

Activision Blizzard, Inc.  
Form PREM14A  
September 30, 2013

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

**ACTIVISION BLIZZARD, INC.**

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(Name of Registrant as Specified In Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
- (1) Title of each class of securities to which transaction applies:  
Common stock, par value \$0.000001 per share, of Activision Blizzard, Inc.
- (2) Aggregate number of securities to which transaction applies:  
600,644,513

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- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

In accordance with Exchange Act Rule 0-11(c), the filing fee of \$1,114,219.60 was determined by multiplying 0.0001364 by the aggregate stock purchase consideration of \$8,168,765,376.80. The aggregate stock purchase consideration of \$8,168,765,376.80 was determined by the sum of (i) the product of 428,676,471 outstanding shares of common stock of Activision Blizzard, Inc. to be acquired in the Stock Purchase Transaction (as defined in this proxy statement) multiplied by the per share consideration of \$13.60, plus (ii) the product of 171,968,042 outstanding shares of common stock of Activision Blizzard, Inc. to be acquired in the Private Sale (as defined in this proxy statement) multiplied by the per share consideration of \$13.60.

- (4) Proposed maximum aggregate value of transaction:

\$8,168,765,376.80

- (5) Total fee paid:

\$1,114,219.60

- o Fee paid previously with preliminary materials.
- o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

- (1) Amount Previously Paid:

- (2) Form, Schedule or Registration Statement No.:

- (3) Filing Party:

- (4) Date Filed:
-

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**PRELIMINARY PROXY STATEMENT SUBJECT TO COMPLETION  
DATED SEPTEMBER 30, 2013**

**3100 Ocean Park Boulevard  
Santa Monica, California 90405**

**Dear Fellow Stockholders:**

I cordially invite you to join me at a special meeting of stockholders of Activision Blizzard, Inc., which we will hold at [ ] of [ ], 2013, at 9:00 a.m., Pacific Time. Stockholders of record at the close of business on [ ], 2013, will be entitled to vote at the special meeting or its adjournment or postponement. This proxy statement contains information about the special meeting and will serve as your guide to the matters on which you will be asked to vote.

As previously announced, Activision Blizzard entered into a stock purchase agreement, dated as of July 25, 2013, under which it will acquire from Vivendi, S.A. approximately 429 million shares of Activision Blizzard common stock, by acquiring a Vivendi subsidiary that holds those shares, in exchange for approximately \$5.83 billion in cash, or \$13.60 per share. In addition, the Vivendi subsidiary has certain tax attributes that are expected to benefit Activision Blizzard in the future. The \$13.60 per share price represents a discount of approximately 19.14% to the closing price of Activision Blizzard common stock on September 27, 2013, the last completed trading day prior to the date of this proxy statement, and a discount of approximately 10.41% to the closing price of Activision Blizzard common stock on July 25, 2013, the last completed trading day prior to the public announcement of the proposed transactions. In a simultaneous transaction, ASAC II LP, an investment vehicle led by Co-Chairman Brian Kelly and me, to which he and I personally have committed \$100 million combined, separately will purchase from Vivendi approximately 172 million shares of Activision Blizzard common stock, in exchange for approximately \$2.34 billion in cash, or \$13.60 per share. Other than as a stockholder of Activision Blizzard, ASAC II LP will not share in any of the benefits resulting from the Company's assumption of the favorable tax attributes of the acquired Vivendi subsidiary.

Upon completion of the transactions, Activision Blizzard will be an independent company with the majority of its shares owned by the public. Vivendi will no longer be the majority stockholder, but will retain a stake of approximately 83 million shares or approximately 11.9% of the then-outstanding shares of Activision Blizzard common stock, and its current designees to our board of directors will resign. Also upon completion of the transaction, ASAC II LP the investment vehicle which, in addition to Brian Kelly and me, currently includes Davis Selected Advisors, L.P., Leonard Green & Partners, L.P., Tencent, and one of the largest global institutional investors will own approximately 24.7% of the outstanding shares of Activision Blizzard common stock.

Our board of directors formed a special committee consisting entirely of independent directors to evaluate whether to pursue a transaction with Vivendi and/or members of management in order to alter Vivendi's investment in Activision Blizzard, and the special committee, which was advised by its own financial and legal advisors, had full authority to negotiate the terms and conditions of the stock purchase agreement on behalf of the Company. **The special committee unanimously determined the transactions contemplated by the stock purchase agreement to be advisable and in the best interests of Activision Blizzard and unanimously recommended that our board of directors approve the company's execution, delivery and performance of the stock purchase agreement and the transactions contemplated thereby.**

After consideration of, and based upon, the special committee's recommendation, our board of directors unanimously determined that it is in the best interests of Activision Blizzard to enter into the stock purchase agreement, and approved and declared advisable the execution, delivery and performance of the stock purchase agreement and the consummation of the transactions contemplated thereby.

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At the special meeting, we will ask you to approve the stock purchase agreement and the transactions that it contemplates. We also will ask you to grant us the authority to vote your shares to adjourn the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to approve the stock purchase agreement and the transactions that it contemplates.

**Your vote is very important to us and it is important that your shares of Activision Blizzard common stock be represented at the special meeting. The transactions contemplated by the stock purchase agreement have been enjoined by a preliminary injunction order of the Court of Chancery of the State of Delaware. Although we disagree with the Court's ruling and are appealing the decision, absent further action by the Delaware courts, the preliminary injunction prevents completion of the contemplated transactions unless the stock purchase agreement and the transactions contemplated thereby are approved by both a majority in interest of (a) the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting and (b) the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, other than Vivendi and its controlled affiliates. Accordingly, whether or not you plan to attend the special meeting, I encourage you to promptly vote your shares by proxy by following the instructions beginning on page 23 of this proxy statement. If you are able to attend the special meeting and wish to vote in person, you may withdraw your proxy at that time.**

If you have any questions or need assistance voting your shares of Activision Blizzard common stock, please call [ ] our proxy solicitor, toll-free at [ ].

Based on the recommendation of the special committee, our board of directors unanimously recommends that you vote "**FOR**" the proposal to approve the stock purchase agreement and the transactions contemplated thereby and "**FOR**" the proposal to adjourn the special meeting if necessary or appropriate. Thank you for your continued support of Activision Blizzard. I look forward to seeing you at the special meeting.

