

Microsoft to buy LinkedIn for \$26.2 billion

BY SARAH MCBRIDE
REUTERS

Microsoft Corp. will buy LinkedIn Corp. for \$26.2 billion in its biggest-ever deal, marking CEO Satya Nadella's first big effort to breathe new life into the software giant's business-productivity tools.

By connecting core software like Microsoft Word and PowerPoint with LinkedIn's network of 433 million professionals, the deal marks a turn for Microsoft, which stumbled in a mobile phone venture launched under Nadella's predecessor. It also aims to take on challengers in several areas.

The deal could help keep services like Outlook email relevant enough that customers won't want to leave it for rivals such as Google's Gmail, analysts said. And because the acquisition brings a network heavy in marketing and sales professionals, it delivers a shot across the bow to competitors in those areas, such as Salesforce and Marketo.

For LinkedIn, the opportunity to tap Microsoft's customers, including the 1.2 billion users of its Office suite of business software, could help it jumpstart growth, which has slowed in recent quarters.

"LinkedIn and Microsoft really share a mission" of helping people work more efficiently, Microsoft CEO Nadella said in a conference call with analysts. "There is no better way to realize that mission than to connect the world's professionals."

Nadella has been trying to reinvigorate the once-lumbersome company since taking over two years ago, and

has helped build more credibility around Microsoft's efforts in areas such as cloud-based services. When he took the top job in February 2014, the company's share price was \$34.20; early Monday afternoon, it was trading around \$50.

"The Venn diagram is pretty big," Nadella said in a separate call with Reuters, meaning the overlap of customers of both companies, although he didn't give a precise number.

In a presentation to analysts, Microsoft said after adding in LinkedIn, the total potential market size of Microsoft's productivity and business-process segment was \$315 billion, up from \$200 billion without LinkedIn.

Nadella gave an example of a customer walking into a meeting scheduled on a Microsoft Outlook calendar integrated with LinkedIn, receiving notification that one of the people in the meeting went to college with a colleague.

"The future of productivity is around people, identity and data and the relationships between the them," Matt McIlwain, a portfolio manager at Madrona Ventures, said. "Microsoft is buying LinkedIn for the opportunity to leverage these capabilities and combine them with Microsoft's strong but complementary assets in those three areas."

The offer of \$196 per share represents a premium of 49.5 percent to LinkedIn's Friday closing price.

Mixed track record

LinkedIn's shares soared 47 percent to \$192.42 and Mi-



The logo for LinkedIn Corp. is shown in Mountain View, California in 2013.

ROBERT GALBRAITH | REUTERS

crosoft's shares were down 2.7 percent to \$50.06.

Microsoft has a mixed track record when it comes to acquisitions, with past targets such as business network Yammer, internet video conferencing service Skype and particularly phone company Nokia failing to deliver hoped-for benefits.

Monday's deal raised investors' hopes that another social media company, Twitter, could be the next acquisition target, sending shares up more than 5 percent.

Reid Hoffman, chairman of LinkedIn's board and the company's controlling

shareholder, said the deal has his full support.

Jeff Weiner will remain chief executive of LinkedIn, reporting to Nadella. In a phone call with Reuters, Weiner said LinkedIn would remain its own entity in the way that YouTube is relatively independent from parent Alphabet, or Instagram from parent Facebook.

Microsoft plans to speed-up monetization of LinkedIn by boosting individual and organization subscriptions as well as targeted advertising, it said.

Despite the rich premium paid by Microsoft, LinkedIn is selling for well below its

peak of more than \$270 per share in 2015. A weak forecast earlier this year sent its shares tumbling amid slowing online ad revenue.

LinkedIn went public in 2011 at \$45.

The deal, which won the unanimous support of both boards, is expected to close this year, the companies said.

Microsoft, which has \$105.55 billion in cash, said it would issue new debt to fund its acquisition. Moody's said it was reviewing Microsoft AAA rating for a possible downgrade.

After the deal, which will require approval from regu-

lators in the United States, the European Union, Canada and Brazil, LinkedIn will become part of Microsoft's productivity and business processes unit, the companies said.

Microsoft's financial adviser was Morgan Stanley and LinkedIn's financial adviser was Allen & Company LLC and Qatalyst Partners, founded by Silicon Valley dealmaker Frank Quattrone.

Microsoft's legal adviser was Thacher & Bartlett LLP and Wilson Sonsini Goodrich & Rosati and Professional Corp. advised LinkedIn.

Apple opens Siri to outside developers

BY JULIA LOVE
AND NOEL RANDEWICH
REUTERS

SAN FRANCISCO — Apple Inc. is opening its popular Siri digital assistant to outside developers, which means iPhone users could soon be able to hail rides with Uber, publish photos on Shutterfly or make a call on Skype with voice commands.

