

Opera Acquires Skyfire for Video Optimization Tech

Andrew Berg

Opera Software today announced that it has acquired Silicon Valley based Skyfire Labs, which specializes in mobile video optimization and cloud solutions for mobility. Skyfire also produces a mobile browser that allows iOS users to watch Flash-based video content on their devices.

The acquisition price totals \$155 million and includes a mix of cash and stock, with an upfront consideration of \$50 million, including \$8 million of cash on the Skyfire balance sheet, and performance based earn-out payments over three years, including \$26 million in cash held in escrow and funded upfront.

Skyfire is known for its Rocket Optimizer software, which allows mobile operators to leverage cloud computing to optimize video and other multimedia on crowded cell towers. Skyfire claims its optimizer on average provides mobile networks a 60 percent boost in capacity by reducing the size of video and other multimedia content as needed to fit the available bandwidth.

Lars Boilesen, CEO of Opera Software, called the companies a "natural fit."

"Both companies have evolved far beyond their browser roots," Boilesen said in a statement. "Skyfire adds capabilities to our portfolio around video, app optimization, smartphones and tablets, and strength in North America. With video expected to consume over two-thirds of global mobile bandwidth by 2015, and as time spent on Android and iOS apps explodes, we are excited to extend Opera's solutions for operators."

After the deal closes, Jeffery Glueck, Skyfire's CEO, will assume the role of executive vice president of the operator business for Opera, as well as CEO of Skyfire, and will oversee the joint offerings for Opera across Opera Mini co-brand solutions for operators and Skyfire's product lines.

Skyfire will remain an independent entity as a wholly-owned subsidiary of Opera, and will continue to develop and support the Skyfire browser

Opera Software recently announced reaching the milestone of 300 million monthly users across all its browser products on phones, tablets, TVs and computers.

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Opera's Opera Mini browser for smartphones and tablets is the third most used mobile browser, controlling 9.3 percent of the total market, according to netmarketshare.com. Apple's Safari browser takes first spot and controls 61 percent, followed by Google's Android browser at 21 percent.

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