

ATVI Summary as of August 4, 2015



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of August 4, 2015 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, 2015 and the Company's reports and filings with the SEC.

Stock Information¹:

| | | | |
|--|-------|--|-------|
| Price per share as of 8/3/15 (\$) | 25.52 | Q2 2015 TTM GAAP EPS (\$) | 1.28 |
| 2015 Dividend/share (\$) | 0.23 | Q2 2015 TTM Non-GAAP [†] EPS (\$) | 1.46 |
| Daily volume on 8/3/15 (M) | 5.9 | Q2 2015 TTM FCF/diluted share ² (\$) | 1.75 |
| 50-day avg. vol., ending 8/3/15 (M) | 5.9 | Cash and investments ⁴ /diluted share ² (\$) | 6.09 |
| Shs. Outstanding ² (M) | 744 | Book Value/diluted share ² (\$) | 10.49 |
| Market Cap. as of 8/3/15 (\$B) | 18.5 | Total cash and investments ⁴ (\$B) | 4.53 |
| Enterprise Value as of 8/3/15 ³ (\$B) | 18.1 | Total debt as of 6/30/15 (\$B) | 4.12 |

Full Year EPS:

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|--------|--------|--------|--------|--------|
| GAAP EPS | \$0.33 | \$0.92 | \$1.01 | \$0.95 | \$1.13 |
| Non-GAAP [†] EPS | \$0.79 | \$0.93 | \$1.18 | \$0.94 | \$1.42 |

IR Contacts:

| | |
|---|---|
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|---|---|

¹NASDAQ OMX. ²Based on fully diluted shares and participating securities for the quarter ending June 30, 2015. ³Using 6/30 cash and investments of \$4.5B and debt of \$4.1B. ⁴Includes short-term and long-term investments.

Better-than-Expected Q2 Results & Raising Outlook: Now Projecting Non-GAAP[†] Revenue & EPS Growth for 2015 at Constant FX*

- Record Q2 Non-GAAP[†] digital revenues, growing 27% Y/Y (42% at constant FX*)
- Q2 non-GAAP revenues up 15% (29% at constant FX) and EPS up 117% Y/Y (217% at constant FX*)

Successfully Transitioning Business to Year Round Engagement Model

- Broadening audience base with MAUs** growing >35% Y/Y, and time spent with our franchises growing 25% Y/Y
- Players can engage and invest in experiences throughout the year, improving player experience and creating value for shareholders

Strategic Investments in New Franchises, Platforms, and Geographies Paying off and Setting the Stage for Growth Ahead

- Doubling the size of the franchise portfolio with strong traction so far
- Increasing focus on smartphone and tablet with Hearthstone: Heroes of Warcraft, Guitar Hero, and Skylanders
- 6 franchises in China, up from 2 at the start of 2014, with record revenues and MAUs** in Q2

* Actual at constant FX provides current period results converted into USD using the average exchange rates from the comparative prior periods rather than the actual exchange rates in effect during the respective current periods.

** 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 press release for additional details.

Strongest Content Pipeline in ATVI History

| | 2013 | 2014 | 2015 | 2015+ |
|-----------------|---|-----------------------------------|--------------------------------|------------------|
| Core Franchises | New Genres, Business Models, Platforms, Geographies | | | |
| ACTIVISION | CALL OF DUTY SKYLANDERS | DESTINY | CALL OF DUTY 使命召唤 ONLINE | GUITAR HERO LIVE |
| BLIZZARD | WORLD OF WARCRAFT DIABLO STAR CRAFT | HEARTHSTONE HEROES OF WARCRAFT | HEROES OF THE STORM | OVERWATCH |

¹For 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, 2015, please refer to the tables attached to Company's earnings release dated August 4, 2015, 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 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.

