

ATVI Summary as of November 3, 2016



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of November 3, 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 November 3, 2016, 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 11/2/16 (\$)	42.60	Q3 '16 TTM GAAP EPS (\$)	1.15	2011	2012	2013	2014	2015	
2016 Dividend/share (\$)	0.26	Q3 '16 TTM Non-GAAP [†] (redefined) EPS (\$)	1.77	GAAP EPS	\$0.92	\$1.01	\$0.95	\$1.13	\$1.19
Daily volume on 11/2/16 (M)	7.8	Q3 '16 TTM OCF (\$B)	2.36	Non-GAAP [†] (redefined) EPS	\$1.06	\$1.11	\$1.08	\$1.24	\$1.30
50-day avg. vol., ended 11/2/16 (M)	7.7	Q3 '16 TTM FCF ⁴ (\$B)	2.24	IR Contacts:					
Shs. Outstanding ² (M)	758	Book Value/diluted share ² (\$)	11.63	Amrita Ahuja, SVP IR	Amrita.Ahuja@ActivisionBlizzard.com (310) 255-2075				
Market Cap. as of 11/3/16 (\$B)	31.6	Total cash & investments ^{5,6} (\$B)	4.07	Colin Roussil, Sr. Director IR	Colin.Roussil@ActivisionBlizzard.com (424) 272-3164				
Enterprise Value as of 11/3/16 ³ (\$B)	34.0	Total debt as of 9/30/16 ^{5,6} (\$B)	6.44	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 September 30, 2016. ³Using 9/30 cash & investments of \$4.1B and debt of \$6.4B. ⁴FCF = OCF minus Capex. ⁵Includes short-term and long-term investments. ⁶Temporary increase in cash and debt due to issuance of new 5 & 10 year notes with the intent of calling and refinancing 2021 notes. On October 19, we redeemed those legacy notes inclusive of call premiums, which reduced our cash and debt positions by ~\$1.6B and \$1.5B, respectively.

Record Q3 Results: Increasing Full Year Revenue & EPS Guidance

- GAAP: record Q3 revenues of \$1,568M (up 58% Y/Y), OI of \$294M (up 50% Y/Y), EPS of \$0.26 (up 53% Y/Y)
- Non-GAAP[†] (redefined): record Q3 EPS of \$0.49 (up 145% Y/Y)
- Record Q3 segment revenues & OI for combined Activision + Blizzard segments (up respectively 15% & 78% Y/Y)
- Record YTD segment revenues & OI for combined Activision + Blizzard segments (up respectively 22% & 67% Y/Y)
- Record Q3 operating cash flow of \$456M and record Q3 free cash flow of \$428M
- Record quarterly GAAP digital revenues of over \$1.3B
- ⇒ **Increasing 2016 GAAP outlook to revenues of \$6.45B, incl. net deferrals of \$75M, and GAAP EPS of \$0.98^{††}**
- ⇒ **Increasing 2016 non-GAAP[†] (redefined) outlook to EPS of \$1.92, incl. net deferrals of \$0.10^{††}**

Q3 record performance driven by World of Warcraft[®]: Legion™ expansion launch (sold-through 3.3M copies on day one), Overwatch[®]'s success (fastest Blizzard game to reach 20M players), and continued strength in Call of Duty[®] in-game content

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

<p>4 of top 10 titles on current-gen consoles, life-to-date*</p>	
<p>Record Q3 & YTD segment revenues and operating income, with largest online community in its history</p>	
<p>3 of top 20 grossing games on U.S. app stores for 11 consecutive quarters**</p>	

* NPD & GfK Chart-Track. ** U.S. ranking for Apple App Store and Google Play Store combined, per App Annie Intelligence for third 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 September 30, 2016, please refer to the tables attached to the Company's earnings release dated November 3, 2016, 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 November 3, 2016, 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.

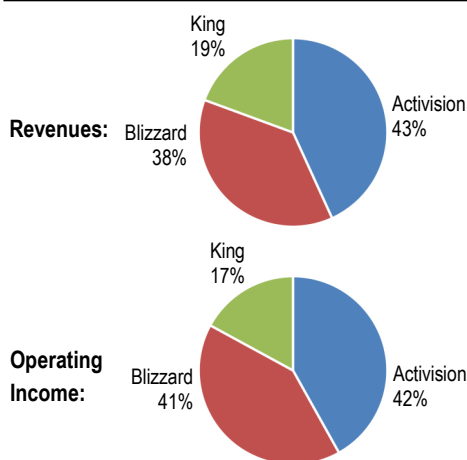
Reportable Segment Results¹

	Q3			Q3 TTM		
	2015	2016	YY	2015	2016	YY
			%			%
Revenues (\$M)						
Activision	591	377	-36	2,699	2,561	-5
Blizzard	369	727	97	1,637	2,218	35
King	=	459	NM	=	1,150	NM
Total	960	1,563	63	4,336	5,929	37
Operating Income (\$M)						
Activision	122	123	1	941	936	-1
Blizzard	128	321	151	592	917	55
King	=	138	NM	=	381	NM
Total	250	582	133	1,533	2,234	46
Operating Margin						
Activision	21%	33%		35%	37%	
Blizzard	35%	44%		36%	41%	
King	=	30%		=	33%	
Total	26%	37%		35%	38%	

