



Playdom Gets Acquisitive

Gabriel Madway, *Reuters*

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Fresh on the heels of its \$43 million financing round, social gaming company Playdom announced a pair of acquisitions Thursday in a move to expand its portfolio of games. It acquired Facebook game developer Green Patch and Trippert Labs, which develops games on Apple's iPhone. Terms of the deal were not released.

Playdom Chief Executive John Pleasants said in a phone interview that while the company's main goal is to develop its own titles, it will make acquisitions opportunistically. "We have ample cash to do deals on our own," he said.

Social gaming companies are suddenly on investor's radar screens. Earlier this week, Electronic Arts said it would pay \$275 million in cash for Playfish, a Playdom rival, along with other consideration that could eventually lift the company's valuation to \$400 million. Social gaming companies earn money by selling virtual goods to players.

Pleasants, the former COO of EA, said the Playfish deal was a validation of what his company is doing. "It certainly validates the credibility of the space," he said. "The valuation also was another statement of the value we can create."

Playdom's financing by a group of venture capital firms valued it at \$260 million. Industry watchers say Zynga, the largest of the social gaming companies, could raise \$1 billion to \$1.2 billion in an initial public offering next year, if it decided to go that route.

Playdom, which has more than 28 million monthly active users and says it's profitable, will have around 200 employees following the acquisitions.