

# ATVI Summary as of May 6, 2014

Unless otherwise explicitly stated, all data and comments, including forward-looking information, are current as of May 6, 2014 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 May 6, 2014 and the Company's reports and filings with the SEC.

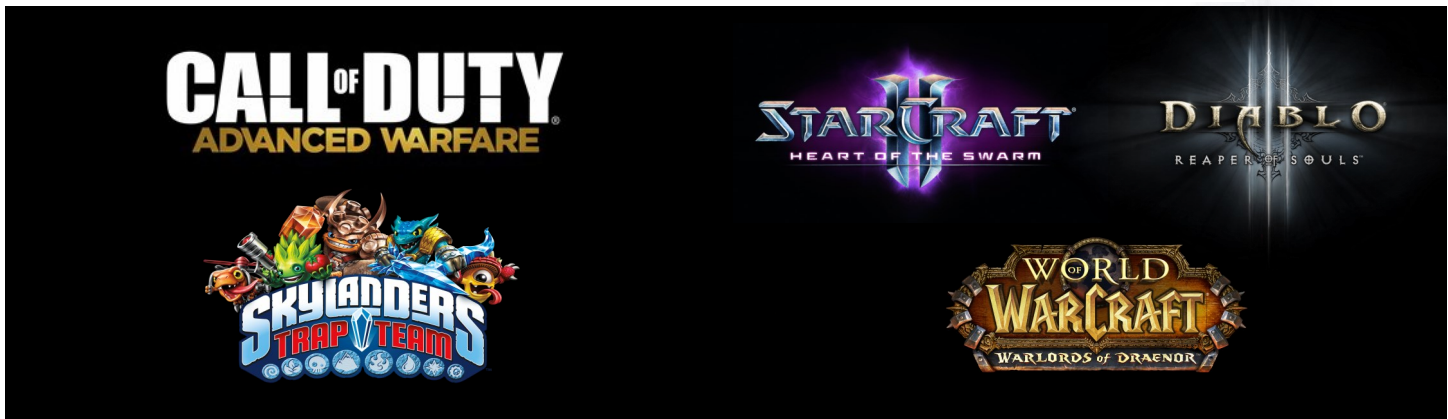
Stock Information <sup>1</sup> :				Full Year EPS and Outlook:				
Price per share as of 4/28/14	\$19.33	Q1 2014 TTM GAAP EPS (\$)	0.95	2010	2011	2012	2013	2014E <sup>††</sup>
2014 Dividend/share (\$)	0.20	Q1 2014 TTM Non-GAAP <sup>†</sup> EPS (\$)	1.14	GAAP EPS	\$0.33	\$0.92	\$1.01	\$0.95
Daily volume on 4/28/14 (M)	6.1	Q1 2014 TTM FCF/diluted share <sup>2</sup> (\$)	1.29	Non-GAAP <sup>†</sup> EPS	\$0.79	\$0.93	\$1.18	\$0.94
50-day avg. vol., ending 4/28/14 (M)	5.8	Cash and investments <sup>4</sup> /diluted share <sup>2</sup> (\$)	5.65	<b>IR Contacts:</b>				
Shs. Outstanding <sup>2</sup> (M)	760	Book Value/diluted share <sup>2</sup> (\$)	9.11	Kristin Southey, SVP IR and Treasury		Peter Ausnit, VP IR		
Market Cap. as of 4/28/14 (\$B)	13.8	Total cash and investments <sup>4</sup> (\$B)	4.30	Kristin.Southey@ActivisionBlizzard.com		Peter.Ausnit@ActivisionBlizzard.com		
Enterprise Value as of 4/28/14 <sup>3</sup> (\$B)	13.9	Total debt as of 3/31/14 (\$B)	4.37	(310) 255-2635		(424) 744-5686		
Beta as 4/28/14	1.21							

<sup>1</sup>NASDAQ OMX. <sup>2</sup>Fully diluted share count includes options, RSUs, and participating securities outstanding, as of 3/31. <sup>3</sup>Using 3/31 cash of \$4.28B and debt of \$4.37B. <sup>4</sup>Includes short-term and long-term investments.

