

ACTIVISION

BILZARD®

September 15, 2008

Kristin Southey

Vice President of Investor Relations



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 be,” “plans,” “believes,” “may,” “expects,” “intends,” and similar expressions to identify forward-looking statements. We caution you that a number of factors could cause the Company’s future results to differ materially from those expressed in any such forward-looking statements. These factors include, but are not limited to, sales of the Company’s titles, shifts in consumer spending trends, the seasonal and cyclical nature of the interactive game market, the Company’s ability to predict consumer preferences among competing hardware platforms (including next-generation hardware), declines in software pricing, product returns and price protection, product delays, retail acceptance of the Company’s products, adoption rate and availability of new hardware and related software, industry competition, rapid changes in technology and industry standards, protection of proprietary rights, litigation, maintenance of relationships with key personnel, customers, vendors and third-party developers, domestic and international economic, financial and political conditions and policies, foreign exchange rates, integration of recent acquisitions and the identification of suitable future acquisition opportunities, Activision Blizzard’s success in integrating the operations of Activision Publishing and Vivendi Games in a timely manner, or at all, and the combined company’s ability to realize the anticipated benefits and synergies of the transaction to the extent, or in the timeframe, anticipated. Other such factors include additional risk factors described in the Company’s Form 10-Q that was filed with the SEC on August 8, 2008 and our other SEC filings. 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 forward-looking statements in this presentation are based upon information available to the Company as of September 15, 2008. The Company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after September 15, 2008 or to reflect the occurrence of unanticipated events. Forward-looking statements are not guarantees of our future performance.

Unless otherwise noted, financial commentary in this presentation is made on a non-GAAP basis excluding the impact of the change in deferred net revenues and cost of sales related to certain online-enabled games, equity-based compensation, the operating loss results from the historical Vivendi Games businesses that the Company intends to dispose of or exit, one-time costs related to the business combination with Vivendi, and the amortization of intangibles resulting from purchase price accounting adjustments; for a reconciliation, please refer to our press release dated July 31, 2008 which is available at www.activisionblizzard.com under “investor relations”. Finally, forecasts for calendar 2008 are as of our most recent conference call, which was held on July 31, 2008, and have not been updated.

Why We Are Here



Review
Growth Drivers/
Financial
Objectives

Learn More About
Blizzard
Entertainment

Play Games!

Bobby Kotick

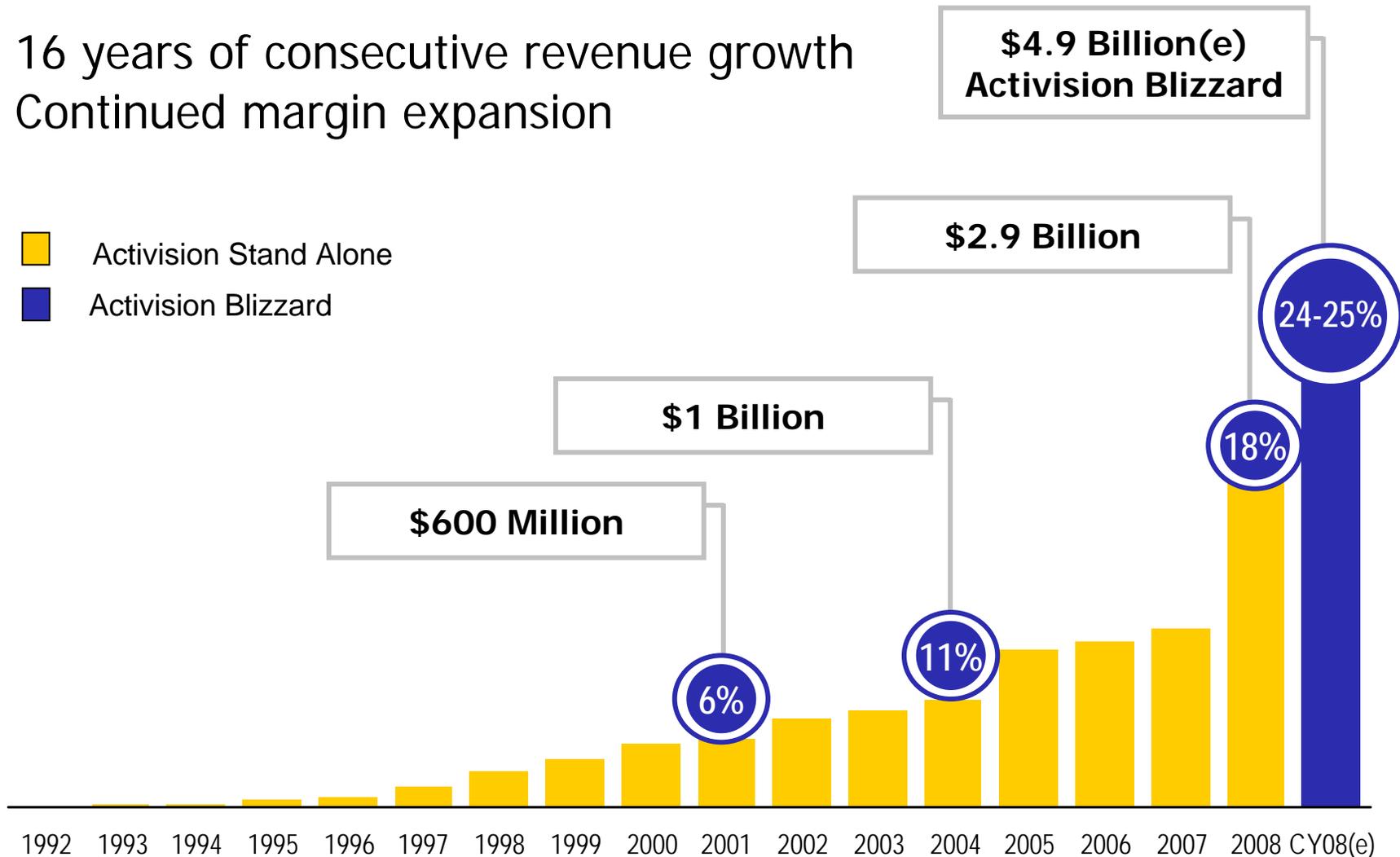
Chief Executive Officer



Consistent Record of Growth



- 16 years of consecutive revenue growth
- Continued margin expansion

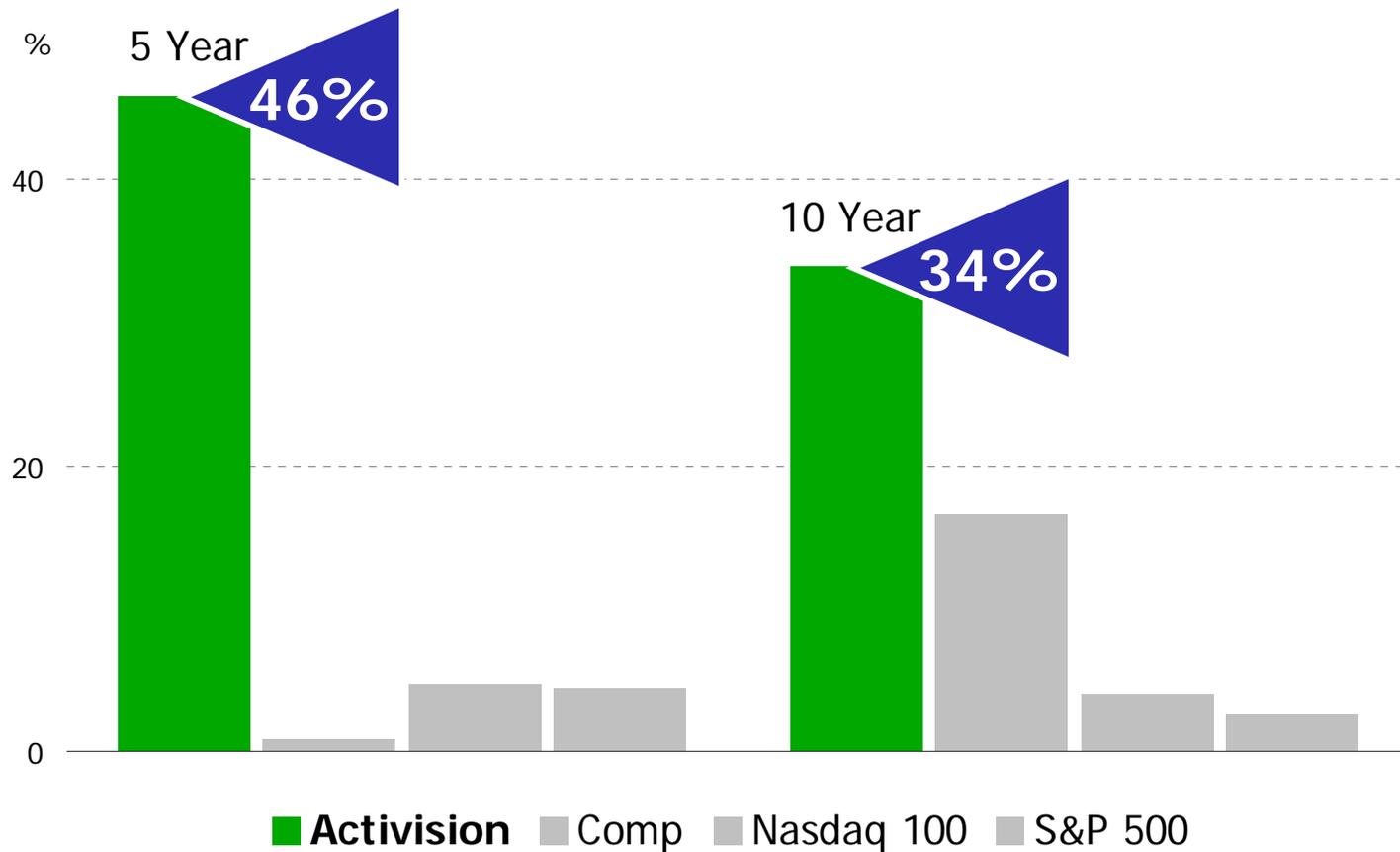


Operating Margin - Fiscal year ended 3/31 unless otherwise noted

*Represents comparable CY08 non-GAAP financial projections and were given on 7/31/08 conference call and have not been updated
Non GAAP projections from first call estimates*

Significant Value Creation

Annualized Shareholder Value Creation- Stock return CAGR



Source: Yahoo for pricing as of 9/3/08- Nasdaq and SP500 do not include dividends

Operating Margin Expansion



Operating Margin Objectives*

Market Opportunities

Portfolio Expansion

Operational Discipline

Calendar 08
24-25%

Near-Term
27-28%

Long-Term
30%+

*Non GAAP

Calendar 2008 Highlights



Drivers of operating margin expansion

- Incredible combination - Activision Blizzard
- Integration on track
- Strong holiday Lineup



Operating Margin Expansion

Market Opportunities

Portfolio Expansion

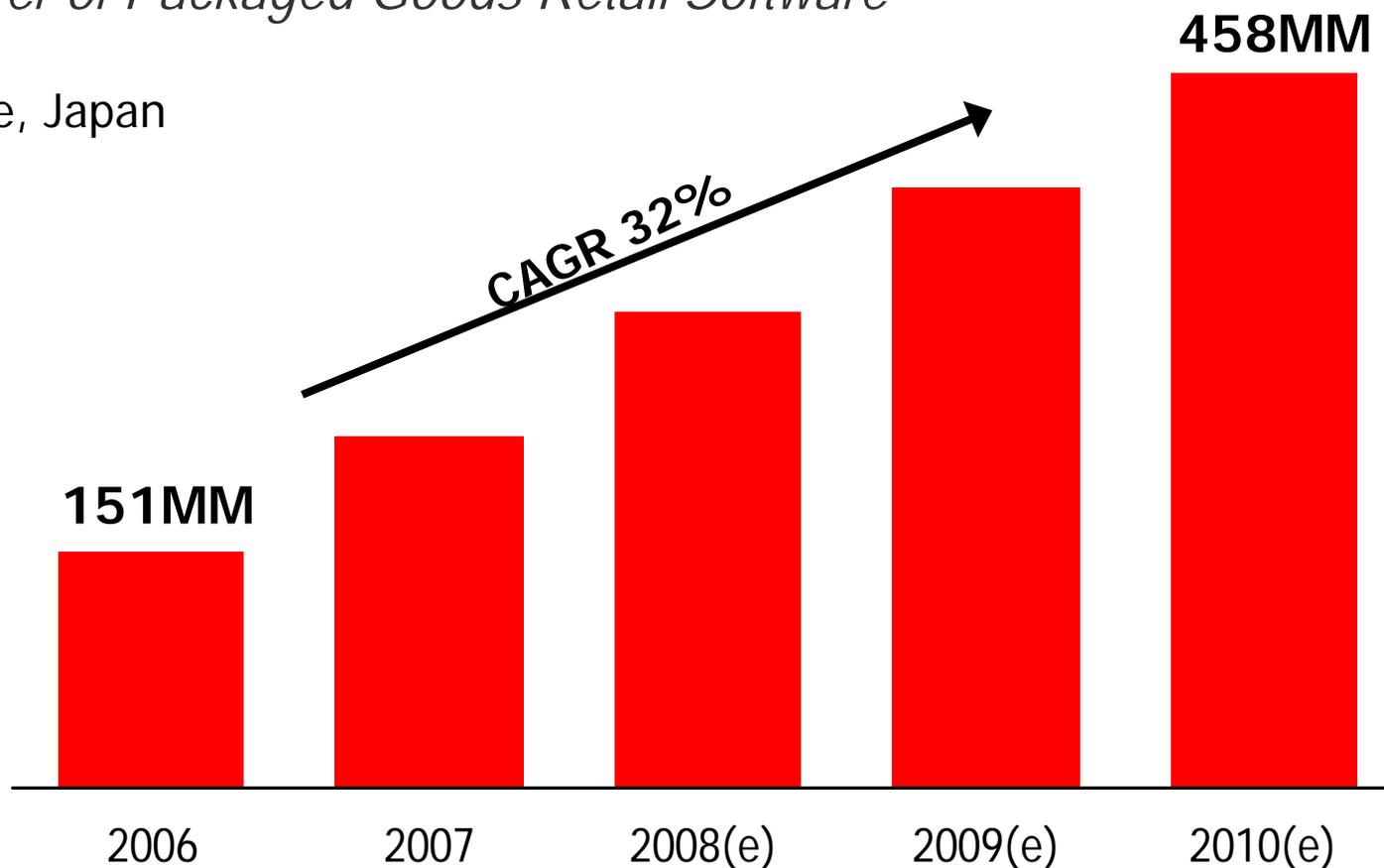
Operational Discipline

Our Markets Are Growing



Growth in Installed Base of Hardware Units Console/Handheld -
a Key Driver of Packaged Goods Retail Software*

NA, Europe, Japan



Sources: A-B Forecast, IDG, NPD, GfK, ChartTrack),
PC Data - Gartner

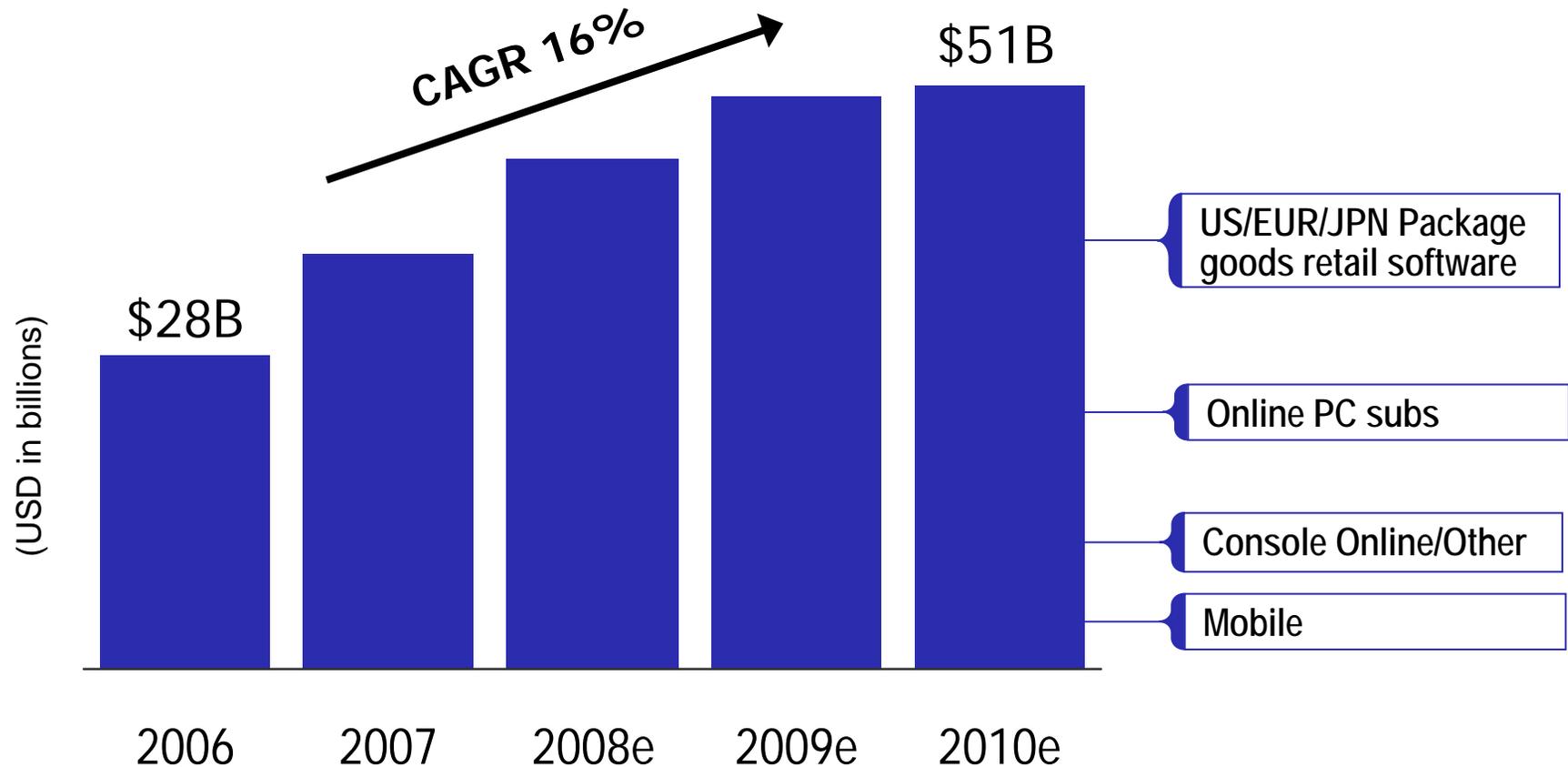
*Includes PS2, PS3, 360, Wii, PSP, DS, future platforms.

