

## **Zynga slides after updated agreement with Facebook**

The Associated Press

Zynga shares tumbled nearly 13 percent in after-hours trading Thursday after the online game company and Facebook disclosed that they changed their relationship status to become less attached to each other.

Zynga Inc. said in a regulatory filing Thursday that it will no longer have to display Facebook ads or use Facebook payments on its own properties — such as Zynga.com. In addition Zynga will no longer be required to use Facebook as the exclusive social site for its games, or to grant Facebook exclusive games.

Facebook Inc., which filed a similar disclosure, will also be able to develop its own games after the end of March. Its deal with Zynga previously prohibited that.

In a statement, Facebook said it has no plans to compete against Zynga. "We're not in the business of building games and we have no plans to do so," Facebook said. "We're focused on being the platform where games and apps are built."

The company, which is based in Menlo Park, Calif., said it intends to keep working with Zynga, which is based in San Francisco.

The amendments change the companies' 2010 contract that gave Zynga special status among Facebook game developers. Zynga relies on Facebook for most of the revenue it generates, but the company has been working to establish its independence — while also maintaining ties with Facebook.

Zynga's titles range from "FarmVille" to "CityVille" to "Words With Friends," the Scrabble-like game made popular on mobile devices.

Zynga shares fell 33 cents, or 12.6 percent, to \$2.29 in after-hours trading. The stock closed up 11 cents, or 4.4 percent, at \$2.62 in the regular session.

Facebook shares dipped 4 cents to \$27.28 in extended trading. Its stock has surged by nearly 30 percent this month on increasing optimism about the company's ability to make money on the traffic visiting its service on smartphones and tablet computers.

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