

ACTIVISION

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First Quarter CY 2010 Results

May 6, 2010

Safe Harbor Disclosure



The statements contained in this presentation that are not historical facts are forward-looking statements. The company generally uses words such as "outlook", "will", "could", "would", "might", "remain", "to be", "plan", "believes", "may", "expects", "intends", "anticipates", "estimate", "future", "plan", "positioned", "potential", "project", "remain", "scheduled", "set to", "subject to", "upcoming", 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 the Company's titles, shifts in consumer spending trends, the impact of the current macroeconomic environment, the seasonal and cyclical nature of the interactive game market, any further difficulties related to World of Warcraft in China, the Company's ability to predict consumer preferences among competing hardware platforms, declines in software pricing, product returns and price protection, product delays, retail acceptance of our products, adoption rate and availability of new hardware (including peripherals) and related software, industry competition including from used games and from other forms of entertainment, litigation risks and associate costs, rapid changes in technology, industry standards, business models, including online and used games, and customer preferences, including interest in specific genres such as music, first-person action, and massively multiplayer online games, 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 which 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. 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, May 6th, 2010, 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 quarter ended March 31, 2010, please refer to the Company's earnings release dated May 6th, 2010, which is available on our website, www.activisionblizzard.com.

Activision Blizzard 1Q 2010 Highlights



- **Delivered better than expected financial results**
 - First quarter Net Revenues and EPS ahead of prior outlook
 - Raising EPS outlook for the full year*
- **1Q Performance driven by World of Warcraft and Call of Duty**
 - Continued strength in Blizzard Entertainment's World of Warcraft
 - Strong catalog sell through for Call of Duty: Modern Warfare 2
 - Record breaking DLC launch for Modern Warfare 2 on Xbox LIVE
- **Strong 2010 lineup still to come**
- **Announced 10-year, margin accretive alliance with Bungie**

*Prior Outlook provided on 2/10/10

Another quarter of outperformance

Key Discussion Topics



- **We are committed to growing our Call of Duty franchise**
 - Continue our multi-platform, multi-developer approach to build a massive player base at retail
 - Continue to lead the way for value-added online gameplay and digital content offerings
 - Open up new markets
- **Infinity Ward remains an important studio**
 - We have the highest level of respect for the talented team at Infinity Ward
 - Providing the resources, people and talent to maintain highest level of content quality
 - Infinity Ward is working on second COD MW2 DLC and on their next big project
- **We expect to launch a Call of Duty title in 2011**
 - Title already in development and there is no change to the holiday 2011 release plan
- **We have formed an exciting new alliance with Bungie**
 - Exclusive 10 year deal to launch new IP from the creators of the renowned Halo franchise
 - Landmark alliance is expected to drive shareholder value for years to come
 - Bungie deal marks fourth major, acclaimed studio deal in just over two years for ATVI

Continued focus on biggest opportunities with the best talent

Activision Blizzard 1Q 2010 Results



GAAP	Prior Outlook¹	1Q 2010
Net Revenue	\$1.1B	\$1.3B
EPS	\$0.20	\$0.30

Non-GAAP²	Prior Outlook¹	1Q 2010
Net Revenue	\$525M	\$714M
EPS	\$0.02	\$0.09

	As of 12/31/09	As of 3/31/10
Cash & Investments	\$3.3B	\$3.4B

	Through 3/31/10³
\$1 Billion Share Repurchase Program	8.5M @ \$10.84

¹ Prior Outlook provided on 2/10/10

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

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

Better than expected performance in 1Q 2010

Key Building Blocks for 2010



1. We expect significant growth in online primarily driven by **Blizzard Entertainment**
 - StarCraft II, Battle.net, and World of Warcraft: Cataclysm
2. We expect a **strong Activision Publishing slate** of new titles including:
 - Several titles based on the best selling franchises in company history
 - Two new intellectual properties in Blur and Singularity, both in 2Q 2010
 - Exciting new downloadable content
3. We expect to **increase the profitability** of our music business
4. We will continue **our productivity improvement efforts** in order to **expand operating margins** while investing in our products

