

ACTIVISION®

BLIZZARD®

Safe Harbor Disclosure (1 of 2)

- ▶ Statements in this presentation that are not historical facts are forward-looking statements, including, but not limited to, statements about the expectations, assumptions, beliefs, plans, intentions or strategies of Activision Blizzard, Inc. and its various operating units (“Activision Blizzard”), King Digital Entertainment plc (“King”) or their respective boards of directors, as the case may be, regarding the future, including, but not limited to, statements about the proposed acquisition of King by Activision Blizzard, benefits and synergies of the acquisition, projections of revenues, gross bookings, expenses, income or loss, adjusted EBITDA or adjusted EBITDA margin, earnings or loss per share, cash flow or other financial items, future opportunities, anticipated business levels, future financial or operating performance, planned activities and objectives, including those related to product releases, anticipated growth, market opportunities, strategies, competition and other expectations, targets for future periods, and assumptions underlying such statements. These forward-looking statements may often be identified by the use of words such as “will”, “may”, “could”, “should”, “would”, “to be”, “might”, “project”, “believe”, “anticipate”, “expect”, “plan”, “estimate”, “forecast”, “future”, “positioned”, “potential”, “intend”, “continue”, “remain”, “scheduled”, “outlook”, “set to”, “subject to”, “upcoming”, “target” and variations of these words or similar expressions. Forward-looking statements are subject to business and economic risk, reflect Activision Blizzard and/or King management’s current expectations and estimates, and are inherently uncertain and difficult to predict. Actual future results may differ materially from those expressed or implied by such forward-looking statements.
- ▶ Factors that could cause or contribute to such differences include, but are not limited to: uncertainties as to the timing of the acquisition; uncertainties as to whether Activision Blizzard will be able to consummate the acquisition; uncertainties as to whether shareholders will provide the requisite approvals for the acquisition on a timely basis or at all; the possibility that competing offers will be made; the possibility that certain conditions to the consummation of the acquisition will not be satisfied, including without limitation obtaining the requisite approval of the scheme of arrangement at the scheme meeting; the possibility that Activision Blizzard will be unable to obtain regulatory approvals for the acquisition on a timely basis or at all, or be required, as a condition to obtaining regulatory approvals, to accept conditions that could reduce the anticipated benefits of the acquisition; the possibility that shareholders will file lawsuits challenging the acquisition, including actions seeking to rescind the scheme of arrangement or enjoin the consummation of the transaction; the ability to meet expectations regarding the accounting and tax treatments of the acquisition, changes in relevant tax and other laws or regulations; the integration of King being more difficult, time-consuming or costly than expected; the diversion of Activision Blizzard and/or King management time and attention to issues relating to the acquisition and integration; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the acquisition; difficulty retaining certain key employees of King and Activision Blizzard following the acquisition; the possibility that Activision Blizzard may be unable to achieve expected synergies and operating efficiencies in connection with the acquisition within the expected time-frames or at all; the scope, timing and outcome of any ongoing legal proceedings involving Activision Blizzard or King and the impact of any such proceedings on financial condition, results of operations and/or cash flows of Activision Blizzard, King or the combined company; the possibility that costs, fees, expenses or charges Activision Blizzard and/or King incur in connection with the transaction are greater than expected; the possibility that the scheme may be terminated in circumstances that require King to reimburse certain expenses to Activision Blizzard or Activision Blizzard to pay a termination fee to King related to the acquisition; the ability of Activision Blizzard, King or the combined company to protect intellectual property and preserve intellectual property rights; changes in the economic and financial conditions of the businesses of Activision Blizzard, King, or the combined company.

Safe Harbor Disclosure (2 of 2)



- ▶ In addition, with regard to Activision Blizzard, a number of important factors could cause Activision Blizzard's actual future results and other future circumstances to differ materially from those expressed in any forward looking statements. Such factors include, but are not limited to: sales levels of Activision Blizzard's titles; increasing concentration of revenue among a small number of titles; Activision Blizzard's ability to predict consumer preferences, including interest in specific genres and preferences among hardware platforms; the amount of Activision Blizzard's debt and the limitations imposed by the covenants in the agreements governing such debt; adoption rate and availability of new hardware (including peripherals) and related software, particularly during the console transitions; counterparty risks relating to customers, licensees, licensors and manufacturers; maintenance of relationships with key personnel, customers, financing providers, licensees, licensors, manufacturers, vendors, and third-party developers, including the ability to attract, retain and develop key personnel and developers that can create high quality titles; changing business models, including digital delivery of content and the increased prevalence of free-to-play games; product delays or defects; competition, including from used games and other forms of entertainment; rapid changes in technology and industry standards; possible declines in software pricing; product returns and price protection; the identification of suitable future acquisition opportunities and potential challenges associated with geographic expansion; the seasonal and cyclical nature of the interactive entertainment market; litigation risks and associated costs; protection of proprietary rights; shifts in consumer spending trends; capital market risks; applicable regulations; domestic and international economic, financial and political conditions and policies; tax rates and foreign exchange rates; and the impact of the current macroeconomic environment.
- ▶ Further, with regard to King, a number of important factors could cause King's actual future results and other future circumstances to differ materially from those expressed in any forward looking statements. Such factors include, but are not limited to: the fact that a relatively small number of games continue to account for a substantial majority of King's revenue and gross bookings, and declines in popularity of these games could harm King's financial results; King's ability to develop new games and enhance existing games in a timely manner; delays to the launch of new games; revenues and gross bookings from King's new games not being sufficient to offset declines due to its more mature games; market acceptance of new games and enhancements to existing games; intense industry competition; King's reliance on the casual game format and the success of its efforts to expand beyond the casual format; the need to anticipate and successfully develop games for new technologies, platforms and devices; challenges in measuring key operating metrics, and real or perceived inaccuracies in such metrics; reliance on various third-party platforms; reliance on key personnel; acquisition-related risks, including King's ability to integrate recent acquisitions and unforeseen difficulties in developing and introducing new games from acquired companies and customer acceptance of such games; protection or enforcement of King's intellectual property rights; the continued effectiveness of King's marketing programs; litigation risks and associated costs; risks associated with operating and offering games in multiple jurisdictions and general economic conditions and their impact on consumer spending and foreign currency exchange rates.
- ▶ In addition, actual results are subject to other risks and uncertainties that relate more broadly to Activision Blizzard's and King's overall businesses, including those identified in "Risk Factors" included in Part I, Item 1A of Activision Blizzard's most recent annual report on Form 10-K or in Part I, Item 3.D of King's most recent annual report on Form 20-F and most recent quarterly report on Form 6-K.
- ▶ Any forward-looking statements in this presentation are based upon information available to Activision Blizzard, King, and/or their respective boards of directors, as the case may be, as of the date of this presentation and, while believed to be true when made, may ultimately prove to be incorrect. Subject to any obligations under applicable law, rules and regulations, none of Activision Blizzard, King or any member of their respective boards of directors undertakes any obligation to update any forward-looking statement whether as a result of new information, future developments or otherwise; or to conform any forward looking statement to actual results, future events, or to changes in expectations. All subsequent written and oral forward-looking statements attributable to Activision Blizzard, King or their respective boards of directors or any person acting on behalf of any of them are expressly qualified in their entirety by this paragraph.

ACTIVISION®

BLIZZARD®



BOBBY **KOTICK**

CHIEF EXECUTIVE OFFICER, ACTIVISION BLIZZARD

FORTUNE

1000

BEST

COMPANIES
TO WORK FOR[®]

2015



**INNOVATION
AND
CREATIVITY
FOCUSED ON THE
RIGHT PRIORITIES**





ACTIVISION®

BILZARD®
ENTERTAINMENT

King

SKYLANDERS

DIABLO

Candy Crush SAGA

ESTABLISHED
FRANCHISES

CALL OF DUTY

WORLD OF WARCRAFT

FARM Heroes saga

Bubble Witch 2 saga

DESTINY®



STARCRRAFT

HEARTHSTONE
HEROES OF WARCRAFT

Pet Rescue saga

EMERGING
FRANCHISES

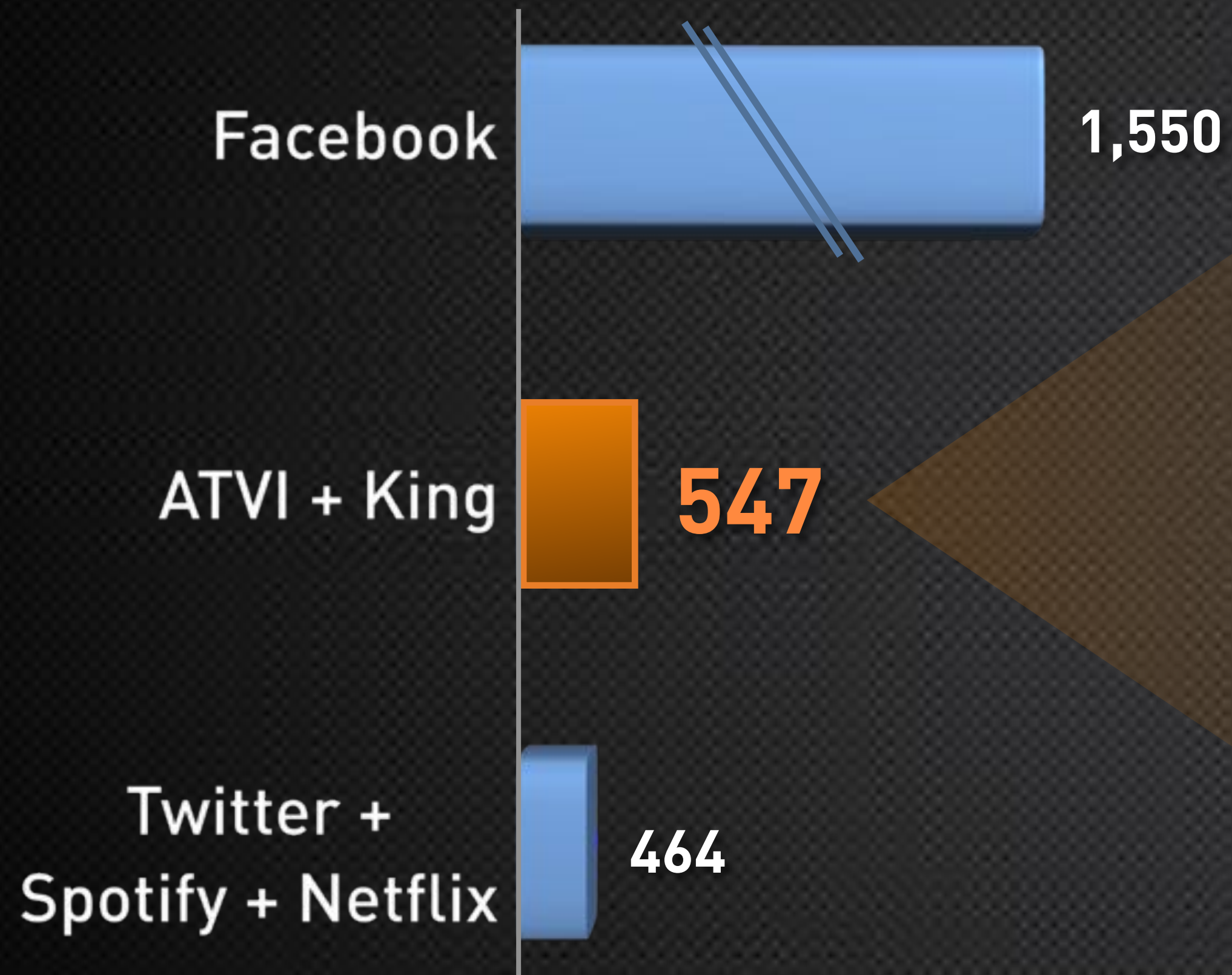
GUITAR HERO

HEROES OF THE STORM

OVERWATCH

UNANNOUNCED
TITLES

MONTHLY ACTIVE USERS (MM)