Plus more than 225MM PC units WW in 2007

Interactive Entertainment is Growing



Activision Blizzard is well positioned to capture industry growth



Sources: A-B Forecast, DFC, IDG, PwC – Package goods NA, EUP, Japan (NPD, GfK, ChartTrack, Interbase). Other categories are WW.
Other: Casual, Mobile and Console Online

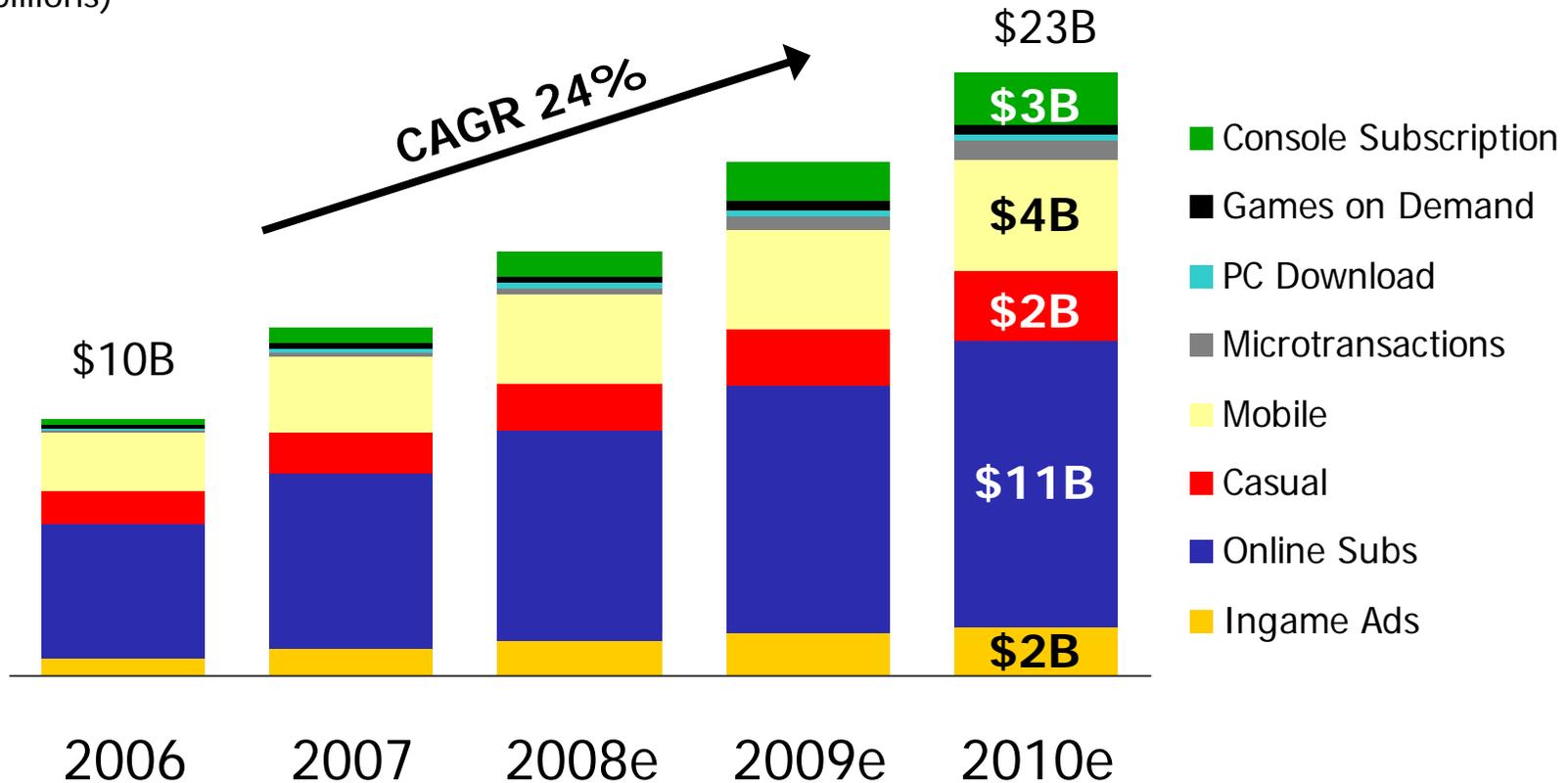
Our Markets Are Growing



Worldwide Online Market Components

The most profitable parts of our market are growing the fastest

(USD in billions)



Our Markets Are Growing



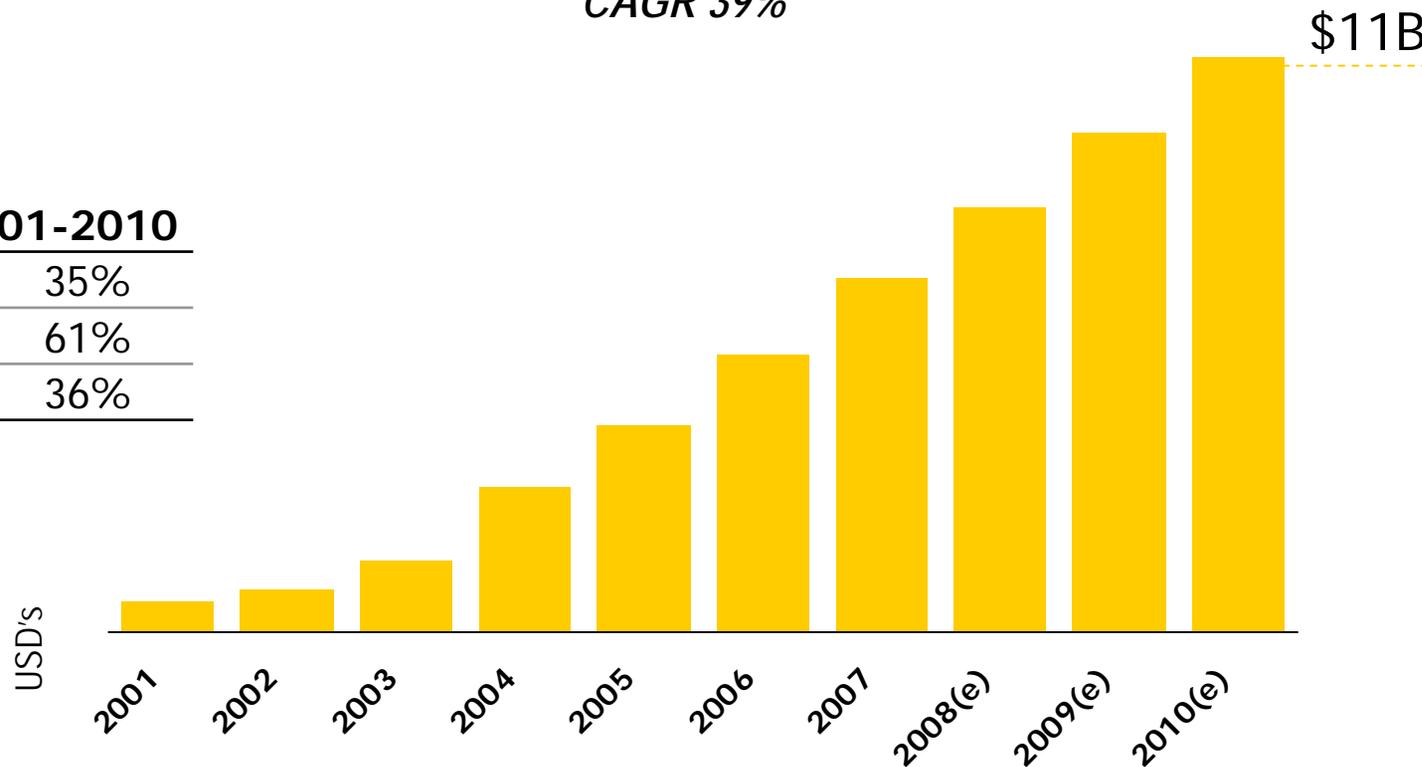
Worldwide Online Gaming Market – Continues to Increase

*Worldwide Online Game Revenue 2001-2010
CAGR 39%*

\$11B

CAGR 2001-2010

NA	35%
EUR	61%
Asia	36%



Source: DFC Online Game Market Forecasts July 2008

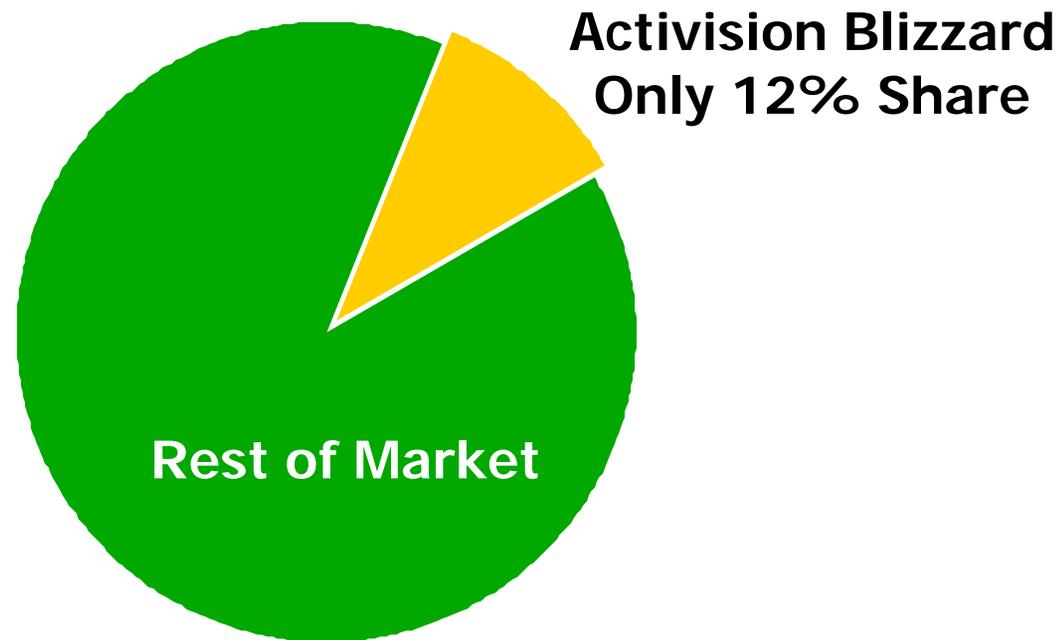
Revenue includes advertising, subscription and digital download revenue, also mid, short, and long session revenue

Asia revenue includes Japan

Market Share Gains are Likely



NA, EUP, Japan Console/Hand-Held/PC/Online/In-game Adv. Market '07

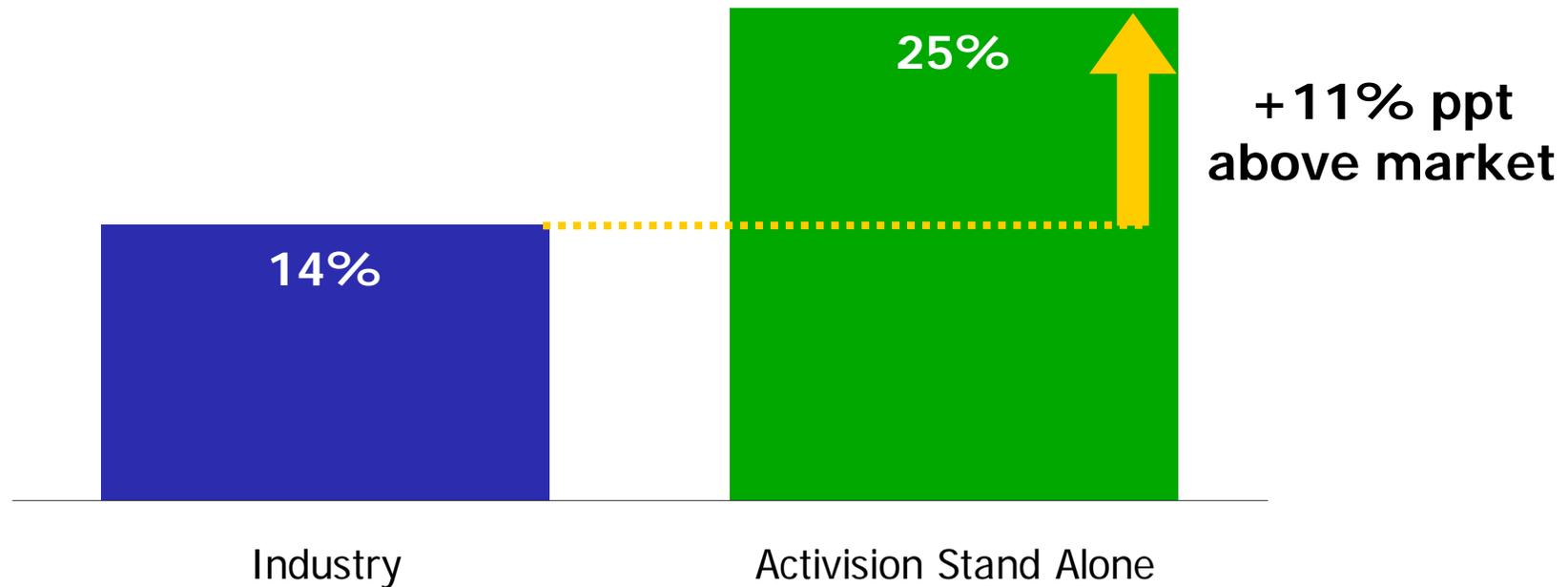


Games market is still highly fragmented

Capitalizing on Market Opportunity



Historical Growth CAGR (FY01-08)

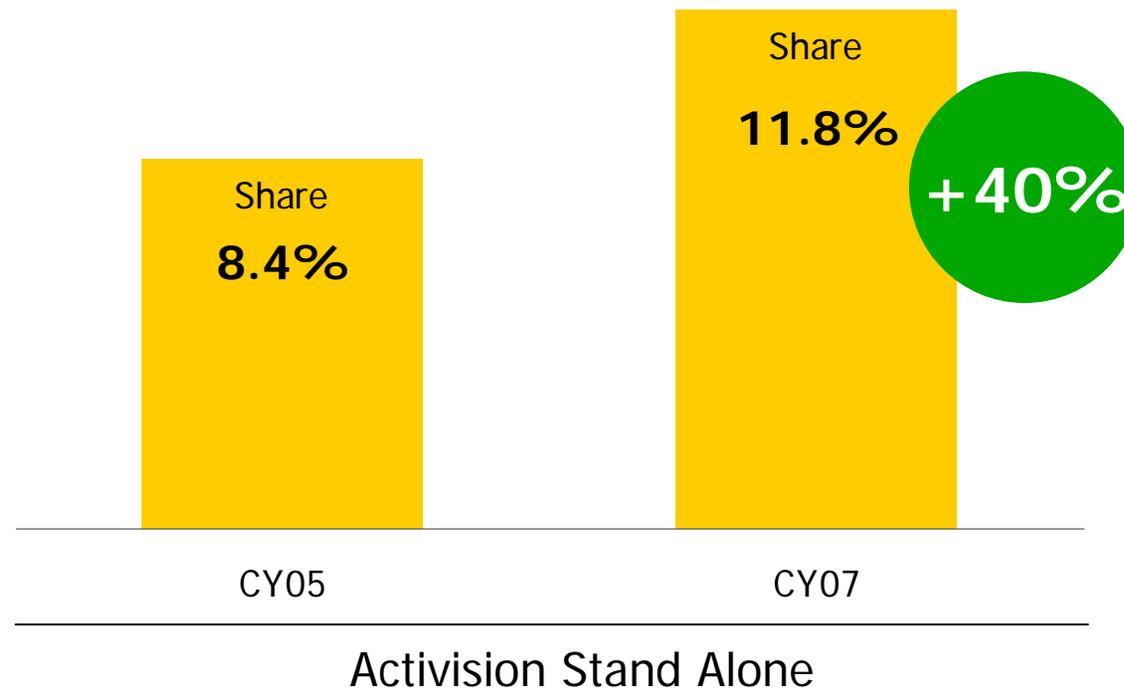


Source : NPD GFK, Chartrack

We Have Been Taking Share



Share US/Europe



Games market is still highly fragmented

Source: ATVI Financials (atvi only)

Market Growth

- Hardware/Software grows as expected
- Leverage from scale

- Sustained pricing
- AB continues to grow share
- Greater realization on PD investments

