

BlackBerry maker RIM buys content provider NewBay

Toronto, Friday October 7, 2011 (Reuters) - Research In Motion has reached a deal to buy Ireland's NewBay, a provider of photo, video, and social-network tools for smartphones and computers, the BlackBerry maker said on Friday.

RIM has been slow to latch on to such content as an asset to help sell its smartphones and tablet computers, which have been geared more to corporate users than to consumers.

RIM did not disclose terms of the deal, which has yet to close, but it said it was not financially material to the Canadian smartphone maker. Media and analyst reports put the price it paid for the Dublin-based company at \$100 million.

NewBay has more than 80 million subscribers for its "white-label" content services via deals with network operators including Telefonica, Deutsche Telekom, AT&T and Verizon. "White label" means that users see the operator's brand on the content, not NewBay's.

The company stores media on its own servers and delivers it to any Internet-connected device, including mobile phones, personal computers, tablets and televisions.

Analyst Mike Abramsky at RBC Capital Markets said RIM will likely use NewBay's Internet-based photo and video albums, address books, calendars and other services as a base on which it will build up its content offerings.

"RIM is coming later to market than competitive offerings" from Apple's iCloud, Amazon.com's Cloud Drive and services from Google, he said. "It's not known yet whether RIM's offering will match or lag the content and user experience of competitors."

Privately held NewBay was founded in 2002 and counts Balderton Capital and Fidelity Growth Partners Europe among its investors.