196
countries

MEDIA NETWORKS



STUDIOS



CONSUMER PRODUCTS

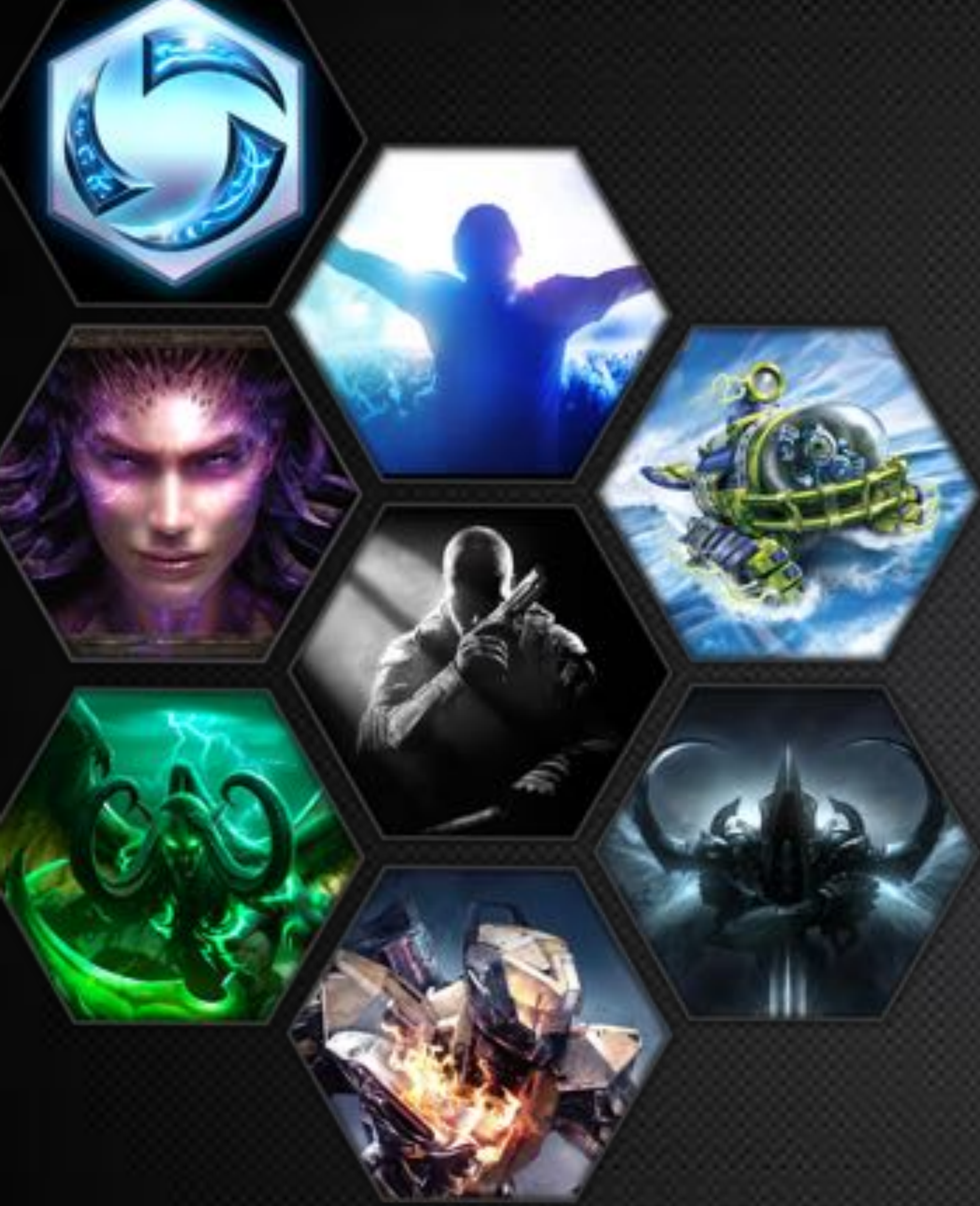


INTERACTIVE

ACTIVISION®

BILZZARD®
ENTERTAINMENT

King

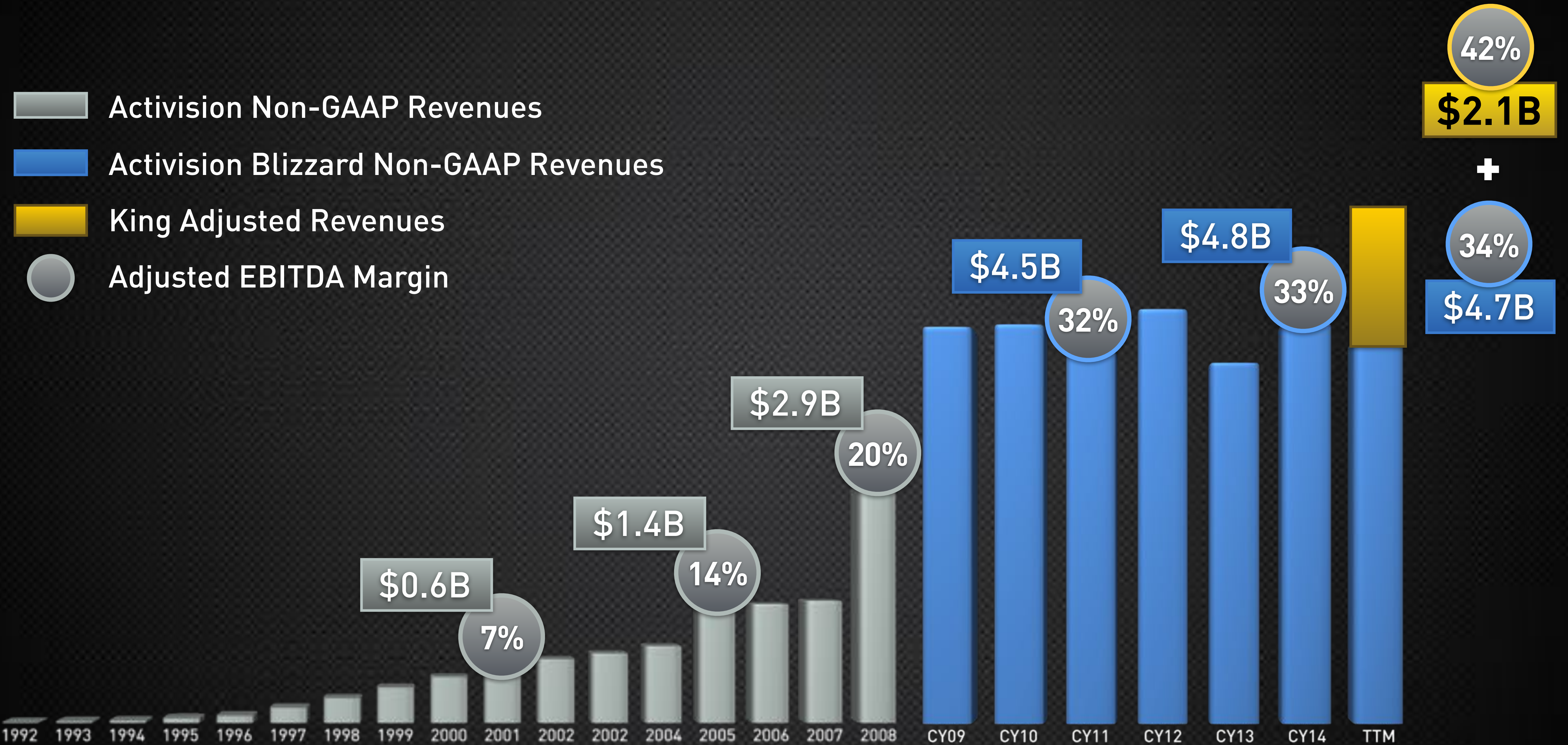


THOMAS **TIPPL**

CHIEF OPERATING OFFICER, ACTIVISION BLIZZARD

ACTIVISION® | BLIZZARD®

TRACK RECORD OF CONSISTENT REVENUE AND MARGIN EXPANSION



Source: Activision Blizzard, Trailing Twelve Months as of Q3 2015.
 For Activision Blizzard, fiscal year ended 3/31 except for CY09 onward, which ended 12/31, non-GAAP

FRAMEWORK FOR FRANCHISE GROWTH



ESTABLISHED FRANCHISES ACROSS PLATFORMS

CONSOLE

Number of Established Franchises in Top 10

Year	Number of Franchises	Longevity (Years)	ATVI in Top 10
2015e	10	15	COD, SKY, Destiny
2014	8	11	COD, SKY, Destiny
2013	9	13	COD, SKY
2012	10	13	COD, SKY
2011	10	14	COD
2010	9	9	COD
2009	10	9	COD
2008	9	9	COD
2007	9	9	COD

MOBILE

Number of Established Franchises in Top 10

Year	Number of Franchises	Longevity (Months)	King in Top 10
2015e	10	36	Candy Crush, Candy Soda, Farm Heroes
2014	9	26	Candy Crush, Farm Heroes, Pet Rescue
2013	10	20	Candy Crush
2012	5	13	

WHAT YOU WILL HEAR FROM OUR BUSINESS LEADERS

1. What each business stands for, and why we are entering the new verticals
2. Opportunities to broaden audience reach
3. Opportunities to deepen engagement
4. Opportunities for increased player investment
5. How we execute successfully and widen moats around our IP

King



Our Vision



Best-in-class franchise portfolio...



#1 & #2 in Match 3

subgenre

92M DAU



#3 in Match 3

subgenre

18M DAU



#1 in Clicker subgenre

8M DAU



#1 in Bubble Shooter

subgenre

7M DAU

3+ Top 15 grossing games for 7 consecutive quarters

Large and highly engaged network...

474M

Monthly Active Users

133M

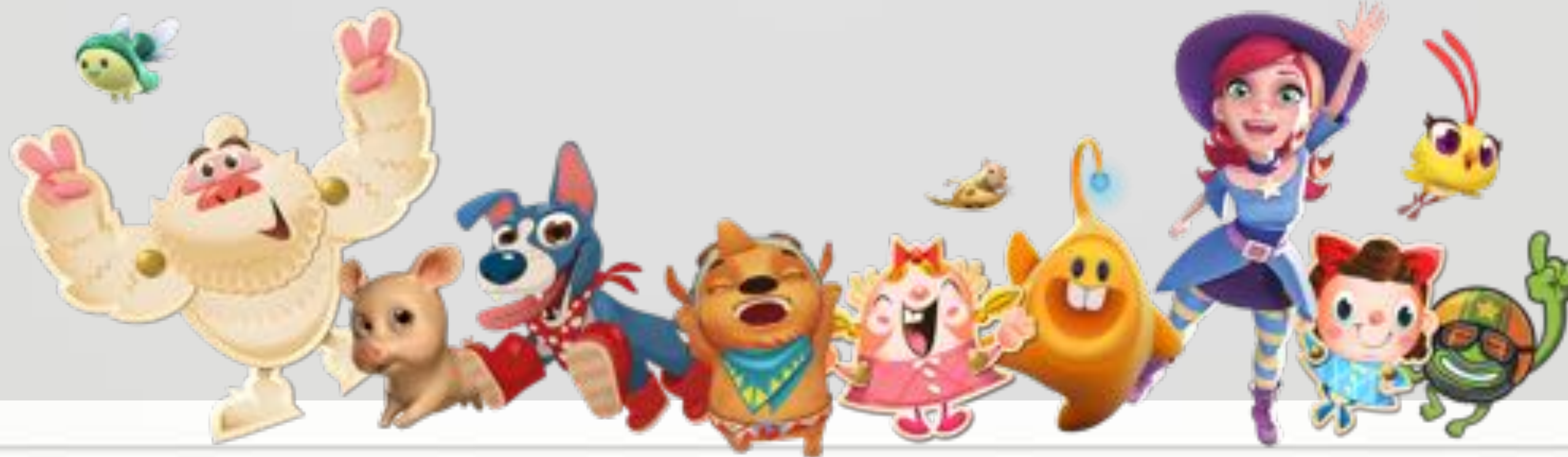
Daily Active Users

330M

Monthly Unique Users

1.4B

Games played daily



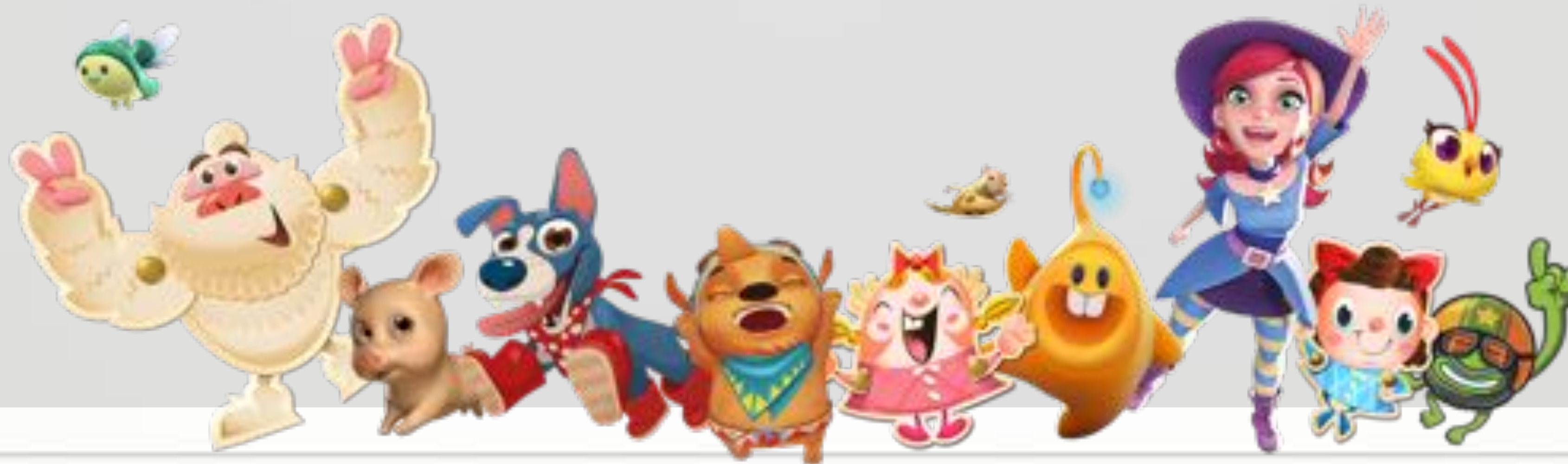
...and healthy financials

\$ 2.2B
TTM GBs

\$ 875m
TTM Adj.EBITDA

81%
TTM mobile GBs

42%
TTM Adj.EBITDA margin

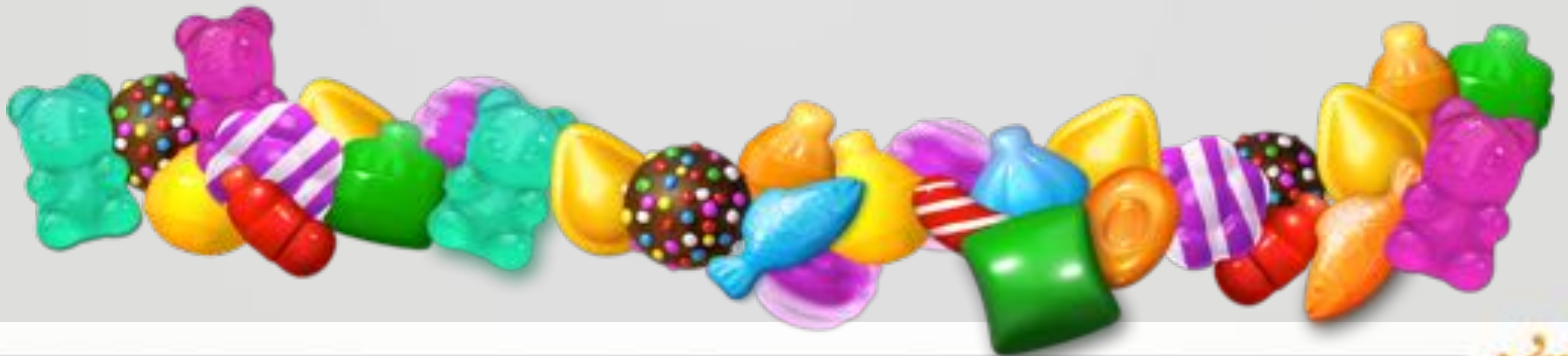


Strong pipeline to drive growth

Plans to launch 3 new games from existing franchises by the end of 2016

Plans to launch a mid-core title in 2016

Drive player engagement with constant release of new content and live ops



All supported by world-class talent...