- Online gaming continues to grow
- Grow our presence in Asia

Operating Margin Objectives*

Calendar 08
24-25%

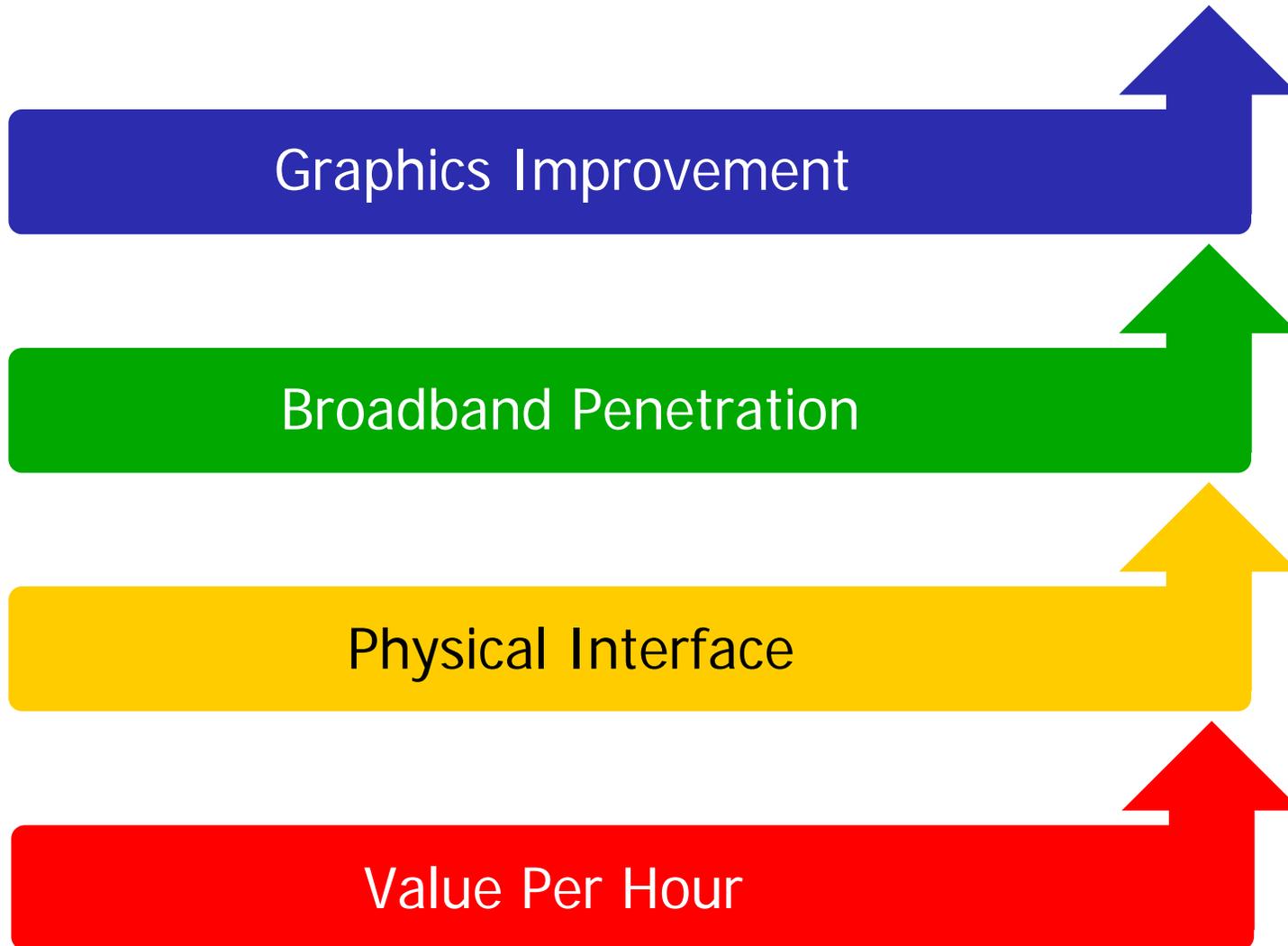
Near-Term
27-28%

Long-Term
30%+

*Non GAAP

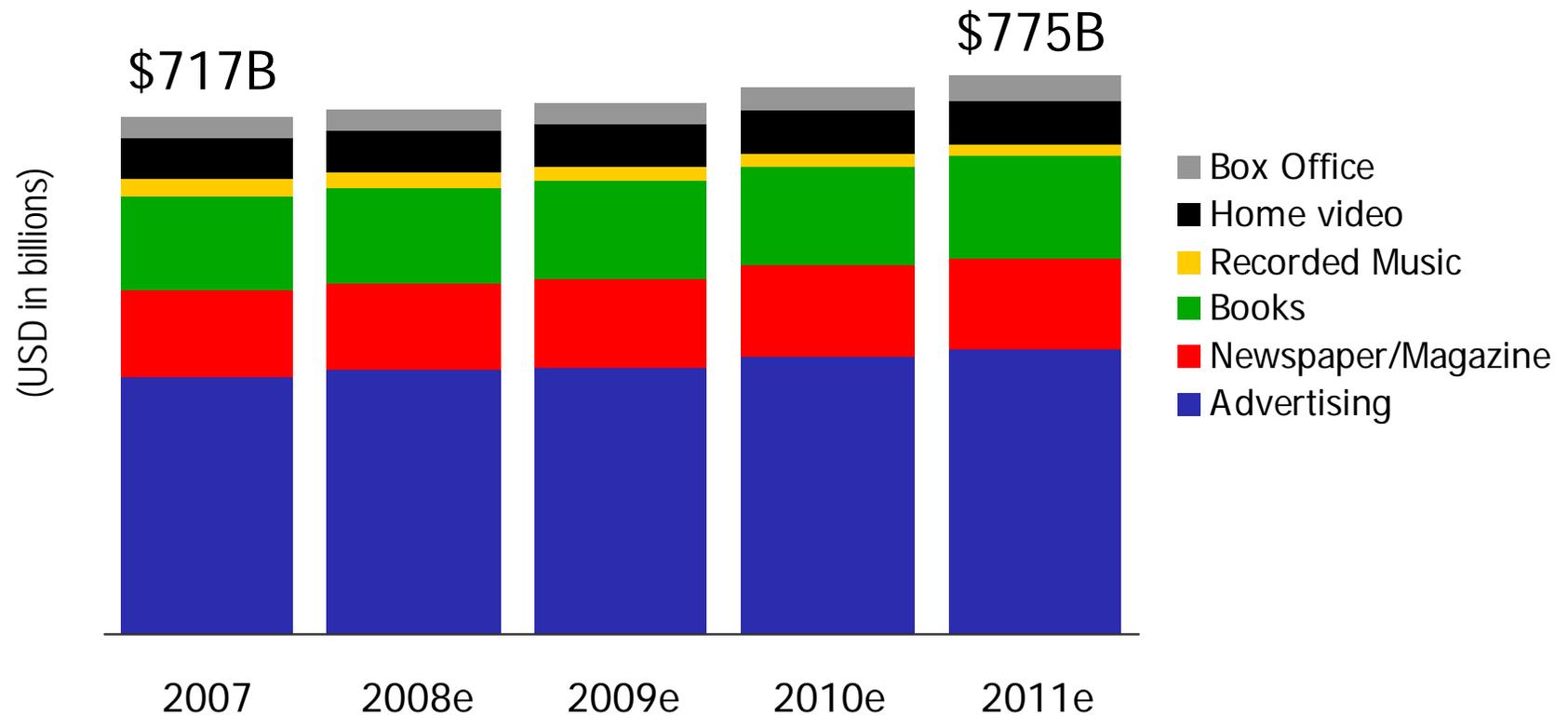
Technology Changes

Creating opportunity with larger audiences



Physical Media is Stagnant

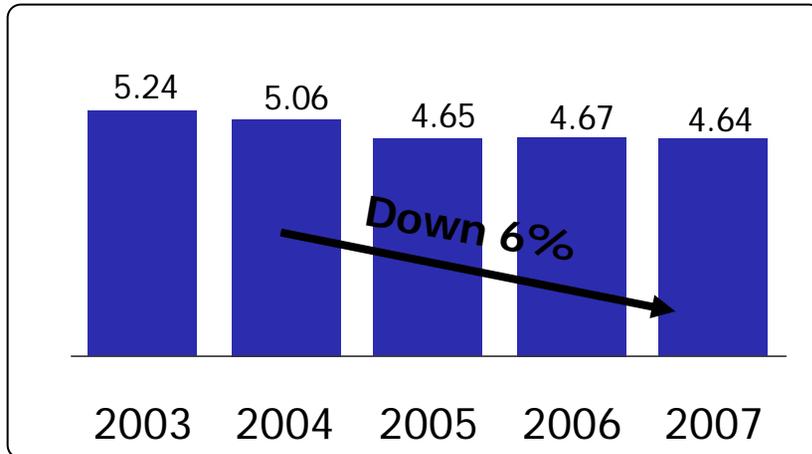
A Changing Worldwide Market



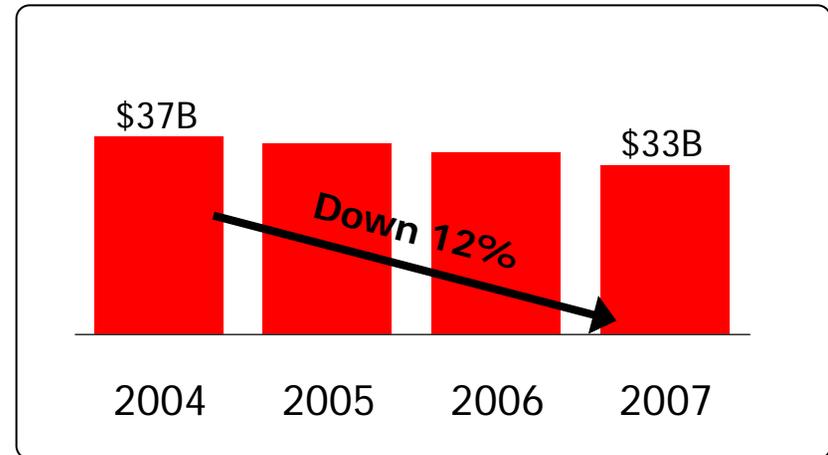
Consumption of Media is Changing



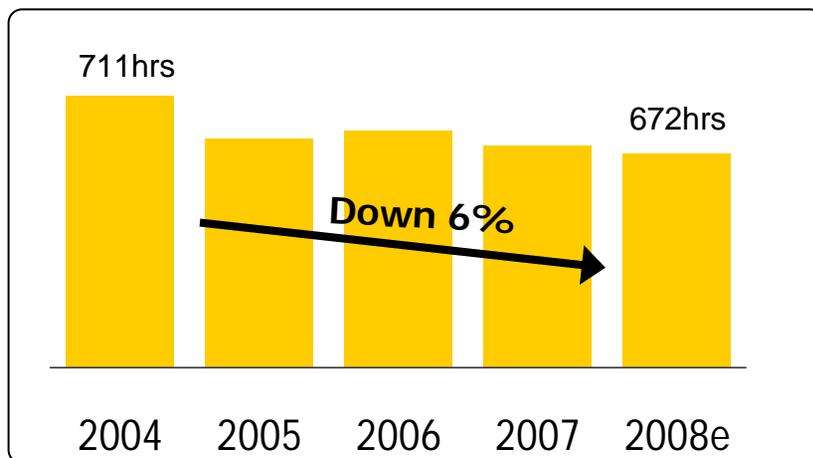
of movie tickets per person



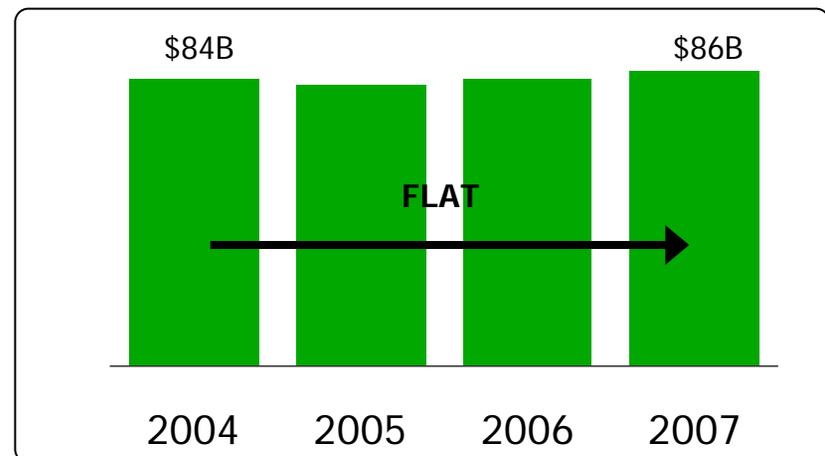
Recorded Music \$'s



Network TV Consumption Decreasing

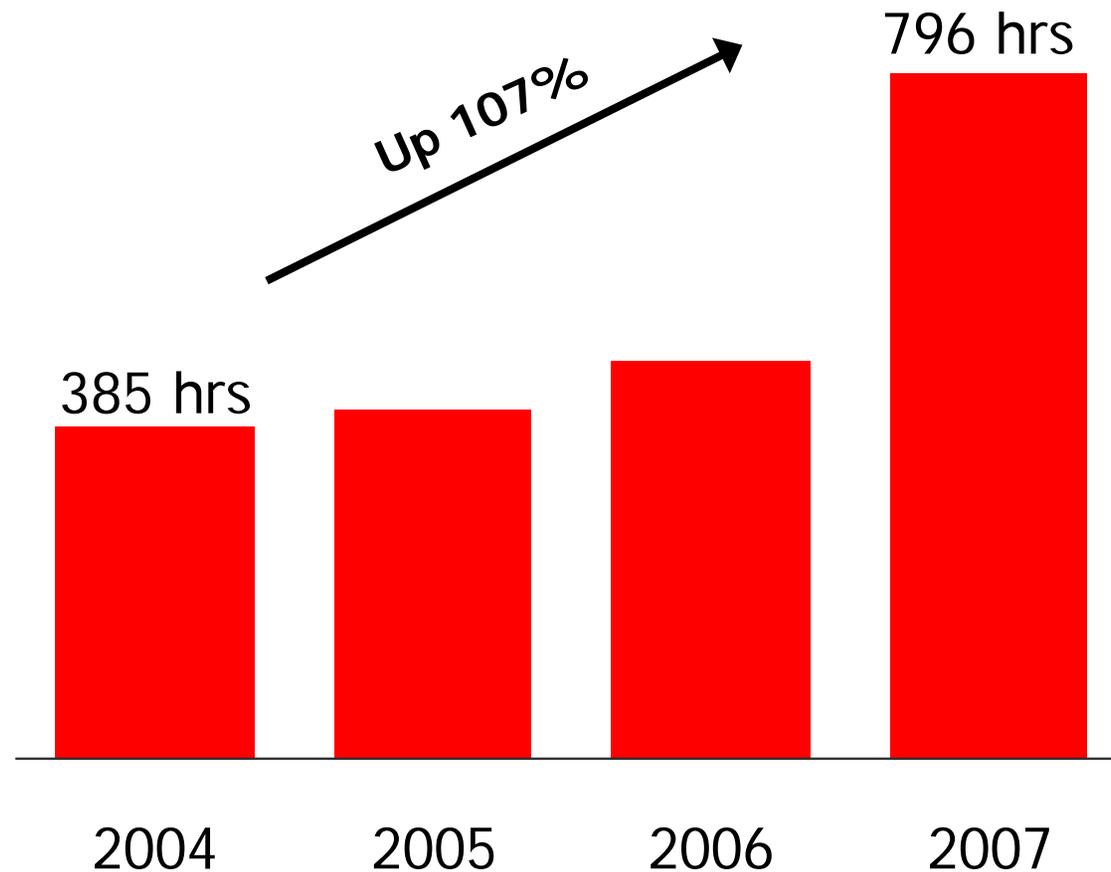


Filmed Entertainment \$'s



Consumption of Media is Changing

Annual Internet Consumption Per Person is Increasing



How People are Spending Leisure Time



Share of Clock Among Leisure Activities*

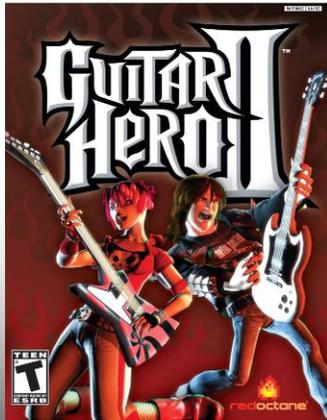
	Total
Internet Related Activities	33%
Watching TV on cable/satellite stations	27%
Watching TV on network stations	24%
Reading magazines	4%
Playing video games	12%
TOTAL	100%

*Total audiences 213MM

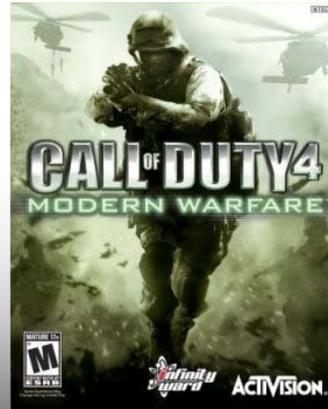
Interactive Entertainment



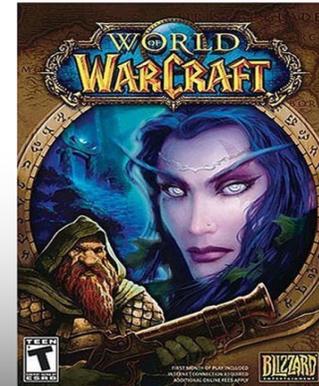
We are at the center of changing leisure time habits



Music



Story Telling



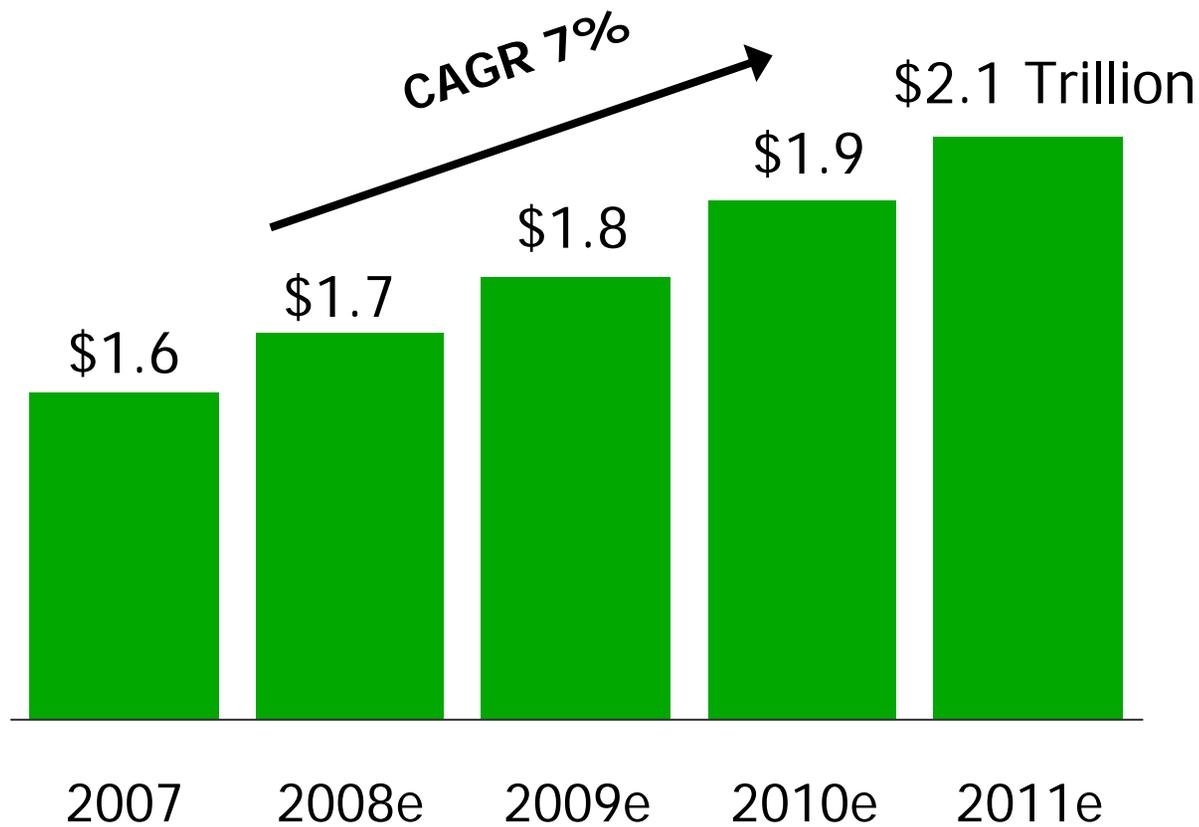
Social
Networking

We are the leader in the fastest growing game categories

Two Trillion Dollar Market Opportunity



Global Entertainment & Media Market



Total Global Ent't and Media Market US, EMEA, Asia Pacific, Latin America and Canada

Global Entertainment & Media Market



*Video games are still a fraction of \$1.6 Trillion market
Which is expected to grow to \$2.1 Trillion in 2011*

Segment	2007
Internet Access	12%
Newspaper Publishing	12%
Paid Cable	11%
Broadcast TV Advertising	10%
Casino/Other Regulated Gaming	7%
Book Publishing	7%
Sports	6%
Filmed Entertainment	5%
Magazine Publishing	5%
Internet Advertising	3%
Video Games	< 3%
Recorded Music	2%
Other	17%
Total Global Ent't & Media Market	100%
Total \$'s	\$1.6T

*If video games
could just
capture a
small piece
of these
other markets*

Market Opportunity – 2011



Gaining Share-Example

\$'s in billions except where noted

Market	Size of market 2011	0.5% share taken by VG equals \$'s	AB Fair share @12%*	AB Op. Income*
TV Subs, licenses & Advertising	\$256	\$1.3	\$154MM	\$46MM
Casino/Other Regulatory Gaming	\$144	\$0.7	\$86MM	\$26MM
Filmed Entertainment	\$111	\$0.6	\$76MM	\$20MM
Recorded Music	\$32	\$0.2	\$19MM	\$6MM
Total	\$543B	\$3B	\$335MM	\$100MM

**AB current market share 12% of video game market*

***Operating margin calculated at 30%*

Mike Griffith

President and Chief Executive Officer,
Activision Publishing



Operating Margin Expansion



Market Opportunities

Portfolio Expansion

Operational Discipline

Activision – This Cycle



Where We Have Been

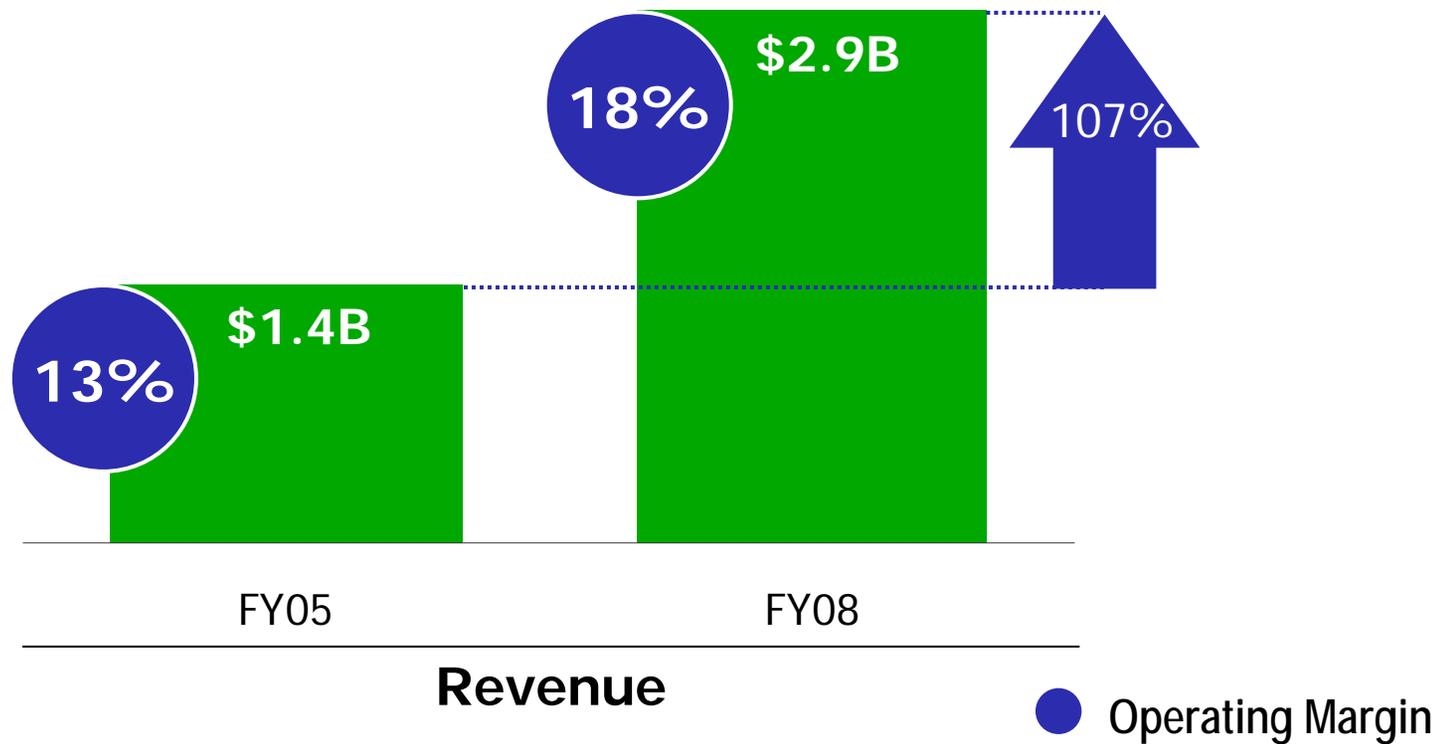
- Significantly beat the market w/organic growth
- Last year int'l revenues grew by over 100%
- In CY07 we had the two top selling franchises
- Reduced false starts, cancellations and write-offs
- Held the line on overhead and marketing investment

Significantly increased revenues and operating margin

Results Prove Strategy



We've Grown Revenues and Operating Margin



Source: ATVI Financials (ATVI only) FYE 3/31

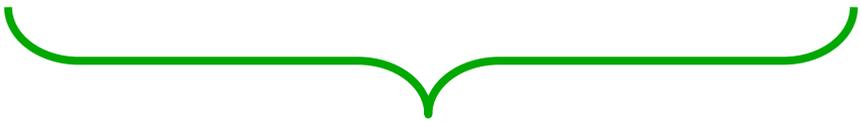
Activision Growth Strategies



How Did We Do It?

