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This Week's Stories

Twitter Is Shutting Down Vine

October 27, 2016

With Twitter's future still in question following failed attempts at finding an acquirer and the recently announced layoffs of nine percent of its workforce, the company today announced it's shutting down its standalone short-form video app, Vine. According a post, nothing is changing immediately — the website and apps will remain online for the time being, and users will be given a chance to download their Vine videos ahead of its official closure.

The announcement was devoid of any explanations about what led to the decision, only stating that Twitter would share more news on its blog and via its official Twitter account in the future regarding what comes next.

While the plan is to wind down Vine's operations, Twitter also says the website will remain online because the company thinks "it's important to still be able to watch all the incredible Vines that have been made."

However, it's unclear at this time how long the site will live on, given Twitter's plans.

In recent days, Twitter has been focusing more on its Periscope product and live streaming rather than the short looping video service Vine, which is home now to a number of creators. It even integrated live streaming into the service, offering to alert users when someone you follow goes live. It has also focused heavily on live TV, via partnerships to stream televised content with organizations like the NFL, Bloomberg and others.

The team had already had a spate of departures and all three co-founders previously left. And it seems there's still some frustration about the way Twitter has handled the product.

Acquired by Twitter in 2012, Vine started off strong, becoming the No. 1 app on the iTunes App Store only six months after joining the company. At one point, Vine had more than 200 million active users, yet it struggled to maintain traction and saw a decline in popularity in recent months.

Competition from Instagram, Snapchat and YouTube made it difficult to stand out from the pack. According to data from App Annie, Vine has since dropped to No. 284 in the top charts for free applications on iOS, down from the low 100s at the beginning of the year. It's still fairly well-ranked (No. 24) in the Photo & Video category, but hasn't placed on the Entertainment apps top charts since 2015.

Year-over-year worldwide downloads of the Vine app declined 55 percent in Q3 across both the Apple App Store and Google Play, according to Sensor Tower's data.

This is just the latest social media app to throw in the towel. Selfie app Shots, recently rebranded as Shots Studios and is looking to create YouTube content with former Vine stars.

techcrunch.com

“The Touch Bar was today's showstopper.”

The 7 Biggest Announcements From Apple's MacBook Event

October 27, 2016

Apple's keynote today focused on the Mac and the company's vision idea for the future of TV. New MacBook Pros are coming, including one that's thinner than the MacBook Air, as is a new feature called the Touch Bar. The Touch Bar replaces the function keys and adjusts to the software a laptop is running. Overall, it was a small event with not a lot of news, but hey, new laptops! Exciting!

The MacBook Pro has an all-new update

This week marks the 25th anniversary of the original PowerBook, Apple's first laptop, making it a particularly fitting time for (finally) an update to the MacBook Pro. As previously leaked, the new MacBook Pro has made the function keys defunct with a OLED touch strip that Apple is calling the Touch Bar.

The design itself has been slimmed down from the previous Retina MacBook Pro (Apple's saying 14-17 percent thinner and almost a half-pound lighter), and is available in 13-inch and 15-inch models, in either silver or space gray colors. The new MacBook Pro also brings over the Force Touch trackpad and an updated second-generation butterfly switch from the 12-inch MacBook.

For the 15-inch model, Apple's offering a quad-core Core i7 processor, AMD Radeon Pro graphics with up to 4GB of video memory, and up to 16 GB of RAM, while the 13-inch version will offer either Core i5 or i7 processors and an Intel Iris GPU. There are 4 USB-C Thunderbolt 3 ports, any of which can be used to charge the computer, along with a 3.5mm headphone jack, although the SD card slot from the former generation has been removed.

Touch Bar replaces the function keys with an interactive touchscreen

The Touch Bar was today's showstopper. The retina display bar replaces the keyboard's function keys and responds to touch and gestures. It also changes with software, so if a user is in a web browser, the Touch Bar will bring up bookmarks, as well as the option to add a new tab, move between tabs, or navigate to a different website. In Photos, editing controls pop up. Users can slide their finger across the Touch Bar to browse photos, change filters, or resize. Similarly to the Dock, users can control what defaults show up on their Touch Bar, including system controls, which can also be immediately accessed by holding down Fn key on the keyboard. Overall, it seems to present an alternative to a touchscreen.

