

S. Korea's top mobile chat app, online portal to merge

SEOUL, SOUTH KOREA: South Korea's top messaging service provider, Kakao Corp., and its second largest Internet portal, Daum, announced a merger to create a company with an estimated market value of US\$3bn.



Daum Communications and Kakao have agreed to merge through a share swap. Image: [Investment Europe](#)

Daum Communications, the operator of portal Daum.net, said the merger with Kakao, which runs the hugely popular mobile chat app Kakao Talk, would be completed in October through share swaps.

The move was aimed at "enhancing core businesses and creating business synergy", Daum said in a regulatory filing.

It said the swap ratio had been set at one Daum share for 1.55 Kakao shares.

Kakao Talk is used by more than 140m people globally, including some 35m South Koreans, more than 90% of the country's smartphone users.

Founded in 2007, Kakao has not gone public yet, but its shares are traded over the counter in Seoul and it has an estimated market value of two trillion won (US\$1.9bn).

The company's founder Kim Beom-Soo has a controlling 53.6% stake in Kakao. Chinese Internet company Tencent also has a 13.3% share in Kakao.

Daum, founded in 1995, has some 30m users and is valued at about one trillion won on Seoul's technology-heavy Kosdaq stock market.

South Korea is one of the world's most wired countries, with 37m people owning a smartphone out of a population of 50m.

Source: AFP via I-Net Bridge

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