

MySpace scoops up popular Facebook app iLike

August 19 2009, By RYAN NAKASHIMA , AP Business Writer



Homepage of MySpace displayed on a computer monitor. MySpace on Wednesday announced it is buying online music discovery hotspot iLike and plans to expand the service to other forms of entertainment such as games and films.

(AP) -- Social networking hub MySpace said Wednesday it is acquiring iLike, a popular music application on rival Facebook, in the first move by new management to expand after a series of drastic cuts and writedowns.

The \$20 million agreement to purchase iLike confirmed rumors that had circulated this week.

iLike, which has 55 million users, will remain headquartered in Seattle, and its management team will stay intact, with brothers Ali and Hadi

Partovi in the top two slots. They founded the service in 2006 with \$16.5 million in venture capital, mostly from Ticketmaster Entertainment Inc.

MySpace CEO Owen Van Natta, who replaced co-founder Chris DeWolfe as MySpace chief executive in April, told reporters on a conference call that iLike technology will help MySpace users share songs, videos and games away from their MySpace home pages.

For instance, iLike already has 10 million users on [Facebook](#). It attaches itself to Apple Inc.'s [iTunes](#) music store with song recommendations, notifies fans of upcoming concerts and Twitter posts by their favorite artists and allows people to see what their friends are listening to. It began selling songs in the MP3 format on Friday.

"We believe what iLike has created isn't limited to just music and should extend to all the areas important to MySpace users, such as entertainment, video, and games," he said.

Facebook, which ranked iLike among its top eight applications and the third most popular in its entertainment segment, said it did not expect the acquisition to affect its users.

Van Natta said the iLike technology would complement its MySpace Music joint venture, a free music streaming and discovery platform it launched with major recording companies in September. The two services, however, will not be integrated right away.

He noted that MySpace Music was "doing extremely well," with monthly visitors nearly tripled since launch to 12.1 million in June, according to Nielsen figures.

MySpace is recovering from a serious of painful cuts after laying off 700 workers recently and breaking the lease on office space it no longer

needed in west Los Angeles.

Its parent company, [News Corp.](#), booked some \$630 million in impairment and restructuring charges due to Fox Interactive Media, which houses MySpace, in the three months to June 30. News Corp. bought MySpace for \$580 million in 2005.

Fox Interactive Media revenue, the majority of which comes from [MySpace](#), also fell 15 percent from a year ago in the last quarter to \$192 million, dragged down by a 22 percent decline in ad revenue.

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