
Subject: Blizzard And Activision Merges

Posted by [Stau](#) on Sun, 02 Dec 2007 17:59:29 GMT

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This is damn big news.

<http://news.bbc.co.uk/1/hi/technology/7123582.stm>

Quote:

Video game giants in \$18bn merger

By Rory Cellan-Jones

Technology correspondent, BBC News

Warcraft

World of Warcraft is played by more than nine million people

The companies behind Call of Duty and World of Warcraft are merging in a deal which could shake up the global video games industry.

Activision and Blizzard have said they will form "the world's most profitable games business" in a deal worth \$18.8bn (£9.15bn).

US-based Activision also makes hit console games such as the Tony Hawk series and Guitar Hero.

Nine million people pay a monthly subscription to play World of Warcraft.

'High-growth industry'

Blizzard is the biggest player in online gaming and Warcraft is the global market leader of what are known as massively multi-player online role-playing games, or MMORPGs.

It is currently owned by the French media group Vivendi.

As part of the merger plan, Blizzard will invest \$2bn in the new company, while Activision is putting up \$1bn.

The merged business will be called Activision Blizzard and its chief executive will be Activision's current CEO Bobby Kotick. Vivendi will be the biggest shareholder in the group.

Jean-Bernard Levy, Vivendi chief executive, said: "This alliance is a major strategic step for Vivendi and is another illustration of our drive to extend our presence in the entertainment sector.

"By combining Vivendi's games business with Activision, we are creating a worldwide leader in a high-growth industry."

Different strengths

The two firms are hoping that their different strengths will combine to form a business which is

powerful on every gaming platform and in every territory.

Blizzard is strong in Asia, where its Starcraft series has proved hugely popular.

Starcraft, a strategy game first released in 1998, is played by millions of South Koreans in gaming cyber-cafes, and by professional gamers on television.

Activision has developed a presence on all three new generation game consoles - Microsoft's Xbox 360, Sony's PlayStation 3 and the Nintendo Wii - with franchises such as Spider-Man and X-Men.

The games software industry has been through turbulent years, with companies changing ownership and going in and out of business in rapid succession.

Activision was formed in 1979 and went through bankruptcy and a series of alliances and mergers before becoming successful.

Blizzard had been through a number of owners before ending up in the hands of Vivendi in 1998.

What do you think of it ?..

Imagine the games LOL XD Dablo IN Duty

Subject: Re: Blizzard And Activision Merges
Posted by [trooprm02](#) on Sun, 02 Dec 2007 18:15:01 GMT
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Whow....never thought I'd see this. Im sure this is all in an effort to compete with the monopoly that is EA, considering they own like 80% all the games being released atm

Good/Bad? I thinks it bad because it will do the same thing that happened to Westwood when EA bought em out, companies should stay seperate

Subject: Re: Blizzard And Activision Merges
Posted by [Lone0001](#) on Sun, 02 Dec 2007 18:19:03 GMT
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I think they could have thought of an actual name either then Activision Blizzard. i.e. Activbliz

Subject: Re: Blizzard And Activision Merges
Posted by [IronWarrior](#) on Sun, 02 Dec 2007 20:11:13 GMT
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Who cares, aslong they make good games.

Subject: Re: Blizzard And Activision Merges
Posted by [Dreganius](#) on Sun, 02 Dec 2007 20:44:26 GMT
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Who cares, as long as they don't let EA buy them out.

Subject: Re: Blizzard And Activision Merges
Posted by [jnz](#) on Sun, 02 Dec 2007 22:08:15 GMT
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Dreganius wrote on Sun, 02 December 2007 20:44: Who cares, as long as they don't let EA buy them out.
EA couldn't possibly fork up enough money.

Subject: Re: Blizzard And Activision Merges
Posted by [Canadacdn](#) on Mon, 03 Dec 2007 00:15:44 GMT
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Time for a World War II MMORPG?

