to hold a significant ownership stake in the company, which they term as a "true partnership with Vista in every sense of the word." ([MarketWatch](#))

**Comcast / This Technology** – Comcast has struck a deal to acquire This Technology, a multiscreen video company that has specialized in dynamic ad insertion and scaled IP video back-office systems, including an alternative content delivery platform called "SwitchStream" that enters play in TV blackout situations. Financial terms were not announced, but This Technology CEO Jeff Sherwin announced on his company's Web site that its products and services will continue to be developed, supported and sold as part of the solution portfolio of Denver-based Comcast Wholesale, a unit that runs the company's content delivery network and multiscreen video services. It was not immediately how many This Technology employees will be joining Comcast. ([Multichannel](#))

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### Financing / IPO News

**Snapdeal** – Indian e-commerce platform Snapdeal has confirmed that it received \$500 million of funding from three of Asia’s largest tech companies: Alibaba, Foxconn, and SoftBank. Returning investors Temasek, BlackRock, Myriad, and Premji Invest also participated in the round. The investment was first reported by the Wall Street Journal and Re/code and brings Snapdeal’s total funding so far to about \$1.6 billion. Founded in 2010, Snapdeal is one of India’s largest e-commerce companies and says it now has more than 150,000 sellers on its platforms and is able to deliver to 5,000 towns and cities in India. SoftBank is already Snapdeal’s largest investor after leading a \$627 million investment last year. Snapdeal is engaged in an expensive competition with Flipkart and Amazon India. Flipkart has raised \$3.2 billion in funding from investors like Naspers, Tiger Global, and DST Global, while Amazon has vowed to put \$2 billion into its Indian operations (and may invest another \$5 billion soon). All three businesses are spending heavily on their logistics networks. Flipkart and Snapdeal are also growing by acquiring companies in related verticals, like payments. ([TechCrunch](#))

**GrabTaxi** – GrabTaxi, an Uber-style e-taxi service operating in Southeast Asia, has raised a colossal \$350 million round, taking its total funding speeding past the \$700 million mark. Launched in 2012, GrabTaxi is now available in 26 cities across Indonesia, Malaysia, Singapore, The Philippines, Thailand, and Vietnam. It now counts 110,000 drivers across the Southeast Asia region. Though GrabTaxi has primarily focused on taxis to date, it has expanded into other vehicle-types too, including motorbikes (“GrabBike”) and private cars (“GrabCar”) — which are more suitable in some markets, depending on income levels and the level of road congestion. And it’s these verticals that GrabTaxi says it’s hoping to grow even more with its latest funding in tow. ([VentureBeat](#))

**NBCUniversal** – Comcast Corp.’s NBCUniversal is investing \$200 million in new-media star BuzzFeed, as the cable giant continues its efforts to attract younger audiences that are fleeing traditional TV. The equity investment will value BuzzFeed at roughly \$1.5 billion, nearly double its valuation a year ago, people familiar with the matter said. The deal, which comes a week after NBCUniversal made a similar \$200 million equity investment in BuzzFeed-competitor Vox Media, gives the media company more exposure to sites that specialize in reaching millennials with a combination of news, lists and advertiser-sponsored content. BuzzFeed’s prowess in online video is part of what NBCUniversal finds attractive, one of the people said. NBCUniversal, which owns channels such as USA, Bravo, E! and MSNBC, has struggled like other media companies to maintain a connection with young viewers, who have increasingly dropped their cable connections in favor of watching video online. More than half of BuzzFeed’s 82.4 million unique visitors in July were between the ages of 18 and 34, according to comScore Inc. Vox Media, which is made up of eight websites focused on sports, politics, food, fashion and technology, had a combined 54.4 million unique visitors in July, with more than 40% between the ages of 18 and 34. The investment in Vox Media last week valued the company at about \$1 billion. ([WSJ](#))

**RNTS Media** – RNTS Media has raised as much as 150 million euros, or \$169 million, in a convertible bond to continue the company’s expansion into the global mobile advertising technology market. Last October, Berlin-based Fyber allowed RNTS Media to acquire it for \$190 million in a transaction that enabled it to go public on the Luxembourg Stock Exchange. Now, RNTS Media is also changing its listing so that it will appear on the Frankfurt Stock Exchange. Fyber continues to operate under its own name. ([VentureBeat](#))

**Uber** – Uber Technologies Inc. has raised up to \$100 million from Indian private-equity firm Tata Opportunities Fund, a person familiar with the matter said, as it seeks to accelerate its ride-hailing business in the company’s biggest market outside the U.S. by cities served. The San Francisco-based company’s India President Amit Jain on Wednesday declined to say how big the investment would be but said it would allow Uber to “expand and grow into more cities” and to roll out “many more products that are customized to the India market.” Tata Opportunities is investing between \$75 million to \$100 million in Uber globally, a person with knowledge of the figures, who asked not to be named, said. ([WSJ](#))

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### Industry News

**Google Launches Project Sunroof** – Google has released a new online tool called Project Sunroof, which you can use to look up an address and find out about the potential for solar energy collection at your home. This is just the latest unusual but helpful project to come out of Google, which has been installing solar panels to cover its own energy usage for years. ([VentureBeat](#))

**China Draws Executives From The Silicon Valley** – China recently published its GDP growth for Q1 of 2015 at 7 percent. While this figure is drastically lower than the double-digit growth seen in previous years, it has still attracted foreign companies to invest and enter into the Chinese technology market. As a result, salary and compensation packages for executives at Chinese tech companies are approaching those of Silicon Valley, and working for Chinese technology companies is now a viable and competitive alternative for technology executives. ([TechCrunch](#))

**Uber Plans To Go Public In 18-24 Months** – Uber could become a public company as soon as next year or 2016, according to a leaked document published in a report from Reuters. The news agency gained access to a presentation that Uber is showing to potential investors in China as part of a new funding round for its international business. (UberChina, the entity Uber created in the country, is separately reportedly seeking to raise a billion dollars to battle China-based rival Didi Kuaidi, which recently closed a \$2 billion financing round itself.) The document broke out information for Uber China and Uber Inc., and forecasted that the latter — which is present in over 150 countries worldwide — will go public within 18-24 months. ([TechCrunch](#))

### And on a lighter note...

**How Farmers Are Using Big Data To Grow Better Crops** – To feed the world, farmers need to double their production by 2050. That's not easy, and it means they have to take advantage of everything that computing has to offer in order to do it. FarmLogs is trying to help by enlisting big data and real-time analytics that tells farmers how efficiently they're using their land, said Jesse Vollmar, chief executive of FarmLogs, speaking at the Intel Developer Forum in San Francisco. ([VentureBeat](#))