Touch ID comes to the MacBook Pro

Touch ID is also integrated next to the Touch Bar, built right into the power button. It uses the same faster second-gen Touch ID sensor from iPhone 6S / 7 with a sapphire cover, and includes a new T1 chip with a local secure enclave for Apple Pay security. Touch ID also can be used for multi-user machines to quickly switch between accounts simply by tapping the button.

Professional applications get updates

Apple showed off an update for a variety of professional applications for the MacBook Pros. The new Final Cut Pro supports the Touch Bar, and can show an interactive view of the video timeline even while video is playing full screen, along with contextual controls for things like audio sliders. Apple also showed off similar kinds of Touch Bar integration with Adobe Photoshop, and DJ Pro. Other apps with announced support include Microsoft Office, Pixelmator, Sketch, and Da Vinci Resolve.

LG UltraFine 5K Display

LG built a 5K display specifically for the new MacBook Pro. Apple executive Phil Schiller called it the "ultimate docking station" because it can simultaneously display from the laptop while charging it. We didn't get many details on the display, but we do know one MacBook Pro can support two of them.

Apple Sidelines the MacBook Air

Apple also announced that it won't be updating the MacBook Air line today, instead directing users to a new entry-level variant of the 13-inch MacBook Pro that lacks the Touch Bar and offers only two USB-C Thunderbolt 3 ports, starting at \$1,499. However, MacBook Air fans can take comfort in the fact that the 13-inch Pro is actually thinner and smaller than the older MacBook Air. The old MacBook Air will be sticking around as well as a budget option.

Apple TV gets a unified "TV" app

Apple hasn't been shy about marketing it as a media and gaming device that it wants to be the center of your living room. So it makes sense that the newest Apple TV is characterized by the fact that it can run apps, including Minecraft and over 2,000 other games on the platform.

More importantly, Apple announced a new "TV" app for the Apple TV, a new unified hub for content across all the various apps you have installed. The TV app also utilizes a single sign on method, automatically signing you into new applications as you add them to the device. The TV app will also be available for iPhone and iPad as well, letting you access the same content with the same authentication across all your devices. The TV app will be made available in a free update later this year.

Apple also wants to help viewers watch live TV through Siri voice navigation. People can tell Siri to go directly to news channels or the sport they want to watch. So if someone asks to watch the Chicago Bears game, Siri knows what app is playing it and will navigate directly there. Siri can also list entire sports schedules with scores. Taken with the TV app, Apple is making it a lot easier to find what you want to watch without hunting through apps.

theverge.com

AT&T To Acquire Time Warner

October 23, 2016

AT&T Inc. and Time Warner Inc. today announced they have entered into a definitive agreement under which AT&T will acquire Time Warner in a stock-and-cash transaction valued at \$107.50 per share. The agreement has been approved unanimously by the boards of directors of both companies.

The deal combines Time Warner's vast library of content and ability to create new premium content that connects with audiences around the world, with AT&T's extensive customer relationships, world's largest pay TV subscriber base and leading scale in TV, mobile and broadband distribution.

"This is a perfect match of two companies with complementary strengths who can bring a fresh approach to how the media and communications industry works for customers, content creators, distributors and advertisers," said Randall Stephenson, AT&T chairman and CEO. "Premium content always wins. It has been true on the big screen, the TV screen and now it's proving true on the mobile screen. We'll have the world's best premium content with the networks to deliver it to every screen.

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"Owning content will help AT&T innovate on new advertising options, which, combined with subscriptions, will help pay for the cost of content creation."

A big customer pain point is paying for content once but not being able to access it on any device, anywhere. Our goal is to solve that. We intend to give customers unmatched choice, quality, value and experiences that will define the future of media and communications.

“With great content, you can build truly differentiated video services, whether it’s traditional TV, OTT or mobile. Our TV, mobile and broadband distribution and direct customer relationships provide unique insights from which we can offer addressable advertising and better tailor content,” Stephenson said. “It’s an integrated approach and we believe it’s the model that wins over time.

