



Microsoft-Activision Blizzard: Get the facts

Our vision for gaming: More choice and more games for people everywhere

MICROSOFT'S COMMITMENTS

- Our commitment to grant long term 100% equal access to Call of Duty to Sony and Nintendo preserves the deal's benefits to gamers and developers and increases competition in the market.
- Microsoft offered Sony a legally binding 10-year contract for 100% equal access to Call of Duty.
- What does 100% equal access mean when we talk about Call of Duty on PlayStation long term? **Ten years of parity on content, pricing, features, quality and playability.** When we say equal, we mean equal.
- Microsoft has also signed a 10-year agreement to bring Call of Duty to Nintendo, and committed to continuing to offer new versions of Call of Duty on Steam at the same time they launch on Xbox.

THE GAMING INDUSTRY AT A GLANCE

- The total annual global gaming market in 2022 was valued at \$196.8B (Newzoo)
 - Mobile: **\$103.5B** – Tencent (\$32.5B), Apple (\$14.8B) and Alphabet (\$12.4B) are the top three leaders by revenue
 - Console: \$52.9B
 - PC: \$38.1B
 - Cloud: \$2.3B
- In 2022, Sony held 80% of the European Economic Area (EEA) market share, compared to Xbox's 20%.
- Sony's PlayStation currently has roughly 5x more exclusive titles than Xbox (286 PlayStation, 59 Xbox).
- 58 Xbox titles are available on PlayStation, while PlayStation Studios has only released 2 titles for Xbox.
- Microsoft brought Minecraft to more platforms since we acquired Mojang in 2014; Minecraft Legends will be cross-platform when it launches in April.

BENEFITS OF XBOX GAME PASS

To gamers

- Xbox Game Pass offers players and game creators more choice and opportunity in how they discover, experience, and deliver games regardless of the platform they game on. Xbox Game Pass is the only service that empowers players to play their games across console, PC and mobile.
- Game Pass allows gamers to instead pay a flat monthly fee for access to an entire catalogue of games that is deeper and more diverse than most gamers would otherwise collect.
- After joining the service, Xbox Game Pass members play 30% more genres and play 40% more games.

To developers

- Xbox Game Pass encourages gamers to explore content they would not otherwise be inclined to purchase, giving a boost to niche and independent developers. More than 90% of members said they played a game that they would not have tried without Game Pass. (June 2021, Xbox data)
- On average across the Game Pass library, developers see engagement go up by more than 8x when they enter Game Pass.

WHAT MICROSOFT IS SAYING ABOUT THE ACQUISITION

- *"One of the things we're being very clear about as we move forward with the regulatory review of this acquisition is that great titles like Call of Duty from Activision Blizzard today will continue to be available on the Sony PlayStation. We'd like to bring it to Nintendo devices. We'd like to bring the other popular titles that Activision Blizzard has and ensure that they continue to be available on PlayStation, that they become available on Nintendo. One of the first acquisitions after Satya Nadella became CEO was of Minecraft – that was back in September of 2014. **And what we've done with that (Minecraft) acquisition is a clear indicator of what we hope to do if we acquire Activision Blizzard. Namely, invest even more in innovation, bring it to more people, bring it to more platforms, and make it even more useful and more delightful for the people who use it."** – Microsoft Vice Chair and President Brad Smith, Feb. 10, 2022*

- “We are expanding choice in two ways: through the creation of Game Pass, which gives players a subscription option; and by bringing more games to mobile platforms, including through our cloud game streaming technology. **Subscription services like Game Pass make gaming more affordable and help players from all over the world find their next favorite game. Game Pass empowers developers to bring more games to more players, not fewer.** We intend to make Activision Blizzard’s much-loved library of games – including Overwatch, Diablo and Call of Duty – available in Game Pass and to grow those gaming communities. By delivering even more value to players, we hope to continue growing Game Pass, extending its appeal to mobile phones and any connected device.” – **Microsoft Gaming CEO Phil Spencer, Sept. 1, 2022**
- “The main supposed potential anticompetitive risk Sony raises is that Microsoft would stop making “Call of Duty” available on the PlayStation. But that would be economically irrational. **A vital part of Activision Blizzard’s “Call of Duty” revenue comes from PlayStation game sales.** Given the popularity of cross-play, it would also be disastrous to the “Call of Duty” franchise and Xbox itself, alienating millions of gamers.” – **Microsoft Vice Chair and President Brad Smith, Dec. 5, 2022**

WHAT OTHERS ARE SAYING ABOUT THE ACQUISITION

- “... I did an analysis of how recent acquisitions would impact the games industry. At the time, **I concluded that Microsoft’s proposed purchase of Activision Blizzard would not be detrimental to the distribution of market power and need not warrant intervention from regulators.** The data I’ve collected since provides no reason for me to change my mind ... **More broadly, in discussing the Microsoft/Activision Blizzard deal over the past months with publishers, it became clear that virtually no one opposes the deal, except Sony ...**” – Joost van Dreunen, Adjunct Assistant Professor, NYU Stern School of Business; [Super Joost Playlist Newsletter](#), September 15, 2022
- “[The deal is] a good thing for Microsoft and for the industry ... We’re in favor ... It’s a highly fragmented business and there’s plenty of room for creativity to go around ... Microsoft is an ally of ours, and if this makes their business more powerful, we think that’s good for us. Ultimately the consumer votes. And if we create great hits, which is our business, the consumers will show up. And no one can take that away from us. No one can replicate that.” – Strauss Zelnick, CEO, Take-Two; [The Wrap](#), October 11, 2022
- “While some may have concerns about the size of the merger, **the deal could well be a major victory for consumers and gamers alike, who are likely to benefit from expanded access, a greater selection of gamers, and lower prices ... Based on our analysis of the acquisition, we find that consumers are likely to see a range of new benefits.** For instance, the merger will greatly expand consumer access to content by consolidating popular Xbox and Activision games in one place under Microsoft’s subscription streaming service.” – Nat Scherer, Policy Analyst, The American Consumer Institute; [The Economic Standard](#), April 25, 2022
- “We know that the [European Commission] is focusing on the effect the deal will have on consumers, but it **cannot ignore the role this deal would have in making the video game labour market fairer for workers.**” — Christy Hoffman, General Secretary of [UNI Global Union](#), February 20, 2023

INDUSTRY SUPPORT FOR THE DEAL

- As part of its review of the acquisition, the UK’s Competition and Markets Authority (CMA) requested public comments to gauge support of the deal. Of the 2,100 consumer responses the CMA considered, “[around three quarters were broadly in favour](#)” of the acquisition.
- The **European Games Development Federation (EGDF)** representing more than 2,500 game development studios [supports](#) the acquisition, “as its potential positive impacts on the competition in game markets, in general, outweigh the limited console and subscription market-specific concerns.”
- [UNI Global Union](#) urged the European Commission to consider the role the deal will play in making the gaming labor market better for workers. UNI Global Union, which represents more than 20 million workers from over 150 different countries, is the largest labor organization of gaming industry workers in the world.

REGULATORY APPROVAL OF THE ACQUISITION

- [Brazil](#), [Chile](#), [Serbia](#) and [Saudi Arabia](#) have all approved the acquisition without conditions.

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