Sincerely,

Robert A. Kotick  
*President and Chief Executive Officer*

**Neither the Securities and Exchange Commission nor any state securities regulatory agency has approved or disapproved the stock purchase agreement or the transactions that it contemplates, passed upon the merits or fairness of the stock purchase agreement or the transactions that it contemplates or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.**

This proxy statement is dated [ ], 2013 and is first being mailed to stockholders on or about [ ], 2013.

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3100 Ocean Park Boulevard  
Santa Monica, California 90405

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

[        ], 2013

9:00 a.m., Pacific Time

[        ]

A special meeting of Stockholders of Activision Blizzard, Inc. ("Activision Blizzard") will be held at [        ] on [        ], 2013, at 9:00 a.m., Pacific Time.

The purposes of the special meeting are to:

1. consider and vote upon a proposal to approve the Stock Purchase Agreement, dated as of July 25, 2013 (the "Stock Purchase Agreement"), by and among Activision Blizzard, ASAC II LP, an exempted limited partnership established under the laws of the Cayman Islands ("ASAC"), and acting by ASAC II LLC, its general partner, and Vivendi, S.A., a *société anonyme* organized under the laws of France ("Vivendi"), and the transactions contemplated thereby; and
2. consider and vote upon a proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby.

Each of the proposals is described more fully in the proxy statement accompanying this notice. The board of directors of Activision Blizzard has fixed the close of business on [        ], 2013 as the record date for determining stockholders entitled to receive notice of, and to vote at, the special meeting or any adjournment or postponement thereof.

Based on the recommendation of the special committee of the board of directors of Activision Blizzard, the board of directors of Activision Blizzard unanimously recommends that you vote "**FOR**" each of the above proposals.

**Your vote is very important to us and it is important that your shares of Activision Blizzard common stock be represented at the special meeting. The transactions contemplated by the stock purchase agreement have been enjoined by a preliminary injunction order of the Court of Chancery of the State of Delaware. Although we disagree with the Court's ruling and are appealing the decision, absent further action by the Delaware courts, the preliminary injunction prevents completion of the contemplated transactions unless the stock purchase agreement and the transactions contemplated thereby are approved by both a majority in interest of (a) the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting and (b) the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, other than Vivendi and its controlled affiliates. Accordingly, whether or not you plan to attend the special meeting, I encourage you to promptly vote your shares by proxy by following the instructions beginning on page 23 of this proxy statement. If you are able to attend the special meeting and wish to vote in person, you may withdraw your proxy at that time.**

By Order of the Board of Directors

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Jeffrey A. Brown  
*Corporate Secretary*  
[-], 2013

In addition to delivering the proxy materials for the special meeting to be held on [ ], 2013 to  
stockholders by mail, the proxy statement for such meeting is also available at  
<http://investor.activision.com/sec.cfm>

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**SUMMARY TERM SHEET**

*This Summary Term Sheet, together with the "Questions and Answers," highlights selected information from this proxy statement and does not contain all of the information that may be important to you. You should read carefully the entire proxy statement and the additional documents referred to in, or incorporated by reference into, this proxy statement for a more complete understanding of the matters being considered at the special meeting. This summary includes references to other parts of this proxy statement to direct you to a more complete description of the topics presented in this summary. In this proxy statement, "we," "us," "our," "Activision Blizzard" and the "Company" refer to Activision Blizzard, Inc., a Delaware corporation. This proxy statement is dated [ ], 2013 and is first being mailed to stockholders on or about [ ], 2013.*

**The Parties to the Transactions (see page 26)**

***Activision Blizzard, Inc.***

Activision Blizzard, a Delaware corporation, is a leading global developer and publisher of interactive entertainment. We publish online, personal computer, video game console, handheld, mobile and tablet games. We derive the vast majority of our operating income from internally developed, wholly owned properties. We have leading franchises across several major categories of the growing video game industry, making us the largest Western independent interactive entertainment publisher.

***Vivendi, S.A.***

Vivendi, S.A., a *société anonyme* organized under the laws of France ("Vivendi"), is a multimedia group that creates and publishes content for which it develops broadcast networks and distribution platforms. Vivendi combines a number of companies that are leaders in content and media: the French leader in pay-TV (Canal+ Group), the world leader in music (Universal Music Group) and the world leader in independent video game publishing (Activision Blizzard). In telecommunications, Vivendi operates the French leader in alternative telecoms (SFR), the Moroccan leader in telecoms (Maroc Telecom) and the leading alternative broadband operator in Brazil (GVT). As of September 20, 2013, Vivendi beneficially owns 683,643,890 shares of Activision Blizzard common stock, representing approximately 60.8% of the issued and outstanding shares of Activision Blizzard common stock.

***ASAC II LP***

ASAC II LP is an exempted limited partnership organized under the laws of the Cayman Islands ("ASAC"). The general partner of ASAC is ASAC II LLC, a Delaware limited liability company (the "General Partner"). Our CEO Robert A. Kotick and Co-Chairman of our board of directors Brian G. Kelly are the managers of the General Partner and each of them owns, through his affiliates, 50% of the membership interests of the General Partner. ASAC was formed for the limited purpose of acquiring, holding and disposing of shares of Activision Blizzard common stock to be purchased by it pursuant to the Stock Purchase Agreement, dated as of July 25, 2013 (the "Stock Purchase Agreement"), by and among Activision Blizzard, ASAC and Vivendi. ASAC and the General Partner are referred to herein as the "ASAC Entities."