Followed
Institutionalized
Business Processes

Stayed Focused
on Proven
Strategies



Delivered Great Games that Sell

Key Business Processes – Have Driven Success



Strategic Planning

"Define What's Needed"

- **Annual** planning establishing 3 yr goals
- Set targets and strategies

Franchise Planning

"Create What's Needed"

- **Quarterly** reviews of 3 yr franchise plans
- Ensures product programs reflect consumer learning and deliver financial goals

Greenlight

"Deliver What's Needed"

- **Weekly** marketing, product development and financial review of products in pipeline
- In-depth reviews at 4 key stages of development for each title

Growth Strategies



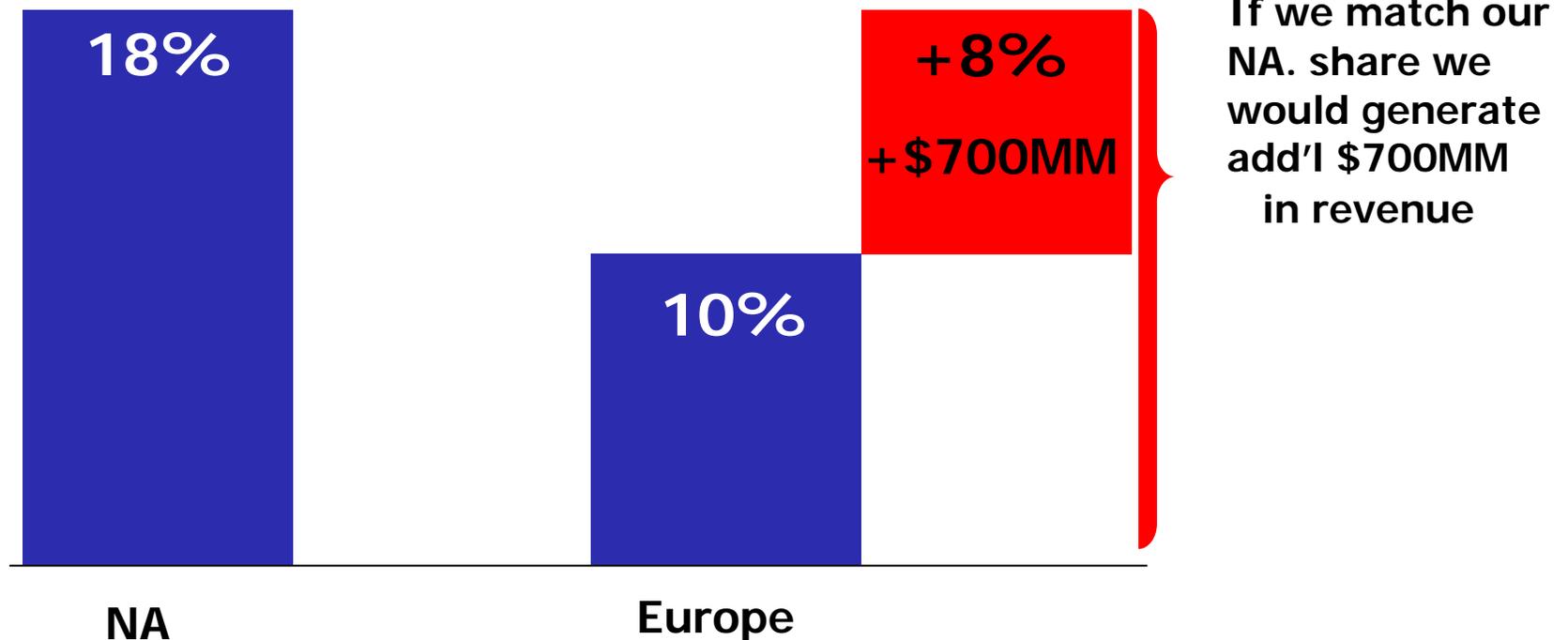
- Drive annual growth & profit of proven franchises
- Selectively add new properties
- Drive scale through international expansion
- Monetize emerging markets

Expand International Business



*Packaged Goods Retail Software Dollar Share – 2007
NA & Europe*

Activision Publishing



If we match our
NA. share we
would generate
add'l \$700MM
in revenue

Emerging Opportunities



- Monetize downloadable content
 - 10X year over year downloads
- Monetize online game play
 - COD4 players average 115 hours online
- Selectively expand geographies
 - Penetrate Asia

Continue Executing Proven Strategies

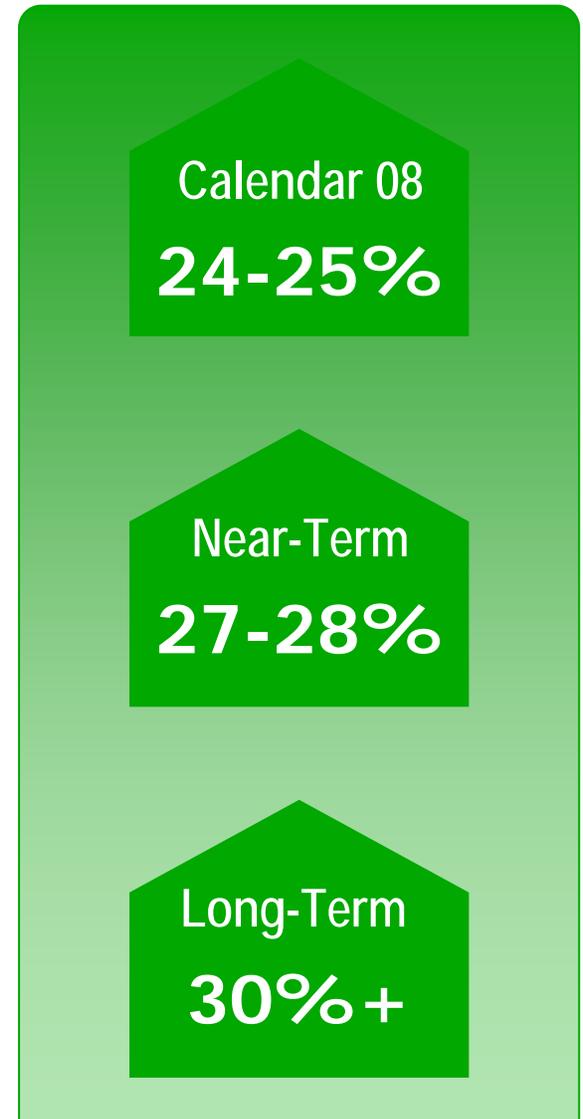


- Execute against strong holiday lineup
- Continue to drive Europe

- Launch new intellectual properties
- Increase international penetration

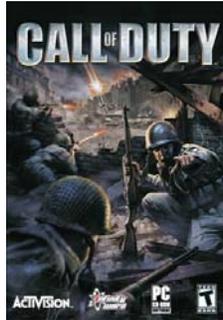
- Maximize ancillary revenue streams
- Leverage Asian opportunity

Operating Margin Objectives*

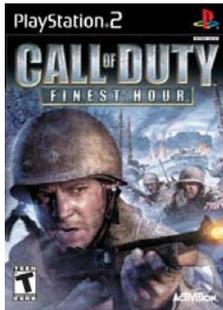


*Non GAAP

Call of Duty – Franchise Growth



COD Brand Established



COD Brought to Consoles



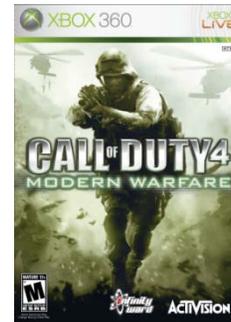
Focus on Story Telling



Next Gen Launch Title



Wii and PS3 Launch titles

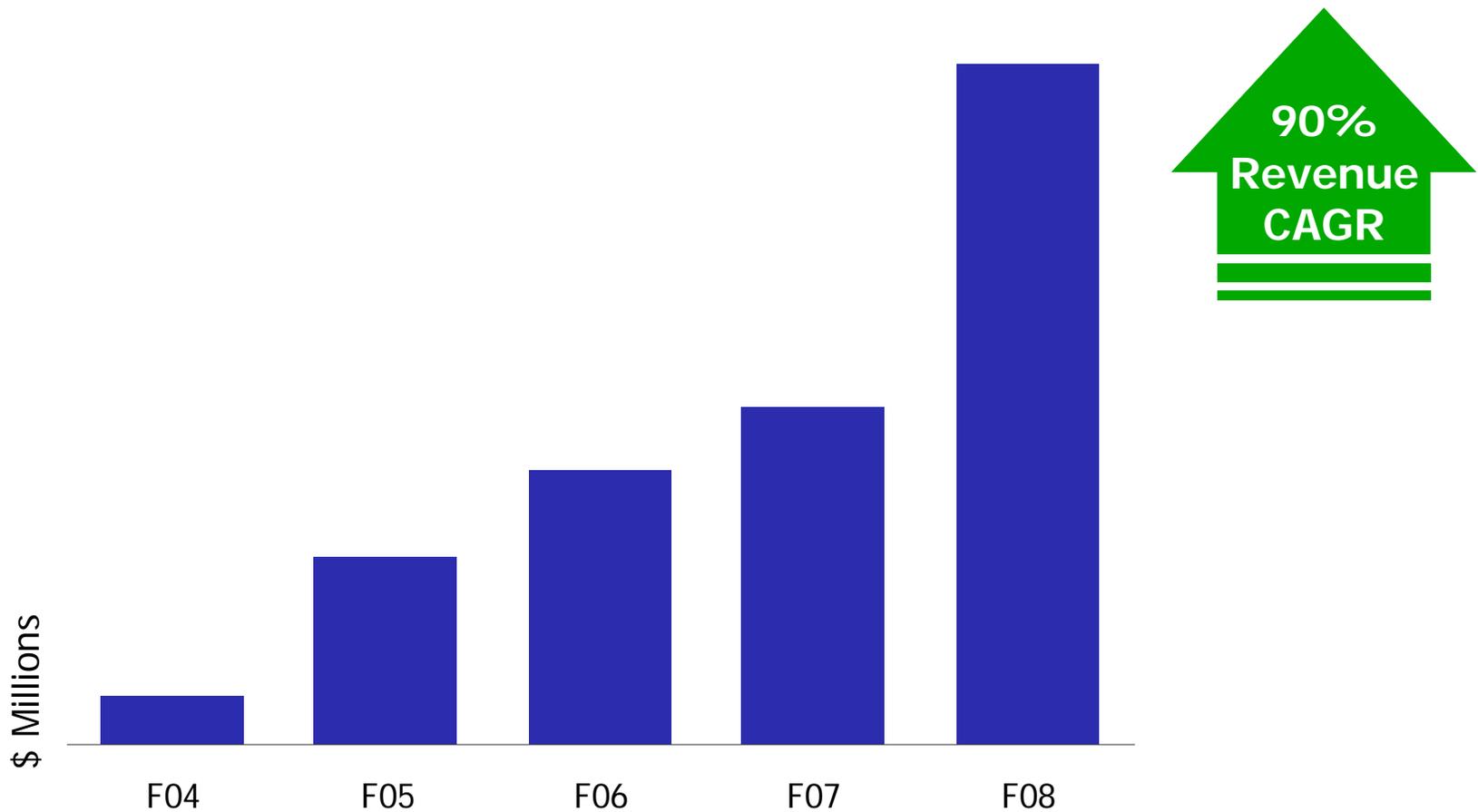


Modern Day Setting

Call of Duty – Franchise Growth



Proven Record of Growing Revenue



Source: AB FY ended 3/31 Activision

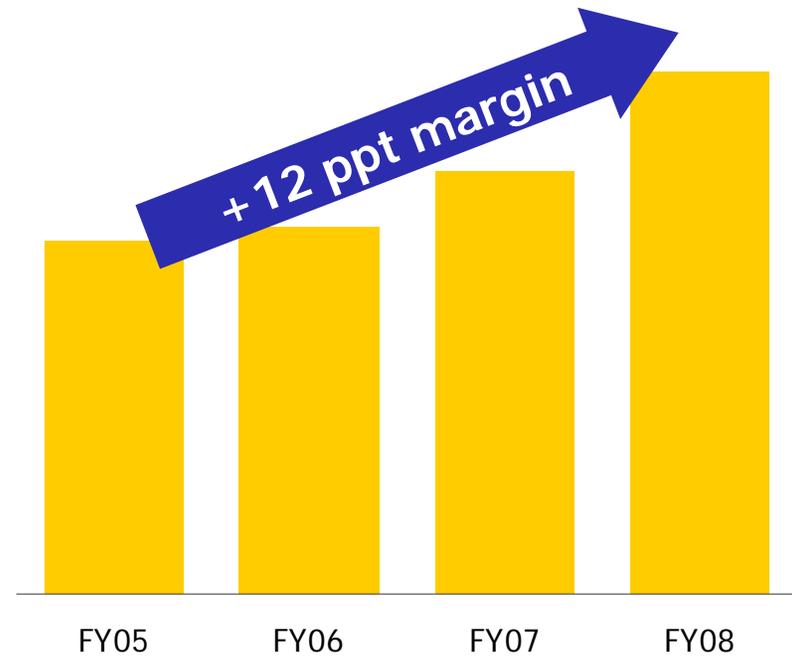
Call of Duty – What We Have Learned



Proven Record of Growing Revenue and Profitability

What We Learned

- Studio leapfrog strategy to annualize
- IP boundaries are expandable
- The consumer base is growing
- Appetite for more online play



Call of Duty Operating Margin

Over 30 MM units LTD

Call of Duty – Where We Are Going



Focus on Quality

- COD4 is one of the highest quality/best selling titles ever
 - **COD4 11M units LTD**
 - GTA4 9M units LTD
 - Halo 3 7M units LTD
- COD5 - expected to be the highest rated Treyarch game
- COD6 - Already in development

Broaden platform exposure

- Wii and PS2

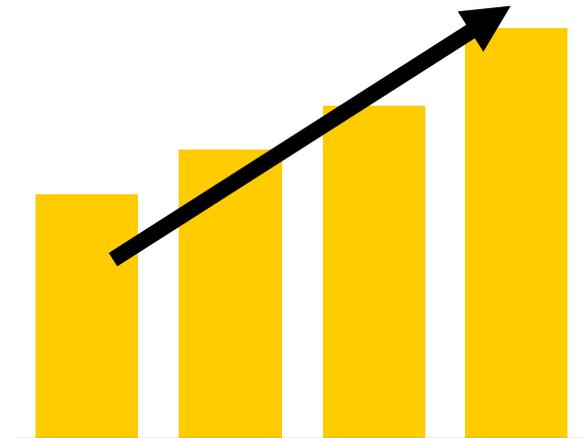
Increase Online Monetization

- DLC – Experience Day 1 Advantage
- Exploration of Subscription Model and Asia

Call of Duty – Margin Expansion

ACTIVISION

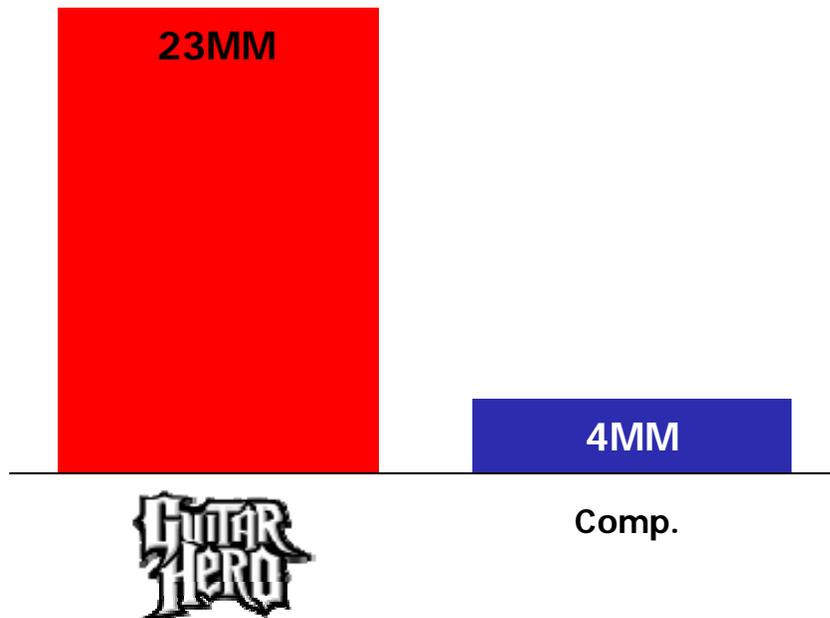
- Solid launch of World at War
- Continued catalog of Modern Warfare
- Continue leapfrog development
- Maintain catalog momentum
- Explore Online Monetization
- New Models



