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This Week's Stories

What Brexit Means For Tech

June 24, 2016

Brexit will have a big impact on startups, privacy, telecoms and more.

Now that the citizens of the U.K. have voted to leave the European Union, it's time to take a good look at the implications for the technology sector.

So-called Brexit will take a while to arrive. Prime Minister David Cameron indicated Friday morning that he will stay on for three months before handing over to a successor, and he wants the next prime minister to begin the negotiations with the EU over the terms of the exit. That could take two years, so Britain will probably only leave in 2018.

That means years of uncertainty, with tech firms and investors unable to know for sure how regulations will evolve (or devolve) in the U.K. and, indeed, the EU.

As Stratechery's Ben Thompson has correctly noted, the U.K. is one of the voices in Europe that has called for relatively light-touch tech regulation in the EU. Without it, Germany and France will have even stronger positions in the bloc than they currently do.

Germany and France are the countries that have taken the lead on cracking down on American tech firms, such as Google, over their perceived transgressions. Without British pushback, that stance is likely to gain more heft.

Then there is the issue of data and its ability to flow across borders.

You may have been following the tumultuous trajectory of EU-U.S. data transfers—the fall of the Safe Harbor agreement and the attempted rise of its replacement, PrivacyShield. Right now, U.S. multinationals and tech firms are running out of ways to legally process the data of EU citizens. This is because the EU has so far been unable to finalize an “adequacy” decision that would declare the U.S. safe as a destination for Europeans' personal data. (Negotiators claimed a breakthrough on Friday, but champagne might be premature.)

When it leaves the EU, the U.K. will be in the same boat—again, if British companies want to process the personal data of employees and customers on the European mainland, the country will need to win an adequacy decision.

This was confirmed on Friday morning by the U.K. Information Commissioner's Office (ICO), the country's privacy watchdog. The ICO said the U.K.'s existing Data Protection Act, which is based on older EU rules, would remain in force. However, the upcoming EU privacy reforms—the much tougher General Data Protection Regulation—will not apply to the U.K. directly.

This means the U.K. will have to reform its privacy laws in line with the new EU rules, even though it is leaving, or face big barriers to cross-border data flows. “Having clear laws with safeguards in place is more important than ever given the growing digital economy, and we will be speaking to government to present our view that reform of the U.K. law remains necessary,” the ICO said.



Foreign tech firms may not be so keen on the details of the new EU rules—they clear the way for massive fines for privacy violations, and allow people to opt out of being profiled online—but they do at least welcome the uniformity that they promise. The EU currently has a patchwork of privacy laws, and the General Data Protection Regulation is supposed to provide harmonization. So tech firms, too, will likely want to see the U.K. align its laws with the EU on this front.

However, that might not be enough to win an adequacy decision. The big problem here is surveillance.

The main reason Safe Harbor fell was the mass surveillance policies of the U.S. The U.K. also has mass surveillance programs that affect other countries (and it is currently trying to shore up the underlying legislation), but while it is part of the EU, the U.K.'s behavior cannot stop data flowing between it and the mainland. Once it is no longer in the EU, that situation will change dramatically.

It is by no means a certainty that the U.K. will be able to continue to participate in the European single market—something that Brexit campaigners promised, but that may be tricky to negotiate in the face of hostility from EU governments.

The majority of British tech startups came out against Brexit a head of the vote. They warned that Brexit would hurt confidence in the sector and make it more difficult to hire talent from abroad. Microsoft warned that Brexit would make it less likely to invest more in the U.K.

And the U.K.'s rivals won't hold back in taking advantage of the situation. Just hours after the referendum result came through, the Berlin-based venture capital provider German Startups Group issued a statement proclaiming that "Brexit is good news for the German startup scene."

"Only since 2015 was Berlin able to surpass London, the previously dominant hub of Europe, in the number of and overall volume of financial transactions from startups," said CEO Christoph Gerlinger. "This development will now accelerate and the distance between Berlin vs. London will increase. We expect a significant decrease in new incorporations in London in favour of Berlin, as well as an influx of successful London startups. This will be particularly true of the especially dynamic [financial technology] sector."

The Federation of German Startups also said Berlin will emerge as the winner in the Brexit scenario, although it added: "It is a victory we do not want and will not be celebrating."

As for tech users, British people may no longer be able to get cheap mobile calls and data when they visit the EU, as recent EU legislation allows. The new EU net neutrality rules now probably also won't apply in the U.K., which could be bad news for consumers there.

