

Lyft gets \$1bn from Google parent to rev up challenge to Uber

SAN FRANCISCO, US: US ridesharing giant Lyft has received a \$1bn investment led by the venture arm of Google parent Alphabet, to help ramp up its challenge to market leader Uber.



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Lyft said the new funding gives it a valuation of \$11bn as it steps up competition against Uber, reeling from a series of missteps and scandals which have forced out its founder and chief executive.

A Lyft blog post said the new funding round was led by CapitalG, formerly known as Google Capital, which invests in emerging tech firms.

Lyft has been expanding in the US market as Uber's image has taken a hit in recent months. It has also been expanding its partnerships including with General Motors and the former Google Car unit now called Waymo.



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"2017 has been an important year for the Lyft community. Earlier this month, we completed our 500 millionth ride and our service is now available to 95% of the US population - up from 54% at the beginning of the year," the statement said.

"While we've made progress towards our vision, we're most excited about what lies ahead. The fact remains that less than 0.5% of miles travelled in the US happen on rideshare networks. This creates a huge opportunity to best serve our cities' economic, environmental, and social futures."

The new investment creates a potential conflict for Alphabet, which was one of the early investors in Uber.

Uber, which has a valuation of nearly \$70bn, is widely expected to seal a deal for a major investment from Japan's Softbank, which could allow some stakeholders to cash out.

Uber board member Ariana Huffington said this week she expects a Softbank announcement soon.

Source: AFP

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