

ATVI Summary as of August 4, 2016



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of August 4, 2016 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 August 4, 2016, the July 29 call explaining updates to financial disclosure, and the Company's reports and filings with the SEC.

Stock Information ¹ :		Full Year EPS:							
Price per share as of 8/3/16 (\$)	40.38	Q2 '16 TTM GAAP EPS (\$)	1.00	2011	2012	2013	2014	2015	
2016 Dividend/share (\$)	0.26	Q2 '16 TTM Non-GAAP [†] (redefined) EPS (\$)	1.49	GAAP EPS	\$0.92	\$1.01	\$0.95	\$1.13	\$1.19
Daily volume on 8/3/16 (M)	8.8	Q2 '16 TTM FCF ⁴ (\$B)	1.50	Non-GAAP [†] (redefined) EPS	\$1.06	\$1.11	\$1.08	\$1.24	\$1.30
50-day avg. vol., ending 8/3/16 (M)	9.5	Cash & investments ⁵ /diluted share ² (\$)	3.06	IR Contacts:					
Shs. Outstanding ² (M)	753	Book Value/diluted share ² (\$)	11.36	Amrita Ahuja, SVP IR	Amrita.Ahuja@ActivisionBlizzard.com (310) 255-2075				
Market Cap. as of 8/3/16 (\$B)	29.8	Total cash & investments ⁵ (\$B)	2.30	Colin Roussil, Sr. Director IR	Colin.Roussil@ActivisionBlizzard.com (424) 272-3164				
Enterprise Value as of 8/3/16 ³ (\$B)	32.6	Total debt as of 6/30/16 (\$B)	5.10	Jason Shi, Analyst IR	Jason.Shi@ActivisionBlizzard.com (424) 744-5687				

¹NASDAQ OMX. ²Based on fully diluted shares and participating securities for the quarter ending June 30, 2016. ³Using 6/30 cash & investments of \$2.3B and debt of \$5.1B. ⁴FCF = OCF minus Capex. ⁵Includes short-term and long-term investments.

Record Q2 Results: Increasing Full Year Revenue & EPS Guidance

- GAAP: record Q2 revenues of \$1,570M (up 50% Y/Y), EPS of \$0.17
 - Non-GAAP[†] (redefined): record Q2 EPS of \$0.45 (up 45% Y/Y)
 - Non-GAAP[†] (as prev. defined): record Q2 revs of \$1.6B (up >100% Y/Y) & record Q2 EPS of \$0.54 (up >300% Y/Y)
 - Record Q2 operating cash flow (up >250% Y/Y) and record Q2 free cash flow (up >300% Y/Y)
 - Record quarterly digital revenues of over \$1B
 - Paid down \$816M of debt in the quarter
- ⇒ **Increasing 2016 GAAP outlook to revenues of \$6.4B, incl. net deferrals of \$75M, and GAAP EPS of \$0.87**
- ⇒ **Increasing 2016 non-GAAP[†] (redefined) outlook to EPS of \$1.83, incl. net deferrals of \$0.07**

Q2 record performance driven by Overwatch's® incredibly successful launch (now over 15M players), Call of Duty's® record first half performance*, and Candy Crush's™ continued growth

A Portfolio of Compelling Owned Franchises With Seven Over \$1B** in LTD Revenues

<p>4 of top 10 titles on next-gen consoles, life-to-date***</p>	
<p>Largest quarterly online community in history, with record quarterly and first half segment revenues</p>	
<p>3 of top 15 grossing games on U.S. app stores for 10 consecutive quarters****</p>	

* Non-GAAP (as previously defined) revenues and operating income, excluding net deferrals. ** Non-GAAP (as previously defined) revenues life-to-date. *** NPD & GfK Chart-Track. **** U.S. ranking for Apple App Store and Google Play Store, per App Annie Intelligence for second quarter 2016. [†] 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 June 30, 2016, please refer to the tables attached to Company's earnings release dated August 4, 2016, which is available on our website, www.activisionblizzard.com. ^{††} Our outlook is based on assumptions about sell-through rates for our products and the launch timing, success and pricing of our slate of new products, 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, 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 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.

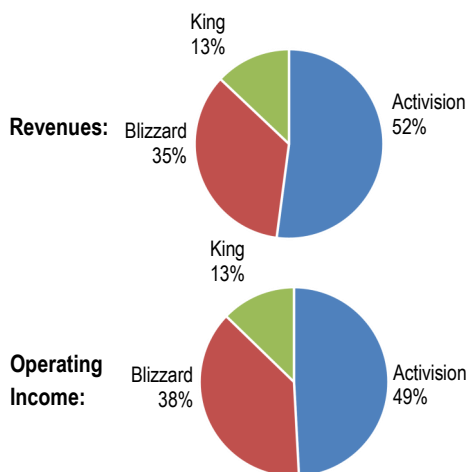
Reportable Segment Results¹

	Q2			Q2 TTM		
	2015	2016	YY %	2015	2016	YY %
Revenues (\$M)						
Activision	313	332	6	2,812	2,775	-1
Blizzard	385	738	92	1,656	1,860	12
King	=	484	NM	=	691	NM
Total	698	1,554	123	4,468	5,326	19
Operating Income (\$M)						
Activision	57	88	54	914	935	2
Blizzard	117	333	185	628	724	15
King	=	176	NM	=	243	NM
Total	174	597	243	1,542	1,902	23
Operating Margin						
Activision	18.2%	26.5%		32.5%	33.7%	
Blizzard	30.4%	45.1%		37.9%	38.9%	
King	=	36.4%		=	35.2%	
Total	24.9%	38.4%		34.5%	35.7%	