12 studios
1,600 people



Source: As of September 30, 2015.

© King.com Ltd 2015 – Commercially confidential



King



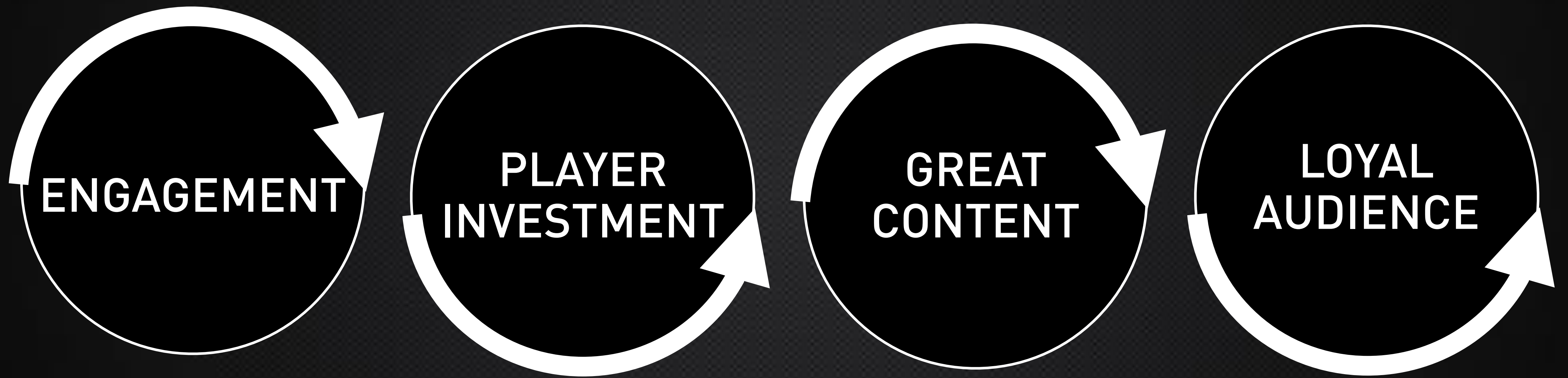
ERIC HIRSHBERG

CEO, ACTIVISION PUBLISHING

ACTIVISION®



**WE ARE
FRANCHISE
CREATORS.**



CALL^{OF} DUTY[®]



**GREAT GAMEPLAY,
EPIC FUN**

**CONTINUOUS
INNOVATION**

**UNIVERSAL
APPEAL**

ACTIVISION®

**YEAR-ROUND
ENGAGEMENT**

**POP CULTURE
IMPACT**



**GREAT GAMEPLAY,
EPIC FUN**



**UNIVERSAL
APPEAL**

CALL OF DUTY ADVANCED WARFARE

SEASON PASS

PACK 1



HAVOC

PACK 2



ASCENDANCE

PACK 3



SUPREMACY

PACK 4



RECKONING

INCLUDES

NEW EXO ZOMBIES MODE

A NEW BREED OF ZOMBIES UNLEASHED FOR ADVANCED WARFARE

ACTIVISION

SLEDGEHAMMER
GAMES

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*Based on Season Pass suggested retail price of \$60 and 4 map packs at suggested retail price of \$15 each.

YEAR-ROUND ENGAGEMENT



**CONTINUOUS
INNOVATION**

CALL OF DUTY

DESTINY[®]


SKYLANDERS


GUITAR HERO LIVE

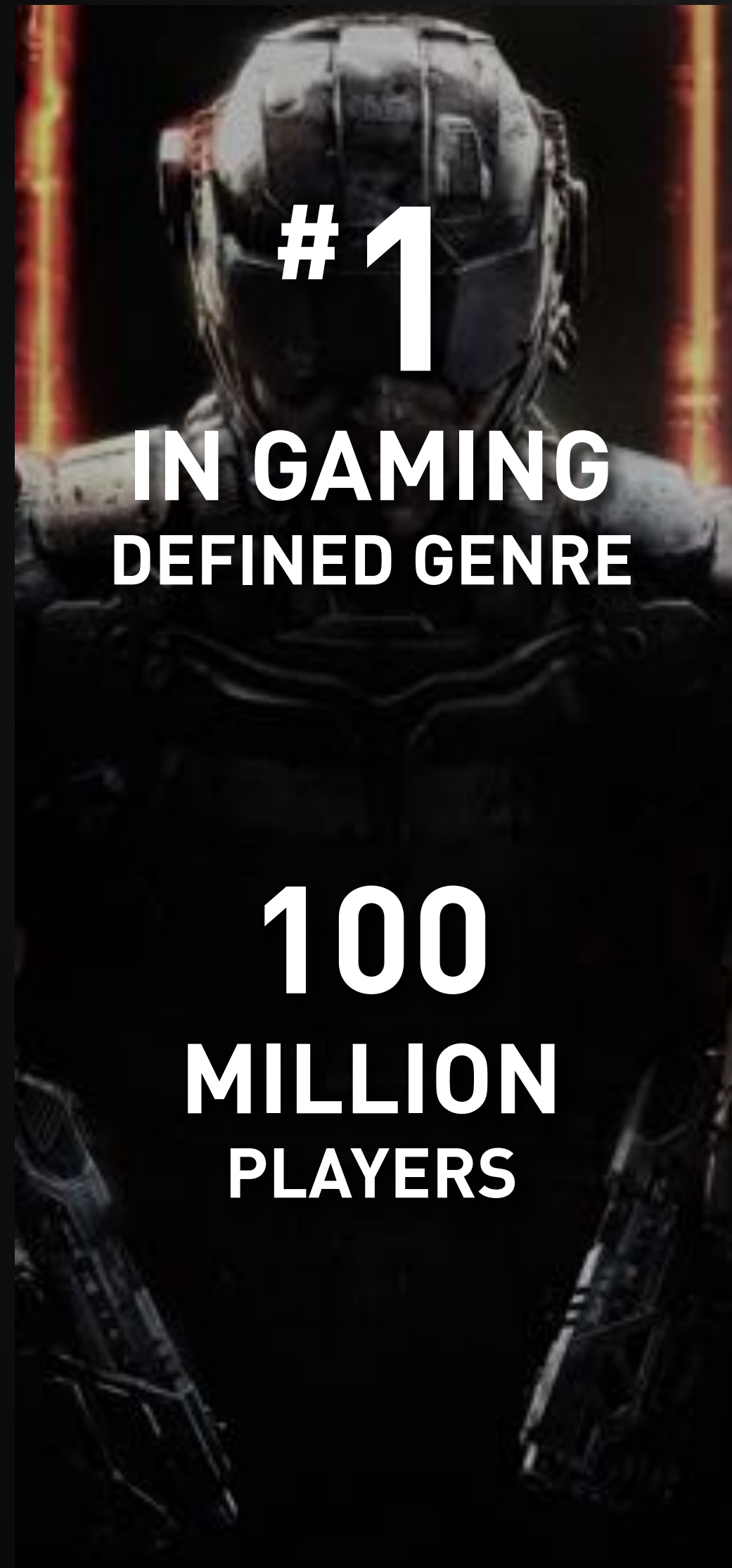


CALL OF DUTY

DESTINY[®]


SKYLANDERS


GUITAR HERO 



#1
**IN GAMING
DEFINED GENRE**

**100
MILLION
PLAYERS**



#1
**NEW VIDEO GAME
FRANCHISE
LAUNCH OF
ALL TIME**

**25
MILLION
PLAYERS**



#1
**KIDS GAME
PIONEERED GENRE**

**250
MILLION
TOYS**



#1
**MUSIC GAME
DEFINED GENRE**

**40
MILLION
PLAYERS**

OUR GROWTH STRATEGY

01 / **BROADEN OUR REACH**

02 / **DEEPEN OUR ENGAGEMENT**

03 / **EARN PLAYER INVESTMENT**

04 / **USE OUR SCALE TO CREATE
MORE VALUE**

01 BROADEN OUR REACH

/ EXPANDING GEOGRAPHIES

/ EXPANDING PLATFORMS

/ EXPANDING DEMOGRAPHICS



01 BROADEN OUR REACH

/ EXPANDING GEOGRAPHIES

/ EXPANDING PLATFORMS

/ EXPANDING DEMOGRAPHICS



01 **BROADEN OUR REACH**

/ EXPANDING GEOGRAPHIES

/ EXPANDING PLATFORMS

/ **EXPANDING DEMOGRAPHICS**





02 DEEPEN ENGAGEMENT

/ SINGLE PLAYER

/ CO-OP

/ MULTIPLAYER

/ COMMUNITY & SOCIAL

/ PERSONALIZATION



02 **DEEPEN ENGAGEMENT**

/ ESPORTS

/ VIEWERSHIP

/ FILM & TELEVISION

/ PARTNERSHIPS & PROMOTION

03 EARN PLAYER INVESTMENT

/ UPFRONT INVESTMENT

/ ADD-ON CONTENT

/ SEASON PASSES

/

/

CALL OF DUTY ADVANCED WARFARE

SEASON PASS

GET ALL 4 DLC PACKS. SAVE \$10*



GET INSTANT ACCESS TO
THE ATLAS GORGE MULTIPLAYER MAP

*Based on Season Pass suggested retail price of \$50 and 4 map packs at suggested retail price of \$15 each.

03 EARN PLAYER INVESTMENT

/

/

/

/ CHARACTER & WORLD INVESTMENT

/ CONVENIENCE & SERVICES



03 EARN PLAYER INVESTMENT

/

/

/

/ CHARACTER & WORLD INVESTMENT

/ CONVENIENCE & SERVICES



04 USE OUR SCALE TO CREATE MORE VALUE

/ SOCIAL NETWORK EFFECT

/ ONGOING CONTENT

/ TECHNOLOGY SCALE

/ PLAYER DATE & ENGAGEMENT

/ TOP TALENT



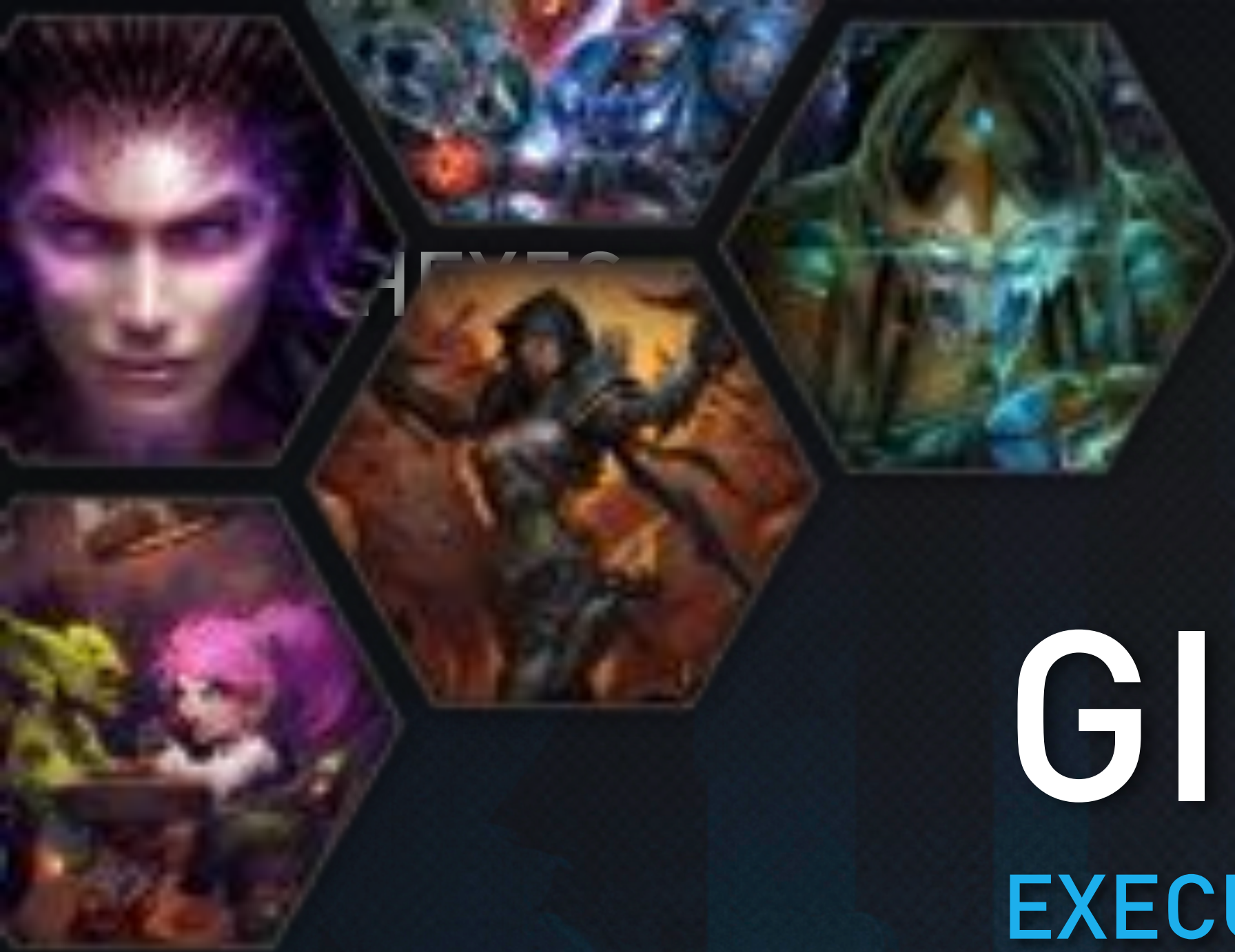
VALUE
FOR OUR PLAYERS

A black and white photograph capturing a large, dense crowd of people at what appears to be a concert or festival. The scene is viewed from an elevated position, looking down into the crowd. In the immediate foreground on the left, a hand is seen gripping a thick rope, suggesting the viewer is on a balcony or a similar structure. The background shows a large, open-air venue with a high, arched ceiling supported by a network of beams. Several large, industrial-style pendant lights hang from the ceiling. On the right side, a stage area is visible with silhouettes of people and equipment. The overall atmosphere is one of a large-scale, energetic event.

