Third Quarter 2009 Results

November 5, 2009
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”, “remains”, “to sell”, “plans”, “believes”, “may”, “expects”, “intends”, 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, without limitation, 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, rapid changes in technology, industry standards, and customer preferences, protection of proprietary rights, litigation against us, maintenance of relationships with key personnel, customers, licensees, licensors, vendors and third-party developers, 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, integration of recent acquisitions and the identification of suitable future acquisition opportunities. These important factors and other factors that potentially could affect the Company’s financial results are described in the Company’s Annual Report on Form 10-K for the period ended December 31, 2008 and subsequently filed quarterly reports on Form 10-Q. 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 today, November 5th, 2009, 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 September 30, 2009, please refer to the Company’s earnings release dated November 5th, 2009.
Activision Blizzard Highlights

- Announced better than expected financial results

- Strong holiday lineup anchored by:
  - Guitar Hero, Tony Hawk, Call of Duty, World of Warcraft

- Common themes across our key holiday titles:
  - Each delivers an unmatched game experience resulting from significant investments
  - Each requires a level of investment many competitors aren’t committed to
  - Each delivers a rich interactive experience for our player communities

- Market position and global footprint continue to expand

Creating Long Term Value For Our Shareholders
# Activision Blizzard Third Qtr Results

## GAAP

<table>
<thead>
<tr>
<th></th>
<th>Prior Outlook*</th>
<th>Sep 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$680M</td>
<td>$703M</td>
</tr>
<tr>
<td>EPS</td>
<td>($0.03)</td>
<td>$0.01</td>
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</tbody>
</table>

## Non-GAAP**

<table>
<thead>
<tr>
<th></th>
<th>Prior Outlook*</th>
<th>Sep 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$700M</td>
<td>$755M</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.03</td>
<td>$0.04</td>
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</table>

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

<table>
<thead>
<tr>
<th></th>
<th>As of 6/30/09</th>
<th>As of 9/30/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Investments</td>
<td>$2.9B</td>
<td>$2.7B</td>
</tr>
<tr>
<td><strong>LTD as of 6/30/09</strong></td>
<td><strong>LTD as of 9/30/09</strong></td>
<td></td>
</tr>
<tr>
<td>Share Repurchase</td>
<td>$668M @ $10.41</td>
<td>$960M @ $10.81</td>
</tr>
</tbody>
</table>

*Prior Outlook provided on 8/5/09

**Better Than Expected Performance**
<table>
<thead>
<tr>
<th>Outlook</th>
<th>GAAP CY2009*</th>
<th>Non-GAAP CY2009*</th>
<th>GAAP Dec 09*</th>
<th>Non-GAAP Dec 09*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$4.05B</td>
<td>$4.50B</td>
<td>$1.33B</td>
<td>$2.22B</td>
</tr>
<tr>
<td>COGS (Prod/MMOG)</td>
<td>35%</td>
<td>37%</td>
<td>38%</td>
<td>36%</td>
</tr>
<tr>
<td>Op Ex incl. Royalties</td>
<td>55%</td>
<td>38%</td>
<td>62%</td>
<td>28%</td>
</tr>
<tr>
<td>EPS</td>
<td>$0.26</td>
<td>$0.63</td>
<td>$(0.04)</td>
<td>$0.43</td>
</tr>
<tr>
<td>Share Count</td>
<td>1.33B</td>
<td>1.33B</td>
<td>1.27B</td>
<td>1.30B</td>
</tr>
</tbody>
</table>

*Dec 09 and CY09 outlook is provided as of 11/5/09

Our outlook is subject to significant risks and uncertainties including declines in demand for our products, fluctuations in foreign exchange rates and tax rates, and 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. And current macroeconomic conditions increase those risks and uncertainties. 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. As a result of these and other factors, actual results may deviate materially from the outlook presented today.
1. We expect 2010 growth driven by **Blizzard Entertainment**
   - StarCraft II and Battle.net, World of Warcraft: Cataclysm

2. In 2010 we expect to release a **strong Activision Publishing product line** of innovative new titles including among others:
   - Call of Duty, Guitar Hero, Tony Hawk, Shrek, Spider-Man
   - A select few new properties such as Blur and Singularity
   - Strong catalog based on top sellers of 2009

