

ATVI Summary as of November 2, 2015



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of November 2, 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 November 2, 2015 and the Company's reports and filings with the SEC.

Stock Information ¹ :				Full Year EPS:					
Price per share as of 11/2/15 (\$)	34.57	Q3 2015 TTM GAAP EPS (\$)	1.48	2010	2011	2012	2013	2014	
Daily volume on 11/2/15 (M)	7.4	Q3 2015 TTM Non-GAAP [†] EPS (\$)	1.44	GAAP EPS	\$0.33	\$0.92	\$1.01	\$0.95	\$1.13
50-day avg. vol., ending 11/2/15 (M)	10.9	Q3 2015 TTM FCF/diluted share ² (\$)	1.67	Non-GAAP [†] EPS	\$0.79	\$0.93	\$1.18	\$0.94	\$1.42
Shs. Outstanding ² (M)	747	Cash and investments ⁴ /diluted share ² (\$)	6.06	IR Contacts:					
Market Cap. as of 11/2/15 (\$B)	25.2	Book Value/diluted share ² (\$)	10.69	Amrita Ahuja, SVP IR			Jason Shi, IR Analyst		
Enterprise Value as of 11/2/15 ³ (\$B)	24.8	Total cash and investments ⁴ (\$B)	4.53	Amrita.Ahuja@ActivisionBlizzard.com			Jason.Shi@ActivisionBlizzard.com		
2015 Dividend/share (\$)	0.23	Total debt as of 9/30/15 (\$B)	4.12	(310) 255-2075			(424) 744-5687		

¹NASDAQ OMX. ²Based on fully diluted shares and participating securities for the quarter ending September 30, 2015. ³Using 9/30 cash and investments of \$4.5B and debt of \$4.1B. ⁴Includes short-term and long-term investments.

Better-than-Expected Q3 Results & Raising Outlook: Projecting Y/Y Non-GAAP[†] Revenues and EPS Growth Constant FX*, Achieving A Record EPS for the Year

- Q3: Record quarterly digital revenues growing 38% Y/Y (50% at constant FX*)
- YTD non-GAAP[†] revenues up 5% Y/Y and EPS up 35% Y/Y at constant FX*

Successfully Transitioning Business to Year Round Engagement Model, Growing Audience Base and Play Time

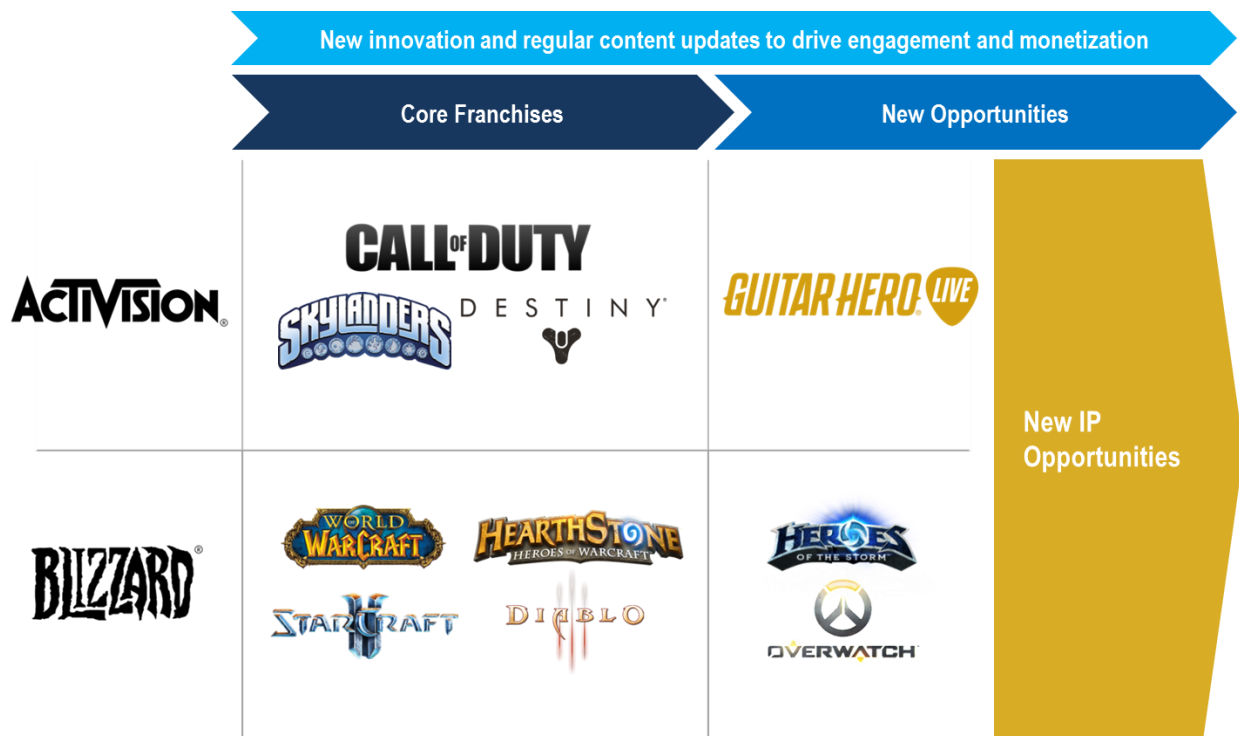
- Broadening audience base with Q3 MAUs** growing 27% Y/Y, and time spent with our franchises growing 23% Y/Y
- Audiences again logged nearly 3.5 billion hours of gameplay in Q3, not including the rapidly growing hours spent spectating

Strategic Investments in New Franchises, Platforms, and Geographies Paying off, and Along with Growing Engagement and Earned Player Investment, Set the Stage for Growth Ahead

Acquisition of King Digital Entertainment Presents Additional Opportunities for Growth Ahead

* 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.

