

The Activision logo is rendered in a bold, white, sans-serif font. The letters are closely spaced, and the 'V' in 'VISION' has a distinctive shape with a horizontal bar across its top. The entire logo is set against a black background.

ACTIVISION

The Blizzard logo is rendered in a white, stylized, jagged font that resembles a snowflake or a crystalline structure. The letters are thick and have a rough, textured appearance. A registered trademark symbol (®) is located at the top right of the word. The logo is set against a black background.

BIZZARD®

Fourth Quarter and CY 2010 Results

February 09, 2011

Safe Harbor Disclosure



The statements contained in this presentation that are not historical facts are forward-looking statements. The company generally uses words such “outlook,” “will,” “could,” “should,” “would,” “might,” “remains,” “to be,” “plans,” “believes,” “may,” “expects,” “intends,” “anticipates,” “estimate,” “future,” “plan,” “positioned,” “potential,” “project,” “scheduled,” “set to,” “subject to,” and similar expressions to identify forward-looking statements. These forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties. The Company cautions that a number of important factors could cause Activision Blizzard's actual future results and other future circumstances to differ materially from those expressed in any such forward looking statements. Such factors include, but are not limited to, sales levels of Activision Blizzard's titles, increasing concentration of titles, shifts in consumer spending trends, the impact of the current macroeconomic environment and market conditions within the video game industry, Activision Blizzard's ability to predict consumer preferences, including interest in specific genres such as first-person action and massively multiplayer online games and preferences among competing hardware platforms, the seasonal and cyclical nature of the interactive game market, changing business models including digital and used games, competition including from used games and other forms of entertainment, possible declines in software pricing, product returns and price protection, product delays, adoption rate and availability of new hardware (including peripherals) and related software, rapid changes in technology and industry standards, litigation risks and associated costs, the effectiveness of Activision Blizzard's restructuring efforts, protection of proprietary rights, maintenance of relationships with key personnel, customers, licensees, licensors, vendors, and third-party developers, including the ability to attract, retain and develop key personnel and developers that can create high quality "hit" titles, counterparty risks relating to customers, licensees, licensors and manufacturers, domestic and international economic, financial and political conditions and policies, foreign exchange rates and tax rates, and the identification of suitable future acquisition opportunities and potential challenges associated with geographic expansion. These important factors and other factors that potentially could affect the Company's financial results are described in the Company's most recent annual report on Form 10-K and other filings with the SEC. The Company may change its intention, belief or expectation, at any time and without notice, based upon any changes in such factors, in the Company's assumptions or otherwise. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the original date of this presentation, February 9, 2011, or to reflect the occurrence of unanticipated events.

For a full reconciliation of GAAP to non-GAAP numbers and for more detailed information concerning the Company's financial results for the fiscal year and quarter ended December 31, 2010, please refer to the Company's earnings release dated February 9, 2011, which is available on our website, www.activisionblizzard.com.

Activision Blizzard 2010 highlights



- **Great results, ahead of expectations and prior year¹**
 - Grew revenues
 - 14.5% Non-GAAP EPS growth to new record level
 - Record operating cash flow of \$1.4B

- **#1 in digital & retail channels across North America & Europe²**
 - #1 in digital amongst independent interactive entertainment software publishers
 - #1 in retail sales in North America and Europe.³

- **Disciplined capital allocation and focus on shareholder value**
 - Returned nearly \$1.2B in 2010 in the form of share repurchase and the company's 1st ever dividend
 - Reiterating commitment with new \$1.5B buyback and 10% dividend increase to \$0.165 per share in 2011

¹ Prior Outlook provided on 11/04/10

² A|B internal estimates

³ According to The NPD Group, Charttrack and Gfk

Another year of record performance

Changing industry dynamics



- **We live in an online, connected world**
 - Tremendous consumer engagement in digital and social media
 - Activision Blizzard franchises are at the forefront of digital demand
- **More meaningful relationships between content and consumer**
 - Move from impersonal to deeply personal player experiences
 - Always connected
 - Success requires deep content, skill-sets, resources and experience
- **New distribution channels offer greater opportunity for content creators**
 - Retail remains an important gateway to opening digital opportunity
 - Great reach and opportunity for must-have content in physical channels

