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This Week's Stories

Snapchat Scores Unique Deal With NBC To Showcase Olympics

April 29, 2016

The Olympics are coming to Snapchat. The app scored a deal with Comcast Corp.'s NBC to show highlights from the 2016 Summer Games, the first time the U.S. network has agreed to share video of the sporting contest.

Snapchat Inc. will set up a dedicated channel on the mobile app for the games in Rio De Janeiro. News site BuzzFeed will curate short clips and behind-the-scenes content into a Discover channel on the app for two weeks, while Snapchat creates daily "live stories" using content from NBC, athletes and sports fans at the scene.

"We have never allowed the distribution of any game highlights off NBC's own platforms," said Gary Zenkel, president of NBC Olympics. But Snapchat "really effectively reaches a very important demographic in the United States, and is very important to our efforts to assemble the large, massive audience that will show up to watch the Olympic Games."

NBC is betting that the app's younger audience will grow interested in athletes' stories and triumphs through the app, then follow their on-field exploits on television or NBC's website. That dovetails with Snapchat's strategy of covering events like the Oscars and Super Bowl from multiple angles, combining user-submitted content with negotiated access in video stories that can sometimes be watched by more than 30 million people.

"It's as much about what's going on on the field as what's going on in the Olympic village and Rio and really feeling like you're there -- seeing it through the fans' eyes and the athletes' eyes," said Ben Schwerin, Snapchat's director of partnerships. "Billions of people watch the Olympics on TV but a small fraction actually get to attend them in person."

The deal covers only the U.S., where Comcast paid about \$2 billion for broadcast rights. Snapchat isn't paying for access. Instead, the companies will share revenue from advertisements paired with the content, which NBC will take the lead in selling. The content BuzzFeed creates won't be exclusive to Snapchat, which is looking for other Olympics partners internationally.

NBC is also working to strike similar deals with Facebook Inc. and Twitter Inc., Zenkel said. He's not looking to livestream games anywhere besides NBC, despite social media platforms keen on such deals.

Twitter, for example, is paying the National Football League \$10 million to stream 10 Thursday night games during the 2016 season.

Snapchat, which last raised funds from investors at a \$16 billion valuation, is a growing player in media distribution. The company hosts 20 Discover channels on its application run by news partners including National Geographic, BuzzFeed and ESPN. They read like mobile mini-magazines.

The most popular content on Snapchat isn't on Discover -- it's the live stories the company creates from current events. For the Super Bowl this year, the companion story included a video of Lady Gaga having her makeup done before singing the national anthem, President Barack Obama throwing a football at the White House, and the Denver Broncos celebrating their win from the locker room.

Users submit content for stories. For the recent Coachella music festival in California, Snapchat received 800 hours of video, Schwerin said. Users watch 10 billion videos on the app every day, the company said Thursday.

BuzzFeed said the idea for the deal came after the news site got a \$200 million investment from NBCUniversal. The news site's team met with the sports department and considered how to make the Olympics more social.

Young people "are not necessarily glued to their televisions anymore, and Snapchat is something they check in with multiple times a day," said Matthew Henick, head of development for BuzzFeed Motion Pictures.

