

# Zynga shares climb as game maker cuts losses

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Zynga stock was up more than five percent to \$2.88 a share after the firm reported that it lost \$48.5 million on revenue of \$311.2 million in the quarter that ended December 31.

The revenue was little changed from the same period a year earlier, but the loss was a fraction of the \$438 million lost in the final three months of 2011. The results topped Wall Street expectations.

"Our team executed well in the fourth quarter and made important progress in building sustainable new revenue streams and further aligning our company around our best growth opportunities," said Zynga chief operations officer David Ko.

"Zynga already has the largest social gaming audience and remains the best positioned company to lead in building the future of social gaming."

The number of monthly active users of Zynga games grew to 298 million in the quarter, a 24 percent increase from the same period a year earlier but a slight drop from the previous quarter.

Zynga, which had suffered from delays fielding new games, launched six titles in the final three months of last year and boasted five of the Top 10 games at leading social network Facebook at the end of 2012.

The San Francisco-based company also continued to expand its zynga.com website for play.

"2013 will be a pivotal transition year and we are focused on achieving three strategic objectives: growing our franchises on mobile and web, expanding our network and maintaining profitability," Ko said.

In October, Zynga began trimming workers, shuttering studios and shelving older titles to get in financial shape for the long term.

Zynga announced that it was "parting ways" with five percent of its approximately 3,300 full-time workers and dumping 13 games, along with significantly cutting its investment in "The Ville" franchise.

The cost-cutting measures are intended to let Zynga focus on more promising games and ramp up its network on the Web and on mobile devices.

Zynga rose to stardom by tailoring games for play by friends on Facebook and went on to create its own online playground at [zynga.com](http://zynga.com).

In December, Zynga confirmed that it has taken a baby step into real-money gaming in the state that is home to casino-rich Las Vegas, part of a possible broader strategy for online gambling where it is legal.

Zynga said that it has applied to the Nevada Gaming Control Board for a "preliminary finding of suitability" that would clear the way to seek a license to let players of its online games bet real cash.

"This filing continues our strategic effort to enter regulated RMG (real money gaming) markets in a prudent way," Zynga chief revenue officer Barry Cottle said at the time.

"As we've said previously, the broader US market is an opportunity that's further out on the horizon based on legislative developments, but we are preparing for a regulated market."

Poker and casino style games are among popular Zynga titles.

The Nevada move came less than two months after Zynga announced a partnership with RMG operator Bwin.party to run poker, roulette, blackjack and other virtual casino games in Britain.

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