Another thing to look out for will be radio spectrum. The EU is currently on a drive to harmonize the spectrum allocations made by countries around the bloc, in order to help the manufacturers of mobile devices, for example, to achieve efficiencies of scale.

With 5G around the corner, nobody wants countries diverging on which radiowaves they assign to super-fast mobile broadband. The U.K. will now no longer have to go along with the decisions made on the mainland—although again, following the EU's lead would be the most obvious choice to make.

For now, all eyes are rightly focused on the post-Brexit carnage taking place in global markets—chaos that may well have its own impact on the tech sector. But in the long term, the repercussions of Thursday's decision could be very profound and complex.

[fortune.com](https://www.fortune.com)

When TV Cameras Shut Down, House Democrats Live-Stream Their Sit-In

June 23, 2016

“The incident demonstrates that officials cannot count on wiping activities in public places from common memory simply by forbidding their depiction. Especially not in circumstances when a single person, even a member of Congress, can wander in with a smartphone and decide for himself or herself what's newsworthy, with the ability to post live streams that can go viral.”

The protest that played out Wednesday on Capitol Hill wasn't quite plebiscite by Periscope. But it came close.

Dissident lawmakers relied on digital platforms devised in the second decade of the 21st century to circumvent the leaders of the U.S. House of Representatives, an institution more likely to be inspired by mores from the 19th century. In so doing, they forced public consideration of gun control, an issue many politicians would prefer to avoid.

A band of House Democrats staged a sit-in just before noon on Wednesday to insist on a vote on a gun control measure. Led by the legendary civil rights leader and Rep. John Lewis, the lawmakers, some in their 70s, sat gingerly down on the House floor, intentionally evoking the rhetoric and the choreography of protest movements of the 1960s. They stayed for hours, drawing strength and greater numbers over the course of the day.

Democrats intended their protest to be carried to the nation. The first media responder would normally be C-SPAN. But the cameras in the galleries above the House floor are actually controlled by staffers directed by the House, which is to say House Republicans, not C-SPAN. (C-SPAN was created by a consortium of cable providers to carry proceedings of the federal government live and thereby curry favor with federal officials. It is an instance of doing well by doing a genuine public good.)

House Speaker Paul Ryan declared the House in recess. And that kicked the rules into effect: The cameras above went black. They could not capture the drama playing out below.

My colleague Sue Davis, who covers Congress for NPR, sent out an advisory note to NPR News staffers containing this unusual admission: "The House is currently out of session so there is no audio or visual of this, and we are not allowed to roll on the House if they are not in session, nor can we take any pictures or video." Out of session, despite the frenzy of activity down on the House floor.

So the House Democrats started to roll on themselves — using the everyday tools of smartphones and wireless connections — to document their protest and allow broadcast of their grievances. Suddenly, instant video feeds afforded by Periscope and Facebook Live reflected the intensity of the exchanges on the floor. C-SPAN ended up carrying video from House members. Ultimately, so did the major commercial cable news channels. Viewers saw speeches of varying quality and at least one conversation about the merits of journalistic courses in college, and how well they prepared one for digital video.

In capturing and transmitting that video, House members violated the House's rules. But Republicans appeared stymied in trying to figure out how to address such journalistic-ish transgressions by their own colleagues. And Democrats shouted down Ryan as he sought to schedule votes on procedural measures unrelated to guns. Late Wednesday night, CNN's Dana Bash tweeted that Rep. Steve Israel was giving an interview live with the network from the House floor via Apple's FaceTime application. That, too, was a violation of the rules.

It was a remarkable breakdown in comity and the legislative process. It could lead to greater friction and dysfunction in Congress than already exists. (If that is conceivable.)

Yet that breakdown was not, perhaps, unprecedented. A Republican House member shouted "You lie!" at President Obama during a State of the Union address. I witnessed Democrats shouting for Robert Livingston's resignation on the House floor in January 1999, just as he was expected to ascend to the speaker's chair during the Clinton impeachment proceedings. Several of the same Democrats

murmured their regrets a few minutes later when he did indeed resign, acknowledging an extramarital affair. (Among those Democrats who condemned Livingston and then raced to praise him: then Rep. Charles Schumer, now a senator and a leading gun control advocate.)

