

ACTIVISION

BILZZARD[®]

First Quarter CY 2011 Results

May 9, 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,” “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 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, May 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 quarter ended March 31, 2011, please refer to the Company’s earnings release dated May 9, 2011, which is available on our website, www.activisionblizzard.com.

Activision Blizzard 1Q highlights



- **Record 1Q results, ahead of expectations¹, ahead of prior year**
 - Established new 1Q records for revenues, EPS, and operating margin
 - 40% GAAP EPS growth Y/Y, 44% Non-GAAP EPS growth Y/Y
- **Raising our full-year 2011 outlook for Revenue and EPS**
- **Continued digital execution drives momentum**
 - 30% increase in revenues from digital channels Y/Y
 - Continue to shift our business toward digital delivery of content
 - Further deepening our direct, ongoing audience relationships

¹ Prior outlook provided on 02/09/11

Another quarter of record performance

Positioned for continued success



Digital
Leadership

IP
Leadership

Strong
Pipeline

- Currently developing for, and supporting, two of the largest online communities in consumer entertainment
- Majority of employees dedicated to online development and service operations
- Focused on improving the experiences delivered to our “always connected” community
- Critical IP leadership as industry profits are expected to concentrate around the very best experiences
- Our multi-year pipeline has never been stronger - titles, platforms and new business models

Unique blend of winning content, platforms, and expertise

Activision Blizzard 1Q 2011 Results



GAAP	1Q 2010	Prior Outlook ¹	1Q 2011
Net Revenues	\$1.31B	\$1.28B	\$1.45B
EPS	\$0.30	\$0.28	\$0.42

Non-GAAP ²	1Q 2010	Prior Outlook ¹	1Q 2011
Net Revenues	\$714M	\$640M	\$755M
EPS	\$0.09	\$0.07	\$0.13

	As of 12/31/10	As of 3/31/11
Cash & Investments	\$3.5B	\$3.4B

2011 \$1.5 Billion Share Repurchase Program ³	\$344M
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¹ Prior outlook provided on 2/9/11

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 initiated on 2/9/11

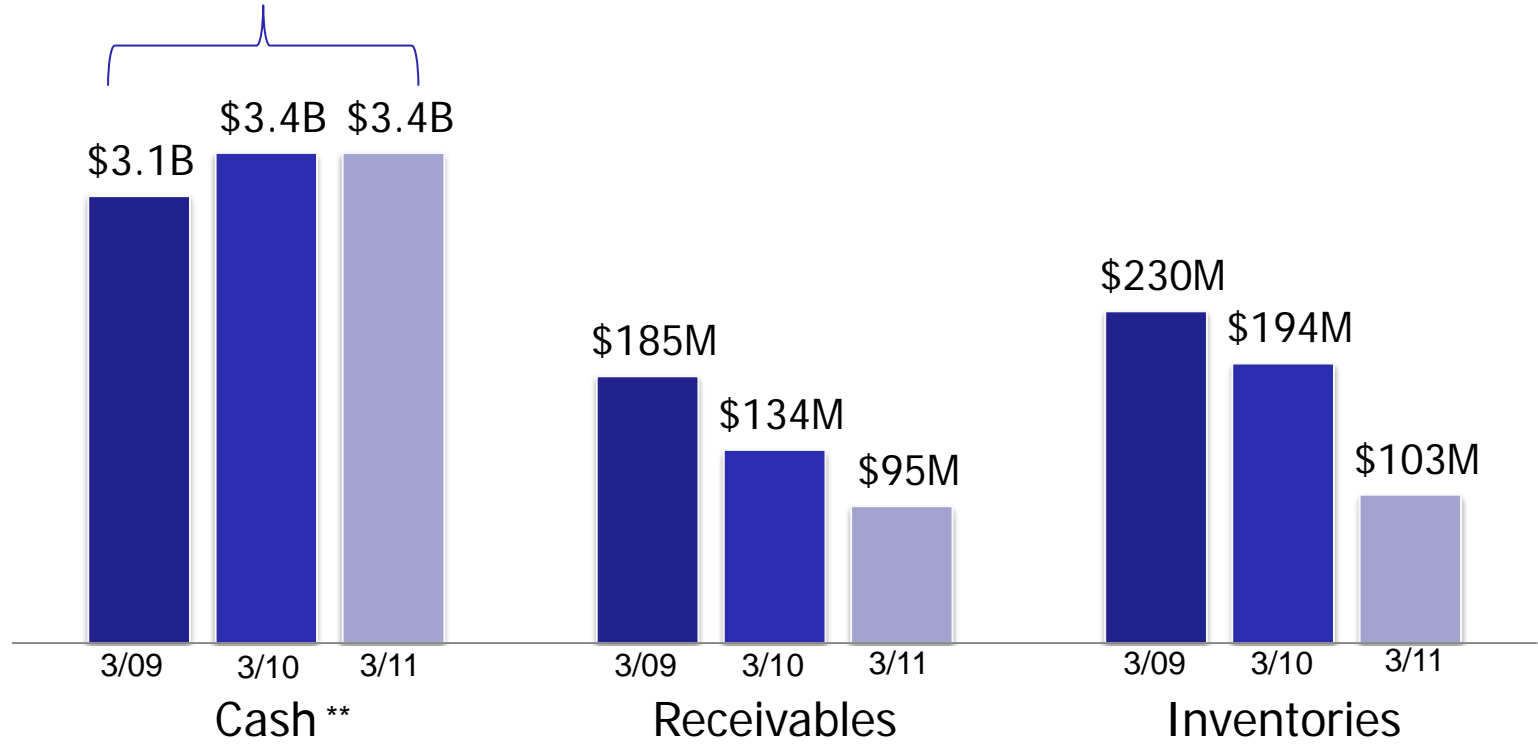
1Q record revenues and EPS driven by online-enabled franchises