**The Transactions (see pages 27, 81)**

You are being asked to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby. Pursuant to the Stock Purchase Agreement, the Company will acquire from Vivendi (the "Stock Purchase Transaction") all of the outstanding shares of the capital stock of Amber Holding Subsidiary Co., a Delaware corporation and wholly owned newly formed subsidiary of Vivendi ("New VH"), which at the time of such purchase will be the direct owner of 428,676,471 shares of Activision Blizzard common stock and which is contractually prohibited from conducting any operations, in consideration of a cash payment to Vivendi of \$5,830,000,005.60, or \$13.60 per share for the Activision



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Blizzard common stock owned by New VH. In addition, New VH has certain tax attributes that are expected to benefit the Company in the future. The \$13.60 per share purchase price represents a discount of approximately 19.14% to the closing price per share of Activision Blizzard common stock on September 27, 2013, the last completed trading day prior to the date of this proxy statement, and a discount of approximately 10.41% to the closing price per share of Activision Blizzard common stock on July 25, 2013, the last completed trading day prior to the public announcement of the proposed transactions. Immediately following the consummation of the Stock Purchase Transaction, ASAC, upon the terms and subject to the conditions of the Stock Purchase Agreement, will acquire from Vivendi 171,968,042 shares of Activision Blizzard common stock for an aggregate cash payment of \$2,338,765,371.20, or \$13.60 per share for the Activision Blizzard common stock to be acquired by ASAC (assuming no potential reduction in the shares to be acquired by ASAC pursuant to the terms of the Stock Purchase Agreement, as further described herein) (the "Private Sale"). The Stock Purchase Transaction and the Private Sale are both required by the Stock Purchase Agreement to occur on the closing date.

**Effect of the Transactions (see page 27)**

After giving effect to the Stock Purchase Transaction and the Private Sale, our outstanding share count is expected to be reduced by 428,676,471 shares of Activision Blizzard common stock, and based on the approximately 1,124 million shares of Activision Blizzard common stock issued and outstanding as of September 20, 2013, (i) our outstanding share count would be approximately 695 million shares of Activision Blizzard common stock, approximately 63.4% of which would be held by the public, (ii) Vivendi would hold approximately 83 million shares of Activision Blizzard common stock (the "Remaining Shares") or approximately 11.9% of our outstanding shares of common stock, and (iii) ASAC would hold 171,968,042 shares of Activision Blizzard common stock or approximately 24.7% of our outstanding shares of common stock. The shares of Activision Blizzard common stock acquired by the Company in the Stock Purchase Transaction will be treated as treasury shares for accounting and legal purposes.

The Company's new capital structure upon consummation of the transactions contemplated by the Stock Purchase Agreement, which will include \$1.4 billion of net debt, where net debt is calculated by subtracting the debt and fees to be incurred from cash and short-term investments at June 30, 2013, and a lower total outstanding share count, is expected to be accretive to earnings per share for our stockholders. The Company no longer will qualify as a "controlled company" under the NASDAQ Stock Market rules and will be required to meet the independence standards for independent public companies following the consummation of the transactions contemplated by the Stock Purchase Agreement, subject to a phase-in period. In addition, the Company expects to assume certain favorable tax attributes of New VH upon consummation of the transactions contemplated by the Stock Purchase Agreement. Other than as a stockholder of the Company, ASAC will not share in any of the benefits resulting from the Company's assumption of the tax attributes of New VH.

The transactions contemplated by the Stock Purchase Agreement will not (or will be deemed not to) trigger any potential "change in control" payments, as Messrs. Kotick and Kelly have waived any relevant "change in control" or similar provisions under their respective employment arrangements and certain other benefit plans and arrangements in connection with these transactions (see "Interests of the Company's Directors and Executive Officers in the Transactions"). Upon the consummation of the Stock Purchase Transaction, the six current directors designated by Vivendi on our board of directors will resign and Vivendi will agree to a customary standstill not to, among other things, acquire additional shares of Activision Blizzard common stock or seek representation on our board of directors other than at the request of our independent directors. Similarly, upon the consummation of the simultaneous Private Sale, ASAC will agree to a customary standstill not to, among other things, acquire additional shares of Activision Blizzard common stock, run a proxy contest or call a stockholders meeting, in each case until six months after its ownership in the Company falls below 5%. ASAC will not have any contractual right to designate directors to our board of directors.

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**Effect on Activision Blizzard if the Transactions are Not Completed (see page 14)**

If the transactions contemplated by the Stock Purchase Agreement are not completed for any reason, whether because they are not approved by our stockholders or otherwise, the Company will continue to be controlled by Vivendi, the debt issued by the Company in connection with the transactions contemplated by the Stock Purchase Agreement will be required to be redeemed, the Company's capital structure will remain as it stands today and the Company and its stockholders will not realize the potential benefits of the transactions.

**Consideration (see page 81)**

Upon consummation of the Stock Purchase Transaction, the Company will pay Vivendi aggregate cash consideration in the amount of \$5,830,000,005.60, or \$13.60 per share, for the shares of Activision Blizzard common stock to be acquired by the Company through the acquisition of New VH. In addition, New VH has certain tax attributes that are expected to benefit the Company in the future. Upon consummation of the Private Sale, ASAC will pay Vivendi aggregate cash consideration in the amount of \$2,338,765,371.20, or \$13.60 per share, for the shares of Activision Blizzard common stock to be acquired by ASAC, provided that the number of shares to be acquired by ASAC may be reduced under certain circumstances as provided in the Stock Purchase Agreement. The \$13.60 per share purchase price represents a discount of approximately 19.14% to the closing price per share of Activision Blizzard common stock on September 27, 2013, the last completed trading day prior to the date of this proxy statement, and a discount of approximately 10.41% to the closing price per share of Activision Blizzard common stock on July 25, 2013, the last completed trading day prior to the public announcement of the proposed transactions.

**The Special Meeting (see page 22)**

*Date, Time and Place*

The special meeting will be held at [ ], at 9:00 a.m., Pacific Time, of [ ], 2013 (the "special meeting").

*Purpose*

You will be asked at the special meeting to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby. A special committee of our board of directors (the "special committee"), consisting entirely of independent directors, unanimously determined the transactions contemplated by the Stock Purchase Agreement to be advisable and in the best interests of the Company and unanimously recommended that our board of directors approve the Company's execution, delivery and performance of the Stock Purchase Agreement and the consummation of the transactions contemplated thereby. After consideration of, and based upon, the special committee's recommendation, our board of directors unanimously determined that it was in the best interests of the Company to enter into the Stock Purchase Agreement, and approved and declared advisable the execution, delivery and performance of the Stock Purchase Agreement and the consummation of the transactions contemplated thereby. In addition, you also will be asked to vote on a proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby.

*Record Date; Stock Entitled to Vote; Quorum*

Only holders of record of shares of Activision Blizzard common stock at the close of business on [ ], 2013 (the "record date"), are entitled to notice of and to vote at the special meeting. Each Activision Blizzard share issued and outstanding on the record date is entitled to one vote at the special meeting on each proposal presented. On the record date, [ ] shares of Activision Blizzard common

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stock were issued and outstanding and [ ] shares of Activision Blizzard common stock were issued and outstanding and held by holders of record other than Vivendi and its controlled affiliates.