The House protest also reflected the public's dismay and well-grounded belief that Washington, D.C., is so tied in knots that it cannot act in the face of crisis, a sentiment vital to the campaigns of Republican Donald Trump and Democrat Bernie Sanders this year.

On Wednesday, Ryan called the protest "a publicity stunt." Absolutely true. As were, in a larger sense, the sit-ins at racially segregated lunch counters that were part of Lewis' early civil rights activities. Those protests drew the attention of national media to the struggles of blacks for equal rights in the South.

This week's demand for a vote was doubly symbolic: It was almost certain to fail in the Republican-dominated House, and the specifics of the measure itself were considered problematic by many liberals otherwise well-disposed to new gun control laws.

Without the footage, coverage would have been far more meager. In this case, the streams from the House floor won great publicity online and on cable television for champions of gun control.

The media headline offers a different focus. The incident demonstrates that officials cannot count on wiping activities in public places from common memory simply by forbidding their depiction. Especially not in circumstances when a single person, even a member of Congress, can wander in with a smartphone and decide for himself or herself what's newsworthy, with the ability to post live streams that can go viral.

npr.org

Products & Services

Tumblr Adds Live Video, But With A Twist

June 22, 2016

Live video is coming to Tumblr! However, the social blogging service isn't bringing out its own live video platform — instead it's partnering with YouNow, YouTube, Kanvas and Upclose to bring live broadcasting to its users.

Moreover, Tumblr is focused on serving as publishing and discovery platform for live video. Tumblr is working with a number of media companies, including Refinery29, MTV and The Huffington Post to bring live content to Tumblr.

Users will be able to share live video to Tumblr from YouNow, Upclose or YouTube after they connect those accounts with their Tumblr account. YouTube only works on Android right now, but Tumblr says it will come to iOS in the next few days. You'll still go live from your video app, but the video will share out on Tumblr, and viewers will be able to see it on Tumblr without any special software.

After a user posts live video to Tumblr, their followers will get notifications in the app when a user is live or when you reblog a live video.

While a video is live, it'll be pinned to the top of the Tumblr dashboard on the web and mobile for followers. Live videos will also have special badges that indicate who the live provider is.

Live videos work like any other post, so anyone following a user will see it on their dashboard. If you choose to save your live video after a recording, the video will continue to exist on Tumblr as a regular video post for replays later.

Tumblr has created a support page for helping users connect their Tumblr accounts to the various live apps.

mashable.com

Dropbox For iOS Now Lets You Scan Documents, Business Users Can Search For Text

June 22, 2016

"If they want to create a new file, they can start working on a new document in the Microsoft Word app, spreadsheet in Excel, or slide deck in PowerPoint."

Cloud syncing and sharing software company Dropbox today is announcing a slew of new features for individuals and teams.

Probably the most significant addition is the ability to use the camera on a mobile device to scan in documents such as articles, receipts, and whiteboard drawings, and then get perfect virtual copies of them saved to your Dropbox.

This feature is even more powerful for premium Dropbox Business users, because the documents are turned into searchable text using optical character recognition (OCR). Document scanning has come to other cloud storage applications, like Google Drive and Microsoft OneDrive; the latter has text search, while the former does not.

Today Dropbox is also giving its iOS app a new "plus" button from which users can start scanning documents. If they want to create a new file, they can start working on a new document in the Microsoft Word app, spreadsheet in Excel, or slide deck in PowerPoint. Of course, the files will be saved back to Dropbox. Something similar is possible with Box.

"We wanted to make this really seamless [and] integrated with all the tools users know and love," Dropbox vice president for product and design Todd Jackson told reporters during a briefing at Dropbox headquarters in San Francisco earlier this week.

The new features make Dropbox, with upward of 500 million registered users, more appealing at a time when free users can easily go elsewhere. The efforts being taken to keep existing users and attract new ones makes sense given Dropbox's need to keep growing and eventually justify an initial public offering (IPO).

Today, Dropbox is more widely rolling out the ability to comment on a specific area within a document. Previously, this was only available in the Dropbox for Business early access program.

On Mac and Windows, Dropbox will let users share files right from Finder and Windows Explorer, respectively, after right-clicking on the file.

Dropbox has also come out with a more secure means for people to share sensitive documents with colleagues. Rather than rely on links that can be pasted and shared further, Dropbox is letting users send out invitations to specific recipients that allow them to access files, while other people can only access the files by logging into Dropbox. And the new version history feature lets you go back in time and restore earlier versions of a file.

