

AOL sells ICQ instant messaging to Russia's DST

28 April 2010

AOL said Wednesday it has sold ICQ, the top instant messaging service in Russia, to Russian Internet company Digital Sky Technologies Limited (DST) for 187.5 million dollars.

AOL announced the sale of ICQ shortly before posting its first-quarter results on Wednesday.

The Internet company said net profit fell 58 percent in the quarter to 34.7 million dollars compared with a year ago while revenue declined 23 percent to 664.3 million dollars.

[AOL](#) chairman and chief executive Tim Armstrong said the company was fortunate to find a "great home" for ICQ.

"We wish them great success as a part of DST and will be rooting for them going forward," he said in a statement.

ICQ was founded in 1996 by Israeli company Mirabilis and acquired by AOL in June 1998.

ICQ provides instant messaging services in 16 languages and has a presence in Germany, the Czech Republic and Israel besides Russia. It claims more than 32 million unique visitors per month.

"The acquisition of ICQ is a strategic enhancement of our business in Russia and Eastern Europe," DST chief executive Yuri Milner said.

"ICQ's long-standing brand name and its sizeable loyal customer base together represent a very attractive opportunity to further strengthen our position in the region," Milner said.

Privately held DST, which was founded in 2005 and is based in Moscow and London, holds stakes in Facebook, Zynga, creator of the popular online games "Mafia Wars" and "FarmVille," and leading Web companies in Russia and Eastern Europe.

AOL, formerly known as America Online, was spun off by Time Warner in December into an independent company.

AOL is currently the number four gateway to the Web after [Google](#), Microsoft and Yahoo! and its dial-up Web access business has been gradually supplanted by high-speed broadband services.

Armstrong, a former Google executive, has embarked on an aggressive round of cost-cutting since taking the reins at AOL last year and has said he plans to refocus the company on "content, ads and communications."

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