

Disney to buy social-gaming site Playdom

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(AP) -- The Walt Disney Co. is buying online social-gaming company Playdom for \$563.2 million, the latest sign the company is becoming a formidable player in the video-game industry.

Disney said Tuesday it is buying Playdom to strengthen its digital-gaming portfolio. The purchase will help bring Disney's characters, stories and brands to customers in new ways, through Facebook and MySpace.

Playdom, which is based in Mountain View, Calif., has about 42 million monthly active users, who play games such as "Social City" and "Sorority Life."

In addition to the purchase price, Playdom shareholders may also earn another \$200 million if the company meets certain financial targets.

The deal comes less than a month after Disney announced it bought Tapulous, the maker of the popular iPhone music game "Tap Tap Revenge." And Disney bought the popular online kids hangout Club Penguin for \$350 million in 2007.

Disney expects to close the acquisition by the end of its fiscal year in September. Its shares closed down 12 cents at \$34.28 Tuesday.

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