Today, Dropbox is also showing tech previews for features that aren't available yet: the ability to see who's currently viewing, and who has viewed, a particular file right as you're also looking at it, as well

as a general count for the number of times the file has been viewed. In addition to that, Dropbox demonstrated the upcoming ability to post new comments on files stored in Dropbox that you're viewing inside Microsoft Office applications like Word, Excel, and PowerPoint.

venturebeat.com

Emerging Technology

Facebook Live Grows Up With Two-Person Broadcasts And Waiting Rooms For Viewers

June 23, 2016

Today at VidCon Facebook pre-announced three new big product updates for Facebook Live, their live-streaming platform built into Facebook. The platform will soon let you do two-person remote broadcasts, pre-schedule your streams and create a virtual waiting room for viewers and broadcast with MSQRD's face masks.

Broadcast with a friend

The first upcoming update is the ability to stream a broadcast with two people in different locations — sort of like a remote interview.

Essentially, you can invite a friend to “drop in” on your broadcast and join the conversation. Mark Zuckerberg hinted at this during his Live Q&A last week, noting that it would be cool if he could have different guests and celebrities participate remotely in his Live videos.

The ability to stream with a friend will let content creators incorporate things like remote interviews and duets into their live videos, which will greatly expand the creative possibilities offered by the platform. This feature will go live later this summer, starting with Verified Pages, then roll out to other users.

Waiting rooms and pre-scheduled broadcasts

The company is also introducing waiting rooms, letting users hang out and wait for a broadcast to start. Content creators can pre-schedule the time they are going live, which will allow Facebook to send users a notification before the stream starts so they can be waiting when you go live.

This solves an issue we've previously covered, which is that broadcasters don't want to actually start their broadcast until a lot of people have tuned in, but early viewers leave because they get bored with watching the broadcaster wait for new users. It's essentially a chicken and egg problem, and was a major issue for content creators on the Live platform.

Now, Facebook can get users excited and assemble them before the actual live-stream starts, so broadcasters have a full audience the second they go live.

Go live with a mask on

Lastly, and on a more fun note, Facebook is adding the ability for users of the MSQRD app to go live on Facebook directly from the app.

MSQRD is the video filter app (similar to Snapchat's lenses product) that Facebook acquired in March. Once the update launches, users will be able to try on different masks and effects from within MSQRD, all while the footage is being broadcasted live to your friends.

Broadcasting live to your friends can take a lot of guts, especially if you don't have any interesting content to show them. Letting users broadcast live from MSQRD will arm them with funny content that should encourage them to go live more often.

techcrunch.com

Instagram Will Soon Automatically Translate Foreign Languages In-App

June 23, 2016

Bios, comments, and captions will begin to be automatically translated to the user's native language in the ever-popular app.

Fresh off hitting 500 million users, Instagram has announced that user bios, comments and captions posted in foreign languages will be automatically translated to the user's native language.

Now, we can better enjoy the snaps of breakfast, dogs and memes posted by our friends abroad (and the occasional photo featuring actual humans, too).

"The Instagram community has grown faster and become more global than we ever imagined," the Facebook-owned company wrote in a post announcing the news. "We're excited that you'll soon be able to understand the full story of a moment, no matter what language you speak."

It appears that not every language will be supported from day one, with a help page explaining, "If translations aren't showing up, it could be because we couldn't detect or don't currently support the language."

cnet.com

Mergers and Acquisitions

Google Fiber Buys Webpass To Boost Its High-Speed Internet Business

June 23, 2016

Google Fiber, the high-speed internet service owned by Alphabet, is to acquire Webpass, the companies said late on Wednesday, in a bid by the technology giant to bolster its U.S. expansion and compete with big broadband incumbents.

Webpass is a 13-year old internet service provider focusing on businesses and residential connections. Like Google Fiber, Webpass offers speeds of up to 1 gigabyte per second.

The deal – which is expected to close this summer for an undisclosed sum – was announced by Google Fiber in a tweet and followed up by a Webpass blog post.

"By joining forces, we can accelerate the deployment of super-fast Internet connections for customers across the U.S. Webpass will remain focused on rapid deployment of high speed Internet connections for residential and commercial buildings, primarily using point to point wireless," Charles Barr, president of Webpass said in a blog post.

"Instagram has announced that user bios, comments and captions posted in foreign languages will be automatically translated to the user's native language."

