

Spotify still in the red while staff make fortune

Written by Johan Nylander

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Swedish online music star Spotify, which was launched in the United States last month, is still in the red. But its staff has seen the value of their shares, which they were offered to purchase at a discount

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rush
in value.

Last year the Luxembourg-registered parent company posted a loss of 293 million kronor (\$45 million). Among the major expenditure items were capital injections and loans to local subsidiaries.

The subsidiary in the U.S. received loans totaling 126 million kronor, according to Computer Sweden that got the figures from the General Office in Luxembourg.

The Swedish subsidiary increased its profit to 50 million kronor, from 14 million kronor in 2009. Its sale increased to 165 million kronor, from 90 million.

The increase in value of the company has been a good deal for the employees. At the beginning of last year they were offered to purchase shares for 50 kronor each. Today they are worth 2,500 kronor. The total value of the employees' stocks increased from 6 million kronor to 300 million, according to the newspaper.

Spotify today employs some 380 people in Stockholm, New York and London.

The music service, launched in Sweden in 2008, has 10 million users in Europe. After hammering out agreements with the four major record companies, Spotify launched in the United States last month with the ambitious goal of attracting 50 million US

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users within a year.

Spotify, a web-based legal streaming service, lets users access a library of some 15 million tracks and listen to them on a computer or mobile phone.