The move, announced at its Worldwide Developers Conference in San Francisco on Monday, is Apple's latest attempt to spruce up the iPhone experience as sales of the best-selling product flag.

The world's best-known technology company also gave a demonstration of Siri on the Mac computer, which for the first time will be able to search for photos, documents, music and other files via voice commands. Siri will also work similarly with Apple TV.

Among other revamps, it said its Apple Pay mobile payment system would be able to work for some internet purchases on its Safari browser, including on Mac computers, representing a challenge to PayPal Holdings Inc. Apple is also adding Siri's artificial intelligence to its messaging app, which will get quick access to emojis and new ways to expand and change how texts are displayed.

The presentation was kicked off by Apple Chief Executive Tim Cook asking for a moment of silence for the victims of Sunday's mass shooting in Orlando, Florida.

That was followed up by a demonstration of a new oper-

ating system for the Apple Watch that opens apps much faster than the previous version, and lets users write messages with their finger on the watch face, including in Chinese.

Apple's Siri move was largely foreseen by analysts, and the event itself did not grip investors as some of Apple's product announcements have in the past. Its shares were down 1.1 percent at \$97.65 in afternoon trading, near where they were at the start of the presentation.

"Whatever news comes out of it (the conference) might matter to some short-term traders but won't affect our view on the stock," said Mark Mulholland, portfolio manager of the Matthew 25 fund, during the presentation. "We're going to hold this stock for at least another three years, because it has such a dominant position in the phone market."

Siri is the most visible aspect of Apple's artificial intelligence program, commonly known as AI. Rivals such as Microsoft Corp. and Alphabet Inc.'s Google are investing heavily in their own digital assistants, analysts say.

"Apple just can't stand still in light of this competition," said analyst Tim Bajarin of Creative Strategies.

Apple acknowledged a number of developers' grievances this month by allowing ads in App Store search results, which gives them a way to stand out in a sea of apps. And it will give developers a bigger cut of revenues on subscription apps.

Forum

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People who donate to charities want their money to help those the charity says it's helping. We believe donors don't usually think of fundraisers as especially deserving, but we may be wrong. As with all consumer decisions, research comes first.

The nonprofit Philanthropy Roundtable, at philanthropyroundtable.org, recommends a 2013 report titled "Serving Those Who Served" for people who want to make effective donations supporting veterans in need. It can be downloaded at the above website as a free PDF or ordered in print or digital for-

mats from various vendors.

There's also a website about all things military. It lists several questions, at military.com/spouse/military-life/military-resources/military-charity-associations.html, which donors might ask themselves before giving.

Consumer Forum is a collaboration of the Bangor Daily News and Northeast CONTACT, Maine's all-volunteer, nonprofit consumer organization. For assistance with consumer-related issues, including consumer fraud and identity theft, or for information, write Consumer Forum, P.O. Box 486, Brewer, ME 04412, visit <http://necontact.wordpress.com> or email contact@live.com.

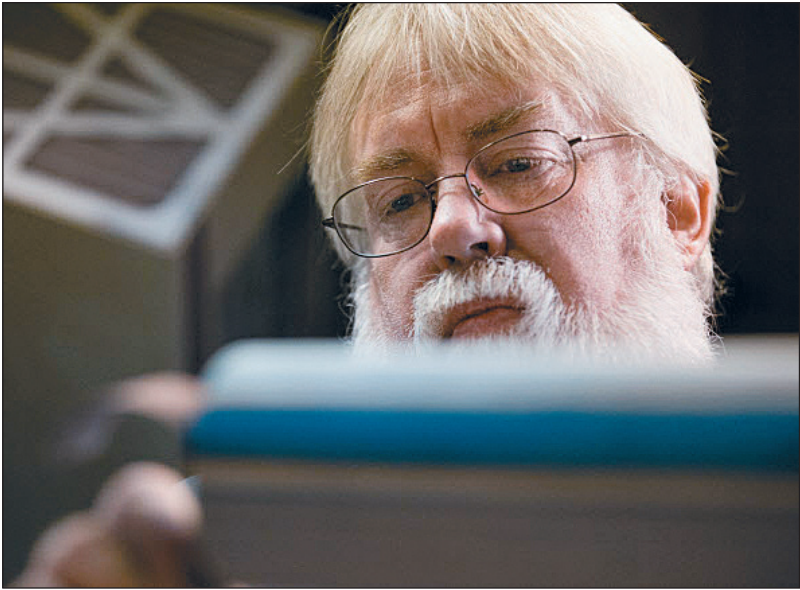
Wood

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Because of this, Dailey can explain everything there is to know about a piece, from the land it came from, to the person who cut it down or glued it together, to what else he created from it.