Subject: Re: Blizzard And Activision Merges
Posted by [R315r4z0r](#) on Mon, 03 Dec 2007 00:30:36 GMT
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They just made themselves a bigger target for EA.

Imagine one day where EA owns all video game companies except for Nintendo. (Shudders at the thought of an EA-made Zelda...)

Subject: Re: Blizzard And Activision Merges
Posted by [sadukar09](#) on Mon, 03 Dec 2007 00:32:19 GMT
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Eh, isn't Zelda made by Nintendo?

Subject: Re: Blizzard And Activision Merges
Posted by [R315r4z0r](#) on Mon, 03 Dec 2007 00:34:00 GMT

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Yea, that is why I said "except for Nintendo"

Subject: Re: Blizzard And Activision Merges
Posted by [Dover](#) on Mon, 03 Dec 2007 01:15:58 GMT

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This is wrong on all levels.

Blizzard doesn't need anybody...

And I hate how Blizzard is being pitched as, basically, "The WoW company", ignoring their rich history of fantastic RTS and non-MMO RPGs.

Subject: Re: Blizzard And Activision Merges
Posted by [Lone0001](#) on Mon, 03 Dec 2007 02:07:22 GMT

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Diablo, Diablo 2 FTW!

Subject: Re: Blizzard And Activision Merges
Posted by [Viking](#) on Mon, 03 Dec 2007 05:24:58 GMT

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Dreganius wrote on Sun, 02 December 2007 14:44Who cares, as long as they don't let EA buy them out.

QFT

Subject: Re: Blizzard And Activision Merges
Posted by [nikki6ixx](#) on Mon, 03 Dec 2007 06:11:13 GMT

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Five bucks says that in seven-eight years, this company will be just as hated as Electronic Arts, as it ends up buying other small companies, and becomes another industry behemoth.

Subject: Re: Blizzard And Activision Merges
Posted by [Aprime](#) on Mon, 03 Dec 2007 07:15:02 GMT

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Dover wrote on Sun, 02 December 2007 20:15This is wrong on all levels.

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Oh you mean Starcraft.

Subject: Re: Blizzard And Activision Merges

Posted by [Nukelt15](#) on Mon, 03 Dec 2007 07:23:41 GMT

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Seven or eight years? Vivendi's been playing the merge-stifle-kill game as long as EA has, they just haven't been as successful at it. I've hated Vivendi since they axed Dynamix back when the company was still called Havas Interactive and still made some sort of effort to maintain the names of the smaller publishers they absorbed (Sierra, for instance). Hell, I remember when EA wasn't out to take over the world, but everyone playing Sierra-branded games thought Vivendi was. This is nothing new; they've just flown under the radar this long because they've mostly been hard at work screwing everything that used to be associated with Sierra. Blizzard is their big moneymaker though, and that's why this is somehow news to people. Anyone playing games under other brands published by Vivendi saw this coming years ago.

Vivendi sucks just as hard as EA does... they just haven't gotten as hungry yet.

Subject: Re: Blizzard And Activision Merges

Posted by [Dover](#) on Mon, 03 Dec 2007 08:45:07 GMT

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Aprime wrote on Sun, 02 December 2007 23:15Dover wrote on Sun, 02 December 2007 20:15This is wrong on all levels.

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Oh you mean Starcraft.

I mean WarCraft, WarCraft II, Diablo, StarCraft, Diablo II, WarCraft III, and all the expansions thereof (Except HellFire (Diablo 1 Expansion), which was produced by Sierra and also sucked balls)

Subject: Re: Blizzard And Activision Merges
Posted by [trooprm02](#) on Mon, 03 Dec 2007 13:35:39 GMT
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RoShamBo wrote on Sun, 02 December 2007 16:08Dreganius wrote on Sun, 02 December 2007 20:44Who cares, as long as they don't let EA buy them out.
EA couldn't possibly fork up enough money.

Don't give them ideas.