**A BUSINESS OF
PASSION.**

ACTIVISION®

ACTIVISION



GIO HUNT

EXECUTIVE VICE PRESIDENT, CORPORATE OPERATIONS





BLIZZCON

ANAHEIM CONVENTION CENTER

BLIZZCON[®]

10

BlizzCon

SUPERIOR
GAMEPLAY

EPIC FUN

RELENTLESS
QUALITY

BILZARD[®]
ENTERTAINMENT

GLOBAL
COMMUNITY

ACCESSIBILITY

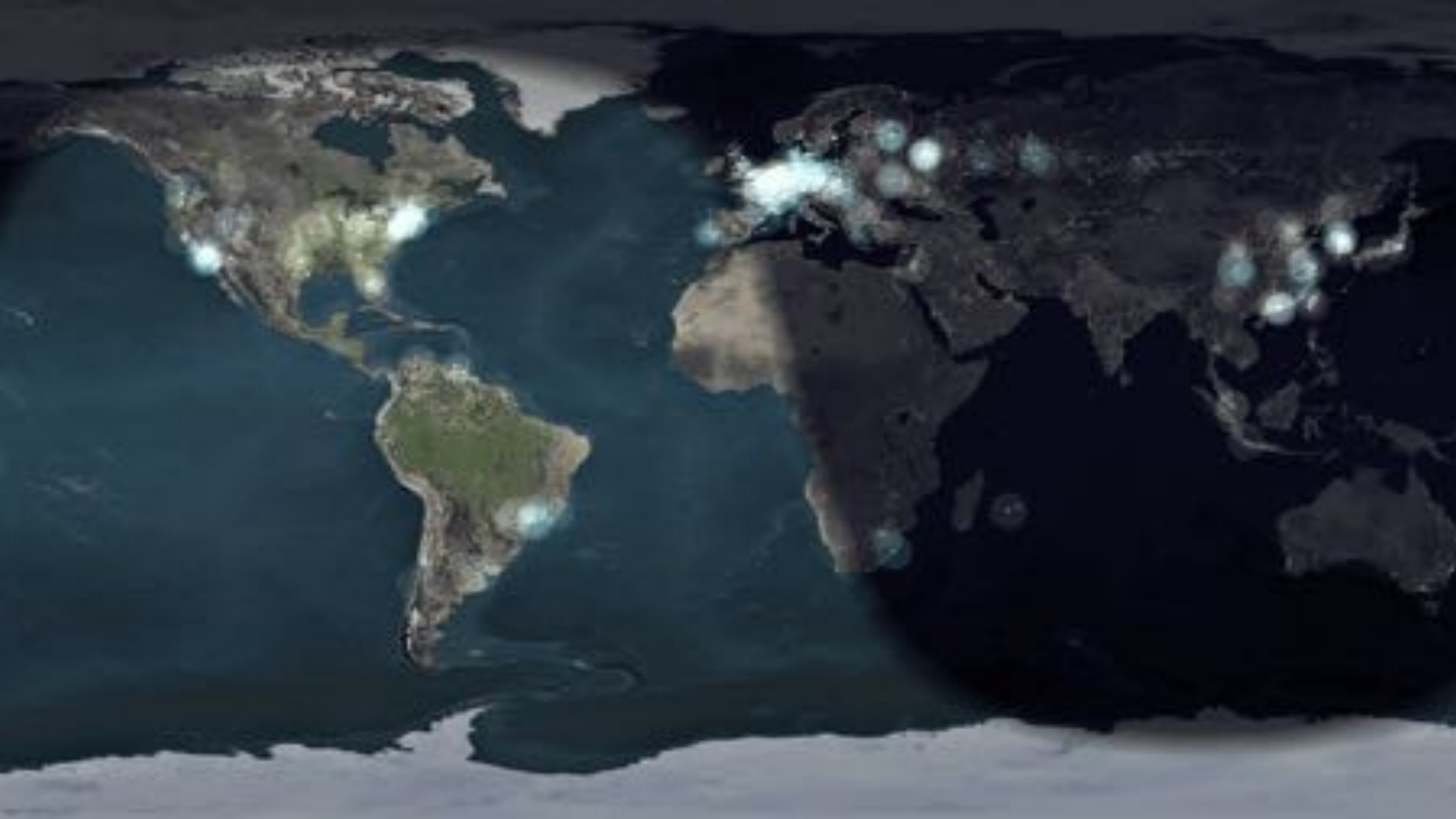
MULTIPLAYER
LEADERSHIP

EPIC ENTERTAINMENT



DIABLO





EPIC CONTENT



DEEPEN ENGAGEMENT



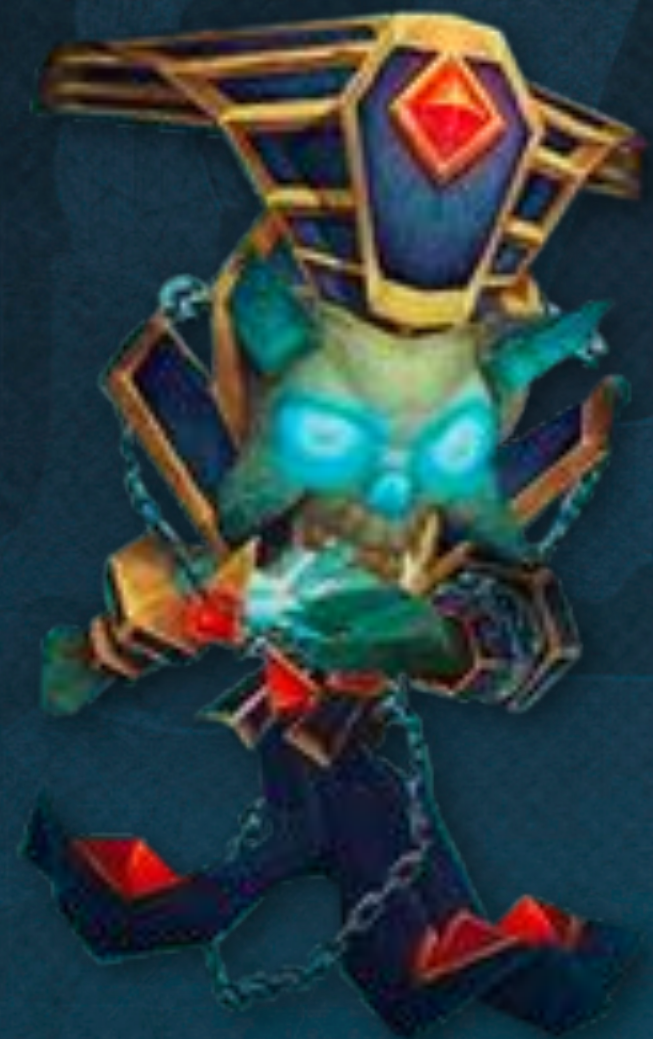
FORGING GOREHOWL



EPIC ESPORTS



EARNED INVESTMENT



HEROES
OF THE STORM
ETERNAL
CONFLICT™

DEDICATED TO CREATING
THE MOST EPIC ENTERTAINMENT
EXPERIENCES... EVER

BLIZZARD



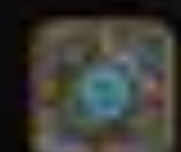
World of Warcraft



Diablo III



StarCraft II



Hearthstone



Heroes of the Storm



Overwatch



OVERWATCH

Options Redeem a Code



OVERWATCH

BETA NOW LIVE



VIRTUAL TICKET NOW AVAILABLE

Buy Your Virtual Ticket Today!

Want the latest and greatest info on all things BlizzCon 2015? The Virtual Ticket is the best way to catch every moment from our developer panels.



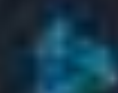
DosGood +1179
Online

Add a Friend

Privacy

Favorites - 0/0

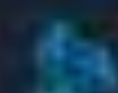
Friends - 3/22



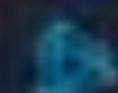
Jay Salasites
Online



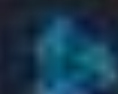
Nick Yone
Online



Richard Osborne
Online



Hilar Yaku
Away for 16 minutes



Stephen Raab
Away for 34 minutes

NoBigDeal, Sandbox, chptherippa, and DosGood
4 online

Multiplayer games with friends

DosGood 1:22 PM
- Yay we're all here!
- Overwatch rocks!!
- Let's play!

NoBigDeal 1:22 PM
- Sounds good to me

DosGood (me) Online
chptherippa Online
NoBigDeal Online
Sandbox Online

Amory Osborn
Offline for 2 months

Ben Collins
Offline for 3 days

Benjamin Miller
Offline for 1 month

Chris King
Offline for 27 days

Greg Kinnaman
Offline for 24 hours

W. Cummings
Offline for 2 days

William S. Williams
Offline for 2 months

GLOBAL, PASSIONATE COMMUNITY



BILZZARD[®]

