

ATVI Summary as of February 5, 2015



Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of February 5, 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 February 5, 2015 and the Company's reports and filings with the SEC.

Stock Information ¹ :				Full Year EPS:					
Price per share as of 1/29/15 (\$)	20.75	2014 GAAP EPS (\$)	1.13		2010	2011	2012	2013	2014
2014 Dividend/share (\$)	0.20	2014 Non-GAAP [†] EPS (\$)	1.42	GAAP EPS	\$0.33	\$0.92	\$1.01	\$0.95	\$1.13
Daily volume on 1/29/15 (M)	6.8	2014 FCF/diluted share ² (\$)	1.60	Non-GAAP [†] EPS	\$0.79	\$0.93	\$1.18	\$0.94	\$1.42
50-day avg. vol., ending 1/29/15 (M)	7.8	Cash and investments ⁴ /diluted share ² (\$)	6.57	IR Contacts:					
Shs. Outstanding ² (M)	741	Book Value/diluted share ² (\$)	9.76	Amrita Ahuja, SVP IR		Jason Shi, IR Analyst			
Market Cap. as of 1/29/15 (\$B)	14.9	Total cash and investments ⁴ (\$B)	4.87	Amrita.Ahuja@Activision.com		Jason.Shi@Activision.com			
Enterprise Value as of 1/29/15 ³ (\$B)	14.4	Total debt as of 12/31/14 (\$B)	4.37	(310) 255-2075		(424) 744-5687			
Beta as 1/29/15	1.28								

¹NASDAQ OMX. ²Based on fully diluted shares and participating securities for the quarter ending December 31, 2014. ³Using 12/31 cash and investments of \$4.87B and debt of \$4.37B. ⁴Includes short-term and long-term investments.

2014: >10% Non-GAAP Revenue Growth, Record Non-GAAP[†] EPS up 50%+ Y/Y, \$1.2B in Free Cash Flow^{†*}

Expanding our Content Portfolio, Communities, Engagement and Monetization

- Began 2014 with 5 franchises, expect to end 2015 with 10
- Expanding in China; entered 2013 with 2 games, expect to have 6 or more in 2015
- Majority of new games are free-to-play and carry high margins

Growing Opportunities

- In 2016 we expect global videogames to generate >\$100B**
- Expecting global industry growth of 10%/yr. through 2017 driven by >15% CAGR in China and digital growth**
- Growing PS4 & Xbox One base, expecting higher digital attach rate on next-gen consoles**

2/5/15: Announced 2 year buyback plan of \$750M, debt repayment of \$250M, dividend up 15% Y/Y to a record \$0.23/share

* FCF represents OCF minus CapEx. ** Activision Blizzard estimates.

Began 2014 with 5 franchises, Expect to end 2015 with 10

	2013	2014	2015	2015+
ACTIVISION	Core Franchises	New Genres, Business Models, Platforms, Geographies		
	 			Unannounced Initiatives
BLIZZARD	 			

[†]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, 2014, please refer to the tables attached to Company's earnings release dated February 5, 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.

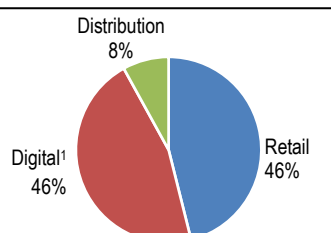
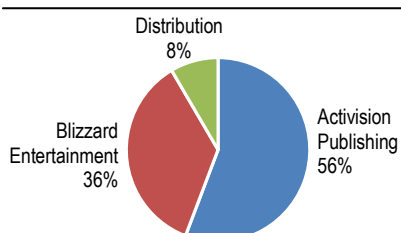
Segment Performance

	Non-GAAP [†]			Non-GAAP [†]		
	Q4 2013	Q4 2014	%	CY 2013	CY 2014	%
Revenues (\$B)						
Activision	1.80	1.49	-17	2.90	2.68	-8
Blizzard	0.29	0.53	83	1.12	1.72	54
<u>Distribution</u>	<u>0.18</u>	<u>0.19</u>	6	<u>0.32</u>	<u>0.41</u>	28
Total	2.27	2.21	-3	4.34	4.81	11
Operating Income (\$B)						
Activision	0.76	0.69	-9	0.97	0.76	-22
Blizzard	0.09	0.21	133	0.38	0.76	100
<u>Distribution</u>	<u>0.01</u>	<u>0.01</u>	0	<u>0.01</u>	<u>0.01</u>	0
Total	0.86	0.91	6	1.36	1.53	13
Operating Margin						
Activision	42.2%	46.3%		33.4%	28.4%	
Blizzard	31.0%	39.6%		33.9%	44.2%	
<u>Distribution</u>	<u>5.6%</u>	<u>5.3%</u>		<u>3.1%</u>	<u>2.4%</u>	
Total	37.9%	41.3%		31.2%	31.7%	

