

Acer to acquire cloud-service provider iGware

The company says that it will acquire iGware for \$320 million, plus another \$75 million if it hits certain performance-based milestones.

by **Don Reisinger** | July 21, 2011 8:00 AM PDT



Acer plans to acquire cloud-service provider iGware, the company announced today.

According to Acer, the companies have agreed to a selling price of \$320 million. In addition, iGware can earn \$75 million if it hits certain performance-based milestones. With iGware's technology, Acer says that it will deliver a new service, called Acer Cloud, "to serve and benefit Acer customers, and enhance brand value."

iGware has largely been under the radar in the cloud space, but the company has achieved some success. According to Acer, iGware's cloud software and infrastructure tools are available on over 100 million devices around the world. The company's most notable customer is Nintendo, which it partners with to power online services for the hardware maker's **Wii** [<http://www.cnet.com/nintendo-wii.html>], DS, and 3DS. Acer says that iGware has also inked a deal with Nintendo that will see it support the company's **Wii U** [<http://reviews.cnet.com/nintendo-wii-u/>].

For Acer, its decision to acquire iGware underscores the company's desire to be more than just a PC maker. In a statement today, Acer said that it expects Acer Cloud will be integrated into "all Acer products, including PCs, **tablets** [<http://reviews.cnet.com/tablets/>], and smart handheld devices." The company said that its Cloud feature will be "built on an open platform."

Acer's acquisition comes at a difficult time for the company. Last week, research firm IDC reported that **Acer's second-quarter worldwide PC shipments were down** [http://news.cnet.com/8301-13506_3-20079224-17/pcs-turn-the-tide-shipments-up-in-second-quarter/] 10.1 percent year over year, pushing the company down from the third spot to fourth behind HP, Dell, and Lenovo. In the first quarter, the company's worldwide shipments were down 15.8 percent worldwide and 42 percent in the U.S. year over year.

Those losses, in addition to flagging financial performance, have pushed the company's shares on the Taiwan Stock Exchange down. During the last year alone, the company's

shares have declined by more than 49 percent.

In the short term, Acer doesn't see iGware's technology helping matters. However, the company did say that its acquisition is a "mid- to long-term investment."

Once closing conditions are met, iGware will become a new Acer division, called Acer Cloud Technology Company. The PC maker said that it expects products with Acer Cloud to start launching next year.

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