

ATVI Summary as of February 9, 2017



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of February 9, 2017 only. Activision Blizzard undertakes no duty to update or revise any forward-looking information contained herein. This is a summary document only. For more detailed information, please refer to Activision Blizzard's earnings release dated February 9, 2017, the July 29, 2016 call explaining updates to our financial disclosure, and the Company's reports and filings with the SEC.

Stock Information ¹ :		Full Year EPS:							
Price per share as of 2/8/17 (\$)	39.19	2016 GAAP EPS (\$)	1.28	2012	2013	2014	2015	2016	
2017 Dividend/share (\$)	0.30	2016 Non-GAAP ¹ (redefined) EPS (\$)	2.18	GAAP EPS	\$1.01	\$0.95	\$1.13	\$1.19	\$1.28
Daily volume on 2/8/17 (M)	11.0	2016 OCF (\$B)	2.16	Non-GAAP ¹ (redefined) EPS	\$1.11	\$1.08	\$1.24	\$1.30	\$2.18
50-day avg. vol., ended 2/8/17 (M)	7.0	2016 FCF ⁴ (\$B)	2.02	IR Contacts:					
Shs. Outstanding ² (M)	758	Book Value/diluted share ² (\$)	12.03	Amrita Ahuja, SVP IR	Amrita.Ahuja@ActivisionBlizzard.com (310) 255-2075				
Market Cap. as of 2/8/17 (\$B)	29.1	Total cash & investments ⁵ (\$B)	3.27	Colin Roussil, Sr. Director IR	Colin.Roussil@ActivisionBlizzard.com (424) 272-3164				
Enterprise Value as of 2/8/17 ³ (\$B)	30.8	Total debt as of 12/31/16 (\$B)	4.94	Jason Shi, Analyst IR	Jason.Shi@ActivisionBlizzard.com (424) 744-5687				

¹ NASDAQ OMX. ² Based on fully diluted shares and participating securities for the quarter ending December 31, 2016. ³ Using 12/31/2016 cash & investments and debt. ⁴ FCF = OCF minus Capex. ⁵ Includes short-term and long-term investments.

Better-than-expected and Record Fourth Quarter and 2016 Financial Results:

- ⇒ Record 2016 Revenues, Digital Revenues, and EPS
- ⇒ Record Q4 Revenues and Digital Revenues, GAAP EPS grew 57% Y/Y & Non-GAAP (redefined) EPS grew 160% Y/Y to record levels
- ⇒ Generated Record Operating Cash Flow of \$2.2B in 2016, up 71% Y/Y

Key Growth Initiatives:

1. **Overwatch proved our ability to launch new owned IP:**
 - ⇒ Blizzard's fastest game to reach over 25M players globally
2. **Successfully integrated King:**
 - ⇒ Mobile gross bookings¹ for the Candy Crush franchise grew in 2016
 - ⇒ Progressed on initiative to bring advertising to one of the world's largest and most engaged mobile networks
3. **Nurtured emerging growth opportunities outside of games including esports, film and TV and consumer products:**
 - ⇒ Accelerated esports efforts with the integration of MLG, the formation of the Call of Duty World League, and the announcement of the Overwatch League

¹ Gross bookings is an operating metric reflecting the total price paid by players, which includes indirect taxes (sales tax or value added tax etc.), platform providers fees, and King's share of revenues.