bloomberg.com

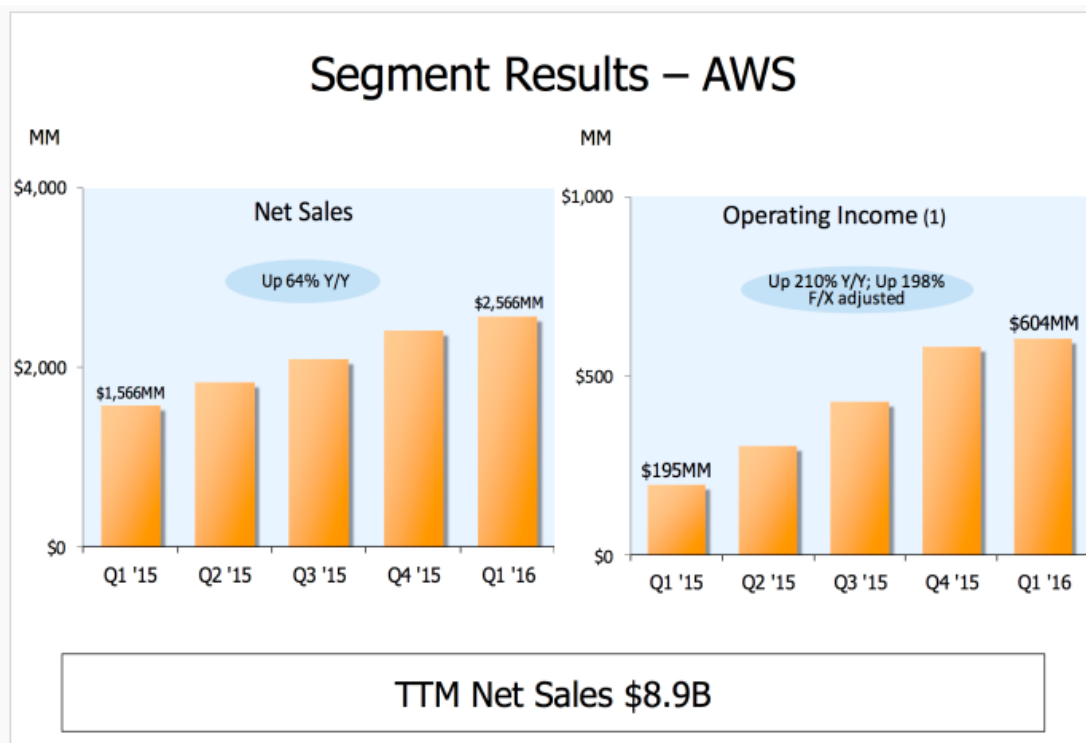
Amazon's Web Services Are Shining In Its Latest Earnings Beat

April 28, 2016

"Bezos himself said that he expects AWS to be a \$10 billion annual business in his 2015 letter to shareholders."

Amazon posted its first-quarter earnings today, and boy did they not disappoint: it beat what analysts were expecting on nearly all fronts, and the stock is up more than 12% after its huge beat.

The big one here, in particular, is Amazon Web Services. AWS has become a go-to for most businesses, so it's not surprising that it's seeing that segment continue to grow steadily. The company is posting huge year-over-year growth here, meaning that demand is still increasing, despite increasing competition from companies like Google and Microsoft. More and more, it looks like AWS is going to be a huge second line of business for the company, especially if it continues to grow at this rate. For the trailing twelve months, it's about a \$9 billion business.



It's always impressive for a company that, for most of its lifetime, has been focused entirely on its commerce side is able to grow a new business from scratch, given that other larger technology companies are also throwing concepts at the wall looking for new lines of business. For Facebook, it's

VR and services like WhatsApp. For Google, it's the company's moonshots like self-driving cars. These have yet to come to fruition, while AWS is showing that it's becoming a real business.

Even more interestingly, Amazon's AWS division posted an operating income even higher than its core business in North America. The company said AWS posted an operating income of \$604 million, compared to operating income of \$588 million in its core business in North America. This is a business that, while generating less than its e-commerce business, seems at first blush operationally more efficient and still growing at a health rate. Bezos himself said that he expects AWS to be a \$10 billion annual business in his 2015 letter to shareholders.

Here's the scorecard:

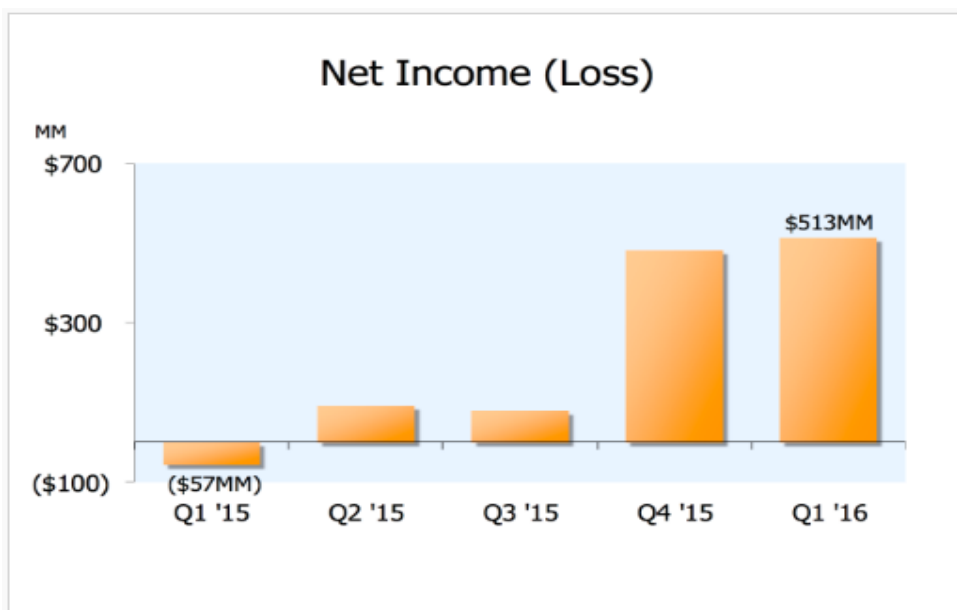
- The company reported earnings of \$1.07 per share, ahead of 58 cents per share that were expected. The company posted a net loss of 12 cents per share in Q1 2015.
- Revenue was \$29.13 billion, ahead of what \$27.98 billion that analysts were expecting, and up 22% from the same quarter last year.
- Amazon web services revenue was up to \$2.57 billion — ahead of the \$2.53 billion that analysts were expecting. That's up from \$1.57 billion in the same quarter a year ago, a jump of about 64%.
- The company sees Q2 revenue of \$28 billion to \$30.5 billion.
- Unearned revenue came in at \$3.77 billion, up from \$3.12 billion in the previous quarter.
- Technology and content revenue was \$3.5 billion, up from \$2.8 billion in Q1 2015.
- International sales of \$9.6 billion, up from \$7.8 billion in the same quarter a year ago.

So the company is over-performing compared to what everyone expected in nearly every category. Amazon is expanding into tons of new markets, like video streaming and expanding its web services business, and of course it has its \$99 per year Prime subscription. The company is also increasing its portfolio of devices with the Fire TV and the Amazon Echo.

What's going on here with the stock? Basically, Amazon shares tend to swing wildly whenever it reports earnings. Last quarter shares tanked 13% after missing fourth-quarter expectations. The year in general has been a rocky one, though it's been one of the better-performing stocks of the year (it's up 42%). So it's not surprising to see such a big swing off today's earnings after it posted such a successful quarter.

One big one investors are looking at is directional information about the company's Amazon Prime memberships. In theory, making it easier/cheaper to deliver things should convince customers to buy more, outweighing the increased shipping costs that the company would sustain. This, in theory, falls under unearned revenue, which appears to be ever-increasing.

There's another big trend this earnings report establishes: Amazon has posted a profit for four quarters straight. The company has historically been pretty blasé about focusing on profit, instead investing entirely in growth and showing losses on a regular basis, but the company now appears to be turning its business into a profitable machine (or at least, focusing on that to some extent).



As usual, Amazon didn't break out any new numbers for its hardware devices — despite launching a new Kindle (the Kindle Oasis) and two new Amazon Alexa-powered devices.

techcrunch.com

Products & Services

Amazon And Brita Just Put Wi-Fi In A Water Pitcher

April 29, 2016

If you've ever owned a Brita water filter, you've probably spent an embarrassing amount of time trying to remember when you last replaced it. Brita has teamed up with Amazon to try to take this worry off your list of first-world problems.

On Monday, the online mega-retailer began selling the Brita Infinity, a Wi-Fi-connected water pitcher that will automatically order you new replacement filters through Amazon Dash Replenishment. Here's how the \$45 (about £32 or AU\$63) pitcher works: You press the start button on the Infinity when you put a new filter into the pitcher. A built-in counter in the Infinity then tracks how much water passes through the pitcher. When the filter is almost spent (which takes about 40 gallons or 2 months), the Infinity will automatically order more filters from Amazon at about \$6 each.