“Time Warner’s leadership, creative talent and content are second to none. Combine that with 100 million plus customers who subscribe to our TV, mobile and broadband services – and you have something really special,” said Stephenson. “It’s a great fit, and it creates immediate and long-term value for our shareholders.”

Time Warner Chairman and CEO Jeff Bewkes said, “This is a great day for Time Warner and its shareholders. Combining with AT&T dramatically accelerates our ability to deliver our great brands and premium content to consumers on a multiplatform basis and to capitalize on the tremendous opportunities created by the growing demand for video content. That’s been one of our most important strategic priorities and we’re already making great progress — both in partnership with our distributors, and on our own by connecting directly with consumers. Joining forces with AT&T will allow us to innovate even more quickly and create more value for consumers along with all our distribution and marketing partners, and allow us to build on a track record of creative and financial excellence that is second to none in our industry. In fact, when we announce our 3Q earnings, we will report revenue and operating income growth at each of our divisions, as well as double-digit earnings growth.

Bewkes continued, “This is a natural fit between two companies with great legacies of innovation that have shaped the modern media and communications landscape, and my senior management team and I are looking forward to working closely with Randall and our new colleagues as we begin to capture the tremendous opportunities this creates to make our content even more powerful, engaging and valuable for global audiences.”

Time Warner is a global leader in media and entertainment with a great portfolio of content creation and aggregation, plus iconic brands across video programming and TV/film production. Each of Time Warner’s three divisions is an industry leader: HBO, which consists of domestic premium pay television and streaming services (HBO Now, HBO Go), as well as international premium & basic pay television and streaming services; Warner Bros. Entertainment, which consists of television, feature film, home video and videogame production and distribution. Warner Bros. film franchises include Harry Potter & DC Comics, and its produced TV series include Big Bang Theory and Gotham; Turner consists of U.S. and international basic cable networks, including TNT, TBS, CNN and Cartoon Network/Adult Swim. Also, Turner has the rights to the NBA, March Madness and MLB. Time Warner also has invested in OTT and digital media properties such as Hulu, Bleacher Report, CNN.com and Fandango.

Customer Benefits

The new company will deliver what customers want — enhanced access to premium content on all their devices, new choices for mobile and streaming video services and a stronger competitive alternative to cable TV companies.

With a mobile network that covers more than 315 million people in the United States, the combined company will strive to become the first U.S. mobile provider to compete nationwide with cable companies in the provision of bundled mobile broadband and video. It will disrupt the traditional entertainment model and push the boundaries on mobile content availability for the benefit of customers. And it will deliver more innovation with new forms of original content built for mobile and

social, which builds on Time Warner's HBO Now and the upcoming launch of AT&T's OTT offering DIRECTV NOW.

Owning content will help AT&T innovate on new advertising options, which, combined with subscriptions, will help pay for the cost of content creation. This two-sided business model — advertising- and subscription-based — gives customers the largest amount of premium content at the best value.

Summary Terms of Transaction

Time Warner shareholders will receive \$107.50 per share under the terms of the merger, comprised of \$53.75 per share in cash and \$53.75 per share in AT&T stock. The stock portion will be subject to a collar such that Time Warner shareholders will receive 1.437 AT&T shares if AT&T's average stock price is below \$37.411 at closing and 1.3 AT&T shares if AT&T's average stock price is above \$41.349 at closing.

This purchase price implies a total equity value of \$85.4 billion and a total transaction value of \$108.7 billion, including Time Warner's net debt. Post-transaction, Time Warner shareholders will own between 14.4% and 15.7% of AT&T shares on a fully-diluted basis based on the number of AT&T shares outstanding today.

The cash portion of the purchase price will be financed with new debt and cash on AT&T's balance sheet. AT&T has an 18-month commitment for an unsecured bridge term facility for \$40 billion. AT&T expects the deal to be accretive in the first year after close on both an adjusted EPS and free cash flow per share basis.

AT&T expects \$1 billion in annual run rate cost synergies within 3 years of the deal closing. The expected cost synergies are primarily driven by corporate and procurement expenditures. In addition, over time, AT&T expects to achieve incremental revenue opportunities that neither company could obtain on a standalone basis.

