

# Yahoo buys freelance news site Associated Content

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(AP) -- Yahoo Inc. is buying freelance news site Associated Content in a deal that will add a more folksy touch to one of the world's biggest Web sites.

Financial terms weren't disclosed.

The acquisition announced Tuesday will enable Yahoo to supplement its regular lineup of stories by full-time reporters with independently produced material that typically isn't covered by traditional media outlets.

Associated Content, launched in 2005 by Luke Beatty, bills itself as "the people's media company." It has developed a low-cost news model that relies on about 380,000 freelancers who share their expertise on a variety of subjects.

The material includes how-to advice, review, opinion pieces and coverage about what's happening in neighborhoods around the United States.

The stories evidently are striking a chord: Associated Content attracted 16 million visitors last month, according to comScore Inc. That exceeded the roughly 14 million people who visited The New York Times' Web site last month, comScore said.

Yahoo plans to sprinkle Associated Content's contributions throughout

its news, sports, finance and entertainment sections. Yahoo will continue to publish stories that it gets from newspapers, its own editorial staff and outlets that include The Associated Press.

Associated Content "gives us more local gravitas," Yahoo CEO Carol Bartz said in a Tuesday interview.

By providing more parochial stories, Yahoo hopes to widen its audience and create more opportunities to sell online ads tied to the neighborhoods or topics that Associated Content's freelancers are covering. Yahoo has been slumping for most of the past four years because it has been losing online ad revenue to rivals such as Google Inc. and Facebook.

Yahoo's decision to expand the breadth of its local coverage is similar to a strategy being pursued by AOL Inc. as its CEO, Tim Armstrong, tries to turn around that company.

AOL is trying to build two low-cost local news sites, Seed.com and Patch.com.

Armstrong stands to personally profit from Associated Content's sale because he is among the startup's early investors and even served as its chairman until two years ago. He helped fund Associated Content while he was still a top advertising executive at Google.

Associated Content's CEO, Patrick Keane, used to work at Google with Armstrong.

Yahoo plans to close Associated Content's Web site after it completes the acquisition in the third quarter.

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