

EU approves Microsoft's Skype takeover

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A Microsoft and Skype sign hangs on stage in May 2011 in San Francisco, California. European anti-trust officials approved on Friday US technology giant Microsoft's \$8.5-billion takeover of Internet voice and video leader Skype.

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"The deal would not significantly impede effective competition across the single European market" of half a billion consumers, the European Commission said in a statement.

Microsoft's purchase is aimed at boosting its presence in an online arena dominated by Google and Facebook, both of whom were also believed to have been interested in [Skype](#) alongside computing giant Cisco.

Skype users can make low-cost or free phone calls over the Internet

using their computers or smartphones. Skype bypasses the standard telephone network by channelling voice and video calls over the Web.

One of the top applications on Apple's iPhone and on smartphones powered by Google's Android software, Skype has some 170 million users who will now be able to "Skype" using Windows-powered phones or even Xbox [game consoles](#).

"In the area of consumer communications, the investigation found that the parties' activities mainly overlap for [video communications](#), where Microsoft is active through its Windows Live Messenger," the European Union executive said.

"However, the Commission considers that there are no competition concerns in this growing market where numerous players, including [Google](#), are present.

"For enterprise communications, the investigation confirmed that Skype has a limited market presence for these products and does not compete directly with Microsoft's enterprise communication product Lync, which is used mostly by large enterprises," it added.

Skype was founded in 2003 and acquired by online auction giant [eBay](#) in September 2005. It was sold to an investment group led by Silver Lake in November 2009 in a deal that valued the company at \$2.75 billion.

Microsoft's biggest acquisition until now had been its 2007 buy of [digital marketing](#) firm aQuantive for \$6.3 billion. Microsoft unsuccessfully tried to buy Yahoo! in 2008 for \$47.5 billion.

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