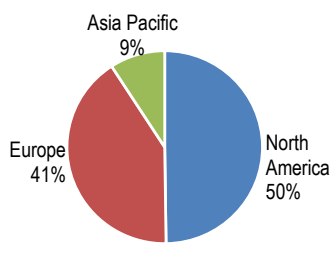
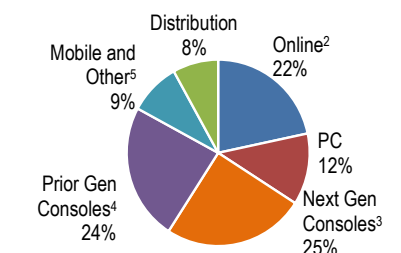
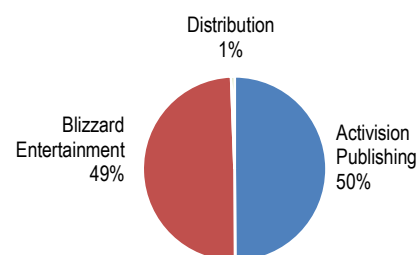
Revenue Breakdowns

	GAAP			Non-GAAP [†]		
	CY 2013	CY 2014	%	CY 2013	CY 2014	%
Distribution Channels (\$B)						
Retail	2.70	2.10	-22	2.45	2.21	-10
Digital online channels ¹	1.56	1.90	22	1.57	2.19	39
<u>Distribution</u>	<u>0.32</u>	<u>0.41</u>	28	<u>0.32</u>	<u>0.41</u>	28
Total	4.58	4.41	-4	4.34	4.81	11
Platforms (\$B)						
Online ²	0.91	0.87	-4	0.80	1.03	29
PC	0.34	0.55	62	0.32	0.59	84
Next Gen Consoles ³	0.09	0.72	700	0.31	1.20	287
Prior Gen Consoles ⁴	2.29	1.43	-38	1.96	1.13	-42
Mobile and Other ⁵	0.63	0.43	-32	0.63	0.45	-29
<u>Distribution</u>	<u>0.32</u>	<u>0.41</u>	28	<u>0.32</u>	<u>0.41</u>	28
Total	4.58	4.41	-4	4.34	4.81	11
Geography (\$B)						
North America	2.41	2.19	-9	2.30	2.39	4
Europe	1.83	1.83	0	1.72	1.98	15
<u>Asia Pacific</u>	<u>0.34</u>	<u>0.39</u>	15	<u>0.32</u>	<u>0.44</u>	38
Total	4.58	4.41	-4	4.34	4.81	11

2014 Non-GAAP[†] Revenues



2014 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.

Q4 2014 Results

	Prior Q4 2014		
	Q4 2013	Outlook ¹	Q4 2014
GAAP Net Revenues, \$M	1,518	1,492	1,575
GAAP EPS, \$	0.22	0.28	0.49
Non-GAAP [†] Net Revenues, \$M	2,272	2,200	2,213
Non-GAAP [†] EPS, \$	0.79	0.86	0.94

¹ Q4 2014 prior outlook as of 11/4/14

Outlook, as of Feb. 5, 2015^{††}

	Q1, GAAP	Q1, Non-GAAP [*]	2015, GAAP	2015, Non-GAAP [*]
Revenues	\$1,140M	\$640M	\$4,140M	\$4,400M
COGS (Prod/Online)	28%	22%	24%	25%
Op Ex, including Royalties	38%	62%	51%	45%
Operating Margin ^{**}	34%	16%	25%	30%
Interest Expense	\$50M	\$50M	\$201M	\$201M
Tax Rate	20%	25%	21%	24%
EPS ^{**}	\$0.37	\$0.05	\$0.89	\$1.15
Fully diluted weighted avg shares ^{***}	745M	745M	750M	750M

^{*} Non-GAAP information reconciliation tables in the appendix of the earnings release dated February 5, 2014, 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.

Capital Allocation, as of Feb 5, 2015

Announced two-year stock share repurchase plan of \$750M
 Announced \$250M debt repayment, expected to be paid in February
 Increased dividend to a record \$0.23 per share, expected to be paid in May

Cash Flows, Repurchases and Dividends, \$M

	2010	2011	2012	2013	2014
Operating Cash Flow (OCF)	1,376	952	1,345	1,264	1,292
Capital Expenditures (CapEx)	97	72	73	74	107
Free Cash Flow (FCF) [†]	1,279	880	1,272	1,190	1,185
Repurchases	959	692	315	5,830	-
Dividends	189	194	204	216	147

[†]FCF represents OCF minus CapEx.

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