ENTERTAINMENT



STEVE BORNSTEIN

CHAIRMAN, MEDIA NETWORKS

MIKE SEPSO

SENIOR VICE PRESIDENT, MEDIA NETWORKS

ACTIVISION

BILZARD



AB MEDIA NETWORKS

/ MISSION: TAKE ESPORTS TO THE
MAINSTREAM



REACH

/ ALREADY 100 MILLION VIEWERS

/ MORE THAN MOST PRO SPORTS

ANNUAL VIEWERSHIP
Traditional Pro Sports vs. eSports



ENGAGEMENT

**/ INVEST 2X MORE
ON GAMING PERIPHERALS**

/ 30% MORE ON GAMING HARDWARE

/ 30% MORE ON GAMING SOFTWARE



INVESTMENT

/ PLAYER INVESTMENT OPPORTUNITY IS STILL NASENT

/ STAR PLAYERS + TEAMS

/ ADVERTISING + SPONSORSHIP

/ TICKETS + MERCHANDISING

TRADITIONAL PRO SPORTS VS. ESPORTS



COMPETITIVE ADVANTAGE

/ PORTFOLIO OF MOST ICONIC
FRANCHISES IN THE WORLD

/ INNOVATION

/ PROPRIETARY ANALYTICS

/ 70 MILLION DIRECT CONNECTIONS



HOW WE SUCCEED

/ BETTER PREMIUM CONTENT

/ ORGANIZATION AND INFRASTRUCTURE

/ EXPAND DISTRIBUTION

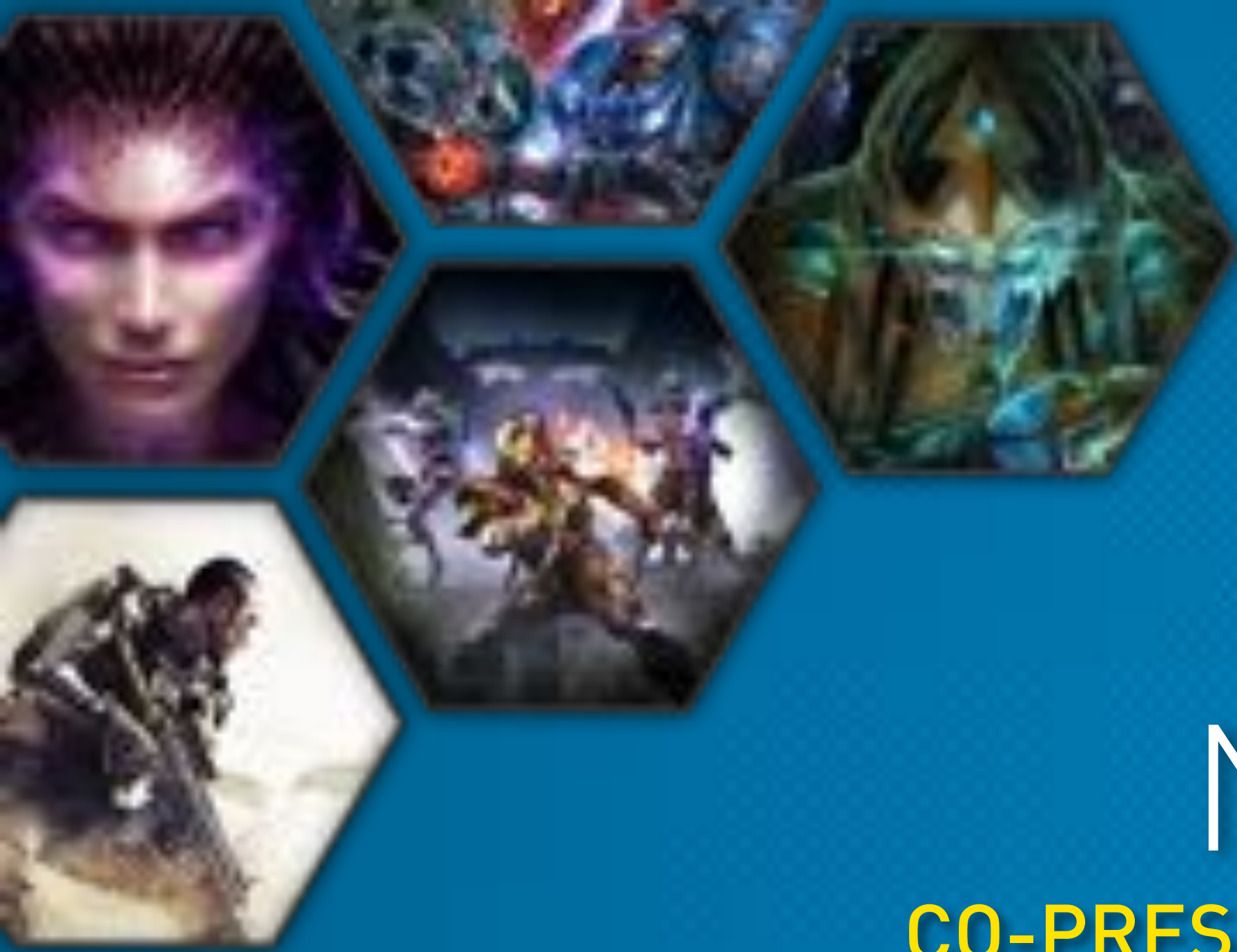




ACTIVISION®

BILZZARD®





NICK VAN DYK

CO-PRESIDENT, ACTIVISION BLIZZARD STUDIOS

ACTIVISION | BLIZZARD[®]
S T U D I O S



**DELIGHT AUDIENCES WITH WORLD CLASS FILM, TV AND
SHORT-FORM ENTERTAINMENT BASED ON OUR
IMMENSELY POPULAR IP - BROADENING OUR AUDIENCE
AND ENABLING DEEP, MULTI-PLATFORM ENGAGEMENT
WITH OUR UNIVERSES AND CHARACTERS**

WE'RE NOT IN THE FILM AND TELEVISION BUSINESS WE'RE IN THE FRANCHISE IP BUSINESS

FILM AND TV

/ HIT-DRIVEN AND HIGH RISK

/ SELF-CONTAINED

/ LIMITED PLATFORMS

FRANCHISE-IP

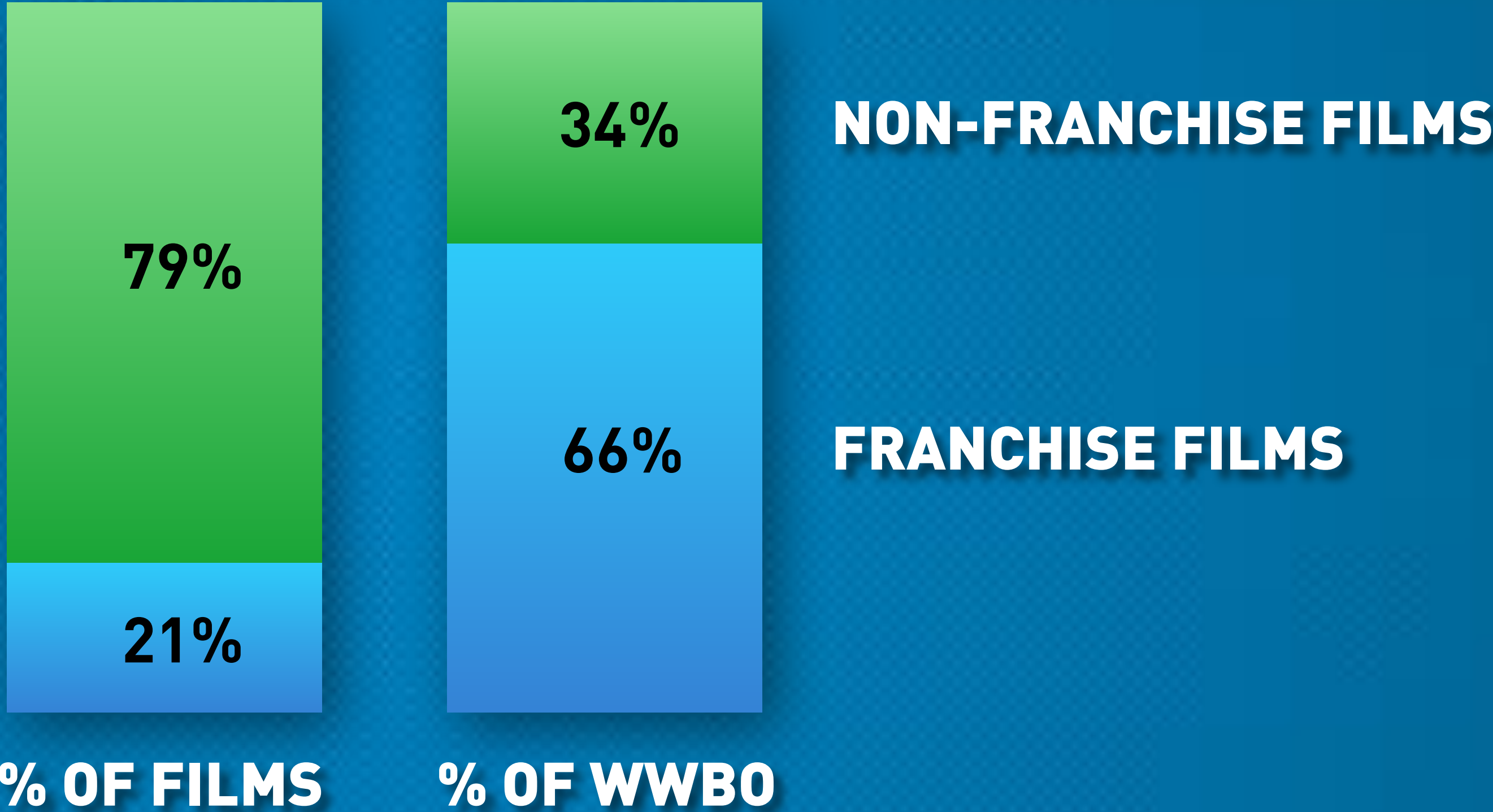
/ PASSIONATE, PROVEN FAN BASE

/ MULTI-YEAR, ALL YEAR

/ MULTI-PLATFORM

EXEMPLIFYING THE POWER OF FRANCHISE IP

2014 TOP 250 FILMS



FRANCHISE FILMS DELIVER ~7.5X THE WWBO OF NON-FRANCHISE FILMS

Source: Box Office Information From Boxofficemojo.Com

**NOT
EVERYBODY
CAN DO THIS**

/ HUGELY POPULAR IP IS RARE

/ BUYING AND BUILDING IS EXPENSIVE

/ LICENSES ARE LIMITED



**USING ONLY THE BEST FRANCHISE IP
IS EASIER SAID THAN DONE...**

...UNLESS YOU ALREADY OWN IT!!!

ACTIVISION®

BILZARD®
ENTERTAINMENT

CALL OF DUTY

WORLD OF WARCRAFT

DIABLO

STARCRRAFT

SKYLANDERS



OVERWATCH

TENS OF MILLIONS OF CURRENTLY ENGAGED PLAYERS

14 BILLION HOURS!

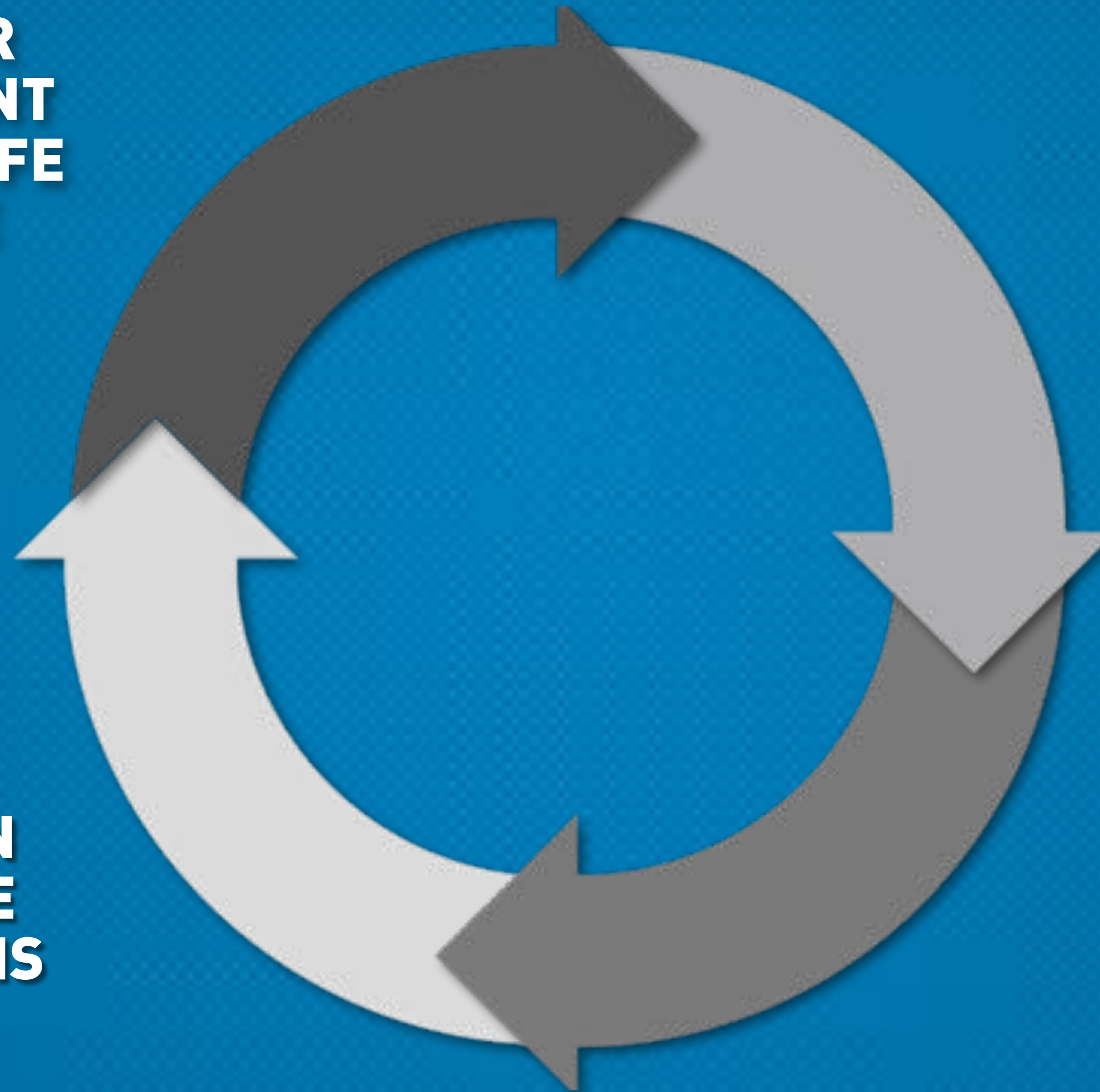
VIRTUOUS CYCLE OF FRANCHISE IP

**BROADER AND DEEPER
CONSUMER ENGAGEMENT
EXTENDS FRANCHISE LIFE
AND AMPLIFIES CORE
BUSINESS VALUE**

**A|B CREATES
AMAZING GAMES**

**GAMES GENERATE HUGE
AUDIENCES WITH DEMAND
FOR MORE ENGAGEMENT
OPPORTUNITIES**

**FILM AND TV BROADEN
AUDIENCES AND DRIVE
ADDITIONAL PLATFORMS**



DIFFERENCE MAKERS

- / OWNERSHIP OF CREATIVE PROCESS**
- / POWERFUL DISTRIBUTION OPTIONS**
- / DISCIPLINED INVESTMENT IN QUALITY**
- / LOW OVERHEAD**
- / CREATIVE FOCUS**



SKYLANDERS

/ HIGHLY-COMIC, ACTION-PACKED CGI ANIMATED TV SHOW

/ OUTSTANDING WRITING TALENT

/ WORLD-CLASS VOICE CAST

/ EXPERIENCED PRODUCTION TEAM

/ INITIAL DELIVERY EXPECTED IN Q2 2016

CALL^{OF}DUTY[®]

