

## RealNetworks, MTV to spin off Rhapsody

February 10 2010

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(AP) -- RealNetworks Inc. and MTV Networks said Tuesday that they plan to spin off Rhapsody America LLC, their digital music service joint venture, into an independent company.

RealNetworks currently holds a 51 percent stake in [Rhapsody](#), with MTV parent Viacom International Inc. holding the rest. After the [spinoff](#), neither will have operating control over the venture, and both will own an equal minority stake in Rhapsody.

RealNetworks will pay \$18 million in cash, plus contribute the Rhapsody brand, in exchange for shares of convertible preferred stock of Rhapsody.

The companies expect to close the transaction by the end of the first quarter.

"Separating Rhapsody into its own independent company is a significant first step in making RealNetworks a more focused and profitable company," said Robert Kimball, president and acting CEO for RealNetworks, in a statement.

Kimball became acting CEO last month after RealNetworks founder Rob Glaser stepped down from the post.

MTV is a unit of Viacom International Inc.

The news sent shares of RealNetworks up 43 cents, or 10.3 percent, to

\$4.59 in after-hours trading. The stock had earlier finished regular trading up 2 cents at \$4.16. The shares have ranged from \$1.97 to \$4.73 over the past year.

[Viacom](#) shares rose 79 cents, or 2.7 percent, to close at \$30.49.

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Citation: RealNetworks, MTV to spin off Rhapsody (2010, February 10) retrieved 26 April 2024 from <https://phys.org/news/2010-02-realnetworks-mtv-rhapsody.html>

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