Guitar Hero – 2008



Franchise Performance



Fastest video game franchise to **\$1 Billion** in sales

#1 selling brand for CY07/08YTD

60% of 2007 WW music video game subgenre

Pop Culture Phenomenon



The Simpsons



iTunes



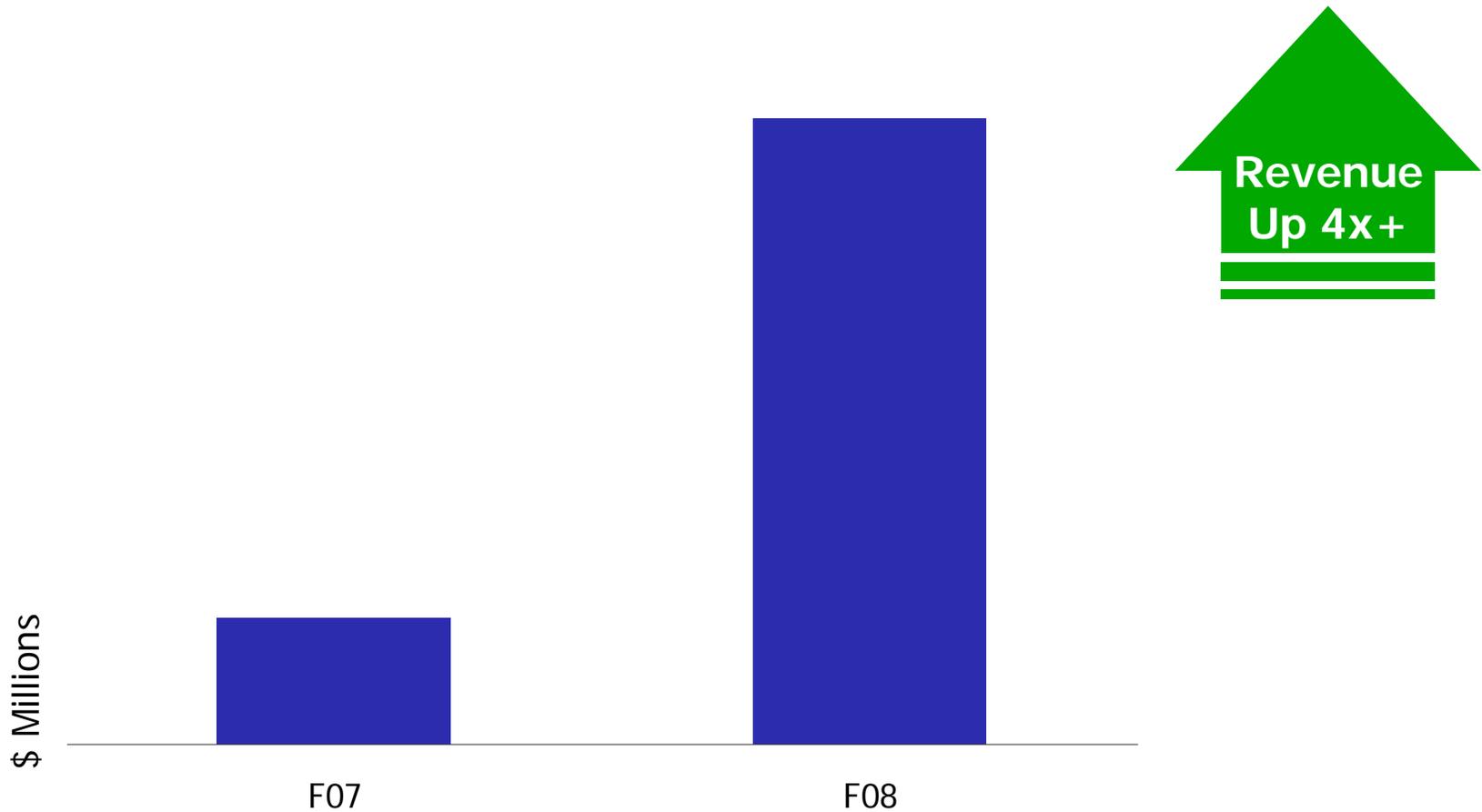
#1 South Park Episode



Guitar Hero – Franchise Growth



Proven Record of Growing Revenue



Source: AB FY ended 3/31 Activision

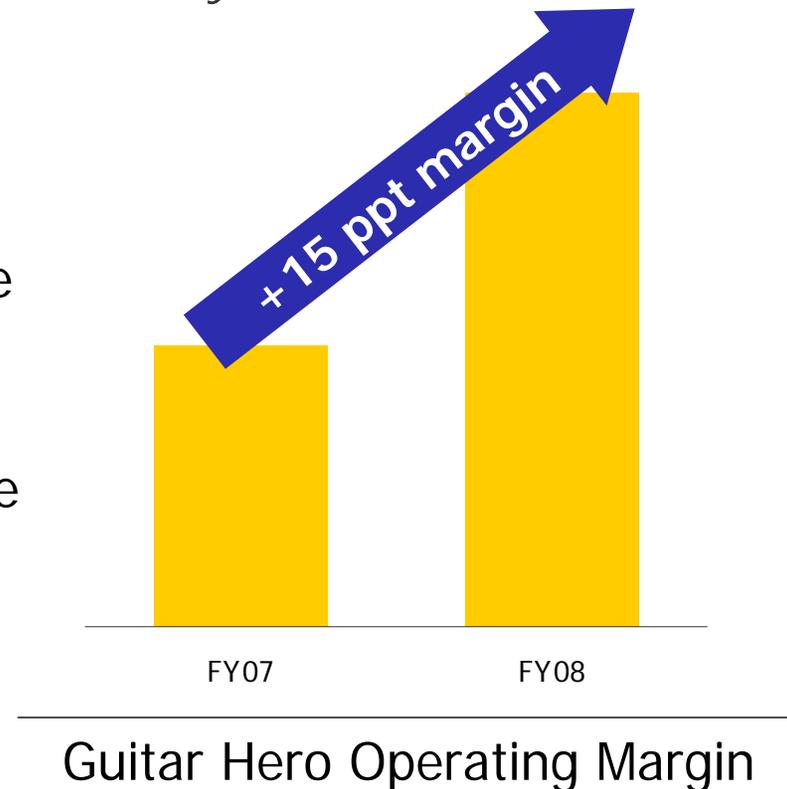
Guitar Hero – Margin Expansion



Proven Record of Growing Revenue and Profitability

What we learned

- Consumer still has insatiable appetite
- IP boundaries are expandable
- Int'l markets huge opportunity
- Supply Chain efficiency requires scale
"Size matters"



Over 23 MM units LTD

Guitar Hero - Franchise Expansion

ACTIVISION

More Choices More Often - Nintendo DS First Ever



Innovation is key to growing the franchise

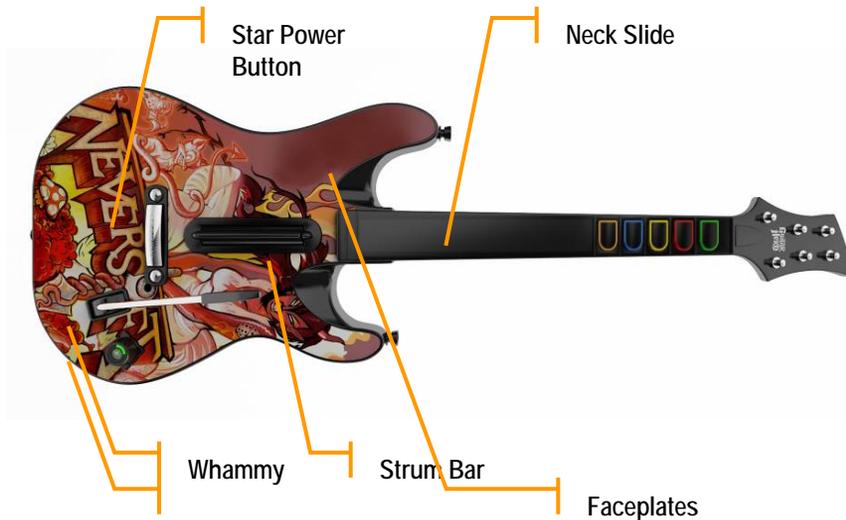
Guitar Hero – Franchise Expansion



More Choices More Often – Hardware Innovation

- Strengthen our leadership in the genre with the best social experience combined with the best gameplay
- Leverage our expertise in HW to innovate the genre

All New Guitar



All New Drums



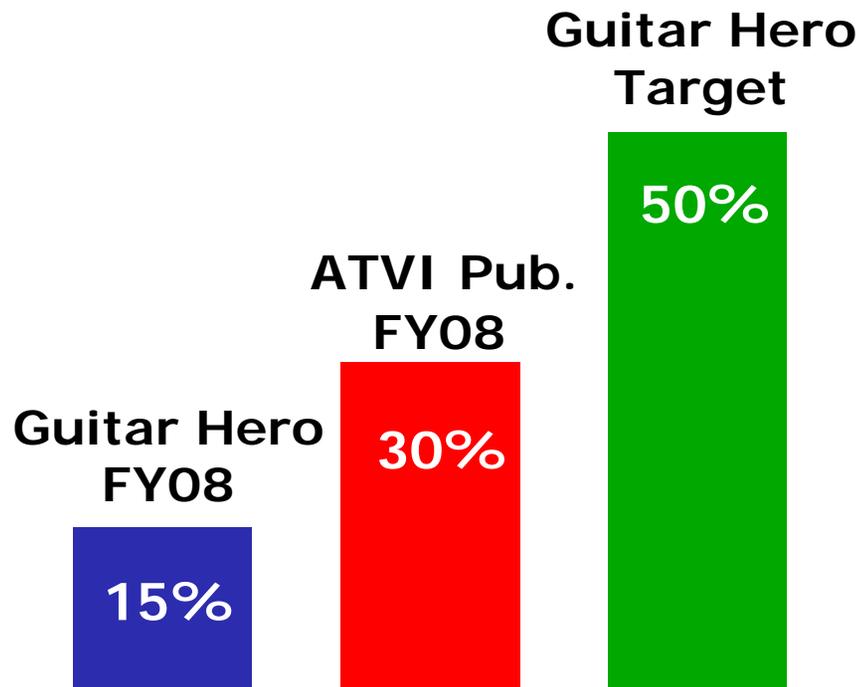
Innovation is key to growing the franchise

Guitar Hero – Franchise Expansion



Expand International Guitar Hero Business

*FY08 Int'l Publishing Net Revenue
as % of Revenues**



Drivers

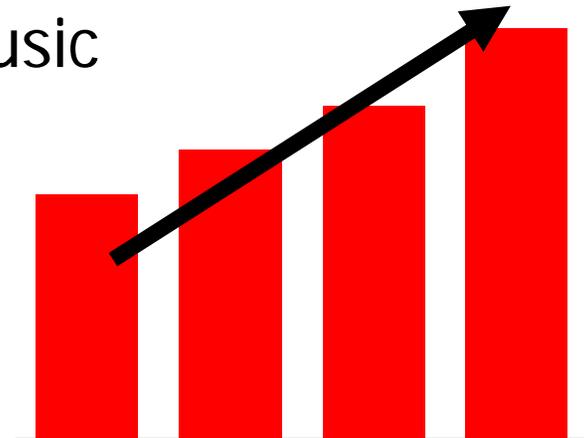
- Enter Handheld market
- Drive local affinity via Eurocentric content and DLC
- 'Own' permanent space and demo units in top 5 customers per country
- More international development – Acquisition of Freestyle games
- Partnership with UMG - access to international content and better understanding of consumer

*FYE 3/31

Guitar Hero – Margin Expansion

ACTIVISION

- Solid launch of Guitar Hero World Tour
- Continued catalog of GH 3/ Aerosmith
- Launch more choices
- Growth in international business
- Line extensions into different music genres and experiences
- Online/subscription models



New Franchise Development in the Racing Genre

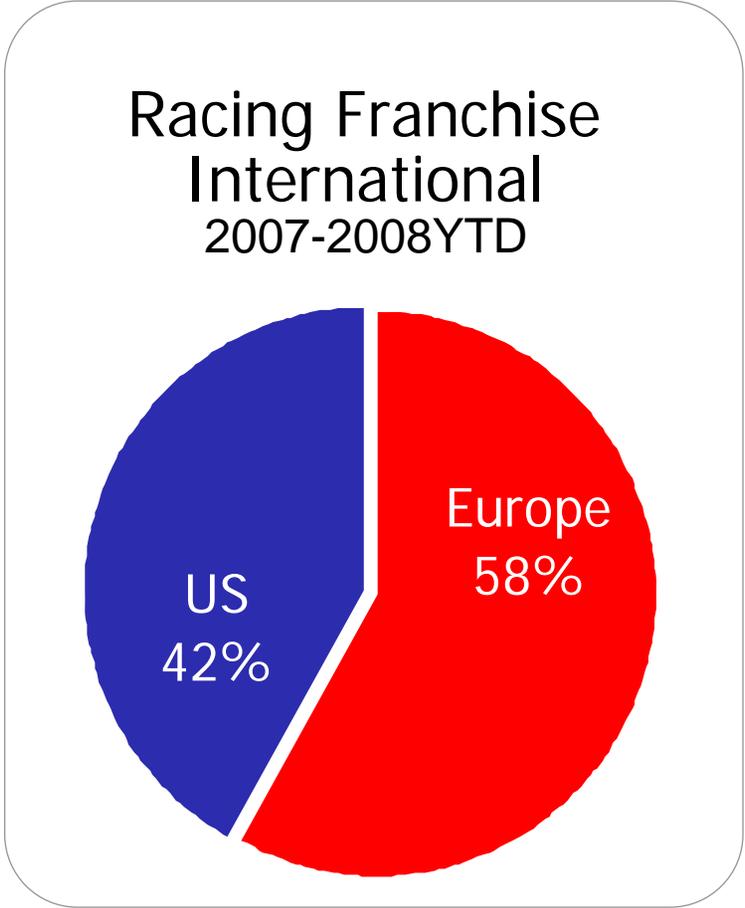
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Selectively Add New Franchises



Is the Opportunity Global?



Do We Have a Proven Developer

ACTIVISION

- Bizarre Creations, Liverpool, UK
- Over 10 year proven track record
- Average Game Rankings – 89
- Project Gotham Racing 2001, 2003, 2005, 2007



We have a great track record of launching NEW IP

Activision's Strong Holiday Lineup



The top 2 selling franchises of CY07 return

Activision Strong Lineup CY09



CY 2008

- Guitar Hero Aerosmith
- Enemy Territory Quake Wars
- Guitar Hero On Tour
- Kung Fu Panda
- Crash Bandicoot
- The Legend of Spyro
- Guitar Hero World Tour
- Call of Duty WAW
- Bond - Quantum of Solace
- Spider-Man Web of Shadows
- Madagascar 2

50+ SKUs

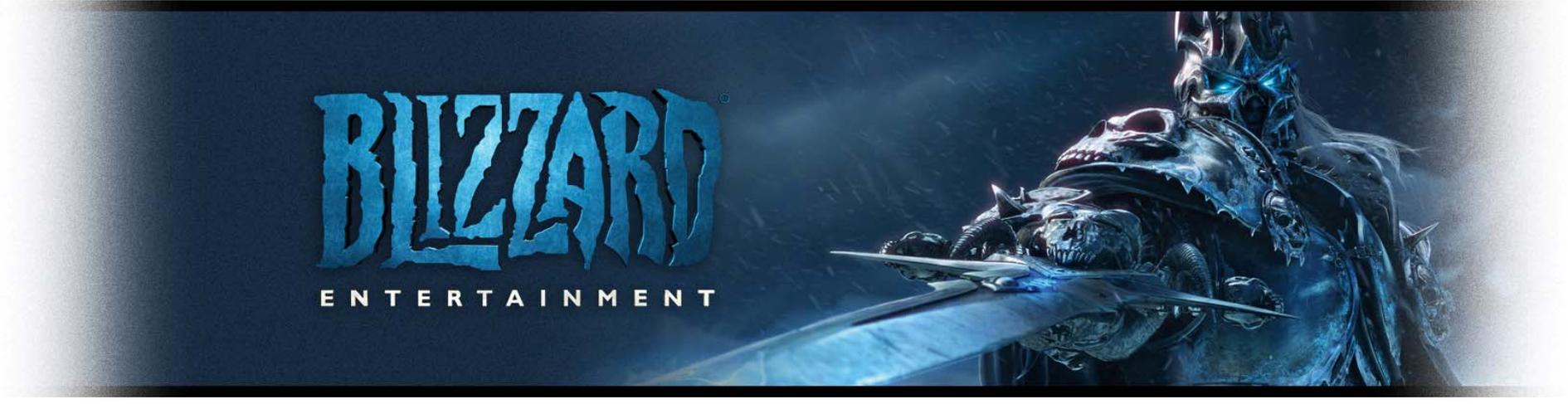
CY 2009

- Guitar Hero (TBA)
- Guitar Hero NDS
- Transformers (w/movie)
- Monsters Vs Aliens
- James Bond
- Marvel Ultimate Alliance 2
- Wolverine (w/movie)
- Singularity
- Prototype
- Wolfenstein
- Ice Age
- Guitar Hero 5
- Guitar Hero NDS
- Call of Duty
- Tony Hawk
- Racing game

70+ SKUs

Mike Morhaime

President & CEO



BILZARD[®]
ENTERTAINMENT

The image features the Blizzard Entertainment logo on the left, which consists of the word "BILZARD" in a large, blue, stylized font with a registered trademark symbol, and the word "ENTERTAINMENT" in a smaller, white, sans-serif font below it. To the right of the logo is a character from the World of Warcraft universe, specifically a Death Knight, shown in a dark, blue-tinted environment. The character is wearing ornate, metallic armor and is holding a large, curved sword. The background is dark and atmospheric, with some light rays or dust particles visible.

Blizzard Entertainment 1991



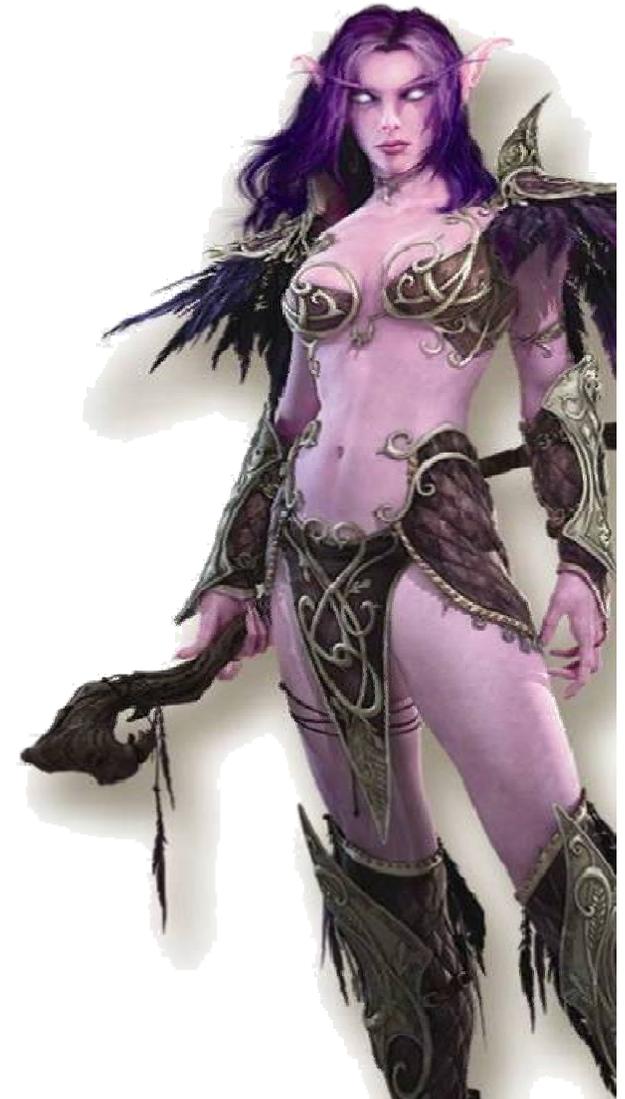
Started in 1991 with \$20,000 in seed money



It began as a game company



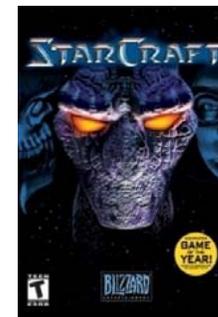
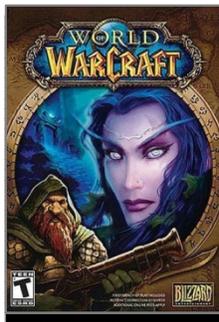
It became a global community



Blizzard Entertainment Today



- Powerful global interactive entertainment brand
- 5 out of the 10 bestselling PC games since 2000
- Over 60M units sold since 1995
- Operating margins greater than 45%
- Ranked #1 in PC-gaming quality
- Strong pipeline of multiyear releases

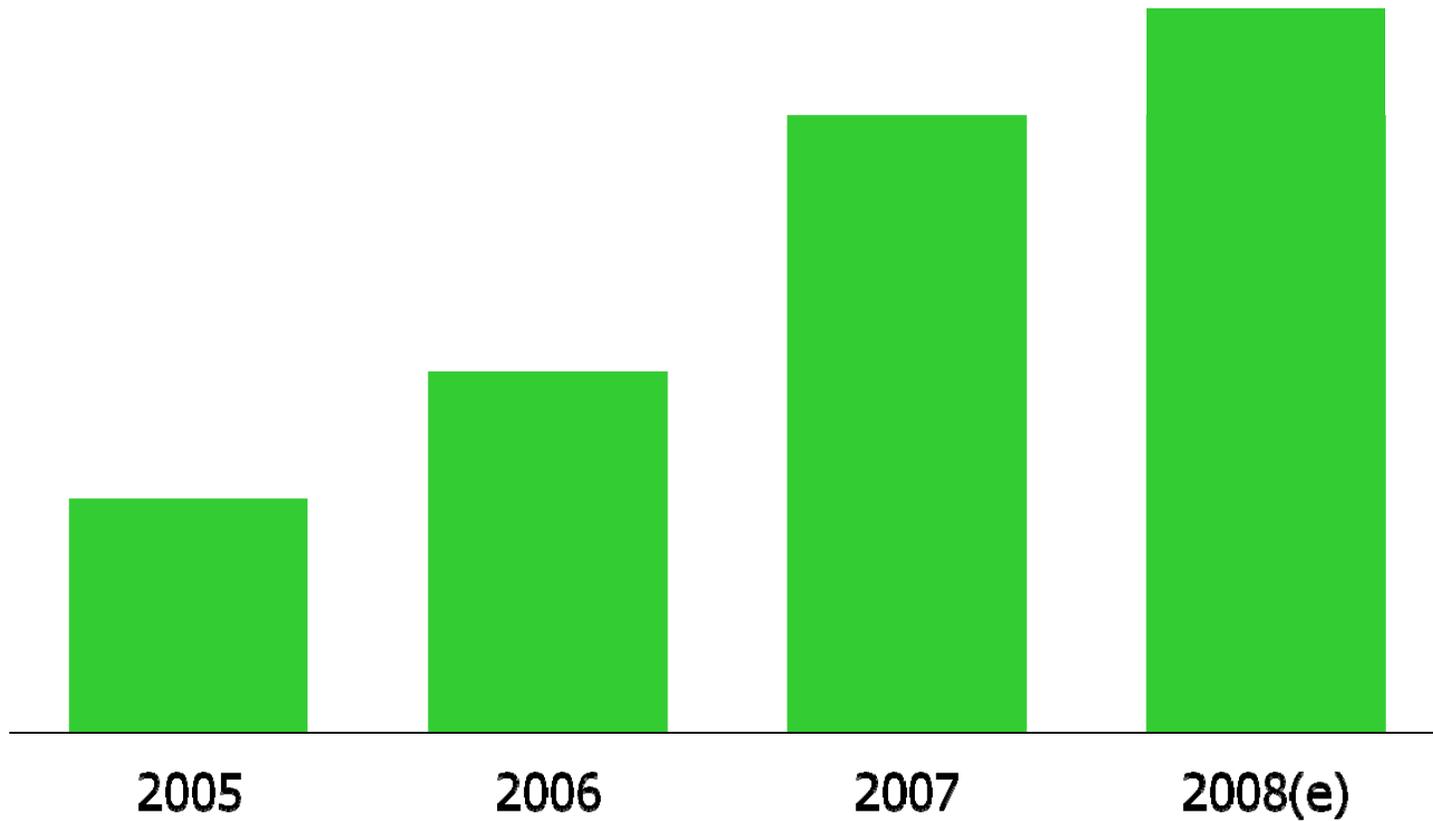


Blizzard – Track Record of Growth



Revenues

\$1 Billion+ (e) Revenues for CY08



Blizzard Company Values



Gamepla
to Quality
Play Nice; F
our Inner-Geek
Every Voice
Globally
Lead Resp
Learn and Grow