This latest partnership shows Amazon is eager to grow Dash Replenishment, the retailer's program that lets connected products order more supplies from Amazon. There are more than a dozen manufacturers that have teamed up with Amazon to enable their products to do the ordering for you, including Brother printers that will order ink and Gmate Smart Blood Glucose Meter that will order testing supplies.

Large appliance manufacturers such as GE and Whirlpool are also getting in on the Dash game with dishwashers, washers and dryers that will replenish your supplies. Amazon has also doubled its efforts in producing its Dash buttons, those little branded, Internet-connected buttons you can press to automatically order specific products, such as Kraft Macaroni & Cheese or Tide detergent.

Wi-Fi connected water pitchers are low on my list of smart home must-haves. But as someone who has often disregarded the recommended changing schedule for a water filter, I can see the usefulness

in this connectivity. It comes down to how much Brita users are willing to pay for the convenience of being forgetful.

Features

- Pitcher holds 8 cups (about 1.9 liters)
- BPA-free
- Reduces contaminants including lead, zinc, copper, mercury and cadmium

[cnet.com](#)

The Helium iPhone Case Is For You, iPhone Camera Fans

April 28, 2016

The iPhone camera has spawned an entire generation of "iPhoneographers," but often times, those fans have to use additional accessories to capture a particular shot. And there are still limitations even with those add-ons — one phone can only handle so many accessories. A company called Helium is looking to change that with its new iPhone case. The Helium Core and Helium Core+ will let iPhone photographers build a complete video and photo setup with up to 17 accessories.

Helium's aluminum shell fits over the iPhone 6, 6 Plus, 6S, and 6S Plus. The Helium Core comes with 16 mounting points, and the Helium Core+ has 17. Those mounting points let you screw in a tripod, microphone, lens, light, or any other accessory you need for a shoot. Seventeen miiiiight be a little excessive, but hey, whatever you gotta do to get that shot.

Helium launched its Kickstarter yesterday. The 6/6S size Helium Core costs \$93, and 6 Plus/6S Plus version, the Helium Core+, costs \$99. The company says it'll likely ship in July, if they reach their goal of \$30,000.

[theverge.com](#)

Emerging Technology

Your House Plant Could Soon Charge Your Phone

April 28, 2016

When Mother Nature came up with photosynthesis, she likely wasn't expecting any USB cords to be involved. Alas, there's no stopping progress.

A European startup company is currently developing an intriguing gizmo that will let you charge your phone with your potted plant. The system, called Bioo Lite, harnesses the power of photosynthesis and generates electricity using only water, soil and any common house plant. (We might have suggested the name Power Plant, but hey — nobody asked us.)

Power output from the Bioo Lite system is equivalent to a USB charge from a laptop or desktop computer, designers say, and can deliver up to three complete recharges in 24 hours to most smart phones or tablets.

Bioo Lite is actually a scaled-down version of the company's core Bioo technology, which uses panels placed beneath the soil to draw energy from the natural process of photosynthesis. Larger panels can be placed beneath garden plots, or smaller panels can be used with potted plants.

The technical details on the Indiegogo page are a little fuzzy, but similar technologies are already in circulation. Diagrams suggest that the Bioo system generates energy by processing microorganisms

expelled by the plant's root system. The process does not impact the process of photosynthesis or the health of the plant itself, according to developers.

In any case, the team guarantees that the Bioo Lite system will be able to recharge a standard smartphone two to three times per day for at least five years. The USB jack is designed to be compatible with most mobile devices. Pretty much any kind of house plant should do the trick, although the team notes that some plants produce more power than others. The cactus, for instance, is not recommended. Seriously.

Arkyne Technologies, the company behind the Bioo Lite system, is aiming for first deliveries by December. Early bird specials are already sold out on the Indiegogo page, but it looks like a pledge of around \$135 will get you a single Bioo Lite pot in time for holiday shopping. Plant not included.

mashable.com

Cyrano Is Your Own Personal Jukebox For Scents

April 28, 2016

You're hosting a beach-themed party. You've got the decorations, the music and the snacks. You're hanging out with floaties on your arms and rocking out to the unmistakable sounds of crashing waves and "Wipeout" on repeat.

It looks like a beach party and sounds like a beach party, but it's missing something. It doesn't *smell* like a beach party.