Subject: Re: Blizzard And Activision Merges
Posted by [drunkill](#) on Mon, 03 Dec 2007 13:56:49 GMT
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You do know that Actiblizzion is bigger then Electronic Arts right? They can't afford to buy them out. At least not for a decade or so.

This is just the ownership of said companies, Activision and BLizzard will still remain 'seperate' when developing games, they'll just have the same boss.

Subject: Re: Blizzard And Activision Merges
Posted by [trooprm02](#) on Mon, 03 Dec 2007 15:09:32 GMT
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drunkill wrote on Mon, 03 December 2007 07:56You do know that Actiblizzion is bigger then Electronic Arts right? They can't afford to buy them out. At least not for a decade or so.

This is just the ownership of said companies, Activision and BLizzard will still remain 'seperate' when developing games, they'll just have the same boss.

I wouldn't doubt if they could.

Subject: Re: Blizzard And Activision Merges
Posted by [Staude](#) on Mon, 03 Dec 2007 16:10:55 GMT
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Pretty much what he said.

A interview of blizzards president regarding the merger.

<http://www.1up.com/do/newsStory?cld=3164670>

Quote:Blizzard's President Speaks, Tells Fans Not to Worry

We still wish they'd gone with 'AcTard.'

By Jeff Green, 12/02/2007

In the wake of the gigantic, surprise announcement today that Vivendi Games and Activision had merged to become Activision Blizzard, Blizzard President and CEO Mike Morhaime spent a few minutes with us to answer a few questions.

1UP: First, thanks for making me be a reporter on a Sunday. You had to do this today?

Mike Morhaime: [laughs]. Yeah sorry about that. I've been working all day, too.

1UP: Okay, so tell us in your words what happened here today.

Morhaime: So in a nutshell, Vivendi announced earlier today that they're going to be taking a majority stake in Activision. They'll be injecting the Vivendi Games assets into the company, including Blizzard, and forming a new company called Activision Blizzard. When you look at Activision and Vivendi Games you see very complementary businesses. Activision has a great track record in console gaming, and Blizzard is the number one PC publisher and online game publisher. We're very excited about it. But the main thing you should know is that everybody involved is very respectful of the business that we've built at Blizzard--and we feel the same way about Activision. The Blizzard brand will continue as you've always known it, there will be no changes to that, and will still be under the same operating structure.

1UP: This is being interpreted 25 different ways online right now, so to boil it down to its essence, is it correct to say that "Vivendi bought Activision"?

Morhaime: No. Vivendi has bought a majority stake in Activision. Activision remains a public company, with a majority controlled by Vivendi.

1UP: This is a merging, then, of Vivendi games, which includes Blizzard, a subsidiary of Vivendi, and Activision. This is a Vivendi Games/Activision merger?

Morhaime: Yes. Basically, what Vivendi is doing is they valued Vivendi Games at \$8.1 billion, plus \$1.7 billion in cash and they've given that to Activision in exchange for 52 percent in the resultant company, which is called Activision Blizzard.

1UP: So let's turn to Blizzard specifically and what it's going to mean to you and to our readers. You've said the logo, the branding is not going to change for you guys. So let's say the next Blizzard game that comes out, we'll assume it's Wrath of the Lich King, it's going to be branded as Blizzard, or Activision Blizzard?

Morhaime: It's going to be branded as Blizzard Entertainment.

1UP: Kind of the way you've been doing it all along, where Blizzard games were always branded Blizzard and not as Vivendi Games.

Morhaime: In fact our games have never been branded as Vivendi. The Activision Blizzard brand will not appear anywhere as a consumer-facing brand. Basically it is a corporate brand for the

overall company. If you want to buy stock in the company, the stock is called Activision Blizzard; the central shared services for the company, such as the sales and distribution force, will be Activision Blizzard. But Blizzard Entertainment will continue to be a publishing label.

1UP: So does this mean, on the other side, that we are not going to see, say, Tony Hawk games with the Activision Blizzard logo?