A quorum will be present at the special meeting if a majority of the outstanding shares of Activision Blizzard common stock entitled to vote at the special meeting are represented in person or by proxy. In the event that a quorum is present at the special meeting and there are not sufficient votes at the time of the special meeting in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby, it is expected that the special meeting would be adjourned to solicit additional proxies if the holders of a majority of the shares of Activision Blizzard common stock present, in person or by proxy, and entitled to vote at the special meeting, approve an adjournment.

***Vote Required***

The transactions contemplated by the Stock Purchase Agreement have been enjoined by a preliminary injunction order of the Court of Chancery of the State of Delaware. Although we disagree with the Court's ruling and are appealing the decision, absent further action by the Delaware courts, the preliminary injunction prevents completion of the contemplated transactions unless the Stock Purchase Agreement and the transactions contemplated thereby are approved by both a majority in interest of (a) the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting and (b) the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, other than Vivendi and its controlled affiliates.

The approval of the adjournment of the special meeting requires the presence of a quorum and the affirmative vote of a majority in interest of the stockholders of the Company, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting.

If you are present at the special meeting in person or by proxy and abstain from voting or otherwise do not vote, it will have the same effect as a vote "AGAINST" each of the proposals. If you are not present at the special meeting in person or by proxy, your shares of Activision Blizzard common stock will not be counted as voting power present for purposes of voting on the proposals, and therefore will have no effect on either of the proposals. Broker non-votes will have the same effect as not being present at the special meeting, and therefore will have no effect on either of the proposals.

Vivendi, which beneficially owns 683,643,890 shares of Activision Blizzard common stock as of September 20, 2013, representing approximately 60.8% of the issued and outstanding shares of Activision Blizzard common stock, has informed us that it intends to be present at the special meeting and vote in favor of each of the proposals. This vote by Vivendi would be sufficient to satisfy the requirement for approval by a majority in interest of the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, but will not have any effect in respect of the vote of the stockholders of the Company other than Vivendi and its controlled affiliates.

**Recommendation of the Special Committee and Our Board of Directors; Reasons for the Stock Purchase Agreement and Transactions Contemplated Thereby (see pages 41, 44)**

***Special Committee's Recommendation***

Our board of directors formed the special committee consisting entirely of independent directors to evaluate whether to pursue a transaction with Vivendi and/or members of management in order to alter Vivendi's investment in Activision Blizzard, and the special committee, which was advised by its own financial and legal advisors, had full authority to negotiate the terms and conditions of the Stock Purchase Agreement on behalf of the Company. The special committee unanimously determined the transactions contemplated by the Stock Purchase Agreement to be advisable and in the best interests of the Company and unanimously recommended that our board of directors approve the Company's execution, delivery and

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performance of the Stock Purchase Agreement and the consummation of the transactions contemplated thereby.

***Board of Directors' Recommendation***

After consideration of, and based upon, the special committee's recommendation, our board of directors unanimously determined that it was in the best interests of the Company, and declared it advisable, to enter into the Stock Purchase Agreement and consummate the transactions contemplated thereby. Our board of directors recommends that Activision Blizzard stockholders vote "**FOR**" the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby and "**FOR**" the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby. See "The Transactions Reasons for the Transactions and Recommendation of the Board of Directors" beginning on page 41.

***Reasons for the Transactions***

In evaluating the Stock Purchase Agreement and the transactions contemplated thereby, the special committee was advised by independent legal and financial advisors, and considered a variety of factors pertaining to the strategic and financial rationale for the transactions, including the following: increased strategic and operational flexibility of the Company after giving effect to the transactions; the purchase price being at a discount to the then-current market price and the expected positive effect on the Company's earnings per share resulting from the transactions; the favorable tax attributes included in the transaction; the opinion of the special committee's financial advisor; the expected increase in the trading price of Activision Blizzard common stock following the transactions; the likelihood that in the absence of an agreement on the Stock Purchase Transaction the Company's controlling stockholder would pursue other alternatives that the special committee considered less favorable to the Company's unaffiliated stockholders; the ability to capture value for Company stockholders that could be lost to a third party in a sale by Vivendi, ASAC's investment and the involvement of Messrs. Kotick and Kelly; the waiver of change in control payments by Messrs. Kotick and Kelly; the opportunity to eliminate controlled company inefficiencies; the terms of the transaction agreements and the committed financing and financing condition.

For a detailed discussion of the material factors considered by the special committee and our board of directors in reaching their conclusions and the reasons why the special committee and our board of directors unanimously determined that the Stock Purchase Agreement and transactions contemplated thereby are advisable and in the best interests of the Company, see "The Transactions Reasons for the Transactions and Recommendation of the Special Committee and the Board of Directors" beginning on page 41.

**Opinion of Centerview Partners LLC (see page 45)**

On July 24, 2013, Centerview Partners LLC, the financial advisor to the special committee ("Centerview"), delivered to the special committee its oral opinion, subsequently confirmed in a written opinion dated July 24, 2013 (and orally reaffirmed July 25, 2013), to the effect that, as of the date of such opinion, based upon and subject to the various assumptions and limitations set forth in the written opinion, the aggregate consideration to be paid by Activision Blizzard in the Stock Purchase Transaction pursuant to the Stock Purchase Agreement was fair, from a financial point of view, to Activision Blizzard.

**The full text of the written opinion of Centerview, dated July 24, 2013, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Centerview in connection with its opinion, is attached as Annex B to this proxy statement and is incorporated by reference herein in its entirety. Centerview provided its opinion solely for the information**

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and assistance of the special committee (in their capacity as directors and not in any other capacity) and its opinion is limited to and addresses only the matters described therein. Centerview's opinion does not constitute a recommendation to any stockholder of Activision Blizzard or any other person as to how such stockholder or other person should vote or otherwise act with respect to the Stock Purchase Agreement or any other matter. Centerview has consented to the inclusion of a copy of its written opinion as Annex B to this proxy statement. The summary of the written opinion of Centerview set forth below is qualified in its entirety by reference to the full text of such written opinion.

We encourage you to read carefully the written opinion of Centerview described above in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Centerview in connection with its opinion.

