

FEDERAL TRADE COMMISSION

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In the Matter of:

MICROSOFT/ACTIVISION

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File No. 221-0077

*** HIGHLY CONFIDENTIAL ***

INVESTIGATIONAL HEARING

HELD REMOTELY

DATE: SEPTEMBER 6, 2022

TIME: 11:31 a.m. Eastern Time

WITNESS: SARAH BOND

Reported by:
CANDIDA BORRIELLO
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2 Q. What's a second party?

3 A. It's a deal type.

4 Q. What's the -- can you explain a
5 little bit more about what type of deal it
6 is?

7 A. It is when we finance a large
8 portion of the development costs for the
9 game, but we do not necessarily own the IP of
10 the game.

11 Q. And what do you understand 2 party
12 or second party in your camp to mean?

13 A. What I understand him to mean is
14 that because the studios did not work for
15 Microsoft, the way that we executed and
16 managed second party at the time was in my
17 team. So, he's just saying, you guys doing
18 more second-party deals is a good way to go.

19 Q. Okay. And then he writes, grow
20 exclusivity.

21 What's exclusivity in the context
22 of this document?

23 A. You'd have to ask Jerret what he
24 meant.

25 Q. What do you understand it to mean?

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2 A. Games available in Game Pass.

3 Q. Are these Game Pass only?

4 A. No. Every game we put in Game Pass
5 is also available for purchase.

6 Q. Let me rephrase.

7 You said that exclusivity -- you
8 understand exclusivity to mean available on
9 Game Pass, right?

10 A. Yes.

11 Q. And also available on Xbox, right?

12 A. Yes.

13 Q. Was it exclusive Xbox game be
14 available on PlayStation?

15 A. For a window of time it would not
16 be.

17 Q. What do you mean by that?

18 A. There is just a lot of people
19 define exclusivity in a lot of different
20 ways. So, there are cases where a game would
21 be available on Xbox initially, but then
22 available on PlayStation later in this -- and
23 That's how second party works most of the
24 time.

25 Q. And when you say Windows exclusives

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2 is the way it works most of the time, are you
3 referring to Game Pass or to the platform
4 exclusivity generally?

5 A. It could be either.

6 Q. Is having a game be exclusively
7 available on Game Pass and Xbox, is that --
8 does that help Microsoft grow its platform?

9 A. Do you mean does that help Xbox
10 grow?

11 Q. Yeah, sorry. Xbox grow its
12 platform.

13 A. It's not clear.

14 Q. Why not?

15 A. I haven't seen analytics that
16 clearly show that having a game exclusive on
17 the platform helps grow the platform. I'm
18 trying to remember if I have, I don't believe
19 I have.

20 Q. Does Microsoft have any exclusive
21 games on the Xbox platform?

22 A. I can answer for Xbox. But, yes,
23 it does.

24 Q. Is there value in having exclusive
25 games on the Xbox platform?

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C E R T I F I C A T E

STATE OF NEW YORK)
 : SS.:
COUNTY OF RICHMOND)

I, CANDIDA BORRIELLO, a Notary
Public for and within the State of New York,
do hereby certify:

That the witness, SARAH BOND, whose
examination is hereinbefore set forth was
duly sworn and that such examination is a
true record of the testimony given by that
witness.

I further certify that I am not
related to any of the parties to this action
by blood or by marriage and that I am in no
way interested in the outcome of this matter.

IN WITNESS WHEREOF, I have hereunto
set my hand this 9th day of September, 2022.



CANDIDA BORRIELLO