Vapor Communications aims to change that with Cyrano, a "scent speaker" that uses multiple, interchangeable scent capsules to make your space smell nice. By mixing up different scents, Cyrano creates different "mood medleys," emitting scents one after another to trigger different feelings like relaxation, energy or freedom.

The cylindrical device, about the size of a squat jar of peanut butter, holds three interchangeable scent capsules at once, each containing four different scents. Some of the smells include lilac, honeysuckle, sunscreen and a bunch more. Instead of emitting one scent for a long time, Cyrano switches between them before your brain has a chance to block out the smell.

"One of the peculiar things about the way we smell is that after about seven or eight minutes, we don't smell it anymore," Vapor Communications founder David Edwards told *Mashable*. "So if you have a constant scent, you go 'deaf,' or get what's called olfactory fatigue."

Cyrano can be controlled with the smartphone app oNotes, which is where you can build your own scent playlists. The device will "play" different scents, switching between chosen odors so you can continue to experience the smells.

Scent is perceived differently than things like music or visuals, and different smells can cause visceral reactions before you even realize you're smelling something.

"There is only one sensory nerve that goes right to your brain, and that's the olfactory nerve," Edwards said. "So you feel it before you cognitively analyze it — you begin to cry, you remember somebody or you are hungry before knowing what you smelled."

Scents are very closely linked to memories and emotions, so scent playlists can cause reactions very different than music playlists, and will likely stir up different feelings for different people.

"Cyrano can be controlled with the smartphone app oNotes, which is where you can build your own scent playlists. The device will "play" different scents, switching between chosen odors so you can continue to experience the smells."

Cyrano had a limited launch Wednesday with plans to adapt based on customer feedback. It costs \$150 and come with a scent package. The scent packages, which last about a month with regular use, cost \$20.

mashable.com

Mergers and Acquisitions

Rovi Buys TiVo In \$1.1 Billion Deal

April 29, 2016

TiVo, whose name became synonymous with the act of recording live television shows, agreed to be acquired by the Rovi Corporation for about \$1.1 billion, the companies announced Friday. In acquiring TiVo, Rovi will get access to analytics about viewing habits, which are provided to advertisers and media companies. Rovi also adds 10 million TiVo-served households to its own 18 million households using television guides.

The deal was, in part, driven by Glenn W. Welling of Engaged Capital. The activist investor successfully claimed two seats on Rovi's board last year and pushed the company to consider a merger with TiVo, people briefed on those discussions said last month.

TiVo had been in the midst of searching for a new chief executive. Its chairman, Thomas S. Rogers, led the company for more than a decade before announcing in November that he was stepping down as chief executive. Naveen Chopra, TiVo's chief financial officer, has been serving as interim chief executive. The combined company, which will take the TiVo name, will be led by Thomas Carson, the chief executive of Rovi.

"By working together, Rovi and TiVo will revolutionize how consumers experience media and entertainment, and at the same time build value for our stockholders," Mr. Carson said in the statement.

Rovi will pay about \$10.70 per share in cash and stock, the companies said. TiVo shareholders will receive \$2.75 per share in cash, and the remaining \$7.95 will be paid in common stock of the combined company.

The stock component of the transaction includes an option that will accord TiVo shareholders fewer shares if Rovi's stock price goes up to a certain average price, and more shares if Rovi's stock price falls to a threshold.

The combined company will have more than 6,000 patents and pending applications. Both companies have been able to generate billions of dollars from intellectual-property licensing and awards from patent-related lawsuits.

The combined company is estimated to generate about \$800 million in revenue this year, on a pro forma basis. The two also say they could save about \$100 million in annual costs. The transaction is subject to approvals by both sets of shareholders as well as regulators. The companies expect to close the transaction by the third quarter of this year.

Evercore provided financial advice to Rovi, and LionTree Advisors worked with TiVo. The law firm Cooley was Rovi's legal adviser, and TiVo received legal advice from Skadden, Arps, Slate, Meagher & Flom.

nytimes.com

"Rovi will pay about \$10.70 per share in cash and stock, the companies said. TiVo shareholders will receive \$2.75 per share in cash, and the remaining \$7.95 will be paid in common stock of the combined company."