Focus on delivering continued profit growth in 2010

Activision Blizzard Financial Outlook



Outlook	GAAP 2010*	Non-GAAP 2010*	GAAP 2Q 2010*	Non-GAAP 2Q 2010*
Net Revenue	\$4.2B	\$4.4B	\$925M	\$700M
COGS (Prod/MMOG)	30%	31%	29%	32%
Op Ex incl. Royalties	50%	40%	49%	57%
EPS	\$0.49	\$0.72	\$0.11	\$0.04
Share Count	1.27B	1.27B	1.28B	1.28B

**2Q 2010 and FY 2010 outlook is provided as of 5/6/10*

Our outlook is subject to significant risks and uncertainties including declines in demand for our products, competition, litigation and associated costs, fluctuations in foreign exchange and tax rates, counterparty risks relating to customers, licensees, licensors and manufacturers, and risks relating to the ongoing ability of Blizzard's licensee, NetEase, to operate World of Warcraft in China on a paying basis without interruption. Our outlook is also based on assumptions about sell through rates for our products, and the launch timing, success and pricing of our new slate of products. Current macroeconomic conditions increase those risks and uncertainties. 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 today.

Focus on delivering continued profit growth in 2010

NA/EUR Hardware Outlook



NA and Europe Installed Base

Current Gen. Platforms	12/31/09 Installed Base	Estimated CY2010 Increase	Estimated 12/31/10 Installed Base
Xbox 360	32M	8M	40M
Playstation 3	23M	9M	32M
Wii	51M	12M	63M
Handhelds	112M	18M+	130M+
Total	218M	47M+	265M+

Source: NPD, Charttrack, GfK

Solid foundation for core software sell-through

2010 NA/EUR Software Overview



- Expect software for 360/PS3/Wii to be up low to mid single digits
- Expect software for PS2, DS, PSP to decline
 - PS2 expected to be down significantly
 - DS and PSP expected to be down double digits
- Expect industry-wide PC sales to be up for first time in nearly 10 years on strength of Blizzard Entertainment's release slate
- Expect total retail software sales to be flat to down mid single digits
- Expect Digital to be up over 20%

Source: Activision Blizzard internal estimates

Note: Digital includes Online subscriptions, Digital game downloads, Downloadable Content (DLC), Value Added Services (VAS) and Mobile

Expect retail and digital software to be up approximately 5-8% combined

For 1Q 2010:

- **Call of Duty remained the #1 Third Party Franchise** in retail across US and Europe*
- **Record release of Modern Warfare 2 DLC** on Xbox LIVE**
 - Over 1 million DLC purchases in first 2 days alone
 - PS3 launch just announced this week (not in 1Q numbers)
- **Unprecedented levels on online gameplay** on Xbox LIVE**
 - Over 1.75 billion hours of Xbox LIVE gameplay logged by Call of Duty audience since Modern Warfare 2 release in November, 2009

Sources: *NPD, Charttrack, GfK

** Microsoft Inc.

Paving the way for complementary growth between retail and digital

Activision: Strong 2Q 2010 Lineup



Two new IPs + proven franchises

Blizzard Entertainment Highlights



- **Strong Q1 performance with Y/Y growth on top and bottom line**
 - World of Warcraft remains strong with large and stable base of 11.5M+ subscribers
- **Excellent momentum for StarCraft II**
 - Strong pre-orders ahead of July 27 release date
 - Number of regions and languages initially supported make it Blizzard's most ambitious launch
 - Localized content and innovative business models to fit each region and reach wider audience
- **Battle.net expected to be the premier online gaming destination**
 - Foundation for future Blizzard Entertainment online games and community connection
 - Communication across Blizzard Entertainment games and between World of Warcraft realms
 - Facebook integration to simplify process of finding friends on Battle.net
- **World of Warcraft hitting on all cylinders; Cataclysm expansion on track**
 - Continued value-added services expansion drive growth
 - Cataclysm currently in internal testing and moving towards beta
- **Unprecedented pipeline**
 - Wrath of the Lich King has been submitted for approval in China
 - StarCraft II, revamped Battle.net, and Cataclysm expected to drive 2010
 - Unannounced MMO and Diablo III making great progress for future release

Strong execution and pipeline

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