Commit to Quality

Quality First and Foremost

Blizzard's Competitive Advantage



Development Talent

- Unparalleled design and development talent
 - 14 year average tenure for executive team
 - Everyone is a gamer
 - Unmatched ability to balance deep content with broad accessibility

Brands and Community

- Rich, immersive franchises with cross-continental appeal
- Global brand with unrivaled quality reputation
- Global World of Warcraft success provides scale to:
 - Amortize high continued investment in content
 - Continue to raise the competitive bar

Infrastructure

- Network, server and technical know-how
- Superior worldwide service and support org
- The industry's most valuable global subscriber database
- Retail strength in Europe & North America

Development Talent and Leadership



Mike Morhaime

President & CEO (Cofounder)

- 17 years with Blizzard

Paul Sams

Chief Operating Officer

- 14 years with Blizzard

Frank Pearce

EVP of Product Development (Cofounder)

- 17 years with Blizzard

Rob Pardo

EVP of Game Design

- 11 years with Blizzard

Chris Metzen

SVP of Creative Development

- 14 years with Blizzard

Neal Hubbard

SVP of Global Marketing

- 12 years with Blizzard

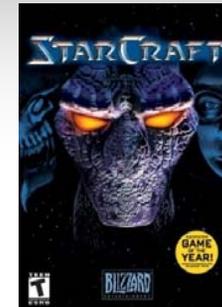
With an average tenure of more than 14 years, Blizzard's top leadership is the most experienced team in online gaming.



Blizzard's Strong Brand Portfolio



Blizzard Brand Umbrella



Blizzard – Track Record of Success



Entire Portfolio of Wholly Owned - Internally Developed Intellectual Properties

Franchise Strength



Blizzard has 2 of the top 4 best-selling PC titles since 2000. In all, 5 of the top 10 titles are Blizzard releases, with every Blizzard franchise represented.

(000's)	NA LTD SELL-THRU, 2000 - Jul 2008			
RANK	TITLE	PUBLISHER	LAUNCH DATE	LTD UNITS
1	THE SIMS (STANDARD + DELUXE)	EA	Feb-00	6,778
2	WORLD OF WARCRAFT (STANDARD + BATTLECHEST)	BLIZZARD	Nov-04	4,071
3	THE SIMS 2	EA	Sep-04	3,496
4	DIABLO 2 (STANDARD + BATTLECHEST)	BLIZZARD	Jun-00	3,393
5	AGE OF EMPIRES 2	MICROSOFT	Sep-99	2,872
6	ROLLER COASTER TYCOON	ATARI	Mar-99	2,737
7	WARCRAFT III (STANDARD + BATTLECHEST)	BLIZZARD	Jun-02	2,458
8	WORLD OF WARCRAFT: BURNING CRUSADE	BLIZZARD	Jan-07	2,446
9	STARCRAFT (STANDARD + BATTLECHEST)	BLIZZARD	Mar-98	2,333
10	CIVILIZATION 3	ATARI	Oct-01	1,901

Every Blizzard Franchise Is Represented

Franchise Strength



World of Warcraft continues to dominate and is the #1 product YTD through July. In all, Blizzard has 4 of the top 11 products YTD 2008.

NA SELL-THRU YTD JULY 2008				
RANK	TITLE	PUBLISHER	LAUNCH DATE	YTD UNITS
1	World of Warcraft + Battlechest	Blizzard	Nov-04	512,990
2	Age of Conan Hyborian Adventures + Collector's	Eidos	May-08	312,341
3	The Sims 2 Deluxe + Double Deluxe	Electronic Arts	May-07	243,232
4	The Sims 2 Freetime Expansion	Electronic Arts	Feb-08	230,667
5	Call of Duty 4 Modern Warfare	Activision	Nov-07	203,314
6	World of Warcraft The Burning Crusade	Blizzard	Jan-07	195,616
7	Sins of A Solar Empire	Stardock	Feb-08	138,052
8	Sim City 4 Deluxe	Electronic Arts	Sep-03	137,250
9	Civilization 4	2K Games	Oct-05	129,835
10	Warcraft 3 + Battlechest	Blizzard	Jun-02	118,598
11	Diablo 2 + Battlechest	Blizzard	Jun-00	117,998
12	The Sims 2 Kitchen And Bath Interior Design Stuff	Electronic Arts	Apr-08	114,013
13	Crysis + Collector's	Electronic Arts	Nov-07	111,084
14	Age of Empires 3	Microsoft	Oct-05	96,164
15	The Sims 2 Teen Style Stuff Expansion	Electronic Arts	Nov-07	94,181
16	The Sims 2 Bon Voyage Expansion	Electronic Arts	Sep-07	92,489
17	The Orange Box	Valve	Oct-07	90,395
18	The Sims 2 University Expansion	Electronic Arts	Feb-05	85,316
19	Warhammer 40000 Dawn of War Soulstorm Expansion	THQ	Mar-08	85,098
20	Bejeweled 2	PopCap Games	Dec-04	83,251

Source: NPD Jul 2008
Excludes titles sold for less than \$9.99.

Franchise Strength



Committed to Quality

TOP 10 - PC RTS

TITLE	DEVELOPER	REVIEW SCORE
Starcraft Broodwar	Blizzard Entertainment	96.0%
Company of Heroes	Relic	93.8%
Starcraft	Blizzard Entertainment	93.1%
Warcraft III: Reign of Chaos	Blizzard Entertainment	92.9%
Dungeon Keeper	Bullfrog	92.2%
Rome: Total War	Creativ e Assembly	91.7%
Age of Empires II	Ensemble Studios	91.6%
Command & Conquer Red Alert	Westwood Studios	90.9%
Warcraft III: The Frozen Throne	Blizzard Entertainment	90.7%
Black & White	Lionhead Studios	89.7%

TOP 10 - PC MMO

TITLE	DEVELOPER	REVIEW SCORE
World of Warcraft	Blizzard Entertainment	91.9%
World of Warcraft: The Burning Crusade	Blizzard Entertainment	91.0%
Eve Online	CCP	89.6%
EverQuest: The Ruins of Kunark	Sony Online	88.8%
Dark Age of Camelot	EA Mythic	87.5%
EverQuest	Sony Online	87.3%
The Lord of the Rings Online	Turbine	87.1%
EverQuest: The Shadows of Luclin	Sony Online	85.8%
City of Heroes	Ncsoft	85.6%
Dark Age of Camelot: Catacombs	Mythic	85.5%

TOP 10 - PC ACTION RPG

TITLE	DEVELOPER	REVIEW SCORE
Mass Effect	Bioware	90.7%
Diablo	Blizzard Entertainment	89.3%
Diablo II	Blizzard Entertainment	88.7%
Freedom Force	Irrational Games	88.3%
Diablo II: Lord of Desctruction	Blizzard Entertainment	86.2%
Dungeon Siege	Gas Powered Games	85.4%
Fable	Lionhead Studios	83.4%
Marvel: Ultimate Alliance	Raven Software	82.9%
Divine Divinity	Larion	82.6%
Titan Quest	Iron Lore	81.4%

Average Quality Rating on All Releases More Than 90%

Infrastructure



- Substantial investment in infrastructure
 - Extensive global technology, development, and customer service
 - Credit card payment system
 - Built-in security
 - Over 100 developers continually updating the game
 - World of Warcraft is localized in nine languages
 - Staff provides service to players in their native language
 - 24/7 local service and support - 2000 employees dedicated
 - Only publisher to scale three continents

Rapid Scalability

MMORPG Business Environment



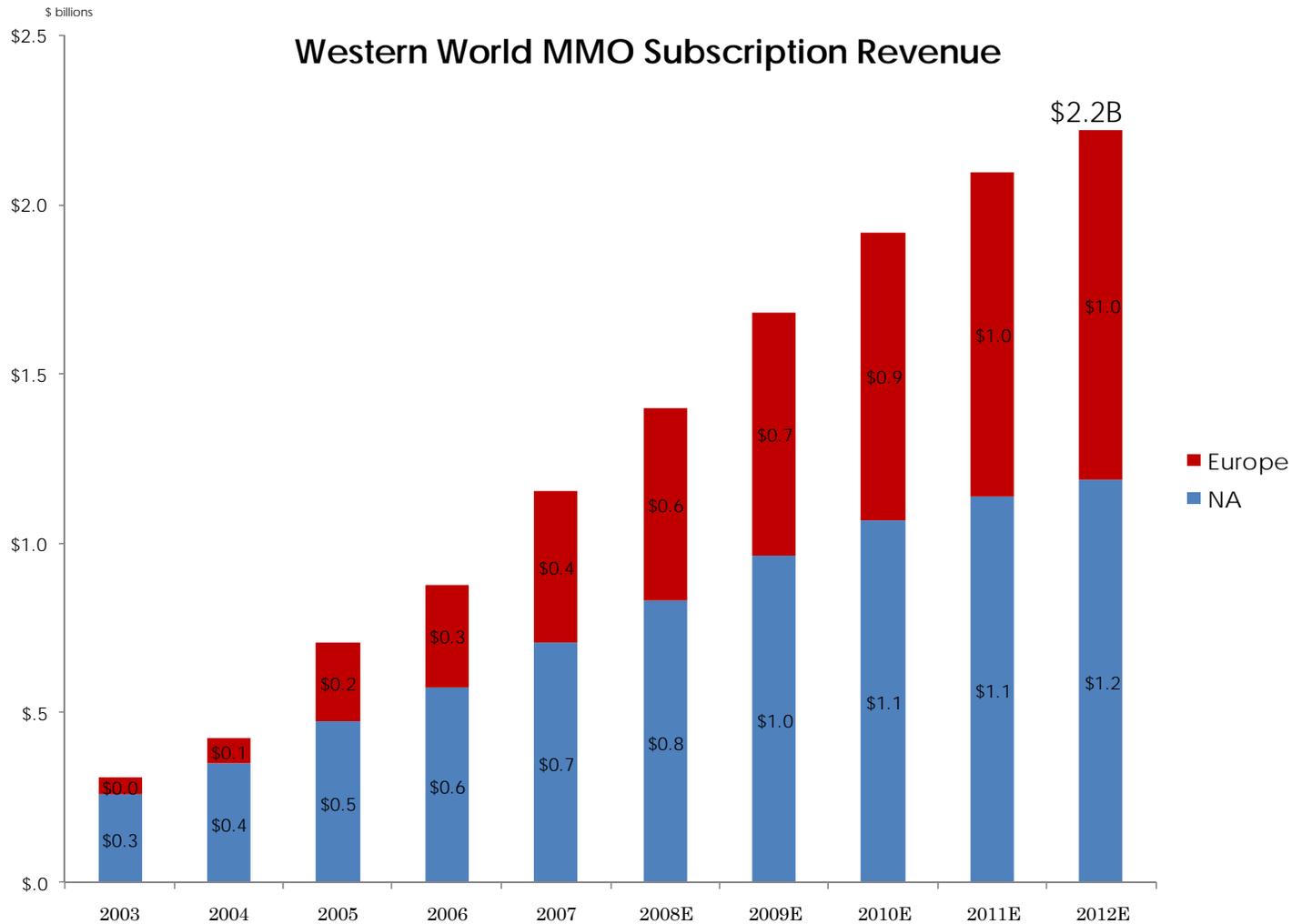
- The category is attractive – strong growth forecasted in subscription revenue and broadband households
- Category is highly competitive and characterized by a few players
- Cost of competition is significant and increasing
 - Cost of entry/operation has increased as quality and service expectations rise
 - High player investment in character and community creates high switching costs
- Few companies can support the caliber of content necessary to command subscriptions among the huge number of free and ad driven long and mid session MMORPG's
- Top competitors are successful regional operators trying to expand globally
- Item-trading model will grow mainly in simpler social games

Western World MMO Subscription Market

Strong Growth Expected



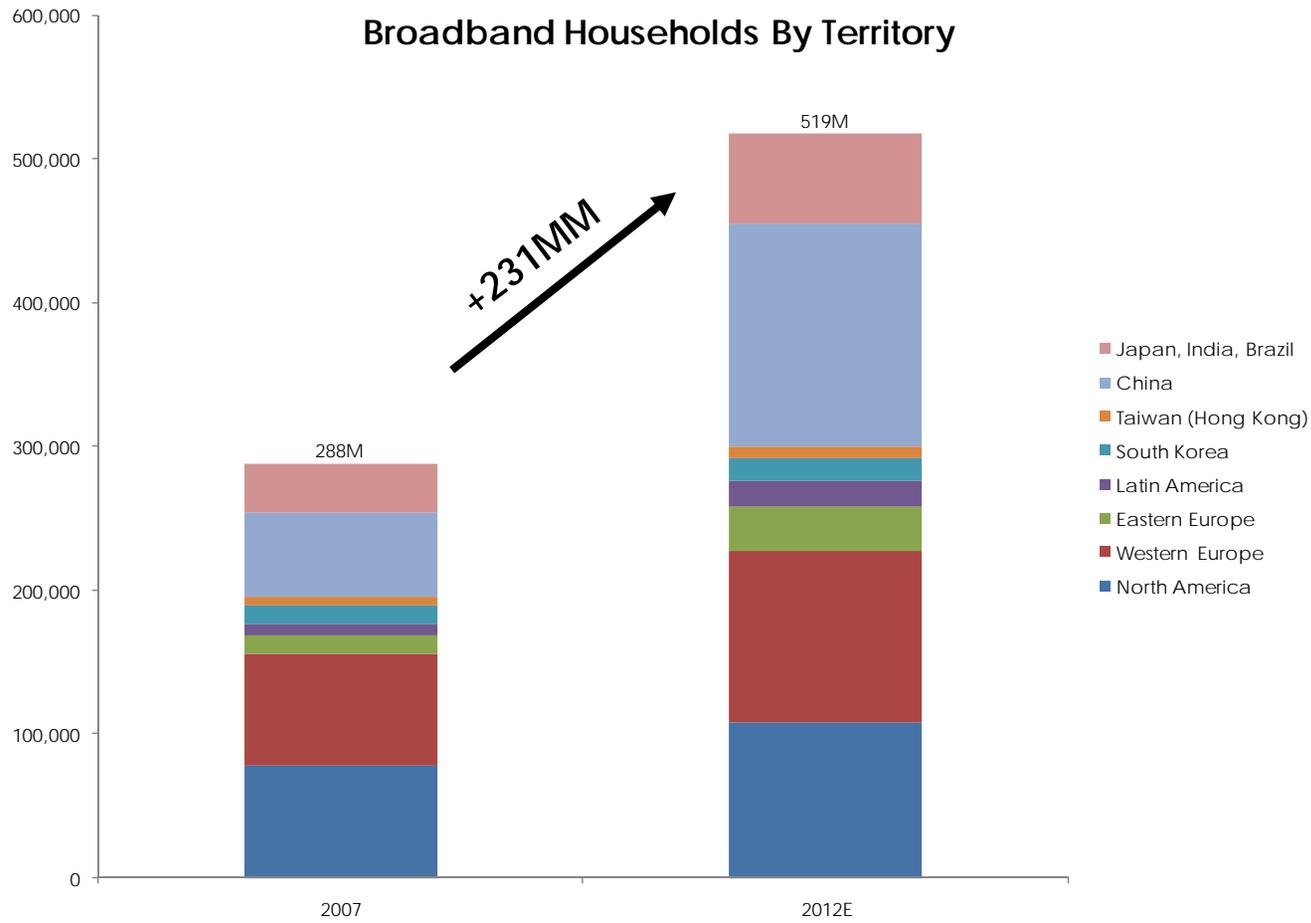
MMO subscription revenue for the western world is expected to grow 14% per year.



Broadband Households



The number of broadband households is expected to grow by 80% from 2007 to 2012, adding 230M broadband households. China is expected to account for 42% of the growth, adding 97M broadband households by 2012.



Blizzard Growth Drivers



- **Franchise portfolio expansions**
 - New products and expansion packs
 - Multiyear slate already in development
 - StarCraft II and Battle.net
- **Value added services**
 - Paid character name changes, transfers in World of Warcraft
 - Recently increased pool of eligible players for transfers
 - Additional services to be added in the future
- **Geographical expansion**
 - Recently entered Latin America, Russia
 - Investigating viability of other regions

Paul Sams

Chief Operating Officer



BILZARD[®]
ENTERTAINMENT

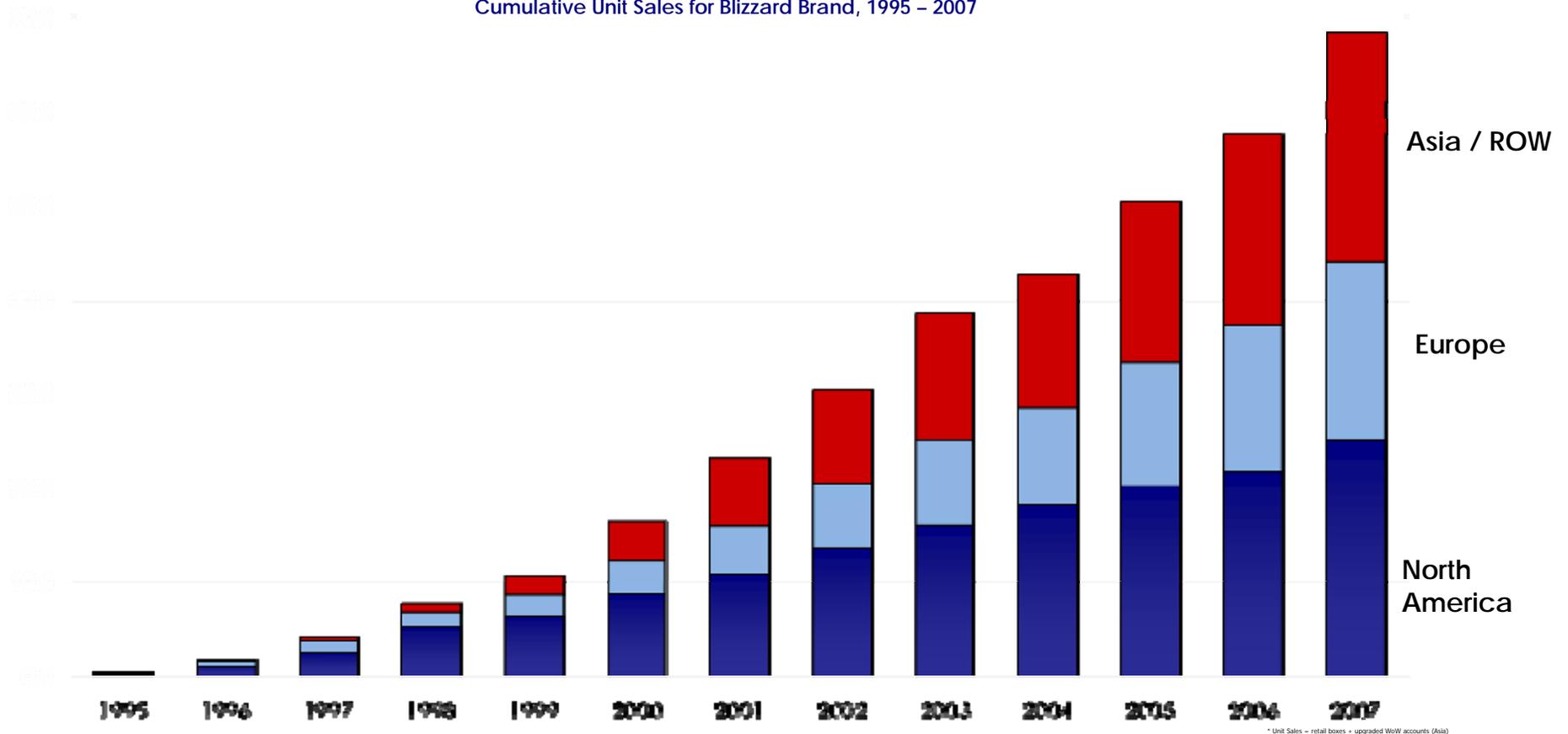
The image shows the Blizzard Entertainment logo on the left, with the word "BILZARD" in a large, stylized, metallic font and "ENTERTAINMENT" in a smaller, white, sans-serif font below it. To the right of the logo is a character in dark, detailed armor, possibly a warrior or knight, standing in a dramatic, low-key lighting environment with a warm, orange glow. The character's face is partially obscured by a helmet or visor.