/ ROBUST CINEMATIC UNIVERSE

/ FAN-FRIENDLY

/ BROAD APPEAL TENTPOLE ACTION

/ POTENTIAL RELEASE IN 2018/2019



CALL^{OF}DUTY[®]
BLACK OPS III

**THERE HAS NEVER BEEN A BETTER TIME
TO BE A FAN OF
ACTIVISION BLIZZARD'S CONTENT!**



DENNIS DURKIN

CHIEF FINANCIAL OFFICER, ACTIVISION BLIZZARD

ACTIVISION® | BLIZZARD®

What You Heard From Our Business Leaders

01 MISSION

Create the most compelling, fun and epic entertainment experiences for our fans

DEEPLY ENGAGING INTERACTIVE ENTERTAINMENT FRANCHISES AND HIGH-PERFORMING TITLES

NEAR-TERM OPPORTUNITIES

LONG-TERM OPPORTUNITIES

ACTIVISION® CALL OF DUTY DESTINY GUITAR HERO

BILZARD ENTERTAINMENT WORLD OF WARCRAFT STARCRAFT HEARTHSTONE HEROES OF WARCRAFT DIABLO HEROES OF THE STORM OVERWATCH

KING Candy Crush SAGA Pet Rescue SAGA Candy Crush SODA FARM HEROES SAGA Bubble Witch 2 SAGA

PLANS TO LAUNCH MID-CORE TITLE AND 3 NEW GAMES FROM EXISTING FRANCHISES BY END OF 2016

BUILD ON PROVEN FRANCHISE MODELS AND COMBINED CAPABILITIES TO BRING NEW IP TO MARKET IN CORE, MID-CORE AND CASUAL GENRES

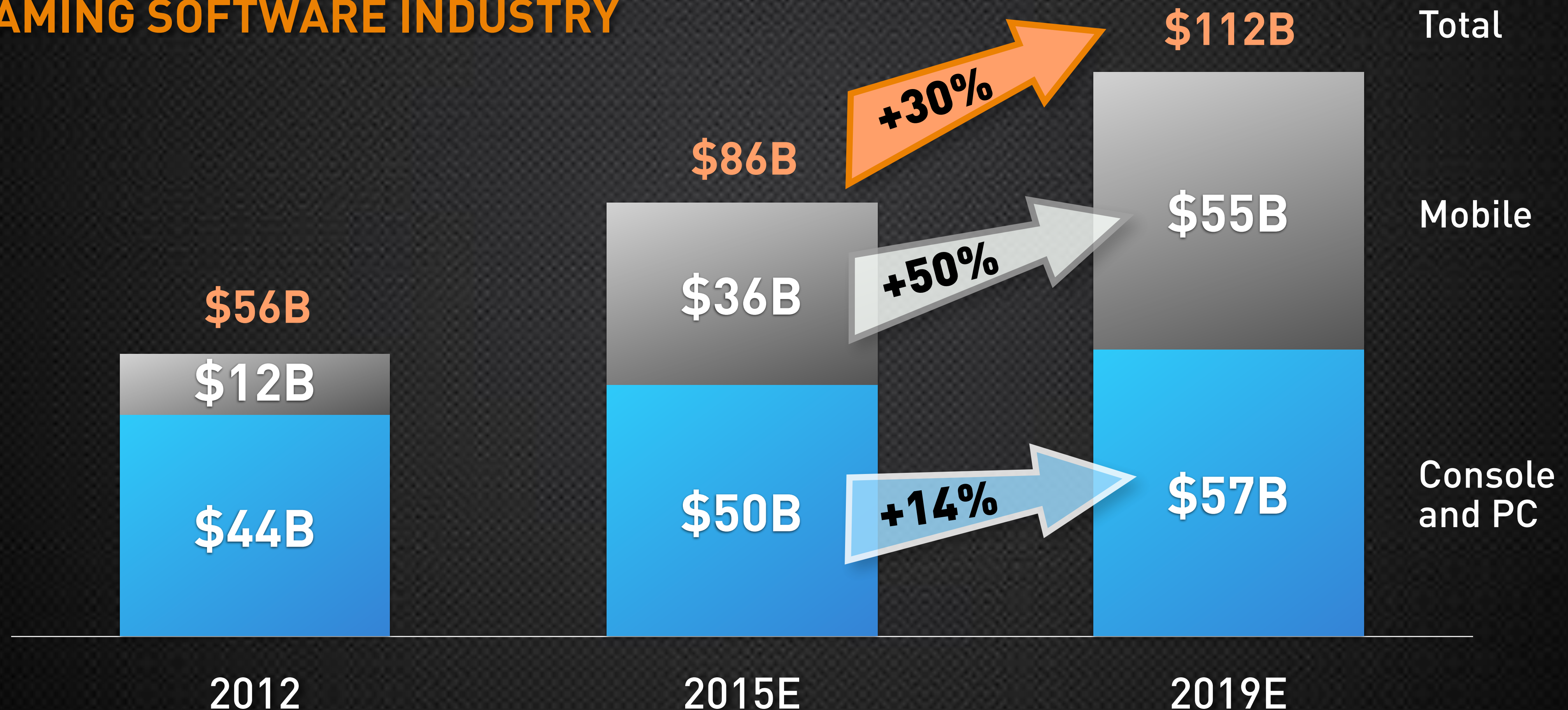
NEW INNOVATION AND REGULAR CONTENT UPDATES TO DRIVE ENGAGEMENT AND PLAYER INVESTMENT

What You Heard From Our Business Leaders

02 BROADEN REACH

Expanding portfolio reaches more platforms around the world

WW GAMING SOFTWARE INDUSTRY

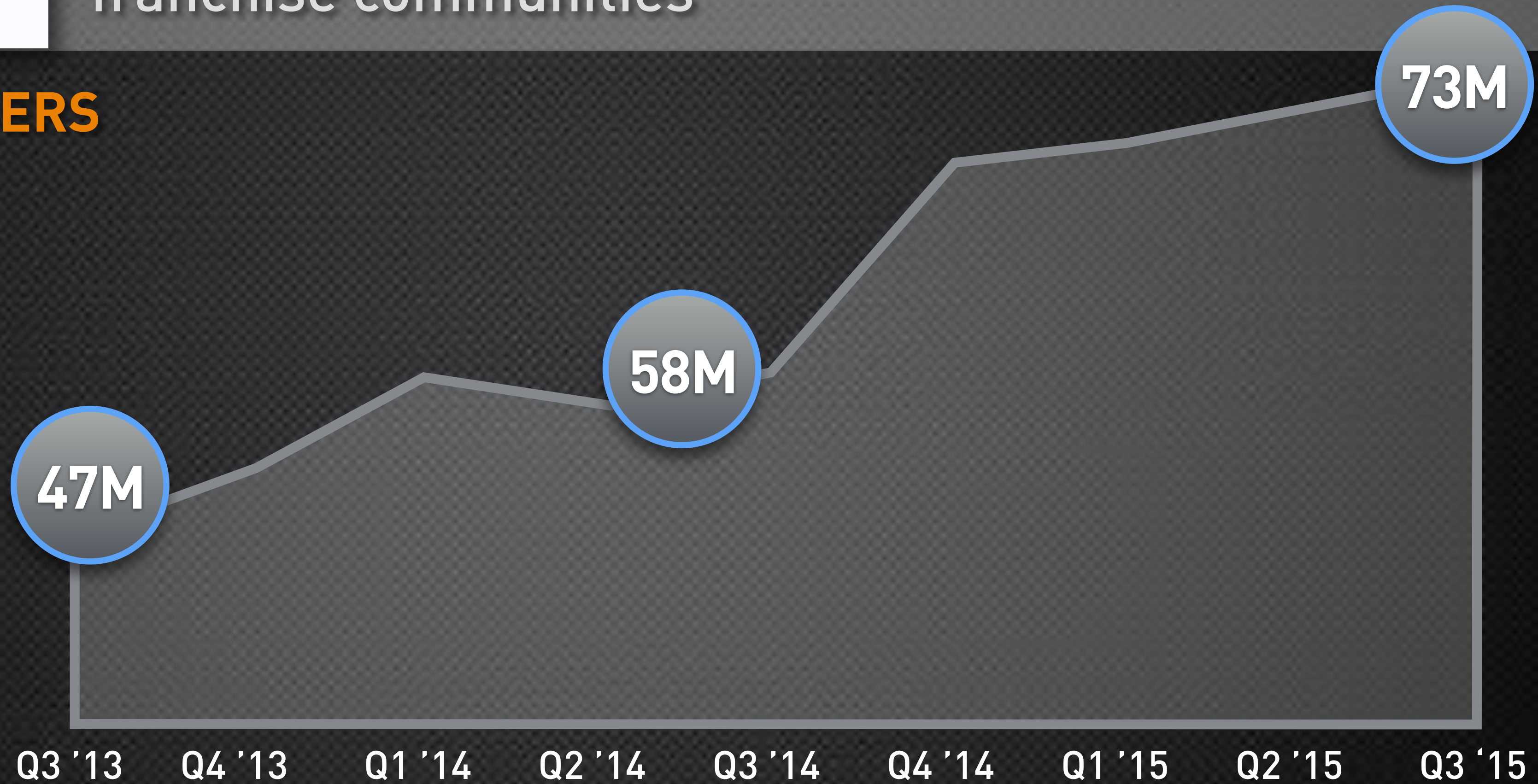


What You Heard From Our Business Leaders

02 BROADEN REACH

Expanding portfolio brings more people into our franchise communities

MONTHLY ACTIVE USERS



MAU YoY Growth %

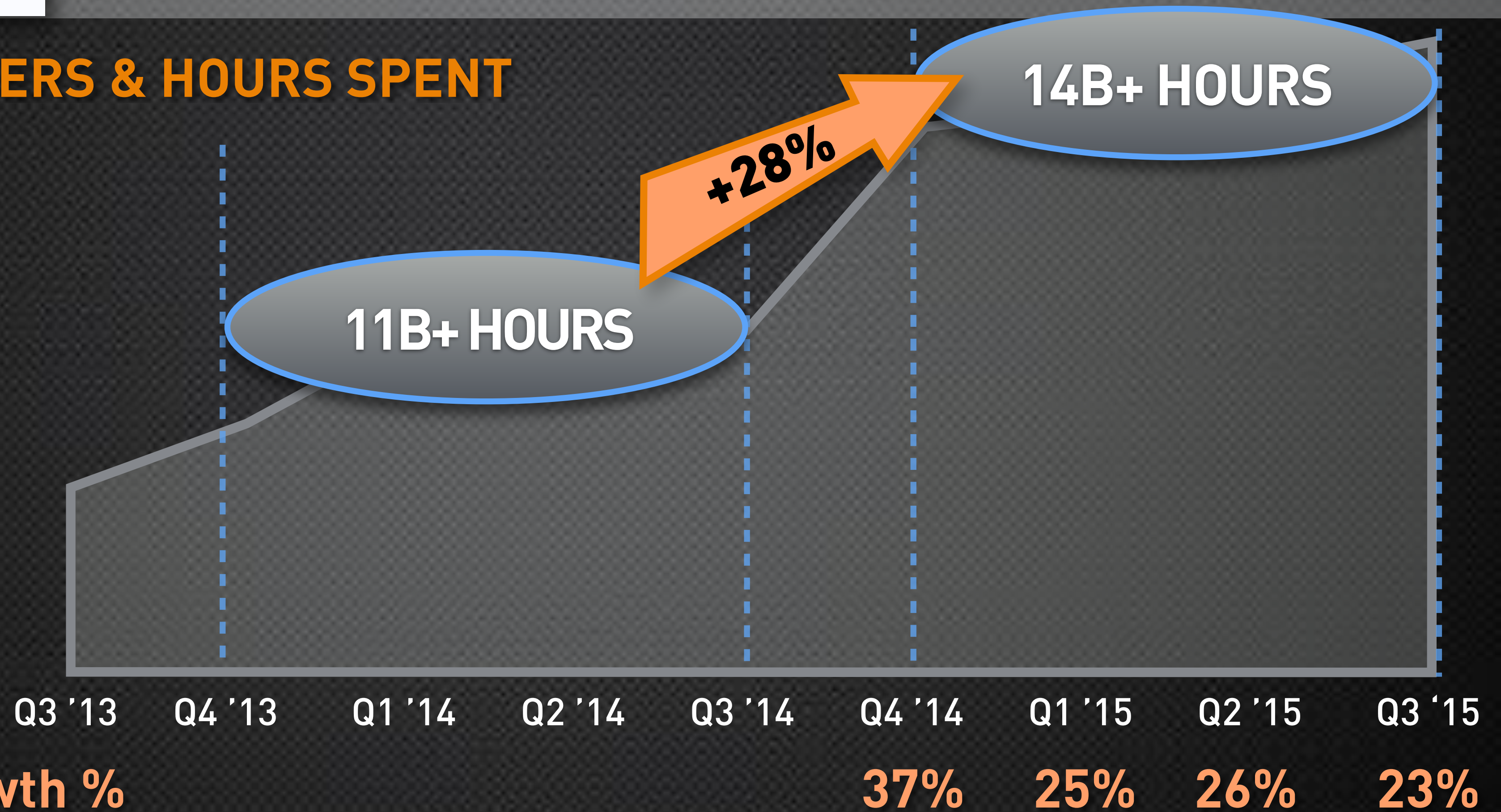
23% 38% 25% 35% 27%

What You Heard From Our Business Leaders

03 DEEPEN ENGAGEMENT

Deeply immersive, truly social, competitive and personalized entertainment experiences drive engagement