"By joining forces, we can accelerate the deployment of super-fast Internet connections for customers across the U.S. Webpass will remain focused on rapid deployment of high speed Internet connections for residential and commercial buildings, primarily using point to point wireless."

Webpass said it as "tens of thousands" of customers across five major markets in the U.S. It operates in cities including San Francisco, Oakland, Emeryville, Berkeley, San Diego, Miami, Miami Beach, Coral Gables, Chicago, and Boston.

Google Fiber is present in 55 cities, including San Francisco, and the acquisition will help the company expand its presence there. And the Alphabet-owned subsidiary has also targeted a few further cities it is aiming to be present in soon.

Webpass owns its own infrastructure meaning it doesn't have to rely on phone and cable companies, something that it said has allowed it to grow quickly. Its focus is also on large residential and commercial buildings, something that is hard to for new players to get into because of the multi-year deals often signed by the larger players like Comcast and Time Warner Cable.

The deal will also give a boost to Google Fiber's effort to beam wireless internet to buildings. In an interview with Re/code earlier this year, Fiber's chief executive Craig Barratt said the company is experimenting with "a number of different wireless technologies". This would allow Google to deliver internet to homes where the wires can't go, giving it an edge over large incumbents. This type of technology is something that Webpass has expertise in.

Google Fiber is among Alphabet's "other bets", projects that run separately from the company's core business. Operating losses from these projects were \$802 million with revenues of \$166 million in the three months to March 31. Alphabet does not breakdown "other bets" results into individual businesses.

cnbc.com

Verizon Bolsters Connected Car Portfolio With Telogis Buy

June 22, 2016

Verizon on Tuesday announced it is set to acquire telematics company Telogis in a move meant to bolster its connected car business.

According to Verizon, Telogis will bring a "world-class software program and new distribution relationships" to the carrier's Telematics subsidiary. Verizon said the acquisition would help boost its suite of connected vehicle solutions and help drive revenue growth for the company.

Verizon's Telematics subsidiary currently offers a number of solutions for both consumers and enterprise, including Hum, a self-installed module that provides drivers with diagnostic information, roadside assistance and emergency assistance on demand.

Founded in 2001, Telogis brings with it a platform for connected intelligence that integrates location technology with information and services. The company has offices in California, Europe, Australia and Latin America, with development centers in Texas, Toronto and New Zealand. Telogis' products and services are used and distributed in more than 100 countries worldwide. Telogis also has partnerships with car manufacturers like Ford, General Motors and Volvo, as well as big-name tech companies like Apple. Telogis CEO David Cozzens said the deal will be mutually beneficial for the companies.

"Verizon provides the brand equity, strength in the market, broad infrastructure and expansive global reach to take Telogis to the next level," Cozzens said. "This strategic acquisition positions our collective technologies and services uniquely in the market while also enabling Verizon Telematics' industry-leading business to benefit from Telogis' unmatched strength in the enterprise market, innovative Mobile Enterprise Management software platform and our strong OEM and ecosystem partnerships."

The terms of the deal were not disclosed. The transaction is expected to close in the second half of this year. In the first quarter 2016, connected car additions accounted for 32 percent of net device additions for U.S. operators, surpassing phone net additions which accounted for 31 percent, Chetan Sharma Consulting found. According to the report, AT&T added more connected cars than all other operators combined.

wirelessweek.com

Industry Reports

T-Mobile Unveils 4G Summer Deal For Europe Vacation

June 23, 2016

T-Mobile users traveling to Europe this summer won't need to buy a new phone to get high speed internet.

The company announced today that starting July 1 and running through August 31, travelers who have T-Mobile's Simple Choice plan while in the US will have access to high-speed 4G LTE networks across the continent.

T-Mobile has offered free international data, known as roaming, since October 2013, though with the exception of Canada and Mexico, internet speeds were slowed down to slow, 2G-like connections overseas.

Calls in European countries will be 20-cents per minute, but users can use apps like Skype, WhatsApp, FaceTime or Snapchat to make calls with friends. You can also use your phone as a wireless hotspot for other devices with unlimited high-speed data for no additional charge. T-Mobile's Simple Choice plans start at \$50 a month (plus taxes and fees) for 2GB of high-speed 4G data, with no fee if you use more. Unlimited texting and calling are also included.

T-Mobile users will still be able to get unlimited data when traveling to the other 100+ countries T-Mobile has arrangements with, but they will remain at 2G speeds. Traditional texting (not services like iMessage, WhatsApp or Facebook Messenger) remains unlimited.