**Interests of the Company's Directors and Executive Officers in the Transactions (see page 56)**

In considering the recommendation of our board of directors in favor of the proposals, you should be aware that there are provisions of the Stock Purchase Agreement that will result in certain benefits to our directors and executive officers.

**No Appraisal Rights (see page 58)**

No appraisal or dissenters' rights are available to our stockholders under Delaware law or our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws in connection with the transactions contemplated by the Stock Purchase Agreement.

**Material U.S. Federal Income Tax Consequences of the Stock Purchase Transaction (see page 58)**

The Stock Purchase Transaction is not expected to result in U.S. federal income tax consequences to our stockholders (other than Vivendi).

**Financing of the Transactions Contemplated by the Stock Purchase Agreement (see page 58)**

We anticipate that the total funds needed to complete the Stock Purchase Transaction will be approximately \$5.83 billion, which is expected to be funded through a combination of approximately \$1.23 billion of cash on hand and \$4.6 billion of net proceeds received by the Company (net of estimated \$150 million of fees, expenses and upfront costs) in connection with the debt financing. The debt financing includes \$2.25 billion of senior notes, the proceeds of which were funded into an escrow account on September 19, 2013 and are being held in such account, pending the closing of the transactions contemplated by the Stock Purchase Agreement, subject to the terms of the special mandatory redemption feature, which requires the Company to redeem the senior notes at 100% of the issue price of the senior notes, plus accrued and unpaid interest to, but excluding, the redemption date upon the earlier of (i) the termination of the Stock Purchase Agreement and (ii) December 18, 2013 if the transactions contemplated by the Stock Purchase Agreement have not closed by such date. The debt financing is also expected to include a \$2.5 billion seven-year term loan facility to be entered into prior to or contemporaneously with the consummation of the transactions contemplated by the Stock Purchase Agreement.

**Regulatory Matters (see page 63)**

Each of ASAC and the Company filed the required notification under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "HSR Act") on July 26, 2013 and July 30, 2013, respectively, and each party received from the Department of Justice a notice regarding the termination of the respective waiting period under the HSR Act on August 2, 2013.

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**Legal Proceedings Regarding the Transactions Contemplated by the Stock Purchase Agreement (see page 64)**

On August 1, 2013, a purported stockholder of the Company filed a stockholder derivative action in the Superior Court of the State of California, County of Los Angeles, captioned *Miller v. Kotick, et al.*, No. BC517086. The complaint names each member of our board of directors and Vivendi as defendants, and the Company as a nominal defendant. The complaint purports to state claims for breaches of fiduciary duties, waste of corporate assets and unjust enrichment in connection with Vivendi's sale of its stake in the Company and that Vivendi also breached its fiduciary duties. The plaintiff further alleges that a demand on our board of directors to institute action would be futile because a majority of our board of directors is not independent and a majority of the individual defendants face a substantial likelihood of liability for approving the transactions contemplated by the Stock Purchase Agreement. The complaint seeks, among other things, damages allegedly sustained by the Company, rescission of the transactions contemplated by the Stock Purchase Agreement, an order restricting our CEO and Co-Chairman from purchasing additional shares of Activision Blizzard common stock and an order directing us to take actions to improve and reform our corporate governance and internal procedures.

On August 14, 2013, the Company received a letter from a stockholder of the Company seeking, pursuant to Section 220 of the Delaware General Corporation Law, to inspect the books and records of the Company to ascertain whether the Stock Purchase Transaction and Private Sale were in the best interests of the Company. The Company provided the stockholder with certain materials under a confidentiality agreement. On September 11, 2013, a complaint was filed under seal by the same stockholder in the Court of Chancery of the State of Delaware in an action captioned *Pacchia v. Kotick et al.*, C.A. No. 8884-VCL. A public version of that complaint was filed on September 16, 2013. The complaint names each member of our board of directors and Vivendi as defendants, and the Company as a nominal defendant. The allegations in the complaint are substantially similar to the allegations in the above referenced matter filed on August 1, 2013. The complaint seeks, among other things, damages, injunctive relief to prevent the Private Sale from being consummated, reformation or rescission of the Private Sale if it is consummated, and disgorgement of any alleged benefits received by the defendants.

On September 11, 2013, another stockholder of the Company filed a putative class action and stockholder derivative action in the Court of Chancery of the State of Delaware, captioned *Hayes v. Activision Blizzard, Inc., et al.*, No. 8885-VCL. The complaint names our board of directors, Vivendi, New VH, ASAC, the General Partner of ASAC, Davis Selected Advisers, L.P. ("Davis") and Fidelity Management & Research Co. ("FMR") as defendants, and the Company as a nominal defendant. The complaint alleges that the defendants violated certain provisions of our Amended and Restated Certificate of Incorporation by failing to submit the matters contemplated by the Stock Purchase Agreement for approval by a majority of our stockholders (other than Vivendi and its controlled affiliates); that our board of directors committed breaches of their fiduciary duties in approving the Stock Purchase Agreement; that Vivendi violated fiduciary duties owed to other stockholders of the Company in entering into the Stock Purchase Agreement; that our CEO and Co-Chairman usurped a corporate opportunity from the Company; that our board of directors and Vivendi have engaged in actions to entrench our board of directors and officers in their offices; that the ASAC Entities, Davis and FMR aided and abetted breaches of fiduciary duties by the board of directors and Vivendi; and that our CEO and Co-Chairman, the ASAC Entities, Davis and FMR will be unjustly enriched through the Private Sale. The complaint seeks, among other things, a preliminary and permanent injunction of the Stock Purchase Agreement and the transactions contemplated thereby; rescission of the Private Sale; an order requiring the transfer to the Company of all or part of the shares that are the subject of the Private Sale; an order implementing measures to eliminate or mitigate the alleged entrenching effects of the Private Sale; an order requiring our CEO and Co-Chairman, the ASAC Entities, Davis and FMR to disgorge to the Company the amounts by which they have allegedly been unjustly enriched; and alleged damages sustained by the class and the Company. In addition, the stockholder sought a temporary restraining order preventing the defendants

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from consummating the transactions contemplated by the Stock Purchase Agreement without stockholder approval. Following a hearing on the motion for a temporary restraining order, on September 18, 2013, the Delaware Court of Chancery issued a preliminary injunction order, enjoining the consummation of the transactions contemplated by the Stock Purchase Agreement pending (a) the issuance of a final decision after a trial on the merits; (b) receipt of a favorable Activision Blizzard stockholder vote on the transactions contemplated by the Stock Purchase Agreement under Section 9.1(b) of our Amended and Restated Certificate of Incorporation or (c) modification of such preliminary injunction order by the Court of Chancery or the Delaware Supreme Court. As a result of the preliminary injunction order, the Company is seeking stockholder approval of the Stock Purchase Agreement and the transactions contemplated thereby. On September 20, 2013, the Court of Chancery certified its order granting the preliminary injunction for interlocutory appeal to the Delaware Supreme Court. The defendants moved the Delaware Supreme Court to accept and hear the appeal on an expedited basis. On September 23, 2013, the Delaware Supreme Court accepted the appeal of the Chancery Court's decision and granted the motion to hear the appeal on an expedited basis, with a hearing scheduled for October 10, 2013.