A Portfolio of Compelling Franchises With Seven Over \$1B in Life-to-Date Revenues

 3 of top 10 titles on current-gen consoles, life-to-date*	
 Record 2016 segment revenue, segment operating income, and MAUs**	
 2 of top 10 grossing games on U.S. app stores for 13 consecutive quarters***	

* NPD & GfK Chart-Track. ** MAUs defined as number of individuals who played a particular game in a given month averaged across the number of months in a respective period. Refer to definition included in earnings release for additional details. *** U.S. ranking for Apple App Store and Google Play Store combined, per App Annie Intelligence for fourth quarter 2016. ¹ For a full reconciliation of GAAP to non-GAAP numbers and for more detailed information concerning the Company's financial results for the quarter ended December 31, 2016, please refer to the tables attached to the Company's earnings release dated February 9, 2017, which is available on our website, www.activisionblizzard.com. ^{††} Our outlook is based on assumptions about sell-through rates for our products and services and the launch timing, success and pricing of our slate of new products and services, all of which are subject to significant risks and uncertainties, including possible declines in the overall demand for video games and in the demand for our products and services, the dependence in the interactive software industry and by us on an increasingly limited number of popular franchises for a disproportionately high percentage of revenues and profits, our ability to predict shifts in consumer preferences among genres and competition. Our outlook is also subject to other risks and uncertainties including financial results from the acquisition of King Digital Entertainment, litigation and associated costs, fluctuations in foreign exchange and tax rates, counterparty risks relating to customers, financing providers, licensees, licensors and manufacturers. As a result of these and other factors (including those mentioned in the Company's earnings release dated February 9, 2017, our most recent Annual Report on Form 10-K and our other filings with the SEC) actual results may deviate materially from the outlook presented above.

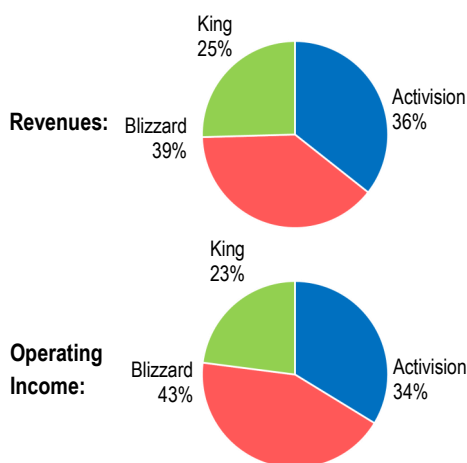
Reportable Segment Results¹

	Q4			CY		
	2015	2016	%	2015	2016	%
Revenues (\$M)						
Activision	1,492	1,151	-23	2,700	2,220	-18
Blizzard	459	669	46	1,565	2,428	55
King	-	436	NM	-	1,586	NM
Total	1,951	2,256	16	4,265	6,234	46
Operating Income (\$M)						
Activision	626	479	-23	868	788	-9
Blizzard	177	273	54	561	1,013	81
King	-	156	NM	-	537	NM
Total	803	908	13	1,429	2,338	64
Operating Margin						
Activision	42%	42%		32%	35%	
Blizzard	39%	41%		36%	42%	
King	-	36%		-	34%	
Total	41%	40%		34%	38%	