According to the U.S. Department of Travel and Trade, nearly 2.8 million Americans traveled to Europe last July and August, creating a large customer base for T-Mobile to tap into. Using the department's data from the past few years T-Mobile estimates at least 2.5 million travelers to Europe this summer.

T-Mobile isn't currently offering free higher-speed data to Rio de Janeiro, home of this summer's Olympics, though in an email with USA TODAY, chief marketing officer Andrew Sherrard noted that "the summer is still young."

Sprint, AT&T, Verizon

Once a taboo of the wireless industry, T-Mobile isn't alone in offering unlimited data and texting to customers traveling abroad. Sprint similarly includes unlimited data and texting with 20-cent per minute calls, though that data is limited slower 2G speeds.

Faster 3G speeds are available, though it will cost you: a day pass to get 100MB of faster internet will run \$15, with options going up to 14-days and 500MB for \$50.

Verizon allows users to continue using their phones with their existing calling, texting and data plans for \$10 per day in over 100 countries, \$2 per day in Mexico or Canada. The benefit is simplicity--

"T-Mobile European data move is the latest in a string of plays to attract more customers. Earlier this month it announced that it would be giving customers a share in the company, a free one hour of WiFi on flights with Gogo Internet..."

everything functions the same as it would if you were using your phone at home, but at \$10 per day you'll quickly run up a bill if you're overseas for more than a couple of days.

Verizon offers international monthly plans starting at \$25 per month for travel in Europe, but that plan charges \$1.79 per minute for calls, \$0.50 for every text sent, \$0.05 for texts received and includes just 100MB of data, with overage fees of \$25 for every additional 100MB you use.

AT&T's plans are slightly better than Verizon's, but still pricier than T-Mobile and Sprint. Starting at \$40 per month for unlimited texting, \$1.00 per minute calls, AT&T throws in 200MB of data, with each additional MB over costing \$0.25 per MB.

For those traveling to Brazil for the Olympics, AT&T does offer a special plan, giving unlimited texting, 30 minutes of calling and 1GB of data for 30 days for \$50. Overages are \$0.20 per MB for each additional MB used and \$0.20 per minute for extra calling. The Brazil plan runs until September 18.

Both Verizon and AT&T's data plans are high-speed, with no slower, unlimited free option available.

T-Mobile European data move is the latest in a string of plays to attract more customers. Earlier this month it announced that it would be giving customers a share in the company, a free one hour of WiFi on flights with Gogo internet, as well as weekly giveaways from companies like Domino's, Vudu, Lyft and Wendy's every Tuesday. In its latest marketing play, the company will be giving all flyers on Gogo flights this weekend access to one hour of internet for free.

usatoday.com

BlackBerry Breaks Even In Q1

June 23, 2016

BlackBerry broke even in the first quarter, topping expectations, and forecast a smaller-than-expected annual loss on Thursday, even as its revenue fell sharply. Shares of the smartphone industry pioneer rose more than 4% in premarket trading.

The Canadian company, which has shifted focus from its once-dominant smartphones to the software that companies and governments need to manage their devices, said it expects to post an adjusted annual loss of around 15 cents per share.

Analysts had estimated a fiscal 2017 loss of 33 cents per share.

"They have not put figures behind some of their forecasts in quite some time, and hopefully that speaks to improved visibility into the business," said Morningstar analyst Brian Colello.

Excluding one-time items, the company posted profit of \$14 million, or nil per share. Adjusted revenue totaled \$424 million. Analysts, on average, expected a loss of 8 cents a share on revenue of \$470.9 million, according to Thomson Reuters I/B/E/S.

The Waterloo, Ontario-based company reported a net loss of \$670 million, or \$1.28 cents a share, as it ran up costs to restructure operations and wrote down the value of some assets.

A year ago, it reported a profit of \$68 million, or 10 cents a share.

BlackBerry said the net loss reflected a \$501 million impairment charge, a \$57 million goodwill impairment charge, and a \$41 million writedown of inventory and other charges.

Software and licensing revenue was \$166 million in the quarter ended May 31, just below the growth rate they have targeted for the full year.

Colello said a better selling smartphone could make the segment profitable.

“They have done a really good job of cutting operating expenses and shrinking the cost side of the business as revenue has fallen over the past couple years. The problem seems to be that hardware keeps falling faster,” he said.

fortune.com



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