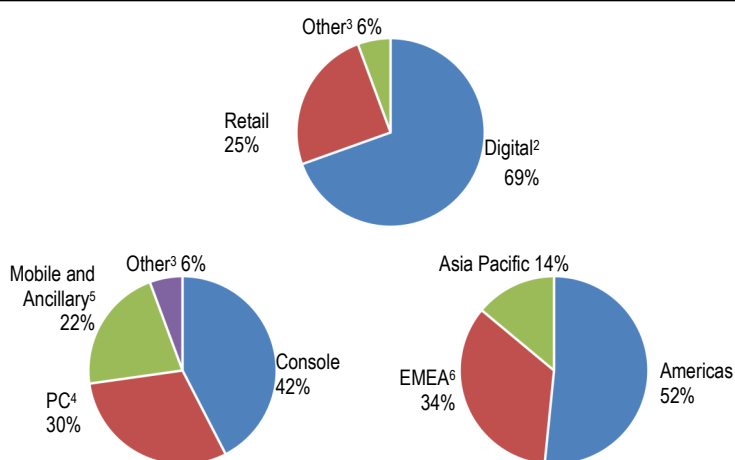
Revenue Breakdowns¹

	GAAP Q3			GAAP Q3 TTM		
	2015	2016	YY	2015	2016	YY
			%			%
Distribution Channels (\$M)						
Digital online channels ²	629	1,344	114	2,318	4,135	78
Retail	281	157	-44	2,190	1,475	-33
Other ³	80	67	-16	379	336	-11
Total	990	1,568	58	4,887	5,946	22
Platforms (\$M)						
Console	420	452	8	2,484	2,522	2
PC ⁴	359	609	70	1,485	1,805	22
Mobile and Ancillary ⁵	131	440	NM	539	1,283	138
Other ³	80	67	-16	379	336	-11
Total	990	1,568	58	4,887	5,946	22
Geography (\$M)						
Americas	495	796	61	2,556	3,068	20
EMEA ⁶	367	499	36	1,872	2,049	9
Asia Pacific	128	273	113	459	829	81
Total	990	1,568	58	4,887	5,946	22

Q3 2016 TTM Reportable Segment Results¹



Q3 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

	Q3		
	2015	2016	2016
		Prior Outlook ¹	Actuals
GAAP Net Revenues, \$M	990	1,490	1,568
GAAP EPS, \$	0.17	0.06	0.26
Non-GAAP ¹ (redefined) EPS, \$	0.20	0.39	0.49

Cash Flows, Repurchases, Dividends, Capital Alloc.

	2011	2012	2013	2014	2015	Q3 2016 TTM
Operating Cash Flow, \$M	976	1,350	1,293	1,331	1,259	2,359
Capital Expenditures, \$M	72	73	74	107	111	115
Free Cash Flow*, \$M	904	1,277	1,219	1,224	1,148	2,244
Repurchases, \$M	692	315	5,830	-	-	-
Annual Dividends/Share, \$	0.165	0.18	0.19	\$0.20	\$0.23	\$0.26

Paid down \$185M of term loan in Q3 for a total of \$1.5B YTD

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.

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

¹ Q3 2016 prior outlook as of August 4, 2016

Outlook, as of November 3, 2016^{††}

	Q4		2016		Impact of GAAP Deferrals*	
	GAAP	Non-GAAP [†] (redefined)	GAAP	Non-GAAP [†] (redefined)	Q4 2016	2016
Revenues	\$1,856M	\$1,856M	\$6,450M	\$6,450M	\$522M	\$75M
Operating Margin**	12%	26%	19%	33%		
EPS**	\$0.05	\$0.40	\$0.98	\$1.92	\$0.34	\$0.10
Fully diluted weighted avg. shares***	765M	765M	762M	762M		

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 \$1.09 USD/Euro and \$1.22 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 September 30, 2016, please refer to the tables attached to the Company's earnings release dated November 3, 2016, 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 November 3, 2016, 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.