

Dear Sirs,

I am the CEO of an independent game developer having worked with most of the top game publishers including Sony, Microsoft and Activision.

I wish to express a couple of points regarding the Microsoft Activision merger and possible remedies listed.

1. Trustworthiness of Microsoft

In my experience dealing with them over the last 25 years, Microsoft always honor their contracts and obligations. When they say that they intend to make Call of Duty content available on Sony and Nintendo platforms, I believe them and I believe it is in their interest as well as the interest of the industry.

2. Inevitability of consolidation in favor of cloud-based platforms

In my view the potential of direct distribution of content to consumers through the cloud is giving an inevitable advantage to the cloud-based platforms over the traditional publishers. While the Microsoft-Activision merger looks to be the largest to date, other similar consolidation is likely to happen as other publishers realize that their business has to evolve because consumers prefer to purchase games directly from online platforms giving them access to a larger catalogue. To build a stronger catalogue, other platforms also aspire to acquire publishers and developers : such consolidation is a natural evolution of the business and does not necessarily constitute SLCs.

3. Competition from China

China-based giant Tencent is already an investor in Activision. If Microsoft is prevented from acquiring Activision, would the UK consumers be better served if they were acquired by Tencent instead ? Chinese publishers in our industry benefit from an unfair advantage due to the fact that the China market is closed to Western companies through various regulations while Chinese companies can freely access the Western markets. Letting Microsoft and Activision consolidate their business in light of this fast-growing competition would not be against the interest of UK consumers.

I remain at your disposal should you have any questions regarding the points above.

Yours Faithfully,