

Zynga shares take a hit as player ranks shrink (Update)

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The Zynga logo is displayed on the front of the company's former headquarters on December 9, 2011 in San Francisco, California. Zynga shares fell on Wednesday after the pioneering social games firm hit quarterly earnings targets but revealed the number of players had ebbed.

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Zynga reported that it made \$4.1 million on revenue of \$263.6 million in

the three months that ended on March 31, while Wall Street analysts had expected the company to register a slight loss.

Investors soured on the San Francisco-based firm's shares, however, with word that the number of people playing Zynga games daily had dropped 21 percent to 52 million when compared to the same period a year earlier.

The number of active monthly users of Zynga games fell 13 percent to 253 million.

"2013 will continue to be a transition year as we face the challenging environment on the Web and invest in developing the leading franchises and network across web and mobile platforms," said Zynga chief executive Mark Pincus.

Zynga shares fell more than eight percent to \$3.08 in after-hours trades that followed release of the earnings figures.

The company has been pulling the plug on unpopular games and investing in titles for play on smartphones or tablets, as well as its own online arena at zynga.com.

Zynga rose to stardom by tailoring games for play by friends on Facebook.

The company has also made moves into real-money gaming with the potential to generate windfalls from popular titles such as Zynga Poker.

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