Given the structure of this transaction, which includes AT&T stock consideration as part of the deal, AT&T expects to continue to maintain a strong balance sheet following the transaction close and is committed to maintaining strong investment-grade credit metrics. By the end of the first year after close, AT&T expects net debt to adjusted EBITDA to be in the 2.5x range. Additionally, AT&T expects the deal to improve its dividend coverage and enhance its revenue and earnings growth profile.

Time Warner provides AT&T with significant diversification benefits:

- Diversified revenue mix — Time Warner will represent about 15% of the combined company's revenues, offering diversification from content and from outside the United States, including Latin America, where Time Warner owns a majority stake in HBO Latin America, an OTT service available in 24 countries, and AT&T is the leading pay TV distributor.
- Lower capital intensity — Time Warner's business requires little in capital expenditures, which helps balance the higher capital intensity of AT&T's existing business.
- Regulation — Time Warner's business is lightly regulated compared to much of AT&T's existing operations.

The merger is subject to approval by Time Warner Inc. shareholders and review by the U.S. Department of Justice. AT&T and Time Warner are currently determining which FCC licenses, if any, will be transferred to AT&T in connection with the transaction. To the extent that one or more licenses are to be transferred, those transfers are subject to FCC review. The transaction is expected to close before year-end 2017.

att.com

Products & Services

PlayStation Vue Brings Its Streaming TV Service To Android TV, And Soon, Mac & Windows

October 28, 2016

PlayStation Vue, Sony's streaming TV service aimed at cord cutters, just got more useful. The company announced the service will now run on Android TV, and will arrive on both Mac and Windows PCs in the near future.

What that means for those considering ditching their cable or satellite TV subscriptions, is that there's now more ways to access PlayStation Vue without the need for a PlayStation console.

Instead, customers will be able to sign up for the web version for Mac and PC directly from the browser, then watch on the devices you own, whether that's the desktop, Android TV, Roku, or iOS and Android smartphones and tablets.

On the Mac and PC version, Sony says that it will debut some unique features, including a mini-player that will let you shrink the video to the corner of the browser so you can watch while you're doing other things on your computer.

No launch date for this service was yet provided.

PlayStation Vue is one of now many options aimed at cord cutters. However, it competes more directly with those services that aim to offer an internet version of what you miss from cable TV, like Sling TV, AT&T's forthcoming DirecTV, and Hulu's upcoming live TV service, for example.

The service offers tiered access to both on-demand programming and live cable TV, as well as movies and sports channels. Pricing is determined by which packages you choose.

These range from the "Access" package for 55+ channels, which costs \$29.99 per month, all the way up to an "Ultra" package for \$64.99 per month with over 100 channels, plus HBO and Showtime. (Packages cost \$10 more in cities where live broadcasts are available.) "Core" and "Elite" packages expand the basic offerings with more sports and movie channels, at \$34.99 per month and \$44.99 per month, respectively.

There are some interesting features that Vue offers that make it stand out, including its cloud-based DVR which lets you schedule hundreds of shows at once, as well as its support for streaming on multiple devices at once.

On Vue, you can stream on up to 5 devices, while Sling TV's better plan (Sling Blue) only allows up to three streams.

It also combines on-demand streaming with live, local broadcasts in a number of markets, which gives you more of traditional TV-like experience, combined with the ability to watch your favorite shows at any time.

You can use PlayStation Vue now on your Android TVs running Android OS 4.4 or higher, including Nvidia's SHIELD TV.

techcrunch.com

"PlayStation Vue is one of now many options aimed at cord cutters. However, it competes more directly with those services that aim to offer an internet version of what you miss from cable TV, like Sling TV, AT&T's forthcoming DirecTV, and Hulu's upcoming live TV service, for example."

Microsoft Goes After Apple Users With Sleek Surface Desktop

October 27, 2016

Microsoft aims to lure designers away from Apple with its new Surface desktop computer.

The company showed off a collection of shiny new tech products Wednesday morning ahead of the holiday shopping season.

As expected, Microsoft debuted an all-in-one Surface PC called Surface Studio (\$2,999), which has a strong focus on creativity. It's clear the company wants users to start thinking of its products as more than just productivity tools.