Our strategy has been designed to win in this new landscape

Positioned for continued success



Digital world

- Leadership position in online hosted service delivery
- Franchises with greater reach than blue-chip 'Software as a Service' and 'Content as a Service' providers

Deeper relationships

- Focusing innovation on immediate, in-game value
- Integrated delivery, service and community platform

Cross-channel execution

- Expanding reach and retail ROI with blockbuster content
- Digital distribution drives margin and broadens community

Unique blend of winning content, platforms, and expertise

Activision Blizzard 2010 Results



GAAP	2009 Actual	Original 2010 Outlook*	2010 Actual
Net Revenue	\$4,279M	\$4,180M	\$4,447M
EPS	\$0.09	\$0.47	\$0.33
EPS, ex-Impairment	\$0.28	\$0.47	\$0.49

Non-GAAP**	2009 Actual	Original 2010 Outlook*	2010 Actual
Net Revenue	\$4,775M	\$4,400M	\$4,803M
EPS	\$0.69	\$0.70	\$0.79

	As of 12/31/09	As of 12/31/10
Cash & Investments	\$3.3B	\$3.5B
Operating Cash Flow (TTM)	\$1.2B	\$1.4B

* Original 2010 Outlook provided on 2/10/10

** Non-GAAP information reconciliation tables in the appendix at the end of the earnings release

Record profits and operating cash flow; 10% cash yield for second straight year

Activision Blizzard 4Q 2010 Results



GAAP	4Q 2009	Prior Outlook¹	4Q 2010
Net Revenue	\$1.56B	\$1.26B	\$1.43B
EPS	(\$0.23)	(\$0.01)	(\$0.20)
EPS, ex-Impairment	(\$0.04)	(\$0.01)	(\$0.04)

Non-GAAP²	4Q 2009	Prior Outlook¹	4Q 2010
Net Revenue	\$2.50B	\$2.20B	\$2.55B
EPS	\$0.49	\$0.47	\$0.53

	As of 12/31/09	As of 09/30/10	As of 12/31/10
Cash & Investments	\$3.3B	\$2.9B	\$3.5B

2010 \$1 Billion Share Repurchase Program ³	\$966M
First Common Stock Dividend (paid in 2010)	\$189M

¹ Prior Outlook provided on 11/04/10

² Non-GAAP information reconciliation tables in the appendix at the end of the earnings release, which is available on www.activisionblizzard.com

³ Current Share repurchase program was initiated on 2/10/10

All time record quarter of revenues and non-GAAP earnings

2011 Building blocks & initiatives



Growth in our high margin digital business

- Strong foundation for WoW with record Cataclysm launch
- Growth in China from Blizzard
- More online content, larger community, and bigger installed base than ever before for Call of Duty

Streamlining Activision Publishing for future growth

- Positioned for higher profitability and online expansion
- No new music or skateboarding releases in 2011
- Enable significant improvement in operating income and operating margin year over year

Continued investment in digital

- Extending our digital leadership
- Expanding our core brands
- Vast majority of 2011 investments allocated to biggest franchises and online product and service capabilities

Note: Digital includes revenues from subscription and licensing royalties, value added services, downloadable contents, digitally distributed products, and wireless devices

Aggressively reinvesting into the areas of greatest opportunity

Activision Blizzard Financial Outlook



Outlook	GAAP 2011 ^{1,2}	Non-GAAP 2011 ^{1,2}	GAAP 1Q 2011 ¹	Non-GAAP 1Q 2011 ¹
Net Revenue	\$3.95B	\$3.90B	\$1.28B	\$640M
COGS (Prod/MMOG)	30%	29%	30%	31%
Op Ex incl. Royalties	46%	40%	32%	50%
EPS	\$0.56	\$0.70	\$0.28	\$0.07
Share Count	1.2B	1.2B	1.2B	1.2B