And to continue this true New England community story, there's another aspect of Dailey's woodturning that comes from his "New England Yankee" roots: He tries to make sure that everything he creates is functional as well as beautiful.

"Being in New England, it's just in my nature because of the way we grew up. We didn't have money. So everything you had had to have some sort of function, it couldn't be simply something to look at," he said.



MICKY BEDELL | BDN

Kim Dailey turns a pepper mill on a lathe at his basement studio in Carthage last Friday. Dailey locally sources his custom laminates, and gets the majority of his natural woods from area loggers he has befriended over the years who save burls for him.

Business breakfast planned in Orland

ORLAND — Maine Small Business Development Centers will offer a free buffet breakfast 9-11:30 a.m. Wednesday, June 15, at Alamoosook Lakeside Inn, 229 Soper Road.

Bob Crowley, a successful entrepreneur and winner of the reality show "Survivor: Gabon," will share stories of his time on "Survivor," his experiences as a small-business owner and more.

Small Business Forum slated in Wiscasset

WISCASSET — Lincoln County Regional Planning Commission is partnering with state, federal and regional business and economic development agencies to present a free Small Business Forum 8-10 a.m. Tuesday, June 21, at the commission's office, 297 Bath Road.

A panel of representatives of key agencies such as the Maine office of the Small Business Administration, the Internal Revenue Service, FAME, Maine Department of Community & Economic Development, CEI, New Ventures Maine, MCEDD, the Small Business Development Center and others will discuss specific financing tools, services and programs that can help small businesses grow.

Among the presenters is Shawn Savage, senior stakeholder liaison with the Stakeholder Liaison Office within the Internal Revenue Service, who will introduce the office and share infor-

mation regarding resources and services that it offers such as the IRS Small Business and Self-Employed Tax Center, Issue Management Resolution System and Combating Tax Related Identity Theft, along with other key small-business initiatives.

Jaimie Logan, the governor's account executive, serves Sagadahoc, Lincoln, Knox, Waldo, Penobscot and Piscataquis counties, will provide a brief overview of departments and resources within DECD that are available to assist Lincoln County businesses, including the Maine Office of Tourism and Film, Maine Made program, Business Answers and tax incentive programs.

Erica Quin-Easter serves as New Ventures Maine's Midcoast regional manager, a statewide organization working for the economic empowerment of Mainers and their families.

Rounding out the panel are several experienced staff from major financial and business support agencies. There will be time after presentations for one-on-one conversations and networking. RSVP by emailing Mary Ellen Barnes at mbarnes@lcrpc.org or calling 882-5984.

Nominations open for Governor's Award

AUGUSTA — The Maine Department of Economic and Community Development is accepting nominations for the 2016 Governor's Award for Business Excellence.

"Every year I look forward to recognizing Maine businesses that go above and beyond and demonstrate a

turning, Dailey believes his skill level is at a point where he's making the best possible product he can. He hopes that 40 to 60 years down the road, his products

are still there and still usable, so someone will pick something up and say, "Who is Kim Dailey and where the hell is Carthage, Maine?"

commitment to investment, innovation, employees, and communities," Gov. Paul R. LePage stated in a news release. "I am proud to present the Governor's Award for Business Excellence to those companies with outstanding leadership and direction. These businesses are a model of success in our state and deserve special recognition."

Business excellence is epitomized by a combination of manufacturing and service excellence and a steadfast commitment to employees, customers and the community. This award is presented to for-profit companies that consistently demonstrate high levels of attentiveness and dedication in each of these areas.

"For the past 25 years, the governor of the state of Maine has been honoring Maine's premier employers with the Governor's Award for Business Excellence," said DECD Commissioner George Gervais, in a news release. "We encourage any

of Maine's for-profit businesses to consider applying for recognition."

Companies that have been in business in Maine for five or more years may be nominated or may nominate themselves. DECD strongly encourages businesses of all sizes to apply. Completed nomination forms, available on DECD's website at maine.gov/decd/start-grow/business-excellence, are due by Friday, July 29. Winners will be notified before an award ceremony to be scheduled in the fall of 2016.

The Governor's Award for Business Excellence, sponsored by FairPoint, was created in 1991, and 138 companies to date have received the award. DECD administers the excellence awards and work with the governor's office and review team to evaluate and score the applications. For information on the award, visit www.maine.gov/decd/start-grow/business-excellence or email Lisa Poulin at lisa.poulin@maine.gov.

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