Global Brand Growth



The last 12 years of brand growth has been fueled not only by ever-increasing domestic success but also through the global penetration of Blizzard's brand franchises. The worldwide appeal of our franchises creates a unique scale advantage, enabling investment in content quality at a level unmatched by competition.

Cumulative Unit Sales for Blizzard Brand, 1995 – 2007



Strong Growth in Every Region

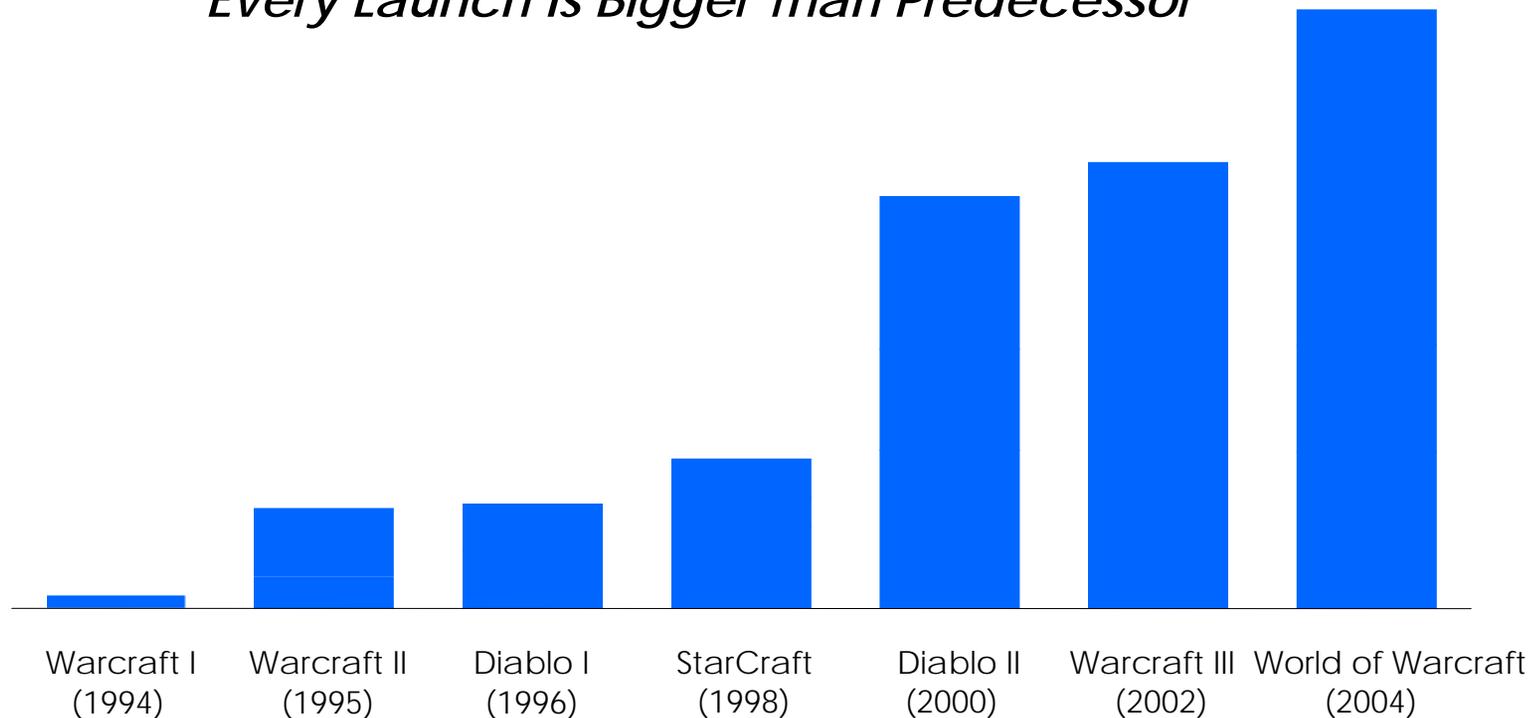
Proven Record of Innovation



Strong brand loyalty and high quality have propelled each Blizzard launch to be bigger than the last, regardless of genre, franchise or theme.

First 12 Months Sell-thru World Wide

Every Launch Is Bigger Than Predecessor



* Sell-Thru Units = retail boxes + upgraded WoW accounts (Asia)

Blizzard's Proven Approach to Design



- Blizzard's consistent success is a game design culture focused on creating broadly accessible, highly re-playable games with **relentless polish**
 - Do not ship until the game is ready
 - Great games maximize long-term value
- Accessibility is driven by designing games that are "**easy to learn, but hard to master**"
 - Create equal appeal for casual and hardcore gamers
- Community and replayability opportunities are maximized through online **multiplayer** functionality
- Loyalty is enhanced through our commitment to **customer service**
 - Offer technical support for each game for as long as it's actively played
 - Provide material content updates to add features and address any new issues that arise

Brand Review Section



WARCRAFT®

DIABLO®

STAR CRAFT™

World of Warcraft®



- **Unrivaled online gaming community**

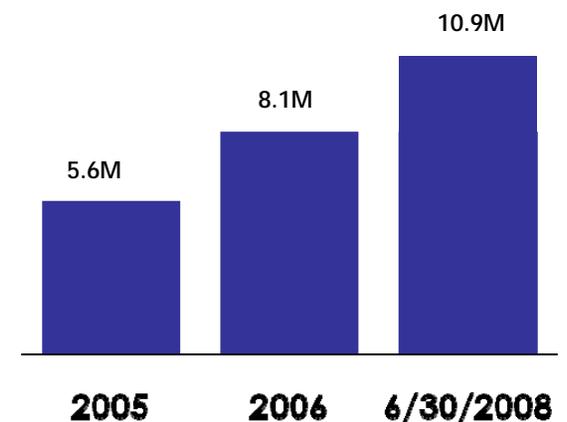
- Subscription based revenue model
- >10.9M current World of Warcraft subscribers
- World of Warcraft: The Burning Crusade expansion pack sold 2.4M copies in 24 hours



- **Significant competitive advantage**

- #1 MMORPG worldwide
- Substantial investment in content and infrastructure
- Leading global expertise with over 2,000 customer service staff providing 24/7 support
- Significant player investment in characters and community – “stickiness”
- Leading Western entertainment franchise in Asia

Subscriber Growth



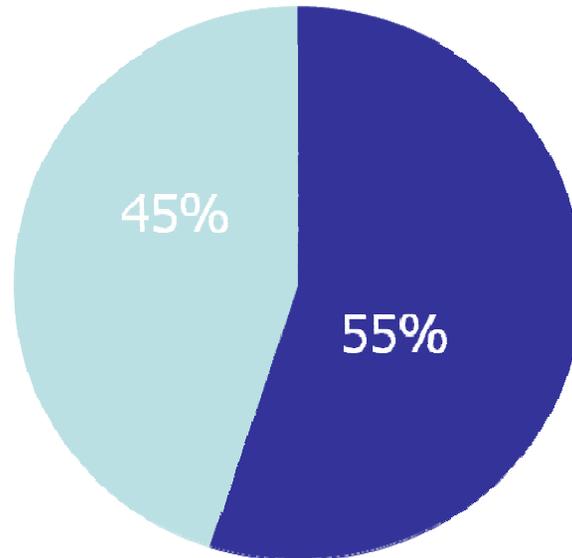
*Release Date for Wrath of the Lich King
Confirmed Today: Nov. 13*

World of Warcraft Subscriber Base



World of Warcraft's 10.9M subscribers are distributed nearly equally between West and East regions

West
US, Europe,
Australia, etc.



East
China,
Korea, etc.

World of Warcraft Is the World's Only Truly Global MMO

World of Warcraft Global Operations



Direct Markets

- North America
- Europe
- Korea
- Australia / New Zealand
- Latin America*
- Russia*
- Southeast Asia*

Markets with Partnerships

- Mainland China (The9)
- Regions of Taiwan, Hong Kong, and Macau (Soft-World)

* Retail product sold via distribution

*We Approach Business Locally
and Scale Globally*

World of Warcraft Growth Strategies

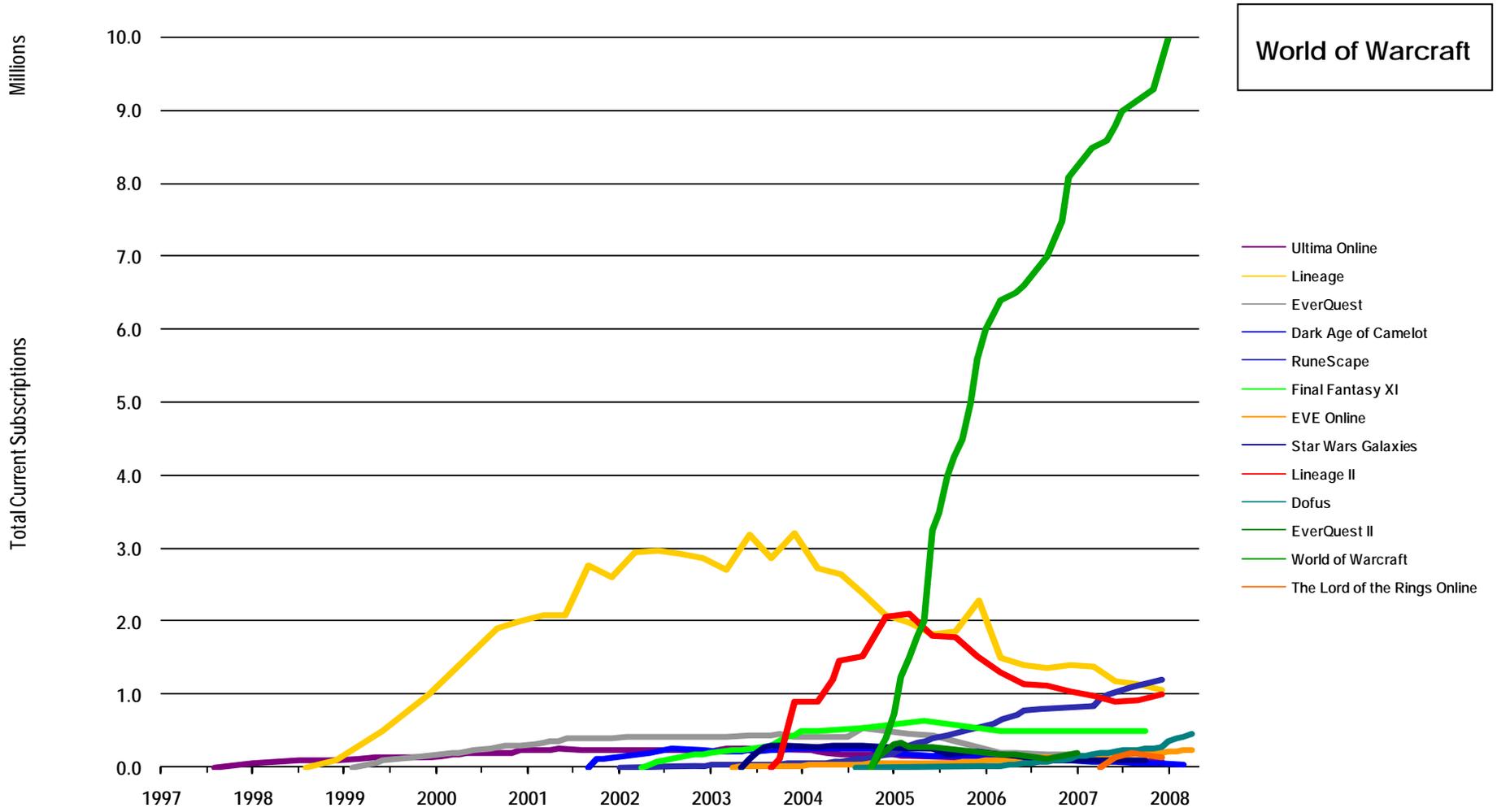


- **Free trials**
 - No-risk opportunity to experience World of Warcraft for 10 days
 - Heavily promoted to reach the widest possible audience
- **Continue adding new content**
 - Multiple major content updates made throughout the year
 - Expansions (separate add-ons products) add new content, features and mechanics
- **Expand to additional regions**
 - Launched in Latin America and Russia this summer
 - Opportunities increase along with broadband penetration
- **Value-added services**
 - Current offerings include paid character transfers and name changes
 - New options driven by ongoing content development and expansions

World of Warcraft Growth vs. Competition



MMOG Active Subscriptions, 200,000+



StarCraft® Phenomenon



StarCraft

- Real time strategy game
- Over 9.5 million copies sold worldwide since 1998 launch
- Over 2 million unique players still play StarCraft on Battle.net each month
- Virtually a national sport in Korea

StarCraft II

- Announced game in development May 2007 in Seoul Olympic Stadium to capacity crowd
- Over 20MM trailer downloads from blizzard.com
- 13 million views on YouTube



StarCraft Tournaments in Korea Can Attract 100,000+ Live Spectators

StarCraft II Growth Strategies



- **Massive popularity for Blizzard real time strategy games in Asia**
 - StarCraft and Warcraft III heavily played in Korea
 - China: Warcraft III player base is estimated to be almost half the size of World of Warcraft
- **StarCraft II/Battle.net-opportunity to redefine Asian business model**
 - Grow from lessons learned during past RTS launches, World of Warcraft operation
 - Capture the vast, existing player base, bring them to our platform
 - Aggressively re-establish Battle.net with exciting features and benefits to incentivize players on pirated versions to use legitimate copies
 - Implement business model that fits local markets
- **Go direct in Asia**
 - Set up direct operations (JVs when legally required) in key Asian markets, such as with NetEase in China
 - Own the player relationship to establish new standards of quality
 - Be better positioned to capture opportunities (eSports, sponsoring, ads)

Positions Us for Better Quality, User Experience and Economics

Diablo® Phenomenon



Diablo

- Over 18.5 million copies sold worldwide since first launch in 1996
- 8 years after launch, Diablo II is the #1 non-MMO PC RPG in North America YTD Jul 2008
- Reinvigorated RPG gaming, and still used as a benchmark for the action-RPG genre

Diablo III

- Announced development in June at 2008 Blizzard Worldwide Invitational to capacity crowd
- Over 13 million trailer downloads since end of June





Battle.net is Blizzard Entertainment's proprietary online-gaming service

- **Launched with original Diablo game**
 - Facilitated quality control of online environment
 - Made Blizzard a leader in online gaming since 1997
 - Developed expertise that led to World of Warcraft
- **Millions of active Battle.net accounts today**
- **New Battle.net technology**
 - Connect communities for each Blizzard game to each other
 - Unified chat, social networking functionality, and achievement systems

A Tradition of Excellence



Since 1996, every Blizzard game has:

- Been a #1 bestseller
- Won a Game of the Year award from one or more major publications

This has happened 10 times so far...

Thomas Tippl

Chief Financial Officer

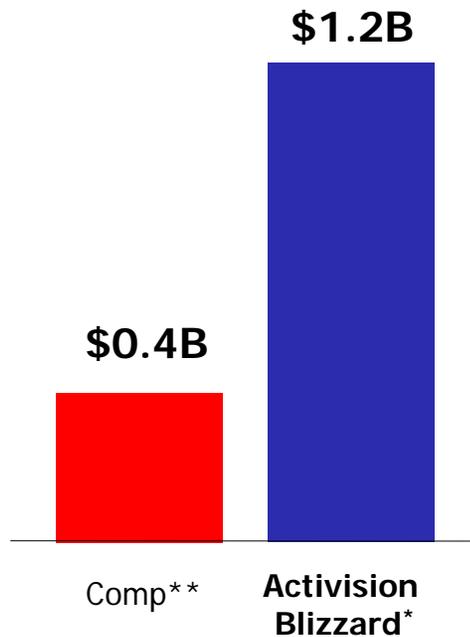


Most Profitable Pure-Play in Sector



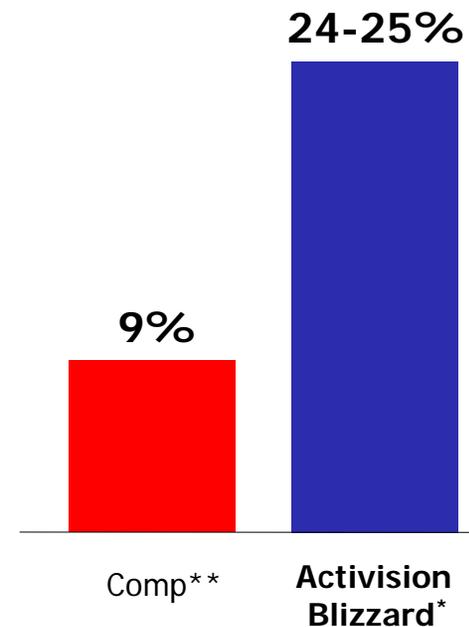
Operating Income

CY2008e*



Operating Margin

CY2008e*



**Represents comparable CY08 non-GAAP financial projections and were given on 7/31/08 conference call and have not been updated*

***Non GAAP projections from first call estimates*

Activision Blizzard Financial Outlook



More Profit – Non GAAP

Outlook	CY09*	CY08**
Revenue	\$4.3B	\$4.9B
Operating income	\$1.1B	\$1.2B
Operating margin	25%+	24-25%