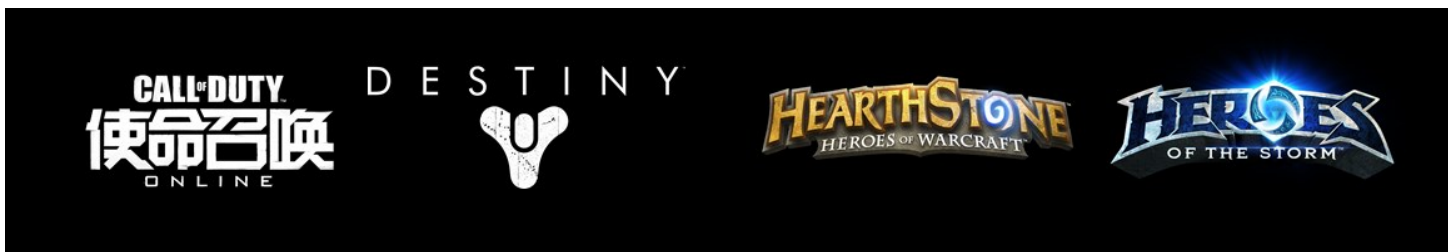
## Some of The Most Valuable Franchises in Entertainment

ACTIVISION

BLIZZARD



## Adding Four New Franchises in 2014 and Beyond



## Expecting Record Non-GAAP EPS<sup>††</sup> in 2014

<sup>†</sup>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 March 31, 2014, please refer to the tables attached to Company's earnings release dated May 6, 2014, which is available on our website, www.activisionblizzard.com. <sup>††</sup> 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.

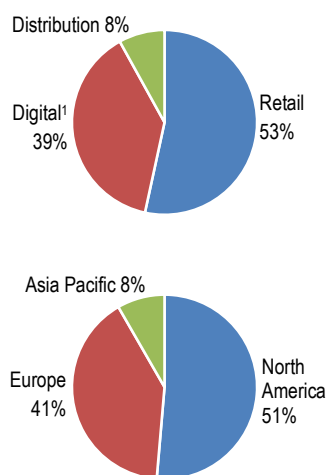
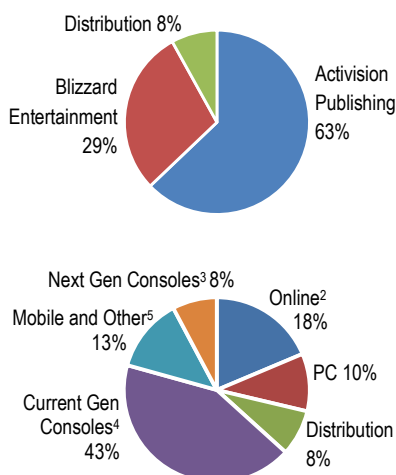
## Segment Performance

	Non-GAAP <sup>†</sup>			Y/Y	Non-GAAP <sup>†</sup> TTM			Y/Y
	Q1	Q1	Q1		Q1	Q1	Q1	
	2012	2013	2014	%	2012	2013	2014	%
<b>Revenues (\$B)</b>								
Activision	0.27	0.42	0.24	-43%	2.77	3.22	2.71	-16%
Blizzard	0.25	0.33	0.46	39%	1.14	1.69	1.25	-26%
Distribution	0.07	0.05	0.07	40%	0.41	0.29	0.35	21%
Total	0.59	0.80	0.77	-4%	4.32	5.20	4.31	-17%
<b>Operating Income (\$B)</b>								
Activision	0.00	0.11	0.00	-100%	0.80	1.08	0.86	-20%
Blizzard	0.09	0.14	0.24	71%	0.42	0.77	0.48	-38%
Distribution	0.00	0.00	0.00	0%	0.01	0.01	0.01	0%
Total	0.09	0.25	0.24	-4%	1.23	1.86	1.35	-27%
<b>Operating Margin</b>								
Activision	0.0%	26.2%	0.0%		28.9%	33.5%	31.7%	
Blizzard	36.0%	42.4%	52.2%		36.8%	45.6%	38.4%	
Distribution	0.0%	0.0%	0.0%		2.4%	3.4%	2.9%	
Total	15.3%	30.7%	31.1%		28.5%	35.6%	31.3%	