Nokia Jumps Into Fitness Wearables Market With Withings Buy

April 26, 2016

Nokia is making the jump into the digital health and fitness wearables market with its purchase of French gadget maker Withings, the company announced Tuesday.

Nokia said it is planning to pay \$191 million (170 million euros) in cash to acquire the company and make its way back into the consumer device market. Nokia said the purchase will also help it keep its patent portfolio fresh.

"We have said consistently that digital health was an area of strategic interest to Nokia, and we are now taking concrete action to tap the opportunity in this large and important market," Nokia CEO Rajeev Suri said in a statement. "With this acquisition, Nokia is strengthening its position in the Internet of Things in a way that leverages the power of our trusted brand, fits with our company purpose of expanding the human possibilities of the connected world, and puts us at the heart of a very large addressable market where we can make a meaningful difference in peoples' lives."

Headquartered in France, Withings was founded in 2008 and has around 200 employees in locations in France, the United States and Hong Kong. The company's portfolio includes both regulated and unregulated products, such as activity trackers, Wi-Fi-connected scales, thermometers, blood pressure monitors, and home and baby monitors, as well as a digital health platform. Nokia said Withings' products are supported by an ecosystem of more than 100 compatible apps.

Nokia said it expects the transaction to close in the early part of the third quarter 2016. The end of the year may be a busy time for Nokia.

The company, once a prominent cell phone manufacturer before the sale of its device and services business to Microsoft in 2014, has hinted it is looking to get back into the mobile device market through a brand licensing agreement. The earliest it would be able to do so would be in the final quarter of this year, per its agreement with Microsoft.

The Withings purchase comes on the heels of an announcement earlier this month that the company is planning to cut thousands of jobs in the wake of its recent merger with Alcatel-Lucent.

wirelessweek.com

Industry Reports

Facebook Reports Stronger-Than-Expected 1Q Results

April 28, 2016

Facebook posted stronger-than-expected results for its first quarter, helped by a growing number of users and higher advertising revenue, especially on mobile devices.

The social media giant on Wednesday reported earnings of \$1.51 billion, or 52 cents per share, up from \$512 million, or 18 cents per share, in the same period a year earlier. Adjusted earnings were 77 cents per share in the latest quarter, well above the 62 cents that analysts polled by FactSet were expecting.

Revenue was \$5.38 billion, up from \$3.54 billion. Analysts had forecast \$5.26 billion.

Facebook had 1.65 billion monthly users as of March 31, an increase of 15 percent from a year earlier. Of these, 1.51 billion signed on using mobile devices at least once a month, an increase of 21 percent.

Separately, Facebook also announced that it will create a new class of non-voting stock, known as "Class C capital stock," designated to let CEO Mark Zuckerberg keep tight reins on the company even as it issues more shares to compensate employees and investors.

Chief Operating Officer Sheryl Sandberg said that a "big part of Facebook's success is due to Mark's leadership." The proposal, which must still be approved by shareholders, is intended to keep Zuckerberg in an active leadership role at Facebook, the company said.

As in previous quarters, Facebook attributed its success to its mobile advertising strength. Sandberg said that as customers have shifted to mobile, businesses have followed.

Menlo Park, Calif.-based Facebook's shares jumped \$9.82, or 9 percent, to \$118.31 in after-hours trading. At that rate, the stock is set to open at an all-time high Thursday.

wirelessweek.com

Apple's iPhone Sales Sink For The First Time Ever Last Quarter

April 26, 2016

On Tuesday afternoon, Apple reported that its sales and profit both fell last quarter -- a rarity for a company that has been growing at a rapid pace, even as it has become the largest technology company on the planet.

The last time Apple's sales fell year over year was the first quarter of 2003. At that time, the PowerMac was still the company's bestseller. Apple had sold a grand total of 611,000 iPods. And Apple hadn't yet launched the iTunes Music Store.

Now, more than two-thirds of Apple's revenue is made up of iPhone sales. So where the iPhone goes, so goes Apple -- and last quarter was a miserable one for Apple's signature gadget. iPhone sales fell for the first time in history.

But ever-sinking iPad sales and flat-lining Mac demand didn't help Apple's case either. Neither did a strong dollar and a very weak Chinese market.

