Ancestry.com acquiring Archives.com for $100M

The Associated Press

Ancestry.com Inc. will acquire rival family history website Archives.com for about $100 million in cash and assumed liabilities, the companies announced Wednesday.

The two companies said they're combining their strengths and key employees but will maintain separate websites.

Archives.com offers access to about 2 billion historical records, from birth records to obituaries. It has 380,000 paying customers.

Ancestry has 1.8 million customers. It's the world's largest online family history resource, with 9 billion records.

In a statement, Ancestry President and CEO Tim Sullivan said Archives has made putting together family history profiles simple and affordable.

"Archives.com has built a fantastic and fast-growing business that we think is highly complementary to Ancestry.com's online family history offering," Sullivan said.

Over the past two years, Archives has partnered with organizations that have helped it build a collection of family history records. Most recently, Archives teamed with the U.S. National Archives to provide free digital access to the recently released 1940 U.S. Census.

The two companies have "complementary visions of the marketplace," said Matthew Monahan, co-founder and CEO of Archives.com's owner, Redwood City, California-based technology company Inflection LLC.

"We've long admired Ancestry.com's content and technology and the innovations that the Ancestry.com team continues to bring to market," Monahan said. "We're excited to see how this transaction expands the reach of family history to an even larger audience."

Ancestry.com, based in Provo, Utah, said it will continue to operate Archives.com separately, retaining the brand and website. Key Inflection employees, including product and engineering executives, are expected to join the Ancestry team.

Shares of Ancestry.com rose $1.04, or 4.4 percent, to $24.44 on Wednesday and climbed another $2.80 in extended trading after the deal was announced.

The company also reported first-quarter earnings Wednesday of $13.5 million, compared with $9 million in the same period a year ago. Revenue increased 19 percent to $108.5 million from $91 million in the first three months of 2011.

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