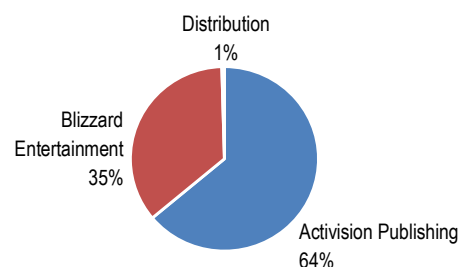
## Revenue Breakdowns

	GAAP TTM			Y/Y	Non-GAAP <sup>†</sup> TTM			Y/Y
	Q1	Q1	Q1		Q1	Q1	Q1	
	2012	2013	2014	%	2012	2013	2014	%
<b>Distribution Channels (\$B)</b>								
Retail	2.54	3.12	2.46	-21%	2.49	3.18	2.30	-28%
Digital online channels <sup>1</sup>	1.53	1.60	1.56	-3%	1.42	1.73	1.66	-4%
Distribution	0.41	0.29	0.35	21%	0.41	0.29	0.35	21%
Total	4.48	5.01	4.37	-13%	4.32	5.20	4.31	-17%
<b>Platforms (\$B)</b>								
Online <sup>2</sup>	1.22	1.01	0.84	-17%	1.07	1.05	0.80	-24%
PC	0.21	0.72	0.34	-53%	0.20	0.81	0.43	-47%
Next Gen Consoles <sup>3</sup>	0.00	0.02	0.19	850%	0.00	0.04	0.33	725%
Current Gen Consoles <sup>4</sup>	2.30	2.23	2.09	-6%	2.31	2.28	1.84	-19%
Mobile and Other <sup>5</sup>	0.34	0.74	0.56	-24%	0.34	0.74	0.56	-24%
Distribution	0.41	0.29	0.35	21%	0.41	0.29	0.35	21%
Total	4.48	5.01	4.37	-13%	4.32	5.20	4.31	-17%
<b>Geography (\$B)</b>								
North America	2.26	2.57	2.24	-13%	2.16	2.67	2.21	-17%
Europe	1.88	1.97	1.80	-9%	1.82	2.05	1.74	-15%
Asia Pacific	0.34	0.47	0.33	-30%	0.34	0.48	0.36	-25%
Total	4.48	5.01	4.37	-13%	4.32	5.20	4.31	-17%

### Q1 2014 TTM Non-GAAP<sup>†</sup> Revenues



### Q1 2014 TTM Non-GAAP<sup>†</sup> Operating Income



<sup>1</sup>Digital includes revenues from subscriptions, memberships and licensing royalties, value added services, downloadable content, digitally distributed products, and wireless devices.  
<sup>2</sup>All World of Warcraft and COD Elite memberships <sup>3</sup>Wi-U, PS4, Xbox One. <sup>4</sup>Wi, PS3, Xbox 360 <sup>5</sup>Mobile and Other includes toys, mobile, and other accessories and handheld.

## Outlook, as of May. 6, 2014<sup>††</sup>

	Q2, GAAP	Q2, Non-GAAP <sup>†</sup>	2014, GAAP	2014, Non-GAAP <sup>†</sup>
<b>Revenues</b>	<b>\$910M</b>	<b>\$600M</b>	<b>\$4.22B</b>	<b>\$4.675B</b>
COGS	26%	26%	23%	25%
Op Ex, including Royalties	45%	63%	52%	43%
Operating Margin*	29%	10%	25%	32%
Interest Expense	\$52M	\$52M	\$210M	\$210M
Tax Rate	22%	37%	22%	25%
EPS*	\$0.22	\$0.01	\$0.89	\$1.27
Fully diluted weighted average shares**	745M	745M	750M	750M

\* May not foot due to rounding.

\*\* Including 728M fully diluted shares and 17M participating securities and dilutive options based on average share price.

## Q1 2014 Results

	Q1 2013	Q1 2014
GAAP Net Revenues, \$M	1,324	1,111
GAAP EPS, \$	0.40	0.40
Non-GAAP <sup>†</sup> Net Revenues, \$M	804	772
Non-GAAP <sup>†</sup> EPS, \$	0.17	0.19

## Cash Flows, Repurchases and Dividends, \$M

	2009	2010	2011	2012	2013
Operating Cash Flow (OCF)	1,183	1,376	952	1,345	1,264
Capital Expenditures (CapEx)	69	97	72	73	74
Free Cash Flow <sup>1</sup> (FCF <sup>1</sup> )	1,114	1,279	880	1,272	1,190
Repurchases and Dividends	1,109	1,148	886	519	6,046

<sup>1</sup>FCF represents OCF minus CapEx.

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