On September 18, 2013, the Company received a letter from another purported stockholder of the Company seeking, pursuant to Section 220 of the Delaware General Corporation Law, to inspect the books and records of the Company to investigate potential wrongdoing or mismanagement in connection with the approval of the Stock Purchase Agreement.

We believe that the defendants have meritorious defenses and intend to defend each of these lawsuits vigorously. However, these lawsuits and any other lawsuits are subject to inherent uncertainties and the actual outcome and costs will depend upon many unknown factors. The outcome of litigation is necessarily uncertain, and the Company could be forced to expend significant resources in the defense of these lawsuits and may not prevail.

The Company also may be subject to additional claims in connection with the Stock Purchase Transaction and Private Sale. Monitoring and defending against legal actions is time consuming for our management and detracts from our ability to fully focus our internal resources on our business activities. In addition, the Company may incur substantial legal fees and costs in connection with litigation and, although coverage may be available under relevant insurance policies, coverage could be denied or prove to be insufficient. Under our Amended and Restated Certificate of Incorporation and the indemnification agreements that the Company has entered into with our officers and directors, the Company may be required in certain circumstances to indemnify and advance expenses to them in connection with their participation in proceedings arising out of their service to us. There can be no assurance that any of these payments will not be material.

**The Company is not currently able to estimate the possible cost to us from these lawsuits, as they are in the early stages and it cannot be determined how long it may take to resolve these matters or the possible amount of any damages that the Company may be required to pay. Moreover, the Company cannot be certain what the impact on our operations or financial position will be if any of the purported stockholder plaintiffs are successful in having the Stock Purchase Transaction and Private Sale rescinded or further enjoined. The Company has not established any reserves for any potential liability relating to these lawsuits. It is possible that the Company could, in the future, incur judgments or enter into settlements of claims for monetary damages. A decision adverse to the Company on these actions could result in the rescission or further enjoining of the Stock Purchase Transaction and Private Sale or the payment of substantial damages and could have a material adverse effect on our business, reputation, financial condition, results of operations, profitability, cash flows or liquidity.**

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**Conditions to the Transactions (see page 85)**

The respective obligations of each party to consummate the Stock Purchase Transaction and Private Sale, as applicable, are subject to the satisfaction or (to the extent permitted) waiver by the parties of the following conditions:

the absence of a pending injunction enjoining the consummation of the transactions contemplated by the Stock Purchase Agreement;

the expiration or termination of any waiting period under the HSR Act or any similar foreign antitrust, competition or similar applicable law (we have received early termination of the waiting period under the HSR Act);

in the case of the Company's obligations to complete the Stock Purchase Transaction, Vivendi's receipt of a tax opinion with respect to Vivendi's own pre-closing internal reorganization;

in the case of the Company's obligations to complete the Stock Purchase Transaction, our receipt of the proceeds of the Company's debt financing or alternative financing therefor as permitted under the Stock Purchase Agreement;

in the case of ASAC's obligations to complete the Private Sale, ASAC's receipt of the proceeds of ASAC's debt financing or alternative financing therefor as permitted under the Stock Purchase Agreement;

in the case of each of the Company, Vivendi and ASAC, the accuracy of representations and warranties and the performance of covenants by each of the other parties; and

in the case of each of the Company, Vivendi and ASAC, receipt of duly executed copies of each ancillary agreement (see "Stock Purchase Agreement" beginning on page 81) to which any of the other parties, as applicable, is a party.

Under the *Hayes* litigation described above, the transactions contemplated by the Stock Purchase Agreement have been enjoined by a preliminary injunction order of the Court of Chancery of the State of Delaware. We disagree with the Court of Chancery's ruling and are appealing the decision to the Delaware Supreme Court. Absent further action by the Delaware courts, and in the event that the Delaware Supreme Court affirms the Court of Chancery's ruling, the preliminary injunction prevents completion of the contemplated transactions unless the Stock Purchase Agreement and the transactions contemplated thereby are approved by our stockholders under our Amended and Restated Certificate of Incorporation. This preliminary proxy statement is being filed at this time in order to begin the process that would be required to consummate the transactions contemplated by the Stock Purchase Agreement in the event that we are unsuccessful in our appeal, including seeking the affirmative vote of a majority in interest of the stockholders of the Company, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, other than Vivendi and its controlled affiliates. If we present that proposal to our stockholders, our Amended and Restated Bylaws require us to also obtain the affirmative vote of a majority in interest of the stockholders of the Company, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting. Vivendi has informed us that it intends to be present at the special meeting and vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby, and this vote by Vivendi will be sufficient to satisfy the requirement to obtain the affirmative vote of a majority in interest of the stockholders present in person or by proxy and entitled to vote at the special meeting (see "The Special Meeting - Vote Required"). However, if we receive a favorable ruling from the Delaware Supreme Court, and the affirmative vote of a majority in interest of the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, other than Vivendi and its controlled affiliates, is determined not to be required, the vote will not be sought and the special meeting will not be held.



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The Stock Purchase Transaction and the Private Sale are both required by the Stock Purchase Agreement to occur on the closing date.

**Termination of the Stock Purchase Agreement (see page 86)**

The Stock Purchase Agreement may be terminated at any time prior to the consummation of the transactions contemplated thereby:

by mutual written consent of the Company, ASAC and Vivendi;

by any of the parties, if the closing has not occurred by October 15, 2013; and

by any of the parties, in the event of certain final and non-appealable legal restraints prohibiting the consummation of the Stock Purchase Transaction and the Private Sale.