Activision Blizzard 1Q 2011 Results



Cash, Receivables and Inventories*

Reflects \$2.7B of share repurchase/dividend payments



*For period ended 3/31- Cash in billions, Receivables/Inventories in millions
**Includes short-term and long-term investments

Transition to digital drives working capital improvements

2011 Operating Margin initiatives



1Q11

Continue to focus on high margin digital business

- Strong foundation for WoW with record Cataclysm launch
- Growth in WOW value added services in China
- 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
- Over \$75M in run-rate cost savings expected in CY11
- 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 investments allocated to biggest franchise opportunities and online product and service capabilities



Note: Digital includes revenues from subscriptions and licensing royalties, value added services, downloadable content, 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 2Q 2011 ¹	Non-GAAP 2Q 2011 ¹
Net Revenues	\$4.05B	\$3.95B	\$985M	\$575M
COGS (Prod/MMOG)	27%	26%	28%	29%
Op Ex incl. Royalties	48%	43%	41%	59%
EPS	\$0.61	\$0.73	\$0.19	\$0.04
Share Count ³	1.2B	1.2B	1.2B	1.2B

¹ 2Q 2011 and FY 2011 outlook is provided as of 05/09/11

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

³ Approximate

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 2010 Annual Report on Form 10-K) actual results may deviate materially from the outlook presented above.

**2011: Expecting another year of operating margin expansion
GAAP operating margin 25%/Non-GAAP operating margin 31%**

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	8M	39M	
Wii	64M	8M	72M	
Handhelds	130M	17M	147M	
Total	268M	44M	312M	+16%

*Installed Base as of 3/31/11 = 277M
 Source: Activision Blizzard internal estimates; NPD, Charttrack, GfK
 Rows/Columns may not tie exactly due to rounding

Hardware at all time highs + Digital expected to grow double digits

Activision Publishing 1Q Highlights



- ✓ Call of Duty: Black Ops became the best-selling video game of all time*
 - ✓ In U.S. and Europe across 360, PS3 and PC
- ✓ Call of Duty: Black Ops was the #1 title overall*
- ✓ Activision Publishing increased its retail share Y/Y*
- ✓ Black Ops First Strike content pack shattered Xbox LIVE records, surpassing 1.4M downloads in first 24 hours**
- ✓ Black Ops First Strike content pack has outsold the first Modern Warfare 2 map pack by more than 20%**

*In the U.S. and Europe, in \$'s across 360, PS3 and PC, according to NPD, GFK/Charttrack

**Microsoft estimates and company estimates

Starting the year with momentum

2011 Product Lineup

ACTIVISION | BLIZZARD

CALL OF DUTY



Still Yet to Come

Blizzard Entertainment Highlights



- **Strong Q1 financial performance**
 - Grew revenues Y/Y
 - Grew operating income Y/Y

- **World of Warcraft: Record sales following Cataclysm launch in US/Europe**
 - As of March subscribership returned to pre-Cataclysm-launch levels in the West
 - Plan to continue delivering new content to further energize our community
 - Our partner Netease is working towards launching Cataclysm in China as soon as possible
 - Recently launched value-added services in China

- **StarCraft II**
 - Launched in China in 1Q, already one of our largest communities for StarCraft II in concurrency
 - Hard at work on the first expansion, Heart of the Swarm

- **Diablo III**
 - Beginning companywide internal testing
 - Targeting Q3 launch for external beta testing
 - Do not have an official release date or window yet, but driving hard to launch Diablo III this year

Working hard on exciting pipeline of new games

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*The reconciliation tables are in the earnings release and on www.activisionblizzard.com along with the replay webcast.