**Outlook provided on 12/3/07 and has not been updated*

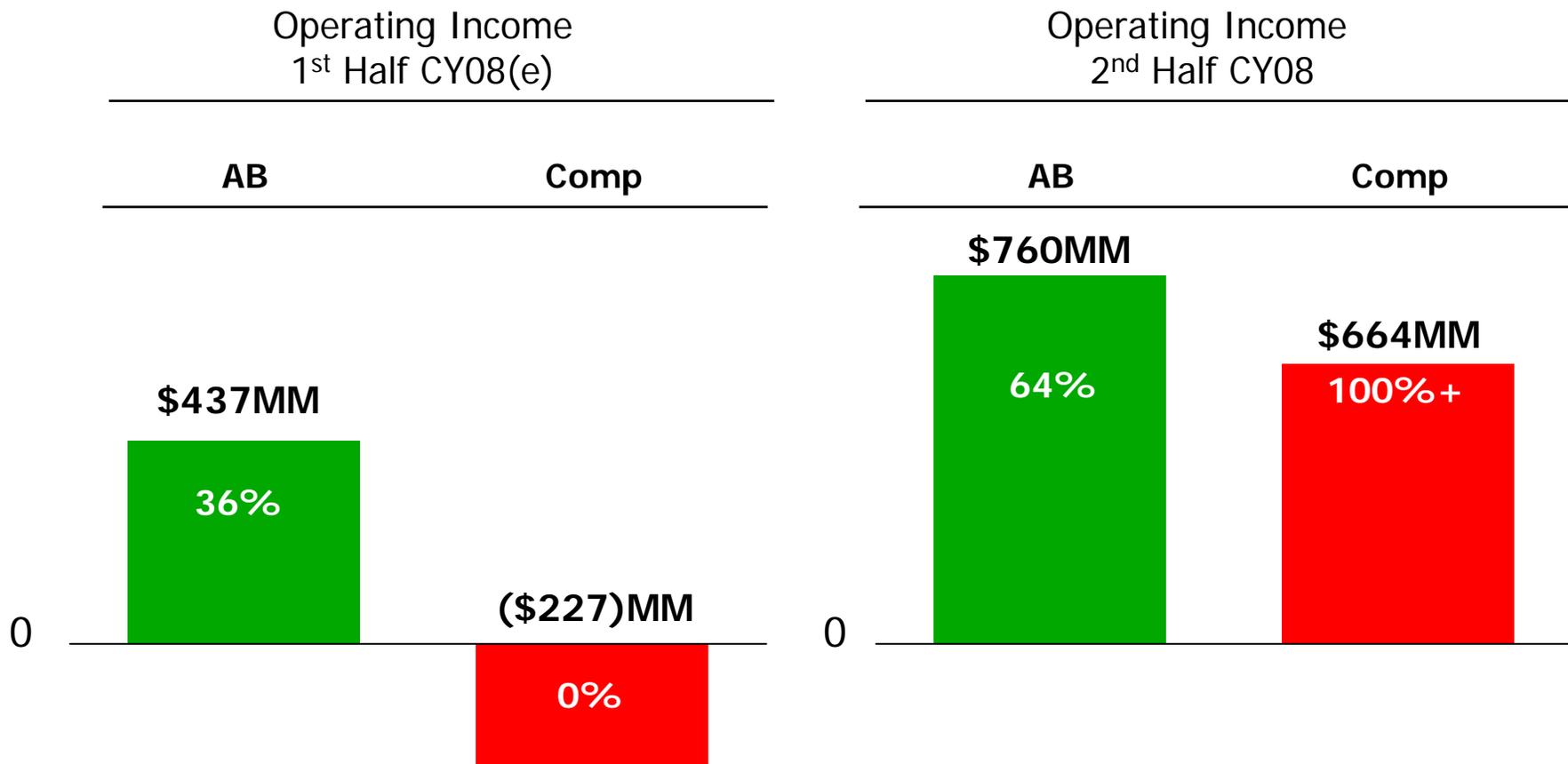
***CY08 outlook provided 7/31/08 and has not been updated*

*We expect another year of top and bottom line growth in
Calendar 2009*

Blizzard's Financial Impact



More Profit, More Leverage, More Consistently



*ATVI conference call 7/31 and analyst reports

Blizzard's Financial Impact



More Profit, More Leverage

	ATVI*	AB	Blizzard Impact	WHY
Gross Profit	53-56%	60-63%	+++	<ul style="list-style-type: none"> No distribution business No First Party Royalties Subscription model PC only COGS
Product Creation Costs	20-22%	18-20%	+	<ul style="list-style-type: none"> Large scale single platform No licensing royalties Leverage current technology
Sales and Marketing	10-12%	10-12%	=	<ul style="list-style-type: none"> Both companies efficient
G/A	4-6%	6-8%	-	<ul style="list-style-type: none"> Blizzard's performance based incentive plan
Operating Margin	18-19%	24-25%*	+++	<ul style="list-style-type: none"> Subscription model Small but focused product lineup

*Standalone

Approximation of AB ranges to get to a 24-25% margin in CY08.

Integration Update



Sierra
Sierra Online
Vivendi Mobile

- Quickly eliminate unprofitable investments
- Apply Activision proven brand management process to Sierra product pipeline
 - Global appeal
 - Across major platforms
 - Sequel potential
 - Proven developer solution
 - High margin potential
- Focus on high-yielding opportunities
- Leverage combined scale

What We Have Done



Quickly Right Sized the Business

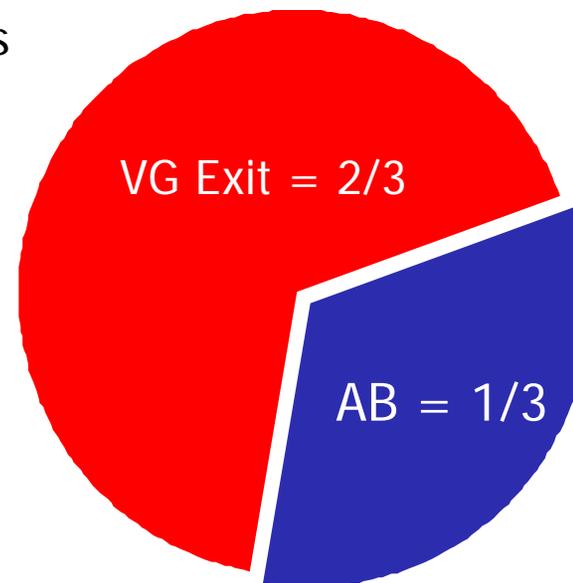
- Business Units – Exit unprofitable Mobile and Casual units
- Projects – Significantly reduced development projects from 20 to approx. 5 properties
 - kept proven properties like Crash and Spryo
- Development Resources – Downsize wholly owned studios from 4 to 2

Synergy Strategies

**Synergies
Between
\$100-\$150**

Eliminate redundancies/ reduce costs

- Headcount
- Facilities
- IT



Realize economies of scale

- COGS
- Sales and Marketing

Operating Margin Expansion



Market Opportunities

Portfolio Expansion

Operational Discipline

Gross Margin Expansion



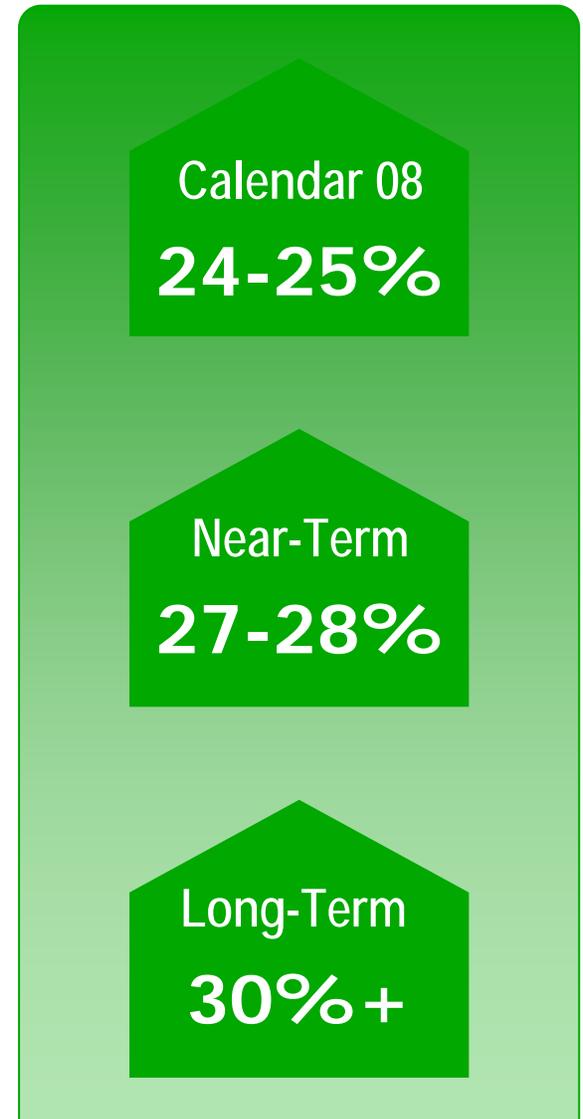
Operating Margin Objectives*

- Continued execution
- Mix improvement due to merger

- Ramp to higher margin next gen products
- Mix shift to more publishing
- Improved economics for WOW in China
- Supply chain synergies

- 1st Party royalty reductions
- Digital distribution
- Additional subscription based titles

*Non GAAP



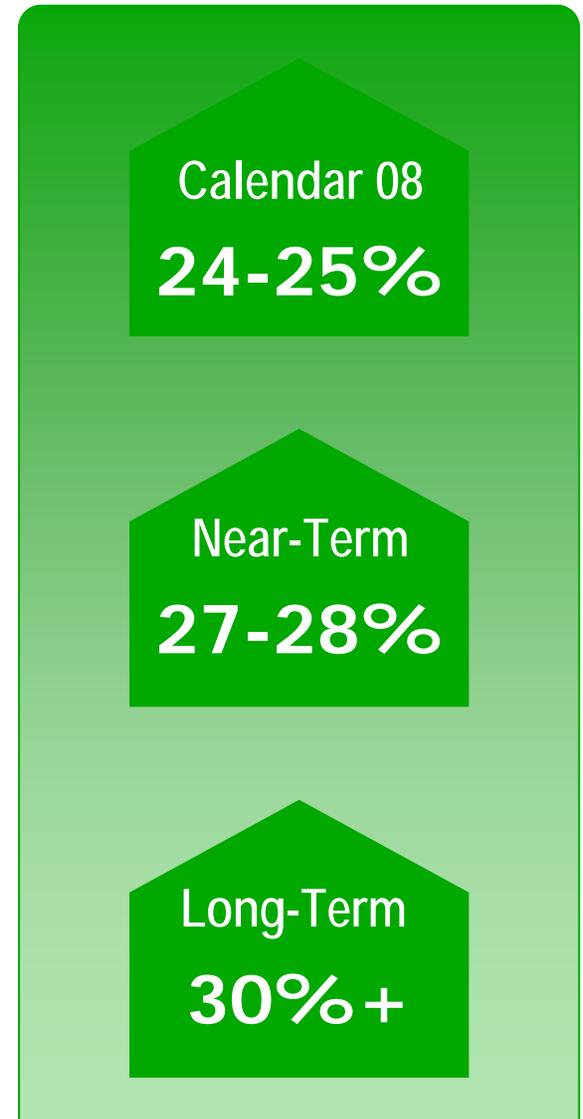
PCC Execution

- OI Margin focused studio incentive system
- Delivery of quality holiday lineup

- Optimizing the Development Cost equation
 - Sharing of technology, Outsourcing

- Cross function sharing of knowledge and resources ATVI/BLIZZARD

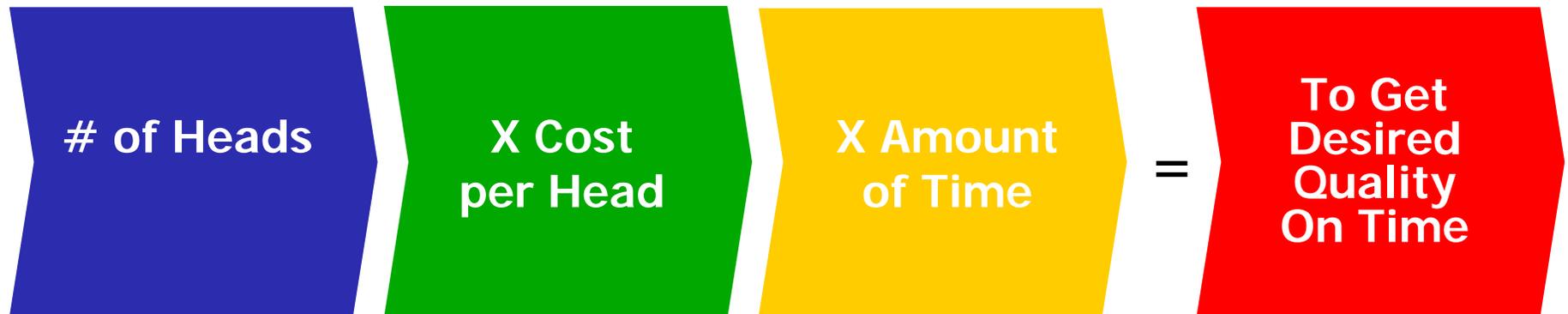
Operating Margin Objectives*



*Non GAAP

Development Cost Equation

On Quality, On Time, On Budget



Optimize Development Cost Equation

On Quality, On Time, On Budget



- Share tools and technology
- Technology proven when we ramp to full team size

COD Modern Warfare engine used in:

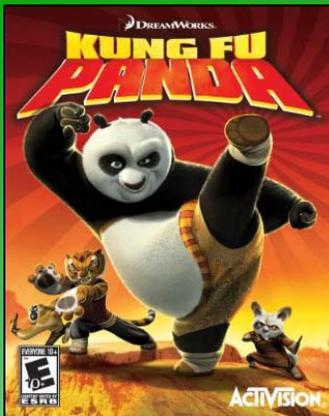


Optimize Development Cost Equation

On Quality, On Time, On Budget



- Outsourcing
- Offshoring



- First time China co-development
- ~25% - 30% Cost reduction
- Highest rated animated movie game

Optimize Development Cost Equation



On Quality, On Time, On Budget



- Three year franchise plans make us ready for innovation in advance
- Upstream Q/A
- Industry leading submission rates

#1 Industry Submission Record

ATVI 1st Party Submission Leader

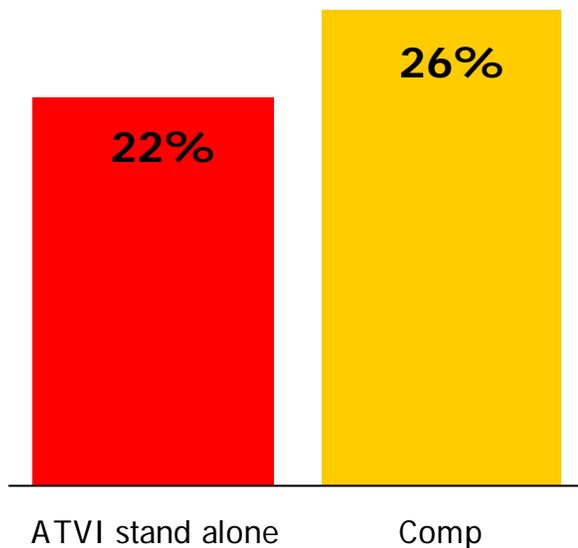
FY06	1.95
FY07	1.55
FY08	1.27
CY 08 to date:	1.14

Optimize Development Cost Equation

On Quality, On Time, On Budget



FY08 Product Creation Costs*



- Only publisher not to delay a game
- Shipped ALL movie games w/movie
- COD4 highly rated/best selling
- GH3 best selling game 2007
- Spiderman #1 movie title
- Kung Fu Panda highest rated animated movie title

*FYE 3/31

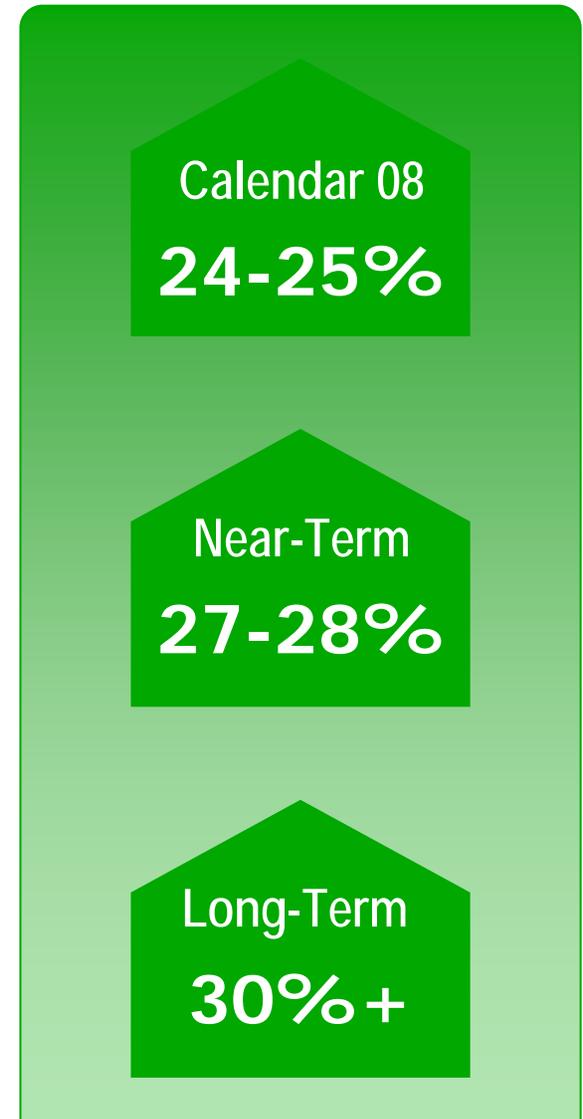
*ATVI estimates and analyst estimates

Sales & Marketing Execution



- Increasing shift to online advertising
- Marketing Synergy on buying power/variable spending reductions
- Cross marketing with COD/GH fan base/leverage CRM database
- Leverage Online Communities – extrapolate Blizzard practices to create strong consumer connection to brands

Operating Margin Objectives*



*Non GAAP

G&A Execution

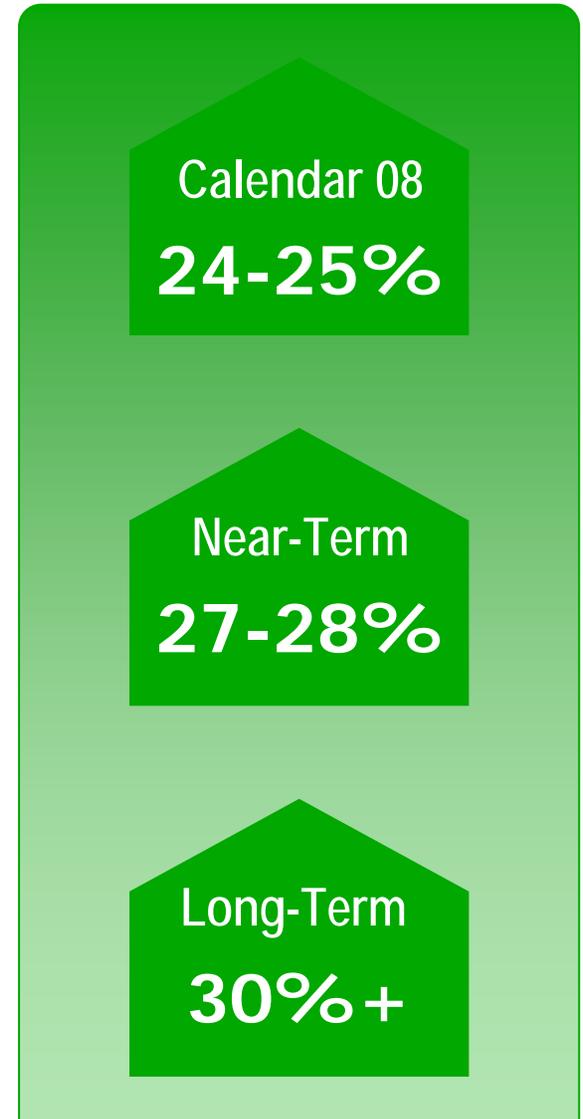


- Eliminate overlap
- Reduce costs: IT, facilities, headcount

- Procurement synergies
- Lower legal expenses

- Overhead to grow half the rate of revenues
- Continue to benefit from new larger scale

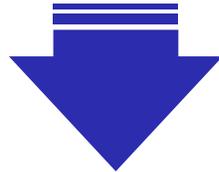
Operating Margin Objectives*



*Non GAAP

Cash Flow Generation

- Free cash flow generated in Fiscal 08
 - ATVI standalone \$544MM
- Post merger capex goes up but still relatively small



Goal: convert 85%+ of net income into free cash flow

Strong Cash Balance



\$3 Billion*

- Cash Balance is competitive advantage
 - Especially in current credit environment
 - Provides flexibility/ability to move quickly
- Disciplined M&A
- Share Repurchase under review

*Approximately

Key Takeaways From Today



- Large untapped market opportunity
- Strategy for continued portfolio expansion
- More profit, more leverage, more consistency
- Put cash to work

Operating margin expansion will drive shareholder value

ACTIVISION

BLIZZARD[®]