Focus on Enduring Franchises and Engaged Communities



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 September 30, 2015, please refer to the tables attached to Company's earnings release dated November 2, 2015, which is available on our website, www.activisionblizzard.com. ¹¹ 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.

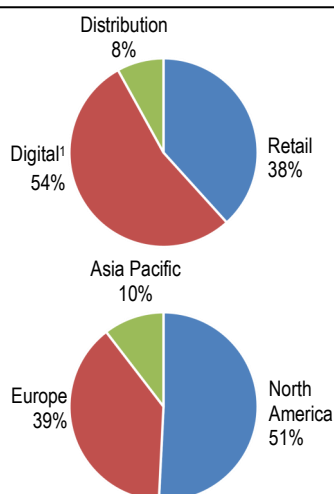
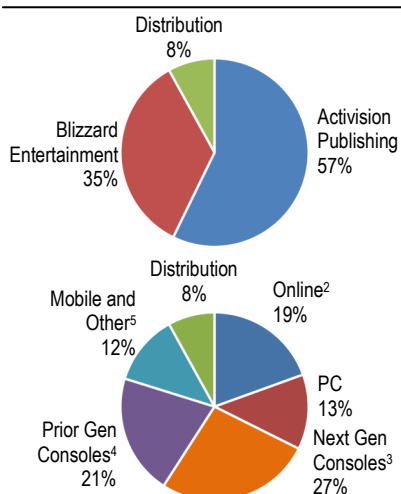
Segment Performance

	Non-GAAP† Q3			Non-GAAP† Q3 TTM		
	2014	2015	%	2014	2015	%
Revenues (\$M)						
Activision	704	591	-16	2,998	2,699	-10
Blizzard	388	369	-5	1,477	1,637	11
<u>Distribution</u>	<u>78</u>	<u>80</u>	<u>3</u>	<u>397</u>	<u>379</u>	<u>-5</u>
Total	1,170	1,040	-11	4,872	4,715	-3
Operating Income (\$M)						
Activision	95	122	28	824	941	14
Blizzard	164	128	-22	641	592	-8
<u>Distribution</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>8</u>	<u>9</u>	<u>13</u>
Total	260	251	-3	1,473	1,542	5
Operating Margin						
Activision	13.5%	20.6%		27.5%	34.9%	
Blizzard	42.3%	34.7%		43.4%	36.2%	
<u>Distribution</u>	<u>1.3%</u>	<u>1.3%</u>		<u>2.0%</u>	<u>2.4%</u>	
Total	22.2%	24.1%		30.2%	32.7%	

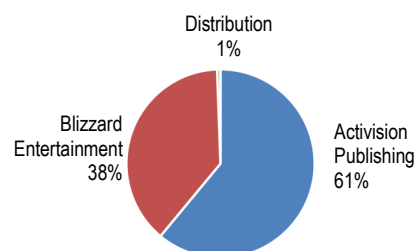
Revenue Breakdowns

	Non-GAAP† Q3			Non-GAAP† Q3 TTM		
	2014	2015	%	2014	2015	%
Distribution Channels (\$M)						
Retail	587	263	-55	2,609	1,805	-31
Digital online channels ¹	505	697	38	1,866	2,531	36
<u>Distribution</u>	<u>78</u>	<u>80</u>	<u>3</u>	<u>397</u>	<u>379</u>	<u>-5</u>
Total	1,170	1,040	-11	4,872	4,715	-3
Platforms (\$M)						
Online ²	209	155	-26	838	919	10
PC	96	168	75	577	607	5
Next Gen Consoles ³	468	333	-29	868	1,261	45
Prior Gen Consoles ⁴	284	167	-41	1,686	976	-42
Mobile and Other ⁵	35	137	291	506	573	13
<u>Distribution</u>	<u>78</u>	<u>80</u>	<u>3</u>	<u>397</u>	<u>379</u>	<u>-5</u>
Total	1,170	1,040	-11	4,872	4,715	-3
Geography (\$M)						
North America	624	540	-13	2,475	2,395	-3
Europe	451	378	-16	1,964	1,828	-7
<u>Asia Pacific</u>	<u>95</u>	<u>122</u>	<u>28</u>	<u>433</u>	<u>492</u>	<u>14</u>
Total	1,170	1,040	-11	4,872	4,715	-3

Q3 2015 TTM Non-GAAP† Revenues



Q3 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.

Q3 Results

	Q3		
	2014	2015	2015
GAAP Net Revenues, \$M	753	875	990
GAAP EPS, \$	(0.03)	0.08	0.17
Non-GAAP† Net Revenues, \$M	1,170	930	1,040
Non-GAAP† EPS, \$	0.23	0.14	0.21

Outlook, as of November 2, 2015††

	Q4		2015	
	GAAP	Non-GAAP*	GAAP	Non-GAAP*
Revenues	\$1,218M	\$2,148M	\$4,530M	\$4,650M
COGS (Prod/Online)	30%	25%	24%	24%
Op Ex, including Royalties	57%	35%	49%	44%
Operating Margin**	13%	40%	27%	32%
Interest Expense	\$51M	\$51M	\$201M	\$200M
Tax Rate	39%	24%	22%	24%
EPS**	\$0.09	\$0.82	\$1.07	\$1.31
Fully diluted weighted avg shares***	753M	753M	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 November 2, 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.

[†]Q3 2015 prior outlook as of 8/4/15

Capital Allocation, as of November 2, 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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