

10 Startups Marissa Mayer Bought Before Tumblr

Summly, a news-sharing service Yahoo picked up in March for \$30 million, tops the list of purchases the new CEO made before the \$1.1B deal for Tumblr



With a price tag of \$1.1 billion, Tumblr Inc. ranks as Yahoo Inc.'s (Nasdaq:YHOO) fourth biggest acquisition, behind the \$5.7 billion purchase of Mark Cuban's Broadcast.com in 1999, the \$3.6 billion transaction for Web-hosting pioneer Geocities, also in 1999, and the \$1.6 billion deal for Overture in 2003. But New York blogging service Tumblr (which, coincidentally shares a backer with Geocities in Union Square Ventures' Fred Wilson) is far from the only purchase Marissa Mayer has made since she left Google Inc. (Nasdaq: GOOG) to become CEO of Yahoo in July 2012. The once-struggling Yahoo has picked up 10 other companies over the past 10 months, including four in May.

As Mayer has told analysts, Yahoo's primary strategy is to buy startups that cost in the tens of millions or low hundred millions. Many are considered "talent acquisitions," meaning the point of the purchase is to gain the founder. (In the case

of Tumblr, Mayer is keeping founder David Karp, pictured, a talented 26-year-old entrepreneur so passionate about the Internet that, as a teenager, he dropped out of high school to develop websites and never looked back.) Many of the targets specialize in mobile services, reflecting the trend of increasingly popular tablets and smartphones. Most of the deals are so small that they lack known price tags.

Mayer boasts plenty of experience with these types of deals. At Google, she made some 20 small purchases. Nevertheless, not every deal Mayer has pursued has panned out. France Telecom SA's video site Dailymotion may be the one that got away. Talks between the two stalled in April reportedly.

While Mayer mulls her next move, here's a look back at her M&A track record at Yahoo. (Note: Deals with undisclosed terms are in alphabetical order.)

1. **Summly** — Yahoo bought the London news-sharing service in March for \$30 million. Launched in 2011 by Nick D'Aloisio when he was just 15 years old, Summly is being integrated with Yahoo's mobile service.
2. **Go Poll Go Inc.** — One of four startups Yahoo acquired in May, Palo Alto, Calif.-based Go Poll Go enables users to create polls and share them via Facebook Inc. (Nasdaq: FB) and Twitter Inc.
3. **Jybe Inc.** — The Menlo Park, Calif. mobile service founded by former Yahoo employees in 2011 and bought by Yahoo in March recommends books, movies and restaurants based on user preferences.
4. **Loki Studios** — Yahoo bought the mobile gaming startup Loki Studios, based in Palo Alto, in March. The Loki staff has been integrated with Yahoo's mobile team.

5. **MileWise** — The New York-based provider of search engine services was acquired in May.
6. **OnTheAir** — Yahoo acquired San Francisco's OnTheAir in December. The startup specializes in broadcasting video and split-screen communication. The team Yahoo attained through the deal is expected to help the company build applications to compete with Google.
7. **Propeld** — Yahoo picked up this Seattle company in February. Propeld develops an application called Alike, a location discovery service.
8. **Stamped** — Announced in October, the New York mobile application developer marked Mayer's debut deal at Yahoo.
9. **Snip.it** — Yahoo kicked off 2013 with the acquisition of Snip.it, a San Francisco scrapbooking service.
10. **Todoroo Inc.** — Todoroo, based in San Francisco, develops management software and was acquired from TMT Investments plc in May.

Yahoo is far from the only game in town, with competition for startups stemming from eBay Inc. (Nasdaq: EBAY), Facebook, Google and others.