

**ACTIVISION BLIZZARD, INC. AND SUBSIDIARIES**
**Notes to Consolidated Financial Statements (continued)**

	<b>Year Ended December 31, 2018</b>					
	<b>Activision</b>	<b>Blizzard</b>	<b>King</b>	<b>Non-reportable segments</b>	<b>Elimination of intersegment revenues (3)</b>	<b>Total</b>
<b>Net revenues by distribution channel:</b>						
Digital online channels (1)	\$ 1,740	\$ 2,009	\$ 2,090	\$ —	\$ (53)	\$ 5,786
Retail channels	998	109	—	—	—	1,107
Other (2)	—	148	—	459	—	607
Total consolidated net revenues	<u>\$ 2,738</u>	<u>\$ 2,266</u>	<u>\$ 2,090</u>	<u>\$ 459</u>	<u>\$ (53)</u>	<u>\$ 7,500</u>
Change in deferred revenues:						
Digital online channels (1)	\$ (96)	\$ 32	\$ (4)	\$ —	\$ —	\$ (68)
Retail channels	(184)	(7)	—	—	—	(191)
Other (2)	—	—	—	21	—	21
Total change in deferred revenues	<u>\$ (280)</u>	<u>\$ 25</u>	<u>\$ (4)</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ (238)</u>
<b>Segment net revenues:</b>						
Digital online channels (1)	\$ 1,644	\$ 2,041	\$ 2,086	\$ —	\$ (53)	\$ 5,718
Retail channels	814	102	—	—	—	916
Other (2)	—	148	—	480	—	628
Total segment net revenues	<u>\$ 2,458</u>	<u>\$ 2,291</u>	<u>\$ 2,086</u>	<u>\$ 480</u>	<u>\$ (53)</u>	<u>\$ 7,262</u>

	Year Ended December 31, 2017	
Net revenues by distribution channel:		
Digital online channels (1)	\$	5,479
Retail channels		1,033
Other (2)		505
Total consolidated net revenues	\$	7,017

(1) Net revenues from “Digital online channels” include revenues from digitally-distributed subscriptions, downloadable content, microtransactions, and products, as well as licensing royalties.

(2) Net revenues from “Other” primarily includes revenues from our Distribution business and the Overwatch League.

(3) Intersegment revenues reflect licensing and service fees charged between segments.