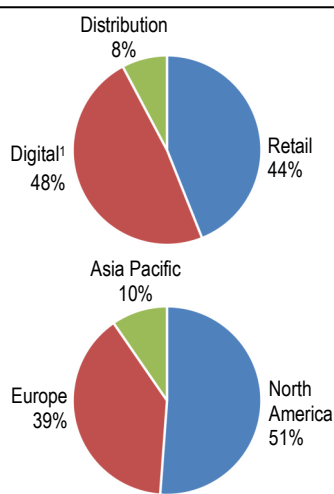
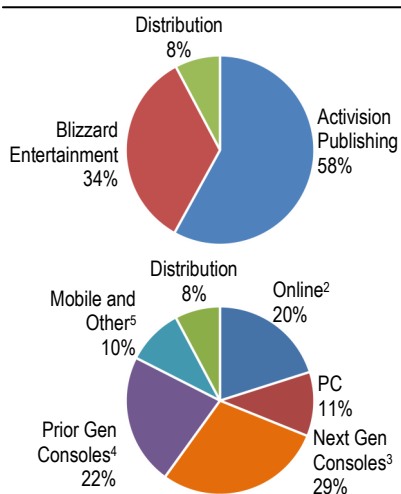
Segment Performance

| | Non-GAAP [†] Q2 | | | Non-GAAP [†] Q2 TTM | | |
|-------------------------------|--------------------------|---------------|-----------|------------------------------|-------------|-----------|
| | 2014 | 2015 | % | 2014 | 2015 | % |
| Revenues (\$M) | | | | | | |
| Activision | 252 | 313 | 24 | 2,613 | 2,812 | 8 |
| Blizzard | 340 | 385 | 13 | 1,371 | 1,656 | 21 |
| <u>Distribution</u> | <u>66</u> | <u>61</u> | <u>-8</u> | <u>375</u> | <u>377</u> | <u>1</u> |
| Total | 658 | 759 | 15 | 4,359 | 4,845 | 11 |
| Operating Income (\$M) | | | | | | |
| Activision | (31) | 57 | NM | 770 | 914 | 19 |
| Blizzard | 145 | 117 | -19 | 565 | 628 | 11 |
| <u>Distribution</u> | <u>(1)</u> | <u>(1)</u> | <u>0</u> | <u>6</u> | <u>9</u> | <u>50</u> |
| Total | 113 | 173 | 53 | 1,341 | 1,551 | 16 |
| Operating Margin | | | | | | |
| Activision | (12.3%) | 18.2% | | 29.5% | 32.5% | |
| Blizzard | 42.6% | 30.4% | | 41.2% | 37.9% | |
| <u>Distribution</u> | <u>(1.5%)</u> | <u>(1.6%)</u> | | <u>1.6%</u> | <u>2.4%</u> | |
| Total | 17.2% | 22.8% | | 30.8% | 32.0% | |

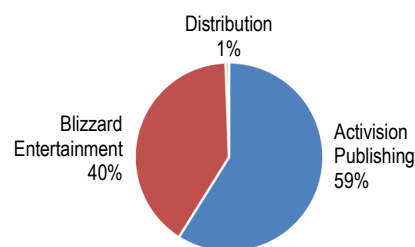
Revenue Breakdowns

| | Non-GAAP [†] Q2 | | | Non-GAAP [†] Q2 TTM | | |
|--------------------------------------|--------------------------|------------|-----------|------------------------------|------------|-----------|
| | 2014 | 2015 | % | 2014 | 2015 | % |
| Distribution Channels (\$M) | | | | | | |
| Retail | 111 | 87 | -22 | 2,224 | 2,129 | -4 |
| Digital online channels ¹ | 481 | 611 | 27 | 1,760 | 2,339 | 33 |
| <u>Distribution</u> | <u>66</u> | <u>61</u> | <u>-8</u> | <u>375</u> | <u>377</u> | <u>1</u> |
| Total | 658 | 759 | 15 | 4,359 | 4,845 | 11 |
| Platforms (\$M) | | | | | | |
| Online ² | 201 | 157 | -22 | 810 | 973 | 20 |
| PC | 131 | 185 | 41 | 522 | 535 | 2 |
| Next Gen Consoles ³ | 67 | 165 | 146 | 401 | 1,396 | 248 |
| Prior Gen Consoles ⁴ | 134 | 111 | -17 | 1,725 | 1,093 | -37 |
| Mobile and Other ⁵ | 59 | 80 | 36 | 526 | 471 | -10 |
| <u>Distribution</u> | <u>66</u> | <u>61</u> | <u>-8</u> | <u>375</u> | <u>377</u> | <u>1</u> |
| Total | 658 | 759 | 15 | 4,359 | 4,845 | 11 |
| Geography (\$M) | | | | | | |
| North America | 294 | 353 | 20 | 2,193 | 2,479 | 13 |
| Europe | 282 | 275 | -2 | 1,779 | 1,901 | 7 |
| <u>Asia Pacific</u> | <u>82</u> | <u>131</u> | <u>60</u> | <u>387</u> | <u>465</u> | <u>20</u> |
| Total | 658 | 759 | 15 | 4,359 | 4,845 | 11 |