MONTHLY ACTIVE USERS & HOURS SPENT

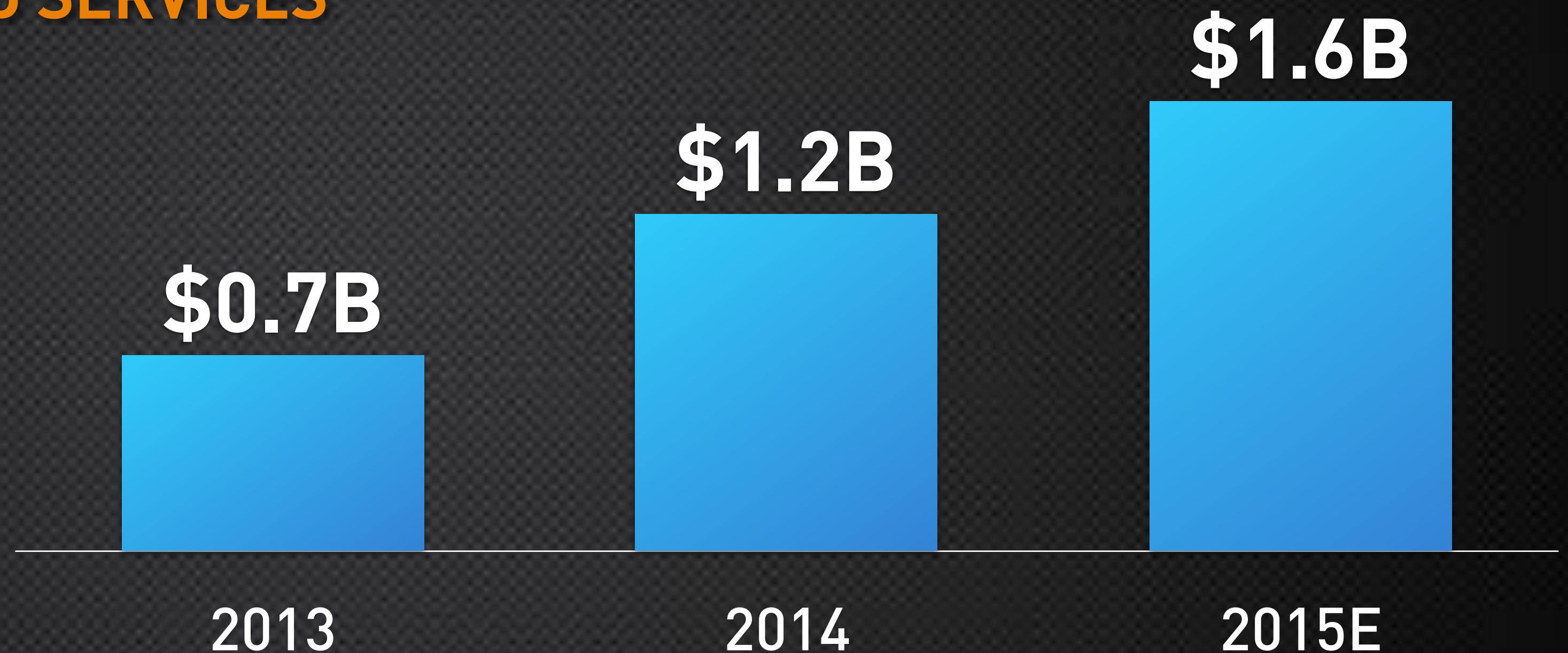


What You Heard From Our Business Leaders

04 **DRIVE PLAYER INVESTMENT**

Employ the appropriate business model for game design; add value to the player through new content and services

DIGITAL IN-GAME CONTENT AND SERVICES



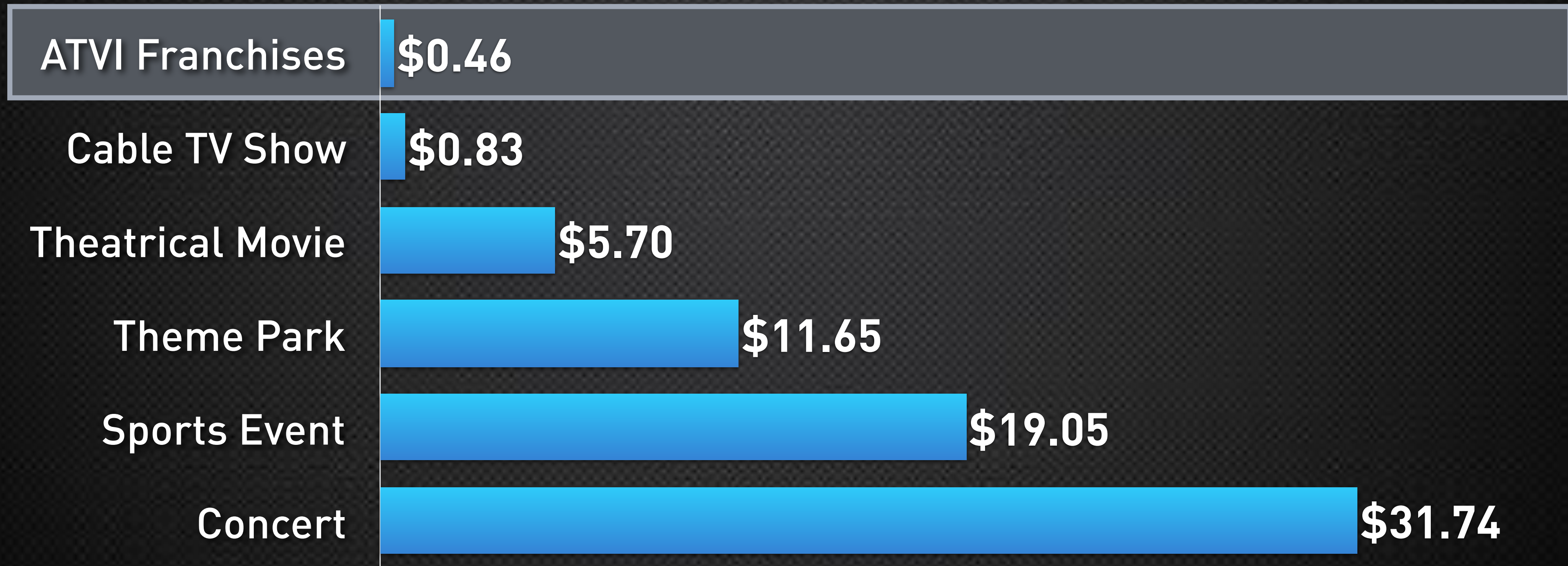
	2013	2014	2015E
YoY Growth %	N/A	60%	36%
Digital In-Game as % of Total Revenues	17%	24%	34%
Digital as % of Total Revenues	36%	46%	50%+

Player Investment Per Hour of Entertainment

04 **DRIVE** **PLAYER** **INVESTMENT**

Still at the very beginning

\$ SPENT PER HOUR OF ENTERTAINMENT*



* Defined as \$ amount spent with content generating company per hour.
Source: Activision Blizzard internal estimates

MEDIA NETWORKS



STUDIOS



CONSUMER PRODUCTS



INTERACTIVE

ACTIVISION®

BILZZARD®
ENTERTAINMENT

King

Three-Year Financial Targets

RESULTS

- ▶ Stand-alone 3-year CAGR (2015-2018E) of 5% on Revenue and 10% on EPS
- ▶ With the assumed ~30% accretion¹ from the King transaction, this translates to a 3-year CAGR of 15% on Revenue and 20% on EPS off of 2015 stand-alone numbers
- ▶ Further opportunity with potential King synergies and new adjacent entertainment verticals (not included here)

**3-YEAR CAGR
(2015-18E)**

ACTIVISION | BLIZZARD®

ACTIVISION | BLIZZARD®
+ King

+ NEW
ENTERTAINMENT
VERTICALS

NON-GAAP REVENUES

(2015E stand-alone of \$4.65B)

5%+

15%+

15%++

NON-GAAP EPS

(2015E stand-alone of \$1.31)

10%+

20%+

20%++

¹Based on 2016E IBES Consensus estimates as of October 30, 2015. Assumes \$2.3B of incremental term loan financing at 3.25% interest rate based on Activision Blizzard current Term Loan interest rate and US marginal tax rate of 36.3%. Assumes transaction closes on March 31, 2016 and additional dilutive share impact to EPS of 5M shares from our internal estimate of conversion equity based on outstanding options, restricted shares, and restricted stock units of King as of October 30, 2015 (i.e. no further assumption of exercises, vesting, grants of equity awards post October 30, 2015). Does not include any synergies. Not a profit forecast.

KEY TAKEAWAYS

STRATEGIC FOCUS ON GAMEPLAY, BROADENING REACH, DEEPENING ENGAGEMENT AND PLAYER INVESTMENT IS WORKING

WORLD-CLASS FRANCHISE PORTFOLIO POSITIONS US TO TAKE ADVANTAGE OF THE SHIFT IN CONSUMPTION THAT IS NOW HAPPENING ACROSS ENTERTAINMENT

DIRECT CONNECTION TO CONSUMERS PUTS US AT THE EPICENTER OF ONLINE GROWTH TODAY

ACTIVISION®

BLIZZARD®

Activision Blizzard Use of Non-GAAP Measures



- ▶ As a supplement to Activision Blizzard's financial measures presented in accordance with GAAP, Activision Blizzard presents certain non-GAAP measures of financial performance. These non-GAAP financial measures are not intended to be considered in isolation from or as a substitute for the financial information prepared and presented in accordance with GAAP. In addition, these non-GAAP measures have limitations in that they do not reflect all of the items associated with Activision Blizzard's results of operations as determined in accordance with GAAP.
- ▶ Activision Blizzard provides net revenues, net income (loss), earnings (loss) per share and operating margin data and guidance both including (in accordance with GAAP) and excluding (non-GAAP) certain items. When relevant, Activision Blizzard also provides constant FX information to provide a framework for assessing how its underlying businesses performed excluding the effect of foreign currency rate fluctuations. In addition, Activision Blizzard provides EBITDA (defined as GAAP net income (loss) before interest (income) expense, income taxes, depreciation and amortization) and adjusted EBITDA (defined as non-GAAP operating margin (see non-GAAP financial measure below) before depreciation). The non-GAAP financial measures exclude the following items, as applicable in any given reporting period:
 - ▶ the change in deferred revenues and related cost of sales with respect to certain of Activision Blizzard's online-enabled games;
 - ▶ expenses related to stock-based compensation;
 - ▶ the amortization of intangibles from purchase price accounting;
 - ▶ fees and other expenses (including legal fees, costs, expenses and accruals) related to the acquisition of 429 million shares of Activision Blizzard's common stock on 11 October 2013 from Vivendi, pursuant to the stock purchase agreement dated 25 July 2013 and the \$4.75 billion debt financings related thereto;
 - ▶ fees and other expenses related to the proposed acquisition of King Digital Entertainment plc and the debt financings related thereto; and
 - ▶ the income tax adjustments associated with any of the above items.
- ▶ In the future, Activision Blizzard may also consider whether other items should also be excluded in calculating the non-GAAP financial measures used by Activision Blizzard. Activision Blizzard's management believes that the presentation of these non-GAAP financial measures provides investors with additional useful information to measure Activision Blizzard's financial and operating performance. In particular, the measures facilitate comparison of operating performance between periods and help investors to better understand the operating results of Activision Blizzard by excluding certain items that may not be indicative of Activision Blizzard's core business, operating results or future outlook. Internally, Activision Blizzard's management uses these non-GAAP financial measures in assessing Activision Blizzard's operating results, and measuring compliance with the requirements of Activision Blizzard's debt financing agreements, as well as in planning and forecasting.
- ▶ Activision Blizzard's non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles, and the terms non-GAAP net revenues, non-GAAP net income, non-GAAP earnings per share, non-GAAP operating margin, and non-GAAP or adjusted EBITDA do not have a standardized meaning. Therefore, other companies may use the same or similarly named measures, but exclude different items, which may not provide investors a comparable view of Activision Blizzard's performance in relation to other companies.
- ▶ In addition to the reasons stated above, which are generally applicable to each of the items Activision Blizzard excludes from its non-GAAP financial measures, there are additional specific reasons why Activision Blizzard believes it is appropriate to exclude the change in deferred revenues and related cost of sales with respect to certain of Activision Blizzard's online-enabled games.
- ▶ Since Activision Blizzard has determined that some of its games' online functionality represents an essential component of gameplay and, as a result, a more-than-inconsequential separate deliverable, Activision Blizzard recognize revenues attributed to these game titles over their estimated service periods, which may range from five months to a maximum of less than a year. The related cost of sales is deferred and recognized as the related revenues are recognized. Internally, management excludes the impact of this change in deferred revenues and related cost of sales in its non-GAAP financial measures when evaluating Activision Blizzard's operating performance, when planning, forecasting and analyzing future periods, and when assessing the performance of its management team. Management believes this is appropriate because doing so enables an analysis of performance based on the timing of actual transactions with Activision Blizzard's customers, which is consistent with the way Activision Blizzard is measured by investment analysts and industry data sources. In addition, excluding the change in deferred revenues and the related cost of sales provides a much more timely indication of trends in Activision Blizzard's operating results.

King Use of Non-GAAP measures

- ▶ King Digital Entertainment plc uses International Financial Reporting Standards (“IFRS”). In addition to IFRS financials, this presentation includes certain financial measures not based on IFRS, including gross bookings, adjusted revenue, adjusted EBITDA, and adjusted EBITDA margin. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The non-GAAP financial measures used by King may differ from the non-GAAP financial measures used by other companies, and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. Some limitations of the non-GAAP financial measures are included in Appendix.