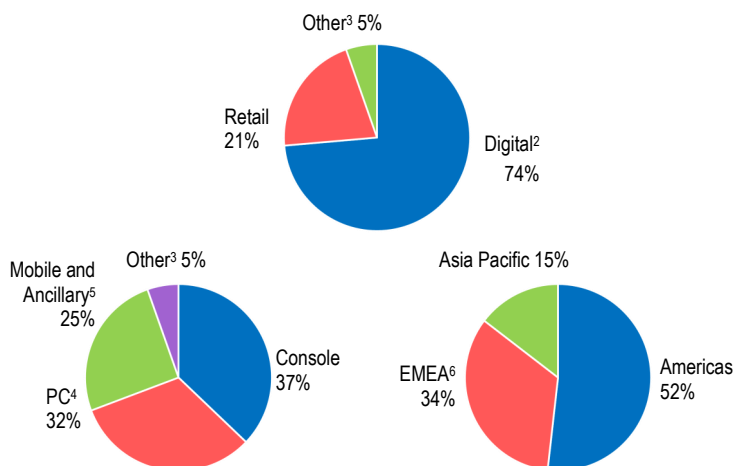
Revenue Breakdowns¹

	GAAP Q4			GAAP CY		
	2015	2016	%	2015	2016	%
Distribution Channels (\$M)						
Digital online channels ²	724	1,454	101	2,502	4,865	94
Retail	462	372	-19	1,806	1,386	-23
Other ³	167	188	13	356	357	-
Total	1,353	2,014	49	4,664	6,608	42
Platforms (\$M)						
Console	655	586	-11	2,391	2,453	3
PC ⁴	385	704	83	1,499	2,124	42
Mobile and Ancillary ⁵	146	536	NM	418	1,674	NM
Other ³	167	188	13	356	357	-
Total	1,353	2,014	49	4,664	6,608	42
Geography (\$M)						
Americas	659	1,012	54	2,409	3,423	42
EMEA ⁶	522	693	33	1,741	2,221	28
Asia Pacific	172	309	80	514	964	88
Total	1,353	2,014	49	4,664	6,608	42

2016 Reportable Segment Results¹



2016 GAAP Revenues¹



¹ Only includes King results since the date of the acquisition (Feb 23, 2016). ² Net revenues from digital online channels represent revenues from digitally distributed subscriptions, licensing royalties, value-added services, downloadable content, micro-transactions, and products. ³ Net revenues from Other include revenues from our Media Networks, Studios, and Distribution businesses. ⁴ Net revenues from PC include revenues that were historically shown as "Online." ⁵ Mobile and Ancillary includes toys, mobile, other accessories, and handheld. ⁶ EMEA consists of the Europe, Middle East, and African geographic regions.

Results

	Q4		
	2015	2016	2016
GAAP Net Revenues, \$M	1,353	1,856	2,014
GAAP EPS, \$	0.21	0.05	0.33
Non-GAAP [†] (redefined) EPS, \$	0.25	0.40	0.65

Cash Flows, Repurchases, Dividends, Capital Alloc.

	2011	2012	2013	2014	2015	2016
Operating Cash Flow, \$M	976	1,350	1,293	1,331	1,259	2,155
Free Cash Flow*, \$M	904	1,277	1,219	1,224	1,148	2,019
Repurchases, \$M	692	315	5,830	-	-	-
Annual Dividends/Share, \$	0.165	0.18	0.19	\$0.20	\$0.23	\$0.26

Board of Directors authorized 2-year \$1B stock repurchase program for Feb 13, 2017 — Feb 12, 2019 and approved debt repayment of up to \$500M during 2017, \$139M of which has already been repaid in Q1. Additionally, the Board declared a cash dividend of \$0.30 per share, payable on May 10, 2017.

Note: During Q3 2016 we adopted a new accounting standard that included retrospectively revising cash flows for all periods presented. Refer to the tables attached to the Company's earnings released dated November 3, 2016, for more details. * FCF = OCF minus CapEx

[†]Q3 2016 prior outlook as of November 3, 2016

Outlook, as of February 9, 2017^{††}

	Q1		2017		Impact of GAAP Deferrals [†]	
	GAAP	Non-GAAP [†] (redefined)	GAAP	Non-GAAP [†] (redefined)	Q1	2017
Revenues (\$M)	1,550	1,550	6,000	6,000	(500)	300
Operating Margin**	18%	35%	14%	31%		
EPS** (\$)	0.25	0.51	0.72	1.70	(0.33)	0.15
Fully diluted weighted avg. shares*** (M)	760	760	765	765		

If you would like to calculate Non-GAAP metrics as previously defined, in order to do year-over-year comparisons, you would add the impact of GAAP deferrals to the relevant Non-GAAP (redefined) metrics. Please see materials from July 29, 2016 call for further details.

Note: Outlook assumes \$1.08 USD/Euro and \$1.25 USD/GBP. Revenue and EPS increase if Euro or GBP strengthen vs. USD.

* Net effect of accounting treatment from revenue deferrals on certain of our online enabled products.

** May not recalculate due to rounding.

*** Including fully diluted shares and participating securities based on average share price.

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