Q2 2015 TTM Non-GAAP[†] Revenues



Q2 2015 TTM Non-GAAP[†] Operating Income



¹Digital includes revenues from subscriptions, memberships and licensing royalties, value added services, downloadable content, digitally distributed products, and wireless devices.

²All World of Warcraft ³Wii-U, PS4, Xbox One. ⁴Wii, PS3, Xbox 360 ⁵Mobile and Other includes toys, mobile, and other accessories and handheld.

Q2 Results

| | Q2 | | 2015 Actuals |
|---|------|---------------------------------|--------------|
| | 2014 | 2015 Prior Outlook ¹ | |
| GAAP Net Revenues, \$M | 970 | 930 | 1,044 |
| GAAP EPS, \$ | 0.28 | 0.21 | 0.29 |
| Non-GAAP [†] Net Revenues, \$M | 658 | 650 | 759 |
| Non-GAAP [†] EPS, \$ | 0.06 | 0.07 | 0.13 |

Outlook, as of August 4, 2015^{††}

| | Q3 | | 2015 | |
|--|--------|-----------------------|----------|-----------------------|
| | GAAP | Non-GAAP [*] | GAAP | Non-GAAP [*] |
| Revenues | \$875M | \$930M | \$4,425M | \$4,600M |
| COGS (Prod/Online) | 26% | 25% | 24% | 23% |
| Op Ex, including Royalties | 59% | 55% | 48% | 45% |
| Operating Margin ^{**} | 15% | 20% | 28% | 32% |
| Interest Expense | \$51M | \$51M | \$202M | \$201M |
| Tax Rate | 23% | 25% | 22% | 24% |
| EPS ^{**} | \$0.08 | \$0.14 | \$1.06 | \$1.30 |
| Fully diluted weighted avg shares ^{***} | 748M | 748M | 750M | 750M |

Note: Outlook assumes \$1.10 USD/Euro and \$1.54 USD/GBP. Revenue and EPS increase if Euro or GBP strengthen vs. USD.

^{*} Non-GAAP information reconciliation tables in the appendix of the earnings release dated August 4, 2015, which is available on www.activisionblizzard.com.

^{**} May not recalculate due to rounding. ^{***} Including fully diluted shares and participating securities based on average share price.

¹Q2 2015 prior outlook as of 5/6/15

Capital Allocation, as of August 4, 2015

Increased dividend to a record \$0.23 per share, paid in May
 Paid down \$250M of term loan on February 11th
 Announced two-year share repurchase authorization of \$750M on February 5th

Cash Flows, Repurchases and Dividends

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------------------|-------|-------|-------|-------|--------|
| Operating Cash Flow, \$M | 1,376 | 952 | 1,345 | 1,264 | 1,292 |
| Capital Expenditures, \$M | 97 | 72 | 73 | 74 | 107 |
| Free Cash Flow ^{††} , \$M | 1,279 | 880 | 1,272 | 1,190 | 1,185 |
| Repurchases, \$M | 959 | 692 | 315 | 5,830 | - |
| Dividends/Share, \$ | 0.15 | 0.165 | 0.18 | 0.19 | \$0.20 |

[†]Free Cash Flow represents Operating Cash Flow minus Capital Expenditure.

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