Basis of Accounting and Financial Measures



- ▶ Activision Blizzard prepares its financial information in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). King prepares its financial information in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). We have not made any adjustments to the King IFRS basis financial information to conform to a U.S. GAAP basis of presentation.
- ▶ Both Activision Blizzard and King use non-GAAP and non-IFRS (collectively, “non-GAAP”) measures of financial performance. These non-GAAP financial measures are not intended to be considered in isolation from, or as a substitute for, the financial information prepared and presented in accordance with U.S. GAAP or IFRS. Refer to Appendix for additional information on the non-GAAP measures and reconciliation to U.S. GAAP or IFRS. Trailing twelve month financial information is based on financial information through 30 September 2015 as published by Activision Blizzard and King. Estimated 2015 and 2016 measurements of financial information for Activision Blizzard and King are based on IBES estimates as of 30 October 2015.

Statements Related to Irish Takeover Rules



▶ No Profit Forecast or Asset Valuation

▶ Except for the specific information relating to King Digital Entertainment plc 's earnings for the quarter ended December 31, 2015, no statement in this presentation is intended to constitute a profit forecast for any period, nor should any statements be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the relevant preceding financial periods for King or Activision Blizzard, as appropriate. In particular, information about 3-year CAGR in slide 9 represents targeted results only and there can be no assurance that any such targeted results will be achieved. No statement in this presentation constitutes an asset valuation.

▶ Restrictions on Certain Information

▶ Activision Blizzard's proposed acquisition of King Digital Entertainment plc is governed by the Irish Takeover Rules. Under the Irish Takeover Rules, Activision Blizzard is prohibited from discussing any material new information or significant new opinions which have not been publicly announced. Any person interested in shares in Activision Blizzard or King is encouraged to consult their professional advisers.

▶ Non-Solicitation

▶ This presentation is not intended to and does not constitute an offer to purchase, sell, subscribe for or exchange, or the solicitation of an offer to purchase, sell, subscribe for or exchange or an invitation to purchase, sell, subscribe for or exchange any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. This presentation does not constitute a prospectus or an equivalent document and it is not intended to and does not constitute or form any part of an offer or invitation to sell or purchase or subscribe for any securities or a solicitation of an offer to buy any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the acquisition or otherwise.

▶ Irish Law and Irish Takeover Rules

▶ This presentation has been prepared for the purposes of complying with Irish law and the Irish Takeover Rules and the information disclosed may not be the same as that which would have been disclosed if this presentation had been prepared in accordance with the laws and regulations of any jurisdiction outside Ireland.

Additional Statements Related to Irish Takeover Rules



▶ Responsibility Statement

▶ The directors of Activision Blizzard, Inc. and the sole manager of ABS Partners I, LLC (in its capacity as the general partner of ABS Partners C.V., a wholly-owned subsidiary of Activision Blizzard, Inc. formed for the purpose of acquiring King Digital Entertainment plc) accept responsibility for the information contained in this presentation. To the best of the knowledge and belief of the directors of Activision Blizzard, Inc. and the sole manager of ABS Partners I, LLC (in its capacity as the general partner of ABS Partners C.V.) (who have taken all reasonable care to ensure that such is the case), the information contained in this presentation is in accordance with the facts and does not omit anything likely to affect the import of such information.

▶ Disclosure Requirements for Certain Holders of King Securities

- ▶ Under the provisions of Rule 8.3 of the Irish Takeover Rules, if any person is, or becomes, “interested” (directly or indirectly) in, 1% or more of any class of “relevant securities” of King Digital Entertainment plc, all “dealings” in any “relevant securities” of King (including by means of an option in respect of, or a derivative referenced to, any such “relevant securities”) must be publicly disclosed by not later than 3:30 pm (New York time) on the “business day” following the date of the relevant transaction. This requirement will continue until the date on which the acquisition becomes effective or the offer period otherwise ends. If two or more persons co-operate on the basis of any agreement, either express or tacit, either oral or written, to acquire an “interest” in “relevant securities” of King, they will be deemed to be a single person for the purpose of Rule 8.3 of the Irish Takeover Rules.
- ▶ Under the provisions of Rule 8.1 of the Irish Takeover Rules, all “dealings” in “relevant securities” of King by Activision Blizzard, or by any party acting in concert with it, must also be disclosed by no later than 12 noon (New York time) on the “business” day following the date of the relevant transaction.
- ▶ A disclosure table, giving details of the companies in whose “relevant securities” “dealings” should be disclosed, can be found on the Irish Takeover Panel’s website at www.irishtakeoverpanel.ie.
- ▶ “Interests in securities” arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an “interest” by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.
- ▶ Terms in quotation marks are defined in the Irish Takeover Rules, which can also be found on the Irish Takeover Panel's website. If you are in any doubt as to whether or not you are required to disclose a dealing under Rule 8, please consult the Irish Takeover Panel's website at www.irishtakeoverpanel.ie or contact the Irish Takeover Panel on telephone number +353 1 678 9020 or fax number +353 1 678 9289.

Other Disclaimers



▶ Restricted Jurisdictions

- ▶ The release, publication or distribution of this presentation in or into certain jurisdictions may be restricted by the laws of those jurisdictions. Accordingly, copies of this presentation and all other documents relating to the acquisition are not being, and must not be, released, published, mailed or otherwise forwarded, distributed or sent in, into or from any such restricted jurisdiction. Persons receiving such documents (including, without limitation, nominees, trustees and custodians) should observe these restrictions. Failure to do so may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the acquisition disclaim any responsibility or liability for the violations of any such restrictions by any person.

▶ Advisers

- ▶ Goldman Sachs, which is authorized by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for Activision Blizzard, Inc. and for no one else in connection with the matters set out in this presentation and will not be responsible to anyone other than Activision Blizzard for affording the protections afforded to clients of Goldman Sachs or for providing advice in connection with the contents of this presentation or any matter referred to herein.

▶ Rounding

- ▶ Certain figures included in this presentation have been subjected to rounding adjustments

▶ Publication on microsite

- ▶ A copy of this presentation will be made available by Activision Blizzard free of charge, subject to certain restrictions relating to persons in restricted jurisdictions, on activisionblizzard.acquisitionoffer.com by no later than 12 noon ET/ New York time on November, 9 2015.

Activision Blizzard Key Metrics and Definitions



- ▶ **Monthly Active User (MAU) Definition:** We monitor MAUs as a key measure of the overall size of our user base and their regular engagement with our portfolio of games. MAUs are the number of individuals who played a particular game in a given month. We calculate average MAUs in a period by adding the total number of MAUs in each of the months in a given period and dividing by the number of months in the period. An individual who plays two of our games would be counted as two users. For Activision Publishing MAUs, an individual who plays the same game on two platforms or devices in the relevant period would be counted as two users due to technical limitations. For Blizzard MAUs, an individual who plays the same game on two platforms or devices in the relevant period would be counted as one user.

King Key Metrics and Definitions

- ▶ **Daily Active Users (DAUs)** are the number of individuals who played one of our games during a particular day. We calculate average DAUs by adding the total number of DAUs for each day in a period and dividing by the number of days in the period.
- ▶ **Monthly Active Users (MAUs)** are the number of individuals who played a particular game in the 30-day period ending with the measurement date. We calculate average MAUs by adding the total number of active users as of the end of each month in a given period and dividing by the number of months in the period.
- ▶ **Monthly Unique Users (MUUs)**¹ are the number of unique individuals who played any of our games on a particular platform in the 30-day period ending with the measurement date. We calculate average MUUs by adding the total number of unique users as of the end of each month in a given period and dividing by the number of months in the period.
- ▶ **Monthly Unique Payers (MUPs)**¹ are the number of unique individuals who made a purchase of virtual currency at least once on a particular platform in the 30-day period ending with the measurement date. We calculate average MUPs by adding the total number of unique payers as of the end of each month in a period and dividing by the number of months in the period.
- ▶ **Monthly Gross Average Bookings per Paying User (MGABPPU)** is calculated by dividing (1) our total gross bookings in a given period, by (2) the number of months in that period, divided by, (3) the average number of MUPs during the period.

¹Because we cannot always distinguish unique individuals playing across multiple platforms, an individual or payer who plays or pays on two different platforms (e.g. Facebook and mobile) may be counted as two MUUs in the event we cannot de-duplicate, consistent with industry practice

King Use of Non-GAAP Measures

- ▶ **King Digital Entertainment plc uses International Financial Reporting Standards (“IFRS”). In addition to IFRS financials, this presentation includes certain financial measures not based on IFRS, including gross bookings, adjusted revenue, adjusted EBITDA, and adjusted EBITDA margin. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with IFRS. The non-GAAP financial measures used by King may differ from the non-GAAP financial measures used by other companies, and are not intended to be considered in isolation or as a substitute for the financial information prepared and presented in accordance with IFRS. Some limitations of the non-GAAP financial measures are included in Appendix.**

King Non-GAAP and Other Financial Measures and Definitions

- ▶ **Gross Bookings:** Gross bookings is a non-GAAP financial measure that is not calculated in accordance with IFRS. Gross bookings is the economic benefit collected from the sale of virtual items and for access to skill tournaments.
 - ▶ The Company uses gross bookings to evaluate the results of operations, generate future operating plans and assess performance. While King believes that this non-GAAP financial measure provides a meaningful measurement of the business performance during a particular period because it measures the total cash spend by players in the period, this information should be considered as supplemental in nature and is not meant as a substitute for revenue recognized in accordance with IFRS. In addition, other companies, including companies within our industry, may calculate gross bookings differently or not at all, which reduces its usefulness as a comparative measure.
- ▶ **Adjusted Revenue:** Adjusted revenue is a non-GAAP financial measure that is not calculated in accordance with IFRS. King defines adjusted revenue as revenue adjusted to include changes in deferred revenue. King believes that adjusted revenue is a useful metric for calculating adjusted EBITDA margin and understanding our operating results and ongoing profitability.
- ▶ **Adjusted EBITDA and Adjusted EBITDA Margin:** Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures that are not calculated in accordance with IFRS. King defines adjusted EBITDA as profit (loss), adjusted for income tax expense (credit), foreign currency exchange loss (gain), acquisition-related (benefit) expense (including acquisition-related contingent consideration fair value adjustments and other acquisition-related adjustments), non-operating (income) expense, net finance (income) costs, depreciation, amortization, share-based and other equity-related compensation (including social security charges associated therewith) and changes in deferred revenue. King defines adjusted EBITDA margin as adjusted EBITDA as a percentage of adjusted revenue. King believes that adjusted EBITDA and adjusted EBITDA margin are useful metrics for investors to understand and evaluate our operating results and ongoing profitability because it permits investors to evaluate our recurring profitability from our ongoing operating activities. King also uses these measures internally to establish forecasts, budgets and operational goals and to manage and monitor our business, as well as evaluating our ongoing and historical performance. Adjusted EBITDA and adjusted EBITDA margin have certain limitations as analytical tools, and you should not consider them in isolation or as a substitute for analysis of our results of operations as reported under IFRS. Other companies, including companies in our industry, may calculate adjusted EBITDA differently or not at all, limiting its usefulness as a direct comparative measure.
- ▶ Reconciliations of these non-IFRS measures to the most directly comparable IFRS measure are included in this appendix.

King Reconciliation of IFRS to Non-IFRS Financial Measures - Q3 2015 Trailing Twelve Months Revenue to Gross Bookings

(\$mm)	Q4-14	Q1-15	Q2-15	Q3-15	TTM Q3-15
Revenue	545.6	569.5	489.5	479.7	2,084.3
Sales tax	27.4	34.9	30.0	29.3	121.6
Other revenue	(1.8)	(1.6)	(1.6)	(1.5)	(6.5)
Movement in player wallet and other adjustments	1.5	1.4	1.2	1.0	5.1
Change in deferred revenue	13.6	0.3	10.4	(6.3)	18.0
Gross bookings	586.3	604.5	529.5	502.1	2,222.4

Amounts are presented as calculated. Therefore the sum, as presented, may differ due to the impact of rounding.

King Reconciliation of IFRS to Non-IFRS Financial Measures - Q3 2015 Trailing Twelve Months Revenue to Adjusted Revenue

(\$mm)	Q4-14	Q1-15	Q2-15	Q3-15	TTM Q3-15
Revenue	545.6	569.5	489.5	479.7	2,084.3
Change in deferred revenue	13.6	0.3	10.4	(6.3)	18.0
Adjusted revenue	559.2	569.8	499.9	473.4	2,102.3

King Reconciliation of IFRS to Non-IFRS Financial Measures - Q3 2015

Trailing Twelve Months Profit to Adjusted EDITDA

(\$mm)	Q4-14	Q1-15	Q2-15	Q3-15	TTM Q3-15
Profit	140.6	164.1	119.3	142.7	566.7
Add:					
Income tax expense	63.5	46.8	40.3	31.2	181.8
Foreign currency exchange (gain) loss	(15.1)	(4.9)	3.9	(1.6)	(17.7)
Acquisition-related (benefit) expense	0.5	5.4	0.5	(12.5)	(6.1)
Non-operating expense (income)	1.5	(0.0)	0.0	-	1.5
Net finance costs	0.2	0.2	0.2	0.3	0.9
Share-based and other equity-related compensation	27.1	32.7	26.5	19.5	105.8
Change in deferred revenue	13.6	0.3	10.4	(6.3)	18.0
Depreciation and amortization	5.6	5.7	6.4	7.3	25.0
Adjusted EBITDA	237.3	250.2	207.4	180.4	875.3
% Adjusted EBITDA margin	42%	44%	41%	38%	42%