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Subject: Re: Blizzard And Activision Merges  
Posted by [Stau](#) 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?cId=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 Morhaine: [laughs]. Yeah sorry about that. I've been working all day, too.

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

Morhaine: 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"?

Morhaine: 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?

Morhaine: 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?

Morhaine: 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.

Morhaine: 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.