

# News Corp. puts Myspace on the block

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News Corp. put ailing social network Myspace up for sale on Wednesday.

News Corp. said Wednesday it was exploring a sale or other "strategic options" for Myspace, the ailing social network which has been eclipsed by Facebook.

"We recognize that the plan to allow Myspace to reach its full potential may be best developed under a new ownership structure and we're evaluating those strategic alternatives," News Corp. chief operating officer Chase Carey said.

"With a new content focus and structure in place we believe now is the right time for News Corp. to consider strategic options," Carey said in a conference call with financial analysts to discuss News Corp's second quarter earnings.

"It could be a sale. It could be a new investor coming into it. It could be

us staying in with a restructuring," said Carey, who put Myspace on notice in November saying the losses at the social network were "unsustainable."

Carey said there was an "early window" on a decision for what to do with Myspace, purchased for \$580 million in 2005 by Rupert Murdoch's conglomerate. "It's something you'll see in the first half of the year," he said.

Facebook has grown to more than 500 million members while Myspace's numbers have dwindled and earlier this month, Myspace announced it was cutting some 500 jobs, nearly half its staff.

News Corp. reported Wednesday that the restructuring at Myspace contributed to a \$275 million dollar writedown in the quarter at its Digital Media Group, which includes the social network.

Without providing figures, News Corp. chief financial officer Dave DeVoe said that results at Myspace have been "below our expectations."

News Corp. does not break out results for Myspace in its earnings but the "other" segment which includes the social network reported a second quarter operating loss of \$156 million, \$31 million wider than a year ago.

"This decline was primarily due to increased losses at the Digital Media Group, stemming largely from lower search and advertising revenues at Myspace," News Corp. said.

Carey said News Corp. had received "a lot of interest" in Myspace.

"The interest to date has ranged from 'A' to 'Z,' from industry players, financial players to foreign to domestic and that's without really being

out there," he said. "It's sort of incoming, we're not soliciting anything at this point."

Carey declined to put a price on Myspace but said "we think it's a business that's got a unique level of reach."

"We think it has an opportunity to really be something special but we think we ought to put it in the right place to really maximize that opportunity," he said.

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