The Court of Chancery of the State of Delaware has issued a preliminary injunction order enjoining the consummation of the transactions contemplated by the Stock Purchase Agreement, pending either further action by the Delaware courts or the receipt of a favorable Activision Blizzard stockholder vote on the transactions contemplated by the Stock Purchase Agreement. We disagree with the Court of Chancery's ruling, and are appealing the ruling to the Delaware Supreme Court, which has agreed to hear the appeal on an expedited basis, with a hearing scheduled for October 10, 2013. This preliminary proxy statement is being filed at this time to begin the process that would be required to consummate the transactions contemplated by the Stock Purchase Agreement in the event that we are unsuccessful in our appeal and the parties to the Stock Purchase Agreement renegotiate the Stock Purchase Agreement. A requirement to obtain an Activision Blizzard stockholder vote would render it impossible to complete the transactions contemplated by the Stock Purchase Agreement prior to the October 15, 2013 termination date currently provided for in the Stock Purchase Agreement. Unless the ruling of the Court of Chancery is reversed, the transaction cannot and will not proceed without the agreement of each of the parties. There is no assurance that the parties will be able to renegotiate the transaction in order to reach such agreement.

As a result, if the preliminary injunction issued by the Court of Chancery is not reversed by the Delaware Supreme Court, and because a stockholder vote could not occur prior to October 15, 2013, following October 15, 2013, unless that date is extended, any party to the Stock Purchase Agreement could freely terminate the agreement without cause and without penalty, including without payment of a termination fee. As of the time of filing of this preliminary proxy statement, the parties have not reached an agreement to extend the October 15, 2013 termination date, and it is uncertain whether any such agreement will be reached, or if so what the agreed-upon replacement date may be. This may have the effect of permitting any party to the Stock Purchase Agreement to terminate the agreement and result in the failure to consummate the Stock Purchase Transaction and the Private Sale. There is and can be no assurance that the parties to the Stock Purchase Agreement will agree to amend the agreement to extend its term or contemplate a stockholder vote, or that the other terms of the agreement would remain intact, or what any adjustments to such terms might be, in the case of any such amendment. In addition, the proceeds of approximately \$2.25 billion of unsecured notes issued by Activision Blizzard to fund a portion of the cash to be paid in connection with the Stock Purchase Transaction have been funded into an escrow account, which proceeds must be used to redeem the notes at 100% of their issue price, plus accrued and unpaid interest to, but excluding, the redemption date, upon the earlier of (i) the termination of the Stock Purchase Agreement and (ii) December 18, 2013 if the transactions contemplated by the Stock Purchase Agreement have not closed by such date.

**Risk Factors (see page 19)**

The transactions contemplated by the Stock Purchase Agreement involve certain risks. Prior to making any decision, stockholders should consider certain risk factors, including risks related to the transactions contemplated by the Stock Purchase Agreement and risks related to the Company's business.

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**QUESTIONS AND ANSWERS**

*The following questions and answers are intended to address briefly some commonly asked questions regarding the special meeting, the Stock Purchase Agreement and the transactions contemplated thereby. These questions and answers may not address all questions that may be important to you as an Activision Blizzard stockholder. Please refer to the "Summary Term Sheet" and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents referred to in this proxy statement, all of which you should read carefully.*

**Q: Why am I receiving these materials?**

**A:** Our board of directors is furnishing this proxy statement and form of proxy card to Activision Blizzard stockholders in connection with the solicitation of proxies to be voted at the special meeting of stockholders or at any adjournments or postponements of the special meeting.

**Q: When and where is the Special Meeting?**

**A:** The special meeting will take place on [        ], 2013 at [        ], at 9.00 a.m., Pacific Time.

**Q: Who is entitled to vote at the Special Meeting?**

**A:** Only stockholders of record as of the close of business on [        ] 2013 are entitled to notice of the special meeting and to vote at the special meeting or at any adjournments or postponements thereof. Each Activision Blizzard stockholder is entitled to cast one vote on each matter properly brought before the special meeting for each Activision Blizzard share that such holder owned as of the record date.

Vivendi, which beneficially owns 683,643,890 shares of Activision Blizzard common stock as of September 20, 2013, representing approximately 60.8% of the issued and outstanding shares of Activision Blizzard common stock as of such date, has informed us that it intends to be present at the special meeting and vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby and in favor of the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby. This vote by Vivendi would be sufficient to satisfy the requirement for approval by a majority in interest of the stockholders of Activision Blizzard, as of the record date, that are present in person or by proxy and entitled to vote at the special meeting, but will not have any effect in respect of the vote of the stockholders of the Company other than Vivendi and its controlled affiliates.

**Q: May I attend the special meeting and vote in person?**

**A:** Yes. All stockholders as of the record date may attend the special meeting and vote in person. Seating will be limited. Stockholders will need to present proof of ownership of Activision Blizzard common stock, such as a bank or brokerage account statement, and a form of personal identification to be admitted to the special meeting. No cameras, recording equipment, electronic devices, large bags, briefcases or packages will be permitted in the special meeting. Even if you plan to attend the special meeting in person, we encourage you to complete, sign, date and return the enclosed proxy or grant your proxy electronically over the Internet or via telephone to ensure that your shares will be represented at the special meeting. If you attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person. If your shares are held in the name of your broker, bank or other nominee, you must obtain a legal proxy, executed in your favor, from the holder of record to be able to vote at the special meeting.

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**Q: What am I being asked to vote on at the Special Meeting?**

**A:**

You are being asked to vote in favor of:

a proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby, including the Company's acquisition of all outstanding shares of the capital stock of New VH, which will hold 428,676,471 shares of Activision Blizzard common stock and certain favorable tax attributes; and

a proposal to approve the adjournment of the special meeting to a later date or dates, if necessary or appropriate, for the purpose of soliciting additional proxies to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby.