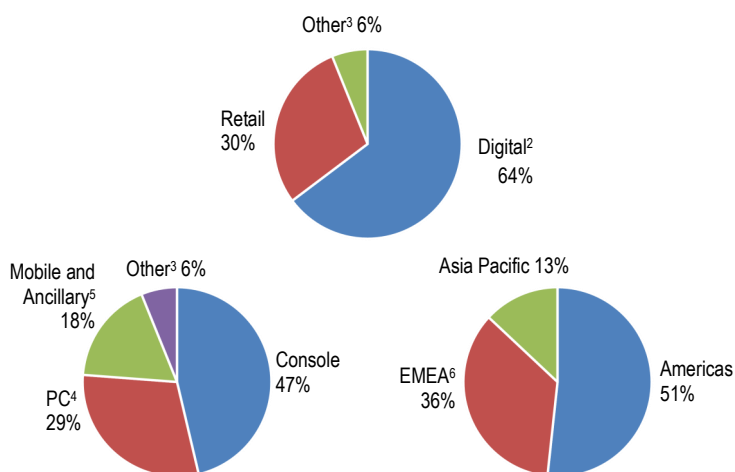
Revenue Breakdowns¹

	GAAP Q2			GAAP Q2 TTM		
	2015	2016	YY %	2015	2016	YY %
Distribution Channels (\$M)						
Digital online channels ²	569	1,141	101	2,193	3,420	56
Retail	414	374	-10	2,080	1,599	-23
Other ³	61	55	-10	377	349	-7
Total	1,044	1,570	50	4,650	5,368	15
Platforms (\$M)						
Console	559	650	16	2,334	2,490	7
PC ⁴	370	411	11	1,496	1,555	4
Mobile and Ancillary ⁵	54	454	NM	443	974	120
Other ³	61	55	-10	377	349	-7
Total	1,044	1,570	50	4,650	5,368	15
Geography (\$M)						
Americas	551	860	56	2,411	2,767	15
EMEA ⁶	388	507	31	1,821	1,917	5
Asia Pacific	105	203	93	418	684	64
Total	1,044	1,570	50	4,650	5,368	15

Q2 2016 TTM Reportable Segment Results¹



Q2 2016 TTM 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

	Q2		
	2015	2016	2016
GAAP Net Revenues, \$M	1,044	1,425	1,570
GAAP EPS, \$	0.29	0.10	0.17
Non-GAAP [†] (redefined) EPS, \$	0.31	0.36	0.45

Cash Flows, Repurchases, Dividends, Capital Alloc.

	2011	2012	2013	2014	2015	Q2 2016 TTM
Operating Cash Flow, \$M	952	1,345	1,264	1,292	1,192	1,636
Capital Expenditures, \$M	72	73	74	107	111	133
Free Cash Flow*, \$M	880	1,272	1,190	1,185	1,081	1,503
Repurchases, \$M	692	315	5,830	-	-	-
Dividends/Share, \$	0.165	0.18	0.19	\$0.20	\$0.23	\$0.26

Increasing annual dividend to a record \$0.26 per share, up 13% Y/Y

Paid down \$816M of term loan in Q2 for a total of \$1.316B YTD

[†]Q2 2016 prior outlook as of May 5, 2016

* Free Cash Flow represents Operating Cash Flow minus Capital Expenditures (which includes payment for acquisition of intangible assets)

Outlook, as of August 4, 2016^{††}

	Q3		2016		Impact of GAAP Deferrals*	
	GAAP	Non-GAAP [†] (redefined)	GAAP	Non-GAAP [†] (redefined)	Q3 2016	2016
Revenues	\$1,490M	\$1,490M	\$6,400M	\$6,400M	\$45M	\$75M
Operating Margin**	13%	30%	17%	32%		
EPS**	\$0.06	\$0.39	\$0.87	\$1.83	\$0.01	\$0.07
Fully diluted weighted avg. shares***	760M	760M	765M	765M		

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

Note: Outlook assumes \$1.11 USD/Euro and \$1.31 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.

[†] 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 June 30, 2016, please refer to the tables attached to Company's earnings release dated August 4, 2016, which is available on our website, www.activisionblizzard.com. ^{††} Our outlook is based on assumptions about sell-through rates for our products and the launch timing, success and pricing of our slate of new products, 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, 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 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.