ACTIVISION BLIZZARD GOES FOR GLOBAL LAYOFFS

Activision Blizzard, the largest U.S. video games publisher said on Wednesday that it was reducing its global workforce by 600 positions in the internet games unit, including staff working on the company's popular "World of Warcraft" platform. The popular WoW has seen regular numbers of users leaving in recent times. This is hardly surprising since with the purchasing power of people reducing regularly, spending on low cost entertainment is expected to go down. Games companies are have been aware of the situation for some time, but were hoping for a recovery. In fact, traditional large video game houses like Activision and Electronic Arts have been paring down costs over the last few years as younger companies like Zynga keep floating free games. Activision stated that the layoffs will not affect the company's financials this year and had already been included in the company's earnings forecast. Industry experts said that the move was a direct reaction to the attrition of World of Warcraft users. The company said that ninety percent of the layoffs would not happen in the direct game development units and that no developers who worked on World of Warcraft would face a job loss. "World of Warcraft" had made history in the world of video and internet games and even last quarter it had 10.3 million registered users. However, almost 700,000 users having given up membership during the third quarter of last year, the company's coffers have felt the bite. "World of Warcraft" is Activision's most profitable venture and closely observed by investors. Experts said that Electronic Art's new internet game "Star Wars: The Old Republic," has been affecting the membership base of Activision. Activision had long been aware of the economic situation and had been one of the first major video game makers who had shut down running development and eliminated 500 jobs last year. Activision had acquired its Blizzard unit from Vivendi in 2008.

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