While the tech giant has launched tablets and laptops under the Surface branding, this is the first time it's landed on a desktop computer. Surface Studio includes a hinge that lets you tinker with the display angle and supports touchscreen and stylus capabilities -- similar to what's already standard for other Surface products.

Microsoft said its 28-inch display is the thinnest LCD monitor ever made at 12.5 mm. The computer comes with a powerful four-core i7 chip, 2TB hard drive, an HD camera and 13.5 million pixels -- more than double that of a 4K TV. There's also a built-in microphone that lets you talk to its voice-assistant software Cortana from across the room.

Microsoft Studio will be available in limited quantities for the holidays, but the company didn't specify a launch date.

The news comes one day before Apple hosts its Mac-centric product launch in San Francisco, where we'll likely see a new MacBook Pro and possibly an updated iMac desktop.

To compliment the Surface Studio, Microsoft introduced an accessory called the Surface Redial that "turns your desk into a studio." The circular device responds to touch and works alongside the Surface Pen stylus. After tapping it, it's possible to rewind your progress, whether it's typed text or a drawing, and adjust colors in real time.

Meanwhile, in a surprise announcement, Microsoft also introduced the Surface Book i7. The laptop comes with 30% more battery life than its previous Surface Book -- about 16 hours of battery life on a single charge. The company says it has three times the graphics performance of the 13-inch MacBook Pro. Priced at \$2,399, the device starts shipping in November.

But there's a lot more coming from Microsoft than just hardware. The company also unveiled its next-generation Windows software -- called Windows 10 Creator Update -- which has a greater focus on creativity. It also touts virtual reality, augmented reality and 3D support.

The update will be available to all Windows users next year. According to the company, more than 400 million people currently use Windows 10.

To start, it revealed an updated version of its iconic Microsoft Paint. Microsoft Paint 3D lets you take photos of physical objects on your smartphone and upload it to the platform. From there, you'll be able to customize the images in 3D and print them out.

The company is also throwing a 3D option into PowerPoint, so you can spin pictures of objects on screen during a presentation. An upgrade to the Microsoft Edge browser will support 3D, too.

The operating system is also getting more social. It's adding a tool to make sharing articles, pictures and messages easier. You'll be able to add your most important contacts to your desktop, and Microsoft will filter your Mail and Skype messages according to what it thinks you'll want first.

Microsoft also announced a new collection of VR headsets, starting at \$299, from a series of partners like HP (HPQ), Dell, Lenovo, Acer and Asus. Few details were revealed about the products, but they'll be available next year.

The company spent an ample amount of time on stage highlighting its vision for the future of gaming. As a part of Windows 10 Creator Update (via its Xbox app), users will broadcast the games they're playing in real time -- a move that takes on popular gaming network Twitch.

[cnn.com](#)

Emerging Technology

Facebook Is Testing A New Snapchat Clone In Its Main App

October 28, 2016

In what is quickly becoming an all too familiar story: Facebook is — once again — attempting a Snapchat clone. And this time, the company is putting it right inside its main app. The social network introduced a new experimental camera feature to its app that allows users to privately share photos with filters and other effects.

The feature, which doesn't yet have a formal name, is limited to Ireland for the moment, though it's possible some version of the test could eventually come to more locations.

For those who are part of the test, a camera icon will appear in the top left corner of the app (this is where the Messenger icon currently appears for U.S. users). Tapping into that menu or swiping right from News Feed opens the new camera.

The interface itself will likely look pretty familiar to Snapchat users — it opens on the camera and you can snap photos and videos and add filters, "masks" (Facebook's answer to Snapchat's selfie lenses) and other effects. It also includes a Prisma-style feature that uses artificial intelligence to make your photos and videos look like artwork, which Facebook's Chief Product Officer Chris Cox previewed earlier this week.

Once you've shot your photos and added your effects, you have two options for sharing: you can either share to Facebook as you would any other post or you can share it privately with a limited group of friends via a feature called direct.

Direct, which also bears a striking resemblance to another ghost-clad messaging app, allows you to share the images you take in the new camera with only the friend you choose. Messages shared this way will appear in a new area of the app you can reach from the top right corner. There, your friends can also write responses to your photos and videos.

The images themselves disappear (though they can be replayed once) once you stop chatting.