Morhaine: Correct.

1UP: So we will never see an Activision Blizzard logo on any game box then?

Morhaine: Correct. You should not see it on anything. It will not be associated with any product.

1UP: So lots of folks on the message boards are expressing anxiety over what all this means in terms of Blizzard watering itself down in this transaction, that it's going to mean less that a game is a Blizzard game.

Morhaine: The thing is, Blizzard has been part of public entities for a very long time. There is nothing about this transaction that changes any of our philosophies or commitments to quality or how we intend to continue developing, publishing, or servicing our games. In fact I spent quite a log time talking to Bobby Kotick [Activision Chairman and CEO and now President and CEO of Activision Blizzard] and Brian Kelly [Co-chairman of Activision and now Activision Blizzard] and others, to make sure they understood Blizzard's development philosophies, our core values, the things that we hold very important, which are very much in line with the things our players expect of us, and there was a great deal of understanding. Also, they share a lot of our philosophies about quality, and they believe, as we do, that the best way to run a business in this industry is to develop high quality games.

1UP: So from Blizzards perspective, why is this a good thing? What do you guys get out of it?

Morhaine: The combined company will have strong financial flexibility, resources enable us to attract and reward the best industry talent. Activision is committed to an independent studio model, which we think is the right way to go, I think this combined company will have presence across multiple platforms, multiple geographies and will be well diversified and positioned to be a leading entertainment company going forward. That's a great environment for Blizzard to be in. When you have all sides of the business positioned well to capture the growth we think we're going to see in gaming, it's a great thing.

And, a little bit contrary to what you're reading on the Internet, I think this actually takes a little pressure off of us. Because when you have multiple pistons firing, you're not just dependent on one thing happening on schedule, something else can release, which can buy you a little time.

1UP: So are you saying then that by being partnered with them, having Activision's stable of games, like, say Guitar Hero 3, having the release and success of that game coming out might take pressure off Blizzard from having to release a game to make a specific financial quarter, say?

Morhaine: It does take that pressure off, but of course our philosophy has always been and continues to be that we won't release a game if it's not ready. But as a company it sure helps if

you have another game to release that is ready.

One other thing to point out is that from the Vivendi and Blizzard perspective, I think you could argue, if you look at the way that the Vivendi shareholders have valued Vivendi Games, they haven't been appropriately valuing the Blizzard assets, for a couple reasons. One, Vivendi Games is such a small part of Vivendi, so even when things are going great for Blizzard, it doesn't move the meter much, but also because Vivendi has never really split out the Blizzard Entertainment financials, and this is kind of a way for Vivendi to unlock that value, having Blizzard be a major part of this new public entity.

1UP: In theory they could have called this Activision Vivendi. So is the fact that Vivendi did this them publicly stating that the Blizzard brand, amongst all the assets in Vivendi Games, was the most successful or highest profile?

Morhaine: What this is is a statement that these are two extremely strong brands. I think you could argue Blizzard is one of the strongest brands in the interactive entertainment industry around the world., and so really deserves to be in the company name.

1UP: Speaking of that, there's lots of folks complaining about the new name itself.

Morhaine: Really? What don't they like about it?

1UP: People were hoping for something with a little more flair. Like say Blizzivision or Actard.

Morhaine: [Laughs loudly] Point taken. The most important thing for our fans to understand is that we are preserving the Blizzard Entertainment brand. This was extremely important to me and the rest of the Blizzard team. We think it's a very strong brand, and the Vivendi guys and Activision guys all agree. We built so much value into the Blizzard Entertainment brand over these years, why would anyone want to change it? It just doesn't make sense.

1UP: So for all the Blizzard fans freaking out this Sunday, we can tell them it's business as usual for you guys?

Morhaine: Absolutely. And I can tell you that as long as I am at Blizzard Entertainment we are not going to change the Blizzard Entertainment brand.