# Alibaba Investment Gives Tango Reason to Dance

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SAN FRANCISCO (AP) — Tango is joining the conga line of mobile messaging services that have turned into hot commodities as more people use them to communicate and share photos, music and other content.

China's Alibaba Group is making the latest big bet on the trend with a $215 million investment in Tango and its 200 million registered users. Tango, a Mountain View, Calif., startup, has accumulated the audience in just four years since the debut of its mobile messaging service.

Another group of investors that includes Yahoo co-founder Jerry Yang is anteing an additional $65 million to raise the total funding round to $280 million.

Alibaba is buying into Tango's future just a month after online social networking leader Facebook Inc. announced plans to acquire mobile messaging service WhatsApp for $19 billion. That deal came together after another mobile messaging service, Snapchat, rejected a $3 billion takeover offer from Facebook, according to reports in newspapers and technology blogs that cited people familiar with the negotiations.

Yet another mobile messaging specialist, Viber Media, sold for $900 million last month to Japan's Rakuten Inc.

It's likely that Tango is now valued at more than $1 billion, although the privately held company isn't disclosing the size of the stake being sold to Alibaba. Tango has raised a total $367 million since its inception.

The latest infusion will be used to expand Tango's workforce of 160 employees and develop more features for its service, according to its co-founder Eric Setton.

Tango's audience is half the size of WhatsApp, which boasts more than 450 million users.

Alibaba launched its own mobile messaging service last year, but now has a piece of a larger player in the communications space.

"We were simply blown away by the vision and quality of the team at Tango and believe they have a disruptive way of looking at the mobile and messaging opportunity," said Joe Tsai, Alibaba's executive vice chairman.

Alibaba is also privately held, but is preparing to sell its stock later this year in an initial public offering that could raise $15 billion. Its IPO is being hotly anticipated because it has built the most prosperous e-commerce site in China. Mobile messaging might open up more ways for merchants to sell their goods through

Alibaba, although Setton says Alibaba's investment doesn't include the rights to use the Tango app as part of its business.

Tango, WhatsApp and similar services have exploded in popularity during the past few years after they released applications made for the iPhone and Android smartphones. Those applications, collectively, have supplanted sending traditional texts through the services of telecommunications providers as the most popular way for people on the go to keep in touch with their friends and family.

The apps also accommodate more than just texts. Tango, for instance, allows music to be shared through Spotify's streaming service and also provides social networking services.

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