Facebook says that all of this is still experimental and that they plan to continue testing variations of these features so it's hard to say if any of it will move beyond a test or what a final version could look like. Though the company says the goal is to capitalize on users' desire to share more casually and more visually, like Instagram Stories, it seems pretty clearly to be yet another shot at Snapchat.

[mashable.com](#)

"The interface itself will likely look pretty familiar to Snapchat users — it opens on the camera and you can snap photos and videos and add filters, "masks" (Facebook's answer to Snapchat's selfie lenses) and other effects."

Gfycat Brings Its Higher Quality GIFs and DIY Creation Tools To iMessage

October 28, 2016

Gfycat, the startup that recently raised a whopping \$10 million for its user-generated content platform that lets you creating silent, looping animations and videos, has now launched its first mobile app.

Designed for iMessage, Gfycat lets you search for, send and create your own “Gfycat Loops,” which you can also augment with your own emojis and captions.

There are already a number of iMessage apps that let you access or send GIFs via text messaging on devices running Apple’s newest iOS 10 mobile operating system. Giphy, for example, has one, Momento automatically makes GIFs from your Camera Roll’s photos, and Tumblr lets you create your own GIFs, to name a few.

Gfycat, however, has already grown its database of animated loops to include 25 million pieces of unique content. And technically speaking, these are not GIFs – Gfycat’s content is compressed 20 times more efficiently than a .gif file, which means they can display with 16 million colors, instead of the 256 colors that .gifs are limited to, the company claims. In other words, while these Gfycat Loops appear somewhat GIF-like, they’re actually looping videos with richer colors.

Gfycat’s web platform is where users, before now, could browse its content and access its GIF uploading tools.

Today, that site sees over 75 million monthly visitors on and off the platform. Its users watch 1.5 billion user-generated clips per month. The site is also a top 60 U.S. site, according to Alexa’s web rankings, and recently rolled out an API that allows developers to turn their own videos directly into Gfycat Loops.

The service’s GIFs are also integrated onto many web publishers’ sites, including the WSJ and The New York Times.

In terms of bringing the service to mobile, Gfycat co-founder and CEO Richard Rabbat explains that the team was very excited about the possibilities of the iMessage platform.

“As we approached mobile, we focused on enabling more creation in the iMessage app, but made the creation appropriate to the medium,” he says. “When you take a clip, we apply a technique called palindrome looping – also referred to as ping-pong – to make the GIF loop seamless.”

So far, most Gfycat users are very focused on selfies, Rabbat notes, with 90 percent taking these GIF Loops using the forward-facing camera. This makes it a natural fit for iMessage, and the personal sharing that takes place in text messaging.

Early adopters of the iMessage app are also interested in other types of personal expressions and reactions, like winks, love, hearts, and “awww.”

Plus, iMessage supports the higher quality content Gfycat produces, which is another reason why the company choose the platform for its first entry point onto mobile.

It’s worth noting, too, that Gfycat’s audience skews fairly young: the 13-17 year olds and the 18-24 year olds are the top age groups using Gfycat. They view, on average, around 4 GIFs daily, the company says.

With the new app, you can search through Gfycat's library of 25 million GIFs which are organized into a number of reaction categories, like "LOL" or "Fail," for example. You can also access tools to make your own GIFs, which can include emojis and captions. These Loops are automatically saved to your Camera Roll, and can be easily sent to friends via the iMessage integrated app.

The company isn't currently making money, but has future plans which involve working with brands to reach younger consumers who no longer watch TV and consume much of their content via media on their smartphone.

Native ads are an area which Gfycat will explore further down the road – something it believes will appeal to brands because of GIFs' viral nature.

techcrunch.com

Mergers and Acquisitions

Qualcomm Buys NXP For \$47 Billion In Largest Chip Deal Ever

October 27, 2016

With an estimated price of \$47 billion, Qualcomm's acquisition of NXP is the largest deal to date in the semiconductor sector. The deal is expected to produce new and profitable synergies for the combined company in a wide range of markets, including self-driving cars, security, mobile communications and the Internet of Things (IoT).

Announced today, the purchase agreement for NXP has already been approved unanimously by the boards of both companies. The acquisition is expected to close by the end of 2017, although it's subject to the usual review by regulatory authorities in the U.S. and Europe.

