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BLIZZARD ENTERTAINMENT® ACQUIRES SWINGIN' APE STUDIOS

IRVINE, Calif. -- May 16, 2005 -- Blizzard Entertainment® today announced that it has completed the acquisition of acclaimed console developer Swingin' Ape Studios. Widely regarded as an innovative and accomplished development studio, the Swingin' Ape team boasts some of the industry's most-talented developers, with more than 50 games' worth of collective design and development experience across all major platforms.

Under the agreement, Blizzard will retain Swingin' Ape's team of more than 40 developers, as well as acquire the studio's proprietary development technologies. The financial terms of the transaction were not disclosed.

"The acquisition of Swingin' Ape Studios takes us one step closer to realizing our goal of becoming a top-tier console developer," stated Mike Morhaime, president and co-founder of Blizzard Entertainment "With Swingin' Ape's talented designers, programmers, and artists, we're confident we'll be able to create console games that meet the quality standards we've established for every Blizzard title."

As part of Blizzard Entertainment, Swingin' Ape Studios will establish the foundation for Blizzard's new console team and will continue development on *StarCraft: Ghost*™ in that role. Plans for future console games will be announced at a later date.

Steve Ranck, president and co-founder of Swingin' Ape Studios, expressed the team's excitement at joining the Blizzard family. "We've long admired the quality and attention to detail that Blizzard puts into each of its PC titles," said Ranck. "Our approach to game design is very similar, so we expect this to be a seamless transition for us."

Ranck will assume the title of vice president of console development for Blizzard's new console team and will report directly to Mike Morhaine. The team will remain in its Southern California office, located within a few miles of Blizzard's Irvine, CA headquarters.

About Blizzard Entertainment

Best known for blockbuster hits including the *Warcraft*[®] series, *StarCraft*[®], and the *Diablo*[®] series, Blizzard Entertainment[®] (www.blizzard.com), a division of Vivendi Universal Games, is a premier developer and publisher of entertainment software renowned for creating many of the industry's most critically acclaimed games. Blizzard's track record includes nine #1-selling games and multiple Game of the Year awards. The company's free Internet gaming service, Battle.net[®], reigns as the largest in the world, with millions of active users.

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