

Microsoft is Buying Bethesda's Parent Company for \$7.5 billion

"While Xbox and gaming have been successful, [Microsoft] recognizes the requirement for consumer-based revenue growth which we believe this acquisition will directly to achieve," Ives wrote in a Monday brief on the acquisition.

Phil Spencer, executive vice president of Xbox Business for Microsoft Corp. He speaks at the company's Xbox One X reveal event ahead of the E3 Electronic Entertainment Expo in Los Angeles, California, U.S., on June 11, 2017.

In separate statements released Monday morning, Bethesda and Microsoft confirmed the details of the deal. Xbox Game Pass Head Phil Spencer said Bethesda was a fan of Xbox Game Pass, and has been investing in cloud streaming.

Spencer stated that "all of their work will continue to expand" and added that Microsoft will provide the resources and support needed to assist them in scaling their creative visions to new players.

Todd Howard, executive producer at Bethesda and director of Bethesda said that the paths of his company and Xbox "have been going hand in hand" since their initial launches.

Howard wrote that "This one is more than one screen or system," in a blog post that was posted on Bethesda's site.

The ZeniMax purchase is about \$1.5 billion more than the \$5.9 billion Activision Blizzard paid to acquire the parent company of Candy Crush, King Digital, in 2014 and about three times more than the \$2.5 billion Microsoft paid to acquire Minecraft in the same year.

Van Dreunen said Microsoft's latest deal shows Xbox is ready for the escalating platform wars which are expected to gain momentum later in the year with the launch of Sony's PS5 and Microsoft's Xbox Series X.

Investors responded positively to the news of the acquisition Monday. Minecraft Microsoft's stock price gaining about three points by the afternoon of Monday.