Founded in 1985 and based in San Diego, Qualcomm has steadily expanded its offerings from its first CDMA digital wireless technologies to include the flagship Snapdragon system-on-chip (SoC) used in a wide range of mobile devices. Originally launched in 1963 as Philips Semiconductors, Netherlands-based NXP was renamed after a sale in 2006 and has become a leading global supplier of semiconductors for automotive networking, radio frequency identification, security and IoT.

Aiming for 'Ubiquitous Connectivity'

"The combination of Qualcomm and NXP will bring together all technologies required to realize our vision of secure connections for the smarter world, combining advanced computing and ubiquitous connectivity with security and high performance mixed-signal solutions including microcontrollers," NXP CEO Rick Clemmer said in a statement. "United in a common strategy, the complementary nature of our technologies and the scale of our portfolios will give us the ability to drive an accelerated level of innovation and value for the whole ecosystem."

By joining forces, Qualcomm and NXP hope their complementary technologies will open up new opportunities in a range of "strategically important areas," including automotive connectivity and infotainment, IoT, mobile payment security as well as wired and wireless communications. The combined company is also expected to expand the organizations' global distribution and business channels.

"The NXP acquisition accelerates our strategy to extend our leading mobile technology into robust new opportunities, where we will be well positioned to lead by delivering integrated semiconductor solutions at scale," Qualcomm CEO Steve Mollenkopf (pictured above) said in a statement. "By joining Qualcomm's leading SoC capabilities and technology roadmap with NXP's leading industry sales

"The company isn't currently making money, but has future plans which involve working with brands to reach younger consumers who no longer watch TV and consume much of their content via media on their smartphone."

channels and positions in automotive, security and IoT, we will be even better positioned to empower customers and consumers to realize all the benefits of the intelligently connected world."

Eyeing a \$138B Market by 2020

Both Qualcomm and NXP have grown in recent years through acquisitions of other companies aimed at broadening the reach of their products and services.

Last year, NXP acquired a competitor, Freescale Semiconductor, for a round \$12 billion, making it the world's leading manufacturer of electronics for cars. And since 2010, Qualcomm has purchased more than a dozen companies with a wide range of technologies, including the Wi-Fi networking firm Atheros, semiconductor maker Wilocity and Pixtronix, which specialized in multimedia device display technologies.

The latest deal will create a company with annual revenues of more than \$30 billion and a potential market by 2020 worth \$138 billion, according to Qualcomm and NXP. Qualcomm said it plans to pay for the acquisition through new debt and "tax-efficient use of offshore cash flow," noting that the structure of the purchase "provides a strong foundation for long-term capital returns to stockholders."

The previous largest transaction in the semiconductor industry was Avago's purchase of Broadcom last year for \$37 billion.

mobile-tech-today.com

Industry Reports

Smartphone Shipments Recover Despite Samsung Woes, Apple Slump

October 27, 2016

Smartphone shipments grew six percent year over year despite notable troubles at Samsung and a sales slump at Apple, Strategy Analytics said in a new report.

In the third quarter, Strategy Analytics said global smartphone shipments hit 375.4 million units, up from 354.2 million units the year prior.

The report said it was the industry's fastest growth rate in the past year following a bottoming out in the first half of 2016.

The gains came despite Samsung's widely publicized struggles with its Galaxy Note 7 launch and Apple's recently reported third quarter sales slump, and were mainly attributed to growth at up and coming Chinese brands like OPPO and Vivo.

Strategy Analytics said Samsung shipped 75.3 million smartphones in the period, down 10 percent from 83.8 million the year before. Neil Mawston, Executive Director at Strategy Analytics said the figure was Samsung's slowest growth rate in nearly two years.

"(Samsung's) global smartphone market share has dipped from 24 percent to 20 percent in the past year," Mawston said.

"Samsung and Apple's struggles, however, left room for other up and coming brands – like Huawei, OPPO and Vivo – to make gains."

“Samsung’s recent Galaxy Note 7 recall was handled badly, which dented its brand image and left a large product gap in its premium smartphone lineup. Samsung will now be looking to its next flagship launch, such as the rumored Galaxy S8 model, to recover momentum in 2017.”