**Q: What is the proposed transaction and what effects will it have on Activision Blizzard?**

**A:**

The proposed Stock Purchase Transaction is the acquisition by Activision Blizzard of all of the outstanding capital stock of New VH, a wholly owned newly formed subsidiary of Vivendi, Activision Blizzard's majority stockholder. At the time of the acquisition, New VH, which is contractually prohibited from conducting any operations, will be the direct owner of 428,676,471 shares of Activision Blizzard common stock. Activision Blizzard will pay \$5,830,000,005.60, or \$13.60 per share for the shares of Activision Blizzard common stock to be acquired through the acquisition of New VH. In addition, New VH has certain tax attributes that are expected to benefit the Company in the future. Immediately following the consummation of the proposed Stock Purchase Transaction, ASAC, upon the terms and subject to the conditions of the Stock Purchase Agreement, will purchase from Vivendi 171,968,042 shares of Activision Blizzard common stock for an aggregate cash payment of \$2,338,765,371.20, or \$13.60 per share for the shares of Activision Blizzard common stock to be acquired by ASAC, provided that the number of shares to be acquired by ASAC may be reduced under certain circumstances as provided in the Stock Purchase Agreement. After giving effect to these transactions, based on the Activision Blizzard common stock issued and outstanding as of September 20, 2013, (i) Vivendi is expected to hold approximately 83 million shares of Activision Blizzard common stock or approximately 11.9% of the outstanding shares of Activision Blizzard common stock, and (ii) ASAC is expected to hold 171,968,042 shares or approximately 24.7% of the outstanding shares of Activision Blizzard common stock, provided that the number of shares to be acquired by ASAC may be reduced under certain circumstances as provided in the Stock Purchase Agreement. The shares of Activision Blizzard common stock purchased by the Company will be treated as treasury shares for accounting and legal purposes, leaving the majority of the remaining approximately 695 million shares of outstanding Activision Blizzard common stock in the hands of public stockholders.

Activision Blizzard's new capital structure upon the consummation of the transactions, which will include \$1.4 billion of net debt, where net debt is calculated by subtracting the debt and fees to be incurred from cash and short-term investments at June 30, 2013, and a lower total share count, is expected to be accretive to earnings per share. The Company will no longer qualify as a "controlled company" under the NASDAQ Stock Market rules and will be required to meet the independence standards for independent public companies within one year of the closing of the transactions. In addition, the Company expects to assume certain tax attributes of New VH. Other than as a stockholder of the Company, ASAC will not share in any of the benefits resulting from the Company's assumption of the tax attributes of New VH.

In addition, the Stock Purchase Agreement provides that, prior to or concurrently with the closing of the Stock Purchase Transaction and the Private Sale, pursuant to the Stock Purchase Agreement, Vivendi will cause each of its six current designees to our board of directors (*i.e.*, Philippe G. H. Capron, Jean-Yves Charlier, Frédéric R. Crépin, Jean-François Dubos, Lucian Grainge and Régis Turrini) to resign his position as a director on our board of directors and all committees of our board

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of directors, effective as of the closing of the Stock Purchase Transaction and Private Sale, which will result in our board of directors consisting of a majority of independent directors.

Furthermore, Vivendi will agree to a customary standstill not to, among other things, acquire additional shares of Activision Blizzard common stock or seek representation on our board of directors other than at the request of our independent directors. Similarly, upon the consummation of the simultaneous Private Sale, ASAC will agree to a customary standstill agreement not to, among other things, acquire additional shares of Activision Blizzard common stock, run a proxy contest or call a stockholders meeting, in each case until six months after its ownership in the Company falls below 5%. ASAC will not have any contractual right to designate directors to our board of directors. The transactions contemplated by the Stock Purchase Agreement will not (or will be deemed not to) trigger any potential "change in control" payments, as Messrs. Kotick and Kelly have waived any relevant "change in control" or similar provisions under their respective employment arrangements and certain other benefit plans and arrangements in connection with these transactions.

**Q: What do I need to do now?**

**A:**

We encourage you to read carefully this proxy statement, the annexes to this proxy statement and the documents to which we refer in this proxy statement, and then complete, sign, date and return, as promptly as possible, the enclosed proxy card in the accompanying reply envelope or grant your proxy electronically over the Internet or by telephone, so that your shares can be voted at the special meeting. If you hold your shares in "street name," please refer to the voting instruction forms provided by your bank, broker or other nominee to vote your shares.

**Q: What was the role of the special committee?**

**A:**

Because certain of our directors have actual or potential conflicts of interest in evaluating the transactions contemplated by the Stock Purchase Agreement, our board of directors appointed the special committee, which consisted entirely of independent directors, to, among other things, review and evaluate the Company's participation in the transactions contemplated by the Stock Purchase Agreement and negotiate the terms thereof.

**Q: What was the recommendation of the special committee?**

**A:**

The special committee, after considering the various factors described under "The Transactions Recommendation of the Special Committee and Our Board of Directors and Reasons for the Transactions," unanimously determined the transactions contemplated by the Stock Purchase Agreement to be advisable and in the best interests of the Company and unanimously recommended that our board of directors approve the Company's execution, delivery and performance of the transaction documents and the consummation of the transactions contemplated thereby.

**Q: What was the recommendation of the board of directors of Activision Blizzard?**

**A:**

Our board of directors, after considering and based upon the recommendation of the special committee, unanimously determined that it is in the best interests of the Company, and declared it advisable, to enter into the Stock Purchase Agreement and consummate the transactions contemplated thereby.

Our board of directors recommends that you vote "**FOR**" the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby and "**FOR**" the proposal to adjourn the special meeting, if necessary or appropriate, for the purpose of soliciting additional proxies to vote in favor of the proposal to approve the Stock Purchase Agreement and the transactions contemplated thereby.

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**Q: What happens if the transactions contemplated by the Stock Purchase Agreement are not completed?**

**A:**

If the transactions contemplated by the Stock Purchase Agreement are not completed for any reason, whether because they are not approved by our stockholders or otherwise, the Company will continue to be controlled by Vivendi, the debt issued by the Company in connection with the transactions contemplated by the Stock Purchase Agreement will be required to be redeemed, the Company's capital structure will remain as it stands today and the Company and its stockholders will not realize the potential benefits of the transactions.

**Q: Am I entitled to appraisal or dissenters' rights in connection with the Stock Purchase Agreement and the transactions contemplated thereby?**

**A:**

No appraisal or dissenters' rights are available to our stockholders under Delaware law or under our Amended and Restated Certificate of Incorporation or Amended and Restated Bylaws in connection with the Stock Purchase Agreement and the transactions contemplated ther