"We had a very busy and challenging quarter," CEO Tim Cook said on a conference call with investors. "Despite the pause in our growth, the results represent excellent execution by our team in the face of strong macroeconomic headwinds."

Wall Street analysts had predicted that Apple would have a somewhat lousy quarter. But they didn't think it would be quite this bad.

Apple's (AAPL, Tech30) stock plummeted 8% in after-hours trading, to below \$100 a share.

iPhone

- First quarter of 2015: 61.2 million
- First quarter of 2016: 51.2 million, down 16%

It was going to be hard for Apple to beat iPhone sales from the same quarter a year ago, when the iPhone 6 debuted in China. Apple released the iPhone 6S to China in September along with the

United States, so it didn't get the first-quarter iPhone boost that it had from Chinese customers a year earlier.

Apple actually sold slightly more iPhones last quarter than Wall Street analysts had expected. Cook said the upgrade rate for the iPhone 6S has been higher than for the iPhone 5S but slower than for the iPhone 6.

The iPhone had a few strong points, however: India iPhone sales were up 56%, and Cook said the rate of customers switching from Android was the highest ever.

iPad

- First quarter of 2015: 12.6 million
- First quarter of 2016: 10.2 million, down 19%

iPad sales fell for the ninth straight quarter, though they inched past analysts' forecasts.

Mac

- First quarter of 2015: 4.6 million
- First quarter of 2016: 4 million, down 12%

PC sales fell by 10% worldwide last quarter, according to Gartner. Apple had been outpacing the overall industry, but this is the second straight quarter in which Mac sales performed worse than the overall PC market.

Mac sales were relatively abysmal, badly missing Wall Street analysts' expectations. They expected 600,000 more Macs to be sold during the quarter.

Profit

- First quarter of 2015: \$13.6 billion
- First quarter of 2016: \$10.5 billion, down 22%
- Apple's profit hadn't fallen since the last quarter of 2013.
- Last time Apple reported earnings, it posted the most profitable quarter in corporate history.

Sales

- First quarter of 2015: \$58 billion
- First quarter of 2016: \$50.6 billion, down 13%

The double-digit sales loss was Apple's first since the fall of 2001. At that point, Windows 98 was the dominant computer operating system, and no one knew what an iPod was, because it hadn't been introduced yet.

But for some perspective, Apple is expected to have produced more revenue in an off-quarter than the company posted in all of 2009.

The strong dollar hurt Apple, just as it has hurt many other American companies this past quarter. Had the dollar not strengthened from a year earlier, Apple said sales would have been down just 9%.

Current quarter's sales

Second quarter of 2016 forecast: \$41 billion to \$43 billion in sales

Apple's forecast was well below Wall Street analysts' initial expectations. They had been expecting sales of \$47.4 billion for the current quarter before Apple issued its outlook.

It's even farther below the \$49.6 billion in sales Apple posted during the second quarter of 2015. Apple Chief Financial Officer Luca Maestri said the divergence between Apple and Wall Street's forecasts is due to Apple reducing its inventories to meet slumping demand. The new, cheaper iPhone SE will also drag down sales, Maestri said.

Apple analysts have their collective fingers crossed that the iPhone 7 can reboot the Apple sales growth machine. In the meantime, the next few quarters are going to be stinkers.

China sales

- First quarter of 2015: \$16.8 billion
- First quarter of 2016: \$12.5 billion, down 26%
- Sales in all regions fell, but none more than in China.

Services

- First quarter of 2015: \$5 billion
- First quarter of 2016: \$6 billion, up 20%

One bright spot in Apple's quarter was its services business, which includes iCloud, the iTunes App Store and Apple Music. Services is now Apple's second-largest business unit, trailing only the iPhone in sales.

Cook said Apple Music now has 13 million subscribers.

Cash

- Fourth quarter of 2015: \$216 billion
- First quarter of 2016: \$232.9 billion

Apple posted another record cash hoard. Some critics would like to see Apple use that cash to buy up assets that will help the company grow stronger.

As a result, Apple increased its share buyback program by \$35 billion and upped its quarterly dividend to 57 cents per share.

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