Apple also had difficulties in the third quarter, with shipments dropping five percent year over year to just 45.5 million.

“Apple’s global smartphone market share has softened from 14 percent to 12 percent in the past year,” Mawston said. “Apple has been given a slight boost by Samsung’s Note 7 missteps, but it continues to face iPhone fatigue among many consumers in major regions such as China and Europe.”

Samsung and Apple’s struggles, however, left room for other up and coming brands – like Huawei, OPPO and Vivo – to make gains.

Huawei boosted its shipments from 26.7 million a year ago to 33.6 million in the third quarter, while Vivo nearly doubled its shipments year over year from 9.8 million in the third quarter 2015 to 18.3 million this year.

The largest bump in shipments, though, came at OPPO, which grew 140 percent year over year from 9 million shipments in the third quarter 2015 to 21.6 million in the most recent quarter.

By market share, Samsung and Apple remain in first and second place with 20.1 percent and 12.1 percent, respectively.

Huawei also held on in third place with nine percent market share, but has OPPO and Vivo hot on its heels with 5.8 percent and 4.9 percent of the market share, respectively.

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Apple Falls 2% As It Posts 3rd Straight Quarter Of Year-On-Year Revenue Declines

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Apple reported quarterly earnings that topped analysts' estimates and revenue that was in line with expectations on Tuesday, as it saw better-than-expected iPhone sales.

But the quarterly results marked the third straight quarter where Apple posted a year-over-year revenue decline.

The iPhone maker reported earnings per share of \$1.67 per share, just above the \$1.66 expected by a Thomson Reuters consensus estimate. Revenues came in at \$46.9 billion, just shy of the \$46.94 billion expected.

That's still down from the comparable year-ago figures of \$1.96 a share on sales of \$51.5 billion.

Shares rose briefly about 2 percent in after-hours trading, but were last seen down more than 2 percent.

With 45.5 million units, the company reported more iPhone sales than expected during the quarter. Apple was expected to report after the bell that it shipped 44.8 million iPhones.

Still, iPhone shipments fell 5 percent, down from 48.04 million a year ago, according to analysts surveyed by StreetAccount.

It comes after Apple reported revenues of \$42.4 billion in the third quarter, down against the comparable year-ago figure of \$49.61 billion in revenue. In the second quarter, Apple reported \$50.56 billion in revenue, a roughly 13 percent decline against \$58.01 billion in the comparable year-ago period.

"We couldn't be more excited about the customer response to the iPhone 7 and the iPhone 7 Plus," CEO Tim Cook said.

Apple's board also declared a cash dividend of 57 cents per share, payable on Nov. 10.

During its first fiscal quarter, the company said it expects revenue in the range of \$76 billion to \$78 billion, beating the \$74.9 billion expected by analysts polled by StreetAccount.

Shares of Apple are down about 1 percent over the past year, but up nearly 20 percent in the past 3 months. As the main source of the company's revenue, iPhone sales are known to move the company's stock even more than earnings.

Apple's biggest stock pop after an earnings beat was from April 2012, on much stronger-than-expected iPhone sales, and Apple gained 8.9 percent the next day, according to Kensho data. Apple's biggest stock drop after an earnings and revenue beat was from January 2013 when iPhone sales missed expectations and the stock fell nearly 12.4 percent, according to Kensho.

It comes on the heels of the company's latest phone, iPhone 7, which investors hope will turn around sliding iPhone sales in the holiday season.

The new iPhone has been promoted aggressively by wireless carriers, amid a massive recall of rival high-end phone, the Samsung Galaxy Note 7, over safety concerns. Google, maker of rival operating system Android, has also released a new Pixel phone in time for the holidays.

Apple is holding a press event on Oct. 27, where industry blogs expect it will reveal new Macs.

"It's going to be interesting: The next 6 to 12 months are pivotal for the industry," said Dan Ives, senior vice president of finance and corporate development at Synchronoss Technologies, a mobile cloud services platform. "It speaks what type of pent up demand there is. Does Google become a player? Will Samsung get back on track? I think it's almost like a game of high stakes poker. You want to see where everyone's cards stand."

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