¹ 1Q 2011 and FY 2011 outlook is provided as of 02/09/11

² 2011 full-year guidance does not include a major title release during the period from Blizzard Entertainment

Our outlook is based on assumptions about sell-through rates for our products and the launch timing, success and pricing of our new slate of products which are subject to significant risks and uncertainties, including possible declines in the overall demand for video games and in the demand for our products, the dependence in the interactive software industry and by us on an increasingly limited number of popular franchises for a disproportionately high percentage of revenues and profits, our ability to predict shifts in consumer preferences among genres and competition. Current macroeconomic conditions and market conditions within the video game industry increase those risks and uncertainties. Our outlook is also subject to other risks and uncertainties including litigation and associated costs, fluctuations in foreign exchange and tax rates, counterparty risks relating to customers, licensees, licensors and manufacturers. As a result of these and other factors (including those mentioned in our Safe Harbor Disclosure at the beginning of this presentation and in our 2009 Annual Report on Form 10-K) actual results may deviate materially from the outlook presented above.

2011: Another year of operating margin expansion

NA/EUR Hardware Outlook



NA and Europe Installed Base

Current Gen. Platforms	12/31/10 Installed Base	Estimated CY2011 Increase	Estimated 12/31/11 Installed Base	Estimated Growth Y/Y
Xbox 360	43M	9M	52M	+24%
PlayStation 3	31M	9M	40M	
Wii	64M	9M	73M	
Handhelds	130M	17M	147M	
Total	268M	44M	312M	+16%

Source: Activision Blizzard internal estimates; NPD, Charttrack, GfK
 Rows/Columns may not tie exactly due to rounding

Current-gen consoles pacing to all-time high

- **NA & Europe 360/PS3 retail software sales expected to grow again**
- **Expect Digital to be up over 20% in the US and Europe**
- **Asian online games market expected to grow at 15%+**

Note: Digital represents revenues from subscription and licensing royalties, value added services, downloadable contents, digitally distributed products, and wireless devices

Significant scale and global opportunity for leading online enabled content

1. **Call of Duty:** Massive franchise with our biggest ever resource allocation
2. **Project Beachhead:** Best in class online community and service suite for Call of Duty
3. **Downloadable Content:** Record setting start with “First Strike”
4. **Call of Duty China:** Free-to-play, microtransaction based game in development
5. **New entertainment franchise:** Bring toys, video games and online play together
6. **Licensed properties:** Two movie-based games and several other franchises with passionate, niche audiences
7. **Bungie:** New IP in development from one of the industry’s best

Focused in on highest quality content and online execution

Blizzard Entertainment Highlights



- **Celebrating 20 years of excellence**
 - 2010 was the best year yet: 2 new releases, Battle.net re-launch
 - New world-wide subscriber milestone announced for World of Warcraft at 12M in October
 - Both revenue and profit up significantly Y/Y in Q4 and 2010
- **World of Warcraft: Six years, and still growing**
 - Subscribership has grown following Cataclysm launch in December
 - Record-breaking launch in 4Q: 3.3M units as of day 1 and over 4.7M units the first month
 - Maintaining the Blizzard Entertainment standard of quality: 90-rating for Cataclysm
- **StarCraft II sales remain strong, vibrant player community**
 - Nearly 4.5M units in world wide sell through
 - New features and content added on Battle.net
 - Over 150,000 player created maps already uploaded by the StarCraft community
- **Building on momentum into 2011**
 - Grow World of Warcraft with new content; work towards StarCraft II and Cataclysm launch in China
 - Improve the Battle.net experience on StarCraft II
 - Continue development on Diablo III and StarCraft II: Heart of the Swarm
- **BlizzCon 2011:** Dates confirmed for October 21 & 22 at the Anaheim Convention Center

Best and widest slate ever heading into Blizzard's next 20 years

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