3. We expect to **increase the operating income contribution** of our music business

4. We will continue **our cost containment efforts** in order to **expand operating margins** while investing in our products
### North America and Europe Installed Base

<table>
<thead>
<tr>
<th>Current Gen. Platforms</th>
<th>9/30/09 Installed Base</th>
<th>Estimated CY2009 Increase</th>
<th>Estimated 12/31/09 Installed Base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xbox 360</td>
<td>28M</td>
<td>9M</td>
<td>33M</td>
</tr>
<tr>
<td>Playstation 3</td>
<td>18M</td>
<td>7M</td>
<td>21M</td>
</tr>
<tr>
<td>Wii</td>
<td>42M</td>
<td>14M</td>
<td>49M+</td>
</tr>
<tr>
<td>Handhelds</td>
<td>100M</td>
<td>21M+</td>
<td>109M+</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>188M</strong></td>
<td><strong>51M+</strong></td>
<td><strong>212M+</strong></td>
</tr>
</tbody>
</table>

*Total installed base North America and Europe as of 12/31/08 = 159M

Source: NPD, Charttrack, GfK

Expect Fourth Quarter NA and EUR Software Sales Flat Year Over Year
Market/Retail Overview

- Hardware expectations
  - Price cuts on PS3 positively impacting software sales
  - Price cut on Nintendo Wii – too early to tell

- Expect Q4 NA/EUR software market to be flat year over year

- Expect AAA launch pricing to hold

- Retailers increasingly selective and cautious but still showing strong commitment to our holiday launches

- Shelf space allocation is larger this year for Activision’s games
  - 600 Toys “R” Us store-within-a-store featuring our products

Top Titles Should Take a Disproportionate Share This Holiday
Toys “R” Us Retailer Innovation
Activision Publishing Highlights

For the Quarter:

- Gained 3.1 points share in US over prior year
- Two top ten best selling franchises in US Guitar Hero and Call of Duty
- Downloadable content sales were strong
  - Launch to date World at War’s 3 map packs sold more than 7.5M units

In September:

- Two top ten titles Guitar Hero 5/Marvel Ultimate Alliance 2 in NA/EUR
- Resurgence of the music category

Source: NPD, Charttrack, GfK
Guitar Hero Highlights

- Guitar Hero sales on PS3 and 360 up 20% year to date vs. last year
- Year to date - #1 third party franchise in US/EUR
- Guitar Hero 5 launched with high game rankings of 85-90
- DJ Hero launched last week with excellent game rankings
- Band Hero launched this week with 85+ game rankings
  - Featured on Oprah today

Source: NPD, Charttrack, GfK
Strong Lineup – Fourth Quarter CY2009

Fourth Quarter CY2009

Solid Foundation As We Enter 2010
Blizzard Entertainment Highlights

- World of Warcraft relaunched in China – September 19th
  - Global subscribership increased versus the same quarter last year
  - Hit all-time peak concurrency in China
  - Working towards the release of Wrath Of The Lich King in China

- BlizzCon – biggest and best show yet
  - 20,000 tickets sold, 500 press and tens of thousands on pay per view
  - Next World of Warcraft expansion Cataclysm announced – targeting 2010 release

- Battle.net – designed to be the premier online gaming destination
  - Connects the Blizzard Entertainment community
  - Foundation for all future Blizzard Entertainment online games
  - Advanced communication features for players to chat across World of Warcraft realms and across Blizzard Entertainment games
  - StarCraft Marketplace – will allow players to sell content that they’ve created
  - StarCraft II – launch planned next year and will plug right into Battle.net
Blizzard Entertainment Highlights

- World of Warcraft transitioning over to Battle.net accounts
  - Unifies the Blizzard Entertainment player base
  - Ability to chat with friends across different realms
  - Expect next year players will be able to chat with StarCraft II players

- World of Warcraft updates
  - New content update in the coming weeks
  - Pet Store – non-combat companion pets for players to add to collection
  - Premium services – paid faction change and paid race change

- StarCraft II
  - Driving hard toward beta test
  - Targeting release in the first half of 2010
  - August – won Game of the Show at GamesCom in Europe

Cataclysm, StarCraft II, Battle.net, Diablo III - Solid Pipeline For The Future
*The reconciliation tables are in the earnings release and on our website along with the replay webcast.