

Zynga shares spike after company names new CEO

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Zynga shares shot higher in early trade Wednesday after the struggling social gaming company named industry veteran Frank Gibeau as its chief executive in its latest effort to reboot.

Shares in Zynga—which hit the market in a highly anticipated 2011

public offering but have sputtered since—rose 7.8 percent to \$2.33 in opening Wall Street trades.

Company founder Mark Pincus, who stepped back into the CEO job a year ago, announced Gibeau's appointment late Tuesday, saying he would remain active in the role of executive chairman.

Gibeau was recruited for the board last year as the maker of the FarmVille, CityVille and "Words with Friends" games sought to regain momentum.

Analysts said Gibeau is a good fit for Zynga.

"With 25 years of experience in the [video game industry](#), Gibeau is one of the most respected execs in the sector," said Jefferies analyst Brian Pitz in a note to clients.

"Gibeau is best known for his long career at Electronic Arts... Gibeau's strong mobile background makes him a natural fit to lead Zynga."

Barclays analyst Christopher Merwin said that "we expect that Zynga will continue to focus its efforts on winning in a few key genres, while keeping a watchful eye on costs—something EA has actually done quite well in the console and mobile businesses, and we think will resonate with Mr. Gibeau."

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Zynga, which was founded in 2007, launched games on Facebook and other platforms. The games are free to play but the company generates revenue by selling virtual in-game goods to players and serving up

advertising.

The shares hit the market in 2012 at \$10 and hit an all-time high above \$13 that year before starting a steady decline.

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